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Department of Finance  
**INSURANCE COMMISSION**  
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**TO : ALL INSURANCE COMPANIES AND MUTUAL BENEFIT ASSOCIATIONS AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES**

**SUBJECT : EXCHANGE OFFER FOR HOLDERS OF EXISTING GOVERNMENT PESO DENOMINATED BONDS (the "Eligible Bonds") FOR A NEW ISSUE OF PESO-DENOMINATED BONDS (the "Benchmark Bonds")**

In connection with the Republic's liability management program involving the invitation to holders of certain existing "Eligible Bonds" to submit offers to exchange such Eligible Bonds for a new issue by the Republic of new "Benchmark Bonds" due 2016, the Insurance Commission confirms that if domestic insurance companies participate in the exchange offer and submit their Eligible Bonds in exchange for the Benchmark Bonds, that the Benchmark Bonds issued to such domestic insurance companies shall be considered eligible mandatory Insurance reserves under Sections 203, 191, 281 & 392 of the Insurance Code.

The Benchmark Bond shall be issued pursuant to Republic Act No. 245, as amended.

*Evangelina Crisostomo Escobillo*  
**EVANGELINE CRISOSTOMO ESCOBILLO**  
Insurance Commissioner

