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Citi, JICA Co-finance Funding for IndusInd Bank towards Agriculture Sector

Co-financing from Citi and JICA to improve access to finance for farmers and raise agriculture productivity

Tokyo/Mumbai -- Citi and the Japan International Cooperation Agency (JICA) have announced a co-financing loan to IndusInd Bank Limited (IndusInd Bank), an Indian private commercial bank. This includes a USD 30 million loan by Citi and JPY 13 billion loan by JICA. This high impact social finance offering that Citi arranged for IndusInd Bank is expected to improve financial access for farmers and catalyze capital investment in the agricultural sector in India.

Per Government data, the agricultural sector is an important part of the Indian economy, accounting for approximately 17% of GDP and 45% of employment. As the need to raise agricultural productivity to improve farmers' incomes increases, there is also an urgent need to improve access to finance to stimulate capital investments in the agricultural sector.

IndusInd Bank, one of the country's leading private financial institutions has presence in key agro centres across rural and semi urban locations of India. This project will support the efforts of IndusInd Bank in strengthening its lending to the agricultural sector by leveraging its presence in rural areas. In this new collaborative agreement, Citi acted as the co-financing lender, arranger, coordinator, and facility agent.

"This social financing to IndusInd Bank will be used by farmers to purchase farm equipment, crops, seeds, and fertilizers, as well as by small agricultural supply chain service providers. This transaction, in which Citi collaborates with JICA, marks our first structured co-financing arrangement to support India's agricultural sector," said K Balasubramanian, Head of Corporate Bank for Citi in South Asia covering India, Bangladesh, and Sri Lanka.

This agreement highlights Citi and JICA's support for strengthening food security in the country through funding the agricultural sector and sustainable food systems.

Citi's has committed $1 trillion to sustainable finance by 2030, as well as expanding access to basic services for 15 million underserved and low-income households, including 10 million women. This financing contributes to Goals 1, 8, and 17 of the Sustainable Development Goals (SDGs), reducing disparities in India by helping improve financial access to projects that contribute to solving agricultural issues. It also helps contribute to food security amid concerns of high food prices and supply shortages due to instability in the global situation.

Media Contacts:

Corporate Affairs
Citi Japan
03-6776-5112