

1. What are Retail Treasury Bonds (RTBs)?

The RTBs are part of the government's savings mobilization program designed to make government securities available to retail investors, hence, the name Retail Treasury Bonds. They are issued by the Republic of the Philippines through the Bureau of the Treasury (BTr). This issue of the RTBs will have a maturity of 3 years. Interest will be paid quarterly compared to the regular Treasury Bonds which are paid semi-annually.

2. Why invest in RTBs?

The RTBs are designed to be a low-risk, higher-yielding and affordable savings instrument. They are considered credit risk-free/default free because they are direct, unconditional and general obligations of the Republic of the Philippines. RTBs are higher-yielding, as their interest rates are superior to other investments. RTBs are affordable. The minimum denomination is only PHP 5,000 and in multiples of PHP 5,000 thereafter.

3. Who can purchase the RTBs?

The RTBs aim to cater to retail investors such as individuals and corporations who are looking for a low-risk, accessible and higher-yielding investment for their savings.

4. When and where can an investor purchase RTBs?

The RTBs will be sold to the public during the Offer Period which is scheduled from May 30 to June 8, 2018. This is the designated period given to the public to subscribe to the RTBs through the Issue Managers and the other Selling Agents.

Since only a limited amount of RTBs will be issued, the BTr has the option to shorten the Offer Period. The terms and conditions applicable to the RTBs as well as copies of the complete documentation will be made available by each of the Issue Managers and Selling Agents during the Public Offer Period.

After the Public Offer Period investors may still purchase the RTBs in the secondary market at prevailing market rates.

5. How does an investor participate in the PO?

Investors may purchase the RTBs over the counter from the Selling Agents, subject to the documentary and minimum investment requirements of each Selling Agent. Payment procedures for investments in RTBs may vary per Selling Agent. Investors will be required to open a peso deposit account or designate an existing peso account where interest and principal payments of the RTBs will be credited.

6. What are the risks involved in investing in RTBs?

The RTBs are considered having the lowest credit-risk because they represent the direct and unconditional obligation of the government, thereby enjoying the highest certainty of payment. The yield is assured if the investor holds on to the bond until maturity, otherwise it will be subject to interest rate risk depending on the prevailing market rate at the time the RTBs are sold in the secondary market.

7. What is an investor's proof of ownership?

The Selling Agents will sell the RTBs to individuals and other investors on a non-recourse basis, documented through an acknowledgment receipt and confirmation advice issued by the Selling Agents in favor of the investor. No certificate will be issued to investors, as their ownership will be registered electronically under the BTr's Registry or Scripless Securities.

8. Can an investor sell his RTBs after the Issue Date?

RTBs are considered marketable securities and have historically enjoyed a secondary market. The Selling Agents from whom the RTBs were purchased may assist the investor, on a best-efforts basis, in selling the RTBs in the secondary market at prevailing market rates. At the time of sale, the RTBs may trade at a premium or discount to face value.

9. Are RTBs tax-free?

Interest income on RTBs is subject to the 20% final withholding tax. Only tax-exempt institutions, duly-certified as such by the Bureau of Internal Revenue, are exempt from payment of the 20% final withholding tax.



REPUBLIC OF THE PHILIPPINES RETAIL TREASURY BONDS TRANCHE 21

May 30 to June 8, 2018

**Issue Date:
June 13, 2018**

**Minimum Investment:
PHP 5,000 and in multiples of PHP 5,000
thereafter**

BACKGROUND

The Retail Treasury Bonds (“RTBs”) form part of the National Government’s program to make government securities available to small investors.

Key features of the RTBs:

- earns fixed interest rate
- interest rate is based on prevailing market rate
- interest is paid quarterly during the term of the bond
- placement is targeted at retail and institutional investors

During the Public Offer Period, RTBs will be made available by the Bureau of the Treasury (“BTr”) through the Selling Agents to the following: Individuals, Corporations, Financial Institutions and other Institutional Investors.

OBJECTIVES

- Enhance the BTr’s capability to manage its financial needs
- Demonstrate its prudence and commitment to diverse fund raising programs
- Make government securities available to retail investors and create savings-consciousness among the Filipinos
- Develop the local capital market by expanding the investor base of government securities

BENEFITS TO INVESTORS

- RTBs are low-risk investment instruments. They are direct, unconditional and general obligations of the Republic of the Philippines (“ROP”).
- RTBs are higher-yielding investments that offer fixed quarterly interest income.
- RTBs are affordable and are available for as low as P5,000
- RTBs pay frequent cash flows to investors. Interest payments will be made quarterly, compared to the regular Treasury bonds for which interest is paid semi-annually.
- RTBs are liquid. It is readily available in the secondary market where it can easily be bought and sold through the Selling Agents subject to minimum requirements and market rates.

TERMS OF OFFERING

Issuer	:	Republic of the Philippines through the Bureau of the Treasury
Issue Date	:	June 13, 2018
Maturity Date	:	3 years from Issue Date
Public Offer Period	:	May 30 – June 8, 2018
Issue Price	:	At par (or 100%)
Redemption Price	:	At par (or 100%)
Interest Rate	:	4.875%
Interest Payments	:	Quarterly Subject to 20% final withholding tax except for tax-exempt institutions
Form	:	Uncertificated; to be registered with the Registry of Scripless Securities (RoSS) of the BTr
Denomination	:	Minimum denominations of P5,000; additional amounts in multiples of P5,000
Negotiability	:	Negotiable and transferrable
Sinking Fund	:	The Republic of the Philippines may set up sinking fund with the BTr in order to accumulate the amounts necessary to pay the principal of the RTBs on Maturity Date.

HOW TO PURCHASE RTBs

The RTBs will be made available to the public during the Public Offer Period on May 30 to June 8, 2018. Investors may purchase the RTBs from any of the Selling Agents subject to the documentary and minimum deposit requirements of each Selling Agent.

Basic Steps to Purchase the RTBs

1. Investors will be required to open a peso account or designate an existing peso account with the Selling Agent where interest and principal payments will be made.
2. Investors must submit to the Selling Agent the requirements for purchasing the RTBs (i.e. Application to Purchase, Client Information Sheet, etc.)
3. Investors must pay the Selling Agent the amount due for the RTB purchase.
4. At the time of purchase of the RTBs, the Selling Agent will issue an Acknowledgement Receipt
5. Investors will receive a Confirmation Advice to be issued by the Selling Agent a few days after the Issue Date.

Note that no certificate will be issued as ownership of the RTBs, which will be registered in electronic form with RoSS.

Trading of RTBs

1. After the public offer period, investors can buy the RTBs from the secondary market at prevailing market prices.
2. In case investors have to sell their RTBs prior to maturity, they may sell their RTBs through the Selling Agent from which the RTBs were purchased or to other Selling Agents subject to prevailing market rates.
3. Depending on prevailing market rates, at the time of sale, the RTBs may trade at a premium or a discount to face value.