

 Early Warning System

DFC-2023-SIDDHARTHABANK

Siddhartha Bank Limited



Quick Facts

Countries	Nepal
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	Siddhartha Bank Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 125.00 million



Project Description

According to the Bank's website, the Borrower will use the funds to originate new loans to MSMEs in Nepal. The funds will enable the Borrower to extend financing worth up to \$125 million, reaching approximately 1,700 MSMEs and supporting sustainable economic growth.

This Project is expected to have a positive development impact in Nepal by helping to address the country's financing gaps for micro, small, and medium enterprise ("MSMEs"), which is estimated to be approximately \$3.6 billion, or 17% of GDP. The Project will particularly target women-owned and -led MSMEs, which disproportionately face hurdles in accessing finance such as insufficient assets to satisfy collateral requirements and a lack of tailored and/or affordable products.



Early Warning System Project Analysis

DFC direct loans to financial institutions for MSME on-lending are screened as a Category FI-C for environmental and social assessment. These direct investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those investments have been pre-screened as Category C and further review and consent is not required for these investments.

A desk-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of lending to MSMEs in Nepal, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated.



Investment Description

- US International Development Finance Corporation (DFC)

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.

- [Siddhartha Bank](#) (Financial Intermediary)



Private Actors Description

Siddhartha Bank Limited is one of the largest private Commercial Bank in Nepal. It started operation in Dec 2002 and has 196 branches and 226 ATMs all across the nation with its head office in Kathmandu which provides entire commercial banking services and remittance services.

The bank's shares are publicly traded as an 'A' category company in the Nepal Stock Exchange.



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#)