

Ljubljana, 6 November 2020

**SID banka organised international virtual conference of the Three Seas Initiative Investment Fund and confirmed its own payment into that fund in the amount of EUR 23 million.**

At today's virtual conference of the Three Seas Initiative Investment Fund, SID banka hosted high representatives from 12 countries taking part in the Initiative, and representatives of the investment consultant Amber Infrastructure Group and the International Monetary Fund. The Slovenian government representative underscored the participation in the Three Seas Initiative as one of the country's development strategies also supporting Slovenia's participation in the Three Seas Initiative Investment Fund. Based on the government's strategic policies, SID banka has assumed the responsibility for participation and has signed the accession instrument for joining the fund, committing EUR 23 million of own funds in the coming years in accordance with the Fund's investment needs.

At the conference, the chairperson of the supervisory board of the Fund, Beata Daszyńska-Muzyczka, and member of the supervisory board, Paweł Nierada, presented the development and progress of the fund, as well as its potential in the future, while welcoming SID banka's membership. The General Director of the Amber Infrastructure Group, which is the fund's official investment consultant, Gavin Tait, explained the role of consultants in project management and the collection of funds in the scope of the investment fund. At the conclusion of the conference, representatives of the International Monetary Fund (IMF) presented their own research published at the end of September regarding the importance of infrastructure investments in the countries of Central, Eastern and South Eastern Europe.

SID banka, as the host, confirmed joining the Three Seas Initiative Investment Fund, committing EUR 23 million of its own funds in the coming years. At the same time SID banka emphasized the fund's role in covering market gaps in the area of financing European transport, energy and digital

infrastructure, also through international cooperation. Special highlight was given to infrastructural investments in particular as a reaction to current economic situation and also in the light of future sustainable development of Central and Southeastern European economies. Private sector's knowledge and innovation cooperation in terms of co-financing and project selection will be necessary for realization of successful, sustainable and viable projects. The event, which was moderated by Igor E. Bergant, concluded with questions from participants, the majority of whom were representatives of large Slovenian companies who expressed their interest in business opportunities and forms of financing that will be offered by the fund.

The Three Seas Initiative Investment Fund was established with the aim of providing opportunities for the financing of key infrastructure projects in the so-called Three Seas region, which includes 12 EU Member States between the Baltic, Black and Adriatic Seas, including Slovenia. The fund's key priority is the development of the transport, energy and digital infrastructure for the purpose of strengthening the north-south link and reducing differences in the development of the aforementioned regions and the rest of the European Union. The Slovenian government sees the participation in the Three Seas Initiative as one of the country's development strategies and therefore encourages participation of Slovenian companies and investors in the investment element of the Three Seas Initiative and SID banka's entry into its investment fund. By doing so, SID banka is aiming to contribute to the reduction of investment gaps between EU Member States, to ensure the inclusion of Slovenian infrastructure projects and ultimately facilitate access by Slovenian companies to projects that will be implemented in the scope of the fund.

The development banks of Poland (BGK) and Romania (Eximbank) have already contributed to the investment fund, while Estonia and Latvia are completing the process of inclusion in the fund. At the initiative's virtual summit held last month in Tallin, Bulgaria, Croatia, Lithuania, Hungary and Slovenia also announced their participation, while Poland announced that it will increase its contribution. Germany, the US and European institutions have also expressed their interest in participating in the fund. The fund, whose expected lifespan is 15 years, functions on market principles and supports appropriately profitable projects through the paying up of equity. The fund manager strives for the geographical diversity of the fund's transactions ('best effort basis') in all 3SI countries or neighbouring countries.

To mark the conference, the President of SID banka's Management Board, Sibil Svilan, said: *"It gives me great satisfaction to report that SID banka signed an accession agreement last week and joined the Three Seas Initiative Investment Fund with a commitment of EUR 23 million. There is no doubt that the needs for the financing of the transport, energy and digital infrastructure in the region are great, as evidenced by recent research by the International Monetary Fund, which showed a large investment gap in Central, Eastern and Southeastern Europe that would cost countries some EUR 600 billion to close. This requires large investments which are necessary in the current economic climate and also possible considering current state of capital markets. This is the main reason why alternative sources of financing must be found. The investment fund is certainly one of the missing pieces in the mosaic of infrastructure investments. With the first approved investment for the railway industry, we have already confirmed that the fund works and have tested its ability to identify the right projects, to which Slovenian companies will be able to contribute their knowledge and innovations. This should fill us with optimism, even during the current global health crisis and accompanying economic crisis, since it enables our future development."*

Beata Daszyńska-Muzyczka, chairperson of the Supervisory Board of the 3SIIF and president of the Polish development bank BGK said: *"I would like to thank our colleagues from SID Banka, who actively participated in the process of creation of the Three Seas Fund. We are glad that SID Banka is another institution engaged in building awareness of the Fund in the countries of our region. If we operate on three levels, it will be possible to build infrastructure on the North-South axis. First, strategic vision and political support at the presidential level. Second, broad, coordinated cooperation at the government level. Third, support from financial and development institutions. Such cooperation will help to create the so-called connectivity, ie connections in the region and open the gates of the Baltic Sea, Black Sea and Adriatic Sea."*

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The **Three Seas Initiative** was established in 2015 by the presidents of Poland and Croatia in cooperation with the presidents of 10 other EU Member States between the Baltic, Black and Adriatic Seas, comprising Austria, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Romania, Slovakia and Slovenia, which together account for one third of the EU in terms of size and 111 million citizens. The aim of the initiative is to narrow the infrastructure gap between the Three Seas region and Western European

countries, which represents a great challenge for the countries of the aforementioned region, by promoting new investments, economic growth and energy security. Today, the initiative includes an annual summit at the presidential level, a business forum and an international investment fund for the financing of infrastructure projects. The first presidential summit was held in 2016 in Dubrovnik, while Slovenia hosted the initiative's fourth summit in June 2019, when SID banka organised a mini conference.

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**SID banka** is a promotional development and export bank 100% owned by the state. Its primary task is to promote economic and social development. In accordance with the law, it supports economic, structural, social and other policies through the provision of financial services, and operates for the long-term benefit of society. SID banka's products effectively supplement the range of services provided by commercial banks and thus eliminate market deficiencies that arise whenever there is an insufficient supply of financial and insurance services on the market from the private sector (particularly in terms of the development of a competitive economy, the development of the knowledge society and innovative entrepreneurship, the development of an environmentally friendly society and production, and regional and social development). SID banka can offer prices below 'market' prices, i.e. the reference interest rates published by the European Commission. Authorised state aid to companies is defined in SID banka's programmes as benefits that derive from the opportunity to take advantage of lower interest rates than those offered by potential commercial-financial intermediaries.

#### Additional information

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