



**Trading & Settlement Operating Guidelines
RIZAL COMMERCIAL BANKING CORPORATION
Long-Term Negotiable Certificates of Time Deposit (LTNCDs) due 2015**

1. Coverage

1.1. These Trading and Settlement Guidelines (Guidelines) shall apply to trades on the following Long-Term Negotiable Certificates of Time Deposit ("LTNCDs") of Rizal Commercial Banking Corporation ("RCB" or the "Issuer") upon their listing on PDEX:

1.1.1. RCB Coupon-Bearing LTNCDs due 2015 ("RCB Coupon-Bearing LTNCDs")

1.1.2. RCB Zero Coupon LTNCDs due 2015 ("RCB Zero Coupon LTNCDs")

1.2. A Trading Participant of the Philippine Dealing & Exchange Corp. (PDEX) that trades on the LTNCDs shall be bound by these Trading and Settlement Operating Guidelines for the LTNCDs (Guidelines), the Trading Conventions for Fixed Income Securities in the Public Market (PDEX Trading Conventions), and the PDEX Rules.

2. **Pricing Convention.** Quotations for the LTNCDs shall be expressed in terms of Clean Price (i.e., price without accrued interest, up to the 7th decimal point), exclusive of any applicable withholding tax. The Trading System shall calculate an implied **Yield to Maturity**.

3. **Day Count Standard.** The day count standard shall be **30E/360 ISMA**.

4. **Series Names in Trading System.** There shall be two (2) series names for each of the Bonds in the corporate securities board of the Trading System. The two (2) series names for each of the LTNCDs are being made available solely for settlement value computation purposes, and should not be construed as two (2) separate tranches or series nor as separate securities.

4.1. Tax-Withheld Series Names - the settlement value of a done trade on this series name shall be computed on a tax-withheld basis, based on a withholding tax rate of 20%.

4.1.1. RCB Coupon-Bearing LTNCDs - "RCB 11-15"

4.1.2. RCB Zero Coupon LTNCDs - "RCB Z11-15"

4.2. No Withholding Tax (NWT) Series Names - suffix "NWT" indicates that the settlement value of a done trade on this series name shall be computed on a no tax-withheld basis.

4.2.1. RCB Coupon-Bearing LTNCDs - "RCB 11-15-NWT"

4.2.2. RCB Zero Coupon LTNCDs - "RCB Z11-15-NWT"



43. The main series names “RCB 11-15” and “RCB Z11-15” provides a description of the following information regarding the securities:
 - 43.1. Issuer Symbol - RCB
 - 43.2. Maturity Month - 11 (i.e., November)
 - 43.3. Maturity Year - 15 (i.e., 2015)
 - 43.4. Coupon Type - Z (i.e., zero coupon)

5. **Trading Mechanics**
 - 5.1. **Tax-Withheld Series Name**
 - 5.1.1. Orders for the account of tax-withheld investors and Dealing Participants trading for their own proprietary position shall be dealt using the tax-withheld series name.
 - 5.1.2. Market Making Participants (Market Makers) shall post prices using the tax-withheld series name.
 - 5.2. **No Withholding Tax Series Name.** Orders for the account of investors not subject to withholding tax shall be dealt using the no-withholding tax series name.

6. **Responsibilities of Trading Participants with Respect to the LTNCDs**
 - 6.1. A Trading Participant shall determine the suitability of each buyer and ensure that it fully understands the terms and conditions of the LTNCDs, and the risks involved in investing in the LTNCDs.

7. **Trading Break during Record Period.**
 - 7.1. In accordance with PDEX Trading Conventions, there shall be a trading break during the Record Period for the LTNCDs.
 - 7.2. For clarity, the Record Period shall be the period from and including the Record Date to and including one business day prior to the relevant Payment Date. The Record Date for the LTNCDs is the **third (3rd) banking day preceding the relevant Payment Date.**

8. **Restrictions on Transfers.** In accordance with the Terms and Conditions of the LTNCDs, and subject to the applicable PDEX trading and settlement rules, conventions and guidelines:
 - 8.1. **Coupon-Bearing LTNCDs.** Transfers of the Coupon-Bearing LTNCDs that will not result in a change in the taxability or non-taxability of its interest income may be done at anytime. A transfer of the Coupon-Bearing LTNCDs that will result in a change in the taxability or non-taxability of its interest income due thereon may be done only on an Interest Payment Date.



- 8.2 Zero Coupon LTNCDs.** Transfers of the Zero Coupon LTNCDs that will not result in a change in the taxability or non-taxability of its interest income may be done at anytime. A transfer of the Zero Coupon LTNCDs that will result in a change in the taxability or non-taxability of its interest income due thereon cannot be effected.
- 9. Trading and Settlement Mechanics**
- 9.1.** The LTNCDs shall be traded and settled in accordance with PDEX rules, procedures and guidelines, including, for listed coupon bearing securities, rules, conventions and guidelines governing trading and settlement between holders of different tax status.
- 9.2 Settlement Policy for Corporate Securities Transactions.** All corporate security transactions executed on the PDEX Trading System shall be settled through the Expanded Delivery-versus-Payment (eDvP) System in accordance with the PDEX Rules.