



Nr. 2302 / Prot
Lutemi referoni këtë numër në përgjigje

Tiranë, më 16/05/2018

To: European Bank for Reconstruction and Development

One Exchange Square, London, EC2A 2JN
United Kingdom

Attn: Operations Administration Department
Attn: Georgios Gkiazouris

Re: KESH Restructuring Project, Operation number 48132

Dear Sirs,

Following the loan for the KESH Restructuring Project (the "Loan") being made effective, as per your notice of the 20th of April 2018, Korporata Elektroenergjitike Shqiptare ("KESH") stands ready to proceed with the disbursement of the Loan.

As you are aware, KESH's OD portfolio covered by the Loan proceeds consists of two OD lines amounting to 39 million EUR and nine OD lines amounting to 25.1 billion Albanian Lek, the later bear higher interest rates compared to EUR OD lines.

The current Loan Agreement, as signed between KESH and the European Bank for Reconstruction and Development (EBRD) on the 30th of June 2016, and as amended on the 17th of April 2018, allows for the Loan to be disbursed in EUR. In particular, section 2.03(b) of the Loan Agreement specifies that: "*Drawdowns shall be paid to the bank accounts listed in Schedule 1 for accounts in EUR. For accounts in other currencies the EUR amount to be drawn down will be agreed by the Borrower and account bank and notified to the Bank.*"

In order for KESH to smoothly and efficiently disburse the loan proceeds and minimize the impact of the loan disbursement in the appreciation of the Albanian Lek versus the Euro, we consider that the best way to move forward is to allow disbursement of the Loan in Albanian lek, besides EURO. In this regard, Bank of Albania has formally notified KESH today that they will be available to assist the Loan disbursement process by offering to convert Loan Tranche 1 EUR proceeds in Albanian lek.

To allow disbursement of the Loan in Albanian lek, we are hereby requesting the EBRD to agree to an amendment of the Loan Agreement to revise the restriction in section 2.03 (b) referred to above and allow for the disbursements to be made in EUR and Albanian Lek currencies. The disbursement application requesting disbursement of the Loan in Albanian Lek will follow shortly thereafter the effectiveness of the requested amendment, and such disbursement shall be governed by the terms and conditions of the Loan Agreement, including without limitation, Section 3.01(c)(ii) of the Special Terms and Conditions.

We stand at your disposal for a swift execution of the requested amendment.

Sincerely yours,



CHIEF EXECUTIVE OFFICER

Agron HETOJA