

40 member states

260

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CEB backing for MFB action in support of municipal infrastructure and SMEs in Hungary

Budapest, 15 January 2010: The Hungarian Development Bank (Magyar Fejlesztési Bank Zrt. – MFB), represented by Dr. János Erős, Chief Executive Officer and the CEB, represented by Mr. Imre Tarafás, Vice-Governor, have signed two new loan contracts.

The first CEB loan, for an amount of 70 million euros, is targeted to developing municipal infrastructure in Hungary.

Following on from a programme launched in 2004 by the MFB with the backing of the Hungary Government, this credit line will be used to finance the infrastructure necessary for improving the quality of life in urban and rural areas and to finance protection of the environment in Hungary. In particular, this project provides for the renovation and insulation of rundown apartments in which almost 2 million people are currently housed.

The second CEB loan, for an amount of 25 million euros, is targeted to small and medium sized enterprises (SMEs).

SMEs represent 99.9% of all Hungarian businesses and play a foremost role in the country's economic and social equilibrium.

This loan will provide support for small and medium sized enterprises by making long-term resources available for them to finance their productive investments, enhance their competitiveness and create sustainable jobs.

The MFB, a bank with a commercial and social purpose, serves as a relay for Government aid and, in particular, finances SMEs and municipal authorities, thereby promoting the country's economic development and the fight against unemployment.

Since the country's accession to the CEB in 1998, **20 projects have been approved in Hungary** for an accumulated amount of **1.7 billion euros**, most of which has been in the form of direct financing to public authorities.

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Set up in 1956, the **CEB** (Council of Europe Development Bank) has **40 Member States** including 18 Central and Eastern European countries.

As a major instrument of the policy of solidarity in Europe, the Bank finances social projects by making available to them resources raised in conditions reflecting the quality of its rating (**AAA** with Standard & Poor's, Fitch Ratings and Moody's). It thus grants loans to its member states, to financial institutions and to local authorities for the financing of projects in the social sector, in accordance with its Articles of Agreement.