



CROATIAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

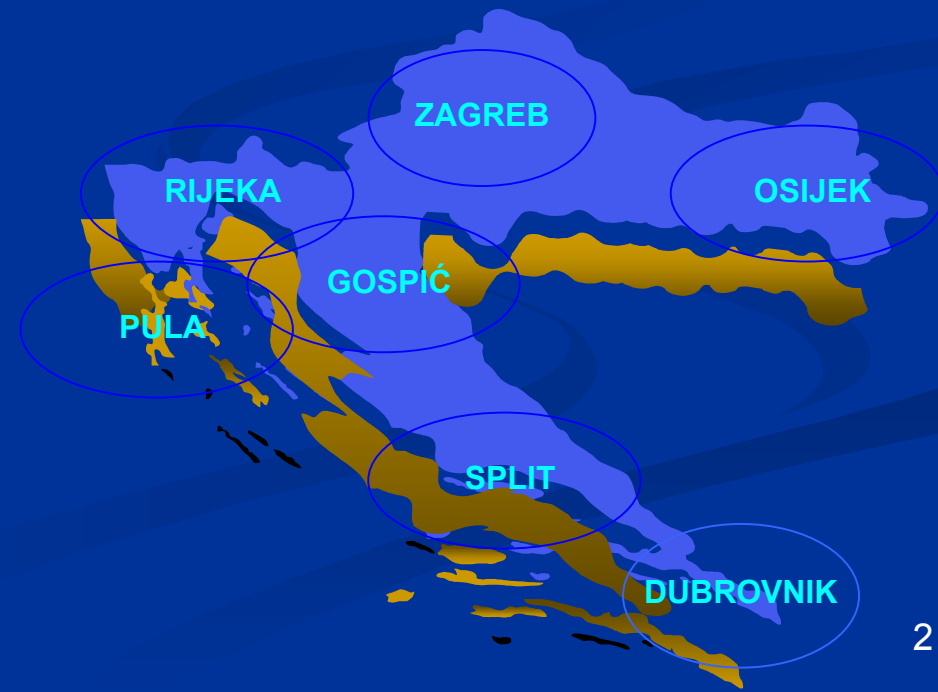
HBOR

Zagreb, June 2005

- ◆ Established in 1992 in accordance with KfW model
- ◆ 100% owned by the Republic of Croatia
- ◆ Unique development and export bank in Croatia
- ◆ Credit rating for 2004: Baa3 / BBB
- ◆ Relationships with leading international financial institutions EIB, EBRD, IBRD, CEB, etc.

REGIONAL OFFICES

- ◆ Regional offices in Split, Pula and Osijek
- ◆ New regional offices to be opened in Gospić, Rijeka and Dubrovnik



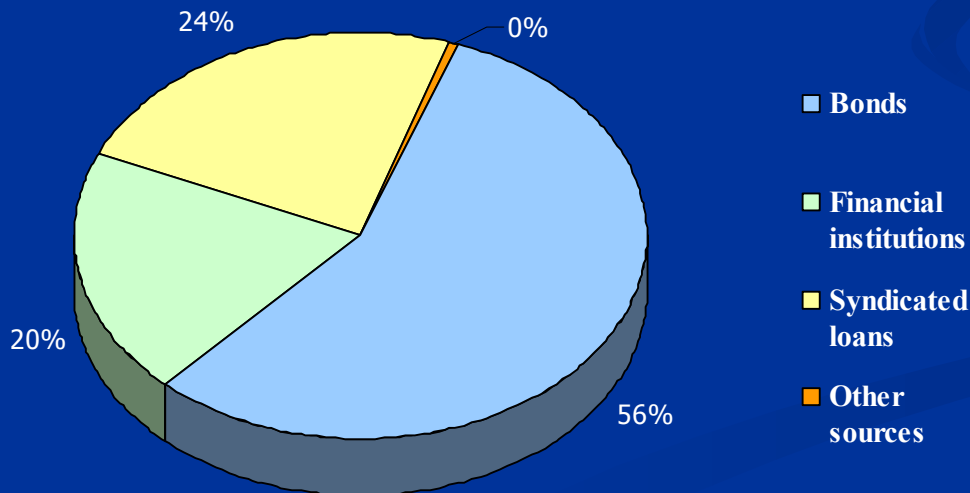
GOALS

- Support for development of national economy
- Balancing regional developments throughout Croatia
- Development of areas under special state concern and islands
- Export promotion
- Promoting environmental protection and sustainable development

ACTIVITIES

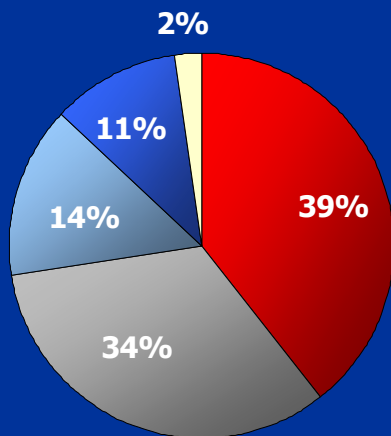
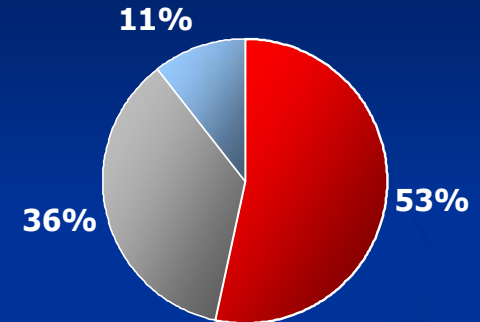
- Financing economic development
- Export financing and credit insurance
- Financing infrastructure projects
- Promoting SMEs
- Financing projects of environmental protection, energy efficiency and renewable energy resources

- State budget allocations
- Syndicated loan markets
- Capital markets
- Loans and grants from int. financial institutions (IBRD, EBRD, EIB, KfW)



Operating activities since establishment thru April 2005

<i>Purpose</i>	EUR (000)
Lending activities	3,089,950
Guarantees	2,071,054
Mandated activities	627,709
Total lending activities of HBOR	5,788,713



Lending activities since establishment thru April 2005

<i>Purpose</i>	EUR (000)
Industry lending	1,214,440
Export financing	1,064,032
Infrastructure financing	418,029
SMEs lending	325,862
Loans for war damaged and demolished facilities and other purposes	67,586
Total lending activities of HBOR	3,089,949

Bilateral Co-operation

30 Signed MOUs



Export-Import
Bank of India
2000



Banco de
Inversion y
Comercio Exterior
S.A. 2001



Slovenska Izvozna
Družba
2001



Makedonska banka za
podrška na razvojot
2001



Export-Import Bank of
Slovak Republic
2002



Export-Import Bank of
the United States
2002



Servizi Assicurativi del
Comercio Estero
2002



Eximbank
Romania 2002



Export Guarantee
Company of Egypt
2002



Hungarian Export
Import Bank
2002



Hungarian Export
Credit Insurance
2002



Investment
Guarantee
Agency
2002



Export Credits
Guarantee Department
2002



Export Credit
Insurance
Corporation
2002



Export Credit Guarantee
Corporation of India
2002



CAGE
Algeria 2003



Coface
2003



Asuransi Ekspor
Indonesia
2003



Kreditanstalt für
Wiederaufbau
2003



Export Development
Bank of Iran
2003



Export Guarantee
Fund of Iran
2003



Bulgarian Export
Insurance Agency
2004



Corporación
Financiera de
Desarrollo S.A.
2004



Bank for Foreign
Trade
2004



Société Marocaine
d'Assurance à
l'Exportation
2004



Compagnie
Tunisienne pour
l'Assurance du
Commerce Extérieur
2004



The Multilateral
Investment
Guarantee Agency
2004



Oesterreichische
Kontrollbank AG
2005



Jordan Loan
Guarantee
Corporation Ltd
2005



Sinosure
China Export and
Insurance Corporation
2005

Long-standing successful relationships and co-operation with leading international financial institutions enabled HBOR to competitively deal with funding requirements of



Opening and maintaining accounts for National Fund and special accounts for ISPA, SAPARD and PHARE

Co-financing within the framework of EU pre-accession funds

Providing advisory services for project preparation and implementation phases

Municipal Environmental Infrastructure Program
MEIP

GEF Grant for Guarantee Program for Energy Efficiency Project
US\$ 3.2M

Co-operation with **EPEEF***

Interest Rate Subsidy Agreement with EPEEF

Joining **UNEP FI**

Loan Program for Financing of Environmental Protection, Energy Efficiency and Renewable Energy Resources Projects

Co-operation with **UNDP**

GEF Grant for Implementation of Renewable Energy Resources Project
US\$ 5.5M

GEF Grant for Preparation of Renewable Energy Resources Project
US\$ 350K

National **ISPA** Strategy Participation

Joining **UNDP COAST**** project



2003

2004

2005

*EPEEF – Environmental Protection and Energy Efficiency Fund

** COAST– Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development

- **First Croatian member of UNEP FI**

- **Objectives**
 - Recognising professional development opportunities
 - Gaining access to best practices dealing with environmental protection management and reporting
 - Fostering professional experience

- **In November 2004 signed UNEP FI's Statement on Environmental Protection and Sustainable Development**
 - Accepting sustainable development as basic precondition for prudent business practices
 - Value added business practices promoting importance of environmental protection and sustainable development
 - Adopting adequate business policies and related activities

STRATEGIC GOALS AND OBJECTIVES

- Support for national strategies of environmental protection and sustainable development
- Raising awareness of environmental protection and biological diversity issues in Croatia and their alignment with the EU standards
- Promoting development and financing of domestic industry in sustainable development sector

IMPORTANT INITIATIVES

- Development of new financial products designed to support sustainable development projects
- Building institutional capacity in compliance with the objectives of sustainable development
- Financial and technical assistance of UNDP for development of know-how in preparation and financing of sustainable development initiatives

ACTIVITIES

- Fostering lending activities in the areas of environmental protection, energy efficiency and renewable energy resources
- Actively participating in implementing EU funding initiatives in Croatia
- Providing advisory services for adopting various regulatory adjustments, fee structure, infrastructure improvements, and MIS
- Acting as implementing agent for funding facilities received from international financial institutions targeted at promoting sustainable development in Croatia
- Developing reporting requirements on HBOR's social and ecological achievements
- Adopting experience of international financial institutions in implementing sustainable development projects
- Conducting market research focused on relevant domestic manufacturers, equipment and facilities

KEY LENDING TERMS

- Financing up to 80% of investment value
- Financing in amounts up to 30% of working capital
- Direct lending or on-lending via commercial banks
- Repayment period up to 12 years
- Eligible for interest rate subsidy received by EPEEF up to 2%

*Includes financing of projects of environmental protection, energy efficiency and renewable energy resources

BENEFITS

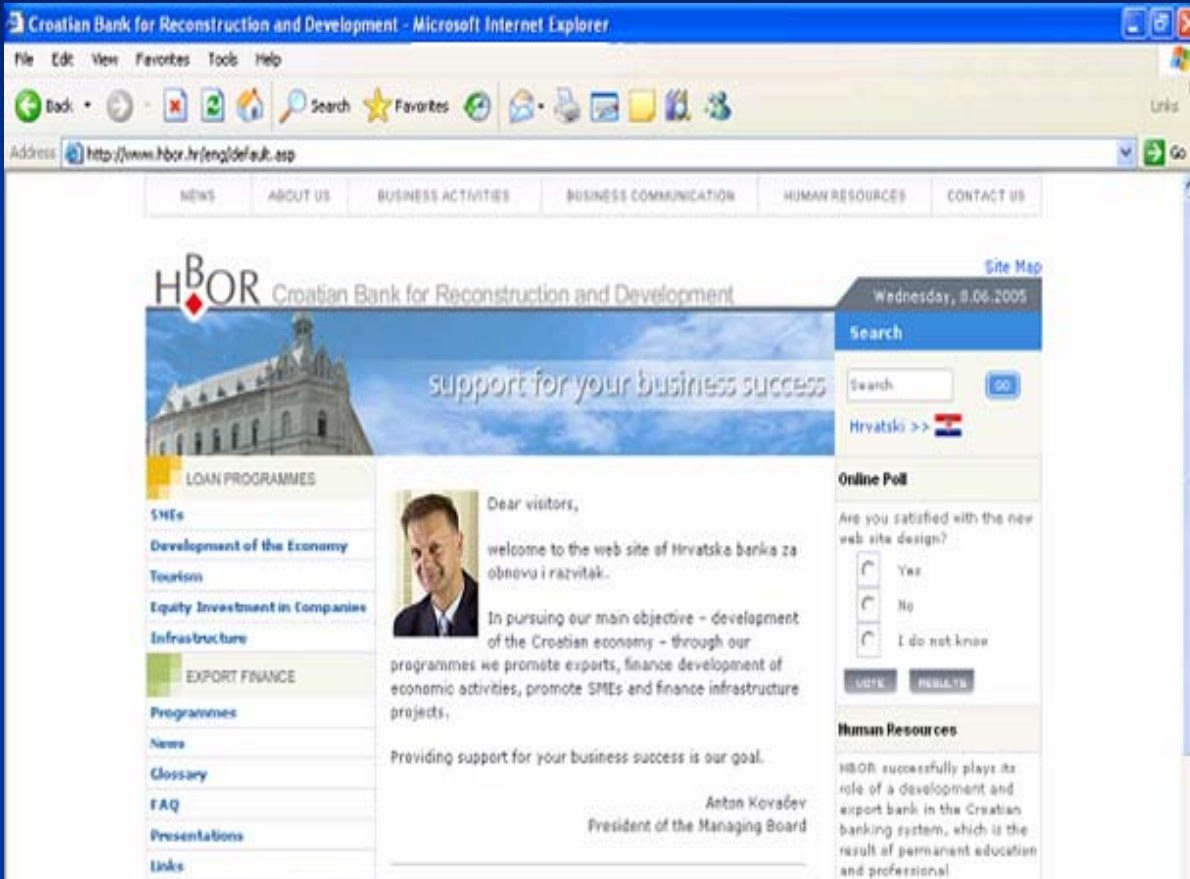
- Increasing the economic strength and competitiveness of national industry
- Protecting and preserving the environment
- Energy-saving benefits for public sector
- Supporting development of renewable energy facilities

PURPOSE

- Fixed assets financing and working capital loans

BORROWERS

- Local and regional governmental entities
- Utility and commercial companies
- Craftsmanship and other legal entities and individuals



www.hbor.hr

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HBOR

Hrvatska banka za
obnovu i razvitak