Early Warning System

EBRD-55029

FIF - PRS - OTP Bank SA (EFSD+2)

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Quick Facts

Countries	Moldova
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-09-03
Borrower	OTP Bank SA
Sectors	Agriculture and Forestry, Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 16.57 million
Project Cost (USD)	$ 33.15 million

Project Description

According to the EBRD, the project conists of a Portfolio Risk Sharing in the form of an unfunded portfolio guarantee of up to EUR 15.0 million provided by the Bank in favour of OTP Bank Moldova ("OTPM"). The guarantee will cover up to 50% of the credit risk on a pro rata basis on the newly-generated micro, small and medium-sized entreprise loan portfolio of up to EUR 30.0 million originated by OTPM.

This project is the first pilot implementation of the Portfolio Risk Sharing product by the EBRD in Moldova. The product aims to release a bank's risk-taking capacity to boost on-lending to MSMEs, addressing an MSME financing gap in the market.

The project is indirectly supported by SSF funds, which are being used for the overall PRS product development, in particular the legal support by an outside counsel and previous support in the design of the product. The project is also supported by tailored capacity-building for MSMEs, especially for agri MSMEs to strengthen their agribusiness practices and capabilities in the export market via the Advice for Small Businesses team.

Early Warning System Project Analysis

The EBRD categorized the project risk as 'FI'.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

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 S.A. (Moldova) (Financial Intermediary) **is owned by** OTP Bank Nyrt (Parent Company)

Private Actors Description

As stated by the EBRD, OTP Bank Moldova is 98.23% owned subsidiary of OTP Bank Nyrt, Hungary and ranked 3rd largest by gross loans (10.82% market share) and 4th by total assets (12.67%) in Moldova at 1H2024. It is a universal bank active in retail banking, MSME and corporate lending with 54 bank offices and 154 ATMs in Moldova. OTP Bank Nyrt is one of the leading banking institutions in the CEE/CIS region (rated BBB- by S&P and Baa1 by Moody's).

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

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 at: 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

Other Related Projects

- EBRD-57164 FIF - PRS - OTP Bank SA (EFSD+2) II