

March 1998

Ms. Eva Tarjan
General Manager
Department for International
Development Institutions
National Bank of Hungary
Budapest, Hungary

Re: Youth Training Project (Loan No. 4230 HU)
Amendments to Loan Agreement

Madame:

We refer to the Loan Agreement (Youth Training Project) dated October 29, 1997, between the Republic of Hungary (the Borrower) and the International Bank of Reconstruction and Development (the Bank), and to your letter dated March 19, 1998, requesting certain amendments to the Loan Agreement.

We hereby confirm the Bank's agreement to the following amendments to the Loan Agreement:

1. Section 2.02 (b) is amended to replace "Dollars" with "Deutsche Marks."
2. The amounts in paragraph 1 (c) of Schedule 6 are amended as follows:
 - (i) the amount of "\$4,000,000" is replaced with "DEM6,900,000";
 - (ii) the amount of "\$2,000,000" is replaced with "DEM3,400,000"; and
 - (iii) the amount of "\$4,000,000" is replaced with "DEM6,900,000."

Please confirm your agreement to these amendments by signing, dating and returning to us the enclosed copy of this letter.

This amendment shall become effective upon receipt of the countersigned copy of this letter by us.

Very truly yours,

By /s/ Roger Grawe
Country Director
Czech Republic, Hungary, Moldova,
Slovak Republic, Slovenia
Europe and Central Asia

CONFIRMED REPUBLIC OF HUNGARY

By /s/
General Manager,
National Bank of Hungary

Date: _____

