

State guaranteed loan – EXIMBANKA SR Anti-Corona Guarantee

Basic information

In June 2020, Slovenská sporiteľňa entered into an Agreement on the guarantee instrument EXIMBANKA SR Anti-Corona Guarantee. Its objective is to assist businesses in Slovakia to cope with the limited access to the capital as a result of the crisis situation, which is outside of their control and is connected with the Covid-19 pandemic, and to thereby maintain employment. This financial assistance is governed by the Temporary Framework for state-aid measures to support the economy under the current situation brought about by the Covid-19 disease and is provided from the resources of state financial assets of the Slovak Republic.

Based on this guarantee instrument, Slovenská sporiteľňa provides instalment loans secured by a state guarantee – the EXIMBANKA SR Anti-Corona Guarantee. The loans are intended for **small, medium-sized and large enterprises** to finance operating expenses or renewal investments in an amount **from €2 million to €20 million**. The loans have a **preferential interest rate** thanks to the EXIMBANKA SR guarantee **and also lower fees**. The borrower may defer the repayments of principal and interest for a period of 12 months and can receive a waiver of the guarantee fee.

Eligible entities

Small and medium-sized enterprises (however, not micro-enterprises) and large enterprises founded under the laws of the Slovak Republic and operating in the territory of Slovakia and which are registered in the register of public sector partners in accordance with the provisions of the Act on the register of public sector partners, provided that such enterprise is subject to this act. The loan can also be provided to natural persons – entrepreneurs, non-profit organisations, non-profit organisations providing services of general interest, civic associations, citizens' associations and foundations carrying out economic activity. Economic activity means any activity consisting in offering goods and/or services on the market.

The decisive definition of small and medium-sized enterprises is the definition under of Annex I of Commission Regulation (EU) no. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, in its applicable wording.

The financed enterprise must, concurrently:

- not be an enterprise toward which the Social Insurance Agency registers claims for social insurance premiums and claims on compulsory contributions to old-age pension savings more than 90 days past due, or a health insurance company registers claims on premiums for compulsory public health insurance more than 90 days past due;
- not be an entity holding a licence issued under the Trade Licensing Act to mediate employment against consideration, or be a temporary employment agency;
- not be an enterprise against which insolvency proceedings or restructuring have been commenced;
- not have been lawfully convicted of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the financial interests of the Slovak Republic or the EU;
- not have been the subject to a valid decision adopted against the entity during the period of five years prior to the provision of the loan secured by a state guarantee – EXIMBANKA SR Anti-Corona Guarantee, imposing a sanction upon such entity for violating any legal regulation prohibiting illegal employment of third-country nationals under Act no. 82/2005 Coll. on illegal work and illegal employment, as later amended;
- not be a credit institution or financial institution (e.g. investment company, insurance company, pension fund, pension management company, brokerage firm, factoring company, leasing company, etc.);
- not be, as at 31 December 2019, an undertaking in difficulty (undertakings in difficulties are defined in the Community Guidelines on State aid for rescuing and restructuring firms in difficulty (2004/c 244/02 – OJ EU C 244/2, 1.10.2004, page 2. A firm in difficulty pursuant to the aforementioned Guidelines is defined as a firm “unable, whether through its own resources or with the funds it is able to obtain from its owner/shareholders or creditors, to stem losses which, without outside intervention by the public authorities, will almost certainly condemn it to going out of business in the short or medium term”.);

Slovenská sporiteľňa has 2.2 million clients and is the largest commercial bank in Slovakia. The sole shareholder of Slovenská sporiteľňa is the Austrian Erste Group Bank. Slovenská sporiteľňa has long held a leading position in terms of total assets, retail loans, client deposits, the number of bank branches and ATMs. It provides comprehensive banking services at 230 branches and 17 business centres throughout Slovakia.

- not have been established and become operational later than 12 March 2020;
- not be an enterprise that is the subject of a recovery claim under a preceding Commission decision declaring such aid to be unlawful and incompatible with the internal market;
- not be an enterprise whose ultimate beneficial owner is a tax resident in a tax haven.

Eligible expenses and projects

eligible expenses are investment and operating expenses, including tax, customs and levy liabilities. The enterprise is also eligible to finance unpaid operating expenses (however not investment costs) that the enterprise incurred prior to filing the loan application, where their maturity fully or partially falls within the period from 12 March 2020;

- investment expenses must be of a renewal investment nature. This means that these must concern an investment in tangible fixed assets, the purpose of which is to replace or maintain (repair or reconstruct) existing tangible fixed assets of the company;
- drawing of the loan can also be provided subject to the payment of the guarantee fee.

Ineligible expenditures

- refinancing of existing liabilities toward Slovenská sporiteľňa or other credit institutions;
- financing of purely financial activities, construction of real estate properties that is carried out as an activity in the field of financial investments or the provision of consumer loans;
- co-financing of an expense for which aid has been provided on the basis of any operational programme or any aid scheme that excludes co-financing from public sources;
- expenses for projects outside the Slovak Republic.

Limitations for the financed enterprise

Up until the full repayment of the loan secured by a state guarantee, the financed enterprise cannot:

- pay out any profit shares or other own resources;
- pay out loans, borrowings or other temporary funds provided toward its affiliated entities;
- provide loans, borrowings or otherwise temporarily provide funds to any third parties

It is likewise prohibited to pay down/repay other loans provided by Slovenská sporiteľňa or other financial institutions without a proportional reduction of the loan covered by the state guarantee.

Financing conditions

Amount of the loan

€ 2 million – 20 million with the option of voluntarily early repayment by the enterprise.

The total amount of all loans provided in the framework of the guarantee instrument shall not exceed

- twice the applicant's annual wage costs (including social security contributions as well as the costs of employees working at the site of the enterprise but paid by subcontractors) for 2019 or the last year for which data are available. In the case of enterprises established on or after 1 January 2019, the maximum loan amount may not exceed the estimated annual wage costs during the first two years of its operation, or
- 25% of the applicant's total turnover in 2019.

Loan maturity

at least 2 years, at most 6 years (including deferral of repayments of principal and interest rate for 1 year, which the enterprise may refuse).

Maximum interest rate

- 1.9% p.a.

Collateral

Slovenská sporiteľňa has 2.2 million clients and is the largest commercial bank in Slovakia. The sole shareholder of Slovenská sporiteľňa is the Austrian Erste Group Bank. Slovenská sporiteľňa has long held a leading position in terms of total assets, retail loans, client deposits, the number of bank branches and ATMs. It provides comprehensive banking services at 230 branches and 17 business centres throughout Slovakia.

- collateral usually required by Slovenská sporiteľňa for operating loans, i.e. receivables and inventories, in the case of a renewal investment, the required collateral is the subject of the financing itself;
- EXIMBANKA SR guarantee, the provision of which is approved by the Bank Board.

Fee for providing the EXIMBANKA SR guarantee

The guarantee is subject to a fee in the following amounts (p.a.) for the individual years of the loan duration:

Size of enterprise	Year 1	Years 2 and 3	Years 4 to 6
Small and medium-sized enterprises	0.25%	0.50%	1.00%
Large enterprises	0.50%	1.00%	2.00%

The guarantee fee may be waived, if

- in the period of 12 months from the date of the first drawdown of the loan, the enterprise maintains the average employment compared to the average number of employees in the period of the 12 months preceding the loan application, maintains the ratio between the number of employees in employment relationship and the number of employees outside an employment relationship, or, where applicable, changes this ratio while maintaining/increasing the number of employees in an employment relationship; and
- the enterprise has no liabilities more than 1 month past due in mandatory contributions toward the Social Insurance Agency or a health insurance company, or, where applicable, such liabilities do not exceed an amount equal to that at the time of the loan application, reduced by the amount of the loan granted.

Bank fees

- processing fee €0;
- fee for increasing a loan €0;
- fee for early repayment of the loan €0;
- other fees pursuant to the valid table of fees of Slovenská sporiteľňa.

Loans are secured by the guarantee in the framework of the financial instrument EXIMBANKA SR Anti-Corona Guarantee.



This document does not represent a commitment of Slovenská sporiteľňa to provide finance and is of indicative nature.

Slovenská sporiteľňa has 2.2 million clients and is the largest commercial bank in Slovakia. The sole shareholder of Slovenská sporiteľňa is the Austrian Erste Group Bank. Slovenská sporiteľňa has long held a leading position in terms of total assets, retail loans, client deposits, the number of bank branches and ATMs. It provides comprehensive banking services at 230 branches and 17 business centres throughout Slovakia.