



International Investment Bank develops ties in Mongolia

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International Investment Bank concluded an Agreement on a strategic partnership with Mongolian Khan Bank. It was signed by the CEO of Khan Bank Mr. Norihiko Kato and the IIB Chairman of the Board Mr. Nikolay Kosov during the solemn ceremony.

The document stipulates building a long-term mutually beneficial relationship between the banks. According to the agreement the IIB and Khan Bank intend to develop cooperation in the following spheres: joint participation in syndicated lending, organization of dedicated credit lines, including SME's funding, support of external turnover between Mongolia and the IIB's member states, cooperation on inter-bank loan and foreign currency markets, providing mutual consultancy and exchange of experience in the bank's technology sphere.

Khan Bank occupies a quarter of the Mongolian banking market. It is one of the largest financial institutions of Mongolia which was created on the basis of department of the State Bank of Mongolia specialized in the agriculture sector. The Japanese Sawada Holdings Co, Ltd (41%) became the main shareholder after privatization. The International Finance Corporation is also the shareholder of the Bank (9,3%).

The working meeting of the Board of Management with the Khan Bank delegation preceded the signing ceremony. Mr. Kato talked about the specific features and perspectives of the Mongolian bank sector, experience of functioning on world markets including cooperation with the international institutions for development. Nikolay Kosov informed the Mongolian partners about the current situation in the Bank, key areas of the IIB's development and its business priorities. The parties discussed spheres of cooperation and concrete projects which could be implemented in the nearest future.

Establishment of partnership relations with Khan Bank is significant taking into consideration that one of the main priorities of the IIB is the support of the small and medium enterprises in the member states. Khan Bank has more than 500 branches across Mongolia and 80% of its credit portfolio belongs to the small and medium enterprises.

The IIB has already begun to participate in providing resources to the Khan Bank's projects in Mongolia. On October 22 Khan Bank and International Finance Corporation (IFC, The World Bank Group member) signed an agreement for extending a syndicated loan to the bank on SME's support. International Investment Bank participates in this syndication on invitation of IFC.