



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
INTRAMUROS, MAYNILA

NOTICE OF OFFERING

To : All Government Securities Eligible Dealers and Holders of the following government securities:

ISIN	Series Name	Interest Rate	Maturity
PIBD0721C574	FXTN 07-57	3.500%	20 March 2021
PIBD1021D531	FXTN 10-53	6.500%	28 April 2021
PIID0321F092	RTB 03-09	4.875%	13 June 2021
PIID1021J039	RTB 10-03	5.750%	20 October 2021
PIBD1021K551	FXTN 10-55	5.750%	24 November 2021

Date : 5 February 2021

Subject : **Issuance of Three (3)-year Fixed Rate Retail Treasury Bonds Due 2024 with Exchange Offer for FXTN 07-57, FXTN 10-53, RTB 03-09, RTB 10-03 and FXTN 10-55**

Please be advised that the Republic of the Philippines (the "Republic") through the Bureau of the Treasury ("BTr"), will issue Peso-denominated 3-year Fixed Rate Retail Treasury Bonds due 2024 ("RTB-25 Issuance", "RTB-25" or "New RTB due 2024") in a minimum aggregate nominal principal amount of Thirty Billion Pesos (PhP30,000,000,000.00) (the "Issue").

You are invited to participate in respect of the Issue subject to the provisions of this Notice of Offering, the Program Mechanics for the Issuance of Peso-Denominated Retail Treasury Bonds dated June 9, 2003 (the "Program Mechanics"), as may be amended from time to time, and the Principal Commercial Terms of the RTB-25 Issuance attached as **Schedule 1**. The Program Mechanics, a copy of which is available for inspection at the BTr, shall be deemed to be incorporated by reference in, and to form part of this Notice of Offering. The contemplated Issue will be governed by the Applicable Terms as indicated in the Schedule 1 of the Notice of Offering. The mechanics for the online ordering system is indicated in **Annex A** (the "RTB Online Channels Guidelines") with procedures outlined in **Annex A-1, Annex A-2 and Annex A-3** of the Notice of Offering.

Further to such issue, the Republic invites holders of FXTN 07-57, FXTN 10-53, RTB 03-09, RTB 10-03 and FXTN 10-55 (the "Eligible Bonds") to submit offers to exchange their Eligible Bond holdings for New RTB due 2024 (the "Exchange Offer") as contemplated in the attached Terms of the Invitation for the Exchange Offer of Eligible Bonds for the New RTB due 2024 (**Schedule**

2), Exchange Offer Procedures (**Annex G**) of the Notice of Offering, and other relevant guidelines.

Please be advised that your submission of the Accession Letter, Bid/Proposal Notice (**Annex B**) and Letter of Instruction (**Annex G-1**) signifying your agreement to participate in the issue shall constitute an agreement on your part to be bound by the Applicable Terms in relation to such Issue.

Below is the timetable of activities relative to the captioned RTB-25 Issuance:

Auction Date	: 9 February 2021
Start of Public Offer Period	: 9 February 2021
End of Public Offer Period	: 4 March 2021 (or any earlier date within the Public Offer Period as determined by the BTr)
Issue Date/Settlement Date	: 9 March 2021

As regards the Exchange Offer, please be guided by the following dates:

Start of Submission of Offers	: 9 February 2021
End of Submission of Offers	: 4 March 2021 (or any earlier date within the Public Offer Period as determined by the BTr)
Issue Date/Settlement Date	: 9 March 2021

The Republic, through the BTr, reserves the right to revise the foregoing timetable. You will be notified through the BTr website, National Registry of Scripless Securities (“NRoSS”) and other financial information service providers (e.g., Bloomberg, PDEX, etc.) of any change in the timetable of activities.

Further, a copy of the herein Notice of Offering and its annexes may be accessed through the BTr website: www.treasury.gov.ph.

For the RTB-25 Issuance, interested GSEDs shall submit their bids electronically through their respective NRoSS terminals on or before 1:00 p.m. on Auction Date.

For the Exchange Offer, eligible participants shall submit all offers to exchange electronically through their respective NRoSS terminals following the procedure and timetable set in Schedule 2 and Annex G of this Notice of Offering.

Terms not defined herein have the meanings set forth in the Program Mechanics and in the applicable terms set out in **Schedule 1** and **Schedule 2** of this Notice of Offering, as may be necessary.

Schedule 1

Principal Commercial Terms of the Bonds

Issuer	REPUBLIC OF THE PHILIPPINES
Dealers	Government Securities Eligible Dealers (“GSEDs”) who have submitted an Accession Letter in the form attached hereto as Annex B and in accordance with the Program Mechanics.
Selling Agents	Dealers who have successfully placed bids for a minimum principal amount of Five Hundred Million (PhP500,000,000.00)
Issue Amount	Minimum of Thirty Billion Pesos (PhP30,000,000,000.00) The Republic reserves the right to increase the overall size of the Issue.
Auction Date	9 February 2021. The Republic, through the Auction Committee, reserves the right to accept or reject any or all tenders or part of tenders and to award less than the minimum Issue Amount.
Maximum Bid on Auction Date	GSEDs will be allowed to submit one (1) bid per interest rate with a maximum volume of PhP10.00 Billion. Any other subsequent bid submission at the same rate will not be accepted by the auction system. For avoidance of doubt, GSEDs may submit a maximum of ten (10) bids at different rates capped at PhP10.00 Billion per bid. If the GSED would want to change the volume on each bid, the GSED should withdraw its earlier submission subject to cap and cut-off time.
Public Offer Period	9 February to 4 March 2021. The Republic reserves the right to change/adjust the manner of accepting subscriptions during the Public Offer Period. When subscription has reached a level deemed sufficient by the BTr, the BTR- Securities Origination Division (“BTr-SOD”) shall announce the termination and closure of the offer period through electronic financial information providers chosen by BTr, such as the BTr website, NRoSS system, Bloomberg, PDEX, etc.
Issue Date/Settlement Date	9 March 2021 unless another date is announced by the Republic.
ISIN/SERIES CODE	PIID0324C115

Form and Denomination	The Retail Treasury Bonds (“RTBs”) shall be issued in scripless form and will be sold during the public offer period in minimum denominations of PhP5,000.00 and integral multiples thereof.
Maturity Date	9 March 2024 , or if the Issue Date does not occur on 9 March 2021 , the Maturity Date shall be the date that is three (3) years following the Issue Date.
Issue Price	At par (or 100%)
Redemption Price	At par (or 100%)
Interest Rate	The final interest rate will be determined through a Dutch auction to be participated in by GSEDs.
Interest Rate Guidance	The Interest Rate shall be based on current market levels of comparable securities rounded down to the nearest one-eighth (1/8) of one percent (1%) . The Interest Rate shall be stated in three (3) decimal places.
Interest Payment Date	Interest on the RTB-25, to be calculated on a 30/360-day basis, will be paid quarterly in arrears on the last day of each 3-month Interest Period. Each Retail Treasury Bond will cease to bear interest on the Maturity Date. If the Interest Payment Date is not a Business Day, interest will be paid on the next succeeding Business Day, without adjustment in the amount of interest to be paid.
Retail Investors	<p>Those persons other than Government Owned or Controlled Corporations (GOCC) including the GSIS, the SSS, the PHIC, and the HDMF (Pag-IBIG Fund), the BSP, LGUs, other domestic or foreign government offices and instrumentalities, GSEDs, Investment Houses, and subsidiaries of GSEDs and Investment Houses performing banking and/or quasi-banking functions/activities.</p> <p>Sale to GSEDs and Investment Houses and/or subsidiary corporations of GSEDs and Investment Houses performing banking and/or quasi-banking functions/activities shall not be considered as retail sales. However, the Dealer/Selling Agent may require the GSEDs and Investment Houses and/or subsidiary corporations to comply with the Retail Sales Volume, in which event the GSEDs and Investment Houses and/or subsidiary corporations shall be required to submit the corresponding bondholders’ list to the Selling Agent to be included in the Selling Agent’s reportorial volume to the Issuer.</p> <p>Dealers/Selling Agents are not allowed to sell the RTBs to Government Owned and Controlled Corporations (GOCCs)</p>

	<p>and Local Government Units (LGUs) as the terms are defined under Department Order No. 141-95 during the Public Offer Period unless allowed by the BTr in a separate announcement.</p> <p>Further, Dealers/Selling Agents are to sell RTBs in its original form and current structure during the Public Offer Period. Any attempt or intention to introduce variants and derivatives thereof, or to use it as underlying assets for another product, or to create a wrap around structure to repackage the same, shall constitute a material breach of the selling agency obligation under the Program Mechanics and this Notice of Offering, and shall result in the automatic termination of services as Dealer/Selling Agent, as well as forfeiture of the corresponding Selling Agency Fee (as defined below). The foregoing penalties are without prejudice to other administrative, civil and criminal actions that the Issuer may institute as warranted.</p>
Retail Sales Volume (RSV)	<p>Each Selling Agent shall sell to Retail Investors (as defined above but exclusive of Individual Investors) in aggregate value of its subscription or award (as allocated to it by the Issuer) at any time within the Public Offer Period. For clarity, RSV is exclusive of the Individual Sales Volume.</p>
Individual Investors	<p>Refers to a natural person under Philippine law. For this purpose, trust accounts and/or private banking arrangements representing funds of natural persons or a group of natural persons, such as but not limited to employee retirement or trust funds, provident funds, cooperatives, associations and Investment Management Accounts, are considered Individual Investors. Sales to individuals coursed thru Trust and Private Banking arrangements such as retirement funds, provident funds, cooperatives and Investment Management Accounts (IMA) for individuals or families shall be certified by a Trust Officer in the form attached as Annex E-1.</p>
Individual Sales Volume (ISV)	<p>Each Selling Agent shall sell to Individual Investors (as defined above) in aggregate value of its subscription or award at the primary auction (as allocated to it by the Issuer) at any time within the Public Offer Period. For clarity, ISV is not included in the RSV.</p> <p>For purposes of computing the ISV, the individual investors who purchased in the RTB Online Channels shall be considered as sales of the Selling Agent.</p>

Reliance on Accuracy In case the Selling Agent submits a falsified Sales Report/Bondholders' list, such Selling Agent shall be excluded from participating in future issuances of the Republic. This is without prejudice to the filing of appropriate administrative, civil and criminal charges and other sanctions provided for by law.

Waiver of Confidentiality The Issuer shall have the right to rely and consider accurate all information and documents supplied by the holder/investor through the Dealer/Selling Agent. Further, the Issuer shall be deemed to have been granted the authority to verify the truthfulness and accuracy of the information and documents supplied by a holder/investor and the Dealer/Selling Agent.

All information relative to the bondholders shall be treated with absolute confidentiality as provided for by law.

Responsibilities of Selling Agent	Each Selling Agent is required to submit to BTr-SSRD, as may be required, an electronic copy (PDF File) of Investor Undertaking (form of Investor Undertaking attached hereto as Annex C-1) duly executed by the Investors in connection with the new purchase and delivery of the Bonds. For investors purchasing through the RTB Online Channels, please refer to Annex A-1, Annex A-2 and Annex A-3 of the Notice of Offering.
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During the Public Offer Period, each Selling Agent shall submit the bids or orders for new money/subscriptions in the NRoSS system with the procedures set out in **Annex D**.

Selling Agency Fees	Selling Agents shall be paid a Selling Agency Fee in accordance with the Schedule set out in Annex E hereof. No Selling Agent shall cede, pay, share, or compensate third-party investors or purchasers any Selling Agency Fees in exchange for the purchase of the RTB-25. Any Selling Agency Fee due to Selling Agents shall be paid in accordance with the BTr's "Settlement Procedures for the RTB-25 Public Offering", attached as Annex F of this Notice of Offering.
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Reporting and Other Obligations for New Subscriptions	As per Program Mechanics and this Notice of Offering: The BTr shall have the sole discretion of determining the amount of RTB-25 to be offered for each day of the Public Offer Period. Such daily RTB-25 volume shall be allocated by the BTr in its sole discretion.
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For the First Day of the Public Offer Period

Each Selling Agent shall submit to the Issuer their orders from 2:00 p.m. – 4:00 p.m. on **9 February 2021** through the NRoSS system. Allocation and confirmation of the orders shall be notified through the NRoSS system.

The BTr shall announce the accepted orders no later than 5:00 p.m.

For the Subsequent Days of the Public Offer Period

Orders for the second day of the Offer Period up to **3 March 2021** shall be submitted to the BTr through the NRoSS system from 9:00 a.m. until 4:00 p.m. daily.

The BTr shall announce daily the accepted orders of the same day no later than 5:00 p.m.

The end of submission for the RTB-25 is on the last day of the Offer Period, **4 March 2021 (4:00 p.m.)** unless another date/time is announced by the Republic. The BTr shall announce the accepted orders no later than 5:00 p.m. of the last day of the Offer Period.

Taxation	<p>Prevailing final withholding tax on coupon payment shall be for the account of the bondholders. Tax Exempt Institutions (TEIs) without a tax-exempt NRoSS Securities Account purchasing RTBs shall submit a valid BIR tax ruling.</p> <p>Documentary stamp tax (DST) on original issue shall be for the account of the Issuer.</p>
Status	<p>The RTB-25 constitute direct, unconditional, unsubordinated, and general obligations of the Republic and shall at all times rank <i>pari passu</i> and without any preference among themselves.</p>
Sinking Fund	<p>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-25 on the Maturity Date.</p>
Eligibility	<p>The RTB-25 qualify in the same manner as all other Treasury Notes and Bonds in respect of: (i) the liquidity floor requirement for government funds and reserves for trust duties under <i>Bangko Sentral ng Pilipinas</i> rules and regulations; (ii) insurance reserves under the Insurance Commission rules and regulations; and (iii) performance and judicial bonds.</p>

Settlement Procedures	Settlement shall follow the procedures prescribed in the Settlement Procedures for Peso-Denominated RTB-25 Public Offering (Annex F).
NRoSS Securities Account	All Selling Agents shall open and maintain a Securities Account in NRoSS for all holders of the RTB-25.
Confirmation of Sale ("COS")	The COS shall be made available by Selling Agents to Bondholders within thirty (30) calendar days from the Issue Date.
Listing	The RTBs shall be listed in the Philippine Dealing and Exchange Corp. (PDEX).
Dates and Time	All dates and time stated herein pertains to Philippine Standard Time ("PST")

Schedule 2

Terms of the Invitation for the Exchange Offer of FXTN 07-57, FXTN 10-53, RTB 03-09, RTB 10-03 and FXTN 10-55 for the New RTB due 2024

Purpose of the Exchange Offer

The purpose of the invitation is to present a reinvestment opportunity for holders of the Eligible Bonds given its forthcoming maturity dates. The Exchange Offer is likewise intended to manage refinancing risk in the debt portfolio of the Republic and is an integral part of its overall liability management program.

Eligible Bonds

ISIN	Series	Interest Rate	Maturity
PIBD0721C574	FXTN 07-57	3.500%	20 March 2021
PIBD1021D531	FXTN 10-53	6.500%	28 April 2021
PIID0321F092	RTB 03-09	4.875%	13 June 2021
PIID1021J039	RTB 10-03	5.750%	20 October 2021
PIBD1021K551	FXTN 10-55	5.750%	24 November 2021

Eligibility Criteria

Holders of FXTN 07-57, FXTN 10-53, RTB 03-09, RTB 10-03 and FXTN 10-55 ("Eligible Holders") may offer to exchange such bonds for the New RTB due 2024 with ISIN PIID0324C115 ("New RTB due 2024").

Offers must be made in accordance with the procedures set out in this Notice of Offering, this Schedule and applicable Annexes.

Exchange Ratio

The Exchange Ratio of the Eligible Bond accepted by the BTr for exchange for the New RTB due 2024 shall be as follows:

ISIN	Eligible Bonds	Exchange Ratio
PIBD0721C574	FXTN 07-57	100.100
PIBD1021D531	FXTN 10-53	100.100
PIID0321F092	RTB 03-09	100.500
PIID1021J039	RTB 10-03	101.000
PIBD1021K551	FXTN 10-55	101.000

Form and Denomination of Exchange Offer

Each Exchange Offer shall be in a minimum amount of PhP5,000.00 in multiples of PhP 0.01.

Depending on the resulting New RTB due 2024, the Republic will issue the corresponding bond up to 2 decimal places. Should the resulting New RTB due 2024 indicate an amount with more than 2 decimal places, the Republic shall only recognize the first two decimal digits which shall not be rounded up or down.

Eligible Participants

Government Securities Eligible Dealers ("GSEDs")

Procedure for Submission of Offers	<p>While the invitation for offer is open, all offers must be made in accordance with the procedure set out in the Procedures of the Exchange Offer (Annex G).</p> <p>Eligible Holders who do not make a valid offer or whose offers are not accepted by the Republic for any reason will continue to own such Eligible Bond and the Republic will continue to pay interest and principal according to their existing schedule.</p>
Responsibility of Eligible Holders	<p>Each Eligible Holder is required to submit a Letter of Instruction in the format attached hereto as Annex G-1.</p>
Responsibility of Eligible Participants	<p>All offers shall be submitted by the Eligible Participants through the NRoSS for acceptance by the BTr. Once submitted and after the period to modify or withdraw the offer has lapsed, the offer constitutes a firm commitment on the part of the Eligible Participant to deliver sufficient securities on Issue Date/Settlement Date. The BTr may impose penalties for any settlement failure arising from insufficient securities in designated securities account/s.</p> <p>The BTr shall have the sole discretion of accepting offers submitted.</p> <p><u>For the First Day of the Exchange Offer Period</u></p> <p>Each Eligible Participant shall submit to the Issuer their offers from 2:00 p.m. – 4:00 p.m. on 9 February 2021, through the NRoSS, The BTr shall announce the accepted orders no later than 5:00 p.m.</p> <p><u>For the Subsequent Days of the Exchange Offer Period</u></p> <p>Offers for the second day up to 3 March 2021 shall be submitted to the BTr thru NRoSS from 9:00 a.m. until 4:00 p.m. daily. The BTr shall announce the accepted orders no later than 5:00 p.m. daily.</p> <p>The end of submission for the exchange offer is on the last day of the Offer Period, 4 March 2021 (12:00 noon) unless another date/time is announced by the Republic. The BTr shall announce the accepted orders no later than 1:00 p.m. of the last day of the Offer Period.</p> <p>On Issue Date, Eligible Participants shall effect transfer of the exchanged RTB-25 to the proper NRoSS account of its clients.</p>
Exchange Offer Fees	<p>GSEDs shall be paid the sum equivalent to the 2 basis points of the aggregate principal amount of the New RTB due 2024 issued as a result of the Exchange Offer. For avoidance of doubt, any Exchange Offer Fees due to Selling Agent GSEDs shall be paid in accordance with the “Settlement Procedures for the RTB-25 Public Offering”, attached as Annex F of this Notice of Offering,</p>

For those non-Selling Agent GSEDs participating in the Exchange Offer, fees shall be paid separately by the BTr.

Start of Submission of Offers	9 February 2021 (2:00 pm) unless another date/time is announced by the Republic.
End of Submission of Offers	4 March 2021 (12:00 noon) unless another date/time is announced by the Republic.
Issue Date/Settlement Date	9 March 2021 unless another date is announced by the Republic.
Withdrawals	The right to withdraw or revise an exchange offer will expire at 4:00 p.m. on a daily basis except for the last day of offer period wherein withdrawals will expire at 12:00 noon. For avoidance of doubt, exchange offers done within the day will only be allowed to be withdrawn on the same day.
Issuance of RTB-25	Issuance of the RTB-25 and payment of the accrued interest due, as applicable will occur on 9 March 2021, unless another date is announced by the Republic On the Settlement Date, RTB-25 will be delivered against good delivery of the Eligible Bonds.
Accrued Interest on Eligible Bonds accepted for exchange	On Settlement Date, the accrued interest on the Eligible Bonds accepted for exchange by the Republic will be credited to the Demand Deposit Account of the settlement bank with the Bangko Sentral ng Pilipinas. Computation for accrued interest on Eligible Bonds accepted will be based on the prevailing market convention. In the case of TEIs they will receive accrued interest net of 20% final tax and reimbursement shall be made on the succeeding coupon payment of the eligible bond.
Dates and Time	All dates and time stated herein pertains to Philippine Standard Time ("PST")



ROSALIA V. DE LEON
Treasurer of the Philippines