

Bosnia and Herzegovina: SMEs to benefit from EUR 10 million loan EIB signed with Raiffeisen Leasing in B&H

- **EUR 10 million support for B&H SMEs at a time they most need it while facing COVID-19 pandemic**
- **Funds also available to municipalities for investments in healthcare, environmental protection and education**

The European Investment Bank will provide EUR 10 million to Raiffeisen Leasing doo Sarajevo, Bosnia and Herzegovina and unlock new financing for local small and medium companies. The EIB loan will allow the company to finance projects and working capital for SMEs operating in industry, tourism and services sectors, as well as agriculture. This support comes at a time when SMEs are the hardest hit by the COVID-19 pandemic and are facing unprecedented challenges.

The loan from the EU Bank also encourages investments promoting youth employment under the European Youth Employment and Training for the Western Balkans ("EYET") initiative. Funds from the EIB loan will also be available to local authorities in B&H for their investments in environment protection, healthcare and education.

Matteo Rivellini, Head of Division at EIB in charge of Western Balkans, Croatia and Slovenia said: "The EIB remains a partner Bosnia and Herzegovina can trust even in the most difficult of times. We are committed to support local SMEs as a backbone of local economy and major source of employment for people in B&H. Our loan is an important source of financing at a time when immediate financial aid is essential for survival of SMEs as they face the pandemic. Along with the support measures for Western Balkans introduced by the Team Europe, we are committed to step up our support for the country to address both the immediate challenges caused by the pandemic and lay the foundations for a prompt economic recovery after the crisis."

Ambassador Johann Sattler, Head of the EU Delegation and EU Special Representative in BiH, said: "The initiative of the European Investment Bank is another concrete example of the European Union's commitment to help Bosnia and Herzegovina mitigate the impact of the coronavirus pandemic. The EU has quickly mobilized a first package of EUR 7 million to address the most urgent medical needs in the country. Substantial package of additional EUR 73.5 million of EU funds for socio-economic recovery measures in BiH will follow. These funds complement the decision by the European Commission to provide EUR 250 million of macro-financial assistance which will contribute to BiH efforts to protect citizens and companies affected by the crisis."

Ms. Maja Jurcevic, CEO of Raiffeisen LEASING doo said: “We are pleased to continue our successful cooperation with EIB with this credit line. Especially having in mind that we find ourselves in very specific and hard period caused by pandemic of COVID-19. Our clients are our priority, so we are continuously striving to be their partner regardless of circumstances. In the current situation we make maximum effort to help them in various ways to overcome it as easy as possible. We believe that we will contribute in health protection as well as solving economic issues when the first wave of crisis passes.”

This is the second and final tranche of a EUR 25 million loan with Raiffeisen LEASING in B&H, with the first tranche signed in 2018 as part of the EIB’s strategic support to small and medium-sized companies in the country. According to EIB estimates, this loan is expected to help retain over 4,000 jobs and support approximately 445 SMEs.

To date, EIB has invested EUR 725 million in SMEs in Bosnia and Herzegovina, all through local financial institutions. Cooperation between the EIB and Raiffeisen Group in B&H, launched in 2005 unlocked EUR 145 million in more affordable loans for the BH economy.

Since the start of its activities in Bosnia and Herzegovina, the EIB has provided over EUR 2.4 billion financing across the sectors of the economy, especially supporting investments in the transport and SME sectors, but also those in water and sewage, energy and healthcare sectors.

As a part of the “Team Europe” €15.6 bn response funded by the EU, Member States and financial institutions response to Covid-19, the European Union announced a support package for the Western Balkans worth €700 million. The European Investment Bank contributed €5.2 billion to the “Team Europe” global support package.

Background information

About the EIB in Bosnia and Herzegovina and in the Western Balkans:

For detailed information on the EIB activities in the Western Balkans please visit the following link:

(www.eib.org/en/publications/the-eib-in-the-western-balkans)

About Raiffeisen Group in Bosnia and Herzegovina

Raiffeisen BANK d.d. Bosna i Hercegovina is a subsidiary of Raiffeisen Bank International AG, one of the leading banks in Central and Eastern Europe and Austria.

It was established in 1992 and is now one of leading banks in Bosnia and Herzegovina. More than 1,300 employees serve more than 430,000 customers through 100 business outlets. Numerous national and international awards such as acknowledgement by internationally recognized magazines such as Global Finance, Euromoney and the Banker are confirmation of our business success. Investments into new technologies, experienced and educated staff, active personnel development, a focus on individual customer approach and

implementation of new state-of-the-art products and services are Raiffeisen bank's main competitive factors in the B&H market.

Besides Raiffeisen Bank, the Raiffeisen Group in Bosnia and Herzegovina comprises Raiffeisen INVEST, Raiffeisen CAPITAL, Raiffeisen LEASING and RL ASSISTANCE.

For more than 130 years, the Raiffeisen Group has been combining financial success with socially responsible business conduct, where corporate, environmental and social responsibility are the key references, guided by the key principles of social solidarity, helping people to help themselves and sustainability established by Friedrich Wilhelm Raiffeisen.