

Public Sector Investment

1. Borrowers	<p>Public sector business entities – units of local or regional government (municipalities, cities and counties) and companies, institutions and agencies owned or majority-owned by the units of local or regional government and/or the Republic of Croatia</p>
2. Purpose of Loans	<ul style="list-style-type: none"> • 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 • Working capital up to 30% of the contracted loan amount
3. Manner of Implementation	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Generally, the minimum loan amount is HRK 300,000.00 • The 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).
5. Loan Currency	<ul style="list-style-type: none"> • HRK • HRK indexed to EUR <p>HBOR reserves the right to determine the currency for each individual loan in the amount of HRK 50 million or more (i.e. equivalent value in another currency).</p>
6. Interest Rate	<ul style="list-style-type: none"> • Borrowers in special areas of the Republic of Croatia¹: 1.75% p.a. fixed • Other public sector borrowers: 2.00% p.a. fixed <p>In certain cases, interest rate can be higher depending on the cost of the available sources of funding and the regulations on the award of state aid and/or de minimis aid. HBOR reserves the right to determine the level of interest rate different from the one specified in the programme for each individual loan amounting to HRK 50 million or more (i.e. equivalent value in another currency).</p>
7. Fees	<ul style="list-style-type: none"> • Variable, in accordance with the Decision on Fees for HBOR Services valid on the day of calculation: <ul style="list-style-type: none"> ○ Loan application fee: 0.50% on the contracted loan amount, ○ Commitment fee: no fee, and other fees in accordance with the Decision on Fees for HBOR Services valid on the day of calculation.

¹ Special areas of the Republic of Croatia are defined in the General Eligibility Criteria, which are a constituent part of this loan programme.

8. Period and Manner of Loan Disbursement	<ul style="list-style-type: none"> • Generally, 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 for utilisation 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
9. Repayment Period	<ul style="list-style-type: none"> • Up to 15 years, with up to 5-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, for investments in tourism or if the investment study indicates the need for longer maturity, it is possible to approve the repayment period of up to 17 years, up to 4-year grace period included.</p>
10. Manner of Repayment	Generally, in equal monthly, three-monthly or semi-annual instalments
11. Collateral	<ul style="list-style-type: none"> • Financing of units of local or regional government 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: <ul style="list-style-type: none"> ○ 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	<ul style="list-style-type: none"> • General Eligibility Criteria • List of Documentation and Commercial Banks • Decision on the General Terms and Conditions of HBOR Lending Activities

The Loan Programme shall apply to the applications received by HBOR as of 1 May 2019.