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RBL Bank, NeoGrowth and OPIC Sign Commitment for SME Financing to Retail Businesses in India

- *Innovative technology to ease lending to under-served markets*

Mumbai, October 07, 2016: RBL Bank Limited, NeoGrowth Credit Pvt. Ltd and Overseas Private Investment Corporation (OPIC), the U.S. Government's development finance Institution have jointly committed to provide financing for small and medium enterprises (SMEs) in the Indian retail space.

RBL Bank, one of India's fastest growing private sector banks, will lend to NeoGrowth to enable it to provide loans to SMEs excluded from mainstream funding. This financing will be backed by a \$5 million loan guarantee from OPIC.

NeoGrowth, a non-banking finance institution, uses innovative technology to serve the funding requirements of SMEs, which do not get loans easily from commercial banks owing to their small size, inadequate credit history and lack of collateral. RBL Bank's loan will allow NeoGrowth to provide loans ranging from Rs. 200,000 to Rs. 75,00,000 to the retail SMEs.

Vishwavir Ahuja, Managing Director and CEO of RBL Bank said, "We are happy to partner with OPIC, one of the world's leading development financial institutions, in further expanding our existing relationship with NeoGrowth. As a bank, we have stayed focused on serving the needs of India's growing SME sector, especially the emerging segments including organised retail, e-commerce, logistics and consumer services. This financing structure — leveraging OPIC's strengths and RBL Bank's India expertise — will enable NeoGrowth to steadily lend to industries and segments that have good growth potential and enable these entities to grow to the next level."

"OPIC is committed to helping underserved small businesses gain access to the loans they need to grow their businesses," said **Elizabeth L. Littlefield**, OPIC President and CEO. "In the retail sector in India, many small businesses can't simply go to a bank and get a loan — their businesses aren't large enough or don't have a credit history. With the help of OPIC and RBL Bank, NeoGrowth will use its innovative technology to invest in these small retail businesses, helping them to grow and thrive."

“We were wondering how to mobilise additional resources to lend to our customers, and the OPIC loan guarantee backed arrangement with RBL Bank will help extend our reach and serve many more customers,” said **Piyush Khaitan**, Founder and Managing Director of NeoGrowth. “Over 50% of small businesses in India are denied credit using traditional credit-assessment, and NeoGrowth reaches out to them. Enabling first-time borrowers and women entrepreneurs is an area of special focus for NeoGrowth”

Photo:-



*Seated (L-R) **Piyush Khaitan**, Managing Director & Founder of NeoGrowth, **Jim Polan**, Vice President of Small and Medium Enterprises at OPIC, and **R. Gurumurthy**, Head Risk and Governance at RBL Bank during the signing ceremony in Washington, USA*