

 Early Warning System

EBRD-48989

Investment in OTP Mortgage Bank covered bonds



Quick Facts

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| Countries | Hungary |
| Financial Institutions | European Bank for Reconstruction and Development (EBRD) |
| Status | Approved |
| Bank Risk Rating | FI |
| Voting Date | 2017-02-08 |
| Borrower | OTP Mortgage Bank |
| Sectors | Finance |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 138.99 million |
| Loan Amount (USD) | \$ 138.99 million |
| Project Cost (USD) | \$ 1,042.42 million |



Project Description

According to EBRD website, the covered bond transaction will support OTP MB to access medium- to long-term funding outside OTP Group and to comply with the mortgage funding adequacy ratio introduced by the National Bank of Hungary with the objective to improve the maturity mismatch between HUF-denominated assets and liabilities in the banking sector.

Further, it will contribute to the resilience of the financial sector in Hungary by:

1. revitalising the Hungarian covered bond market
2. supporting the NBH initiative to strengthen banks' balance sheets through reduction of the asset - liability maturity mismatch in the banking sector, where long term mortgage assets are predominantly funded by very short-term deposits and;
3. improving the environment for mortgage funding.



Investment Description

- European Bank for Reconstruction and Development (EBRD)



Contact Information

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ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at pcm@ebrd.com or you can submit a complaint online using an online form, http://www.ebrd.com/eform/pcm/complaint_form?language=en. You can learn more about the PCM and how to file a complaint at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>.