

MEDIA INFORMATION

Intesa Sanpaolo, parent group of Banca Intesa, boosts support for Serbia's economy

One billion euros for SMEs

Florence May 26, 2016 – International banking group Intesa Sanpaolo, the parent group of Banca Intesa, intends to provide credit facilities for a total of EUR 1 billion through its network of banks in Serbia, Croatia, Albania, Slovenia and Bosnia-Herzegovina to SMEs in the Western Balkan area involved in the Belt and Road Initiative in South Eastern Europe. The Belt and Road Initiative (New Silk Road) aims to improve the infrastructure gap with the West thanks to substantial investments, estimated as about USD 11 billion, that are planned in the coming decades.

“The loans, that will be mainly medium-and long-term loans and leasing contracts, for customer companies in the Intesa Sanpaolo Group network in the Western Balkans, will be for amounts of up to EUR 15 million with a duration, in general, of no more than 10 years”, said Ignacio Jaquotot, Head of the International Subsidiary Banks Division of the Intesa Sanpaolo Group. He added that the loans “will be used to finance purchases of plants, machinery, equipment or vehicles, as well as for the purchase, construction, expansion and renovation of industrial facilities and investments in intangible assets for infrastructure projects of the Belt and Road Initiative, including research, development and innovation costs.”

The large inflow of DFI (direct foreign investments) in the Balkans will have an impact on the growth rates of the countries that receive the investments and, in particular, on the local fabric of SMEs, which represent 99% of the companies in the region, and provide employment to 60% of the workforce. Therefore, it is estimated that these companies will have the opportunity to access subcontracts for a significant value of the project, contributing primarily to the development of the building materials, logistics, plant engineering industries and more generally, connectivity related services.

“The programme of support for SMEs by the Intesa Sanpaolo Group will provide an additional boost to the capacity of Banca Intesa to provide support for this strategically important segment of the economy and the bank's client base given the potential that these companies have to generate economic growth and stimulate job creation. As the leading creditor of Serbia's economy, Banca Intesa has always been dedicated to providing active contribution to the development of SMEs and entrepreneurs, which will remain our focus in the future as well”, said Draginja Djuric, president of Banca Intesa Executive Board.

Banca Intesa supports the strengthening of this segment of the economy through its own offer of loans for liquidity, working capital, investments and energy efficiency, its participation in the state subsidised programme by the Government of the Republic of Serbia, as well as through favourable credit lines secured in cooperation with international financial institutions.

As the result, Banca Intesa recorded a 5% increase in its portfolio of loans for SMEs and entrepreneurs in the first four months of 2016 compared to the same period of last year, while at the same time significantly improving the quality of assets. In the same period, the bank disbursed EUR 181 million in new loans for SMEs and entrepreneurs, providing important contribution to the further development of economic activity in the country.

Banca Intesa ad Beograd, a member of **INTESA  SANPAOLO**, is the leader in domestic market, reliable partner for 1.55 million clients, natural and legal entities. With net balance sheet amount of 4.3 billion euros, total deposits of 2.7 billion euros and total loans of 2.3 billion euros, Banca Intesa Belgrade is leading the list of the biggest banks in Serbia. Owing to a developed business network of around 170 branches across Serbia, the most developed network of ATMs and POS terminals and professional team of about 3,000 employees, the bank is achieving stable results in all segments of operation, developing its business activities in retail and small business segments, corporate banking and local governments.

INTESA  SANPAOLO is one of the top banking groups in the Eurozone and the leader in Italy in all business areas. The Group offers its services to 11.1 million customers through a network of approximately 4,100 branch offices located throughout the country, with market shares of no less than 13% in most regions. Intesa Sanpaolo also has a strategic presence in Central-Eastern Europe, the Middle East and North Africa, with over 1,200 branch offices and 8.1 million customers through subsidiary banks who deal in commercial banking in 12 countries. Furthermore, it has an international network that specialises in supporting corporate customers, which covers 28 countries, above all the Middle East and North Africa as well as countries in which Italian companies are most active such as the US, Brazil, Russia, India and China.

The **International Subsidiary Banks Division** of the Intesa Sanpaolo Group monitors the Group's activities on foreign markets where it operates through subsidiary and associated banks who deal in commercial banking, and provides guidelines, coordination and support to subsidiaries, defining the strategic development policies of the Group as regards its direct presence on foreign markets; the Division also systematically explores and analyses new growth opportunities on existing and new markets, coordinates the operations of international subsidiary banks and manages the relationships of international subsidiary banks with the centralized structures of the Parent company and branches or other international offices of the Corporate and Investment Banking Division.

New Silk Road is a programme of infrastructure investments aimed at creating a network of highways, railroads and ports that will connect the market of China with the European Union. The Silk Road Economic Belt, the land-based component of the programme, is planned to connect 20 countries from China to Turkey, Romania and the north of Europe, while The 21st Century Maritime Silk Route Economic Belt aims to strengthen maritime routes up to the Horn of Africa, continuing along Suez Canal up to the north Adriatic.