

IFC provides \$50m to Prime Bank to support trade, forex liquidity

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Online Desk: To support export and import-based businesses in coping with global uncertainties induced by the Covid-19 pandemic, International Finance Corporation (IFC) is providing \$50 million to Prime Bank Limited in Bangladesh. This IFC funding will support working capital, trade finance, and foreign exchange liquidity needs of export and import based entities borrowing through Prime Bank's Offshore Banking unit, UNB reports.

The financing package is part of IFC's "Fast Track Covid-19 Facility" – a package designed to support countries and private sectors to cope with the impacts of the pandemic under the Working Capital Solutions (WCS) program, according to a media release issued on Monday. IFC has provided a total of \$310 million in working capital solutions to banks in Bangladesh and liquidity support to companies since the beginning of the pandemic, including this latest funding to Prime Bank. Since 2010, IFC has invested over \$3.6 billion to help the private sector in Bangladesh grow.

This IFC engagement with Prime Bank will also be supported by the International Development Association's Private Sector Window Blended Finance Facility. Commercial banks are the largest providers of working capital and foreign exchange trade finance support to manufacturing and infrastructure businesses, key drivers of Bangladesh's economy. Unexpected turbulence in the global markets has restrained foreign exchange liquidity in the market. With this funding, Prime Bank is expected to extend loans to its export and import-based customers, helping keep businesses afloat, resume exports and preserve jobs.

"IFC's support reflect resilience of Bangladesh economy and confidence in Prime Bank. IFC has been a valuable partner of Prime Bank since 2014 and this relationship helps us to significantly expand our OBU business. We are really thankful to IFC for its continued support. This fresh funding of USD 50 million targeted for SME clients will help us to grow SME portfolio of the bank," said Managing Director & CEO of Prime Bank, Hassan O. Rashid.

"It is clear the impacts of Covid-19 are still being felt by a number of businesses in Bangladesh's key industries, effectively constraining their operating ability," said Allen Forlemu, Regional Industry Director, Financial Institutions Group, IFC. "This funding package is designed specifically to help ensure businesses in Bangladesh can continue to trade and have access to working capital, helping them maintain operations and preserve jobs. Small and medium-sized businesses, which are the backbone of the country, and have been particularly impacted by the pandemic, are expected to benefit the most from this IFC funding."