



Erste Bank grants a EUR 40 m credit to the Serbian economy

Erste Bank der oesterreichischen Sparkassen AG (Erste Bank) recently granted a credit of EUR 40 million to the 'Fond za razvoj Republike Srbije' (Development Fund of the Republic of Serbia).

The credit was extended as a global credit and is intended to support Serbian small and medium size enterprises as well as for the promotion of exports. The credit has a term of seven years at a fixed interest rate of 4.5%. Funds to the individual companies will be directly allocated by the Development Fund.

Speaking at the signing of the contract, Reinhard Ortner, CFO of Erste Bank, had the following comments, "With this credit, we are cooperating with the Serbian Ministry of Economy to ensure small and medium size Serbian companies have access to financing and have the opportunity to invest in modernising or expanding their operations."

Serbia's foreign trade has been marked by a growing foreign trade deficit in recent years, despite the fact that exports have doubled since 2000 to USD 4,050 million. One of the government's top priorities is to foster further growth in exports. Novosadska banka, which was recently acquired by Erste Bank, is focused on providing a broad range of financial and consulting services for Serbia's medium size enterprises. As Mr. Ortner explained, "This loan facility is just another sign of our long-term commitment to businesses in Serbia and shows that we are using the business opportunities that the acquisition of Novosadska banka has provided us."