

EIF in Hungary

EUR 237.5m

EUR 33.8m

Guarantees &
Securitisation

EUR 53.7m

Equity

EUR 8.0m

Key figures (at 31.12.2013)

- First EIF operation in Hungary: 2001
- 3 supported private equity funds investing in Hungarian SMEs
- 4 partner finance and guarantee providers
- 552 Hungarian SMEs supported

- Outstanding commitments
- Mobilised resources (estimate since start of EIF operations)
- Amount invested by EIF in SMEs through portfolio funds
- Total mobilised amount, invested by portfolio funds

Guarantees & Securitisation

Under the EU Competitiveness and Innovation Programme (CIP), through UniCredit Bank Hungary, Budapest Bank and Budapest Lizing, EIF provides Hungarian entrepreneurs with easier access to loan finance and equipment to start up, develop and grow their businesses. Furthermore, EIF also cooperates with HVB Bank Hungary and Rural Credit Guarantee Foundation.

Additionally, EIF has signed one agreement with IKB Leasing Hungary under the Risk Sharing Initiative (RSI) which provides EUR 50.0m of loans at favourable conditions to benefit innovative Hungarian SMEs and Small Mid-Caps (enterprises with fewer than 500 employees). The RSI agreement will provide companies with capital to fund research, development and innovation activities.

Equity

EIF's exposure to Hungary is mainly through commitments into funds targeting the Central and Eastern Europe region as a whole, such as Polish Enterprise Fund VI and CEE Private Equity LP. In the past, EIF has also supported SMEs and Small Mid-Caps in Hungary through its equity investments into Euroventures III, the most experienced fund based in the country investing into businesses across a wide range of sectors, including software, communication and micro-electronics.

EIF at a glance

EIF's mission is to support Europe's micro, small and medium sized businesses (SMEs) by helping them to access finance. EIF primarily designs equity and debt financial instruments which specifically target this market segment through a wide range of selected financial intermediaries across Europe. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. EIF is a public-private partnership whose tripartite shareholding structure includes the European Investment Bank (EIB, 62.1%), the European Union represented by the European Commission (30%) and 25 financial institutions from 14 European Union Member States, and Turkey (7.9%).

The EIF manages resources on behalf of the European Commission, the EIB and further national institutions. Since 2000, EIF is part of the EIB Group. EIF has an authorised capital of EUR 3.0bn, divided into 3,000 shares of EUR 1.0m each.

Dr. Alkaysi Ghazi is one of the many entrepreneurs who have benefited from the EU support through the Competitiveness and Innovation Framework Programme (CIP). CIP allowed UniCredit Hungary to give him further capital to expand his business and carry out his ambitions.

Case study



Company:
Biotech GmbH

Type of business:
Implant specialist

**EU-guaranteed loan from
UniCredit Hungary:**
EUR 546,000

Biotech was set up in 2006 and has since become a key player in the Hungarian medical market.

The company both produces and trades orthopaedic, trauma and spine implants, providing mobility solutions for patients.

Biotech's owner and CEO, Dr. Alkaysi Ghazi, is a trained orthopaedist. He initially set up Biotech in a rented factory but the premises soon became too small and unsuitable for the high quality production process necessary for manufacturing these products.

"We soon realised that we needed even more space and additional finance to continue developing new products and providing new services" states Managing Director Szentpétery Olivér.

So in 2010, Biotech went to UniCredit Hungary for a loan, bought a new factory, warehouse and office in Diósd near Budapest and also created a new R&D centre. Thanks to this recent expansion, the company can now increase its production and research and also has the infrastructure to take on additional employees.

European Investment Fund

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