

Banca Intesa starting approving long-term subsidized loans for agricultural sector

Supporting domestic agriculture

Belgrade, May 14 – Next week, Banca Intesa is starting to receive applications and approve long-term subsidized loans intended for domestic farmers carried out in cooperation with the Ministry of Agriculture. Owing to these loans, Serbian farmers will be able to purchase basic production assets and invest in their production facilities under most affordable terms on the market. According to the new model suggested by the relevant Ministry, the bank will cover 60% of the approved loan, and the Ministry is to secure 40% of the funds. Loan amounts will range from €5,000 to €300,000. Repayment period will range from 5 to 8 years, following the grace period that could be 1 – 3 years, depending on the type of production the loan is asked for. The bank's funds are to be repaid in first three or five years of the repayment period, and the Ministry's funds, interest-free, are to be repaid in last two or three years. The long-term loans will be approved in euros, and disbursed in dinars according to the median exchange rate of the National Bank of Serbia (NBS) on the day of disbursement, and the repayment method matches this pattern.

Banca Intesa has taken an active role in the Government's subsidized loans programme, striving to contribute to overcoming crisis-caused economic difficulties as successfully as possible. Three months since the implementation of the programme started, we have approved over €120 million in loans, i.e. nearly 50% of loans of the entire banking sector in total. Our primary task is to help clients find proper solution that will enable them passing through the crisis as less inconveniently as possible. That is why we will be taking an active role in this programme in the coming period. Concerning short-term subsidized agricultural loans, over 200 loan applications worth over half a million of euro were approved over a two-week period.

Although it was not until last year than it took an active role in granting agricultural loans by designing its "Intesa Farmer" credit line, Banca Intesa placed about €20 million in agricultural sector in 2008. Having in mind investment tendencies in this year, the estimate is that the scope of agricultural loans will exceed the last year's results.