

LOAN FINANCING CONDITIONS

investment loan from Serbia Competitive Agriculture Project - SCAP loan

1. Product user	
1.1 Eligible clients	<p>In accordance with the Rulebook on the allocation of grants under the project for competitive agriculture: Private individuals - holders of a commercial family agricultural farm registered in the Register of Agricultural Farms in accordance with the law governing agriculture and are in active status and:</p> <ol style="list-style-type: none">1. have a residence, ie a seat on the territory of the region of Belgrade, Vojvodina, Šumadija and western Serbia, southern and eastern Serbia, in accordance with the law governing regional development;2. if the place of investment is located on the territory of the region of Belgrade, Vojvodina, Šumadija and western Serbia, southern and eastern Serbia, in accordance with the law governing regional development;3. if for the investment for which they submit requests for exercising the right to incentives, they do not use incentives on some other basis (subsidies, incentives, donations), ie that the same investment is not the subject of another procedure for the use of incentives;4. have no recorded overdue debts to the ministry responsible for agriculture, on the basis of previously realized incentives, subsidies and loans;5. settled due obligations on the basis of public revenues, with the exception of due obligations on the basis of contributions for pension and disability insurance of farmers (for insured persons of the fund for pension and disability insurance of farmers);6. if the facility that is the subject of the investment is owned by them or if they have the right to lease or use it on the basis of a contract concluded with the lessor: a natural person or local self-government unit for a lease period, ie use of at least five years starting from the calendar year The application for exercising the right to use grants is submitted, provided that if the facility is the subject of the lease, no other encumbrances may be entered, except for the lease in question.

	<p>7. if they have not started any activity related to the implementation of the approved Project before signing the contract with the ministry responsible for agriculture, except for the activities listed in the description of preparatory costs</p> <p>8. if the first approved Project is fully completed and implemented, in case they have already been beneficiaries of grants for the implementation of a particular approved Project.</p>
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2. Description of key features of the loan product

2.1 Loan type	Investment loan.
2.2 Tenor of the loan	<p>For RSD loans: Up to 60 months.</p> <p>For EUR loans: 25 – 120 months.</p> <p>Grace period up to 12 months included into loan repayment period.</p> <p>Calculation of interest during grace period is calculated in accordance with the principal repayment schedule</p>
2.3 Total loan amount	From 8.000 to 20.000 EUR.
2.4 Deposit / down payment	<p>1. Participation in the Competitive Agriculture Project of Serbia:</p> <ul style="list-style-type: none"> • Loan user: 10% of the total investment • Ministry of agriculture: 50% grant • Bank: 40% on behalf of loan funds <p>2. Participation in loan: Without the participation of the loan user</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>1. RSD.</p> <p>2. EUR in dinar counter value*.</p>
2.6 Purpose	Investments in accordance with the Competitive Agriculture Project of Serbia and the Rulebook on the allocation of grants in the Competitive Agriculture Project
2.7 Periods when installments fall due for payment	Monthly, quarterly or semi annually.

2.8 Manner of loan disbursement	<p>By transfer to a dedicated dinar account of the loan user in the Bank (a new account of the loan user opened exclusively due to the need to implement the Competitive Agriculture Project of Serbia).</p> <p>After payment of 10% of the loan user's participation, 50% of the grant by the Ministry of Agriculture and the Bank's loan to the dedicated dinar account of the Loan user, the Bank transfers the funds to the seller's account based on the Ministry's consent, according to the proforma invoice/invoice/purchase contract.</p>
2.9 Manner of loan repayment and pay-out of annuities	Equal monthly, quarterly or semi-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	<ol style="list-style-type: none"> For loans in RSD: 3m BELIBOR + 9% annually, variable. 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) For loans in EUR (in dinar counter value): 6m Euribor + 6,5% annually, variable Harmonization of interest rate with the amount of the semi-annual EURIBOR-a will be done semi-annually (28. June and 28. December).
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"> 2 B/E: 100 RSD, onetime payment Credit bureau report of PI: 246 RSD, onetime payment Fee for maintaining the Special purpose current account of farmers: according to the Tariff of fees for services Banca Intesa AD Beograd for individuals (only if the user does not have a Special purpose current account of the farmer in the Bank). Mortgage/pledge: Fee for registration of mortgage/pledge based on tariff of entity that is in charge of registration Insurance policy according to tariff of issuing company Disbursement fee:

	<ul style="list-style-type: none"> • Disbursement fee for loans with tenor up to 36 months: <ul style="list-style-type: none"> – 0,5% of loan amount in dinar counter value*. • Disbursement fee for loans with tenor over 36 months: <ul style="list-style-type: none"> – 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
<ol style="list-style-type: none"> 1. 2 blank bills of exchange signed by registered farm owner – loan user. 2. Guarantee of the spouse, if the property is registered to the spouse. 3. Guarantee of connected client legal entity/ entrepreneur (6 signed blank bills of exchange with authorization + 1 for each consecutive year of repayment), if exists. 4. First rank mortgage on real estate appraised by certified appraiser acceptable to the Bank or pledge on movable assets. 5. 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). 	
4.3	Other conditions
In accordance with the Rulebook on the allocation of grants under the Project for competitive agriculture of Serbia	

These conditions are published on 22.11.2021 year, and are apply from 22.11.2021 year.