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Sumitomo Mitsui Banking Corporation

SMBC Strengthens Social Commitment: Executes Social Loan Transaction with Svatantra Microfin Private Limited

SMBC extends two-year Social Loan to Svatantra Microfin Private Limited, India's 2nd Largest Microfinance Institution in terms of Assets Under Management.

Mumbai, 16 April 2024: Sumitomo Mitsui Banking Corporation (“SMBC”) has signed a bilateral INR 1 billion (equivalent to approximately USD 12 million) Social Loan Facility for Svatantra Microfin Private Limited (“Svatantra”) through its Mumbai Branch in India. The proceeds from this Social Loan will be channelled towards on-lending to women and women-led small and medium-sized businesses under the joint liability groups (JLG) model in India. This collaborative effort underscores both Svatantra and SMBC’s commitment towards driving financial inclusion, as well as promoting sustainable development across communities.

Since its establishment in 2012, Svatantra’s mission is to provide accessible financial services to the underserved and unbanked population of the society, with a strong focus on rural women entrepreneurs. Svatantra, along with its wholly owned subsidiary, Chaitanya India Fin Credit Limited (“Chaitanya”), has a team of more than 18,000 employees and the business serves over 4.2 million customers across 19+ Indian states.

SMBC acted as the sole lender and social loan coordinator for this loan. Svatantra developed a social loan framework in accordance with the Social Loan Principles, a set of high-level frameworks of market standards and guidelines which provides a consistent methodology for use across the social loan market.

Commenting on the transaction, **Mr. Hiroyuki Mesaki, Country Head of SMBC India**, stated “The deal with Svatantra expands SMBC’s reach to underserved communities, and showcases our commitment towards creating social value and strengthening the local community. This financing will also enable SMBC to deepen its engagement in the microfinance sector, which is crucial for driving inclusive growth”.

Mr. Rakesh Garg, Chief Business Officer, SMBC India, adds “We are excited to collaborate with Svatantra in their mission to promote financial inclusion and empower marginalized communities. With our shared values and commitment to driving meaningful impact, we are confident that the transaction will contribute to the sustainable development of the communities we serve.”

This collaboration not only reinforces SMBC’s reputation as a responsible corporate citizen but also positions itself as a proactive player in addressing societal challenges. In line with its sustainability mission, Sumitomo Mitsui Financial Group (“SMFG”), the holding company of SMBC has publicly committed to investing a cumulative total of JPY50 trillion into sustainability related financing globally by 2030.

About SMBC

Headquartered in Tokyo, Sumitomo Mitsui Banking Corporation (SMBC) is a leading global financial institution and a core member of Sumitomo Mitsui Financial Group (SMBC Group). Built upon its rich Japanese heritage since 1876, it puts customers first and provide seamless access to, from and within the Asia Pacific region.

SMBC is one of the largest Japanese banks by assets, with over ¥238,700 billion in total assets and strong credit ratings across our global integrated network spanning 39 countries and territories, 15 of which are here in the region. Its regional reach extends from corporate and institutional companies to individual customers supported by our Multi-Franchise Strategy in Indonesia, India, Vietnam and the Philippines. The Bank works closely as one SMBC Group to offer personal, corporate and investment banking services to meet the needs of customers.

With sustainability embedded within its strategy and operations, the Bank is committed to creating a society in which today's generation can enjoy economic prosperity and well-being and pass it on to future generations.

To learn more, visit: www.smbc.co.jp/asia