Early Warning System

IFC-43012

Transcapital

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Quick Facts

Countries	Mongolia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	U
Voting Date	2020-06-25
Borrower	TRANSCAPITAL NBFI, LLC
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 4.49 million

Project Description

The proposed investment is a local currency denominated syndicated senior loan facility to Transcapital NBFI LLC (the “Company” or “Transcapital”), the largest microfinance institution in Mongolia, and includes (i) a 3-year IFC A loan of MNT equivalent of up to US$3 million; (ii) a 3-year hedged A loan participation of up to US$9 million equivalent. This if IFC’s first engagement with Transcapital. The proposed investment will help the Company to further improve the access to finance for the underserved micro enterprises in Mongolia, especially those in the rural and suburb areas of Mongolia outside of the capital city Ulaanbaatar; in addition to supporting the development of microfinance sector in Mongolia by helping microfinance institutions gain access to mid-term local currency funding and strengthen institutional capacity.

This project or financing is part of IFC's COVID-19 response, as stated on the IFC website. You can find additional information at: https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/covid-19/covid-19-projects.

Investment Description

- International Finance Corporation (IFC)

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.

- Transcapital (Financial Intermediary)

Private Actors Description

Transcapital is currently majority-owned by Namsraijav Family in Mongolia, with its top three individual shareholders being family members. Mr. Zorigt Namsraijav is the founder and the largest shareholder of Transcapital. In addition to Transcapital, Mr. ZorigtNamsraijav is also the founder of Tuushin Group LLC, which includes the first freight forwarder in Mongolia, and the Tuushin Hotel, and has introduced Mongolia to international trade and transportation networks. 93% of Transcapital is collectively held by Mr. Zorigt Namsraijav and Mr. Altanzul Zorigt, CEO of Transcapital.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/