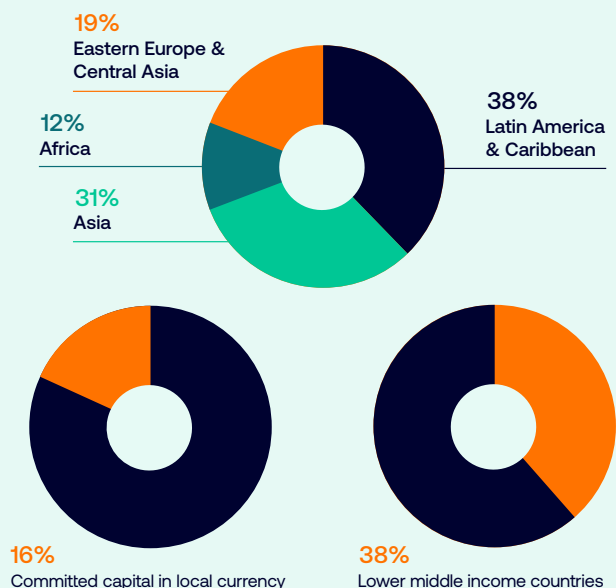


The Fund was launched in 2013 to support further development of the SME sector in emerging markets. Through financing local financial institutions, the Fund aims to provide growth capital to local SMEs facing difficulties obtaining access to capital. The fund is in its winding down phase, with no new investments being made. This is the main reason for the sharply declining attributable impact.

Portfolio overview



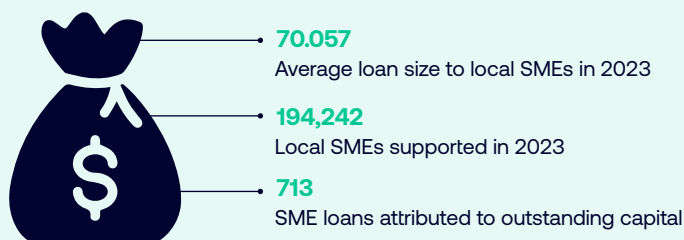
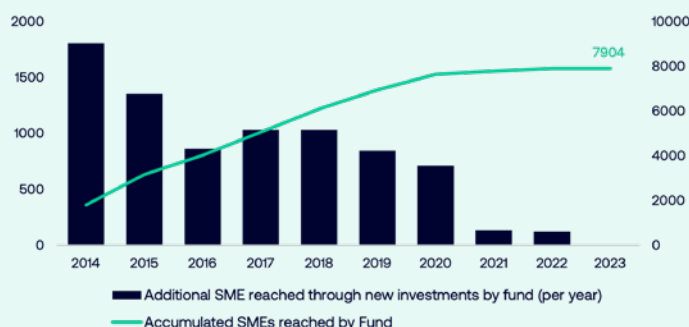
5 Dimensions of Impact

- WHAT was outcome?**
26 Financial institutions still having funding to grow their SME portfolio.
- WHO is benefitting?**
SMEs with limited/no access to capital across 21 different emerging countries.
- HOW MUCH of outcome is occurring?**
€ 353 million disbursed to financial institutions since 2015*.
- CONTRIBUTION**
4 Financial institutions receive E&S support
- RISK**
5 Companies in portfolio classify ESG A-risk

* From € 153.5M committed capital = 2.3x multiplier

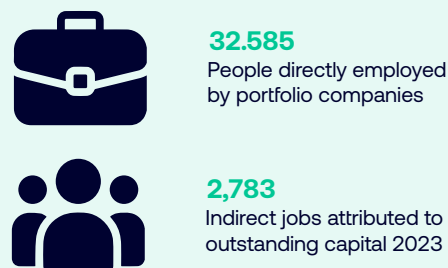
Access to capital

Due to the fund investments, the SME portfolios of local financial institutions are increasing and more SMEs can obtain finance.



People & jobs

The ultimate long-term outcome of the fund is the growth of the local SME sectors and the positive contribution to job creation.



% Outstanding capital that positively contributes to the Sustainable Development Goals (SDGs):



XacBank

Investment Case in spotlight

SME Finance in Mongolia

Established in 2001 XacBank is Mongolia's fourth largest bank measured by total assets. XacBank focuses on fostering inclusive financial growth to reach underserved SMEs and create a viable case for a diversified local economy to ensure a sustainable long-term future for all Mongolians.

The fund investment supports XacBank to grow further and expand its focus areas: green and SMEs. XacBank originally focused on providing microfinance loans in both rural and urban Mongolia but over the past years the bank has moved upmarket and now mainly focuses on SMEs (around 30% of the total portfolio, in addition to 10% micro-business loans) and retail lending. The bank is also a market leader in Green Lending.

XacBank has a current existing and well-functioning Environmental and Social Risk Management System in place based on local Mongolian legislation. XacBank has a dedicated and committed E&S staff in place who continuously work on managing, monitoring and improving the ESMS.

Mongolia's economy has rapidly grown in recent years. Earlier, it relied almost predominantly on agriculture and herding; today, Mongolia primarily extracts and exports minerals such as copper and coal.

Manufacturing also bolsters the economy, mostly through processing domestic materials like meat, flour, clothing, and wood products. However, agriculture still employs a third of the country's labor force, especially in the vast rural areas.

**55% SMEs in Mongolia
have no access to capital***

In a country where coal is the primary source of electricity generation climate mitigation and economic diversification are an imperative. XacBank directly contributes to the improving of livelihoods, particularly for those who engage in the green economy. Through its "Eco Banking Department," XacBank worked with international funders for developing and implementing various energy-related projects and programs. The bank is leading in sector initiatives like the Mongolia Sustainable Finance Initiative, the Green Credit Fund and the Mongolian Bankers Association.

** Source: Mongolia Finance Sector Fact Sheet (adb.org) Asian Development Bank, 2022
[Case Study - XacBank - FMO-IM](#)*

cardano

FMO
Entrepreneurial
Development
Bank

Cardano | Weena 690, 21e floor,
Postbus 19293, 3001 BG Rotterdam The Netherlands
T: +31 (0)10 206 1300 | E: info@cardano.com | W: cardano.com

Cardano Asset Management N.V. is part of the Cardano Group and statutory seated in Rotterdam and registered with the Dutch Chamber of Commerce under number 30143634