Press Release

USD 40 Million Risk-Sharing Facility Agreement between Siddhartha Bank and the IFC

Asoj 13, 2083, Kathmandu

Siddhartha Bank Limited (SBL) and the International Finance Corporation (IFC), a member of the World Bank Group, exchanged an agreement for a USD 40 million risk-sharing facility under IFC's Small Loan Guarantee Program (SLGP). By sharing 50 percent of the risk on eligible MSME loans provided by Siddhartha Bank, the IFC strengthens Siddhartha Bank's capacity to expand its lending to micro, small and medium enterprises (MSMEs) across Nepal. This arrangement is part of IFC's first risk-sharing initiative in Nepal. It is supported by a pooled guarantee from the IDA Private Sector Window Blended Finance Facility.

"The USD 40 million partnership with IFC on the risk-sharing facility marks a significant step in expanding our MSME portfolio. It strengthens our capacity to finance more small businesses across the country at a time when they are navigating a challenging economic environment. By growing our lending to this vital sector while upholding our prudent lending standards, we aim to encourage entrepreneurs, create jobs and contribute to Nepal's inclusive growth," said Mr. Rameshwar Prasad Bashyal, CEO-Siddhartha Bank Limited.

The agreement adds to a long-standing relationship between Siddhartha Bank and the IFC. In 2014, SBL joined IFC's Global Trade Finance Program, which connected the Bank's trade customers to a global network of correspondent banks. In 2023, Siddhartha Bank borrowed a USD 55 million syndicated loan facility from the IFC, the first foreign-currency syndicated loan to Nepal's financial sector. Siddhartha Bank has also partnered with the IFC through advisory to build institutional capacity in risk management, gender finance, digital finance, and climate finance.