



RIZAL COMMERCIAL BANKING CORPORATION
(A banking corporation organized and existing under Philippine law)

PRICING SUPPLEMENT DATED 28 January 2022

PHP14,756,260,000 3.00% Series E ASEAN Sustainability Bonds due 2024 (the “Series E Bonds”)

under its PHP100,000,000,000 Bond and Commercial Paper Programme (the “Programme”)

at an Offer Price of 100% of Face Value

to be listed and traded through the Philippine Dealing and Exchange Corporation

SOLE LEAD ARRANGER AND BOOKRUNNER



SELLING AGENTS



FINANCIAL ADVISOR



This document constitutes the Pricing Supplement relating to Series E Bonds being offered and described herein (the "Offer"). Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "General Terms and Conditions") set forth in the Trust Agreement and the Offering Circular dated 17 March 2020, as supplemented by Pricing Supplement dated 7 April 2020 with respect to the PHP7,054,300,000 4.848% Series A Bonds due 2022, Pricing Supplement date 27 July 2020 with respect to the PHP16,616,410,000 3.25% Series B Bonds due 2022, and Pricing Supplements dated 31 March 2021 with respect to the PHP13,742,840,000 3.20% Series C ASEAN Sustainability Bonds due 2023 and PHP4,129,730,000 4.18% Series D ASEAN Sustainability Bonds due 2026 (together, the "Offering Circular"). This Pricing Supplement contains the final terms of this Offer and the Series E Bonds and must be read in conjunction with the Offering Circular. Full information on the Bank and the Offer is contained in the Offering Circular and in this Pricing Supplement. All information contained in the Offering Circular are deemed incorporated by reference in this Pricing Supplement.

The Bank confirms that (i) this Pricing Supplement contains, and at the date of publication or issue contained, all material information with respect to the Bank, the Group, the Programme and the Contracts (including all information which is necessary to enable investors and their professional advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Bank, the Group and the rights attaching to the relevant Series or Tranche of Bonds), (ii) this Pricing Supplement does not contain an untrue statement of material fact or omit to state a material fact that is necessary in order to make the statements made in this Pricing Supplement, in the light of the circumstances under which they were made, not misleading and there is no other fact or matter omitted from this Pricing Supplement which was or is necessary to enable investors and their professional advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Bank or the Group and of the rights attaching to the relevant Series or Tranche of Bonds; (iii) the other financial data set forth in this Pricing Supplement relating to the Bank is accurately presented and prepared on a basis consistent with the consolidated financial statements and books and records of the Group; that the Bank and each member of the Group has no outstanding guarantees or contingent payment obligations with respect to indebtedness of third parties, except those issued in the ordinary course of business or as described in this Pricing Supplement; the Bank and each Group member is in compliance with all of its obligations under any outstanding guarantees or contingent payment obligations as described in this Pricing Supplement; (iv) all statistical and market related data included in this Pricing Supplement (if any) is based on or derived from sources that the Bank reasonably believes to be reliable and accurate in all material respects, has been accurately extracted from such source and the Bank has obtained the written consent to the use of such data from such sources to the extent required; (v) any statements of intention, opinion, belief, or expectation contained in this Pricing Supplement and the Marketing Materials are honestly and reasonably made or held; and (vi) all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements.

Neither the delivery of this Pricing Supplement nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Pricing Supplement is accurate as of any time subsequent to the date hereof. To the fullest extent permitted by law, none of the Sole Lead Arranger and Bookrunner and the Selling Agents (or any of their respective subsidiaries and holding company and the subsidiaries of that holding company, directors, officers, employees, representatives, agents and advisers, each, taken together is collectively referred to as "Sole Lead Arranger" and "Selling Agents", respectively), accept any responsibility for the contents of this Pricing Supplement or for any other statement, made or purported to be made by the Sole Lead Arranger or the Selling Agents or on their respective behalf in connection with the Bank, or the issue and offering of the Series E Bonds. Each of the Sole Lead Arranger and Bookrunner and the Selling Agent disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Pricing Supplement or any such statement.

No person is or has been authorized by the Bank to give any information or to make any representation other than those contained in this Pricing Supplement or any other information supplied in connection with the Series E Bonds and, if given or made by any other person, such information or representations must not be relied upon as having been authorized by the Bank, the Sole Lead Arranger, or the Selling Agents (and their respective subsidiaries and holding company and the subsidiaries of that holding company, directors, officers, employees, representatives, agents and advisers).

None of the Sole Lead Arranger and Bookrunner and the Selling Agents has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no

responsibility or liability is accepted by any of the Sole Lead Arranger or any of the Selling Agents as to the accuracy or completeness of the information contained or incorporated in this Pricing Supplement or any other information provided by the Bank in connection with the Series E Bonds.

The contents of this Pricing Supplement are not to be considered as legal, business, or tax advice. Neither this Pricing Supplement nor any other information supplied in connection with the Series E Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Bank, the Sole Lead Arranger, and/or the Selling Agents that any recipient of this Pricing Supplement or any other information supplied in connection with the Series E Bonds should purchase, hold, or sell any of the Series E Bonds. Each investor contemplating purchasing Series E Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of, the Bank. Neither this Pricing Supplement, nor any other information supplied in connection with the Series E Bonds, constitutes an offer or invitation by or on behalf of the Bank, any of the Sole Lead Arranger or any of the Selling Agents to any person to subscribe for or to purchase any Series E Bonds.

Neither the delivery of this Pricing Supplement nor the offering, sale, or delivery of any Series E Bonds shall in any circumstances imply that the information contained herein concerning the Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Series E Bonds is correct as of any time subsequent to the date indicated in the document containing the same. The Sole Lead Arranger and Bookrunner and the Selling Agents expressly do not undertake to review the financial condition or affairs of the Bank during the life of the Series E Bonds or to advise any investor on any information coming to their attention regarding the Series E Bonds. Neither the delivery of this Pricing Supplement nor any offering, sale, or delivery made in connection with the Series E Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Bank since the date hereof or thereof or the date upon which this Pricing Supplement has been most recently amended or supplemented or create any implication that the information contained herein or therein is correct as at any date subsequent to the date hereof or thereof or the date upon which this Pricing Supplement has been most recently amended or supplemented. Investors should review publicly available information on the Bank and its subsidiaries and holding company and the subsidiaries of that holding company, directors, officers, and employees, including the most recently published documents incorporated by reference into this Pricing Supplement when determining whether or not to purchase any Series E Bonds.

Issuer	RIZAL COMMERCIAL BANKING CORPORATION (“RCBC”, “Issuer”, the “Bank”)
Issue	Series E Senior Fixed Rate ASEAN Sustainability Bonds constituting the direct, unconditional, unsecured, and unsubordinated Peso-denominated obligations of the Bank
Specified Currency	Philippine Peso
The Issue Size	PHPP14,756,260,000.
Use of Proceeds:	To support asset growth, refinance maturing liabilities and other general funding purposes and in accordance with the Bank’s Sustainable Finance Framework. Sustainalytics, a leading independent ESG (environmental, social and governance) research and ratings provider, has provided a Second Party

	Opinion on RCBC's Sustainable Finance Framework and has concluded that the eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles 2018, the Social Bond Principles 2018, the Sustainability Bond Guidelines 2018 and ASEAN Sustainability Bond Standards. A copy of RCBC's Sustainable Finance Framework and Sustainalytics' Second Party Opinion (SPO) can be found at https://rcbc.com/sustainability .
Manner of Distribution	Public Offer
Issue Price	At par (or 100% of face value)
Form and Denomination of the Bonds	The Series E Bonds shall be issued in scripless form in minimum denominations of PHP10,000 each and in a minimum investment size of PHP100,000.00, and in increments of PHP10,000 thereafter, and traded in denominations of PHP10,000 in the secondary market
Issue Date	21 February 2022
Interest Rate Structure	Fixed rate for the entire tenor of the Series E Bonds
Interest Commencement Date	Issue Date
Interest Payment Date (s)	21 February, 21 May, 21 August, and 21 November of each year, beginning on 21 May 2022
Interest Rate	3.00% fixed per annum
Day Count Fraction	30/360-day count basis
Maturity Date	2.25 years from Issue Date, which is on 21 May 2024
Issuer Rating	Baa3 (Moody's)
Bond Rating	Unrated

<p>Ranking</p>	<p>The Series E Bonds constitute direct, unconditional, unsecured, and unsubordinated Peso-denominated obligations of the Bank, enforceable according to the Trust Agreement and the General Terms and Conditions, and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves and at least <i>pari passu</i> with all other direct, unconditional, unsecured, and unsubordinated Peso-denominated obligations of the Bank, except for any obligation enjoying a statutory preference or priority established under Philippine laws other than the preference under Article 2244, paragraph 14(a), of the Civil Code of the Philippines.</p>
<p>Taxation</p>	<p>Interest income on the Series E Bonds is subject to a final withholding tax at rates ranging from 20% to 25% depending on the tax status of the relevant Bondholder under relevant law, regulation, or tax treaty. Subject to Condition 8 of the Terms and Conditions, if any payments of principal and/or interest in respect of the Series E Bonds shall be subject to deductions and/or withholdings for or on account of any present or future taxes, duties, assessments, or governmental charges of whatever nature imposed, levied, collected, withheld, or assessed by or within the Philippines or any authority therein or thereof having the power to tax, including but not limited to income, stamp, issue, registration, documentary, value-added or similar tax, or other taxes, duties, assessments, or government charges, including interest, surcharges, and penalties thereon (the “Taxes”), then such Taxes shall be for the account of the Bondholder concerned; and if the Bank shall be required by law or regulation, or any change in interpretation or implementation of such law or regulation prevailing, to deduct or withhold such Taxes, then the Bank shall make the necessary withholding or deduction for the account of the Bondholder concerned; provided, however, that all sums payable by the Bank to tax-exempt persons shall be paid in full without deductions for Taxes or government charges, subject to the submission by the relevant Bondholder claiming the exemption of reasonable and acceptable evidence of such exemption to the Issuer as provided in the Terms and Conditions.</p> <p>CHANGE IN TAX RATES OR NEW TAX RATES</p> <p>In the event there is a change in the tax treatment of the Series E Bonds or on the tax rates applicable to a Bondholder of Series E Bonds because of new, or changes or repeal in, tax laws, or interpretations thereof, as a result of which, there is an increase in the applicable withholding tax rate, or any payments of principal and/or interest under the Series E Bonds shall be subject to deductions or withholdings for or on account of any taxes, duties, assessments, or governmental charges of whatever nature imposed, levied, collected, withheld, or assessed within the Philippines by any authority therein or thereof having power to tax, including but not limited to stamp, issue, registration, documentary, value-added or similar tax, or other taxes, duties, assessments, or government charges, including interest, surcharges, and penalties thereon (the “New Taxes”),</p>

	then such New Taxes imposed shall be for the sole account of the Bondholders. Consequently, the Paying Agent, on behalf of the Issuer, as applicable, shall make the necessary withholding or deduction for the account of the Bondholders concerned. All sums payable by the Bank to tax-exempt persons (upon qualification as such and presentation of acceptable proof of tax exemption) shall be paid without deductions for taxes, duties, assessments, or government charges.
Payment Account Name	“PDTC as Paying Agent of RCBC FAO Series E Bondholders due 2024”
Listing	The Series E Bonds are intended to be listed at the Philippine Dealing & Exchange Corp..
Governing Law	Philippine Law.
PARTIES/DISTRIBUTION	
Trustee	DEVELOPMENT BANK OF THE PHILIPPINES – Trust Banking Group
Registrar & Paying Agent	PHILIPPINE DEPOSITORY & TRUST CORP.
Sole Lead Arranger and Bookrunner	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (“HSBC”)
Selling Agents	RCBC and HSBC
Financial Advisor	RCBC CAPITAL CORPORATION
Market Maker	BANK OF THE PHILIPPINE ISLANDS

ADDITIONAL INFORMATION

Amendment or Supplement to the Offering Circular

I. ADDITIONAL RISK FACTOR RELATED TO NOTES BEING ISSUED AS SUSTAINABILITY BONDS

The Bonds being issued as Sustainability Bonds may not be a suitable investment for all investors seeking exposure to sustainable assets

Sustainalytics has been engaged by the Bank to examine the assertions in the Bank's Sustainable Finance Framework and has expressed a second party opinion on such description (the "**Opinion**"). The criteria for Sustainalytics' procedures are the Green Bond Principles 2018, the Social Bond Principles 2018, the Sustainability Bond Guidelines 2018, and ASEAN Sustainability Bond Standards (collectively, the "**Principles**") published by the International Capital Market Association ("**ICMA**").

The Opinion is not incorporated into, and does not form part of, this Pricing Supplement. The Opinion and the Bank's Sustainable Finance Framework are not recommendations to buy, sell, or hold securities and are only current as of their respective dates of issue and are subject to certain disclaimers set out therein. Furthermore, each of the Opinion and the Bank's Sustainable Finance Framework is for information purposes only and none of Sustainalytics or the Sole Lead Arranger and Bookrunner and each of the Selling Agents accepts any form of liability for the substance of the Opinion and the Bank's Sustainable Finance Framework and/or any liability for loss arising from the use of the Opinion and the Bank's Sustainable Finance Framework and/or the information provided in it.

Whilst the Issuer has agreed to certain obligations relating to reporting and use of proceeds as described under this Pricing Supplement and the Bank's Sustainable Finance Framework, it would not be an event of default under the terms and conditions of the Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds of the issue of the Sustainability Bonds in the manner specified in this Pricing Supplement, and/or (ii) the Opinion issued in connection with such Sustainability Bonds were to be withdrawn. Any failure to use the net proceeds of the issue of the Sustainability Bonds in connection with eligible projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain sustainability or environmentally focused investors with respect to such Sustainability Bonds, may affect the value and/or trading price of the Sustainability Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green assets or equivalently-labelled assets.

None of the Issuer, the Sole Lead Arranger and Bookrunner, or the Selling Agents makes any representation as to the suitability for any purpose of the Opinion or whether the Sustainability Bonds fulfil the relevant sustainability, environmental and/or other criteria. In addition, none of the Sole Lead Arranger and Bookrunner or the Selling Agents makes any assurances as to whether the net proceeds from the issue of the Bonds will be used for eligible projects. Each potential purchaser of the Bonds should (i) have regard to the relevant projects and eligibility criteria described in the Bank's Sustainable Finance Framework and (ii) determine for itself the relevance of the information contained in this Pricing Supplement regarding the use of proceeds, and its purchase of any Sustainability Bonds should be based upon such investigation as it deems necessary. A copy of RCBC's Sustainable Finance Framework and Sustainalytics' Second Party Opinion (SPO) can be found at <https://rcbc.com/sustainability>.

II. TAXATION

The following amends the section on “Taxation” in the Offering Circular.

The following discussion is a general description of certain Philippine tax aspects relating to the Bonds. It is based on the laws, regulations, and rulings in force as at the date of this Offering Circular and is subject to any changes in law or interpretations thereof occurring after such date, which changes could be made on a retroactive basis. It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own, or dispose of the Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective Bondholders are advised to consult their own tax advisers concerning the overall tax consequences of their investment in the Bonds.

The tax treatment of a holder of the Bonds may vary depending upon such holders’ particular situation, and certain holders may be subject to special rules not discussed below. Foreign tax consequences of the ownership and disposition of the Bonds are not discussed below. This summary does not purport to address all tax aspects that may be important to a holder of the Bonds.

INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF OWNERSHIP AND DISPOSITION OF THE PARTICULAR BONDS THEY WILL BE HOLDING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term “resident alien” refers to an individual whose residence is within the Philippines but who is not a citizen of the Philippines; a “non-resident alien” is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a “non-resident alien doing business in the Philippines”; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a “non-resident alien not doing business in the Philippines.” A “resident foreign corporation” is a foreign corporation engaged in trade or business within the Philippines; and a “non-resident foreign corporation” is a foreign corporation not engaged in trade or business within the Philippines. The term “foreign” when applied to a corporation means a corporation which is not domestic while the term “domestic” when applied to a corporation means a corporation created or organized in the Philippines or under its laws.

TAXATION OF INTEREST

The Philippine National Internal Revenue Code, as amended by Republic Act No. 10963 and Republic Act No. 11534 (the “Tax Code, as amended”) provides that interest income on interest-bearing obligations of Philippine residents, such as the Bonds, are Philippine-sourced income subject to Philippine income tax.

The Tax Code defines “deposit substitutes” as an alternative form of obtaining funds from the public, other deposits, through the issuance endorsement, or acceptance of debt instruments for the borrower’s own account, for the purpose of relending or purchasing of receivables and other obligations or financing their own needs or the needs of their agent or dealer. Obtaining funds from the “public” in this instance means borrowing from twenty (20) or more individual or corporate lenders at any one time.

Interest Income on Short-Term Bonds such as the Series E Bonds

The Series E Bonds may be considered as deposit substitutes issued by Philippine residents with a maturity period of less than five (5) years. As such, interest income arising from the Series E Bonds are considered as Philippine sourced income subject to final withholding tax at the following rates:

- Philippine citizens and resident alien individuals – 20%
- Non-Resident aliens doing business in the Philippines – 20%
- Non-resident aliens not doing business in the Philippines – 25%
- Domestic corporations –20%
- Resident foreign corporations – 20%
- Non-resident foreign corporation – 25%

The foregoing rates may be reduced under an applicable tax treaty.

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TAX EXEMPT STATUS

Bondholders who are exempt from, are not subject to final withholding tax, or are subject to a lower rate of final withholding tax on interest income may avail of such exemption or preferential withholding tax rate by submitting the necessary documents. The Bondholder concerned shall submit the following requirements, in form and substance prescribed by the Issuer, to the Registrar or Selling Agents (together with their completed Applications to Purchase) who shall then forward the same to the Registrar:

- (i) (a) For (1) tax-exempt corporations under Section 30 of the Tax Code (except non-stock, non-profit educational institutions under Section 30(H) of the Tax Code); (2) cooperatives duly registered with the Cooperative Development Authority; and (3) BIR-approved pension fund and retirement plan – certified true copy of valid, current and subsisting tax exemption certificate, ruling or opinion issued by the BIR. For this purpose, a tax exemption certificate or ruling shall be deemed “valid, current and subsisting” if it has not been more than 3 years since the date of issuance thereof;
- (b) For Tax-Exempt Personal Equity Retirement Account established pursuant to PERA Act of 2008 – certified true copy of the Bondholder’s current, valid and subsisting Certificate of Accreditation as PERA Administrator;
- (c) For all other tax-exempt entities (including, but not limited to, (1) non-stock, non-profit educational institutions; (2) government-owned or -controlled corporations; and (3) foreign governments, financing institutions owned, controlled or enjoying refinancing from foreign governments, and international or regional financial institutions established by foreign governments) – certified true copy of tax exemption certificate, ruling or opinion issued by the BIR expressly stating that their income is exempt from income tax and, consequently, withholding tax;
- (d) With respect to tax treaty relief, pursuant to RMO 14-2021 – prior to the payment of interest due: (a) three (3) originals of the appropriate form (currently, BIR Form 0901-I (Interest Income))

or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries, (b) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries in the form acceptable for recognition under Philippine laws, (c) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, (d) three (3) originals of the duly notarized, consularized, or apostilled (as the case may be) Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of its authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative); (e) confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and (f) an original or certified true copy of the Certificate of Entitlement (COE) issued by the BIR International Tax Affairs Division (ITAD) certifying the Bondholder's entitlement to tax treaty relief in connection with the Fourth Tranche Bonds. It shall be the Bondholder's sole responsibility and obligation to file the tax treaty relief application (TTRA) or request for confirmation (RFC) as the case may be with the BIR ITAD to prove its entitlement to tax treaty relief, and in relation thereto, the Issuer shall, upon request of the Bondholder, provide the relevant documents which are required to be submitted for purposes of filing a TTRA or RFC, as the case may be. For avoidance of doubt, in order for the preferential rate to apply, the Bondholder must submit the COE issued by the BIR and the Tax Residency Certificate (TRC), together with the Application to Purchase, to the Selling Agents. In order for the Issuer to apply the preferential rate for the succeeding taxable years, the Bondholder must submit an updated TRC before the last day of the first month of the taxable year or at least ten (10) business days before the first interest payment for the taxable year, whichever is earlier. The Issuer shall withhold regular tax rates in its interest payments for the ensuing taxable year if the Bondholder fails to provide the updated TRC within the prescribed deadline; and

- (e) Any other document that the Issuer or PDTC may require from time to time;
- (ii) a duly notarized declaration and undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Bonds for its account, or (ii.b) the Trust Officer, if the Applicant is a bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting that the same Bondholder named in the tax exemption certificate described in (i) above, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities, or any tax or charge arising from the non-withholding of the required tax; and
- (iii) if applicable, such other documentary requirements as may be reasonably required by the Issuer or the Registrar or Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

Transfers taking place in the Register of Bondholders after the Bonds are listed in PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions, and guidelines of PDEX and PDTTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Registrar, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar: (i) a written notification of the sale or purchase, including the tax status of the transferor or transferee, as appropriate; and (ii) an indemnity agreement wherein the new Bondholder undertakes to indemnify the Issuer for any tax that may later on be assessed on the Issuer on account of such transfer.

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TAXATION ON SALE OR OTHER DISPOSITION OF BONDS

If the Bonds are considered ordinary assets of individual Bondholders, gains from the sale or disposition of such Bonds are included in the computation of taxable income, which is subject to the following graduated tax rates for Philippine citizens (whether residents or non-residents), or resident foreign individuals or non-resident aliens engaged in trade or business in the Philippines effective 1 January 2018 until 31 December 2022:

Not over P250,000	0%
Over P250,000 but not over P400,000	20% of the excess over P250,000
Over P400,000 but not over P800,000	P30,000 + 25% of the excess over P400,000
Over P800,000 but not over P2,000,000	P130,000 + 30% of the excess over P800,000
Over P2,000,000 but not over P8,000,000	P490,000 + 32% of the excess over P2,000,000
Over P8,000,000	P2,410,000 + 35% of the excess over P8,000,000

and effective 1 January 2023 and onwards:

Not over P250,000	0%
Over P250,000 but not over P400,000	15% of the excess over P250,000
Over P400,000 but not over P800,000	P22,500 + 20% of the excess over P400,000
Over P800,000 but not over P2,000,000	P102,500 + 25% of the excess over P800,000
Over P2,000,000 but not over P8,000,000	P402,500 + 30% of the excess over P2,000,000
Over P8,000,000	P2,202,500 + 35% of the excess over P8,000,000

For non-resident aliens not engaged in trade or business, the gain shall be subject to the 25% final withholding tax.

If the Bonds are considered as capital assets of individual Bondholders, gains from the sale or disposition of the Bonds shall be subject to the same rates of income tax as if the Bonds were held as ordinary assets, except that if the gain is realized by an individual who held the Bonds for a period of more than twelve months prior to the sale, only 50% of the gain will be recognized and included in the computation of taxable income. If the Bonds were held by an individual for a period of 12 months or less, 100% of the gain will be included in the computation of the taxable income.

Gains derived by domestic or resident foreign corporations on the sale or other disposition of the Bonds are included in the computation of taxable income which is subject to a 20 to 25% income tax. Gains derived by non-resident foreign corporations on the sale or other disposition of the Bonds shall form part of their gross income which is subject to a 25% final withholding tax unless a preferential rate is allowed under a

tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized by non-residents on the sale of the Bonds may be exempt from Philippine income tax under an applicable tax treaty subject to such other documentary requirements as may be reasonably required under the rules and regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

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III. RECENT DEVELOPMENTS AND FINANCIAL PERFORMANCE

RECENT DEVELOPMENTS

The Bank has continued to operate and provide banking services to its customers since the imposition of Enhanced Community Quarantine (ECQ) commencing in mid-March 2020 because of widespread COVID-19 infections in the Philippines. To safeguard employee health and well-being, the Bank activated its business continuity plan (BCP) and implemented precautionary workplace measures such as work from home arrangements and skeletal work force. The Bank's BCP has back-up sites for critical functions such as client servicing, trading and treasury operations and information technology. Key personnel have also been identified to facilitate both critical and non-critical units and senior management have been spread across different sites to ensure banking operations continue even in the event of a severe business interruption such as when one site becomes contaminated. Meanwhile, information campaigns on health preparedness and preventive measures such as travel restrictions, controlled entry designated points equipped with thermal scanners and personal disinfectants and protocols on visitors, meetings and events, are being applied by the Bank to fight the spread of the virus.

The Bank has been able to keep approximately 50 to 60% of its branches open during the early part of the community quarantine in mid-March 2020, and around 40 to 50% in April and May, with a skeletal workforce and corresponding adjustments in banking hours and cut-off times similar to adjustments instituted by the BSP and Bankers Association of the Philippines. By December 2021, the Bank has kept about 98% of its branches open. Among the steps taken to address its customers' needs during the COVID-19 outbreak, the Bank has (i) ensured cash availability at its ATMs and branches and (ii) extended loan payments for corporate and consumer loans for 60 days and waived fees on electronic and similar forms of payments for its clients.

Supporting the customers impacted by Covid 19

On 23 March 2020, Bayanihan to Heal as One (BAHO) Act was signed into law declaring a national health emergency throughout the Philippines as a result of the COVID-19 crisis. The implementation of Section 4(aa) of said law has directed banks and other private and government financial institutions to implement a minimum thirty (30)-day grace period on all loans with principal and interests falling due within the period of the ECQ, which started on 17 March 2020 up to 30 April 2020, which was extended until 31 May 2020, without incurring interest, penalties, fees or other charges. On 11 September 2020, Bayanihan to Recover as One (BARO) Act was signed into law which directed banks and other private and government financial institutions particularly under Section 4 (uu) the grant of one-time sixty (60)-day grace period for payments and/or maturity periods of all existing, current and outstanding loans as of 15 September 2020, falling due, or any part thereof, on or before 31 December 2020, without incurring interest on interests, penalties, fees or other charges, thereby extending the maturity of the said loans, subject to compliance with regulatory requirements.

The Bank launched its COVID-19 Assistance and Recovery Enhancement (CARE) Program to provide financial assistance to customers impacted by COVID-19. The Bank's CARE Program is primarily designed to provide financial assistance to customers by way of extended repayment plans. The assistance would help get the customer back into the habit of paying based on amounts they can afford. Albeit using tighter credit underwriting parameters, the Bank continued its lending activities including on-boarding of new customer for both wholesale and consumer lending. Despite these challenges, the Bank's cash flow remained stable given the growth in deposits and with some clients still opting to continue their amortization payments despite the loan payment moratorium provided for under the BAHQ Act and BARO Act.

RCBC's digital initiatives for the "new normal" continue to yield positive results

To address its customers' needs during the COVID-19 outbreak, the Bank has encouraged its customers to use its online and mobile banking services to pay bills, send money, as well as use ATMs and cash acceptance machines as an alternative to branch banking.

Quarantine restriction accelerated the acceptance and use of the new mobile app with the expanded array of features: the ability to open Time Deposit accounts, make payments through QR Codes, transfer funds via Instapay and Pesonet, send cash through remittance centers, and deposit checks without visiting the branch, get cash without ATM card, and convert card purchases to installments.

In July 2020, as part of its commitment to further promote financial education and digital literacy, the Bank launched Diskartech, its digital bank and financial inclusion app. This pioneering initiative is the Philippines' first Taglish inclusion mobile app. Through this app, those historically unbanked and underserved Filipinos can create their basic deposit accounts in less than three (3) minutes, anytime, anywhere. These deposit accounts do not require any amount to open, no maintaining balance, no limits on withdrawals, no holding periods, and no dormancy fees. One year after its launch, Diskartech has over 4.2 million downloads with 80% of the users coming from the province. Diskartech will also serve as a platform for government lenders such as GSIS and SSS to cater formal and informal workers.

ATM Go, the Bank's mobile POS system, provides customers ATM services and other features such as credit card acceptance and QR code payments, in their very own communities. While the ATM Go is used as a method for distributing government cash subsidies in 2020, it also allows the Bank to service customer needs in far-flung areas, where a full branch cannot be present. As of June 2021, RCBC's digital platform disbursed a total of PHP16.10 billion to more than 4.5 million household beneficiaries, benefitting over 22.8 million individuals in 73 out of 81 provinces nationwide.

In December 2021, RCBC expanded the features of its online banking platform to allow clients to manage their investment management account online. This makes RCBC the first bank in the Philippines to offer a complete end-to-end digital UITF experience from enrolment to redemption within its main online platform.

RCBC won four awards as Best Digital Bank in the Philippines in 2021, including that of Asia Money which RCBC has won for two consecutive years.

RCBC's Successful Fixed-Rate ASEAN Sustainability Bond Offering

On 19 March 2021, RCBC closed its 2.5-year and 5.25-year Fixed-Rate ASEAN Sustainability Bond offering allowing the Bank to raise a total of PHP17.87 billion. The public offering was met with strong demand by investors, with orderbooks that was more than 5.9x oversubscribed surpassing the original target size of PHP3 billion.

The proceeds from the offering are intended to be used to support the Bank's asset growth, re-finance maturing liabilities, other general funding purposes as well as eligible loans defined in the Bank's Sustainable Finance Framework.

Sale of Common Shares to Sumitomo Mitsui Banking Corporation

On 28 June 2021, RCBC Board of Directors approved the sale of 101,850,000 common shares held by the Bank in treasury to Sumitomo Mitsui Banking Corporation (SMBC) at PHP44 per share representing 4.99% stake of the Bank. The sale generated PHP4.48 billion of new Core Equity Tier 1 capital for the Bank, improving RCBC Parent Bank's CET1 Ratio from 11.01% to 11.75% as of 30 June 2021. This is part of RCBC's capital raising plan to support long-term asset growth and digital investments.

The proceeds from the investment will be used to finance the various requirements of the Bank's key customers in the Corporate, SME and Consumer segments and expand the reach of its Sustainable Finance Framework.

SMBC is one of the largest banks in Japan and is a globally-renowned provider of financial services. The investment in RCBC is in line with SMFG's strategy to expand its business in the Asian region in general and the Philippines in particular.

SMBC is represented by one member to the Advisory Board of the Bank.

Moody's Downgrade RCBC's Credit Rating

In 3 December 2021, Moody's Investor Service lowered the deposit and senior unsecured ratings of RCBC from "Baa2" to "Baa3" driven by the Bank's weak asset quality and deterioration in capital. The credit rating agency's rating outlook for RCBC, as applicable, was revised to stable from negative as the higher core profitability will mitigate risks to asset quality.

Moody's said that while RCBC's gross non-performing loans (NPL) ratio remained stable at 5.20% from 5.00% as at end of 2020, the weaker asset quality was evident in the bank's non-performing loans (NPL) coverage ratio which declined to 64% as at end of September 2020 from 67% as at the end of 2020. This was lower compared to RCBC's domestic peers. The Bank's loan growth (excluding interbank loans) at 14% is also significantly higher versus 3% industry average, which poses downside risks to asset quality.

SMBC's acquisition of a 4.99% stake in RCBC led to an increase of around 75bps in its capital. Despite this, the bank reported lower CET1 ratio of 12.05% as of the end of September 2021, compared with 12.64% as of year-end 2020 and 12.89% as of year-end 2019. While this capital level remains healthy, it was lower than that of most of the other Philippine banks Moody's rate. This depletion in capital was due to strong loan growth since end of 2019 which Moody's expect to continue in the next 12 to 18 months.

On the other hand, Moody's believes that improvement in RCBC's core profitability over the past two years as measured by Return on Average Assets is credit positive. RCBC's funding and liquidity are also expected to remain stable.

Material Updates on Legal Proceedings

On 27 May 2020, Bangladesh Bank initiated another complaint against the Bank and the same defendants before the Supreme Court of the State of New York, County of New York. The complaint is for conversion/ theft/ misappropriation, aiding and abetting the same; conspiracy to commit the same; fraud (against RCBC); aiding and abetting and conspiracy to commit fraud; conspiracy to commit trespass against

chattels; unjust enrichment; and return of money received. Bangladesh Bank was given until 7 April 2021 to serve summons and the new Complaint on the Bank and the defendants in accordance with the Hague Convention. On 11 January 2021, the Bank received a Notice from the Regional Trial Court of Makati City together with the copies of the Summons and Complaint filed by Bangladesh Bank before the New York State Court. The Bank has since filed a Motion to Dismiss, submitting its Memorandum of Law on 8 February 2021.

Bangladesh Bank filed its Opposition to the Bank's Motion to Dismiss on 5 March 2021, and the Bank has since filed its Reply on 29 March 2021. The Bank has since received Bangladesh Bank's Memorandum in support of its Opposition to the Bank's Motion to Dismiss dated 5 March 2021.

After being given until 7 July 2021 within which to serve summons via email, Facebook, or LinkedIn on the unserved defendant officers of the Bank, Bangladesh Bank filed on the same date, its Memorandum of Law in support of its *ex parte* motion for additional time for process service/service by alternative means (a) claiming that it needs additional time to submit its proof of service coming from the Philippine Central Authority, citing the ongoing lockdowns in the country; and (b) praying anew that it be allowed to serve the Summons/Complaint upon the unserved defendant officers of the Bank vis-à-vis the other defendants through their counsels of record in the related Philippine/US proceedings, or local publication and/or via email, Twitter, Facebook, LinkedIn and/or any similar social media communication platform. On 9 September 2021, the New York State Court granted the motion and gave Bangladesh Bank until 7 October 2021 to accomplish the same. No summons has been received since that date.

Meanwhile, on 26 July 2021, the Summons/Complaint intended for the unserved defendant bank officers were served on the Bank itself, following Bangladesh Bank's service attempt on the former National Sales Director ("NSD") via his LinkedIn account. On 13 August 2021, the former NSD filed his Memorandum of Law in support of his Motion to Dismiss, followed on 1 September 2021 by the filing of the Memorandum of Law of the other unserved defendant Bank officers in support of their own Motion to Dismiss, which similarly pointed out that (a) Bangladesh Bank failed to properly plead a conspiracy claim against them vis-à-vis the North Korean hackers; (b) the allegations against them (save in the case of the former Customer Service Head ("CSH")) essentially suggest oversight; (c) nonetheless, the Complaint failed to allege any awareness of the link of the funds/their alleged actions/inactions to New York, or any benefit to them; (d) the special fact doctrine does not apply, as the Complaint also failed to state they were involved in the supposedly misleading message about the funds; and (e) the availability of an alternative forum.

On 17 and 30 September 2021, respectively, Bangladesh Bank filed its Memorandum of Law in support of its Opposition to the former NSD's Motion to Dismiss and a separate Memorandum of Law in Opposition to the Motion to Dismiss filed by the other defendant officers of the Bank, wherein Bangladesh Bank alleged matters that were not found in the Complaint and made several claims which are factually untrue/belied by the records, such as (a) the former NSD's supposed role in Philrem's forex transactions; (b) the supposed decommissioning of the Bank's SWIFT printer to prevent the Bank's receipt of Bangladesh Bank's messages; and (c) the former CSH's supposed role in the transfer of funds in February 2016, which he has been cleared of by the Makati Trial Court.

The New York State Court scheduled the hearing on the Bank's Motion to Dismiss on 14 October 2021. That hearing on the issue of lack of jurisdiction over the Bank and RCBC individual defendants due to among others the lack of any link between New York and the Bank or the individual RCBC defendants and improper service of summons, proceeded on 14 October 2021. The Presiding Judge did not make any preliminary ruling and intimated that, given the complicated issues relating to jurisdiction, a quick Decision will not be forthcoming.

RESULTS AS OF SEPTEMBER 30, 2021

RCBC released the unaudited interim consolidated financial statements of the Bank and its subsidiaries for the period ended 30 September 2021 which shall be incorporated by reference to the Offering Circular and can be accessed and downloaded from the PSE Edge (<https://edge.pse.com.ph/>) and the Bank's website (<https://www.rcbc.com/uploads/media/RCBC-SEC-17Q-3Q-2021.pdf>).

The unaudited interim consolidated financial statements of the Bank and its subsidiaries for the nine months ended 30 September 2021 are not audited nor reviewed by the Bank's auditors.

RCBC posted an unaudited consolidated net income of PHP5.34 billion for the first nine months of 2021, 33% higher from the same period last year, driven by higher net interest income and lower provisions.

Higher volume of loan and treasury assets, coupled with lower funding costs, propelled net interest income to reach PHP21.16 billion, higher by 7.56% year on year. As the general business environment improves and the economic activities started to pick up, the Bank booked 45.56% or PHP3.29 billion lower Impairment losses on loans receivables year-on-year from PHP7.22 billion to PHP3.93 billion.

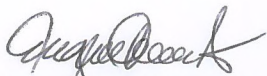
RCBC's total assets increased by 13.06% from December 31, 2020 to PHP872.97 billion, with Loans and Receivables and Investment Securities comprising 60.24% and 22.25% of the total, respectively. This growth was supported by the 17.00% jump in total deposits, and the 8.10% expansion in capital funds with solid capital ratios--CAR of 15.15% and CET1 ratio of 12.05%. In July of this year, Sumitomo Mitsui Banking Corporation infused capital and acquired a 4.99% stake in RCBC. Annualized Return on Equity stood at 6.80% and annualized Return on Assets at 0.90%.

The Bank confirms the information contained in this Pricing Supplement and accepts responsibility therefor.

IN WITNESS WHEREOF, the Issuer has caused this Pricing Supplement to be issued this 21 February 2022 in Makati City, Philippines.

RIZAL COMMERCIAL BANKING CORPORATION

By:



EUGENE S. ACEVEDO
President and Chief Executive Officer



HORACIO E. CEBRERO III
Senior Executive Vice President