Early Warning System

IFC-41302

WCS NMB Nepal

Early Warning System
WCS NMB Nepal

IFC-41302

Quick Facts

Countries	Nepal
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2018-07-01
Borrower	NMB BANK LIMITED
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million

Project Description

According to the IFC website, the project consists of a senior loan to be extended to NMB Bank Limited, Nepal. The NMB Bank Limited provides banking products and services to customers in Nepal. The funding to the Bank will support the working capital needs of its clients, especially Small and Medium Enterprise clients in key sectors within Nepal’s economy.

The proposed project is expected to increase access to working capital financing for SMEs in Nepal, which suffer from a significant gap between the current supply of finance and their demand for credit. It is expected that the growth of small and medium enterprises will facilitate business growth, job creation and income generation, especially in key productive sectors of the Nepalese 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.

- NMB Bank Limited (Financial Intermediary)

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

NMB Bank Limited provides banking products and services to customers in Nepal.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Beni Hydropower Project	Parent Company	Energy	owns	Upper Solu Khola Hydropower Plant (18MW)	Client	Energy
NMB Bank Limited	Investor	Finance	invests in	Beni Hydropower Project	Parent Company	Energy
NMB Bank Limited	Investor	Finance	invests in	HONGSHI SHIVAM CEMENT PVT.	Parent Company	Construction
NMB Bank Limited	Investor	Finance	invests in	Upper Solu Khola Hydropower Plant (18MW)	Client	Energy

Contact Information

For inquiries about the project

NMB Bank Limited
+977-01-4246160
Babarmahal, Kathmandu, PoBox - 11543

For inquiries and comments about IFC

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

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/