

LOAN FINANCING CONDITIONS WB EDIF Farmer loans

1. Product user	
1.1 Eligible clients	<p>Private individuals – registered farm owners with address on territory where Republic of Serbia has full jurisdiction, for which Credit bureau report can be obtained through Association of Serbian Banks that are entered into farmers' registry and are in active status.</p> <p>The client in the last production year must fulfill at least two of the following three conditions, whereby the criterion related to the number of employees is mandatory: 1) less than 250 employees; 2) annual income in the equivalent amount of a maximum of of EUR 50 million; and/or 3) total assets (balance sheet amount) in the equivalent amount of EUR 43 million at most .</p>
2. Description of key features of the loan product	
2.1 Loan type	<ol style="list-style-type: none"> 1. Working capital loan. 2. Investment loan.
2.2 Tenor of the loan	<ol style="list-style-type: none"> 1. Working capital: 36 months 2. Investment: 36 – 120 months. <p>Grace period up to 12 months included into loan repayment period and is possible only for investment loans. The calculation of interest in the grace period is done in accordance with the dynamics of loan repayment.</p>
2.3 Total loan amount	<ol style="list-style-type: none"> 1. Working capital: <ul style="list-style-type: none"> • For dinar loans: 600.000 – 12.000.000 RSD. • For loans with currency clause: 5.000 – 100.000 EUR. 2. Investment: <ul style="list-style-type: none"> • For loans with currency clause: up to 100.000 EUR per user cumulatively.

2.4 Deposit / down payment	<ol style="list-style-type: none"> 1. Working capital: Not obligatory. 2. Investment: If the purpose of the loan is the purchase of agricultural land, the minimum participation of the client is 10%, while in all other cases the minimum participation is 20%.
2.5 Currency in which the loan is approved, in case of the loan with contracted FX clause and exchange rate type (level of official middle exchange rate), as date of calculation	<ol style="list-style-type: none"> 1. Working capital: <ul style="list-style-type: none"> - RSD. - EUR in dinar counter value*. 2. Investment: EUR in dinar counter value*.
2.6 Purpose	Realization of new loans for working capital, capital investments and other permitted purposes, while refinancing of existing loans is not possible.
2.7 Periods when installments fall due for payment	<ol style="list-style-type: none"> 1. Working capital: <ul style="list-style-type: none"> • Monthly, quarterly or semi-annually . • For working capital loans with the option with a fixed interest rate, repayment is also possible annually 2. Investment: Monthly, quarterly or semi-annually.
2.8 Manner of loan disbursement	<ol style="list-style-type: none"> 1. Working capital: Transfer to loan user's current account in BIB or transfer to sellers account according to pro-invoice/invoice. 2. Investment: By transfer to the seller's, account according to the proforma invoice/invoice/purchase agreement and exceptionally by transfer to the account of the loan user in the Bank.
2.9 Manner of loan repayment and pay-out of annuities	Equal monthly, quarterly, semi-annual or annual annuities in dinars or in dinar counter value**.

* Calculation is done based on official middle exchange rate of NBS on the day of loan disbursement.

** Calculation is done based on official middle exchange rate of NBS on the day of payment / repayment.

3. Loan expenses	
3.1 Level and variability of annual nominal interest rate	<p>1. Working capital:</p> <ul style="list-style-type: none"> • For dinar loans: <ul style="list-style-type: none"> - Up to 16,00% annually, fixed. - Up to 3m BELIBOR + 13% annually, variable. • For loans with a currency clause : <ul style="list-style-type: none"> – Up to 12,00% annually, fixed. – Up to 6m EURIBOR + 11% annually, variable. <p>2. Investment: up to 6m EURIBOR + 9% annually, variable</p> <p>6m EURIBOR: Harmonization of interest rate with the amount of the semi-annual EURIBOR-a will be done semi-annually: 28. June and 28. December.</p> <p>The value of the six-month EURIBOR is taken to be its value valid on the adjustment date. The value is applied for the calculation of interest for all months in the half year following the adjustment date, and the calculation is performed on the 28th of the month for the previous month.</p> <p>The amount of the interest rate, at the loan disbursement, is determined on the basis of the value valid for the current six-month period.</p> <p>3m BELIBOR: Harmonization of interest rate with the amount of the quarterly BELIBOR-a will be done quarterly: 28. March, 28. June, 28. September and 28. December.</p> <p>The value of the three-month BELIBOR is taken as its value valid on the adjustment date. The value is applied for the calculation of interest for all months in the quarter following the adjustment date, and the calculation is performed on the 28th of the month for the previous month.</p> <p>The amount of the interest rate, at the loan disbursement, is determined based on the value valid for the current three-month period.</p>
3.2 Method of interest calculation	Proportional method 28-31/360.
3.3 Default Interest rate	<p>Legal default interest rate if it is higher than contracted IR, otherwise the contracted interest rate.</p> <p>Legal default interest rate is in accordance with the Law regulating its level.</p>
3.4 Type and level of all fees	<p>1. 2 B/E: 100 RSD, onetime payment.</p> <p>2. Credit bureau report of PI: 246 RSD, onetime payment.</p>

	<p>3. Fee for maintaining the Special purpose current account of farmers: RSD 220 per month.</p> <p>4. Disbursement fee:</p> <ul style="list-style-type: none"> • Working capital: 1% of loan amount in dinar counter value*, onetime payment prior to loan disbursement. • Investment loan: 1% of loan amount in dinar counter value*, onetime payment prior to loan disbursement.
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* Calculation is done based on official middle exchange rate of NBS on the day of loan disbursement.

4. Other relevant information	
4.1 Conditions and manner of early loan repayment	According to Financial services consumer protection law and loan contract.
4.2 Collateral	<p>1. For working capital:</p> <ul style="list-style-type: none"> • 2 blank bills of exchange signed by registered farm owner – loan user. • Guarantee of spouse. • Guarantee of connected client legal entity/ entrepreneur (6 signed blank bills of exchange with authorization + 1 for each consecutive year of repayment), if exists. <p>2. For investment:</p> <ul style="list-style-type: none"> • 2 blank bills of exchange signed by registered farm owner – loan user. • Guarantee of spouse. • Guarantee of connected client legal entity/ entrepreneur (6 signed blank bills of exchange with authorization + 1 for each consecutive year of repayment), if exists. <p>Other optional security instruments for investment loans in the maximum amount of 30% of the loan value:</p> <ul style="list-style-type: none"> • First rank mortgage on real estate appraised by certified appraiser acceptable to the Bank or pledge on movable assets. • Insurance policy vinculated in favor of the Bank, issued by insurance company acceptable by the Bank (if mortgage is placed on land insurance policy is not obligatory).

These conditions are published on 12.03.2024. year, and are apply from 27.03.2024. year.