

PDEX Trading & Settlement Operating Guidelines
Rizal Commercial Banking Corporation (RCB) Lower Tier 2
Unsecured Subordinated Notes due 2018 and 2019

1. **Coverage**
 - 1.1. These Trading and Settlement Guidelines (Guidelines) shall apply to trades on the following securities (“Notes”) of **Rizal Commercial Banking Corporation (RCB** or the “Issuer”) upon their listing in PDEX:
 - 1.1.1. RCB Lower Tier 2 Unsecured Subordinated Notes due 2018 Callable with Step-Up in 2013 (“RCB Notes due 2018”).
 - 1.1.2. RCB Lower Tier 2 Unsecured Subordinated Notes due 2019 Callable with Step-Up in 2014 (“RCB Notes due 2019”).
 - 1.2. A PDEX Trading Participant that trades on the Notes shall be deemed to be bound by these Trading and Settlement Operating Guidelines for the Notes (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 Notes 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 display the implied Yield to the 20th Interest Payment Date.
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 two (2) Notes in the corporate securities board of the Trading System. The two (2) series names 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 Name - 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 Notes due 2018 - “**RCB 18 R13**”
 - 4.1.2. RCB Notes due 2019 - “**RCB 19 R14**”
 - 4.2. No Withholding Tax (NWT) Series Name - 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 Notes due 2018 - “**RCB 18 R13-NWT**”
 - 4.2.2. RCB Notes due 2019 - “**RCB 19 R14-NWT**”
 - 4.3. The main series names “**RCB 18 R13**” and “**RCB 19 R14**” provide a description of the following information regarding the security:

- 431. Issuer Symbol - **RCB**
- 432. Maturity Year -**18** (i.e., 2018) and **19** (i.e., 2019) respectively
- 433. Call Option Year -**R13** (i.e., 2013) and **R14** (i.e., 2014) respectively

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 Notes

- 6.1. A Trading Participant shall verify the identity and other relevant details of each investor and ascertain that the proposed holder or buyer of a Note is not a Prohibited Noteholder.
 - 6.1.1. **Prohibited Noteholder.** The following persons and entities shall be prohibited from purchasing and/or holding any Notes of the Issuer: (1) subsidiaries and affiliates of the Issuer, including the subsidiaries and affiliates of the Issuer's subsidiaries; and (2) trust and other funds managed by the Trust Department of the Issuing Bank, its subsidiaries and affiliates or other related entities. An Affiliate refers to a related entity linked by means of ownership of at least twenty percent (20%) to not more than fifty percent (50%) of its outstanding voting stock.
 - 6.1.2. PDEX shall disseminate to Trading Participants a monthly report to be submitted by the Issuer listing its subsidiaries and affiliates.
- 6.2. A Trading Participant shall determine the suitability of each buyer and ensure that he fully understands the risks involved in investing in the Notes.
- 6.3. A Trading Participant shall inform its client of the terms and conditions of the Notes including but not limited to the call feature of the Notes and the applicable computations prior to entering the client's order in the Trading System.

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 Notes.

72. For clarity, the Record Period shall be the period from and including the Record Date to and including one business day prior to the Interest Payment Date. The Record Date for the Notes are as follows:

721. RCB Notes due 2018 - fourth (4th) banking day preceding the relevant Interest Payment Date

722. RCB Notes due 2019 - third (3rd) banking day preceding the relevant Interest Payment Date

8. Restrictions on Transfers. In accordance with the Terms and Conditions of the Notes, any transfer between investors of different tax status shall only be effective on an Interest Payment Date.

8.1. Orders for the account of investors not subject to withholding tax but who opt to trade with a tax-withheld investor for settlement on an Interest Payment Date shall be dealt using the tax-withheld series name.

9. Settlement Mechanics

9.1. Every trade executed on the Trading System shall be electronically transmitted to the eDvP System for settlement authorization. Each authorized trade shall be settled in accordance with the general process for Expanded Delivery-versus-Payment (eDvP) in the PDEX Rules, with binding instructions electronically transmitted to the following settlement entities:

9.1.1. PDTC Depository for the delivery of the securities

9.1.2. BSP PhilPaSS or the Cash Settlement Banks, as applicable, for the cash payment

9.2. Regardless of the series name dealt in the Trading System, a trade shall be identified by the following instrument names and corresponding Security Identification Number (SIN) in the eDvP System.

	Instrument Name	SIN
RCB Notes due 2018	“RCB 18 R13”	“RCBTIER22018”
RCB Notes due 2019	“RCB 19 R14”	“RCBC2TR22019”

9.2.1. In the “Unauthorized Trades” and “Authorized Trades” screens, the trade shall be identified by the instrument name.

9.2.2. In the eDvP settlement reports, the trade shall be identified by the SIN.

9.3. Regardless of the series name dealt in the Trading System, the Notes shall be identified by the SIN in the PDTC eCS Depository System.

9.4. Pre-settlement. Sold Notes should be lodged in the PDTC Depository on or before settlement date.

- 941.** A seller shall execute a *PDTC Registry Trade Transfer Form*, authorizing the transfer of its Notes from its Registry Account to the PDTC Depository Account of its PDEX Brokering Participant (or own Depository account if the seller is a Dealing Participant).
- 942.** The seller, through its Brokering Participant (or the Dealing Participant, if it is the seller) shall submit the duly executed Registry Trade Transfer Form and payment for the trade transfer fee to PDTC. Note PDTC's 12 noon cut-off time for same-day processing of transfer requests.
- 95. Post-settlement.** Bought Notes can be maintained at the PDTC Depository or uplifted (i.e., withdrawn) and registered under the buyer's name at the PDTC Registry.
- 95.1.** Bought Notes can be maintained in a BSP Circular 392-compliant PDTC Depository account (e.g., account of a Dealing Participant, investor or custodian). Securities maintained at the PDTC Depository are subject to a Depository Maintenance Fee charged to the depository account holder.
- 95.2.** A buying Trading Participant can opt to transfer the bought Notes from its Depository account (the "source account") to any of the following accounts (the "target account") using the "Account Transfer" function of the eCS Depository System:
- Another Depository account (i.e, direct depository account of the investor or custodian), or
 - PDTC Name-on-Registry Account.
- Transfers are subject to PDTC Depository transfer or uplift fees.
- 95.3.** The target Name-on-Registry Account should already be opened prior to the transfer. Opening of new registry accounts for new holders are subject to an account opening fee and the investor registration documentary requirements of PDTC Registry. Note PDTC's 12 noon cut-off time for same-day processing of account opening requests.