

DEVELOPMENT AND COHESION FUND INVESTMENT LOAN

Beneficiaries	Municipalities, Provinces and Metropolitan Cities
Use	<p>Fulfilment of public investments eligible for the use of the Development and Cohesion Fund (Resources).</p> <p>Local authorities can benefit from the CDP loan if they have applied for or have already been awarded a full or partial investment from the Development and Cohesion Fund (Contribution) resources.</p>
Minimum amount	€5,000.00.
Disbursement	<p>The Authority may request disbursements from the loan in one or more instalments during the period of use, based on the normal procedures set by CDP and in line with documentation relating to the expenditure incurred up to the amount granted. The disbursements may be requested in the period between the contract agreement and 30 November 2025. During the period of use, the Authority has the right to request an additional period of use which extends until the loan amortisation expires, with reference to the entire loan amount (total conversion) or only to a part of it (partial conversion).</p>
Pre-amortisation	<p>Pre-amortisation starts from the contract agreement date and ends on 31 December 2025. Pre-amortisation Interest accrues on the amount of the individual disbursements in the period between the date of disbursement and the day before the start of amortisation.</p>
Amortisation	<p>The amortisation period starts from the following 1 January from the end of the pre-amortisation period and ends on the due date of the loan. During this period, the loan is repaid in deferred six-monthly instalments, to be paid on the due dates of 30/6 and 31/12 of each year, including the share of the constant capital and interest. When the loan is requested, the beneficiary can choose the length of the amortisation period, which can have a duration of 5, 10, 15 or 20 years.</p>
Flexibility in the amortisation start date	<p>By 30/11 of each year of the pre-amortisation period, the beneficiary may request that CDP starts the amortisation on 1 January of the following year, depending on certain conditions which are outlined in the loan contract (e.g. the full amount disbursed, investment completed). In this case the payment dates indicated in the amortisation plan and the final maturity of the loan will be amended, leaving the duration of the amortisation period unchanged.</p>
Pre-amortisation and amortisation interest rate	<p>Variable interest rate equal to the Euribor parameter plus a <i>single spread</i> determined by the same methods used for the quotes relating to the other CDP loans.</p>
Rate change option	<p>Changing the loan rate from variable to fixed can only be done during the amortisation period, with the same methods used for other CDP loans already offered to customers.</p>

	In all cases, the rate change can be made by the beneficiary who has collected the entire Contribution awarded to them for the implementation of the investment financed by the loan, and who has already made the obligatory early repayment.
Early repayment	<ul style="list-style-type: none"> - Mandatory (to be carried out under a variable rate system): Once the Contribution has been received, the beneficiary must make a total or partial early repayment of the loan, with effect from the instalment maturity immediately after the payment, without any penalties. - Voluntary: The beneficiary can make an early total or partial repayment of amounts disbursed in both in the amortisation and pre-amortisation periods. In the case of a variable rate scheme, no penalties are due. In the case of a fixed-rate system (following the interest rate option change), the payment of a penalty is due, to be defined using the same methods as other fixed-rate CDP loans.
Guarantee	Payment delegation.
DISCLAIMER	<i><u>This sheet describes the product's main features for illustrative purposes only; for more detailed information, please refer to the relevant Circular</u></i>