



## **Continued support of the SME sector and green finance in Mongolia: IIB joins a USD 120-million syndicated loan facility to Khan Bank**

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International Investment Bank (IIB) became a participant in a USD 120 million (EUR 101.5 million in equivalent) syndicated loan to Khan Bank – Mongolia’s leading commercial bank. Arranged by the Dutch development institution FMO, this facility has other major European development financial institutions, such as France’s Proparco and Germany’s DEG, as well as Atlantic Forfeiting Company Ltd. as its members.

The borrower intends to allocate the funds to increase lending volumes for small and medium enterprises (SMEs), finance the bank’s green loan programs, and strengthen its funding stability. Being the largest commercial bank in Mongolia, Khan Bank has a strategically significant position in Mongolia’s financial sector. It serves nearly 80% of Mongolian households by providing access to financial services for individual customers, SMEs and corporate customers, reaching even the most distant rural areas. The syndicate loan will strengthen the leading position of Khan Bank, enabling it to provide much needed support for the Mongolian vital SME sector and promote green lending in the country.

IIB and Khan Bank have a long-standing mutually beneficial strategic partnership since 2013. The two banks actively cooperate in such fields as joint participation in syndicated lending, organization of dedicated credit lines, including SME’s funding, support of external turnover between Mongolia and the IIB member states.

Since 2012, IIB investments in the interest of Mongolia have exceeded an equivalent of USD 300 million (equivalent of EUR 254 million) with financing extended to such strategically important sectors as SME, agriculture, manufacturing, mining, metallurgy, etc. In addition, several projects totalling over 50 million euro are currently in the pipeline at various stages of assessment.

**Georgy Potapov, Deputy Chairperson of the IIB Management Board in charge of Lending and Investment** comments: *“IIB is pleased to help its long-standing trustworthy partner Khan Bank in its efforts to enhance financial inclusion in Mongolia, support SMEs, and give further impetus to green financing in the country. Sustainability is at the core of development finance and promoting it in our member states is one of our primary tasks”.*