

LOAN AGREEMENT BETWEEN LEBANON AND ABU DHABI PARIS III – RAFIC HARIRI CONFERENCE

BRIEF DESCRIPTION

I. Background:

In the context of the International Conference for Support to Lebanon “Paris III or Rafic Hariri” held on January 25th 2007 in Paris, UAE pledged its support to Lebanon through a \$300 million soft loan. The loan agreement for budgetary support was signed on the 20th of February 2007 between the Lebanese and the Abu Dhabi Governments, as represented by the Lebanese Ministry of Finance and the Abu Dhabi Fund for Development.

II. Terms of the Loan:

1. Size of the loan: \$300 million
2. Coupon payments:
 - ⇒ 2.5 percent interest paid on amounts withdrawn and not repaid with interest accruing from the date of amount withdrawal;
 - ⇒ Payments are to be made semiannually (on April 30th & October 30th of each year);
 - ⇒ Interest payment basis 30/360 days
3. Maturity and Repayment schedule: 20 years including a 5 year grace period for principal repayment. Repayment of principal will occur through semi-annual installments of \$10 million each, commencing on April 30th 2012 and ending on October 30, 2026.
4. Intended uses: Budgetary support / Debt repayment
5. Early repayment: Lebanon has the option of partial or full early repayment - if all interest and fees on withdrawal amounts are fulfilled - by giving the fund a 45-day notice.

III. Reporting:

The Ministry of Finance will provide semi-annual reporting to the Abu Dhabi Fund. The documents to be sent to the Abu Dhabi Fund will be agreed upon at a later date.

For further information, please contact:

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