

03 Dec 2021 - Scope Ratings GmbH

## Scope rates GOPD Nyrt's senior unsecured guaranteed HUF 5.0bn bond (2021/2031) at B+

**80% of the bond notional is guaranteed by the Hungarian Development Bank MFB.**

The latest information on the rating, including rating reports and related methodologies, is available on this [LINK](#).

### Rating action

Scope Ratings GmbH (Scope) has assigned a B+ rating to the senior unsecured HUF 5.0bn bond (ISIN: HU0000361076) to be issued by GOPD Nyrt. The bond is guaranteed by the state-owned Hungarian Development Bank MFB Zrt. and issued under the MNB Bond Funding for Growth Scheme.

### Rating rationale

GOPD Nyrt. plans to issue a HUF 5.0bn senior unsecured corporate bond with a tenor until 2031. The bond is guaranteed by the MFB, which allows an above-average recovery. The planned bond is expected to have a fixed 4.95% coupon to which a guarantee fee of 1.8% shall be added for 80% of the bond notional, resulting in a finance cost of 6%-6.5% p.a. The bond will amortise 10% yearly from the fifth year, with 50% outstanding at maturity. The proceeds are earmarked for the purchase of SunDell shares and for plot purchases and developments. Scope's assessment reflects a standalone perspective but assumes the majority share of SunDell will be gained with no negative effects on dividends, covenants or change of control.

Scope assumed no senior secured debt on GOPD level, no corporate guarantees or suretyships offered by GOPD and no pledge other than that from MFB on the controlling majority of SunDell shares owned by GOPD. Scope notes that a security enforcement from MFB on SunDell shares would be used to indemnify bond investors.

Scope has assigned a B+ debt rating to the senior unsecured bond issued by GOPD Nyrt. and guaranteed by MFB Zrt. Scope expects an 'above-average' recovery for outstanding senior unsecured debt in a hypothetical default scenario based on a distressed liquidation value. This recovery expectation results in one notch of uplift above the issuer rating.

Any debt issuance at higher seniority than the unsecured bond could lead to a revision of Scope's assessment.

GOPD Nyrt.'s issuer rating of B/Stable is unaffected.

### Stress testing & cash flow analysis

No stress testing was performed. Scope Ratings performed its standard cash flow forecasting for the company.

### Methodology

The methodologies used for this Credit Rating, (Corporate Rating Methodology, 6 July 2021; Rating Methodology: European Real Estate Corporates, 15 January 2021), are available on <https://www.scooperatings.com/#!/methodology/list>.

Scope Ratings GmbH and Scope Ratings UK Limited apply the same methodologies/models and key rating assumptions for their credit rating services, while Scope Hamburg GmbH's methodologies/models and key rating assumptions are different from those of Scope Ratings GmbH and Scope Ratings UK Limited.

Information on the meaning of each Credit Rating category, including definitions of default, recoveries, Outlooks and Under Review, can be viewed in 'Rating Definitions – Credit Ratings, Ancillary and Other Services', published on <https://www.scooperatings.com/#!/governance-and-policies/rating-scale>. Historical default rates of the entities rated by Scope Ratings can be viewed in the Credit Rating performance report at <https://www.scooperatings.com/#!/governance-and-policies/regulatory-ESMA>. Also refer to the central platform (CEREP) of the European Securities and Markets Authority (ESMA): <http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>. A comprehensive clarification of Scope Ratings' definitions of default and Credit Rating notations can be found at <https://www.scooperatings.com/#!/governance-and-policies/rating-scale>. Guidance and information on how environmental, social or governance factors (ESG factors) are incorporated into the Credit Rating can be found in the respective sections of the methodologies or guidance documents provided on <https://www.scooperatings.com/#!/methodology/list>.

#### **Solicitation, key sources and quality of information**

The Rated Entity and/or its Related Third Parties participated in the Credit Rating process.

The following substantially material sources of information were used to prepare the Credit Rating: public domain, the Rated Entity and Scope Ratings' internal sources.

Scope Ratings considers the quality of information available to Scope Ratings on the Rated Entity or instrument to be satisfactory. The information and data supporting the Credit Rating originate from sources Scope Ratings considers to be reliable and accurate. Scope Ratings does not, however, independently verify the reliability and accuracy of the information and data.

Prior to the issuance of the Credit Rating action, the Rated Entity was given the opportunity to review the Credit Rating and the principal grounds on which the Credit Rating is based. Following that review, the Credit Rating was not amended before being issued.

#### **Regulatory disclosures**

The Credit Rating is issued by Scope Ratings GmbH, Lennéstraße 5, D-10785 Berlin, Tel +49 30 27891-0. The Credit Rating is UK-endorsed.

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Person responsible for approval of the Credit Rating: Olaf Tölke, Managing Director

The preliminary Credit Rating was first released by Scope Ratings on 3 November 2021. The final Credit Rating was first released on 3 December 2021.

#### **Potential conflicts**

See [www.scooperatings.com](http://www.scooperatings.com) under Governance & Policies/EU Regulation/Disclosures for a list of potential conflicts of interest related to the issuance of Credit Ratings.

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