

## FINANCING CONDITIONS

### WB EDIF Loan for working capital and investments

<b>1. Product user</b>	
1.1	<p><b>Eligible clients</b></p> <p>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.</p> <p>Clients in state ownership of more than 49%, as well as persons connected with the Bank are not eligible for financing with an EIF guarantee.</p>
1.2	<p><b>Client's segment</b></p> <p>Existing and new clients of the bank from the small business segment - Micro, small and medium-sized enterprises (SME), according to the EU definition, who meet the following criteria: a) less than 250 employees; and b) annual revenues in the equivalent amount of a maximum of EUR 50 million; and/or c) total assets (balance sheet amount) in the equivalent amount of a maximum of EUR 43 million. The criterion related to the number of employees is mandatory, while it is sufficient to satisfy only one of the criteria related to annual income and total assets.</p> <p>The fulfillment of the mentioned criteria is observed in the last approved annual report.</p>
<b>2. Description of key features of the loan product</b>	
2.1	<p><b>Loan type</b></p> <p>Working capital and investment loans</p>
2.2	<p><b>Tenor of the loan</b></p> <ol style="list-style-type: none"> <li>1. Working capital loans – Up to 36 months with grace period up to 6 months included into loan repayment period</li> <li>2. Investment loans – From 36 up to 120 months with grace period up to 12 months included into loan repayment period</li> </ol>
2.3	<p><b>Total loan amount</b></p> <p>The total amount of loans from this Program is approved up to a maximum of EUR 500,000 in dinar equivalent* per beneficiary cumulatively, and for working capital there is a limit of up to EUR 300,000 in dinar equivalent* per loan.</p>
2.4	<p><b>Deposit / down payment</b></p> <ol style="list-style-type: none"> <li>1. Working capital loans – no participation</li> <li>2. Investment loans – own participation from 0 to 40% of total value of investment</li> </ol>

<p>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</p>	<p>1. Working capital loans</p> <ul style="list-style-type: none"> <li>– RSD</li> <li>– EUR in dinar equivalent*</li> </ul> <p>2. Investment loans:</p> <ul style="list-style-type: none"> <li>– EUR in dinar equivalent*</li> </ul>
<p>2.6 Purpose</p>	<p>Working capital and investment</p>
<p>2.7 Periods when installments fall due for payment (monthly, quarterly etc...)</p>	<p>Monthly</p>
<p>2.8 Manner of loan disbursement</p>	<p>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</p>
<p>2.9 Manner of loan repayment and pay-out of annuities</p>	<p>1. In equal monthly annuities in dinar counter-value**</p> <p>2. Interest is calculated and paid during the grace period.</p>

\* 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	<p>1. <u>Loans for working capital:</u></p> <p>Dinar loans:</p> <ul style="list-style-type: none"> <li>- Up to 3M BELIBOR + 11% annually, variable</li> <li>- Up to 16% annually, fixed</li> </ul> <p>Loans with currency clause:</p> <ul style="list-style-type: none"> <li>- Up to 3M EURIBOR + 10% annually, variable</li> <li>- Up to 12% annually, fixed</li> </ul> <p>2. <u>Investment loans:</u></p> <ul style="list-style-type: none"> <li>- Up to 3M EURIBOR + 7.70% annually, variable</li> </ul> <p>Alignment with 3M BELIBOR is done quarterly, on January 1, April 1, July 1 and October 1. The value of 3M BELIBOR is taken as its valid value on the day of adjustment of the interest rate (if it is not a working day, the last known rate is taken as valid), and will be applied for the calculation of interest for all months in the quarter following the date of adjustment . The amount of the interest rate when releasing loans corresponds to the interest rate determined for the current quarter.</p> <p>Alignment with 3M EURIBOR is done quarterly on January 1, April 1, July 1 and October 1. The value of 3M Euribor is applied for the calculation of interest for all months in the quarter following the adjustment date (e.g. the value of 01 January is applied for January, February and March calculations), and the calculation is performed on the 1st of the month for the previous month (eg April 1 for March). The amount of the interest rate when releasing loans 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"> <li>1. 10 B/E: 500,00 RSD, onetime payment + 50 RSD for each additional B/E</li> <li>2. Current account maintenance fee: 595,00 RSD, per month</li> <li>3. Legal entity credit bureau report: <ul style="list-style-type: none"> <li>– Entrepreneur 600,00 RSD, onetime payment</li> <li>– Legal entity 1.440,00 RSD, onetime payment</li> </ul> </li> <li>4. Disbursement fee: <ul style="list-style-type: none"> <li>– Loans for working capital: up to 1% of the loan amount in dinars or dinar equivalent*, one-time advance before loan realization</li> <li>– Investment loans: up to 0.50% of the loan amount in dinar equivalent, one-time advance before loan realization*</li> </ul> </li> </ol>
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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"> <li>1. Entrepreneurs: According to financial services consumer protection law and loan contract.</li> <li>2. Legal entities: Up to 2% on amount of premature repayment.</li> </ol>
4.2 Minimal collateral	<ol style="list-style-type: none"> <li>1. 8 blank bills of exchange with authorization signed by loan user + 1 for each additional year of repayment over 12 months;</li> <li>2. Guarantee agreement (2 signed blank bills of exchange of private individual with “no protest” clause);</li> <li>3. Guarantee of connected client (if exists) legal entity/ entrepreneur (8 signed blank bills of exchange with authorization + 1 for each consecutive year of repayment over 12 months)</li> <li>4. Other optional collaterals for investment loans (depending on the decision of the competent body): <ul style="list-style-type: none"> <li>– Pledge on equipment or I rank mortgage on registered immovable property or immovable property in non-registered ownership, in accordance with the Mortgage Law, in a maximum amount of up to 30% of the loan value</li> <li>– A movable or immovable property insurance policy tied in favor of the Bank, issued by an insurance company acceptable to the Bank.</li> </ul> </li> </ol>

These conditions are published on 13.03.2024, and apply from 28.03.2024.