HBOR
HRVATSKA BANKA ZA OBNOVU I RAZVITAK

Private Sector Investment

1. Borrowers	Private sector business entities - companies, crafts businesses, sole traders, family farms, cooperatives and institutions. For the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County – private sector business entities that operate or will operate in Sisak-Moslavina County[1].
2. Purpose of Loans	• Investments in fixed assets (tangible and intangible assets) for the purpose of business modernisation, introduction of new technologies, increase in capacities, investments in research and development and introduction of new products or services, promotion of environmental protection, energy efficiency and renewable energy resources projects, tourist capacities and facilities, promotion of new employment and investments in defence activities[2] • Investments in fixed assets (tangible and intangible assets) for the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County[1] or stimulating the economic development of Lika-Senj County • Working capital: up to 30% of the contracted loan amount Within the framework of this programme, HBOR may consider approval of loans to exporters registered in the Republic of Croatia for the purpose of expanding and internationalising business in the area of its predominant activity with the following purposes: • Purchase of business shares in a foreign company, where the assessment of eligibility in direct lending is based primarily on the creditworthiness of exporter[3] • Capital investment in a foreign company (purchase of machinery and equipment and/or refurbishment/reconstruction of business premises), where the exporter registered in the Republic of Croatia has a majority business share in the foreign company.[3] HBOR may also consider financing the purchase of business shares in a domestic company in cooperation with another commercial bank or banks (financing through club or syndicated loans or under the risk sharing model). For loans with interest rate subsidy from the NRRP funds:

[1] HBOR may also consider loan applications for recovery from the consequences of earthquake of private sector business entities operating in the area of Zagreb and Karlovac counties.
[2] Defence activities are defined in the document called the General Eligibility Criteria that makes a constituent part of this programme.
[3] The following is not eligible: purchase of a business share from a connected client in terms of ownership. Neither purchase of a business share nor a capital investment is eligible in a company with the headquarters in: - a country or region against which or against whose government the sanctions programmes implemented by relevant competent authorities are directed; - a country that is considered an offshore financial centre. This includes but is not limited to: - countries that finance or support terrorist activities or within which terrorist organisations operate; - countries that are on the EU's list of non-cooperative jurisdictions for tax purposes.

	• 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)[4] • Financing of Ineligible activities[5] is not allowed
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 • **Loans for the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County and loans for the economic development of Lika-Senj County**: minimum loan amount is EUR 50,000 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% of the estimated investment value, VAT not included[6]. Loans intended for the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County or the economic development of Lika-Senj County can be approved as follows: ▪ In the case of HBOR's direct loans, it is possible to finance up to 85% of the estimated investment value, VAT not included ▪ In the case of loans on-lent through commercial banks, it is possible to finance up to 100% of the estimated investment value, VAT not included For loans with the purpose of investments in defence activities, up to 100% of the estimated investment value, VAT not included, can be financed if possible in accordance with the aid regulations. For loans with the purpose of purchasing a business share in a foreign company or domestic company: maximum amount of the loan is not limited,

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

[5] Schedule 1 – Ineligible activities (exclusion list) for loans with NRRP subsidy

[6] 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.

	but depends on the specific features and creditworthiness of the borrower as well as the available sources of HBOR finance
5. Loan Currency	• EUR • As an exception, for loans with the purpose of purchasing a business share in a foreign company: HBOR may consider approval of loans in currencies published on the official exchange rate list for the Croatian National Bank clients
6. Interest Rate	• **On loans in the amount of up to, and including, EUR 400,000.00[7]:** ▪ For investments in special areas of the Republic of Croatia and/or agricultural activity and/or green projects and/or digitalisation and/or research, development and innovation (RDI) and/or social infrastructure and/or defence activities and/or for exporters: 3.40% p.a., fixed[8] ▪ For other investments: 3.90%, p.a., fixed • **On 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), where the so determined interest rates can be subsidised/reduced, depending on available funds of the Ministry of Finance, HBOR or NRRP[9], depending on the type of investment and client, in accordance with item 7. Subsidy Rates. • **For business entities investing in the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County or the economic development of Lika-Senj County:** ▪ **Direct HBOR loans in the amount of up to EUR 1,000,000.00[7]:** 3.00% p.a., fixed ▪ **Loans via commercial banks: in the amount of up to EUR 1,000,000.00[7]:** up to 3.00% p.a., fixed ▪ **Loans in the amount of EUR 1,000,000.00 and above:** interest rate for each individual loan is determined by HBOR (for direct loans) or by commercial bank (for loans via commercial bank), where the so determined interest rates can be subsidised/reduced depending on available funds of the Ministry of Finance, HBOR or NRRP, the type of investment and client, in accordance with item 7. Subsidy Rates.

[7] The interest rates are already reduced by the subsidy from the Ministry of Finance. The subsidy from the Ministry of Finance is awarded in relation to the RIR and can equal up to a maximum of 5.00 p.p.
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.

[8] The criteria for establishing special areas of the Republic of Croatia, agricultural activities, green projects, digitalisation, research, development and innovation (RDI), social infrastructure, defence activities and investments of exporters are defined by the General Eligibility Criteria that make a constituent part of this programme.

[9] NRRP - National Recovery and Resilience Plan

- **Regardless of the amount, on loans for the purpose of purchasing a business share in a foreign company or for the purpose of capital investment in a foreign company:** interest rate is determined by HBOR (for direct loans) or by commercial bank (for loans via commercial bank), where the so determined interest rate can be subsidised/reduced by 1.50 p.p., depending on available funds of the Ministry of Finance or HBOR.
- **Regardless of the amount, for loans for the purpose of purchasing a business share in a domestic company: the interest rate is determined by HBOR and the commercial bank/banks**

In certain cases, the above interest rates and/or interest rate subsidies/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 from the funds of the Ministry of Finance, HBOR or NRRP is generally EUR 1,000,000.00[10].

It is not possible to combine subsidies from the funds of the Ministry of Finance and/or HBOR and/or NRRP.

7. Subsidy Rates:

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

	Maximum subsidy rate in p.p.	
Type of investment[11]	**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	-
- digitalisation	2.00	1.00
- social infrastructure	2.00	1.00
- green projects	2.00	1.00
- research, development and innovations (RDI)	2,00	1,00
- defence activities	2,00	1.50
- exporters	2.50	1.50
- other investments	1.50	1.00

8. Fees

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

[10] 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 of the Ministry of Finance or from HBOR’s funds (only for HBOR’s direct loans) or interest rate subsidy from the funds of the NRRP in the maximum amount of EUR 2,000,000.00.

[11] Types of investments are defined in HBOR's General Eligibility Criteria.

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 • 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 • Loans for the purpose of purchasing a business share in a foreign or domestic company are disbursed by payment in favour of the seller on the basis of a contract on the purchase of a business share/agreement on the transfer of a business share, which is acceptable to HBOR or to a commercial bank, respectively.
10. Period of Repayment	• 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 longer grace period, but to a maximum of 5 years.
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 – Ineligible activities (exclusion list) for loans with NRRP subsidy • 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 and 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 10 August 2026.

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