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EBRD and UniCredit Bank Serbia provide support to Serbia's private sector

€50 million to UniCredit Bank Serbia to provide loans for SMEs and mortgages

The European Bank for Reconstruction and Development (EBRD) has signed two financing agreements totalling €50 million with UniCredit Bank aimed at providing support to Serbia's private sector. A new loan of up to €40 million will be designated for on-lending to private SMEs whose access to finance is a challenge, especially in the aftermath of the recent floods. In addition, a €10 million mortgage loan will be extended with the aim to enhance financing for the private residential housing sector.

The funds are being provided under the new EBRD Western Balkans and Croatia Financing Framework IV (WBFFIV), an €500 million facility focused on the development of the private SME sector in the region. The WBFFIV will also address the needs of residential financing, leasing, micro-lending, trade facilitation transactions and other financial instruments.

UniCredit Bank is the third-largest commercial bank in Serbia. Its commitment to both SMEs and the residential housing sector has been demonstrated through the successful completion of three mortgage loans and three SME-credit lines with the EBRD, with the most recent being signed in May 2013.

"We welcome the opportunity to continue our strong support to the countries in the region. Our cooperation with UniCredit Group and UniCredit Bank Serbia is strategic in a market where this financial institution represents one of the vital sources of funds for the real economy in the country. The mortgage loan aims to help the development of the residential housing market in Serbia. For the first time, we will extend our support to first-time buyers or young mortgage sub-borrowers, a segment of the market which is in even more need of adequate financing," said Matteo Patrone, EBRD Country Director for Serbia.

“We are all well aware of the fact that SMEs represent the backbone not only of the Serbian, but also of the European economy. Therefore, we are pleased to continue our long-term collaboration with the EBRD in the SME field, a segment in which we have managed to establish ourselves as one of the most important lenders in the country. This credit line will give us additional funding to continue to provide financial support to this segment, thus motivating it to become the growth engine of the local economy. At the same time, a €10 million retail housing credit line will enable Serbia’s private individuals to resolve the issue of living space, which is actually one of the young generation’s most important challenges of today,” added Claudio Cesario, CEO of UniCredit Bank Serbia.

Since the start of its operations in Serbia, the EBRD has invested more than €3.5 billion in over 175 projects. The Bank invests in the financial sector, industry, commerce, agribusiness, energy and infrastructure.

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UniCredit Bank Serbia is member of UniCredit, one of Europe’s leading financial groups with strong presence in 17 countries. Through a network of approximately 8,900 branches and more than 147,000 employees the Group is present in about 50 markets (data as of end-2013). In central and eastern Europe, UniCredit operates the largest international banking network with nearly 3,600 branches. The Group is present in Austria, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Romania, Russia, Serbia, the Slovak Republic, Slovenia, Turkey and Ukraine.

More information can be found at: www.unicreditbank.rs.