

Interest Rate Structure

Year	One year Deposit			Interest Rate Spread			Lending		One year Deposit			Lending	Real Interest Rate			CRR	Real Interest Rate	CPI	Weighted av. 91-days T-bills rate
	Highest	Lowest	average	High	Low	Average	Comm	Inflation	Deposit (Low)	Deposit (Avrg)	Deposit (High)	Comm Lendin	Deposit (High)	Deposit (Low)	Deposit (Avrg)	Comm Lendin			
1975	15.0	15.0	15.0	2.0	2.0	2.0	17.0	16.5	-1.5	-1.5	-1.5	0.5	-1.32	-1.32	-1.32	0.39	27.0	-1.32	15.5
1976	14.0	14.0	14.0	4.0	4.0	4.0	18.0	-0.6	14.6	14.6	14.6	18.6	14.74	14.74	14.74	18.77	27.0	14.74	15.4
1977	12.0	12.0	12.0	4.0	4.0	4.0	16.0	2.6	9.4	9.4	9.4	13.4	9.16	9.16	9.16	13.06	27.0	9.16	15.8
1978	12.0	12.0	12.0	4.0	4.0	4.0	16.0	11.4	0.6	0.6	0.6	4.6	0.55	0.55	0.55	4.14	29.0	0.55	17.6
1979	12.0	12.0	12.0	4.0	4.0	4.0	16.0	3.4	8.6	8.6	8.6	12.6	8.31	8.31	8.31	12.18	29.0	8.31	18.2
1980	12.0	12.0	12.0	4.0	4.0	4.0	16.0	9.3	2.7	2.7	2.7	6.7	2.43	2.43	2.43	6.09	29.0	2.43	19.9
1981	12.0	12.0	12.0	4.0	4.0	4.0	16.0	13.6	-1.6	-1.6	-1.6	2.4	-1.38	-1.38	-1.38	2.14	9.0	-1.38	22.6
1982	12.5	12.5	12.5	4.5	4.5	4.5	17.0	10.6	1.9	1.9	1.9	6.4	1.70	1.70	1.70	5.77	9.0	1.70	25.0
1983	12.5	12.5	12.5	4.5	4.5	4.5	17.0	14.0	-1.5	-1.5	-1.5	3.0	-1.32	-1.32	-1.32	2.63	9.0	-1.32	28.5
1984	13.5	12.5	13.0	3.5	4.5	4.0	17.0	6.3	7.2	6.2	6.7	10.7	6.76	5.82	6.29	10.05	9.0	6.29	30.3
1985	13.6	12.5	13.1	3.4	4.5	4.0	17.0	4.0	9.6	8.5	9.1	13.0	9.27	8.21	8.74	12.54	9.0	8.74	31.5
1986	12.5	12.5	12.5	8.5	8.5	8.5	21.0	15.9	-3.4	-3.4	-3.4	5.1	-2.91	-2.91	-2.91	4.42	9.0	-2.91	36.5
1987	12.5	12.5	12.5	8.5	8.5	8.5	21.0	13.4	-0.9	-0.9	-0.9	7.6	-0.82	-0.82	-0.82	6.68	9.0	-0.82	41.4
1988	12.5	12.5	12.5	8.5	8.5	8.5	21.0	10.9	1.6	1.6	1.6	10.1	1.47	1.47	1.47	9.14	9.0	1.47	45.9
1989	12.5	12.5	12.5	8.5	8.5	8.5	21.0	8.3	4.2	4.2	4.2	12.7	3.90	3.90	3.90	11.75	9.0	3.90	49.7
1990	12.0	12.0	11.5	9.0	9.0	9.5	21.0	9.7	2.3	2.3	2.3	11.3	2.14	2.14	1.68	10.34	12.0	1.68	54.5
1991	9.0	8.5	8.8	12.0	12.5	12.3	21.0	9.7	-0.7	-1.2	-1.0	11.3	-0.66	-1.12	-0.89	10.28	12.0	-0.89	59.8
1992	9.0	8.5	8.8	12.0	12.5	12.3	21.0	21.1	-12.1	-12.6	-12.3	-0.1	-9.97	-10.38	-10.18	-0.06	12.0	-10.18	72.4
1993	9.0	8.5	8.8	12.0	12.5	12.3	21.0	8.8	0.2	-0.3	-0.1	12.2	0.15	-0.31	-0.08	11.17	12.0	-0.08	78.8
1994	9.0	8.5	8.8	9.0	9.5	9.3	18.0	9.0	0.0	-0.5	-0.3	9.0	-0.01	-0.47	-0.24	8.25	12.0	-0.24	85.9
1995	9.5	8.0	8.8	9.5	11.0	10.3	19.0	7.7	1.8	0.3	1.1	11.3	1.69	0.29	0.99	10.51	12.0	0.99	92.5
1996	11.0	9.0	10.3	8.0	10.0	8.8	19.0	8.1	2.9	0.9	2.1	10.9	2.66	0.83	1.98	10.08	12.0	1.98	100.0
1997	11.0	9.0	10.0	7.0	9.0	8.0	18.0	8.1	2.9	0.7	1.9	9.9	2.66	0.83	1.76	9.16	12.0	1.76	108.1
1998	10.5	9.0	9.8	7.5	9.0	8.3	18.0	8.3	2.2	0.7	1.4	9.7	2.01	0.62	1.31	8.93	10.0	1.31	117.1
1999	9.5	7.3	8.4	7.5	9.8	8.6	17.0	11.4	-1.9	-4.1	-3.0	5.6	-1.67	-3.69	-2.68	5.07	10.0	-2.68	130.4
2000	7.8	6.0	6.9	8.8	10.5	9.6	16.5	3.4	4.4	2.6	3.5	13.1	4.23	2.54	3.39	12.70	10.0	3.39	134.8
2001	7.8	4.5	6.1	8.3	11.5	9.9	16.0	2.4	5.3	2.1	3.7	13.6	5.18	2.00	3.59	13.23	9.0	3.59	138.1
2002	7.0	3.5	5.3	9.0	12.5	10.8	16.0	2.9	4.1	0.6	2.4	13.1	3.99	0.59	2.29	12.73	9.0	2.29	142.1
2003	7.0	3.0	5.0	9.0	13.0	11.0	16.0	4.8	2.2	-1.8	0.2	11.2	2.11	-1.70	0.20	10.70	6.0	0.20	148.9

Source: Various Issues of BFS and QEB, NRB
Real Interest Rate = $[(1+r)/(1+p)-1]*100$ where, r is deposit rate of interest and p is inflation rate.

Appendix: E 2

Liquidity Requirement

Mid July	Current & Saving	Time	NRB	CB's Vault	CRR	SLR	Liquidity Requirement
1975			5	22	27	5	32
1976			5	22	27	0	27
1977			5	22	27	0	27
1978			7	22	29	0	29
1979			7	22	29	0	29
1980			7	22	29	0	29
1981			5	4	9	16	25
1982			5	4	9	16	25
1983			5	4	9	16	25
1984			5	4	9	16	25
1985			5	4	9	16	25
1986			5	4	9	0	9
1987			5	4	9	0	9
1988			5	4	9	0	9
1989			5	4	9	0	9
1990			8	4	12	0	12
1991			8	4	12	24	36
1992			8	4	12	24	36
1993			8	4	12	22	34
1994			8	4	12	0	12
1995			8	4	12	0	12
1996			8	4	12	0	13
1997			8	4	12	0	12
1998	8	6	7	3	10	0	10
1999	8	6	7	3	10	0	10
2000	7	4.5	6	3	10	0	10
2001	7	4.5	6	3	9	0	9
2002	7	4.5	6	2	9	0	9
2003			6	0	6	0	6

Source: 40 Years of the Nepal Rastra Bank and various Issues of Nepal Rastra Bank Economic Report