Early Warning System

EBRD-54284

GCF GEFF Regional - Mongolia - XacBank II

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Quick Facts

Countries	Mongolia
Financial Institutions	European Bank for Reconstruction and Development (EBRD), Green Climate Fund (GCF)
Status	Proposed
Bank Risk Rating	U
Voting Date	2023-04-05
Borrower	XacBank LLC
Sectors	Climate and Environment, Finance
Investment Type(s)	Loan
Loan Amount (USD)	$ 18.75 million
Project Cost (USD)	$ 25.00 million

Project Description

According to the EBRD, the project consists in the provision of a 3-year senior loan to XacBank LLC in the amount of up to US$ 25 million, of which up to US$ 18.75 million to be provided by the EBRD and up to US$ 6.25 million by GCF under the GCF - Green Economy Financing Facility (GEFF) Regional Framework. Also, XacBank will develop a transition plan as defined in the EBRD's Paris Alignment Methodology for indirect finance.

The proceeds of the loan will be used for financing investments in climate change mitigation and adaptation technologies and services in line with the standards and reporting requirements for the GCF-GEFF Regional Framework.

Investment Description

- European Bank for Reconstruction and Development (EBRD)
- Green Climate Fund (GCF)

As stated on the EBRD's website, the total project cost is US$ 25 million, of which up to US$ 18.75 million to be provided by the EBRD and up to US$ 6.25 million by the Green Climate Fund ("GCF").

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.

- XacBank LLC (Financial Intermediary)

Private Actors Description

As stated by the EBRD, XacBank is the fifth largest commercial bank in Mongolia with total assets of US$ 1.1 billion, loan portfolio of US$ 581 million, and equity of US$ 138 million as of YE2022. The bank is currently rated "B3" by Moody's and "B" by Fitch, both with a stable outlook. XacBank has a universal focus and a nationwide presence in the country through 71 branches.

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html