HBOR
HRVATSKA BANKA ZA OBNOVU I RAZVITAK

Financial Restructuring

1. Borrowers

- Private sector business entities, where entities subject to income tax (except for primary agricultural producers) must meet all of the following requirements:
  - At least 10% share of capital and reserves in the balance sheet liabilities
  - Profit has not been paid out in the last two business years (including the retained profit)
  - No loans have been disbursed in the last two business years, except to connected clients for operating business and development purposes
- Public sector business entities:
  - Units of local or regional government (municipalities, cities and counties), hereinafter: LRGUs
  - Entities (companies, institutions and agencies) owned or majority-owned by LRGUs and/or the Republic of Croatia

2. Purpose of Loans

- Settling of existing obligations towards suppliers, financial institutions, including HBOR, and other creditors (connected clients are excluded, except for the needs of customary and operating business)

3. Manner of Implementation

- Direct HBOR loans – the Loan application and related documentation shall be submitted to HBOR, and are approved to:
  - LRGUs, institutions and agencies owned or majority-owned by LRGUs and/or the Republic of Croatia
  - Companies owned or majority-owned by LRGUs and/or the Republic of Croatia, for which LRGUs and/or the Republic of Croatia guarantee or issue a guarantee, or with a guarantee of commercial bank acceptable to HBOR, generally in the amount of at least 80% of the loan amount

- Other loans are approved in cooperation with commercial banks (via commercial banks or under the risk sharing model) – Loan application and related documentation shall be submitted to the commercial bank by the borrower

  In the case of lending through the risk-sharing model, the commercial bank as the applicant cannot use the loan funds to reduce its exposure towards the borrower.

As an exception, it is possible to approve direct HBOR loans:
  - To borrowers from the private sector that are secured by a guarantee issued by the Republic of Croatia by LRGUs or by a commercial bank acceptable to HBOR, generally covering at least 80% of the loan amount
  - For existing direct exposure of HBOR

4. Loan Amount

- Generally, loans in the amount lower than EUR 50,000 are not approved
- Maximum loan amount is not limited and depends on the assessment of borrower's creditworthiness and composition of the transaction as well as available HBOR's sources of finance

5. Loan Currency	EUR
6. Interest Rate	**Private sector business entities:** • **Loans up to, and including, EUR 400,000:** 6.00% p.a., fixed • **Loans exceeding EUR 400,000:** interest rate for each individual loan is determined by HBOR (for direct loans) or commercial bank (for loans on-lent via commercial banks) **Public sector entities:** • Interest rate for each individual loan is determined by HBOR (for direct loans) or commercial bank (for loans on-lent via commercial banks) In certain cases, the interest rate can differ from the above depending on aid rules.
7. Fees	Variable, in accordance with the Ordinance on Fees for HBOR Service valid on the day of calculation: • Loan application processing fee: o For LRGUs, institutions and agencies owned or majority-owned by LRGUs and/or the Republic of Croatia: 0.20% on the contracted loan amount o For other borrowers: 0.50% of the contracted loan amount, • Commitment fee: o For public sector entities: no fee o For other borrowers: 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.
8. Period and Manner of Loan Disbursement	• Up to 12 months; depending on the purpose and composition of investment, it is also possible to approve a longer period of loan disbursement. • Loan funds are disbursed to suppliers and/or financial institutions (including HBOR) and/or other creditors, excluding connected clients, except for the needs in terms of customary and operating business and if the connected clients are co-debtors of the borrower, for the purpose of settling borrower's obligations on the basis of documentation for the utilisation of loan for prescribed purposes • Loan funds can also be disbursed into the borrower's account in accordance with approved purpose and planned projections of business, with obligatory justification by documentation for the utilisation of loan for prescribed purpose or with the obligation to justify the utilisation of loan for prescribed purpose subsequently (through specification of utilised funds for direct loans, or in the manner as determined by the commercial bank in case of a loan via commercial bank)
9. Repayment Period	• **LRGUs, institutions and agencies owned or majority-owned by LRGUs and/or the Republic of Croatia, companies owned or majority-owned by LRGUs and/or the Republic of Croatia, for which LRGUs and/or the Republic of Croatia guarantee or issue a guarantee, or with a guarantee of the commercial bank acceptable for HBOR, generally in the amount of at least 80% of the loan amount:**

	Depending on the purpose and structure of transaction, up to 15 years, up to 2-year grace period included • **Other borrowers:** Depending on the purpose and structure of transaction, up to 10 years, up to 2-year grace period included
10.Manner of Repayment	• Generally, in equal monthly or three-monthly instalments, depending on the purpose and structure of transaction
11.Collateral	• 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, pledge of business shares, bank guarantees and other security instruments customary in banking operations), and the risk assessment of the transaction and the borrower
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

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

The Loan Programme shall apply as of 15 October 2025.