Guarantee Agreement

(Additional Financing for the Export Finance Intermediation Loan Project)

between

REPUBLIC OF CROATIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated October 29, 2012
AGREEMENT, dated October 29, 2012, entered into between the REPUBLIC OF CROATIA ("Guarantor") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") ("Guarantee Agreement") in connection with the Loan Agreement of same date for the purpose of providing additional financing for Loan 7774-HR (Export Finance Intermediation Loan Project) between the Bank and the Croatian Bank For Reconstruction And Development ("Borrower") ("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; PROVISION OF FUNDS

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, and the punctual performance of all the other obligations of the Borrower set forth or referred to in the Loan Agreement.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for the carrying out of the Project, promptly to provide the Borrower with the funds needed to meet such expenditures.

ARTICLE III – REPRESENTATIVE; ADDRESSES

Section 3.01. The Guarantor’s Representative is the Minister of Finance.

Section 3.02. The Guarantor’s Address is:
Ministry of Finance
Katanciceva 5
10000 Zagreb
Republic of Croatia

Facsimile:
(385-1) 4922-598

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 64145 (MCI)
Facsimile: (1-202) 477-6391
AGREED at Zagreb, Republic of Croatia, as of the day and year first above written.

REPUBLIC OF CROATIA

By [Signature]

Authorized Representative

Name: SLAVKO LINIC

Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]

Authorized Representative

Name: HONGJOO HAHM

Title: Country Manager

World Bank Office, Croatia