

Buyer Credit

(Loan Programme for Financing Foreign Buyers / Banks)

All loan terms and conditions of this Programme are in accordance with the Rules of the OECD Consensus

1. Goal of the Loan Programme and Purpose of the Loans

The goal of the Loan Programme is to enable the competitiveness of exporters in international markets (by providing longer repayment terms to foreign buyers), increase the liquidity of exporters and reduce the risks that exporters face when participating in international trade.

The purpose of this Programme is to finance exports of goods and services (including defence activities¹).

2. Borrowers

Eligible borrowers are:

- commercial bank of the buyer with whom an exporter has concluded an export contract, or
- buyer itself if covered by acceptable collateral.

3. Manner of Implementation of the Loan Programme and Loan Application Procedure

HBOR may finance a foreign buyer:

- by co-financing export transactions with other banks, or
- by financing the bank or the buyer abroad on its own.

A loan application is submitted by the exporter, who has obliged itself, in accordance with the requirements of a buyer or the terms and conditions of an international tender, to offer a direct loan to the buyer, the proceeds of which will be used for paying the amounts receivable under the export contract.

An application for a loan to a foreign buyer or its bank is submitted by the exporter directly to HBOR generally **before the export contract has been concluded**.

Loan funds committed under the Programme shall be disbursed directly to the exporter's account in the currency of the export contract after all preconditions contained in the loan contract have been fulfilled. **The loan shall be repaid by the foreign buyer or its commercial bank.**

4. Loan Amount and Repayment

A loan may finance up to 100% of the export contract value for repayment periods of up to two years, or up to 85% of the export contract value for repayment periods of longer than two years.

In case of repayment periods longer than two years, the export contract must provide for an advance payment to be paid in principle prior to the first disbursement of the committed loan funds and/or for an interim

¹ Defence activities are defined in the General Eligibility Criteria, which make a constituent part of this Loan programme.

payment (in cash) to be entirely effected before the last disbursement of the committed loan in the amount of at least 15% of the export contract value. This amount must be paid by the buyer to the exporter's account generally before the first disbursement of the committed loan funds. The amount of the cash payment in case of loans granted for financing the construction of ships must be at least 20% of the contracted price.

The export contract value is the total value of exported goods and services to be paid for by the buyer (excluding local costs and interest).

The amount of local costs financed from the proceeds of the loan granted by HBOR to the buyer/bank must not exceed 30% of the export contract value. Local costs include expenditures for goods and services in the buyer's country necessary for honouring the export contract.

Loans are denominated in the currency of the export contract.

Repayment (by type of goods and services exported):

- Consumer goods with the expected life-span of up to 1 year, including related services – up to 6 months;
 - Consumer goods with the expected life-span of more than 1 year, including related services – up to 2 years;
 - Parts and components, including related services – up to 5 years;
 - Quasi-capital goods², including related services – up to 5 years;
 - Capital goods, including related services – up to 10 years;
 - For financing the construction of hydro and thermal power plants, projects based on wind energy, geothermal, solar and bio energy projects, tide power plants and water supply and wastewater disposal projects – up to 15 years.
- a) date on which the buyer takes physical possession of the goods in the importing country – sale of equipment consisting of individual segments that can be used separately;
- b) date on which the buyer takes over the entire plant under the export contract – construction of a whole plant (thermal power plants, etc.), unless a commissioning, i.e. turn-key basis, has been agreed;
- c) date on which works have been completed – construction works, if the contractor is not responsible for commissioning;
- d) date on which preliminary tests and tests ensuring that the plant is operational have been made after the completion of installation and construction works – in the case of contractual responsibility of the supplier or the contractor for the good working order of the plant, for plant commissioning or operation (applies whether or not the plant is taken over by the buyer in accordance with the export contract, and irrespective of any continuing obligation which the supplier or the contractor may have undertaken (e.g. technical guarantee for the plant or local staff training for work at the plant));
- e) delivery date of each individual segment or average of several deliveries – in the cases from b) to d), if separate deliveries of individual project segments have been agreed in the contract.

Repayment of principal: The principal can be repaid in equal monthly, quarterly, semi-annual or annual instalments³, with the first instalment maturing 1, 3, 6 or 12 months after the loan repayment start date depending on the selected manner of principal repayment.

Loan may be prematurely repaid with a prior written notification sent to HBOR, provided a premature repayment fee is paid.

5. Interest Rate

The interest rate depends on the creditworthiness of the bank, on the creditworthiness of the buyer, on the importing country and on the export transaction, and may be fixed or variable. The interest is calculated monthly, quarterly, semi-annually or annually (depending on the selected manner of principal repayment).

² Capital goods of lower individual value

³ The repayment in annual instalments is possible only exceptionally, i.e. if the nature of the project justifies such manner of principal repayment.

Interest during the disbursement period is not added to the principal, but paid.

1) Fixed interest rate

At the time of the loan contract conclusion, the interest rate cannot be lower than the internationally prescribed lowest interest rate – Commercial Interest Reference Rate - CIRR for the export contract currency. If the interest rate is determined before the loan contract conclusion (by an indicative offer, letter of intent or similar document), it cannot be lower than CIRR increased by 0.2%. In this way, the interest rate can be determined for the period no longer than 120 days.

2) Variable interest rate

In principle, the variable interest rate is determined on the basis of applicable EURIBOR rate increased by a margin that depends on the creditworthiness of the buyer/bank, on the importing country and on the export transaction.

6. Fees

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

7. Loan Disbursement

The disbursement period depends on details of an export transaction or project and is determined in the loan contract pursuant to the terms and conditions of the export contract. Loan funds shall be disbursed directly into the exporter's foreign currency account.

8. Security

For the purpose of securing due fulfilment of loan obligations under the Loan Programme, HBOR generally requires irrevocable, unconditional bank guarantee payable on first demand in the amount of the loan plus all accrued interest, fees and expenses valid until the end of the final loan repayment period prolonged by a *respiro* period.

9. Miscellaneous

Loan terms and conditions under this Programme may not apply, i.e. different terms and conditions may apply in accordance with the terms and conditions of the concluded export contract (if they are in accordance with the determined rules of the OECD consensus).

The provisions of HBOR's Decision on General Terms and Conditions of Lending Activities, the Ordinance on the Terms and Conditions of Security for HBOR's Placements, the Ordinance on Manner and Deadlines for Interest Calculation, the Ordinance on Fees for HBOR Services, as well as provisions of other HBOR documents and decisions made by HBOR bodies in charge shall apply to all matters that are not regulated by this Loan Programme.

10. Documentation to Support Loan Application

- **(Form) Information on export transaction, before the submission of loan application**

a) Borrower (foreign buyer or foreign buyer's bank):

- Excerpt from the appropriate register into which the foreign buyer / foreign buyer's bank has been entered, translated by an authorised court interpreter into Croatian / English
- (Form) Statement on connected clients
- Draft wording of the export contract / Export Contract
- Questionnaire on Environmental Protection and Social Impact
- Client Eligibility Statement
- Annual financial statements for the past two years of operations, Balance Sheet, Profit and Loss Account, Auditor's Report, Annual report/Report on performance (subject to availability)
- Letter of intent or any other written document of a foreign bank, on the basis of which the bank's intent/willingness to issue a guarantee can be established if a guarantee has been offered as loan collateral
- (Forms)
 - Questionnaire for Legal Entities
 - Data on Beneficial Owners of Client/Loan Applicant
 - Table of ownership – Attachment to Data on Beneficial Owners of Client/Loan Applicant
 - For politically exposed persons: Questionnaire for Politically Exposed Persons, Statement on Origin of Assets and Funds

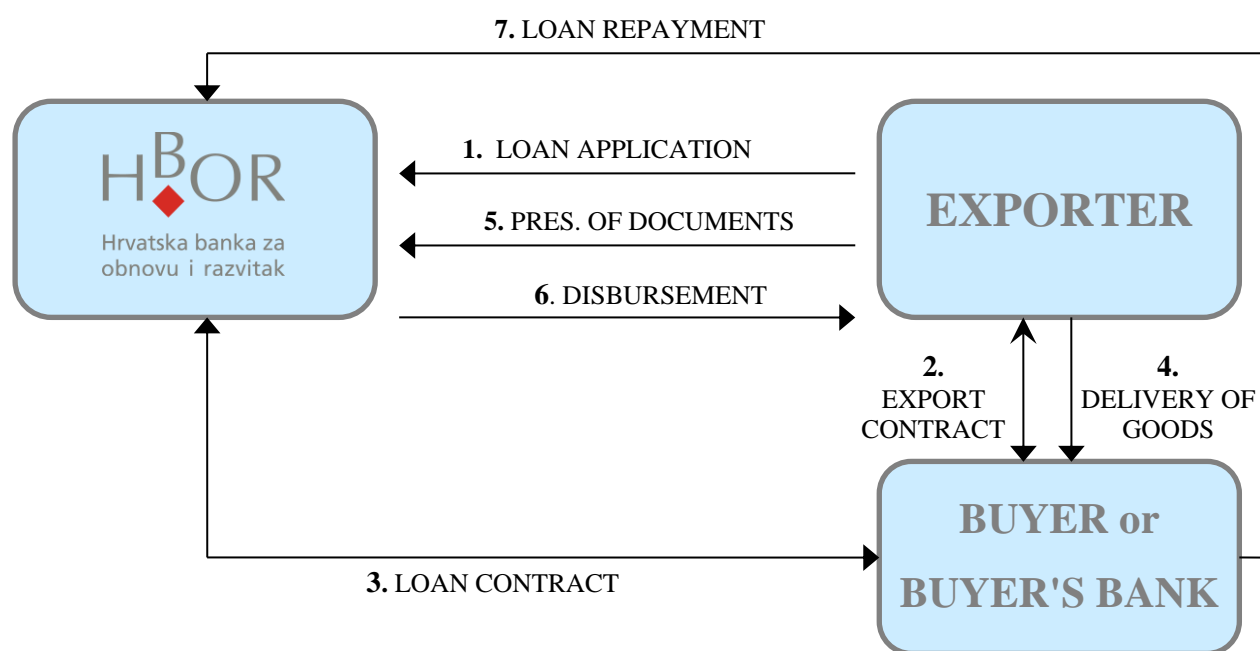
b) Exporter:

- (Form) Loan application
- Incorporation documents (articles of association in the case of a limited liability company, by-laws in the case of a shareholding company, statement of incorporation or document of incorporation, latest consolidated version)
- Notification of the classification of the business entity according to NKD (national classification of economic activities)
- BON 2/SOL 2 issued not more than 30 days before the date of loan application submission
- Financial statements:
 - Annual Financial Statements for the previous two years of operations - Balance Sheet, Profit and Loss Account, Additional Data, Notes to the Financial Statements, Gross Balance Sheet
 - for middle and large entrepreneurs in accordance with the Accounting Act: Statement on Cash Flows as well
 - for entities subject to consolidation: Consolidated Statements as well
 - for entities subject to audit: Audited Statements enclosed with Auditor's Report as well
 - Quarterly Financial Statements as at the last day of the previous quarter with a presentation of comparative data for the same period previous year
- (Forms)
 - Questionnaire for Legal Entities
 - Data on Beneficial Owners of Client/Loan Applicant
 - Table of ownership - Attachment to Data on Beneficial Owners of Client/Loan Applicant
 - For politically exposed persons: Questionnaire for Politically Exposed Persons, Statement on Origin of Assets and Funds

The standardised loan application form and other HBOR's forms are published on HBOR's website: www.hbor.hr or are available at HBOR upon request.

HBOR reserves the right to request other documentation as necessary for the processing of a loan application.

11. Scheme



The Loan Programme shall apply to the applications received in HBOR as of 1 January 2026.