



**REPUBLIC OF THE PHILIPPINES
RETAIL TREASURY BONDS**

TRANCHE 24

5-YEAR RTBs DUE 2025
WITH EXCHANGE OFFER

Offer Period:
July 16 – August 7, 2020

Issue Date:
August 12, 2020

Minimum Investment:
Php 5,000.00 and in multiples of Php 5,000.00 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 individual investors

During the Public Offer Period, Individuals, Corporations, Financial Institutions and other Institutional Investors can purchase RTBs through the Online Ordering Facility, the Bonds.PH mobile application, and over the counter through any of the Selling Agents.

OBJECTIVES

- Enhance the BTr’s capability to manage its financial needs
- Demonstrate its prudence and commitment to diverse fundraising programs
- Make government securities available to retail investors and create savings-consciousness and financial literacy among the Filipinos
- Develop the local capital market by expanding the investor base of government securities and increasing financial literacy of the public
- The proceeds from RTB 24 will finance the government’s various expenditures focused on:
 - Supporting sectors most affected by the COVID-19 pandemic (i.e., the unemployed, MSMEs, and the country’s healthcare system)
 - Construction of Infrastructure projects
 - Refinancing of existing debt
 - Other national expenditures, focused more on the country’s efforts against the pandemic.

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 versus time deposit instruments. They offer fixed quarterly interest income than other financial instruments.
- RTBs are affordable and convenient. They are available for as low as a ₱5,000 per investment and can be purchased online.
- RTBs pay interest income quarterly, compared to regular Treasury bonds which interest is paid semi-annually.
- RTBs are liquid. They have a readily available secondary market where they can easily be bought and sold through the Selling Agents subject to minimum requirements and market rates.

TERMS OF THE OFFER

Issuer	Republic of the Philippines through the Bureau of Treasury
Issue Date	August 12, 2020
Maturity Date	5 years from Issue Date (August 12, 2025)
Public Offer Period	July 16 to August 7, 2020, or earlier within the Public Offer Period as may be determined by the BTr
Issue Price	At par (or 100%)
Redemption Price	At par (or 100%)
Interest Rate	2.6250%
Interest Payments	Quarterly, subject to 20% final withholding tax except for tax-exempt institutions
Form and Denomination	Issued in scripless form and will be sold in minimum denominations of Php 5,000.00 and integral multiples thereof
Negotiability	Negotiable and transferrable
Sinking Fund	The Republic may set up and maintain a sinking fund with the BTr in order to accumulate the amounts necessary to pay the principal of the RTB-24 on the Maturity Date

HOW TO PURCHASE RTBs

The RTBs will be made available to the public during the Public Offer Period on July 16 to August 7, 2020. 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

Over the Counter

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.

- Investors must submit to the Selling Agent the requirements for purchasing the RTBs (i.e. Application to Purchase, Client Information Sheet, etc.).
- Investors must pay the Selling Agent the amount due for the RTB purchase and applicable bank fees.
- At the time of purchase of the RTBs, the Selling Agent will issue an Acknowledgement Receipt/ Official Receipt.
- Investors will receive a Confirmation Advice to be issued by the Selling Agent a few days after the Issue Date.

Online Ordering Facility

- Log on to www.treasury.gov.ph and read through the details of the investment.
- Accomplish the Ordering Form, select a Settlement Bank (Must be either China Bank, DBP, FirstMetroSec or LANDBANK) and agree to the terms and conditions.
- Log on to the chosen Settlement Bank's Online Payment Facility to pay for the principal cost.
- A notice of successful payment may be printed as your proof of investment in the RTBs and a system-generated notice of successful payment shall be sent to your email address designated upon opening of a peso deposit account with the Settlement Bank or sent via SMS.

Bonds.PH Mobile App

- Download the Bonds.PH app on the App Store (for iOS devices) or Google Play Store (for Android devices).
- Open the app and create an account.
- Verify your email address and mobile number.
- Log in and verify your account by submitting the required document and information.
- Once your account is verified, cash in to add funds to your account.
- Purchase RTB 24 during the Public Offer Period through the app.

Trading of RTBs

- After the public offer period, investors can buy the RTBs from the secondary market at prevailing market prices.
- 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.
- Depending on prevailing market rates, at the time of sale, the RTBs may trade at a premium or a discount to face value.

1. What are Retail Treasury Bonds?

RTBs are medium- to long-term debt securities issued by the Republic of the Philippines ("ROP" or "the Republic") through the Bureau of the Treasury ("BTr"). 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. RTBs are fixed-income securities that pay a fixed interest rate per annum over a specified period of time with a promise to return the principal at the end of the term.

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 compared to savings accounts and are affordable. The minimum denomination is only ₱5,000 and in multiples of ₱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 relatively higher-yielding investment for their savings.

4. Who can participate in the Exchange Offer?

Bondholders of the following securities (the "Eligible Bonds") are eligible for the Exchange Offer (the "Eligible Bondholders"):

Series	ISIN	Rate	Maturity
RTB 10-01 (RTB 12)	PIID1020H015	7.25%	19 Aug 2020
FXTN 05-73	PIBD0520H735	3.375%	20 Aug 2020
RTB 10-02 (RTB 13)	PIID1021C027	7.375%	3 Mar 2021
FXTN 07-57	PIBD0721C574	3.50%	20 Mar 2021

Please refer to the Notice of Offering of RTB 23 on the BTr website (www.treasury.gov.ph) for more information.

5. When and where can an investor purchase RTBs?

The RTBs will be sold to the public during the Offer Period which is scheduled from July 16 to August 7, 2020. 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.

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 confirmation of outright sale (COS) / confirmation advice issued by the Selling Agents in favor of the investor.

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.

For further information and the list of accredited Selling Agents, please log on to www.treasury.gov.ph