

**Trading & Settlement Operating Guidelines
Rizal Commercial Banking Corporation
Long Term Negotiable Certificates of Time Deposit due 2017**

1. **Coverage**
 - 1.1. These Trading and Settlement Operating Guidelines shall apply to trades on the following securities (“RCB Long Term Negotiable Certificates of Time Deposit Due 2017” or the “LTNCDs”) of Rizal Commercial Banking Corporation (RCB or the “Issuer”) upon their listing on the Philippine Dealing & Exchange Corp. (PDEX):
 - 1.1.1. RCB 5.25% Fixed Rate Long Term Negotiable Certificates of Time Deposit Due June 2017 (“RCB Fixed Rate LTNCDs Due 2017”);
 - 1.1.2. RCB 5.50% Zero Coupon Long Term Negotiable Certificates of Time Deposit Due June 2017 (“RCB Zero Coupon LTNCDs Due 2017”); and
 - 1.1.3. RCB 5.25% Series 2 Fixed Rate Long Term Negotiable Certificates of Time Deposit Due November 2017 (“RCB Series 2 Fixed Rate LTNCDs Due 2017”).
 - 1.2. A PDEX Trading Participant 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 for the Fixed Income Securities Market, as Amended (PDEX Rules).
2. **Pricing Convention.** Quotations for the LTNCDs shall be expressed in terms of Clean Price (i.e., price without accrued interest), 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 series of the LTNCDs in the corporate securities board of the Trading System. The two (2) series names for each series 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 Fixed Rate LTNCDs Due 2017- “**RCB 06-17**”
 - 4.1.2. RCB Zero Coupon LTNCDs Due 2017 - “**RCB Z06-17**”
 - 4.1.3. RCB Series 2 Fixed Rate LTNCDs Due 2017 - “**RCB 11-17**”
 - 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.

- 421. RCB Fixed Rate LTNCDs due 2017 - “RCB 06-17-NWT”
- 422. RCB Zero Coupon LTNCDs due 2017 - “RCB Z06-17-NWT”
- 423. RCB Series 2 Fixed rate LTNCDs Due 2017 - “RCB 11-17-NWT”

43. The main series name provides a description of the following information regarding the Bonds:

- 431. Issuer Symbol - RCB
- 432. Maturity Month - 06 (i.e., June), 11 (i.e., November)
- 433. Maturity Year - 17 (i.e., 2017)
- 434. 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 eligibility and suitability of each buyer, and ensure that the buyer fully understands the terms and conditions of, and the risks involved in investing in the LTNCDs.

7. Record Date for the LTNCDs

7.1. The Record Date for the LTNCDs is the third (3rd) business day prior to the relevant Interest Payment Date.

8. Settlement Policy for Corporate Security 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.

9. Restrictions on Transfers across Tax Status

A transfer of a LTNCD that will not result in a change in the taxability or non-taxability of its interest income may be done at anytime. On the other hand, a transfer of a LTNCD that will result in a change in the taxability or non-taxability of the interest income due thereon may be done only on an Interest Payment Date.

Transfers taking place in the Registry shall be allowed between tax-exempt and non-tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.