



REPUBLIC OF THE PHILIPPINES

RETAIL ONSHORE DOLLAR BONDS

Consisting of:

5-YEAR RDBs DUE 2026 – [RODB0526I015]

10-YEAR RDBs DUE 2031 – [RODB1031I015]

Offer Period:

September 15 – October 1, 2021

Issue Date:

October 8, 2021

Minimum Investment:

USD300.00 and in multiples of USD100.00 thereafter

BACKGROUND

The Retail Onshore Dollar Bonds (“RDBs”) form part of the National Government’s program to make government securities available to retail investors, especially individuals.

Key features of the RDBs:

- Earns a fixed interest over the term of the bond
- Interest rate is based on prevailing market rates, determined via competitive bidding on auction date
- Interest is paid quarterly over the life of the bond, based on 30/360 day count
- Targeted at retail and individual investors

Throughout the offer period, individuals, corporations, financial institutions, and other institutional investors can purchase RDBs through the following channels:

1. Over-the-counter, via the branches of the Selling Agent Banks nationwide
2. Bureau of the Treasury’s Online Ordering Facility (www.treasury.gov.ph)
3. Mobile App-based channels*: OFBank Mobile Banking Application, LBP Mobile Banking Application, and Bonds.PH

**Mobile applications are downloadable for free via Google Play and App Store and are only available for individual sole accounts.*

OBJECTIVES

The objectives of the RDBs are as follows:

- To raise funds for the Republic’s priority projects nationwide
- ~~To tap excess liquidity of US Dollars in the domestic market~~
- To demonstrate the prudence and commitment of the Republic to diversify funding sources
- To make government securities affordable and accessible to retail investors, especially individuals
- To promote financial literacy and inclusion among Filipinos
- To develop the Philippine capital market via the provision of a low-risk investment with competitive yields than term deposits
- The proceeds from RDB 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);
 - Enhancing the country’s response against the pandemic; and
 - Various priority projects nationwide.

BENEFITS TO INVESTORS

- RDBs are low-risk investment instruments.
- They are direct, unconditional and general obligations of the Republic of the Philippines
- Offers higher yields than USD term deposit instruments
- Provides frequent cash flows via quarterly interest payments over the life of the bond
- Affordable minimum placement at only USD300.00
- Accessible via online channels and via the branches of the Selling Agent Banks nationwide
- May be bought and sold via an active secondary market through banks or brokers
- Provides a way to directly contribute to nation-building

TERMS OF THE OFFERING

Issuer	Republic of the Philippines through the Bureau of the Treasury
Issue Date	8 October 2021
Tenor	5 Years and 10 Years

Maturity Date	5 years from Issue Date (8 October 2026) 10 years from Issue Date (8 October 2031)
Offer Period	15 September to 1 October 2021
Issue Price	At par (or 100%)
Redemption Price	At par (or 100%)
Interest Rate	5-Year: [●]% per annum 10-Year: [●]% per annum
Interest Payments	Quarterly, subject to final withholding tax for the account of the Issuer
Taxation	RDBs shall carry a Tax Assumption feature where any final withholding tax on the interest will be paid for by the Republic.
Form and Denomination	Issued in scripless form and will be sold in minimum denominations of USD300.00 and in multiples of USD100.00 thereafter.
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 RDBs on the Maturity Date

HOW TO PURCHASE RDBs

The RDBs will be made available to the public during the Offer Period on 15 September to 1 October 2021. Investors may purchase the RDBs from any of the Selling Agent Banks subject to the documentary and minimum deposit requirements of each Selling Agent Bank.

Basic Steps to Purchase the RDBs

Over the Counter

- Investors will be required to open a USD savings account or designate an existing USD savings account with the Selling Agent Bank where interest and principal payments will be made.
- For Selling Agent Bank offering the Peso-clear option, a PHP current or savings account will be required to where interest and principal payments in peso amounts will be automatically credited. Investors may need not open a USD savings account for this option.

For Investors with existing USD Accounts:

1. Investors must submit to the Selling Agent the following requirements for purchasing the RDBs:
 - Document similar to an application to purchase;
 - Investor's Undertaking (if no existing NRoSS Account yet);
 - Authorization for NRoSS Account creation (if no existing NRoSS Account yet); and,
 - Other requirements that may be required by the Selling Agent Banks
2. Investors must pay the Selling Agent the full amount due in USD for the RDB purchase.
3. At the time of purchase of the RDBs, the Selling Agent Bank will issue an Acknowledgement Receipt/Official Receipt.
4. Confirmation of Sale ("COS") to be made available by the Selling Agent Bank within thirty (30) calendar days from issue date.
5. On the interest and principal maturity dates, the proceeds will be deposited in the investors settlement account.

For Investors with PHP Accounts ONLY (For Peso Clear):

1. Investors must submit to the Selling Agent Bank the following requirements for purchasing the RDBs
 - Application to Purchase Foreign Currency;
 - Investor's Undertaking;
 - Authorization for NRoSS Account creation (if no existing NRoSS Account yet);
 - Investors Acknowledgment and Instructions (for automatic conversion of USD to PHP based on prevailing USD rate for interest and principal payments); and,
 - Or other requirements that may be required by the Selling Agent Bank.

2. Investors must pay the Selling Agent Bank the amount due in PHP for the RDB purchase and applicable bank fees (as applicable). The Selling Agent Bank will facilitate the conversion of the investor's PHP payment to USD (subject to the prevailing USD rate) and settle accordingly with the BTr.
3. At the time of purchase of the RDBs, the Selling Agent Bank will issue an Acknowledgement Receipt/Official Receipt.
4. Confirmation of Sale ("COS") to be made available by the Selling Agent Bank within thirty (30) calendar days from issue date.
5. On the interest and principal maturity dates, the Selling Agent Bank will facilitate the conversion of the USD proceeds from BTr based on the USD rate at the time of interest and principal payment dates and credit the investors on their PHP Account.

Online Ordering Facility

1. Go to www.treasury.gov.ph. Click the RDB banner and read through the details of the investment.
2. Accomplish the Ordering Form, select a Settlement Bank (Must be either FirstMetroSec or LANDBANK) and agree to the terms and conditions.
3. Log on to the chosen Settlement Bank's Online Payment Facility to pay for the principal cost.
4. A notice of successful payment may be printed as your proof of investment in the RDBs 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 or Overseas Filipino Bank Mobile Banking Application ("OFB MBA")

1. Download the Bonds.PH app or the OFB MBA on the App Store (for iOS devices) or Google Play Store (for Android devices).
2. Open the app and create an account.
3. Verify your email address and mobile number.
4. Log in and verify your account by submitting the required document and information.
5. For Bonds.PH (using USD account ONLY), once your account is verified and you have a funded UnionBank USD account, RDBs may be ordered. Investor will be redirected to UnionBank Online to elect his UnionBank USD account to his order in Bonds.PH App. Please ensure that the linked UnionBank USD account is fully funded.
6. For the OFB MBA (with the Peso clear option ONLY), once your account is verified, RDBs may be ordered. Investors shall ensure that the account is funded with PHP to be able to purchase RDBs. Investors RDB investment will be debited from their accounts based on the automatic conversion of the PHP to USD based on prevailing USD rate.
7. Purchase RDB during the Public Offer Period through the app.

Selling RDBs in the Secondary Market

1. Investors can sell the RDBs from the secondary market at prevailing market prices via banks or brokers. Investors with PHP-only accounts should coordinate with the bank or broker to convert their PHP to USD in order to purchase RDBs. Opening of a USD deposit account may be required and FX conversions will be subject to prevailing market rates.
2. If an investor decides to sell the RDBs before the maturity date, they may do so through the Selling Agent from which the RDBs were purchased or to other Selling Agents subject to prevailing market and forex rates. The RDBs purchased from the Bonds.PH app can also be sold in the app.
3. Depending on prevailing market and forex rates, at the time of sale, the RDBs may trade at a premium or a discount to face value.

1. What are Retail Onshore Dollar Bonds?

RDBs are US Dollar denominated medium- to long-term debt securities issued by the Republic of the Philippines ("ROP" or "the Republic") through the Bureau of the Treasury ("BTr"). These Bonds will be settled onshore and listed on a domestic trading system through PDEX. The RDBs are part of the government's savings mobilization

program designed to make government securities available to retail investors; hence, the name Retail Onshore Dollar Bonds or RDBs. RDBs 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 RDBs?

The RDBs are designed to be a low-risk and affordable savings instruments. They are considered default risk-free because they are direct, unconditional and general obligations of the Republic of the Philippines. RDBs are higher yielding compared to savings accounts and term deposits. The minimum investment is only USD 300.00. RDBs also offer diversification from an investor's peso-denominated government securities investments.

3. Who can purchase RDBs?

The RDBs aim to cater to onshore retail investors such as individuals and institutions who are looking for a low-risk, accessible and relatively higher-yielding investment and who are looking to diversify their investment portfolio.

Eligible investors are individuals, Foreign Currency Depository Units (FCDUs), Corporates, Tax Exempt Institutions, Trusts, and GOCCs and LGUs.

4. When and where can an investor purchase RDBs?

The RDBs will be sold to the public during the Offer Period which is scheduled from 15 September 15 to 1 October 2021. This is the designated period given to the public to subscribe to the RDBs through the Selling Agents.

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

After the Offer Period, investors may purchase the RDBs in the secondary market at prevailing market and forex rates.

5. What are the risks involved in investing in RDBs?

Investing in RDBs is considered safe and low-risk because they are a direct obligation of the Philippine government and thus backed by the entire financial capacity of the Republic. As an investment security, RDBs have inherent risks like market or price risk, foreign exchange risk, default risk and sovereign risk, however, these risks are minimized due to the financial backing of the Republic. Thus, it is highly recommended that the investor should understand all the risks involved before investing in RDBs.

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

The Selling Agents will sell the RDBs to individuals and other investors on a non-recourse basis, documented through Confirmation of Sale ("COS") to be made available by the Selling Agent within thirty (30) calendar days from issue date or a confirmation advice to be issued by the Selling Agents in favor of the investor.

7. Can an investor sell his RDBs after the Issue Date?

RDBs are considered marketable securities. These Bonds will be listed on a domestic trading system through PDEX where the RDBs can be traded. The Selling Agents from whom the RDBs were purchased may assist the investor, on a best-efforts basis, in selling the RDBs in the secondary market at prevailing market and forex rates, if applicable. At the time of sale, the RDBs may be sold at a premium (at a gain) or discount (at a loss) to face value, depending on prevailing market rates.

8. Are RDBs tax-free?

Yes, but the RDBs carry a Tax Assumption Feature where any final withholding tax on interest payments will be paid for by the Republic. As such, the investors will get the stated interest in full and without deductions.

Tax-exempt institutions with a valid BIR-Issued Certificate of Tax Exemption which covers investments in government securities are exempted from the final withholding tax. Prior to admittance to RDB, such investors must first open a Tax-Exempt National Registry of Scripless Securities (“NROSS”) Account from the BTr through their Selling Agent bank.

9. What are the eligibilities of the RDBs?

The Bonds will be eligible as insurance reserves, judicial and performance bonds, and permitted foreign currency cover for FCDU.

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