Early Warning System

IFC-38414

Alpha Bank RO

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Quick Facts

Countries	Romania
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Voting Date	2017-02-06
Borrower	ALPHA BANK ROMANIA SA
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 53.00 million

Project Description

The proposed project consists of an up to EUR50 million senior loan to Alpha Bank Romania S.A. (“ABR” or the “Bank”), in order to support on-lending to residential mortgage borrowers in Romania.

The Bank was established in 1993 and now is the eighth largest bank in the country, with total assets of EUR3.3 billion and equity of EUR319 million as of the end of December 2015. ABR is a universal bank, with a market share of 4% by total assets and 8% for mortgage loans. It currently employs approximately 1,900 staff and has a national network of 130 branches in Romania.

People Affected By This Project

1. Contribution to economic growth through improved access to finance by individuals to buy or improve homes: Expanded financial intermediation is needed to support the flow of credit to individuals.
2. Create more job opportunities: By providing mortgage loans supported by IFC funding, the Bank will contribute to the development of the housing sector, which in turn creates jobs in the construction and other supporting industries.
3. Increasing financial inclusion in Romania: Access to credit and increasing the economic power of sub-borrowers would translate into improved livelihoods for a wide cross-section of society.
4. Sustaining the banking system: IFC is helping improve the sustainability of Alpha Bank in Romania, which would become less reliant on the Greek parent bank.

Investment Description

- International Finance Corporation (IFC)

Alpha Bank A.E. Greece (“ABG”) currently owns 99.9% of ABR's share capital. Headquartered in Athens, ABG was founded in 1879 by the Costopoulos family. ABG is one of the top four banks in Greece in terms of asset size, offering a wide range of services including corporate, SME, retail banking, asset management, investment banking, private banking, brokerage, leasing and factoring services. The Group employs 14,000 staff at a network of around 900 branches in the region. Alpha Bank Group also operates in Cyprus, Romania, Serbia and Albania through wholly owned subsidiaries.

ABG is listed on the Athens Stock Exchange and its ownership is widespread. At June 30, 2016 its shareholder base includes approximately 125,000 investors. Following the latest capital increase in December 2015, to which IFC also participated, largest publicly announced institutional shareholders are Credit Agricole, Paulson and Co, EBRD and IFC.

Contact Information

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