

THE RESOLUTION FUND REPAID ALL OF ITS EXTERNAL DEBT PRIOR TO ITS MATURITY

3 August 2018, 11:12 am

On 23 July 2018, the Resolution Fund of Hungary repaid all of its debt far before the maturity as a result of the successful resolution of the MKB Bank as well as the great economic performance of its subsidiary, MSZVK Magyar Szanálási Vagyonkezelő Zrt. (the Hungarian resolution asset management vehicle). The loan that financed the resolution of the MKB Bank had 10 years of original maturity (ending in 2025) and its volume was 45,5 billion HUF and 166,9 million EUR. It was a syndicated loan taken from local credit institutions.

The Resolution Fund had taken a syndicated loan from the consortium of Erste Bank Hungary Zrt., K&H Bank Zrt., OTP Bank Nyrt. as well as UniCredit Bank Zrt. in the volume of 45,5 billion HUF and 166,9 million EUR on 12 December 2015.

The loan was to facilitate the resolution of MKB Bank in 2015. The Resolution Fund used its external debt to finance its subsidiary, the Hungarian resolution asset management vehicle in buying and managing the non-performing loan portfolio separated from MKB Bank during the resolution.

Efficient and effective portfolio management carried out by the Hungarian resolution asset management vehicle on the separated bad loans resulted early repayment of its debt towards the Resolution Fund. As a result, the Resolution Fund was able to repay its syndicated loan prior to its maturity.

By the early repayment of the syndicated loan, the Resolution Fund avoided a significant burden of further interest and fee payments, which also helps the Resolution Fund to comply with the regulation requiring reaching the target level of its liquid assets by 2024, and to contribute to the protection of financial stability.

Dated: Budapest, 3 August 2018

[Contact](#)

[Imprint](#)

[Privacy policy](#)

[Cookie policy](#)