

 Early Warning System

IFC-49480

DCM UCB Ro II



Quick Facts

Countries	Romania
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-06-20
Borrower	UNICREDIT BANK SA
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 108.50 million



Project Description

According to the Bank's website, the proposed project is to invest up to EUR100 million (corresponding to US\$108 million), in EUR and/or RON equivalent, for IFC's own account, in one or more senior unsecured bonds to be issued by UniCredit Bank Romania (UCB or the Bank), as part of its new Medium-Term Notes Program (MTN Program). The bonds are expected to be issued in the local capital markets, with the first investment targeted for June/July 2024. The bonds will have a maturity of up to 7 years and will not qualify as minimum required eligible liabilities (MREL) but will be bail-in-able. All proceeds from IFC's investment will be used to support the Bank's climate finance program through loans to eligible small and medium enterprises (SMEs) and green mortgages in Romania.



Early Warning System Project Analysis

The use of IFC's proceeds under the Project is targeted to climate financing to SMEs projects such as energy efficiency, waste and wastewater management, water efficiency, and green mortgages. The activities supported under the project are mostly expected to have medium E&S risks and include a limited number of business activities that have potential adverse environmental or social risks or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures. Therefore, this Project has been categorized as FI-2 in accordance with IFC's Sustainability Policy.

The applicable E&S requirements will include the IFC Exclusion List and Romanian E&S laws and regulations. The following activities are not eligible for financing under this project: IFC Exclusion List activities, coal related activities, Renewable Energy projects, solar projects, and higher risk business activities that may include (i) involuntary resettlement; (ii) risk of adverse impacts on Indigenous Peoples; (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, or cultural heritage; (iv) risk of significant retrenchment; and/or (v) significant occupational health and safety risks. In addition, the Bank will need to be in line with life and fire safety requirements and the requirements of IFC's PS2 on Labor and Working conditions. Given that this investment is a capital market transaction, where IFC is not a sole investor IFC's requirement on disclosure of climate-related sub-projects will not be triggered.

Key risks from activities supported by this investment may derive from the Bank's capacity to correctly implement the environmental and social management system to manage the E&S risks associated with the portfolio supported through the Project proceeds which typically include occupational health and safety issues, labor and working conditions and waste and wastewater management.



Investment Description

- International Finance Corporation (IFC)

Under the proposed project, IFC would invest on its own account up to US\$100 million equivalent in Romanian Leu or Euro denominated (non-MREL-eligible) bonds to be issued by UCB. IFC's investment in each issuance, will depend on market interest and allocation through a book-building process.

IFC's Investment as Approved by the Board: Loan 108.50 million (USD)

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.

- [UniCredit Bank SA - Romania](#) (Financial Intermediary)



Private Actors Description

UniCredit Bank Romania - UCB is 98.6 percent owned by UniCredit SPA Italy (UCI, the Sponsor). UCI is publicly listed on the Italian Stock Exchange, and its 19 bank subsidiaries are market leaders in their respective countries across Europe. UCI's consolidated total assets stood at EUR785 billion as of December 2023, and it is rated BBB by S&P, BBB by Fitch, and Baa3 by Moody's.



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>