



## TRIPLE-TRANCHE US\$ 2.0 BILLION EUROBOND TRANSACTION DEBT REPLACEMENT AGREEMENT WITH BDL

On 27 May 2016 the Lebanese Ministry of Finance (MoF) conducted a “Debt Replacement Agreement” with the Central Bank (BDL), whereby MoF issued to BDL US\$ 2.0 billion in Eurobonds and BDL redeemed to MoF Treasury bonds in Lebanese Pounds from its existing portfolio for an equivalent LL amount. Following the transaction, the stock of outstanding debt remained unchanged, while the composition of the portfolio slightly shifted with the share of foreign currency debt to total debt increasing to 41 percent from 39 percent.

The transaction also reduced the weighted average cost of the debt portfolio and contributed to extending its average time to maturity. The weighted average cost of the issued Eurobonds was 6.59 percent with an average time to maturity of 9.89 years. This compared to a 7.53 percent weighted average cost of the redeemed Treasury bond portfolio that consisted of 5, 7, 8, 10, 12, and 15 year Treasury bonds maturing between 2017 and 2031 with a weighted average time to maturity of 7.92 years.

The three series consisted of a US\$ 500 million 6.25 percent coupon Eurobond due May 2022 (Series 80), a US\$ 500 million 6.40 percent coupon Eurobond due May 2023 (Series 81), and a US\$ 1,000 million 6.85 percent coupon Eurobond due May 2029 (Series 82).

This is the third Eurobond issuance for the Republic in 2016 having conducted a Eurobond private placement with BDL<sup>1</sup> in January 2016 for a total amount of US\$ 431,664,000 and tapped international capital markets in April, issuing US\$ 1.0 billion in a dual-tranche market transaction<sup>2</sup>.

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<sup>1</sup> For details on the Eurobond private placement with the Central Bank, kindly refer to the Ministry of Finance website, <http://www.finance.gov.lb/en-US/finance/PublicDebt/Pages/DebtTransactions.aspx> under “Re-opening of 6.25% USD note due Nov 2024 and 6.65% USD note due Nov 2028, issued 19 January 2016”.

<sup>2</sup> For details on the Market Eurobond Transaction conducted in April 2016, kindly refer to the Ministry of Finance website, <http://www.finance.gov.lb/en-US/finance/PublicDebt/Pages/DebtTransactions.aspx> under “Dual-tranche: US\$ 700 million 6.65% notes due April 2024 and US\$ 300 million 7.00% notes due April 2031, issued 22 April 2016”.



REPUBLIC OF LEBANON  
MINISTRY OF FINANCE

### Terms and Conditions of the Issuance

Series	80	81	82
Issue size (in USD)	500,000,000	500,000,000	1,000,000,000
Issue date	27-May-16	27-May-16	27-May-16
Maturity	27-May-22	26-May-23	25-May-29
Coupon rate	6.25%	6.40%	6.85%
Coupon payment	Semi-annual	Semi-annual	Semi-annual
Principal payment	Bullet payment at maturity	Bullet payment at maturity	Bullet payment at maturity
Issue Price	100.00%	100.00%	100.00%
Re-offer Yield	6.25%	6.40%	6.85%
ISIN code	XS1419879504	XS1419879686	XS1419879769
Lead manager	Republic of Lebanon		

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