Early Warning System

EBRD-55094

RLF - RLG - OTP Bank Ukraine 2024

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Quick Facts

Countries	Ukraine
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Voting Date	2024-04-10
Borrower	JSC OTP Bank
Sectors	Agriculture and Forestry, Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 32.33 million
Project Cost (USD)	$ 129.31 million

Project Description

According to the EBRD, the project consists of a Resilience and Livelihoods Guarantee, under the Resilience and Livelihoods Framework, in the form of an unfunded portfolio risk-sharing facility covering up to 50 per cent of the credit risk in sub-loans with the total value of EUR 120 million equivalent to be originated by JSC OTP Bank in Ukraine.

The Project will be delivered in two equal tranches each including EUR 15 million of EBRD's guarantee to cover EUR 60 million of the Covered Portfolio with Tranche B being uncommitted.

The Project will include a sub-limit under the SME Competitiveness Programme in the European Union's (EU) Eastern Partnership ("EaP SMEC" sub-limit, assigned with a separate EBRD project number 55095) of up to EUR18 million or 15% of the Covered Portfolio to finance long term capital investments of micro-, small-, and medium sized enterprises to upgrade their technologies and equipment to EU standards, including investments in sustainable and green technologies (at least 70% of EaP SMEC sub-limit), thereby enhancing businesses' competitiveness. Eligible sub-borrowers will also receive EU funded technical assistance and grant support in the form of investment incentives upon the completion of their investment projects.

The Facility will be used to support lending to Ukrainian private companies operating in the primary and secondary agriculture and other critical industries (inter alia food processing, retail, logistics), with the ultimate goal of preserving livelihoods in Ukraine.

Early Warning System Project Analysis

The EBRD categorized the project risk as FI, without providing additional information on the project risks.

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 PJSC (Financial Intermediary) **is owned by** OTP Bank Plc (Parent Company)

Private Actors Description

As stated by the EBRD, JSC OTP Bank in Ukraine is a 100 per cent owned subsidiary of OTP Bank Plc., Hungary. OTPU is a universal bank offering conventional banking products to SME/corporate and retail clients. The PFI has a 3.6% market share by assets (USD 2.6 billion), ranked 9th out of 63 banks in Ukraine as of end-3Q2023.

Contact Information

Financial Intermediary - OTP Bank PJSC:

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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-55781 RLF - RLG - OTPU 2024 II (UIF 2)
- EBRD-55977 RLF - RLG - OTPL 2025