



Republic of Serbia
MINISTRY OF ECONOMY



EUR 60 MILLION TO BENEFIT 3,000 SMEs IN SERBIA

Belgrade, 07/12/2016

The European Investment Fund (EIF) and Banca Intesa AD Beograd signed the first agreement in Serbia under the [COSME programme](#), the European Commission's programme for small and medium-sized enterprises (SMEs), during a signature event held today in Belgrade, Serbia.

Thanks to the financial backing of the European Commission, EIF is providing a direct guarantee that will enable Banca Intesa to support 3,000 SMEs in Serbia over the next two years with EUR 60 million in loans on favourable terms - with increased maturities and without any hard collateral.

Minister of Economy Goran Knežević stated that Serbia is turning more and more to development and that the Government of Serbia is focusing on SMEs and entrepreneurship, which are seen as the drivers of development. "Besides allocating significant funds in the budget for financial and non-financial support to this sector, our goal is, as defined in the Strategy, to provide new sources of finance for our SMEs and entrepreneurs, just as it will be done through the European COSME program", the minister said and added that the Ministry of Economy will ensure continuity in cooperation with commercial banks on the implementation of the COSME program, with other banks expected to follow suit over the next year.

"As we all know very well, SMEs are the backbone of any economy in today's world. In this respect, Serbia is not an exception. Namely, 99.8% of enterprises in Serbia are SMEs. These SMEs employ 65% of all employees in the private (non-financial) sector and contribute 56% to the net value added of Serbia's (non-financial) economy. In view of these figures, any program that can further boost SMEs – and COSME is aiming at that – will also boost economy in its entirety. Its existence is therefore of utmost importance and this is the reason why the European Union is focused on supporting this sector", **EU Head of Delegation, ambassador Michael Davenport** said.

Banca Intesa Executive Board President, Draginja Đurić, stated: "We are proud that Banca Intesa is the first bank in Serbia to begin COSME implementation, thus confirming its long-term commitment as the leading bank in the market and the biggest creditor of the economy to being a reliable partner of the Serbian government in promoting entrepreneurship and supporting its development through constant credit offer improvement. Entrepreneurs and SMEs are the pillar of Serbia's economic growth and

employment, and the agreement we signed today will enable us to provide them with much-needed funding under better-than-market conditions, with a lower interest rate, longer maturity and, what is perhaps the most important to them – with no mortgage.”

Welcoming the signing of the agreement, **EIF Chief Executive, Pier Luigi Gilibert**, said: “Today’s agreement with Banca Intesa marks yet another important step for SMEs in Serbia. EUR 60 million is an important amount that will contribute to improve the overall investment climate in Serbia.”

Commenting on the transaction, **EU Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs, Elżbieta Bieńkowska**, said: “Small businesses are the backbone of our economies. Made possible by the backing of the European Commission's COSME programme, this deal will allow 3,000 SMEs in Serbia to gain easier access to financing and benefit from loans to support their businesses.”

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 leader in the domestic market, a reliable partner to 1.45 million clients, natural and legal entities. With net balance sheet amount of 4.3 billion euros, total deposits of 3 billion euros and total placements of 2.1 billion euros, Banca Intesa is leading the list of the biggest banks in Serbia. Owing to a developed business network of some 170 branches across Serbia, the most developed network of ATMs and POS terminals and professional team of around 3,000 employees, the bank is achieving stable results in all business areas while developing its business activities in retail and small business operations, corporate banking and local self-government operations.

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 almost EUR 21 billion of loans and more than EUR 3 billion of venture capital to over 384,000 SMEs in Europe. Businesses can contact selected financial institutions in their country to access EU [financing](#).