



# WE OFFER Innovative, Need-Based SME Loans

Ali Reza Iftekhar  
Managing Director and CEO, Eastern Bank

**The Daily Star (TDS):** How do you assess the current state of the MSME sector in Bangladesh, and what role do you think banks can play in accelerating its growth?

**Ali Reza Iftekhar (ARI):** The Micro, Small, and Medium Enterprise (MSME) sector forms the backbone of our economy, representing the vast majority of the industrial landscape of Bangladesh while contributing immensely towards employment

**Not only do we provide loans to micro industries through our own sources, but we also partner with numerous NGOs across Bangladesh in order to maximise the number of customers reached.**

generation, poverty alleviation, rural industrialisation, revenue growth, and overall GDP expansion. Banks can play a significant role in accelerating the growth of the MSME sector by providing access to finance through tailored financial products and streamlined loan application processes; assisting MSMEs with capacity building by conducting financial literacy programmes to promote financial inclusion; and facilitating technological adoption via the promotion of digital

financial services. All in all, banks can play a pivotal role in unlocking the full potential of the MSME sector in Bangladesh by empowering MSMEs to overcome financial barriers and improve their operational efficiency to reach new heights.

**TDS:** What are the major challenges MSMEs face in accessing finance, and how is your bank addressing these issues—especially for micro and cottage industries?

**ARI:** Despite significant growth of the MSME sector in Bangladesh, the sector does face challenges in accessing finance, as gaps still exist between capital requirements and the loan provisions of banks, thus hindering the sector's ability to expand and invest. MSMEs often have limited access to formal credit, mainly because entrepreneurs possess low financial literacy, inadequate credit history, and a lack of business expertise. Banks, on the other hand, tend to pursue high collateral requirements, charge high interest rates and fees, and sometimes even lack suitable financial products to cater to the specific needs of MSMEs.

Eastern Bank addresses these issues with innovative propositions and need-based SME loan products that are mostly collateral-free in nature. We charge competitive interest rates compared to our peer banks and offer

excellence in service, resulting in customer delight across all channels. Not only do we provide loans to micro industries through our own sources, but we also partner with numerous NGOs across Bangladesh in order to maximise the number of customers reached.

**TDS:** Does your bank have any dedicated products, financial literacy programmes, or credit guarantee schemes targeted at MSMEs? Please share key initiatives.

**ARI:** Our bank has several dedicated and need-based loan products, financial literacy programmes, and credit guarantee schemes targeted at MSMEs. Our SME loan designed for women entrepreneurs, named "EBL Mukti," is the country's highest collateral-free loan for women-owned businesses. Our SME loan "EBL Startup Explorer," targeted towards financing start-ups involved in the development of new products or services, has supported multiple notable customers across Bangladesh. Our SME loan "EBL Utkorsho" is designed for business acceleration with mortgage-free loans of up to a staggering BDT 1.5 crore. EBL has been hosting financial literacy programmes across Bangladesh for the past three years, with the objective of creating awareness and understanding of financial concepts among

customers. EBL has also participated in credit guarantee schemes under the guidance of Bangladesh Bank since their inception and has successfully registered over 100 MSMEs under these schemes to date. The bank has achieved the assigned targets under the stimulus fund, the women's fund, and the BDT 25,000 crore fund for CMSMEs.

**TDS:** How has your bank leveraged technology or digital banking solutions to improve outreach and services to MSMEs, particularly in semi-urban and rural areas?

**ARI:** While it is seemingly impossible to reach semi-urban and rural areas solely through traditional banking channels, leveraging technology and digital banking solutions has significantly improved outreach and services to MSMEs. EBL Skybanking, our all-in-one mobile banking application, offers cutting-edge banking solutions to customers around the clock. EBL aspires to elevate the customer experience with engaging advertisements and digital media marketing, supported by a strong presence across social media platforms such as Facebook, Instagram, YouTube, LinkedIn, and others.

**TDS:** What steps is your institution taking to support women-led MSMEs and promote financial inclusion among underrepresented segments?

**ARI:** We are working towards reducing gender disparity by encouraging women's representation in business leadership positions and fostering inclusive environments for women-led MSMEs. We offer "EBL Mukti" loans of up to BDT 1 crore, which are collateral-free up to BDT 50 lakh. EBL promotes financial inclusion by

offering entrepreneurship development services through the "EBL Women Banking Portal," a one-stop platform for women entrepreneurs. We have also signed agreements with the Bangladesh Women Chamber of Commerce & Industry and the Chittagong Women Chamber of Commerce & Industry. All of this is a testament to EBL Women Banking's commitment to making women entrepreneurs feel valued, respected, and empowered to succeed.

**TDS:** Looking ahead, what policy reforms or collaborative efforts between banks and the government would you recommend to ensure sustainable development of Bangladesh's MSME ecosystem?

**ARI:** Looking ahead, to ensure the sustainable development of Bangladesh's MSME ecosystem, a combination of policy reforms and collaborative efforts between banks and the government is crucial. The framework for loan disbursements to MSMEs needs to be simplified, and regulatory hurdles and compliance costs must be reduced. This also includes standardising loan application procedures and ensuring timely loan approvals for MSMEs.

The government, in alliance with Bangladesh Bank, should create new refinancing funds that provide low-interest loans and partial credit guarantees to banks for lending to export-oriented MSMEs adopting eco-friendly technologies. Lastly, the promotion of digital payment systems and mobile banking must be amplified to enhance financial inclusion for MSMEs in remote areas. This will help reduce transaction costs and improve their access to finance.

## ছোট ছোট পদক্ষেপে স্বপ্নগুলো সত্যি হবে

লাগেছে ক্ষুদ্র উদ্যোগের সেবা, সাহস আর অগ্রগতি পরিচয় আত্মা পতিশীল হচ্ছে দেশের অর্থনীতি।  
মন্ত্রাবাসর ব্যবসায় পরিকল্পনাভিত্তিক বাস্তবে রূপ দিতে ২০ বছর ধরে অর্ধায়ন ও বৈশিষ্ট্যপূর্ণ  
সহযোগিতা নিয়ে পাশে আছে আইডিএলসি। একসাথে আমাদের এই কুশির বিভিন্ন আগামীতে এগিয়ে  
যাবে আত্মা বহন - আজ আন্তর্জাতিক এসএমএসই দিনে এই আত্মার প্রতিশ্রুতি।

■ ২ দশকের  
বিস্তৃতি ও নির্ভরতার নিশ্চয়তা

■ দেশের বিভিন্ন স্থানে পৌঁছেছে  
১ লক্ষাধিক  
কণ সেবা

■ ৫৫,০০০+  
কুটির, মাইক্রো ও ক্ষুদ্র উদ্যোগ  
পেয়েছেন পাশে থাকার প্রতিশ্রুতি

■ ৭,৫০০+  
নারী উদ্যোগ এগিয়ে  
যাচ্ছেন স্বপ্নপূরণের পাশে

■ সাহসী উদ্যোগের সঙ্গী হয়ে  
ভাঁঘের অগ্রগতির জন্য  
২৫,০০০+ কোটি  
টাকা রূপ বিতরণ