Early Warning System

IFC-49235

DCM ESB MREL 2

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Quick Facts

Countries	Croatia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-01-19
Borrower	Erste & Steiermarkische Bank d.d.
Sectors	Climate and Environment, Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 16.36 million
Project Cost (USD)	$ 16.36 million

Project Description

As stated by the IFC, the project entails an IFC investment of €15.0 million in the first green senior preferred bond issued in the international market by Erste & Steiermarkische Bank d.d. in line with the principles of the Erste Group's Sustainable Finance Framework. The bonds were offered to institutional investors on the Vienna Stock Exchange under the Bank's Multi Issuer EMTN Programme, consisting of the Securities Note dated 4 December 2023 and Registration Document dated 4 December 2023.

Early Warning System Project Analysis

The IFC categorized the project E&S risk as FI-2.

Investment Description

- International Finance Corporation (IFC)

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.

- Erste & Steiermärkische Bank d.d. (Financial Intermediary) **is owned by** Erste Group Bank AG (Parent Company)

Private Actors Description

As stated by the IFC, Erste & Steiermarkische Bank d.d. is a member of the Erste Group Bank and a systemic bank in Croatia. The Bank currently ranks as the third largest commercial bank in Croatia by total assets with a 16.8 percent market share and total assets of $12.4 billion as of June 30, 2023. The Bank has over 2,750 employees and over 1 million clients. The Bank's long-term issuer default rating is A- (Stable outlook) by Fitch, one notch higher than the Croatian sovereign rating and the highest in Croatian banking system.

Erste is a banking group headquartered in Austria and a leading regional banking group that offers a broad range of services to retail, SME and corporate clients. The Erste Group serves 16.2 million customers through a region-wide network of about 2,000 branches. As of June 30, 2023, the Erste Group had more than 42,900 employees and total assets of €344 billion. Erste is rated A+ (stable outlook) by S&P, A1 (stable outlook) by Moody's, and A (stable outlook) by Fitch, with shares listed and traded on the Vienna Stock Exchange, Prague Stock Exchange, and Bucharest Stock Exchange.

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Other Related Projects

- IFC-47626 DCM ERSTE SRB MREL