Guarantee Agreement

(Additional Loan for the Municipal Services Project)

between

REPUBLIC OF TURKEY

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated June 29, 2010
GUARANTEE AGREEMENT

AGREEMENT, dated June 29, 2010, entered into between REPUBLIC OF TURKEY (“Guarantor”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement of same date between the Bank and İLLER BANKASI (“Borrower”) (“Loan Agreement”) for the purpose of providing additional financing for the Original Project (as defined in the Appendix to the Loan Agreement). The Guarantor and the Bank hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.

Section 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Loan Agreement.

ARTICLE II – GUARANTEE

Section 2.01. The Guarantor declares its commitment to the objectives of the Project. To this end, without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of all Loan Payments payable by the Borrower pursuant to the Loan Agreement.

ARTICLE III – REPRESENTATIVE; ADDRESSES

Section 3.01. The Guarantor’s Representative is Undersecretary of Treasury.

Section 3.02. The Guarantor’s Address is:

Basbakanlik
Hazine Mustesarligi
Inonu Bulvari
Emek-Ankara
Turkey
Section 3.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD Telex: 248423 (MCI) or 212-8550 Facsimile: (90) (312) 212 8550 (MCI) or (202) 477-6391
Washington, D.C. 4145 (MCI)

AGREED at Ankara, Republic of Turkey as of the day and year first above written.

REPUBLIC OF TURKEY

By /s/ Memduh Aslan Akcay
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Ulrich Zachau
Authorized Representative