

Public Sector Investment

1. Borrowers	Public sector business entities – units of local or regional government (municipalities, cities and counties, hereinafter: LRGU) and companies, institutions and agencies owned or majority-owned by LRGUs and/or the Republic of Croatia. For the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County – public sector business entities that operate or will operate in Sisak-Moslavina County¹.
2. Purpose of Loans	- Capital investments of public sector business entities aiming to encourage projects of environmental protection, energy efficiency and renewable energy resources as well as development of social and business infrastructure in general - Capital investments of public sector business entities for the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County¹ or stimulating the economic development of Lika-Senj County - Working capital up to 30% of the contracted loan amount
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 – 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 depends on the specific features and creditworthiness of the borrower, purpose and structure of investment as well as available HBOR's sources of finance. Financing through loan can be up to 100% of the estimated investment value (it is also possible to finance the corresponding VAT)

¹ HBOR may also consider loan applications for recovery from the consequences of earthquake of public sector business entities operating in the area of Zagreb and Karlovac counties.

5. Loan Currency	EUR
6. Interest Rate	- 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 rate can be subsidised/reduced², depending on available funds of the Ministry of Finance or HBOR: - by 0.80 p.p. for investments in special areas of the Republic of Croatia and/or green projects and/or digitalisation and/or RDI and/or social infrastructure - by 0.30 p.p. for other investments. In certain cases, the above interest rates and/or interest rate reductions can differ from the above 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 500,000.00³. It is not possible to combine subsidies from the funds of the Ministry of Finance and/or HBOR.
7. Fees	Variable, in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation: - Loan application processing fee: - To LRGUs and institutions and agencies majority-owned by them and/or majority-owned by the Republic of Croatia: 0.20% on the contracted loan amount; - To other borrowers: 0.50% on the contracted loan amount - Commitment fee: no fee and other fees in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation. On 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: - no loan application processing fee, - no commitment fee, - no fee for changing the terms and conditions of loan, and other fees in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation. Loan application processing fee is not charged on direct loans under NRRP guarantee⁴.
8. Period and Manner of Loan Disbursement	Generally, disbursement period is up to 12 months. Depending on the purpose and dynamics of investment, it is also possible to approve a longer period of loan disbursement

² The criteria for establishing special areas of the Republic of Croatia, green projects, digitalisation, research, development and innovation (RDI) and social infrastructure are defined by the General Eligibility Criteria that make a constituent part of this programme.

³ As an exception, in case of projects exceeding EUR 10,000,000.00, with a repayment period longer than 12 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) of up to EUR 1,000,000.00.

⁴ Financial instrument: Guarantee Fund for Loans to Mid-Caps and Large Enterprises.

	• Loan funds can be disbursed one-off or successively: ◦ Disbursement to the account of the borrower, with obligatory subsequent submission of evidence on the completion of the project financed through loan, and/or ◦ Disbursement to the account of seller/supplier/contractor based on the documentation for utilisation of loan for earmarked purposes
9. Repayment Period	• 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, up to 5 years.
10. Manner of Repayment	Generally, in equal monthly, three-monthly or semi-annual instalments
11. Collateral	• Financing of LRGUs is possible if secured only with a bill of exchange and a debenture, depending on the assessment of HBOR and/or the commercial bank • For loans to other public sector business entities: ◦ 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, bank guarantees and other security instruments customary in banking operations), and the risk assessment of the investment 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 and syndicated loans, the loan terms and conditions of this Programme may not be applied, i.e., different conditions may be applied in agreement with other members of the bank club/syndicate.

The Loan Programme shall apply as of 15 October 2025.

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