



Project Summary Information

Date of Document Preparation: March 12, 2026

Project Name	Mongolia Khan Bank Green Loan
Project Number	P001001
AIIB member	Mongolia
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green Infrastructure; Private Capital Mobilization
Status of Financing	Approved
Objective	The Project aims to improve access to long-term green financing in Mongolia by channeling funds through Khan Bank to support investments in eligible green sectors, thereby contributing to Mongolia's net-zero carbon emissions target and enhancing its climate resilience.
Project Description	<p>The Project entails a five-year non-sovereign USD loan to Khan Bank, Mongolia's largest commercial bank by total assets. The total financing plan is up to USD130 million.</p> <p>The proceeds will be used to finance eligible green sectors, i.e., (1) renewable energy, (2) energy efficiency, (3) green buildings, (4) pollution prevention and control, (5) water management and water treatment, and (6) clean transport.</p>
Expected Results	<p><u>Project Objective Indicators:</u></p> <ul style="list-style-type: none"> • Share of Khan Bank's portfolio directed to green finance (%). • Number of sub-borrowers accessing long-term green financing, disaggregated by sectors (Number). • GHG emissions reduction from energy efficiency sub-projects (Tonnes per year). • GHG emissions reduction from renewable energy sub-projects (Tonnes per year). <p><u>Intermediate Result Indicators:</u></p> <ul style="list-style-type: none"> • Proceeds allocated to eligible green sub-loans, disaggregated by sectors (USDmn). • Energy efficiency sub-projects - annual energy savings (MWh). • Renewable energy sub-projects - installed renewable energy (MW).

Environmental and Social Category	FI
Environmental and Social Information	<p>Applicable Policy and Categorization. AIIB's Environmental and Social Framework (ESF), including the Environmental and Social Standards (ESS) and the Environmental and Social Exclusion List (ESEL), are applicable to this Project. The Project is placed in Category FI. Sub-projects exclusively dedicated to coal transportation or coal-fired power plants will be excluded from this Project. Sub-projects classified as Category A or Higher Risk Activities as per AIIB's ESF and any hydro power plants will also be excluded from the Project.</p> <p>Environmental and Social Instruments. Khan Bank's Environmental and Social Management System (ESMS), supplemented by the environmental and social (ES) risk management approach under AIIB financing specified in the Environmental and Social Action Plan (ESAP), will serve as the key ES instruments, and together, align with AIIB's ESF. Khan Bank will apply AIIB's ESEL to all sub-projects under AIIB financing. Khan Bank has an established ESMS that applies to its loan operations, including the green loan portfolio. The ESMS comprises an ES policy, exclusion list, screening and risk categorization, risk assessment tools, grievance redressal mechanisms, as well as roles and responsibilities and regular monitoring and reporting arrangements.</p> <p>Environmental and Social Aspects. The proceeds of the Project will be used to finance low-to-medium risk sub-projects in the target sectors. The sub-projects to be financed under this green loan offer several long-term positive environmental impacts such as a reduction in greenhouse gas emissions, improved air quality, and conservation of water resources. Khan Bank screens sub-projects to avoid impacts on protected areas and key biodiversity zones, utilizing the Integrated Biodiversity Assessment Tool (IBAT) and designated areas in accordance with Mongolian law. The key social risks and impacts are expected to be limited to consumer protection and data privacy for the consumer portfolio, and risks related to labor and working conditions, gender, and health and safety in the micro, small and medium enterprise (MSME) and corporate portfolio. Most construction and operations stage impacts of the sub-projects are expected to be direct, temporary, reversible, and effectively managed by Khan Bank's ESMS and good practices. Khan Bank has a policy on the prevention of workplace harassment and violence including a dedicated complaint handling procedure for workplace harassment. A gender assessment was conducted as part of the due diligence process. Khan Bank's ESMS includes assessments on gender equality, prevention of gender-based violence and workplace sexual harassment.</p> <p>Occupational Health and Safety (OHS), Labor and Employment Conditions. Eligible sub-projects will conform to the local labor laws and standards of Mongolia and AIIB's ESF. OHS risks such as electrical hazards, work at heights, fire hazards, vehicle safety, noise exposure, etc. are expected to be localized, temporary, and can be mitigated through</p>

	<p>appropriate OHS management practices. In case of long-term financing of utility scale solar photovoltaic (SPV) sub-projects, Khan Bank conducts client due diligence on supply chain and will obtain representations and warranties regarding supply chain labor and working conditions between commercial sub-borrowers and their suppliers in accordance with the ESAP.</p> <p>Stakeholder Engagement, Consultation and Information Disclosure. Khan Bank identifies investors, regulators, customers, communities, employees, suppliers, academia and professional institutes among others as its stakeholders and regularly engages and consults with them to improve its ES risk management practice. As a listed company, Khan Bank publishes a Sustainable Development Report¹ annually. Khan Bank’s ESMS overview and policy statement has been disclosed² on their corporate website.</p> <p>Project Grievance Redress Mechanism (GRM) and Monitoring Arrangements. Khan Bank has an existing external communications mechanism (ECM)³ that will be the project-level GRM to address the concerns of customers and all other stakeholders under the Project. Khan Bank’s board-approved whistleblowing policy⁴ and consumer rights and complaints process⁵ are disclosed on their website. Khan Bank will require its commercial sub-borrowers under the Project to establish a functional GRM that is proportionate to the nature and scale of ES risks. It also has a dedicated complaints handling procedure for all its employees. During implementation, Khan Bank will submit relevant ES documentation and periodic ES monitoring reports in an agreed format. AIIB will conduct post-reviews of the selection and ES implementation of sub-projects as part of its regular supervision, comprising engagement with Khan Bank, site visits and detailed review of the ES documentation for selected sub-projects.</p>
Cost and Financing Plan	The total financing plan is up to USD130 million.
Borrower	Khan Bank JSC (Khan Bank)

¹ [khanbank.com/en/personal/about/sustainability-report-details/](https://www.khanbank.com/en/personal/about/sustainability-report-details/)

² <https://www.khanbank.com/en/personal/about/invest/detail/101/?type=382&slug=investor-relations-macroeconomic-report>

³ <https://www.khanbank.com/en/personal/help/>

⁴ <https://www.khanbank.com/en/personal/about/invest/detail/99/?type=379&slug=investor-relations-regulations>

⁵ <https://www.khanbank.com/en/personal/news/servicePolicy/>

Estimated date of last disbursement	Q3 2026	
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Date of Concept Decision	September 17, 2025	
Date of Final Decision	February 4, 2026	
Date of Financing Approval	March 11, 2026	

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESF in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html .
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