

## **CDC Group agrees \$50 million trade finance risk sharing facility with HBL Bank UK (HBL UK)**

**27 July 2021:** CDC Group, the UK's development finance institution and impact investor, has announced a \$50 million risk-sharing facility with HBL UK, the majority-owned subsidiary of HBL, Pakistan's largest private sector bank. The facility will increase HBL UK's capacity to support trade with local banks and trade supply chains across South Asia and Africa.

As COVID-19 continues to disrupt trade in goods and commodities, CDC and HBL UK's facility will provide critical credit support to ensure consumers have access to essential goods and services. It will boost the import of food and agricultural commodities, metals, machinery and other essential resources. The risk-sharing facility will increase economic opportunities across a wide socio-economic strata and support businesses despite the impact of COVID-19 on economic activity, particularly in markets where HBL has a strong regional presence such as Pakistan, Bangladesh and Sri Lanka.

This latest commitment from CDC builds on an existing partnership with HBL that spans over five years. It is aligned with the common goal of both organisations of extending financial inclusion across South Asia. The facility will also help HBL UK broaden its reach across Africa, allowing it to provide liquidity to local banks and keep economic activities flowing – much needed support at a time when local banks and businesses struggle to access foreign exchange.

Admir Imami, Director, Head of Trade & Supply Chain Finance, CDC, said: "We are thrilled that CDC's facility to HBL UK will strengthen the bank's ability to offer necessary support to local financial institutions, banks and business that are sustaining local economies and meeting basic consumer needs. CDC is committed to focusing its capital toward helping to mitigate the impact of the pandemic throughout Asia and Africa's markets, even as Covid-19 exacerbates existing pressures on trade finance. We are pleased that our partnership with HBL UK will help address the financing gap to local businesses, sustain supply chain and trade flows, and ensure communities and businesses can recover and grow."

Andreas Ponce de Leon, Chief Executive Officer, HBL UK, added: "We are proud of the partnership between HBL UK and CDC. At HBL, we are centred on our customers' needs and that means supporting the communities in which we operate and do business. This partnership will help us sustain growth in our core markets. By supporting local banks, we facilitate access to trade finance needed by growing business, and thereby we help boost exports, create new jobs, promote financial inclusion and underpin economic growth."