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## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made and entered on this 27<sup>th</sup> day of May, 2005 between:

1. **Agricultural Development Bank Limited, Nepal** (hereinafter referred to as "**ADBL**") a financial institution incorporated and existing under the law of Nepal, having its registered office at Ramshah Path, Kathmandu, Nepal, of the first part; and  
**Bank for Agriculture and Agricultural Cooperatives** (hereinafter referred to as "**BAAC**"), a financial institution incorporated and existing under the law of Thailand, having its registered office at 469 Nakornsawan Road, Dusit Bangkok, Thailand, of the second part.

### Whereas:

ADBL and BAAC desire to provide a basis for mutual cooperation to enhance institutional efficiency and human resources development in order to render services to rural people to reduce the incidence of poverty and to ensure the financial liability & sustainability of financial institutions;

ADBL and BAAC believe that mutual cooperation between ADBL and BAAC will benefit rural people in Nepal and Thailand;

ADBL and BAAC believe that mutual cooperation between ADBL and BAAC will result in an increase in working efficiency enabling Both Parties to serve rural people;

ADBL and BAAC believe that exchange of expertise between ADBL and BAAC will be mutually beneficial and will enhance business operations;

ADBL and BAAC believe that staff exchanges between ADBL and BAAC will ensure greater working efficiency;

ADBL and BAAC believe that mutual cooperation between ADBL and BAAC in utilizing modern information and communication technology (ICT) will enhance the capabilities of banking operations;

ADBL and BAAC believe that wholesale banking operations will help ADBL and BAAC in their outreach programs to cover large numbers of rural people especially women and vulnerable members of society ; and

ADBL and BAAC understand that it is in their common interest to share experiences, expertise, training facilities, state-of-the-art technology and business development practices used by them.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Both Parties hereby agree as follows:

## **Article 1 COOPERATION OF THE PARTIES**

- 1.1 In furtherance of their common interest, subject to the limitations provided in this MOU, ADBL and BAAC shall use best efforts to exchange and provide appropriate information in the area of banking development, staff training, human resources development, business development strategies, use of latest available technology for automation of banking operations through the use of smart, debit and or credit cards.
- 1.2 In furtherance of their common interest, ADBL and BAAC shall use their best efforts to work together to examine the possibility of cooperation with other relevant agencies in their respective countries in using business development to make ATM, Debit/Credit and Smart Cards, and other electronic transaction as one of the joint business activities for providing efficient services to the clients/customers as well as a source of earning for Both Parties as a provider of services of electronic business cards.
- 1.3 In furtherance of their common interest, ADBL and BAAC shall help each other in human resources development by promoting staff exchange to learn from each other on various aspects of banking operations.
- 1.4 In furtherance of their common interest, ADBL and BAAC shall learn from each other about strategies and operating systems for rural development
- 1.5 In furtherance of their cooperation ADBL and BAAC shall make efforts to use up-to-date information and communication technology (ICT) to enhance their operations as well as to provide the benefit of the advancement in ICT to their respective clients.

## **Article 2 LIMITATION**

This MOU is signed between ADBL and BAAC Therefore, Both Parties agree that this MOU should not be considered as legally binding between the Government of Nepal and the Government of Thailand.

## **Article 3 MUTUAL CONSULTATION**

Both Parties hereto shall settle in good faith and in a spirit of cooperation through mutual consultation between them on any and all questions arising from the implementation of this MOU.

## **Article 4 COST SHARING ARRANGEMENTS**

Cost sharing arrangements between ADBL and BAAC for training, staff exchange and other programs will be decided on case basis after mutual consultations.

**Article 5 DURATION**

- 5.1 This MOU shall be effective as of the date hereof 27th day of May 2005.
- 5.2 This MOU shall remain in force until Both Parties hereto agree to terminate this MOU in writing. Both Parties shall deliver such written notice sixty (60) days in advance of termination.

**Article 6 AMENDMENT**

Both Parties may amend this MOU from time as required by agreement of ADBL and BAAC.

In witness whereof, Both Parties hereto have caused this Memorandum to be executed and signed in duplicate in Bangkok in English language by their duly authorized representatives as of the date first above written.

**For  
Agricultural Development Bank (ADBL)**

**For  
Bank for Agriculture and  
Agricultural Cooperatives (BAAC)**

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**Yogeswor Pant  
Chief Executive Officer (General Manager)  
ADBL**

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**Thiraphong Tangthirasunan  
President  
BAAC**

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**Ghuran Thakur  
ADBL  
Witness**

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**Bendic Apraea  
Witness**