

Youth, Female, Start-Up and Other Special Segments Entrepreneurship

1. Borrowers

Micro, small and medium private sector business entities - companies, crafts businesses, sole traders, family farms, cooperatives and institutions that are:

- young entrepreneurs,
- start-ups,
- female entrepreneurs,
- entrepreneurs investing in the following areas:
 - o supported areas (groups I to IV by the level of development (Act on Regional Development of the Republic of Croatia, Decision on Classification of Units of Local and Regional Government by the Level of Development)),
 - o hill or mountain areas of the 1st group (Act on Hill or Mountain Areas and the Decision on Coverage and Classification of Units of Local Government Acquiring the Status of a Hill or Mountain Area),
 - o the islands of the 1st group (the Islands Act)
- entrepreneurs investing in the commercialisation of projects based on research, development and innovations (RDI)

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 (tangible² and intangible assets) for the purpose of business start-up, business modernisation, introduction of new technologies, increase in capacities, including tourism capacities, development and introduction of new products and services, promotion of new employment, etc.
- Investments in fixed assets (tangible² and intangible assets) for the purpose of recovery from the consequences of earthquake, promotion of the economic development of Sisak-Moslavina County¹ and promotion of 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 (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;

¹ HBOR may also consider loan applications for recovery from the consequences of earthquake of private sector business entities that operate in Zagreb and Karlovac counties.

² Except for used equipment and machinery older than 10 years, and vehicles and vessels older than 5 years.

- **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 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 equals EUR 400,000 depending on the specific features and creditworthiness of the borrower as well as the purpose and structure of investment, whereby:

- In the case of HBOR's direct loans, it is possible to finance up to 85% of the estimated investment value, VAT not included³;
- 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 included³;

It is not possible to grant multiple loans for the same investment (investment project) to an individual borrower.

5. Loan Currency	EUR
6. Interest Rate⁴	<ul style="list-style-type: none"> • Direct HBOR's loans: <ul style="list-style-type: none"> ○ Loans for the recovery from the consequences of earthquake and the economic development of Sisak-Moslavina County or the economic development of Lika-Senj County: 3.00% per annum, fixed ○ Other loans: 3.90% per annum, fixed • Loans on-lent through commercial banks: <ul style="list-style-type: none"> ○ Loans for the recovery from the consequences of earthquake and the economic development of Sisak-Moslavina County or the economic development of Lika-Senj County: up to 3.00% per annum, fixed ○ Other loans: up to 3.00% per annum, fixed

In certain cases, the above interest rates can be even higher depending on the limit of maximum possible amount of interest subsidy and/or aid rules (to borrowers that perform business activity and cannot obtain state aid and/or de minimis aid, the effective interest rate (EIR)⁵ must not be lower than the

³ HBOR can consider financing of estimated investment value, VAT included, if the borrower delivers goods or provides services that are exempt from VAT or for the borrowers not operating within the VAT system.

⁴ The interest rate is 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 pp

⁵ Effective interest rate (EIR) is an interest rate that shows total costs of a loan in accordance with the valid Decision on Effective Interest Rate of the Croatian National Bank

reference interest rate for a single borrower (RIR)⁶, all in accordance with the regulations on the award of state aid).

Generally, the maximum possible amount of interest subsidy for an individual loan is EUR 1,000,000.00.

7. Fees	Loan application processing fee, Commitment fee and other fees in accordance with the Ordinance on Fees for HBOR Services.
8. Period and Manner of Loan Disbursement	<ul style="list-style-type: none">Generally, disbursement period is up to 12 months, and depending on the purpose and the dynamics of investment, it is also possible to approve a longer period of loan disbursementPart of the loan intended for the financing of fixed assets is disbursed to the account of seller/supplier/contractor based on the documentation for utilisation of loan for earmarked purposesPart 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. Repayment Period	<ul style="list-style-type: none">Up to 12 years, with up to 3-year grace period included, depending on the purpose and structure of investment <p>As an exception to the mentioned, depending on the purpose and structure of investment, it is possible to approve the following repayment and grace periods:</p> <ul style="list-style-type: none">For the planting and/or restructuring of perennial crops in agriculture: up to 14 years, including grace period of up to 5 yearsFor investments in tourism or if the investment study indicates the need for longer maturity and/or grace period: up to 14 years, up to 4-year grace period included
10. Manner of Repayment	Generally, in equal monthly, three-monthly or semi-annual instalments
11. Collateral	<ul style="list-style-type: none">Lending in cooperation with commercial banks: collateral is determined by the commercial bankRisk sharing model: collateral is determined by the commercial bank and HBORDirect lending:<ul style="list-style-type: none">obligatory collaterals: bills of exchange and debentures of the borrower, guarantors-payers and co-debtors, andother security instruments, depending on HBOR's estimation:<ul style="list-style-type: none">pledge of property to be financed out of the loan, with insurance policy for the property insured against usual risks, endorsed in favour of HBOR, and/orHAMAG-BICRO guarantee, and/orother collaterals in accordance with HBOR's internal documents (e.g. immovable property, movable property, guarantees, warranties, assignments, pledge of

⁶ 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 RIR is available in the Information on Base and Discount Rates and Reference Rates.

business shares, patents and other security instruments customary in banking operations.

Depending on the risk assessment of investment and the borrower, HBOR reserves the right to request additional security instruments: immovable property, movable property, guarantees, warranties, assignments, pledge of business shares, patents and other security instruments customary in banking operations.

12. Related Documentation / Schedules

- 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 January 2026.

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