

THE FINANCING PROJECT FROM RESOURCES OF THE PROGRAMME «EaP SMEC»

OTP Bank S.A. in the frame of the cooperation program with EBRD and in conjunction with the European Union, presents to you the project “EaP SMEC” which is part of the EU4Business initiative to improve competitiveness of Small and Medium Enterprises in Eastern Partnership countries.

The project aims to support MSME from the Republic of Moldova in investing and improving the quality of products and services modernizing, in order to comply with EU standards and helps them to cope with the problems that arise when trying to take advantages of the opportunities provided by the project, thus, facilitating the cross-border trade, creating new jobs and as a result, striving to ensure sustainable economic growth in Moldova.

Project’s advantages:

- ✓ Technical assistance, guaranteed and absolutely free advices assured by a **major Italian consulting engineering company** based in Genova, Italy, leader in the fields of engineering and consulting – the company **D’Appolonia S.p.A.**
- ✓ Independent advice for project implementation with function of verification, certification and validation from the verification company **Allplan**;
- ✓ Financial incentive for any funded project as a GRANT amounting from 10% up to 15% of the loan amount;
- ✓ New opportunities for expenses reducing;
- ✓ Attractive conditions for long-term lending;
- ✓ Possibility to apply for an unlimited number of projects within the maximum credit amount;
- ✓ Establishing of the loan repayment schedule (equal monthly installments or establish an individual chart) taking into account the seasonality of the business;
- ✓ OTP Bank S.A. always will be a trustworthy financial partner at every stage of development of your business;

“EaP SMEC”	
<p>➤ Beneficiaries</p>	<p>Companies that have been registered in conformity with the legislation in force of the Republic of Moldova, in any organizational-legal form, have all the necessary authorizations to manage business, and comply with normative acts and standards on environmental protection and principles of environmental impact assessment:</p> <ul style="list-style-type: none"> ▪ Micro, Small and Medium Enterprises: ✓ Activity based on private property at least 51%; ✓ Number of employees not exceeding 249 people; ✓ Annual Turnover maximum 50 mil. EUR or Total Assets maximum 43 mil. EUR; <p>If 25% or more of the clients share capital is held by a company that does not meet the eligibility criteria, such client is not eligible.</p>

“EaP SMEC”	
<p>➤ Eligibility criteria for companies</p>	<ul style="list-style-type: none"> ✓ It is operating primarily in Moldova or has a fixed place of business in Moldova through which its business is wholly or partly carried on; ✓ Not benefited from another program with grant component to finance the same investment expenses; ✓ It has obtained all necessary approvals and permits, and is otherwise in compliance with all applicable national environmental, social and health and safety legislation of Moldova; ✓ It is not majority-owned or controlled by the government of Moldova, or by a local government body, or by any other political, governmental or administrative body, agency or sub-division thereof (public utilities which are majority owned or controlled by the government of Moldova or local governments or government agencies of Moldova) will not be eligible for Sub-loans). For the avoidance of doubt, the total percentage of ownership of a Sub-borrower by the government or a government entity, whether legal or beneficial, direct or indirect, may not be greater than 49% and the government and/or any government entity shall not be directly or indirectly involved in day-to-day management of the Sub-borrower, or have control over directing the Sub-borrower's affairs;
<p>➤ Eligible activity areas</p>	<ul style="list-style-type: none"> • Companies involved in all sectors of national economy (with the exception of excluded sectors/non-eligible areas);
<p>➤ Eligible geographical area</p>	<ul style="list-style-type: none"> • Companies located throughout Moldova and controlled by the Moldovan Government (including TAU Gagauzia);
<p>➤ Form of financing</p>	<ul style="list-style-type: none"> • Investment loan • Financial Leasing
<p>➤ Eligible purpose</p>	<ul style="list-style-type: none"> • Purchasing of new machines, production equipment, production lines and packaging equipment; • New boilers, cooling systems, heat pumps; • Refurbishment and construction of production buildings, storage facilities, cold rooms, warehouses including internal transportation; • Purchase of packaging machines; • Trucks and trailers (euro 3,4,5,6); • Earth moving equipment and machines; • Grain storage systems, mills, animal feed plants; • Animal breeding facilities (cattle, poultry, etc.); • Aspiration and dust abatement systems; • Waste water treatment plants; • Air emission abatement plants; • Laboratory equipment;

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➤ Non-eligible purpose	<ul style="list-style-type: none"> • Financing of Independent working capital; • Retro-active financing costs; • VAT financing; • Refinancing of existing loans; • Financing of financial companies and transactions; • Financing of financial and insurance companies or services; • Real estate sector financing (lease, mortgage); • Purchase of land, including the farm; • Purchasing of properties for speculation purpose, currencies or other speculative investment in shares, securities, etc.; • Financing of investments in securities, the shares of other companies. • Production, distribution and sale of weapons; • Manufacturing, distribution or sale of equipment for gambling or related to them; • Manufacturing, distribution or sale of tobacco products and alcohol; • Technologies involving the combustion, transportation or extraction of carbon intensive fossil fuels such as coal, heating oil or shale oil; • Construction of roads and railways; • Extraction of raw material and mining; • Manufacturing of concrete, cement, plaster articles; • Production and transportation of cement, concrete and plaster; • Second-hand transport;
➤ Loan Amount	<ul style="list-style-type: none"> • Maximum 3,000,000.00 EUR per debtor;
➤ Currency	<ul style="list-style-type: none"> • EUR, USD, MDL
➤ Incentive Payment (Grant)	<ul style="list-style-type: none"> • 10% - 15% from the loan amount; • Attention! The maximum grant value will be determined by the technical consultant depending on the project complexity and the innovative technologies used;
➤ Loan Tenor	<ul style="list-style-type: none"> • Minimum 36 months;
➤ Expenditures timeline	<ul style="list-style-type: none"> • Future expenses only for expenditures incurred after the signing date of the sub-loan agreement financed from “EaP SMEC”;
➤ Financing volume	<ul style="list-style-type: none"> • 100% of the investment cost excluded VAT amount;
➤ Interest rate	<ul style="list-style-type: none"> • Floating - revised semi-annually; • Calculation basis - 360 days of the calendar year;

For other details on the benefits and financing conditions of the „EaP SMEC” project, you can contact the advisers of OTP Bank S.A.