

Request for Proposal for an International Debt Issue For the Republic of Albania

We are pleased to inform you that the Republic of Albania is currently considering a debt issuance in the international capital markets. The indicative terms of the possible issuance would probably be as follows:

Indicative Terms

Currency:	Euro or USD
Size:	starting from Euro 300MM
Maturity:	current thinking is 5 – 7 years, but open to alternatives over this interval
Format:	Reg S and/or 144A
Status:	Senior unsecured
Law:	English and/or American
Use of Proceeds:	Mainly debt repayment

In conjunction with the above planned issuance, the Ministry of Finance of Albania is currently asking for proposals from interested banks / financial institutions for the following role of lead manager of the debt issuance. Banks / Financial institutions interested in this role should submit a proposal covering the applicable questions noted below to the Ministry of Finance within the specified time period. From the submitted proposals, the Ministry of Finance will select the top four candidates for the lead-management of the debt issuance to Tirana for a final presentation at the Ministry.

In this regard, we are pleased to invite major financial institutions to consider this Request for Financing Proposal (RFP). The Proposal should be sent to the Ministry of Finance, no later than April 22, 2015, at 12:00 AM (local time) with sealed envelope to the following address:

Mr. Erjon Luçi
Deputy Minister of Finance
Ministry of Finance
Bulevardi “Dëshmorët e Kombit”, Nr. 3
Tirana - Albania

We look forward to receiving your proposal.

Sincerely yours,
Erjon Luçi
Deputy Minister

Disclaimer: This request for proposal does not in any way commit the Republic of Albania, among others, for doing a financing transaction of any sort nor for engaging a party, bank or otherwise. The Republic of Albania is not responsible nor liable in anyway related to this RFP.

Request for Financing Proposal – Schedule of Questions for Lead Manager Only

The Ministry of Finance of Albania asks that all financial institutions responding to this Request for Proposal to please limit their responses to twenty pages.

1. Credentials

Please provide credentials, rankings and awards of your bank as a leading participant in the debt capital markets. Please provide credentials, rankings and awards as Lead Manager in debt issuance transactions in 2014/15 by each of the following criteria: Emerging Market, (European) sovereigns and both Euro and USD markets.

Please include selected case studies of recent sovereign debt transactions where appropriate.

2. Market Conditions and Timing

Please provide an overview of current market conditions for Emerging Market Euro/USD bonds and indicate to what extent this should impact a Euro or USD bond issue for the Republic of Albania.

Please provide your views on the optimal timing for the execution of the transaction, a detailed indicative timetable. Indicate potential challenges that might influence the timing.

3. Currency and maturity

The Republic is open to both a USD and a EUR bond issue. The issue will not be swapped; therefore aspects like currency risk will be taken into consideration for the ultimate choice.

The Republic is tentatively considering a maturity of 5 to 7 years. Please provide considerations for these or possibly other maturities over this interval.

4. Pricing

Please provide indicative pricing for the alternative currencies and maturities that are being proposed, both in terms of absolute Reoffer yield and spreads (over Mid-swaps and Treasury curve) for a Euro or USD denominated issue.

Please specify the pricing methodology and references, so as to follow pricing under changing market circumstances.

Among the alternatives presented in the proposal, please express one recommendation in terms of currency, maturity and price.

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5. Syndicate Structure and Underwriting

Please suggest the syndicate structure for this transaction to obtain the optimal result in terms of placement and pricing.

Please indicate whether your institution can or will commit to underwriting the bond issue.

6. Distribution of Tasks and Transaction Documentation

Please describe the roles that lead-manager(s) and issuer each have regarding the major transaction tasks from start of work to closing. Please specify which other relevant transaction parties would be involved (lawyers, etc.).

Please include your choice of legal firm that you intend to appoint as the lead manager's international legal advisor.

7. Marketing and Distribution

Please indicate your views on marketing/roadshow strategy across all proposed geographies and key investor accounts to be targeted. Please provide an indication of the likely placement of Albania's debt issuance by geography and investor type.

Please also include a description of marketing materials such as prospectus, research, e-syndicate platform etc.

Please provide an overview of your bank's Sales and Distribution capabilities.

8. After-Launch Market Support

Please demonstrate your bank's ability to support the issue in the secondary market after launch.

9. Fees and Expenses

Please indicate the upfront fees (in basis points) that your bank would charge for lead-managing the transaction for the Republic of Albania, taking into account the proposed syndicate structure.

Please provide a table illustrating all transaction fees and expenses associated with the issuance of a Euro or USD bond, upfront or periodic. Please provide in the pricing proposal the all-in costs for the Republic.

9. Proposed Team

Please provide an overview of the deal team structure that would be assigned to this transaction. Please provide resumes of key deal-makers.

10. Any Other Relevant Data

Please provide any additional information which you deem relevant for the Ministry of Finance to consider under the selection process for the proposed transaction.

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