Early Warning System

FMO-55170

BAI TUSHUM BANK CJSC

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Quick Facts

Countries	Kyrgyzstan
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Voting Date	2019-03-19
Borrower	BAI TUSHUM BANK CJSC
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.00 million
Loan Amount (USD)	$ 5.00 million
Project Cost (USD)	$ 5.00 million

Project Description

According to FMO website under this project the provided loan is allocated to Bai Tushum Bank (“BTB”) in Kyrgyzstan with the purpose of providing stable medium term funding in local currency to finance BTB's loan portfolio and improve the balance sheet structure of the bank.

Project Objectives

The funds will be used to finance a combination of Micro clients and women/youth/rural agricultural SME clients of the bank.

Environmental and social rationale

The project has been categorised as Category C in accordance with FMO’s Sustainability Policy. The Project’s activities are deemed to have minimal or no adverse environmental and social risks and/or impacts.

Investment Description

- Netherlands Development Finance Company (FMO)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Bai Tushum Bank (BTB) (Financial Intermediary) **is owned by** Bai Tushum Bank (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

Bai Tushum Bank (“BTB”) is a top-10 mid-sized universal bank with focus on MSME/Retail in the Kyrgyz Republic. With ~700 staff the bank operates a countrywide network. Their mission is to help their country, society, citizens and businesses by means of providing understandable, affordable and innovative financial solutions.

Contact Information

- FMO has implemented an Independent Complaints Mechanism which allows external parties to file a complaint concerning projects financed by FMO.https://www.fmo.nl/independent-complaints-mechanism

- Bai Tushum Bank (“BTB”) http://www.baitushum.kg/en/

Bank Documents

- Project Description