Early Warning System

IFC-46431

DCM JKB Green Bond

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Quick Facts

Countries	Jordan
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2022-10-20
Borrower	JORDAN KUWAIT BANK
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million

Project Description

According to bank provided information, the proposed investment is for IFC to subscribe to up to US$ 50 Million in the first green bond to be issued by Jordan Kuwait Bank (the “Bank” or” JKB”) in Jordan covering the full issuance and up to US$ 40 Million GTFP trade line for up to one year (the “Project”). The investment will include an up to US$ 36 million investment from IFC’s own account and up to US$14 million co-investment through IFC Blended Finance participation by Canada-IFC Blended Climate Finance Program (BCFP) and MENA Private Sector Development (PSD) facilities as described in the Blended Finance Section. The bond proceeds will be used by the Bank to finance eligible green projects and assets in Jordan.

IFC targets to provide advisory support to the Bank in the following areas: (i) internal capacity development to help the Bank configure its processes, procedures and systems to be ready to support the implementation requirements of the green bond framework; (ii) green pipeline and product development to help the Bank increase its pool of eligible green assets; and (iii) market outreach and green branding. Furthermore, IFC’s Advisory Services (AS) will support JKB to develop green asset tracking and reporting framework which the JKB will be responsible for implementing and adhering to internationally recognized standards of annual reporting and disclosure required under the ICMA Green Bond Principles.

Investment Description

- International Finance Corporation (IFC)

The Project includes two investments: (i) US$ 50 Million subscription in a green bond the Bank is planning to issue; and (ii) US$ 40 Million GTFP trade line with tenors up to one year. The green bond will be privately issued by JKB and will have a proposed tenor of five year.

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.

- Jordan Kuwait Bank (Financial Intermediary)

Private Actors Description

JKB is one of the leading private sector banks in Jordan. Established in 1976, the Bank operates a domestic network of 64 branches distributed throughout Jordan and one branch in Cyprus. JKB is a public shareholding company listed on Amman Stock Exchange and governed by a board of directors. The Bank is majority-owned by Al-Rawabi United Holding Company, a wholly owned subsidiary of Kuwait Projects Holding Company (“KIPCO”). KIPCO is Kuwaiti holding group with diversified investments in more than 60 companies across 24 countries. KIPCO was established in 1975 by Al Futtooh Holding Company, which is wholly owned by members of the Kuwaiti royal family. Other shareholders in JKB include Jordan’s Social Security Corporation and Odyssey Reinsurance.

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