



Republic of Serbia

MINISTRY OF ECONOMY



EUR 260 MILLION OF LOANS TO BENEFIT OVER 6.000 SMEs IN SERBIA

Belgrade, 11/05/2017

The European Investment Fund (EIF) has expanded existing guarantee agreement with Banca Intesa AD Beograd and signed a guarantee agreement with UniCredit Bank Serbia JSC under the [COSME programme](#), the European Commission's programme for small and medium-sized enterprises (SMEs).

The new agreement with UniCredit Bank Serbia JSC will support EUR 100 million of new loans to SMEs with substantially reduced collateral requirements across the country as a result of the COSME guarantee. EIF will provide a direct guarantee to UniCredit Bank Serbia JSC, enabling the bank to support more than 2,400 SMEs in Serbia over the next three years at favourable conditions, including increased maturities. Besides standard working capital loans, COSME agreement will provide UniCredit Bank clients possibility to apply for investment loans, accompanied by all advantages that this program is offering.

Expanding its cooperation with Banca Intesa established under a EUR 60 million COSME agreement signed in December 2016, EIF signed a top-up agreement with the bank, increasing the already fully used COSME agreement by a further EUR 100 million to EUR 160 million. Within less than six months of COSME implementation in Serbia, Banca Intesa has successfully supported around 1,300 SMEs and entrepreneurs. The COSME top-up agreement will allow the bank to continue providing loans with substantially reduced collateral requirements and support a further 2,200 SMEs and entrepreneurs.

Minister of Economy **Goran Knežević** said: "COSME programme is very important for Serbia because through this instrument we provide even more new, favourable financing sources for our SMEs. The fact that just during a short period of time – 6 months –our banks are signing two more contracts with EIF which confirms first of all that banks are ready to enter in such serious arrangements with European financial institutions. Serbia is the only country in this region that has a leading positions in the region according to the number of banks involved in COSME programme. On the other side, we have our SMEs ready to draw all of these funds since SMEs have taken EUR 60 million in favourable credits that our bank offered after the first agreement. Everything we do today, with strong budget support within the Project Decade of Entrepreneurship we will make our SMEs stronger and more ready for the competition on demanding European market".

Commenting on the transaction, EU Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs, **Elżbieta Bieńkowska**, said: "I am very pleased that we are signing these important deals for Serbian businesses. Over 6,300 SMEs in Serbia will now have the chance to benefit from these COSME agreements. This demonstrates once again the European Union's determination to reach out to small businesses all over Europe in order to grow and create jobs."



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Welcoming the signing of the agreement, EIF Chief Executive, **Pier Luigi Gilibert**, said: *“I am delighted to be signing agreements today which will bring EUR 260 million of finance to Serbian businesses. The new UniCredit Bank Serbia transaction will generate loans for 2,800 SMEs helping to create jobs and growth in the local economy. Banca Intesa has performed exceptionally well by already providing EUR 60m of financing to SMEs within only six months thanks to COSME support. I am therefore pleased to sign a top-up agreement to allow to reach out to an expected 4,000 businesses seeking financing at favourable terms. The demand for SME loans with reduced collateral requirements and longer maturities in Serbia demonstrates the need for EU support for Serbian businesses.”*


Banca Intesa Executive Board President, **Draginja Đurić**, stated: *“Outstanding results that Banca Intesa achieved in the implementation of the COSME programme confirm that the bank, in partnership with the Ministry of Economy and the EIF, introduced the Serbian market with a product that the domestic economy has long been waiting for. Granting loans that do not require hard collateral while boasting a favourable interest rate and longer maturity has enabled us to fully complete the program within a very short period of time, in less than six months. I am particularly glad to be able to announce that through the further implementation of the COSME program we will continue to provide dynamic support for this strategic segment of the economy that is expected to give important contribution to economic development and employment growth.”*

Chairwoman of the Management Board of UniCredit Bank Serbia JSC **Csilla Ihász** said: *“In addition to projects completed successfully in cooperation with EIF, we are pleased that once again, as a responsible financial institution and reliable partner to the Serbian government, we are joining efforts also with the Ministry of Economy in supporting the development of local economy. We are all well aware of the importance that SME segment, as key engine for economic growth and job creation, has for all developing economies. That is why for a long period of time they are in the centre of our business model. Thanks to COSME we can additionally extend our client focus and provide support to the enterprises in obtaining favourable financing by offering longer maturity and reduced collateral for working capital and investment loans.”*

About EIF

The European Investment Fund (EIF) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

About Banca Intesa

Banca Intesa ad Beograd, a member of **INTESA  SANPAOLO**, is the leading bank in the domestic market, a reliable partner of 1.3 million clients, natural persons and legal entities. With a net balance sum of EUR 4.7 billion, EUR 3.1 billion in total deposits and EUR 2.4 billion in total loans, Banca Intesa is



Republic of Serbia

MINISTRY OF ECONOMY



at the helm of the list of the most successful banks in Serbia. Owing to a developed business network comprised of 165 branches all over Serbia, the most developed network of ATMs and POS terminals, as well as a professional team of around 3,000 employees, the Bank achieves stable results in all areas of business by developing activities in the retail, corporate and local government sectors.

About UniCredit Bank Serbia JSC

UniCredit is a strong Pan-European Group with a simple commercial banking model and a fully plugged in Corporate & Investment Bank, delivering its unique Western, Central and Eastern European network to its extensive 25 million strong client franchise. Besides offering local expertise and international reach, UniCredit accompanies and supports its clients globally, providing them with unparalleled access to member banks of the Group in its 14 core markets as well as to another 18 countries worldwide. UniCredit's European banking network includes Italy, Germany, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia and Turkey.

About COSME

COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs) running from 2014 to 2020 with a total budget of EUR 2.3 billion. At least 60% of the programme will be devoted to easing access to finance for SMEs in Europe, with two financial instruments. The COSME Loan Guarantee Facility supports guarantees and counter-guarantees to financial institutions to help them provide more loans and lease finance to SMEs. This facility also includes securitisation of SME debt finance portfolios. The COSME programme also invests through the COSME Equity Facility for Growth in equity funds that provide risk capital to SMEs mainly in the expansion and growth stages. The COSME programme builds on the success of the Competitiveness and Innovation Framework Programme (CIP) (2007-2013) which helped to mobilise more than EUR 21 billion of loans and EUR 3 billion of venture capital to almost 400,000 SMEs in Europe.

Businesses can contact selected financial institutions in their country to access EU financing:

<http://www.access2finance.eu/>