

 Early Warning System

IFC-50986

LS Senior Loan



### Quick Facts

Countries	Nepal
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2025-08-15
Borrower	Laxmi Sunrise Bank Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million



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### Project Description

According to the Bank's website, the proposed investment is a 3-year, US dollar (US\$)-denominated, amortizing senior loan of up to US\$20 million to Laxmi Sunrise Bank Limited (LSL), the sixth-largest private commercial bank in Nepal. Approximately 50% of the loan proceeds will be allocated for on-lending to micro, small, and medium-sized enterprises (MSMEs) in Nepal, including underserved rural MSMEs, while at least 50% (US\$10 million) will be earmarked for climate financing (the Project). The Project aims to support the recovery of small businesses that have been disproportionately affected by the COVID-19 pandemic and subsequent economic slowdown through its MSME-focused use of proceeds. Additionally, the Project's green financing component will help expand the Bank's portfolio of eligible climate finance assets, with a focus on renewable energy (beyond hydropower projects) and electric vehicles, contributing to Nepal's sustainable development goals.



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## Early Warning System Project Analysis

The lending business of the Laxmi Sunrise Bank Limited (LSL or the Bank) involves full spectrum of long-, medium- and short-term products for corporate finance, project finance, MSMEs, syndications, and several commercial and consumer retail products. IFC loan is targeted towards MSMEs (50%) and Climate (50%). The asset class to be supported by IFC could include sectors like construction and manufacturing with industries ranging from cement, brick kilns, and utility scale solar projects. The potential E&S risks within these sectors include labour working conditions including accommodation, legal non-compliance and community impacts, occupational health and safety concerns, especially regarding contractors, Gender-Based Violence and Harassment (GBVH), supply chain issues and pollution and waste management. Hence, the E&S risk of the proposed investment is medium, and the Project is categorized as FI-2 according to IFC's Policy on Environmental and Social Sustainability.



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### Investment Description

- International Finance Corporation (IFC)

The project is a 3-year, US dollar (US\$)-denominated, amortizing structure senior loan of US\$20 million. The project is intended to be used for on-lending to micro, small, and medium enterprises (SMEs) in Nepal with a 50% carveout for green financing.

### 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.

- [Laxmi Sunrise Bank Limited](#) (Financial Intermediary)



## Private Actors Description

*Laxmi Sunrise Bank Limited* (LSL) is a Class “A” commercial bank in Nepal, formed on July 14, 2023, through the merger of Laxmi Bank (established in 2002) and Sunrise Bank (established in 2007). LSL is the sixth-largest commercial bank in Nepal, with total assets of USD 3.1 billion as of April 2025. LSL is listed on the Nepal Stock Exchange with a public float of 48.95% and the remaining owned by promoters.



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## Contact Information

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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>