

# FMO

Entrepreneurial  
Development  
Bank

BANGLADESH, FINANCIAL INSTITUTIONS

# GREEN SME FINANCE IN BANGLADESH

**COMPANY**

IDLC Finance Limited

**SECTOR**

Financial Institutions

**TOTAL ASSETS**

US\$ 871 mln

GREENLINE FINANCING TO SUPPORT YOUNG BUSINESSES

IDLC Finance focuses on financing sustainable business by supporting SMEs via funding and also encouraging greener business practices. FMO is supporting this goal by providing long tenor loans and additional sustainable business advice.



## IMPACT AND PERFORMANCE



Target in 2015 for direct green finance: US\$ 12.5 mln



Major focus areas:

- Renewable Energy
- Energy Efficiency
- Green Industry
- Fire & Safety Management
- Waste Management

## INVESTMENT INFORMATION

### NAME

IDLC Finance Limited

### SECTOR

Financial Institutions

### TOTAL ASSETS

US\$ 871 mln

### TOTAL LOAN PORTFOLIO

US\$ 680 mln of which 88% dedicated to SMEs

### AMOUNT ARRANGED

US\$ 20 mln

### FMO INVEST

US\$ 20 mln

### YEAR OF INVEST

2014

### FINANCIAL PRODUCT(S) USED

FMO-A senior unsecured facility

### TENOR

5 years

### SUPPORTING YOUNG ENTREPRENEURS

Over the past few years, the Bangladesh Bank has engaged the country's financial sector in the promotion of inclusive, environmentally sustainable financing. This has helped the Bangladesh economy to maintain over 6% annual average GDP growth from 2011-2014.

However, the population is relatively young, so in order for this expanding labor force to find employment, opportunities need to be created by both public and private sector, and as such IDLC has identified SMEs as an area of focus. The company is also committed to sustainable business practices and strong financial performance. Over the past 30 years IDLC has become the largest multi-product multi-segment Non-Banking Financial Institution in Bangladesh and one of the blue-chip companies on local stock markets. The business which started in 1986 with five staff members has today evolved into a multi-product US\$750 million business. IDLC is today represented in 31 branches & booths in 15 cities with over 1,200 staff.

### LEADING GREEN BANKING

IDLC has created a Green Banking Unit (GBU) as one of its major priority sectors and now recognized as one of the market leaders in promoting the Green Banking Concept in Bangladesh. This has led to some key achievements including energy project financing for five power projects with the capacity of 377 MW to improve energy access. Another Solar Nano Grid project will produce 300 KW of electricity for 20,000 people living in off-grid areas. Apart from IDLC's drive on sustainable energy, five LEED

certified green industry buildings equipped with state-of-the-art technology are receiving green finance. IDLC is the first in the financial industry in Bangladesh to publish a sustainability report since 2011 revealing its commitment and ambition to become a carbon neutral company.

### FINANCING CHANGE

FMO has been additional by providing IDLC with a longer tenor loan than available in the commercial market. IDLC was thus enabled to also offer longer tenors to its SME clients. FMO's assistance in developing an Environment and Social Management System has really set the bar high and has given IDLC a right focus for the coming years.

IDLC understands that with global development and global warming, green banking plays a significant role in protecting our existence, and wants to impart this knowledge and best practice to its clients.

FMO is the Dutch development bank. FMO has invested in the private sector in developing countries and emerging markets for more than 45 years. Our mission is to empower entrepreneurs to build a better world. We invest in sectors where we believe our contribution can have the highest long-term impact:

financial institutions, energy and agribusiness. Alongside partners, we invest in the infrastructure, manufacturing and services sectors. With an investment portfolio of EUR 8 billion spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally. [www.fmo.nl](http://www.fmo.nl)