

A Greater Support for Agriculture Farms

Novi Sad (20th May) – Demand for agricultural loans is constantly on the rise, which is confirmed by the data that in the first 4 months of 2010, 786 loans in the amount of over 4.5 million euros have been realized. That practically means that compared to the results from the same period last year when 344 loans were realized in the amount of over 2 million euros, a growth of over 100 percent has been achieved, both in the amount as well as in the number of realized loans.

Having the rising interest for agricultural loans in mind, but also the fact that a healthy and developed agricultural sector is the key to a successful recovery and the development of the entire economy, Banca Intesa has prepared a whole range of products for agricultural producers at the 77th International Agricultural Fair, adapted to their specific needs.

Within an especially designed package of banking services intended for Registered agricultural farms- **Intesa Farmer**, several different models of agricultural loans are at the disposal of clients: Farmer Obrt, Farmer Invest, loans in cooperation with the Ministry of Agriculture, Forestry and Water Management, the Development Fund of the Republic of Serbia, as well as loans in cooperation with local self governments.

With the aid of **Farmer Obrt** loan it is possible to provide working assets on very flexible conditions, with repayment period of up to 24 months, with the possibility of an up to 12 months' grace period. This loan is intended for the purchase of production materials for the current season, the purchase of fodder, animals being fattened, financing of maintenance expenses, as well as other current expenses. The loan can be in dinars or indexed in euros, and the amount of loan can range from 1,000 to 100,000 euros.

Farmer Invest is an agricultural loan intended for investment into fixed assets and is approved with repayment dates of up to 120 months, with the possibility of an up to 24 month grace period, in the amounts of from 5,000 to 500,000 euros. It is primarily intended for the purchase of land, construction of silos, stables, agricultural buildings, cloches, greenhouses, cold storage facilities, irrigation systems, as well as investment into foundation stock or perennial crops and similar.

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Short term subsidized loans in cooperation with the Ministry of Agriculture, Forestry and Water Management with interest rate subsidy are intended for investment into the procurement of production materials and other working assets necessary for best quality preparation possible of the new agricultural season.

Long term subsidized loans in cooperation with the Ministry of Agriculture, Forestry and Water Management are intended for investing into fixed assets in the agriculture- the procurement of agricultural mechanization and equipment, the purchase of foundation stock, investments into agricultural buildings (cold storage facilities, cloches, greenhouses, livestock breeding facilities) irrigation systems and other fixed assets.

Also, **long term loans in cooperation with the Development Fund** for the procurement of tractors by the domestic producers IMT and Rakovica under very favourable conditions are at the disposal of all registered agricultural farms.

Banca Intesa is one of the most active creditors of the agricultural sector on the Serbian market, which is also confirmed by the data that the total agricultural credit portfolio of Banca Intesa amounted to 25 million euros at the end of 2009, which is 40 percent more when compared to the end of 2008. Banca Intesa placed, in cooperation with the Ministry of Agriculture, Forestry and Water Management over 9.3 million euros of subsidized loans throughout 2009, which included it among the very top of domestic agricultural banking.