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International Investment Bank to participate in Mongolian Khan Bank Loan Granting

October 22, 2013

On October 22, 2013 Khan Bank of Mongolia and IFC signed an agreement for extending a loan in the amount of USD 111 million. This includes USD 71 million (MNT 121 bn) in syndicated senior debt and USD 40 million (MNT 68 bn) in subordinated debt. The funds will be used for long term funding to Khan Bank's customers as well as the Bank's capital base. This facility will be mobilized by IFC, the member of the World Bank Group focused on private sector, and the IFC Capitalization Fund, a global equity and subordinated debt fund managed by IFC Asset Management Company. IFC will commit a USD 10 million senior loan and the IFC Capitalization Fund, managed by the IFC Asset Management Company, will provide a USD 40 million subordinated loan to strengthen the Khan Bank's capital base.

In addition, IFC has mobilized funding from other financial institutions. The International Investment Bank has committed a USD 10 million parallel loan. USD 31 million in syndicated loans have been committed from institutions including Sumitomo Mitsui Banking Corporation, AKA Export Finance Bank, DHB Bank (Nederland) N.V., Intesa Sanpaolo S.p.A., ING Bank N.V., and RosEvroBank JSCB. The OPEC Fund for International Development is expected to contribute another USD 20 million parallel loan. Mr. Demchigjav Molomjamts Deputy Chairman of the Board of the International Investment Bank took part in the signing ceremony.

«IFC is increasing its investment and support for Mongolia during challenging times to help the country sustain its long-term economic growth," said IFC Director for East Asia and the Pacific Sérgio Pimenta. «The financing mobilized by IFC will help ensure that more of Mongolia's 2.8 million people benefit from its development and advance the World Bank Group's twin goals of ending extreme poverty by 2030 and boosting shared prosperity.»

Norihiko Kato, Khan Bank's CEO, said «We are delighted to continue our strong long term relationship with IFC whose support has enabled us to diversify and improve our long term funding base. We thank IFC and the participants for the syndication. We are pleased to continue such relations with SMBC, ING and IIB and begin new relationship with other participants.»

Khan Bank, with 526 branches reaching every corner of Mongolia, provides comprehensive banking and financial services to corporate, small and medium enterprises, and individual customers.

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