

**MEDIA RELEASE**

*Banca Intesa starts approving subsidized agricultural loans from the 2015 program*

**Affordable dinar loans for farmers**

**Belgrade, May 29, 2015** - Banca Intesa has started approving loans with subsidized interest rates for the agriculture sector, which are implemented in cooperation with the Ministry of Agriculture and Environmental Protection as part of the program of subsidized lending for agricultural production in 2015.

Short-term and long-term dinar loans are available to all holders of registered farms, agricultural cooperatives, and legal persons registered as agricultural farms, regardless of whether they are clients of Banca Intesa or not, and may be used for investments in livestock breeding, farming, fruit and vegetable production.

“Active participation in the implementation of the state program of subsidized lending for agriculture is an important aspect of the overall support that Banca Intesa provides to customers in this segment. This is reflected in the fact that we approved 1,200 loans with subsidized interest rate in 2014, totalling to 920 million dinars, or about one in five subsidized loans granted in the market. Our intention, in line with our strategy to increase investment in agriculture, is to be among the most active banks in the implementation of this year’s program as well, helping farmers improve production and increase competitiveness under favourable conditions,” said Darko Popović, member of the Executive Board and Head of Retail Division at Banca Intesa.

Subsidized loans are granted for investments in working capital and fixed assets, that is purchase of raw materials, livestock, agricultural machinery and equipment. Loans are approved in the maximum amount of up to 5 million dinars to holders of registered farms, and up to 15 million dinars to agricultural cooperatives, with a repayment period of up to three years and the possibility of using a grace period of up to one year. The interest rate is fixed at 4 percent per annum for livestock purchase loans and at 6 percent for investments in other branches of agriculture.

Being one of the leading lenders to the farming sector, Banca Intesa approved nearly 6,000 loans to agricultural producers in 2014, worth a total of about 23 million euros. Continuing the upward trend in the number and amount of loans it recorded last year, during the first four months of 2015 the Bank supported farmers with about 2,400 loans with the total value of about 8.5 million euros, which is an increase of 16 percent in the number and more than 13 percent in the amount compared to the same period in 2014.

Representative example for clients calculation EIR 25/05/2015.

Livestock breeding

Type of loan	Subsidized credit in cooperation with the Ministry of Agriculture
Loan currency	RSD
Indexing criteria	No indexing criteria
Loan amount	RSD 5,000,000
Repayment period	36 months
Six-month annuity	RSD 892,123
Interest rate (per annum)	4% per annum, fixed
<b>EIR</b>	<b>12,31%</b>
<b>(per annum)</b>	

The costs borne by the user, known at the time of publication and included in the calculation of effective interest rate

Loan application processing fee	RSD 75,000
2 promissory notes	RSD 100
Credit bureau report	RSD 246
Certificate on tax obligations	RSD 1,000 *
Certification of the pledge statement	RSD 10,080 *
Livestock insurance per annum	RSD 530,180 *
Issuance of real estate list	RSD 1,206 *
Valuation of real estate - land	RSD 12,056 *
Fee for registration of a mortgage on the land	RSD 20,000 *
Mortgage replacement cost	RSD 6,028 *

Other calculations related to this product can be obtained in the branch of the Bank which has the Advisor for small businesses.

\* The costs borne by the user, which are included in the calculation of the effective interest rate, on whose amount the Bank has no influence. Please note that these are only framework (average) values which the Bank has no influence on, and which depend on the fees and charges of the courts, the Geodetic Institute, premiums of insurance companies and the like.

## Other purposes

Type of loan	Subsidized credit in cooperation with the Ministry of Agriculture
Loan currency	RSD
Indexing criteria	No indexing criteria
Loan amount	RSD 5,000,000
Repayment period	36 months
Six-month annuity	RSD 921,781
Interest rate (per annum)	6% per annum, fixed
<b>EIR</b>	<b>7,60%</b>
<b>(per annum)</b>	

The costs borne by the user, known at the time of publication and included in the calculation of effective interest rate

Loan application processing fee	RSD 75,000
2 promissory notes	RSD 100
Credit bureau report	RSD 246
Certificate on tax obligations	RSD 1,000 *
Certification of the pledge statement	RSD 10,080 *
Issuance of real estate list	RSD 1,206 *
Valuation of real estate - land	RSD 12,056 *
Fee for registration of a mortgage on the land	RSD 20,000 *
Mortgage replacement cost	RSD 6,028 *

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