

 Early Warning System

IFC-37300

BasisBank I



Quick Facts

Countries	Georgia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-09-18
Borrower	BasisBank JSC
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	\$ 10.00 million
Loan Amount (USD)	\$ 10.00 million



Project Description

According to IFC website, the project consists of two products: (i) a revolving 1-year senior loan for an amount of up to US\$10 million; (ii) IFC Global Trade Finance Program (GTFP) with initial limit of up to US\$2 million. The project would provide trade-related working capital financing to support local SME exporters and importers.

The project is expected to provide increased access to financing for SMEs. On the macro level this will help sustain both import flows of basic goods required by Georgia and critical inputs for the export sector and on the micro level, provide assistance to SMEs to better manage cash flows and assist them to grow competitively in regional and global markets, supporting domestic job creation and diversifying the country's economic base. By providing support to a smaller sized bank the Project is expected to assist in diversifying the banking sector in Georgia.



Investment Description

- International Finance Corporation (IFC)

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.

- [BasisBank JSC](#) (Financial Intermediary)
- [BasisBank JSC](#) (Financial Intermediary) **is owned by Hualing Group** (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

JSC BasisBank was incorporated in 1993 as a commercial bank by several Georgian individuals. In 2008, 15% of the Bank's shares were acquired by EBRD. In 2012 the majority stake of the Bank was acquired by the Chinese Hualing Group from its local shareholders. In 2014, EBRD exercised its put option and exited the Bank. As of December 2016 Hualing Group holds a majority 92.78% share in the Bank. Mr. Mi Zaiqi, a Member of Supervisory Board, holds 7% of the Bank's shares, while BasisBank's current Management Board holds the rest.



Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>