Early Warning System

IFC-38761

WCS - NIC Asia Bank Nepal

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Quick Facts

Countries	Nepal
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2019-08-16
Borrower	NIC Asia Bank Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million

Project Description

According to the bank website, "the project will provide funding to the Bank to support the working capital needs of its clients, especially Small and Medium Enterprise (“SME”) clients in key sectors within Nepal’s economy."

Investment Description

- International Finance Corporation (IFC)

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.

- NIC Asia Bank Limited (Financial Intermediary)
- NIC Asia Bank Limited (Financial Intermediary) **is owned by** NIC Asia Bank (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

According to IFC, NIC Asia Bank was established on July 1998 as NIC Bank. The Bank merged with Bank of Asia Nepal in June 2013, to form NIC Asia Bank. It is the third largest private sector commercial bank in the country in terms of asset size. The Bank offers a range of financial services including corporate banking, retail banking, cash management, remittance, payment solutions, trade finance, treasury and correspondent banking, bank guarantee, and wealth management. The Bank is listed on the Nepal Stock Exchange, with 49% of ownership publicly traded and widely held. The remaining shares are owned by a group of individuals, including Ashok Kumar Agrawal (6.45%), Trilok Chand Agarwal (5.34%), Subhash Chandra Sanghai (5.24%).

Contact Information

NIC Asia Bank Limited
Bimal Lamsal
Head - Treasury
+977-5111181/82
bimal.lamsal@nicasiabank.com
Trade Tower, Thapathali, Kathmandu, Nepal
www.nicasiabank.com

ACCOUNTABILITY MECHANISM OF IFC

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/