Early Warning System

IFC-45124

DCM Banca Comerciala Romania- MREL 2021

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Quick Facts

Countries	Romania
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2021-04-19
Borrower	BANCA COMERCIALA ROMANA SA
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 112.50 million
Loan Amount (USD)	$ 112.50 million
Project Cost (USD)	$ 28.60 million

Project Description

An IFC investment in MREL (Minimum Requirement for own funds and Eligible Liabilities) eligible bonds issued by Banca Comerciala Romana S.A., an existing IFC client in Romania, is part of the project. The bonds will be listed on the Bucharest Stock Exchange as unsecured Senior Non-Preferred instruments. The IFC's investment would aid the Bank's housing portfolio, which includes green housing loans.

Investment Description

- International Finance Corporation (IFC)

According to the IFC, the total project cost is US$28.6 million (in RON equivalent) for IFC's own account.

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.

- Banca Comerciala Romana S.A. (Financial Intermediary) **is owned by** Erste Group (Parent Company)

Private Actors Description

According to the IFC, BCR is a subsidiary of the Erste Group (Erste) and one of the systemic banks in Romania. The Bank currently ranks as the second largest commercial bank in Romania by total assets with a 13.7 percent market share, and consolidated total assets of EUR17 billion as of September 30, 2021. BCR has a long history on the local market and offers a wide range of banking services with a nationwide presence, through a network of 18 corporate business centers, 16 mobile offices dedicated to corporate clients and 327 retail units. As of September 30, 2021, the Bank had 5,417 full time employees. BCR has long-term issuer default rating of BBB+ (negative outlook) by Fitch affirmed in January 2021 and a long-term foreign currency bank deposit rating of Baa1 (stable outlook) by Moody’s affirmed in October 2021.

Erste is a banking group headquartered in Austria serving approximately 16.1 million customers across Austria and its core Central and Eastern Europe (CEE) markets through a region-wide network of approximately 2,111 branches. As of September 30, 2021, Erste had 44,878 employees worldwide and total assets of EUR309.2 billion. Erste's senior unsecured long-term debt was rated A (positive outlook) by S&P, A2 (stable outlook) by Moody's and A (stable outlook) from Fitch as of September 30, 2021.

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

- Banktrack: Erste Group Bank
- Business and Human Rights Resource Center: Banca Comerciala Romana (BCR)