Early Warning System

IFC-39690

WCS Prime II

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Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-06-09
Borrower	Prime Bank Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million

Project Description

The proposed project consists of a short-term loan (Working Capital Solutions, WCS) for up to $50 million to Prime Bank Limited (the Bank or Prime Bank) to support the foreign currency needs of small and medium enterprises (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 17, 1995 and has total assets of $3.3 billion as of December 31, 2016.

Investment Description

- International Finance Corporation (IFC)

The present Board Chairman of the Bank, Mr. Azam J Chowdhury is also the Chairman of East Coast Group, a diversified conglomerate focused on Energy Sector for more than three decades. He is also engaged to several tea plantation businesses. Prime Bank is publicly listed on Dhaka and Chittagong Stock Exchanges. It has a diversified shareholding with 33.5% of shares owned by the general public and 27.3% by local institutions. Around 38.8% of shares is held by the sponsors/directors and 0.4% 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.

- Prime Bank Limited (Financial Intermediary)
- PRIME BANK LTD. (Financial Intermediary) **is owned by** Prime 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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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/