

SID Bank

April 10, 2026

This report does not constitute a rating action.

Credit Highlights

Overview

Key strengths	Key risks
Almost certain likelihood of extraordinary government support in the event of financial distress.	Relatively high concentration and limited loan diversification, in line with the bank's mandate.
Critical role in promoting Slovenia's export strategy, as well as its role as a countercyclical economic policy tool and distributor of EU funds.	Exposure to potential changes in government strategy related to SID.
Integral link with the government, including full state ownership with an explicit guarantee on its debt obligations.	Low profitability and relatively high share of nonperforming loans, reflecting its public-policy function.

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Fully government-owned SID Bank remains a key policy tool for the Slovenian government and the country's export support framework. S&P Global Ratings foresees this critical role remaining given that SID Bank provides economic stimulus and support measures, including for the distribution of EU Cohesion Policy funds and infrastructure project funding.

We equalize our rating on SID Bank with that on the sovereign. Slovenia guarantees all its debt obligations unconditionally, irrevocably, and at first demand, without issuing a separate guarantee. The government is involved in SID Bank's strategy, and the bank operates under the coordinated supervision of the Bank of Slovenia, the Ministry of Finance, and the Ministry of the Economy, Tourism and Sport.

Outlook

The stable outlook on SID Bank reflects that on Slovenia. Any rating action on the sovereign would result in a corresponding action on SID Bank.

Downside scenario

Beyond a sovereign rating action, we could take a negative rating on SID Bank if we thought the bank's role for, or link with, the Slovenian government had weakened. This could occur if the bank's public policy role diminished because of shifts in the bank's long-term strategy or

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business model, or if there were any adverse statutory changes to its operating framework. However, we view such developments as unlikely over the next two years.

Upside scenario

We could raise the ratings on SID Bank if we raised our sovereign credit ratings on Slovenia, all else remaining equal.

Rationale

We base our ratings on SID Bank on our opinion of its status as a government-related entity (GRE) with an almost certain likelihood of extraordinary support from the Slovenian government in the event of financial difficulties. Accordingly, we equalize our ratings on the bank with those on Slovenia.

We base our view on SID Bank's:

- Critical policy role for the government of Slovenia. SID bank fills market gaps as the country's flagship development and export promotion bank, and as one of the country's largest financial institutions. The bank's overall assets account for about 3% of GDP. The bank provides support through subsidized loans, insurance programs, and economic support programs, among others; and
- Integral link with the government. The government fully owns SID Bank. The bank is governed according to the Slovene Export and Development Bank Act, a specially designated law, and operates under the coordinated supervision of the Bank of Slovenia, the Ministry of Finance, and the Ministry of the Economy, Tourism and Sport. In addition, SID Bank benefits from a state guarantee that is unlimited and irrevocable and valid for all its debt obligations. The creditor must send a written request to the central government to fulfill these obligations. The guarantee is the strongest applied under the Slovenian law.

SID Bank is a fully state-owned institution that benefits from the sovereign guarantee on its liabilities. The integral link with the government is underpinned by the government's representation on the supervisory board. The government determines the composition of the supervisory board, which in turn appoints the management board. In addition, the bank is defined as a financial institution and is therefore under the supervision of the Bank of Slovenia and the Securities Market Agency. Marketable debt instruments issued by SID Bank are eligible for the euro system's expanded asset purchase program.

The bank is a national development bank with a dual mandate. It supports the export activities of Slovenian companies as a traditional export credit agency and provides financing to the corporate sector and municipalities. SID Bank distributes part of Slovenia's EU funds under the Multiannual Financial Framework 2021-2027. Key focus areas are innovation, increasing competitiveness for SMEs, and sustainable energy, making the bank an important arm of the government.

Moreover, the bank is essential to the Slovenian government as an institution that channels its countercyclical policies during economic downturns or crises. For example, we observed expanded operations during the pandemic with new financing programs, tightening monetary conditions during the current economic slowdown caused by high inflation, and a program for reconstruction efforts following the 2023 floods.

We expect SID Bank's balance sheet decreased slightly to about €2.5 billion in 2025, reflecting loan repayments from banks because of high liquidity levels in Slovenia's banking sector. Direct

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lending now dominates the bank's business, because indirect financing through other banks has declined, which is a trend we expect to persist. SID Bank will also support the government's 10-year housing program and has launched two new €500 million loan funds focused on investment and countercyclical economic support.

As a result of its policy mandate--acting as a countercyclical policy tool and providing financing to creditors underserved by private markets--we expect that SID Bank will report on an increased stock of nonperforming loans (NPLs) in 2025, from 4.3% of total loans in 2024. This trend would be similar to other banks in Slovenia which saw a higher inflow of NPLs mainly because of difficulties in the metallurgy and automotive sectors. SID Bank's NPL stock also reflects exposure to Belarus and Ukraine, although these have declined significantly in recent years; the remaining loans are classified as Stage 3 but continue to be serviced. SID Bank has no direct exposure to Russia. Importantly, SID Bank has fully provisioned its NPLs and first-loss protection schemes from the Slovenian government support many of its financial products, mitigating potential losses.

SID Bank benefits from strong capital buffers, even with limited profitability, having reported a marginally positive profit in 2025. Consistent revenue generation has supported its capital base over the years, similar to other development banks.

SID Bank is not a deposit-taking institution and therefore relies on shareholder funds and wholesale borrowing. The latter has historically been provided by multilateral lenders. Over the past few years, the bank has also issued multiple bonds to diversify its funding base. We expect the bank will continue to finance itself primarily through loans from pan-European development banks and bond issuances on international capital markets.

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10 2021
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 24 2015
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16 2011

Related Research

- [Slovenia 'AA/A-1+' Ratings Affirmed; Outlook Stable](#), March 27, 2026

Ratings Detail (as of April 10, 2026)*

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Issuer Credit Rating	AA/Stable/A-1+
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Issuer Credit Ratings History

10-Jun-2025	AA/Stable/A-1+
18-Dec-2024	AA-/Positive/A-1+
21-Jun-2019	AA-/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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