

 Early Warning System

IFC-49317

DCM SRT SGR



Quick Facts

Countries	Romania
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-03-31
Borrower	BRD Groupe Société Générale S.A.
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 114.00 million
Project Cost (USD)	\$ 761.00 million



Project Description

According to the Bank's website, the Project consists of a Synthetic Risk Transfer (SRT) transaction in which IFC will provide to BRD Groupe Société Générale S.A. (BRD, the Bank) an unfunded guarantee on credit losses of up to EUR105 million (approximately US\$114 million equivalent) on an up to EUR700 million (approximately US\$761 million equivalent) reference portfolio comprising small and medium enterprises (SME) and corporate finance loans of BRD. BRD will deploy capital freed up as a result of the IFC loss protection to undertake no less than EUR315 million of new climate and women-owned SME loans in Romania. The Project will allow BRD, one of the country's systemic banks, to optimize its capital management while supporting the growth of corporate origination. The Project introduces a highly innovative SRT structure, which will be one of the first SRTs and first with IFC in Romania's banking sector.



Early Warning System Project Analysis

The capital released by this guarantee will be utilized to support a new portfolio of sustainability related sub-projects, primarily lending to eligible climate (including blue) sub-projects and women-owned SMEs in Romania. This Project has been categorized as FI-2 in accordance with IFC's Sustainability Policy.



Investment Description

- International Finance Corporation (IFC)

The proposed investment involves up to EUR105 million (approximately US\$114 million equivalent) second-loss guarantee from IFC in the form of synthetic risk transfer, on an up to EUR700 million (approximately US\$761 million equivalent) reference portfolio comprising small and medium enterprises (SME) and corporate finance loans of BRD.

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.

- [BRD Groupe Société Générale S.A.](#) (Financial Intermediary)



Private Actor Relationship

BRD is a top systemic bank in Romania by total assets, active in retail, SME and corporate financing. BRD is controlled by France-domiciled Société Générale S.A. (SG Group), one of the largest European financial services groups, with an ownership of 60.2 percent. The remaining shares of BRD are listed at the Bucharest Stock Exchange.



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>