

Private Sector Investment

1. Borrowers	<p>Private sector business entities - companies, crafts businesses, sole traders, family farms, cooperatives and institutions</p> <p>For the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County – business entities of the private and public sectors that operate or will operate in Sisak-Moslavina County¹.</p>
2. Purpose of Loans	<ul style="list-style-type: none">• 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 as well as promotion of new employment;• 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 County¹;• 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 (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	<ul style="list-style-type: none">• Generally, the minimum loan amount is HRK 200,000.00;• 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 75% of the estimated investment value, VAT not included²;• For loans intended for the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County: the maximum loan amount can be up to 100% of the estimated value of investment, including VAT, provided that financing of VAT for the borrowers that operate within the VAT system is possible only through the award of <i>de minimis</i> aid. In such a case, VAT has to be allocated to working capital in the breakdown of investment contained in the loan application;

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

² 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.

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- For loans intended for the procurement of mobile homes³: in accordance with the relevant document of the supplier, where the borrower's own share is determined depending on the state aid regulations and the risk assessment of the borrower and the project

5. Loan Currency

- HRK indexed to EUR

6. Interest Rate

- Business entities investing in the recovery from the consequences of earthquake and in the economic development of Sisak-Moslavina County: 1.00% p.a., fixed;
- Market competitive business entities⁴ investing in activities of special interest⁵: 1.50% p.a. fixed;
- For business entities supplying new mobile homes³: 1.50%⁶ p.a., fixed
- Business entities investing in special areas of the Republic of Croatia⁷ and are market competitive²: 2.00% p.a. fixed;
- Other business entities: 3.00% p.a. fixed.

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).

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: 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.
- For loans intended for the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County:
 - no loan application processing fee,
 - no commitment fee,
 - no fee for changing the terms and conditions of loan,
 - early repayment by using own funds or other funds received for the recovery from earthquake: no fee,
 - early repayment - refinancing through a bank loan: 0.50% of the amount of early repaid principal, at least HRK 500.00 kn.
- For the procurement of new mobile homes³:
 - no loan application processing fee,
 - no commitment fee,

³ Exclusively direct loans for the purchase, transport and assembly of new mobile homes for regular operations of borrowers, provided that the existing mobile homes have been donated or sold to the relevant institutions of the Republic of Croatia/Directorate for Commodity Reserves with the aim of providing housing to population and premises to business entities in the area affected by the earthquake.

⁴ Criteria for defining market competitive business entities can be found in the General Eligibility Criteria, which are a constituent part of this loan programme.

⁵ Activities of special interest are defined in the General Eligibility Criteria, which are a constituent part of this loan programme.

⁶ The total regular interest rate is 2.50% p.a., fixed, of which the Ministry of Tourism and Sports subsidises interest rate in an amount of 1.00 p.p., fixed, for the entire loan period.

⁷ Special areas of the Republic of Croatia are defined in the General Eligibility Criteria, which are a constituent part of this loan programme.

	<ul style="list-style-type: none"> ○ early repayment by using own funds: no fee, ○ early repayment - refinancing through a bank loan: 0.50% of the amount of early repaid principal, at least HRK 500.00 kn.
8. Period and Manner of Loan Disbursement	<ul style="list-style-type: none"> • Generally, up to 12 months (for the procurement of new mobile homes³ generally up to 6 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; • For loans intended for the recovery from the consequences of earthquake and for the economic development of Sisak-Moslavina County, it is allowed to make a refund for borrowers' investments made after the earthquake, until the submission of loan application (for such a refund, commercial banks are not obliged to notify HBOR in advance).
9. Repayment Period	<ul style="list-style-type: none"> • Up to 14 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 15 years, including grace period of up to 5 years, • For investments in tourism or if the investment study indicates the need for longer maturity and/or grace period: up to 17 years, including grace period of up to 4 years, • For the procurement of new mobile homes³: generally up to 8 years, including grace period of up to 1 year.
10. Manner of Repayment	<ul style="list-style-type: none"> • 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 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 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 8 October 2021.