Early Warning System

ADB-57132-001

Bogd Bank Financing Micro, Small and Medium-Sized Enterprises and Promoting Green Lending Activities Project

Bogd Bank Financing Micro, Small and Medium-Sized Enterprises and Promoting Green Lending Activities Project

Quick Facts

Countries	Mongolia
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-02-20
Borrower	Bogd Bank JSC
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Loan Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 15.00 million

Project Description

According to the project diclosure, the ADB will provide a senior unsecured loan of up to $15 million with a tenor of up to 3 years to Bogd Bank to fund subloans to MSMEs. The ADB Loan comprises two tranches: (a) tranche A of $14 million for multi-sector finance to MSMEs with a minimum of 50% to be disbursed to WMSMEs; and (b) tranche B of $1 million for climate finance to MSMEs.

By improving access to finance, the project will support the expansion of MSMEs and diversification of the economy, which will contribute to employment and poverty reduction in Mongolia. The project will also promote green lending activities to MSMEs.

Early Warning System Project Analysis

The ADB categorized the project E&S risks as follows:

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

Investment Description

- Asian Development Bank (ADB)

As stated by the ADB, out of the US$ 15.00 million, US$ 1.00 million will be provided by the Canadian Climate Fund for the Private Sector in Asia II (CFPS II), a fund fully administered by the ADB.

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.

- Bogd Bank JSC (Financial Intermediary)

Private Actors Description

As stated by the ADB, established in 2014, Bogd Bank became the first publicly listed bank on the Mongolian Stock Exchange (MSE) in December 2021. From a small base, Bogd Bank achieved a CAGR of 45.1% in total assets from 2017 to 2022—significantly higher than the industry average of 9.2%. As of the second quarter of 2023, Bogd Bank had total assets of MNT589 billion, including MNT284 billion in gross loans. Bogd Bank is a small bank, accounting for about 1% of the banking industry's total assets. The bank has increased its focus on MSME lending to women in manufacturing, trade, agriculture, health care, and businesses.

Contact Information

ADB Team Leaders:

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Peter Rosenkranz - Financial Sector Specialist

No contacts provided at the time of disclosure.

Financial Intermediary - Bogd Bank JSC:

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Gender Assessment and Action Plan
- Preliminary Poverty and Social Analysis
- Project Disclosure PDF
- Report and Recommendation of the President