HRVATSKA BANKA ZA OBNOVU I RAZVITAK

Investments in Digital Transition under the National Recovery and Resilience Plan (NRRP)

Due to the utilisation of the NRRP funds intended to promote digital transition, loans under this loan programme are approved on favourable loan terms and conditions (interest rates and fees).

1. Borrowers	**Private sector business entities** • Private sector business entities that perform economic activity, regardless of their size and legal form, that are registered with headquarters in the Republic of Croatia (companies, crafts businesses, and other legal entities and natural persons - sole traders) **Public sector entities** • Local and regional government units (municipalities, cities and counties - LRGUs), **exclusively for commercial (economic) activities** • Companies, institutions and agencies owned or majority-owned by LRGUs and/or the Republic of Croatia Entities that belong to the category of companies in difficulties cannot be borrowers.[1]
2. Purpose of Loans	• Investments in fixed assets (tangible and intangible assets) necessary for the implementation of investments in strategic digital projects aligned with the areas of intervention **that have been assigned a 100% digital coefficient in accordance with Annex VII to the Regulation (EU) 2021/241[2]** • Working capital up to 30% of the contracted loan amount (working capital necessary for the investment implementation) Investments must be aligned with the relevant EU legislation and valid national regulations on environmental protection and "Do No Significant Harm" – DNSH principle as determined in the Technical guidance on sustainability proofing for the InvestEU Fund (2021/C280/01)[3]. Not allowed: • Financing of VAT • Financing of Ineligible activities[4]

[1] 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.

[2] Schedule 1 - Regulation (EU) 2021/241 ANNEX VII

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

[4] Schedule 2 – Ineligible activities (exclusion list)

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
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 is not limited, and it depends on the specific features and creditworthiness of the borrower, purpose and structure of investment as well as available HBOR's sources of finance. It is possible to finance up to 75% or 85% or 100% of the estimated investment value, VAT not included, depending on the aid regulations.
5. Loan Currency	• EUR

6. Interest Rate	**Direct HBOR loans:**
	
	• **Private sector business entities**
	    o **On loans in the amount of up to, including EUR 400,000.00:**
	        ▪ 2.00%, p.a., fixed
	    o **On loans in the amount above EUR 400,000.00:**
	        ▪ Interest rate for each individual loan is determined by HBOR, where the so determined interest rates can be subsidised/reduced, depending on the type of investment and available funds of the Ministry of Finance or HBOR, in accordance with item 7. Subsidy Rates
	        ▪ The minimum subsidised/reduced interest rate for borrower is 1.50% p.a., fixed
	
	• **Public sector entities**
	    ▪ 1.50%, p.a., fixed
	
	In certain cases, the above interest rates and/or interest rate reductions can differ 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[5].

[5] As an exception, in case of projects 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, an interest subsidy can be approved from the funds

Loans via commercial banks:

- Interest rate for each individual loan is determined by the commercial bank, where the so determined interest rate can be up to 3.50%, p.a., fixed

7. Subsidy Rates

Overview of subsidy rates from the funds of the Ministry of Finance or HBOR:

Type of investment	**Maximum subsidy rate in p.p.**	
	Micro, small and medium-sized enterprises	**Mid-caps and Large companies**
- special areas of the Republic of Croatia	3.00	2.00
- agricultural activity	2.00	-
- green projects	2.00	1.00
- research, development and innovations (RDI)	3.00	2.00
- social infrastructure	2.00	1.00
- defence activities	2.00	1.50
- exporters	2.50	1.50
- other investments	1.50	1.00
- affordable housing	-	-

8. Fees

- Loan application processing fee: no fee
- Other fees in accordance with the Ordinance on Fees for HBOR Services

9. 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

Private sector business entities

- Loan can be disbursed in a single amount or successively by payment 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

Public sector entities

- Loan can be disbursed in a single amount or successively:

of the Ministry of Finance or from HBOR's funds (only for HBOR's direct loans) in the maximum amount of EUR 2,000,000.00.

	○ by payment to the account of seller/supplier/contractor based on the documentation evidencing the use of loan for earmarked purposes, where the 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 ○ by payment to the borrower's account, with subsequent notification and delivery of evidence to HBOR/commercial bank on the completion of the project
10. Period of Repayment	• Up to 20 years, with up to 3-year grace period included, depending on the purpose and structure of investment (grace period may be longer in case of justified project needs)
11. Manner of Repayment	Generally, in equal monthly, three-monthly or semi-annual instalments
12. 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, insurance on business shares, bank guarantees, guarantees of HAMAG-BICRO and other security instruments customary in banking operations), and the risk assessment of the investment and the borrower
13. Related Documentation / Schedules	• Schedule 1 - Annex VII to the Regulation (EU) 2021/241 • Schedule 2 – Ineligible activities (exclusion list) • 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

The Loan Programme shall apply as of 1 July 2026.