



PRESS RELEASE

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EIF and SID Bank sign €42 million guarantee agreement to support access to financing for sustainable investment, innovation, and digitalisation

- The InvestEU-backed agreement will enable Slovenian businesses to obtain financing on more favourable terms.
- The deal will unlock a total of €72 million in new loans for micro, small and medium-sized enterprises.

The European Investment Fund (EIF) and SID Bank today signed a €42 million, InvestEU-backed guarantee agreement expected to unlock €72 million of new loans for micro, small and medium-sized enterprises in Slovenia. The agreement between the country's leading promotional institutions will enable businesses investing in innovation, digitalisation and the green transition to benefit from lower interest rates and lower collateral requirements when seeking access to financing.

"At SID Bank, we successfully follow European guidelines and establish frameworks for identifying and financing environmentally sustainable activities, as well as innovation and development. Signing this guarantee agreement with the EIF will bring companies a very favourable source of financing for the necessary green economic development," said **President of the Management Board of SID Bank Borut Jamnik**. "These are two new financing programmes for companies, SID GREEN and SID DIGITAL, which also fulfil the strategic goals of the Republic of Slovenia in the field of sustainable development and digitalisation, as such investments are crucial for the long-term survival and development of companies. In doing so, we are also implementing the strategy of the Republic of Slovenia in the areas of innovation, digitalisation, and green transition."

EIF Chief Executive Marjut Falkstedt added: "We are very happy to continue our very fruitful cooperation with SID Bank aimed at supporting Slovenian SMEs. This agreement, made possible by the InvestEU programme, will make financing more accessible for innovation and digitalisation-driven Slovenian companies as well as those investing in environmentally friendly, green and inclusive projects, supporting a green and sustainable transformation of the Slovenian economy."

Under the guarantee agreement, the EIF will provide two types of portfolio guarantees for new, favourable loans from SID Bank.

Using the EIF's InvestEU Sustainability Guarantee, SID Bank will provide a total of **€44.3 million** under a new programme called **SID GREEN**. These loans will be covered by a 70% guarantee for companies that qualify as sustainable or for projects contributing to the green transition or sustainability. The maximum amount of favourable loans will normally be €2 million for each beneficiary with an additional possibility of loans up to €7.5 million or €15 million and a maximum maturity of 12 years.

In addition, the EIF's InvestEU Portfolio Guarantee for innovation and digitalisation will enable SID Bank to provide a total of **€27.5 million** under another new programme called **SID DIGITAL**. These loans will be covered by a 40% guarantee and will be aimed at fast-growing or innovative companies, financing innovation (in processes, products or organisation), and investment in intellectual property and digitalisation. The maximum amount of favourable loans will normally be €2 million with an additional possibility of loans up to €7.5 million or €15 million and a maximum maturity of 12 years.

Background information

The **EIF** is part of the European Investment Bank Group. The EIF has provided financing worth €359 million through 19 contracts in Slovenia since its inception. These investments have leveraged approximately €1.5 billion in financing and supported more than 8 000 companies and 78 000 jobs. The EIF supports Europe's small businesses by improving their access to finance through a wide range of selected financial intermediaries, such as banks, guarantee and leasing companies, micro-credit providers and private equity funds. The EIF designs and offers equity and debt financing instruments fostering EU objectives in support of entrepreneurship, growth, innovation, research and development, the green and digital transitions and employment.

SID Bank is a promotional, development and export bank fully owned by the Slovenian state, whose key task is to promote economic and social development. In accordance with legislation, it supports economic, structural, social and other policies through the provision of financial services and works towards long-term social benefits. SID Bank's products effectively complement the offerings of commercial banks, thus addressing market failures that occur when there is no adequate supply of financial and insurance services in the private market sector (especially in the areas of developing a competitive economy, developing a knowledge-based society and innovative entrepreneurship, developing an environmentally friendly society and production, and regional and social development). SID Bank can provide financing at prices below market or reference interest rates published by the European Commission. The state aid granted to companies through SID Bank programmes is defined as benefits arising from the possibility of accessing lower interest rates than those offered by potential financial intermediaries for the same transaction.

SID Bank and the EIF have been working together successfully for many years. In cooperation with the Slovenian Ministry of Economy, Tourism, and Sports (METS), SID Bank has been providing companies with favourable direct credit financing for research, development and innovation with state aid since 2011. In 2018, SID Bank expanded its measures to promote this area with cohesion financial instruments implemented itself and through financial intermediaries. In partnership with the EIF, within the Slovenian Growth Equity Investment Programme (SEGIP), SID Bank has established a platform and provided funds for equity financing of innovative startup companies and for financing the transfer of technologies from public research institutions to the economy through venture capital funds.

The **InvestEU** programme seeks to strengthen economic resilience and promote innovation and job creation in Europe. The initiative aims to support more than €372 billion in investment between 2021 and 2027 using an EU budget guarantee. The projects receiving assistance are aligned with EU policy priorities, including competitiveness and the European Green Deal. The European Investment Bank Group, including the European Investment Fund, is the main implementing partner of InvestEU.

Press contacts

EIB Group

Eva De Francesco, eva.defrancesco@eib.org, tel.: +352 4379 86637, mobile: +352 691 289 150
Website: www.eib.org/press — Press Office: +352 4379 21000 — press@eib.org

SID Bank

Saša Podpeskar
Director of the Marketing and Public Relations Department



sasa.podpeskar@sid.si



+386 1 200 72 64