

FINANCING CONDITIONS

EBRD Loan for young entrepreneurs

1. Product user	
1.1 Eligible clients	Residents with address on territory where Republic of Serbia has full jurisdiction, for which Credit bureau report can be obtained through Banks association, which are in business for minimum 15 months and have sufficient credit worthiness.
1.2 Client's segment	Existing and new clients of the bank from the small business segment - legal entities and entrepreneurs who have been in business for at least 15 months and whose overall operational management responsibility (legal representative) or majority ownership, in the last 15 months before the loan request, is held by a person (or persons) younger than 35 years.
2. Description of key features of the loan product	
2.1 Loan type	Working capital and investment loans
2.2 Tenor of the loan	<ol style="list-style-type: none"> 1. Working capital loans – Up to 36 months with grace period up to 6 months included into loan repayment period 2. Investment loans – From 37 up to 48 months with grace period up to 6 months included into loan repayment period
2.3 Total loan amount	The total amount of loans from this Program is approved up to a maximum of EUR 300,000 in dinar equivalent*
2.4 Deposit / down payment	<ol style="list-style-type: none"> 1. Working capital loans – no participation 2. Investment loans – own participation from 0 to 20% of total value of investment
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	EUR in dinar counter-value*
2.6 Purpose	Working capital and investment
2.7 Periods when installments fall due for payment (monthly, quarterly etc...)	Monthly

2.8 Manner of loan disbursement	By transfer to the account of the loan beneficiary in the Bank or to the seller's account according to the proforma /invoice/purchase agreement
2.9 Manner of loan repayment and pay-out of annuities	<ol style="list-style-type: none"> 1. In equal monthly annuities in dinar counter-value** 2. Interest is calculated and paid during the grace period.

* 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 annuity/principal/interest repayment.

3. Loan expenses

3.1 Level and variability of annual nominal interest rate	<ol style="list-style-type: none"> 1. Loans for working capital: <ul style="list-style-type: none"> – Amount up to EUR 25,000: 3M EURIBOR + 5.95% annual, variable – Amount from 25,000 to 50,000 EUR: 3M EURIBOR + 5.45% annual, variable – Amount over EUR 50,000: 3M EURIBOR + 5% annual, variable 2. Investment loans: <ul style="list-style-type: none"> – Amount up to EUR 25,000: 3M EURIBOR + 5.85% annual, variable – Amount from 25,000 to 50,000 EUR: 3M EURIBOR + 5.35% annual, variable – Amount over 50,000 EUR: 3M EURIBOR + 4.85% annual, variable <p>The adjustment of the interest rate to the level of the three-month EURIBOR will be carried out quarterly, on January 1, April 1, July 1 and October 1. The value of the three-month EURIBOR is taken to be its valid value two business days before the interest rate adjustment day (if it is not a business day, the last known rate is taken as valid) at or around 11:00 a.m. Central European Time, and will be applied for the calculation of interest for all months in the quarter following the adjustment date. The amount of the interest rate when releasing loans to the exchange rate corresponds to the interest rate determined for the current quarter.</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.</p> <p>Legal default interest rate is in accordance with the Law regulating its level.</p>

3.4 Type and level of all fees	<ol style="list-style-type: none"> 1. 8 B/E: 400,00 RSD, onetime payment + 50 RSD for each additional B/E 2. Current account maintenance fee: 595,00 RSD, per month 3. Legal entity credit bureau report: <ul style="list-style-type: none"> – Entrepreneur 600,00 RSD, onetime payment – Legal entity 1.440,00 RSD, onetime payment 4. Disbursement fee: <ul style="list-style-type: none"> – Loans for working capital: 0.75% of the loan amount in dinar equivalent, one-time advance before loan realization* – Investment loans: 0.50% of the loan amount in dinar equivalent, one-time advance before loan realization*
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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	<ol style="list-style-type: none"> 1. Entrepreneurs: According to financial services consumer protection law and loan contract. 2. Legal entities: Up to 2% on amount of premature repayment.
4.2 Minimal collateral	<ol style="list-style-type: none"> 1. 6 blank bills of exchange with authorization signed by loan user + 1 for each additional year of repayment; 2. Guarantee agreement (2 signed blank bills of exchange of private individual with “no protest” clause); 3. Guarantee of connected client (if exists) legal entity/ entrepreneur (6 signed blank bills of exchange with authorization + 1 for each consecutive year of repayment)

These conditions are published on December 22nd 2022, and apply from January 6th 2023.