His Excellency
Vjekoslav Bevanda
Minister of Finance and Treasury
Ministry of Finance and Treasury
Trg BiH 1
Sarajevo, Bosnia and Herzegovina

Your Excellency:

Re: Bosnia and Herzegovina
Real Estate Registration Project (Credit No. 5188-BA)
First Amendment to the Financing Agreement

Reference is made to the Financing Agreement (“Financing Agreement”), dated January 25, 2013 for the above-listed Project between the International Development Association (“Association”) and Bosnia and Herzegovina (“Recipient”). Reference is also made to your letter dated July 21, 2015, requesting on behalf of the Recipient, certain restructurings of the Project.

We are pleased to inform you that, after due consideration, the Association concurs with the proposed Project restructurings to: (a) extend the due date of the legal covenant regarding the preparation and approval by the Association of long term strategies and business plans for the implementing agencies; and (b) reallocate funds between credit categories to allow the Recipient to purchase an additional office. Consequently, the Financing Agreement is amended as follows:

1. Schedule 2, Section I, Part A, paragraph 5 shall be amended to read as follows:

"5. The Recipient shall cause the Entities to submit, by December 31, 2016, to the Association for review and approval a long term strategy and business plan allowing sustainable real estate registration at the Entity level."

2. The table in Schedule 2, Section IV, Part A, paragraph 2 of the Financing Agreement shall be amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, Training, and Incremental Operating Costs under Part I of the Project</td>
<td>11,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services, Training, and Incremental</td>
<td>8,428,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
Operating Costs under Part 2 of the Project

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Purchase of new premises/branch offices under Part 2 of the Project</td>
<td>2,672,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT 22,700,000

All the other terms and conditions of the Financing Agreement, as amended hereby, shall remain in full force and effect.

Please confirm your agreement to the foregoing amendments to the Financing Agreement, on behalf of Bosnia and Herzegovina, by signing and dating the confirmation on the enclosed copy of this amendment and returning it to us. This Amendment will come into force and effect as of the date of countersignature by the Recipient and upon receipt by the Association of the said duly countersigned original amendment letter.

Sincerely,

Ellen Goldstein
Country Director for South East Europe
Europe and Central Asia Region

CONFIRMED AND AGREED:

BOSNIA AND HERZEGOVINA

By: [Signature]
Title: [MINISTER]
Date: 30 May 2016
cc:  H.E. Zoran Tegeltija, FBH Minister of Finance  
     H.E. Jelka Milicević, RS Minister of Finance  
     H.E. Mato Jozić, FBH Minister of Justice  
     H.E. Antun Kasipović, RS Minister of Justice  
     Mr. Miloš Komljenović, Director General of the Republic Administration for Geodetic and Property Affairs of the Republic of Srpska  
     Mr. Željko Obradović, Director General of the Federal Bureau for Geodetic and Property Relations  
     Mr. Nedžad Pašalić, F BiH Real Estate Registration Project Coordinator  
     Mr. Darko Mišković, RS Real Estate Registration Project Coordinator  
     Mr. Frank Heemskerk, Executive Director, World Bank  
     Mrs. Tatiana Proskuryakova, Country Manager for Bosnia and Herzegovina, World Bank