

 Early Warning System

EBRD-54857

Khan Bank green bond



Quick Facts

Countries	Mongolia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-02-07
Borrower	Khan Bank JSC
Sectors	Energy, Finance, Industry and Trade, Transport
Investment Type(s)	Loan
Investment Amount (USD)	\$ 12.50 million
Loan Amount (USD)	\$ 12.50 million
Project Cost (USD)	\$ 30.00 million



Project Description

As stated on the project disclosure page, the EBRD has invested US\$ 12.5 million in green bond issuance by Khan Bank (KB) with a 3-year tenor. The bond is issued under KB's existing Green Bond Framework and in line with the International Capital Market Association's Green Bond Principles (ICMA GBP). The issuance will benefit from a Second Party Opinion from Sustainable Fitch, confirming its compliance with the ICMA GBP. This investment is the first green bond of a local commercial bank to be listed on the Mongolian Stock Exchange and the first EBRD's investment in a green bond issuance in Mongolia.

The Project will help KB grow its green portfolio and diversify its funding sources in the face of global market volatility.

The proceeds of the investment will be used to finance eligible green subprojects in accordance with KB's Green Bond Framework, aligned with the ICMA GBP and deemed satisfactory to the EBRD, that support renewable energy, energy efficiency, green buildings, and clean transport in the country.



Early Warning System Project Analysis

The EBRD categorized the project risk as FI.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

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 EBRD, Khan Bank JSC is the largest commercial bank in Mongolia, providing services to more than 82 per cent of the population through its digital banking channels and a network of 547 branches across the country. As of the end of 2023, the bank's total assets reached US\$ 5.1 billion, with loan portfolio of US\$ 2.8 billion, and equity of US\$ 612.7 million. KB is currently rated "B3/stable" by Moody's and "B+/stable" by Fitch.



Contact Information

No project contacts provided at the time of disclosure.

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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>