

Youth, Female and Start-Up Entrepreneurship

1. Borrowers	<p>Private sector business entities - companies, crafts businesses, sole traders, family farms, cooperatives and institutions that are young entrepreneurs, start-ups or female entrepreneurs.¹</p> <p>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.²</p>
2. Purpose of Loans	<ul style="list-style-type: none">• Investments in fixed assets (tangible 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 (tangible and intangible assets) for the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County²• 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, minimum loan amount is EUR 50,000• Maximum loan amount is EUR 300,000 and depends on the specific features and creditworthiness of the borrower as well as the purpose and structure of investment. Financing through loan can be up to 85% of estimated investment value, VAT not included³.• Depending on the specific features and creditworthiness of the borrower as well as the purpose and structure of investment, it is possible to finance up to 100% of the estimated investment value, VAT not included, in case of loans in the amount of up to EUR 100,000.• Loans for the purpose of recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County: maximum loan amount can be up to 100% of estimated investment value, VAT included (except for loans with interest subsidy)

¹ Criteria for defining youth, female and start-up entrepreneurship are available in the General Eligibility Criteria, which are a constituent part of this loan programme.

² 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.

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, except for loans with interest subsidy under the NRRP funds.

under the NRRP⁴ funds), provided that financing of VAT for the borrowers that operate within the VAT system is possible only through the award of *de minimis* aid. In such a case, VAT has to be allocated to working capital in the breakdown of investment contained in the loan application.

5. Loan Currency

- EUR
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6. Interest Rate

- 3.00% p.a., fixed
- For business entities investing in recovery from the consequences of earthquake and for stimulating the economic development of Sisak-Moslavina County: 2.00% p.a., fixed

In certain cases, interest rate can be higher depending on the regulations on the award of state aid and/or *de minimis* aid.

7. Interest rate for loans with subsidy under the NRRP funds

For borrowers and loans that meet the conditions prescribed by the Operational Programmes for the Implementation of Financial Instruments under the NRRP:

- If a loan is approved by a commercial bank, the regular interest rate is determined by the bank in accordance with its internal documents, and if a loan is approved by HBOR, the regular interest rate is determined in accordance with item 6. of this Programme
- Part of the regular interest rate is subsidised by HBOR, in its own name and for the account of the Republic of Croatia:
 - For investments in green and/or digital transition: up to 75% of the regular interest rate, and a maximum of 3.00 p.p.
 - For investments in special areas of the Republic of Croatia and/or RDI (research, development and innovation): up to 65% of the regular interest rate, and a maximum of 3.00 p.p.
 - For other investments in competitiveness and resilience: up to 50% of the regular interest rate, and a maximum of 3.00 p.p.

The highest possible amount of subsidised interest for a single loan is:

- EUR 500,000.00 for micro, small and medium-sized enterprises
 - EUR 1,000,000.00 for mid-caps and large enterprises.
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8. Fees

- Variable, in accordance with the Ordinance on Fees for HBOR Services valid on the day of calculation:
 - Loan application processing fee: 0.50% on the contracted loan amount
 - Commitment fee: 0.25% on the contracted undisbursed loan amountand 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:
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⁴ NRRP – National Recovery and Resilience Plan

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- 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.
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9. Period and Manner of Loan Disbursement

- Generally, disbursement period is 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
 - For loans aimed at recovery from the consequences of earthquake and stimulating the economic development of Sisak-Moslavina County: refund of borrower's investment that took place after the earthquake until the submission of loan application is permitted (for such a refund, commercial banks are not obliged to submit a prior notice to HBOR)
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10. Repayment Period

- Up to 12 years, with up to 3-year grace period included, depending on the purpose and structure of investment
- 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:
- For the planting and/or restructuring of perennial crops in agriculture: up to 14 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 14 years, up to 4-year grace period included
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11. Manner of Repayment

- Generally, in equal monthly, three-monthly or semi-annual instalments
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12. 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 investment and the borrower
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13. Related Documentation / Schedules

- General Eligibility Criteria
 - List of Documentation and Commercial Banks
 - Decision on the General Terms and Conditions of HBOR Lending Activities
 - Interest subsidy on loans for SMEs – Operational Programme for the Implementation of the Financial Instrument of Interest Subsidy Fund for
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Loans to Micro, Small and Medium-Sized Business Entities under the NRRP

- Interest subsidies on loans for mid-caps and large business entities – Operational Programme for the Implementation of the Financial Instrument of Interest Subsidy for Loans to Mid-Caps and Large Entities under the NRRP
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The Loan Programme shall apply to the applications received by HBOR as of 1 January 2023.

Interest subsidy under the NRRP can be approved until the available funds have been disbursed in full, and no later than until 30 June 2026.