

BACKGROUND

The Premyo Bonds form part of the National Government's program to make government securities available to small retail investors.

Key features of the Premyo Bonds:

- earns fixed interest rate
- interest is paid quarterly during the term of the bond
- potential cash reward can be won every quarter and non-cash rewards can be given away by Participating Institutions
- placement is targeted at individual investors, with a minimum investment of PHP 500.00

During the Public Offer Period, Premyo Bonds will be made available by the Bureau of the Treasury ("BTr") through the Selling Agents to the following: Individuals, Trust Entities*, Employee Retirement Funds, Provident Funds, Cooperatives and Associations**.

*Excludes UITFs, Mutual Funds and Collective Investment Scheme (CIS)

**Qualified Associations, i.e. Non-stock and loans associations and employee associations

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
- Promote financial literacy and financial inclusion
- Develop the local capital market by expanding the investor base of government securities

BENEFITS TO INVESTORS

- Low-risk investment instruments. They are direct, unconditional and general obligations of the Republic of the Philippines ("ROP").
- Higher yielding investments. They offer fixed quarterly interest income as well as potential upside, with a chance to win up to PHP 1 million every quarter.
- Affordable. They are available for as low as a PHP 500 investment.

TERMS OF THE OFFER

Issuer	:	Republic of the Philippines through the Bureau of the Treasury
Issue Date	:	December 18, 2019
Maturity Date	:	1 year from Issue Date (December 18, 2020)
Public Offer Period*	:	November 25 to December 13, 2019
<i>* BTr has the discretion to adjust the public offer period.</i>		
Issue Price	:	At par (or 100%)
Redemption Price	:	At par (or 100%)
Interest Rate	:	3.000 % p.a.
Interest Payments	:	Quarterly Subject to 20% final withholding tax except for tax-exempt institutions
Form	:	Uncertificated; to be registered with the National Registry of Scripless Securities (NRoSS) of the BTr
Denomination	:	Minimum denominations of PHP 500; additional amounts in multiples of PHP 500
<i>Note: Since an investment of PHP 500.00 is equivalent to 1 Premyo Bonds unit, a maximum of 20,000 Premyo Bond units (equivalent to an investment amount of PHP 10,000,000.00) shall be eligible per NRoSS account for inclusion in each cash rewards draw.</i>		
Transferability	:	Non-transferable
Cash Reward Ratio	:	0.625% p.a.
Cash Reward Pool	:	Determined by multiplying a Notional Amount by the Cash Reward Ratio
Cash Reward Structure	:	Indicative Cash Reward Structure for a Php3 Billion Notional Amount:

Premyo Tier	Net Premyo Amount (PHP)	No. of Winners
1 st	1,000,000.00	1
2 nd	100,000.00	10
3 rd	20,000.00	50

Raffle Draw Date	:	Quarterly, to coincide with the interest payment date
Non-Cash Reward	:	The non-cash reward is real property in the form of a condo unit or a house and lot to be given by the Participating Institutions (Hotel 101, Lessandra by Vista Land, and Megaworld etc.) The non-cash rewards will be awarded to the Tier 1 winner or the of the Premyo Bonds for the 1st, 2nd, and 3rd raffle draw.

HOW TO PURCHASE PREMYO BONDS

Investors may purchase the Premyo Bonds from any of the Selling Agents subject to the documentary and minimum deposit requirements of each Selling Agent.

Basic Steps to Purchase the Premyo Bonds:

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. If the account opening is performed outside the Philippines, signature cards will need to be authenticated by a consular representative of the Philippines, and the investor may incur fees.
2. Investors must submit to the Selling Agent the requirements for purchasing the Premyo Bonds (i.e. Application to Purchase, Client Information Sheet, etc.)
3. Premyo Bonds will be registered under BTr's NRoSS. Your NRoSS account number will be indicated in either of the following documents (depending on the Selling Agent you transact with):
 - i. Registry Account Opening Confirmation
 - ii. Confirmation of Sale
 - iii. Summary of Transactions
 - iv. Statement of Account

Investors must pay the Selling Agent the amount due for the Premyo Bond purchase.
5. A Confirmation of Sale will be available for pick-up from the respective branch of your Selling Agent within 30 banking days from the issue date of the Premyo Bonds.

Note that no certificate will be issued as Premyo Bonds, will be registered in electronic form with NRoSS.

Online

1. Log on to www.treasury.gov.ph/ and read through the details of the investment
2. Accomplish the Ordering Form, select a Settlement Bank (either DBP 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 Premyo Bonds 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.

1. What are Premyo Bonds?

The Premyo Bonds are part of the Government's savings mobilization program designed to make government securities available to retail investors. They are issued by the Republic of the Philippines through the Bureau of the Treasury (BTr). This issue of the Premyo Bonds will have a maturity of 1 year. Interest will be paid quarterly.

2. Why invest in Premyo Bonds?

The Premyo Bonds are designed to be a low-risk, higher yielding and affordable investment instrument. They are considered low risk because they are direct, unconditional and general obligations of the Republic of the Philippines. Premyo Bonds are relatively higher yielding, as their interest rates are superior to other placements. Premyo Bonds are affordable. The minimum denomination is only PHP 500 and in multiples of PHP 500 thereafter. Premyo Bonds also have potential upside, providing investors with a chance to win cash rewards of up to PHP 1 million every quarter, as well as receive non-cash rewards for three of the four quarters.

3. Who can purchase the Premyo Bonds?

The Premyo Bonds aim to cater to retail investors such as individuals, cooperatives, retirement funds and provident funds who are looking for a low-risk, accessible and potentially higher-yielding investment for their savings.

4. When and where can an investor purchase Premyo Bonds?

The Premyo Bonds will be sold to the public during the Offer Period which is scheduled from November 25 to December 13, 2019. This is the designated period given to the public to subscribe to the Premyo Bonds through the Issue Managers and the other Selling Agents.

Since only a limited amount of Premyo Bonds will be issued, the BTr has the option to shorten the Offer Period. The terms and conditions applicable to the Premyo Bonds 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.

5. How does an investor participate in the issuance?

Investors may purchase the Premyo Bonds over the counter from the Selling Agents, subject to the documentary and minimum investment requirements of each Selling Agent. Payment procedures for investments in Premyo Bonds 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 Premyo Bonds will be credited. Investors may also purchase Premyo Bonds online at www.treasury.gov.ph/

6. What are the risks involved in investing in Premyo Bonds?

The Premyo Bonds 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 as the investor holds on to the bond until maturity.

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

The Selling Agents will sell the Premyo Bonds 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. A Confirmation of Sale will be available for pick-up from the respective branch of your Selling Agent within 30 banking days from the issue date of the Premyo Bonds. No certificate will be issued to investors, as their ownership will be registered electronically under the BTr's National Registry of Scripless Securities.

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

No, Premyo Bonds cannot be traded in the secondary market. To avoid any potential issues in relation to the cash and non-cash rewards, the Premyo Bonds are non-transferable and cannot be traded in the secondary market.

9. Are Premyo Bonds tax-free?

Interest income on Premyo Bonds is subject to the 20% final withholding tax. Only eligible investors that are tax-exempt institutions, duly-certified as such by the Bureau of Internal Revenue, are exempt from payment of the 20% final withholding tax. All cash rewards and non-cash rewards received by the winners shall be net of all applicable taxes, fees, and charges. The facility agent shall facilitate payment of such taxes, fees, and charges.



REPUBLIC OF THE PHILIPPINES
PREMYO BONDS

1 – YEAR PREMYO BONDS DUE 2020

Public Offer Period:
November 25 to December 13, 2019

Issue Date:
December 18, 2019

Minimum Investment:
PHP 500 and in multiples of PHP 500 thereafter

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