

**OFFICIAL
DOCUMENTS**LN 8500-HR
LN 8501-HR
LN 8502-HR**Supplemental Letter 1****REPUBLIC OF CROATIA**

May 6, 2015

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

Re: Loan No. 8500-HR
Loan No. 8501-HR
Loan No. 8502-HR
(Sustainable Croatian Railways in Europe Project)
Article VI of the General Conditions
Financial and Economic Data

Dear Sirs and Mesdames:

In connection with:

- (a) the Loan Agreement of this date between the HŽ INFRASTRUKTURA D.O.O. and International Bank for Reconstruction and Development (Bank) providing a loan (HŽ Infrastructure Loan) for Part A and D of the above-captioned Project, the related Guarantee Agreement of same date between the Republic of Croatia (Member Country) and the Bank, and the General Conditions (General Conditions) made applicable to said Loan Agreement and Guarantee Agreement;
- (b) the Loan Agreement of this date between the HŽ PUTNIČKI PRIJEVOZ D.O.O. and International Bank for Reconstruction and Development (Bank) providing a loan (HŽ Putnički Prijevoz Loan) for Part B of the above-captioned Project, the related Guarantee Agreement of same date between the Republic of Croatia (Member Country) and the Bank, and the General Conditions (General Conditions) made applicable to said Loan Agreement and Guarantee Agreement; and
- (c) the Loan Agreement of this date between the HŽ CARGO D.O.O. and International Bank for Reconstruction and Development (Bank) providing a loan (HŽ Cargo Loan) for Part C of the above-captioned Project, the related Guarantee Agreement of same date between the Republic of Croatia (Member Country) and the Bank, and the General Conditions (General Conditions) made applicable to said Loan Agreement and Guarantee Agreement;

(HŽ Infrastructure Loan, HŽ Putnički Prijevoz Loan and HŽ Cargo Loan are hereinafter collectively referred to as "Loans"), I am writing on behalf of the Member Country to set forth the following:


1. We understand and agree that, for purposes of Section 6.01 of the General Conditions, the Member Country is required by the Bank to report "long-term external debt" (as defined in the World Bank's Debtor Reporting System Manual, dated January 2000 (DRSM)), in accordance with the DRSM, and in particular, to notify the Bank of new "loan commitments" (as defined in the DRSM) not later than 30 days after the end of the quarter during which the debt is incurred, and to notify the Bank of "transactions under loans" (as defined in the DRSM) once a year, not later than March 31 of the year following the year covered by the report.

2. We represent that except as stated in the Annex hereto, no Liens (as defined in the General Conditions), other than those excluded pursuant to paragraph (c) of Section 6.02 of the General Conditions, exist on any Public Assets (as defined in the General Conditions), as security for any External Debt (as defined in the General Conditions). No defaults exist in respect of any external public debt (as defined in the DSRM). It is our understanding that, in making the Loans, the Bank may rely on the representations set forth or referred to in this letter.

3. Please confirm your agreement to the foregoing by having a duly authorized representative of the Bank sign in the space provided below.


Very truly yours,

REPUBLIC OF CROATIA

By 
Authorized Representative

AGREED:

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By 
Authorized Representative