

IFC and Austria

Partners in Private Sector Development



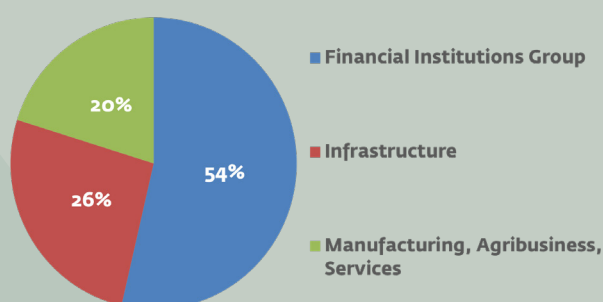
OVERVIEW

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 \$32.8 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2022 (FY22).^{*} IFC partners with multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2022, IFC had a long-term committed investment portfolio of \$992 million with Austrian partners spread across several sectors and regions.

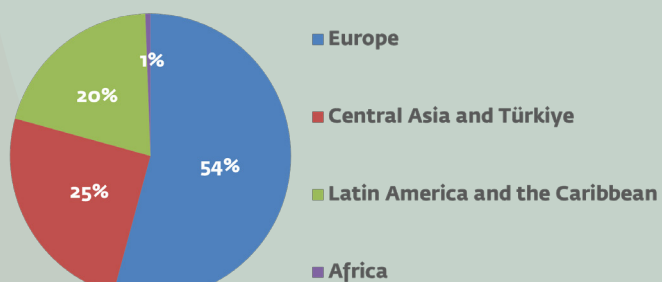
IFC's Long-Term Investment Portfolio with Austrian Sponsors

As of FY22 (ending June 2022), IFC's long-term investment portfolio with Austrian sponsors amounted to \$992 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 2022
by Industry with Austrian Sponsors (\$992 million)



IFC Long-Term Investment Portfolio as of June 2022
by Region with Austrian Sponsors (\$992 million)



IFC Long-Term Investment Portfolio
as of June 2022 (Dollar Amounts in Millions)

Banking	262
Power	260
Housing Finance	254
Agribusiness & Forestry	200
Trade Finance	10
Fintech	6
Total	992

- **Mobilization:** IFC has a strong relationship with Austrian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2022, Austrian FIs held over \$190 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP):** As of June 2022, IFC had issued close to 176 guarantees amounting to over \$772 million for Austrian banks since the GTFP began in 2005. The most active confirming bank has been Erste Group Bank AG.

^{*}The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

PARTNERSHIP WITH THE GOVERNMENT

Austria is a strong partner of IFC Advisory Services, especially in Europe. 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 FY18-22, Austria provided cumulative funding of close to \$26 million in support of IFC Advisory Services, most recently for the ECA Economic and Climate Advisory Program (E2CAP).



Examples of Successful Cooperation



ECA Sustainable Upstream Infrastructure Platform, Europe and Central Asia

The ECA Sustainable Upstream Infrastructure Platform, which is supported by the Austrian government, enables IFC to offer governments and private companies advisory solutions that address infrastructure gaps by supporting early-stage development of high-impact projects. The platform will help reduce green financing gaps for infrastructure projects, mitigate climate change impacts, enhance connectivity, efficiency, and reliability of services in renewable energy, sustainable transport and ICT sectors. Between January 2020 and December 2023, the platform is expected to provide advisory support for at least five individual infrastructure projects, and facilitate at least \$150 million in financing from commercial investors (including IFC), of which at least 80% would qualify as green finance.



Erste Group, Romania

In June 2022, IFC committed approximately \$52 million in Romanian lei in senior non-preferred bonds placed by Banca Comercială Română (BCR) to provide housing mortgages to its clients. BCR, which currently ranks as the country's second largest commercial bank by assets, is owned by Erste Group, one of the largest financial services providers in Central and Eastern Europe based in Austria. The bonds will have features satisfying the criteria for the EU's Minimum Requirement for Own Funds and Eligible Liabilities (MREL), providing the required regulatory cushion to enhance BCR as a systemic financial institution in Romania. IFC's participation will increase access to housing finance for the underserved segments, improving housing conditions in Romania with a particular emphasis on green mortgages. 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.



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.



Lenzing, Brazil

In 2020, IFC arranged a \$500 million financing package to LD Celulose, a joint venture between Lenzing and Brazil-based Dexco. Headquartered in Austria, Lenzing is a world market leader for wood-based cellulosic fibers. IFC's financing contributed to the construction of one of the largest dissolving wood pulp plants in the world, in Minas Gerais State, Brazil, with a production capacity of 500,000 tons per annum and electricity capacity of 144 MW. 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 also participated 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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September 2022



Creating Markets, Creating Opportunities