Auction Bond Program

Public Debt Office Ministry of Finance of the Dominican Republic



Debt Plan for 2009

- It is a planning instrument that increase transparency and predictability on the Country's Debt management.
- Assure that the Government Financing needs are met and accomplish in time the debt service obligations.
- Minimize medium term costs, in line with a safe risk level.
- Assure that the cost and risk objectives are consistent with the fiscal sustainability model for the Dominican Republic.
- Encourage the local debt market development, both primary and secondary, in line with the debt management strategy.

Debt Plan for 2009

Financing Source 2009 Budget (values in DOP)

Internal Sources	20,013,000,000 19,013,000,000	
Internal Credit		
Bond emissions in the local market		
Loans with local banks		
Bond emission for Administrative Debt	1,000,000,000	
External Sources	57,081,438,294	
Bilateral		
Petrocaribe	11,145,000,000	
Multilaterals (Budget support)	26,125,457,794	
World Bank		
IDB		
ADC		
Financing for investment projects	19,810,980,500	
Total	77,094,438,294	



Debt Plan for 2009

- Comply with the budget debt plan for Bond emissions up to rd\$19,000MM in accordance with the stipulations in Art. 22 on the budget Law 498-08 of 12/29/08.
- Increase transparency in the market with available information on the website: www.creditopublico.gov.do
- Update the local Capital Market with international standards.

Objectives

- Strengthen capital market with emissions of the Central Government.
- Create instruments that facilitate and encourage the secondary market in a flexible and transparent manner.
- Create a yield curve "benchmark" for the market.
- Comply with the Central American Monetary Council resolution through the adoption of standards for the harmonization of the public debt market.

Bond Auction Characteristics

- Initial Date: March 2009
- **Set-up Dates**: 1st Tuesday of the month.
- Offering: Primary market.
- **Participants**: Stock Exchange, Banks, and Savings and Loans Associations.
- Auction type: Multiple price with apportionment.
- **Settlement**: T + 3
- **Amount to be auctioned**: to be determined by the Debt Public Office.

Emissions Characteristics

- Emissions: 2, 3, 5, 7 and 10 years.
- **Emission Form:** Dematerialized Bond by Series.
- Custody: CEVALDOM.
- Currency: Dominican Pesos.
- Face Value: rd\$100,000.00 (one hundred thousand Dominican pesos).
- **Coupon:** Fixed and to be determined by the Public Debt Office.

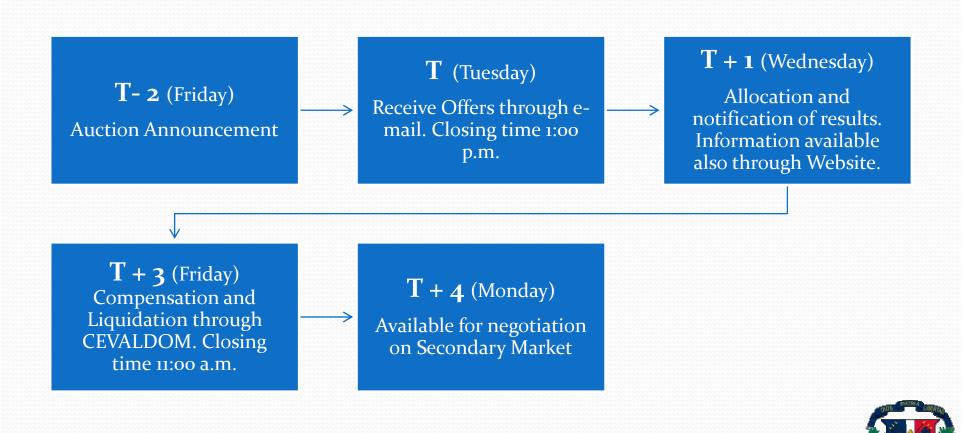


Benefits

- Competitive interest rates.
- Tax exemptions according to . Art.22 Parf.1.b of PILGP 498-08 and Art. 9 of Public Debt Office Law 6-06.
- Dematerialized Bonds that promotes and facilitate secondary market.
- Continuous plan of programmed auctions.
- International Securities Identification Number, ISIN codes.



Auction Process



Auction Assignation Example

 Series
 SEH1234

 Amount
 RD\$500,000,000

 Cut Price
 98.0000

<u>Institution</u>	<u>Price</u>	<u>Amount</u>	Allocated Amount	<u>Balace</u>	Allocated Price
BankA	99.5000	DOP 100,000,000	DOP 100,000,000	DOP 400,000,000	98.0000
Stock Exchange A	98.5000	DOP 150,000,000	DOP 150,000,000	DOP 250,000,000	98.0000
Stock Exchange B	98.5000	DOP 150,000,000	DOP 150,000,000	DOP 100,000,000	98.0000
Bank D	98.0000	DOP 200,000,000	DOP 40,000,000	DOP 60,000,000	98.0000
Bank E	98.0000	DOP 150,000,000	DOP 30,000,000	DOP 30,000,000	98.0000
Bank B	98.0000	DOP 150,000,000	DOP 30,000,000	DOP 0	98.0000
Bank J	97.5000	DOP 100,000,000	Rejected		
Bank F	97.5000	DOP 200,000,000	Rejected		

Apportionment



Disclaimer

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This document is not a final certification of the figures or political strategies of the Dominican Government.

Data from each of the institutions do not guarantee the accuracy or completeness of the information contained in this document.

Finally, the information contained herein is not intended to predict actual results nor guarantees are provided on the projections of them.