

Early Warning System

FMO-46777

XACBANK LLC

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Quick Facts

Countries	Mongolia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-05-31
Borrower	Xacbank
Sectors	Finance
Investment Amount (USD)	$ 5.00 million
Project Cost (USD)	$ 5.00 million

Project Description

Xacbank fulfils an essential role in providing finance to the underserved micro- and MSME segments of Mongolia. FMO's funding will be used to support the growth of the (M)SME portfolio.

Xacbank is the fourth largest commercial bank in Mongolia and has been a FMO client since 2007. The Bank has an extensive network of 104 branches and is present in every province in Mongolia. It has a strong social mission that focuses on people, planet and profit. Xacbank originally focused on providing microfinance loans in both rural and urban Mongolia but over the past five years, the bank has moved upmarket and now also finances SMEs and corporates.

Due to the challenging Mongolian market conditions, foreign investors' appetite has significantly reduced in the last two years, making FMO funding and syndication efforts additional and impactful.

Investment Description

- Netherlands Development Finance Company (FMO)

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.

- XAC BANK LLC (Financial Intermediary)

Contact Information

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism