

FORM OF ACCESSION LETTER
[COMPANY LETTERHEAD]

BY HAND AND BY FACSIMILE

Fax No. []

[Date]

Bureau of the Treasury
Palacio del Gobernador
Intramuros, Manila

For the attention of: Treasurer of the Philippines

Gentlemen:

Republic of the Philippines (the “Republic”) 5-Year Retail Treasury Bonds (Semi-Annual Coupon) due 2011

We hereby confirm our agreement to participate as one of the Dealers in the issue of Retail Treasury Bonds (the “Issue”) subject of the Notice of Offering dated 22 November 2006 issued by the Department of Finance, through the Bureau of the Treasury (the “Notice of Offering”), and further confirm that we have submitted a Bid/Proposal Notice electronically in response to the Notice of Offering. We acknowledge that the Issue shall be governed by and subject to the Applicable Terms (as defined in the Notice of Offering), and hereby expressly accept and agree to be bound by the Applicable Terms.

Very truly yours,
[COMPANY]

Authorized Signatory:
Date:

DEALER SELLING AGENCY FEE SCHEDULE

The following rules shall apply in determining eligibility for, and the calculation of, selling agency fees due to Dealers in respect of their sales of Retail Treasury Bonds:

A. Applicable Rate and Amount of Fees

Total 5-year Retail Treasury Bond sales in excess of PHP300 Million shall be entitled to a **selling agency fee at the rate of 10 basis points.**

B. Sample Calculation

Amount of Retail Treasury Bonds bid for and accepted by the Republic:

P500M

Aggregate amount of Retail Treasury Bonds purchased by the Dealer at the auction and sold by it during the public offer:

P800M

The amount of selling agency fee due to the Dealer amounts to PHP500,000 calculated as follows:

$$\text{PHP}800,000,000 - \text{PHP}300,000,000 = \text{PHP}500,000,000$$

$$\text{PHP}500,000,000 \times .10\% = \text{PHP}500,000$$

**SETTLEMENT PROCEDURE FOR THE 5-YEAR RTB
PUBLIC OFFERING (Semi-Annual Coupon) DUE 2011**

Below are the activities to be undertaken by the dealers after the Retail Treasury Bonds offering period:

A. On 05 December 2006

Not later than 1:00 p.m., each dealer shall submit to the Bureau of the Treasury – Securities Origination Division (BTr-SOD) the documents below.

1. Summary sales report duly signed by two (2) authorized signatories.

	Amount (PhP)
Auction	
Public Offering	
Total Sales	
Less: Selling Agency Fee	
Net Proceeds	

2. Autodebit Authorization in favor of BTr for the cost of the RTB subscriptions (net of selling agency fee) of dealer/s. Format of autocharge authorization is attached as Annex C-1.

B. On 06 December 2006

BTr shall instruct BSP to debit the dealer/s' settlement accounts and credit the TOP's RDD Account for the cost of the RTBs purchased.

C. On 13 December 2006

Not later than 5:00 p.m., 5 Business Days after the Issue/Settlement Date, each dealer shall submit the following reports to BTr-SOD:

- (a) A duly certified List of RTB Bondholders as of issue date indicating the individual names and the RoSS Account No. if the investors are registered under the Name-On Registry and/or a list of RTB Bondholders whose holdings are in custody with an accredited custodian to be submitted in hard copy and in diskette (format attached as Annex C-2); and

(b) A consolidated report on the total sales amount as of Issue Date (format attached as Annex C-3).

D. Not later than 08 January 2007

In the event that any dealer agent fails to comply with its retail sales obligation as of Issue Date, such dealer shall in addition, and in order to establish compliance with its retail sales obligation, submit to the BTr-SOD, not later than 20 Business Days after the Issue Date, a duly certified copy of their Bondholder List as of the date that is not later than 15 Business Days from Issue Date.

AUTODEBIT / AUTOCREDIT AUTHORIZATION
(Dealer's Letterhead)

To Charge Dealer's Deposit Accounts with BSP
In Consideration for 5-Year Retail Treasury Bond (Semi-Annual Coupon) due **2011** Subscriptions

_____ hereby authorizes the Bureau of the Treasury (BTr) and the Bangko Sentral ng Pilipinas (BSP) to debit its deposit account with the BSP and credit the Treasurer of the Philippines' demand deposit account for the cost of the Retail Treasury Bonds purchased in the amount of PhP _____.

On coupon payment and maturity, kindly credit our deposit account with the BSP.

This Autodebit/Autocredit Authorization takes effect on 06 December 2006 (Issue Date).

Authorized Officer
(Signature over Printed Name)

REPUBLIC OF THE PHILIPPINES
5-YEAR RETAIL TREASURY BOND OFFERING
(Semi-Annual Coupon) DUE 2011
LIST OF BONDHOLDERS
[Date]

Name	RoSS Account No.	Contact Number	Region	Amount (PhP)
A. Excluded from the Definition of Retail Investor				
1. GSEDs				
2. Investment Houses and/or Subsidiary Corporation(s) of Dealers Performing Banking and/or Quasi- banking Functions/Activities.				
B. Retail Investors with ROSS Accounts				
1. Non-GSEDs				
2. TEIs				
3. Individuals				
C. Investors Under Accredited Custodian*				
1. Custodian 1 (List of Investors)				
2. Custodian 2 (List of Investors)				
TOTAL (A+B+C)				

***Certification from Custodians required to be submitted to BTr-RoSS.**

Prepared by:

 Authorized Officer
 (Signature Over Printed Name)

Certified Correct by:

 Authorized Officer
 (Signature Over Printed Name)

[Form of Consolidated Sales Report]

REPUBLIC OF THE PHILIPPINES
5-YEAR RETAIL TREASURY BOND OFFERING
(Semi-Annual Coupon) DUE 2011

LIST OF BONDHOLDERS
06 December 2006

	RTB Sales	
	Amount	Number of Investors
A. Allocation by Investor		
1. Corporates		
Tax exempt institutions		
Non- Tax exempt institutions		
2. Individuals		
B. Geographical Distribution		
National Capital Region		
Region I		
Region II		
Region III		
Region IV-A(CALABARZON)		
Region IV-B (MIMAROPA)		
Region V		
Region VI		
Region VII		
Region VIII		
Region IX		
Region X		
Region XI		
Region XII		
Region XIII		
Autonomous Region in Muslim Mindanao		
C. Denomination		
5,000 - 50,000		
55,000 - 100,000		
105,000 - 150,000		
155,000 – 200,000		
205,000 – 250,000		
255,000 – 300,000		
305,000 – 350,000		
355,000 – 400,000		
405,000 – 450,000		
455,000 – 500,000		
505,000 and up		

Prepared by:

Certified Correct by:

Authorized Officer

(Signature Over Printed Name)

Authorized Officer

(Signature Over Printed Name)

N.B. The sum of the values in items A, B, and C must be the same (A = B = C).

Transmission No* _____

RTB SALES REPORT

DATE	SELLING AGENT/DEALER	AMOUNT (PHP)

AUTHORIZED OFFICER
(Signature over printed name)

* To be numbered sequentially e.g. **Transmission No. 1** for the First Sales Report, and so forth.



NOTE: TO BE SUBMITTED TO THE BUREAU OF THE TREASURY

INVESTOR'S UNDERTAKING

I/We,

For Individual Investors
of legal age

Name:
Address:
Civil Status:

For Juridical Entity
authorized to do business
in the Philippines

Name:
Principal Office Address:
Place of Incorporation:
Name of Representative:
Capacity / Position of Representative:

- A. Hereby agree to execute, pursuant to BSP Circular 524, a limited Special Power of Attorney in favor of either the dealing Government Securities Eligible Dealer¹ (GSED) or Securities Dealer² for the creation of a Principal Securities Account with the RoSS or for the execution of trade transactions (i.e. buying and selling instructions, including relaying of instructions to “the CUSTODIAN“ to receive or deliver securities in order to consummate the buy/sell transactions) and to be bound by the provisions of a written Authority or a special power of attorney, or any relevant agreement I/we have entered into concerning my/our government security holdings, thereby confirming my/our authority for BTr-RoSS to carry out and execute the acts or instructions referred to in the aforesaid documents;
- B. It is understood that the Registry of Scripless Securities (RoSS) administered by the Bureau of the Treasury is the official registry of ownership of or interest in government securities; that all government securities floated/originated by NG under its scripless policy are recorded in RoSS as well as subsequent transfer of the same; and that I/we will abide by the rules and regulations of BTr-RoSS concerning government securities.

And further undertake as follows:

1. To create/open through the Client Interface System a Principal Securities Account with RoSS to ensure that title of said scripless securities is officially recorded in my/our name and under my/our control.
2. That as a condition for the creation/opening of my/our Principal Securities Account with RoSS, I/We have opened a bank account with [_____ as Settlement Bank] to which coupon and maturity proceeds and any other payments to be made on my/our government securities holdings will be credited; undertake to furnish the RoSS of said bank account number; and give notice at least three (3) business days prior to any coupon and/or maturity payment of any change in the Settlement Bank and/or bank account number.
3. That no transfer of securities shall be made (i) during the period of two (2) business days ending on (and including) the due date of any redemption payment of principal and (ii) during the period of two (2) business days ending on (and including) the due date of any coupon payment date (the “Closed Period”). I/we further acknowledge that the BTr shall prevent any transfer of the securities to be recorded in RoSS during any Closed Period.
4. That in the case of outright sale transactions of government securities, including that of RTBs, I/we undertake to sell the same to any of the GSEDs or Securities Dealers, save those provided for under existing rules and regulations on government securities applicable to tax-exempt institutions, government-owned or controlled corporations and local government units. Otherwise, I/we shall have the said securities delivered to my/our agent/custodian for trading or any other transactions pursuant to a relevant written instruction/authority.

¹ Accredited by the Bureau of the Treasury

² Licensed by the Securities and Exchange Commission

5. To receive notices and/or statements of account upon my/our demand from RoSS through any of the following modes: *(Please indicate choice)*

- Pick-up at RoSS
- Registered Mail to Home/Office Address _____
- Deliver electronically to Agent
- Deliver electronically to Settlement Bank (for pick up)
- Email - email address _____

In the absence of an indicated choice, I/We understand that the BTr shall electronically deliver all Notices and Statements to my/our designated settlement bank.

Note: In addition to the indicated manner of receiving notice(s) and statement(s), Investor can directly secure from the BTr written copy of any notice, statement of account, or confirmation report, subject to prior notice to and in accordance with the procedures of the BTr.

I/We hereby agree to abide with the Schedule of Fees and the manner of collection, as may be prescribed by the BTr from time to time.

6. That I/We expressly agree and acknowledge that the crediting to the regular demand deposit account of my/our settlement bank of coupons and/or redemption value due my/our scripless securities, shall constitute actual receipt of payment by me/us.
7. To hold the BTr, its officers, employees and agents free and harmless against all suits, actions, damages or claims arising from failure of my/our Settlement Bank to credit my/our bank account for coupons and maturity values on due date.
8. That all instructions affecting my/our scripless securities which are transmitted to or received in good faith by RoSS from myself/ourselves or my/our designated agent/custodian are covered by relevant documentation indicating my/our express consent and authority.
9. That I/We expressly warrant and authorize the delivery of copies of all evidence of authority granted to my/our designated agent/custodian to transact on my/our scripless securities upon reasonable demand by BTr.
10. That I/We undertake to immediately notify the RoSS of any unauthorized trade of my/our scripless securities, and until receipt of such notice, transactions effected by BTr in good faith are deemed valid.
11. To render free and harmless the BTr, its officers, employees and agents for any claim or damages with respect to trade instructions carried out in good faith.
12. That while it is understood that BTr shall maintain the strict confidentiality of records in RoSS, I/We hereby expressly waive and authorize BTr, to the extent allowed by law, to disclose relevant information in compliance with Anti-Money Laundering laws, rules and regulations.
13. To submit to the BTr the relevant special power of attorney or authorizations issued to my/our agent, upon demand of BTr.

IN WITNESS WHEREOF, I/We hereunto affix our hands this ____ day of _____ at _____, Philippines.

Name & Signature of Investor

Conforme:

Settlement Bank

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the City of _____, personally appeared:

Name: _____ CTC No. _____ Date: _____ Place of Issue: _____

(Investor or Representative of Juridical Entity)

known to me and to me known to be the same person who executed the foregoing instrument and he/she acknowledged to me that the same is his/her free and voluntary act and deed (and the free act and deed of the entity represented).

WITNESS MY HAND AND NOTARIAL SEAL this _____ at _____, Philippines.

NOTARY PUBLIC

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.