

Working Capital

1. Borrowers	<ul style="list-style-type: none">• Private sector business entities - companies, crafts businesses, sole traders, family farms, cooperatives and institutions• Public sector business entities - companies and other entities (agencies, institutions etc.) owned or majority-owned by the units of local or regional government and/or the Republic of Croatia
2. Purpose of Loans	<ul style="list-style-type: none">• Financing of current business operations (e.g. purchase of raw materials, production materials, semi-products, small inventory, settlement of obligations towards suppliers, labour costs, general current operating expenses)• Settlement of short-term obligations towards financial institutions, the state and settlement of other short-term obligations, excluding the repayment of debt to the owner, related entities and other third persons, with the maximum repayment period of up to 12 months
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 <p>In the case of lending through the risk-sharing model, the commercial bank as the applicant cannot use the loan funds to reduce its exposure towards the borrower.</p> <ul style="list-style-type: none">• Exceptionally, direct lending is possible for loans in the amount exceeding HRK 37 million (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	Generally, the minimum loan amount is HRK 100,000.00. The maximum loan amount depends on the specific features and creditworthiness of the borrower, purpose and structure of investment as well as available HBOR's sources of finance.
5. Loan Currency	Loan Currency is determined by HBOR. <ul style="list-style-type: none">• HRK• HRK indexed to EUR
6. Interest Rate	<ul style="list-style-type: none">• 2.00% p.a. fixed on short-term and short-term revolving loans• 3.50% p.a. fixed on long-term loans <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

- Variable, in accordance with the Decision on Fees for HBOR Services valid on the day of calculation:
 - Loan application fee: 0.50% on the contracted loan amount,
 - Commitment fee:
 - For public sector entities: no fee
 - For other entities: 0.25% on the contracted undisbursed loan amount
- and other fees in accordance with the Decision on Fees for HBOR Services valid on the day of calculation
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8. Period and Manner of Loan Disbursement

- Short-term loans:
 - Up to 3 months
 - One-off or successively, based on the documentation evidencing the utilisation of loan for earmarked purposes
- Revolving loans:
 - Up to 12 months
 - On revolving principle, based on the documentation evidencing the utilisation of loan for earmarked purposes
- Long-term loans:
 - Up to 12 months
 - One-off or successively, based on the documentation evidencing the utilisation of loan for earmarked purposes

Loan funds are disbursed to the account of the supplier/contractor and/or to the borrower's account, depending on the purpose of the working capital.

9. Repayment Period

- Short-term loans:
 - Up to 12 months from the expiry of the disbursement period, provided that the total loan period (disbursement period and repayment period) shall not exceed the total of 12 months
- Revolving loans:
 - Up to 12 months from the conclusion of the Loan Contract

In the case of the revolving of the loan, which depends on the assessment of creditworthiness of the borrower and available HBOR's sources of finance, HBOR retains the right to change the currency, the interest rate and the fees of the revolved loan.

- Long-term loans:
 - Up to 6 years, including a grace period of up to 2 years, depending on the purpose and creditworthiness of the borrower (for loans with a repayment period of 5 years and less than 5 years, it is possible to approve the maximum grace period of up to 1 year)
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10. Manner of Repayment

- Short-term loans:
 - One-off or, generally, in equal monthly or three-monthly instalments
 - Revolving loans:
 - Successively or one-off, not later than on the date of the contracted ultimate repayment deadline
 - Long-term loans:
 - Generally, in equal monthly, three-monthly or semi-annual instalments
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11. 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, pledge of business shares, bank guarantees, guarantees of HAMAG-BICRO and other security instruments customary in banking operations), and the risk assessment of the transaction 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

The Loan Programme shall apply to the applications received by HBOR as of 28th August 2020.