ECD/M&PRD/PR/01/2025-84 October 20, 2025

State Bank of Pakistan and International Finance Corporation Sign Agreement to Strengthen Local Currency Lending in Pakistan

The State Bank of Pakistan (SBP) has partnered with the World Bank Group, through its private sector arm, the International Finance Corporation (IFC), to expand local currency financing and support private sector growth in Pakistan.

Through an ISDA agreement, the partnership will enable IFC to manage currency risks more effectively and increase its investments in Pakistani rupees. This is an important step towards unlocking financing for critical sectors of the economy and creating jobs across the country.

“Promoting private sector growth in Pakistan is paramount to successful, sustainable economic development of the country,” said Mr. Jameel Ahmad, the Governor State Bank of Pakistan. “The partnership with IFC aims to enhance financing opportunities for the private sector.”

“With currency volatility posing significant risks to developing economies, access to local currency financing has never been more important,” said John Gandolfo, IFC Vice President and Treasurer, Treasury & Mobilization. “Promoting this type of financing is a strategic priority for the World Bank Group and a catalyst for economic growth in Pakistan.”

Exchange rate risks pose a significant challenge for companies in developing economies that borrow in hard currencies, such as the U.S. dollar, while earning revenue in local currencies. Addressing this currency mismatch is essential not only to strengthen local businesses’ ability to mitigate risks and maintain financial resilience, but also to support broader economic stability.

IFC is committed to leveraging innovative financial instruments and strengthening partnerships to address the growing need for local currency financing in emerging markets. Through this partnership with IFC, SBP aims to bolster economic resilience, promote private sector development and improve foreign exchange liquidity in Pakistan.

About SBP

State Bank of Pakistan is the central bank of the Islamic Republic of Pakistan and is incorporated under the State Bank of Pakistan Act, 1956. The Bank's primary responsibility is to achieve and maintain domestic price stability, to contribute to the stability of financial system of Pakistan and to support governments general economic policies with a view to contributing to fostering the development and fuller utilization of Pakistan's productive resources.

For more information, visit https://www.sbp.org.pk

Stay Connected with SBP on social media

About IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2025, IFC committed a record $71.7 billion to private companies and financial institutions in developing countries, leveraging private sector solutions, and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit www.ifc.org.

Stay Connected with IFC on social media.

*****