Early Warning System

EBRD-51013

OTP Bank subordinated bond

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Quick Facts

Countries	Hungary
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Active
Bank Risk Rating	U
Voting Date	2019-06-05
Borrower	OTP Bank NYRT
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 67.37 million
Project Cost (USD)	$ 561.38 million

Project Description

According to the Bank's website, this project provided EUR 60 million in financing to OTP Bank in the form of a subordinated bond as part of a benchmark issuance of EUR 500 million.

This project aims to support the resilience of OTP Bank.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

The Tier 2 capital eligible bonds have a 10-year maturity, are callable after five years and are listed on the Luxembourg Stock Exchange.

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.

- OTP Bank Nyrt (Financial Intermediary)

Private Actors Description

OTP Bank Nyrt. is the largest bank in Hungary, with an estimated 27% market share by domestic assets and one of the regional market players, operating in CEE and SEE regions. OTP Group operates in 10 countries and serves 18.5 million customers. The bank is listed on the Budapest Stock Exchange and is rated BBB-/Baa3 (S&P/Moody's). The subordinated bond issuance received a Ba1 rating (Moody's).

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.

Bank Documents

- Translated Version of this Project Summary Document Hungarian [Original Source]