

 Early Warning System

EBRD-55781

RLF - RLG - OTPU 2024 II (UIF 2)



Quick Facts

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| Countries | Ukraine |
| Financial Institutions | European Bank for Reconstruction and Development (EBRD) |
| Status | Proposed |
| Bank Risk Rating | U |
| Voting Date | 2024-11-20 |
| Borrower | OTP Bank Ukraine PJSC |
| Sectors | Agriculture and Forestry, Finance, Industry and Trade |
| Investment Type(s) | Guarantee |
| Investment Amount (USD) | \$ 65.46 million |
| Project Cost (USD) | \$ 218.19 million |



Project Description

According to the EBRD, the project consists of a EUR 60 million Resilience and Livelihoods Guarantee ("RLG"), 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 200 million equivalent (the "Covered Portfolio") to be originated by JSC OTP Bank ("OTPU", the "PFI") in Ukraine.

The facility will be provided in three tranches: Tranche A of EUR 22.5M of EBRD's guarantee to cover EUR 75M of the Covered Portfolio; Tranche B of EUR 15M of EBRD's guarantee to cover EUR 50M of the Covered Portfolio, and Tranche C of EUR 22.5M of EBRD's guarantee to cover EUR 75M of Covered Portfolio. Tranche B and C remain uncommitted.

Up to EUR 40 million of risk shared sub-loans will finance SMEs' long-term investments under the EU4Business-EBRD Credit Line with Incentives (within a dedicated sub-limit assigned with a separate EBRD project number 55782). This will enable financing of long-term capital investments of SMEs to upgrade their technologies and equipment to EU standards, including investments in sustainable and green technologies (at least 70% of the sub-limit), thereby enhancing their competitiveness. Eligible sub-borrowers will also receive technical assistance funded by the EU 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.



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 Group](#) (Parent Company)



Private Actors Description

As stated by the EBRD, JSC OTP Bank in Ukraine ("OTPU", the "PFI") 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 3.4% market share by assets (USD 2.5 billion), ranked 11th out of 62 banks in Ukraine as of end-1H2024.



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-55094 RLF - RLG - OTP Bank Ukraine 2024