

## PRESS RELEASE

### FIRST INTERNATIONAL CEI-EBRD CONFERENCE “SUPPORTING LOCAL ENTERPRISES AND SME’S ALONG CHINA’S BELT AND ROAD INITIATIVE IN SOUTH EASTERN EUROPE”

#### IGNACIO JAQUOTOT, HEAD OF THE INTERNATIONAL SUBSIDIARY BANKS DIVISION:

**“THROUGH ITS NETWORK OF BANKS IN CROATIA, ALBANIA, SLOVENIA, BOSNIA-HERZEGOVINA AND SERBIA, INTESA SANPAOLO INTENDS TO PROVIDE CREDIT FACILITIES FOR A TOTAL OF € 1 BILLION TO SMEs IN THE WESTERN BALKAN AREA INVOLVED IN THE INITIATIVE”**

*Trieste, 19 May 2016* – “Through its network of banks in **Croatia, Albania, Slovenia, Bosnia-Herzegovina** and **Serbia**, the **Intesa Sanpaolo** Group, intends to provide credit facilities for a total of €1 billion to SMEs in the Western Balkan area involved in the initiative”. This is what **Ignacio Jaquotot**, Head of the **International Subsidiary Banks Division** of the Intesa Sanpaolo Group, said during the international conference “*Supporting Local Enterprises and SME’s along China’s Belt and Road Initiative in South Eastern Europe*” organised by the Central European Initiative (CEI) and the European Bank for Reconstruction and Development (EBRD).

The programme ***Belt and Road Initiative*** (“New Silk Road”) represents a concrete opportunity of development for Balkan Countries, who figuratively represent the Western gateway of the New Silk Road, given the programme’s aim of improving the infrastructure *gap* with the West thanks to substantial investments, estimated as about **11 billion USD**, that are planned in the coming decades.

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 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 € 15 million with a duration, in general, of no more than 10 years”, added Mr. Jaquotot, and “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 **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.

In the Balkan area, the Division operates:

- with Privredna Banka Zagreb in **Croatia** (total assets 9.5 billion €, 197 branches)
- Banca Intesa Beograd in **Serbia** (total assets 3.9 billion €, 168 branches)
- Intesa Sanpaolo Banka Bosnia i Hercegovina in **Bosnia- Herzegovina** (total assets 795 million €, 52 branches)
- Intesa Sanpaolo Bank Albania in **Albania** (total assets 1 billion €, 32 branches)
- Intesa Sanpaolo Bank Romania in **Romania** (total assets 933 million €, 45 branches)
- and Banka Koper in **Slovenia** (total assets 2.2 billion €, 52 branches)

In the first quarter of 2016, the net operating income of the Division was 510 million, equal to approximately 12% of the Group's consolidated net operating income.

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Intesa Sanpaolo is one of the top banking groups in the Eurozone and the leader in Italy in all business areas (*retail, corporate and wealth management*).

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.

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