Early Warning System

ADB-59184-001

Khan Bank Rural Inclusive Finance and Agriculture Value-Addition Project

Early Warning System

ADB-59184-001

Khan Bank Rural Inclusive Finance and Agriculture Value-Addition Project

Quick Facts

Countries	Mongolia
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2025-12-04
Borrower	Khan Bank JSC
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to the Bank’s website, the ADB funded transaction will provide a senior loan to Khan Bank for on-lending to (i) rural businesses, including micro, small and medium-sized enterprises (MSMEs), women-owned enterprises, farmers and herders; and (ii) agriculture processing and logistics enterprises. Loan proceeds will also support sustainable agriculture activities in accordance with the Mongolia Green Taxonomy.

The project aims to improve access to finance for rural businesses, farmers and herders, and expand the share of green loans in Khan Bank's portfolio. The project aims to boost agricultural value addition and export earnings by funding rural MSMEs, herders, farmers and agricultural and livestock processing enterprises. In addition, the project is expected to stimulate demand for farm and livestock production and thereby improve the income of herders and small farmers.

Early Warning System Project Analysis

Khan Bank has been implementing an ADB-compliant environmental and social management system (ESMS). Khan Bank's existing and proposed lending portfolios have minimal site-specific environmental impacts. Khan Bank will exclude lending to projects classified as category A for environmental impacts.

Khan Bank's current lending operations are unlikely to entail impacts on involuntary resettlement. Khan Bank will exclude lending to projects categorized A or B for involuntary resettlement.

Khan Bank's current lending operations are unlikely to entail impacts on Indigenous peoples. Khan Bank will exclude lending to projects categorized A or B for Indigenous Peoples.

Investment Description

- Asian Development Bank (ADB)

The financing amount is $100,000,000, which will be financed on a loan basis by ADB’s ordinary capital resources.

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

Khan Bank JSC is Mongolia's largest commercial bank, representing one-third of the country's banking sector. Through its extensive network of 547 branches and nationwide digital channels, Khan Bank provides banking services to approximately 82% of the Mongolian population as of September 30, 2024. The bank offers comprehensive banking services and access to finance to individuals, small and medium-sized enterprises, and corporate customers in even the most remote areas of Mongolia. Khan Bank has been a long-standing FMO client since 2009 and has a good track record.

Contact Information

No contacts available at the time of disclosure.

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

- Khan Bank Rural Inclusive Finance and Agriculture Value-Addition Project: Report and Recommendation