

BRAC Bank to finance different SME clusters

Mohammad Ali

BRAC Bank has moved to finance different specific clusters of trade across Bangladesh, enabling them to strongly stand on their own foot and to revamp their business. The concentrated clusters of trade include loom, cane and light engineering, officials said.

"For the cluster-wise finance, we have already searched the number and kinds of such particular trade developed in different regions of the country. We will finance them one by one," Abdur Rahman, Head of SME Banking of BRAC Bank, told the FE in an exclusive interview Thursday.

Even if the traders or entrepreneurs,

having practical knowhow about their specific business, don't qualify the existed criteria for SME loan, we have a plan to bring them under the finance by 'making new SME products', if necessary, the bank officials said.

"It is a vast area. If our plan of financing them based on their demands comes true, the sectors, many of which are at stake, can regain their earlier status, strengthening the local as well as the national economy," Mr Rahman hoped.

In a question, he said that the entrepreneurs responded to the recent move of the bank with huge enthusiasm and expectation.

The number of such concentrate-trade throughout the country may be

20-22 that include loom in Belkuchi of Sirajganj, Thankapor (an entire sheet of woven fabric) in Madhobdi, light engineering in Bogra, colloq in Bandarban and cane in Moulavibazar, he said.

The bank's instruction still remains to its officials to inform the head office if any other such trade-cluster exists anywhere in the country, he added.

An event for launching such a programme recently has already been scheduled in Faridpur, Mr Rahman said.

BRAC Bank's another major vision is to carry its banking services to the

Continued to page 16

BRAC Bank to finance

Continued from page 9

rural areas of the country using its mobile banking service-'bKash'.

Finding the innovative unbanked entrepreneurs in the remote areas, where even our bank's branch and unit office are absent, we want to finance them by IT and mobile banking services so that they can strengthen their business, fostering the whole economic development.

The head of SME Banking, however, said that their SME finance cannot be carried to the targeted people to the extent of their expectation due to absence of necessary database and statistics about the small entrepreneurs and enterprises across the country.

The government, specially the central bank, can take an initiative to collect and prepare such a database, significantly helping the SME loan providers to rapidly

carry their services to all the small and medium entrepreneurs in a planned way, the Head of SME Banking of the largest SME bank in the country said.

Such database can also be used to take other effective decisions on various economic and development issues, Mr Rahman added.

Though BRAC Bank's journey is in 2001, it actually started giving SME loan in the last of 2005.

Theoretically, it is a scheduled commercial bank. But the bank since its inception focused on financing specially the country's small enterprises, he said.

In this short period of time till now, the bank disbursed SME loan of about Tk 200

billion to 0.4 million entrepreneurs, indicating the bank's highest level of commitment to finance to the small entrepreneurs, he said.

In the last six months, a total of Tk 24 billion of SME loan was provided to 28,000 customers including repeated and new ones, he said.

Currently, it has 154 branches, 400 SME unit offices, over 300 ATM booths, more than 1500 POS terminals, about 7,000 full-time and part-time employees and a total of 1.2 million customers across the country.

Expressing the bank's strong commitment to the women entrepreneurs and the agriculture sector, he said, "We highly focused on these sectors."