

 Early Warning System

IFC-42034

KEB Hana Indonesia Rights Issue IV



### Quick Facts

|                         |   |
|-------------------------|---|
| Countries               | Indonesia                               |
| Financial Institutions  | International Finance Corporation (IFC) |
| Status                  | Proposed                                |
| Bank Risk Rating        | B                                       |
| Borrower                | BANK KEB HANA, PT                       |
| Sectors                 | Finance                                 |
| Ring Fence              | Small & Medium Enterprises              |
| Investment Type(s)      | Equity                                  |
| Investment Amount (USD) | \$ 15.00 million                        |
| Project Cost (USD)      | \$ 15.00 million                        |



### Project Description

The proposed project consists of an additional equity investment by IFC in PT. Bank KEB Hana Indonesia (“KHI” or the “Bank”), IFC portfolio client since 2007.

KHI is a midsize bank in Indonesia with an asset base of IDR 40,654 billion (US\$2.7 billion). The proposed investment will support the Bank’s growth strategy and finance its capital investment in digital infrastructure to create the distribution and service channels for increasing the size of its lending operations in all business segments, particularly in the SME segment. The Bank will be able to leverage its equity to expand the volume of its SME loan portfolio in a sustainable manner.



### Investment Description

- International Finance Corporation (IFC)

IFC is an existing shareholder of the Bank and has a pre-emptive right to subscribe to new shares to maintain its ownership in the Bank. The proposed project consists of an additional equity investment of up to IDR 216 billion (estimated US\$15 million equivalents) through a rights issue.

### 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.

- **BANK KEB HANA, PT** (Financial Intermediary) **is owned by Hana Financial** (Parent Company)
- **KEB Hana Bank (KHB)** (Financial Intermediary) **is owned by Hana Financial Group** (Parent Company)



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## Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

## Private Actors Description

The shareholders of KHI are (i) KEB Hana Bank ("KHB") with 89.01% shareholding; (ii) IFC with 9.98% shareholding; and (iii) Mr. Bambang Setijo with 1.01% shareholding.

**KEB Hana Bank:** KHB is a wholly owned subsidiary of Hana Financial Group ("HFG") and is one of the major players in Korea's banking industry. KHB operates as HFG's main distribution channel by offering comprehensive financial services through about 800 branches in Korea and 150 branches in 24 foreign countries. Long-term ratings of KHB by Moody's and S&P are A1 and A+, respectively.

**Mr. Bambang Setijo:** Mr. Setijo is the local shareholder. He is an independent businessman.



| Private Actor 1                | Private Actor 1 Role | Private Actor 1 Sector | Relation   | Private Actor 2                          | Private Actor 2 Role | Private Actor 2 Sector   |
|--------------------------------|----------------------|------------------------|------------|--|----------------------|--------------------------|
| Baring Private Equity Partners | Parent Company       | Construction           | owns       | Interplex Holdings Ltd                   | Client               | Construction             |
| Cheniere Energy Inc            | Parent Company       | Mining                 | owns       | Cheniere Corpus Christi Holdings LLC     | Client               | Mining                   |
| Doosan Heavy Inds & Constr Co  | Parent Company       | Construction           | owns       | Doosan Power Systems                     | Client               | Construction             |
| HAN KOOK SAN UP Co             | Parent Company       | Construction           | owns       | HAN KOOK SAN UP Co Ltd                   | Client               | Construction             |
| Hana Financial                 | Investor             | Finance                | invests in | Ace Tool                                 | Parent Company       | Construction             |
| Hana Financial                 | Investor             | Finance                | invests in | Ace Tool                                 | Client               | Construction             |
| Hana Financial                 | Investor             | Finance                | invests in | Aerotech Korea Co Ltd                    | Parent Company       | Construction             |
| Hana Financial                 | Investor             | Finance                | invests in | Aerotech Korea Co Ltd                    | Client               | Construction             |
| Hana Financial                 | Investor             | Finance                | invests in | Agricultural A Ram Co Ltd                | Client               | Agriculture and Forestry |
| Hana Financial                 | Investor             | Finance                | invests in | Agricultural A Ram Co Ltd                | Parent Company       | Agriculture and Forestry |
| Hana Financial                 | Investor             | Finance                | invests in | Ansung Industrial Co Ltd                 | Parent Company       | Construction             |
| Hana Financial                 | Investor             | Finance                | invests in | Ansung Industrial Co Ltd                 | Client               | Construction             |
| Hana Financial                 | Investor             | Finance                | invests in | Anu Information Telecommunication Co Ltd | Parent Company       | Communications           |
| Hana Financial                 | Investor             | Finance                | invests in | Anu Information Telecommunication Co Ltd | Client               | Communications           |
| Hana Financial                 | Investor             | Finance                | invests in | April Intl Entrp Pte Ltd                 | Client               | Agriculture and Forestry |
| Hana Financial                 | Investor             | Finance                | invests in | Arion Co Ltd                             | Parent Company       | Communications           |
| Hana Financial                 | Investor             | Finance                | invests in | Arion Co Ltd                             | Client               | Communications           |
| Hana Financial                 | Investor             | Finance                | invests in | Asia Symbol China Holdings Ltd           | Client               | Agriculture and Forestry |
| Hana Financial                 | Investor             | Finance                | invests in | Baekdoo F&S Co Ltd                       | Client               | Agriculture and Forestry |
| Hana Financial                 | Investor             | Finance                | invests in | Baekdoo F&S Co Ltd                       | Parent Company       | Agriculture and Forestry |



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation   | Private Actor 2                          | Private Actor 2 Role | Private Actor 2 Sector   |
|-----------------|----------------------|------------------------|------------|--|----------------------|--------------------------|
| Hana Financial  | Investor             | Finance                | invests in | Baring Private Equity Partners           | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Blue Sky Engineering & Construction      | Client               | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Blue Sky Engineering & Construction      | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Brickworks Ltd                           | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Brickworks Ltd                           | Client               | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Byucksan Marine Insulation System Co.Ltd | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Byucksan Marine Insulation System Co.Ltd | Client               | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | CYNEXZONE CO LTD                         | Parent Company       | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | CYNEXZONE CO LTD                         | Client               | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Dabp Co.Ltd                              | Client               | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | Dabp Co.Ltd                              | Parent Company       | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | DaeGu Agricultural Products Co Ltd       | Parent Company       | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | DaeGu Agricultural Products Co Ltd       | Client               | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | Daum Construction Co Ltd                 | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Daum Construction Co Ltd                 | Client               | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | DAUN E&C Co Ltd                          | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | DAUN E&C Co Ltd                          | Client               | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Deokwoon Co Ltd                          | Client               | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Deokwoon Co Ltd                          | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Dong Ah Remicon Ltd Co                   | Parent Company       | Construction             |



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation   | Private Actor 2                        | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|------------|--|----------------------|------------------------|
| Hana Financial  | Investor             | Finance                | invests in | Dong Sung Precision Co Ltd             | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Dongsung Heavy Industries Co Ltd       | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Dongwoo Skt Co Ltd                     | Parent Company       | Communications         |
| Hana Financial  | Investor             | Finance                | invests in | Dongwoo Skt Co Ltd                     | Client               | Communications         |
| Hana Financial  | Investor             | Finance                | invests in | Doosan Heavy Inds & Constr Co          | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Doosan Infracore Co Ltd                | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Doosan Power Systems                   | Client               | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Econy Co Ltd                           | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Gumsung Industrial Co Ltd              | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | HAN KOOK SAN UP Co Ltd                 | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Hanil Construction Material MFG Co Ltd | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Hans Ind Tech Co Ltd                   | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Hansol Construction Co Ltd             | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Hansol HomeDeco Co Ltd                 | Parent Company       | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Il-Shin Tech                           | Parent Company       | Communications         |
| Hana Financial  | Investor             | Finance                | invests in | Il-Shin Tech                           | Client               | Communications         |
| Hana Financial  | Investor             | Finance                | invests in | INT Tec Co Ltd                         | Parent Company       | Communications         |
| Hana Financial  | Investor             | Finance                | invests in | INT Tec Co Ltd                         | Client               | Communications         |
| Hana Financial  | Investor             | Finance                | invests in | Interplex Holdings Ltd                 | Client               | Construction           |
| Hana Financial  | Investor             | Finance                | invests in | Je&Tech Co Ltd                         | Parent Company       | Construction           |





| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation   | Private Actor 2             | Private Actor 2 Role | Private Actor 2 Sector   |
|-----------------|----------------------|------------------------|------------|-----------------------------|----------------------|--------------------------|
| Hana Financial  | Investor             | Finance                | invests in | Kapjin Co Ltd               | Parent Company       | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Kapjin Co Ltd               | Client               | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Kiseung Ind Co Ltd          | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | KMS Lab Co Ltd              | Parent Company       | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | KMS Lab Co Ltd              | Client               | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Korea Land & Housing Corp   | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Kpf Co Ltd                  | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | KR Tech Co Ltd              | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Latchwon Co Ltd             | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Limscable Co Ltd            | Parent Company       | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Limscable Co Ltd            | Client               | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Mido Construction Co. Ltd   | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Misung Remicon Co Ltd       | Parent Company       | Construction             |
| Hana Financial  | Investor             | Finance                | invests in | Nara Corp                   | Client               | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | Nara Corp                   | Parent Company       | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | Nubicom Inc                 | Parent Company       | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Nubicom Inc                 | Client               | Communications           |
| Hana Financial  | Investor             | Finance                | invests in | Ohsang International Co Ltd | Client               | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | Ohsang International Co Ltd | Parent Company       | Agriculture and Forestry |
| Hana Financial  | Investor             | Finance                | invests in | PTK Co Ltd                  | Parent Company       | Construction             |



| Private Actor 1       | Private Actor 1 Role | Private Actor 1 Sector   | Relation   | Private Actor 2                       | Private Actor 2 Role | Private Actor 2 Sector   |
|-----------------------|----------------------|--------------------------|------------|---------------------------------------|----------------------|--------------------------|
| Hana Financial        | Investor             | Finance                  | invests in | PTPN III                              | Client               | Agriculture and Forestry |
| Hana Financial        | Investor             | Finance                  | invests in | PTPN III                              | Parent Company       | Agriculture and Forestry |
| Hana Financial        | Investor             | Finance                  | invests in | Rgm Intl                              | Parent Company       | Agriculture and Forestry |
| Hana Financial        | Investor             | Finance                  | invests in | Samick Tech Co Ltd                    | Parent Company       | Construction             |
| Hana Financial        | Investor             | Finance                  | invests in | Sang Sang Co Ltd                      | Parent Company       | Construction             |
| Hana Financial        | Investor             | Finance                  | invests in | Seakwang International Network Co Ltd | Client               | Agriculture and Forestry |
| Hana Financial        | Investor             | Finance                  | invests in | Seakwang International Network Co Ltd | Parent Company       | Agriculture and Forestry |
| Hana Financial        | Investor             | Finance                  | invests in | Shin Textile Solutions Co Ltd         | Parent Company       | Construction             |
| Hana Financial        | Investor             | Finance                  | invests in | Thai Beverage PCL                     | Parent Company       | Construction             |
| Hana Financial        | Investor             | Finance                  | invests in | Unitoa Co Ltd                         | Parent Company       | Communications           |
| Hana Financial        | Investor             | Finance                  | invests in | Unitoa Co Ltd                         | Client               | Communications           |
| Hana Financial        | Investor             | Finance                  | invests in | Utronix Inc                           | Parent Company       | Communications           |
| Hana Financial        | Investor             | Finance                  | invests in | Utronix Inc                           | Client               | Communications           |
| Hana Financial        | Investor             | Finance                  | invests in | YJ Link Co Ltd                        | Parent Company       | Construction             |
| Hana Financial        | Investor             | Finance                  | invests in | YMP Co Ltd                            | Parent Company       | Construction             |
| Hana Financial        | Investor             | Finance                  | invests in | Yujin Fibre Board Industrial Co Ltd   | Parent Company       | Agriculture and Forestry |
| Hana Financial        | Investor             | Finance                  | invests in | Yujin Fibre Board Industrial Co Ltd   | Client               | Agriculture and Forestry |
| Hana Financial Group  | Investor             | Finance                  | invests in | Cheniere Corpus Christi Holdings LLC  | Client               | Mining                   |
| Mido Construction Co. | Parent Company       | Construction             | owns       | Mido Construction Co. Ltd             | Client               | Construction             |
| Rgm Intl              | Parent Company       | Agriculture and Forestry | owns       | April Intl Entrp Pte Ltd              | Client               | Agriculture and Forestry |



| Private Actor 1   | Private Actor 1 Role | Private Actor 1 Sector   | Relation | Private Actor 2                | Private Actor 2 Role | Private Actor 2 Sector   |
|-------------------|----------------------|--------------------------|----------|--------------------------------|----------------------|--------------------------|
| Rgm Intl          | Parent Company       | Agriculture and Forestry | owns     | Asia Symbol China Holdings Ltd | Client               | Agriculture and Forestry |
| Thai Beverage PCL | Parent Company       | Construction             | owns     | Walker Corp Pty Ltd            | Client               | Construction             |



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## Contact Information

### 1/The Project Contact

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## ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>