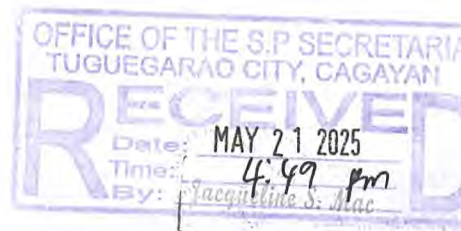




BAGONG PILIPINAS

Republic of the Philippines
Province of Cagayan
TUGUEGARAO CITY

Phone number : 0953-588-3721 | email address : cmotuguegaraocity@gmail.com



OFFICE OF THE CITY MAYOR

02 April 2025

THE PRESIDING OFFICER AND MEMBERS

Sangguniang Panlungsod
This City

Dear *Presiding Officer and Members of the Sanggunian*:

Herewith is the investment offer of the Development Bank of the Philippines for your information and appropriate action.

In view thereof, we are respectfully requesting an authority to invest in the subject government securities using the funds of the Tuguegarao City Government deposited at the Landbank of the Philippines as a time deposit.

Finally, attached is the legal comment of the City Legal Office for your guidance and perusal.

Thank you and regards!

In the name of public service,


MAILA ROSARIO S. TING-QUE
City Mayor 

Copy furnished:

- Development Bank of the Philippines
- City Legal Office
- City Treasury
- CEIPC





Republic of the Philippines
Province of Cagayan
TUGUEGARAO CITY



OFFICE OF THE CITY TREASURER

Ground Floor, City Hall Bldg., Enrile Boulevard, Regional Government Center, Carig Sur, Tuguegarao City, Cagayan, 3500
Hotline No. 09276744777 / e-mail add: tuguegarao_city_treasury@yahoo.com

1st INDORSEMENT

March 14, 2025

OFFICE OF THE CITY MAYOR

MAR 14 2025

4:15 PM

Respectfully forwarded to HON. MAILA ROSARIO S. TINGQUE, City Mayor, the attached letter of Mr. Adonis M. Catabay, Manager of Development Bank of the Phils. Tuguegarao Re: Letter to offer to the City Government for investment into Government Securities (GS) such as T-Bills, Fixed Rate Treasury Notes (FXTNs), Retail Treasury Bonds (RTBs), dated March 14, 2025, for her information and consideration.

BUENAVENTURA F. LAGUNDI
City Treasurer



BAGONG PILIPINAS

"Ang buwis na binabayaran, babalik ng serbisyo sa bayan"



DEVELOPMENT BANK OF THE PHILIPPINES
Head Office: Sen. Gil J. Puyat Avenue corner
Makati Avenue, Makati City, Philippines



14 March 2025

HON. MAILA ROSARIO S. TING-QUE
Mayor
City Government of Tuguegarao

THRU: MR. BUENAVENTURA F. LAGUNDI
City Treasurer

CITY TREASURER'S OFFICE
RECEIVED
BY: Prun/yt 1 27pm
DATE: 03-14-25

Dearest Mayor:

Greetings!

We would like to reiterate our offer to the City Government for investment into government securities (GS) such as T-Bills, Fixed Rate Treasury Notes (FXTNs), Retail Treasury Bonds (RTBs).

Investment to government securities has the following benefits and salient features:

- GS are debt instruments issued by the National Government or any of its instrumentalities to finance public expenditures;
- Essentially risk-free as it is guaranteed by the National Government;
- Safe investment as principal and income is protected for hold-to-maturity;
- With relatively higher yield compared to regular savings and other investment products;
- Easy to buy and sell at prevailing interest rates via secondary market;
- Automatic crediting of interest income to you existing deposit account with DBP;
- Minimum investment of P100,000.00;
- With minimal fee of 0.0025% of face value per annum payable to PDEX. No trading fee for transaction with face amount of Php500K and below;
- GS are not insured by PDIC but backed by the taxing power of the National Government.
- Types of GS:

| | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Treasury Bills | <ul style="list-style-type: none">• short term with maturity of less than 1 year• Issued at a discount• Subject to 20% final tax |
| Treasury Bonds | <ul style="list-style-type: none">• Up to 25 years (3,5,7,10,15,20,25 years)• Issued at par, discount or premium• Subject to 20% final tax (except for TEIs)• FXTNs – interest payment is paid semi-annually• RTBs – interest payment is paid quarterly |

For reference, we have attached herein a sample computation for the investment to T-Bills.


Should you wish to avail of the above, we will provide you with the forms required for the creation of the City's NRoSS account with the Bureau of Treasury, which shall be submitted to us together with a **Sanggunian Resolution** authorizing the City Government to invest into such.

For further inquiries, please feel free to reach the undersigned, or we may visit you at your most convenient time.

We thank you for our continuous partnership and rest assured that we will continue to extend products and services beneficial to the City Government.

God Bless and more power.

Sincerely,


ADONIS M. CATABAY
Manager

Att: a/s



Possibilities

DAILY FIXED INCOME INDICATIVE RATES

as of Friday, March 14, 2025



FIXED INCOME SECURITIES

PESO BONDS AND BILLS

| TREASURY BILLS (T-BILLS) | | | | | |
|-----------------------------------------|--------------|--------------|-------------|--------|-------------|
| Series | Tenor (Days) | Maturity | Offer (YTM) | | |
| TBILL 05.14.25 | 58 | 05/14/2025 | 5.0000% | | |
| TBILL 06.11.25 | 86 | 06/11/2025 | 5.1550% | | |
| TBILL 08.06.25 | 147 | 08/06/2025 | 5.5750% | | |
| TBILL 09.10.25 | 177 | 09/10/2025 | 5.5301% | | |
| TBILL 10.08.25 | 205 | 10/08/2025 | 5.5750% | | |
| TBILL 10.15.25 | 212 | 10/15/2025 | 5.5750% | | |
| TBILL 10.22.25 | 219 | 10/22/2025 | 5.5750% | | |
| TBILL 10.29.25 | 226 | 10/29/2025 | 5.5750% | | |
| TBILL 11.12.25 | 240 | 11/12/2025 | 5.6000% | | |
| TBILL 11.26.25 | 254 | 11/26/2025 | 5.6000% | | |
| TBILL 12.03.25 | 261 | 12/03/2025 | 5.6250% | | |
| TBILL 03.11.26 | 259 | 03/11/2026 | 5.7350% | | |
| FIXED RATE TREASURY NOTES (FXTNs) | | | | | |
| Interest Payment Frequency: Semi-Annual | | | | | |
| Series | Tenor (Yrs) | Tenor (Days) | Maturity | Coupon | Offer (YTM) |
| FXTN 07-64 | 3.11 | 1,132 | 04/22/2028 | 3.625% | 5.7500% |
| FXTN 07-70 | 5.37 | 1,958 | 07/27/2030 | 6.375% | 5.7500% |
| FXTN 10-69 | 7.51 | 2,739 | 09/15/2032 | 6.750% | 5.7500% |
| FXTN 10-71 | 8.43 | 3,075 | 08/17/2033 | 6.625% | 5.8750% |
| FXTN 10-72 | 8.87 | 3,236 | 01/25/2034 | 6.750% | 5.8750% |
| FXTN 20-27 | 19.21 | 7,007 | 05/23/2044 | 6.975% | 6.0000% |
| RETAIL TREASURY BONDS (RTBs) | | | | | |
| Interest Payment Frequency: Semi-Annual | | | | | |
| Series | Tenor (Yrs) | Tenor (Days) | Maturity | Coupon | Offer (YTM) |
| RTB 05-15 | 1.97 | 717 | 03/04/2027 | 4.875% | 5.5000% |
| RTB 05-14 | 2.22 | 807 | 06/02/2027 | 4.625% | 5.5000% |
| RTB 05-16 | 2.98 | 1,086 | 03/07/2028 | 5.750% | 5.5000% |
| RTB 05-17 | 3.44 | 1,254 | 08/22/2028 | 6.125% | 5.6250% |
| RTB 05-18 | 3.9% | 1,444 | 02/28/2029 | 6.250% | 5.6250% |

TERMS & CONDITIONS FOR PESO BONDS

- Above quoted prices are indicative, subject to final pricing and availability of volume and buyers/sellers in the market on the actual deal date/time.
- Quotes are indicative gross rates based on the current market yields/prices and still subject to 20% withholding tax and fees.
- Above Government Securities (GS) are relatively credit risk free and guaranteed by the full taxing power of the National Government as the issuer. GS are not insured by the Philippine Deposit Insurance Company (PDIC).
- Settlement T+1
- Minimum investment: PHP Bonds - PHP 100,000.00 / ROPs - USD 100,000.00

RISK DISCLOSURE

Investors in the financial instruments/products being offered by the DBP should note and acknowledge the following before making an investment:

- Counterparty Risk - Counterparty is unable or unwilling to pay obligations on time or in full as expected or previously contracted.
- Operational Risk - The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
- Pre-Settlement/Settlement Risk - Counterparty is unable or unwilling to settle obligations as agreed; Unfunded or insufficient funds on check issued as payment for the obligation.
- Interest Rate/Market/Price Risk - The risk that the value of the transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices, interest rates or indices or other market factors or by illiquidity in the market for the transaction or in a related market.
- Liquidity Risk - The risk of loss due to disparity/gap in maturities of assets and liabilities, inability to "sell-down" due to market constraints (no appetite or "wait & see" attitude, interest rates are moving) and other different reasons due to market factors that limit or make instruments/products tough or difficult to sell/unload.
- Regulatory Risk - The risk of loss due to changes/amendments in regulations, etc.

| SAMPLE COMPUTATION ONLY rates and volume are subject to change without prior notice | | |
|-------------------------------------------------------------------------------------|-----------|---------------|
| SAMPLE COMPUTATION | | |
| GOVERNMENT SECURITIES - TREASURY BILLS | | |
| TRADE DATE : | | |
| | 14-Mar-25 | |
| Settlement Date/Value Date | | 17-Mar-25 |
| Maturity Date | | 11-Jun-25 |
| Term | | 86 |
| Yield to Maturity (YTM) | | 5.1550% |
| Face Value/Maturity Value | | 85,000,000.00 |
| PURCHASE AMOUNT | | 84,172,785.80 |
| FEES: | | |
| Broker's Fee | 20,305.56 | |
| Transaction Fees payable to Phil Dealing System | | |
| - Trading Platform Fee | 500.68 | |
| TOTAL FEES | | 20,806.24 |
| TOTAL CASH OUT / SETTLEMENT AMOUNT | | 84,193,592.04 |
| Effective Rate / Estimated Interest Income (GROSS) | 5.0674% | 1,008,009.95 |
| Final Tax (20%) | 1.0135% | 201,601.99 |
| Rate Net of Tax/ Estimated Interest Income (NET) | 4.0540% | 806,407.96 |



Republic of the Philippines
Province of Cagayan
Tuguegarao City
CITY LEGAL OFFICE
2nd Floor, Tuguegarao City Hall, Carig Sur,
Tuguegarao City Cagayan 3500
Email: citylegal.tug@gmail.com



LEGAL-COMMENT NO. 12, Series of 2025

FOR: HON. MAILA ROSARIO S. TING-QUE
City Mayor

FROM: ATTY. RODERICK S. IQUIN
City Legal Officer

DATE: March 20, 2025

Dear Hon. Maila Rosario S. Ting-Que:

Greetings!

This office has reviewed the letter from Mr. Adonis M. Catabay, Manager of the **Development Bank of the Philippines – Tuguegarao (DBP)**, regarding the offer for the City Government to invest in **Government Securities (GS), including Treasury Bills (T-Bills), Fixed Rate Treasury Notes (FXTNs), and Retail Treasury Bonds (RTBs)**. In this regard, we recognize the potential financial benefits of such investments but emphasize the need for careful legal and financial evaluation before any commitment is made.

The **Local Government Code of 1991 (RA 7160)**, particularly **Section 15** thereof, defines an LGU “created or recognized under this Code as a body politic and corporate endowed with powers to be exercised by it in conformity with law. As such, it shall exercise powers as a **political subdivision** of the national government and as a **corporate entity** representing the inhabitants of its territory.” Specifically, **Section 22** of RA 7160 vests on every LGU as a corporation the power to “exercise such other powers as are granted to corporations, subject to the limitations provided in this Code and other laws”.

In addition, the same section states that LGUs shall “enjoy **full autonomy** in the exercise of their **proprietary functions**, subject to the limitations provided in this Code and other applicable laws”. Finally, and consistent with the local autonomy granted by the Constitution, LGUs “shall have the power and authority to establish an organization that shall be responsible for the efficient and effective implementation of their development plans, program objectives, and priorities”. (**Section 18, RA 7160**)

While GS investments are generally considered safe as they are backed by the National Government, factors such as liquidity, risk exposure, and financial viability must be thoroughly assessed to ensure compliance with laws governing LGU fund management.

In this regard, this office recommends the conduct a **meeting** with Mr. Catabay to gain a deeper understanding of the advantages and potential risks associated with investing in GS. The presence of the **Honorable City Mayor**, along with key officials such as the **City Administrator, City Treasurer, City Accountant, City Budget Officer, and City Legal**



BAGONG PILIPINAS

Officer, is crucial to ensure that all relevant aspects—legal, financial, and administrative—are properly examined.


Furthermore, should the investment be deemed favorable and beneficial to the City Government, this office recommends that the proposal be endorsed to the Honorable Members of the City Council for the passage of a **Sangguniang Resolution** authorizing the investment. This step is necessary to uphold transparency, ensure due process, and provide the required legislative authority for the transaction.

Given the foregoing, the City Legal Office respectfully submits this legal comment for the Honorable City Mayor's consideration and guidance.

This Legal Comment aims to offer guidance by examining the pertinent legal aspects of the matter at hand. Its purpose is to aid the requesting office in decision-making by providing relevant insights. However, it should not be construed as a definitive or final ruling on the subject. Supplementary inquiry can facilitate well-informed choices that appropriately address the specific circumstances of the situation.

Thank you!

Very truly yours,

For: 
ATTY. RODERICK S. IQUIN
CITY LEGAL OFFICER 