

 Early Warning System

ADB-57215-001

Khan Bank Green Bond Investment Project



Quick Facts

Countries	Mongolia
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-01-30
Borrower	Khan Bank JSC
Sectors	Agriculture and Forestry, Climate and Environment, Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million
Loan Amount (USD)	\$ 20.00 million



Project Description

According to the ADB, the proceeds on the green bonds will be used by Khan Bank JSC for the financing of eligible sub-projects in line with KHB's Green Bond Framework (GBF). The project will help promote (i) domestic capital markets through the first green thematic bond issue listed on the MSE, (ii) affordable green investment financing across Mongolia, and (iii) women borrowers' access to green finance.



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)

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.

- [Khan Bank](#) (Financial Intermediary)



Private Actors Description

As stated by the ADB, Khan Bank was established in 1991 and was previously known as the Agriculture Bank of Mongolia. It was owned by agricultural cooperatives, herdsmen, and farmers. It was privatized in 2003 and renamed Khan Bank in a post-Soviet effort to privatize the banking sector. Although privatized, it continues to maintain a focus on reaching the underserved in rural areas with inclusive finance as a priority in strategy and planning. Khan Bank is Mongolia's largest bank in terms of total assets, loans, and deposits—with market shares of 23% (total assets), 23% (loans), and 26% (deposits) as of the end of December 2013. The largest shareholder of Khan Bank is Sawada Holdings Co. Ltd. (SHC), which holds 41.3%. SHC is a Japan-based holding company engaged in securities, banking, commodities, real estate, and venture capital. SHC is listed on the Osaka Stock Exchange and had total assets of \$3.0 billion at the end of December 2013. Tavan Bogd Trade Co. Ltd. owns 23.0% of Khan Bank. The Tavan Bogd Group is one of the largest private conglomerates in Mongolia, with 12 affiliated companies, engaged in retail and wholesale, travel and tourism, manufacturing, and food production.



Contact Information

ADB Team Leader:

Biao Huang - Principal Investment Specialist, ADB Private Sector Operations Department

No contacts provided at the time of disclosure.

Financial Intermediary - Khan Bank JSC:

Address: Chinggis Avenue-6, Stadium Orgil-1, Khan-Uul District, 15 khoroo, Ulaanbaatar 17010, Mongolia

Email: help@khanbank.com

Website: <https://www.khanbank.com/personal/home/>

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

- [Preliminary Poverty and Social Analysis](#)
- [Project Disclosure PDF](#)