

IFC and Austria

Partners in Private Sector Development



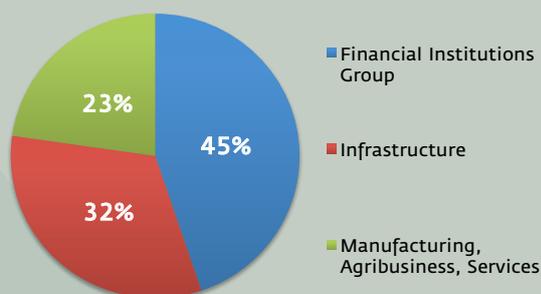
OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record \$31.5 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2021 (FY21). IFC partners with multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2021, IFC had a long-term committed investment portfolio of \$880 million with Austrian partners spread across several sectors and regions.

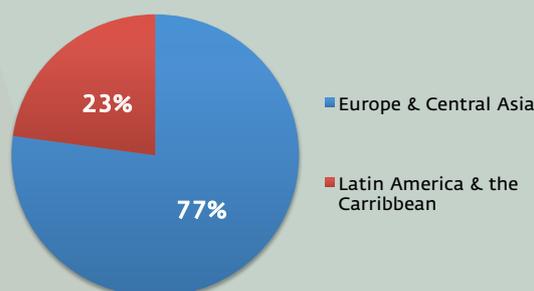
IFC's Long-Term Investment Portfolio with Austrian Sponsors

As of FY21 (ending June 2021), IFC's long-term investment portfolio with Austrian sponsors amounted to \$880 million. Austrian private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Long-Term Investment Portfolio as of June 2021 by Industry with Austrian Sponsors (\$880 million)



IFC Long-Term Investment Portfolio as of June 2021 by Region with Austrian Sponsors (\$880 million)



IFC Long-Term Investment Portfolio as of June 2021 (Dollar Amounts in Millions)

Energy	286
Banking	216
Agribusiness & Forestry	200
Housing Finance	166
Trade Finance	10
Insurance & Pensions	3
Total	880

- **Mobilization:** IFC has a strong relationship with Austrian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2021, Austrian FIs held over \$216 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP):** As of June 2021, IFC had issued over 160 guarantees close to \$611 million for Austrian banks since the GTFP began in 2005. The most active confirming banks have been Erste Bank and Raiffeisen Zentralbank Österreich AG.

PARTNERSHIP WITH THE GOVERNMENT

Austria is a strong partner of IFC Advisory Services, especially in Europe and Central Asia (ECA). With the support of the Austrian Ministry of Finance, IFC has implemented successful projects to promote renewable energy generation and distribution, strengthen cleaner production, and increase productivity in agribusiness. Austria has also supported programs aiming at improving the investment climate for private sector development. In FY16-21, Austria provided cumulative funding of over \$37 million in support of IFC Advisory Services, most recently to promote sustainable urban development in the Middle East and North Africa.



Examples of Successful Cooperation



RBI, Romania

In June 2021, IFC invested RON293.5 million (or approximately \$72 million equivalent) in local currency-denominated senior non-preferred bonds, placed by Raiffeisen Bank Romania (RBRO) under its green bond program. RBRO, one of the systemic banks in Romania serving over 2 million clients, is a subsidiary of Raiffeisen Bank International A.G. The bonds are expected to qualify for the European Union's Minimum Requirement for own funds and Eligible Liabilities (MREL), enhancing RBRO's stability as a systemic financial institution in Romania. This is IFC's second investment in RBRO's green bonds this year, following its first investment—over RON80 million (approximately \$20 million) in May 2021—in RBRO's first senior preferred bonds, and the first issuance of a green bond by a financial institution in Romania. The proceeds of the bonds will be exclusively used for eligible climate finance projects in five key areas: green buildings, renewable energy, energy efficiency, clean transportation, and sustainable agriculture. IFC's investment will help Romania achieve its climate change mitigation targets by boosting access to climate finance. In addition, the project is expected to help enhance the resilience of Romania's banking sector while also deepening and diversifying the country's capital markets.



Erste Group, Croatia

In June 2021, IFC committed €75 million in senior preferred bonds issued by Croatia-based Erste&Steiermärkische Bank to support its housing portfolio, with 40% of the proceeds earmarked for green housing loans. Erste&Steiermärkische Bank is a subsidiary of Erste Group, one of the largest financial services providers in Central and Eastern Europe headquartered in Austria. IFC's investment will help increase access to green housing loans while strengthening the local capital market and supporting Croatia's climate goals. The project is expected to enhance the resilience of the financial sector and promote a dynamic domestic corporate bond market in Croatia.



Lenzing, Brazil

In 2020, IFC arranged a \$500 million financing package to LD Celulose, a joint venture between Lenzing and Brazil-based Duratex S.A. Headquartered in Austria, Lenzing is a world market leader for wood-based cellulosic fibers. IFC's financing will help build one of the largest dissolving wood pulp plants in the world, in Minas Gerais State, Brazil. The investment is part of a larger \$1.1 billion financing package co-led with IDB Invest. The export credit agency Finnvera and seven commercial banks are participating in the financing. IFC's investment will help strengthen the competitiveness of the pulp industry in Brazil and support job creation. In addition, LD Celulose's cogeneration plant will contribute to an increase in the share of sustainable biofuels and renewable energy in the country's energy mix, enhancing diversification and contributing to climate change mitigation. IFC has a long-standing relationship with Lenzing, having provided debt financing and syndications services to P.T South Pacific Viscose, a subsidiary of Lenzing based in Indonesia, for three projects since 2004.

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