

 Early Warning System

IFC-37955

WCSS Pubali Bank



Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2018-06-19
Borrower	Pubali Bank Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	\$ 30.00 million



Project Description

The project comprises of an investment of up to USD 50 million Working Capital Solutions (WCS) and USD 30 million Global Trade Finance Facilities (GTFP) with Pubali Bank Limited (PBL or the Bank). The investment intends to (i) support the MSME growth strategy and (ii) expand the USD denominated trade business through the Bank's Offshore Banking Unit. The financing provided is a fit with IFC country strategy of creating access to finance for SMEs and financial inclusion through investments in FIs.

Pubali Bank Limited is the largest conventional (non shariah) commercial bank in Bangladesh with an asset size of USD 4.2 Bn which represents ~5% of private commercial bank assets in Bangladesh and a deposit base of USD 3.2 Bn. It is a universal bank providing corporate, SME and retail banking services.



Investment Description

- International Finance Corporation (IFC)

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.

- [Pubali Bank Limited](#) (Financial Intermediary) **is owned by** [Pubali Bank](#) (Parent Company)



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.

Private Actors Description

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Originally incorporated in 1959 under the name of “Eastern Mercantile Bank Limited” under Companies Act 1913, Pubali Bank Limited (The Bank) was renamed after privatization on 30 June, 1983. The Bank is listed on both Dhaka and Chittagong Stock Exchanges. Around 30% is held by the directors & sponsors and 46.16% by the general public. The Board consists of 13 Directors including 1 Independent Director. The Chairman of the Board is Mr. Habibur Rahman.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Pubali Bank Limited	Client	-
Pubali Bank	Investor	Finance	invests in	Bsrm Steels Ltd	Parent Company	Mining



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. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>