Early Warning System

IFC-37956

GTFP Global IME

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Quick Facts

Countries	Nepal
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2022-05-23
Borrower	GLOBAL IME BANK LIMITED.
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 500.00 million

Project Description

According to IFC, the proposed project involves establishing an unfunded short term trade finance facility with Global IME Bank Limited (“GIBL” or the “Bank) in Nepal under the Global Trade Finance Program (“GTFP” or “Program”) of IFC (the “Project”) with a carve out allocated towards climate smart trade finance. GTFP is IFC’s response to shortage of trade finance limits in developing economies such as Nepal and the project will support GIBL in addressing the demand and supply gap for its growing trade business.

The proposed project is expected to have both project level and market level development impact. The expected project-level outcome is improved access to Trade Finance for GIBL and its trade finance customers. The proposed GTFP facility will allow GIBL to connect with more global Confirming Banks (CBs) with better capacity which will help the Bank to process more transaction for its clients. Beyond the Project, IFC anticipates that GTFP improves overall market integration by (1) maintaining and expanding trade finance, financial linkages and trade across multiple markets through strengthening these bilateral correspondent banking connections; (2) serving as an enabling platform to make new connections between local and international banks and their customers; (3) channeling new sources of capital to support Emerging Markets and Developing Economies (EMDE) trade flow through demonstration and replication of successful correspondent banking connections and the trade finance program itself as a successful investment instrument.

People Affected By This Project

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Investment Description

- International Finance Corporation (IFC)

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Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Global IME Bank Limited (Financial Intermediary)

Private Actor Relationship

The promoter group, which consists of more than 3,000 individuals and companies, owns 51.35% of GIBL’s shareholding. The remaining ownership of 48.65% is held by public shareholders. GIBL shares are listed on the Nepal Stock Exchange and publicly traded.

Private Actors Description

According to the Global IME Bank, this bank emerged after successful merger of Global Bank Ltd (an “A” class commercial bank), IME Financial Institution (a “C” class finance company) and Lord Buddha Finance Ltd. (a “C” class finance company) in year 2012. Two more “B” class development banks (Social Development Bank and Gulmi Bikas Bank) merged with Global IME Bank Ltd in year 2013. Later, in the year 2014, Global IME Bank made another merger with Commerz and Trust Bank Nepal Ltd. (an “A” class commercial bank). During 2015-16, Global IME Bank Limited acquired Pacific Development Bank Limited (a "B" Class Development Bank) and Reliable Development Bank Limited (a "B" Class Development Bank). During 2019-20, Global IME Bank Limited acquired Hathway Finance Limited (a “C” class finance company), merged with Janata Bank Nepal Limited (an “A” class commercial bank) in year 2019 and merged with Bank of Kathmandu on January 9, 2023, to become the biggest bank in Nepal.

Global Bank Limited (GIBL) was established in 2007 as an ‘A’ class commercial bank in Nepal which provided entire commercial banking services. The bank was established with the largest capital base at the time with paid up capital of NPR 1.0 billion. The paid-up capital of the bank has since been increased to NPR 36.1287 billion. The bank's shares are publicly traded as an 'A' category company in the Nepal Stock Exchange.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org