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SID Bank concluded a new long-term loan with the German development bank KfW for the financing of the Slovenian economy

SID Bank concluded a new, already sixth, long-term borrowing agreement with the German development bank KfW. Borrowing in the amount of 100 million euros will be used to finance investments and operations of micro, small and medium-sized companies and MID Cap companies. By concluding a new contract with KfW, SID banka continues its mission of providing favorable long-term sources of financing for the Slovenian economy.

SID Bank has been cooperating with the German development bank KfW for many years, namely both in the field of obtaining favorable long-term resources as well as strengthening cooperation in other areas of development banking and exchanging best practices for supporting the economy. The first borrowing in the amount of EUR 20 million to finance the preparation for export of small and medium-sized enterprises was successfully realized already in 1999, and it was the first borrowing of SID Bank abroad. In the following years, SID Bank concluded four more loan agreements with a total value of 160 million euros, including in cooperation with the Development Bank of the Council of Europe and with the support of the EU. Some of the contracts also included grants with the aim of reducing administrative obstacles in providing loans to final beneficiaries, with which SID banka gained valuable experience in managing grants and combining them.

By concluding a new contract with KfW, SID banka continues its mission of providing favourable sources of financing for the Slovenian economy, as it will use the funds obtained from KfW through the existing program for direct financing of working capital and investments of small and medium-sized and mid-cap companies.

SID banka will continue to operate with the aim of transferring all the advantages of these financial resources to the Slovenian economy. This includes different ways and purposes of spending funds, advantages in terms of prices and maturity of credits, constant availability of resources, ease of documentation and geographical coverage. SID Bank remains committed to strengthening entrepreneurship and providing favourable financial resources for the growth and development of the Slovenian economy.

The **President of the Management Board of SID Bank, Borut Jamnik**, said: *"The long-term excellent cooperation with the German development bank KfW, with which SID banka borrowed 280 million euros over 24 years, in addition to favourable sources of financing, also brought valuable experience of exchanging good development banking practices. With this, SID Bank once again proves that by using favourable international resources it enables the growth and development of Slovenian companies and accelerates the competitiveness of the Slovenian economy."*

Katharina Herrmann, Member of the KfW Executive Board, said: *"The new global loan with SID banka is an example of the successful cooperation model between the European promotional banks. The challenges of sustainable transformation do not stop at national borders. Pooling resources and skills as well as exchanging experiences with our European partners are important factors in overcoming these challenges. I am all the more pleased about the continuation and strengthening of our cooperation with SID banka."*

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SID Bank is a promotional, development and export bank 100 % owned by the state, whose key task is to promote economic and social development. In accordance with the law, by providing financial services, it supports economic, structural, social and other policies and works towards long-term social benefits. SID Bank's products effectively supplement the offer of commercial banks and thus eliminate market deficiencies that arise when there is no adequate offer of financial and insurance services from the private sector on the market (especially in the areas of the development of a competitive economy, the development of a knowledge society and innovative entrepreneurship, the development of an environmentally friendly society and production and regional and social development). SID banka can guarantee prices below the "market" or reference interest rates published by the European Commission. In SID Bank's programs, permitted state aid to companies is defined as benefits resulting from the possibility of using lower interest rates than those offered by potential business financial intermediaries for the same transaction.

KfW is one of the world's leading promotional banks. With its decades of experience, KfW is committed to improving economic, social and ecological living conditions across the globe on behalf of the Federal Republic of Germany and the federal states. To do this, it provided funds totalling EUR 166,9 billion in 2022 alone. KfW does not have any branches and does not hold customer deposits. It refinances its promotional business almost entirely through the international capital markets. In 2022 KfW raised EUR 89.4 billion in the capital markets to fund its business activities. In addition, EUR 32.0 billion were raised in 2022 via the Economic Stabilisation Fund (WSF) to refinance the support measures for energy companies to ensure energy supply (EUR 20.0 billion) and the special coronavirus programmes (EUR 12.0 billion). In Germany, the KfW Group is represented in Frankfurt, Berlin, Bonn and Cologne. Its network includes 80 offices and representations around the world.

More information

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