HRVATSKA BANKA ZA OBNOVU I RAZVITAK

EU Projects

1. Borrowers	• Private sector business entities - companies, crafts businesses, sole traders, family farms, cooperatives, institutions and associations • Public sector business entities – units of local and regional government (municipalities, cities and counties – hereinafter: LGRUs) and companies, institutions and agencies owned or majority-owned by LRGUs and/or the Republic of Croatia that meet the requirements of the tender for grants financed from the budget of the European Union and/or national sources and other foreign public sources.
2. Purpose of Loans	All eligible and ineligible expenses of the project (including the expenses not included by the borrower in the application to tender that are an integral part of the project), where a maximum of 30% of the total loan can be approved for working capital that is not in the category of eligible expenses.
3. Manner of Implementation	• 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 Note**:** it is possible to issue an advance payment guarantee (in such case, the application for guarantee is submitted together with the loan application).
4. Loan Amount	**Minimum possible individual loan amount**: • **HBOR's direct loans**: generally, loans in the amount lower than EUR 100,000 are not approved; • **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. Maximum loan amount depends on the specific features and creditworthiness of the borrower, purpose and structure of investment as well as available HBOR's sources of finance. The following can be financed: • Private sector entities: up to 75% of the estimated investment value, VAT not included[1], whereby HBOR can accept as the borrower's own funds up to 70% of the amount that the borrower will obtain through a grant (if the loan is approved via commercial bank, the commercial bank will determine the borrower's own funds); • Public sector entities: up to 100% of the estimated investment value (it is also possible to finance the VAT).

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

5. Loan Currency	EUR

6. Interest Rate	**Private sector business entities**
	• **Loans in the amount of up to, and including, EUR 400,000.00**
	  ○ Min. 3,24% p.a., fixed
	• **Loans in the amount above EUR 400,000.00**
	  ○ Interest rate for each individual loan is determined by HBOR (for direct loans), or by commercial bank (for loans via commercial banks)
	
	Public sector business entities
	• Interest rate for each individual loan is determined by HBOR (for direct loans), or by commercial bank (for loans via commercial banks), where the so determined interest rate can be subsidised/reduced[2], depending on available funds of the Ministry of Finance or HBOR:
	  ○ By 1.10 p.p. if investing in special areas of the Republic of Croatia and/or green projects and/or digitalisation and/or RDI and/or social infrastructure
	  ○ by 1.50.p.p. for affordable housing
	  ○ by 0.80 p.p. for other investments.
	
	In certain cases, the above interest rates and/or interest rate reductions can differ from the above depending on the limit of maximum possible amount of interest subsidy and/or aid rules.
	
	The maximum possible amount of interest rate subsidy for an individual loan is generally EUR 1.000,000.00[3].
	
	It is not possible to combine subsidies from the funds of the Ministry of Finance and/or HBOR.

7. Fees	Loan application processing fee, Commitment fee and other fees in accordance with the Ordinance on Fees for HBOR Services.

8. Period and Manner of Loan Disbursement	• Generally, disbursement period is up to 18 months. Depending on the purpose and the dynamics of investment, it is also possible to approve a longer period of loan disbursement
	• Private sector business entities can draw down loan funds one-off or successively:
	  ○ Part of the loan intended for the financing of fixed assets is disbursed to the account of seller/supplier/contractor or, as an exception, to the special/project account opened for the realisation of the financed project 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 the loan for earmarked purposes
	• Public sector business entities can draw down loan funds one-off or successively:

[2] The criteria for determining investment types are defined by the General Eligibility Criteria that make a constituent part of this programme.

[3] Exceptionally, in case of projects in the amount exceeding EUR 20,000,000.00 with a repayment period longer than 10 years which significantly contribute to the achievement of HBOR's strategic goals, interest subsidy can be approved from the funds of the Ministry of Finance, or from HBOR's funds (exclusively for HBOR's direct loans) in the amount of up to EUR 2,000,000.00.

	○ Disbursement to the account of the borrower, with obligatory subsequent submission of evidence on the completion of the project financed through loan, and/or ○ Disbursement to the account of seller/supplier/contractor based on the documentation for utilisation of loan for earmarked purposes and/or ○ As an exception, to the special/project account opened for the realisation of the financed project based on the documentation for utilisation of loan for earmarked purposes • For loans approved directly by HBOR, it is possible to disburse the loan before the conclusion of the financing contract relating to grant award, if the borrower has available funds from own resources (grants do not represent own funds) for the completion of the funding plan • For loans approved via commercial banks, the loan disbursement is possible before the conclusion of the financing contract relating to grant award, about which the decision is made by the commercial bank
9. Repayment Period	• Up to 20 years, with up to 3-year grace period included, depending on the purpose and structure of investment • If the need is justified by the project, it is possible to approve a longer grace period, up to 5 years
10. Manner of Repayment	• Generally, in equal monthly, three-monthly or semi-annual instalments HBOR reserves the right to contractually determine with the borrower that the borrower shall, after the project completion, use the received grant that has not been utilised for the project investment to reduce the unrepaid loan principal, which shall not be considered the premature, but regular loan repayment
11. Collateral	• Public sector entities: ○ Financing of LRGUs is possible if secured only with a bill of exchange and a debenture, depending on the assessment of HBOR and/or the commercial bank ○ For loans to other public sector business entities: ▪ 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: HBOR agrees the collateral with the borrower in accordance with HBOR's internal documents (e.g. bills of exchange, debentures, pledge of property with insurance policy for the property endorsed in favour of HBOR, bank guarantees and other security instruments customary in banking operations), and the risk assessment of the investment and the borrower. • Private sector entities: ○ 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: HBOR agrees the collateral with the borrower in accordance with HBOR's internal documents (e.g. bills of exchange, debentures, pledge of property with insurance policy for the property endorsed in favour of HBOR, bank guarantees, guarantees of HAMAG-BICRO and other security instruments customary in banking operations), and the risk assessment of the investment and the borrower.

12. Related Documentation / Schedules	• General Eligibility Criteria • Ordinance on Fees for HBOR Services • 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 • Nominal Interest Rates

In the case of contracting club and syndicated loans, the loan terms and conditions of this Programme may not be applied, i.e., different conditions may be applied in agreement with other members of the bank club/syndicate.

The Loan Programme shall apply as of 01 July 2026.

Interest subsidy from the funds of the Ministry of Finance and HBOR may be approved until the available funds have been used up.