



Press release

First SIFEM investment in Nepal – and first cooperation between SIFEM and SDC

Berne, 9 December 2021. The Swiss Investment Fund for Emerging Markets (SIFEM) made its first investment in Nepal, a focus country of Switzerland's development cooperation. SIFEM supports NMB Bank Limited with a loan of USD 12 million that will be used for lending to local businesses. This investment will give micro, small and medium enterprises (MSMEs) access to finance and will contribute to the development of the local financial sector. This transaction was made possible by a guarantee provided to SIFEM by the Swiss Agency for Development and Cooperation (SDC).

NMB Bank Limited, headquartered in Kathmandu, is one of the leading commercial banks in Nepal. The bank operates in all provinces through 163 branches and serves around 30,000 borrowers and one million depositors. Over the past years, NMB has had steady portfolio growth and shown resilience amid a challenging operating environment.

SIFEM's loan to NMB Bank Limited will give the Bank flexibility to provide long-term financing to MSMEs. This will support the overall resilience and recovery of the economy and preserve jobs.

First financial cooperation between SIFEM and SDC

Ambassador Thomas Gass, Assistant Director General of the SDC, stressed the importance of the newly established cooperation between SIFEM and SDC: "Thanks to a guarantee programme provided by the SDC, SIFEM should be able to invest more in Least Developed Countries such as Nepal." In the case of NMB Bank Limited, SDC provides a first loss guarantee of up to 30% of the amount lent to the Bank, mainly to cover macroeconomic risks. The positive effect of this guarantee is amplified by synergies with other components of the Swiss development programme in Nepal.

SIFEM's Chairman, Jörg Frieden, also highlighted the importance of this new investment: "We are pleased that SIFEM was able to make its first investment in Nepal, a focus country of Switzerland's development cooperation. The country has been hit by the pandemic and its private sector is suffering acutely from the crisis."

Contact: Simon Denoth, SIFEM Head of Public Affairs, sdenoth@obviam.ch, +41 31 310 09 38

Swiss Investment Fund for Emerging Markets (SIFEM) – www.sifem.ch

SIFEM, the **Development Finance Institution (DFI)** of the Swiss Confederation, was established in its current form in 2011. SIFEM is wholly owned by the Swiss Government. The shareholder rights are exercised by the **Federal Council**, whilst the **State Secretariat for Economic Affairs (SECO)** remains in close contact with the **SIFEM Board of Directors** and **Obviam**, the Fund Manager.

SIFEM is an important instrument for fostering **private sector development** in **emerging and developing markets**, complementary to other measures of economic development cooperation by the Swiss Government.

As an **impact investor**, SIFEM provides financial support to **commercially viable small and medium-sized enterprises (SMEs) and fast-growing local companies**, which in turn helps to **create jobs** and **reduce poverty**. At the end of 2020, SIFEM had made **commitments** totalling **USD 1.147 billion**. SIFEM has invested directly and indirectly in over **500 companies** across more than **70 countries**. The investee companies are supported in complying with and exceeding the requirements of internationally-recognised **environmental, social and governance standards (ESG)**.