

PARIS CLUB RECENT ACTIVITY



OUTLINE

- 1. Quick review of Paris Club recent activity**
- 2. Prepayment by Russia of its Paris Club debt**

QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Key events in June 2006-May 2007

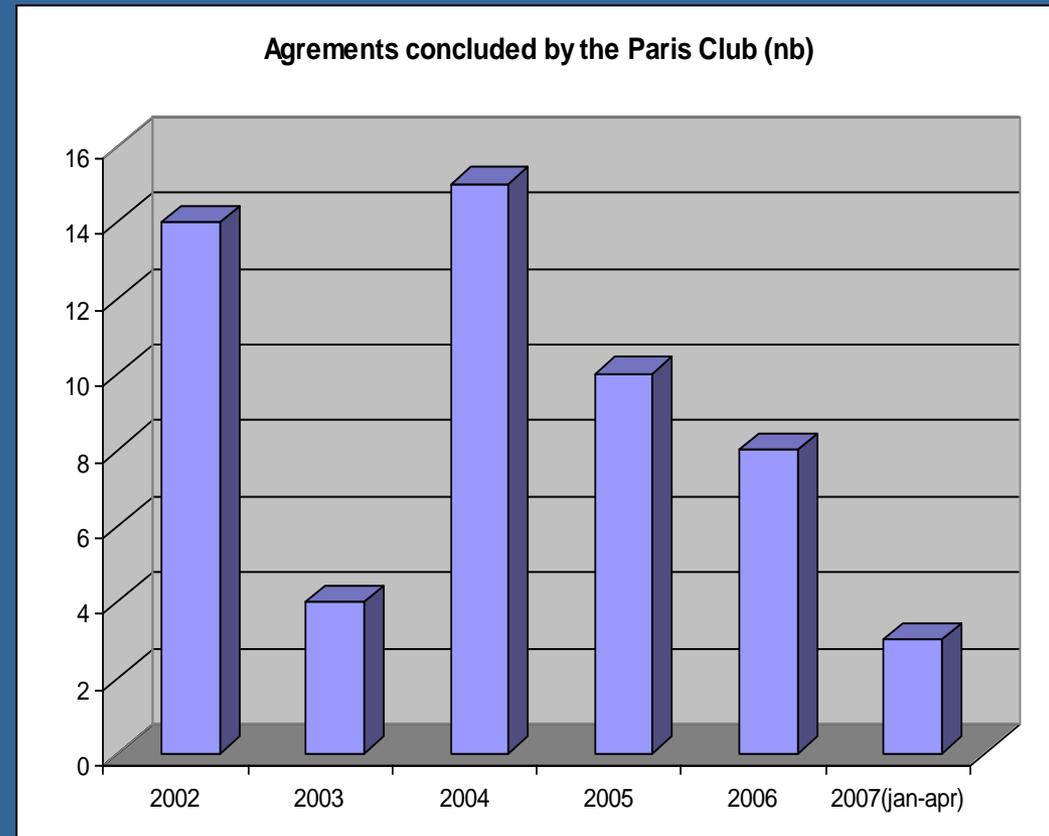
- 1. Implementation of the HIPC initiative** (6 country cases)
- 2. Prepayments** (2 country cases);

QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Agreements concluded

Since June 2006, Paris Club creditors have concluded agreements:

- **6 with HIPCs** (Cameroon, Afghanistan, Malawi, Haiti, Sierra Leone, CAR)
- **2 prepayment agreements** (Russia, Macedonia)

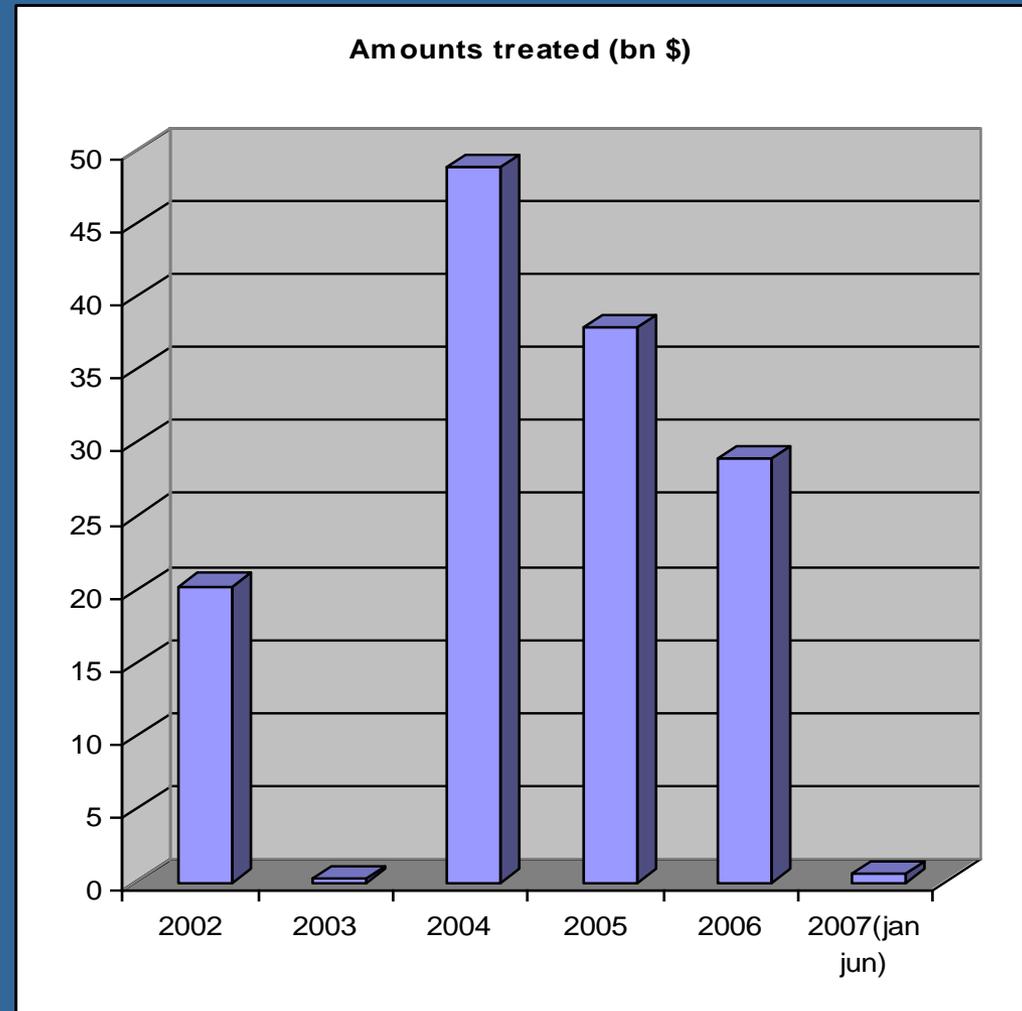


QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Amounts restructured

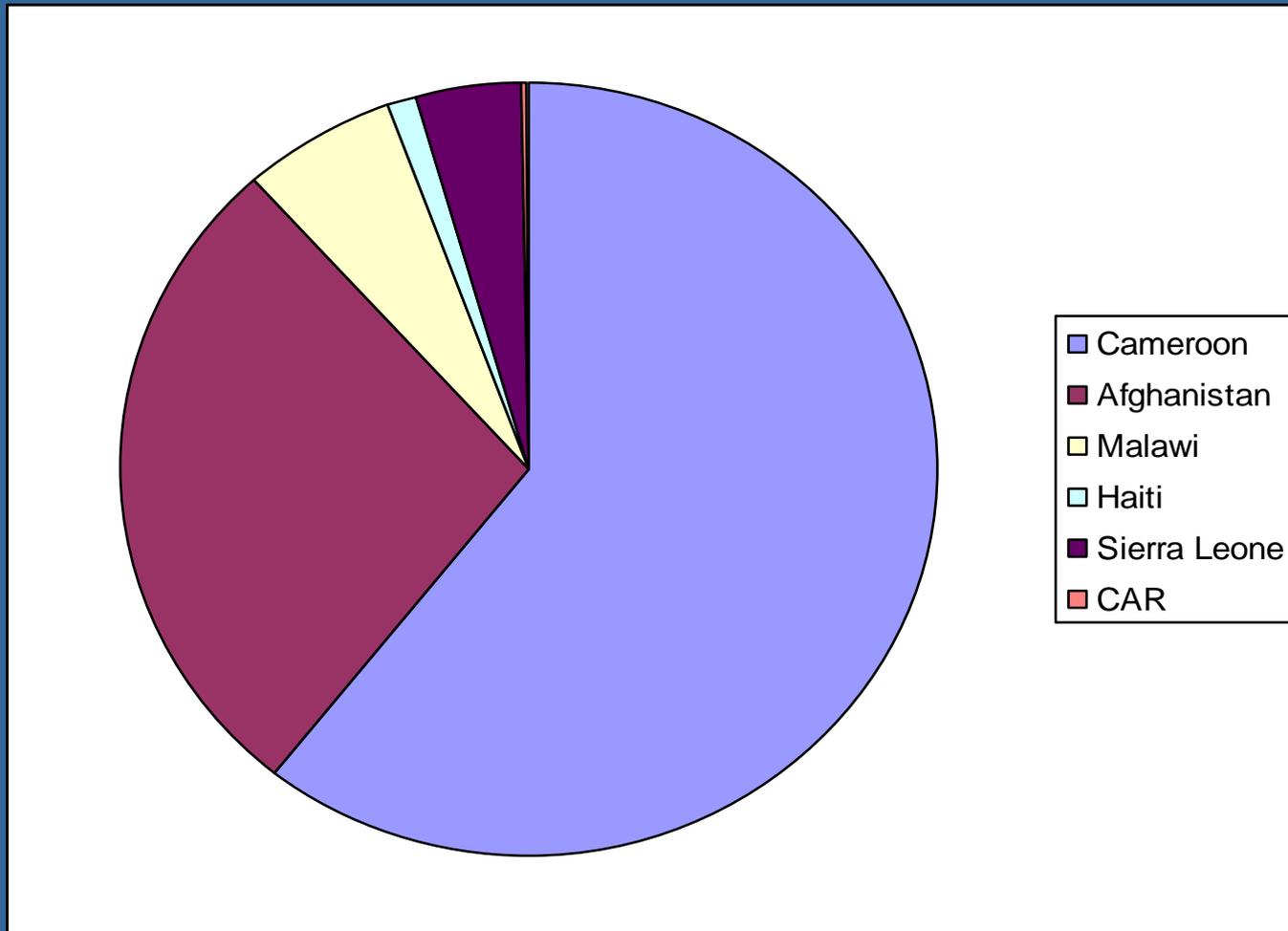
Since June 2006, Paris Club creditors have restructured 888 \$m and cancelled 5.71 \$bn

Early prepayment of 22.4 \$bn of debt in face value (Russia and Macedonia)



QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Debt cancellations



Total : 5.71 \$bn

QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Implementation of the HIPC Initiative

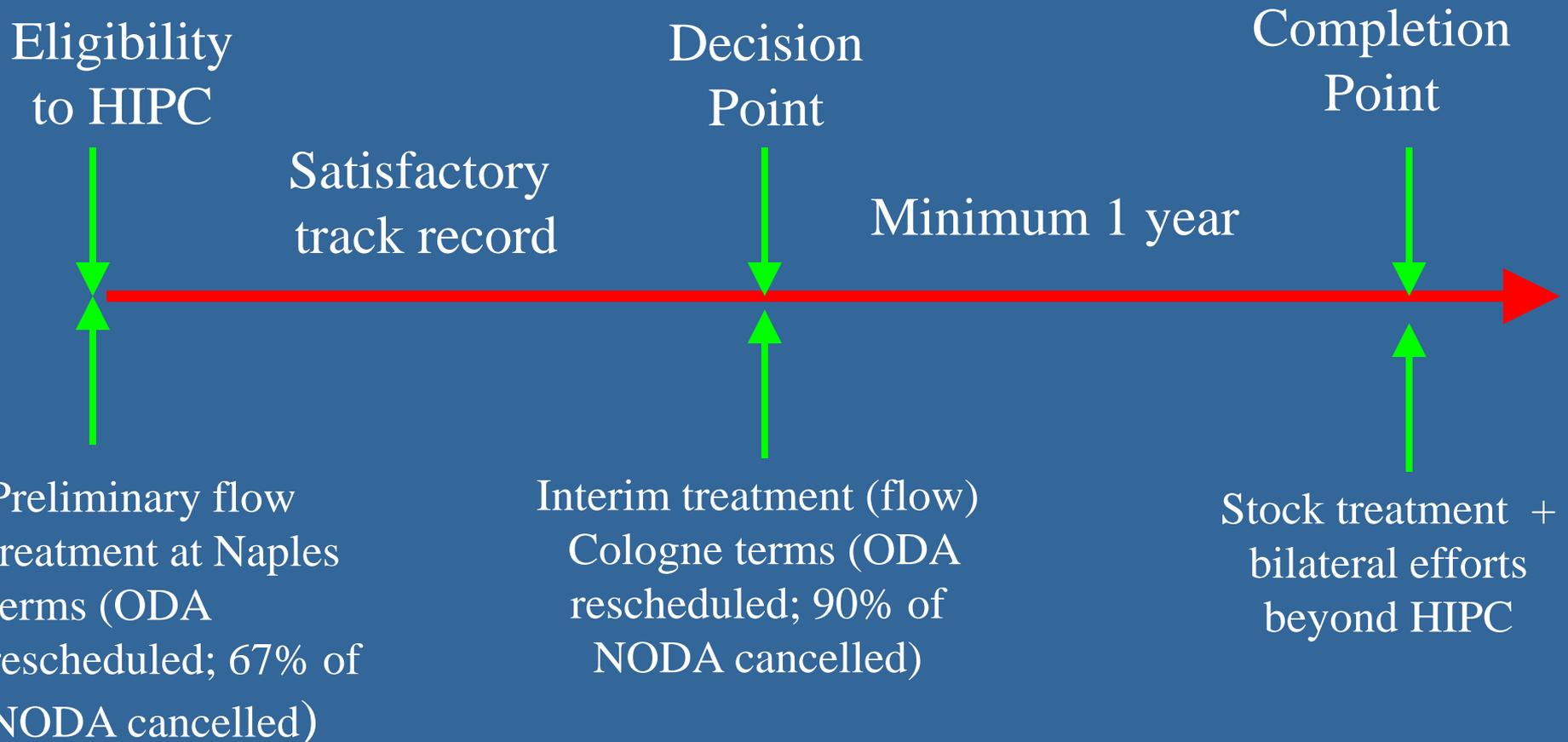
Since June 2006, 6 new Agreements were concluded in the framework of the HIPC initiative :

- 2 countries became eligible to the initiative : Afghanistan, Central African Republic
- 1 country reached the decision point : Haiti
- 3 countries reached the completion point : Cameroon, Malawi and Sierra Leone

=> Each of these different steps of the initiative corresponds to a particular debt treatment from the Paris Club

QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Paris Club treatments during the HIPC Initiative



QUICK REVIEW OF PARIS CLUB RECENT ACTIVITY

Implementation of the HIPC Initiative

| Completion Point 22 countries | Decision Point 8 countries | Pre-decision point 11 countries |
|--|---|---|
| Benin, Bolivia, Burkina Faso, Cameroon, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Sao-Tomé, Senegal, Sierra Leone, Tanzania, Uganda, Zambia | Burundi, Chad, Republic of Congo, Democratic Republic of Congo, Gambia, Guinea, Guinea-Bissau, Haiti, | Afghanistan, Central African Republic, Comoros, Cote d'Ivoire, Eritrea, Kirgiz Republic, Liberia, Nepal, Somalia, Sudan, Togo |

EARLY REPAYMENT BY RUSSIA OF ALL OF ITS PARIS CLUB DEBT



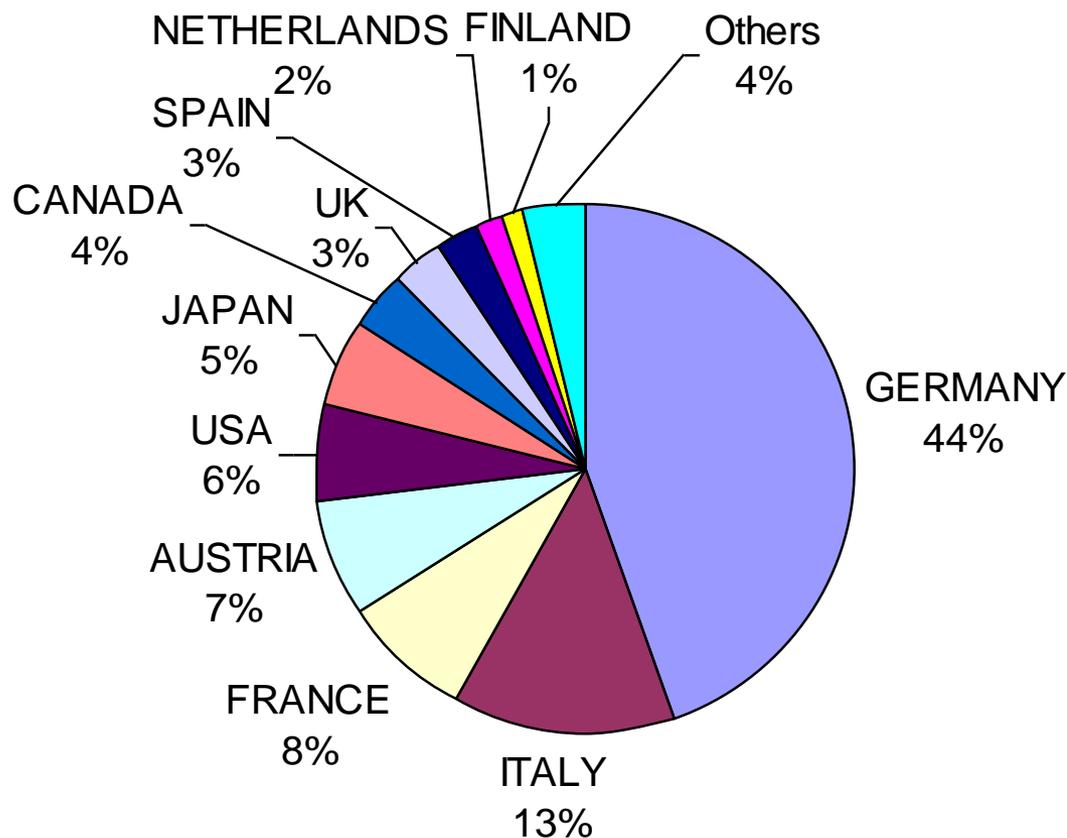
EARLY REPAYMENT BY RUSSIA

Context and negotiation

- First prepayment at par by Russia to its Paris Club creditors in 2005 (US\$ 15 billion).
- Building on its solid economic situation, Russia offered in 2006 an early repayment of all of its Paris Club debt (representing around US\$ 22.3 billion at face value).
- Negotiations held in the Paris Club on 15 and 16 June 2006 resulted in an agreement for an early repayment (par / market value) of all the debts rescheduled in 1996 and 1999 (final maturity 2020).
- Largest early repayment ever made to Paris Club creditors.

EARLY REPAYMENT BY RUSSIA

Exposure of Paris Club members before prepayment



EARLY REPAYMENT BY RUSSIA

A participation of all Paris Club Creditors

- Under Paris Club rules, each creditor country may decide to participate or not to the prepayment.
- Full participation of Paris Club creditors => exit of Russia from its unique position of both a creditor and a debtor of the Paris Club, now only a creditor.
- Prepayment took place in August 2006.