



Government of the People's Republic of Bangladesh
Ministry of Finance
Economic Relations Division
Asia-1 Branch
Sher-e-Bangla Nagar, Dhaka
www.erd.gov.bd



PRESS RELEASE

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A Loan Agreement of USD 300 (Three Hundred) million was signed on 26 February 2021 between the Government of the People's Republic of Bangladesh (GOB) and the Asian Infrastructure Investment Bank (AIIB) to assist in financing the project '**Bangladesh COVID-19 Emergency and Crisis Response Facility Project**'. The project has been taken up at the initiative of the Finance division, Ministry of Finance and it will be implemented by the Bangladesh Bank.

Ms. Fatima Yasmin, Secretary, Economic Relations Division, Ministry of Finance and Mr. D.J. Pandian, Vice President, Investment Operations Region 1, AIIB signed the financing agreement on behalf of their respective sides.

The purpose of this loan is to provide budget support for the activities undertaken under the stimulus package announced by the government of Bangladesh to address the effects of the global epidemic caused by COVID-19. As part of the package, the government has announced low-interest loans to SMEs and cottage industries to help the small and medium enterprises and cottage industries recovering from the effects of the global epidemic. The purpose of this loan obtained from AIIB will be realized by providing direct financial assistance to these activities.

The loan is repayable in 08 years with a grace period of 03 years. The interest rate is 0.84% per annum on the withdrawn credit balance and payable Front end Fee is 0.25% and Commitment Fee is 0.25 % on un-withdrawal balance.

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