

Youth, Female, Start-Up and Other Special Segments Entrepreneurship

1. Borrowers	<p>Micro, small and medium private sector business entities - companies, crafts businesses, sole traders, family farms, cooperatives and institutions that are:</p> <ul style="list-style-type: none">- young entrepreneurs,- start-ups,- female entrepreneurs,- entrepreneurs investing in the following areas:<ul style="list-style-type: none">o supported areas (groups I to IV by the level of development (Act on Regional Development of the Republic of Croatia, Decision on Classification of Units of Local and Regional Government by the Level of Development)),o hill or mountain areas of the 1st group (Act on Hill or Mountain Areas and the Decision on Coverage and Classification of Units of Local and Regional Government Acquiring the Status of a Hill or Mountain Area),o the islands of the 1st group (the Islands Act)- entrepreneurs investing in the commercialisation of projects based on research, development and innovations (RDI) <p>For the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County – private sector business entities that operate or will operate in Sisak-Moslavina County.¹</p>
2. Purpose of Loans	<ul style="list-style-type: none">• Investments in fixed assets (tangible² and intangible assets) for the purpose of business start-up, business modernisation, introduction of new technologies, increase in capacities, including tourism capacities, development and introduction of new products and services, promotion of new employment, etc.• Investments in fixed assets (tangible² and intangible assets) for the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County¹• Working capital: up to 30% of the contracted loan amount
3. Manner of Implementation	<ul style="list-style-type: none">• In cooperation with commercial banks (via commercial banks or through risk-sharing model) – application and related documentation shall be submitted to the commercial bank by the borrower• Direct lending to borrowers (except family farms that are not within the VAT system and associations) – application and related documentation shall be submitted to HBOR by the borrower
4. Loan Amount	<p>Minimum possible individual loan amount:</p> <ul style="list-style-type: none">• HBOR's direct loans: generally, loans in the amount lower than EUR 100,000 are not approved;

¹ HBOR may also consider loan applications for recovery from the consequences of earthquake of private sector business entities that operate in Zagreb and Karlovac counties.

² Except for used equipment and machinery older than 10 years, and vehicles older than 5 years.

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- **Loans on-lent via commercial banks:** generally, loans in the amount lower than EUR 50,000 are not approved;
 - **Loans approved under the risk sharing model with commercial banks:** HBOR's share in a loan can generally not be lower than EUR 100,000;
 - **Loans for the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County:** minimum loan amount is EUR 30,000;
 - **Loans for the economic development of Lika-Senj County:** minimum loan amount is EUR 50,000
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- Maximum loan amount: EUR 400,000 depending on the specific features and creditworthiness of the borrower as well as the purpose and structure of investment; it is possible to finance up to 85% of the estimated investment value, VAT not included³;
 - Depending on the specific features and creditworthiness of the borrower as well as the purpose and structure of investment, for loans of up to EUR 100,000 it is possible to finance 100% of the estimated investment value, VAT not included;
 - Loans for the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County: the maximum loan amount can be up to 100% of estimated investment value, VAT included, provided that financing of VAT for the borrowers that operate within the VAT system is possible only through the award of de minimis aid. In such a case, VAT has to be allocated to working capital in the breakdown of investment contained in the loan application.

It is not possible to grant multiple loans for the same investment (investment project) to an individual borrower.

5. Loan Currency

EUR

6. Interest Rate

- 2.00% p.a., fixed

In certain cases, interest rate can be even higher as follows:

- To borrowers that perform business activity and cannot obtain state aid and/or de minimis aid, effective interest rate (EIR)⁴ cannot be lower than the reference interest rate for a single borrower (RIR)⁵, all in accordance with the regulations on the award of state aid

³ HBOR can consider financing of estimated investment value, VAT included, if the borrower delivers goods or provides services that are exempt from VAT or for the borrowers not operating within the VAT system.

⁴ Effective interest rate (EIR) is an interest rate that shows total costs of a loan in accordance with the valid Decision on Effective Interest Rate of the Croatian National Bank

⁵ Reference interest rate (RIR) is the base rate (calculated and published by the European Commission), increased by a certain number of basis points (margin) that depend on the client's rating (credit rating) and the assessment of collaterals, in accordance with the Communication from the Commission on the revision of the method of determining reference and discount rates (OJ C 14, 19.1.2008). It is applied for the calculation of aid in loans approved with promotional interest rates. The range of valid RIR is available in the Information on Base and Discount Rates and Reference Rates.

<p>7. Fees</p>	<p>Variable, in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation:</p> <ul style="list-style-type: none"> • Loan application processing fee: 0.50% on the contracted loan amount • Commitment fee: 0.25% on the contracted undisbursed loan amount and other fees in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation <p>On loans intended for the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County:</p> <ul style="list-style-type: none"> • no loan application processing fee • no commitment fee • no fee for changing the terms and conditions of loan <p>and other fees in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation.</p>
<p>8. Period and Manner of Loan Disbursement</p>	<ul style="list-style-type: none"> • Generally, disbursement period is up to 12 months, and depending on the purpose and the dynamics of investment, it is also possible to approve a longer period of loan disbursement • Part of the loan intended for the financing of fixed assets is disbursed to the account of seller/supplier/contractor based on the documentation for utilisation of loan for earmarked purposes • Part of the loan intended for the financing of working capital can be disbursed to the account of the borrower, with obligatory justification by documentation evidencing the use of loan for earmarked purposes • For loans aimed at recovery from the consequences of earthquake and stimulating the economic development of Sisak-Moslavina County: refund of borrower's investment that took place after the earthquake until the submission of loan application is permitted (for such a refund, commercial banks are not obliged to submit a prior notice to HBOR)
<p>9. Repayment Period</p>	<ul style="list-style-type: none"> • Up to 12 years, with up to 3-year grace period included, depending on the purpose and structure of investment <p>As an exception to the mentioned, depending on the purpose and structure of investment, it is possible to approve the following repayment and grace periods:</p> <ul style="list-style-type: none"> • For the planting and/or restructuring of perennial crops in agriculture: up to 14 years, including grace period of up to 5 years • For investments in tourism or if the investment study indicates the need for longer maturity and/or grace period: up to 14 years, up to 4-year grace period included
<p>10. Manner of Repayment</p>	<p>Generally, in equal monthly, three-monthly or semi-annual instalments</p>
<p>11. Collateral</p>	<ul style="list-style-type: none"> • Lending in cooperation with commercial banks: collateral is determined by the commercial bank • Risk sharing model: collateral is determined by the commercial bank and HBOR • Direct lending: <ul style="list-style-type: none"> ○ obligatory collaterals: bills of exchange and debentures of the borrower, guarantors-payers and co-debtors, and ○ other security instruments, depending on HBOR's estimation:

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- pledge of property to be financed out of the loan, with insurance policy for the property insured against usual risks, endorsed in favour of HBOR, and/or
 - HAMAG-BICRO guarantee, and/or
 - other collaterals in accordance with HBOR's internal documents (e.g. immovable property, movable property, guarantees, warranties, assignments, pledge of business shares, patents and other security instruments customary in banking operations).

Depending on the risk assessment of investment and the borrower, HBOR reserves the right to request additional security instruments: immovable property, movable property, guarantees, warranties, assignments, pledge of business shares, patents and other security instruments customary in banking operations.

**12. Related
Documentation /
Schedules**

- General Eligibility Criteria
- List of Documentation and Commercial Banks
- Decision on the General Terms and Conditions of HBOR Lending Activities
- Information on Base and Discount Rates and Reference Rates

The Loan Programme shall apply as of 6 February 2025.