

Nepal Credit and Commerce Bank Limited: Ratings Withdrawn

January 03, 2024

Summary of rating action:

Facility/Instrument	Rated Amount	Rating Action
Issuer rating	NA	[ICRANP-IR] BBB&*; withdrawn
Subordinated Debenture (9.5% NCC Debenture 2086)	NPR 3,000 million	[ICRANP] LBBB&; withdrawn

*The symbol '&' indicates Rating Watch with Developing Implications. Please refer [here](#) for further details on rating watch and its implications

Rating Action

ICRA Nepal has withdrawn the issuer rating of [ICRANP-IR] BBB& (pronounced ICRA NP issuer rating triple B) assigned to Nepal Credit and Commerce Bank Limited (NCC). ICRA Nepal has also withdrawn the [ICRANP] LBBB& (pronounced ICRA NP L triple B) assigned to NPR 3,000 million subordinated debentures of NCC.

Rationale

The ratings assigned to NCC have been withdrawn considering the completion of the merger process of the bank with Kumari Bank Limited and the start of joint operations from January 1, 2023. The withdrawal of the ratings has been done in accordance with ICRA Nepal's policy on withdrawal of credit rating. ICRA Nepal does not have any information to suggest that the credit risk has changed since the time the ratings were last reviewed.

Key rating drivers

Key rating drivers have not been captured as the ratings are being withdrawn.

Analytical approach: For arriving at the ratings, ICRA Nepal has applied its rating methodologies as indicated below.

Links to the applicable criteria:

[Bank Rating Methodology](#)

[ICRA Nepal's Policy on Withdrawal of Credit Rating](#)

Bank Profile

Nepal Credit and Commerce Bank Limited (NCC), formerly registered as Nepal Bank of Ceylon Limited (NBOC), commenced its operations from October 14, 1996, as a joint venture with Bank of Ceylon, Sri Lanka. Its name was changed to Nepal Credit and Commerce Bank Limited on September 10, 2002, after the transfer of shares and management to the Nepalese promoters from Bank of Ceylon. NCC underwent a merger in FY2017 with four regional BFIs to raise its paid-up capital in line with the revised requirement. NCC had a ~51:49 promoter-public shareholding ratio. The bank merged with Kumari Bank limited (KBL) at the share swap ratio of 1:1.

Links to the previous detailed rating rationales:

[Rationale – NCC Bank Update on merger November 2022](#)

[Rationale – NCC Bank Ratings Surveillance April 2022](#)

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About ICRA Nepal Limited

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Our parent company, ICRA Limited, was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment information and credit rating agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies.

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