

 Early Warning System

IFC-45295

KB Bukopin Debt



Quick Facts

Countries	Indonesia
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2022-03-30
Borrower	BANK KB BUKOPIN, PT TBK
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 300.00 million
Loan Amount (USD)	\$ 300.00 million



Project Description

According to the bank's website, the project "entails a senior debt facility for up to US\$300 million in IDR equivalent, provided directly and indirectly for PT. Bank KB Bukopin ("Bukopin" or the "Bank"), a 67% owned subsidiary of the largest South Korean commercial bank, KB Kookmin Bank Co., Ltd. ("KBB" or the "Sponsor"). (the "Project")The Project will be structured as a social bond (the "Social Bond") in line with the International Capital Market Association's ("ICMA") Social Bond Principles ("SBP") and/or the ASEAN Social Bond Standards ("SBS"). The Project will be the first ever Social Bond to be solely dedicated to supporting socially oriented financing in conformity with the eligibility criteria set under SBP, with the objective of supporting post-COVID recovery. By funnelling financial resources through the Social Bond, targeting social segments which have been amongst the worst hit by the pandemic or play an essential role in sustainable recovery, IFC will be contributing to an inclusive and resilient post COVID-19 recovery in Indonesia, which is in line with the "Building Back Better" approach."



Investment Description

- International Finance Corporation (IFC)

According to the IFC, the proposed investment consists of IFC's subscription (all on its own account) of the privately placed senior Social Bond issued by Bukopin and KBB for up to US\$300 million in IDR equivalent for a 3-5 year tenor.

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 KB Bukopin](#) (Financial Intermediary)



Private Actors Description

According to the IFC, Bukopin is 67% owned by KBB, with the remaining 33% stake held by a number of other shareholders, including institutional investors and the general public. Bukopin has been listed on the Indonesian Stock Exchange (“IDX”) since July 2006, with a market capitalization as of March 3, 2022 of IDR16.6 trillion (US\$1.2 billion).

Established in 1963, KBB is the largest bank in Korea in terms of total assets. As of September 2021, it had total assets of US\$398 billion, a loan portfolio of US\$294 billion and shareholders’ equity of US\$28 billion. KBB is geographically well-diversified, with an extensive network of 1,655 branches and about 15,281 employees. Its latest rating (July 2021) stands at “Aa3” by Moody’s, “A+” by S&P and “A” by Fitch, with “Stable” outlook for all the three ratings.



Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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 You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



Campaign Documents

- [Business and Human Rights Resource Center: KB Financial Group](#)