

**DUAL-TRANCHE US\$ 1.1 BILLION EUROBOND TRANSACTION:
US\$ 600 MILLION 4.50 PERCENT NOTES DUE 2016,
US\$ 500 MILLION 5.50 PERCENT NOTES DUE 2019
IN DEBT REPLACEMENT AGREEMENT WITH BDL**

On 23 April 2013 the Republic of Lebanon issued a dual-tranched US\$ 1.1 billion transaction through a “Debt Replacement Agreement” between the Ministry of Finance (MoF) and Banque du Liban (BdL). BdL redeemed to MoF Treasury bonds in Lebanese Pounds from its existing portfolio for an equivalent LL amount of USD 1.1 billion of Eurobonds.

The two series consisted of a US\$ 600 million 4.50 percent coupon Eurobond due April 2016 (Series 69), and a US\$ 500 million 5.50 percent coupon Eurobond due April 2019 (Series 70). The transaction lowered the weighted average cost of the debt portfolio for the Republic of Lebanon and contributed to extending its average time to maturity. The weighted average cost of the Eurobonds issued was 4.95 percent with an average time to maturity of 4.36 years. This compares with a 6.15 percent weighted average cost of the redeemed Treasury bond portfolio that consisted of 3 and 5 year Treasury bonds (maturing in 2014, 2015 and 2016) with an average time to maturity of 2.51 years.

This is the second Eurobond issuance for the Republic in 2013 having tapped international capital markets earlier in April by issuing US\$ 1.1 billion in a dual-tranche market transaction.¹

Terms and Conditions of the Issuance

Series	69	70
Issue size (in USD)	600,000,000	500,000,000
Issue date	23 April 2013	23 April 2013
Maturity	22 April 2016	23 April 2019
Coupon rate	4.50%	5.50%
Coupon payment	Semi-annual	Semi-annual
Principal payment	Bullet payment at maturity	Bullet payment at maturity
Issue Price	100.00%	100.00%
Re-offer Yield	4.50%	5.50%
ISIN code	XS0922623912	XS0922623755
Lead manager	Republic of Lebanon	

Source: BDL, MOF.

¹ For more information about this transaction, kindly refer to the related brief note available here: <http://www.finance.gov.lb/en-US/finance/PublicDebt/Pages/DebtTransactions.aspx>



REPUBLIC OF LEBANON
MINISTRY OF FINANCE



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