

NATIONAL LIBRARY OF JAMAICA

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Loan of US\$50m from Syndicate of Banks
formed by Citicorp International Bank
Limited

I wish to inform Honourable members of the House of Representatives of the terms of a loan of Fifty Million United States Dollars which was raised from a syndicate of banks, spearheaded by Citicorp International Bank Limited, a merchant bank organized and existing under the laws of England, and a subsidiary of First National City Bank.

2. The Loan Agreement provides for:

- (a) interest to be 1 7/8% per annum above the London inter-bank rate for the period ending November 15, 1977; thereafter interest to be 2% per annum above the London inter-bank rate;
- (b) each interest period to be three or six whole months at the election of the Borrower;
- (c) the loan to be given in two parts - the "A" Loan in the amount of US\$20.0m (for five years) and the "B" Loan in the amount of US\$30.0m, (for seven years);
- (d) the "A" Loan to be repaid in 7 substantially equal consecutive instalments commencing November 15, 1977 and ending November 15, 1980, providing a two year grace period;
- (e) the "B" Loan to be repaid in 11 substantially equal consecutive semi-annual instalments commencing November 15, 1977 and ending November 15, 1982, providing a two year grace period;
- (f) commitment fees payable on the undrawn portion of the loan to be at a rate of 3/4 of 1% payable quarterly;
- (g) an agent's fee of US\$7,500 per annum until the loan is repaid;
- (h) all payments of principal, interest, fees and all other amounts to be free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges, withholdings

imposed by the Government of Jamaica or any taxing authority or political subdivision thereof, except in the case of income and franchise taxes of participating banks which are organized in Jamaica or have their lending branch in Jamaica; in addition, the Borrower to pay any stamp or other taxes in connection with the preparation, execution, delivery, registration and enforcement of the Loan Agreement.

- (1) the loan to become due and payable if the Government should default under any other loan or cease to be a member in good standing of the IMF; or if any statutory body or company with more than 50% of its shares owned or controlled by Government, should default on any indebtedness in excess of US\$1,000,000.

3. Other conditions of the arrangement include the payment of a once-and-for-all management fee equivalent to 1 $\frac{3}{4}$ % of the loan amount, and the use of the proceeds of the loan in amounts approximately as follows:

(1)	Central Government	-	-	-	US\$ 25.0m
	A. Education			19.0m	
	B. Agriculture			4.0m	
	C. Natural Resources Development			2.0m	
(2)	Allocation to Government Agencies	-			US\$ 25.0m
	A. Urban Development Corporation			17.0m	
	B. National Housing Corporation			8.0m	

4. The banks participating in this loan are:

- (i) Citicorp International Bank Limited - (Agent and Manager)
- (ii) Bank of America National Trust and Savings Association - (Manager and Lending Bank)
- (iii) First Chicago Merchant Bank (Jamaica) Limited - (Manager and Lending Bank)
- (iv) Libra Bank Limited - (Manager)
- (v) First National City Bank - (Lending Bank)
- (vi) Chemical Bank - (Lending Bank)

- (vii) The Chase Manhattan Bank, N.A. - (Lending Bank)
- (viii) Chase Bank International - Miami - (Lending Bank)
- (ix) Banque de La Societe Financiere Europeenne -
(Lending Bank)
- (x) Orion Bank (Guernsey) Limited - (Lending Bank)
- (xi) Partnership Pacific Bank N.V. - (Lending Bank)
- (xii) Banque Canadienne Nationale - (Lending Bank)
- (xiii) First National Bank of Fort Worth - (Lending Bank)
- (xiv) National Bank of North America - (Lending Bank)
- (xv) The First National Bank of Chicago, Panama Branch -
(Lending Bank)

- (xvi) The Bank of Nova Scotia - (Lending Bank)

DAVID H. COORE
MINISTER OF FINANCE
3rd November, 1975.