

LOAN FINANCING CONDITIONS

Loan for young farmers

1. Product user	
1.1 Eligible clients	Private individuals – registered farm owners younger than 40 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 agricultural households' registry and are in active status.
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: <ul style="list-style-type: none"> • from 6 up to 36 months • grace period of up to 12 months, which is included in the loan repayment period 2. Investment: <ul style="list-style-type: none"> • from 25 up to 120 months • grace period of up to 12 months, which is included in the loan repayment period <p>Interest is calculated monthly during the grace period.</p>
2.3 Total loan amount	<ol style="list-style-type: none"> 1. Working capital: from 2.000 up to 100.000 EUR* 2. Investment: from 5.000 up to 500.000 EUR*
2.4 Deposit / down payment	<ol style="list-style-type: none"> 1. Working capital: not obligatory 2. Investment: 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	RSD – exclusively for working capital loans; EUR in dinar counter value*.

2.6 Purpose	<ol style="list-style-type: none"> 1. Loan for the purchase of working capital – Investment in raw materials (seeds, fertilizer, planting material, chemicals, fuel), animal feed, medicines, other veterinary costs, livestock intended for fattening, other fattening costs and others. 2. Loan for investments – Purchase of machinery, equipment, land, facilities in which agricultural production will be carried out (refrigerators, farms, etc.), investment in greenhouses, greenhouses, long-term plantings - orchards, vineyards, breeding stock, irrigation systems and other.
2.7 Periods when installments fall due for payment	<ol style="list-style-type: none"> 1. Working capital: Monthly, quarterly, semi-annually, annually or one-time 2. Investments: 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	<ol style="list-style-type: none"> 1. Loans for working capital: <ul style="list-style-type: none"> • Equal monthly, quarterly, six-month or annual annuities in dinars or dinar equivalent** • One time on the end date of the loan in dinars or in dinar equivalent** 2. Loans for investments: <ul style="list-style-type: none"> • Equal monthly, three-month or six-month annuities in dinar equivalent**

* The calculation is based on the official mid-rate of the NBS on the day the loan is released.

** The calculation is made according to the official mid-rate of the 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 14,50% annually, fixed. - Up to 3m BELIBOR + 11,50% annually, variable. • For loans with a currency clause : <ul style="list-style-type: none"> - Up to 10,50% annually, fixed. - Up to 6m EURIBOR + 9,50% annually, variable. <p>2. Investment: up to 6m EURIBOR + 8,25% 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. 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. 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. 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. 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	<ol style="list-style-type: none"> 1. 2 B/E: 100 RSD, onetime payment. 2. Credit bureau report of PI: 246 RSD, onetime payment. 3. Fee for maintaining the Special purpose current account of farmers: RSD 220 per month 4. Fee for processing working capital requests: <ul style="list-style-type: none"> • for the amount from 1,000 to 9,999 EUR: <ul style="list-style-type: none"> - up to 1.50% of the loan amount in dinars or dinar equivalent*, once before the loan is realized; • for the amount from 10,000 to 100,000 EUR:

	<ul style="list-style-type: none"> – 0.50% of the amount of the loan in dinars of dinar equivalent*, once before the realization of the loan. <p>5. Fee for processing investment requests:</p> <ul style="list-style-type: none"> • for loans with a maturity of up to 36 months: <ul style="list-style-type: none"> – 0.5% of the loan amount in dinar equivalent*, once before the loan is realized; • for loans with a maturity of over 36 months: <ul style="list-style-type: none"> – 1% of the loan amount in dinar equivalent*, once before the loan is realized.
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* The calculation is made according to the official mid-rate of the NBS on the day the loan is released.

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. • 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).

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