

Hungary: EIB lends €200 million to Hungary`s Eximbank for the faster recovery of companies from COVID-19



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- **The EU bank lends €200 million to unlock fresh financing for the Hungarian economy's faster recovery from COVID-19.**
- **Loans will be available to companies for short-term financing, working capital and investment needs.**
- **With the EIB loan, Eximbank will step up its lending activities without jeopardising its long-term stability or the stability of the Hungarian financial sector.**

The European Investment Bank, the lending arm of the European Union, will lend €200 million to Eximbank, Hungary, creating a new credit line to support the faster recovery of Hungarian companies from the negative economic effects of the COVID-19 pandemic. The financing will be available for companies looking to solve working capital issues and make investments.

The EIB loan provides a new source of flexible financing for Hungarian companies to help them overcome issues including low liquidity reserves, limited financing alternatives and a lack of funds for investments. All these problems have been significantly amplified during the COVID-19 pandemic and are threatening the speed of the economic recovery.

The loan from the EU bank will strengthen the Hungarian economy, help protect jobs and shore up the country's financial sector by increasing its ability to invest and fuel the economic recovery from the pandemic.

Teresa Czerwinska, the EIB vice president who is responsible for operations in Hungary, said: "The EIB is working to ensure that every EU member country gets the support it needs to recover from COVID-19 as quickly as possible. The pandemic has hit Hungarian SMEs and midcaps particularly hard. As they are the major employer and backbone of economy, the EIB will support their survival so that they can continue to provide jobs and drive the economy forward. Operations like this are crucial for the long-term sustainable economic development of both Hungary and the European Union. As such, they are a priority for the EIB and the Bank has invested over €5.3 billion in Hungarian companies to date."

Gergely Jáklí, CEO and Chairman of the Board of Eximbank Hungary, said: "Our mission is to support domestic businesses by acting as a financial engine that helps drive the international success of Hungarian export companies, and to provide them, through appropriate financial solutions, with a "passport" for doing business abroad. The EIB loan will play a key role in ensuring that EXIM can meet the higher expectations and greater demand for credit in the new economic environment caused by the coronavirus pandemic, and it is in line with the maturity structure of Eximbank resources. It contributes to our goal of assisting our clients with a product portfolio that corresponds to market requirements to a large extent."

This is the fourth operation between the EIB and Eximbank that creates fresh sources of financing for Hungarian companies.

EIB supports Hungarian economy's faster recovery from COVID-19

The EIB's loan to Eximbank Hungary forms part of the COVID-19 emergency measures the Bank is rolling out to support EU member countries during the pandemic. This loan to Eximbank marks the first EIB operation in Hungary as part of these special support measures.

On top of its support for speeding up the recovery of the Hungarian economy, the EU bank is helping the country's healthcare sector strengthen its response to the pandemic, having signed a €162.5 million loan with the Hungarian government in December 2020.

The EIB in Hungary

The EIB's lending commitments in Hungary since the launch of its operations in the country are currently close to €21.6 billion. Between 2008 and 2018 alone, the EIB provided support totalling €13.2 billion. EIB operations cover important sectors of the Hungarian economy, including transport, the environment, energy infrastructure, manufacturing and services.

Another key component of the Bank's activity in Hungary is the promotion of small and medium-sized enterprises (SMEs) by increasing their access to long-term financing through local financial institutions. Since 2001, the EU bank

has supported 5 172 Hungarian SMEs, sustaining 263 767 jobs in the process.