

OFFICIAL STATEMENT
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**REPUBLIC OF THE PHILIPPINES LISTS US\$ 500 MILLION 2.75%
ONSHORE DOLLAR BONDS DUE 2023 ON PDEX**



(from left) The Hongkong and Shanghai Banking Corporation Limited (HSBC) President Jose Arnulfo A. Veloso, Philippine Dealing & Exchange Corp. (PDEX) President & COO Cesar B. Crisol, Land Bank of the Philippines (LBP) President Gilda E. Pico, Treasurer of the Philippines Rosalia V. De Leon, PDEX Chairman and CEO Vicente B. Castillo, First Metro Investment Corporation (FMIC) President Roberto Juanchito T. Dispo, LBP Executive Vice President Rabboni Francis B. Arjonillo, Deutsche Bank (DB) Managing Director and Head of Institutional Client Group Tessa Banal-Pascual

Makati, Philippines, 04 December 2012, Tuesday- The Philippine capital market celebrated a landmark event - the issuance and listing of the first Onshore Dollar Bonds, issued by the Republic of the Philippines through the Bureau of the Treasury (BTr) on the Philippine Dealing & Exchange Corp. (PDEX).

PDEX also welcomed newly-appointed Treasurer of the Philippines Rosalia V. De Leon as the listing marked her official debut in the PDEX organized market. "This series of transactions culminated the DOF's 6-month preparation to execute its ambitious combination of liability management and funding exercise. The Government is continuously looking for innovative funding solutions to reduce refinancing risks, redenominate local currency debt and lower borrowing costs." said Treasurer De Leon in her message on behalf of the National Government and the Bureau of the Treasury.

The USD 500 Million Onshore Dollar Bonds Due 2023 were auctioned in the primary market last November 28 which showed spectacular demand to the tune of USD 1.7 Billion, more than three times its issue size, and priced competitively at 2.75% per annum.

This issue was designed based on global terms and in accordance to global standards, and was created to mimic the pricing, liquidity and tax features of the Republic of the Philippines (RoP) Global Bonds. The entry of this issue into the domestic organized market enables investor base to access foreign currency bonds in the local market and enjoy the benefits of its tax assumption feature. This also allows the network of brokers and dealers to engage in a new kind of issue and broaden their market expertise to this class of government securities.

The USD 500 Million 2.75% Onshore Dollar Bonds Due 2023 has been added to the 121 outstanding listed government securities in the PDEX platform. As of November 2012, a total of PhP 3.14 Trillion Peso-denominated government securities were listed in PDEX while listed dollar-denominated MRTBs amounted to USD 400 Million.

Together with the newly-issued USD 500 Million On-shore Dollar bonds, the total outstanding Dollar denominated Securities listed in PDEX amounts to USD 900 Million.

PDEX Chairman & CEO Vicente B. Castillo said in his welcome remarks, "PDEX is pleased to provide the market venue for this issue, on a unified basis where investors of all tax classes can meet and engage freely in the issue. For this environment, PDCs Sub-Registry capabilities were expanded to enable it to service the tax assumption feature of the bonds."

The event was held at the PDS Group Office at The Enterprise Center, Makati City and was also graced by Deputy Treasurers of the Philippines Eduardo S. Mendiola and Christine L. Sanchez, Securities and Exchange Commission (SEC) Market Regulation Department Director Vicente Graciano P. Felizmenio, Jr., and the Issue Manager, Land Bank of the Philippines (LBP), led by its President Gilda E. Pico together with two of Land Bank's Executive Vice Presidents Cecille Borromeo and Rabboni Francis B. Arjonillo.

Also present during the ceremony were the Co-Issue Managers. First Metro Investment Corporation was led by its President Roberto Juanchito T. Dispo, together with Senior Vice President Justino Juan R. Ocampo and Senior Vice President Reynaldo B. Montalbo, Jr. Representatives from the foreign banks who also acted as Co-Issue Managers for the issue, were also in attendance: Deutsche Bank (DB) Managing Director and Chief Country Officer and Head of Global Markets Enrico Cruz, DB Managing Director and Head of Institutional Client Group Tessa Banal-Pascual, The Hongkong and Shanghai Banking Corporation Limited President Jose Arnulfo A. Veloso, and Credit Suisse Philippines Investment Banking Heads Juan Miguel L. Escaler and Rhoda A. Huang.

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