

FRWE conference: 5-6 February, 2004



Hungarian Export-Import Bank Ltd.
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Deputy CEO





Establishment: Act XLII of 1994

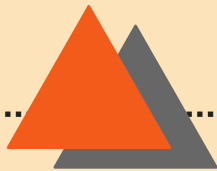
- ◆ **100 % state ownership**
- ◆ **The Hungarian Export-Import Bank was established in order to:**
 - develop the Hungarian foreign trade relations,
 - be a partner for exporters and commercial banks,
 - offer services for deals, which can not be financed on a market conditions,
 - be instrumental in supporting outgoing foreign investment





Impacts on Exim's mission

- ◆ legislative impact: harmonization with the international rules (framework for Eximbank's activity)
- ◆ country impact: rethink of export patterns (EU accession)
- ◆ activity impact: shift in Exim's profile towards new products
- ◆ policy impact: export-led economic growth





Consequences of EU accession

- ◆ one third of the market portfolio will be spread among new markets
- ◆ share of risky markets within the portfolio will increase
- ◆ new products came in highlight (tied aid, one top-shop financing)






Future strategy

Markets outside the EU

- ◆ CIS
- ◆ South-Eastern Europe
- ◆ Middle East
- ◆ South America

Important products

- ◆ project finance
 - ◆ risk sharing
 - ◆ aid finance
 - ◆ one stop shop finance
- 




Project finance

- ◆ The main elements of this complex facility:
 - financing the buyer
 - pre-financing the exporter
 - issuing state-backed export-guarantees
 - the role of Eximbank: organiser, direct lender, lender of commercial banks guarantor,
- ◆ Project risk based financing facility - the future
 - financing infrastructure constructions
 - developing markets
 - the role of Eximbank: organiser of the Hungarian financing background of the project in line with foreign banks





Risk sharing

- ◆ Eligible instruments: Documentary Letter of Credit, Guarantee, associated with exports, issued by banks accepted to Eximbank
 - ◆ Contract: individually or in frame agreement
 - ◆ Beneficiary: Hungarian exporter
 - ◆ Amount: In consideration with the risk of the limit established for eligible bank(s)
 - ◆ Pricing: - discount rate: LIBOR + margin % p.a.
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Aid finance

Loans, grants, mixed financing packages tied to the procurement of goods from the donor country with preferential conditions:

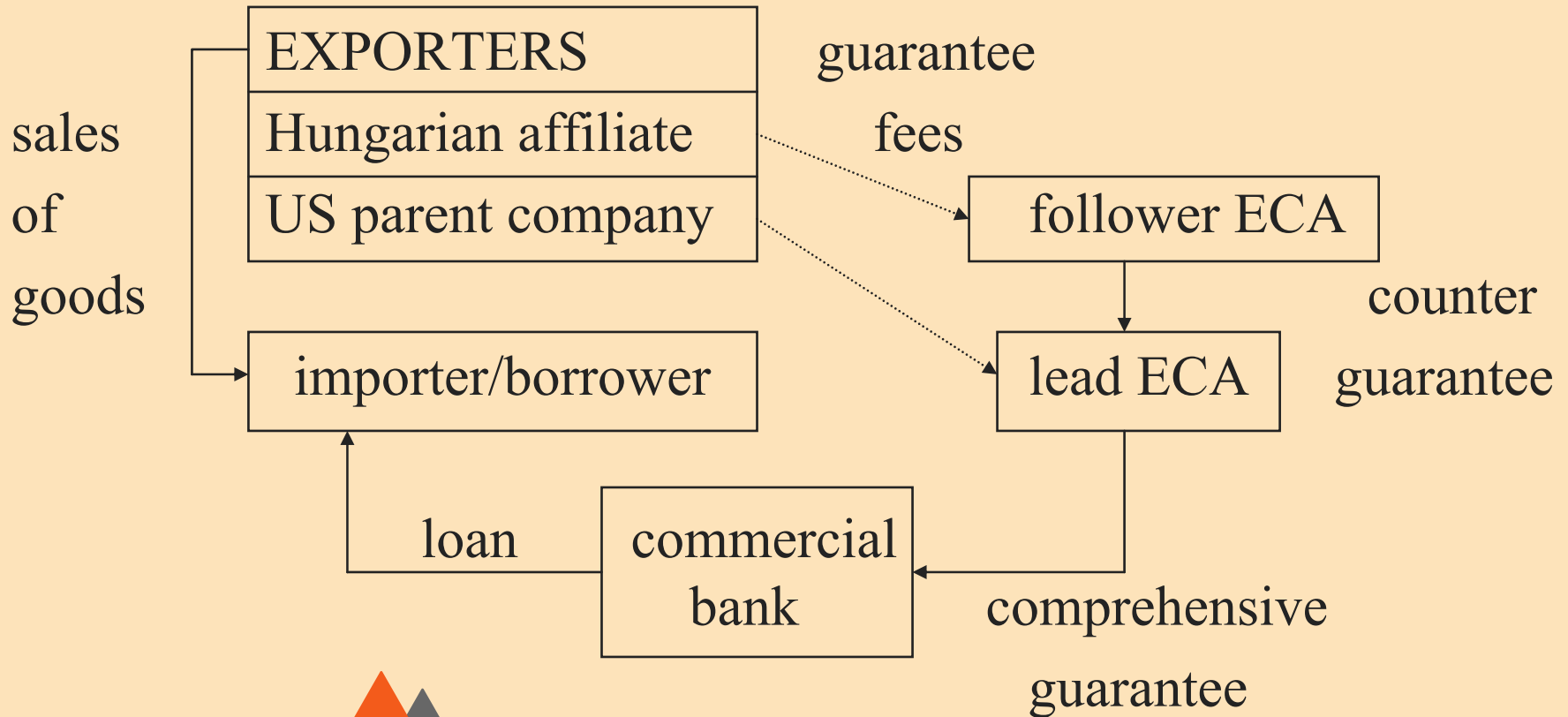
- ◆ lower interest, grant element, longer repayment term + grace period

Eligibility rules:

- ◆ **concessionality level:** *minimum 35%*
 - ◆ **country eligibility:** *GNI/capita: 2935 USD in 2003*
 - ◆ **project eligibility:** *cash flow is not sufficient on market principle*
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One stop-shop financing

Joint financing with Export Credit Agencies (ECAs)





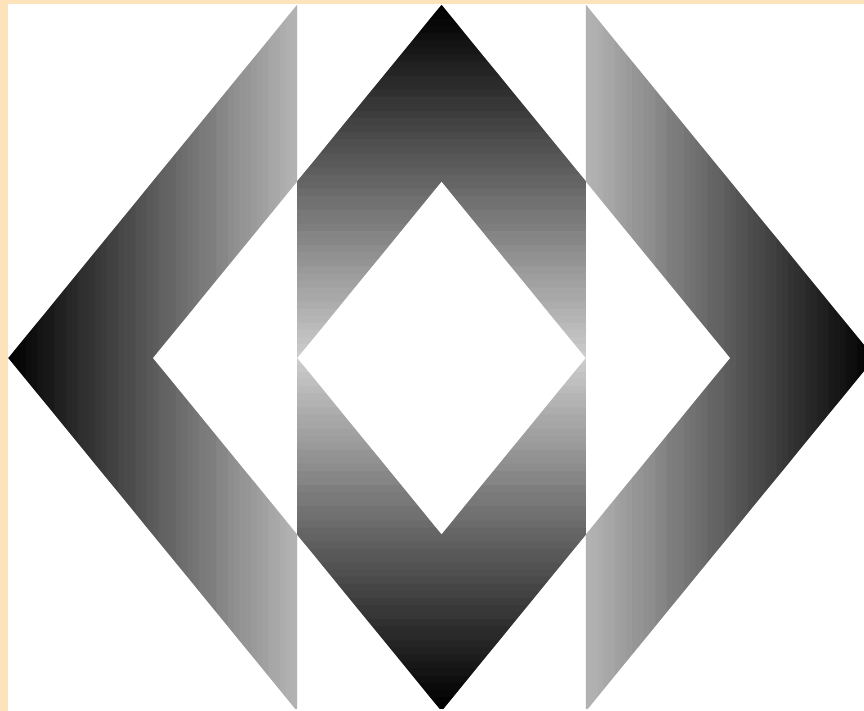
Main banking relations in the region

- ◆ Russia: Sberbank, Alfa Bank, Vneshtorgbank, Gutabank, Bank of Moscow, BIN Bank
- ◆ Ukraine: Ukreximbank, Nadrabank, Ukrtsochbank, Avalbank
- ◆ Beloruss: Belorusbank, Priorbank, Belpromstroibank, Belvneshtorgbank





Thank you for your attention!



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