

 Early Warning System

IFC-49688

NMB Bond I



## Quick Facts

<b>Countries</b>	Nepal
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2024-10-09
<b>Borrower</b>	NMB Bank Limited
<b>Sectors</b>	Energy, Finance, Industry and Trade, Transport
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 40.00 million
<b>Loan Amount (USD)</b>	\$ 40.00 million



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## Project Description

As stated by the IFC, the proposed investment consists of up to US\$50 million equivalent in Nepalese Rupees (NPR) in a 5-year, privately placed, green bond (the Green Bond) to be issued by NMB Bank Limited (NMB or the Bank), an existing IFC client, to facilitate its lending program to eligible climate assets (the Project). IFC subscription of the green bond will be up to a maximum of US\$40 million and IFC will invite other investors to subscribe to the green bond for an additional minimum amount of US\$10 million, with IFC acting as an anchor investor. The proposed Green Bond will be the first by any institution in Nepal. This will also be the first time that foreign investors would be subscribing to a bond issuance by a local issuer. The proposed investment would contribute to developing the long-term (LT) debt capital market, along with climate financing, which are both at nascent stages in Nepal.

The eligible climate assets include 50% EV- retail and distribution and 50% solar- rooftop and utility scale.



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## Early Warning System Project Analysis

The IFC categorized the project risk as FI-2.



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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.

- [NMB Bank Limited](#) (Financial Intermediary)



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### Private Actors Description

As stated by the IFC, NMB Bank Limited (NMB) is a private commercial bank in Nepal with headquarters in Kathmandu. Originally established as a 'C' class financial institution (Non-bank Finance Companies) in 1996, NMB graduated to an 'A' Class financial institution (Commercial Banks) in 2008, the first company in the Nepalese financial sector to successfully achieve such elevation in standing. NMB Bank is listed on the Nepal Stock Exchange. The promoter group owns 51.00% of the bank's shareholding. The remaining 49.00% shares are held by the public.



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## Contact Information

### Financial Intermediary - NMB Bank Limited:

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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](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>