



Mongolia: Senior Loans to XacBank and TenGer Financial Group for Supporting Micro, Small, Medium-Sized Enterprises and Leasing Finance

Project Name	Senior Loans to XacBank and TenGer Financial Group for Supporting Micro, Small, Medium-Sized Enterprises and Leasing Finance			
Project Number	47930-001			
Borrower/Company	TENGER FINANCIAL GROUP XACBANK			
Country	Mongolia			
Location				
Approval Number	7402/3103, 7401/3102			
Type or Modality of Assistance	7401	Loan	USD 30.00 million	Committed
	7402	Loan	USD 10.00 million	Committed
Strategic Agendas	Inclusive economic growth			
Drivers of Change	Private sector development			
Sector / Subsector	Finance - Banking systems and nonbank financial institutions - Inclusive finance - Small and medium enterprise finance and leasing			
Gender Equity and Mainstreaming				
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Portfolio Management Division, PSOD			
Responsible ADB Officer	Gunawardhena, Manohari			
Project Sponsor(s)	TENGER FINANCIAL GROUP (TFG)			
Description	The proposed unsecured senior loans to XacBank for up to \$30 million and to TFG (for onlending to XacLeasing) for up to \$10 million will support Mongolian MSMEs through subloans made by XacBank and through leases provided by XacLeasing.			
Objectives and Scope				
Linkage to Country/Regional Strategy	ADB conducted an evaluation of ADB assistance to the financial sector. Based on this analysis, and in view of looming challenges and opportunities, it put forward recommendations for future operations. These included (i) considering nonsovereign equity investments in and loans to Mongolian banks by ADB to strengthen operational capacity; (ii) supporting rural finance by using banks to channel credit to meet the gap in the supply of rural finance in the country; (iii) providing longer-term loans to meet and promote the needs of SMEs; and (iv) supporting the development of nonbank and capital market sectors.			

Safeguard Categories

Environment	FI-C
Involuntary Resettlement	FI-C
Indigenous Peoples	FI-C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Timetable for assistance design, processing and implementation

Concept Clearance	02 Sep 2013
Due Diligence	
Credit Committee Meeting	06 Nov 2013
Approval	12 Dec 2013
PDS Creation Date	21 Jan 2014
Last PDS Update	01 Oct 2014

Project Page	https://www.adb.org/projects/47930-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=47930-001
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