Early Warning System

EBRD-56745

FIF - Agri Finance Loan - Khan Bank

Quick Facts

Countries	Mongolia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-10-21
Borrower	Khan Bank JSC
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 20.00 million

Project Description

According to the Bank's website, the project consists of the provision of a senior unsecured loan of up to US$ 20m (EUR 16.8 m) to Khan Bank under the Financial Intermediaries Framework (FIF). The loan proceeds will be on-lent exclusively to support the local agricultural sector, including investments in environmentally sustainable (i.e. Green Economy Transition (GET) eligible) agriculture sector.

The loan will enable Khan Bank to diversify its funding base and provide long term financing to support the agricultural sector exclusively, including supporting environmentally sustainable (i.e. GET eligible) agriculture sector investments.

Early Warning System Project Analysis

Categorised FI (ESP 2024). KB is an existing client of EBRD and currently complies with Environmental and Social Requirements (ESRs) 2, 4, and 9 under its existing exposures. The loan will finance investments in micro, small, and medium enterprises in the agriculture sector, assessed as having low to medium environmental and social ("E&S") risk. The main E&S risks relate to potential impacts from financed sub-loans, particularly those associated with agricultural activities such as land use, water consumption, chemical inputs, waste management, and labor practices.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

A senior unsecured loan of up to US$ 20m (€ 16.8 m) under the Financial Intermediaries Framework (FIF).

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Khan Bank (Financial Intermediary)

Private Actors Description

Khan Bank JSC ("KB") is the largest commercial bank in Mongolia, providing services to more than 82 per cent of the population through its digital banking channels and a network of 538 branches across the country.

As of 1H2025, the bank's total assets reached US$ 6.0bn (29 per cent of the sector's assets), with loan portfolio of US$ 3.6bn (32 per cent), and equity of US$ 680.8m (34 per cent). KB is currently rated "B2/stable" by Moody's and "B+/stable" by Fitch, at par with the sovereign.

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html