



## **SECOND SOFT LOANS INSTRUMENT FROM SIH (FOR SMEs AND LARGE ENTERPRISES)**

Guarantee instrument designed to bridge the lack of liquidity caused by COVID-19  
SIH Anti-Corona Guarantee 2

## DESCRIPTION OF THE SOFT LOANS INSTRUMENT

- New programme of **indirect financial aid** dedicated to enterprises in the Slovak republic to overcome financial difficulties caused by the current situation and preserve jobs despite the on-going crisis.
- The call is dedicated to **financial institutions** (banks) certified to provide loans in Slovakia.
- Main goal of the instrument is to **provide guarantees to the banks**, which will hereby provide **favorable bridge loans to enterprises**.
- SIH will overtake **90% of bank's credit risk** of the newly provided loans.
- Banks must express their interest in joining the scheme no later than **10. July 2020**. Just then it is possible to grant a soft loan.
- Implementation of the financial programme will be administered in compliance with the *Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak*.

## DESCRIPTION OF THE SOFT LOANS INSTRUMENT

- **Objective of the instrument:**
  - To help enterprises to cope with **limited access to capital**, caused by events out of the enterprises' control, and enable them to finance their **operational costs and investments in order to maintain employment.**
- **Source of financing**
  - **Operational Programme Integrated Infrastructure (OP II)** and **State Financial Assets (SFA)** through **the National Development Fund I. (NDF I)** and **National Development Fund II. (NDF II)**, which is administrated by the **Slovak Investment Holding (SIH)**

## EXPECTED FIANNCIAL ALLOCATION

2,097  
bil. €

Financial instrument will be implemented through two agreements – **Agreement SIHAZ2a** and **Agreement SIHAZ2b**.

347  
mil. €

- Allocation of resources from ESI Funds - OP II intended for loan guarantees for **small and medium-sized enterprises (SMEs)** under the **SIHAZ2a** agreement (in case these are drained, it is possible to increase them from the SFA)

1,75  
bil. €

- Allocation of resources from the SFA intended for loan guarantees for **large enterprises** under the **SIHAZ2b** agreement

## AGREEMENT SIHAZ2a AND AGREEMENT SIHAZ2b

	<b>SIHAZ2a</b>	<b>SIHAZ2b</b>
<b>Eligible enterprises</b>	SME (including microenterprise)	non-SME enterprises (large enterprises or SMEs linked to other enterprises)
<b>Resource</b>	ESIF – OP II	SFA
<b>Allocation</b>	up to 347 mil. €	up to 1.75 bil. € (defined in the state aid scheme under the Temporary Framework)
<b>Counter party</b>	NDF II.	NDF I.
<b>Coverage</b>	Funds of cash coverage kept in a special tied account in the State Treasury, while these funds are intended only for the performance of guarantees	Unconditional guarantee from the Ministry of Finance of the Slovak Republic

## ELIGIBLE ENTERPRISE

- Established and does business **in Slovakia** (including Bratislava region);
- does not belong to the **highest and lowest credit risk rating category** (according to the bank's internal rating);
- has not met the definition of an **"undertaking in difficulty"** by **31. December 2019**;
- was **established** or **started to operate** before **12. March 2020**;
- is not the subject of (or does not meet the conditions for becoming the subject of) **collective insolvency proceedings**;
- do not operate in following sectors: **primary production of agricultural products, forestry, fishery** and **aquaculture**;
- is not a credit institution or any other entity subject to the BRRD;
- is not claimed by the European Commission (against the SME) to return the (previously granted) state aid;
- is not convicted for the criminal offence connected to their business (fraud, corruption, etc.).
- there is no final decision imposing sanctions for the breach of the prohibition of illegal employment
- the social or health insurance company does not record any receivables that are past their 90 days due date

## ELIGIBLE CREDIT PURPOSES

- **Investment costs**
- **Operating costs** (including tax, customs and levy obligations) - the applicant is also entitled to finance unpaid operating costs that arose before the application for a loan (if their due falls in full or partly to the period from 12. March 2020).

## NON-ELIGIBLE CREDIT PURPOSES

- refinancing of existing liabilities to financial or credit institutions;
- co-financing of expenditure for which aid has been granted under any OP or any aid scheme which excludes public co-financing;
- interest on debts;
- the purchase of undeveloped and built-up land for an amount exceeding 10% of the total eligible costs for the operation concerned (in the case of neglected areas and areas previously used for industrial purposes, this limit is increased to 15%);
- expenditure on the purchase of road haulage vehicles by an enterprise which operates in road haulage;
- decommissioning or construction of nuclear power plants;
- investments aimed at reducing greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC;
- production, processing and marketing of tobacco and tobacco products;
- investments in airport infrastructure, unless they are related to environmental protection or are accompanied by investments necessary to mitigate or reduce the negative impact of that infrastructure on the environment.



## CONDITIONS RELATED TO SOFT LOANS AND INTEREST RATE BONUS

- **Maximum loan amount** is determined by **the lowest value** of the following options:
  - 2 mil. EUR (500 ths. EUR in case of microenterprise) or
  - double the enterprise's annual wage costs for 2019; or
  - 25% of the total turnover of the enterprise in 2019; or
  - the amount of funds needed to cover liquidity from the moment of provision for the next 18 months for SMEs and for the next 12 months for large enterprises.
- **Maturity** (including postponed payments):
  - min. 2 years
  - max. 6 years
- **Max. interest rate:**
  - 3.9% p.a. for microenterprises
  - 1.9% p.a. for other enterprises
- Possible deferral of loan for **12 months** from the drawdown of the loan.
- Fees for provision/increase/early repayment: **0 EUR**. Other fees are charged in accordance with the lending FI's collection and collection policy.

## GUARANTEE FEE

- Guarantee fee (if not waived) for the individual years of the loan:

Enterprise size	1. year	2. and 3. year	4. and 6. year
SMEs including microenterprises	25 basis points	50 basis points	100 basis points
Large enterprises	50 basis points	100 basis points	200 basis points

- Remission of the guarantee fee in case (both conditions must be fulfilled):**
  - the enterprise maintains an average level of employment for a period of 12 months from the date of the first drawdown compared to the average number of employees in the 12 months preceding the drawdown; and
  - after 12 months from the drawdown of the loan, the company will not have overdue liabilities on social insurance premiums, old-age pension savings and public health insurance.

# SARIO

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