Information Memorandum

CENTRAL BANK OF THE

DOMINICAN REPUBLIC

U.S. $328,550,000 Collateralized Discount Bonds Due 2024,

U.S. $191,333,000 PDI Bonds Due 2009

Guaranteed by

THE DOMINICAN REPUBLIC

August 30, 1994

BANCO CENTRAL DE LA
REPUBLIC DOMINICANA

By ______________________
Name:
Title:

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References herein to "U.S. dollars", "U.S.$", "$", "USD" and "dollars" are to United States dollars.

References to "Dominican pesos" "pesos" or "RD$" are to the currency of the Dominican Republic.

SUMMARY OF THE BONDS

The Central Bank of the Dominican Republic ("Central Bank"), on its own behalf and on behalf of certain public sector obligors, has entered into a Collateralized Discount Bond Exchange Agreement, dated as of February 14, 1994 (the "Discount Bond Exchange Agreement") with the holders of principal amounts ("Eligible Principal") outstanding under certain medium-and long-term credit agreements of the Central Bank and such public sector obligors (the "Existing Agreements"). The Discount Bond Exchange Agreement provides for the issuance by the Central Bank of the Collateralized Discount Bonds due 2024 (the "Discount Bonds").

The Central Bank, on its own behalf and on behalf of certain public sector obligors, has also entered into a PDI Bond Exchange Agreement dated as of February 14, 1994 (the "PDI Bond Exchange Agreement") with the holders of accrued and unpaid interest ("Eligible Interest") under the Existing Agreements. The PDI Bond Exchange Agreement provides for the issuance by the Central Bank of the PDI Bonds due 2009 (the "PDI Bonds", and, together with the Discount Bonds, the "Bonds").

This Information Memorandum describes the terms and conditions of the Bonds which shall be issued on August 30, 1994.

The Dominican Republic will guarantee the punctual payment of principal and interest on the Bonds pursuant to Guaranties dated February 14, 1994 in favor of the beneficiaries named therein (See "Description of Guaranties").

The Discount Bonds

The Discount Bonds will be secured as described in the Collateral Pledge Agreement, to be dated August 30, 1994, (the "Collateral Pledge Agreement"), made by the Central Bank in favor of the Federal Reserve Bank of New York as Collateral Agent. Repayment of the principal of the Discount Bonds, at the stated maturity thereof, will be secured by the pledge by the Central Bank of zero-coupon United States Treasury obligations (the "Pledged Securities") in face amount approximately equal to the principal amount of Discount Bonds (the "Principal Collateral"). Interest on the Discount Bonds will also be secured by the Central Bank by the pledge of cash, permitted investments and the earnings thereon (the "Interest Collateral"). The amount of such interest on the Discount Bonds that will be secured will initially equal approximately nine months of interest on the Discount Bonds. The permitted investments of Interest Collateral will consist of a pool of qualifying short- and medium-term investments denominated in U.S. dollars and maturing no later than 30 days after the maturity date for the interest payments that the investments secure.

Interest on the Discount Bonds will accrue from August 30, 1994 and will be payable semi-annually in arrears on November 30 and May 30 of each year, with a final interest payment on August 30, 2024. Interest shall be payable at a floating rate equal to 13/16% per annum over the London interbank offered rate for eurodollar deposit. The Discount Bonds will mature on August 30, 2024 and may be redeemed at par by the Central Bank in part or whole on any interest payment date prior to maturity, provided that no default on principal or interest payments on the Discount Bonds or the PDI Bonds has occurred and is continuing. Discount Bonds redeemed or repurchased by the Issuer or the Guarantor will be cancelled.

The Discount Bonds will be issued only in fully registered global form, without coupons, and may not be exchanged or converted, directly or indirectly, into bearer form. Each Discount Bond may be transferred only as a unit that includes all related interest and principal components, and may not be separated, directly or indirectly, into component interest and principal portions. Interests in a global Discount Bond may be exchanged for Discount Bonds in definitive form only upon notice of the Fiscal Agent to the Issuer that it has received notice that (a) the Issuer has failed to pay the principal amount of Discount Bonds when due and such default has continued for 15 calendar days or (b) either the Euroclear Operator or Cedel has been closed for business for a continuous period of 30 calendar days or intends to cease permanently or ceases permanently to do business, as specified in the Discount Bond Fiscal Agency Agreement dated as of August 30, 1994, among the Central Bank, Citibank, N.A., and Citibank (Luxembourg) S.A. (the "Discount Bond Fiscal Agency Agreement").

Principal of and interest on the Discount Bonds will be payable at the corporate trust office of Citibank, N.A., as Fiscal Agent, in New York City and at such other paying agencies as may be appointed by the Central Bank. Interest on the Discount Bonds will be paid to holders of record on the record date. Subject to certain exceptions, payments of principal and interest will be made without any deduction or withholding for or on account of Dominican Taxes of Paying Agent Taxes (See - The Discount Bonds - Terms and Conditions - Section 5). Principal on the Discount Bonds will be repaid in full on August 30, 2024.

Application has been made to list the Discount Bonds on the Luxembourg Stock Exchange. The Non U.S. Permanent Global Registered Discount Bond will be deposited with the Union Bank of Switzerland as common depositary for the Euroclear System and Cede, S.A. on the Closing Date, August 30, 1994.

The Discount Bonds have not been, and will not be, registered under the United States Securities Act of 1944, as amended (the "Securities Act"), and may not be offered or sold, directly or indirectly, in the United States of America, its territories or possessions or to or for the account of any U.S. Person (as defined in Regulation S of the Securities Act) except pursuant to an effective registration statement under such Act or in a transaction not requiring registration under such Act. A further description of the restrictions on offers and sales of Discount Bonds in the United States or to U.S. Persons is set forth below under "Subscription and Sale".

The PDI Bonds

Interest on the PDI Bonds will accrue from August 30, 1994 and will be payable semi-annually in arrears on February 28 and August 30 of each year. Interest on the PDI Bonds will be payable at a floating rate equal to 13/16% per annum over the London interbank offered rate for eurodollar deposits. The PDI Bonds will mature on August 30, 2009 and may be redeemed at par in whole or in part on any interest payment date prior to maturity, provided that no default on principal and interest payments on the Discount Bonds or the PDI Bonds has occurred and is continuing. PDI Bonds redeemed or repurchased by the Issuer or the Guarantor will be cancelled.

The PDI Bonds will be issued both in fully registered form, without coupons ("Registered PDI Bonds") and in bearer form, with coupons ("Bearer PDI Bonds"). The Bearer PDI Bonds will be issued in denominations of U.S.$250,000 and the Registered PDI Bonds will be issued in denominations of U.S. $250,000 and integral multiples thereof, or in certain other denominations specified in the PDI Bond Fiscal Agency Agreement dated as of August 30, 1994, among the Central Bank, Citibank, N.A. and Citibank (Luxembourg) S.A. (the "PDI Bond Fiscal Agency Agreement"). Bearer PDI Bonds will only be issued to persons that are TEFRA Non-U.S. Persons (as defined in the PDI Bond Fiscal Agency Agreement). Each PDI Bond may be transferred only as a unit that includes all related interest and principal components, and may not be separated, directly or indirectly, into component principal and interest portions. Interests in a global PDI Bond may be exchanged for PDI Bonds in definitive form only upon notice of the Fiscal Agent to the Issuer that it has received notice that (a) the Issuer has failed to pay the principal amount of PDI Bonds when due and such default has continued for 15 calendar days or (b) either the Euroclear Operator or Cedel has been closed for business for a continuous period of 30 calendar days or intends to cease permanently ceases permanently to do business, as specified in the PDI Bond Fiscal Agency Agreement.

Principal of and interest on the Bearer PDI Bonds will be payable to the bearer at the specified office located outside of the United States of any of the Paying Agents. Principal of and interest on the Registered PDI Bonds will be payable to holders of record of the Registered PDI Bonds at the corporate trust office of Citibank, N.A., and at such other paying agencies as may be appointed by the Central Bank. Subject to certain exceptions, payments of principal and interest will be made without any deduction or withholding for or on account of Dominican Taxes or Paying Agency Taxes, as described herein under "Description of Registered PDI Bonds - Terms and Conditions - Section 5" and "Description of Bearer PDI Bonds - Terms and Conditions - Section 5". Principal on the PDI Bonds will be repaid in 25 semiannual installments commencing on August 30, 1997. One percent of the principal amount will be repaid on the interest payment dates corresponding to installments one through seven. Five-and-one-sixth percent of the principal amount will be repaid on the interest payment dates corresponding to installments eight through twenty five.

Application has been made to list the PDI Bonds on the Luxembourg Stock Exchange.

The PDI Bonds have not been, and will not be, registered under the Securities Act and may not be offered or sold, directly or indirectly, in the United States of America, its territories or possessions or to or for the account of any U.S. Person except pursuant to an effective registration statement under such Act or in a transaction not requiring registration under such Act. A further description of the restrictions on offers and sales of PDI Bonds in the United States or to U.S. Persons is set forth below under "Subscription and Sale".

On or after the 40th day following August 30, 1994, beneficial interests in the Temporary Global Bearer PDI Bond may be exchanged for beneficial interests in a permanent global PDI Bond in bearer form, without coupons (the "Permanent Global Bearer PDI Bond" and, together with the Permanent Global Registered PDI Bond, the "Non-U.S. Global PDI Bonds"), upon certification of non-U.S. beneficial ownership. The Temporary Global Bearer PDI Bond and the Non-U.S. Global PDI Bonds will be deposited with the Union Bank of Switzerland, as common depositary for the Euroclear System and Cede S.A. on the Closing Date, August 30, 1994.

DESCRIPTION OF GUARANTIES

The holders of the PDI Bonds and the holders of the Discount Bonds have the benefit of a guaranty with respect to the PDI Bonds (the "PDI Bond Guaranty"), dated as of February 14, 1994 and a guaranty with respect to the Discount Bonds (the "Discount Bond Guaranty" and, together with the PDI Bond Guaranty, the "Guaranties") dated as of February 14, 1994, respectively, pursuant to which the Dominican Republic (the "Guarantor") unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of the Central Bank under the PDI Bonds and the Discount Bonds, respectively. The Guarantor similarly guarantees all obligations of the Central Bank under the PDI Bond Exchange Agreement, the PDI Bond Fiscal Agency Agreement, the Discount Bond Exchange Agreement, the Collateral Pledge Agreement and the Discount Bond Fiscal Agency Agreement.

The PDI Bond Guaranty and the Discount Bond Guaranty cover principal and interest due under the PDI Bonds and the Discount Bonds, respectively, as well as reasonable and documented fees and expenses (including reasonable and documented attorneys' fees and expenses) incurred by any holder of any PDI Bonds or Discount Bonds in enforcing its rights against the Guarantor under the Guaranty. The obligations of the Guarantor are independent of the obligations of the Central Bank under the PDI Bonds and the Discount Bonds and the agreements referred to above, and a separate action or actions may be brought and prosecuted against the Guarantor to enforce the Guaranties without joining Banco Central as a party thereto. The Guarantor has irrevocably submitted to the jurisdiction of any New York State or Federal court sitting in New York City and the appellate courts thereof in any suit, action or proceeding arising out of or relating to the Guaranties. The Guaranties are governed by the laws of the State of New York.

THE DOMINICAN REPUBLIC

GENERAL

Geography, Population, Society

The Dominican Republic occupies the eastern two-thirds of the Caribbean island of Hispaniola, covering 48,448 square kilometers. The Republic of Haiti occupies the rest of the island. The second largest country in the Caribbean Sea, the Dominican Republic is also neighbor to Puerto Rico, Jamaica and Cuba.

The Dominican Republic has a tropical climate, with an average temperature of 25 degrees Celsius. Its topography varies from central mountains and hillsides, which contain deposits of nickel, gold and silver, to valleys and plains, where traditional export crops such as sugar, coffee, cocoa and tobacco are cultivated. The coastal beaches have been the focus of the rapid development of local and international tourism; the country's lodging supply reached approximately 26,800 rooms as of December 31, 1993.

The country's population, estimated at 7.7 million in 1993, is growing at an annual rate of 2.3%. The population is concentrated in urban areas, with approximately 70% of all Dominicans living in cities such as Santo Domingo, the capital (population almost 2.5 million), Santiago, La Vega, and San Francisco.

Approximately 90% of the population is Roman Catholic and religious freedom is guaranteed by the Constitution. Spanish is the official language. The literacy rate is 77%.

Form of Government

The Dominican Republic gained its independence in 1844, upon liberation from 22 years of occupation by Haiti. The newly independent nation adopted a democratic system of government in which powers were divided among three branches: the executive, the legislative and the judiciary. This system was periodically interrupted by dictatorships, periods of instability, short civil wars and military occupation by foreign powers (Spain, 1861-1865, United States 1910-1924.) From 1930 to 1961, the Republic was governed by the dictator Trujillo. After his death in 1961 there occurred a period of great instability from 1961 to 1965, in which there occurred free elections (1962), a coup de etat (1963) and a brief civil war (1965). Since 1966, however, the Dominican Republic has been ruled by democratic governments, making its political system one of the most stable among Latin American and Caribbean countries. Since its independence, a Presidential system of government has been in place. The 1966 Constitution, influenced by both the Cadiz Constitution (Spain) and the American Constitution, established the structure of government and guarantees property rights; freedom of religion, expression and association, and free primary education and health care.

The Dominican Congress, composed of the Senate (upper chamber) and the Chamber of Deputies (lower chamber), exercises legislative authority. The Senate consists of 30 members, one from each of the Republic's 29 provinces and one from the city of Santo Domingo, elected by direct popular vote to four year terms. The Chamber of Deputies is composed of 120 members elected by the voters of each province with seats allocated based on population; like the members of the Senate, Deputies are directly elected to four year terms. Neither Senators' nor Deputies' terms are staggered.

The three largest political parties in the Dominican Republic, according to the number of seats they control in the Senate and the Chamber of Deputies, are the Partido Reformista Social Cristiano (the "PRSC"), the Partido Revolucionario Dominicano (the "PRD") and the Partido de la Liberación Dominicana (the "PLD"). Following the legislative elections of May 1994, the PRSC controlled 50 seats in the Chamber of Deputies and 14 seats in the Senate, the PRD controlled 54 seats in the Chamber and 15 seats in the Senate and the PLD controlled 13 seats in the Chamber and 1 seat in the Senate.

The President exercises executive power and is elected by direct popular vote to a four-year term. In 1994, Dr. Joaquin Balaguer of the PRSC was elected to the presidency for a third consecutive term.

The judicial branch is headed by the Supreme Court and includes criminal and civil courts. The Supreme Court is composed of nine members, appointed by the Senate every four years. The Senate also appoints lower court judges. The Constitution defines the judiciary as an independent branch and allows suits against the government. The civil law system is based on the Napoleonic Code.

Membership in International Organizations

The Dominican Republic is member of over 50 international organizations, including multilateral and regional cooperative and advisory institutions. These organizations include the United Nations, the International Monetary Fund (IMF), International Bank of Reconstruction and Development, the Inter-American Development Bank, the Inter-American Investment Corporation, the International Finance Corporation, the International Development Agency, the Organization of American States and the Latin American Association for Integration. The

Dominican Republic is also in the process of undertaking an agreement with the Multilateral Investment Guaranty Agency.

The country is a signatory of the General Agreement on Tariffs and Trade and adheres to the Generalized System of Preference. The Dominican Republic also has been a major beneficiary of the Caribbean Basin Initiative as well as the 936 Fund. On December 5, 1992, the Republic signed the IV Lomé Convention under which it has been granted preferential treatment by the European Community with respect to most export commodities.

RECENT DEVELOPMENTS

On May 16, 1994, presidential elections were held. President Balaguer won the elections by 22,000 votes and was to serve for the 1994-1998 term. However, his opponent, Mr. Jose Peña Gomez of the PRD, contested the election results. After a recount of the vote was held by officials of the election committee, Dr. Balaguer was declared the winner of the election. Nonetheless, pursuant to an agreement which must be approved by Congress, new elections will be held in 1996. The winner will serve a four year term beginning in August of 1996 and ending in August of 2000.

As of June 30, 1994, net international assets of the Central Bank were US$163.6 million, down from the balance at December 31, 1993 of US$437.8 million, the balance at December 31, 1992 of US$306.0 million and the US$182.5 million balance at December 31, 1991. Much of the improvement of the balance of international assets in the 1991-1993 period is attributable to the return of flight capital, due to high real interest rates and low inflation in the Republic. This situation was the product of a stabilization program initiated in 1990, when international net reserves were -197.8 million at year end. The decrease in 1994 is explained by higher inflation and lower interest rates in the Republic, and higher interest rates in the U.S.

ECONOMY

Gross Domestic Product

The following table presents the Gross Domestic Product ("GDP") of the Dominican Republic for the period 1989-1993 in 1970 Dominican pesos, nominal Dominican pesos and nominal U.S. dollars. For purposes of estimating growth of GDP and sectional growth, amounts are presented in 1970 pesos.

GROSS DOMESTIC PRODUCT

	1989	1990	1991	1992	1993
GDP in Millions of 1970 Dominican Pesos	3,968.1	3,777.5	3,805.2	4,104.9	4228.7
GDP in Millions of Nominal Dominican Pesos	42,393.0	64,866.9	100,070.2	112,368.8	120.571.7
Rate of Exchange DR$/US$	6.49	9.66	12.59	12.57	12.53
GDP in Millions of Nominal US$	6,532.0	6,715.0	7,948.4	8,939.4	9,622.6

1 Average weighted rate of exchange, reflecting the rates of exchange in the official and "non-bank" markets.

In 1993, the Republic's GDP was US$9,622.6 million. GDP grew at an estimated rate of 3.0% in 1993, following a growth rate of 7.9% in 1992, 0.7% in 1991, -4.8% in 1990, 4.2% in 1989, 0.7% in 1988, 7.9% in 1987 and 3.2% in 1986. Since 1986, the economy has seen positive growth in each year except 1990, when increased oil prices caused by the Persian Gulf War, a decline in ferronickel prices, and high inflation fueled by a rising public sector deficit resulted in a negative growth rate of -4.8%. During the period 1989 to 1993, real GDP grew at a 1.6% average annual rate.

In 1993, the combined agriculture, livestock, forestry and fishing sectors of the economy accounted for approximately 13.2% of GDP, manufacturing represented 18.3%, construction accounted for 8.0%, commerce for 12.7%, hotels, bars and restaurants for 5.4%, transportation for 7.4% and mining for 1.4%.

In 1992, GDP was US$8,939.4 million and the composition of GDP was as follows: agriculture and related industries accounted for 13.5% of GDP, manufacturing for 18.5%, commerce for 13.0%, construction for 7.5%, hotels, bars and restaurants for 4.7%, transportation for 7.3% and mining for 2.2%.

In 1991, GDP was US$7948.4 million and was composed as follows: agriculture and related industries accounted for 13.7% of GDP, manufacturing for 18.0%, commerce for 13.1%, construction for 6.5%, hotels, bars and restaurants for 4.4%, transportation for 6.9% and mining for 2.9%.

The sub-sectors of the Dominican economy which have experienced the most rapid growth over the past few years are the hotel, restaurant and bar sub-sector (including both tourism and domestic spending), which accounted for 5.4% of total GDP in 1993 and which grew in real terms by 20.5% in 1993 and 14.1% in 1992, and manufacturing in free zones, which accounted for 3.3% of total GDP in 1993 and grew in real terms by 43.5% from 1989 to 1993. Much of the growth in the hotel, restaurant and bar sector was fueled by tourism, which grew by 20.2% in 1993 and 16.8% in 1992, following a decline of 2.5% in 1991. Apart from the increased relative size of these sectors, the structure of the Dominican economy by industry has remained relatively unchanged since 1989.

The following table shows GDP, GDP growth and percentage of GDP by sector for the periods indicated. Amounts and percentages are based on 1970 pesos.

GROSS DOMESTIC PRODUCT BY SECTOR
(1970 Prices in RD$ Millions)

	1989	1990	1991*	1992*	1993*	GROWTH RATES 90/89	91/90	92/91	93/92
TOTAL	3,968.1	3,777.5	3,805.2	4,104.9	4,228.7	-4.8	0.7	7.9	3.0
AGRICULTURE AND RELATED INDUSTRIES	548.7	501.5	522.9	554.5	556.1	-8.6	4.3	6.0	0.3
Agriculture	317.9	269.9	288.5	307.0	295.6	-15.1	6.9	6.4	-3.7
Livestock	205.8	206.8	209.9	222.9	236.1	0.5	1.5	6.2	5.9
Forestry & Fishing	25.0	24.9	24.5	24.6	24.4	-0.6	-1.6	0.4	-0.7
MINING	139.3	116.6	111.5	90.9	57.2	-16.3	-4.4	-18.5	-37.1
MANUFACTURING	701.1	671.9	684.4	760.9	773.9	-4.2	1.9	11.2	1.7
Sugar Manufacturing[1]	57.0	42.0	46.8	44.4	50.6	-26.3	11.4	-5.1	14.0
All other	546.7	518.8	512.6	585.9	583.5	-5.1	-1.2	14.3	-0.4
Free Zones	97.4	111.1	125.0	130.6	139.8	14.1	12.5	4.5	7.0
CONSTRUCTION	347.5	280.8	245.9	305.9	338.3	-19.2	-12.4	24.4	10.6
COMMERCE	531.3	487.7	497.5	533.3	537.0	-8.2	2.0	7.2	0.7
HOTELS, BARS & RESTAURANTS	163.3	157.3	167.5	191.1	230.2	-3.7	6.5	14.1	20.5
TRANSPORTATION	262.8	252.8	261.7	299.1	313.4	-3.8	3.5	14.3	4.8
COMMUNICATIONS	69.2	78.7	89.7	102.7	115.9	13.7	14.0	14.5	12.9
ELECTRICITY	61.4	54.6	57.1	74.2	85.1	-11.1	4.6	29.9	14.7
WATER	16.3	23.8	25.4	25.5	36.4	45.7	6.9	0.3	43.0
FINANCE	205.6	220.8	223.4	224.3	222.1	7.4	1.2	0.4	-1.0
HOUSING	227.9	228.2	228.5	230.3	232.4	0.1	0.1	0.8	0.9
GOVERNMENT	349.0	358.8	352.0	366.1	373.4	2.8	-1.9	4.0	2.0
OTHER SERVICES	344.7	344.0	337.8	346.2	357.3	-0.2	-1.8	2.5	3.2

* Preliminary Data

1 Includes all industrial transformation of sugar cane.

PERCENTAGE OF GDP BY SECTOR

	1989	1990	1991	1992	1993
AGRICULTURE AND RELATED INDUSTRIES	13.8%	13.3%	13.7%	13.5%	13.2%
Agriculture	8.0	7.1	7.6	7.5	7.0
Livestock	5.2	5.5	5.5	5.4	5.6
Forestry and Fishing	0.6	0.7	0.6	0.6	0.6
MINING	3.5	3.1	2.9	2.2	1.4
MANUFACTURING	17.7	17.8	18.0	18.5	18.3
Sugar	1.4	1.1	1.2	1.1	1.2
All Other	13.8	13.7	13.5	14.3	13.8
Free Zones	2.5	2.9	3.3	3.2	3.3
CONSTRUCTION	8.8	7.4	6.5	7.5	8.0
COMMERCE	13.4	12.9	13.1	13.0	12.7
HOTELS, BARS & RESTAURANTS	4.1	4.2	4.4	4.7	5.4
TRANSPORTATION	6.6	6.7	6.9	7.3	7.4
COMMUNICATIONS	1.7	2.1	2.4	2.5	2.7
ELECTRICITY	1.5	1.4	1.5	1.8	2.0
WATER	0.4	0.6	0.7	0.6	0.9
FINANCE	5.2	5.8	5.9	5.5	5.3
HOUSING	5.7	6.0	6.0	5.6	5.5
GOVERNMENT	8.8	9.5	9.3	8.9	8.8
OTHER SERVICES	8.7	9.1	8.9	8.4	8.4
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

Agriculture, Livestock, Forestry and Fishing

The agriculture, livestock, forestry and fishing sectors grew by 0.3% to 13.2% of GDP in 1993, after increasing by 6.0% in 1992 and by 4.3% in 1991. Sugar is the country's principal agricultural product. Other important agricultural products include coffee and cocoa. Sugar production as a percentage of GDP has remained stable since 1990, comprising 1.1% or 1.2% of GDP in each year between 1990 and 1993.

Mining

Mining has declined steadily since 1989, both in absolute terms and as a percentage of GDP from RD$139.3 million (1970 pesos) and 3.5% of GDP in 1989 to RD$57.2 million (1970 pesos) and 1.4% in 1993. This decrease has tracked the decline in the production of ferronickel from 31,259 metric tons in 1989 to 14,500 metric tons in 1993. 80% of all mineral production is exported. A dramatic increase in the world price of ferronickel led to increases in ferronickel export earnings in 1988 and 1989, reaching US$372 million in 1989. Sharply declining prices from 1990 to 1992 are reflected in the Dominican Republic's decreasing export earnings from ferronickel in those years, from US$249 million in 1990 to US$221 million in 1991, US$179 million in 1992 and US$138 million in 1993.

Manufacturing

The Republic's manufacturing industry accounted for 18.3% of GDP in 1993, which represented a slight decrease in share of GDP from 1992, when manufacturing revenue reached 18.5% of GDP. The Dominican Republic's chief manufacturing industries are: manufacturing in the Free Zones, which accounted for 3.2% of GDP in 1993; sugar refining, which accounted for 1.2% of GDP in 1993. Manufacturing in Free Zones represented one of the Dominican Republic's fastest growing sectors, having increased by 7.0% in 1993 by 4.5% in 1992. Most of this manufacturing consists of assembly of parts manufactured abroad.

Commerce

In 1993, commerce accounted for 12.7% of GDP, down slightly from 1992 when it represented 13.0% of GDP. This decline was primarily attributable to a decline in imports and manufacturing.

Hotels, Bars and Restaurants

The hotel, bar and restaurant sector reached 5.4% of GDP in 1993. Revenue grew 20.5% in comparison to 1992, when the sector accounted for 4.7% of GDP. In 1991 hotels, bars and restaurants represented 4.4% of GDP. The revenue in this sector is comprised of tourist revenue, which is included in exports of services, and domestic revenue. Much of the growth in this sector was fueled by tourism, which grew 20.2% in 1993 and 16.8% in 1992.

The following table shows GDP by type of expenditure for the years indicated.

GDP AND GDP GROWTH RATE BY TYPE OF EXPENDITURE
(in millions of 1970 RD$)

	1989	1990	1991*	1992**	1993**	Growth Rates (%) 90/89	91/90	92/91	93/92
GROSS DOMESTIC PRODUCT	3,968.1	3,777.5	3,805.2	4,105.0	4,228.7	-4.8	0.7	7.9	3.0
IMPORTS OF GOODS AND SERVICES	803.1	723.9	740.7	916.7	891.3	-9.9	2.3	23.8	-2.8
-Imports of Goods	649.4	581.1	579.9	730.2	701.7	-10.5	-0.2	25.9	-3.9
-Imports of Services	153.7	142.8	160.8	186.5	189.6	-7.1	12.6	16.0	1.7
TOTAL SUPPLY	4,771.2	4,501.4	4,545.9	5,021.7	5,120.0	-5.7	1.0	10.5	2.0
TOTAL CONSUMPTION	3,061.5	2,844.5	2,958.5	3,067.7	3,088.6	-7.1	4.0	3.7	0.7
Private Consumption Expenditures	2,712.2	2,493.3	2,573.6	2,660.0	2,678.2	-8.1	3.2	3.4	0.7
Government Consumption Expenditures	349.3	351.2	384.9	407.1	410.4	0.5	9.6	5.8	0.8
GROSS DOMESTIC INVESTMENT	946.3	782.8	702.3	942.5	1,003.5	-17.3	-10.3	34.2	6.5
Gross Fixed Investment	926.8	765.8	669.6	906.9	958.5	-17.4	-12.6	35.4	5.7
Inventory Variance	19.5	17.0	32.7	35.6	45.0	-12.8	92.4	8.9	26.4
DOMESTIC DEMAND	4,007.8	3,627.3	3,660.8	4,010.2	4,092.1	-9.5	0.9	9.5	2.0
EXPORTS OF GOODS AND SERVICES	763.4	874.1	885.1	1,011.5	1,027.9	14.5	1.3	14.3	1.6
Exports of Goods	410.0	405.7	406.1	405.8	396.8	-1.0	0.1	-0.1	-2.2
Local	339.7	320.2	294.5	263.9	234.2	-5.7	-8.0	-10.4	-11.3
Free Zones	70.3	85.5	111.6	141.9	162.6	21.6	30.5	27.2	14.6
Exports of Services	353.4	468.4	479.0	605.7	631.1	32.5	2.3	26.5	4.2
TOTAL DEMAND	4,771.2	4,501.4	4,545.9	5,021.7	5,120.0	-5.7	1.0	10.5	2.0

* Preliminary Figures.
** Estimates valued as a function of local expenditures.

One noteworthy trend indicated by the table is that Gross Domestic Investment has recovered from the decline which began in 1989 due to a decline in savings. Imports of goods declined in real terms in 1993 by 3.9%. The decline is attributable to the excess of inventory of imported goods in 1992 resulting from the reduction in tariff levels at the end of 1991. This decline was offset by a 1.7% rise in imports of services, which was a result of the increase in the amount of services exported by Free Zones and Hotels, Bars and Restaurants.

Private consumption declined by 0.7% in 1993 after growing 3.4% and 3.2% in 1992 and 1991 and declining 7.1% in 1990. In 1993, private consumption accounted for 63.3% of GDP. Government consumption grew by 9.6% in 1991, 5.8% in 1992 and .8 in 1993, to approximately 10% of GDP in 1993.

Prices, Wages and Employment

Prices

The following table presents data on inflation as measured by the consumer price index as of the dates indicated.

CONSUMER PRICE INDEX

Base: November 1984 = 100[1]

	Index	Percent Change From Previous 12 Months
Dec. 1989	381.6	34.6
Dec. 1990	686.5	79.9
Dec. 1991	740.8	7.9
Dec. 1992	779.0	5.2
Dec. 1993	800.7	2.8
May 1994	841.7	5.1

SOURCE: Central Bank of the Dominican Republic

1 In 1993, the Central Bank changed the CPI base from 1976 to 1984, and adjusted its sampling methodology to reflect a more current "typical bundle of goods". Figures presented are revised to reflect the new methodology.

Annual inflation, as measured by the Consumer Price Index, was 7.9% in 1991, 5.2% in 1992, 2.8% in 1993 and 5.1% for the twelve months ending May 31, 1994. The higher inflation for the twelve month period ending May 31, 1994 is a result of the 15% increase in minimum wage which took effect February 10, 1994.

Following a period of high inflation which began in 1987, the government of the Dominican Republic in 1990-1993 decreased the fiscal deficit as a percentage of GDP from 5.0% in 1990 to 0.9% in 1993 and implemented a tight monetary policy. These policies have been primarily responsible for the low inflation and moderate growth experienced by the country since the beginning of 1991.

In 1990, inflation as measured by the Consumer Price Index rose to nearly 80%, prompting the government to reduce the rate of growth of public works spending and prompting the Central Bank to restrain growth of monetary aggregates through the strict enforcement of existing reserve requirements for commercial banks and the imposition of additional reserve requirements for new deposits. The government contributed further to reduction of monetary growth by applying local currency to paying down foreign debt and by depositing a portion of tax revenues at the Central Bank.

In a letter of intent addressed to the IMF signed in 1991 the government formalized its intention to avoid using an inflationary monetary policy to reduce the cost of financing future public spending programs.

Wages

The following table presents the nominal wage index, with 1984 as the base year, for the periods indicated.

MONTHLY NOMINAL WAGE INDEX BY SECTOR[1]
Base: 1976 = 100 RD$

SECTOR	1987	1988	1989	1990	1991	1992 April	1992 October
TOTAL	337.5	406.3	520.8	791.2	987.5	1,118.0	1,242.2
AGRICULTURE	527.1	635.5	858.6	1,292.1	1,450.7	1,582.2	1,999.0
MINING	282.9	364.6	506.5	767.6	1,150.3	1,466.2	1,551.5
MANUFACTURING	358.1	495.0	613.7	848.0	1,174.8	1,333.6	1,461.8
ELECTRIC	366.1	440.8	554.8	1,060.8	1,382.1	1,816.6	1,865.5
CONSTRUCTION	306.4	361.6	424.3	842.9	951.3	981.5	994.3
COMMERCE	343.4	375.5	479.3	732.5	1,010.1	1,328.0	1,545.6
TRANSPORTATION	415.3	491.4	652.9	1,223.3	1,490.5	1,649.4	1,674.6
FINANCE	328.1	425.8	547.3	815.3	1,092.8	1,303.2	1,417.6
SERVICES	295.9	356.7	429.6	641.5	865.7	845.2	922.6
PUBLIC SECTOR	274.7	336.4	403.3	560.0	699.3	786.7	828.4
PRIVATE SECTOR	400.6	477.4	640.9	1,024.7	1,276.2	1,449.9	1,656.2

(1) Weighted Average.

From December 1989 to October 1992, public sector wages increased by 105% and private sector wages increased by 158%. Agriculture and the electric utilities industry represent the sectors with the highest average wages, while the public sector, the services sector and the construction industry have the lowest average wages.

The following table presents private sector real monthly minimum wages for small, medium and large enterprises for the years indicated deflated to 1984 pesos.

REAL MINIMUM WAGES

BASE CPI: NOV. 1984 = 100.00
(IN RDS)

	PRIVATE SECTOR				
Year	**LARGE**	**MEDIUM**	**SMALL**	**FREE ZONES**	**PUBLIC SECTOR**
1987	192.3	192.3	137.4	192.3	
					105.8
1988					141.1
	176.4	176.4	123.5	176.4	
1989					131.0
	183.5	131.0	117.9	170.4	
					94.7
1990	163.1	116.5	104.9	163.1	
					105.3
1991	196.6	140.4	126.4	151.2	
				146.9*	
1992				162.9**	
June, 1994	197.2	141.3	127.2	164.8	

* Since April 1st., 1992
** Since July 1st., 1992.
Source: Central Bank of the Dominican Republic.

Minimum wages in the public sector are set by statute or executive decree. Private sector minimum wages are set by the National Wages Committee, with approval of the Labor Ministry.

Employment

The following table shows the number of persons employed, the number unemployed and the unemployment rate during the periods indicated.

EMPLOYMENT AND UNEMPLOYMENT
(in thousands)

	First Quarter 1991	First Quarter 1992	First Quarter 1993	First Quarter 1994
Employed	2,478.7	2,562.6	2,638.7	2,606.9
Unemployed	634.0	629.8	628.7	496.3
% Unemployed	20.4	19.7	19.2%	16.0%

Source: Central Bank of the Dominican Republic.

The annual average unemployment rate was 20.4% in 1991, 19.7% in 1992 and 16% in 1993.

PUBLIC FINANCE

The following table shows revenues and expenditures by the Dominican national government for the periods indicated.

GOVERNMENT REVENUES AND EXPENDITURES
(in millions of nominal RD$)

		1989	1990	1991	1992	1993	Six months ending June 30, 1994
A.	TOTAL REVENUES (I+II)	6,888.5	7,757.8	13,410.2	17,571.8	19,779.7	10,613.2
I.	Current Revenues	6,814.6	7,564.3	13,137.9	17,280.5	19,415.9	10,370.0
	Tax Revenues	5,297.8	6,320.6	11,413.9	15,599.8	18,029.5	9,657.4
	Non-Tax Revenues	1,516.8	1,243.7	1,724.0	1,681.0	1,386.4	712.6
II.	Capital Revenues*	73.9	193.5	272.3	291.0	363.8	243.2
B.	TOTAL EXPENDITURES (III+IV)	6,608.6	7,519.1	10,367.3	14,058.7	19,869.9	10,736.7
III.	Current Expenditures	2,949.0	3,927.5	5,256.9	6,735.1	9,973.4	4,922.5
	Wages and Salaries	1,191.4	1,580.1	2,064.9	2,744.7	3,472.1	1,853.2
	Goods and Services	366.4	486.1	541.5	975.9	1,427.8	898.5
	Current Transfers	869.8	1,289.8	1,525.8	1,615.2	2,192.7	900.4
	Interest Payments	315.8	247.7	674.2	593.1	1,554.3	274.6
	Others	205.6	323.8	450.5	806.2	1,326.5	995.8
IV.	Capital Expenditures	3,659.6	3,591.6	5,110.4	7,323.6	9,896.5	5,814.2
	Fixed Investments	2,636.2	2,015.7	2,181.7	3,913.5	6,063.8	3,678.5
	Capital Transfers	916.7	1,515.3	2,869.9	3,363.3	3,723.7	2,017.9
	Others	106.7	60.6	58.8	46.8	109.0	117.8
V.	Current Balance (I-III)	3,865.6	3,636.8	7,881.0	10,545.7	9,442.5	5,447.5
VI.	Available for Investments (II+V)	3,939.5	3,830.3	8,153.3	10,836.7	9,806.3	5,690.7
C.	GLOBAL BALANCE BEFORE GRANTS (A-B)	279.9	238.7	3,042.9	3,513.1	(90.2)	(123.5)
D.	GRANTS	61.0	50.0	425.6	816.4	684.3	17.6
E.	GLOBAL BALANCE AFTER GRANTS (C+D)	360.9	288.7	3,468.5	4,329.5	594.1	(105.9)
F.	FINANCING (VII+VIII)	(340.9)	(288.7)	(3,468.5)	(4,329.5)	(594.1)	105.9
VII.	Net External Credit (Debt)	(56.9)	(72.8)	(744.1)	(1,537.4)	(1,996.5)	(617.6)
	Interest Payments	212.3	234.4	256.6	163.1	251.2	256.8
	Amortization	269.2	307.2	1,000.7	1,700.5	2,247.7	874.4
VIII.	Net Internal Credit (Debt)	(284.0)	(215.9)	(2,724.4)	(2,792.1)	(1,402.4)	723.5

* Capital revenues include asset sales and extraordinary income from state owned enterprises.
Sources: National Treasury, Controller General of the Republic, Central Bank

Money Supply

During the period of 1991-1993 the money supply, the variable that reflects the liquid balances in the economy, determined by M1 (deposits redeemable by checks plus cash in hands of the public) increased from RD$10.9 millions in 1991 to RD$13.8 millions in 1992, and to RD$16.1 millions in 1993. The money supply measured by M2 (M1 plus savings and long term deposits) grew from RD$20.5 millions in 1991 to RD$27.2 millions in 1992, and to RD$33.3 millions in 1993.

The increase in international reserves was the chief reason for the high growth in the money supply during the 1992-1993 period, since the Central Bank limited the allocation of domestic credit to the public and private sector. Despite this growth in the money supply, price and exchange rate stability were maintained due to the increase in the demand for money that kept the monetary sector in equilibrium. During the first semester of this year, M1 has contracted by 6% from its value at December 31, 1993. This contraction has been basically the result of open market operations and a reduction of the monetary base due to declining international reserves.

	December 31, 1991	December 31, 1992	December 31, 1993	June 30, 1994
Cash in hands of the Public	4,571.4	5,913.6	6,905.8	6,698.3
Deposits Redeemable by Checks	6,395.9	7,907.6	9,212.0	8,488.1
M1	10,967.3	13,821.2	16,117.8	15,186.4
Long Term & Savings Deposits	9,579.4	13,336.2	17,226.6	18,061.3
M2	20,546.7	27,157.4	33,344.4	33,247.7

M1 during the first quarter of this year contracted by 6% from M1 at December 31, 1993 to reach RD$15.2 million. This contraction was the result of open market operations and a reduction of the monetary base due to declining international reserves.

Privatization of State-Owned Enterprises

While a more comprehensive privatization program is under consideration, the government has taken preliminary steps toward introducing private ownership in some sectors traditionally dominated by state enterprises. In the energy sector, the General Electricity Bill concerns the legal conditions to allow private companies to compete with the Dominican Electricity Corporation, and a National Energy Council was established in May 1993 to promote private domestic and foreign investment in the energy sector. The "Consuelo" Sugar Cane Refinery, a pilot partial privatization project, represents another step toward privatization in the sugar refining industry. In 1993, the government co-financed a study of privatization opportunities which produced recommendations as to enterprises to be privatized and a general strategy of privatization.

BANKING AND FINANCIAL INSTITUTIONS

The Dominican financial system has undergone a series of reforms since 1983. In 1991, interest rates were liberalized and reserve requirements reduced and made uniform. In the following year, the Monetary Board of the Central Bank announced reforms aimed at converting to a system of universal banking modeled on the German system, wherein banks are authorized to engage in a broad variety of economic activity, such as holding brokers seats in the emerging Dominican stock market and entering into factoring and lease transactions. Two banks, Banco BHD and Banco Mercantil, have already begun to function as universal banks and others are working to fulfill the requirements necessary to obtain status as universal banks.

The following table shows for the year indicated the total assets in the Dominican banking system by the type of bank in which they are held.

TOTAL ASSETS BY TYPE OF BANK
(in Millions of RD$)

	December 31, 1990	December 31, 1991	December 31, 1992	December 31, 1993	1994*
Commercial	15,948.2	22,216.2	27,521.5	32,306.9	32,351.7
Development	1,938.8	2,563.4	3,322.4	3,561.5	3,614.4
Savings and Loan Assoc.	3,865.8	5,248.9	6,618.6	8,227.4	8,593.8
Mortgage	2,781.2	2,597.6	2,575.1	1,515.4	1,535.0
Total	26,524.0	34,616.1	42,029.6	47,604.20	48,088.9

* As of March 31, 1994.

Total assets of the financial system in the Dominican Republic (including assets of domestic and foreign banks) amounted to RD$48,088.9 million as of March 31, 1994, a nominal increase of 1% from the December 31, 1993 level. Such assets nominally increased 13.3% in 1993, 21.42% in 1992 and 30.5% in 1991. The growth in assets has been moderate for the last three years, during which period certain banks were intervened, others underwent a process of dissolution and others merged.

As of December 31, 1993, domestic commercial banks held 62.2% of the total assets of the financial system, foreign banks held 5.7% and other domestic financial institutions held the balance.

INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

Export of Goods

The Dominican Republic's exports consist primarily of raw materials. The principal exports currently are sugar, coffee, cocoa, tobacco and ferronickel and other minerals. In 1993, sugar represented almost 30% of the country's export revenues, while coffee, cocoa and tobacco accounted for nearly 15%. Ferronickel represented approximately 25% of total export revenues, although its importance has declined since 1989, when it accounted for over 40% of export revenues. The Dominican economy is significantly influenced by fluctuations in the world price of sugar and the other commodities which the country exports.

During the 1989-1993 period, total exports of goods declined steadily at an average annual rate of 13.8%, dropping to a level of US$511.5 million in 1993. Ferronickel accounted for most of that decline, decreasing from US$371.9 in 1989 to US$128.2 in 1993.

The following tables show exports of traditional goods from the Dominican Republic for the years indicated by amount and as a percentage of total exports.

EXPORTS OF GOODS
(In Thousands of US$)

	1989	%	1990	%	1991	%	1992	%	1993*	%
Sugar	193,120	20.9	177,528	24.2	167,105	25.4	142,974	25.4	143,129	28.0
Coffee	63,830	6.9	46,627	6.3	43,534	6.6	26,043	4.6	26,324	5.1
Cocoa	47,849	5.2	46,037	6.3	34,781	5.3	35,224	6.3	35,958	7.0
Tobacco	14,197	1.5	21,912	3.0	19,132	2.9	17,111	3.0	21,945	4.3
Ferronickel	371,946	40.2	249,050	33.9	220,812	33.5	179,198	31.9	128,243	25.1
Gold	65,979	7.1	53,600	7.3	36,818	5.6	24,343	4.3	3,894	0.8
Silver	3,797	0.4	3,468	0.5	2,748	0.4	1,661	0.3	201	-
Bauxite	907	0.1	514	-	208	-	-	-	-	-
Others	162,763	17.6	135,802	18.5	133,185	20.2	135,834	24.2	151,828	29.7
TOTAL	924,388	100.0	734,538	100.0	658,323	100.0	562,389	100.0	511,524	100.0

* Preliminary data.
SOURCE: Central Bank of the Dominican Republic

Sugar remains the major agriculture export, accounting for US$143 million or 28.0% of all exports of goods in 1993, even though its importance has declined in both absolute and relative terms since the early 1980s, from a high of US$264 million in export earnings in 1983 to a low of US$123 million in 1988. This decline is attributable to a decrease in production throughout the 1980s made necessary by the reduction of the United States import quota for sugar and declining prices in the world market. In 1993, the Dominican Republic's sugar production increased in response to an increase in world sugar prices, in spite of a 19% reduction in the U.S. quota.

Exports of coffee, comprising 5.1% of all goods exported in 1993, also declined in the last five years. This decline corresponds to a fall in the world price following suspension in July 1989 of export quotas established under the International Coffee Agreement of 1983. Cocoa exports, accounting for 7.0% of goods exports and US$36.0 million in 1993, have seen similar declines in recent years. Exports of tobacco, including raw leaf and tobacco products, accounting in 1993 for US$21.9 million or 4.3% of total goods exports, have decreased since the late 1980s following Spain's entry into the European community, which virtually closed the Dominican Republic's main tobacco export market.

In 1993, ferronickel fell behind sugar as the most important export commodity, accounting for US$128.2 million or 25.1% of total exports of goods. After surges in production in 1988 and 1989 due to a more than trebling of the world market price, export earnings from ferronickel dropped in 1990-1993, owing to a sharp decline in world market prices (from US$4,544 per metric ton in 1989 to US$1,964 per metric ton in 1993) which resulted from high levels of production, decreased world demand and an increase in exports from Russia, the world's largest supplier.

Gold exports, accounting for US$3.9 million and 0.8% of exports of goods in 1993, have declined steadily over the last decade, reflecting the gradual exhaustion of existing mines using the present extraction process. In 1993 and 1994, the national gold mining company solicited offers from foreign suppliers of extraction technology and began to implement the new extraction processes.

Non-traditional export goods are dominated by agricultural products such as beef, bananas, pineapples and dry coconut. Other non-agricultural exports include wood furniture, can lids, chemical fertilizer and pottery, which together, accounted for less than US$9 million in 1993.

Export of Services

Exports of services in the Dominican Republic were valued at US$1.88 billion in 1993 and were dominated by services related to tourism. Estimated revenues from tourism totaled US$1.23 billion in 1993, US$1.02 billion in 1992 and US$877 million in 1991. Tourism is focused on the coastal beaches of the Republic.

New legislation aimed at strengthening the export sector is under consideration for 1994. The proposed legislation would provide tax credits and subsidized loans to exporters. The government is currently studying ways in which to implement export incentives that are in compliance with the General Agreement on Tariffs and Trade.

Imports

The following table shows imports to the Dominican Republic by key trade items for the years indicated.

IMPORTS OF GOODS
(In Millions of U.S.$)

	1989	%	1990	%	1991	%	1992	%	1993*	%
Petroleum and Derivatives	405.0	20.6	516.5	28.8	436.8	25.3	487.8	22.4	453.0	21.4
Coal	22.0	1.1	5.0	0.3	11.7	0.7	13.0	0.6	10.3	0.5
Other	1,536.8	78.3	1,271.3	71.1	1,286.3	74.0	1,673.8	77.0	1,655.1	78.1
Total	1,963.8	100.0	1,792.8	100.2	1,728.8	100.0	2,174.6	100.0	2,118.4	100.0

* Preliminary data.

The largest single item imported into the Dominican Republic is petroleum and derivatives, which has over the period 1989-1993 accounted for a low of 20.6% of imports in 1989 and a high of 28.8% of imports in 1990.

Patterns of Trade

The tables below illustrate the pattern of trade between the Dominican Republic and each of its top export and import trading partners for 1989 through 1993.

EXPORTS OF GOODS BY MAJOR TRADING PARTNER
(In Thousands of US$)

	1989	%	1990	%	1991	%	1992	%	1993*	%
United States**	467,265	50.6	431,837	58.8	368,881	56.0	303,126	53.9	266,707	52.1
Puerto Rico	65,705	7.1	57,775	7.9	50,369	7.7	40,200	7.1	37,909	7.4
Holland	166,729	18.0	106,907	14.6	99,191	15.1	74,732	13.3	70,513	13.8
Korea	42,716	4.6	33,984	4.5	29,706	4.5	25,285	4.5	23,870	4.7
Belgium/Luxembourg	10,827	1.2	13,472	1.8	20,533	3.1	17,419	3.1	16,496	3.2
Japan	54,216	5.9	14,864	3.6	24,000	3.6	16,847	3.0	15,913	3.1
Morocco	8,278	0.9	3,654	0.3	2,003	0.3	10,114	1.8	9,574	1.9
Germany	2,514	0.3	1,905	0.3	2,295	0.3	8,428	1.5	9,525	1.9
Canada	18,122	2.0	11,884	2.0	13,388	2.0	9,552	1.7	9,137	1.8
Total Major Partners	836,372	90.5	676,282	92.1	610,366	92.7	505,703	89.9	459,644	89.9
All others	87,936	9.5	58,256	7.9	47,957	7.3	56,686	10.1	51,880	10.1
Total Exports	924,308	100.0	734,538	100.0	658,323	100.0	562,389	100.0	511,524	100.0

* Preliminary data.
** Excluding Puerto Rico
SOURCE: Central Bank of the Dominican Republic

The United States is by far the largest trading partner of the Dominican Republic, providing markets in 1993 for 52.1% of all Dominican exports, amounting to US$267 million. In 1993, sugar accounted for US$102 million, or 38% of the Republic's exports to the United States; ferronickel accounted for US$36 million, or 13%; cocoa accounted for US$31 million, or 12%; gold and silver represented US$4 million, or 1.5%; and coffee represented US$13 million, or 5%.

Holland, the second largest trading partner, provided markets in 1993 for 13.8% of the Dominican Republic's exports, representing US$70.5 million. This entire amount consisted of ferronickel, for which Holland represents the chief market. Spain is the largest importer of tobacco from the Dominican Republic, providing US$9 million in revenue from tobacco exports in 1993.

IMPORTS OF GOODS BY MAJOR TRADING PARTNER
(In Millions of US$)

	1989	%	1990	%	1991	%	1992	%	September, 1993	%
United States	815.0	41.3	826.0	42.8	908.6	45.5	999.4	41.21	773.3	38.85
Venezuela	230.1	11.7	276.0	14.3	248.4	12.4	273.3	11.27	175.7	8.83
Mexico	163.1	8.3	143.4	7.4	129.1	6.5	142.0	5.86	125.1	6.28
Japan	284.6	14.4	201.5	10.4	104.0	5.2	207.1	8.54	164.7	8.27
Italy	41.1	2.1	47.6	2.5	60.7	3.0	54.2	2.23	69.0	3.47
Spain	37.6	1.9	34.5	1.8	41.7	2.1	65.9	2.72	51.3	2.58
Brazil	33.9	1.7	35.1	1.8	38.6	1.9	64.1	2.64	54.7	2.75
Hong Kong	4.0	0.2	18.7	1.0	36.5	1.8	50.4	2.08	45.7	2.30
France	21.8	1.1	24.0	1.2	36.2	1.8	49.9	2.06	33.5	1.68
Germany	65.2	3.3	50.5	2.6	31.0	1.6	42.5	1.75	34.9	1.75
Total Major Partners	1,696.4	86.0	1,657.3	85.9	1,634.8	81.9	1,948.8	80.36	1,527.9	76.76
All Others	277.3	14.0	273.0	14.1	360.7	18.1	476.4	19.64	462.6	23.24
Total Imports	1,973.7	100.0	1,930.3	100.0	1,995.5	100.0	2,425.2	100.00	1,990.5	100.00

SOURCE: IMF

The leading exporters to the Dominican Republic are the United States, Venezuela and Mexico, which primarily export petroleum.

The Balance of Payments

Exports of goods and services in 1993 totaled US$2.39 billion, a 11.4% increase over 1992, while total imports of goods and services remained at approximately US$3.13 billion during the same period. The US$1.6 billion trade deficit at the end of 1993 represented a slight decrease of 0.4% compared with 1992.

The current account deficit totaled US$299.6 million at the end of 1993, representing a decrease from the 1992 level of US$582.9 million and an increase compared with the 1991 level of US$107.0 million.

The table below shows the Dominican Republic's current account capital account and balance of payments status at the end of the years indicated.

The deficit in the current account of the balance of payments declined by US$283.3 million to US$209.6 million, or 3.1% of GDP compared with US$582.9 million or 6.48% of GDP in 1992. In 1991, the current account deficit was US$107.0 million, representing only 3% of GDP, due to a significantly lower level of imports.

BALANCE OF PAYMENTS
(in Millions of US$)

	1989	1990	1991	1992	1993*
I. CURRENT ACCOUNT BALANCE (a+b+c)	(266.0)	(59.2)	107.0)	(582.9)	(299.6)
a) Balance of Trade (1-2)	(1,039.4)	(1,058.) 3	(1,070.) 5	(1,612.) 1	(1,606.9)
1.- Exports	924.4	734.5	658.3	562.5	511.5
Sugar	193.1	177.5	167.1	143.0	143.1
Coffee	63.8	46.6	43.5	26.1	26.3
Cocoa	47.9	46.0	34.8	35.2	36.0
Tobacco	14.2	21.9	19.1	17.1	21.9
Ferronickel	371.9	249.0	220.8	179.9	128.2
Dore	69.8	57.0	39.6	26.0	4.1
Bauxite	0.9	0.5	0.2	0.0	0.0
Other Products	162.8	136.0	133.2	135.8	151.9
2.- Imports	1,963.8	1,792.8	1,728.8	2,174.6	2,118.4
Oil - Coal	427.0	521.5	448.5	498.1	463.3
All Others	1,536.8	1,271.3	1,280.3	1,676.5	1,655.1
b) Balance of Services (3-4)	389.0	628.5	577.0	597.4	865.7
3. Revenues	1,259.8	1,356.7	1,407.5	1,585.5	1,880.3
Insurance and Freight	26.8	20.4	18.2	15.7	14.3
Other Transportation	33.6	42.7	53.5	55.4	71.4
Tourism	818.4	899.5	877.2	1,024.6	1,231.5
Investment Income	107.0	86.1	87.2	54.7	52.4
Government Transactions	9.0	11.0	11.5	12.0	12.7
Ind. Free Zone - Local Expenses	191.3	196.1	249.9	304.3	368.5
All Other	73.7	100.9	110.0	118.8	129.5
4.- Payments	870.8	728.2	830.5	988.1	1,014.6
Insurance and Freight	214.7	176.7	175.4	231.8	218.0
Other Transportation	15.0	15.0	20.3	20.8	22.8
Tourism	136.1	144.0	153.6	181.1	164.2
Investment Income	406.0	287.8	351.2	410.7	448.6
Government Transactions	5.0	5.3	5.0	8.9	11.0
All Other	94.0	99.4	125.0	134.8	150.0
c) Net Unilateral Transfers	384.4	370.6	386.5	431.8	441.6
Private	300.5	314.8	329.5	346.6	361.8
Public	83.9	55.8	57.0	85.2	79.8
II. CAPITAL ACCOUNT BALANCE [(a+b)]	266.0	59.2	107.0	582.9	299.6
a) Non-Reserve Capital (1+2+3)	148.7	135.0	487.3	706.4	431.4
1.- Foreign Investment	110.0	132.8	145.0	179.0	182.8
2.- Medium- and Long-Term Capital	156.4	54.1	(3.3)	(51.5)	(41.1)
Payments	279.1	141.3	152.9	111.5	139.9
Multilaterals	86.2	87.4	79.4	59.9	70.4
IBRD	31.8	37.7	42.5	34.9	25.7
IDB	52.2	47.9	36.1	24.1	42.7
[Others]	2.2	1.8	0.8	0.9	2.0
Bilaterals	179.0	53.9	73.5	51.6	69.5
[Others]	13.9	-0.0	-	0.0	0.0
Amortization	(122.7)	(87.2)	(156.2)	(163.0)	(101.0)
3.- Other Net Capital (Short Term)	(117.7)	(51.9)	345.6	578.2	289.7
b) Reserve Capital (1+2)	117.3	(75.8)	(380.3)	(123.5)	(131.8)
Assets (Increases:-)	85.7	54.1	(357.5)	(63.5)	(156.0)
Liabilities (Decreases:-)	31.6	(129.9)	(22.8)	(60.0)	24.2
IMF	(99.7)	(47.6)	14.3	35.6	63.0
Others [Please explain this section]	131.3	(82.3)	(37.1)	(95.6)	(38.8)

*** Preliminary, subject to verification**
Source: Central Bank of the Dominican Republic

International Reserves

Net international reserves of the Dominican Republic as of December 31, 1993, 1992, 1991, 1990 and 1989, were US$437.8 million, US$306.0 million, US$182.5 million, US$(197.8) million and US$(273.6) million, respectively. As of June 30, 1994, net international reserves amounted to US$163.6 million. Much of the improvement of the balance of international assets in the 1991-1993 period is attributable to the return of flight capital, due to high real interest rates and low inflation in the Republic. This situation was the product of a stabilization program initiated in 1990, when international net reserves were -197.8 million at year end. The decrease in 1994 is explained by higher inflation and lower interest rates in the Republic, and higher interest rates in the U.S.

Short term deposits comprised $246.9 million, or 69% of all international assets as of June 30, 1994, while the balance was held in sight deposits, cash, gold and special drawing rights.

The following table sets forth the balances of the net international reserves of the Dominican Republic for the years indicated.

INTERNATIONAL NET RESERVES OF THE CENTRAL BANK
(In Millions of US$)

	December 31,					June 30,
	1989	1990	1991	1992	1993	1994
ASSETS	122.8	68.7	426.2	489.7	645.7	356.8
Gold	7.5	6.9	6.6	6.1	7.0	7.1
Cash	6.6	5.0	16.0	14.7	15.4	11.4
[Sight Deposits]	50.6	25.8	372.2	323.8	307.8	81.7
Short Term Deposits	52.0	31.0	31.3	145.0	298.8	246.9
IDB Bonds	1.0	0.0	0.0	0.0	0.0	0.0
Special Drawing Rights	5.1	0.0	0.1	0.1	16.7	9.7
LIABILITIES	396.4	266.5	243.7	183.7	207.9	193.2
Use of IMF Credit	120.8	73.2	87.5	123.1	186.1	190.7
Special Deposits in Foreign Currency	34.2	39.7	43.9	42.4	19.8	0.5
Reciprocal Credit Agreement	122.6	112.1	85.5	3.3	0.6	0.6
Commercial Arrears	30.9	26.5	24.6	13.7	0.4	0.4
Special Account in US$	87.9	15.0	2.2	1.2	1.0	1.0
INTERNATIONAL NET RESERVES	(273.6)	(197.8)	182.5	306.0	437.8	163.6

Source: Central Bank of the Dominican Republic

Exchange Rates

The following table shows the monthly and annual monthly average RD$/US$ private market exchange rates for the months and years indicated.

PRIVATE MARKET RATE OF EXCHANGE (SELLING RATES)
(RD$/US$)

1991

January	11.79
February	14.75
March	13.60
April	12.73
May	12.86
June	12.78
July	12.73
August	12.61
September	12.62
October	12.60
November	12.62
December	12.62
Annual Monthly Average	**12.86**

1992

January	12.58
February	12.62
March	12.70
April	12.74
May	12.82
June	12.97
July	12.83
August	12.75
September	12.65
October	12.59
November	12.56
December	12.55
Annual Monthly Average	**12.70**

1993

January	12.54
February	12.54
March	12.55
April	12.55
May	12.54
June	12.55
July	12.57
August	12.60
September	12.61
October	12.63
November	12.64
December	12.63
Annual Monthly Average	**12.58**

1994

January	12.62
February	12.62
March	12.63
April	12.70
May	12.71
June	12.75
Six Month Average	**12.67**

SOURCE: Central Bank of the Dominican Republic

Since the country's foreign exchange regime was liberalized in August 1991, the private market exchange rate has remained close to the official rate maintained by the Central Bank of RD$12.5 per US$. From time to time, the Central Bank has bought or sold foreign exchange into the private market as a means to stabilize the private market rate. See "The Central Bank of the Dominican Republic Foreign Exchange Operations and Regulations."

Foreign Investment

The general rules applicable to foreign investors are set forth in the Foreign Investment Law, Law No. 861, dated July 22, 1976 as amended. However, a new law on Foreign Investment has been submitted to Congress for its approval. This proposed law would grant international firms equal treatment with domestic enterprises and would eliminate certain legal barriers to entry in the domestic market. It also would remove some of the previous obstacles to repatriation of dividends. Pursuant to this new law, the original investment dividends and net profits could be freely repatriated.

Under current law, foreign investment may be made in the Republic. In order to qualify for the lawful repatriation of an investment and dividends, the authorization of the Directorate of Foreign Investment must be obtained no later than two years after the investment. Direct foreign investment in the free zones does not require the previous approval of the Directorate of Foreign Investment; however, approval of the National Council of Free Zones is required.

Net profits arising from a registered foreign investment may be freely repatriated to the extent such profits do not exceed annually 25% of the value of the registered investment. The investment itself also may be freely repatriated upon sale of such investment to domestic or foreign investors, or upon liquidation of the business in which the investment was made.

The following table shows cumulative levels of investment in the Dominican Republic by selected countries as of June 1994, as registered by the Central Bank.

FOREIGN INVESTMENT REGISTERED BY THE CENTRAL BANK
AS OF JUNE 1994
(In US$ Millions)

Canada	411.62
United States	213.01
England	22.11
Holland	17.95
Panama	16.44
Spain	10.53
Switzerland	7.26
Italy	6.06
France	4.69
Germany	2.83
Bahamas	2.69
Hong Kong	2.04
Venezuela	1.40
Puerto Rico	1.25
Others	3.81
TOTAL	723.70

As set forth in the following table, foreign investment registered with the Central Bank is concentrated in the communications sector (51% of total) and the agroindustrial sector (16.7%).

FOREIGN INVESTMENT REGISTERED BY THE CENTRAL BANK BY SECTORS
AS OF JUNE 1994

SECTORS	AMOUNT (US Million)
Communications	373.87
Agroindustries	121.00
Industrial	78.12
Financial	46.86
Tourism	45.37
Services	38.09
Mining	19.62
Others	0.77
TOTALS	723.70

EXTERNAL DEBT

As of December 31, 1993, the Dominican Republic's foreign debt, including debt with the IMF, equalled US$4.52 billion, which represented an increase from the December 31, 1992 level of US$4.41 billion. This $110 million increase was due to accrued interest, primarily on commercial bank debt, and to the US$73.8 million disbursement from the IMF corresponding to the Standby Agreement and the Compensatory Contingency Financing Facility.

The following table presents the Dominican Republic's external public debt and debt service by creditor for the years indicated.

EXTERNAL PUBLIC DEBT
(Preliminary figures in US$ millions)

	AS OF DECEMBER 31, 1992 (1) (2)				AS OF DECEMBER 31, 1993 (2)			
	Principal Outstanding	Interest Arrears (3)(4)	Total	Percentage Composition	Principal Outstanding	Interest Arrears (4)	Total	Percentage Composition
I. OFFICIAL (a + b)	2,609.04	515.57	3,124.61	70.81%	3,073.07	79.88	3,152.95	69.7%
a) MULTILATERAL	1,100.92	5.09	1,106.01	25.1%	1,156.07	5.09	1,161.16	25.7%
IDA	19.33	0.00	19.33	0.4%	18.67	0.00	18.67	0.4%
IDB	667.59	0.00	667.59	15.1%	663.89	0.00	663.89	14.7%
IBRD	263.68	0.00	260.68	5.9%	257.69	0.00	257.69	5.7%
IFC	0.34	0.00	0.34	0.0%	0.17	0.00	0.17	0.0%
IIC	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
IFAD	13.24	0.00	13.24	0.3%	13.49	0.00	13.49	0.3%
IMF	122.98	0.00	122.98	2.8%	186.09	0.00	186.09	4.1%
NDF	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
OPEC	16.76	5.09	21.85	0.5%	16.08	5.09	21.17	0.5%
b) BILATERAL (5)	1,508.12	510.48	2,018.60	45.7%	1,917.00	74.79	1,991.79	44.0%
Germany	63.14	24.41	87.55	2.0%	74.03	0.00	74.03	1.6%
Argentina	17.17	13.14	30.31	0.7%	14.19	9.99	24.18	0.5%
Belgium	1.30	0.00	1.30	0.0%	1.19	0.00	1.19	0.0%
Brazil	6.48	4.69	11.17	0.3%	0.00	0.00	0.00	0.0%
Canada	1.35	0.00	1.35	0.0%	1.23	0.00	1.23	0.0%
Chile	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
China	4.00	3.15	7.15	0.2%	4.00	3.67	7.67	0.2%
Columbia	17.97	0.00	17.97	0.4%	17.09	0.00	17.09	0.4%
Costa Rica	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Ecuador	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
El Salvador	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Spain	191.70	136.92	328.62	7.4%	300.03	0.52	300.55	6.6%
U.S.A.	763.93	238.71	1,002.64	22.7%	937.13	57.89	995.02	22.0%
France	17.16	14.07	31.23	0.7%	32.54	0.17	32.71	0.7%
Italy	57.41	1.01	58.42	1.3%	60.22	0.87	61.09	1.4%
Japan	178.14	70.48	248.62	5.6%	244.83	0.00	244.83	5.4%
Mexico	0.00	0.00	0.00	0.0%	25.98	0.00	25.98	0.6%
Paraguay	0.54	0.41	0.95	0.0%	0.54	0.44	0.98	0.0%
Peru	5.63	3.48	9.10	0.2%	6.42	0.00	6.42	0.1%
Uruguay	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Venezuela	182.22	0.00	182.22	4.1%	197.59	1.24	198.83	4.4%
II. PRIVATE	920.84	367.35	1,288.19	29.2%	910.94	459.56	1,370.51	30.3%
BANKS	805.21	329.23	1,134.44	25.7%	809.41	421.35	1,230.76	27.2%
SUPPLIERS (6)	115.63	38.12	153.75	3.5%	101.53	38.22	139.75	3.1%
III. GLOBAL DEBT (I + II)	3,529.88	882.93	4,412.80	100.0%	3,984.02	539.44	4,523.46	100.0%

Source: Central Bank of the Dominican Republic.

NOTES: (1) Revised figures.
(2) Adjusted by foreign exchange rates at end of period.
(3) Includes amounts to be rescheduled pursuant to Paris Club Minute, 1991.
(4) Includes all types of contractual penalties.
(5) Includes guarantees.
(6) Advances on exports registered in net terms.

EXTERNAL PUBLIC DEBT
(Preliminary figures in US$ millions)(1)

	SERVICE IN 1991			SERVICE IN 1992			SERVICE IN 1993		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
I. OFFICIAL (a + b)	240.30	109.36	349.67	219.14	158.01	377.15	194.11	165.62	359.72
a) MULTILATERAL	119.71	64.30	184.01	81.01	53.66	134.67	76.07	57.22	133.30
IDA	0.51	0.23	0.74	0.40	0.15	0.55	0.66	0.14	0.81
IDB	38.84	30.10	68.94	38.90	26.75	65.65	37.80	27.06	64.86
IBRD	31.32	22.84	54.16	24.89	16.50	41.39	25.53	19.05	44.58
IFC	0.07	0.00	0.07	0.17	0.00	0.17	0.17	0.00	0.17
IIC	0.30	0.00	0.30	0.00	0.00	0.00	0.00	0.00	0.00
IFAD	2.88	1.25	4.13	1.45	0.57	2.02	1.68	0.53	2.21
IMF	45.78	9.88	55.65	14.52	9.00	23.52	9.55	9.56	19.31
NDF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPEC	0.00	0.00	0.00	0.68	0.69	1.37	0.68	0.67	1.35
b) BILATERAL (2)	120.59	45.06	165.66	138.13	104.35	242.47	118.03	108.39	226.43
Germany	0.48	0.31	0.79	0.49	2.64	3.12	4.41	7.33	11.74
Argentina	11.08	0.73	11.80	7.12	0.34	7.46	4.47	0.09	4.56
Belgium	0.00	0.00	0.00	0.35	0.24	0.59	0.00	0.00	0.00
Brazil	8.04	0.31	8.34	0.02	0.00	0.02	1.92	1.56	3.47
Canada	0.00	0.00	0.00	0.40	0.36	0.76	0.07	0.04	0.11
Chile	1.21	0.05	1.25	0.00	0.00	0.00	0.00	0.00	0.00
China	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Columbia	16.49	1.79	18.28	2.43	1.65	4.08	11.88	1.55	13.44
Costa Rica	1.44	0.06	1.51	0.00	0.00	0.00	0.00	0.00	0.00
Ecuador	0.33	0.01	0.34	0.00	0.00	0.00	0.00	0.00	0.00
El Salvador	0.93	0.04	0.96	0.00	0.00	0.00	0.00	0.00	0.00
Spain	0.00	0.00	0.00	3.71	4.09	7.80	8.36	23.46	31.82
U.S.A.	14.58	12.60	27.18	19.51	21.77	41.28	38.00	33.31	71.32
France	0.00	0.00	0.00	0.00	0.00	0.34	1.03	3.94	4.98
Italy	0.00	0.50	0.50	4.90	4.03	8.93	1.76	1.48	3.24
Japan	0.00	0.00	0.00	17.49	17.67	35.16	16.86	24.77	41.63
Mexico	51.04	20.25	71.28	0.00	0.00	0.00	0.00	0.00	0.00
Paraguay	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Peru	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.75	1.52
Uruguay	0.75	0.04	0.78	0.00	0.00	0.00	0.00	0.00	0.00
Venezuela	14.24	8.39	22.62	81.71	51.22	132.92	28.50	10.11	38.61
II. PRIVATE	181.90	2.37	184.27	97.86	51.22	103.76	82.08	9.49	91.57
BANKS	148.66	2.37	151.04	92.99	2.05	95.03	40.44	7.11	47.55
SUPPLIERS (3)	33.24	0.00	33.24	4.88	3.85	8.73	41.64	2.39	46.02
III. GLOBAL DEBT (I + II)	422.20	111.74	533.94	317.00	163.91	480.91	276.18	175.11	451.29

Source: Central Bank of the Dominican Republic.
NOTES: (1) Excludes discounts obtained in debt buybacks and other reductions.
(2) Includes guaranties.
(3) Advances on exports registered in net terms.

Debt service on the external debt, including short term debt, amounted to approximately US$480.9 million, including US$163.9 million in interest, in 1992 and US$451.3 million, including US$175.1 million in interest in 1993. Debt service represented 85.6% and 88.2% of merchandise exports, in 1992 and 1993 respectively. In terms of gross exports of goods and services, debt service reached 20.2% in 1992 and 18.9% in 1993.

In 1991, the Dominican Republic entered into a stand-by agreement with the International Monetary Fund (IMF) which remained in place from August, 1991 to March, 1993. In July, 1993, the government entered into a second stand-by agreement with the IMF which concluded on March 31, 1994.

The following table shows the structure of the Dominican Republic's external debt since 1989.

TOTAL EXTERNAL DEBT
(In US$ millions)

	12/31/89	12/31/90	12/31/91	12/31/92	12/31/93
MEDIUM AND LONG TERM	3,789.4	4,089.3	4,211.2	4,282.8	4,392.9
OFFICIAL	2,858.6	3,062.7	3,068.7	3,074.7	3,092.0
PRIVATE	930.8	1,026.6	1,142.5	1,208.1	1,300.9
SHORT TERM	391.8	409.8	402.5	130.0	130.6
OFFICIAL	312.3	318.5	314.8	49.9	61.0
PRIVATE	79.5	91.3	87.7	80.1	69.6
TOTAL	4,181.2	4,499.1	4,613.7	4,412.8	4,523.5
OFFICIAL	3,170.9	3,381.2	3,383.5	3,124.6	3,153.0
PRIVATE	1,010.3	1,117.9	1,230.2	1,288.2	1,370.5

Source: Central Bank of the Dominican Republic.

NOTE: Revised figures, except for 1993. Adjusted by foreign exchange rates at end of period.

Debt Restructuring

In November, 1991, the Dominican Republic reached an agreement with its official bilateral creditors in the Paris Club, securing Houston terms for its restructured debt and for claims maturing through March 31, 1993.

In 1991 and 1992, the Dominican government also eliminated all of its US$162.8 million debt with Mexico and reduced its debt with Venezuela from US$ 434.0 million as of December 1992, negotiating US$287.7 million. These countries represented its principal official creditors outside the Paris Club. These reductions were achieved through discounted debt repurchases. In 1993, the government eliminated its indebtedness to Brazil and Argentina through a similar mechanism. In all, from 1990 through June 1994, the Dominican Republic reduced its external debt by US$538.1 million, by using similar debt reduction operations with various creditors, averaging a 62.7% discount.

On August 6, 1993, the Dominican Republic and the Bank Advisory Committee for the Dominican Republic announced their agreement on a financing plan restructuring the commercial bank debt of the Dominican Republic (the "1993 Financing Plan"). The Financing Plan contemplates the exchange of principal representing approximately US$776 million of medium- and long-term commercial bank debt, and interest arrears thereto, for cash or new instruments. Creditors may exercise the following options with respect to their eligible debt:

(a) Participation in a Cash Buyback in which each US$1.00 of eligible principal or eligible interest tendered will be exchanged for US$0.25.

(b) Exchange of eligible principal for a thirty-year collateralized Discount Bond, with a 35% discount on principal, bearing interest at a floating rate of LIBOR plus 13/16%, with interest payments collateralized in an amount initially equal to nine months of interest payments at a 6% assumed rate, increasing to an amount equal to twelve months of interest payments. Principal will be fully collateralized.

(c) Exchange of eligible interest for a fifteen-year non-collateralized PDI Bonds, bearing interest at a floating rate of LIBOR plus 13/16%.

At the closing of the 1993 Financing Plan, the Dominican Republic will make a cash payment equal to 12 1/2% of past due interest, less the amount of interest paid by the Dominican Republic between May 1993 and the Closing Date.

All holders of eligible debt have committed to participate in one or more of the foregoing options.

THE CENTRAL BANK OF THE DOMINICAN REPUBLIC

INTRODUCTION

The Central Bank, created on October 9, 1947, pursuant to Law No. 1529, the Organic Law of the Central Bank of the Dominican Republic (the "Organic Law"), is a corporate public regulatory entity which owns its own assets. The Central Bank is the sole bank of issue in the Dominican Republic. Under the Organic Law, the principal objectives of the Central Bank are to promote and maintain monetary, exchange and credit conditions favorable to the stability and orderly development of the national economy, and to regulate the monetary and banking system of the nation, in conformity with the Constitution of the Republic, the Monetary Law of 1947 and the Organic Law, no. 6142 of December 29, 1962, as amended.

In order to achieve its objectives, the Central Bank has been endowed by statute with broad powers and is managed by a Monetary Board. The Central Bank sets the official rate of exchange and from time to time buys and sells foreign exchange as a tool of monetary policy and as a means of maintaining the private market exchange rate close to the official rate. It provides clearing house facilities for the Dominican banking system and is a lender of last resort for banks facing temporary liquidity problems. The Central Bank works closely with the Superintendencia de Bancos to regulate the financial sector. The Central Bank has issued its own securities as a means to control monetary growth and to influence interest rate levels. The Central Bank is also charged with administering two programs aimed at the development of tourism and the manufacturing sectors, including the free zone facilities and through these programs channels loans at market rates through private financial intermediaries to those sectors.

Foreign Exchange Operations and Regulations

The Central Bank abolished most restrictions on foreign exchange in January 1991. The official exchange rate announced daily by the Central Bank is closely linked to the free, private foreign exchange market. Commercial banks are permitted to trade freely in foreign exchange. The private rate has remained close to the official rate, which has remained at RD$12.5 per US$ since August 1991. Most sectors are free to buy and sell foreign exchange through the commercial bank system. All non-free zone exporters, certain services, external public indebtedness and the petroleum industry are still required to trade foreign exchange through the Central Bank. Certain commercial banks are permitted to receive and hold deposits denominated in US dollars.

General Lending Policies

4. General lending policies.

Commercial banks and other regulated financial institutions have been free since 1991 to set interest rates on their own loans. Whereas formerly the Central Bank used legal reserve requirements and other financial incentives to allocate commercial banks' resources to specific sectors. The move to a universal banking system, or "multibanca", is designed eventually to reduce the importance of the specialized banking sector (mortgage, housing and development banks). All banks are now required to provide certain information, including a list of major debtors, reports on nonperforming loans and credit ratings in order to allow monetary authorities to measure credit risk.

Currency Issue

Only the Central Bank has the authority to issue currency within the Dominican Republic. Notes and coins issued by Central Bank are its liabilities. Such notes and coins are fully guaranteed by the Dominican Republic and are legal tender in the Dominican Republic for all debts, both public and private. At June 30, 1994, currency issued by the Central Bank amounted to RD$6.7 billion, then equivalent to US$535.9 million. At that date, the Dominican Republic's foreign reserves amounted to US$429.6 million. Gold constituted US$7.1 million of those reserves.

Monetary Board

The Central Bank is managed by a Monetary Board composed of ten members appointed by the President of the Republic, including the Governor of the Central Bank who serves as Chairman of the Monetary Board, the State Secretary of Industry and Commerce, the State Secretary of Finance, and seven other members. The Monetary Board is responsible for determining and directing the monetary, credit and exchange policy of the nation, and for overseeing the operations of the Central Bank.

The members of the Monetary Board as of August 22, 1994 were:

<u>Members Ex-Oficio</u>

Mario Read Vittini, Governor of the Central Bank, Chairman
Jose Ramón Gonzalez Perez, State Secretary of Industry and Commerce
Luis Tavares, State Secretary of Finance

Titular Members	Alternate Members
Heriberto De Castro	Eladio Fernández Alfaro
Ramón Caceres Troncoso	Nicolas Casasnovas
José Miguel Bonetti	Jesus Hernández Lópezgil
Felipe Vicini Cabral	Manuel Garcia Arévalo
Manuel Arsenio Ureña	Domingo Marte
Héctor Rizek Llabaly	José Ramón Hernández
	José Calzada

STATEMENTS OF FINANCIAL CONDITION

The balance sheets and income statements of the Central Bank for the years 1990 through 1993 are set forth below.

CENTRAL BANK OF THE DOMINICAN REPUBLIC
INCOME STATEMENT

(In Millions of RD$)

	Year ending December 31,			
	1990	1991	1992	1993
REVENUES:	529.2	2,290.8 (1)	3,051.0 (1)	1,355.6
Profits from Interest and Discounts	272.4	1,575.6	2,481.7	597.1
Commissions	51.7	684.6	538.6	577.2
Income Accrued from Exchange Rate Differential	158.7			17.8
Other Income	42.3	7.6	10.4	145.9
Income from Former Years	4.1	5.2	20.3	35.4
EXPENDITURES:	1,333.9	1,617.2	1,629.9	2,845.0
Costs	1,139.7	1,348.8	1,301.7	693.6
Discounts from Foreign Exchange Sales	79.9	37.6	3.7	
Interest and Commissions Payments	1,042.7	1,296.6	1,210.6	649.9
Interest on Required Reserves Deposits	10.3	14.6	16.4	29.0
Bills Issuance Costs	6.8	0.0	71.0	14.7
General Expenditures	178.5	249.4	301.7	2,124.8 (1)
Retirement and Pension Fund Contributions	15.7	19.0	26.5	26.6
BALANCE:	(804.7)	673.6	1,421.1	(1,489.4)

Source: Central Bank of The Dominican Republic.
(1) Includes accounting adjustments due to debt buy backs.

CENTRAL BANK OF THE DOMINICAN REPUBLIC
BALANCE SHEETS

(In Millions of RD$)

	1989	1990	1991	1992	1993
ASSETS					
International Assets	1,399.9	1,887.4	6,230.1	7,247.3	9,187.8
Domestic Credit					
Central Government	1,103.9	1,146.3	1,972.3	1,954.1	937.7
Decentralized Institutions	323.0	334.1	979.2	585.5	738.3
Agriculture Bank	17.0	17.0	17.0	17.0	192.6
Commercial Banks	611.8	607.1	353.6	275.2	54.4
Other Financial Intermediaries	68.4	83.7	90.5	52.8	52.9
Others	513.8	526.8	967.4	1,575.2	1,473.6
Total	2,637.9	2,715.0	4,580.0	4,459.8	3,449.5
Investment and Development Programs	1,067.1	2,042.3	2,480.8	2,570.9	2,812.4
Reserves Revaluation Account	8,143.8	14,292.4	17,277.1	17,461.7	17,871.2
Other Assets	2,009.9	3,205.6	1,769.4	1,857.3	2,451.2
Total Assets	15,258.6	24,142.7	32,337.4	33,597.0	35,772.1
LIABILITIES					
Monetary Liabilities					
Currency (bills and coins)					
In circulation	2,665.5	3,718.2	4,571.4	5,913.6	6,905.8
Vault Cash	508.2	830.2	1,181.1	1,041.7	1,205.7
Commercial Bank Deposits	992.2	1,441.8	2,553.9	3,944.0	6,205.6
Deposits in Other Financial Institutions	50.2	143.8	206.7	276.1	249.0
Other Deposits	558.1	753.2	2,434.3	971.9	536.1
International Liabilities					
Short-Term	2,510.5	2,981.4	3,067.5	2,296.3	2,598.8
Intermediate and Long-Term	8,145.2	15,454.3	16,781.1	15,046.5	15,133.7
Other Liabilities	1,222.7	989.2	3,035.0	4,182.9	4,444.5
Capital and Reserves	(1,394.0)	(2,169.4)	(1,493.6)	(76.0)	(1,507.1)
Total Liabilities	15,258.6	24,142.7	32,337.4	33,597.0	35,772.1

THE CENTRAL BANK OF THE DOMINICAN REPUBLIC
OFFICIAL CAPITAL, RESERVES AND SURPLUS
DECEMBER 1989-1993

(In Millions of RDs)

	Dec. 89	Dec. 90	Dec. 91	Dec. 92	Dec. 93
OFFICIAL CAPITAL, RESERVES AND SURPLUS	(1,359.70)	(2,169.36)	(1,493.62)	(75.96)	(1,507.09)
CAPITAL	0.70	0.70	0.70	0.70	0.70
RESERVES	33.55	28.64	30.75	27.29	85.53
SURPLUS / DEFICIT	(1,394.03)	(2,198.70)	(1,525.07)	(103.95)	(1,593.37)
FROM PREVIOUS YEARS	(956.13)	(1,394.01)	(2,198.66)	(1,525.07)	(103.88)
CURRENT YEAR	(487.90)	(804.69)	673.59	1,421.12	(1,489.44)

SUBSCRIPTION AND SALE

The Discount Bonds will be issued pursuant to the Discount Bond Exchange Agreement and the PDI Bonds will be issued pursuant to the PDI Bond Exchange Agreement only to holders of Eligible Principal and Eligible Interest outstanding under the Existing Agreements, in consideration for the tender by such holders of Eligible Principal or Eligible Interest. Eligible Principal will be exchanged for Discount Bonds at a 35% discount from par. Eligible Interest will be exchanged for PDI Bonds at par.

It is anticipated that the closing and delivery of the Bonds will take place on August 30, 1994.

The Bonds have not been registered under the Securities Act and may not be offered or sold directly or indirectly in the United States of America, its territories or possessions, or to or for the account of any U.S. Person except pursuant to an effective registration statement under such Act or in a transaction not requiring registration under such Act. Each Purchaser has agreed that it has not and will not offer, sell or deliver any Bond within the United States or to U.S. Persons, except in compliance with the restrictions and procedures set out in each Bond and the fiscal agency agreement pertaining thereto.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

All applicable provisions of the Financial Services Act 1986 of the United Kingdom must be complied with in respect of anything done in relation to the Bonds in, from or otherwise involving the United Kingdom.

The Bonds may not be directly or indirectly offered, sold or delivered, and this Information Memorandum may not be distributed, in any jurisdiction except in compliance with applicable law.

Reference should be made to the Bonds, the Discount Bond Fiscal Agency Agreement and the PDI Bond Fiscal Agency Agreement for a complete description of the restrictions on offers, sales and deliveries of Bonds within the United States or to U.S. Persons and the distribution of this Information Memorandum.

GENERAL INFORMATION

1. The issuance of the Discount Bonds and the PDI Bonds was authorized in accordance with Resolution 15/94, enacted by the Dominican National Congress and promulgated by the President of the Dominican Republic on June 28, 1994 and published in the official gazette no. 9886, of the same date.

2. Copies of the Collateral Pledge Agreement, the Discount Bond Fiscal Agency Agreement and the PDI Bond Fiscal Agency Agreement, in substantially the form in which they will be executed, may be examined prior to the issuance of the Discount Bonds and the PDI Bonds, by any holder of Eligible Principal or Eligible Interest, or its agent or representative, at the corporate trust office of Citibank, N.A. in New York City, Citibank, N.A. in London and of Citibank (Luxembourg) S.A. in Luxembourg. After the date of issuance of the Bonds, copies of the agreements may, without charge, be examined at the office of the Fiscal Agent in New York City and at the offices of the paying agents for the Discount Bonds and the PDI Bonds. Whenever particular provisions of the Discount Bonds or the PDI Bonds or these agreements are referred to or described herein, the statements are qualified in their entirety by reference to the Discount Bonds and PDI Bonds or these agreements. The holders of the Discount Bonds are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions contained in the Discount Bond Collateral Pledge Agreement and the Discount Bond Fiscal Agency Agreement. The holders of the PDI Bonds are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions contained in the PDI Bond Fiscal Agency Agreement. A copy of the May 1994 Economic Report of the Central Bank may be examined at the offices of Citibank (Luxembourg) S.A. in Luxembourg.

3. Application has been made to list the Discount Bonds and the PDI Bonds on the Luxembourg Stock Exchange. There is no intention to organize formally any other market.

4. The Discount Bonds and PDI Bonds not bearing Securities Act Legends have been assigned the following Common Code and ISIN Numbers.

	Common Code	ISIN No.
Non-U.S. Permanent Global Registered Discount Bond	526 84 60	XS 005268460-1
Non-U.S. Permanent Global Registered PDI Bond	527 30 56	XS 005273056-0

Non-U.S. Temporary Global Bearer PDI Bond and Non-U.S. Permanent Global Bearer PDI Bond	526 83 97	XS 005268497-5

5. The Bearer PDI Bonds and the coupons will bear the following legend:

> "Any United States Person (as defined in the United States Internal Revenue Code) who holds this obligation will be subject to limitations under the United States Income Tax Laws, including the limitations provided under Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that United States taxpayers, with certain exceptions, will not be entitled to deduct any loss on the Bearer PDI Bonds or coupons and will not be entitled to capital gains treatment of any gain on any sale or exchange of the Bearer PDI Bonds or coupons.

6. There has been no material adverse change in the financial position of the Central Bank since December 31, 1993 which has not been set forth herein.

7. Neither the Dominican Republic nor the Central Bank is involved in any litigation or arbitration proceedings which are material in the context of the issue of the Bonds nor, so far as either is aware, is any such litigation or arbitration proceeding pending or threatened.

INCORPORATION OF DOCUMENTS BY REFERENCE

Until all of the Bonds have matured or been redeemed, the periodic economic reports of the Central Bank, which include the financial statements of the Central Bank, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of publication. The report for May 1994 is hereby incorporated herein, and future periodic reports will also be deemed to be incorporated by reference when published. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this document to the extent that a statement contained in any other subsequently published document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document. Documents incorporated by reference will be available, without charge, at the offices of the paying agent in Luxembourg.

ISSUER
Banco Central de la Republica Dominicana
Calle Pedro Henriquez Urena
esq. Leopoldo Navarro
Santo Domingo, Dominican Republic

UNITED STATES COUNSEL FOR THE CENTRAL BANK
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
United States

FISCAL AGENT AND REGISTRAR
Citibank, N.A.
120 Wall Street
New York, New York 10043
United States

PAYING AGENTS

Citibank, N.A.
120 Wall Street
New York, New York 10043
United States

Citibank (Luxembourg) S.A.
16, Avenue Marie-Therese
L-2132 Luxembourg

Citibank, N.A.
336 Strand
London WC 2RIHB
England

TRANSFER AGENTS

Citibank, N.A.
336 Strand
London WC 2RIHB
England

Citibank (Luxembourg) S.A.
16, Avenue Marie-Therese
L-2132 Luxembourg

LISTING AGENT
Citibank (Luxembourg) S.A.
16, Avenue Marie-Therese
L-2132 Luxembourg

THE DISCOUNT BONDS

FACE OF THE U.S. PERMANENT GLOBAL REGISTERED DISCOUNT BOND

The text appearing on the face of the U.S. Global Registered Discount Bond will read substantially as follows.

THIS BOND IS A PERMANENT GLOBAL REGISTERED BOND EXCHANGEABLE FOR DEFINITIVE REGISTERED BONDS SUBJECT TO CERTAIN CONDITIONS. THE RIGHTS ATTACHING TO THIS PERMANENT GLOBAL REGISTERED BOND, AND THE CONDITIONS AND PROCEDURES FOR ITS EXCHANGE FOR DEFINITIVE REGISTERED BONDS, ARE AS SPECIFIED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

[THIS BOND HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR TO OR FOR THE ACCOUNT OF ANY U.S. PERSON (AS DEFINED IN REGULATION S OF THE UNITED STATES SECURITIES ACT OF 1933), EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION NOT REQUIRING REGISTRATION UNDER SUCH ACT. THIS BOND IS TRANSFERABLE ONLY AS PROVIDED HEREIN AND IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.]*

[ORIGINAL ISSUE DISCOUNT LEGEND, AS REQUIRED BY THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.]

SALE OR TRANSFER IN BEARER FORM OF PARTICIPATIONS, OR BENEFICIAL INTERESTS, HEREIN MAY SUBJECT THE SPONSOR THEREOF TO SANCTIONS PURSUANT TO SECTION 4701 OF THE UNITED STATES INTERNAL REVENUE CODE.

THIS BOND IS SECURED AS TO PAYMENT OF PRINCIPAL AT STATED MATURITY. THE COLLATERAL FOR PRINCIPAL IS NOT AVAILABLE TO PAY THE PRINCIPAL OF THIS BOND, ON ACCELERATION, REDEMPTION OR OTHERWISE, BEFORE STATED MATURITY OR TO PAY INTEREST. THIS BOND IS ALSO PARTIALLY SECURED AS TO PAYMENT OF INTEREST TO THE EXTENT DESCRIBED IN THE COLLATERAL PLEDGE AGREEMENT (AS DEFINED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW).

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* This legend will be included on (i) the U.S. Permanent Global Registered Bond and (ii) all Bonds issued on transfer or exchange of, or in substitution for, the U.S. Permanent Global Registered Bond until the legend may be removed in accordance with Section 6 of the Fiscal Agency Agreement.

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

U.S. PERMANENT GLOBAL REGISTERED BOND

Collateralized Discount Bonds Due 2024

Unconditionally guaranteed as to payment of principal and interest by

THE DOMINICAN REPUBLIC

BANCO CENTRAL DE LA REPUBLICA DOMINICANA (the "Issuer"), for value received, hereby unconditionally promises to pay to Citibank, N.A., New York office, as Registrar under the Fiscal Agency Agreement referred to below, not in its individual capacity but solely for the benefit of the registered holders of beneficial interests herein, on ________* ___, 2024, on presentation for endorsement or surrender of this U.S. Permanent Global Registered Bond, an amount in UNITED STATES DOLLARS, equal to the aggregate outstanding principal amount hereof on such date as set forth on the Schedule attached hereto.

This Global Bond is issued in respect of an issue of Collateralized Discount Bonds Due 2024 of the Issuer and is governed by the Terms and Conditions of the Bonds annexed hereto (the "Terms and Conditions"), which Terms and Conditions are incorporated herein by reference, and by the provisions of the Discount Bond Fiscal Agency Agreement dated as of _______ ___, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent. Interest on the principal amount hereof shall accrue from (and including) _________[1], at the rates per annum provided in the Terms and Conditions. The Issuer further unconditionally agrees to pay interest on overdue amounts of principal and interest on this U.S. Permanent Global Registered Bond as set forth in the Terms and Conditions.

Pursuant to a Guaranty dated as of February 14, 1994 (the "Guaranty"), the Dominican Republic (the "Guarantor") has guaranteed, for the benefit of the holders of Bonds from time to time, the punctual payment of principal and interest payable hereunder when due. An executed original of the Guaranty is deposited with the Fiscal Agent.

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* Insert the 30th anniversary of the Closing Date.

[1] Insert the Closing Date.

The Issuer hereby irrevocably undertakes to exchange the beneficial interests in this U.S. Permanent Global Registered Bond for Definitive Bonds in accordance with the terms set forth in the Fiscal Agency Agreement. Upon any such exchange, the Schedule attached hereto shall be endorsed to reflect the reduction of the principal amount evidenced hereby.

Beneficial interests in this U.S. Permanent Global Registered Bond may be transferred or sold only as units that include all interest and principal components and may not be separated, directly or indirectly, into component interest and principal portions. This U.S. Permanent Global Registered Bond may not be converted directly or indirectly into unregistered form.

The outstanding principal amount of this U.S. Permanent Global Registered Bond shall be decreased from time to time in accordance with the Fiscal Agency Agreement and such decreases shall be endorsed on the Schedule attached hereto and recorded by the Fiscal Agent and the Registrar.

This U.S. Permanent Global Bond may be voluntarily redeemed at the option of the Issuer, as a whole or in part, and payment of this U.S. Permanent Global Bond or any portion hereof may be accelerated, and Bonds represented by this U.S. Permanent Global Bond may be repurchased or otherwise acquired by the Issuer or the Guarantor and, except as provided in the Terms and Conditions, surrendered for cancellation, each in accordance with the terms and provisions of the Terms and Conditions and the Fiscal Agency Agreement. Upon any payment, voluntary redemption or cancellation of all or a portion of this U.S. Permanent Global Registered Bond, the Schedule attached hereto shall be endorsed to reflect the principal amount of this U.S. Permanent Global Registered Bond paid or so redeemed or the principal amount of Bonds in registered form represented by this U.S. Permanent Global Registered Bond cancelled, and the principal amount of this U.S. Permanent Global Registered Bond shall be reduced for all purposes by the amount so paid, redeemed or cancelled.

In the event that the principal amount endorsed on the Schedule attached hereto is not equal to the principal amount recorded in the records maintained by the Registrar, the records maintained by the Registrar shall be binding hereunder. The registered holder of a beneficial interest in this U.S. Permanent Global Registered Bond shall be the only Person entitled to receive payments in respect of this U.S. Permanent Global Registered Bond.

THIS U.S. PERMANENT GLOBAL REGISTERED BOND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES.

This U.S. Permanent Global Registered Bond shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by an Authenticating Agent under the Fiscal Agency Agreement.

IN WITNESS WHEREOF, the Issuer has caused this U.S. Permanent Global Registered Bond to be duly executed on its behalf by an Authorized Official (as defined in the Fiscal Agency Agreement) on and as of the date written below.

Dated: ________________

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

By ______________________
Name:
Title:

By ______________________
Name:
Title:

Certificate of Authentication:

This is the U.S. Permanent Global Registered Bond referred to in the within-mentioned Fiscal Agency Agreement

CITIBANK, N.A.,
as Authenticating Agent

By ______________________
Authorized Signatory

Dated: ________________

or

CITIBANK (LUXEMBOURG) S.A.,
as Authenticating Agent

By ______________________
Authorized Signatory

Dated: ________________

Schedule to the U.S. Permanent Global Registered Bond

Outstanding Principal Amount

Aggregate Outstanding Principal Amount of this U.S. Permanent Global Bond on the Closing Date: $__________.

Effective Date	Increases in principal amount of attached Global Bond	Decreases in principal amount of attached Global Bond	Resulting aggregate outstanding principal amount of attached Global Bond	Notation made by

FACE OF THE NON-U.S. PERMANENT GLOBAL REGISTERED DISCOUNT BOND

The text appearing on the face of the Non-U.S. Permanent Global Registered Discount Bond will read substantially as follows.

THIS BOND IS A NON-U.S. PERMANENT GLOBAL REGISTERED BOND EXCHANGEABLE FOR DEFINITIVE REGISTERED BONDS SUBJECT TO CERTAIN CONDITIONS. THE RIGHTS ATTACHING TO THIS NON-U.S. PERMANENT GLOBAL REGISTERED BOND, AND THE CONDITIONS AND PROCEDURES FOR ITS EXCHANGE FOR DEFINITIVE REGISTERED BONDS, ARE AS SPECIFIED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

[ORIGINAL ISSUE DISCOUNT LEGEND, AS REQUIRED BY THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.]

SALE OR TRANSFER IN BEARER FORM OF PARTICIPATIONS, OR BENEFICIAL INTERESTS, HEREIN MAY SUBJECT THE SPONSOR THEREOF TO SANCTIONS PURSUANT TO SECTION 4701 OF THE UNITED STATES INTERNAL REVENUE CODE.

THIS BOND IS SECURED AS TO PAYMENT OF PRINCIPAL AT STATED MATURITY. THE COLLATERAL FOR PRINCIPAL IS NOT AVAILABLE TO PAY THE PRINCIPAL OF THIS BOND, ON ACCELERATION, REDEMPTION OR OTHERWISE, BEFORE STATED MATURITY OR TO PAY INTEREST. THIS BOND IS ALSO PARTIALLY SECURED AS TO PAYMENT OF INTEREST TO THE EXTENT DESCRIBED IN THE COLLATERAL PLEDGE AGREEMENT (AS DEFINED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW).

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

NON-U.S. PERMANENT GLOBAL REGISTERED BOND

Collateralized Discount Bonds Due 2024

Unconditionally guaranteed as to payment of principal and interest by

THE DOMINICAN REPUBLIC

BANCO CENTRAL DE LA REPUBLICA DOMINICANA (the "Issuer"), for value received, hereby unconditionally promises to pay to Union Bank of Switzerland, London office, as Common Depositary, for Cedel S.A. ("Cedel") and for Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear Clearance System, or registered assigns, on ___________[*] ___, 2024, on presentation for endorsement or surrender of this Non-U.S. Permanent Global Registered Bond, an amount in UNITED STATES DOLLARS, equal to the aggregate outstanding principal amount hereof on such date as set forth on the Schedule attached hereto.

This Global Bond is issued in respect of an issue of Collateralized Discount Bonds Due 2024 of the Issuer and is governed by the Terms and Conditions of the Bonds annexed hereto (the "Terms and Conditions"), which Terms and Conditions are incorporated herein by reference, and by the provisions of the Discount Bond Fiscal Agency Agreement dated as of __________, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent, and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent. Interest on the principal amount hereof shall accrue from (and including) _____[[1]]_____, at the rates per annum provided in the Terms and Conditions. The Issuer further unconditionally agrees to pay interest on overdue amounts of principal and interest on this Non-U.S. Permanent Global Registered Bond as set forth in the Terms and Conditions.

Pursuant to a Guaranty dated as of February 14, 1994 (the "Guaranty"), the Dominican Republic (the "Guarantor") has guaranteed, for the benefit of the holders of Bonds from time to time, the punctual payment of principal and interest payable

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* Insert the 30th anniversary of the Closing Date.

1 Insert the Closing Date.

hereunder when due. An executed original of the Guaranty is deposited with the Fiscal Agent.

The Issuer hereby irrevocably undertakes to exchange the beneficial interests in this Non-U.S. Permanent Global Registered Bond for Definitive Bonds in accordance with the terms set forth in the Fiscal Agency Agreement. Upon any such exchange, the Schedule attached hereto shall be endorsed to reflect the reduction of the principal amount evidenced hereby.

Beneficial interests in this Non-U.S. Permanent Global Registered Bond may be transferred or sold only as units that include all interest and principal components and may not be separated, directly or indirectly, into component interest and principal portions. This Non-U.S. Permanent Global Registered Bond may not be converted directly or indirectly into unregistered form.

The outstanding principal amount of this Non-U.S. Permanent Global Registered Bond shall be increased or decreased from time to time in accordance with the Fiscal Agency Agreement and such increases or decreases shall be endorsed on the Schedule attached hereto and recorded by the Fiscal Agent, the Registrar and the Common Depositary.

This Non-U.S. Permanent Global Registered Bond may be voluntarily redeemed at the option of the Issuer, as a whole or in part, and payment of this Non-U.S. Permanent Global Registered Bond or any portion hereof may be accelerated, and Bonds represented by this Non-U.S. Permanent Global Registered Bond may be repurchased or otherwise acquired by the Issuer or the Guarantor and, except as provided in the Terms and Conditions, surrendered for cancellation, each in accordance with the terms and provisions of the Terms and Conditions and the Fiscal Agency Agreement. Upon any payment, redemption or cancellation of all or a portion of this Non-U.S. Permanent Global Registered Bond, the Schedule attached hereto shall be endorsed to reflect the principal amount of this Non-U.S. Permanent Global Registered Bond paid or redeemed or the principal amount of Bonds represented by this Non-U.S. Permanent Global Registered Bond cancelled, and the principal amount of this Non-U.S. Permanent Global Registered Bond shall be reduced for all purposes by the amount so paid, redeemed or cancelled.

In the event that the principal amount endorsed on the Schedule attached hereto is not equal to the principal amount recorded in the records maintained by the Registrar, the records maintained by the Registrar shall be binding hereunder. The registered holder of this Non-U.S. Permanent Global Registered Bond shall be the only Person entitled to receive payments in respect of any beneficial interest in this Non-U.S. Permanent Global Registered Bond.

THIS NON-U.S. PERMANENT GLOBAL REGISTERED BOND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES.

This Non-U.S. Permanent Global Registered Bond shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by an Authenticating Agent under the Fiscal Agency Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Non-U.S. Permanent Global Registered Bond to be duly executed on its behalf by an Authorized Official (as defined in the Fiscal Agency Agreement) on and as of the date written below.

Dated: ________________

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

By ____________________________
Name:
Title:

By ____________________________
Name:
Title:

Certificate of Authentication:
This is the Non-U.S. Permanent Global Registered Bond referred to in the within-mentioned Fiscal Agency Agreement

CITIBANK, N.A., as Authenticating Agent

or

CITIBANK (LUXEMBOURG) S.A., as Authenticating Agent

By ____________________________
Authorized Signatory

By ____________________________
Authorized Signatory

Dated: ________________

Dated: ________________

Schedule to Non-U.S. Permanent Global Registered Bond

Outstanding Principal Amount

Aggregate Outstanding Principal Amount of this Non-U.S. Permanent Global Registered Bond on the Closing Date: $__________.

Effective Date	Increases in principal amount of attached Global Bond	Decreases in principal amount of attached Global Bond	Resulting aggregate outstanding principal amount of attached Global Bond	Notation made by

TERMS AND CONDITIONS OF THE DISCOUNT BONDS

The terms and conditions of each Discount Bond will read substantially as follows.

1. General.

(a) This Bond is one of the duly authorized Collateralized Discount Bonds Due 2024 of the Issuer issued in definitive form and in the form of Global Bonds (the "Bonds") pursuant to the Discount Bond Fiscal Agency Agreement dated as of ______ ___, 1994 (as amended and in effect from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Registrar, Paying Agent, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent (said banks and their successors as such Fiscal Agents, Authenticating Agents, Registrar, Paying Agents, Transfer Agents and Calculation Agent being hereinafter called the "Fiscal Agent", "Authenticating Agent", "Registrar", "Paying Agent", "Transfer Agent" and "Calculation Agent", respectively), and guaranteed as to the punctual payment of principal and interest payable hereunder when due by the Dominican Republic pursuant to the Guaranty. Any Authenticating Agent, the Registrar, any Paying Agent, any Transfer Agent, the Calculation Agent and the Fiscal Agent are hereinafter sometimes collectively called the "Agents". The terms of the Fiscal Agency Agreement are hereby incorporated by reference. Copies of (i) the Fiscal Agency Agreement, (ii) the Discount Bond Exchange Agreement, (iii) the Guaranty and (iv) the Collateral Pledge Agreement are on file and available for inspection at the corporate trust offices of the Fiscal Agent in the Borough of Manhattan, City of New York and at such other offices of the Fiscal Agent as are from time to time designated as Paying Agents or Transfer Agents for the Bonds, and reference to the Fiscal Agency Agreement, the Guaranty and the Collateral Pledge Agreement is hereby made for a description of the rights and limitations of rights thereunder of the holders of the Bonds and the duties and immunities of the Agents. The Bondholders will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Terms and Conditions, the Guaranty, the Fiscal Agency Agreement and the Collateral Pledge Agreement. The Fiscal Agent is not a trustee for the Bondholders and does not have the same responsibilities or duty to act for the Bondholders as a trustee. Capitalized terms used in this Bond have the meanings specified in the Fiscal Agency Agreement unless otherwise defined herein.

(b) Bonds in definitive form shall be issuable only upon the occurrence of certain events, specified in the Fiscal Agency Agreement. The Definitive Bonds are issuable only as fully registered Bonds, without coupons, in denominations of U.S.$250,000 or in other denominations permitted by the Fiscal

Agency Agreement. The Bonds are issued only as whole Bonds that include all interest and principal components and may not be separated, directly or indirectly, into component interest and principal portions.

(c) This Bond is the direct, general and unconditional obligation of the Issuer, and the full faith and credit of the Issuer is pledged for the due and punctual payment of the principal of, and interest on, this Bond and for the due and punctual performance of all obligations of the Issuer with respect hereto.

2. <u>Payments and Paying Agencies</u>.

(a) The principal of this Bond will be paid in accordance with the Fiscal Agency Agreement by the Issuer to the registered holder hereof, when due, against presentation and surrender hereof at the office of the Fiscal Agent, and at the offices of such other Paying Agents as the Issuer may appoint from time to time, by check drawn on, or (at the option of any holder of at least U.S.$1,000,000 in aggregate principal amount of the Bonds) by wire transfer to an account maintained by the registered holder hereof with a bank in London or New York City. The Issuer has initially appointed the principal offices of Citibank, N.A. in New York City and London, and of Citibank (Luxembourg) S.A. in Luxembourg, as Paying Agents at which the principal of this Bond will be payable (subject to applicable laws and regulations).

(b) Interest payable on this Bond on an Interest Payment Date (as defined below) will (except as provided in subparagraph (c) below) be paid to the holder of record of this Bond at the close of business in New York City on the record date for such Interest Payment Date by check mailed by the Fiscal Agent to the last address for such holder appearing on the register of the Bonds or (at the option of each holder of at least U.S.$1,000,000 principal amount of the Bonds) by wire transfer to an account with a bank in New York City or London designated by such holder by the record date for such Interest Payment Date. The record date for each Interest Payment Date will be the 15th calendar day before such Interest Payment Date.

(c) If and to the extent the Issuer shall default in the payment of the interest due on any Interest Payment Date and such default shall not be cured within 30 calendar days, such overdue interest shall (unless paid together with principal of this Bond in full other than on an Interest Payment Date) thereupon cease to be payable to the holder of record of this Bond at the close of business on such record date, and shall be paid instead to the person in whose name this Bond is registered at the close of business in New York City on a subsequent record date (which shall be not less than five Business Days (as defined herein) before the date of payment of such overdue interest) established by notice given by mail and publication by or on behalf of the Issuer to Bondholders not less than 15 calendar days before such subsequent record date. If interest is paid together with principal in full on a date which is not an Interest Payment Date, such interest shall be paid upon presentation and surrender of this Bond to the Fiscal Agent in New York City as provided in subparagraph (a) above.

(d) All payments with respect to this Bond will be made in such coin or currency of the United States of America as at the time of payment is legal tender therein for the payment of public and private debts.

(e) If the due date for payment of any amount of principal of, or interest on, this Bond (or any additional amounts under Paragraph 5 below relating thereto) is a day on which banks are required or authorized to close in the jurisdiction in which the office of the relevant Paying Agent is located, then payment by such Paying Agent need not be made until the next day which is a day on which banks are not required or authorized to close in such jurisdiction and the holder of this Bond shall not be entitled to any interest or other payment in respect of any such delay. In addition, if on the Bond Maturity Date, any amount of principal of, and interest on, this Bond due on such date is received by the Fiscal Agent on such date, but after 10:00 A.M. (local time) in any place of payment, the Fiscal Agent shall not be required to make payment on the Bond Maturity Date, may elect to pay such amount of principal and interest on the next Business Day and shall not be liable for any interest on funds received by it, and the holder of this Bond shall not be entitled to any further interest or other payment in respect of any such delay.

3. <u>Rate of Interest</u>.

(a) For purposes of calculating the rate of interest payable on the Bonds, the Issuer, pursuant to the Fiscal Agency Agreement, has appointed Citibank, N.A. as Calculation Agent. The rate of interest payable from time to time in respect of the Bonds (the "<u>Rate of Interest</u>") will be determined on the basis of the following provisions:

On the second London Banking Day (as defined below) (an "<u>Interest Determination Date</u>") before the commencement of an Interest Period (as defined below), other than the first Interest Period and the Interest Period ending on the Bond Maturity Date, the Calculation Agent will determine the rate per annum at which deposits in U.S. Dollars for an interest period of six months commencing in two London Banking Days from such Interest Determination Date are offered by each of the banks named on the Reuters Screen LIBO Page to leading banks in the London interbank market as quoted on the Reuters Screen LIBO Page at 11:00 A.M. (London time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall, except as provided below, be 13/16% per annum above the average (rounded upward, if not a whole multiple of 1/16%, to the nearest 1/16%) of such offered quotations (being at least two) as displayed on the Reuters Screen LIBO Page and as determined by the Calculation Agent. As used herein, "London Banking Day" means a day on which banks are open for business in London and dealings are carried on in the London interbank market.

If, (a) on any Interest Determination Date, the Reuters Screen LIBO Page is not being displayed, or only one such offered quotation appears or (b) the relevant Interest Period is the first Interest Period hereunder or the Interest Period ending on the Bond Maturity Date, then the following rule shall apply:

(i) The Calculation Agent shall request the principal London office of each of the Reference Banks (as defined herein) to provide the Calculation Agent with the rate per annum at which deposits in U.S. Dollars for the Interest Period commencing in two London Banking Days from such Interest Determination Date are offered by each of them to leading banks in the London interbank market in an amount substantially equal to U.S.$5,000,000 at 11:00 A.M. (London time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall, except as provided below, be 13/16% per annum above the average (rounded upward, if not a whole multiple of 1/16%, to the nearest 1/16%) of such offered quotations as determined by the Calculation Agent.

(ii) If on any Interest Determination Date at least two of the Reference Banks provide such offered quotations, the Rate of Interest for the relevant Interest Period shall be determined as described above on the basis of the offered quotations of those Reference Banks providing such quotations.

(iii) If on any Interest Determination Date none or only one of the Reference Banks provides the Calculation Agent with an offered quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be either (A) 13/16% per annum above the arithmetic mean (rounded upwards, if not a whole multiple of 1/16%, to the nearest 1/16%) of the U.S. Dollar lending rates which leading New York City banks, selected by the Calculation Agent after consultation with an Authorized Official of the Issuer, are quoting at 11:00 A.M. (London time) on the Interest Determination Date for the relevant Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Calculation Agent, being so made or (B) in the event that the Calculation Agent cannot obtain at least two such quotations, 13/16% per annum above the lowest U.S. Dollar lending rate (rounded upwards, if not a whole multiple of 1/16%, to the nearest 1/16%) which leading banks in New York City, selected by the Calculation Agent after consultation with an Authorized Official of the Issuer, are quoting on the Interest Determination Date to leading international banks for the relevant Interest Period; provided that if the banks selected as aforesaid by the Calculation Agent are not providing the relevant quotations, the Rate of Interest for the next Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which the above paragraphs shall have applied.

The term "Reference Banks" means the principal office in London of each of Lloyds Bank Plc, The Bank of Tokyo, Ltd. and Citibank, N.A. The term "Reuters Screen LIBO Page" means the display designated as Page "LIBO" on the Reuters Monitor Money Rate Service (or such other page as may replace, for the purpose of displaying London interbank offered rates of major banks, the LIBO page on that service).

As used herein, "Interest Payment Date" means each successive ____[5]____ and ______[6]______ of each calendar year through ______[7]______ and the Bond Maturity Date; provided, however, that if an Interest Payment Date falls on any day which is not a Business Day, such Interest Payment Date shall be the next day which is a Business Day unless such next succeeding Business Day occurs in a subsequent calendar month in which case such Interest Payment Date shall be the next preceding Business Day.

As used herein, "Bond Maturity Date" means ______[8]______ or, if such date is not a Business Day, the next following Business Day unless such next following Business Day occurs in a subsequent calendar month in which case the Bond Maturity Date shall mean the next preceding Business Day.

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5 Without specifying a year, insert the date which is __ months after the Closing Date.

6 Without specifying a year, insert the date which is __ months after the Closing Date.

7 Insert the date occurring _____ months prior to the Bond Maturity Date.

8 Insert the 30th anniversary of the Closing Date.

As used herein, "Business Day" means a day on which (i) dealings are carried on in the London interbank market, and (ii) banks are not required or authorized to close in New York City; except that, with respect to the Bond Maturity Date, the term "Business Day" shall mean a day on which (x) the United States Department of the Treasury and the Federal Reserve Bank of New York are not closed, (y) banks are not required or authorized to close in New York City and (z) dealings are carried on in the London interbank market.

As used herein, "Interest Period" means the period beginning on ______[9]______ and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

(b) The Calculation Agent will on each Interest Determination Date, as soon as possible after 11:00 A.M. (London time) on such date, determine the Rate of Interest and calculate the amount of interest payable on each U.S.$1,000 (the "Minimum Multiple") in principal amount of Bonds (the "Interest Amount") for the relevant Interest Period. The Interest Amount shall be calculated by (i) applying the Rate of Interest to the Minimum Multiple, (ii) multiplying such amount by the actual number of days in the Interest Period (including the first day but excluding the last day thereof) and (iii) dividing by 360 and rounding to the nearest cent (half a cent being rounded upwards). The interest payable on unpaid principal amounts of Bonds shall be calculated by multiplying the Interest Amount by a fraction, the numerator of which is the unpaid principal amount of such Bond and the denominator of which is the Minimum Multiple and by rounding the resulting figure to the nearest U.S. Dollar (half a U.S. Dollar being rounded upwards). The determination of the Rate of Interest and the Interest Amount by the Calculation Agent shall, in the absence of manifest error, be final and binding upon all parties.

(c) The Calculation Agent will cause notice of the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be given to the Fiscal Agent, to the Luxembourg Stock Exchange or any other exchange on which the Bonds are listed (for so long as the Bonds are listed thereon) and to the Issuer and shall use its best efforts to cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be published in accordance with the notice provisions contained herein, in each case as soon as possible after each Interest Determination Date but in no event later than the fifth Business Day thereafter.

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[9] Insert the Closing Date.

(d) The Issuer agrees that, so long as any of the Bonds remains outstanding (or, if earlier, until all of the Bonds have become due and payable (whether at stated maturity, upon call for redemption or otherwise) and moneys for the payment thereof and all other amounts payable with respect to the Bonds shall have been made available at the corporate trust office of the Fiscal Agent), there shall at all times be three Reference Banks and a Calculation Agent. In the event that (i) any such bank is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent (as the case may be) or (ii) in case the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period, in accordance with the Fiscal Agency Agreement, the Issuer shall appoint another leading bank active in the London interbank market (other than the Central Bank or any other Governmental Agency) to act as a Reference Bank or Calculation Agent (as the case may be) in its place. The Calculation Agent may not resign its duties without a successor having been appointed.

(e) In the event that any principal of or interest on this Bond, or any other amount payable hereunder, is not paid when due, the Issuer shall pay interest (to the extent permitted by applicable law) on such unpaid principal or interest or unpaid other amount from the date such principal or interest or other amount is due until the date such principal or interest or other amount is paid in full, payable on demand, at a rate per annum equal to the sum of 1% plus the Rate of Interest as determined from time to time in accordance with Paragraph 3(a) above.

4. Optional Redemption and Repurchase.

(a) Optional Redemption of the Bonds. (i) The Bonds may be redeemed on any Interest Payment Date, at the option of the Issuer, in whole or in part, without premium or penalty, upon notice as described below, at a redemption price equal to the principal amount thereof, together with the amount of interest accrued and unpaid as of the date of the redemption; provided, however, that no default in the payment of principal of, or interest on, any of the Bonds or the PDI Bonds (as defined herein) has occurred and is continuing; provided further that if, at the time of such redemption, less than the entire amount of Bonds is redeemed, the Bonds shall be redeemed on a pro rata basis based on the outstanding principal amount of Bonds.

As used in this Bond:

"PDI Bonds" means the PDI Bonds Due 2009, issued by Banco Central de la República Dominicana and guaranteed by the Dominican Republic.

(ii) Notice of any redemption of the Bonds shall be given by mail and by publication, not less than 30 nor more than

60 days before the date fixed for redemption. Notice having been given, the unpaid principal amount of each Bond (or portion thereof) called for redemption shall become due and payable to the registered holder thereof on the date fixed for redemption (as provided herein upon presentation and surrender of such Bond on the date of redemption) in accordance with the provisions for payment of principal in Paragraph 2(a) hereof. In the case of any Bond redeemed only in part, a new Bond for the portion thereof not redeemed shall be delivered in exchange therefor.

(iii) From and after the redemption date for any Bond (or portion thereof), if moneys for the redemption of such Bond (or portion thereof) shall have been made available as provided herein, such Bond (or portion thereof) shall cease to bear interest, and the only right of the holder of such Bond shall be to receive payment of the redemption price, and in the case of a Bond redeemed only in part, to receive a new Bond for the portion thereof not redeemed.

(iv) For purposes of this Bond, a default in the payment of principal of, or interest on, the Bonds or any PDI Bonds which has occurred shall be deemed to be continuing until the Issuer has deposited, or caused to be deposited in accordance with Section 5(b) of the Fiscal Agency Agreement or Section 6(b) of the PDI Bond Fiscal Agency Agreement, as the case may be (or, in the case of the Bonds, if the Collateral Agent has deposited amounts with the Fiscal Agent in accordance with Section 4.04 of the Collateral Pledge Agreement with respect to the Bonds), amounts sufficient to pay the principal and/or interest due on the Bonds to the date of payment of such principal and/or interest.

(b) Repurchase of the Bonds. The Issuer may for any consideration (whether in the form of cash, debt securities, investments, equity in privatized companies or otherwise), at any price and at any time repurchase the Bonds, by public tender (available ratably to all holders of the Bonds alike) or in the open market or otherwise; provided in each case that:

(i) the Issuer may not purchase, directly or indirectly, the Bonds so long as a default in the payment of principal of, or interest on, any of the Bonds or the PDI Bonds has occurred and is continuing; and

(ii) any Definitive Bond purchased or otherwise acquired by, or on behalf of, the Issuer or the Guarantor must be surrendered to the Fiscal Agent, the Registrar or a Transfer Agent for cancellation and, if the Issuer or the Guarantor shall purchase or otherwise acquire any beneficial interest in a Global Bond, the Issuer shall request the Fiscal Agent to cancel such beneficial interest and direct the Common Depositary or the Registrar, as applicable, to reflect such cancellation of such beneficial interest on the Schedule to such Global Bond in accordance with the terms of the Fiscal Agency Agreement, each such surrender or request for cancellation to be made by the Issuer promptly after such purchase or acquisition; provided, however, that neither the Issuer nor the Guarantor shall be required to cancel any Bond purchased or otherwise acquired by, or on behalf of, the Issuer or the Guarantor if such Bond was purchased or otherwise acquired for purposes of securing External Indebtedness of the Issuer or the Guarantor incurred in connection with, or on or after the date of, such purchase or acquisition of such Bond.

If the Issuer or the Guarantor shall purchase or otherwise acquire any Bond, such purchase or other acquisition shall not operate as or be deemed for any purpose to be a discharge or satisfaction of the indebtedness represented by such Bond until the provisions in Paragraph 4(b)(ii) above have been met.

If any such Bond is purchased or otherwise acquired by, or on behalf of, the Issuer, the Issuer shall notify the Fiscal Agent of such purchase or other acquisition, and, if such Bond is in definitive form, request that the Fiscal Agent notify the Registrar of such purchase or other acquisition.

5. Taxes; Payment of Additional Amounts.

(a) Payments Free and Clear. Any and all payments by the Issuer or any Paying Agent hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, assessments, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (i) imposed by the Dominican Republic (or any political subdivision or taxing authority thereof or therein or any organization or federation of which the Dominican Republic is at any time a member) (all such taxes, levies, assessments, imposts, deductions, charges, withholdings and liabilities being "Dominican Taxes") or (ii) imposed by any other jurisdiction (or any political subdivision or taxing authority thereof or therein or any organization or federation of which such jurisdiction is at any time a member) from or through which any payment hereunder is made (all such taxes, levies, imposts, assessments, deductions, charges, withholdings and liabilities being "Paying Agency Taxes" and, together with the Dominican Taxes, the "Applicable Taxes"); provided, however, that Applicable Taxes shall not include (x) Dominican Taxes that may be (A) imposed on any individual who is a citizen or resident of the Taxing Jurisdiction (as defined in the Discount Bond Exchange Agreement), a Person organized under the laws of the Taxing Jurisdiction or any political subdivision thereof or therein, a Person having its principal place of business in the Taxing

Jurisdiction or a Person controlled by any such Person, or (B) imposed on a Person who is deemed to have a permanent establishment in the Dominican Republic to which this Bond, or the income therefrom, is attributable (unless this Bond is being held or booked or payments hereunder are received in the Dominican Republic solely to enforce any rights hereunder that otherwise would not, in the opinion of independent counsel of recognized standing, be exercisable) or (y) Paying Agency Taxes that (A) are imposed by reason of any connection between the holder of this Bond and the taxing jurisdiction other than a connection arising from entering into the Discount Bond Documents, holding the Bonds or receiving payment thereon, (B) are required to be deducted or withheld by any Paying Agent from a payment on this Bond if such payment can be made without such deduction or withholding by any other Paying Agent or (C) would not have been imposed but for the presentation by the holder of this Bond for payment more than 30 calendar days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurs later. If the Issuer or a Paying Agent shall be required by law to deduct any Applicable Taxes from or in respect of any sum payable by it hereunder:

(1) the sum payable shall be increased as may be necessary so that, after making all required deductions of such Applicable Taxes (including deductions of such Applicable Taxes applicable to additional sums payable under this subparagraph (1)), the holder of this Bond receives an amount equal to the sum it would have received had no such deductions of such Applicable Taxes been made;

(2) the Issuer or such Paying Agent shall make such deductions; and

(3) the Issuer or such Paying Agent shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law.

(b) Payment of Stamp Taxes. In addition, the Issuer agrees to pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies and any related interest or penalties incidental thereto imposed by the Dominican Republic or any political subdivision or taxing authority thereof or therein which arise from any payment made by the Issuer or a Paying Agent hereunder or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, the Bonds or the other Discount Bond Documents (hereinafter referred to as "Other Applicable Taxes").

(c) Tax Certificates. Within 30 calendar days after the date of any payment of Applicable Taxes or Other Applicable

Taxes by the Issuer or a Paying Agent, the Issuer or such Paying Agent will furnish to the Fiscal Agent the original or a certified copy of a receipt evidencing payment thereof. The Fiscal Agent shall furnish each Bondholder to which the Issuer made (or is obligated to make) a payment that resulted in Applicable Taxes or Other Applicable Taxes with, if practicable, an original of such receipt or certified copy or, if insufficient originals are available for distribution, shall provide each such Bondholder with access to an original.

(d) Survival. Without prejudice to the survival of any other agreement of the Issuer hereunder, the agreements and obligations of the Issuer contained in this Paragraph 5 shall survive the payment in full of all payment due hereunder or under the other Discount Bond Documents and the performance of any other obligations hereunder or thereunder.

6. Collateral.

(a) Principal Collateral. The Issuer has pledged and assigned to the Federal Reserve Bank of New York, as Collateral Agent (such agent and its successors as such Collateral Agent being hereinafter called the "Collateral Agent"), for the benefit of the registered holders, Pledged Securities (as defined in the Collateral Pledge Agreement) (the "Principal Collateral"), having an aggregate amount payable at maturity (including principal, interest and interest added to principal) equal to the principal amount of the Bonds and maturing on or before the Bond Maturity Date, securing payment of the principal amount of the Bonds at stated maturity only. The Collateral Agent will hold the Principal Collateral pursuant to a Collateral Pledge Agreement dated as of ________, 1994 (as amended from time to time, the "Collateral Pledge Agreement"), the terms of which are hereby incorporated herein by reference.

Pursuant to the Collateral Pledge Agreement, if the Issuer has not, on the Bond Maturity Date, made available to the Fiscal Agent in immediately available funds the full principal amount required to be paid at maturity of the Bonds, the Collateral Agent shall, in accordance with the terms of the Collateral Pledge Agreement, cause the proceeds of the Principal Collateral to be remitted to the Fiscal Agent to be held in trust for payment of the principal of the Bonds. With respect to the Principal Collateral, failure by the Issuer to pay the principal amount of the Bonds at stated maturity is the only event giving rise to any right of recourse on the part of the Fiscal Agent or any holder of Bonds to the Principal Collateral, and the Principal Collateral is not available to the Fiscal Agent or any Bondholder at any time before the stated maturity of the Bonds. In particular, nonpayment by the Issuer of interest and other amounts on the Bonds at any time or of principal of the Bonds on redemption, acceleration or otherwise, before stated maturity does not give rise to any right on the part of the Fiscal Agent or any holder of Bonds of recourse to the Principal Collateral, and the Principal Collateral is not available as a result thereof.

(b) Interest Collateral. The Issuer has pledged to and deposited with the Collateral Agent, for the benefit of the Bondholders, Cash or Permitted Investments (both terms as defined in the Collateral Pledge Agreement) (the "Interest Collateral" and, together with the Principal Collateral, the "Collateral") in the amount specified in the Collateral Pledge Agreement securing payment of interest on the Bonds. The Collateral Agent will hold the Interest Collateral pursuant to the Collateral Pledge Agreement. Payments of portions of interest shall be initially secured by an amount of Interest Collateral equal to the amount of interest which would accrue over nine months on the Bonds at an assumed rate of interest of 6% per annum. The initial Interest Collateral will increase through reinvestment of earnings accrued on the Interest Collateral to an amount equal to the amount of interest which would accrue on the Bonds over 12 months at an assumed rate of interest of 6% per annum. Thereafter, earnings on the Interest Collateral may be remitted to the Issuer from time to time in accordance with the Collateral Pledge Agreement.

Pursuant to the Collateral Pledge Agreement, if the Issuer has not, within 30 calendar days after any Interest Payment Date, made available to the Fiscal Agent in immediately available funds the full amount of interest required to be paid in respect of the Bonds on such Interest Payment Date, the Collateral Agent shall, at the request of the Fiscal Agent (acting upon the instructions of the registered holders of at least 25% in aggregate principal amount of the Bonds), cause proceeds of the Interest Collateral to be remitted to the Fiscal Agent for the payment of interest due and payable on the Bonds (without taking into account any interest on overdue amounts).

(c) Collateral Pledge Agreement; Release of Collateral, Etc. Copies of the Collateral Pledge Agreement are on file and available for inspection at the corporate trust office of the Fiscal Agent in the Borough of Manhattan, City of New York and at such other offices as are from time to time designated as Paying Agents for the Bonds, and reference thereto is hereby made for a description of the rights and limitation of rights thereunder of the holders of the Bonds and the duties of the Collateral Agent. The Collateral Pledge Agreement contains provisions for the release from time to time of Principal Collateral and Interest Collateral. The holders of the Bonds will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Collateral Pledge Agreement. The Collateral Agent is not a trustee for the holder of Bonds and does not have the same responsibilities or duties to act for such holders as a trustee. Neither the Federal Reserve Bank of New York, as the initial Collateral Agent, nor any successor Collateral Agent shall have any obligation hereunder or under the Collateral Pledge Agreement to make any payment of principal of, or interest on, this Bond to the holder or to the Fiscal Agent other than the remittance of the proceeds (if any) of the Principal Collateral and the Interest Collateral to the Fiscal Agent in accordance with the terms of the Collateral Pledge Agreement. Each holder of Bonds, by acceptance of its Bond or Bonds, consents to the appointment of the Collateral Agent as its true and lawful attorney-in-fact as provided in the Collateral Pledge Agreement.

The pledge of the Principal Collateral and Interest Collateral pursuant to the Collateral Pledge Agreement constitutes and will constitute, so long as any Bond remains outstanding, a valid and perfected first priority security interest in favor of the Collateral Agent on behalf of the registered holders of the Bonds in the Principal Collateral and Interest Collateral.

7. Valid Obligations.

The Issuer represents and agrees that all action has been taken and all conditions precedent have occurred so that this Bond and all the obligations herein contained shall be valid and legally enforceable obligations of the Issuer in accordance with their terms, including without limitation all acts or things necessary or appropriate under the Constitution, laws and regulations of the Dominican Republic.

8. Payment of Unclaimed Amounts.

Subject to Section 11(b) of the Fiscal Agency Agreement, any moneys paid by the Issuer, or remitted by the Collateral Agent, to the Fiscal Agent (or remitted by the Fiscal Agent to any other Paying Agent) for payment of principal of, or interest on, any of the Bonds shall be held in trust by the Fiscal Agent or such Paying Agent for the registered holders to be paid to such registered holders in accordance with Sections 5(a)(i) and (ii) of the Fiscal Agency Agreement. Any moneys so held remaining unclaimed at the end of two years after such principal or interest (including additional amounts under Paragraph 5 above) shall have become due and payable (whether at maturity or upon call for redemption or otherwise) shall be repaid to the Issuer on its written demand, and upon such repayment such trust shall terminate, all liability of the Fiscal Agent and each Paying Agent with respect to such moneys shall cease and a registered holder presenting a claim therefor shall thereafter look only to the Issuer for payment thereof; provided that such repayment shall not limit in any way any obligation which the Issuer may have to pay the principal of, or interest on, the Bonds as the same shall become due.

9. Covenants.

(a) Affirmative Covenants. The Issuer covenants and agrees that, so long as any Bond remains outstanding, the Issuer shall:

(i) Maintenance of Applicable Authorizations. Duly obtain and maintain in full force and effect all Applicable Authorizations necessary under the laws of the Dominican Republic for the performance by the Issuer of the Bonds or any other Discount Bond Documents or for the validity or enforceability of the Bonds or of the other Discount Bond Documents and duly take all necessary and appropriate governmental and administrative action in the Dominican Republic in order for the Issuer to be able to make all payments to be made by the Issuer under the Bonds and the other Discount Bond Documents.

(ii) Pari Passu. Ensure that at all times its obligations hereunder constitute unconditional general obligations of the Issuer ranking at least *pari passu* in priority of payment with (A) all other unsecured and unsubordinated External Indebtedness of the Issuer and (B) all unsecured and unsubordinated obligations of the Issuer, if any, with respect to any External Indebtedness issued by a Governmental Agency.

(iii) Annual Economic Report. Furnish to the Fiscal Agent sufficient copies of the Annual Economic Report of the Central Bank ("*Memoria Anual*"), or comparable economic information of the Central Bank.

(iv) Exit Undertaking. Ensure that neither the Bonds nor the Eligible Principal exchanged for the Bonds shall at any time be considered part of the base amount with respect to any future requests by the Issuer for new money or any similar request for financial accommodation, and that the Bonds will be exempt from and not be the subject of a request to restructure or refinance.

(v) Debt Conversion Program. Maintain the eligibility of the Bonds for tender in any debt conversion or privatization program which may be established by the Issuer or the Dominican Republic in which, in either case, External Indebtedness of the Issuer or the Dominican Republic is eligible for tender.

(vi) Maintenance of Agents. Until two years after the later of the date on which the principal of all the

Bonds shall have become due and payable (whether at maturity or upon call for redemption or otherwise) and the date on which moneys for the payment thereof and of all interest on the Bonds shall have been made available to the Fiscal Agent, to maintain a Fiscal Agent, an Authenticating Agent, a Calculation Agent, a Registrar and Transfer Agent in the Borough of Manhattan, City of New York (which in each case shall be a commercial bank or trust company (other than a commercial bank or trust company, a majority of the outstanding voting stock or other equity interest ordinarily entitled to vote (however designated) of which is owned directly or indirectly by the Issuer or the Guarantor), or any affiliate thereof, having a combined capital and surplus of at least U.S.$1,000,000,000 (or the equivalent in other currencies), legally qualified to act as such Agent and having an established place of business in the Borough of Manhattan, City of New York). Subject to the foregoing, the Issuer reserves the right at any time to vary or terminate the appointment of the Agents in the manner, and to the extent, provided in Paragraph 16 hereof and in the Fiscal Agency Agreement.

(vii) Listing. Make application for listing the Bonds on the Luxembourg Stock Exchange and use its best efforts (x) to ensure listing thereon and (y) once the Bonds are so listed, to maintain the listing of the Bonds thereon or, if maintenance thereon is not practicable, on another internationally recognized securities exchange so long as any such Bonds are outstanding.

(b) Negative Covenant. For so long as any of the Bonds remain outstanding, the Issuer shall not sell, assign or otherwise transfer any Bond purchased or otherwise acquired by, or on behalf of, the Issuer and not cancelled in accordance with Paragraph 4(b) hereof; provided that the Issuer shall be permitted to assign or otherwise transfer any such Bond in connection with the exchange contemplated in Paragraph 4(b)(ii) hereof; and provided further that the Issuer shall be permitted to assign or otherwise transfer any such Bond, or any interest therein, in connection with any transaction in which such Bond is used to secure External Indebtedness incurred in connection with, or on or after the date of, the purchase or other acquisition of such Bond by or on behalf of the Issuer or the Guarantor.

10. Events of Default.

If any of the following events (each an "Event of Default") shall occur and be continuing:

(a) interest on any Bond is not paid when due and such default continues for a period of at least 30 calendar days; or

(b) the Issuer fails to pay (i) the principal amount of any Bond when due or (ii) the principal amount of any Bond called for redemption when due and, in either case, such default continues for a period of 15 calendar days; or

(c) the pledge of the Principal Collateral or of the Interest Collateral under the Collateral Pledge Agreement ceases to constitute a valid and perfected first priority security interest in any such Collateral; or

(d) the Issuer or the Guarantor defaults in the performance of any other obligation contained in the Bonds or the other Discount Bond Documents and such default shall continue for a period of 90 calendar days after written notice thereof shall have been given to the Issuer and the Guarantor at the office of the Fiscal Agent by any registered holder; or

(e) (i) the holders of 25% or more in aggregate outstanding principal amount of any issue or series of Publicly Issued External Indebtedness of the Issuer or the Guarantor (including any PDI Bonds), as a result of any failure to make a payment in excess of U.S.$5,000,000 with respect to the principal of, or interest on, such Publicly Issued External Indebtedness, accelerate such Publicly Issued External Indebtedness or declare such Publicly Issued External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof and such acceleration, declaration or prepayment shall not have been annulled or rescinded within 30 calendar days thereof, or (ii) the Issuer or the Guarantor fails to make a payment in excess of U.S.$500,000,000 with respect to the principal of, or interest on, any such Publicly Issued External Indebtedness when due (after expiration of any applicable grace period) or (iii) the Issuer or the Guarantor fails to pay any interest when due under any PDI Bonds (after expiration of any applicable grace period); or

(f) the Issuer or the Guarantor declares a moratorium with respect to the payment of principal of, or interest on, Publicly Issued External Indebtedness of the Issuer or the Guarantor; or

(g) any writ, execution, attachment or similar process shall be levied against all or any substantial part of the assets of the Issuer or the Guarantor in connection with any judgment in respect of External Indebtedness (other than External Indebtedness under the Existing Agreements) for the payment of money exceeding U.S.$25 million (or its equivalent in other currencies) and shall remain unsatisfied, undischarged and in effect for a period of 45 consecutive calendar days without a stay of execution, unless the same is adequately bonded or is being contested by appropriate proceedings properly instituted and diligently conducted and, in either case, such process is not being executed against such assets; or

(h) the validity of the Bonds or the other Discount Bond Documents relating thereto shall be contested by the Issuer or the Guarantor;

then, if such event is continuing, registered holders of 25% or more in aggregate outstanding principal amount of the Bonds may, by written demand to the Issuer at the office of the Fiscal Agent in New York City, declare the Bonds immediately due and payable, whereupon the entire unpaid principal amount of the Bonds, all interest accrued and unpaid thereon and all other amounts payable in respect of the Bonds shall become and be forthwith due and payable, without presentation, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Issuer. Upon receipt by the Fiscal Agent of such written demand, the Fiscal Agent shall give notice thereof to the Issuer, as provided in the Fiscal Agency Agreement, and to the holders of the Bonds, by mail and publication. After any such declaration, if all amounts then due with respect to the Bonds are paid (other than amounts due solely because of such declaration) and all other defaults with respect to the Bonds are cured, such declaration may be annulled and rescinded by registered holders of more than 50% in aggregate outstanding principal amount of the Bonds (or such other percentage required at a meeting of Bondholders in accordance with Paragraph 12 hereof) by written notice thereof to the Issuer at the office of the Fiscal Agent.

11. Transfer, Exchange for New Bonds and Replacement.

(a) This Bond is transferable (subject to applicable restrictions in the legend appearing on the face of this Bond and in the Fiscal Agency Agreement) by the registered holder hereof or by such holder's attorney-in-fact duly authorized in writing, at the office of the Registrar or of any Transfer Agent, upon surrender of this Bond for cancellation duly endorsed by, or accompanied by a written instrument of transfer, in the form set forth at the end of these Terms and Conditions or in such other form satisfactory to the Registrar duly executed by, the registered holder or such holder's attorney-in-fact duly authorized in writing, and thereupon one or more new Bonds in Authorized Denominations for the same aggregate principal amount will be issued in the name of the transferee or transferees in exchange therefor.

(b) This Bond (i) may be transferred and sold only as a unit that includes all interest and principal components and may not be separated, directly or indirectly, into component interest and principal portions and (ii) may not be converted directly or indirectly into unregistered form.

(c) This Bond is exchangeable (subject to applicable restrictions contained in the Fiscal Agency Agreement) by the registered holder hereof or by such holder's attorney-in-fact duly authorized in writing at the office of the Registrar or of any Transfer Agent, upon surrender of this Bond for exchange, into one or more new Bonds in Authorized Denominations with the same aggregate principal amount, and thereupon such new Bonds will be issued to such registered holder.

(d) Notwithstanding any other provision of this Bond, the Registrar shall not be required to register the transfer of or exchange this Bond (i) during a period beginning at the opening of business 15 calendar days before the date of transmission of a notice of partial redemption of the Bonds and ending at the close of business on the day of such transmission or (ii) at any time after this Bond has been called for redemption; provided that, with respect to any Bond called for partial redemption, the Registrar shall register the transfer of or exchange such principal amount not subject to redemption.

(e) The Issuer may require payment of a sum sufficient to cover any stamp tax or other governmental charge (other than a stamp tax or governmental charge imposed by the Dominican Republic) in connection with any such transfer or exchange, but no other charge shall be made in connection with any such transfer or exchange (except for the expenses of delivery other than by regular mail).

(f) In case of the mutilation, destruction, loss or theft of this Bond, the Registrar, upon surrender to and cancellation by it of the mutilated Bond, or upon receipt of proof satisfactory to it of the destruction, loss or theft of such Bond, and receipt of security or indemnity satisfactory to the Registrar, to the Fiscal Agent, to the Authenticating Agent and to the Issuer, shall register, and the Registrar or a Transfer Agent shall deliver, a new Bond in replacement of such Bond to the Person requesting such replacement upon payment by such Person of all reasonable expenses associated with obtaining such security or indemnity and issuing and delivering a new Bond (including, without limitation, reasonable legal fees and expenses relating to the preparation, authentication and delivery of such new Bond).

(g) Prior to the presentment for registration of transfer of this Bond, the Issuer, the Guarantor and each of the Agents may deem and treat the Person in whose name this Bond is registered as the absolute owner of this Bond (whether or not this Bond shall be overdue and notwithstanding any notice of ownership or other writing hereon) for the purpose of receiving payment hereof or on account hereof and for all other purposes, and neither the Issuer, the Guarantor nor any Agent shall be affected by any notice to the contrary; provided that, with respect to beneficial interests in the Non-U.S. Permanent Global Registered Bond, each Person who is shown in the records of the Euroclear Operator or of Cedel as the holder of a particular principal amount of such Global Bond shall be treated as the holder of such principal amount of Bonds for all purposes other than with respect to receiving notices by mail or payment hereof or on account hereof and, with respect to beneficial interests in the U.S. Permanent Global Registered Bond, each Person who is shown on the records of the Registrar as the holder of a particular principal amount of such Global Bond shall be treated as the holder of such principal amount of Bonds for all purposes.

(h) All Bonds issued as a result of any transfer, exchange or replacement of Bonds shall be delivered to the holder at the office of the Registrar or a Transfer Agent or (at the risk and, if sent other than by regular mail, expense of such Bondholder) sent by mail to such address as is specified by the holder in the request for transfer, exchange or replacement.

(i) The Issuer has initially appointed each of the principal offices of Citibank, N.A. in London and of Citibank (Luxembourg) S.A. in Luxembourg as a Transfer Agent where the Bonds may be surrendered for transfer, exchange or substitution. The Fiscal Agent shall, directly or through an affiliate, maintain in the Borough of Manhattan, City of New York, a Registrar in which Bonds executed, authenticated and delivered as provided herein and in the Fiscal Agency Agreement, and the transfer, exchange, substitution and cancellation of such Bonds, shall be registered.

12. Meetings of Bondholders; Modification and Amendments.

(a) Upon not less than 15 calendar days' prior notice to the Fiscal Agent, the Issuer may at any time call a meeting of the Bondholders pursuant to the notice provisions of the Fiscal Agency Agreement for any purpose, such meeting to be held at such time and such place as the Issuer shall determine. Upon a request in writing made by Bondholders holding not less than 10% of the aggregate outstanding principal amount of the Bonds, the Fiscal Agent shall convene a meeting of Bondholders. Any such request in writing by Bondholders shall be delivered to the Fiscal Agent. Further provisions concerning meetings of Bondholders are set forth in the Fiscal Agency Agreement.

(b) Modifications and amendments to the Fiscal Agency Agreement (subject to the provisions of Section 15 of the Fiscal Agency Agreement), the Collateral Pledge Agreement, the Guaranty or the Bonds requiring Bondholder consent may be made, and future compliance therewith or past default by the Issuer or the Guarantor may be waived, with the consent of the Issuer or the Guarantor, as the case may be, and the registered holders of at least a majority in aggregate principal amount of the Bonds at the time outstanding, or of such lesser percentage (determined as provided in Paragraph 12(c) below) as may act at a meeting of Bondholders held in accordance with the provisions of the Fiscal Agency Agreement; provided that no such modification, amendment or waiver of the Fiscal Agency Agreement, the Collateral Pledge Agreement, the Guaranty or any Bond may, without the consent of the registered holder of each Bond affected thereby, (i) change the stated maturity of the principal of or the due date of interest on such Bond; (ii) reduce the principal of, or interest on, any such Bond; (iii) change the currency of payment of the principal of, or interest on, any such Bond; (iv) effect a release of the Collateral from, or change the priority of, the lien of the Collateral Pledge Agreement except as contemplated thereby or change the ratable nature of the security provided thereby; (v) reduce the amount of, or otherwise limit, any payment liability of the Guarantor under the Guaranty in respect of such Bond or postpone any date fixed for payment thereunder; or (vi) reduce the above-stated percentage of aggregate principal amount of Bonds outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action; and provided further that no modification, amendment or waiver of the Collateral Pledge Agreement may, without the consent of the Collateral Agent or the Fiscal Agent in addition to the Issuer and the holders required above to take such action, affect the rights or duties of the Collateral Agent or the Fiscal Agent, respectively, under the Collateral Pledge Agreement. Any modifications, amendments or waivers consented to or approved at a meeting will be conclusive and binding on all holders of the Bonds whether or not they have given consent or were present at such meeting, and on all future holders of Bonds whether or not notation of such modifications, amendments or waivers is made upon the Bonds. Subject to the foregoing provisions of this Paragraph 12(b), any instrument given by or on behalf of any holder of a Bond in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Bond.

(c) At a meeting of the Bondholders called for any of the above purposes, persons entitled to vote a majority in aggregate principal amount of the Bonds at the time outstanding shall constitute a quorum, it being understood that any Bondholder entitled to more than one vote shall not be required to cast all such votes in the same manner. In the absence of a quorum within 30 minutes of the time approved for such meeting, such meeting may be adjourned for a period of not less than ten calendar days; at the reconvening of any meeting adjourned for lack of a quorum, the persons entitled to vote 25% in aggregate principal amount of the Bonds at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend, or to waive compliance with, any of the covenants or conditions referred to above (other than to make any declaration under Paragraph 10 hereof) shall be effectively passed, subject to the provisos of subparagraph (b) above, if passed by the persons entitled to vote the lesser of (i) a majority in aggregate principal amount of Bonds then outstanding or (ii) 75% in aggregate principal amount of the Bonds then outstanding represented and voting at the meeting.

(d) So long as the Issuer has any interest in any of the Bonds referred to in any notice delivered to the Fiscal Agent by the Issuer pursuant to the last sentence of Paragraph 4(b) hereof, such Bond shall be deemed not to be outstanding at a meeting of Bondholders or in connection with any consent to any modification, amendment or waiver contemplated in this Paragraph 12.

13. Notices.

All notices to Bondholders will be given by publication thereof in The Wall Street Journal (Eastern Edition) and the Financial Times (London) (or if one or both of such newspapers is not being published, in at least one leading daily newspaper printed in the English language and with general circulation in New York City or London, as the case may be) and, so long as the Bonds are listed on the Luxembourg Stock Exchange and it is so required for continued listing thereon, in the Luxemburger Wort (or if such newspaper is not being published, in a daily newspaper of general circulation in Luxembourg or, if publication in either London or Luxembourg is not practical, elsewhere in western Europe). In addition, notices to Bondholders required to be mailed shall be mailed by first class, or, if applicable, prepaid, air mail to each registered holder to the address set forth on the register kept by the Registrar for the Bonds. Any such notice shall be deemed to have been given on the date of such publication (or, if published more than once, on the date it is first published) and the day which is three days after such notice by mail shall have been deposited in the mails.

14. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to any Bondholder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

15. Delay or Omission Not Waiver.

No delay or omission of the Bondholders to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Paragraph 15 or by law to the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Bondholders.

16. Maintenance of Paying Agents and Transfer Agents.

The Issuer may vary or terminate the appointment of any Paying Agent or Transfer Agent at any time and from time to time upon giving not less than 60 calendar days' notice to the Fiscal Agent; provided that the Issuer shall maintain at all times at least one Paying Agent in New York City and London. In addition, the Issuer shall maintain at all times a Paying Agent and a Transfer Agent in Luxembourg as long as the Bonds are listed on the Luxembourg Stock Exchange and it is so required for continued listing thereon. Notice of any change in a Paying Agent shall be given to Bondholders in accordance with Paragraph 13 hereof.

17. Execution.

This Bond may be executed by manual or facsimile signatures of two Authorized Officials of the Issuer and such signatures shall be binding notwithstanding that an individual signing in such capacity no longer serves in such capacity at the time of authentication by an Authenticating Agent. This Bond shall not constitute an obligation of the Issuer until the certificate of authentication hereon has been countersigned for identification by an Authenticating Agent.

18. Jurisdiction and Waiver of Immunity.

(a) The Issuer hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City, any court sitting in the Dominican Republic, and any appellate court from any thereof, in any suit, action or proceeding arising out of or relating to this Bond, and the Issuer hereby irrevocably agrees that all claims in respect of such suit, action or proceeding may be heard and determined in such New York State or Federal court or any court sitting in the Dominican Republic, provided that the Issuer irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding and any objection to any such suit, action or proceeding whether on the grounds of venue, residence or domicile. A final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law, provided that such judgment is not subject to appeal.

(b) The Issuer hereby irrevocably appoints (i) the person for the time being and from time to time acting as or discharging the function of Consul General of the Dominican Republic in New York, New York, United States (the "Process Agent"), with an office on the date hereof at One Times Square, 11th Floor, New York, New York 10036, United States and, alternatively, hereby irrevocably appoints CT Corporation System with an office on the date hereof at 1633 Broadway, 23rd Floor, New York, New York 10019, United States (the "Alternate Process Agent"), in each case, as its agent, to receive, on behalf of the Issuer and its property, service of copies of the summons and complaint and any other process which may be served in any such suit, action or proceeding brought in any New York State or Federal court sitting in New York City. Service of any process may be served upon the Alternate Process Agent in lieu of the Process Agent in any suit, action or proceeding in any New York State or Federal court sitting in New York City if (i) at any time and for any reason it appears to the party attempting to serve the process that service of such process upon the Process Agent as provided below may be ineffective or may not be feasible and (ii) upon or before the serving of any process on the Alternate Process Agent, the Alternate Process Agent and the Issuer are separately notified that service of such process is to be made on the Alternate Process Agent in accordance with the provisions of this Paragraph 18(b). Service may be made by U.S. registered mail or comparable means or delivering by hand a copy of such process to the Issuer in care of the Process Agent or Alternate Process Agent at the address specified above for the Process Agent or Alternate Process Agent and, in the case of process served on the Alternate Process Agent, by sending through the U.S. registered mail or other comparable means a copy of such process, addressed to the Central Bank, at the address specified in Section 13 of the Fiscal Agency Agreement (such service to be effective only upon the delivery of such process to the Alternate Process Agent and the mailing of such process to the Central Bank, in each case, as aforesaid). The Issuer hereby irrevocably authorizes and directs the Process Agent or Alternate Process Agent to accept on its behalf service made in accordance with this Paragraph 18(b). Failure of the Process Agent or Alternate Process Agent to give notice to the Issuer, or failure of the Issuer to receive notice of such service of process shall not affect in any way the validity of such service on the Process Agent, the Alternate Process Agent or the Issuer. As an alternative method of service, the Issuer also irrevocably consents to the service of any and all process in any such suit, action or proceeding in such New York State or Federal court sitting in New York City by sending through the U.S. registered mail or other comparable means copies of such process to such party at its address specified in Section 13 of the Fiscal Agency Agreement. The Issuer covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designations of the Process Agent and Alternate Process Agent above in full force and effect, and to cause the Process Agent and Alternate Process Agent to continue to act as such.

(c) Nothing in this Paragraph 18 shall affect the right of any party to serve legal process in any other manner permitted by law or affect the right of any party to bring any suit, action or proceeding against any other party or its property in the courts of other jurisdictions.

(d) To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Issuer hereby irrevocably waives such immunity in respect of its obligations under this Bond and the other Discount Bond Documents, and, without limiting the generality of the foregoing, the Issuer agrees that the waivers set forth in this Paragraph 18(d) shall have the fullest scope permitted under applicable laws, including, without limitation, Article 45 of Law 1494 of August 2, 1947 of the Dominican Republic and the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such laws.

19. <u>Descriptive Headings</u>.

The descriptive headings appearing in these Terms and Conditions are for convenience of reference only and shall not alter, limit or define the provisions hereof.

THE PDI BONDS

FACE OF THE NON-U.S. TEMPORARY GLOBAL BEARER PDI BOND

The text appearing on the face of each Non-U.S. Temporary Global Bearer PDI Bond will read substantially as follows.

THIS BOND IS A NON-U.S. TEMPORARY GLOBAL BEARER BOND, WITHOUT COUPONS, EXCHANGEABLE FOR A NON-U.S. PERMANENT GLOBAL BEARER BOND WITHOUT COUPONS. THE RIGHTS ATTACHING TO THIS NON-U.S. TEMPORARY GLOBAL BEARER BOND, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR A NON-U.S. PERMANENT GLOBAL BEARER BOND, ARE SPECIFIED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS NON-U.S. TEMPORARY GLOBAL BEARER BOND SHALL BE ENTITLED TO RECEIVE PAYMENT OF PRINCIPAL HEREOF OR INTEREST HEREON.

ANY UNITED STATES PERSON (AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED UNDER SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[ORIGINAL ISSUE DISCOUNT LEGEND, AS REQUIRED BY THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.]

THIS BOND IS SUBJECT TO CERTAIN SELLING RESTRICTIONS PROVIDED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

NON-U.S. TEMPORARY GLOBAL BEARER BOND

PDI Bonds Due 2009

Unconditionally guaranteed as to payment of principal and interest by

THE DOMINICAN REPUBLIC

BANCO CENTRAL DE LA REPUBLICA DOMINICANA (the "Issuer"), for value received, hereby unconditionally promises to pay to BEARER, on presentation for endorsement or surrender of this Non-U.S. Temporary Global Bearer Bond, the principal sum of _____**_____ UNITED STATES DOLLARS (U.S.$____*____) (the "Principal Amount"), in 25 consecutive semiannual installments in the amounts set forth below, commencing on the first Principal Payment Date (as defined below) and on each Principal Payment Date thereafter through the 25th Principal Payment Date; provided that the last such installment shall be in the amount necessary to repay in full the Principal Amount outstanding on the last Principal Payment Date.

Payments of principal shall be made on each Principal Payment Date in an amount equal to the product of (x) the unpaid principal amount of this Bond scheduled to be outstanding on such Principal Payment Date, without taking into account any mandatory or optional redemption, and (y) the amortization factor (expressed as a fraction, set forth below for such Principal Payment Date):

** This amount is subject to decrease from time to time pursuant to the Fiscal Agency Agreement.

Principal Payment Falling Due in :	Amortization Factor	Principal Payment ($) Per $1,000 Face Amount
[ ]*, 1997	1/100	10
[ ]**, 1997	1/99	10
[ ]*, 1998	1/98	10
[ ]**, 1998	1/97	10
[ ]*, 1999	1/96	10
[ ]**, 1999	1/95	10
[ ]*, 2000	1/94	10
[ ]**, 2000	5.167/93	51.67
[ ]*, 2001	5.167/87.833	51.67
[ ]**, 2001	5.167/82.666	51.67
[ ]*, 2002	5.167/77.499	51.67
[ ]**, 2002	5.167/72.332	51.67
[ ]*, 2003	5.167/67.165	51.67
[ ]**, 2003	5.167/61.998	51.67
[ ]*, 2004	5.167/56.831	51.67
[ ]**, 2004	5.167/51.664	51.67
[ ]*, 2005	5.167/46.497	51.67
[ ]**, 2005	5.167/41.330	51.67
[ ]*, 2006	5.167/36.163	51.67
[ ]**, 2006	5.167/30.996	51.67
[ ]*, 2007	5.167/25.829	51.67
[ ]**, 2007	5.167/20.662	51.67
[ ]*, 2008	5.167/15.495	51.67
[ ]**, 2008	5.167/10.328	51.67
[ ]***, 2009	5.167/5.167	51.61

provided, however, that in no case shall any principal payment in respect to this Bond exceed the unpaid principal amount of this Bond on the date of such payment.

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* Insert the month in which the first Principal Payment Date occurs.

** Insert the month in which the date six months after the first Principal Payment Date occurs.

*** Insert the date which is the 15th anniversary of the Closing Date.

As used herein, "Principal Payment Date" means (i) each _____[1] and _____[1] of each calendar year, commencing on _____[2]; provided, however, that if a Principal Payment Date falls on any day which is not a Business Day, such Principal Payment Date will be postponed to the next day which is a Business Day unless such next succeeding Business Day occurs in a subsequent calendar month in which case such Principal Payment Date will be the next preceding Business Day.

This Non-U.S. Temporary Global Bearer Bond is issued in respect of an issue of PDI Bonds Due 2009 of the Issuer and is governed by the Terms and Conditions of the Definitive Bearer Bonds annexed hereto (the "Terms and Conditions"), which Terms and Conditions are incorporated herein by reference, and by the provisions of the PDI Bond Fiscal Agency Agreement dated as of ___ ____ ____, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent.

Interest on the principal amount hereof shall accrue from (and including) _____[3], at the rates per annum provided in the Terms and Conditions.

Until beneficial interests in this Non-U.S. Temporary Global Bearer Bond are exchanged for beneficial interests in the Non-U.S. Permanent Global Bearer Bond, neither the holder nor the beneficial owners hereof shall be entitled to receive either payments of principal of or interest on the Bonds evidenced by this Non-U.S. Temporary Global Bearer Bond. Until so exchanged in full, this Non-U.S. Temporary Global Bearer Bond and the Bonds evidenced hereby shall in all other respects be entitled to the same benefits and subject to the same terms and conditions as definitive Bearer Bonds under the Terms and Conditions and the Fiscal Agency Agreement.

Pursuant to a Guaranty dated as of February 14, 1994 (the "Guaranty"), the Dominican Republic (the "Guarantor") has guaranteed, for the benefit of the holders of Bonds from time to

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1 Without specifying a year, insert the dates which are, respectively, 12 months and 18 months after the Closing Date.

2 Insert the date which is the third anniversary of the Closing Date.

3 Insert the Closing Date.

time, the punctual payment of principal and interest payable hereunder when due. An executed original of the Guaranty is deposited with the Fiscal Agent.

The Issuer hereby irrevocably undertakes to exchange the beneficial interests in this Non-U.S. Temporary Global Bearer Bond in accordance with the terms of the Fiscal Agency Agreement. Upon any such exchange of all or a portion of this Non-U.S. Temporary Global Bearer Bond for beneficial interests in the Non-U.S. Permanent Global Bearer Bond, the Schedule attached to this Non-U.S. Temporary Global Bearer Bond shall be endorsed to reflect the reduction of the principal amount of this Non-U.S. Temporary Global Bearer Bond exchanged, and the principal amount of this Non-U.S. Temporary Global Bearer Bond shall be reduced for all purposes by the amount so exchanged.

This Non-U.S. Temporary Global Bearer Bond may be voluntarily redeemed at the option of the Issuer or may be mandatorily redeemed in certain circumstances, in both cases as a whole or in part, and payment of this Non-U.S. Temporary Global Bearer Bond or any portion hereof may be accelerated, and Bonds represented by this Non-U.S. Temporary Global Bearer Bond may be repurchased or otherwise acquired by the Issuer or the Guarantor and, in the case of any such repurchase or other acquisition by the Issuer or the Guarantor, surrendered for cancellation, each in accordance with the terms and provisions of the Terms and Conditions and the Fiscal Agency Agreement. Upon any redemption or cancellation of all or a portion of this Non-U.S. Temporary Global Bearer Bond, the Schedule attached hereto shall be endorsed by or on behalf of the Fiscal Agent to reflect the principal amount of this Non-U.S. Temporary Global Bearer Bond cancelled, and the principal amount of this Non-U.S. Temporary Global Bearer Bond shall be reduced for all purposes by the amount so redeemed or cancelled.

The outstanding principal amount of this Non-U.S. Temporary Global Bearer Bond shall be decreased from time to time in accordance with the provisions of the Fiscal Agency Agreement and such decreases shall be endorsed on the Schedule attached hereto and recorded by the Fiscal Agent. In the event that the principal amount endorsed on the Schedule attached hereto is not equal to the outstanding principal amount recorded in the records maintained by the Fiscal Agent, the records maintained by the Fiscal Agent shall be binding hereunder.

THIS NON-U.S. TEMPORARY GLOBAL BEARER BOND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES.

This Non-U.S. Temporary Global Bearer Bond shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by an Authenticating Agent under the Fiscal Agency Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Non-U.S. Temporary Global Bearer Bond to be duly executed on its behalf by an Authorized Official (as defined in the Fiscal Agency Agreement) on and as of the date written below.

Dated:

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

By ______________________________
Name:
Title:

By______________________________
Name:
Title:

Certificate of Authentication:

This is the Non-U.S. Temporary Global Bearer Bond referred to in the within-mentioned Fiscal Agency Agreement

CITIBANK, N.A., as Authenticating Agent

or

CITIBANK (LUXEMBOURG) S.A., as Authenticating Agent

By ______________________________
Authorized Signatory

Dated: ________________

By ______________________________
Authorized Signatory

Dated: ________________

Schedule to Non-U.S. Temporary Global Bearer Bond

Outstanding Principal Amount

Aggregate Outstanding Principal Amount of this Non-U.S. Temporary Global Bearer Bond on the Closing Date:

Effective Date	Increases in principal amount of attached Global Bearer Bond	Decreases in principal amount of attached Global Bearer Bond	Resulting aggregate outstanding principal amount of attached Global Bearer Bond	Notation made by

Increases in Decreases in Resulting aggregate principal amount principal amount outstanding principal of attached of attached amount of attached Notation Effective Date Global Bearer Bond Global Bearer Bond Global Bearer Bond made by

FACE OF THE NON-U.S. PERMANENT GLOBAL BEARER PDI BOND

The text appearing on the face of each Non-U.S. Permanent Global Bearer PDI Bond will read substantially as follows.

THIS IS A NON-U.S. PERMANENT GLOBAL BEARER BOND, WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BEARER BONDS SUBJECT TO CERTAIN CONDITIONS. THE RIGHTS ATTACHING TO THIS NON-U.S. PERMANENT GLOBAL BEARER BOND, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR DEFINITIVE BEARER BONDS, ARE AS SPECIFIED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

ANY UNITED STATES PERSON (AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED UNDER SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[ORIGINAL ISSUE DISCOUNT LEGEND, AS REQUIRED BY THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.]

THIS BOND IS SUBJECT TO CERTAIN SELLING RESTRICTIONS PROVIDED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

NON-U.S. PERMANENT GLOBAL BEARER BOND

PDI Bonds Due 2009

Unconditionally guaranteed as to payment of principal and interest by

THE DOMINICAN REPUBLIC

BANCO CENTRAL DE LA REPUBLICA DOMINICANA (the "Issuer"), for value received, hereby unconditionally promises to pay to BEARER, on presentation for endorsement or surrender of this Non-U.S. Permanent Global Bearer Bond, the principal sum of ____*____ UNITED STATES DOLLARS (U.S.$____*____) (the "Principal Amount"), in 25 consecutive semiannual installments in the amounts set forth below, commencing on the first Principal Payment Date (as defined below) and on each Principal Payment Date thereafter through the 25th Principal Payment Date; provided that the last such installment shall be in the amount necessary to repay in full the Principal Amount outstanding on the last Principal Payment Date.

Payments of principal shall be made on each Principal Payment Date in an amount equal to the product of (x) the unpaid principal amount of this Bond scheduled to be outstanding on such Principal Payment Date, without taking into account any mandatory or optional redemption, and (y) the amortization factor (expressed as a fraction, set forth below for such Principal Payment Date):

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* **[Text for this Footnote? Check original master.]**

Principal Payment Falling Due in:	Amortization Factor	Principal Payment ($) Per $1,000 Face Amount
[ ], 1997	1/100	10
[ ]**, 1997	1/99	10
[ ]*, 1998	1/98	10
[ ]**, 1998	1/97	10
[ ]*, 1999	1/96	10
[ ]**, 1999	1/95	10
[ ]*, 2000	1/94	10
[ ]**, 2000	5.167/93	51.67
[ ]*, 2001	5.167/87.833	51.67
[ ]**, 2001	5.167/82.666	51.67
[ ]*, 2002	5.167/77.499	51.67
[ ]**, 2002	5.167/72.332	51.67
[ ]*, 2003	5.167/67.165	51.67
[ ]**, 2003	5.167/61.998	51.67
[ ]*, 2004	5.167/56.831	51.67
[ ]**, 2004	5.167/51.664	51.67
[ ]*, 2005	5.167/46.497	51.67
[ ]**, 2005	5.167/41.330	51.67
[ ]*, 2006	5.167/36.163	51.67
[ ]**, 2006	5.167/30.996	51.67
[ ]*, 2007	5.167/25.829	51.67
[ ]**, 2007	5.167/20.662	51.67
[ ]*, 2008	5.167/15.495	51.67
[ ]**, 2008	5.167/10.328	51.67
[ ]***, 2009	5.167/5.167	51.61

<u>provided</u>, <u>however</u>, that in no case shall any principal payment in respect to this Bond exceed the unpaid principal amount of this Bond on the date of such payment.

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* Insert the month in which the first Principal Payment Date occurs.

** Insert the month in which the date six months after the first Principal Payment Date occurs.

*** Insert the date which is the 15th anniversary of the Closing Date.

As used herein, "Principal Payment Date" means (i) each _____[1] and _____[1] of each calendar year, commencing on _____[2]; provided, however, that if a Principal Payment Date falls on any day which is not a Business Day, such Principal Payment Date will be postponed to the next day which is a Business Day unless such next succeeding Business Day occurs in a subsequent calendar month in which case such Principal Payment Date will be the next preceding Business Day.

This Non-U.S. Permanent Global Bearer Bond is issued in respect of an issue of PDI Bonds Due 2009 of the Issuer and is governed by the Terms and Conditions of the Definitive Bearer Bonds annexed hereto (the "Terms and Conditions"), which Terms and Conditions are incorporated herein by reference, and by the provisions of the PDI Bond Fiscal Agency Agreement dated as of ___ ____ _, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent.

Interest on the outstanding principal amount hereof shall accrue from (and including) _____[3], at the rates per annum provided in the Terms and Conditions. The Issuer further unconditionally agrees to pay interest on overdue amounts of principal and interest on this Non-U.S. Permanent Global Bearer Bond as set forth in the Terms and Conditions.

This Non-U.S. Permanent Global Bearer Bond is issued in exchange for the Temporary Global Bearer Bond representing PDI Bonds Due 2009 (the "Non-U.S. Temporary Global Bearer Bond"). The principal amount of Bonds in bearer form represented in such exchange, and the principal amount of Bonds in bearer form represented by subsequent exchanges or portions of the Non-U.S. Temporary Global Bearer Bond in accordance with the Fiscal Agency Agreement, shall be endorsed by or on behalf of the Fiscal Agent on the Schedule attached hereto, and the principal amount of this Non-U.S. Permanent Global Bearer Bond as set forth on the Schedule attached hereto shall be increased for all purposes by

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1 Without specifying a year, insert the dates which are, respectively, 12 months and 18 months after the Closing Date.

2 Insert the date which is the third anniversary of the Closing Date.

3 Insert the Closing Date.

the portion of the principal amount of the Non-U.S. Temporary Global Bearer Bond so exchanged.

Pursuant to a Guaranty dated as of February 14, 1994 (the "Guaranty"), the Dominican Republic (the "Guarantor") has guaranteed, for the benefit of the holders of Bonds from time to time, the punctual payment of principal and interest payable hereunder when due. An executed original of the Guaranty is deposited with the Fiscal Agent.

The Issuer hereby irrevocably undertakes to exchange the beneficial interests in this Non-U.S. Permanent Global Bearer Bond in accordance with the terms and conditions set forth in the Fiscal Agency Agreement, in whole or in part, for Definitive Bonds. Upon any such exchange, the Schedule attached hereto shall be endorsed to reflect the reduction of the principal amount evidenced hereby.

This Non-U.S. Permanent Global Bearer Bond may be voluntarily redeemed at the option of the Issuer or may be mandatorily redeemed in certain circumstances, in both cases as a whole or in part, and payment of this Non-U.S. Permanent Global Bearer Bond or any portion hereof may be accelerated, and Bonds represented by this Non-U.S. Permanent Global Bearer Bond may be repurchased or otherwise acquired by the Issuer or the Guarantor and, in the case of any such repurchase or other acquisition by the Issuer or the Guarantor, surrendered for cancellation, each in accordance with the terms and provisions of the Terms and Conditions and the Fiscal Agency Agreement. Upon any payment, voluntary or mandatory redemption or cancellation of all or a portion of this Non-U.S. Permanent Global Bearer Bond, the Schedule attached hereto shall be endorsed to reflect the principal amount of this Non-U.S. Permanent Global Bearer Bond paid, redeemed or cancelled, and the principal amount of this Non-U.S. Permanent Global Bearer Bond shall be reduced for all purposes by the amount so paid, redeemed or cancelled.

The outstanding principal amount of this Non-U.S. Permanent Global Bearer Bond shall be increased or decreased from time to time in accordance with the provisions of the Fiscal Agency Agreement and such increases or decreases shall be endorsed on the Schedule attached hereto and recorded by the Fiscal Agent. In the event that the principal amount endorsed on the Schedule attached hereto is not equal to the outstanding principal amount recorded in the records maintained by the Fiscal Agent, the records maintained by the Fiscal Agent shall be binding hereunder. Upon any amortization of this Non-U.S. Permanent Global Bearer Bond, the Schedule attached hereto shall be endorsed to reflect such amortization.

THIS NON-U.S. PERMANENT GLOBAL BEARER BOND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES.

This Non-U.S. Permanent Global Bearer Bond shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by an Authenticating Agent under the Fiscal Agency Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Non-U.S. Permanent Global Bearer Bond to be duly executed on its behalf by an Authorized Official (as defined in the Fiscal Agency Agreement) on and as of the date written below.

Dated: ________________

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

By ____________________________
Name:
Title:

By ____________________________
Name:
Title:

Certificate of Authentication:
This is the Non-U.S. Permanent Global Bearer Bond referred to in the within-mentioned Fiscal Agency Agreement

CITIBANK, N.A.,
as Authenticating Agent

By ____________________________
Authorized Signatory

Dated: ________________

or

CITIBANK (LUXEMBOURG) S.A.,
as Authenticating Agent

By ____________________________
Authorized Signatory

Dated: ________________

Schedule to Non-U.S. Permanent Global Bearer Bond

Outstanding Principal Amount

Aggregate outstanding principal amount of this Non-U.S. Permanent Global Bearer Bond on the Closing Date: $____________________.

Effective Date	Increases in principal amount of attached Global Bearer Bond	Decreases in principal amount of attached Global Bearer Bond	Amount of Principal Payment	Resulting aggregate outstanding principal amount of attached Global Bearer Bond	Notation made by

TERMS AND CONDITIONS OF THE BEARER PDI BOND

The terms and conditions of the Bearer PDI Bond will read substantially as follows.

1. General.

(a) This Bond is one of the duly authorized PDI Bonds Due 2009 in bearer form of the Issuer issued in definitive form and in the form of Global Bearer Bonds (the "Bonds") pursuant to the PDI Bond Fiscal Agency Agreement dated as of _________ __, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent (said banks and their successors as such Fiscal Agents, Authenticating Agents, Paying Agents and Calculation Agent being hereinafter called the "Fiscal Agent", "Authenticating Agent", "Paying Agent", and "Calculation Agent", respectively), and guaranteed as to the punctual payment of principal and interest payable hereunder when due by the Dominican Republic pursuant to the Guaranty. Each Authenticating Agent, any Paying Agent, the Calculation Agent and the Fiscal Agent are hereinafter sometimes collectively called the "Agents". The terms of the Fiscal Agency Agreement are hereby incorporated herein by reference. Copies of (i) the Fiscal Agency Agreement, (ii) the PDI Bond Exchange Agreement and (iii) the Guaranty are on file and available for inspection at the corporate trust offices of the Fiscal Agent in the Borough of Manhattan, City of New York and at such other offices of the Fiscal Agent as are from time to time designated as Paying Agents for the Bonds, and reference to the Fiscal Agency Agreement and the Guaranty is hereby made for a description of the rights and limitations of rights thereunder of the holders of the Bonds or the Coupons and the duties and immunities of the Agents. The holders of the Bonds, the holders of the Principal Coupons and the holders of the Interest Coupons relating to the Bonds, whether or not such Principal Coupons and Interest Coupons are attached to such Bonds, will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of these Terms and Conditions, the Fiscal Agency Agreement and the Guaranty. The Fiscal Agent is not a trustee for the Bondholders and does not have the same responsibilities or duty to act for the Bondholders as a trustee. Capitalized terms used in this Bond have the meanings specified in the Fiscal Agency Agreement unless otherwise defined herein.

(b) Bonds in definitive form shall be issuable only upon the occurrence of certain events, specified in the Fiscal Agency Agreement. The Definitive Bonds are issuable in bearer form, with Coupons attached, in denominations of U.S.$250,000 or other denominations permitted by the Fiscal Agency Agreement. The Bonds may not be subdivided or combined. Title to the Bonds, the Principal Coupons and the Interest Coupons shall pass by delivery.

(c) The Issuer and each of the Agents may deem and treat the bearer of this Bond, any Principal Coupon or any Interest Coupon as the absolute owner thereof (whether or not such Bond, Principal Coupon or Interest Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment thereof or on account thereof and for all other purposes and neither the Issuer nor any Agent shall be affected by any notice to the contrary.

(d) This Bond is the direct, general and unconditional obligation of the Issuer, and the full faith and credit of the Issuer is pledged for the due and punctual payment of the principal of, and interest on, this Bond and for the due and punctual performance of all obligations of the Issuer with respect hereto.

2. Payments and Paying Agencies.

(a) Each payment in respect of this Bond will be made (i) in the case of principal, against presentation on or after the applicable Principal Payment Date and surrender for cancellation of the relevant Principal Coupons (together with this Bond in the case of the final installment of principal) or, in the case of the Non-U.S. Permanent Global Bearer Bond, upon endorsement thereof, at the specified office located outside the United States of any of the Paying Agents, or (ii) in the case of interest, against presentation on or after the applicable Interest Payment Date and surrender for cancellation of the relevant Interest Coupons or, in the case of the Non-U.S. Permanent Global Bearer Bond, upon endorsement thereof, at the specified office located outside the United States of any of the Paying Agents. Such payments of principal of and interest on this Bond will be made by check drawn on, or (at the option of any holder of at least U.S.$1,000,000 in aggregate principal amount of Bonds and/or Interest Coupons appertaining to such aggregate principal amount of Bonds) by wire transfer to an account maintained by the holder hereof with, a bank in New York City or London. Notwithstanding anything to the contrary herein, the Issuer shall appoint a Paying Agent in the United States for payments in respect of this Bond if payment in U.S. Dollars at all Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of such amounts in

U.S. Dollars and such payments may lawfully be made by such Paying Agent in the United States.

(b) All payments with respect to this Bond will be made in such coin or currency of the United States of America as at the time of payment is legal tender therein for the payment of public and private debts.

(c) If the due date for payment of any amount of principal of, or interest on, this Bond (or any additional amounts under Paragraph 5 below relating thereto) is a day on which banks are required or authorized to close in the jurisdiction in which the office of the relevant Paying Agent is located, then payment by such Paying Agent need not be made until the next day which is a day on which banks are not required or authorized to close in such jurisdiction). The holder of this Bond or any Coupon appertaining hereto shall not be entitled to any interest or other payment in respect of such delay.

As used herein, "Interest Payment Date" means each successive ____[5]____ and ____[6]____ of each calendar year through ____[7]____, which is the stated maturity date of this Bond and the date on which the principal amount of this Bond is paid in full; provided, however, that if an Interest Payment Date falls on any day which is not a Business Day, such Interest Payment Date will be the next day which is a Business Day unless such next succeeding Business Day occurs in a subsequent calendar month in which case such Interest Payment Date will be the next preceding Business Day.

As used herein, "Business Day" means a day on which (i) dealings are carried on in the London interbank market and (ii) banks are not required or authorized to close in New York City.

3. Rate of Interest.

(a) For purposes of calculating the rate of interest payable on the Bonds, the Issuer, pursuant to the Fiscal Agency Agreement, has appointed Citibank, N.A. as Calculation Agent.

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5 Without specifying a year, insert the date which is six months after the Closing Date.

6 Without specifying a year, insert the date which is twelve months after the Closing Date.

7 Insert the date which is the 15th anniversary of the Closing Date.

The rate of interest payable from time to time in respect of the Bonds (the "<u>Rate of Interest</u>") will be determined on the basis of the following provisions:

On the second London Banking Day (as defined below) (an "<u>Interest Determination Date</u>") before the commencement of an Interest Period (as defined herein), the Calculation Agent will determine the rate per annum at which deposits in U.S. Dollars for an interest period of six months commencing in two London Banking Days from such Interest Determination Date are offered by each of the banks named on the Reuters Screen LIBO Page to leading banks in the London interbank market as quoted on the Reuters Screen LIBO Page (as defined herein) at 11:00 A.M. (London time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall, except as provided below, be 13/16% per annum above the average (rounded upward, if not a whole multiple of 1/16%, to the nearest 1/16%) of such offered quotations (being at least two) as displayed on the Reuters Screen LIBO Page and as determined by the Calculation Agent. As used herein, "<u>London Banking Day</u>" means a day on which banks are open for business in London and dealings are carried on in the London interbank market.

If, on any Interest Determination Date, the Reuters Screen LIBO Page is not being displayed, or only one such offered quotation appears, then the following rule shall apply:

(i) The Calculation Agent shall request each of the Reference Banks (as defined herein) to provide the Calculation Agent with the rate per annum at which deposits in U.S. Dollars for the Interest Period commencing in two London Banking Days after such Interest Determination Date are offered by each of them to leading banks in the London interbank market in an amount substantially equal to U.S.$5,000,000 at 11:00 A.M. (London time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall, except as provided below, be 13/16% per annum above the average (rounded upward, if not a whole multiple of 1/16%, to the nearest 1/16%) of such offered quotations as determined by the Calculation Agent.

(ii) If on any Interest Determination Date at least two of the Reference Banks provide such offered quotations, the Rate of Interest for the relevant Interest Period shall be determined as described above on the basis of the offered quotations of those Reference Banks providing such quotations.

(iii) If on any Interest Determination Date none or only one of the Reference Banks provides the Calculation Agent with an offered quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be either (A) 13/16% per annum above the arithmetic mean of the U.S. Dollar lending rates which leading New York City banks, selected by the Calculation Agent after consultation with an Authorized Official of the Issuer, are quoting at 11:00 A.M. (London time) on the Interest Determination Date for the relevant Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Calculation Agent, being so made or (B) in the event that the Calculation Agent cannot obtain at least two such quotations, 13/16% per annum above the lowest U.S. Dollar lending rate which leading banks in New York City, selected by the Calculation Agent after consultation with an Authorized Official of the Issuer, are quoting on the Interest Determination Date to leading international banks for the relevant Interest Period; provided that if the banks selected as aforesaid by the Calculation Agent are not providing the relevant quotations, the Rate of Interest for the next Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which the above paragraphs shall have applied.

The term "Reference Banks" means the principal office in London of each of Lloyds Bank Plc, The Bank of Tokyo, Ltd. and Citibank, N.A. The term "Reuters Screen LIBO Page" means the display designated as Page "LIBO" on the Reuters Monitor Money Rate Service (or such other page as may replace, for the purpose of displaying London interbank offered rates of major banks, the LIBO page on that service).

As used herein, "Interest Period" means the period beginning on ____[8]____ and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

(b) The Calculation Agent will on each Interest Determination Date, as soon as possible after 11:00 A.M. (London time) on such date determine the Rate of Interest and calculate the amount of interest payable on each U.S.$1,000 (the "Minimum Multiple") in principal amount of Bonds (the "Interest Amount") for the relevant Interest Period. The Interest Amount shall be calculated by (i) applying the Rate of Interest to the Minimum Multiple, (ii) multiplying such amount by the actual number of days in the Interest Period (including the first day but excluding the last day thereof) and (iii) dividing by 360 and

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8 Insert the Closing Date.

rounding to the nearest whole cent (half a cent being rounded upwards). The interest payable on principal amounts of Bonds shall be calculated by multiplying the Interest Amount by a fraction, the numerator of which is the principal amount of such Bond and the denominator of which is the Minimum Multiple and by rounding the resulting figure to the nearest U.S. Dollar (half a U.S. Dollar being rounded upwards). The determination of the Rate of Interest and the Interest Amount by the Calculation Agent shall, in the absence of manifest error, be final and binding upon all parties.

(c) The Calculation Agent will cause notice of the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be given to the Fiscal Agent, to the Luxembourg Stock Exchange or any other exchange on which the Bonds are listed (for so long as the Bonds are listed thereon) and to the Issuer and shall use its best efforts to cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be published in accordance with the notice provisions contained herein, in each case as soon as possible after each Interest Determination Date but in no event later than the fifth Business Day thereafter.

(d) The Issuer agrees that, so long as any of the Bonds remains outstanding (or, if earlier, until all of the Bonds have become due and payable (whether at stated maturity, upon call for redemption or otherwise) and moneys for the payment thereof and all other amounts payable with respect to the Bonds shall have been made available at the corporate trust office of the Fiscal Agent), there shall at all times be three Reference Banks and a Calculation Agent. In the event that (i) any such bank is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent (as the case may be) or (ii) in case the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period, in accordance with the Fiscal Agency Agreement, the Issuer shall appoint another leading bank active in the London interbank market (other than the Central Bank or any Governmental Agency) to act as a Reference Bank or the Calculation Agent (as the case may be) in its place. The Calculation Agent may not resign its duties without a successor having been appointed.

(e) In the event that any principal of or interest on this Bond, or any other amount payable hereunder, is not paid when due, the Issuer shall pay interest (to the extent permitted by applicable law) on such unpaid principal or interest or unpaid other amount from the date such principal or interest or other amount is due until the date such principal or interest or other amount is paid in full, payable on demand, at a rate per annum equal to the sum of 1% plus the Rate of Interest as determined from time to time in accordance with Paragraph 3(a) hereof.

4. Redemption and Repurchase.

(a) Optional Redemption of Bonds. The Bonds may be redeemed, without premium or penalty, on any Interest Payment Date, at the option of the Issuer, in whole or in part, upon notice as described below, at a redemption price equal to the principal amount thereof, together with the amount of interest accrued and unpaid as of the date of the redemption; provided, however, that no default in the payment of principal of, or interest on, any of the Bonds or the Other Bonds (as defined herein) has occurred and is continuing; provided further that if, at the time of such redemption, less than the entire amount of Bonds and Other PDI Bonds is redeemed, the Bonds and Other PDI Bonds shall be redeemed on a pro rata basis based on the outstanding principal amount of Bonds and Other PDI Bonds.

As used in this Bond:

"Discount Bonds" means the Discount Bonds Due 2024 issued by Banco Central de la República Dominicana and guaranteed by the Dominican Republic.

"Other PDI Bonds" means the PDI Bonds Due 2009 in registered form issued by Banco Central de la República Dominicana and guaranteed by the Dominican Republic; and

"Other Bonds" means the Discount Bonds and the Other PDI Bonds.

(b) Mandatory Redemption of Bonds. If the Issuer or the Guarantor shall voluntarily prepay, purchase or otherwise acquire for value, in whole or in part, earlier than contemplated by the original payment schedule therefor, any obligation to any Official Source (other than obligations owed directly to another government) incurred prior to the Closing Date or in respect of which a commitment from any such Official Source was obtained and at least one disbursement thereunder was made prior to the Closing Date (an "Official Credit"), then the Issuer shall, in accordance with the procedures set forth in clause (c) below, designate the first Interest Payment Date falling at least 60 calendar days after the date of such prepayment as a mandatory redemption date (a "Mandatory Redemption Date") and shall redeem on such Mandatory Redemption Date the Bonds and Other PDI Bonds submitted for redemption, at par, without premium or penalty, in an amount equal to the product of the U.S. Dollar equivalent of the amount of such prepayment of such Official Credits multiplied by a fraction, the numerator of which is the unpaid principal amount of such Bond or Other PDI Bond submitted for redemption, and the denominator of which is the aggregate unpaid principal amount of all Bonds and Other PDI Bonds to be redeemed on the Mandatory Redemption Date; provided that (i) a repurchase by the Issuer or the Guarantor of amounts of Dominican currency in response to a notification by the IMF made in accordance with the Articles of Agreement of the IMF and policies of the Executive Board of the IMF of general applicability to all members of the IMF, as reflected, when purchases are made by the Issuer under a stand-by or other arrangement, in the text of such arrangements, shall not be considered a voluntary prepayment for purposes of this provision and (ii) the foregoing mandatory redemption obligation shall not arise by virtue of any voluntary prepayment of any Official Credit to the extent that such Official Credit is refinanced by funds advanced by any Official Source on terms more favorable to the Issuer or the Guarantor than those of the refinanced Official Credit; and provided further that the foregoing mandatory redemption obligation shall not arise as a result of a voluntary prepayment of an Official Credit if and to the extent that, at the time of such voluntary prepayment, the aggregate amount of voluntary prepayments of Official Credits made by the Issuer since the Closing Date (other than voluntary prepayments under clauses (i) and (ii) of the foregoing proviso and voluntary prepayments which require mandatory redemptions under this provision) is less than or equal to the Proceeds Amount (as defined below) of Collateral (as defined in the Discount Bond Collateral Pledge Agreement) released since the Closing Date as a result of the cancellation of Discount Bonds. As used herein, "Proceeds Amount" means, for the Collateral (as defined in the Discount Bond Collateral Pledge Agreement) released to the Issuer since the Closing Date as a result of the cancellation of Discount Bonds, an amount equal to the sum of the following:

(A) in the case of any Collateral so released consisting of cash, the amount thereof; and

(B) in the case of any Principal Collateral (as defined in the Discount Bond Collateral Pledge Agreement) or Interest Collateral (as defined in the Discount Bond Collateral Pledge Agreement) so released other than cash, the aggregate net cash proceeds obtained from the sale thereof.

(c) Redemption Procedures.

(i) Notice of any redemption of Bonds shall be given by publication, not less than 30 nor more than 60 calendar days before the date fixed for redemption. Notice having been given, the unpaid principal amount of each Bond (or portion thereof) called for redemption pursuant to Paragraph 4(a) above or submitted for redemption pursuant to Paragraph 4(c)(ii) below shall become due and payable on the date fixed for redemption as provided herein upon presentation and surrender of such Bond (together with all unmatured Coupons appertaining thereto, subject to Paragraph 4(c)(iv) below) on the date of redemption in accordance with the provisions for payment of the scheduled final installment of principal in Paragraph 2(a) hereof. In the case of any Bond redeemed only in part, upon presentation of such Bond and surrender for cancellation of the unmatured Coupons appertaining thereto, a new Bond with associated Coupons for the portion thereof not redeemed shall be delivered in exchange therefor and, if applicable, the final maturity date of which shall be adjusted to give effect to such redemption and the corresponding reduction in the unpaid principal of such Bond. Any payments for the partial redemption of Bonds shall be applied to the principal installments of, or Principal Coupons appertaining to, such Bonds in the inverse order of their maturities. Any redemption of all or a portion of a principal installment of a Bond in accordance with this Paragraph 4 will not affect the obligation of the Issuer to pay interest accrued to (but excluding) the redemption date on such principal installment (or portion thereof) in accordance with the terms of this Bond.

(ii) Any Bondholder electing to redeem a Bond subject to redemption under Paragraph 4(b) above must deposit such Bond together with all Coupons appertaining thereto (whether the original Coupons attached thereto or unattached Coupons identical as to date and amount) with the Fiscal Agent or any Paying Agent located outside the United States or, in the case of a holder of a beneficial interest in a Global Bond, must irrevocably instruct the Euroclear Operator or Cedel, as the case may be, as to its election and, in each case, deliver to the Fiscal Agent a redemption notice substantially in the form of Exhibit 6 to the Fiscal Agency Agreement completed by such Bondholder or, in the case of a Global Bond, by the Common Depositary, not less than 15 calendar days prior to the Mandatory Redemption Date. No such election, and no Bond so deposited, may be withdrawn without the prior consent of the Issuer and any Bond not so deposited or beneficial interest not so transferred shall not be redeemed under Paragraph 4(b) above. If the holder of this Bond is unable to deliver any unmatured Coupon appertaining hereto (whether the original Coupon attached hereto or an unattached Coupon which is identical as to date and amount), then such Bond may not be redeemed under Paragraph 4(b) above.

(iii) From and after the redemption date for any Bond (or portion thereof), if moneys for the redemption of such Bond (or portion thereof) shall have been made available as provided herein, such Bond (or portion thereof) shall cease to bear interest (and no payment shall be made in respect of any Interest Coupon appertaining to such Bond, each of which shall be void), and the only right of the holder of such Bond and Coupons appertaining thereto shall be to receive payment of the redemption price, and in the case of a Bond and Coupons appertaining thereto redeemed only in part, to receive a new Bond for the portion thereof not redeemed.

(iv) If the holder of this Bond upon a call for redemption pursuant to Paragraph 4(a) hereof is unable to deliver any unmatured Coupon appertaining hereto (whether the original Coupon attached hereto or an unattached Coupon which is identical as to date and amount) then such redemption may be effected if such holder furnishes such security or indemnity as the Issuer and the Fiscal Agent may require to save each of them harmless.

(v) After the redemption of any portion of this Bond, the Issuer shall deliver a duly executed and authenticated new Bond to each holder of any such Bond, with Interest Coupons and Principal Coupons attached reflecting the new amortization schedule of such Bond.

(vi) For purposes of this Bond, a default in the payment of principal of, or interest on, the Bonds or any Other Bonds which has occurred shall be deemed to be continuing until the Issuer has deposited, or caused to be deposited in accordance with Section 6(b) of the Fiscal Agency Agreement or Section 5(b) of the Discount Bond Fiscal Agency Agreement as the case may be (or, in the case of the Discount Bonds, if the Collateral Agent (as defined in the Discount Bond Collateral Pledge Agreement) has deposited with the Fiscal Agent in accordance with Section 4.04 of the Discount Bond Collateral Pledge Agreement) amounts sufficient to pay the principal and/or interest due on such Bonds or the Other Bonds to the date of payment of such principal and/or interest.

(d) Repurchase of Bonds. The Issuer may for any consideration (whether in the form of cash, debt securities, investments, equity in privatized companies or otherwise), at any price and at any time repurchase Bonds and/or Coupons, by public tender (available ratably to all holders of Bonds alike) or in the open market or otherwise; provided in each case that:

(i) the Issuer may not purchase, directly or indirectly, the Bonds so long as a default in the payment of principal of, or interest on, any of the Bonds or the Other Bonds has occurred and is continuing; and

(ii) any definitive Bond purchased or otherwise acquired by, or on behalf of, the Issuer or the Guarantor must be surrendered to the Fiscal Agent or a Paying Agent for cancellation and, if the Issuer or the Guarantor shall purchase or otherwise acquire any beneficial interest in a Global Bearer Bond, the Issuer shall request the Euroclear Operator or Cedel, as the case may be, to request the Common Depositary to effect the cancellation of such beneficial interest in such Global Bearer Bond in accordance with the terms of the Fiscal Agency Agreement, each such surrender or request for cancellation to be made by the Issuer promptly after such purchase or acquisition.

If the Issuer or the Guarantor shall purchase or otherwise acquire any Bond, such purchase or other acquisition shall not operate as or be deemed for any purpose to be a discharge or satisfaction of the indebtedness represented by such Bond until the provisions of Paragraph 4(d)(ii) above have been met.

5. Taxes; Payment of Additional Amounts.

(a) Payments Free and Clear. Any and all payments by the Issuer or any Paying Agent hereunder or under any of the Coupons appurtenant hereto shall be made free and clear of and without deduction for any and all present or future taxes, levies, assessments, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (i) imposed by the Dominican Republic (or any political subdivision or taxing authority thereof or therein or any organization or federation of which the Dominican Republic is at any time a member) (all such taxes, levies, assessments, imposts, deductions, charges, withholdings and liabilities being "Dominican Taxes") or (ii) imposed by any other jurisdiction (or any political subdivision or taxing authority thereof or therein or any organization or federation of which such jurisdiction is at any time a member) from or through which any payment hereunder is made (all such taxes, levies, assessments, imposts, deductions, charges, withholdings and liabilities being "Paying Agency Taxes" and, together with the Dominican Taxes, the "Applicable Taxes"); provided, however, that Applicable Taxes shall not include (x) Dominican Taxes that may be (A) imposed on any individual who is a citizen or resident of the Taxing Jurisdiction (as defined in the PDI Bond Exchange Agreement), a Person organized under the laws of the Taxing Jurisdiction or any political subdivision thereof or therein, a Person having its principal place of business in the Taxing Jurisdiction or a Person controlled by any such Person, or (B) imposed on a Person who is deemed to have a permanent establishment in the Dominican Republic to which this Bond, or the income therefrom, is attributable (unless this Bond or any such Coupon, as the case may be, is being held or booked or payments hereunder or thereunder are received in the Dominican Republic solely to enforce any rights hereunder or thereunder that otherwise would not, in the opinion of independent counsel of recognized standing, be exercisable) or (y) Paying Agency Taxes that (A) are imposed by reason of any connection between the holder of this Bond and the taxing jurisdiction other than a connection arising from entering into the PDI Bond Documents, holding the Bonds or receiving payment thereon, (B) are required to be deducted or withheld by any Paying Agent from a payment on this Bond if such payment can be made without such deduction or withholding by any other Paying Agent or (C) would not have been imposed but for the presentation by the holder of this Bond or any of the Coupons appurtenant hereto for payment more than 30 calendar days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurs later. If the Issuer or a Paying Agent shall be required by law to deduct any Applicable Taxes from or in respect of any sum payable by it hereunder or under any of the Coupons appurtenant hereto:

(1) the sum payable shall be increased as may be necessary so that, after making all required deductions of such Applicable Taxes (including deductions of such Applicable Taxes applicable to additional sums payable under this subparagraph (1)), the holder of this Bond or any of the Coupons appurtenant hereto receives an amount equal to the sum it would have received had no such deductions of such Applicable Taxes been made;

(2) the Issuer or such Paying Agent shall make such deductions; and

(3) the Issuer or such Paying Agent shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law.

(b) Payment of Stamp Taxes. In addition, the Issuer agrees to pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies and any related interest or penalties incidental thereto imposed by the Dominican Republic or any political subdivision or taxing authority thereof or therein which arise from any payment made by the Issuer or a Paying Agent hereunder or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, the Bonds and the other PDI Bond Documents (hereinafter referred to as "Other Applicable Taxes").

(c) Tax Certificates. Within 30 calendar days after the date of any payment of Applicable Taxes or Other Applicable Taxes by the Issuer or a Paying Agent, the Issuer or such Paying Agent will furnish to the Fiscal Agent the original or a certified copy of a receipt evidencing payment thereof. The Fiscal Agent shall furnish each Bondholder to which the Issuer made or is obligated to make a payment that resulted in such Applicable Taxes or Other Applicable Taxes with, if practicable, an original of such receipt or certified copy or, if insufficient originals are available for distribution, shall provide each such Bondholder with access to an original.

(d) Survival. Without prejudice to the survival of any other agreement of the Issuer hereunder, the agreements and obligations of the Issuer contained in this Paragraph 5 shall survive the payment in full of all payment due hereunder or under the other PDI Bond Documents and the performance of any other obligations hereunder, thereunder or under the Coupons.

6. Valid Obligations.

The Issuer represents and agrees that all action has been taken and all conditions precedent have occurred so that this Bond and all the obligations herein contained shall be valid and legally enforceable obligations of the Issuer in accordance with their terms, including without limitation all acts or things necessary or appropriate under the Constitution, laws and regulations of the Dominican Republic.

7. Payment of Unclaimed Amounts.

Subject to Section 12(b) of the Fiscal Agency Agreement, any moneys paid by the Issuer to the Fiscal Agent (or remitted by the Fiscal Agent to any other Paying Agent) for payment of principal of, or interest on, any of the Bonds shall be held in trust by the Fiscal Agent or such Paying Agent for the Bondholders to be paid to such Bondholders in accordance with Sections 6(a)(i) and 6(a)(ii) of the Fiscal Agency Agreement. Any moneys so held remaining unclaimed at the end of two years after such principal or interest shall have become due and payable (whether at maturity or upon call for redemption or otherwise) shall be repaid to the Issuer upon its written demand, and upon such repayment such trust shall terminate, all liability of the Fiscal Agent and each Paying Agent with respect to such moneys shall cease, and a Bondholder presenting a claim therefor shall thereafter look only to the Issuer for payment thereof; provided that such repayment shall not limit in any way any obligation which the Issuer may have to pay the principal of, or interest on, the Bonds as the same shall become due.

8. Covenants.

(a) Affirmative Covenants. The Issuer covenants and agrees that, so long as any Bond remains outstanding, the Issuer shall:

(i) Maintenance of Applicable Authorizations. Duly obtain and maintain in full force and effect all Applicable Authorizations necessary under the laws of the Dominican Republic for the performance by the Issuer of the Bonds or any other PDI Bond Documents or for the validity or enforceability of the Bonds or of the other PDI Bond Documents and duly take all necessary and appropriate governmental and administrative action in the Dominican Republic in order for the Issuer to be able to make all payments to be made by the Issuer under the Bonds and the other PDI Bond Documents.

(ii) Pari Passu. Ensure that at all times its obligations hereunder constitute unconditional general obligations of the Issuer ranking at least pari passu in priority of payment with (A) all other unsecured and unsubordinated External Indebtedness of the Issuer and (B) with all unsecured and unsubordinated obligations of the Issuer, if any, with respect to any External Indebtedness issued by a Governmental Agency.

(iii) Debt Conversion Program. Maintain the eligibility of the Bonds for tender in any debt conversion or privatization program, which may be established by the Issuer or the Dominican Republic, in which, in either case, External Indebtedness of the Issuer or the Dominican Republic is eligible for tender.

(iv) Exit Undertaking. Ensure that neither the Bonds nor the Eligible Interest exchanged for the Bonds shall at any time be considered part of the base amount with respect to any future requests by the Issuer for new money or any similar request for financial accommodation, and that the Bonds will be exempt from and not be the subject of a request to restructure or refinance.

(v) Annual Economic Report. Furnish to the Fiscal Agent sufficient copies of the Annual Economic Report of the Central Bank ("Memoria Anual"), or comparable economic information of the Issuer.

(vi) Maintenance of Agents. Until two years after the later of the date on which the principal of all the Bonds shall have become due and payable (whether at maturity or upon call for redemption or otherwise) and the date on which moneys for the payment thereof and of all interest on the Bonds shall have been made available to the Fiscal Agent, to maintain a Fiscal Agent and an Authenticating Agent in the Borough of Manhattan, City of New York (which in each case shall be a commercial bank or trust company (other than a commercial bank or trust company, a majority of the outstanding voting stock or other equity interest ordinarily entitled to vote (however designated) of which is owned directly or indirectly by the Issuer or the Guarantor), or any affiliate thereof, having a combined capital and surplus of at least U.S.$1,000,000,000 (or the equivalent in other currencies), legally qualified to act as such Agent and having an established place of business in the Borough of Manhattan, City of New York). Subject to the foregoing, the Issuer reserves the right at any time to vary or terminate the appointment of the Agents in the manner, and to the extent, provided in Paragraph 15 hereof and in the Fiscal Agency Agreement.

(vii) Listing. Make application for listing the Bonds on the Luxembourg Stock Exchange and use its best efforts (x) to ensure listing thereon and (y) once the Bonds are so listed, to maintain the listing of the Bonds thereon or, if maintenance thereon is not practicable, on another internationally recognized securities exchange so long as any such Bonds are outstanding.

(b) Negative Covenant. For so long as any of the Bonds remain outstanding, the Issuer shall not:

Until the earlier of (x) the date on which 50% of the aggregate principal amount of the Bonds and the Other PDI Bonds has been repaid or cancelled and (y) the seventh anniversary of the Closing Date (provided that on such seventh anniversary no default in the payment of principal of, or interest on, the Bonds or the Other PDI Bonds has occurred and is continuing), create or suffer to exist any Lien upon any of its present or future assets or revenues (including, but not limited to, International Monetary Assets) to secure or otherwise provide for the payment of any Publicly Issued External Indebtedness of the Issuer unless and subject to the following sentence, on or prior to the date such Lien is created or comes into existence, the obligations of the Issuer hereunder with respect to the Bonds and under the Other PDI Bonds are secured equally and ratably with such Publicly Issued External Indebtedness.

Notwithstanding the preceding sentence, the Issuer need not secure equally and ratably as aforesaid its obligations hereunder and under the Other PDI Bonds to the extent that, at the time such security would otherwise be required to be provided, the value of the security for the Bonds, the Other PDI Bonds and the obligations of the Guarantor under the Guaranty equals at least the unpaid principal amount of the Bonds and the Other PDI Bonds required at such time to be so secured. The following Liens are excluded from the operation of the foregoing provisions: (i) any Lien upon property to secure the purchase price of such property or any Publicly Issued External Indebtedness incurred solely for the purpose of financing the acquisition of the property to be subject to such Lien; (ii) any Lien existing on such property at the time of its acquisition which secures any Publicly Issued External Indebtedness; (iii) any Lien created in connection with the transactions contemplated by the 1993 Financing Plan, including Liens to secure obligations under the Discount Bonds and Liens securing Indebtedness outstanding on the date hereof to the extent required to be equally and ratably secured with the Discount Bonds; (iv) any Lien in existence as of August 6, 1993; (v) any Lien securing Publicly Issued External Indebtedness issued upon surrender or cancellation of (A) Discount Bonds or (B) the principal amount of any Indebtedness outstanding as of August 6, 1993, in each case, to the extent such Lien is created to secure such Publicly Issued External Indebtedness on a basis comparable to the Discount Bonds; (vi) any Lien securing or providing for the payment of Publicly Issued External Indebtedness incurred in connection with any Project Financing (as defined below); provided that the properties to which any such Lien applies are (A) properties which are the subject of such Project Financing or (B) revenues or claims which arise from the operation, failure to meet specifications, failure to complete, exploitation, sale or loss of, or damage to, such properties; (vii) any Lien on any Discount Bond created or granted to secure Publicly Issued External Indebtedness incurred in connection with, or on or after the date of, the purchase or acquisition of such Discount Bond; and (viii) any renewal or extension of any such Liens described in clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) above; provided, however, with respect to this clause (viii) that no such Lien shall extend to or cover any property other than the property theretofore subject to the Lien being extended or renewed.

As used herein:

"International Monetary Assets" means all (i) gold and other bullion, (ii) Special Drawing Rights, (iii) Reserve Positions in the IMF and (iv) Foreign Exchange which is owned or held by the Issuer, the Dominican Republic or any monetary authority of the Dominican Republic. For purposes of this definition, the terms "Special Drawing Rights", "Reserve Positions in the IMF" and "Foreign Exchange" have, as to the types of assets included, the meanings given to them in the IMF's monthly publication entitled "International Financial Statistics", or such other meanings as shall be adopted by the IMF from time to time.

"Project Financing" means any financing (but not a refinancing) of the acquisition, construction or development of any properties in connection with a project if the Person or Persons providing such financing expressly agree to look to the properties financed and the revenues to be generated by the operation of, or loss of or damage to, such properties as the principal source of repayment for the moneys advanced and have been provided with a feasibility study prepared by competent independent experts on the basis of which it was reasonable to conclude that such project would generate sufficient income in currencies other than Pesos to repay substantially all of the principal of and interest on all Publicly Issued External Indebtedness incurred in connection with such project.

9. Events of Default.

If any of the following events (each an "Event of Default") shall occur and be continuing:

(a) interest on any Bond or Other PDI Bond is not paid when due and such default continues for a period of at least 30 calendar days; or

(b) the Issuer fails to pay (i) the principal amount of the Bonds or of the Other PDI Bonds when due, or (ii) the principal amount of any Bond or any Other PDI Bond called for redemption when due and, in either case, such default continues for a period of 15 calendar days; or

(c) the Issuer or the Guarantor defaults in the performance of any other obligation contained in the Bonds, the Other PDI Bonds, the Guaranty or the other Bond Documents and such default shall continue for a period of 90 calendar days after written notice thereof shall have been given to the Issuer and the Guarantor at the office of the Fiscal Agent by any Bondholder; or

(d) (i) the holders of 25% or more in aggregate outstanding principal amount of any issue or series of Publicly Issued External Indebtedness of the Issuer or the Guarantor (including any Discount Bonds), as a result of any failure to make a payment in excess of U.S.$5,000,000 with respect to the principal of, or interest on, such Publicly Issued External Indebtedness, accelerate such Publicly Issued External Indebtedness or declare such Publicly Issued External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof and such acceleration, declaration or prepayment shall not have been annulled or rescinded within 30 calendar days thereof or (ii) the Issuer or the Guarantor fails to pay the principal of any such Publicly Issued External Indebtedness in excess of U.S.$5,000,000 when due (after expiration of any applicable grace period), or (iii) the Issuer or the Guarantor fails to pay any interest when due under any Discount Bonds (after expiration of any applicable grace period); or

(e) the Issuer or the Guarantor declares a moratorium with respect to the payment of principal of, or interest on, Publicly Issued External Indebtedness of the Issuer or the Guarantor; or

(f) any writ, execution, attachment or similar process shall be levied against all or any substantial part of the assets of the Issuer or the Guarantor in connection with any judgment in respect of External Indebtedness (other than External Indebtedness under the Existing Agreements) for the payment of money exceeding U.S.$25 million (or its equivalent in other currencies) and shall remain unsatisfied, undischarged and in effect for a period of 45 consecutive calendar days without a stay of execution, unless the same is adequately bonded or is being contested by appropriate proceedings properly instituted and diligently conducted and, in either case, such process is not being executed against such assets; or

(g) the validity of the Bonds, the Other PDI Bonds or the other PDI Bond Documents relating thereto shall be contested by the Issuer or the Guarantor;

<u>then</u>, if such event is continuing, holders of 25% or more in aggregate outstanding principal amount of the Bonds and the Other PDI Bonds may, by written demand to the Issuer at the office of

the Fiscal Agent in New York City, declare the Bonds and the Other PDI Bonds immediately due and payable, whereupon the entire unpaid principal amount of the Bonds and the Other PDI Bonds, all interest accrued and unpaid thereon and all other amounts payable in respect of the Bonds and the Other PDI Bonds shall become and be forthwith due and payable, without presentation, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Issuer. Upon receipt by the Fiscal Agent of such written demand, the Fiscal Agent shall give notice thereof to the Issuer, as provided in the Fiscal Agency Agreement, and to the holders of the Bonds and the Other PDI Bonds, by publication. After any such declaration, if all amounts then due with respect to the Bonds and the Other PDI Bonds are paid (other than amounts due solely because of such declaration) and all other defaults with respect to the Bonds and the Other PDI Bonds are cured, such declaration may be annulled and rescinded by holders of more than 50% in aggregate outstanding principal amount of the Bonds and the Other PDI Bonds (or such other percentage required at a meeting of Bondholders in accordance with Paragraph 11 hereof) by written notice thereof to the Issuer at the office of the Fiscal Agent.

10. Replacement of Bonds and Coupons.

(a) In case of the mutilation, destruction, loss or theft of this Bond or any Coupon appurtenant hereto, the Fiscal Agent, upon surrender to and cancellation by it of the mutilated Bond or Coupon, or upon receipt of proof satisfactory to it and the Issuer of the destruction, loss or theft of such Bond or Coupon, and receipt of security or indemnity satisfactory to the Fiscal Agent, to the Authenticating Agent and to the Issuer, and in the absence of notice to the Issuer or any Agent that this Bond or such Coupon has been acquired by a Person in whose possession such Bond or Coupon constitutes a valid obligation of the Issuer, shall deliver a new Bond or a new Coupon, as the case may be, in replacement of such Bond or Coupon to the person requesting such replacement upon payment by such person of all reasonable expenses associated with obtaining such security or indemnity and issuing and delivering a new Bond or a new Coupon (including, without limitation, reasonable legal fees and reasonable expenses relating to the preparation, authentication and delivery of such new Bond or new Coupon).

(b) All Bonds or Coupons issued as a result of any replacement of Bonds or Coupons shall be delivered to the holder at the office of the Fiscal Agent or (at the risk and, if sent other than by regular mail, expense of such holder) sent by mail to such address as is specified by the holder in the request for replacement.

(c) This Bond may be exchanged for Other PDI Bonds, in accordance with the terms and provisions of the Fiscal Agency Agreement.

11. Meetings of Bondholders; Modification and Amendments.

(a) Upon not less than 15 calendar days' prior notice to the Fiscal Agent, the Issuer may at any time call a meeting of the Bondholders pursuant to the notice provisions of the Fiscal Agency Agreement for any purpose, such meeting to be held at such time and place as the Issuer shall determine. Upon a request in writing to the Fiscal Agent made by Bondholders holding not less than 10% of the aggregate outstanding principal amount of the Bonds and Other PDI Bonds, the Fiscal Agent shall convene a meeting of Bondholders. Further provisions concerning meetings of Bondholders are set forth in the Fiscal Agency Agreement.

(b) Modifications and amendments to the Fiscal Agency Agreement (subject to the provisions of Section 16 of the Fiscal Agency Agreement), the Guaranty or the Bonds and the Other PDI Bonds requiring Bondholder consent may be made, and future compliance therewith or past default by the Issuer or the Guarantor may be waived, with the consent of the Issuer or the Guarantor, as the case may be, and the Bondholders holding at least a majority in aggregate principal amount of the Bonds and the Other PDI Bonds at the time outstanding, or of such lesser percentage (determined as provided in Paragraph 11(c) below) as may act at a meeting of Bondholders held in accordance with the provisions of the Fiscal Agency Agreement; provided that no such modification, amendment or waiver of the Fiscal Agency Agreement, the Guaranty or any Bond or Other PDI Bond may, without the consent of each Bondholder affected thereby, (i) change the stated maturity or any date fixed for payment of the principal of or interest due on such Bond or the Other PDI Bond; (ii) reduce the principal of, or interest on, any such Bond or Other PDI Bond; (iii) change the currency of payment of the principal of, or interest on, any such Bond or Other PDI Bond; (iv) reduce the amount of, or otherwise limit, the payment liability of the Guarantor under the Guaranty in respect of such Bond or Other PDI Bond or postpone any date fixed for payment thereunder; or (v) reduce the above-stated percentage of aggregate principal amount of Bonds and Other PDI Bonds outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action. Any modifications, amendments or waivers consented to or approved at a meeting will be conclusive and binding on all holders of the Bonds, the Other PDI Bonds and the Coupons whether or not they have given consent or were present at such meeting, and on all future holders of Bonds, Other PDI Bonds and Coupons whether or not notation of such modifications, amendments or waivers is made upon the Bonds, Other PDI Bonds or Coupons. Subject to the foregoing provisions of this Paragraph 11(b), any instrument given by or on behalf of any holder of a Bond, Other PDI Bond or Coupon in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Bond, Other PDI Bond or Coupon.

(c) At a meeting of the Bondholders called for any of the above purposes, persons entitled to vote a majority in aggregate principal amount of the Bonds and Other PDI Bonds at the time outstanding shall constitute a quorum, it being understood that any Bondholder entitled to more than one vote shall not be required to cast all such votes in the same manner. In the absence of a quorum within 30 minutes of the time approved for such meeting, such meeting may be adjourned for a period of not less than ten calendar days; at the reconvening of any meeting adjourned for lack of a quorum, the persons entitled to vote 25% in aggregate principal amount of the Bonds and Other PDI Bonds at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend, or to waive compliance with, any of the covenants or conditions referred to above (other than to make any declaration under Paragraph 9 hereof) shall be effectively passed, subject to the provisos of subparagraph (b) above, if passed by the persons entitled to vote the lesser of (i) a majority in aggregate principal amount of Bonds and Other PDI Bonds then outstanding or (ii) 75% in aggregate principal amount of the Bonds and Other PDI Bonds then outstanding represented and voting at the meeting.

12. Notices.

All notices to Bondholders will be given by publication thereof in The Wall Street Journal (Eastern Edition) and the Financial Times (London) (or if one or both of such newspapers is not being published, in at least one leading daily newspaper printed in the English language and with general circulation in New York City or London, as the case may be) and, so long as the Bonds are listed on the Luxembourg Stock Exchange and it is so required for continued listing thereon, in the Luxemburger Wort (or if such newspaper is not being published, in a daily newspaper of general circulation in Luxembourg or, if publication in either London or Luxembourg is not practical, elsewhere in western Europe). Any such notice shall be deemed to have been given on the date of such publication (or, if published more than once, on the date it is first published).

13. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to any Bondholder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

14. Delay or Omission Not Waiver.

No delay or omission of the Bondholders to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Paragraph 14 or by law to the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Bondholders.

15. Maintenance of Paying Agents.

The Issuer may vary or terminate the appointment of any Paying Agent at any time and from time to time upon giving not less than 60 calendar days' notice to the Fiscal Agent; provided that the Issuer shall maintain at all times at least one Paying Agent in London. In addition, the Issuer shall maintain at all times a Paying Agent in Luxembourg as long as the Bonds are listed on the Luxembourg Stock Exchange and it is so required for continued listing thereon. Notice of any change in a Paying Agent shall be given to Bondholders in accordance with Paragraph 12 hereof.

16. Execution.

This Bond and all appurtenant Coupons hereto may be executed by manual or facsimile signatures of two Authorized Officials and such signatures shall be binding notwithstanding that an individual signing in such capacity no longer serves in such capacity at the time of an authentication by an Authenticating Agent. This Bond shall not constitute an obligation of the Issuer until the certificate of authentication hereon has been countersigned for identification by an Authenticating Agent.

17. Jurisdiction and Waiver of Immunity.

(a) The Issuer hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City, any court sitting in the Dominican Republic and any appellate court from any thereof, in any suit, action or proceeding arising out of or relating to this Bond, and the Issuer hereby irrevocably agrees that all claims in respect of such suit, action or proceeding may be heard and determined in such New York State or Federal court or any court sitting in the Dominican Republic, provided that the Issuer irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding and any objection to any such suit, action or proceeding whether on the grounds of venue, residence or domicile. A final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law, provided that any such judgment is not subject to appeal.

(b) The Issuer hereby irrevocably appoints the person for the time being and from time to time acting as or discharging the function of Consul General of the Dominican Republic in New York, New York, United States (the "Process Agent"), with an office on the date hereof at One Times Square, 11th Floor, New York, New York 10036, United States and, alternatively, hereby irrevocably appoints CT Corporation System, with an office on the date hereof at 1633 Broadway, 23rd floor, New York, New York 10019, United States (the "Alternate Process Agent"), in each case, as its agent, to receive, on behalf of the Issuer and its property, service of copies of the summons and complaint and any other process which may be served in any such suit, action or proceeding brought in such New York State or Federal court sitting in New York City. Service of any process may be served upon the Alternate Process Agent in lieu of the Process Agent in any suit, action or proceeding in any New York State or Federal court sitting in New York City if (i) at any time and for any reason it appears to the party attempting to serve the process that service of such process upon the Process Agent as provided below may be ineffective or may not be feasible and (ii) upon or before the serving of any process on the Alternate Process Agent, the Alternate Process Agent and the Issuer are separately notified that service of such process is to be made on the Alternate Process Agent in accordance with the provisions of this Paragraph 17(b). Service may be made by U.S. registered mail or other comparable means or by delivering by hand a copy of such process to the Issuer in care of the Process Agent or Alternate Process Agent at the address specified above for the Process Agent or Alternate Process Agent and, in the case of process served on the Alternate Process Agent, by sending U.S. registered mail or other comparable means a copy of such process, addressed to the Central Bank at the address specified in Section 14 of the Fiscal Agency Agreement (such service to be effective only upon the delivery of such process to the Alternate Process Agent and the mailing of such process to the Central Bank, in each case, as aforesaid), and the Issuer hereby irrevocably authorizes and directs the Process Agent or Alternate Process Agent to accept on its behalf such service made in accordance with this Paragraph 17(b). Failure of the Process Agent or Alternate Process Agent to give notice to the Issuer, or failure of the Issuer to receive notice of such service of process shall not affect in any way the validity of such service on the Process Agent, the Alternate Process Agent or the Issuer. As an alternative method of service, the Issuer also irrevocably consents to the service of any and all process in any such suit, action or proceeding in such New York State or Federal court sitting in New York City by sending through the U.S. registered mail or by other comparable means copies of such process to the Issuer at its address specified in Section 14 of the Fiscal Agency Agreement. The Issuer covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designations of Process Agent and Alternate Process Agent above in full force and effect, and to cause the Process Agent and Alternate Process Agent to continue to act as such.

(c) Nothing in this Paragraph 17 shall affect the right of any party to serve legal process in any other manner permitted by law or affect the right of any party to bring any suit, action or proceeding against any other party or its property in the courts of other jurisdictions.

(d) To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Issuer hereby irrevocably waives such immunity in respect of its obligations under this Bond and the other PDI Bond Documents, and, without limiting the generality of the foregoing, the Issuer agrees that the waivers set forth in this Paragraph 17(d) shall have the fullest scope permitted under applicable laws, including, without limitation, Article 45 of Law 1494 of August 2, 1947 of the Dominican Republic and the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such laws.

18. <u>Descriptive Headings</u>.

The descriptive headings appearing in these Terms and Conditions are for convenience of reference only and shall not alter, limit or define the provisions hereof.

FACE OF THE U.S. PERMANENT GLOBAL REGISTERED PDI BOND

The text appearing on the face of each U.S. Permanent Global Registered PDI Bond will read substantially as follows.

THIS BOND IS A PERMANENT GLOBAL REGISTERED BOND EXCHANGEABLE FOR DEFINITIVE REGISTERED BONDS SUBJECT TO CERTAIN CONDITIONS. THE RIGHTS ATTACHING TO THIS PERMANENT GLOBAL REGISTERED BOND, AND THE CONDITIONS AND PROCEDURES FOR ITS EXCHANGE FOR DEFINITIVE REGISTERED BONDS, ARE AS SPECIFIED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

[THIS BOND HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR TO OR FOR THE ACCOUNT OF ANY U.S. PERSON (AS DEFINED IN REGULATION S OF THE UNITED STATES SECURITIES ACT OF 1933), EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION NOT REQUIRING REGISTRATION UNDER SUCH ACT. THIS BOND IS TRANSFERABLE ONLY AS PROVIDED HEREIN AND IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.**]

SALE OR TRANSFER IN BEARER FORM OF PARTICIPATIONS, OR BENEFICIAL INTERESTS, HEREIN MAY SUBJECT THE SPONSOR THEREOF TO SANCTIONS PURSUANT TO SECTION 4701 OF THE UNITED STATES INTERNAL REVENUE CODE.

[ORIGINAL ISSUE DISCOUNT LEGEND, AS REQUIRED BY THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.]

** This legend will be included on (i) the U.S. Permanent Global Registered Bond and (ii) all Bonds issued on transfer or exchange of, or in substitution for, the U.S. Permanent Global Registered Bond until the legend may be removed in accordance with Section 7 of the Fiscal Agency Agreement.

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

U.S. PERMANENT GLOBAL REGISTERED BOND

PDI Bonds Due 2009

Unconditionally guaranteed as to payment of principal and interest by

THE DOMINICAN REPUBLIC

BANCO CENTRAL DE LA REPUBLICA DOMINICANA ("the Issuer"), for value received, hereby unconditionally promises to pay to Citibank, N.A., New York office, as Registrar under the Fiscal Agency Agreement referred to below, not in its individual capacity but solely for the benefit of the registered holders of beneficial interests herein, on presentation for endorsement or surrender of this Global Bond, the principal sum of ______*______ UNITED STATES DOLLARS (U.S. $______*______) (the "Principal Amount") in 25 consecutive semiannual installments in the amounts set forth below, commencing on the first principal Payment Date (as defined below) and on each Principal Payment Date thereafter through the 25th Principal Payment Date; provided that the last such installment shall be in the amount necessary to repay in full the Principal Amount outstanding on the last Principal Payment Date.

Payments of principal shall be made on each Principal Payment Date in an amount equal to the product of (x) the unpaid principal amount of this Bond scheduled to be outstanding on such Principal Payment Date, without taking into account any mandatory or optional redemption, and (y) the amortization factor (expressed as a fraction, set forth below for such Principal Payment Date):

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* This amount is subject to decrease from time to time pursuant to the Fiscal Agency Agreement.

Principal Payment Falling Due in:	Amortization Factor	Principal Payment ($) Per $1,000 Face Amount
[ ]*, 1997	1/100	10
[ ]**, 1997	1/99	10
[ ]*, 1998	1/98	10
[ ]**, 1998	1/97	10
[ ]*, 1999	1/96	10
[ ]**, 1999	1/95	10
[ ]*, 2000	1/94	10
[ ]**, 2000	5.167/93	51.67
[ ]*, 2001	5.167/87.833	51.67
[ ]**, 2001	5.167/82.666	51.67
[ ]*, 2002	5.167/77.499	51.67
[ ]**, 2002	5.167/72.332	51.67
[ ]*, 2003	5.167/67.165	51.67
[ ]**, 2003	5.167/61.998	51.67
[ ]*, 2004	5.167/56.831	51.67
[ ]**, 2004	5.167/51.664	51.67
[ ]*, 2005	5.167/46.497	51.67
[ ]**, 2005	5.167/41.330	51.67
[ ]*, 2006	5.167/36.163	51.67
[ ]**, 2006	5.167/30.996	51.67
[ ]*, 2007	5.167/25.829	51.67
[ ]**, 2007	5.167/20.662	51.67
[ ]*, 2008	5.167/15.495	51.67
[ ]**, 2008	5.167/10.328	51.67
[ ]***, 2009	5.167/5.167	51.61

provided, however, that in no case shall any principal payment in respect to this Bond exceed the unpaid principal amount of this Bond on the date of such payment.

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* Insert the month in which the first Principal Payment Date occurs.

** Insert the month in which the date six months after the first Principal Payment Date occurs.

*** Insert the date which is the 15th anniversary of the Closing Date.

As used herein, "Principal Payment Date" means (i) each ____[1]____ and ____[1]____ of each calendar year, commencing on ____[2]____; provided, however, that if a Principal Payment Date falls on any day which is not a Business Day, such Principal Payment Date will be postponed to the next day which is a Business Day unless such next succeeding Business Day occurs in a subsequent calendar month in which case such Principal Payment Date will be the next preceding Business Day.

This U.S. Permanent Global Registered Bond is issued in respect of an issue of PDI Bonds Due 2009 of the Issuer and is governed by the Terms and Conditions of the Bonds annexed hereto (the "Terms and Conditions"), which Terms and Conditions are incorporated herein by reference, and by the provisions of the PDI Bond Fiscal Agency Agreement dated as of __________, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent.

Interest on the principal amount hereof shall accrue from (and including) ____[3]____, at the rates per annum provided in the Terms and Conditions. The Issuer further unconditionally agrees to pay interest on overdue amounts of principal and interest on this U.S. Permanent Global Registered Bond as set forth in the Terms and Conditions.

Pursuant to a Guaranty dated as of February 14, 1994 (the "Guaranty"), the Dominican Republic (the "Guarantor") has guaranteed, for the benefit of the holders of Bonds from time to time, the punctual payment of principal and interest payable hereunder when due. An executed original of the Guaranty is deposited with the Fiscal Agent.

The Issuer hereby irrevocably undertakes to exchange the beneficial interests in this U.S. Permanent Global Registered Bond in accordance with the terms and conditions set forth in the Fiscal Agency Agreement, in whole or in part, for Definitive Registered Bonds. Upon any such exchange, the Schedule attached

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1 Without specifying a year, insert the dates which are respectively 12 months and 18 months after the Closing Date.

2 Insert the date which is the third anniversary of the Closing Date.

3 Insert the Closing Date.

hereto shall be endorsed to reflect the reduction of the principal amount evidenced hereby.

This U.S. Permanent Global Registered Bond may be voluntarily redeemed at the option of the Issuer or may be mandatorily redeemed in certain circumstances, in both cases as a whole or in part, and payment of this U.S. Permanent Global Registered Bond or any portion hereof may be accelerated, and Bonds represented by this U.S. Permanent Global Registered Bond may be repurchased or otherwise acquired by the Issuer or the Guarantor and, in the case of any such repurchase or other acquisition by the Issuer or the Guarantor, surrendered for cancellation, each in accordance with the terms and provisions of the Terms and Conditions and the Fiscal Agency Agreement. Upon any payment, voluntary or mandatory redemption or cancellation of all or a portion of this U.S. Permanent Global Registered Bond, the Schedule attached hereto shall be endorsed to reflect the principal amount of this U.S. Permanent Global Registered Bond paid, redeemed or cancelled, and the principal amount of this U.S. Permanent Global Registered Bond shall be reduced for all purposes by the amount so paid or redeemed or cancelled.

The outstanding principal amount of this U.S. Permanent Global Registered Bond shall be decreased from time to time in accordance with the provisions of the Fiscal Agency Agreement and such decreases shall be endorsed on the Schedule attached hereto and recorded by the Registrar. In the event that the principal amount endorsed on the Schedule attached hereto is not equal to the outstanding principal amount recorded in the records maintained by the Registrar, the records maintained by the Registrar shall be binding hereunder. Upon any amortization of this U.S. Permanent Global Registered Bond, the Schedule attached hereto shall be endorsed to reflect such amortization.

The registered holder of a beneficial interest in this U.S. Permanent Global Registered Bond shall be the only Person entitled to receive payments in respect of this U.S. Permanent Global Registered Bond.

THIS U.S. PERMANENT GLOBAL REGISTERED BOND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES.

This U.S. Permanent Global Registered Bond shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by an Authenticating Agent under the Fiscal Agency Agreement.

IN WITNESS WHEREOF, the Issuer has caused this U.S. Permanent Global Registered PDI Bond to be duly executed on its behalf by an Authorized Official (as defined in the Fiscal Agency Agreement) on and as of the date written below.

Dated: ____________________

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

By ______________________________
Name:
Title:

By ______________________________
Name:
Title:

Certificate of Authentication:
This is the U.S. Permanent Global Registered PDI Bond referred to in the within-mentioned Fiscal Agency Agreement

CITIBANK, N.A.,
as Authenticating Agent

By ______________________________
Authorized Signatory

Dated: ____________________

or

CITIBANK (LUXEMBOURG) S.A.,
as Authenticating Agent

By ______________________________
Authorized Signatory

Dated: ____________________

Schedule to U.S. Permanent Global Registered PDI Bond

Outstanding Principal Amount

Aggregate Outstanding Principal Amount of this U.S. Permanent Global Registered PDI Bond on the Closing Date: $_ ________.

Effective Date	Increases in principal amount of attached Global Registered Bond	Decreases in principal amount of attached Global Registered Bond	Amount of Principal Paid	Resulting aggregate outstanding principal amount of attached Global Registered Bond	Notation made by

FACE OF THE NON-U.S. PERMANENT GLOBAL REGISTERED PDI BOND

The text appearing on the face of the Non-U.S. Permanent Global Registered PDI Bond will read substantially as follows.

THIS BOND IS A NON-U.S. PERMANENT GLOBAL REGISTERED BOND EXCHANGEABLE FOR DEFINITIVE REGISTERED BONDS SUBJECT TO CERTAIN CONDITIONS. THE RIGHTS ATTACHING TO THIS NON-U.S. PERMANENT GLOBAL REGISTERED BOND, AND THE CONDITIONS AND PROCEDURES FOR ITS EXCHANGE FOR DEFINITIVE REGISTERED BONDS, ARE AS SPECIFIED IN THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.

SALE OR TRANSFER IN BEARER FORM OF PARTICIPATIONS, OR BENEFICIAL INTERESTS, HEREIN MAY SUBJECT THE SPONSOR THEREOF TO SANCTIONS PURSUANT TO SECTION 4701 OF THE UNITED STATES INTERNAL REVENUE CODE.

[ORIGINAL ISSUE DISCOUNT LEGEND, AS REQUIRED BY THE FISCAL AGENCY AGREEMENT REFERRED TO BELOW.]

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

NON-U.S. PERMANENT GLOBAL REGISTERED BOND

PDI Bonds Due 2009

Unconditionally guaranteed as to payment of principal and interest by

THE DOMINICAN REPUBLIC

BANCO CENTRAL DE LA REPUBLICA DOMINICANA (the "Issuer"), for value received, hereby unconditionally promises to pay to Union Bank of Switzerland, London office, as Common Depositary, for Cedel S.A. ("Cedel") and for Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear Clearance System; or registered assigns, on presentation for endorsement or surrender of this Non-U.S. Permanent Global Registered Bond, the principal sum of ____*____ UNITED STATES DOLLARS (U.S.$______*______) (the "Principal Amount"), in 25 consecutive semiannual installments in the amounts set forth below, commencing on the first Principal Payment Date and on each Principal Payment Date thereafter through the 25th Principal Payment Date; provided that the last such installment shall be in the amount necessary to repay in full the Principal Amount outstanding on the last Principal Payment Date.

Payments of principal shall be made on each Principal Payment Date in an amount equal to the product of (x) the unpaid principal amount of this Bond scheduled to be outstanding on such Principal Payment Date, without taking into account any mandatory or optional redemption, and (y) the amortization factor (expressed as a fraction, set forth below for such Principal Payment Date):

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* This amount is subject to increase or decrease from time to time pursuant to the Fiscal Agency Agreement.

Principal Payment Falling Due in:	Amortization Factor	Principal Payment ($) Per $1,000 Face Amount
[ ]*, 1997	1/100	10
[ ]**, 1997	1/99	10
[ ]*, 1998	1/98	10
[ ]**, 1998	1/97	10
[ ]*, 1999	1/96	10
[ ]**, 1999	1/95	10
[ ]*, 2000	1/94	10
[ ]**, 2000	5.167/93	51.67
[ ]*, 2001	5.167/87.833	51.67
[ ]**, 2001	5.167/82.666	51.67
[ ]*, 2002	5.167/77.499	51.67
[ ]**, 2002	5.167/72.332	51.67
[ ]*, 2003	5.167/67.165	51.67
[ ]**, 2003	5.167/61.998	51.67
[ ]*, 2004	5.167/56.831	51.67
[ ]**, 2004	5.167/51.664	51.67
[ ]*, 2005	5.167/46.497	51.67
[ ]**, 2005	5.167/41.330	51.67
[ ]*, 2006	5.167/36.163	51.67
[ ]**, 2006	5.167/30.996	51.67
[ ]*, 2007	5.167/25.829	51.67
[ ]**, 2007	5.167/20.662	51.67
[ ]*, 2008	5.167/15.495	51.67
[ ]**, 2008	5.167/10.328	51.67
[ ]***, 2009	5.167/5.167	51.61

provided, however, that in no case shall any principal payment in respect to this Bond exceed the unpaid principal amount of this Bond on the date of such payment.

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* Insert the month in which the first Principal Payment Date occurs.

** Insert the month in which the date six months after the first Principal Payment Date occurs.

*** Insert the date which is the 15th anniversary of the Closing Date.

As used herein, "Principal Payment Date" means (i) each ___[1]___ and ___[1]___ of each calendar year, commencing on ___[2]___; provided, however, that if a Principal Payment Date falls on any day which is not a Business Day, such Principal Payment Date will be postponed to the next day which is a Business Day unless such next succeeding Business Day occurs in a subsequent calendar month in which case such Principal Payment Date will be the next preceding Business Day.

This Non-U.S. Permanent Global Registered Bond is issued in respect of an issue of PDI Bonds Due 2009 of the Issuer and is governed by the Terms and Conditions of the Bonds annexed hereto (the "Terms and Conditions"), which Terms and Conditions are incorporated herein by reference, and by the provisions of the PDI Bond Fiscal Agency Agreement dated as of ______, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent.

Interest on the principal amount hereof shall accrue from (and including) ___[3]___, at the rates per annum provided in the Terms and Conditions. The Issuer further unconditionally agrees to pay interest on overdue amounts of principal and interest on this Non-U.S. Permanent Global Registered Bond as set forth in the Terms and Conditions.

Pursuant to a Guaranty dated as of February 14, 1994 (the "Guaranty"), the Dominican Republic (the "Guarantor") has guaranteed, for the benefit of the holders of Bonds from time to time, the punctual payment of principal and interest payable hereunder when due. An executed original of the Guaranty is deposited with the Fiscal Agent.

The Issuer hereby irrevocably undertakes to exchange the beneficial interests in this Non-U.S. Permanent Global Registered Bond in accordance with the terms and conditions set forth in the Fiscal Agency Agreement, in whole or in part, for Definitive Registered Bonds. Upon any such exchange, the

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1 Without specifying a year, insert the dates which are, respectively, 12 months and 18 months after the Closing Date.

2 Insert the date which is the third anniversary of the Closing Date.

3 Insert the Closing Date.

Schedule attached hereto shall be endorsed to reflect the reduction of the principal amount evidenced hereby.

This Non-U.S. Permanent Global Registered Bond may be voluntarily redeemed at the option of the Issuer or may be mandatorily redeemed in certain circumstances, in both cases as a whole or in part, and payment of this Non-U.S. Permanent Global Registered Bond or any portion hereof may be accelerated, and Bonds represented by this Non-U.S. Permanent Global Registered Bond may be repurchased or otherwise acquired by the Issuer or the Guarantor and in the case of any such repurchase or other acquisition by the Issuer or the Guarantor, surrendered for cancellation, each in accordance with the terms and provisions of the Terms and Conditions and the Fiscal Agency Agreement. Upon any payment, voluntary or mandatory redemption or cancellation of all or a portion of this Non-U.S. Permanent Global Registered Bond, the Schedule attached hereto shall be endorsed to reflect the principal amount of this Non-U.S. Permanent Global Registered Bond paid, redeemed or cancelled, and the principal amount of this Non-U.S. Permanent Global Registered Bond shall be reduced for all purposes by the amount so paid or redeemed or cancelled.

The outstanding principal amount of this Non-U.S. Permanent Global Registered Bond shall be increased or decreased from time to time in accordance with the provisions of the Fiscal Agency Agreement and such increases or decreases shall be endorsed on the Schedule attached hereto and recorded by the Registrar. In the event that the principal amount endorsed on the Schedule attached hereto is not equal to the outstanding principal amount recorded in the records maintained by the Registrar, the records maintained by the Registrar shall be binding hereunder. Upon any amortization of this Non-U.S. Permanent Global Registered Bond, the Schedule attached hereto shall be endorsed to reflect such amortization.

The registered holder of this Non-U.S. Permanent Global Registered Bond shall be the only Person entitled to receive payments in respect of any beneficial interest in this Non-U.S. Permanent Global Registered Bond.

THIS NON-U.S. PERMANENT GLOBAL REGISTERED BOND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES.

This Non-U.S. Permanent Global Registered Bond shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by an Authenticating Agent under the Fiscal Agency Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Non-U.S. Permanent Global Registered PDI Bond to be duly executed on its behalf by an Authorized Official (as defined in the Fiscal Agency Agreement) on and as of the date written below.

Dated: ________________

BANCO CENTRAL DE LA REPUBLICA DOMINICANA

By ______________________________
Name:
Title:

By ______________________________
Name:
Title:

Certificate of Authentication:
This is the Non-U.S. Permanent Global Registered PDI Bond referred to in the within-mentioned Fiscal Agency Agreement

CITIBANK, N.A., as Authenticating Agent

By ______________________________
Authorized Signatory

Dated: ________________

or

CITIBANK (LUXEMBOURG) S.A., as Authenticating Agent

By ______________________________
Authorized Signatory

Dated: ________________

Schedule to Non-U.S. Permanent Global Registered PDI Bond

Outstanding Principal Amount

Aggregate outstanding principal amount of this Non-U.S. Permanent Global Registered PDI Bond on the Closing Date:
$____________________.

Effective Date	Increases in principal amount of attached Global Registered Bond	Decreases in principal amount of attached Global Registered Bond	Amount of Principal Payment	Resulting aggregate outstanding principal amount of attached Global Registered Bond	Notation made by

TERMS AND CONDITIONS OF THE REGISTERED PDI BONDS

The terms and conditions of each Registered PDI Bond will read substantially as follows.

TERMS AND CONDITIONS OF BONDS

1. General.

(a) This Bond is one of the duly authorized PDI Bonds in registered form due 2009 of the Issuer issued in definitive form and in the form of Global Registered Bonds (the "Bonds") pursuant to the PDI Bond Fiscal Agency Agreement dated as of ______ __ _, 1994 (as amended from time to time, the "Fiscal Agency Agreement") among the Issuer, Citibank, N.A., as Fiscal Agent, Authenticating Agent, Registrar, Paying Agent, Transfer Agent and Calculation Agent and Citibank (Luxembourg) S.A., as Authenticating Agent, Paying Agent and Transfer Agent (said banks and their successors as such Fiscal Agents, Authenticating Agents, Registrar, Paying Agents, Transfer Agents and Calculation Agent being hereinafter called the "Fiscal Agent", "Authenticating Agent", "Registrar", "Paying Agent", "Transfer Agent" and "Calculation Agent", respectively), and guaranteed as to the punctual payment of principal, interest and other amounts payable hereunder when due by the Dominican Republic pursuant to the Guaranty. Each Authenticating Agent, the Registrar, any Paying Agent, any Transfer Agent, the Calculation Agent and the Fiscal Agent are hereinafter sometimes collectively called the "Agents". The terms of the Fiscal Agency Agreement are hereby incorporated herein by reference. Copies of (i) the Fiscal Agency Agreement, (ii) the PDI Bond Exchange Agreement and (iii) the Guaranty are on file and available for inspection at the corporate trust offices of the Fiscal Agent in the Borough of Manhattan, City of New York and at such other offices of the Fiscal Agent as are from time to time designated as Paying Agents or Transfer Agents for the Bonds, and reference to the Fiscal Agency Agreement and the Guaranty is hereby made for a description of the rights and limitations of rights thereunder of the holders of the Bonds and the duties and immunities of the Agents. The Bondholders will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of these Terms and Conditions, the Fiscal Agency Agreement and the Guaranty. The Fiscal Agent is not a trustee for the Bondholders and does not have the same responsibilities or duty to act for the Bondholders as a trustee. Capitalized terms used in this Bond have the meanings specified in the Fiscal Agency Agreement unless otherwise defined herein.

(b) Bonds in definitive form shall be issuable only upon the occurrence of certain events specified in the Fiscal

Agency Agreement. The Definitive Bonds are issuable as fully registered Bonds, without coupons, in denominations of U.S.$250,000 or other denominations permitted by the Fiscal Agency Agreement. The Bonds are issued only as whole Bonds that include all interest and principal components and may not be separated, directly or indirectly, into component interest and principal portions.

(c) This Bond is the direct, general and unconditional obligation of the Issuer, and the full faith and credit of the Issuer is pledged for the due and punctual payment of the principal of, and interest on, this Bond and for the due and punctual performance of all obligations of the Issuer with respect hereto.

2. Payments and Paying Agencies.

(a) The principal of this Bond will be paid by the Issuer, when due on each of the Principal Payment Dates, to the holder of record of this Bond at the close of business in New York City on the record date for such Principal Payment Date (except as provided in subparagraph (c) below) (and, in the case of the last Principal Payment Date, against presentation and surrender hereof or, in the case of the Non-U.S. Permanent Global Registered Bond, upon presentation on or after the applicable Principal Payment Date of the Non-U.S. Permanent Global Registered Bond for endorsement or, in the case of the U.S. Permanent Global Registered Bond, upon presentation on or after the applicable Principal Payment Date of the U.S. Permanent Global Registered Bond for endorsement) at the office of the Fiscal Agent, and at the offices of such other Paying Agents as the Issuer may appoint from time to time, by check drawn on, or (at the option of any holder of at least U.S.$1,000,000 in aggregate principal amount of Bonds) by wire transfer to an account maintained by the registered holder hereof with, a bank in London or New York City. The record date for each Principal Payment Date will be the 15th calendar day before such Principal Payment Date. The Issuer has initially appointed the principal offices of Citibank, N.A. in New York City and London, and of Citibank (Luxembourg) S.A. in Luxembourg, as Paying Agents at which the principal of this Bond will be payable (subject to applicable laws and regulations).

(b) Interest payable on this Bond on an Interest Payment Date (as defined below) will (except as provided in subparagraph (c) below) be paid to the holder of record of this Bond at the close of business in New York City on the record date for such Interest Payment Date by check mailed by the Fiscal Agent to the last address for such holder appearing on the register of Bonds or (at the option of each holder of at least

U.S.$1,000,000 principal amount of Bonds) by wire transfer to an account with a bank in New York City or London designated by such holder by the record date for such Interest Payment Date. The record date for each Interest Payment Date will be the 15th calendar day before such Interest Payment Date.

(c) If and to the extent the Issuer shall default in the payment of (i) the principal due on any Principal Payment Date and such default shall not be cured within 30 calendar days or (ii) the interest due on any Interest Payment Date and such default shall not be cured within 30 calendar days (unless such overdue principal or interest is paid together with principal of this Bond in full other than on an Interest Payment Date), such overdue principal or interest shall be paid to the person in whose name this Bond is registered at the close of business in New York City on a subsequent record date (which shall be not less than five Business Days (as defined herein) before the date of payment of such overdue principal or interest) established by notice given by mail and publication by or on behalf of the Issuer to Bondholders not less than 15 calendar days before such subsequent record date. If overdue principal or interest is paid together with principal in full on a date which is not a Principal Payment Date or an Interest Payment Date, as the case may be, such interest shall be paid to the registered holder hereof upon presentation and surrender of this Bond (or, in the case of the Non-U.S. Permanent Registered Global Bond or the U.S. Permanent Registered Global Bond, upon presentation for endorsement) to the Fiscal Agent in New York City as provided in subparagraph (a) above.

(d) All payments with respect to this Bond will be made in such coin or currency of the United States of America as at the time of payment is legal tender therein for the payment of public and private debts.

(e) If the due date for payment of any amount of principal of, or interest on, this Bond (or any additional amounts under Paragraph 5 below relating thereto) is a day on which banks are required or authorized to close in the jurisdiction in which the office of the relevant Paying Agent is located, then payment by such Paying Agent need not be made until the next day which is a day on which banks are not required or authorized to close in such jurisdiction, and the holder of this Bond shall not be entitled to any interest or other payment in respect of any such delay.

As used herein, "Interest Payment Date" means each successive ____[7]____ and ____[8]____ of each calendar year through ____[9]____, which is the stated maturity of this Bond and the date on which the principal amount of this Bond is paid in full; provided, however, that if an Interest Payment Date falls on any day which is not a Business Day, such Interest Payment Date will be the next day which is a Business Day unless such next succeeding Business Day occurs in a subsequent calendar month in which case such Interest Payment Date will be the next preceding Business Day.

As used herein, "Business Day" means a day on which (i) dealings are carried on in the London interbank market and (ii) banks are not required or authorized to close in New York City.

3. Rate of Interest.

(a) For purposes of calculating the rate of interest payable on the Bonds, the Issuer, pursuant to the Fiscal Agency Agreement, has appointed Citibank, N.A. as Calculation Agent. The rate of interest payable from time to time in respect of the Bonds (the "Rate of Interest") will be determined on the basis of the following provisions:

On the second London Banking Day (as defined below) (an "Interest Determination Date") before the commencement of an Interest Period (as defined herein), the Calculation Agent will determine the rate per annum at which deposits in U.S. Dollars for an interest period of six months commencing in two London Banking Days from such Interest Determination Date are offered by each of the banks named on the Reuters Screen LIBO Page (as defined herein) to leading banks in the London interbank market as quoted on the Reuters Screen LIBO Page at 11:00 A.M. (London time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall, except as provided below, be 13/16% per annum above the average (rounded upward, if not a whole multiple of 1/16%, to the nearest 1/16%) of such offered quotations (being at least two) as displayed on the Reuters

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7 Without specifying a year, insert the date which is six months after the Closing Date.

8 Without specifying a year, insert the date which is twelve months after the Closing Date.

9 Insert the date which is the 15th anniversary of the Closing Date.

Screen LIBO Page and as determined by the Calculation Agent. As used herein, "London Banking Day" means a day on which banks are open for business in London and dealings are carried on in the London interbank market.

If, on any Interest Determination Date, the Reuters Screen LIBO Page is not being displayed, or only one such offered quotation appears, then the following rule shall apply:

(i) The Calculation Agent shall request each of the Reference Banks (as defined herein) to provide the Calculation Agent with the rate per annum at which deposits in U.S. Dollars for the Interest Period commencing in two London Banking Days after such Interest Determination Date are offered by each of them to leading banks in the London interbank market in an amount substantially equal to U.S.$5,000,000 at 11:00 A.M. (London time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall, except as provided below, be 13/16% per annum above the average (rounded upward, if not a whole multiple of 1/16%, to the nearest 1/16%) of such offered quotations as determined by the Calculation Agent.

(ii) If on any Interest Determination Date at least two of the Reference Banks provide such offered quotations, the Rate of Interest for the relevant Interest Period shall be determined as described above on the basis of the offered quotations of those Reference Banks providing such quotations.

(iii) If on any Interest Determination Date none or only one of the Reference Banks provides the Calculation Agent with an offered quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be either (A) 13/16% per annum above the arithmetic mean of the U.S. Dollar lending rates which leading New York City banks, selected by the Calculation Agent after consultation with an Authorized Official of the Issuer, are quoting at 11:00 A.M. (London time) on the Interest Determination Date for the relevant Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Calculation Agent, being so made or (B) in the event that the Calculation Agent cannot obtain at least two such quotations, 13/16% per annum above the lowest U.S. Dollar lending rate which leading banks in New York City, selected by the Calculation Agent after consultation with an Authorized Official of the Issuer, are quoting on the Interest Determination Date to leading international banks for the relevant Interest Period; provided that if the banks selected as aforesaid by the Calculation Agent are not providing the relevant quotations, the Rate of Interest for the next Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which the above paragraphs shall have applied.

The term "Reference Banks" means the principal office in London of each of Lloyds Bank Plc, The Bank of Tokyo, Ltd. and Citibank, N.A. The term "Reuters Screen LIBO Page" means the display designated as Page "LIBO" on the Reuters Monitor Money Rate Service (or such other page as may replace, for the purpose of displaying London interbank offered rates of major banks, the LIBO page on that service).

As used herein, "Interest Period" means the period beginning on ____[10]____ and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

(b) The Calculation Agent will on each Interest Determination Date, as soon as possible after 11:00 A.M. (London time) on such date, determine the Rate of Interest and calculate the amount of interest payable on each U.S.$1,000 (the "Minimum Multiple") in principal amount of Bonds (the "Interest Amount") for the relevant Interest Period. The Interest Amount shall be calculated by (i) applying the Rate of Interest to the Minimum Multiple, (ii) multiplying such amount by the actual number of days in the Interest Period (including the first day but excluding the last day thereof) and (iii) dividing by 360 and rounding to the nearest whole cent (half a cent being rounded upwards). The interest payable on principal amounts of Bonds shall be calculated by multiplying the Interest Amount by a fraction, the numerator of which is the principal amount of such Bond and the denominator of which is the Minimum Multiple, and by rounding the resulting figure to the nearest U.S. Dollar (half a U.S. Dollar being rounded upwards). The determination of the Rate of Interest and the Interest Amount by the Calculation Agent shall, in the absence of manifest error, be final and binding upon all parties.

(c) The Calculation Agent will cause notice of the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be given to the Fiscal Agent, to the Luxembourg Stock Exchange or any other exchange on which the Bonds are listed (for so long as the Bonds are listed thereon) and to the Issuer and shall use its best efforts to cause the Rate of Interest and the Interest Amount for each

10 Insert the Closing Date.

Interest Period and the relevant Interest Payment Date to be published in accordance with the notice provisions contained herein, in each case as soon as possible after each Interest Determination Date but in no event later than the fifth Business Day thereafter.

(d) The Issuer agrees that, so long as any of the Bonds remains outstanding (or, if earlier, until all of the Bonds have become due and payable (whether at stated maturity, upon call for redemption or otherwise) and moneys for the payment thereof and all other amounts payable with respect to the Bonds shall have been made available at the corporate trust office of the Fiscal Agent), there shall at all times be three Reference Banks and a Calculation Agent. In the event that (i) any such bank is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent (as the case may be) or (ii) in case the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period, in accordance with the Fiscal Agency Agreement, the Issuer shall appoint another leading bank active in the London interbank market (other than the Central Bank or any Governmental Agency) to act as a Reference Bank or the Calculation Agent (as the case may be) in its place. The Calculation Agent may not resign its duties without a successor having been appointed.

(e) In the event that any principal of or interest on this Bond, or any other amount payable hereunder, is not paid when due, the Issuer shall pay interest (to the extent permitted by applicable law) on such unpaid principal or interest or unpaid other amount from the date such principal or interest or other amount is due until the date such principal or interest or other amount is paid in full, payable on demand, at a rate per annum equal to the sum of 1% plus the Rate of Interest as determined from time to time in accordance with Paragraph 3(a) hereof.

4. <u>Redemption and Repurchase</u>.

(a) <u>Optional Redemption of Bonds</u>. The Bonds may be redeemed, without premium or penalty, on any Interest Payment Date, at the option of the Issuer, in whole or in part, upon notice as described below, at a redemption price equal to the principal amount thereof, together with the amount of interest accrued and unpaid as of the date of the redemption; <u>provided</u>, <u>however</u>, that no default in the payment of principal of, or interest on, any of the Bonds or the Other Bonds (as defined herein) has occurred and is continuing; <u>provided</u> <u>further</u> that if, at the time of such redemption, less than the entire amount of Bonds and Other PDI Bonds is redeemed, Bonds and Other PDI Bonds shall be redeemed on a pro rata basis based on the outstanding principal amount of Bonds and Other PDI Bonds.

As used in this Bond:

"Discount Bonds" means the Discount Bonds Due 2024 issued by Banco Central de la República Dominicana and guaranteed by the Dominican Republic;

"Other PDI Bonds" means the PDI Bonds Due 2009 in bearer form issued by Banco Central de la República Dominicana and guaranteed by the Dominican Republic; and

"Other Bonds" means the Discount Bonds and the Other PDI Bonds.

(b) Mandatory Redemption of Bonds. If the Issuer or the Guarantor shall voluntarily prepay, purchase or otherwise acquire for value, in whole or in part, earlier than contemplated by the original payment schedule therefor, any obligation to any Official Source (other than obligations owed directly to another government) incurred prior to the Closing Date or in respect of which a commitment from any such Official Source was obtained and at least one disbursement thereunder was made prior to the Closing Date (an "Official Credit"), then the Issuer shall, in accordance with the procedures set forth in clause (c) below, designate the first Interest Payment Date falling at least 60 calendar days after the date of such prepayment as a mandatory redemption date (a "Mandatory Redemption Date") and shall redeem on such Mandatory Redemption Date the Bonds and Other PDI Bonds submitted for redemption, at par, without premium or penalty, in an amount equal to the product of the U.S. Dollar equivalent of the amount of such prepayment of such Official Credits multiplied by a fraction, the numerator of which is the unpaid principal amount of such Bond or Other PDI Bond submitted for redemption, and the denominator of which is the aggregate unpaid principal amount of all Bonds and Other PDI Bonds to be redeemed on the Mandatory Redemption Date; provided that (i) a repurchase by the Issuer or the Guarantor of amounts of Dominican currency in response to a notification by the IMF made in accordance with the Articles of Agreement of the IMF and policies of the Executive Board of the IMF of general applicability to all members of the IMF, as reflected, when purchases are made by the Issuer under a stand-by or other arrangement, in the text of such arrangements, shall not be considered a voluntary prepayment for purposes of this provision and (ii) the foregoing mandatory redemption obligation shall not arise by virtue of any voluntary prepayment of any Official Credit to the extent that such Official Credit is refinanced by funds advanced by any Official Source on terms more favorable to the Issuer or the Guarantor than those of the refinanced Official Credit; and provided further that the foregoing mandatory redemption obligation shall not arise as a result of a voluntary prepayment of an Official Credit if and to the extent that, at the time of such voluntary prepayment, the aggregate amount of voluntary prepayments of Official Credits made by the Issuer since the Closing Date (other than voluntary prepayments under clauses (i) and (ii) of the foregoing proviso and voluntary prepayments which require mandatory redemptions under this provision) is less than or equal to the Proceeds Amount (as defined below) of Collateral (as defined in the Discount Bond Collateral Pledge Agreement) released since the Closing Date as a result of the cancellation of Discount Bonds. As used herein, "Proceeds Amount" means, for the Collateral (as defined in the Discount Bond Collateral Pledge Agreement) released to the Issuer since the Closing Date as a result of the cancellation of Discount Bonds, an amount equal to the sum of the following:

(A) in the case of any Collateral so released consisting of cash, the amount thereof; and

(B) in the case of any Principal Collateral (as defined in the Discount Bond Collateral Pledge Agreement) or Interest Collateral (as defined in the Discount Bond Collateral Pledge Agreement) so released other than cash, the aggregate net cash proceeds obtained from the sale thereof.

(c) Redemption Procedures.

(i) Notice of any redemption of Bonds shall be given by mail and by publication, not less than 30 nor more than 60 calendar days before the date fixed for redemption. Notice having been given, the unpaid principal amount of each Bond (or portion thereof) called for redemption pursuant to Paragraph 4(a) above or submitted for redemption pursuant to Paragraph 4(c)(ii) below shall become due and payable to the registered holder hereof on the date fixed for redemption as provided herein upon presentation and surrender of such Bond on the date of redemption in accordance with the provisions for payment of the scheduled final installment of principal in Paragraph 2(a) hereof. In the case of any Bond redeemed only in part, a new Bond for the portion thereof not redeemed shall be delivered in exchange therefor, and, if applicable, the final maturity date of which shall be adjusted to give effect to such redemption and corresponding reduction in the unpaid principal of such Bond. Any payments for the partial redemption of Bonds shall be applied to the principal installments of such Bonds in the inverse order of their maturities. Any redemption of all or a portion of a principal installment of a Bond in accordance with this Paragraph 4 will not affect the obligation of the Issuer to pay interest accrued to (but excluding) the redemption date on such principal installment (or portion thereof) in accordance with the terms of this Bond.

(ii) Any Bondholder electing to redeem a Bond subject to redemption under Paragraph 4(b) above must deposit such Bond with the Fiscal Agent or any Paying Agent, or, in the case of the holder of a beneficial interest in a Global Bond, must irrevocably instruct the Euroclear Operator or Cedel, as the case may be, as to its election and, in each case, deliver to the Fiscal Agent a redemption notice substantially in the form of Exhibit 6 to the Fiscal Agency Agreement completed by such Bondholder or, in the case of a Global Bond, by the Common Depositary, not less than 15 calendar days prior to the Mandatory Redemption Date. No such election, and no Bond so deposited, may be withdrawn without the prior consent of the Issuer and any Bond not so deposited or beneficial interest not so transferred shall not be redeemed under Paragraph 4(b) above.

(iii) From and after the redemption date for any Bond (or portion thereof), if moneys for the redemption of such Bond (or portion thereof) shall have been made available as provided herein, such Bond (or portion thereof) shall cease to bear interest, and the only right of the holder of such Bond shall be to receive payment of the redemption price, and in the case of a Bond redeemed only in part, to receive a new Bond for the portion thereof not redeemed.

(iv) For purposes of this Bond, a default in the payment of principal of, or interest on, the Bonds or any Other Bonds which has occurred shall be deemed to be continuing until the Issuer has deposited, or caused to be deposited, in accordance with Section 6(b) of the Fiscal Agency Agreement or Section 5(b) of the Discount Bond Fiscal Agency Agreement, as the case may be (or, in the case of the Discount Bonds, if the Collateral Agent (as defined in the Discount Bond Collateral Pledge Agreement) has deposited amounts with the Fiscal Agent in accordance with Section 4.04 of the Discount Bond Collateral Pledge Agreement), amounts sufficient to pay the principal and/or interest due on such Bonds or the Other Bonds to the date of payment of such principal and/or interest.

(d) <u>Repurchase of Bonds</u>. The Issuer may for any consideration (whether in the form of cash, debt securities, investments, equity in privatized companies or otherwise), at any price and at any time repurchase Bonds, by public tender (available ratably to all holders of Bonds alike) or in the open market or otherwise; <u>provided</u> in each case that:

(i) the Issuer may not purchase, directly or indirectly, the Bonds so long as a default in the payment of principal of, or interest on, any of the Bonds or the Other Bonds has occurred and is continuing; and

(ii) any definitive Bond purchased or otherwise acquired by, or on behalf of, the Issuer or the Guarantor must be surrendered to the Fiscal Agent, the Registrar or a Transfer Agent for cancellation and, if the Issuer or the Guarantor shall purchase or otherwise acquire any beneficial interest in a Global Registered Bond, the Issuer shall request the Fiscal Agent to cancel such beneficial interest and direct the Common Depositary or the Registrar, as applicable, to reflect such cancellation of such beneficial interest on the Schedule to such Global Registered Bond in accordance with the terms of the Fiscal Agency Agreement, each such surrender or request for cancellation to be made by the Issuer promptly after such purchase or acquisition.

If the Issuer or the Guarantor shall purchase or otherwise acquire any Bond, such purchase or other acquisition shall not operate as or be deemed for any purpose to be a discharge or satisfaction of the indebtedness represented by such Bond until the provisions of Paragraph 4(d)(ii) above have been met.

5. Taxes; Payment of Additional Amounts.

(a) Payments Free and Clear. Any and all payments by the Issuer or any Paying Agent hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, assessments, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (i) imposed by the Dominican Republic (or any political subdivision or taxing authority thereof or therein or any organization or federation of which the Dominican Republic is at any time a member) (all such taxes, levies, assessments, imposts, deductions, charges, withholdings and liabilities being "Dominican Taxes") or (ii) imposed by any other jurisdiction (or any political subdivision or taxing authority thereof or therein or any organization or federation of which such jurisdiction is at any time a member) from or through which any payment hereunder is made (all such taxes, levies, imposts, assessments, deductions, charges, withholdings and liabilities being "Paying Agency Taxes" and, together with the Dominican Taxes, the "Applicable Taxes"); provided, however, that Applicable Taxes shall not include (x) Dominican Taxes that may be (A) imposed on any individual who is a citizen or resident of the Taxing Jurisdiction (as defined in the PDI Bond Exchange Agreement), a Person organized under the laws of the Taxing Jurisdiction or any political subdivision thereof or therein, a Person having its principal place of business in the Taxing Jurisdiction or a

Person controlled by any such Person, or (B) imposed on a Person who is deemed to have a permanent establishment in the Dominican Republic to which this Bond, or the income therefrom, is attributable (unless this Bond is being held or booked or payments hereunder are received in the Dominican Republic solely to enforce any rights hereunder that otherwise would not, in the opinion of independent counsel of recognized standing, be exercisable) or (y) Paying Agency Taxes that (A) are imposed by reason of any connection between the holder of this Bond and the taxing jurisdiction other than a connection arising from entering into the PDI Bond Documents, holding the Bonds or receiving payment thereon, (B) are required to be deducted or withheld by any Paying Agent from a payment on this Bond if such payment can be made without such deduction or withholding by any other Paying Agent or (C) would not have been imposed but for the presentation by the holder of this Bond for payment more than 30 calendar days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurs later. If the Issuer or a Paying Agent shall be required by law to deduct any Applicable Taxes from or in respect of any sum payable by it hereunder:

(1) the sum payable shall be increased as may be necessary so that, after making all required deductions of such Applicable Taxes (including deductions of such Applicable Taxes applicable to additional sums payable under this subparagraph (1)), the holder of this Bond receives an amount equal to the sum it would have received had no such deductions of such Applicable Taxes been made;

(2) the Issuer or such Paying Agent shall make such deductions; and

(3) the Issuer or such Paying Agent shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law.

(b) Payment of Stamp Taxes. In addition, the Issuer agrees to pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies and any related interest or penalties incidental thereto imposed by the Dominican Republic or any political subdivision or taxing authority thereof or therein which arise from any payment made by the Issuer or a Paying Agent hereunder or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, the Bonds or the other PDI Bond Documents (hereinafter referred to as "Other Applicable Taxes").

(c) Tax Certificates. Within 30 calendar days after the date of any payment of Applicable Taxes or Other Applicable

Taxes by the Issuer or a Paying Agent, the Issuer or such Paying Agent will furnish to the Fiscal Agent the original or a certified copy of a receipt evidencing payment thereof. The Fiscal Agent shall furnish each Bondholder to which the Issuer made or is obligated to make a payment that resulted in such Applicable Taxes or Other Applicable Taxes with, if practicable, an original of such receipt or certified copy or, if insufficient originals are available for distribution, shall provide each such Bondholder with access to an original.

(d) Survival. Without prejudice to the survival of any other agreement of the Issuer hereunder, the agreements and obligations of the Issuer contained in this Paragraph 5 shall survive the payment in full of all payment due hereunder or under the other PDI Bond Documents and the performance of any other obligations hereunder or thereunder.

6. Valid Obligations.

The Issuer represents and agrees that all action has been taken and all conditions precedent have occurred so that this Bond and all the obligations herein contained shall be valid and legally enforceable obligations of the Issuer in accordance with their terms, including without limitation all acts or things necessary or appropriate under the Constitution, laws and regulations of the Dominican Republic.

7. Payment of Unclaimed Amounts.

Subject to Section 12(b) of the Fiscal Agency Agreement, any moneys paid by the Issuer to the Fiscal Agent (or remitted by the Fiscal Agent to any other Paying Agent) for payment of principal of, or interest on, any of the Bonds shall be held in trust by the Fiscal Agent or such Paying Agent for the Bondholders to be paid to such Bondholders in accordance with Sections 6(a)(i) and 6(a)(ii) of the Fiscal Agency Agreement. Any moneys so held remaining unclaimed at the end of two years after such principal or interest shall have become due and payable (whether at maturity or upon call for redemption or otherwise) shall be repaid to the Issuer upon its written demand, and upon such repayment such trust shall terminate, all liability of the Fiscal Agent and each Paying Agent with respect to such moneys shall cease, and a Bondholder presenting a claim therefor shall thereafter look only to the Issuer for payment thereof; provided that such repayment shall not limit in any way any obligation which the Issuer may have to pay the principal of, or interest on, the Bonds as the same shall become due.

8. Covenants.

(a) Affirmative Covenants. The Issuer covenants and agrees that, so long as any Bond remains outstanding, the Issuer shall:

(i) Maintenance of Applicable Authorizations. Duly obtain and maintain in full force and effect all Applicable Authorizations necessary under the laws of the Dominican Republic for the performance by the Issuer of the Bonds or any other PDI Bond Documents or for the validity or enforceability of the Bonds or of the other PDI Bond Documents and duly take all necessary and appropriate governmental and administrative action in the Dominican Republic in order for the Issuer to be able to make all payments to be made by the Issuer under the Bonds and the other PDI Bond Documents.

(ii) Pari Passu. Ensure that at all times its obligations hereunder constitute unconditional general obligations of the Issuer ranking at least pari passu in priority of payment with (A) all other unsecured and unsubordinated External Indebtedness of the Issuer and (B) all unsecured and unsubordinated obligations of the Issuer, if any, with respect to any External Indebtedness issued by a Governmental Agency.

(iii) Debt Conversion Program. Maintain the eligibility of the Bonds for tender in any debt conversion or privatization program, which may be established by the Issuer or the Dominican Republic, in which, in either case, External Indebtedness of the Issuer or the Dominican Republic is eligible for tender.

(iv) Exit Undertaking. Ensure that neither the Bonds nor the Eligible Interest exchanged for the Bonds shall at any time be considered part of the base amount with respect to any future requests by the Issuer for new money or any similar request for financial accommodation, and that the Bonds will be exempt from and not be the subject of a request to restructure or refinance.

(v) Annual Economic Report. Furnish to the Fiscal Agent sufficient copies of the Annual Economic Report of the Central Bank ("Memoria Anual"), or comparable economic information of the Issuer.

(vi) Maintenance of Agents. Until two years after the later of the date on which the principal of all the Bonds shall have become due and payable (whether at maturity or upon call for redemption or otherwise) and the date on which moneys for the payment thereof and of all interest on the Bonds shall have been made available to the Fiscal Agent, to maintain a Fiscal Agent, an Authenticating Agent, a Registrar and Transfer Agent in the Borough of Manhattan, City of New York (which in each case shall be a commercial bank or trust company (other than a commercial bank or trust company, a majority of the outstanding voting stock or other equity interest ordinarily entitled to vote (however designated) of which is owned directly or indirectly by the Issuer or the Guarantor), or any affiliate thereof, having a combined capital and surplus of at least U.S.$1,000,000,000 (or the equivalent in other currencies), legally qualified to act as such Agent and having an established place of business in the Borough of Manhattan, City of New York). Subject to the foregoing, the Issuer reserves the right at any time to vary or terminate the appointment of the Agents in the manner, and to the extent, provided in Paragraph 15 hereof and in the Fiscal Agency Agreement.

(vii) Listing. Make application for listing the Bonds on the Luxembourg Stock Exchange and use its best efforts (x) to ensure listing thereon and (y) once the Bonds are so listed, to maintain the listing of the Bonds thereon or, if maintenance thereon is not practicable, on another internationally recognized securities exchange so long as any such Bonds are outstanding.

(b) Negative Covenant. For so long as any of the Bonds remain outstanding, the Issuer shall not:

Until the earlier of (x) the date on which 50% of the aggregate principal amount of the Bonds and the Other PDI Bonds has been repaid or cancelled and (y) the seventh anniversary of the Closing Date (provided that on such seventh anniversary no default in the payment of principal of, or interest on, the Bonds or the Other PDI Bonds has occurred and is continuing), create or suffer to exist any Lien upon any of its present or future assets or revenues (including, but not limited to, International Monetary Assets) to secure or otherwise provide for the payment of any Publicly Issued External Indebtedness of the Issuer unless and subject to the following sentence, on or prior to the date such Lien is created or comes into existence, the obligations of the Issuer hereunder with respect to the Bonds and under the Other PDI Bonds are secured equally and ratably with such Publicly Issued External Indebtedness. Notwithstanding the preceding sentence, the Issuer need not secure equally and ratably as aforesaid its obligations hereunder and under the Other PDI Bonds to the extent that, at the time such security would otherwise be required to be provided, the value of the security for the Bonds, the Other PDI Bonds and the obligations of the Guarantor under the Guaranty equals at least the unpaid principal amount of the Bonds and the Other PDI Bonds required at such time to be so secured. The following Liens are excluded from the operation of the foregoing provisions: (i) any Lien upon property to secure the purchase price of such property or any Publicly Issued External Indebtedness incurred solely for the purpose of financing the acquisition of the property to be subject to such Lien; (ii) any Lien existing on such property at the time of its acquisition which secures any Publicly Issued External Indebtedness; (iii) any Lien created in connection with the transactions contemplated by the 1993 Financing Plan, including Liens to secure obligations under the Discount Bonds and Liens securing Indebtedness outstanding on the date hereof to the extent required to be equally and ratably secured with the Discount Bonds; (iv) any Lien in existence as of August 6, 1993; (v) any Lien securing Publicly Issued External Indebtedness issued upon surrender or cancellation of (A) Discount Bonds or (B) the principal amount of any Indebtedness outstanding as of August 6, 1993, in each case, to the extent such Lien is created to secure such Publicly Issued External Indebtedness on a basis comparable to the Discount Bonds; (vi) any Lien securing or providing for the payment of Publicly Issued External Indebtedness incurred in connection with any Project Financing (as defined below); provided that the properties to which any such Lien applies are (A) properties which are the subject of such Project Financing or (B) revenues or claims which arise from the operation, failure to meet specifications, failure to complete, exploitation, sale or loss of, or damage to, such properties; (vii) any Lien on any Discount Bond created or granted to secure Publicly Issued External Indebtedness incurred in connection with, or on or after the date of, the purchase or acquisition of such Discount Bond; and (viii) any renewal or extension of any such Liens described in clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) above; provided, however, with respect to this clause (viii) that no such Lien shall extend to or cover any property other than the property theretofore subject to the Lien being extended or renewed.

As used herein:

"International Monetary Assets" means all (i) gold and other bullion, (ii) Special Drawing Rights, (iii) Reserve Positions in the IMF and (iv) Foreign Exchange which is owned or held by the Issuer, the Dominican

Republic or any monetary authority of the Dominican Republic. For purposes of this definition, the terms "Special Drawing Rights", "Reserve Positions in the IMF" and "Foreign Exchange" have, as to the types of assets included, the meanings given to them in the IMF's monthly publication entitled "International Financial Statistics", or such other meanings as shall be adopted by the IMF from time to time.

"Project Financing" means any financing (but not a refinancing) of the acquisition, construction or development of any properties in connection with a project if the Person or Persons providing such financing expressly agree to look to the properties financed and the revenues to be generated by the operation of, or loss of or damage to, such properties as the principal source of repayment for the moneys advanced and have been provided with a feasibility study prepared by competent independent experts on the basis of which it was reasonable to conclude that such project would generate sufficient income in currencies other than Pesos to repay substantially all of the principal of and interest on all Publicly Issued External Indebtedness incurred in connection with such project.

9. Events of Default.

If any of the following events (each an "Event of Default") shall occur and be continuing:

(a) interest on any Bond or Other PDI Bond is not paid when due and such default continues for a period of at least 30 calendar days; or

(b) the Issuer fails to pay (i) the principal amount of the Bonds or of the Other PDI Bonds when due, or (ii) the principal amount of any Bond or any Other PDI Bond called for redemption when due and, in either case, such default continues for a period of 15 calendar days; or

(c) the Issuer or the Guarantor defaults in the performance of any other obligation contained in the Bonds, the Other PDI Bonds, the Guaranty or the other PDI Bond Documents and such default shall continue for a period of 90 calendar days after written notice thereof shall have been given to the Issuer and the Guarantor at the office of the Fiscal Agent by any Bondholder; or

(d) (i) the holders of 25% or more in aggregate outstanding principal amount of any issue or series of Publicly Issued External Indebtedness of the Issuer or the Guarantor (including any Discount Bonds), as a result of any failure to make a payment in excess of U.S.$5,000,000 with respect to the principal of, or interest on, such Publicly Issued External Indebtedness, accelerate such Publicly Issued External Indebtedness, or declare such Publicly Issued External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof and such acceleration, declaration or prepayment shall not have been annulled or rescinded within 30 calendar days thereof or (ii) the Issuer or the Guarantor fails to pay the principal of any such Publicly Issued External Indebtedness in excess of U.S.$5,000,000 when due (after expiration of any applicable grace period), or (iii) the Issuer or the Guarantor fails to pay any interest when due under any Discount Bonds (after expiration of any applicable grace period); or

(e) the Issuer or the Guarantor declares a moratorium with respect to the payment of principal of, or interest on, Publicly Issued External Indebtedness of the Issuer or the Guarantor; or

(f) any writ, execution, attachment or similar process shall be levied against all or any substantial part of the assets of the Issuer or the Guarantor in connection with any judgment in respect of External Indebtedness (other than External Indebtedness under the Existing Agreements) for the payment of money exceeding U.S.$25 million (or its equivalent in other currencies) and shall remain unsatisfied, undischarged and in effect for a period of 45 consecutive calendar days without a stay of execution, unless the same is adequately bonded or is being contested by appropriate proceedings properly instituted and diligently conducted and, in either case, such process is not being executed against such assets; or

(g) the validity of the Bonds, the Other PDI Bonds or the other PDI Bond Documents relating thereto shall be contested by the Issuer or the Guarantor;

then, if such event is continuing, holders of 25% or more in aggregate outstanding principal amount of the Bonds and the Other PDI Bonds may, by written demand to the Issuer at the office of the Fiscal Agent in New York City, declare the Bonds and the Other PDI Bonds immediately due and payable, whereupon the entire unpaid principal amount of the Bonds and the Other PDI Bonds, all interest accrued and unpaid thereon and all other amounts payable in respect of the Bonds and the Other PDI Bonds shall become and be forthwith due and payable, without presentation, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Issuer. Upon receipt by the Fiscal Agent of such written demand, the Fiscal Agent shall give notice thereof to the Issuer, as provided in the Fiscal Agency Agreement, and to the holders of the Bonds and the Other PDI Bonds, by mail and publication. After any such declaration, if all amounts then due with respect to the Bonds and the Other PDI Bonds are paid (other than amounts due solely because of such declaration) and all other defaults with respect to the Bonds and the Other PDI Bonds are cured, such declaration may be annulled and rescinded by holders of more than 50% in aggregate outstanding principal amount of the Bonds and the Other PDI Bonds (or such other percentage required at a meeting of Bondholders in accordance with Paragraph 11 hereof) by written notice thereof to the Issuer at the office of the Fiscal Agent.

10. Transfer, Exchange for New Bonds and Replacement.

(a) This Bond is transferable (subject to applicable restrictions in the legend appearing on the face of this Bond and in the Fiscal Agency Agreement) by the registered holder hereof or by such holder's attorney-in-fact duly authorized in writing, at the office of the Registrar or of any Transfer Agent, upon surrender of this Bond for cancellation duly endorsed by, or accompanied by a written instrument of transfer, in the form set forth at the end of these Terms and Conditions or in such other form satisfactory to the Registrar duly executed by, the registered holder or such holder's attorney-in-fact duly authorized in writing, and thereupon one or more new Registered Bonds in Authorized Denominations for the same aggregate principal amount will be issued in the name of the transferee or transferees in exchange therefor.

(b) This Bond is exchangeable (subject to applicable restrictions contained in the Fiscal Agency Agreement) by the registered holder hereof or by such holder's attorney-in-fact duly authorized in writing at the office of the Registrar or of any Transfer Agent, upon surrender of this Bond for exchange, into one or more new Registered Bonds in Authorized Denominations with the same aggregate principal amount, and thereupon such new Bonds will be issued to such registered holder.

(c) Notwithstanding any other provision of this Bond, the Registrar shall not be required to register the transfer of or exchange this Bond (i) during a period beginning at the opening of business 15 calendar days before the date of transmission of a notice of partial redemption of the Bonds and ending at the close of business on the day of such transmission or (ii) at any time after this Bond has been called for redemption; provided that, with respect to any Bond called for partial redemption, the Registrar shall register the transfer of or exchange such principal amount not subject to redemption.

(d) The Issuer may require payment of a sum sufficient to cover any stamp tax or other governmental charge (other than a stamp tax or governmental charge imposed by the Dominican Republic) in connection with any such transfer or exchange, but no other charge shall be made in connection with any such transfer or exchange (except for the expenses of delivery other than by regular mail).

(e) In case of the mutilation, destruction, loss or theft of this Bond, the Registrar, upon surrender to and cancellation by it of the mutilated Bond, or upon receipt of proof satisfactory to it and the Issuer of the destruction, loss or theft of such Bond, and receipt of security or indemnity satisfactory to the Registrar, to the Fiscal Agent, to the Authenticating Agent and to the Issuer, shall register, and the Registrar or a Transfer Agent shall deliver, a new Bond in replacement of such Bond to the person requesting such replacement upon payment by such person of all reasonable expenses associated with obtaining such security or indemnity and issuing and delivering a new Bond (including, without limitation, reasonable legal fees and reasonable expenses relating to the preparation, authentication and delivery of such new Bond).

(f) Prior to the presentment for registration of transfer of this Bond, the Issuer, the Guarantor and each of the Agents may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond (whether or not this Bond shall be overdue and notwithstanding any notice of ownership or other writing hereon) for the purpose of receiving payment hereof or on account hereof and for all other purposes, and neither the Issuer, the Guarantor, nor any Agent shall be affected by any notice to the contrary; provided that, with respect to beneficial interests in the Non-U.S. Permanent Global Registered Bond, each Person who is shown in the records of the Euroclear Operator or of Cedel as the holder of a particular principal amount of such Non-U.S. Permanent Global Registered Bond shall be treated as the holder of such principal amount of Bonds for all purposes other than with respect to receiving notices by mail or payment hereof or on account hereof and, with respect to beneficial interests in the U.S. Permanent Global Registered Bond, each Person who is shown on the records of the Registrar as the holder of a particular principal amount of such U.S. Permanent Global Registered Bond shall be treated as the holder of such principal amount of Bonds for all purposes.

(g) All Bonds issued as a result of any transfer, exchange or replacement of Bonds shall be delivered to the holder at the office of the Registrar or a Transfer Agent or (at the risk and, if sent other than by regular mail, expense of such Bondholder) sent by mail to such address as is specified by the holder in the request for transfer, exchange or replacement.

(h) The Issuer has initially appointed each of the principal offices of Citibank, N.A. in London and of Citibank (Luxembourg) S.A. in Luxembourg as a Transfer Agent where the Bonds may be surrendered for transfer, exchange or substitution. The Fiscal Agent shall, directly or through an affiliate, maintain in the Borough of Manhattan, City of New York, a register in which Bonds executed, authenticated and delivered as provided herein and in the Fiscal Agency Agreement, and the transfer, exchange, substitution and cancellation of such Bonds, shall be registered.

11. Meetings of Bondholders; Modification and Amendments.

(a) Upon not less than 15 calendar days' prior notice to the Fiscal Agent, the Issuer may at any time call a meeting of the Bondholders pursuant to the notice provisions of the Fiscal Agency Agreement for any purpose, such meeting to be held at such time and place as the Issuer shall determine. Upon a request in writing to the Fiscal Agent made by Bondholders holding not less than 10% of the aggregate outstanding principal amount of the Bonds and Other PDI Bonds, the Fiscal Agent shall convene a meeting of Bondholders. Further provisions concerning meetings of Bondholders are set forth in the Fiscal Agency Agreement.

(b) Modifications and amendments to the Fiscal Agency Agreement (subject to the provisions of Section 16 of the Fiscal Agency Agreement), the Guaranty or the Bonds and the Other PDI Bonds requiring Bondholder consent may be made, and future compliance therewith or past default by the Issuer or the Guarantor may be waived, with the consent of the Issuer or the Guarantor, as the case may be, and the Bondholders holding at least a majority in aggregate principal amount of the Bonds and the Other PDI Bonds at the time outstanding, or of such lesser percentage (determined as provided in Paragraph 11(c) below) as may act at a meeting of Bondholders held in accordance with the provisions of the Fiscal Agency Agreement; provided that no such modification, amendment or waiver of the Fiscal Agency Agreement, the Guaranty or any Bond or Other PDI Bond may, without the consent of each Bondholder affected thereby, (i) change the stated maturity or any date fixed for payment of the principal of or interest due on such Bond or Other PDI Bond; (ii) reduce the principal of, or interest on, any such Bond or Other PDI Bond;

(iii) change the currency of payment of the principal of, or interest on, any such Bond or Other PDI Bond; (iv) reduce the amount of, or otherwise limit, the payment liability of the Guarantor under the Guaranty in respect of such Bond or Other PDI Bond or postpone any date fixed for payment thereunder; or (v) reduce the above-stated percentage of aggregate principal amount of Bonds and Other PDI Bonds outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action. Any modifications, amendments or waivers consented to or approved at a meeting will be conclusive and binding on all holders of the Bonds and Other PDI Bonds whether or not they have given consent or were present at such meeting, and on all future holders of Bonds and other PDI Bonds whether or not notation of such modifications, amendments or waivers is made upon the Bonds and Other PDI Bonds. Subject to the foregoing provisions of this Paragraph 11(b), any instrument given by or on behalf of any holder of a Bond or Other PDI Bond in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Bond or Other PDI Bond.

(c) At a meeting of the Bondholders called for any of the above purposes, persons entitled to vote a majority in aggregate principal amount of the Bonds and Other PDI Bonds at the time outstanding shall constitute a quorum, it being understood that any Bondholder entitled to more than one vote shall not be required to cast all such votes in the same manner. In the absence of a quorum within 30 minutes of the time approved for such meeting, such meeting may be adjourned for a period of not less than ten calendar days; at the reconvening of any meeting adjourned for lack of a quorum, the persons entitled to vote 25% in aggregate principal amount of the Bonds and Other PDI Bonds at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend, or to waive compliance with, any of the covenants or conditions referred to above (other than to make any declaration under Paragraph 9 hereof) shall be effectively passed, subject to the provisos of subparagraph (b) above, if passed by the persons entitled to vote the lesser of (i) a majority in aggregate principal amount of Bonds and Other PDI Bonds then outstanding or (ii) 75% in aggregate principal amount of the Bonds and Other PDI Bonds then outstanding represented and voting at the meeting.

12. Notices.

All notices to Bondholders will be given by publication thereof in The Wall Street Journal (Eastern Edition) and the

Financial Times (London) (or if one or both of such newspapers is not being published, in at least one leading daily newspaper printed in the English language and with general circulation in New York City or London, as the case may be) and, so long as the Bonds are listed on the Luxembourg Stock Exchange and it is so required for continued listing thereon, in the Luxemburger Wort (or if such newspaper is not being published, in a daily newspaper of general circulation in Luxembourg or, if publication in either London or Luxembourg is not practical, elsewhere in western Europe). In addition, notices to Bondholders required to be mailed shall be mailed by first class, or, if applicable, prepaid, air mail to each Bondholder to the address set forth on the register kept by the Registrar for the Bonds. Any such notice shall be deemed to have been given on the earlier of the date of such publication (or, if published more than once, on the date it is first published) and the day which is three calendar days after such notice by mail shall have been deposited in the mails.

13. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to any Bondholder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

14. Delay or Omission Not Waiver.

No delay or omission of the Bondholders to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Paragraph 14 or by law to the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Bondholders.

15. Maintenance of Paying Agents and Transfer Agents.

The Issuer may vary or terminate the appointment of any Paying Agent or Transfer Agent at any time and from time to time upon giving not less than 60 calendar days' notice to the Fiscal Agent; provided that the Issuer shall maintain at all times at least one Paying Agent in New York City and London. In addition, the Issuer shall maintain at all times a Paying Agent and a Transfer Agent in Luxembourg as long as the Bonds are listed on the Luxembourg Stock Exchange and it is so required for continued listing thereon. Notice of any change in a Paying Agent shall be given to Bondholders in accordance with Paragraph 12 hereof.

16. Execution.

This Bond may be executed by manual or facsimile signatures of two Authorized Officials and such signatures shall be binding notwithstanding that an individual signing in such capacity no longer serves in such capacity at the time of an authentication by the Authenticating Agent. This Bond shall not constitute an obligation of the Issuer until the certificate of authentication hereon has been countersigned for identification by an Authenticating Agent.

17. Jurisdiction and Waiver of Immunity.

(a) The Issuer hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City, any court sitting in the Dominican Republic and any appellate court from any thereof, in any suit, action or proceeding arising out of or relating to this Bond, and the Issuer hereby irrevocably agrees that all claims in respect of such suit, action or proceeding may be heard and determined in such New York State or Federal court or any court sitting in the Dominican Republic, provided that the Issuer irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding and any objection to any such suit, action or proceeding whether on the grounds of venue, residence or domicile. A final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law, provided that any such judgment is not subject to appeal.

(b) The Issuer hereby irrevocably appoints the person for the time being and from time to time acting as or discharging the function of Consul General of the Dominican Republic in New York, New York, United States (the "Process Agent"), with an office on the date hereof at One Times Square, 11th Floor, New

York, New York 10036, United States and, alternatively, hereby irrevocably appoints CT Corporation System, with an office on the date hereof at 1633 Broadway, 23rd floor, New York, New York 10019, United States (the "Alternate Process Agent"), in each case, as its agent, to receive, on behalf of the Issuer and its property, service of copies of the summons and complaint and any other process which may be served in any such suit, action or proceeding brought in such New York State or Federal court sitting in New York City. Service of any such process may be served upon the Alternate Process Agent in lieu of the Process Agent in any suit, action or proceeding in any New York State or Federal court sitting in New York City if (i) at any time and for any reason it appears to the party attempting to serve the process that service of such process upon the Process Agent as provided below may be ineffective or may not be feasible and (ii) upon or before the serving of any process on the Alternate Process Agent, the Alternate Process Agent and the Issuer are separately notified that service of such process is to be made on the Alternate Process Agent in accordance with the provisions of this Paragraph 17(b). Service may be made by U.S. registered mail or other comparable means or by delivering by hand a copy of such process to the Issuer in care of the Process Agent or Alternate Process Agent at the address specified above for the Process Agent or Alternate Process Agent and, in the case of process served on the Alternate Process Agent, by sending by U.S. registered mail or other comparable means a copy of such process addressed to the Central Bank at the address specified in Section 14 of the Fiscal Agency Agreement (such service to be effective only upon the delivery of such process to the Alternate Process Agent and the mailing of such process to the Central Bank, in each case, as aforesaid), and the Issuer hereby irrevocably authorizes and directs the Process Agent or Alternate Process Agent to accept on its behalf such service made in accordance with this Paragraph 17(b). Failure of the Process Agent or Alternate Process Agent to give notice to the Issuer, or failure of the Issuer to receive notice of such service of process shall not affect in any way the validity of such service on the Process Agent, the Alternate Process Agent or the Issuer. As an alternative method of service, the Issuer also irrevocably consents to the service of any and all process in any such suit, action or proceeding in such New York State or Federal court sitting in New York City by sending through the U.S. registered mail or other comparable means copies of such process to the Issuer at its address specified in Section 14 of the Fiscal Agency Agreement. The Issuer covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designations of Process Agent and Alternate Process Agent above in full force and effect, and to cause the Process Agent and Alternate Process Agent to continue to act as such.

(c) Nothing in this Paragraph 17 shall affect the right of any party to serve legal process in any other manner permitted by law or affect the right of any party to bring any suit, action or proceeding against any other party or its property in the courts of other jurisdictions.

(d) To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Issuer hereby irrevocably waives such immunity in respect of its obligations under this Bond and the other PDI Bond Documents, and, without limiting the generality of the foregoing, the Issuer agrees that the waivers set forth in this Paragraph 17(d) shall have the fullest scope permitted under applicable laws, including, without limitation, Article 45 of Law 1494 of August 2, 1947 of the Dominican Republic and the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such laws.

18. Descriptive Headings.

The descriptive headings appearing in these Terms and Conditions are for convenience of reference only and shall not alter, limit or define the provisions hereof.