

 Early Warning System

IFC-35798

WCS Dhaka Bank



## Quick Facts

<b>Countries</b>	Bangladesh
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2017-02-27
<b>Borrower</b>	Dhaka Bank Ltd.
<b>Sectors</b>	Finance
<b>Ring Fence</b>	Small & Medium Enterprises
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 20.00 million
<b>Loan Amount (USD)</b>	\$ 20.00 million



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## Project Description

According to IFC website, the project consists of a short-term loan (Working Capital Solutions, WCS) for up to \$20 million and a \$35 million guarantee under Global Trade Finance Program, GTFP to Dhaka Bank Limited to support the foreign currency needs of SMEs in Bangladesh. The financing provided is a fit with the World Bank and IFC strategy of promoting economic growth by providing access to finance to underserved market segments and promoting international trade, thereby leading to improved competitiveness, job retention and creation.

The Bank commenced operations on April 06, 1995 and has total assets of \$2.48 billion as of September 30, 2016.



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## Investment Description

- International Finance Corporation (IFC)

The present Board Chairman of the Bank, Mr. Reshadur Rahman, is a prominent local businessman with involvement to real estate, trading, shipping, chemicals and logistics businesses. Dhaka Bank is publicly listed on Dhaka and Chittagong Stock Exchanges. It has a diversified shareholding with 36.5% of shares owned by the general public and 24.2% by local institutions. Around 39.1% of shares is held by the sponsors/directors and 0.2% is held by foreign investors.

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Dhaka Bank Limited](#) (Financial Intermediary)
- [DHAKA BANK LTD.](#) (Financial Intermediary) **is owned by** [Dhaka Bank](#) (Parent Company)



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## Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.



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### Contact Information

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### ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>