

Bank of Kathmandu Limited: Issuer rating and debenture rating for matured instrument withdrawn

January 23, 2024

Summary of rating action

Facility/Instrument	Rated Amount	Rating Action
Issuer rating	NA	[ICRANP-IR] BBB+%; withdrawn
Subordinated Debenture (8% Bank of Kathmandu Debenture 2079)	NPR 600 million	[ICRANP] LBBB+%; withdrawn
Subordinated Debenture (8.5% Bank of Kathmandu Debenture 2086)	NPR 1,600 million	Rating continues to be monitored under Global IME Bank.

*The symbol '%' indicates Rating Watch with Positive 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ICRA Nepal has withdrawn the issuer rating of **[ICRANP-IR] BBB+%** (pronounced ICRA NP issuer rating triple B plus) assigned to Bank of Kathmandu Limited (BOK). ICRA Nepal has also withdrawn the **[ICRANP] LBBB+%** (pronounced ICRA NP L triple B plus) assigned to NPR 600 million subordinated debentures (upon maturity of instrument) of BOK, while the rating for the bank's NPR 1,600 million subordinated debentures, continues to be monitored under the ratings of the merger partner bank i.e. Global IME Bank Limited (GBIME).

Rationale

The aforementioned ratings assigned to BOK have been withdrawn considering the completion of the merger process of the bank with Global IME Bank Limited and the start of joint operations from January 09, 2023.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Key rating drivers have not been captured as the ratings are being withdrawn.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

Bank of Kathmandu Limited (BOK), was a class A commercial bank, operating since March 1995. The bank was promoted by individual promoters related to business and industrial houses and was managed by a team of experienced bankers and professionals. As of mid-July 2021, BOK's major shareholders included Employees Provident Fund Nepal (~15%), Mangal Kalash Investment Pvt. Ltd. (~4%), Citizen Investment Trust Nepal (~3%), Mr. Ran Bahadur Shah (~2.5%), Mr. Dambar Bahadur Malla (~2%) among others. The bank merged with Global IME Bank Limited (GBIME) at the share swap ratio of 1:1 and the joint operations was started from January 09, 2023.



Link to the previous rating rationale:

[Rationale – Bank of Kathmandu Update on merger July 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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