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Financial Instruments 2014-2020 under European Structural and Investment Funds (ESIF)

Brussels, 19-20 January 2015

*MV-Venture Finance Hungary Plc. and the
JEREMIE Program*

Balázs Garamvölgyi,
Venture Finance PLC



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MV-Venture Finance Hungary Plc. and the JEREMIE Program

Balázs Garamvölgyi, CEO





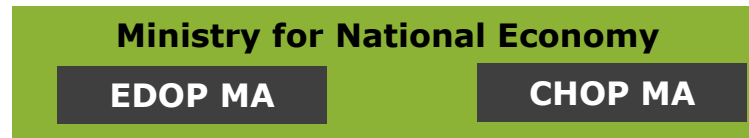
Institutional set-up of the Hungarian Jeremie-type programmes

Institutional levels

Structure

Contracts

Level 1.
Governance



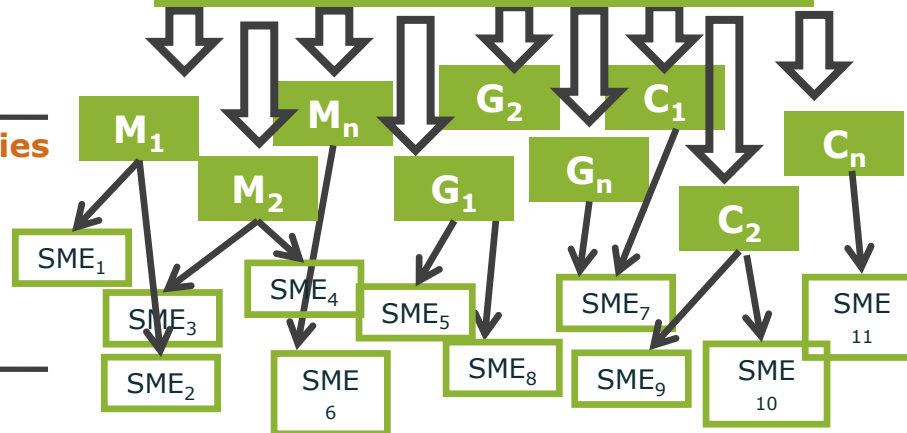
Contract 1.
Funding agreement

Level 2.
Holding fund manager



Contract 2.
Contracts for intermediary services

Level 3.
Financial intermediaries



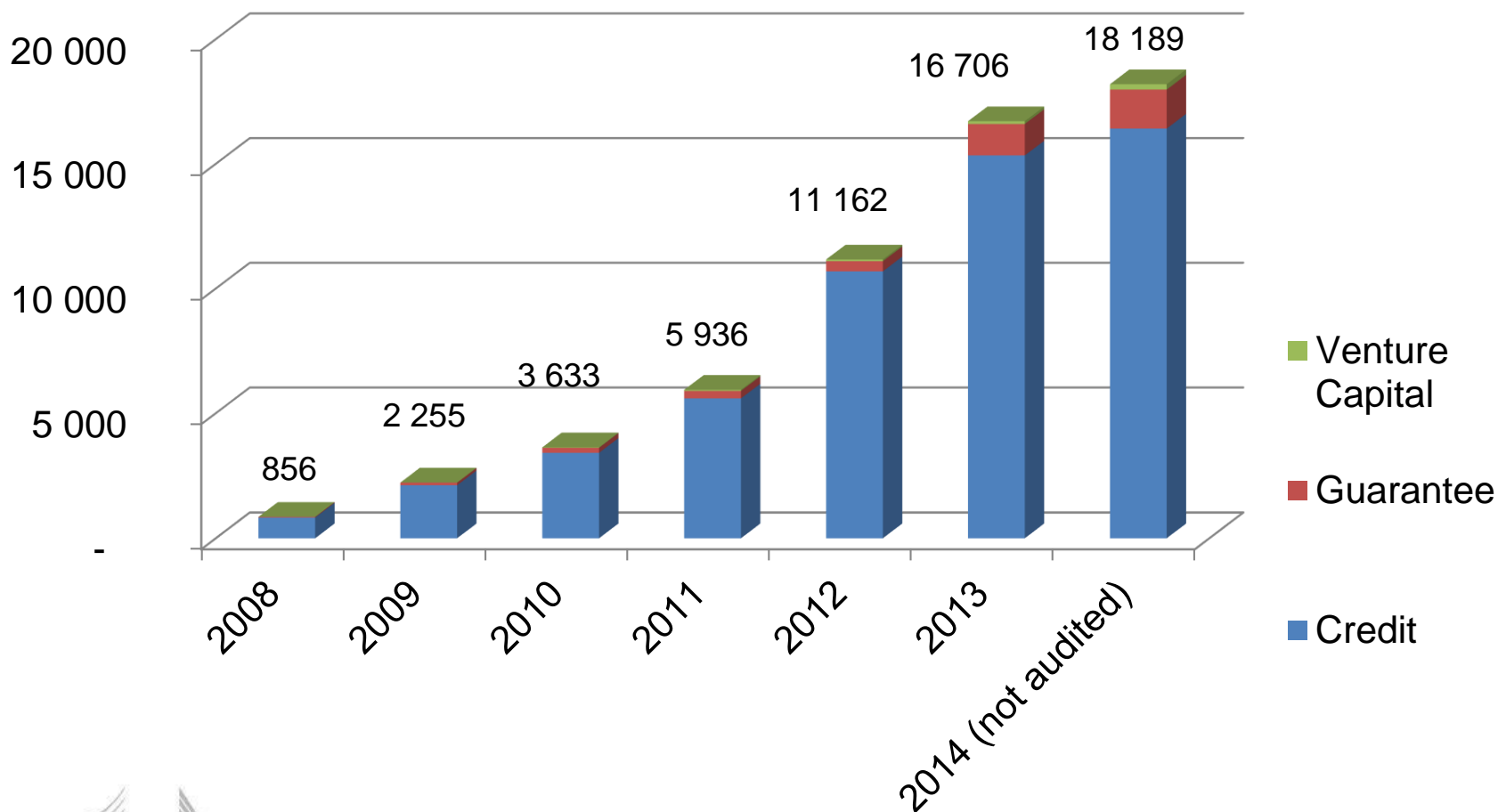
Contract 3.
Contracts with SMEs

Level 4.
Final recipients





NUMBER OF PLACEMENTS TO FINANCIAL RECIPIENTS (JEREMIE)





MAIN FIGURES

AS OF 31TH DECEMBER 2014 (NOT AUDITED)

JEREMIE Programs	Total amount disbursed in favour of final beneficiaries		
	Number of contracts	Contract volume JEREMIE resources (bn HUF)	Contract volume JEREMIE & private contribution (bn HUF)
Loans	16 406	163,27	176,77
Guarantees	1 558	41,14	50,64
Venture capital	197	45,38	69,58
Total	18 161	249,80	296,99





Needs and reasons of set-up of Combined Microcredit and Grant scheme
on the basis of GAP analysis (prepared in 2009)

1. Low level of risk-taking willingness of financial institutions especially in terms of micro financing,
2. Inadequate level of capital of micro and small enterprises,
3. Further negative impacts of the financial crisis (e.g. decreasing supply of credit, strong request on collaterals)
4. High level of cost of funds



Key lessons learnt:

1. „Bridge-builder” tasks:
 - understanding of need of beneficiaries and intermediaries (eg. cost/income efficiency)
2. Importance of introducing developed programs (method of use, targets) eg. combined micro loan, venture capital
3. Focusing on using market methods eg. feedback (public consultation), simplified processes and products, strong communication,
4. Strict and consistent monitoring, control