

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 included¹, 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, except for loans with interest subsidy under the NRRP funds.

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. 3.22% 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/reduced², depending on available funds of the Ministry of Finance or HBOR: ◦ by 0.80 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 0.30 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 500,000.00³. It is not possible to combine subsidies from the funds of the Ministry of Finance and/or HBOR and/or NRRP.
7. Interest Rate for Loans with Subsidy under the NRRP Funds⁴	For borrowers and loans that meet the conditions prescribed by the Operational Programmes for the Implementation of Financial Instruments under the NRRP, provided that combining with Financial Instruments under the NRRP is not prohibited by the relevant conditions of the tender for grants and related documentation and that restrictions from the aid regulations are complied with by the financing, part of the regular interest rate is subsidised by HBOR in its own name and for the account of the Republic of Croatia as follows: • Private sector: for investments in green and digital transition: up to 75% of regular interest rate, but to a maximum of 3.00 p.p. (for micro, small and medium business entities) or 2.00 p.p. (for mid-cap and large enterprises) • Private sector: for investments in special areas of the Republic of Croatia and/or RDI (research, development and innovation): up to 65% of the regular interest rate, but to a maximum of 3.00 p.p. (for micro, small and medium business entities) or 2.00 p.p. (for mid-cap and large enterprises) • Private sector: for other investments in competitiveness and resilience: up to 50% of the regular interest rate, but to a maximum of

² The criteria for establishing special areas of the Republic of Croatia, green projects, digitalization, research, development and innovation (RDI) and social infrastructure 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 10,000,000.00 with a repayment period longer than 12 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 1,000,000.00.

⁴ NRRP – National Recovery and Resilience Plan

3.00 p.p. (for micro, small and medium business entities) or 2.00 p.p. (for mid-cap and large enterprises).

Whereby the regular interest rate is determined as follows:

- **In the case of on-lending to a private sector borrower through a commercial bank**, the interest rate is determined by the bank in accordance with its internal documents
- **In the case of direct lending to a private sector borrower:**
 - **On loans in the amount of up to, and including, EUR 400,000:** in accordance with item 6 of the programme, or at the level of the reference interest rate (RIR) for an individual borrower if the RIR⁵ is higher than the interest rate from item 6 of this programme
 - **On loans in the amount above EUR 400,000:** HBOR determines the interest rate for each individual loan

In certain cases, the stated interest rates can be even different, depending on the aid rules.

The maximum possible amount of subsidised interest for an individual loan is:

- EUR 500,000.00 for micro, small and medium enterprises of the private sector
- EUR 750,000.00 for Mid-caps and large private sector entities.

8. Fees

Variable, in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation:

- Loan application processing fee:
 - To LRGUs and institutions and agencies majority-owned by them and/or majority-owned by the Republic of Croatia: 0.20% on the contracted loan amount;
 - To other borrowers: 0.50% on the contracted loan amount.
- Commitment fee:
 - To public sector entities: no fee
 - To other entities: 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.

Loan application processing fee is not charged on direct loans under NRRP guarantee⁶.

9. 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

⁵ RIR – 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.

⁶ Financial instrument: Guarantee Fund for Loans to Mid-Caps and Large Enterprises.

	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: ○ 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
10.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
11.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
12.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

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- 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.
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13.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
 - Nominal Interest Rates
 - Interest Subsidy on Loans to SMEs – Operational Programme for the Implementation of the Financial Instrument of Interest Subsidy Fund for Loans to Micro, Small and Medium-Sized Enterprises under the NRRP
 - Interest Subsidy on Loans to Mid-Caps and Large Enterprises – Operational Programme for the Implementation of the Financial Instrument of Interest Subsidy for Loans to Mid-Caps and Large Enterprises under the NRRP
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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 15 October 2025.

Interest subsidy under the NRRP funds can be approved until the available funds have been disbursed in full, and no later than 30 June 2026.

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