

Working Capital

Measure for Entrepreneurs in Wood Processing and Furniture Production Activities

Borrowers	<p>Small, medium-sized and large enterprises pursuant to the Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, i.e. the provisions of the regulation in effect at the moment of loan approval, that meet the following terms and conditions and are classified as the following activities (registered activity in accordance with the 2007 National Classification of Activities – 2007 NKD (NN, Official Gazette of the Republic of Croatia, No. 58/07):</p>
1.1. Activities	<ul style="list-style-type: none"> - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (C16), - Manufacture of furniture (C31).
Purpose of Loans	<p>Financing of salaries, utility costs and other basic operating costs (the so-called overhead costs), procurement of raw materials, production materials, semi-finished products, small inventory, settlement of obligations to suppliers and other current operating costs; except for loan obligations to commercial banks and other financial institutions and VAT.</p>
Manner of Implementation	<ul style="list-style-type: none"> • Direct lending - application and related documentation shall be submitted to HBOR by the borrower
Amount of Loans	<ul style="list-style-type: none"> • Minimum individual loan amount EUR 100,000 • Maximum individual loan amount EUR 2,000,000
Currency of Loans	<ul style="list-style-type: none"> • EUR
Interest Rate	<p>The total interest rate charged to every individual borrower is determined by HBOR¹.</p> <p>For the entire duration of the loan, the Ministry of Agriculture subsidises up to 50% of interest rate, p.a., fixed, that is charged to the borrowers in accordance with the state aid rules.</p> <p>A portion of interest rate that is settled by the borrower cannot be lower than 2.50 percentage points, p.a., fixed.</p>
Fees	<p>Variable, in accordance with the Ordinance on Fees for HBOR Services in effect on the day of calculation.</p> <ul style="list-style-type: none"> • Loan application fee: 0.50% on the contracted loan amount • Commitment fee: 0.25% on the contracted undisbursed loan amount <p>And other fees in accordance with the Ordinance on Fees for HBOR Services in effect on the day of calculation.</p>

¹ Interest rate is determined depending on rating and collateral

Period and Manner of Loan Disbursement	<ul style="list-style-type: none"> Up to 12 months, one-off or successively, based on the documentation evidencing the utilisation of loan funds for earmarked purposes <p>Funds can be disbursed to the accounts of suppliers on the basis of the documentation evidencing the use of loan for specified purposes or to the account of the borrower with obligatory justification of the use of loan for specified purposes within 60 days from the date of disbursement of the funds to the account.</p>
Period of Repayment	<ul style="list-style-type: none"> Up to 3 years, up to 12-month grace period included
Manner of Repayment	<ul style="list-style-type: none"> In equal monthly, three-monthly or semi-annual instalments
Security	<ul style="list-style-type: none"> Loan insurance policy issued by HBOR as the Insurer for and on behalf of the Republic of Croatia in accordance with HBOR's terms and conditions of insurance (the Ministry of Agriculture subsidises insurance premium up to the level of available de minimis aid) Other collateral usual in the banking business
Documentation and Schedules	<ul style="list-style-type: none"> General Eligibility Criteria List of Documentation Decision on General Terms and Conditions of Lending Activities of HBOR

The Measure for Entrepreneurs in Wood Processing and Furniture Production Activities is implemented as a temporary measure under the Working Capital loan programme, and it applies to the applications received in HBOR until 31 December 2024 or until the funds provided by the Ministry of Agriculture have been used up. Applicants are not automatically entitled to obtain a loan, and HBOR makes a decision on each individual application.