HRVATSKA BANKA ZA OBNOVU I RAZVITAK

Investments by SMEs in RDI and AI under the National Recovery and Resilience Plan (NRRP)

1. Borrowers	Micro, small and medium private sector business entities[1] - companies, crafts businesses, sole traders, family farms in the VAT system, cooperatives and institutions that meet at least one of the following conditions: • Entrepreneurs engaged in the development of artificial intelligence (AI) or investing in the development, implementation or use of AI systems[2] • Entrepreneurs engaged in research, development and innovation (RDI) and/or investing in RDI[2] The entities that are, at the time of loan approval, in the category of companies in difficulty[3] are not eligible borrowers. The borrower must have a business establishment in the Republic of Croatia before the loan disbursement at the latest.
2. Purpose of Loans	A loan can be approved for investments related to RDI and/or AI activities, namely for investments in: • Fixed assets (tangible and intangible assets) • Working capital: up to 30% of the contracted loan amount (working capital necessary for the implementation of investment). Investments must be aligned with the relevant EU legislation, the applicable national regulations on environmental protection and the Do No Significant Harm (DNSH) principle as established in the Technical Guidance on Sustainability Proofing for the InvestEU Fund (2021/C280/01)[4] It is not allowed to: • Finance VAT, except for investments by the borrowers who deliver goods or perform services that are exempt from VAT or who do not operate in the VAT system • Finance Ineligible Activities[5]
3. Manner of Implementation	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

[1] In accordance with the Recommendation of the European Commission 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises: https://www.apprrr.hr/wp-content/uploads/2018/02/Vodi%C4%8D-za-korisnike-o-definiciji-malih-i-srednjih-poduze%C4%87a-4.pdf

[2] The criteria for determining the type of investment are defined in the General Eligibility Criteria, which form an integral part of this Programme

[3] Companies in difficulties in accordance with the provisions of Article 2, item 18 of 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 (OJ L 187 of 26 June 2014, hereinafter: Regulation: 651/2014), i.e. the provisions of the Regulation in effect at the moment of loan approval

[4] https://eur-lex.europa.eu/legal-content/HR/ALL/?uri=CELEX:52021XC0713(02)

[5] Schedule 1 – Ineligible activities (exclusion list)

4. Loan Amount	Depending on the specific features and creditworthiness of the borrower, the purpose and structure of the investment and the rules related to state aid, with the following restrictions: • Loan amount: exceeding EUR 100,000.00 • Maximum loan amount for start-ups: EUR 500,000.00 • Maximum loan amount: EUR 1,000,000.00. It is possible to finance up to 75% or 85% of the estimated investment value, VAT not included, depending on the aid regulations. 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% per annum, fixed • In certain cases, the interest rate may be higher, namely: ○ for the borrowers who carry out economic activity and cannot obtain state aid and/or de minimis aid, the effective interest rate (EIR)[6] must not be lower than the reference interest rate for an individual borrower (RIR)[7] in accordance with state aid regulations
7. Fees	• Loan application processing fee: not charged • 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 12 months. 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 evidencing the use 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
9. Period of Repayment	• Up to 15 years, with up to 3-year grace period included, depending on the purpose and structure of investment
10. Manner of Repayment	• Generally, in equal monthly, three-monthly or semi-annual instalments • As an exception, due to specific features of investment, it is also possible to approve a different loan repayment schedule
11. Collateral	• Obligatory collateral: bills of exchange and debentures of borrowers, guarantors-payers and co-debtors • Other collateral, depending on HBOR's assessment:

[6] The effective interest rate (EIR) is the interest rate that reflects the total cost of a loan in accordance with the applicable Decision on the Effective Interest Rate issued by the Croatian National Bank (HNB)

[7] The 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 at promotional interest rates. The range of valid RIRs is available in the Information on Base and Discount Rates and Reference Rates.

	○ Pledge of property financed by the loan, together with property insurance policy against usual risks endorsed in favour of HBOR, and/or ○ Other collateral in accordance with HBOR's internal documents (movable property, immovable property, guarantees, assignments, pledge of business interests, patents and other collateral usual in banking business)
12. Related Documentation / Schedules	• Schedule 1 – Ineligible activities (exclusion list) • Ordinance on Fees for HBOR Services • General Eligibility Criteria • 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 10 August 2026.

The implementation period of the Programme (deadline for signing loan contracts) lasts until the available NRRP funds have been exhausted.