

 Early Warning System

IFC-39706

WCS BRAC III



### Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-12-20
Borrower	BRAC Bank Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Amount (USD)	\$ 40.00 million



---

### Project Description

The project consists of a short-term loan (Working Capital Solutions, WCS) for up to \$40 million to BRAC Bank Ltd. (the Bank or BRAC 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 was established in 2001 to assist the development of rural SMEs whose financial needs were not met by the conventional banking channels and has total assets of \$3.5 billion as of September 30, 2017.



---

## People Affected By This Project

1. Improved Access to Credit: The Project will increase access to finance for credit-constrained, export-oriented companies and SMEs to meet working capital requirements. It will also expand financial intermediation. IFC's investment will further support business growth and spur job creation in the SME and export-oriented segments.
2. Boost Export Competitiveness: IFC's investment will help to accelerate economic growth in Bangladesh by providing SMEs and exporters with trade finance solutions to their working capital requirements, and help them pay for imports needed in the value chain.



---

## 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.

- [BRAC Bank Limited](#) (Financial Intermediary)
- [BRAC Bank Limited](#) (Financial Intermediary) **is owned by** [BRAC](#) (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

The Bank was established in 2001 to assist the development of rural SMEs whose financial needs were not met by the conventional banking channels and has total assets of \$3.5 billion as of September 30, 2017.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
BRAC	Investor	Finance	invests in	City Seed Crushing Inds Ltd	Parent Company	Agriculture and Forestry



---

## Contact Information

### 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/>