

PRESS RELEASE

Stara Pazova, December 11th 2014

THE SECOND TRANCHE OF MUNICIPAL BONDS FOR CAPITAL PROJETS

The model by which citizens and local self-government together invest in reconstruction of Nova Pazova's center, construction of sport hall in Golubinci, kindergarten i Belegis

Thursday, December 11, 2014 - After the first tranche of Municipal bonds in the amount of RSD 125 million, which were realized in early 2014, the municipality of Stara Pazova, officially starts public placement of the second tranche of bonds, which will be implemented under the patronage of UniCredit Bank. On this occasion, Djordje Radinovic, President of Municipality of Stara Pazova officially signed a contract with Enrico Verdoscia, member of the Executive Board of UniCredit Bank, in charge of Corporate and Investment Banking.

The contract is about the issuance of 12,500 individual bonds each worth RSD 10,000, or a total value of RSD 125 million, with interest rate of 6% and a repayment period of five years (without grace period). The Municipal Council of the Municipality of Stara Pazova confirmed the selection of the most favorable bidder by the Decision on August 22nd 2014. A well as the first tranche, these funds are intended to complete the implementation of capital projects and to be used in order to: arrange the center of Nova Pazova, build a sport hall with a bowling alley in Golubinci and to build a kindergarten in Belegiš.

"Thanks to the exceptional cooperation which we have with the Standing Conference of Towns and Municipalities some time ago, we came up with the idea to invest a part of our local projects through issuance of municipal bonds. We believe that this will be proven as a good idea because it will allow the citizens, i.e. physical and legal entities to support the implementation of projects of vital importance for everyday life, with more favorable conditions than currently available for savings in the banks. I would like to thank UniCredit Bank and Mr. Verdoscia for the best offer, which will enable them, in partnership with us, to become a part of the investment in the future of the Municipality of Stara Pazova", said in his speech, after the formal signing of the Contract, Djordje Radinovic, the President of Municipality of Stara Pazova.

"We are very proud that UniCredit Bank was chosen as a partner in this financial project which has substantial importance for Stara Pazova. Guided by our system of values we are actively participating in providing support to the development of local communities and improvement of living conditions. As socially responsible company we are supporting sustainable projects from which will not benefit only local governments but also their citizens",



stated Enrico Verdoscia, member of the Executive Board of UniCredit Bank, in charge of Corporate and Investment Banking.

A short reminder - Municipal bonds are new financial tool in our country, more competitive than traditional savings in which citizens will be able to invest their money. Including this second tranche the municipality of Stara Pazova has so far issued RSD 250 million and the total amount is intended to the implementation of three mentioned projects.

The plan is that Municipal bonds of the second tranche become offered to the citizens in the first quarter of 2015, about which public will subsequently and timely be informed through local and national media, as well as through the official website of the Municipality of Stara Pazova (www.starapazova.rs)