

Revised

ANNUAL REPORT 2024

**SLOVENIAN REGIONAL
DEVELOPMENT FUND**

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Key Points

Slovenian Regional Development Fund (SRDF) plays an important role in achieving the country's objectives in the field of regional and rural development, which it implements through its activities, the allocation of financial incentives under four programmes, namely Entrepreneurship (BIZI); Agriculture and Forestry (AGRO); Local Communities and Other Parts of the Public Sector (LOCAL); and Non-profit Non-Governmental Organisations (NGO), which also target projects in the area inhabited by the indigenous Italian and Hungarian ethnic communities (hereinafter referred to as ANC). Within each programme, financial products are designed and put out to call for tenders. Most of the financial incentives implemented in 2024 were in the form of loans (with or without state aid elements) with the objectives of green transition, digitalisation of the economy and sustainable management of natural resources.

The SRDF tenders financial products based on a biennial Business and Financial Plan (BFP). For designing financial products, the SRDF made an amendment to the 2024-2025 BFP in 2024, which increased the implementation plan of financial incentives for 2024 from €65.3 million to €74.0 million.

The SRDF employs a monitoring system that evaluates its performance by the number of contracts concluded with beneficiaries. In 2024, the SRDF initiated 19 financial products under 17 calls for tenders. The applications received were subject to regular, weekly review by the SRDF Expert Committees and the Loan Committee. Based on the financing decisions issued, 352 financing contracts were concluded in 2024. The total value of the contracts was €70.2 million. These funds enabled the implementation of projects totalling €151.6 million.

The quality of the financial incentive process and the monitoring of the incentives granted is contingent on the presence of motivated and highly skilled staff, as well as adequate, fast-fit key IT and business support. In this regard, the SRDF undertakes continuous process optimisation, encompassing the digitisation of procedures and enhancements to information security. A considerable proportion of the organisation's activities are dedicated to employee training and awareness programmes, aligning with the stipulations of ISO 9001:2015, a standard that the SRDF has adhered to since 2012.

In the context of fiscal management at the SRDF, it is imperative to acknowledge the organisation's approach to the management of earmarked assets. The SRDF adheres to the principle of using these assets solely for the purpose for which they were originally designated. Furthermore, the SRDF is committed to preserving and enhancing the value of these assets. The augmentation of the earmarked assets represents a pivotal condition for the escalation of the volume of financial incentives allotted to the SRDF in the future, thereby concomitantly augmenting the SRDF's significance in the implementation of the country's regional policy measures. The SRDF meticulously plans its investments and seeks to always minimise its operating costs. In 2024, the SRDF's earmarked fund exhibited an augmentation in size when contrasted with the preceding year. This development was attributable to two factors: firstly, the process of recapitalisation, and secondly, the carry-over of a surplus of revenue over expenditure from 2022, amounting to a total of €36.4 million.

The following key financial indicators are to be noted for the 2024 operations of the SRDF:

- Total revenue: €12,280,244.89
- Total expenditure: €7,130,710.92
- Surplus of revenue over expenditure: €5,149,533.97
- Earmarked assets: €199,095,381.17

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Explanation of Abbreviations

Abbreviation	Explanation
ANC	Autochthonous National Communities (Hungarian and Italian)
GDP	Gross domestic product
EIB	European Investment Bank
EC	European Commission
SCOA	Standard chart of accounts
EU	European Union
EURIBOR	Euro Interbank Offered Rate
GHG	Greenhouse gases
GHG Protocol	Global standard for measuring and managing greenhouse gas emissions
IT	Information Technology
DDI	Development Deficiency Index
MF	Ministrstvo of Finance
METS (before MEDT)	Ministry of the Economy, Tourism and Sport (before Ministry of Economic Development and Technology)
MAFF	Ministry of Agriculture, Forestry and Food
MCRD	Ministry of Cohesion and Regional Development
BPA	Border Problem Areas
RES	Renewable Energy Source
BFP 2024-2025	Business and Financial Plan 2024-2025
PHARE	Poland and Hungary: Assistance for Restructuring their Economies
EIB Contract	SRDF LOAN FOR SMES & OTHER PRIORITIES (COVID-19) «, No. 92.491
Contract FI in Agriculture	Contract No. 2330-23-000071 on the transfer of assets for the implementation of financial instruments in agriculture for the period 2023-2027; concluded with the MAFF
BL	Budget Line
ETC Programmes	Programmes of European Territorial Cooperation
CP 14-20	Cooperation Programme (ETC Programme) 2014-2020
RGS	Regional Guarantee Schemes
CAP SP 2023-2027	Common Agricultural Policy Strategic Plan 2023-2027
GTC	SRDF's General Terms and Conditions
SRDF	Public Fund of the Republic of Slovenia for Regional and Rural Development /Slovenian Regional Development Fund
Block Exemption Regulation	Commission Regulation (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agriculture, forestry, and rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the EU (OG RS No. 327, 21 December 2022, p. 1)
LP	Leading partner
ZRC SAZU	Research Centre of the Slovenian Academy of Sciences and Arts
ZSRR-2	Promotion of Balanced Regional Development Act - ZSRR-2, (OG RS No. 20/11, 57/12, 46/16, 18/23 - ZDU-10)

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01 Key Data

02 Macroeconomic Framework

03 Legal and Strategic Bases

04 Organisation of Work and Personnel

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06 Results in the Field of General Operations

1.1 Impact of the SRDF

Mission

The SRDF is a public financial institution of the Republic of Slovenia that has a significant impact on the promotion of harmonious regional and rural development. When developing financial programmes and instruments, the SRDF is closely aligned with state strategies and policies for regional and rural development, with the goal of reducing development disparities between individual regions or areas and promoting the sustainable development of individual regional.

Vision

The SRDF aspires to be a key national financial development institution for regional development in Slovenia, with a well-established system of programmes and financial instruments to ensure balanced regional and rural development in Slovenia, offering appropriate measures with its own, state, and foreign funding. In doing so, the SRDF will support projects that will aid Slovenia's carbon transition and socially acceptable development.

1.2 General Data

Title: Public Fund of the Republic of Slovenia for Regional and Rural Development

Short title: Slovenian Regional Development Fund

Short title (slo) Slovenski regionalno razvojni sklad

Headquarters: Škrabčev trg 9a, 1310 Ribnica

Website: www.srrs.si

Title, Headquarters

Founder: Government of the Republic of Slovenia

Established: 1995, entry in the Companies Register 19 June 1996, SRG No. 96/01512,

SKD: 84.130 Regulation of economic areas for more efficient operations

Organisational Form: Public Fund

Responsible Ministry: MCRD

Earmarked assets: €199,095,381.17 (as of 31 December 2024)

Tax No: 92466834

Registration No: 5940117

Information on Establishment



Director: Matjaž Ribaš

The Director is appointed and dismissed by the Government of the Republic of Slovenia on the recommendation of the Supervisory Board for a four-year term with the possibility of re-appointment.

The SRDF' Body/ Director



Supervisory Board: 7 members

The supervisory board is appointed and dismissed by the Government of the Republic of Slovenia on the proposal of the minister responsible for regional development for a four-year term with the possibility of re-appointment. It is composed of representatives:

- PhD Robert Drobnič, MCRD, President
- Mag. Hermina Oberstar, MAFF, deputy Pres.
- Mag. Maja Čepin, MCRD
- Mag. Simona Hočevár, MPA
- Mag. Nataša Kokol Car, MF
- Franci Bratkovič, RC Novo mesto
- PhD Jani Kozina, ZRC SAZU

The SRDF' Body/ Supervisory Board

2.1 Macroeconomic Framework of 2024

The year 2024 was marked by a global economic recovery; however, regions and countries exhibited varying performances in terms of growth and macroeconomic dynamics. In the developed world, central banks in the United States, Europe, and Japan began to ease monetary policy in the second half of 2024, following a prolonged period of interest rate hikes in 2022 and 2023, as inflation began to decline in many nations. Nevertheless, some countries, particularly Germany, faced challenges due to slowing industrial production and decreased export activity. In contrast, developing countries in Asia, especially China, began to show signs of recovery, although they continued to grapple with internal issues such as demographic changes and economic restructuring.

Following a period of GDP growth in recent years, Slovenia's economic expansion slowed slightly in 2024 but remained positive. Notably, the industrial sector and exports continued to be significant drivers of the Slovenian economy, although export markets, particularly in Europe, faced a slowdown in GDP growth.

After reaching elevated levels in 2022 and 2023, inflation in Slovenia began to moderate in 2024. Prices for energy, food, and other essential commodities have stabilized, resulting in a lower cost of living for households. However, the overall cost of living and housing prices continue to pose challenges for many residents, particularly in larger cities.

On the fiscal front, Slovenia upheld a stable fiscal policy; however, public finances continued to face pressure due to essential investments in infrastructure, healthcare, and green initiatives. European funds for reconstruction and resilience remained instrumental in financing significant projects, particularly in the realms of sustainable development, digitalization, and energy efficiency.

In 2024, Slovenia was on track to meet the European Union's green targets, which included reducing carbon dioxide emissions and transitioning to more sustainable energy sources. This progress has created new opportunities in the renewable energy and sustainable tourism sectors, while also presenting challenges for traditional energy industries.

2.2 SRDF

The record-high interest rates that persisted until autumn, combined with the increased portfolio size, significantly impacted the level of interest income for the SRDF. Interest revenue from loans to SRDF borrowers remained elevated, as did the interest revenue from free funds, which are primarily invested in deposits with the MF Treasury.

Borrowers with contracts established in previous years that were linked to the 3-month EURIBOR have been most affected by the rising interest rates. It was only from 2021 onwards that the SRDF began to offer fixed-rate loans more widely to borrowers, which reduced the volatility of the SRDF's interest revenue in relation to fluctuations in the EURIBOR. This change has provided borrowers with a predictable level of interest liabilities over the long term, thereby facilitating liquidity planning. As of 2024, the SRDF has entered into all loan agreements with its clients at a fixed interest rate.

In particular, the first quarter of the year was significantly characterized by the signing of contracts for financial incentives derived from government measures aimed at supporting businesses in the aftermath of the energy crisis and floods. Additionally, the year was marked by a vigorous implementation of incentives for farmers, particularly young farmers, utilizing financial instruments in agriculture.

The economic situation in Slovenia's primary EU trading partners did not significantly affect borrowers' obligations to the SRDF. Although there was an absolute increase of 8 in the number of contracts in arrears for more than 90 days, this still represents a decrease of 0.78 percentage points in the portfolio volume.

3.1 Fundamental Laws and Regulations

The Public Funds Act



The Public Funds Act, ZJS-1 (OG RS, No.77/08, 8/10-ZSKZ-B, 61/20-ZDLGPE, 206/21-ZDUPŠOP), which regulates public resources and thus also the SRDF as a status form of a legal entity under public law. Article 24 of ZJS-1 prescribes that a public Fund must have general operating conditions that define the criteria, conditions, procedures, and scope of incentives for individual beneficiaries, mutual rights and obligations of the fund and the beneficiary of incentives, which is the legal basis for adopting the GTC.

The Act Regulating the Use of Assets arising from the Proceeds ...



The Act Regulating the Use of Assets Arising from the Proceeds Based on the Ownership Transformation of Companies Act, ZUKLPP (OG RS, No.45/95, 34/96, 60/99-ZSRR, 22/00-ZJS, 67/01, 47/02), which determines the share of purchase prices with which the SRDF's dedicated assets increase. This is the only systemic source for increasing the SRDF's earmarked assets.

The Promotion of Balanced Regional Development Act



The Promotion of Balanced Regional Development Act, ZSRR-2 (OG RS, No.20/11, 57/12, 46/16 and 18/23-ZDU-10), which determines the manner of mutual coordination of the State and municipalities in the planning of regional policies and the implementation of regional development tasks, activities, and performance of development tasks in the development region and regional policy measures. Article 10 defines the role of the SRDF, which is based on public authorisation:

- may, based on contracts with direct budget users, grant and provide financial incentives within their competence,
- allocates and provides financial incentives from its dedicated assets and state budget resources,
- establishes and implements RGS, microcredit, and other business support schemes, which are implemented at the level of the entire region,
- under Article 30a, the SRDF may also implement urgent regional policy measures.

The Rules on the Granting of Financial Incentives



- The Decree on the Methodology of Determining the Development Rate of Municipalities in 2024-2025 (OG RS, No.132/23),
- The Decree on the Implementation of Endogenous Regional Policy Measures (OG RS, No.16/13, 78/15, 46/19 and 63/23),
- The Decree on the Regional Aid Map 2022-2027 (OG RS, No.15/22, 44/23 and 95/24),
- The Regulations on the Procedure of Standards and Manners to Allocate Assets for the Promotion of the Evolutional Programme and the Preferential Tasks (OG RS, No.56/11),
- The Rules on the Classification of Development Regions by the Level of Development for the Programming Period 2021-2027 (OG RS, No.118/21),
- The Triglav National Park Act, ZTNP-1 (OG RS, No.52/10, 46/14-ZON-C, 60/17, 82/20, 18/23 – ZDU-10),
- The Agriculture Act, ZKme-1 (OG RS, No.45/08, 57/12, 90/12 – ZdZPVHVVR, 26/14, 32/15, 27/17, 22/18, 49/20 – ZIUZEOP, 61/20 – ZIUZEOP-A, 175/20 – ZIUOPDVE, 203/20 – ZIUOPDVE, 15/21 – ZDUOP, 86/21 – decision US, 112/21 – ZIUPGT, 123/21, 44/22, 130/22 – ZPOmK-2, 18/23, 78/23)

The Regulations in the Field of State Aid



- The Monitoring of State Aids Act, ZSDrP (OG RS, No.37/04), which regulates the notification procedure, the obligation to report and record state aid and the assessment of the conformity of state aid that does not need to be notified to the EC,
- The Decree on Granting Regional Aid and Methods for the Implementation of Regional Employment Initiatives and Employment Investment Tax Relief (OG RS, No.93/14, 77/16, 14/18, 168/20, 121/21, 27/22, 47/22 and 63/24).
- The Regulation on the Submission of Information and Reporting on State Aid Granted and Aid Granted under the "de minimis" rule (OG RS, No.61/04, 22/07, 50/14)

- The Regulation on the Submission and Reporting of Information on State Aid in the Agriculture and Fisheries Sector (OG RS, No.74/04)



The Regulations Regarding BPA

- Decree Determining BPA (OG RS, No.22/11, 97/12, 24/15, 35/17, 101/20, 112/22 and 92/24)



The Regulations in the Field of Financial Operations

- The Accounting Act, ZR (OG RS, No. 23/99, 30/02, 114/06-ZUE)
- The Public Finance Act, ZJF (OG RS, No. 11/11-official consolidated text, 14/13-corr., 101/13, 55/15-ZFisP, 96/15 – ZIPRS1617, 13/18,195/20, 18/23-ZDU-10, 76/23)
- The Rules on the Standard chart of accounts for the Budget, Budget Users and Other Persons Governed by Public Law (OG RS, No.133/23 and 81/24)
- The Rules on the Preparation of Annual Reports for the Budget, Budget Users, and Other Public Law Entities (OG RS, No.133/23 and 81/24)
- The Rules on the Breakdown and Measurement of Revenue and Expenses of Legal Entities under Public Law (OG RS, No.133/23 and 19/24)
- The Instructions on the Preparation of the Final Account of the State and Municipal Budgets and the Methodology for the Preparation of the Report on the Achieved Objectives and Results of Direct and Indirect Users of the Budget (OG RS, No.12/01, 10/06, 8/07, 102/10)
- The Rules on the Manner and Rates of write-off of Intangible Long-term Assets and Property, Plant, and Equipment (OG RS, No.45/05, 114/06, 138/06, 120/07, 48/09, 112/09, 58/10, 108/13, 100/15),
- The Rules on the Method and Time Limits for Reconciling Receivables and Payables according to Article 37 of the Accounting Act (OG RS, No.108/13).

3.2 Fundamental Internal Acts



The Instrument of Incorporation

The Instrument of Incorporation of the SRDF, No. 01401-4/2009/6 of 23 July 2009 (with amendments and supplements, clean copy SV 903/2024 of 19 December 2024), which harmonises the SRDF operations with the provisions of ZJS-1 and ZSRR-2.



General Terms and Conditions

General Terms and Conditions of 8 November 2019 (with amendments and supplements of 7 May 2020, hereinafter referred to as the GTC), which derive from the provisions of the ZSRR-2 and are based on awarding incentives, are considered an integral part of the public tender for each form of incentive and determine (1) the purpose and forms of financial incentives, (2) the method of granting of the financial incentives, (3) the criteria for determining the beneficiaries of financial incentives, (4) the extent to which and the conditions under which financial incentives are to be granted, (5) the procedure for the selection of beneficiaries and the granting of financial incentives, (6) the rights and obligations of the SRDF and the beneficiary or applicant after the granting of financial incentives, and (7) the transitional and final provisions.



The SRDF's Business Policy for 2022-2026

The SRDF's Business Policy 2022-2026 sets out the basic guidelines for the SRDF's activities in the medium-term period 2022-2026.



The Rules on the Granting of Financial Incentives

The Rules on the Granting of Incentives of 19 May 2015 (with amendments and supplements of 2 April 2015, 12 August 2015, 4 March 2016, 2 June 2016, 28 October 2016, 28 December 2016, 20 November 2017, 11 April 2018, 25 July 2018, 22 May 2019, 5 October 2021, 22 March 2022 and 3 May 2022, 22 March 2023 and 3 October 2023), which together with the GTC represents the basis for granting incentives and defines the implementation of measures in the fields of (1) regional state aid rules, (2) "de minimis" aid, (3) agriculture and forestry, (4) promoting local and regional public infrastructure projects, (5) pre-financing of projects, and (6) changes in the dynamics of payment, rescheduling, and write-off of liabilities to the SRDF and (7) rescheduling of beneficiaries' financial commitments. These Regulations expired in 2024 and have been replaced by the acts listed below.

Rules on Financial Incentives in the Agriculture, Forestry, Fisheries and Aquaculture Sectors and in Rural Areas



SRDF adopted the Rules on Financial Incentives in the Agriculture, Forestry, Fisheries and Aquaculture Sectors and in Rural Areas of 30 January 2025 in the light of new rules or regulations on state aid in the agricultural sector. The Regulation, which replaces the Rules on the Granting of Incentives, defines the scope, types of aid, conditions, and beneficiaries of aid for measures aimed at preserving and promoting the development of agriculture, forestry, fisheries, aquaculture, and rural areas.

Rules on Financial Incentives for the Development of the Economy, Local infrastructure and Organizations conducting Activities in Public Interest



The Rules on Financial Incentives for the Development of the Economy, Local infrastructure and Organizations conducting Activities in Public Interest of 14 June 2024, which replace the Regulations on the Granting of Incentives, define the scope, types of aid, conditions and beneficiaries of aid for measures aimed at preserving and promoting the development of the economy, local infrastructure and organizations performing activities in the public interest.

Rules on the Granting of State Aid in the Form of Liquidity Loans ...



The Rules on the granting of State aid in the form of liquidity loans granted under the Temporary Framework for Crisis Situations and the Transition to State Aid Measures in Support of the Economy following the Aggression of Russia against Ukraine on 18 October 2023 define the conditions for obtaining a liquidity loan under the current Temporary Framework for Crisis Situations and the Transition to State Aid Measures in Support of the Economy following the Aggression of Russia against Ukraine.

Rules on Insurance of Financial Incentives



The Rules on Insurance of Incentives of the SRDF of 15 January 2021, determine the forms and restrictions of insurance in the design of incentives, determine the minimum conditions of individual forms of insurance and the method of assessing the adequacy of the insurance proposal in the granting of incentives.

3.3 EU in RS Strategy Documents



EU in RS Strategy Documents

- Europe 2020 - A Strategy for Smart, Sustainable, and Inclusive Growth
- The European Strategic Agenda 2019-2024
- The Partnership Agreement between Europe and Slovenia
- The Slovenian Development Strategy 2030
- The Smart Specialisation Strategy
- The Common Agricultural Policy Strategic Plan for the period 2023-2027
- The Resolution on Slovenia's Long-term Climate Strategy for 2050
- The National Energy and Climate Plan
- EU Taxonomy
- The INTERREG Cooperation Programmes
- Other important documents:
 - The EU Regulation No. 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the ERDF and lay down specific provisions for the Investment for growth and jobs goal and repealing Regulation (EC) No.1080/2006.
 - The EU Regulation No. 1299/2013 of the European Parliament and of the Council of 17 December 2013 laid down specific provisions for support from the ERDF to the ETC goal.
 - The EU Regulations No. 1303/2013 of the European Parliament and of the Council of 17 December 2013 lay down general provisions on the ERDF, the ESF, the Cohesion Fund, the EAFRD and the EMFF and repealing Council Regulation (EC) No. 1083/2006.
 - The European Cohesion Policy Programme 2021-2027 in Slovenia (October 2022).
 - The EU Regulations 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on, and financial rules for, the ERDF, the ESF, the Cohesion Fund, the Fair Transition Fund and the EMFF, as well as for the Asylum, Migration, and Integration Fund (AMIF), the Internal Security Fund (ISF) and the instrument for financial support for border management and visa policy.

- The EU Regulations 2021/1059 of the European Parliament and of the Council of 24 June 2021 laying down specific provisions for the European territorial cooperation (Interreg) objective supported by the European Regional Development Fund and the external financing instruments.
- Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and the Cohesion Fund

Key Objectives by Strategic Documents



Clever, Inclusive Growth

RRI, raising productivity, transforming tourism, including cultural heritage)



Healthcare, Social Security

Improving quality of life, access to healthcare, sustainable development of urban rural and coastal areas, etc.



Digital Transformation

Strengthening and modernising digital infrastructure, developing advanced technological solutions, etc.



Green Gateway/ Low Carbon Europe

Renewable energy, energy efficiency, building renovation, circular economy),



Promoting Food Security

- Sufficient, affordable, and nutritious food within the limits of the planet
- Sustainable food production with a significant reduction in the use of pesticides, antimicrobials, and fertilizers
- Sustainable consumption of food and healthy diets
- Reduction of food loss and waste

4.1 Organisation of Work and Personnel



Personnel



In 2024, the activities of the SRDF were conducted across three sectors. By the end of the year, the SRDF employed 25 individuals, including a director with a fixed term of office until December 31, 2028, and 24 employees with indefinite contracts. Among these, three individuals were responsible for part of the accounting functions related to the ETC programs. Due to a significant increase in workload, the SRDF implemented measures to either increase staff or exclude certain positions from the establishment plan. However, due to a staffing shortage, two individuals recruited through an employment agency also contributed to the SRDF's operations for part of 2024.

Educational Structure



The SRDF's educational structure is as follows: two individuals have obtained a Master of Science or similar degree (sub-level 8/1), 16 individuals hold a level II higher education qualification (sub-level 7), four individuals a level I higher education qualification (sublevel 6/2), one individual holds a post-secondary higher education qualification (sublevel 6/1), and one individual holds a secondary education qualification (sublevel 5).

Education



Recognizing that employees are a vital asset, SRDF consistently invests in training and systematically develops their skills, resulting in a steady increase in the volume of training offered. Professional training is customized to the specific requirements of each job, enabling employees to concentrate on the professional skills that are pertinent to their roles.

In 2024, the SRDF offered significantly more professional education and training to its staff compared to the previous year, totalling 765.5 hours, which averages to 30 hours per staff member. Some of the training was provided at no cost, while the total expenditure for paid training amounted to €16,877.03.

The training sessions varied in content and topics. The largest proportion of training hours was dedicated to IT, totalling 176.5 hours, with a focus on enhancing cybersecurity. This was followed by general training at 101 hours, sustainability training at 98 hours, regional training at 90.5 hours, and financial training at 83.5 hours.

Remote Work



Considering the positive experience with temporary remote work during the COVID-19 pandemic, the SRDF has decided to formalize this arrangement in 2023, allowing employees to partially work from home during regular working hours in 2024. Remote work has facilitated a better balance between employees' personal and professional lives while respecting the rights of all parties involved. Additionally, it has provided the SRDF with increased flexibility and improved work organization. The initiative has also yielded several other benefits, including a reduction in daily commuting, which lowers the carbon footprint, decreases business and living costs, and alleviates pressure on critical infrastructure—objectives that the SRDF aims to support through its financial incentives. In 2024, a total of 564 days of remote work were recorded.

4.2 Internal Working Bodies



The Director's College

The Director's College is a consultative and decision-making body that includes the Director and the Heads of the Sectors. It reviews significant themes and documents prior to the Director making a final decision on specific matters. Additionally, it serves as a forum for exchanging information regarding the operations of the SRDF and other important developments that impact its functioning.

In 2024, the Director's College conducted 36 weekly meetings. Additionally, the Director organized ad hoc working meetings with Heads of Sectors and other personnel as needed to facilitate ongoing information sharing.



The Loan Committee and Expert Panels

The Loan Committee was established to evaluate the recommendations of expert panels concerning the acceptance, rejection, or dismissal of applications submitted to the SRDF's tenders. This change enhances the application processing procedure by incorporating expertise and experience from all sectors, thereby improving risk management for approved projects. The committee convened weekly, which facilitated the prompt review of applications.

In 2024, the members of the Expert Panels reviewed 390 applications across 19 financial products. Following a thorough examination of these applications, the panels submitted proposals for either approval or refusal, which were decided by the Loan Committee. The expert panels recommended 287 applications for approval, totalling €61.38 million. In addition to the approval proposals, the panels also submitted 60 proposals for rejection, 24 proposals for reconsideration, and recorded 19 withdrawals. Currently, 44 applications remain pending.



The Investment Monitoring Centre

The Financial Incentives Sector has established the Investment Monitoring Centre, which performs several key functions. These include organizing contract signings and implementing insurance, overseeing the drawing process, monitoring approved projects until their completion and the achievement of project objectives, and conducting financial oversight of loan transactions until the repayment of liabilities or the termination of contracts. The establishment of the Investment Monitoring Centre enables the SRDF to concentrate on monitoring the implementation of notified projects and achieving the desired outcomes. This is accomplished by reducing administrative barriers and streamlining ex-ante procedures.



The Technology College

The Technology College is a consultative body that includes the Director and personnel responsible for information systems projects. Its primary task is to address issues related to the digitization of business.

The Technology College, which convened every 14 days in 2024, focused on assessing the feasibility and requirements for workflow automation. It proposed necessary upgrades to existing IT systems, monitored new developments in the field of digitization, and suggested improvements or the potential introduction of new IT systems. Additionally, the college concentrated on activities related to cyber risks and the implementation of security enhancements to the SRDF's information systems.



The Promo College

The Promo College, established in 2022, serves as a consultative body that unites staff to develop and co-create marketing content aimed at enhancing the visibility of SRDF and its financial products. In 2024, the Promo College convened weekly or as needed to address an increased volume of marketing activities. The college produced content and graphics for various communication channels and prepared proposals for additional promotional initiatives, including collaborations with other stakeholders and the organization of SRDF webinars. Additionally, the Promo College was responsible for organizing the inaugural SRDF "Regions for the Future" event at the end of 2024.



The Trust and Debt Committee

The Trust and Debt Committee is a decision-making and advisory body comprised of the Director, the Heads of Sector, and the Chair of the Board, who is also a member of the Finance Sector. According to the Rules of Procedure of the Debt and Trust Committee, established on August 13, 2024, and amended on December 10, 2024, the Committee systematically evaluates the incentives provided to debtors, discusses technical issues related to debt recovery, reviews trustees' reports, and proposes potential measures for debt recovery. It approves proposals for in-depth reviews and examines reports on the in-depth reviews conducted, in accordance with the Regulation on In-Depth Reviews dated November 28, 2022, which was amended on December 10, 2024. The Committee held ten meetings in 2024.

4.3 The Supervisory Board and its Work in 2024



The Method of Work and Composition

The Supervisory Board oversees and monitors the performance of the SRDF. Members of the Supervisory Board are appointed and dismissed by the Government of the Republic of Slovenia based on the proposal of the Minister responsible for Regional Development. The Supervisory Board serves a four-year term, with the possibility of reappointment. The Board is considered validly constituted when all its members have been appointed and it convenes in a quorate session, during which the members elect a chairperson from among themselves. The chairperson typically presides over the meetings of the Supervisory Board. The Board meets as necessary, but at least four times during each budget year, and consists of seven members.

The members of the Supervisory Board were appointed by the Government of the Republic of Slovenia in 2022 for a four-year term, which will conclude on June 23, 2026. In 2023, due to a reorganization of ministries and one resignation, three supervisors were dismissed and subsequently reappointed. As a result, in 2024, the Supervisory Board was composed of the following members: PhD Robert Drobnič (Chairman, MCRD), Hermina Oberstar (Vice-Chairman, MAFF), Mag. Nataša Kokol Car (MF), Franci Bratkovič (RC Novo mesto), Maja Čepin (MCRD), Mag. Simona Hočevnar (MPA), and PhD Jani Kozina (ZRC SAZU).



Board Meetings in 2024

The Supervisory Board convened for seven regular meetings in 2024, all conducted remotely to optimize time efficiency. The Board addressed both routine and special matters pertaining to the operations of the SRDF and made decisions on issues within their jurisdiction. Members actively participated in discussions, providing guidance and seeking further clarification as needed, and most decisions were reached unanimously.

In 2024, the Supervisory Board reviewed and made decisions on the following key issues:

- BFP 2024-2025, Version 2.0
- Annual Report 2023, including the audit report.
- Amendments and Additions to the BFP 2024-2025
- Amendments and additions to the rules regarding internal organization and the systematization of positions.
- Consents to the execution of loan agreements with amounts exceeding €500,000.
- Semi-Annual Report on the Activities of the SRDF
- Report on the Internal Audit Service for 2023
- Report on the Write-Off of Debtors' Liabilities in 2023
- An analysis comparing the costs of granting incentives under the SRDF tariff rules with those of similar institutions.
- Determination of the Director's Regular Annual Leave
- A positive stance on the proposal regarding the regular performance component of the Director's salary.
- Conducting the procedures and proposals for the appointment of the Director of the SRDF for a new term of office.

5.1 Total Volume of Financial Incentives Granted in 2024

The SRDF's call for financial incentives is based on a biennial Business and Financial Plan (BFP). On December 12, 2024, the Government of the Republic of Slovenia adopted amendments to the BFP for 2024-2025, which increased the budget for financial incentives in 2024 from €65.3 million to €74.0 million.

The SRDF implements financial incentives through four programs, for which it has redefined the use of their short titles or acronyms in 2023: Entrepreneurship (BIZI), Agriculture and Forestry (AGRO), Local Communities and Other Parts of the Public Sector (LOCAL), and Non-Profit Non-Governmental Organizations (NGO).

Within each program, the SRDF develops a specific financial incentive product. Most of these products are designed in accordance with State aid and de minimis regulations. State aid refers to below-market interest rates or other financial advantages that differentiate these financial products from those offered by commercial financial providers.

The SRDF monitors implementation by tracking the total amount and number of contracts concluded with beneficiaries. In 2024, a total of 352 contracts were finalized, amounting to €70.2 million. This represents a 34% increase in total value and a 68% increase in the number of contracts concluded compared to 2023.

Since 2014, the SRDF has consistently increased both the volume and number of financial incentive placements. The lowest performance during this period occurred in 2015, with only 37 contracts finalized for €6.75 million, while the highest performance was recorded in 2024. Notably, the years 2020 and 2021 saw a considerable number of contracts concluded, coinciding with the Covid-19 pandemic, during which the SRDF introduced low-value liquidity loans for SMEs. Over the past decade, the average annual output of the SRDF has been 219 contracts, with an average disbursement of incentives amounting to €30.8 million per year.

In 2024, the SRDF concluded 352 contracts valued at €70.2 million. These financial incentives supported projects by investors with a total value of €151.6 million. The rebalancing plan achieved 95% of its target in terms of the value of incentives and 87% in terms of the number of contracts. The highest number of contracts was finalized under the AGRO program, where the target for the volume of disbursed incentives was fully met, amounting to €21.7 million.

Table 1: Implementation of Financial Incentives in 2024 by programme against the 2024 plan

Programme	PLAN Value in Million €	PLAN No. Of Contracts	IMPLEMENTATION Value in Million €	IMPLEMENTATION No. Of Contracts	IMPL./PLAN Value	IMPL./PLAN No. Of Contracts
Agriculture and Forestry Programme (AGRO)	22,0	232	21,7	194	99%	84%
Entrepreneurship (BIZI)	32,0	125	30,6	123	96%	98%
Local Authorities and Other Parts of the Public Sector Programme (LOCAL)	18,0	20	16,5	21	92%	105%
Non-profit Organisations (NGO)	2,0	28	1,4	14	72%	50%
TOTAL	74,0	405	70,2	352	95%	87%

The SRDF Financial Incentives in 2024



Planned Amount of Available Funds

Σ= €74 million



Entrepreneurship (BIZI)

→ No of Contracts:	123
→ Loan Amount:	€30.58 million
→ Project Value:	€54.08 million

Agriculture and Forestry (AGRO)

→ No of Contracts:	194
→ Loan Amount:	€21.70 million
→ Project Value:	€42.33 million

Local Authorities and Other Parts of the Public Sector (LOCAL)

→ No of Contracts:	21
→ Loan Amount:	€16.51 million
→ Project Value:	€51.80 million



No. of Calls for Tenders

Σ=17

No. of Financial Incentives

Σ=19

Non-Profit Organisation (NVO)

→ No of Contracts:	14
→ Loan Amount:	€1.45 million
→ Project Value:	€3.44 million

*ANC is tendered within other programmes

TOTAL*

→ No of Contracts:	352
→ Loan Amount:	€70.24 million
→ Project Value:	€151.65 million

*Part of the Implementation will take place in 2024

5.2 Sources of Funding for Financial Incentives



The Earmarked Assets

The majority of SRDF's financial incentives are financed by its unrestricted earmarked assets, which include both earmarked assets and borrowed resources (e.g., from the EIB) that are not currently allocated to SRDF's financial incentives. Within legal constraints, SRDF can also enhance its unrestricted assets through additional borrowing.

Where the SRDF serves as the implementing body, it enters a contract with the contracting authority (typically a Ministry) for the execution of financial incentives. In this arrangement, the contracting authority supplies external resources for the implementation of these incentives, while the SRDF may contribute its unrestricted resources to enhance their execution, if necessary.



The Scope of Assets in 2024

In 2024, the SRDF had unrestricted earmarked funds and funds from the EIB loan available for placement, in addition to:

- €10 million from "Addendum No. 1 to Contract No. C1630-23G900099-ZPGOPEK regarding the transfer of funds to increase the earmarked assets of the SRDF for the implementation of financial products in accordance with Article 49 of the Act on Economic Assistance to Mitigate the Consequences of the Energy Crisis (ZPGOPEK) and Article 54(1) of the Act on Economic Assistance to Mitigate the Consequences of the Energy Crisis (ZPNN-F). The first paragraph of Article 54 of the Act on Amendments and Supplements to the Act on Economic Assistance to Mitigate the Consequences of Natural Disasters - ZOPNN-F (hereinafter referred to as the "ZPGOPEK Contract signed with the MCRD Policy in October 2023, with funds provided from budget line PP 231083.
- The allocation of funds for the implementation of financial instruments in agriculture for the period 2023-2027 is set at 5 million under Contract No. 2330-23-000071(hereinafter referred to as the "FI Contract in Agriculture").

In 2024, the SRDF served as the implementing body for the financial incentives provided to the contracting authority. It entered a contract for the execution of the tender, which enabled the contracting authority to secure external resources.

- €1.84 million is allocated for the period 2025-2026 under Contract No. C1630-24-900046. This contract pertains to the delegation of certain tasks and the implementation and financing of the Second Call for Incentives aimed at co-financing initial investments in BPA under the Recovery and Resilience Plan. This initiative is part of the calls for tenders within the framework of investment under NOO C3K9IC (hereafter referred to as the NOO Contract), which was concluded with the Ministry of Regional Development and Rural Development in October 2024 (PP 230200).

5.3 Entrepreneurship Programme (BIZI)



Brief on BIZI

The Entrepreneurship Programme (BIZI) aims to implement regional entrepreneurial projects for subjects of various legal and organisational forms, while also pursuing the development of activities with distinct local advantages.



Eligible Applicants

As part of the Programme BIZI, eligible applicants are those registered under the Companies Act, ZGD-1 and/or the Act on Cooperatives – Zzad, are entitled to assets, who perform a gainful activity in the territory of the Republic of Slovenia.



Content of the BIZI Financial Products

- **BIZI PF**
The financial product BIZI PF is a bridging loan designed to expedite the implementation of projects that have received approval for European and/or national grants. The SRDF prioritizes applicants located in BPA (hereinafter referred to as BPA) or in areas inhabited by Autochthonous National Communities (hereinafter referred to as ANC). This product does not include any elements of State aid.
- **BIZI Wood**
It is a long-term loan that qualifies as de minimis aid. This loan is designed to finance projects in the wood-processing sector, particularly in relation to investments aimed at facilitating the green and digital transitions, as well as supporting sustainable development initiatives. The funding for these financial incentives comes from the earmarked assets of the SRDF.
- **BIZI Liquidity**
BIZI Liquidity is a liquidity loan designed for small and medium-sized enterprises (SMEs). It is categorized into two programs: "BIZI Liquidity - Floods, which supports projects aimed at mitigating the effects of the floods that occurred in August 2023, and "BIZI Liquidity - Energy, which focuses on initiatives to reduce energy consumption in light of the ongoing energy crisis and the associated costs stemming from the situation in Ukraine. This financial product emphasizes the role of investors in implementing investments related to energy consumption and loss management. The loans are provided under the de minimis aid scheme and the Temporary Framework for Energy Crisis Relief. The funding for these financial incentives comes from the earmarked assets of the SRDF.

- BIZI NOO

For the BIZI NOO financial product, investors can apply for grants. The purpose of this financial product is to promote initial sustainable projects aimed at enhancing the development and competitiveness of enterprises in the BPA. The objectives include: (1) positively impacting competitiveness, productivity, and technological advancement; (2) maintaining or increasing employment; and (3) protecting the environment while promoting resource efficiency. This financial product encourages investments in both tangible and intangible fixed assets that focus on improving material and energy efficiency in production and reducing greenhouse gas emissions. Grants and soft loans are provided under a de minimis aid scheme. The funding for these financial incentives is sourced from the NOO Treaty.



Monitoring of Objectives by BIZI Programme

Within each financial product, the SRDF outlines the purpose and objectives, which are reflected in predefined targets accompanied by project indicators. At the time of application, the applicant must specify which selected project objectives will be pursued by the project's conclusion and which indicators will be utilized to report on the achievement of these objectives. The applicant may pursue multiple objectives within a single project and may use different indicators to measure certain objectives.

Under the BIZI program, the SRDF has finalized contracts for the following purposes: financing investment projects under the BIZI Wood and BIZI NOO programs (20% of the total amount disbursed), liquidity loans (72% of the total amount disbursed), and bridging loans or pre-financing (8% of the total amount disbursed).

As illustrated in the tables below, productivity and competitiveness objectives are the most frequently selected goals for bridge financing projects. In contrast, energy management objectives are prioritized for liquidity financing, while productivity gains are emphasized for financial incentives related to investment.

Table 2: Overview of the Objectives Pursued under the BIZI Programme

Pursuit objectives under the BIZI Bridge Financing Programme	No. Of Contracts	Total Value of Contracts (in €)
Health and social security project implementation	1	71.740
Project implementation in the areas of productivity, competitiveness, development, digitisation	6	513.827
Project implementation in the area of competitiveness	6	1.141.000
Implementation of a project on climate change mitigation and adaptation	5	593.348
TOTAL	18	2.319.915

Pursuit Objectives under the BIZI Programme for Liquidity purposes	No. Of Contracts	Total Value of Contracts (in €)
Restoring production potential due to the August 2023 flood and/or the energy crisis	13	3.893.089
Implement energy consumption/loss control measures	28	11.849.043
Improving liquidity, competitiveness and productivity	22	6.403.391
TOTAL	63	22.145.523

Pursuit Objectives under the BIZI Programme for Investment Purposes	No. of Contracts	Total Value of Contracts (in €)
Increase of Productivity	40	5.855.718
Energy Efficiency	2	259.999
TOTAL	42	6.115.717



Examples of Good Practices



Beneficiary and source of photo/ Municipality of the project/ Region:
UNIVERZAL d.o.o./ Brežice/ Savinja Region

Financial Product:
BIZI NOO

Purpose:
Investment loan

Title:
New CNC lathe purchase project

Objectives:
 Increase in value added per employee, reduction in energy consumption per unit of output, reduction in raw material consumption per unit of output



Implementation

The BIZI programme in 2024 executed 123 contracts totalling €30.6 million to finance projects valued at €54.1 million.

The 2024 BIZI outturn closely aligns with the planned outturn for 2024 outlined in the BFP 2024-2025, which set a target of concluding 125 contracts valued at €32 million.

Compared to 2023, the SRDF increased the volume of financial incentives disbursed by 54%, and the number of contracts signed rose by 34%. This growth can be attributed to the enhanced appeal of the calls for grants and working capital financing, which do not require additional collateral.

5.4 Agriculture and Forestry Programme (AGRO)



Brief on AGRO

The Agriculture and Forestry (AGRO) programme is aimed at projects for the development of agricultural holdings of various legal and organisational forms and farms, with incentives targeted at priority areas of regional and common agricultural policy.



Eligible Applicants

Under the AGRO programme, agricultural holdings as defined in the Law on Agriculture and are entered in the register of agricultural holdings. The applicant applying for a project in the field of complementary activities must be registered under the Regulation on complementary activities on the farm.



Content of AGRO Financial Products

- **AGRO Complementary**
AGRO Complementary Financial Product is a long-term development loan designed to enhance farm revenue, create jobs on farms, increase the added value of products and services, and promote marketing. The SRDF prioritizes projects that contribute to climate change mitigation and adaptation. This financial product may include elements of State aid; in such cases, the soft loans are granted under a de minimis scheme. The funding for these financial incentives comes from the earmarked assets of the SRDF and a loan from the European Investment Bank (EIB).
- **AGRO PF**
The financial product AGRO PF is a bridging loan designed to expedite the implementation of projects that have received approval for European and/or national grants, with the SRDF prioritizing applicants located in BPA. This product does not contain any elements of State aid.
- **AGRO Land and Forest**
The financial product AGRO Land and Forest is a long-term development loan aimed at expanding or enhancing agricultural or forest land to ensure the sustainable development and viability of agricultural holdings. It prioritizes support for farm projects that are ecologically and/or environmentally focused. This product does not contain any elements of State aid.
- **AGRO Agricultural Land**
The AGRO Agricultural Land is a long-term development loan designed with favourable conditions to enhance the volume of agricultural land or complete agricultural holdings. Priority is given to projects that expand agricultural land for food production, positively impact food self-sufficiency, and are ecologically and/or environmentally sustainable. Eligible project costs include plots or parcels of land where at least 80% is utilized for agricultural purposes, with the requirement that 100% of the land is dedicated to agriculture. This financial product may incorporate elements of State aid; in such cases, soft loans will be granted under the de minimis rule. The funding source for these financial incentives is the earmarked assets of the SRDF.
- **AGRO FI Micro**
The AGRO FI Micro product is a financial instrument launched by the SRDF, the first provider of financial instruments in the agricultural sector in the Republic of Slovenia. This initiative addresses the

identified needs of farmers for more accessible and repayable financing options. A microloan, this financial instrument is designed for small farms and young farmers to invest in fixed assets and finance working capital. Notably, a microloan may also be granted solely for the purchase of working capital. The purpose of the financial product is to ease the financing of the day-to-day running of agricultural holdings and the development of small holdings. The funds for the implementation of the financial product for the period 2023-2027 are provided by the MAFF in accordance with the FI Contract in Agriculture for the year 2024 in the amount of €2.36 million, of which €1.18 million is for the target group of small farms and €1.18 million is for the target group of young farmers. The financial product holds elements of State aid. The micro-loans will be granted under the relevant de minimis aid schemes. The source of funding for these financial incentives is the MAFF.

- **AGRO FI Young**

The AGRO FI Young is a financial instrument established by the SRDF, the first provider of financial instruments for agriculture in the Republic of Slovenia. It was created in response to the identified needs of farmers for more accessible, repayable financing options. This financial instrument offers long-term loans with lower collateral requirements and the potential for capital reduction if certain performance targets are exceeded. Funding for the implementation of this financial instrument for the period 2023-2027 is provided by the MAFF in accordance with the FI Contract in Agriculture. The instrument operates under State aid and de minimis schemes. The funds for these financial incentives are allocated from the SRDF and MAFF.

- **AGRO INVEST**

The AGRO INVEST financial product is a long-term development loan with favourable conditions, designed to finance investments in primary agricultural activities. This financial product may include elements of State aid; in such cases, the soft loans are granted under the State aid scheme. The funding for these financial incentives comes from the earmarked assets of the SRDF and a loan from the EIB.



Monitoring of Objectives

Within each financial product, the SRDF outlines the purpose and objectives, which are reflected in predefined targets accompanied by project indicators. At the time of application, the applicant must specify which selected project objectives will be pursued by the project's conclusion and which indicators will be utilized to report on the achievement of these objectives. The applicant may pursue multiple objectives within a single project and may use different indicators to measure certain objectives.

Under the AGRO program, the SRDF financed investments and ongoing operations (85% of the funds) as well as bridging loans or pre-financing (15% of the total amount disbursed).

Most projects financed through bridging finance focus on enhancing productivity and competitiveness (7) as well as climate change mitigation and adaptation (5). In contrast, most investment projects are directed towards restoring production potential following natural disasters (82) and improving the efficiency and competitiveness of agricultural production (35).

Table 3: Overview of the Objectives Pursued under the AGRO Programme

Pursuit objectives under the AGRO Bridge Financing Programme	No. of Contracts	Total Value of Contracts (in €)
Project implementation in the areas of productivity, competitiveness, development, digitisation	7	1.891.197
Implementation of a project on climate change mitigation and adaptation	5	510.703
Implementation of a project to strengthen market orientation and increase competitiveness	3	402.355
Implementation of a project on improving the farmer's position in the value chain	2	281.164
Project implementation in the field of employment, growth, social inclusion and local development in rural areas	1	199.846
TOTAL	18	3.285.265

Pursuit Objectives under the AGRO Programme for Investment Purposes	No. Of Contracts	Total Value of Contracts (in €)
Preservation of agricultural production, restoration of production potential due to natural disasters	82	9.194.237
Improving the overall efficiency and competitiveness of agricultural production	35	3.133.144
Increasing the amount of agricultural land	18	1.347.063
Moving towards green, digital and climate-neutral agriculture	9	1.225.136
Mitigating climate change - reducing greenhouse gas emissions	3	1.095.523
Complementary activities - increase in income / PDM	4	927.046
improving the competitiveness and overall efficiency of the agricultural holding	8	747.187
Increasing the volume of arable land	4	350.373
Improved liquidity, greater market orientation and competitiveness	10	232.600
Increasing the volume of forest land	1	90.000
Complementary activities - reducing processing/marketing costs	1	51.890
Farm development in the context of the transition to green, digital and climate-neutral agriculture	1	25.000
TOTAL	176	18.419.199



Example of Good Practice



Beneficiary and source of photo/ Municipality of the project/ Region:
Simon Basaj in Janez Kern/ Kranj/ Upper Carniola Region

Financial Product:

AGRO PF

Purpose:

Bridging Loan

Title:

Collective purchase of agricultural machinery

Objective:

Modernisation of agricultural machinery; self-propelled silage harvester with maize hedge and wheat hedge. A good example of a collective purchase that helps to reduce production costs and increase incomes.



Implementation

In 2024, a total of 194 contracts have been finalized under the AGRO program, amounting to €21.7 million. The execution of the AGRO program against the revised plan for 2024 stands at 99% in terms of contract value and 84% in terms of the number of contracts finalized. Compared to 2023, the value of contracts finalized has increased by €10 million, and the number of contracts finalized has risen by 108.

5.5 Local Authorities and Other Parts of the Public Sector Programme (LOCAL)



Brief on LOCAL

The Local Authorities and Other Parts of the Public Sector (LOCAL) is aimed at municipalities and other institutions of which the municipality is the (co)founder or of which the local community is the (co)founder.



Eligible Applicants

The LOCAL programme is open to municipalities of the Republic of Slovenia, public companies registered under the Utilities Act, and legal entities that demonstrate a non-profit status and the purpose of their operation, and that are publicly (jointly) owned, organised as a public institute, a public research institute, a chamber of commerce/chambers of commerce/chambers of industry, a public fund, a public foundation, or a public agency



Content of LOCAL Financial Products

- **LOCAL PF**

The financial product LOCAL PF is a bridging loan designed to expedite the implementation of projects that have received approval for European and/or national grants. The SRDF prioritizes applicants located in the BPA or ANC areas. This product does not include any elements of State aid.

- **LOCAL MUNICIPALITIES and LOCAL MUNICIPALITIES REMEDIATION**

The LOCAL MUNICIPALITIES financial product is designed to finance municipal infrastructure projects. The LOCAL MUNICIPALITIES REMEDIATION product is specifically intended for rehabilitation projects following natural disasters, including floods and landslides, occurring from August 2023 onward. The funding for these financial incentives is the earmarked assets of the SRDF.

- **LOCAL UTILITY COMPANIES**

LOCAL UTILITY COMPANIES is designed to finance projects for municipal enterprises owned by the local community. This financial product includes de minimis aid. The source of funds for these financial incentives is the earmarked assets of the SRDF.

- **LOCAL PUBLIC ESTABLISHMENTS**

The LOCAL PUBLIC ESTABLISHMENTS financial product is designed to finance projects for public institutions in social infrastructure development and investments that positively impact sustainable development. This financial product is implemented outside the framework of State aid regulations. The source of funds for these financial incentives is the earmarked assets of the SRDF.



Monitoring of Objectives

Within each financial product, the SRDF outlines the purpose and objectives, which are reflected in predefined targets accompanied by project indicators. At the time of application, the applicant must specify which selected project objectives will be pursued by the end of the project and which indicators will be utilized to report on the achievement of these objectives. The applicant may pursue multiple objectives within a single project and may focus on specific objectives.

Under the LOCAL program, the SRDF finalized contracts for the following purposes: investment loans (99% of the total amount disbursed) and bridging loans or pre-financing (1% of the total amount disbursed).

As illustrated in the tables below, most of the financed projects focused on enhancing municipal, environmental, and social public infrastructure, as well as mitigating the impacts of natural disasters on public infrastructure.

Table 4: Overview of the Objectives Pursued under the LOCAL Programme

Pursuit objectives under the LOCAL Bridge Financing Programme	No. Of Contracts	Total Value of Contracts (in €)
Project implementation in the area of competitiveness	1	150.000
Public good, social justice, employment, social inclusion, public awareness	1	50.000
TOTAL	2	200.000

Pursuit Objectives under LOCAL Programme for Investment Purposes	No. of Contracts	Total Value of Contracts (in €)
Improving municipal, environmental, social and other public infrastructure	6	6.936.791
Recovery from natural disasters in the field of public infrastructure	3	3.702.000
Reconstruction of road infrastructure	2	1.680.000
Improving local and regional public infrastructure - climate change mitigation/adaptation projects	1	1.235.000
Implementation of public utility activities - climate change mitigation/adaptation projects	2	991.218
Carrying out public utility activities - general	3	846.601
Building business and craft zones	1	493.570
Construction of a waste water treatment plant	1	423.753
TOTAL	19	16.308.933



Example of Good Practice



Beneficiary and source of photo/ Municipality of the project/ Region
Municipality of Šentjur/ Šentjur/ Savinja Region

Financial Product:

LOCAL MUNICIPALITIES

Purpose:

Investment Loan

Title:

Extension and refurbishment of the Šentjur Kindergarten - Planina Unit

Objectives:

Construction of additional premises with ancillary facilities and an extension to provide much-needed space for pre-school activities. The project is inter-municipal, as children from the neighbouring municipality of Kozje will be included in the kindergarten.



Implementation

In 2024, 21 contracts were finalized under the LOCAL program, totalling €16.5 million. The value of the projects funded by these contracts is €51.8 million.

The 2024 plan was achieved at 92% of the target value of contracts signed and exceeded by 5% in the number of contracts signed. However, compared to 2023, there were two fewer contracts signed in 2024, resulting in a decrease of €3.9 million.

5.6 Non-profit Organisations (NGO)



Brief on NGO

The Non-Profit Organisation Programme is intended to finance projects by private non-profit organisations conducting activities in the public interest.



Eligible Applicants

Under the Non-profit Organisations Programme (NGO) non-profit organisations conducting activities in the public interest, organised under the Law on Institutions or other forms of organisations, are eligible.



Content of NGO Financial Products

- NGO PF

The NGO PF financial product is a bridging loan designed to expedite the implementation of projects that have received approval for European and/or national grants. The SRDF prioritizes applicants located in BPA or in areas where ANC reside. This product does not include any elements of State aid. The funds for these financial incentives are sourced from the earmarked assets of the SRDF.

- NGO FIREFIGHTERS

The NGO FIREFIGHTERS financial product is designed to finance projects for fire protection and rescue services. Its purpose is to modernize fire and rescue equipment and facilities, purchase firefighting vehicles, and implement projects aimed at green transition or reducing carbon footprints. This financial product does not involve state aid. The funding sources for these financial incentives include earmarked assets from the SRDF and a loan from the EIB.



Monitoring of Objectives

Within each financial product, the SRDF outlines the purpose and objectives, which are reflected in predefined targets accompanied by project indicators. At the time of application, the applicant must specify which selected project objectives will be pursued by the project's conclusion and which indicators will be utilized to report on the achievement of these objectives. The applicant may pursue multiple objectives within a single project and may use different indicators to measure certain objectives.

The SRDF was contracted under the NGO program for the following purposes: investment loans (21% of the total amount realized) and bridging loans or pre-financing (79% of the total amount realized).

Most of the funding in the NGO program consists of bridge funding. Only one contract was finalized for investment financing, which was specifically aimed at facilitating a green transition or energy renovation of a building.

Table 5: Overview of the objectives pursued under the NGO programme

Pursuit objectives under the NGO Bridge Financing Programme	No. of Contracts	Total Value of Contracts (in €)
Implementation of a project on climate change mitigation and adaptation	4	502.304
Public goods, social justice, employment, social inclusion, public awareness	4	375.795
Project implementation in the areas of productivity, competitiveness, development, digitisation	3	234.680
Project implementation in the area of competitiveness	1	16.992
Implementation of the Green Gateway project	1	14.080
TOTAL	13	1.143.851

Pursuit Objectives under NGO Programme for Investment Purposes	No. of Contracts	Total Value of Contracts (in €)
Implementing Green Transition measures	1	304.857
TOTAL	1	304.857



Example of Good Practice



Beneficiary and source of photo/ Municipality of the project/ Region:
**Mozaik - društvo za socialno vključenost, socialno podjetje/
Murska Sobota/ Mura Region**

Financial Product:

NGO PF

Purpose:

Bridging Loan

Title:

Bridges

Objectives:

Increase the number of programmes and activities for vulnerable target groups (children and young people with fewer opportunities, elderly, Roma, etc.) and thus contribute to improving their general situation, finding new solutions through interconnection between homes for the elderly, municipalities, health centres, humanitarian organisations, etc. A therapeutic garden has been set up at the Korenika social farm.



Implementation

14 contracts were finalized during the year, amounting to €1.4 million. Compared to 2023, this represents an increase of 5 contracts, with the total value of these agreements being €0.8 million higher than in the previous year.

5.7 Regional Impact of the Financial Incentives

In this section, the SRDF presents an analysis of the incentives allocated by region for 2024, specifically detailing the funding designated for less developed areas under the concluded contracts. It also evaluates the anticipated impact of the SRDF incentives on regional development based on performance indicators. The analysis encompasses contracts regardless of the source of financial incentives, including those funded by the SRDF's own resources as well as external sources. A total of 352 contracts, with a combined value of €70.2 million, from all four SRDF programs, are included in this analysis.

The SRDF analyses the regional aspect of financial incentives at the level of statistical regions (NUTS 3). This analysis contributes to the third general objective of regional policy: reducing regional development disparities. Slovenia aims to achieve this through two specific objectives: addressing regional development disparities within the country and preserving the population and developmental vitality of challenged areas (Regional Development Report 2018-2022, MCRD, November 2023). Additionally, this chapter examines two priority areas: the BPA and the ANC.

One of the key priority areas for SRDF incentives is the BPA (Business Priority Area). Projects within this area receive a higher score compared to those outside the BPAs under the SRDF financial incentives, thereby gaining priority in the selection process. Certain financial products offered by the SRDF are exclusively available in BPA regions. This enables the SRDF to support municipalities with a lower development coefficient, which are characterized by weaker economic development, limited growth potential, a lack of job opportunities, inadequate transport accessibility, challenges in maintaining and developing infrastructure, stricter environmental protection requirements, and lower population density. These municipalities are thus brought closer to more developed municipalities located outside the BPA.

The second priority area is where the ANC resides. The incentives are designed to establish an economic foundation for the ANC and to accelerate the development of both communities. Additionally, incentives for the ANC are provided through various other programmes.



Reducing Disparities between Development Regions

According to the ZSRR-2, the Development Risk Index (DRI) is a relative measure of the development status of a region. It is calculated by weighting 14 indicators related to development, vulnerability, and potential for growth. The Regulation on the classification of development regions based on their level of development for the programming period 2021-2027 (OG of EU No. 118/21) categorizes development regions (NUTS 3) according to their DRI. A higher DRI indicates a greater level of developmental deprivation in the region.

Table 6: Implemented Financial Incentives in € and Number of Projects Supported in Each Region, Ranked by DRI.

Region	DRI	Plased Funds	No. of Projects	Funds per capita (in €)
Mura	172,5	7,7	49	67,6
Littoral-Inner Carniola	138,3	1,3	12	23,9
Drava	133,4	10,9	69	32,9
Central Sava	132,3	0,2	2	2,7
Carinthia	127,7	7,9	44	112,5
Lower Sava	121,8	4,0	14	52,8
Gorizia	117,1	2,3	14	19,9
Savinja	109,3	9,5	49	36,3
Coastal-Karst	103,2	1,4	8	12,1
Southeast Slovenia	93	7,0	33	47,0
Upper Carniola	85,3	6,3	26	29,9
Central Slovenia	49,6	11,7	32	20,7
TOTAL		70	352	33

The Development Risk Indicator (DRI) reveals that two regions are particularly notable in terms of development risk, while the disparities among other regions are less pronounced. The Central Slovenia region stands out positively, with a DRI of 57.65, which is half the national average of 115.3, indicating that it is the most developed region. Conversely, the Mura region is highlighted negatively, with a DRI that is 50% higher than the Slovenian average and 3.5 times greater than that of the Central Slovenia region, making it the least developed area. The Slovenian Regional Development Fund (SRDF) has allocated 28% of the total funds for 2024 to the three most developmentally deprived regions, thereby financially supporting 130 projects, which constitutes 37% of the total projects for that year.

A considerable number of placements were allocated to the advanced region of Central Slovenia. This substantial figure is primarily attributed to two major projects: the financing of the municipality's sewerage system, amounting to €4.0 million, and a municipal utility project funded for €0.8 million. Together, these projects accounted for 40% of the total implementation of this item, which skews the overall picture at both the regional and broader levels.

Despite the SRDF's general focus on providing more intensive funding for projects in less developed areas, the analysis above indicates that other factors are also significant. These include the quality, size, and type of projects proposed, the availability of co-funding, local strategies, and the capacity to prepare calls, among others.

On average, the SRDF invested €33 per inhabitant in the RS. The SRDF allocated the highest per capita investment in the Carinthia region, amounting to €112.50 per capita, which is classified as the fifth most deprived development region according to the DRI. In contrast, the most developed region, Central Slovenia, received only €20.70 per capita from the SRDF. For the second consecutive year, the SRDF allocated the least funding per capita to the Lower Sava development region, with an investment of just €2.70 per capita, supporting only two projects.



Reducing the BPA Development Gap

BPAs are a specific type of development area aimed at maintaining the vitality of settlements and addressing the challenges faced by problem areas. Their development results from several interrelated factors that influence various levels of progress.

According to Article 24(1) of the ZSRR-2, the areas designated as Border Protection Areas (BPA) include border municipalities and those municipalities that are directly adjacent to border municipalities. Border municipalities are defined as those in which more than 50% of the population resides within a 10 km border zone and which experience a shortage of jobs along with below-average population density. For municipalities that are directly adjacent to border municipalities, the criteria for inclusion in the BPA include an average travel time of more than 45 minutes to the nearest motorway or expressway connection, or a sizeable portion of the area being designated as a Natura 2000 site. Additionally, municipalities with a municipal development coefficient of less than 0.90, as defined by the Municipal Financing Act, are classified as Developmentally Relevant Initiatives (DRI) if they are adjacent to border municipalities or municipalities directly adjacent to border municipalities.

The Regulation on the Delimitation of BPA (OG of the RS, No. 22/11, 97/12, 24/15, 35/17, 101/20, 112/22, and 92/24) outlines the criteria for defining BPA and identifies the municipalities that meet these criteria. Based on the available data, as of the end of October 2024, 88 municipalities are classified as BPA.: Ajdovščina, Apače, Bistrica ob Sotli, Bohinj, Bovec, Brda, Brežice, Cankova, Cerklje, Črenšovci, Črna na Koroškem, Črnomelj, Divača, Dobrovnik, Dolenjske Toplice, Dravograd, Gorje, Gornji Petrovci, Grad, Hodoš, Hrpelje - Kozina, Ilirska Bistrica, Jezersko, Kanal, Kobarid, Kobilje, Kočevje, Komen, Kostanjevica na Krki, Kostel, Kozje, Kranjska Gora, Kungota, Kuzma, Lendava, Ljutomer, Loška dolina, Loški Potok, Lovrenc na Pohorju, Luče, Majšperk, Metlika, Mežica, Miren - Kostanjevica, Moravske Toplice, Muta, Ormož, Osilnica, Pesnica, Pivka, Podčetrtek, Podčetrtek, Podvelka, Poljčane, Postojna, Preddvor, Prevalje, Puconci, Radlje ob Dravi, Ravne na Koroškem, Razkrižje, Renče - Vogrsko, Ribnica na Pohorju, Rogašovci, Rogatec, Ruše, Selnica ob Dravi, Semič, Sežana, Slovenj Gradec, Solčava, Središče ob Dravi, Sveta Ana, Sveti Jurij ob Ščavnici, Sveti Tomaž, Šalovci, Šentjernej, Šmarje pri Jelšah, Tišina, Tolmin, Trzin, Velika Polana, Videm, Vipava, Vuzenica, Zavrč and Žetale.

Table 7: Investments in BPA Projects in 2024

Region	Plased Funds (Million €)	No. of projects	Funds per capita (in €)
Upper Carniola	0,6	7	2,9
Gorizia	1,5	10	12,6
Southeast Slovenia	4,3	20	28,9
Carinthia	7,6	41	107,5
Coastal-Karst	1,3	6	10,6
Central Slovenia	0,5	1	0,9
Drava	4,3	28	13,0
Mura	6,6	43	58,5
Lower Sava	1,3	4	16,5
Littoral-Inner Carniola	1,2	11	22,1
Savinja	2,7	8	10,3
TOTAL	32	179	15

In 2024, the SRDF allocated a total of €31.8 million to the BPA, co-financing 179 projects with a combined value of €68.0 million. Consequently, the SRDF provided 45% of the total incentives for the year to these areas, which accounted for 51% of the total number of projects supported during this period.

The BPA in the Carinthia region received the highest average funding per capita, amounting to €107.50. The total funds disbursed reached €7.6 million, and the region also hosted 41 projects, indicating it was the top recipient of investment in 2024. The Mura region, which is also classified as a typical BPA, followed with an average funding of €58.50 per capita and 43 projects. Both regions frequently face more significant development challenges compared to others, such as labour outflow, demographic deficits, a lack of modern employment opportunities, and the need to restructure their economies.

The BPA in Southeast Slovenia, where the SRDF has co-financed 20 projects totalling €4.3 million, faces challenges such as a unique demographic structure and a considerable proportion of the older population in certain areas. Additionally, there is a dwindling number of highly educated professionals. Furthermore, smaller settlements, particularly along the Croatian border, continue to experience limited services and employment opportunities, although unemployment has stabilized and is at the national average.

The Drava region has diverse needs: on one hand, there are urban centres such as Maribor and Ptuj; on the other hand, there are BPA/rural areas where investment in infrastructure, support for small businesses, and tourism development are essential.

The primary reasons for funding BPA today are less related to high unemployment—which has stabilized or reached national average levels in most regions—and more connected to structural economic challenges, aging populations, youth out-migration, and the necessity to upgrade infrastructure. This is why it has been prudent to direct stimulus investments toward Carinthia, Mura, the southern border (Bela Krajina, Kočevsko), and the eastern parts of the Drava region. These areas have long sought sustainable solutions to achieve a stable economic and demographic landscape.



Reducing the Development Gap in ANC

In 2024, the SRDF did not allocate earmarked funds for the development of economic bases in areas inhabited by the ANC. However, it did provide financial incentives to municipalities where the ANC resides, utilizing funds designated for regional development.

The ethnically diverse region, where members of the Italian ethnic community have historically resided, includes settlements in the municipalities of Ankaran, Izola, Koper, and Piran.

The ethnically diverse region inhabited by members of the Hungarian ethnic community includes settlements in the municipalities of Dobrovnik, Hodoš, Moravske Toplice, Lendava, and Šalovci.

No projects were implemented in 2024 in areas where the ANC resides.

5.8 Impact of SRDF's Financial Incentives by Programme and Purpose

Article 4 of the Law on Monitoring State Aid (OG RS, No.37/04) stipulates that aid grantors must report on State aid granted. The Regulation on data transmission and reporting on granted State aid and aid under the de minimis rule (OG RS, No.61/04, 22/07, 50/14) regulates the method and deadlines for data transmission, the content and format of the annual report, and provides for records of aid under the de minimis rule. The MF prepares annual reports on granted State aid, which also include an assessment of their effectiveness and efficiency, based on the data on granted aid and regional development indicators.

The DRI is monitored based on statistical data for each territorial level, i.e. for the country as a whole, the statistical regions and the municipalities as defined by the Regulation on the Standard Classification of Territorial Units (OG RS, No. 9/07) and Regulation (EC) No. 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (OG RS, No. 154, 21 June 2003), as amended and supplemented.

Impact of the COVID-19 Epidemic on Regional Development

The crisis associated with the 2020 COVID-19 pandemic has contributed to a reduction in developmental disparities among statistical regions. However, with the recovery in 2021, these disparities have rapidly increased again, although they align with previous developmental trends. The economic repercussions have not significantly affected the development gap compared to the EU average, except in the Upper

Corinthia and Coastal-Karst statistical regions, which have either not yet recovered or continue to exhibit negative developmental trends. The measures implemented in 2020 have significantly contributed to the changes related to the digital transition (source: Regional Development Report 2018-2022, MCRD, November 2023).

Assessing the Impact of the Energy Crisis on Regional Development

It is not possible to assess the impact of the energy crisis on regional development in the period 2018-2022 based on existing indicators. Major regionally specific changes are expected because of the Green Transition efforts. The development regions of Gorizia and Savinja could face particularly significant challenges (source: Regional Development Report 2018 - 2022, MCRD, November 2023).

Assessing the Impact of Climate Change on Regional Development

Given Slovenia's geographic diversity, climate change is expected to significantly impact regional development. It affects various economic sectors, including agriculture, tourism, and energy. Alterations in weather patterns, such as more frequent droughts and floods, diminish agricultural yields and disrupt the tourist season. The increased frequency and intensity of these events also impact water supply and quality. Extreme weather occurrences, such as heatwaves, heighten the risk of health issues, particularly among vulnerable populations, including the elderly and children. Changes in temperature and precipitation lead to shifts in habitats, threatening certain species. The rising frequency of extreme weather events damages infrastructure, including roads, bridges, and buildings, necessitating additional investments in reconstruction and adaptation.

The existing system for monitoring and evaluating regional development fails to adequately address this issue. While greenhouse gas (CO₂) emissions by source are utilized as an indicator, the effects of natural disasters caused by climate change on regional development remain unassessed (source: Regional Development Report 2018-2022, MCRD, November 2023).



Impact of Financial Incentives in the Entrepreneurship (BIZI) Programme

Impact of Investment and Liquidity Projects in BPA

The SRDF monitors the impact of co-funded projects using specific indicators. In 2024, the analysis encompassed projects completed in 2021, with the impact verified based on publicly available financial statements from 2023.

The SRDF monitors the impact of financial incentives on productivity using the indicator per Employee, which reflects the average new value created by each employee. A higher value of this indicator not only indicates a net profit but also signifies a higher quality of business outputs—both products and services—contributing to a more prosperous society. The value added per employee is calculated by subtracting the costs of goods, materials, services, and other operating expenses from the gross operating profit, and then dividing the result by the average number of employees.

The SRDF monitors the impact of financial incentives on employment using the indicator of Employees, the average number of employees based on hours worked during the accounting period.

The analysis encompasses seven investment projects funded by a repayable source amounting to €0.75 million. Utilizing publicly available financial statements, the SRDF has validated these indicators for the monitored projects for the years 2020 and 2023.

Table 8: The impact of BIZI INVEST investment projects through the achievement of indicators.

Indicator	Year 2020	Year 2023	Impact
Productivity	€30.108	€68.715	128 % productivity growth
No. of Employees	5	7	40 %

The analysis also includes 412 liquidity projects in the BPA, which were financed with a repayable resource of €24.6 million. Based on publicly available financial statements, the SRDF verified the above indicators for the monitored projects in 2020 and 2023. The primary purpose of such projects is to sustain economic activity.

Table 9: The impact of liquidity projects in the BPA of the BIZI OPO through the achievement of indicators

Indicator	Year 2020	Year 2023	Impact
Productivity	€33.015	€47.145	43 % productivity growth
No. of Employees	9	9	0 %

Impact of an Intervention Measure to mitigate and remedy the Effects of Energy Poverty and Flooding

The purpose of the liquidity loans is to provide financial support to economic operators in the aftermath of the floods that occurred in August 2023, as well as to address the challenges posed by the energy crisis. In 2024, the SRDF supported 63 liquidity projects, totalling €22.15 million for small and medium-sized enterprises (SMEs). Of these, 11 projects, amounting to €3.33 million, originated from the 2023 call for liquidity loans related to the August 2023 floods and/or aimed at reducing energy consumption due to the energy crisis and the ongoing energy challenges stemming from the situation in Ukraine. Additionally, 52 projects, totalling €18.81 million, were dedicated to liquidity loans for initiatives focused on optimizing energy consumption in response to the energy crisis and the cost-of-living crisis.



Impact of Financial Incentives in the Agriculture and Forestry (AGRO) Programme

Under the Agriculture and Forestry (AGRO) programme, the SRDF monitored 44 projects that were completed in 2021. Many of these projects (28) involved the acquisition of agricultural and forest land, followed by investment projects (15) primarily focused on enhancing productivity or modernizing technology. Additionally, there was one project dedicated to the purchase of agricultural land. All projects were successfully implemented.

Borrowers who have implemented investment projects have pursued one or more of the following objectives. By purchasing new and technologically advanced equipment, they were able to enhance their competitiveness, allowing them to operate more efficiently and increase crop production. Additionally, by constructing new facilities, they expanded their operational capabilities. Eight projects resulted in increased productivity, as evidenced by indicators such as higher operating income, reduced costs, and increased value added per employee. Five projects focused on acquiring new equipment, either to replace outdated machinery or to support new activities and the development of innovative products, including hops, hay milk, apple juice, and tomato jelly. Three projects aimed to improve the living conditions for animals by ensuring adequate light, heat, humidity, air circulation, ventilation, gas concentration, hygiene, and noise levels in their habitats. In one project, the borrower enhanced its marketing strategies.



Impact of Financial Incentives in the Local Authorities and Other Parts of the Public Sector (LOCAL) Programme

Under the LOCAL programme, 14 contracts were established with municipalities, totalling €14.37 million, to develop local and regional infrastructure. Among these, three contracts amounting to €3.70 million were designated for LOCAL MUNICIPALITIES REMEDIATION, specifically for those affected by natural disasters in 2023. These contracts feature a reduced interest rate of 0.55 percentage points until December 31, 2026. This initiative enables municipalities with damaged infrastructure to access highly favourable loans for the execution of planned projects that are crucial for local and regional development.

In the realm of local infrastructure development, the SRDF has finalized five contracts with utility companies, amounting to a total value of €1.83 million. These funds are designated to co-finance projects associated with the provision of public utilities, including public services, water management, environmental protection, and other public infrastructure initiatives.



Impact of Financial Incentives in the Non-Profit Organisations (NGO) Programme

In 2024, the SRDF continued to offer the NGO FIREFIGHTERS financial product, designed to facilitate the purchase of equipment for firefighting and rescue operations. This initiative plays a crucial role in addressing the growing frequency of natural disasters exacerbated by climate change.

In 2024, the SRDF enhanced its support for non-profit organizations by offering project co-financing through the NGO PF financial product. This initiative provides bridge financing for private non-profit organizations that typically face challenges in securing funding.

5.9 Incentive-related Activities



Monitoring, Review

The SRDF adopted the In-Depth Project Review Policy in 2022 and updated it on December 11, 2024. The policy outlines the criteria for deciding to conduct an in-depth review of a specific investment project or client, details the review process, and identifies the individuals responsible for preparing and implementing the activities related to the in-depth review.

The following circumstances may provide sufficient grounds for including an investment transaction or a client on the list for in-depth review: factors that could directly or indirectly impact the client's performance and/or the final repayment of the investment transaction; credit rating downgrades or deterioration in the client's financial situation; increased risk due to the unintended use of financed funds; initiation of a simplified compulsory liquidation procedure; and heightened credit risk arising from other facts and circumstances (e.g., the client's overall financial condition). Additional justifications for placing an investment transaction or a client on the in-depth review list include the need to assess the achievement of the project's objectives as outlined in the individual financing program and financing agreement. The investment operations most frequently reviewed are those where the attainment of objectives is linked to predefined benefits for clients, which should have already been realized according to the terms of the financing agreement. Furthermore, operations resulting from contracts established by the SRDF with individual clients for the implementation of specific financing programs are also subject to review. Reason: Improved clarity, readability, and technical accuracy while maintaining the original meaning.

In 2024, the SRDF conducted ten comprehensive reviews, two of which were deferred from 2023 due to the delayed completion of the project. The reviews also outlined actions to be implemented if irregularities or deviations from the contractual provisions were identified, to effectively manage credit risk.



Marketing and Promotion

In 2024, marketing activities continued to emphasize targeted marketing of the SRDF financial product portfolio. The SRDF began to develop more precise segmentations and target groups, which facilitated the creation of tailored advertisements and promotional activities for each program. These efforts enabled the establishment of connections with various stakeholders, thereby enhancing the public presence of the SRDF and focusing on the accessibility of information regarding financial incentives. The outcomes of the marketing initiatives conducted throughout the year were evident in increased visibility, the formation of new partnerships, and a more effective execution of the SRDF's mission.

In 2024, the SRDF conducted most of its promotional activities within the Agriculture and Forestry (AGRO) program. At the end of 2023, it announced the financial instruments supported by the MAFF, and the promotion primarily focused on raising awareness of the benefits associated with these financial products. Promotional efforts related to Entrepreneurship (BIZI) centred on implementing the call for tenders for the BIZI NOO financial product, which was published in the second half of 2024. In the areas of Local Communities and other segments of the public sector (LOCAL) and Non-Profit Organizations (NGO), only supplementary promotional activities were conducted.

SRDF in the Media

The SRDF recognizes the significance of digital media, which is crucial for implementing promotional activities in today's world. Primarily, the SRDF has utilized its own website, which was updated throughout the year to enhance user experience. Additionally, in 2024, the SRDF expanded its presence on social media, particularly on Facebook, where it began using paid advertisements alongside regular posts and stories. As part of its promotional efforts, the SRDF also communicated with subscribers of its e-newsletter on a weekly basis, providing them with relevant content. Furthermore, the SRDF marketed its financial products through advertorials and the websites of ministries, regional development agencies, enterprise centres, municipalities, the Rural Network, and other platforms.

The SRDF also engaged in promotional activities through news articles, advertisements, and banners across various digital and print media, including Zeleno omrežje, Portal Veter, Magazine Veter, Magazine ESG, Kmečki glas, Glas Gospodarstva, and Podjetna Slovenija.

Webinars and Live Events

In 2024, the SRDF organized eight webinars to highlight its financial products and the application process. In addition to hosting its own webinars, the SRDF also participated in webinars organized by external stakeholders.

The SRDF also participated in live events organized by external organizers. The SRDF attended six Regional Consultations for Cooperatives organized by the Cooperative Federation (ZZS), the Golden Stone Conference, the 11th SME Conference, the Regional Days 2024, five events organized by the Slovenian Chamber of Agriculture and Forestry (KGZS), and six events organized by other entities. In total, the SRDF participated in 22 events organized by external organizers in 2024.

6.1 General Operations Results



Digitisation of Operations

The provision of effective IT and technological support for operations is essential for the successful implementation of the financial incentive process and the efficient monitoring of loans granted. This is particularly important given that the primary products of the SRDFs are long-term development loans, which require careful management and oversight throughout the entire duration of each loan until its maturity. In 2024, the implementation of small automation and digitization projects continued in select primary processes.

Five IT systems are utilized to support the operational aspects of the business:

- The GovernmentConnect document system, utilized by the SRDF since 2021, undergoes annual upgrades, enhancing its integration with other SRDF information systems. A new module has been added to store reports on projects that users submit upon project completion.
- The e-Rsklad application has undergone several minor updates and corrections in 2024 to accommodate new calls and applications. These updates include various enhancements compared to previous years. The first phase of the application renewal has commenced and is anticipated to be completed in the first quarter of 2025.
- The SiBank application is designed to manage incentives and loan transactions. In 2024, several upgrades and enhancements were made to optimize work processes. Specifications for further upgrades are currently being prepared and will be implemented next year. A new contract has been finalized with an external contractor for the maintenance and enhancement of the application.
- The iCenter application serves as the primary tool for managing the general ledger, accounts, and other subsidiary accounting records within the SRDF. There were no significant changes to this application in 2024. The manufacturer regularly releases new versions to accommodate legislative updates and implement other enhancements to the programme.
- DWH-CRM-MIS: In 2024, a data warehouse was built from which data is extracted into the MIS for portfolio and contract status reports. The first versions of these reports have been produced and are used by management, the Committee, and individual trustees in the processing of applications or the recovery of outstanding claims. The reporting system and the concept and content of the data warehouse will be further developed and expanded in the coming years.

Many activities have also been focused on the reliable and secure digital operations of the SRDF:

- The drafting of the SRDF Umbrella Information Security Policy, Information Asset Security Management and Logical Access Control Management has been completed. The preparation of additional security policies will continue in 2025.
- The internal network within the premises of the JRCS has been partially renewed and upgraded. This has also increased security and operational reliability.
- A SIEM system has been put in place for security monitoring of the computer network, security system and servers, both cloud and locally installed. The system allows for centralised collection, correlation, and analysis of security events, which improves responsiveness to threats and strengthens the overall security strategy of the SRDF information system.
- Activities are being conducted to increase the self-protective behaviour of employees and raise awareness of cyber risks.

In the further development of IT support, the SRDF will continue to focus on the implementation of the integration of IT systems and the further development of its IT system in line with the development strategies and guidelines as set out by the EC, the Republic of Slovenia and the documents of the State Administration (focus on cloud services while taking care of cyber-security, connectivity where the use of building blocks for electronic data exchange is possible, etc.).



Internal Control System of Public Finances

The SRDF has established a system of internal control over public finances that offers reasonable assurance in achieving its objectives. This system is based on a continuous process that identifies key risks, assesses their likelihood of occurrence, and evaluates the potential impact of each risk on the achievement of objectives. Additionally, it ensures that risks are managed effectively, efficiently, and economically.

The SRDF has established the following processes and procedures to implement internal controls for public finances:

- An adequate control environment exists in most of its operations.
- The objectives are realistic and measurable for most businesses, meaning that indicators are established to assess the achievement of these objectives.
- Risks associated with the non-achievement of objectives are identified and evaluated in various operations.
- A risk-based system of internal control and control activities that mitigates risks to an acceptable level across a sizeable portion of the business.
- An adequate information and communication system is essential for a sizeable portion of the business.
- An effective system of supervision, including a robust internal audit function, should be implemented throughout the organization.

An adequate system of internal control for public finances, which includes the performance of internal audits conducted by external contractors.

The activities of the SRDF in the upcoming period will concentrate on control.

- Cyber Risk: Adoption of a New Information Security Policy, Agreement on Employing an Expert in This Field, or Implementation of Such Activities by External Contractors.
- Investor Fraud Risk: Enhancements in the control system for client reports and improvements in IT support in this area.



Supervision of Operations - Audit

In 2023, the SRDF contracted Revidera d.o.o. to conduct the internal audit for the period from 2023 to 2025. The contractor completed two audits in 2024, specifically:

- The financial product BIZI NOO includes a comprehensive review of the processes and internal controls established for this product. This encompasses definitions outlined in internal documents, handling procedures, approval processes, monitoring, control measures, and recording practices.
- The SRDF debtor reminder process includes a review of the definitions outlined in the Internal Acts, as well as the handling procedures, monitoring, control, and recording.

The internal audit did not identify any irregularities in the operations of the SRDF. Following the audits, the conclusion was that an adequate control environment is established throughout the business area. A system of internal controls and control activities that mitigate risks to an acceptable level is in place in the audited areas. The auditor followed up on the actions taken regarding the recommendations made in 2023, which indicated that all recommendations have been implemented except for one, which is still in progress and has a deadline for implementation by the end of 2025. The SRDF also informs the Supervisory Board of the SRDF about the audits conducted and the recommendations made.



ISO standard

The SRDF approach to establishing a quality management system and the successful completion of the certification process in 2012 in accordance with the requirements of ISO 9001:2008 contributed to the award of the quality label. SRDF continued its commitment to the Quality Management System by moving to ISO 9001:2015 in 2018, obtaining certification and the Quality Mark according to that standard, and renewing it in 2021 and 2024, and extending it until 2027.



With the adopted standard, the SRDF focuses primarily on the effective functioning of the quality management system, with emphasis on the management of the organisation and the processes that take place within the organisation. It also focuses on meeting the requirements of clients (beneficiaries of regional incentives) and the performance of the Certifying Authority and the accounting function for cross-

border cooperation programmes. Through this process approach, the SRDF links its business objectives to business performance.

ISO 9001:2015 primarily focuses on the effectiveness of quality management systems in meeting customer requirements, emphasizing the management of the organization and the processes that occur within it. This standard is designed for all types of organizations seeking to manage and enhance their operations while increasing customer satisfaction. It outlines specific requirements for the quality management system, management performance, resource management, core business performance, and control. By complying with all the standard's requirements, an organization can obtain a quality management system certificate after successfully completing the certification process. The Quality Management Standard is utilized by successful organizations worldwide, as it contributes to improved orderliness and performance at a higher level.

Internal and external audits are essential for meeting the requirements of the standard. The internal audit, conducted by SRDF staff trained in this area, found no instances of non-compliance, and recommendations for improvement were provided. The external audit, performed by two independent auditors, further confirmed that SRDF effectively maintains its quality management system in accordance with the principles of ISO 9001:2015 at an elevated level. Only recommendations for enhancement were issued, as no non-conformities were identified. Consequently, SRDF has renewed its quality certification and reaffirmed its commitment to upholding its quality management system at an elevated level until 2027.

6.2 Internal Development of the SRDF's Operation



Drafting Internal Rules and Maintaining the Archive

In September 2024, the SRDF achieved a significant milestone with the certification of the adequacy of the Internal Rules for the Preservation of Documentary Material by the Archives of the Republic of Slovenia. This accomplishment is the result of a lengthy and challenging process, primarily due to the need to harmonize the various regulations governing the capture and preservation of digital documentary materials. The validity of the Internal Rules extends for up to five years or may be renewed earlier at the discretion of the Slovenian Archives. The collection of archival materials was completed in July 2024, when the complete collection was transferred to the Archives of the Republic of Slovenia for preservation.

The archive space designated for the disposal of physical documentary materials is currently being utilized for other operational needs of the SRDF. This is due to the completion of Phase 1 of the renovation of the premises in 2024, with Phase 2 of the renovation scheduled for 2025.



Sustainable Operations

In 2024, the SRDF initiated efforts to prepare a sustainability report, which is set to be published for the first time in 2026, covering the year 2025. This preparation was conducted in collaboration with external experts, who are also providing training to SRDF staff in this area. The process included a double materiality assessment in 2024, featuring a multi-stakeholder survey that engaged participants from across the value chain to evaluate the significance of various impacts.

The project also calculated the carbon footprint for the base year 2023 in accordance with the GHG Protocol. All relevant categories were included in the 2023 calculation, except for financial loans (Category 15), as no pertinent data could be obtained. However, a plan has been established to collect data for new loans and to calculate the complete carbon footprint in future years.

The carbon footprint of the SRDF in Scope 3 (value chain emissions) is significantly higher than that of Scopes 1 and 2, which is expected given the sector in which the SRDF operates. In total, the carbon footprint for Scopes 1 and 2 for the SRDF in 2023 is 13.67 tonnes of CO₂, while the carbon footprint for Scope 3, excluding category 15, is 89.52 tonnes of CO₂. Although the carbon footprint from categories 1 and 2 represents a smaller portion of the total emissions, the SRDF has identified opportunities to reduce it by incorporating sustainability criteria into the procurement process for products and services. Additionally, employee commuting contributes significantly to the carbon footprint, which the SRDF can address by promoting sustainable transportation options and remote work.

The SRDF has already digitized most of its work processes, significantly reducing the use of office paper and other supplies. All employees utilize a single, multifunctional device.

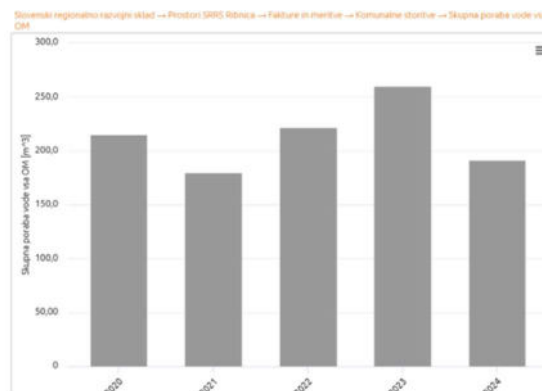


Chart 1: Reduction of water costs in 2024.

Source: SRDF Premises Water Consumption Report, GOLEA, Jan.2025

The SRDF keeps energy accounts in the CSRE application to keep track of the consumption of energy and natural resources (heat, electricity, water) on an ongoing basis. In 2024, two metering points were merged, thus reducing the cost of water.

6.3 Cooperation with External Stakeholders



Engagement with Other Stakeholders

During its operations, the SRDF collaborates with both domestic and international organizations. This cooperation was evident in the following areas in 2024:

- SRDF became an associate member of the European Association of Guarantee Schemes (AECM) in 2015, and in 2022, it achieved full membership status within the AECM. Employees regularly attend events organized by the AECM and actively participate in its working groups.
- The SRDF has a long-standing partnership with the European Investment Bank (EIB). In alignment with the EU's Sustainable Financial Policy objectives aimed at financing the transition to a low-carbon and climate-resilient economy, the SRDF has integrated the EIB's Green Checker tool into its website in 2024. This initiative underscores the strong collaboration between the two organizations and their shared commitment to these goals.
- With each new call for proposals, the SRDF is enhancing its collaboration with ministries, focusing on developing additional content for financial products within the entrepreneurship and agriculture programs. This partnership allows the SRDF to acquire new knowledge, information, and initiatives derived from the best practices of these institutions.

6.4 Risk Management

Article 25 of the Law on Public Funds (ZJS-1) mandates that public funds maintain earmarked assets and effectively manage associated risks. In its operations, the SRDF is exposed to various risks arising from both external and internal environments, including credit, market, liquidity, operational, strategic, cyber, and reputational risks. To address these challenges, the SRDF has implemented appropriate policies and established procedures to ensure that risks are continuously monitored, measured, and managed.



Credit Risk

Credit risk is the risk of loss arising from a debtor's inability to meet its financial or contractual obligations in full. The SRDF manages such credit risk through the following measures:

- internal policies that address the identification, assessment, monitoring, and management of credit risks,
- procedures and controls in place to conduct the assessment, monitoring, and management of credit risk in accordance with internal policies,

- reviewing the credit rating structure of the credit portfolio by cost centre and making the necessary provisions,
- diversification of financial incentive products and diversification of the borrower portfolio,
- the cap on the exposure of each client to the SRDF,
- adequate and sufficient collateralisation of claims on SRDF clients,
- a process for early detection of increased credit risk and closer monitoring of debtors and treatment of problem debtors,
- the establishment of a guarantee fund for the implementation of guarantees under the RGS financial instrument,
- monitoring of macroeconomic forecasts on the world market and in Slovenia (reports by UMAR, Bank of Slovenia, etc.).



Market Risk

Market risk refers to the potential for loss due to unfavourable changes in the value of the SRDF's assets and liabilities, which can result from fluctuations in market variables such as interest rates, foreign exchange rates, prices of debt securities, and commodity prices.

In addressing market risk, it is important to note that:

- The SRDF is not exposed to currency risk, as both its sources of resources and investments are in euros (EUR).
- The most significant factor influencing the SRDF is the fluctuation of reference interest rates, specifically EURIBOR and ROM. These fluctuations impact both the revenue and expenses associated with interest, as well as the level of credit risk. An increase in the reference interest rate raises the cost of financing for the SRDF's debtors, consequently heightening the likelihood of repayment difficulties. Conversely, a decrease or even a negative value in the reference interest rate reduces the SRDF's interest income, which in turn affects its ability to maintain an adequate interest margin to cover operating costs and establish necessary provisions.

The SRDF manages its interest rate risk by:

- The policy aims to balance the sources of funds and investments against the reference rate, considering both leased sources and approved incentives. This balance is guided by interest rates based on the 3- and 6-month EURIBOR reference rates.
- A fixed interest rate, which is optionally offered in different tenders depending on the SRDF's business policy. The SRDF also borrows part of its resources from the EIB at a fixed interest rate.
- A policy aimed at establishing active interest rates that promote investment in underdeveloped regions while simultaneously ensuring a long-term surplus of revenues over expenditures, thereby preserving the value of designated assets.



Liquidity Risk

Liquidity risk is the risk of loss when a debtor is unable to meet all maturing obligations or is forced to provide the necessary resources at significantly higher than normal cost because of its inability to provide sufficient resources to meet its obligations as they fall due.

The SRDF manages liquidity risk by placing unrestricted assets, under the provisions of Articles 26 and 27 of the ZJS-1. The SRDF deposits the short-term part (liquidity surpluses) of the unrestricted assets dedicated to the implementation of financial incentives in the current budget year in the form of deposits placed with the Single Treasury Account System Operator under the regulations governing public finances. The long-term part of the unrestricted assets, the so-called portfolio investments, which are intended to provide resources for the implementation of the incentive calls in the following years, is invested per the provisions of Article 26 of the Financial Sector ZJS-1.



Operational Risk

Operational risk encompasses the potential for losses resulting from inadequate or failed internal processes, personnel, systems, or external factors. This category of risk also includes IT risk, which refers to losses due to insufficient information technology, and legal risk, which pertains to losses arising from violations or improper compliance with laws, regulations, directives, recommendations, and similar requirements. Compliance risk is a subset of legal risk, representing the possibility of legal or regulatory penalties, significant financial losses, or damage to the reputation of the SRDF due to non-compliance with applicable regulations and best practice standards. The SRDF is committed to automating processes to the greatest extent possible, thereby minimizing the potential for errors, maximizing the efficiency of client monitoring and the effectiveness of incentives, and ensuring a comprehensive audit trail throughout the information system.

Since mid-2021, the SRDF has been assessing and measuring operational risks and has concluded that it is effectively managing and controlling these risks. Based on the events affecting operational risk in 2024,

no significant material losses have been identified. Only potential losses and losses that did not have a material impact were incurred. In 2024, the SRDF detected 41 events, resulting in estimated losses of €2,831.14.

The SRDF utilizes eMS and Jems (the electronic monitoring system for ETC), which are not integrated with the SRDF's iCenter accounting system, in carrying out the responsibilities of the Certifying Authority and the Accounting Function, respectively. The SRDF effectively manages operational risks associated with manual data transfer through the controlled execution of activities in accordance with the established paperless procedures. Additionally, a connection between Jems and iCenter is planned for implementation in 2025.



Reputation Risk

Reputation risk, which is a non-financial risk that is secondary, consists of all events or circumstances that have a positive or negative impact on the SRDF's ability to achieve its objectives, maintain a good reputation, and meet public expectations.

As part of the establishment of an effective system for monitoring this risk, the management of the SRDF monitors:

- news in the media,
- judicial and extrajudicial events involving the SRDF,
- trends in key business indicators,
- the scope, status, and content of the complaints of the SRDF's applicants.

6.5 Participation in ETC Programmes



Certifying Authority in the period of 2007-2013 and 2014-2020

As the designated Certifying Authority for the 2007-2013 Financial Perspective, the SRDF has successfully completed all necessary activities for the closure of the Cross-Border Operational Programmes Slovenia-Austria 2007-2013, Slovenia-Croatia 2007-2013, and Slovenia-Hungary 2007-2013 in 2019. The SRDF continues to manage the transaction accounts for all three cooperation programmes and conducts financial monitoring for the 2007-2013 programming period until all funds have been fully disbursed.

In the 2014-2020 financial framework, the SRDF has been designated as the responsible institution for the functions of the Certifying Authority for the INTERREG V Slovenia-Austria 2014-2020 Cooperation Program, the INTERREG V Slovenia-Hungary 2014-2020 Cooperation Program, and the INTERREG V Slovenia-Croatia 2014-2020 Cooperation Program.

In 2024, the SRDF conducted audits and disbursements of project reports across all three cooperation programs. As part of addressing irregularities, it performed checks and implemented financial corrections. The final regular payment request was submitted to the European Commission, and the financial statements for the ninth accounting year (July 1, 2022 – June 30, 2023) were prepared in February 2024. In August 2024, a restatement of the 2023 accounting year was conducted.

Table 8: Amount of Funds Transferred to LP in 2024 in € for CP 14-20

Cooperation Programme	Amount of funds transferred to Lead Partners (in €)
INTERREG V-A Slovenia-Austria	1.043.260,96
INTERREG V-A Slovenia-Hungary	140.863,15
INTERREG V-A Slovenia-Croatia	1.505.076,44
Total	2.689.200,55

Table 9: Amount of Payment Requests Sent to the EC in 2024 in € for CP 14-20

Cooperation Programme	Amount of funds transferred from the EC (in €) *	Total Claims**
INTERREG V.A Slovenia-Austria	1.995.716,33	1.152.909,32
INTERREG V-A Slovenia-Hungary	563.085,36	140.872,74
INTERREG V-A Slovenia-Croatia	883.350,43	1.397.621,58
Total	3.442.152,12	2.691.403,64

** No annual advance payment.*

*** Per Article 130 of Regulation (EU) No. 1303/2013, the EC shall reimburse as interim payments 90 % of the amount resulting from applying the co-financing rate for each priority, laid down in the decision adopting the Cooperation Programme, to the eligible expenditure for the priority included in the payment application*



The Accounting Function in the Period 2021-2027

The SRDF will also be integrated into the ETC Programmes in the programming period 2021-2027. By decision of the Programme Partners of the participating Member States and subsequently, by Government Decision No. 51203-12/2022/3 of 8 December 2022, the Government of the Republic of Slovenia has appointed the SRDF to perform the accounting function for the following programmes:

- Interreg Slovenia-Austria,
- Interreg Slovenia-Croatia,
- Interreg Slovenia-Hungary.

In 2024, the SRDF participated in the preparation of updates to the Description of the Management and Control System for all three programmes and updated the Accounting Authority's Work Instructions for the 2021-2027 Financial Perspective.

In 2024, it received advance payments from the EC for the years 2021-2024. It made payments to the LP on all three programmes.

F INANCIAL REPORT

07 Financial Report

08 Assets and Investments



The Slovenian Regional Development Fund, represented by its Director Matjaž Ribaš, declares the following regarding events after the balance sheet date:

- that there have been no momentous events after the balance sheet date of 31 December 2024 and up to the adoption of the 2024 Annual Report that would have an impact on the SRDF's 2024 financial statements,
- that the Annual Report 2024 of the SRDF was adopted by the College of Directors on 25 February 2025,
- that it is responsible for the preparation of the Annual Report and the fair presentation of the SRDF's assets and liabilities and financial position,
- that the Annual Report is drawn up by the Accounting Act and the Regulations on the preparation of annual reports for the budget, budget users and other public law bodies,
- that it is responsible for proper accounting, for responding appropriately to safeguard its assets and for the prevention and detection of fraud and other irregularities or illegalities,
- that the accounting estimates are made based on the principles of prudence and sound fiscal management,
- that the SRDF's Annual Report for 2024 may be published.





INDEPENDENT AUDITOR'S REPORT

**to the Government of the Republic of Slovenia and the Supervisory Board of
Slovenian Regional Development Fund**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Slovenian Regional Development Fund, which include the balance sheet as at 31 December 2024 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Slovenian Regional Development Fund as at 31 December 2024 and the income statement for the year then ended in accordance with Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises the business report, which is an integral part of the annual report of Slovenian Regional Development Fund, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We also audited the compliance of asset investments of Slovenian Regional Development Fund with Article 26, compliance of the granting of credit on favourable terms with Article 28, compliance of guarantees and commitments with Article 29, compliance of investments in capital of other legal entities with Article 32, compliance of provisioning for credit risk with Article 36, and debt compliance with Article 37 and the law on public funds and compliance with the rules of credit risk management as at 31. December 2024. We also audited the compliance of borrowing with the second paragraph of Article 10 of the Promotion of Balanced Regional Development Act. The management of Slovenian Regional Development Fund is responsible for compliance and implementation according to the rules. The auditor responsibility is to express an opinion on compliance and implementation of the rules.

We conducted our audit in accordance with International Standards on Auditing (ISAs). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether asset investments and the loans granted by Slovenian Regional Development Fund are in compliance with Articles 26, 28 and 32, guarantees and commitments in accordance with Articles 29 and 37 and the second paragraph of Article 10 of the Promotion of Balanced Regional Development Act and creation of provisions for credit risks in compliance with Article 36 with Public Funds Act and the rules on credit risk management are met.

In our opinion, asset investments, the loans granted, guarantees and commitments, and creation of provisions for credit risks as at 31. December 2024 by Slovenian Regional Development Fund and the rules on credit risk management as at 31. December 2024 are in compliance with Public Funds Act and borrowing is in compliance with Article 37 of Public Funds Act in connection with second paragraph of Article 10 of the Promotion of Balanced Regional Development Act.



Gregor Jelnikar
Certified auditor

PROSPERUS d.o.o.
revizijska družba

Ljubljana, April 15th, 2025

7.1 Financial Statements

Table 10: Balance Sheet as of 31 December 2024 (in €)

Breakdown of the Accounts	Title	Account as of 31 December 2024	Account as of 31 December 2023	BFP 2024	Index 3/4	Index 3/5
1	2	3.	4.	5.	6.	7.
Assets						
Long-Term Assets and Assets Under Management		148.148.292,06	113.626.469,99	143.174.444,00	130,38	103,47
00	Intangible Assets, Long-Term Prepayments and Accrued Income	528.755,14	455.304,16	545.453,00	116,13	96,94
01	Accumulated Amortisation of Intangible Assets	311.099,74	269.886,31	332.886,00	115,27	93,46
02	Real Estate	578.960,23	508.719,65	569.720,00	113,81	101,62
03	Value Adjustment of Real Estate	334.353,54	319.001,98	334.263,00	104,81	100,03
04	Equipment and Other Tangible Fixed Assets	367.736,80	333.556,37	379.793,00	110,25	96,83
05	Value Adjustment of Equipment and Other Tangible Fixed Assets	239.843,06	217.620,26	241.056,00	110,21	99,50
06	Long-Term Investments	178.949,69	357.432,80	178.550,00	50,07	100,22
07	Long-Term Granted Loans and Deposits	147.379.186,54	112.777.965,56	142.409.133,00	130,68	103,49
08	Long-Term Operating Receivables	0,00	0,00	0,00	0,00	0,00
09	Receivables For Assets Given to Management	0,00	0,00	0,00	0,00	0,00
Short-Term Assets Except Inventories, Prepayments and Accrued Income		158.905.925,35	140.126.280,87	158.317.968,00	113,40	100,37
10	Cash In Hand and Highly Liquid Securities	0,00	0,00	0,00	0,00	0,00
11	Balances Held With Banks and Other Financial Institutions	5.213.168,59	2.690.027,54	2.277.826,00	193,80	228,87
12	Short-Term Accounts Receivables	29.748,59	52.468,80	35.000,00	56,70	85,00
13	Paid Advances and Guarantees	50.316,72	0,00	0,00	0,00	0,00
14	Short-Term Receivables for Users of The Common Chart Of Accounts	112.963.380,39	100.773.319,99	122.141.346,00	112,10	92,49
15	Short-Term Investments	36.156.845,43	30.307.590,19	31.280.846,00	119,30	115,59
16	Short-Term Receivables From Financing	1.518.409,39	1.525.425,88	1.526.000,00	99,54	99,50
17	Other Short-Term Receivables	2.734.826,75	4.594.263,56	777.199,00	59,53	351,88
18	Unpaid Expenses	239.229,49	183.184,91	234.751,00	130,59	101,91
19	Prepayments And Accrued Income	0,00	0,00	45.000,00	0,00	0,00
Inventories		0,00	0,00	0,00	0,00	0,00
Total Assets		307.054.217,41	253.752.750,86	301.492.412,00	121,01	101,84
99	Assets Accounts Of Off-Balance Sheet Records	15.806.076,51	35.304.157,81	18.500.000,00	44,77	85,44
Liabilities To Asset Sources						
Short-Term Liabilities And Accrued Costs And Deferred Revenues		21.075.049,99	17.711.834,93	15.997.059,00	118,99	131,74
20	Short-Term Liabilities For Received Advances And Guarantees	0,00	0,00	45.000,00	0,00	0,00
21	Short-Term Liabilities To Employees	77.572,81	71.197,31	78.100,00	108,95	99,32
22	Short-Term Liabilities To Suppliers	28.230,62	60.177,48	37.200,00	46,91	75,89
23	Other Short-Term Operating Liabilities	9.288.472,74	4.733.667,81	6.664.962,00	196,22	139,36
24	Short-Term Liabilities To Users Of The Common Chart Of Accounts	617,89	173.908,14	500,00	0,36	0,00
25	Short-Term Liabilities for Financers	6.703.646,56	6.203.552,41	6.703.647,00	108,06	100,00
26	Short-Term Liabilities from Financing	117.715,83	38.241,07	119.451,00	0,00	73,00
28	Unpaid Income	4.808.476,82	6.431.090,71	2.303.199,00	74,77	208,77
29	Accrued Costs and Deferred Revenues	50.316,72	0,00	45.000,00	0,00	0,00
Equity And Non-Current Liabilities		285.979.167,42	236.040.915,93	285.495.353,00	121,16	100,17
90	General Fund	0,00	0,00	0,00	0,00	0,00
91	Reserve Fund	21.407.664,01	16.472.186,03	21.838.552,00	129,96	98,03
92	Long-Term Accrued Costs And Deferred Revenue	0,00	0,00	0,00	0,00	0,00
93	Long-Time Provisions	0,00	0,00	0,00	0,00	0,00
940	Fund Of Appropriated Assets In Public Funds	208.766.391,15	167.546.776,30	207.865.469,00	124,60	100,43
96	Long-Term Financial Liabilities	23.340.069,91	20.043.716,50	23.340.069,00	116,45	100,00
97	Other Long-Term Liabilities	32.464.842,35	31.978.237,10	32.451.263,00	101,52	100,04
I. Total Liabilities		307.054.217,41	253.752.750,86	301.492.412,00	121,01	101,84
99	Liabilities Account of Off-Balance-Sheet Records	15.806.076,51	35.304.157,81	18.500.000,00	44,77	85,44

Table 11: Balance and Movements of Intangible Assets and Property, Plant and Equipment

	Title	Value as of 1 January 2024	Value Adjustment as of 1 January	Purchase Value Increase	Value Adjustment Increase	Purchase Value Decrease	Value Adjustment Decrease	Depreciation	Non-depreciable Value as of 31 December 2024	Upward Reevaluation	Impairment Reevaluation
1	2	3	4	5	6	7	8	9	10 (3+4+5+6+7+8+9)	11	12
I.	Intangible Fixed Assets And Tangible Fixed Assets Under Management	0	0	0	0	0	0	0	0	0	0
II.	Intangible Assets And Tangible Assets Owned	1.297.580,18	806.508,55	216.261,15	0,00	38.389,16	38.389,16	117.176,95	590.155,83	0	0
A.	Long-Term Deferred Costs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0
B.	Long-Term Property Rights	455.304,16	269.886,31	96.213,36	0,00	22.762,38	22.762,38	63.975,81	217.655,40	0	0
C.	Other Intangible Assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0
D.	Land	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0
E.	Buildings	508.719,65	319.001,98	70.240,58	0,00	0,00	0,00	15.351,56	244.606,69	0	0
F.	Equipment	333.556,37	217.620,26	49.807,21	0,00	15.626,78	15.626,78	37.849,58	127.893,74	0	0
G.	Other Tangible Fixed Assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0
III.	Intangible Assets And Tangible Assets Under Finance Lease	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0

Table 12: Balance and Movement of Long-term Investments and Loans

	Vrsta naložbe oz. posojil	Znesek naložb in danih posojil na dan 1. 1. 2024	Znesek popravkov naložb in danih posojil na dan 1. 1. 2024	Znesek povečanja naložb in danih posojil	Znesek povečanja popravkov naložb in danih posojil	Znesek zmanjšanja naložb in danih posojil	Znesek zmanjšanja popravkov naložb in danih posojil	Znesek naložb in danih posojil na dan 31. 12. 2024	Znesek popravkov naložb in danih posojil na dan 31. 12. 2024	Knjigovodska vrednost naložb in danih posojil na dan 31. 12. 2024	Znesek odpisanih naložb in danih posojil
1	2	3	4	5	6	7	8	9 (3+5+7)	10 (4+6+8)	11 (9-10)	12
I.	Long-term Financial Investments	357.432,80	0,00	399,34	0,00	178.882,45	0,00	178.949,69	0,00	178.949,69	0,00
A.	Investments in Shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
B.	Investments in Stakes	357.432,80	0,00	399,34	0,00	178.882,45	0,00	178.949,69	0,00	178.949,69	0,00
1.	Investments in Public Companies Stakes	337.432,80	0,00	399,34	0,00	178.882,45	0,00	158.949,69	0,00	158.949,69	178.882,45
2.	Investments in Financial Institutions Stakes	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3.	Investments in Private Companies Stakes	20.000,00	0,00	0,00	0,00	0,00	0,00	20.000,00	0,00	20.000,00	0,00
4.	Investments in Government-owned Companies Organised as PLC Stakes	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
5.	Investments in Government-owned Companies Organised as LLC Stakes	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
6.	Investments in Stakes Abroad	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
C.	Investments in Precious Metals and Stones, Worksof Art. etc.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
D.	Other Long-term Equity Investments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
II.	Long-term Granted Loans and Deposits	161.820.783,91	0,00	70.509.021,73	0,00	40.291.491,25	0,00	192.038.314,39	0,00	192.038.314,39	0,00
A.	Long-term Granted Loans	143.042.065,09	0,00	67.509.021,73	0,00	34.347.810,68	0,00	176.203.276,14	0,00	176.203.276,14	0,00
1.	Long-term Loans to Individuals and Private Individuals	45.960.691,35	0,00	21.643.735,70	0,00	12.628.584,20	0,00	54.975.842,85	0,00	54.975.842,85	0,00
3.	Long-term Loans Granted to Public Corporations and Corporations Owned by the State or Municipalities	6.814.217,35	0,00	1.456.252,00	0,00	1.869.613,64	0,00	6.400.855,71	0,00	6.400.855,71	0,00
4.	Long-term Loans to Financial Institutions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
5.	Long-term Loans to Private Companies	44.531.359,70	0,00	30.791.838,03	0,00	14.516.945,41	0,00	60.806.252,32	0,00	60.806.252,32	0,00
6.	Long-term Loans Granted to Other Levels of Government	45.735.796,69	0,00	13.617.196,00	0,00	5.332.667,43	0,00	54.020.325,26	0,00	54.020.325,26	0,00
B.	Dolgoročne finančne naložbe v vrednostne papirje	4.948.453,50	0,00	0,00	0,00	0,00	0,00	4.948.453,50	0,00	4.948.453,50	0,00
1.	Long-term Investments in Securities	4.948.453,50	0,00	0,00	0,00	0,00	0,00	4.948.453,50	0,00	4.948.453,50	0,00
2.	Foreign Debt Securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
C.	Long-term Deposits	13.830.265,32	0,00	3.000.000,00	0,00	5.943.680,57	0,00	10.886.584,75	0,00	10.886.584,75	0,00
1.	Long-term Deposits with Commercial Banks	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2.	Other Long-term Deposits	13.830.265,32	0,00	3.000.000,00	0,00	5.943.680,57	0,00	10.886.584,75	0,00	10.886.584,75	0,00
D.	Other Long-term Loans	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
III.	TOTAL	162.178.216,71	0,00	70.509.421,07	0,00	40.470.373,70	0,00	192.217.264,08	0,00	192.217.264,08	0,00

Table 13: Revenue and Expenditure as of 31 December 2024 (in €)

Breakdown of the Accounts	TITLE	Implementation 2024	Implementation 2023	BFP 2023	Index IMPL. 2024 /PLAN 2024	Index IMPL. 2024 IMPL. 2023
1.	2.	3.	4.	5.	6.(3/5)	7.(3/4)
	I. TOTAL REVENUE	12.280.244,89	7.905.524,17	12.254.167,06	100,21	155,34
	CURRENT REVENUE	12.121.372,47	7.717.592,77	12.102.295,00	100,16	157,06
	70 TAX REVENUE	0,00	0,00	0,00	0,00	0,00
	71 NON-TAX REVENUE	12.121.372,47	7.717.592,77	12.102.295,00	100,16	157,06
	710 PARTICIPATION IN PROFIT AND INCOME FROM PROPERTY	6.874.368,16	4.522.483,72	6.838.295,00	100,53	152,00
	7100 Revenue from profit-sharing, dividends and excess of revenue over expenditure			0,00	0,00	0,00
	7102 Interest revenue	6.874.368,16	4.522.483,72	6.838.295,00	100,53	152,00
	7103 Assets revenue	0,00	0,00	0,00	0,00	0,00
	711 ADMINISTRATIVE FEES AND TAXES	0,00	0,00	0,00	0,00	0,00
	712 FINES AND OTHER PENALTIES	0,00	0,00	0,00	0,00	0,00
	713 REVENUE FROM THE SALE OF GOODS AND SERVICES	242.587,71	180.728,59	250.000,00	97,04	134,23
	714 OTHER NON-TAX REVENUE	5.004.416,60	3.014.380,46	5.014.000,00	99,81	166,02
	72 CAPITAL REVENUE	100,00	0,00	100,00	0,00	0,00
	720 REVENUE FROM FIXED ASSETS SALES	100,00	0,00	100,00	0,00	0,00
	7200 Revenue of building and premises sales	0,00	0,00	0,00	0,00	0,00
	7201 Revenue from vehicle sales	0,00	0,00	0,00	0,00	0,00
	7202 Revenue from equipment sales	100,00	0,00	100,00	0,00	0,00
	7203 Revenue from other fixed assets sales	0,00	0,00	0,00	0,00	0,00
	721 REVENUE FROM INVENTORIES SALES	0,00	0,00	0,00	0,00	0,00
	722 REVENUE FROM THE SALE OF LAND AND INTANGIBLE ASSETS	0,00	0,00	0,00	0,00	0,00
	73 RECEIVED DONATIONS	0,00	0,00	0,00	0,00	0,00
	730 RECEIVED DONATIONS FROM DOMESTIC SOURCES	0,00	0,00	0,00	0,00	0,00
	74 TRANSFER REVENUE	86.102,36	101.259,02	79.102,00	108,85	85,03
	740 TRANSFER REVENUE FROM OTHER PUBLIC INSTITUTIONS	86.102,36	101.259,02	79.102,00	108,85	85,03
	7400 Funds received from the State budget	86.102,36	101.259,02	79.102,00	108,85	85,03
	741 FUNDS RECEIVED FROM THE STATE BUDGET REMITTED FROM OTHER COUNTRIES	0,00	0,00	0,00	0,00	0,00
	78 FUNDS RECEIVED FROM THE EU AND OTHER COUNTRIES	72.670,06	86.672,38	72.670,06	100,00	83,84
	FUNDS RECEIVED FROM THE STRUCTURAL FUNDS OF THE EU	72.670,06	86.672,38	72.670,06	100,00	83,84
	782 BUDGET	7.130.710,92	5.820.153,93	7.796.629,00	91,46	122,52
	II. TOTAL EXPENDITURE	7.130.710,92	5.820.153,93	7.796.629,00	91,46	122,52
	40 CURRENT EXPENDITURE	6.858.081,26	5.675.336,49	7.517.629,00	91,23	120,84
	400 SALARIES AND OTHER EMPLOYEE COSTS	929.184,60	904.706,47	1.069.275,00	86,90	102,71
	4000 Salaries and allowances	825.390,49	800.353,17	942.845,00	87,54	103,13
	4001 Annual leave bonus	31.064,36	29.733,02	39.000,00	79,65	104,48
	4002 Reimbursement and allowances	53.486,92	55.839,02	62.500,00	85,58	95,79
	4003 Performance bonus	17.090,41	14.616,46	19.830,00	86,18	116,93
	4004 Overtime	0,00	1.691,08	2.000,00	0,00	0,00
	4009 Other employee expenses	2.152,42	2.473,72	3.100,00	69,43	87,01
	401 EMPLOYER'S SOCIAL SECURITY CONTRIBUTION	146.860,07	142.813,49	167.491,00	87,68	102,83
	4010 Contributions for pension and disability insurance	73.737,77	72.317,39	85.374,00	86,37	101,96
	4011 Contributions for health insurance	59.774,22	57.900,24	68.396,00	87,39	103,24
	4012 Contributions for employment	529,94	744,83	756,00	70,10	71,15
	4013 Contributions for parental protection	843,07	816,99	965,00	87,36	103,19
	4015 Collective supplementary pension insurance premiums under ZKDPZJU	11.975,07	11.034,04	12.000,00	99,79	108,53

Breakdown of the Accounts	TITLE	IMPLEMENTATION 2024	IMPLEMENTATION 2023	BFP 2024	Index IMPL. 2024 /PLAN 2024	Index IMPL. 2024 IMPL. 2023
1.	2.	3.	4.	5.	6.(3/5)	7.(3/4)
402	EXPENSES FOR GOODS AND SERVICES	506.531,48	360.652,93	503.758,00	100,55	140,45
4020	Stationer and general material and services	192.504,65	136.567,83	190.000,00	101,32	140,96
4021	Special material and services	1.974,14	679,66	2.800,00	70,51	290,46
4022	Energy, water, public utilities and communications	38.802,98	34.779,72	39.000,00	99,49	111,57
4023	Transport costs and services	9.136,12	3.937,18	8.900,00	102,65	232,05
4024	Buisness travel expenses	8.297,00	10.113,45	16.400,00	50,59	82,04
4025	Regular maintenance	33.586,37	26.230,73	38.028,00	88,32	128,04
4026	Commercial rents and leases	46.743,04	29.645,73	34.630,00	134,98	157,67
4027	Fines and compensations	0,00	0,00	0,00	0,00	0,00
4029	Other operating expenses	175.487,18	118.698,63	174.000,00	100,85	147,84
403	DOMESTIC INTEREST PAYMENTS	105,10	0,00	105,00	0,00	0,00
4033	Interest payments on loans to other domestic lenders	105,10	0,00	105,00	100,10	0,00
404	FOREIGN INTEREST PAYMENTS	550.400,01	461.191,67	552.000,00	99,71	0,00
4040	Loan interest payments - international financial institutions	0,00	0,00	0,00	0,00	0,00
4041	Loan interest payments - foreign governments	0,00	0,00	0,00	0,00	0,00
4042	institutions	550.400,01	461.191,67	552.000,00	99,71	119,34
4043	Loan interest payments - foreign lenders	0,00	0,00	0,00	0,00	0,00
4044	Interest payments on securities issued in foreign markets	0,00	0,00	0,00	0,00	0,00
405	Transfer of the budgeted part of the result of the EDF systems performance of the revious year	0,00	0,00	0,00	0,00	0,00
409	RESERVES	4.725.000,00	3.805.971,93	5.225.000,00	90,43	0,00
4098	Provision or credit risks in public funds	4.725.000,00	3.805.971,93	5.225.000,00	90,43	0,00
41	LIQUID TRANSFERS	0,00	0,00	0,00	0,00	0,00
410	SUBSIDIES	0,00	0,00	0,00	0,00	0,00
411	TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	0,00	0,00	0,00	0,00	0,00
412	TRANSFERS TO INSTITUTIONS	0,00	0,00	0,00	0,00	0,00
413	OTHER LIQUID DOMESTIC TRANSFERS	0,00	0,00	0,00	0,00	0,00
414	LIQUID TRANSFERS ABROAD	0,00	0,00	0,00	0,00	0,00
42	INVESTMENT EXPENDITURE	272.629,66	144.817,44	279.000,00	97,72	188,26
420	PURCHASE AND CONSTRUCTION OF FIXED ASSETS	272.629,66	144.817,44	279.000,00	97,72	188,26
4200	Purchase of buildings and premises	0,00	0,00	0,00	0,00	0,00
4201	Purchase of vehicles	0,00	0,00	0,00	0,00	0,00
4202	Purchase of equipment	78.388,56	46.162,66	99.000,00	79,18	169,81
4203	Purchase of other fixed assets	0,00	0,00	0,00	0,00	0,00
4204	New construction, reconstruction and adaptation	89.882,23	0,00	80.000,00	112,35	0,00
4205	Replacement investments and renewals	10.608,39	13.908,00	10.000,00	106,08	76,28
4206	Purchase of land and natural resources	0,00	0,00	0,00	0,00	0,00
4207	Purchase of intangible assets	93.750,48	84.746,78	90.000,00	104,17	110,62
43	INVESTMENT TRANSFERS	0,00	0,00	0,00	0,00	0,00
	INVESTMENT TRANSFERS TO LEGAL ENTITIES AND INDIVIDUALS OTHER THAN BIUDGET USERS	0,00	0,00	0,00	0,00	0,00
432	INVESTMENT TRANSFERS TO BUDGET USERS	0,00	0,00	0,00	0,00	0,00
450	PAYMENTS TO THE EUROPEAN UNION BUDGET	0,00	0,00	0,00	0,00	0,00
	III/1 SURPLUS OF REVENUE OVER EXPENDITURE	5.149.533,97	2.085.370,24	4.457.538,06	115,52	246,94
	III/2 SURPLUS OF EXPENDITURE OVER REVENUE	0,00	0,00	0	0,00	0,00
	Average number of employees calculated based on working hours put in the accounting period (rounded to 1)	25	24	25	100,00	104,17
	No. Of months of operation	12	12	12	100,00	100,00

Table 14: Statement of Financial Assets and Investments as of 31 December 2024 (in €)

Breakdown of the Accounts	TITLE	IMPLEMENTATION 2024	IMPLEMENTATIO N 2023	BFP 2024	Index IMPL. 2024 /PLAN 2024	Index IMPL. 2024 IMPL. 2023
1.	2.	3.	4.	5.	6.(3/5)	7.(3/4)
	IV. REPAYMENTS OF LOANS RECEIVED AND SALE OF CAPITAL SHARES	30.640.448,87	32.153.497,04	29.973.739,00	102,22	95,29
75	REPAYMENTS OF LOANS RECEIVED	30.640.448,87	32.153.497,04	29.973.739,00	102,22	95,29
7500	Repayments of loans received from individuals and private individuals	12.018.127,31	13.929.965,24	11.272.812,00	106,61	86,28
7501	Received repayments of loans granted to public funds	0,00	0,00	0,00	0,00	0,00
7502	Received repayments of loans granted from public companies and companies owned by the State or municipalities	1.823.688,28	1.253.962,58	1.598.989,00	114,05	145,43
7503	Received repayments of loans granted to financial institutions	443.680,57	785.289,57	385.182,00	115,19	56,50
7504	Received repayments of loans granted by private companies	11.022.285,28	11.589.406,71	10.258.858,00	107,44	95,11
7505	Received repayments of loans from municipalities	5.332.667,43	4.594.872,94	6.457.898,00	82,58	116,06
7508	Received repayments from public agencies and public institutions	0,00	0,00	0,00	0,00	0,00
7509	Received repayments of guarantees paid	0,00	0,00	0,00	0,00	0,00
751	SALES OF EQUITY STAKES	0,00	0,00	0,00	0,00	0,00
7510	Funds acquired through the sale of the capital shares in public companies and companies owned by the State or municipalities	0,00	0,00	0,00	0,00	0,00
7512	Funds acquired through the sale of the capital shares in private companies	0,00	0,00	0,00	0,00	0,00
752	PURCHASES FROM PRIVATISATION	0,00	0,00	0,00	0,00	0,00
753	REPAYMENTS OF LOANS RECEIVED TO ENTITIES INCLUDED IN THE SINGLE ASSET MANAGEMENT OF THE SINGLE TREASURY ACCOUNT SYSTEM	0,00	0,00	0,00	0,00	0,00
44	V. DANA POSOJILA IN POVEČANJE FINANČNIH NALOŽB	65.754.656,19	43.989.063,93	63.697.229,00	103,23	149,48
440	LOANS GRANTED	65.754.656,19	43.989.063,93	63.697.229,00	103,23	149,48
4400	Loans granted to individuals and private individuals	19.863.186,03	12.594.974,12	16.085.689,00	123,48	157,71
4401	Loans granted to public funds	0,00	0,00	0,00	0,00	0,00
4402	Loans granted to public companies by the government and municipalities	1.456.252,00	4.322.907,67	1.756.137,00	82,92	33,69
4403	Loans granted to financial institutions	0,00	0,00	0,00	0,00	0,00
4404	Loans granted to private companies	30.818.022,16	8.452.155,84	29.494.080,00	104,49	364,62
4405	Loans granted to municipalities	13.617.196,00	18.619.026,30	16.361.323,00	83,23	73,14
4408	Loans granted to public agencies and public institutions	0,00	0,00	0,00	0,00	0,00
4409	Payments of overdue guarantees	0,00	0,00	0,00	0,00	0,00
441	INCREASE IN STAKES AND INVESTMENTS	0,00	0,00	0,00	0,00	0,00
4410	Increase in equity stakes in public companies and companies owned by the government of municipalities	0,00	0,00	0,00	0,00	0,00
4411	Increase in equity stakes in financial institutions	0,00	0,00	0,00	0,00	0,00
4412	Increase in equity stakes in private companies	0,00	0,00	0,00	0,00	0,00
4413	Joint ventures	0,00	0,00	0,00	0,00	0,00
4414	Increase in foreign equity stakes	0,00	0,00	0,00	0,00	0,00
4415	Increase in other financial investments	0,00	0,00	0,00	0,00	0,00
442	CONSUMPTION OF PURCHASE FUNDS FROM PRIVATISATION	0,00	0,00	0,00	0,00	0,00
443	INCREASE OF DEDICATED ASSETS IN PUBLIC FUNDS AND OTHER LEGAL ENTITIES UNDER PUBLIC LAW	0,00	0,00	0,00	0,00	0,00
444	SINGLE ASSETS MANAGEMENT OF THE SINGLE TREASURY ACCOUNT SYSTEM	0,00	0,00	0,00	0,00	0,00
	VI/1 LOANS RECEIVED MINUS LOANS GRANTED AND CHANGE IN EQUITY HOLDINGS	0,00	0,00	0,00	0,00	0,00
	VI/2 LOANS GRANTED MINUS LOANS RECEIVED AND CHANGE IN EQUITY HOLDINGS	35.114.207,32	11.835.566,89	33.723.490,00	104,12	296,68

Table 15: Statement of Financing Account as of 31 December 2024 (in €)

Breakdown of the Accounts	TITLE	IMPLEMENTATION 2024	IMPLEMENTATION 2023	BFP 2024	Index IMPL. 2024 /PLAN 2024	Index IMPL. 2024 IMPL. 2023
1.	2.	3.	4.	5.	6.(3/5)	7.(3/4)
50 VII. BORROWING		10.000.000,00	10.000.000,00	10.000.000,00	100,00	0,00
500 DOMESTIC BORROWING		0,00	0,00	0,00	0,00	0,00
5000 Loans raised from the Bank of Slovenia		0,00	0,00	0,00	0,00	0,00
5001 Loans raised from commercial banks		0,00	0,00	0,00	0,00	0,00
5002 Loans raised from other financial institutions		0,00	0,00	0,00	0,00	0,00
5003 Loans raised from other domestic lenders		0,00	0,00	0,00	0,00	0,00
5004 Funds obtained through the issuance of securities on the domestic market		0,00	0,00	0,00	0,00	0,00
501 BORROWING ABROAD		10.000.000,00	10.000.000,00	10.000.000,00	100,00	0,00
5010 Loans raised from international financial institutions		0,00	0,00	0,00	0,00	0,00
5011 Loans raised from foreign governments		0,00	0,00	0,00	0,00	0,00
5012 Loans raised from foreign commercial banks and financial institutions		10.000.000,00	10.000.000,00	10.000.000,00	100,00	0,00
5013 Loans raised from other foreign lenders		0,00	0,00	0,00	0,00	0,00
5014 Funds obtained through the issuance of securities on the foreign market		0,00	0,00	0,00	0,00	0,00
55 VIII. DEBT PAYMENTS		6.203.552,44	3.177.236,66	6.203.552,00	100,00	195,25
550 DOMESTIC DEBT REPAYMENTS		0,00	0,00	0,00	0,00	0,00
5500 Repayments of loans to the Bank of Slovenia		0,00	0,00	0,00	0,00	0,00
5501 Repayments of loans to commercial banks		0,00	0,00	0,00	0,00	0,00
5502 Repayments of loans to other financial institutions		0,00	0,00	0,00	0,00	0,00
5503 Repayments of loans to other domestic lenders		0,00	0,00	0,00	0,00	0,00
5504 Repayments of principal of securities issued on the domestic market		0,00	0,00	0,00	0,00	0,00
551 LOAN REPAYMENT ABROAD		6.203.552,44	3.177.236,66	6.203.552,00	100,00	195,25
5510 financial institutions		0,00	0,00	0,00	0,00	0,00
5511 Repayments of loans to foreign governments		0,00	0,00	0,00	0,00	0,00
5512 and financial institutions		6.203.552,44	3.177.236,66	6.203.552,00	100,00	195,25
5513 Repayment to other foreign lenders		0,00	0,00	0,00	0,00	0,00
5514 Repayments of principal securities issued on foreign markets		0,00	0,00	0,00	0,00	0,00
IX/1 NET BORROWING		3.796.447,56	6.822.763,34	3.796.448,00	100,00	0,00
IX/2 NET LOAN REPAYMENT		0,00	0,00	0,00	0,00	0,00
X/1 INCREASE IN FUNDS ON ACCOUNTS		0,00	0,00	0,00	0,00	0,00
X/2 DECREASE IN FUNDS ON ACCOUNTS		26.168.225,79	2.927.433,31	25.469.503,94	102,74	893,90

7.2 Explanatory Notes to the Balance Sheet

The balance sheet presents a summary of assets and liabilities. Assets are categorized based on their maturity into long-term assets, which are utilized for more than one year, and short-term assets, which are utilized for less than one year. Under current assets, the SRDF recognizes balances in its sub-accounts, amounts receivable from customers, users of the Uniform Chart of Accounts (hereafter referred to as the SCOA), investments, financing receivables, other current receivables, unpaid expenses, and accrued charges. We Additionally, we differentiate current and non-current sources of resources. Long-term resources have a maturity exceeding one year and may consist more domestic foreign resource. The SRDF recognises acknowledges resources in the form of a special-purpose reserve fund and a reserve fund, as well as foreign resources for obtained through from the resources funds from the State budget for the implementation of concessional development credits in problem underserved and financial instruments in the agricultural sector. Current resources include encompass to employees, suppliers, SCOA users, financiers, accounts payable, other payables, as well as revenue. revenue. Reason: Improved clarity, vocabulary, and technical accuracy while maintaining the original meaning.



Long-term Assets

Long-term assets, which amounted to €148,148,292.06 on 31 December 2024, included:

- intangible assets, real estate, and equipment,
- long-term financial investments,
- long-term loans granted, deposits and investments in securities.

a) Intangible and Tangible Fixed Assets

At the end of 2024, the total value of intangible assets, property, and equipment amounts to €590,155.83:

- Intangible assets totalling €217,655.40 reflect the value of computer software and the rights associated with the corporate identity of the SRDF. The acquisition value of these intangible assets rose by €96,213.36 in 2024, attributed to the purchase and upgrade of existing computer software, which amounted to €94,163.76, as well as the website upgrade costing €2,049.60. However, their value decreased by €63,975.81 due to the depreciation charge recorded in 2023.
- The real estate valued at €244,606.69 represents the premises of the SRDF. These premises underwent partial renovations in 2024. The value of the properties has increased by €70,240.58, positively impacting their benefits compared to the original cost. However, the depreciation charged on the properties in 2024, totalling €15,351.56, contributes to a decrease in their overall value.
- Equipment and small inventories total €127,893.74. The acquisition value of these assets will increase by €49,807.21 in 2024 due to new purchases, including computer equipment for €16,652.08, office furniture for €30,165.95, marker boards for €2,525.40, and small inventories for €463.78. However, their overall value will decrease by €37,849.58 in 2024 because of depreciation charges.

Certain fixed assets that were fully depreciated in 2024 were discarded due to their unserviceability.

Table 16: Movement of Intangible Assets, Property, Plant and Equipment in 2024 (in €)

Type	Balance 1 January 2024	Increase	Decrease	Depreciation	Balance 31 December 2024
Intangible Assets	185.417,85	96.213,36	0,00	63.975,81	217.655,40
Business Buildings	189.717,67	70.240,58	0,00	15.351,56	244.606,69
Equipment and small inventory	115.936,11	49.807,21	0,00	37.849,58	127.893,74
Total	491.071,63	216.261,15	0,00	117.176,95	590.155,83

Intangible assets, real estate, and equipment are recorded at cost. These assets are depreciated individually using the straight-line method, in accordance with the regulations governing the methods and rates of amortization for intangible assets, real estate, and equipment. As of 2024, the accumulated depreciation and write-down of minor inventories totalled €117,176.95.

The reduction in the carrying value of intangible assets, real estate, equipment, and minor inventories, resulting from annual depreciation and the write-down of the present value of fixed assets, has decreased the liability to the source of funds, specifically the earmarked assets.

Fixed assets that have been fully depreciated but are still in use by the SRDF include small inventories, office equipment, computer equipment, and computer software. These assets do not significantly impact the operations of the SRDF.

For 2024, the value of intangible assets and property, plant, and equipment is projected to be €586,671.00. The SRDF plans to purchase office and computer equipment totalling €99,000.00, adapt office premises for €80,000.00, cover investment maintenance costs of €10,000.00, and upgrade and modernize existing software for €90,000.00.

b.) Long-term Financial Investments

Long-term investments at the end of 2024 total €178,949.69. However, in 2024, their value decreased by €178,882.45.

In accordance with Article 13 of the Regulation on the Breakdown and Measurement of Revenue and Expenditure of Legal Entities Governed by Public Law, an investment valued at cost is subsequently assessed, after initial recognition, at a percentage of the total equity of the company in which the SRDF holds an investment. Based on the published balance sheet as of December 31, 2023, the SRDF has revalued its investments in RRA Koroška d.o.o. and RRA Zeleni Kras d.o.o. accordingly in 2024. In line with the Court of Auditors' Opinion No. 330-7/2014/36, the SRDF did not revalue the acquired equity interests in BSC d.o.o., RCR d.o.o., and RRA Mura d.o.o. (currently in bankruptcy) as of December 31, 2024, since these investments were acquired and recorded at their appraised value rather than at their cost. Following the closure of the bankruptcy proceedings in 2024, RRA Celje d.o.o. (in bankruptcy) was removed from the court register, resulting in the investment being written off against the earmarked fund for other assets, totalling €178,882.45.

For 2024, the SRDF has planned a balance of long-term investments amounting to €178,550.00, which is €399.69 lower than the previously implemented balance. The increase in the value of long-term financial investments is attributed to the reconciliation of investments to the book value of capital as of December 31, 2023, at RRA Koroški d.o.o. and RRA Zeleni kras d.o.o.

Investment	Balance 1 January 2024	Increase	Decrease	Balance 31 December 2024	Share in the Company (%)
BSC, poslovno pod. center, d.o.o.	43.000,00	0,00	0,00	43.000,00	28,45
Regionalni center za razvoj d.o.o.	20.000,00	0,00	0,00	20.000,00	11,61
RRA Celje d.o.o. - bankruptcy	178.882,45	0,00	178.882,45	0,00	0,00
RRA Koroška d.o.o.	35.002,96	119,38	0,00	35.122,34	33,54
RRA Mura d.o.o. - bankruptcy	1,00	0,00	0,00	1,00	39,00
RRA Zeleni kras d.o.o.	80.546,39	279,96	0,00	80.826,35	22,50
Total	357.432,80	399,34	178.882,45	178.949,69	-

c.) Long-term Loans, Deposits, and Investments in Securities

The total amount of long-term loans, deposits, and investments in securities recorded on the gross balance sheet is €187,255,213.13. In the balance sheet, loans and deposits are categorized by maturity. Consequently, the portion of long-term loans and deposits maturing in 2025, which totals €39,876,026.59, is classified under short-term financial investments and short-term receivables from SCOA users, in accordance with their intended purpose. Loans receivable that are due within the year are already included under short-term financial investments and short-term receivables from SCOA users. As of December 31, 2024, their balance amounts to €4,783,101.26. Therefore, the total amount of long-term loans, earmarked deposits, and investments in securities reflected in the balance sheet is €147,379,186.54.

Due to lower interest rates, the SRDF did not allocate any free cash to long-term deposits in 2024, opting instead to place funds in deposits with the MF, which is reflected in the short-term receivables from SCOA users. The SRDF has planned for long-term loans and deposits totalling €142,409,133.00 in 2024. It is anticipated that €63,697,229.00 of loans will be drawn and repaid from SRDF resources, along with an additional €29,973,739.00 of loans from the same source. A total of €65,754,656.19 in loans was drawn from the SRDF, with repayments amounting to €30,640,448.87. Loans granted and repaid from the State budget are not recorded in the financial receivables and investments account but are reflected solely in the balance sheet. In 2024, loans totalling €1,619,566.80 were drawn down, with repayments of €137,992.17 allocated for the implementation of financial instruments in agriculture. Additionally, loans amounting to

€3,878,609.06 were repaid in 2024 from MCRD resources. As of December 31, 2024, the balance of long-term loans, earmarked deposits, and investments in securities on the balance sheet amounts to €147,379,186.54, representing a 3.49% increase over the planned figure. The sources of investment in long-term loans, earmarked deposits, and securities include the unrestricted earmarked assets of the SRDF, borrowed funds, and resources obtained for the implementation of financial instruments from the MCRD and the MAFF.

c1) Long-term Loans

The balance of long-term loans, excluding funds invested in BPA based on loan agreements under SRDF calls for tenders, amounted to €176,203,276.14 as of 31 December 2024. Of this amount, €4,783,101.26 is already classified as current assets in the gross balance sheet due to accounting treatment. Current assets include cancelled contracts subject to legal proceedings and principal amounts due. As of 31 December 2024, the balance of long-term loans has increased by €33,161,211.05, which represents the difference between the funds repaid and the funds transferred. The portion of long-term loans reflected in the gross balance sheet that matures in 2025, totalling €36,989,441.84, is categorized under short-term financial investments and short-term receivables from SCOA users in the balance sheet, in accordance with their intended purpose.

Table 18: Long-term Loan Balances by Source of Funding as of 31 December 2024				
Budget Line	Purpose of Funding	in €	%	No. of Contracts
115810, 231135, 231862, 924410	Investment funds	121.975.415,37	69,22	794
160224	Border Problem Area	14.183.599,69	8,05	103
200601, 924410	Liquidity funds COVID-19	9.664.532,24	5,49	491
230183	Liquidity funds – floods, energy	28.264.387,59	16,04	90
116110, 231136	Investment funds ANS	583.767,92	0,33	9
190120	Liquidity funds FI	1.531.573,33	0,87	79
Total (Principle)		176.203.276,14	100,00	1.566

c2) Long-term Deposits

The long-term free cash deposits of €10,500,000.00 as of 31 December 2024 include the unrestricted earmarked funds invested in the deposits placed with the MF. The deposit maturing in 2025 is shown in the balance sheet under short-term receivables from SCOA users.

Long-term earmarked deposits amounted to €386,584.75 on 31 December 2024 and are used to secure guarantees given by the SRDF. As the deposits mature in 2025, they are shown as short-term financial investments in the balance sheet.

Table 19: Deposits to Secure Guarantees as of 31 December 2024			
Bank	No. of Deposits	Balance of Deposits (in €)	Bank Share in %
Bank Intesa Sanpaolo d.d.	1	15.750,00	4,07
Bank Sparkasse d.d.	2	23.000,00	5,95
Delavska hranilnica d.d.	3	82.000,00	21,21
OTP bank d.d.	5	170.238,00	44,04
Nova Ljubljanska banka d.d.	3	96.596,75	24,73
Total (Principle)	14	386.584,75	100,00

3) Securities Investments

Investments in long-term securities amounted to €4,948,453.50 as of 31 December 2024 and consisted only of investments in bonds of the Republic of Slovenia.



Short-term Assets

Short-term assets as of December 31, 2024, totalled €158,905,925.35 and comprised the following:

- Cash on accounts totals €5,213,168.59, which includes only the cash balance from the sub-accounts of the SRDF.
- Trade receivables total €29,748.59, primarily consisting of amounts due for the management of loans and guarantees provided.
- Advances totalling €50,316.72 have been disbursed for the ETC programs under the financial perspective of 2021-2027.
- Short-term receivables from users of the single chart of accounts total €112,963,380.39, which includes:
 - short-term investments from deposits placed with the MF amounting to €95.980.000,00, accrued interest on bonds of the Republic of Slovenia, accrued interest on deposits placed with the MF and interest on funds in the sub-accounts of the SRDF amounting to €1.228.053,21, of which €18.035.607,45 from the resources of the MCRD and 5.853.067,16 from the resources of the MAFF.
 - principal amounts due, loan management costs and accrued interest on loans granted, amounting to €123,593.77,
 - funds from the SRDF as Certifying Authority under the ETC programmes in the 2007-2013 financial perspective amounting to €1.850.339,07.
 - the funds of the SRDF as Certifying Authority under the ETC programmes in the 2014-2020 financial perspective amounting to €2,776,719.94,
 - the funding of the SRDF under the ETC programmes in the financial perspective 2021-2027 amounting to €2,511,538.60,
 - the part of long-term receivables due in 2025 from loans granted amounting to €5,993,135.80 and long-term deposits of €2,5 million due from users of the single chart of accounts.
- Short-term investments amounting to €36,156,845.43, comprising:
 - receivables from cancelled contracts and overdue loan principal of €4,773,954.64,
 - the principal amounts due in 2025 of the SRDF loans and the repayment of earmarked RGS deposits amounting to €31,382,890.79.
- Short-term financing receivables of €1,518,409.39, comprising:
 - short-term interest receivable accrued as of 31 December 2024 amounting to €762.703,82,
 - receivables from the principal of the guarantees redeemed, amounting to €730,140.43,
 - receivables carried forward as of 31 December 2021 due to the liquidation of PIIC Murania d.o.o., amounting to €2,642.14,
 - a disputed claim from a grant paid out, amounting to €22 923,00.
- Other short-term receivables amounting to €2,734,826.75, comprising receivables from the SRDF as Certifying Authority under all three ETC programmes, namely:
 - receivables from the EC under the 2014-2020 financial perspective for reimbursement of funds paid to the LP until 31 December 2024 amounting to €2,713,253.64.
 - receivables from the LP for undue payments of €10.442,03 due in 2025.
 - receivable from the Health Insurance Fund for reimbursement of salary costs amounting to €4,460.60,
 - receivables for the transfer of funds between individual sub-accounts of the SRDF amounting to €6 670,44.
- Outstanding expenditure of €239,229.49 representing payables to staff, suppliers and managing partners which were repaid in 2025.

Short-term financial investments were planned at €158,317,968.00 and on 31 December 2024 are €587,957.35 or 0.37% higher than planned.

The funding for short-term receivables from SCOA users and short-term financial investments originates from the unrestricted earmarked assets of the SRDF, as well as from State Budget funds allocated for the implementation of concessional development credits. Additionally, it includes funds designated for the execution of the Cross-Border Operational Programs involving Slovenia-Austria, Slovenia-Hungary, and Slovenia-Croatia, which are accounted for separately from other earmarked assets.



Unpaid Receivables

Unpaid overdue receivables are recovered in accordance with the Rules on Monitoring and Recovery of Overdue Unpaid Receivables, dated March 27, 2024. The SRDF convenes meetings of the Trust and Debt Committee to review overdue unpaid receivables and manage the recovery procedures. In 2024, 45 reminders were issued prior to the termination of contracts or the initiation of enforcement actions or complaints. A total of 57 bills of exchange, amounting to €616,805.08, were submitted for encashment, with successfully encashed bills totalling €139,615.78, resulting in a success rate of 23%. The SRDF monitors and recovers overdue unpaid claims in the same manner as it does for its loans, including financial incentives granted from the funds managed by the MCRD and MAFF.

Debtors who have not yet reached 90 days of arrears and are not under judicial recovery.

The balance of overdue receivables due from the SRDF from debtors over 90 days in arrears as of 31 December 2024 and not yet subject to judicial recovery proceedings amounts to €478,741.14 under 42 contracts, representing 0.27 % of the total loans' receivable, as follows:

- 27 contracts: for a total amount of €375,895.32 from earmarked investment funds,
- two contracts: for a total amount of €31,593.35 from the Floods and Energy liquidity facility,
- One contract: for a total of €5,985.86 from the investment funds of the problem areas,
- 12 contracts: for a total amount of €65,266.61 from COVID - 19 liquidity

In recent years, there has been an increase in the number of overdue receivables and in the number of debtors, partly due to the growth of the portfolio and partly to the deterioration of the financial situation of the clients. This trend is expected to continue in the coming year due to the high economic uncertainties.

Table 20: Number of debtors and Number of Overdue Receivables from SRDF to Debtors 90 Days in arrears and are not under judicial recovery in the period 2017-2024 in €			
Year	Total Number of Debtors	Amount of Debt due	Share of Total Claims
2017	27	422.290,18	0,45 %
2018	20	408.092,70	0,40 %
2019	20	357.031,57	0,32 %
2020	18	280.737,61	0,23 %
2021	22	253.670,79	0,19 %
2022	31	378.521,11	0,28 %
2023	39	445.091,36	0,31 %
2024	42	478.741,14	0,27 %

Debtors over 90 days in arrears and under judicial recovery

As of December 31, 2024, the SRDF has debtors under 53 contracts in judicial recovery, with a total receivable amount of €4,839,034.12. These debtors are subject to various legal recovery procedures, depending on the collateral securing the loans and other circumstances. The most generic form of recovery involves the execution of claims on mortgaged immovable property and the seizure of cash. Some debtors or pledgees are undergoing insolvency proceedings, and the SRDF is actively involved in these processes to facilitate the successful realization of the pledged assets. In 2024, due to non-payment of loan obligations, the SRDF terminated the loan agreements of seven debtors and initiated debt enforcement proceedings.

The number of debtors involved in insolvency proceedings, where the SRDF acts either as a divorcee or merely as an ordinary creditor, is on the rise. Recently, the introduction of new financial products that secure incentives solely through bills of exchange has resulted in challenges related to recovery, as many debtors possess no realizable assets. In such instances, the SRDF also pursues criminal charges against the individuals responsible for the debtor when there is a suspicion of fraud in the acquisition or utilization of the loan.

In 2024, the SRDF refiled three enforcement applications and submitted six insolvency applications related to debtors' recovery and insolvency proceedings. Additionally, one action involving a monetary claim was filed.

At the end of the year, the outstanding balance of SRDF receivables from debtors under judicial recovery as of December 31, 2024, amounted to €4,839,034.12 across 53 contracts, representing 2.72% of the total loan receivables, namely:

- 31 contracts: for a total amount of €3,073,606.16 from earmarked investment funds,
- Five contracts: totalling €563,176.08 from ANC investment funds,
- Two contracts: for a total of €669,359.84 from the investment funds of the problem areas,
- 15 contracts: for a total amount of €532,892.04 from COVID – 19 liquidities.

The decrease in the SRDFs overdue receivables is the result of successful recoveries. In 2024, the SRDF recovered €382,918.67 (for payment of principal, interest, management and enforcement costs) from contracts in judicial recovery, namely €10,224.63 from execution on cash, €18,102.40 from execution on immovable property/property, €326,310.63 from bankruptcy proceedings and some debtors partially paid their debts themselves; the SRDF received €28,281.01 from this account. €28,281.01 was recovered from

the SRDF in 2024. In 2024, the SRDF did not make any loan write-offs. The SRDF reports annually to the Supervisory Board of the SRDF on all credit write-offs and on the closure of recoveries.

Table 21: Number of Debtors and Amount of SRDF Claims on Debtors in Arrears for more than 90 Days in the Period 2017-2024 in €

Year	Total Number of Debtors	Amount of Debt due	Share in Total Claims
2017	70	7.560.349,05	8,04 %
2018	58	6.929.147,90	6,82 %
2019	50	6.388.355,47	5,72 %
2020	46	6.808.956,21	5,49 %
2021	42	5.933.037,68	4,45 %
2021	47	5.516.973,77	4,05 %
2023	48	5.010.254,45	3,46 %
2024	53	4.839.034,12	2,72 %

Procedures for the Recovery of Grants from Year 2011.

The SRDF monitored the achievement of the contractual objectives outlined in Contract No. C1536-11B990001, which pertains to the implementation of Strand A of the project titled in BPA in combination with the measure of RGS throughout the country for the period of 2011-2012, as concluded with the line ministry. By December 31, 2016, the SRDF had terminated the contracts of ten beneficiaries due to their failure to meet the contractual objectives. Based on additional evidence or decisions made by the MCRD, three beneficiaries were exempt from repaying the funds, while six beneficiaries were either fully or partially successful in their recovery efforts. In 2024, the SRDF pursued recovery proceedings against only one beneficiary, who, following the conclusion of the compulsory administration, was required to pay 36.75% of the receivables to ordinary creditors in instalments, as per the approved compulsory administration plan, with the final instalment due on December 31, 2024. From this amount, the SRDF recovered €34,163.08 in 2024.

Administrative Disputes Against Negative Decisions of the SRDF

In 2024, an administrative dispute was filed against the SRDF's negative decision to reject an application for the Public Call for tenders aimed at co-financing initial investments in BPA - BIZI NOO and BIZI NOO LENDING. The applicant seeks to annul the SRDF's decision and obtain a grant from EU resources under the Recovery and Resilience Fund.



Short-term Liabilities

Short-term liabilities on 31 December 2024 amounted to €21,075,049.99 and consisted of:

- Payables to employees of €77,572.81, which were settled in January 2025.
- Payables to suppliers amounting to €28,230.62 which were settled as they fell due, a major part of which are payables to staff through the recruitment agency, costs of maintenance and upgrades of IT systems and costs related to the preparation of the methodology for sustainability reporting, costs of external contractors.
- Other current payables amounting to €9,288,472.74, comprising:
 - payroll contributions payable and supplementary pension insurance payable of €12,696.85,
 - liabilities of the SRDF for payment of corporate revenue tax for 2024 amounting to €4,594.00
 - commitments of the SRDF as Certifying Authority under the ETC programmes Slovenia-Austria, Slovenia-Hungary and Slovenia-Croatia for pre-financing received amounting to €1,878,303.67.
 - payables to the Tax Administration of the Republic of Slovenia for the financial services tax levied amounting to €1.384,40,
 - liabilities of the SRDF as Certifying Authority for funds received under the ETC programmes in the 2014-2020 financial perspective in the INTERREG V-A programmes amounting to €2,838,346.21,
 - the commitments of the SRDF for the Accounting Function for funds received under the INTERREG cross-border programmes in the financial perspective 2021-2027 amounting to €4,535,899.97,
 - the contribution for the promotion of the employment of people with disabilities amounting to €877.73,
 - commitments for the transfer of funds between the individual sub-accounts of the SRDF amounting to €16,369.91.
- Payables to suppliers who are users of the SCOA amounting to €617.89.

- Commitments to financiers for the repayment of EIB loan instalments totalling €6,703,646.56 due in 2025.
- Current financing liabilities of €117,715.83 for deferred interest on borrowings from the EIB due in 2025.
- Unpaid revenue of €4,808,476.82 representing interest and other receivables accrued until 31 December 2024,
- Accrued charges of €50,316.72 due to advances made.

The SRDF settles its obligations in accordance with the agreed maturities and has no outstanding commitments due.



Own Resources and Long-term Liabilities

Own resources and long-term liabilities on 31 December 2024 amounted to €285,979,167.42 and consisted of:

- reserve fund,
- earmarked fund,
- long-term financial liabilities,
- other long-term liabilities.

a.) Reserve Fund

As of December 31, 2024, the Reserve Fund totalled €21,407,864.01. This amount includes provisions for credit risks of €13,499,390.30, resources from the Guarantee Fund totalling €124,914.70, and funds allocated for the implementation of financial instruments in agriculture amounting to €7,783,559.01. A methodology for classifying customers into rating classes and groups has been established in accordance with the Regulation on the establishment of credit ratings. In compliance with the Credit Risk Management Regulation, the necessary provisions for credit risk management and the Guarantee Fund have been calculated as of December 31, 2024. The required provisions for credit risks were determined to be €12,414,039.07, while the provisions for risks under the Guarantee Fund were calculated at €124,914.70. In 2024, there were no write-downs that would decrease the provisions previously established for credit risks. However, the carry-forward of provisions from prior years for the Guarantee Fund, amounting to €311,224.54, resulted in an increase in the provisions for credit risks.

The SRDF currently has a guarantee fund of €124,917.70 for issued guarantees, which represents a decrease of €293,257.31 compared to January 1, 2024. This figure reflects the balance of SRDF guarantees issued as of December 31, 2024. The reduction in the guarantee fund is attributed to the transfer of a portion of the provisions established in previous years, totalling €311,224.54, to the provision for credit risks. Conversely, the increase in the guarantee fund was due to the repayment of guarantees that had been called, amounting to €17,967.23.

As a result of the "FI Contract in Agriculture" established between the SRDF and the MAFF for the implementation of financial instruments in agriculture, a dedicated fund has been created within the Reserve Fund. This fund serves as a resource for implementing financial instruments in agriculture for the period from 2023 to 2027. The SRDF has received funding for this purpose amounting to €2,835,000.00 in 2023 and €4,725,000.00 in 2024. The fund is further augmented by accrued interest on loans and interest on unrestricted cash. In the years 2023 and 2024, interest totalling €244,172.27 has been accrued.

For your information, the necessary provisions for credit risks have been calculated using the methodology of the SRDF. These provisions, based on the contracts established with the ministries, will be utilized in the event of losses arising from capital injections received for liquidity loans or from the long-term liabilities of the SRDF to the MCRD and the MAFF. These provisions are reflected in the off-balance-sheet accounts.

Table 22: Movement of the Reserve Fund in 2024 in €				
Reservations made	Balance on 1 January 2024	Increase	Decrease	Balance on 31 December 2024
For Credit Risk	13.188.165,76	311.224,54	0,00	13.499.390,30
Guarantee Fund for RGS	418.172,01	17.967,23	311.224,54	124.914,70
Funds for implementation of FI	2.865.848,26	4.938.324,01	20.613,26	7.783.559,01
Total	16.472.186,03	5.267.515,78	331.837,80	21.407.864,01

b.) Earmarked Fund

The earmarked fund as of December 31, 2024, amounted to €208,766,391.15. This figure represents the balance of the earmarked fund allocated for investments, guarantees, and other purposes, as detailed below:

- The special-purpose fund for financial investments increased by €36,394,934.41 in 2024, primarily due to capital injections from the state budget totalling €36,167,089.13 and the transfer of the surplus revenue over expenditure from 2022, which amounted to €227,845.28. The total balance of the fund now stands at €199,095,381.17.
- The Other Assets earmarked fund, which amounted to €9,671,009.98 on December 31, 2024, is €4,842,647.67 higher than the balance on January 1, 2024. Accumulated depreciation in 2024 totalled €116,713.17, while the write-down of small inventories was €463.78. Additionally, the transfer of unused surplus to earmarked assets amounted to €227,845.28, and the write-down of the investment in RRA Celje d.o.o. was €178,882.45. These factors contributed to the decrease in the earmarked fund for other earmarked fund was due to the acquisition of intangible assets and property, plant and equipment in 2024 amounting to €216,261.15, the adjustment of long-term investments amounting to €399.34, the inflow of funds from loans written off amounting to €80.31, the addition of unpaid interest to the principal of the loan amounting to €277.58, and above all, the surplus of revenue over expenditure amounting to €5,149,533.97. The increase in the other earmarked fund was due to the increase in the other earmarked fund by €5,149,533.97.

Table 23: Movement of the Earmarked Fund in 2024 in €

Account	Title	Balance on 1 January 2024	Increase	Decrease	Balance on 31 December 2024
	Contributions of earmarked funds	99.938.607,88	26.167.089,13	0,00	126.105.697,01
	Increase in earmarked fund	28.705.838,88	227.845,28	0,00	28.933.684,16
	Earmarked Assets Fund - Liquidity	14.056.000,00	0,00	0,00	14.056.000,00
	Assets earmarked for the Fund - ZPGOPEK	20.000.000,00	10.000.000,00	0,00	30.000.000,00
9401	Assets earmarked for financial investment	162.700.446,76	36.394.934,41	0,00	199.095.381,17
9402	Earmarked assets fund for redeemed guarantees	17.967,23	0,00	17.967,23	0,00
9403	Earmarked assets Fund for other purposes	4.828.362,31	81.121.128,23	76.278.480,56	9.671.009,98
	Financial Investment Fund	288.701,43	65.755.333,11	65.933.458,33	110.576,21
	Financing Account Fund	0,00	10.000.000,00	10.000.000,00	0,00
	Surplus of receipts over payments in 2022 and 2023	2.313.215,52	0,00	227.845,28	2.085.370,24
	Surplus of receipts over payments in 2024	0,00	5.149.533,97	0,00	5.149.533,97
	Assets earmarked fund - unallocated surplus of previous years	1.735.373,73	0,00	0,00	1.735.373,73
	Earmarked intangible asset fund and tangible fixed assets	491.071,63	216.261,15	117.176,95	590.155,83
	Earmarked Assets Fund	167.546.776,30	117.516.062,64	76.296.447,79	208.766.391,15

c.) Long-term Financial Liabilities

As of 31 December 2024, long-term financial liabilities totalled €30,043,716.47. The debt of the SRDF is primarily comprised of borrowings from the European Investment Bank (EIB). In 2024, the balance of long-term financial liabilities increased by €3,796,447.56, reflecting the difference between the drawn portion of the loan, which amounted to €10,000,000.00, and the principal repayments totalling €6,203,552.44. The portion of the borrowings maturing in 2025, which amounts to €6,703,646.56, is classified in the balance sheet under current liabilities to financiers. Consequently, the value of long-term financial liabilities reported in the balance sheet stands at €23,340,069.91.

d.) Other Long-term Financial Liabilities

In 2016, the SRDF entered a contract for BPA 2016-2017 with the MCRD, receiving €20,000,000.00 for the management of funds designated for the implementation of concessional development credits. In 2018, an additional contract was established for the period 2018-2019, which allocated further funds of €7,290,000.00 in 2018 and €4,280,000.00 in 2019. In 2021, the SRDF executed an addendum to the 2018-2019 contract, which authorized the Ministry to continue financing the projects. As of 31 December 2024, the balance of other long-term liabilities amounts to €32,464,842.35. Additionally, as of the same date,

accrued interest on loans and unrestricted cash totals €1,032,967.59, with payments made amounting to €894,653.54.



Off-balance Sheet

The SRDF off-balance sheet records potential liabilities arising from guarantees issued, specifically those from RGS, totalling €123,523.82. Additionally, it includes the balance of approved loans that have not yet been drawn down as of 31 December 2024, which consists of €9,359,387.18 from the SRDF funds and €209,205.00 from financial instruments in the agricultural sector. These amounts are expected to be drawn down in 2025. Furthermore, the balance of petty inventories recorded off-balance sheet amounts to €8,397.21, which is also reflected in the off-balance sheet as of 31 December 2024.

Provisions are also made for unreimbursed loans from earmarked financial products (COVID-19, BIZI Liquidity) totalling €3,918,281.34. According to the contract, these loans may decrease the earmarked assets of the SRDF. Additionally, financial products from long-term liabilities and the reserve fund amounting to €2,187,281.96 may also be affected, as potential non-reimbursement of loans could diminish the value of the paid-in funds.



Events after the Balance Sheet

According to the balance sheet as of 31 December 2024, there were no events at SRDF that had a significant impact on the balance sheet items.

7.3 Notes to the Revenue and Expenditure Account

The recognition and recording of revenue and expenditure are conducted in accordance with the Regulation on the Breakdown and Measurement of Revenue and Expenditure of Legal Entities governed by Public Law. This regulation stipulates that the revenue and expenditure of other users are recognized on a cash flow basis. This means that revenue or expenditure is recognized when two conditions are met: first, the event that triggers the recognition of the revenue or expenditure has occurred; and second, cash or its equivalent has been received or paid.

Revenue or expenditure is recognized when a claim or liability is settled. Advances received or made that pertain to revenue or expenditure shall be recognized as revenue or expenditure when the funds are received or disbursed. The cash flow principle does not apply to the expenditure of provisions made for credit risks in public funds.



Revenue

Revenue is broken down into tax revenue, non-tax revenue, capital revenue, donations received, transfer revenue and EU funds received. In 2024, the SRDF generated the following from its activities:

- non-tax revenue, namely interest, revenue from the sale of goods and services and other non-tax revenue, earmarked for the implementation of financial instruments in agriculture,
- capital proceeds from the sale of property, plant, and equipment,
- transfer revenue from the state budget for the performance of tasks under a contract for the implementation of incentives for the co-financing of initial investments in BPA in the framework of investments under the NOO.

In 2024, the SRDF generated transfer revenue from the State budget and received funding from the EU budget under the ERDF for the performance of its tasks as Certifying Authority and the Accounting Function.

The SRDFs revenue in 2024 amounted to €12,280,244.89 and consisted of:

- Property income, comprising revenue from real and late interest on loans advanced to the SRDF amounting to €4,371,879.39, interest on unrestricted cash in the SRDF sub-account placed in deposits and bonds amounting to €2,501,026.79 and other interest amounting to €1,461.98. In 2023, interest revenue was implemented at €4,522,483.72, or €2,351,884.44 less than in 2024. Implemented revenue in 2024 is €36,073.16 higher than planned.
- Revenue from the sale of goods and services, comprising payments received for contracting costs and loan management fees paid. Revenue was budgeted at €250,000.00 and implemented at €242,587.71, or 2.96% less than budgeted. Revenue from the sale of goods and services was implemented at €180,728.59 in 2023.
- Revenue from the sale of fixed assets taken out of use of €100.00.
- Other non-tax revenue of €5,004,416.60. In 2023, the SRDF concluded a "FI Contract in Agriculture" for the period 2023-2027 with MAFF, based on which funds amounting to €5,000,000.00 were

transferred to the SRDF in 2024. A part of the funds amounting to €275.000.00 is earmarked for management fees, while the bulk of the funds amounting to €4.725.000.00 has been used to create a reserve fund earmarked for micro-loans, interest-rate subsidized guarantees, and capital reductions. €4.416.60 represents the repayment of court costs and prior years' liabilities.

- Transfer revenue from other public financial institutions, comprising inflows from the State budget for the reimbursement of costs incurred for the performance of tasks under the ETC programmes from technical assistance funds amounting to €29.102,36 and reimbursement of costs by the MCRD under the "NOO Contract" for the implementation of the call for tenders for incentives for the co-financing of initial investments in the BPA amounting to €57.000,00. Revenue in 2024 was planned at €79,102.00 and implemented at €86,102.36.
- Funds received from the EU structural policy budget, which include reimbursements of costs incurred by the Certifying Authority in conducting its tasks on ETC programmes from technical assistance funds. The EC transferred funds within the planned amount of €72.670,06.

Revenue was budgeted at €12,254,167.00 and implemented at €12,280,244.89. In 2023, revenue of €7,905,524.17 was implemented. The significant increase in revenue compared to 2023 is due to the revenue from the State budget earmarked for the implementation of financial instruments in agriculture and the interest rates on loans granted and the interest on free cash from the deposits granted to the MF.

Account Subgroup	Title	Plan 2024	Implementation 2024	Index IM24/PL24	Implementation 2023	Index IM24/IM23
710	Property Revenue	6.838.295,00	6.874.368,16	100,53	4.522.483,72	152,00
713	Revenue from the sale of goods	250.000,00	242.587,71	97,04	180.728,59	134,23
714	Other non-tax revenue	5.014.000,00	5.004.416,60	99,81	3.014.380,46	166,02
720	Proceeds from the sale of fixed assets	100,00	100,00	100,00	0,00	0,00
740	Transfer revenue from other general government institutions	79.102,00	86.102,36	108,85	101.259,02	85,03
782	EU budget received for structural policy	72.670,00	72.670,06	100,00	86.672,38	83,84
Total		12.254.167,00	12.280.244,89	100,21	7.905.524,17	155,34

Expenditure

Expenditure is broken down into current expenditure, current transfer expenditure, capital expenditure, investment transfer expenditure and payments of funds to the EU budget. Current expenditure is expenditure comprising payments made for labour costs, material costs, interest payments, provisions for credit risks and other expenditure on goods and services. There were no current and capital transfers to the SRDF in 2024. Capital expenditure consists of payments for the acquisition of property, plant and equipment and intangible assets, and payments for capital maintenance and renovation of buildings and major items of property, plant, and equipment. The expenditure of the SRDF in 2024 amounted to €7,130,710.92 and comprises both current and capital expenditure.

Account Subgroup	Title	Plan 2024	Implementation 2024	Index IM24/PL24	Implementation 2023	Index IM24/IM23
400	Salaries and other staff expenditure	1.069.275,00	929.184,60	86,90	904.706,47	102,71

401	Employers' social security contributions	167.491,00	146.860,07	87,68	142.813,49	102,83
402	Expenditure on goods and services	503.758,00	506.531,48	100,55	360.652,93	140,45
403	Domestic interest payments	105,00	105,10	100,00	0,00	0,00
404	Foreign interest payments	552.000,00	550.400,01	99,71	461.191,67	119,34
409	Reservations	5.225.000,00	4.725.000,00	90,43	3.805.971,93	124,15
420	Purchase and construction of fixed assets	279.000,00	272.629,66	97,72	144.817,44	188,26
Total		7.796.629,00	7.130.710,92	91,46	5.820.153,93	122,52

a.) Current Expenditures

a1) Salaries and Other Employee Expenses and Employers' Social Security Contributions

Salaries, along with other employee expenses and the employer's social security contributions, totalling €1,076,044.67, were calculated and disbursed to SRDF employees in compliance with the Regulation on Amendments and Additions to the Regulation on Internal Organization, Systematization, and Job Evaluation, as well as the Collective Agreement for the Non-Economic Sector.

Salaries, employer contributions, and other employee expenses were 13.00% lower than projected and 2.72% higher than those implemented in 2023. Reduced staff numbers and absenteeism due to illness contributed to the lower-than-expected labour costs.

a2) Expenditure on Goods and Services

Expenditure on goods and services in 2024 amounted to €506,531.48 and included:

- expenditure on office supplies and services, cleaning supplies and services, security services for buildings and premises, printing services, information support services for users, newspapers, magazines, books and professional literature, advertising services, publication of invitations to tender, audit and consultancy services, representation and other general supplies and services, totalling €192,504.65,
- special materials and services amounting to €1,974.14,
- electricity, utilities and heating, telephone and postage costs amounting to €38,802.98,
- costs for fuel and lubricants, purchase of vignettes, transport services and vehicle maintenance and insurance amounting to €9,136.12,
- subsistence, transport, and other mission expenses amounting to €8,297.00,
- costs for the current maintenance of business premises and equipment amounting to €33,586.37,
- costs for the rental of computer software, building land use allowances and other rentals amounting to €46,743.04,
- student fees, Supervisory Board members' sitting fees, staff training expenses, litigation costs, lawyers' fees, notaries' fees, payroll costs, brokerage and bank charges, commissions and other operating expenses amounting to €175,487.18.

Expenditure on goods and services was initially planned at €503,758.00 but was implemented at €506,531.48, resulting in an excess of €2,773.48 over the planned budget. The largest components of this expenditure include consultancy and audit services, which totalled €75,789.14; general supplies and services at €60,898.61; agency staff costs at €48,398.91; and expenses related to the rental and lease of computer software, each amounting to €43,398.91. Additionally, lawyers' and notaries' fees were €35,672.23, ongoing software maintenance costs were €25,386.68, advertising services totalled €24,855.03, and staff training expenses amounted to €17,419.05.

a3) Domestic Interest Payments

As a result of the unintended use of funds earmarked for the implementation of FI in agriculture, the SRDF paid, against its own resources, default interest from the date of transfer until reimbursement of €105.10 and increased the FI Loan Fund by the amount paid.

a3) Payments of Foreign Interest

Foreign interest payments in 2024 were planned at €552,000.00 and implemented at €550,400.01, or €1,599.99 lower than planned.

a4) Provisions for Credit Risks

The SRDF credit risk provisions for 2024 were planned at €5,225,000.00 and implemented at €4,725,000.00. In accordance with the Regulation on Credit Rating, the required provisions for the credit portfolio amounting to €12,414,039.07 and the required provisions for the Guarantee Fund amounting to €124,914.70 were calculated. The Guarantee Fund had already been established at €436,139.24, or €311,224.54 higher than the calculated amount, and it was therefore decided to reduce it and to reallocate €311,224.54 to the provision for credit risks. The provisions recorded for the credit portfolio as of 31 December 2024 are €1,085,351.23 higher than the calculated amount, which makes it unnecessary to make additional provisions for credit risks as of 31 December 2024.

In 2024, the SRDF received funding from the MAFF for the implementation of financial instruments in agriculture for the period 2023-2027 in the amount of €5,000,000.00. A part of the funds amounting to €4.725.000,00 has been provisioned for credit risks in accordance with the contract concluded.

b.) Investment Expenditure

Capital expenditure represents the total value of payments made in 2024 for tangible and intangible fixed assets, amounting to €272,629.66. This includes the following expenditures: €91,700.88 for the upgrade of computer software; €89,882.23 for the adaptation of office premises; €30,165.95 for the purchase of office furniture; €25,750.56 for the construction of technical security; €19,482.87 for the purchase of computer equipment; €10,608.39 for investment maintenance of premises and equipment; €2,989.18 for the purchase of other equipment; and €2,049.60 for the acquisition of other intangible assets.

For 2024, the SRDF has planned the purchase and construction of fixed assets totalling €279,000.00. The actual costs incurred were €272,629.66, which is €6,370.34 less than the planned amount.



Operating Result

The economic outturn shows a surplus of revenue over expenditure of €5,149,533.97. The reported profit/loss in the accounts of the SRDF increases the Other Assets earmarked fund. For the year 2024, the SRDF has planned a surplus of revenue over expenditure of €4,457,538.00.

The positive performance of the SRDF in 2024 can be attributed to the interest revenue generated from loans and free cash, as well as an improvement in the credit ratings of clients, which eliminated the need for any additional provisioning for credit risks during the year. The SRDF's revenue was initially projected at €12,254,167.00 but was realized at €12,280,244.89. Conversely, the SRDF's expenditures were planned at €7,796,629.00 and were implemented at €7,130,710.92, representing a reduction of 8.54% compared to the original plan. Although an increase of €500,000.00 in the provision for credit risks was anticipated, no additional provision was necessary in 2024, as the reserve fund on December 31, 2024, exceeded the calculated provision for credit risks as of the same date.

7.4 Notes to the Statement of Financial Receivables and Investments Account Statement

The Statement of Financial Assets and Investments shows the repayments received on loans and sales of equity participation and loans and increases in equity participation. In 2024, the statement only shows the movement of loans granted and repaid.

The Statement of Financial Assets and Investments for 2024 shows:

- Repayments of loans received amounting to €30,640,448.87 from the implementation of the purpose of the SRDF, which are €666,709.87 higher than planned.
- Loans drawn down amounting to €65,754,656.19, which do not include loans drawn down from the MAFF amounting to €1,619,566.80, the transfers of which are not recorded in the accounts receivable and investments.

The Statement of Financial Assets and Investments as of 31 December 2024 shows a difference between the repayments made and the repayments received on loans of €35,114,207.32. Loans granted are higher than planned by €2,057,427.19.

Table 26: Statement of Financial Assets and Investments in 2024 in €

Account Subgroup	Title	Plan	Implementation	Index IMP/PLA
750	Repayments received on loans granted	29.973.739,00	30.640.448,87	102,22
440	Granted loans	63.697.229,00	65.754.656,19	103,23
Difference (loan repayments given-received)		33.723.490,00	35.114.207,32	104,12

Loans amounting to €65,754,656.19 have been disbursed. By value, 48.75% of the loans disbursed went to business, 26.40% to agriculture and forestry, 22.90% to local and regional infrastructure and at least 1.95% to non-profit organizations in 2024, loans from the MAFF amounting to €1,619,566.80 were also disbursed, which are not recorded in the financial assets and investments account.

Table 27: Funds Disbursed under Loan Agreements in 2024 in €

Incentives	Approved Funds		Drawdown	Transfer to 2025
	Before 2024	In 2024	In 2024	
AGRO Programme	2.718.376,88	21.611.577,00	17.361.676,03	5.083.830,18
BIZI Programme	19.399.007,16	13.365.791,00	32.054.132,16	4.250,00
LOCAL Programme	6.901.119,00	23.209.393,42	15.054.997,00	3.966.450,00
NGO Programme	171.072,00	1.417.636,00	1.283.851,00	304.857,00
Total	29.189.575,04	59.604.397,42	65.754.656,19	9.359.387,18

7.5 Explanatory Notes to the Financing Account Statement

The financing account statement details the borrowings and repayments of principal. In 2024, the SRDF drew down the final portion of its borrowings from the EIB, totalling €10,000,000, and repaid €6,203,552 of the loan principal. The credit facilities were utilized and repaid as scheduled.

Table 28: Statement of Financing Account in 2024 in €

Account Subgroup	Title	Plan	Implementation	Index IM/PL
501	Borrowing abroad	10.000.000,00	10.000.000,00	100,00
551	Debt repayment abroad	6.203.552,00	6.203.552,44	100,00
Net Borrowing		3.796.448,00	3.796.447,56	100,00

In 2024, there is a decrease of €26,168,225.79 in the account, reflecting the difference between the excess of revenue over expenditure and net borrowing, less the difference between loans granted and loans repaid. In 2024, the SRDF generated a surplus of revenue over expenditure of €5,149,533.97, disbursed €35,114,207.32 more loans than it received in repayments and had a net borrowing of €3,796,447.56.

7.6 Surplus under the Fiscal Rule

Article 9i of the Law on Public Finance (OG RS, No.11/11 - UPB, 14/13 - corrected, 101/13, 55/15 - ZFisP, 96/15 - ZIPRS1617, 13/18 and 195/20 - Decree of the US, 18/23 - ZDU-10 and 76/23) states that institutional units of the general government classified in sector S.13, The surplus under the fiscal rule is the cash-flow surplus less accounting items representing outstanding liabilities, except for outstanding debt principal obligations and unspent earmarked funds. The SRDF does not show a surplus calculated according to the fiscal rule as of 31 December 2024, as it has a negative cash flow, i.e. a decrease in the funds in the accounts of €26,168,225.79.

Table 29: Calculation of the Surplus of Revenue Over Expenditure by Cash Flow (in €)

Surplus of revenue over expenditure	5.149.533,97
Difference between funds received and funds given from financial investments	-35.114.207,32
Net borrowing	3.796.447,56
= Cash flow deficit as of 31 December 2024	26.168.225,79
(less) outstanding liabilities as of 31 December 2024	243.693,90
(less) unspent earmarked funds as of 31 December 2024	90.051.173,76
Fiscal rule deficit as of 31 December 2024	116.463.093,45

8.1 Funding and Investments of the SRDF



SRDF' Funding

The only systemic financial resource is the purchase consideration acquired by the SRDF base on Article 7 of the ZUKLPP, amounting to:

- 11.5% of the funds received for regional development and the preservation of the Slovenian countryside,
- 2.5% of the funds received to create an economic base for Indigenous communities.

In addition to the purchase price of €167,089.13 received, the SRDF has secured additional earmarked funds totalling €36,000,000.00 from the State Budget for 2024. This includes €20,000,000.00 designated to support public infrastructure projects in the BPA for the period 2022-2025, with the objective of "Promoting the Development of Tourism. €6,000,000.00 is allocated for supporting enterprise projects in the BPA, in line with the Development Incentives Program for the same period, aimed at for implementing a financial product designed to provide liquidity to economic operators, helping to mitigate and address the consequences of the energy crisis, in accordance with the Energy Crisis Management Act. The SRDF has also entered into a credit agreement with the EIB for a credit facility of €30,000,000.00, which was to be drawn down in 2021. In 2024, the final portion of this credit facility, amounting to €10,000,000.00, was drawn down to finance loans for entrepreneurship and local communities.

For the allocation of incentives in 2024, the SRDF utilized earmarked assets, borrowed funds, and resources received for the implementation of financial instruments in agriculture.

The work was funded by the SRDF using its own resources. The largest source of funding is revenue from property, which includes interest on free cash received in 2024, totalling €2,501,026.79, and interest on loans and earmarked deposits received in 2024, amounting to €4,373,341.37. This is followed by funds received for the reimbursement of costs associated with concluding and managing the loans granted, totalling €242,587.71, and funds received for the reimbursement of the management fee for implementing financial instruments in agriculture, amounting to €275,000.00. Additionally, there is transfer revenue from the State budget for the reimbursement of costs related to technical assistance for the SRDF's tasks in the ETC programs and for costs reimbursed by the MCRD, totalling €86,102.36. From the European Commission, funds amounting to €72,670.06 were received for the reimbursement of technical assistance costs related to the SRDF's role as the certifying authority. The smallest portion, totalling €4,416.60, consists of other non-tax revenue, primarily made up of reimbursements for costs incurred in previous years.



Earmarked Assets

The SRDF manages designated assets in alignment with their intended purpose, aiming to preserve or enhance their value.

The earmarked assets of the SRDF for financial investments as of 31 December 2024 total €199,095,381.17. This amount comprises payments made to date from the purchase price, as well as funds received for the implementation of financial products designed to provide liquidity to economic operators. These funds include contributions from the budget of the Republic of Slovenia, carried-over PHARE funds, the surplus of revenue over expenditure from previous years, receivables transferred in 2002 based on a gratuitous cession agreement with METS, receivables transferred in 2011 following a decision by the Government of the Republic of Slovenia from long-term deposits in regional guarantee schemes, and, in 2014, the transfer of business holdings that the SRDF maintains at their estimated value.

Table 30: Movement of the Earmarked Fund in 2024 in €					
Account	Title	Balance 1 January 2024	Increase	Decrease	Balance 31 December 2024
9401	Earmarked Assets Fund for Financial Investments	162.700.446,76	36.394.934,41	0,00	199.095.381,17
9402	Earmarked Assets Fund for redeemed guarantees	17.967,23	0,00	17.967,23	0,00
9403	Earmarked Assets Fund for other purposes	4.828.362,31	81.121.128,23	76.278.480,56	9.671.009,98
94	Earmarked Assets Fund	167.546.776,30	117.516.062,64	76.296.447,79	208.766.391,15

As of December 31, 2024, the Earmarked Assets Fund had increased by €41,219,614.85 compared to the opening balance on January 1, 2024. The Earmarked Assets Fund designated for financial investments rose by €36,394,934.41 in 2024, primarily due to a capital increase of €36,167,089.13 and the carry-forward of the surplus revenue over expenditure from 2022, which amounted to €227,845.28. In 2020, an earmarked asset fund was established for the redeemed guarantees, which were fully repaid by December 31, 2024, following the opening balance as of 1 January 2024. The increase in the Earmarked Assets Fund for other purposes was due to the surplus of revenue over expenditure of €5,149,533.97. The increase in the earmarked fund was also due to the acquisition of intangible assets and property, plant and equipment amounting to €216,261.15, the adjustment of investments amounting to €399.34, the repayment of loans written off amounting to €80.31 and the addition of unpaid interest amounting to €277.58 to the principal of the loan. The decrease in the other earmarked fund was due to the accrued depreciation of €116,713.17, the adjustment of the recorded small inventory under fixed assets of €463.78, the write-down of the financial investment of €178,882.45 and the transfer of the unused surplus of revenue over expenditure from 2022 of €227,845.28 to the earmarked fund of the SRDF.

There has been an increase in the earmarked fund compared to December 31, 2023, with a total of €41,219,614.85 higher on December 31, 2024, than on January 1, 2024. The surplus of revenue over expenditure in 2024, amounting to €5,149,533.97, has positively impacted the earmarked fund for the second consecutive year. Since the earmarked fund as of December 31, 2024, exceeds the earmarked fund as of January 1, 2024, it follows that the SRDF has operated in accordance with Article 25 of the ZJS-1.



Investment of Unrestricted Earmarked Assets

In accordance with Article 26 of the ZJS-1 and Articles 27 and 28 of the Constitutive Act, the SRDF had unrestricted earmarked funds in the form of long-term securities and deposits with the MF and a small part in sub-accounts of the SRDF. The table below shows the types of investments of unrestricted funds as at 31 December 2024 and does not include funds received by the SRDF for the implementation of concessional development credits in the BPA, funds received for the implementation of financial instruments in agriculture and funds for the performance of tasks in ETC programmes, which are also placed in accordance with the provisions of the ZJS-1.

Table 31: Types of Investment of Unrestricted Earmarked Assets as of 31 December 2024 in €			
Type of Investment	Value of Investment	Share (%)	Share in earmarked assets of SRDF (in %)
Deposits at commercial banks	0,00	0,00	0,00
Deposits with the EZR System Asset Manager	83.772.419,98	91,99	42,08
Securities (issued by Republic of Slovenia)	4.989.828,50	5,48	2,51
Cash in hand	0,00	0,00	0,00
Balance in the transaction account	2.308.303,88	2,53	1,16
Total (principal and interest)	91.070.552,36	100,00	45,74

The table below shows the types of investments in securities as of 31 December 2024, which are in accordance with Article 26(3) of the ZJS-1.

Table 32: Investments of Unrestricted Earmarked Assets in Securities as of 31 December 2024 in €			
Securities	Bond balance	Bond share (in %)	Share in earmarked assets of SRDF (in %)
RS 79	2.004.064,05	40,16	1,01
RS 80	976.856,58	19,58	0,49
RS 81	1.007.382,53	20,19	0,51
RS 84	1.001.525,34	20,07	0,50
Total (principal and interest)	4.989.828,50	100,00	2,51

8.2 Performance of Tasks under Contracts



Certifying Authority's Accounting Report 2007-2013

By Government Decision No. 30300-4/2007/74, dated April 19, 2007, the SRDF was designated as the institution responsible for the functions of the Certifying Authority for the period from 2007 to 2013. It was allocated sufficient human and financial resources to fulfil these responsibilities.

To fulfil the responsibilities of the Certifying Authority, the SRDF has secured European pre-financing for the ETC programs related to CP Slovenia-Austria, CP Slovenia-Hungary, and CP Slovenia-Croatia from 2009 to 2017.

As of December 31, 2024, the value of these assets totals €1,752,684.55. In 2024, following the decision of the Monitoring Committee for the IP Slovenia-Austria 2021-2027 program, a financial correction of €102,988.55 was transferred from the CP Slovenia-Austria to INTERREG V-A SI-AT.

Table 33: Funds by Operational Programme as of 31 December 2024 in €			
Title	Balance 1 January 2024	Funds spent	Balance 31 December 2024
CP Slovenia-Austria	1.637.744,93	102.988,58	1.534.756,38
CP Slovenia-Hungary	2.602,07	0,00	2.602,07
CP Slovenia-Croatia	215.326,10	0,00	215.326,10
Total (principle)	1.855.673,10	102.955,58	1.752.684,55

The SRDF has unrestricted Certifying Authority funds of €1,846,000.00 invested in deposits made to the MF and funds of €34,631.27 in the sub-accounts of the individual Operational Programmes. In addition to the liabilities for funds received, the SRDF also has a liability for accrued interest of €125,619.12 as of 31 December 2024.

Table 34: Balance of Assets and Sources of Funds of the Certifying Authority for FP 2007-2013 as of 31 December 2024 in €				
Overview of Assets and Sources of funds	CP Slovenia-Austria	CP Slovenia-Hungary	CP Slovenia-Croatia	Total
Short-term assets	1.644.798,30	9.572,72	230.599,37	1.884.970,39
Transaction account balance	20.998,16	9.566,24	4.066,87	34.631,27
Funds in MF deposits	1.620.000,00	0,00	226.000,00	1.846.000,00
Interest receivable	3.800,14	6,43	532,50	4.339,07
Unpaid expenditure	0,00	0,05	0,00	0,05
Short-term liabilities	1.644.798,30	9.572,72	230.599,37	1.884.970,39
Liabilities to the EU for CP	1.534.756,38	2.602,07	215.326,10	1.752.684,55
Interest Liabilities	110.041,92	303,93	15.273,27	125.619,12
Commitments for transfer of funds	0,00	6.666,67	0,00	6.666,67



Certifying Authority's Accounting Report 2014-2020

The SRDF performs the tasks of the Certifying Authority in the 2014-2020 period based on the Government Decision No. 30300-2/2014/5 of 17.12.2014 in the INTERREG V-A cooperation programmes.

Assets and Resources

The SRDF has already obtained upfront funding from the European budget for the 2015-2023 period to conduct the tasks of the Certifying Authority. In 2024, additional funding of €3,442,152.12 was received from the EC.

In 2024, undue payments amounting to €335,370.31 were recovered from the lead partners. Funds amounting to €2,689,200.55 were transferred to the Lead Partners.

Table 35: Movement of European pre-financing by FP (FP14-20) in 2024 in €				
Title	Balance 1 January 2024	Increase	Decrease	Balance 31 December 2024
INTERREG V-A Slovenia-Austria	516.804,02	2.151.473,58	1.377.487,77	1.290.789,83
INTERREG V-A Slovenia-Hungary	288.256,57	571.708,37	361.213,75	498.751,19
INTERREG V-A Slovenia-Croatia	1.873.353,66	1.157.329,03	2.212.974,19	817.708,50
Total (principle)	2.678.414,25	3.880.510,98	3.951.675,71	2.607.249,52

The SRDF had available Certifying Authority funds of €2,770,000.00 placed in deposits with the MF and a smaller part of €61,626.27 in the sub-accounts of each operational programme.

As of 31 December 2024, the SRDF has receivables from the EC for reimbursement of claims paid to Lead Partners amounting to €2.713.253,64, while receivables for undue payments to Lead Partners amount to €10.442,03. As of 31 December 2024, the SRDF shows commitments for pre-financing received of €2,607,249.52, commitments for accrued interest of €231,096.69 and unpaid receivables of €2,723,695.67.

Table 36: Balance of Funds and Sources of Funds of the Certifying Authority for FP 2014-2020 as of 31 December 2024 in €				
Overview of Assets and Sources of Funds	CP Slovenia- Austria	CP Slovenia-Hungary	CP Slovenia-Croatia	Total
Short-term Assets	2.820.989,34	606.895,29	2.134.157,25	5.562.041,88
Transaction account balance	23.388,49	17.773,62	20.464,16	61.626,27
Funds in MF deposits	1.360.000,00	520.000,00	890.000,00	2.770.000,00
Payment requests to the EC	1.434.311,52	62.565,04	1.216.377,08	2.713.253,64
Receivables for funds paid to Lead Partners	0,00	5.280,83	5.161,20	10.442,03
Interest receivables	3.289,33	1.275,80	2.154,81	6.719,94
Short-term liabilities	2.820.992,34	606.892,29	2.134.157,25	5.562.041,88
Liabilities to the EU for funds received	1.290.789,83	498.751,19	817.708,50	2.607.249,52
Liabilities from received interest	95.887,99	40.298,23	94.910,47	231.096,69
Unpaid receivables	1.434.311,52	67.845,87	1.221.538,28	2.723.695,67

Revenue

The SRDF has been reimbursed €50.772,42 for technical assistance costs for the operation of the Certifying Authority in 2024.



Accounting Report for the Accounting Function 2021-2027

In accordance with the Decision of the Government of the Republic of Slovenia No.51203-12/2022/3 of 8.12.2022, the SRDF performs the accounting function in the cross-border programmes Interreg Slovenia-Austria, Interreg Slovenia-Hungary, and Interreg Slovenia-Croatia.

Assets and Resources

The SRDF obtained upfront funding from the European budget of €6,107,982.48 in 2024 to perform the Accounting Function in the ETC Programmes. In 2024, funds amounting to €1,853,080.81 were paid to the Lead Partners of the Programmes.

Title	Balance 1 January 2024	Increase	Decrease	Balance 31 December 2024
INTERREG Slovenia-Austria	0,00	2.750.771,88	1.703.280,81	1.047.491,07
INTERREG Slovenija-Hungary	0,00	846.541,02	73.000,00	773.541,02
INTERREG Slovenija-Croatia	0,00	2.510.669,58	76.800,00	2.433.869,58
Total (principle)	0,00	6.107.982,48	1.853.080,81	4.254.901,67

The SRDF had unrestricted funds for the Accounting Function amounting to €2.500.000,00 placed in a deposit with the MF and a part amounting to €2.024.361,37 in the sub-accounts of each operational programme.

As of 31 December 2024, the SRDF recognises a liability for pre-financing received of €4,254,901.67 and a liability for accrued interest of €280,998.30.

Overview of Assets and Sources of Funds	CP Slovenia-Austria	CP Slovenia-Hungary	CP Slovenia-Croatia	Total
Short-term Assets	1.210.160,96	818.661,49	2.557.405,64	4.586.228,09
Transaction account balance	1.156.713,82	816.899,93	50.747,62	2.024.361,37
Advances given	50.316,00	0,00	0,00	50.316,00
Funds in MF deposits	0,00	0,00	2.500.000,00	2.500.000,00
Interest receivable	3.119,27	1.761,31	6.658,02	11.538,60
Unpaid liabilities	11,15	0,25	0,00	11,40
Short-term liabilities	1.210.160,96	818.661,49	2.557.405,64	4.586.228,09
Liabilities to the EU for funds received	1.047.491,07	773.541,02	2.433.869,58	4.254.901,67
Liabilities arising from interest received	112.342,02	45.120,22	123.536,06	280.998,30
Liabilities to suppliers	11,15	0,25	0,00	11,40
Passive accrued liabilities	50.316,72	0,00	0,00	50.316,72

Revenue

The SRDF has been reimbursed €51.000,00 from the technical assistance for the performance of the Accounting Function in 2024.



Accounting monitoring of the call for proposals "NPS for BPA" funded by the METS (now the MCRD)

The SRDF concluded Contract No. C1536-11B990001 with the Ministry for the implementation of Strand A of the project "Measures in BPA in Combination with Regional Guarantee Schemes Nationwide for the period of 2011-2012. This contract aimed to facilitate a call for tenders for awarding grants to co-finance initial investments and create new jobs in BPA. To this end, funds totalling €13,640,029.04 were disbursed to the beneficiaries in 2011 and 2012.

In accordance with the contract, the SRDF conducted a review of the projects that had received grants and identified certain irregularities. This prompted the SRDF to request that the companies reimburse the funds that were improperly disbursed, along with interest on overdue payments. Some companies have settled their liabilities, while others are currently involved in legal proceedings. For the improperly disbursed funds, the SRDF has established a liability to the METS, whereby the outstanding amount is reduced by the costs incurred by the SRDF in pursuing the necessary legal and other proceedings for the recovery of the funds. In 2021, the SRDF repaid €670,000.00 to the METS. In 2024, the final claim for improperly disbursed funds was resolved through a compulsory settlement, resulting in a partial write-off of the claim and a reduction of the liability to the MCRD by €55,592.06. However, the recovered funds totalling €117,557.49 were fully repaid to the MCRD, thereby terminating the SRDF's obligations to the MCRD under the contract.



Accounting Follow-Up of The Call for Tenders “Problem Areas” Financed by METS (Now MCRD)

In 2016, the SRDF entered a contract with the line ministry for the Problem Areas 2016-2017, securing €20,000,000.00 in funding, which is recorded as other long-term liabilities. In 2018, the SRDF established an additional contract with the line ministry for the Problem Areas 2018-2019, amounting to €11,570,000.00. Of this total, €7,290,000.00 was received in 2018, while €4,280,000.00 was received in 2019. Since a portion of the funds remained undistributed, the SRDF signed an addendum to the 2018-2019 contract with the MCRD in 2021, allowing for the continuation of funding in the BPA until December 31, 2022. The SRDF maintains separate accounts for the receivables and payables related to the funds received from the METS. Loans granted and their repayments are not recorded in the financial receivables and investments account; instead, they are classified solely as receivables from the fund recipients and repayment liabilities to the MCRD. The balances are presented in Table 35.

Table 39: Balance of METS Assets and Sources of Funds as of 31 December 2024 in €	
Title	Implementation in €
Funds	32.602.967,59
Loans granted	14.186.117,48
Funds in the SRDF's sub-account	381.242,66
Deposits lodged with the MF	18.035.607,45
Sources of Funds	32.602.967,59
Unpaid Interest	138.125,24
Long-term liabilities	32.464.842,35

In the period from 2017 to 2022, loans totalling €30,331,837.37 were disbursed, and interest of €188.81 was accrued in 2023. By December 31, 2024, loans amounting to €16,148,426.49 had been repaid, with accrued interest on the loans granted totalling €28,062.06. As of December 31, 2024, interest payments of €25,355.46 had been made on the loans granted. In 2017, the SRDF allocated a portion of its unrestricted funds into a long-term deposit with a commercial bank, generating receipts of €509.77. No receipts were generated from unrestricted funds between 2018 and 2021. However, in 2022 and 2023, receipts of €386,730.09 and €482,567.99 were generated from interest on available cash. The accrued interest on loans and unrestricted funds, amounting to €1,032,778.78, enhances the resources received by the FCRR. As of December 31, 2024, the MCRD holds most of its unrestricted funds, totalling €17,900,000.00, in deposits with the MF, while a smaller amount of €381,242.66 is maintained in the MCRD's sub-account. In 2021, non-payment resulted in the initiation of legal proceedings under two loan agreements.

Table 40: Balance of METS Assets and Sources of Funds as of 31 December 2024 in €			
Contract credits	Balance 1 January 2024	Payback	Balance 31 December 2024
C2130-16-90001 (2016-2017)	12.960.439,95	2.654.047,90	10.306.392,05
C2130-18-90001 (2018-2019)	5.101.768,80	1.224.561,16	3.877.207,64
Total (principle)	18.062.208,75	3.878.609,06	14.183.599,69

For information, the necessary provisions for credit risks of the loans granted from the SRDF funds for soft development loans to start-up business projects in problem areas, where possible non-repayment by the borrowers will reduce the SRDF's liabilities to the MCRD, have also been calculated based on the methodology of the SRDF. The expected potential loss on these loans is up to a maximum of 30 % of the funds tendered. Based on the methodology, a provision of €2,068,310.82 is currently required for these funds, representing 6.82 % of the funds committed and drawn down.



Accounting Report on The Implementation of Liquidity Facilities (COVID-19)

In 2021, the Government of the Republic of Slovenia decided to increase the earmarked assets and capital of the Slovenian Regional Development Fund (SRDF) by contributing an additional €14,056,000.00. This measure aimed to provide liquidity through financial products for companies, addressing the consequences of the COVID-19 pandemic. Based on this decision, Contract No. C2130-20G410000 was established, committing the Ministry to allocate funds for the enhancement of the SRDF's earmarked assets and capital. The SRDF, in turn, was required to provide additional funds from the earmarked assets amounting to €12,600,000.00. In 2021, the initiative continued as the Government of the Republic of Slovenia allocated further funds to increase the earmarked assets designated for granting liquidity loans to small and medium-

sized enterprises (SMEs) in the Business Promotion Agency (BPA). Loan funds totalling €29,335,755.96 were disbursed between 2020 and 2022. As of December 31, 2024, repayments amounting to €19,671,363.45 have been made.

Loans are interest-free; however, €21,870.05 in interest was accrued in 2024. As of December 31, 2024, the outstanding interest on overdue loans totals €8,601.28.

It is stipulated in Contract No. C2130-20G410000 that the earmarked assets of the SRDF, paid up under this contract, may be reduced to cover losses on outstanding loans, up to a maximum of 80% of the earmarked recapitalization amount. As of December 31, 2024, provisions totalling €1,767,140.54 have been calculated on an indicative basis.

Table 41: Movement in liquidity funding in 2024 in €					
Funding Source	Draw down Loans	Share of Funds (%)	Reimbursed Loans	Interest credit in 2023	Balance of Loans 31 December 2024
Dedicated capital injection	14.056.000,00	47,91	9.425.381,27	66,95	4.630.685,68
Other SRDF resources	15.279.755,96	52,09	10.245.982,18	72,78	5.033.846,56
Total (principle)	29.335.755,96	100,00	19.671.363,45	139,73	9.664.532,24



Accounting Report on the Implementation of BIZI LIQUIDITY

In 2023, the Government of the Republic of Slovenia decided to increase the earmarked assets and capital of the Slovenian Reconstruction and Development Fund (SRDF) by contributing an additional €20,000,000.00. This decision was made to mitigate the energy crisis and address the economic impacts of the August 2023 floods. Following this decision, a contract titled "Contract ZPGOPEK" was established between the SRDF and MCRD. This contract facilitated the transfer of funds to enhance the earmarked assets of the SRDF for the implementation of financial products, in accordance with Article 49 of the Act on Assistance to the Economy to Mitigate the Consequences of the Energy Crisis (ZPGOPEK) and the first paragraph of Article 54 of the Act on the Amendment and Supplementation of the Act on the Elimination of the Consequences of Disasters (ZOPNN-F). Under the terms of the contract, the Ministry committed to providing funds to increase the earmarked assets and capital of the SRDF. In turn, the SRDF agreed to utilize these funds to implement financial products aimed at ensuring the liquidity of economic operators affected by the energy crisis and the August 2023 floods, in accordance with the ZPGOPEK and ZOPNN-F. As a result of this agreement, the SRDF launched two financial products: BIZI Liquidity-Floods and BIZI Liquidity-Energy, both designed to restore productive capacity following the floods and to address the energy crisis. The approved contracted amounts included €15,287,911.00 for investments in energy consumption and loss management, and €4,712,089.00 for flood recovery efforts. In 2023, €1,575,000.00 was disbursed, followed by €17,925,000.00 in 2024. In 2024, the Government of the Republic of Slovenia, in accordance with Article 49 of the ZPGOPEK, made an additional transfer of €10,000,000.00 to further increase earmarked assets for the implementation of financial products through auctioning. A public tender for the financial product BIZI LIQUIDITY ENERGY was launched, which fully utilized the recapitalization funds received, totalling €30 million. During 2023 and 2024, interest accrued on the loans granted amounted to €302,412.18, while management costs totalled €91,432.54. Reason: The revised text improves clarity, enhances vocabulary, and corrects grammatical and punctuation errors while maintaining the original meaning.

It is stipulated that the earmarked assets of the SRDF, paid under this contract, may be reduced to cover losses from unpaid loans associated with the financial product, up to the minimum earmarked assets of the Public Fund as outlined in the ZJS-1. As of December 31, 2024, provisions totalling €2,151,140.80 have been calculated on an indicative basis.

Table 42: Movement of funds earmarked for energy crisis mitigation and disaster recovery				
Funding Source	Balance 1 January 2024	Draw down Loans	Reimbursed Loans	Balance of Loans 31 December 2024
BIZI Liquidity floods	360.000,00	4.352.089,00	248.705,07	4.463.383,93

BIZI Liquidity energy	1.215.000,00	24.072.911,00	1.486.907,34	23.801.003,66
Total (principle)	1.575.000,00	28.425.000,00	1.735.612,41	28.264.387,59



Accounting Report on The Implementation of Financial Instruments in Agriculture

In 2023, the SRDF concluded with the MAFF the "FI Contract in Agriculture" for the period of 2023-2027. This contract involves the transfer of €20,000,000.00 from the budget of the Republic of Slovenia to a designated sub-account. Of this total, €18,900,000.00 is allocated for the implementation of financial instruments, which include soft loans, guarantees, interest subsidies, and capital reductions. The remaining €1,100,000.00 is designated as a management fee. The funds will be disbursed to the SRDF over four years. In 2023, the SRDF has obtained funding from the Ministry of Agriculture and Rural Development of €3,000,000.00, of which €165,000.00 is for the management fee. In 2024, additional funds of €5,000,000.00 have been obtained, of which €275,000.00 are for management fees, €2,362,500.00 for the implementation of micro-loans, €1,653,750.00 for portfolio guarantees and €708,750.00 for interest rate subsidies and capital reductions. The funds received were recorded as revenue by the SRDF. For the funds earmarked for the implementation of the financial instruments, the SRDF has created a reserve fund, which means that the drawdown and repayment of the funds earmarked for FI in agriculture are not recorded in the financial receivables and investments account, but only in the balance sheet. In accordance with the contract concluded, the SRDF records the resources for the implementation of the FI's in the Loan and Guarantee Fund. The Loan Fund is used to record micro-loan funds, while the Guarantee Fund records funds earmarked for loan guarantees, interest rate subsidies and capital reductions. In 2024, the funds earmarked for the interest rate subsidy amounting to €20,613.26 were used.

In 2023, the SRDF granted interest-free loan funds totalling €296,595.00 based on a call for tenders for the financial product AGRO FI Micro. In 2024, additional loans amounting to €1,775,175.00 were awarded based on the calls for tenders issued in 2023 and 2024. During these two years, funds of €49,999.00 and €1,619,566.80, respectively, were disbursed. The available funds are invested in accordance with Article 24(2) of the Regulation governing the procedures, criteria, and methods for allocating funds to promote development programs. Most of the available funds are held in deposits with the MF.

Tabel 43: Assets and Resources of the MAFF as of 31 December 2024 in €	
Title	Implementation in €
Funds	7.793.258,48
Granted Loans	1.531.573,33
Assets in the SRDF sub-account	408.586,76
Deposits lodged with the MF	5.780.000,00
Interest receivables	73.094,62
Other short-term receivables	3,77
Sources of funds	7.793.258,48
Liability for interest from the Guarantee Fund	9.699,47
Loan Fund assets	3.384.598,55
Guarantee Fund assets	4.398.960,46

Contract No. 2330-23-000071 outlines an anticipated financial risk assessment for micro-loans issued from Financial Institution (FI) funds, with a risk threshold of 15% or €1,417,500.00. This assessment assumes that, at the time the loan is granted, the farmer's creditworthiness exceeds 1, or the beneficiary's EBITDA rating is a minimum of 5. As of December 31, 2024, provisions totalling €118,971.14 have been established on an indicative basis.



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