

## ACCOUNT OPENING TERMS AND CONDITIONS

### PART I. General Terms and Conditions

1. Account Holder/s shall be bound by the terms and conditions governing any account, placement, or investment opened or may hereafter open at any branch or department of the Philippine Bank of Communications (PBCOM), hereinafter referred to as the "Bank".
2. Account Holder/s hereby represent and warrant that they are free from any legal impediment in opening an Account and have a right of ownership to whatever funds placed in the account.
3. The words "I", "Me", and "My" used herein shall refer to the person who opened the Account. The words "You" and "Your" shall refer to PBCOM. Where the Account is opened by more than one person, "I", "Me" and "My" shall read as "We", "Us" and "Our", respectively, and unless the context otherwise requires, our obligations and liabilities hereunder shall be joint and several or solidary.
4. Prevailing interest rates and balance requirements for Savings and Checking accounts can be viewed at <http://www.pbcom.com.ph/> then go to *Personal Banking / Deposits / Rates*.
5. Updated Schedule of Fees and Charges can be viewed at <http://www.pbcom.com.ph/> then go to *Personal Banking / Deposits / Fees & Charges*
6. *Minimum placement for each type of TD can be viewed at <http://www.pbcom.com.ph/> then go to Personal Banking / Deposits / Time Deposits*
7. If my deposit instrument or documents are lost, stolen or destroyed, I shall immediately submit to the Bank a duly notarized affidavit attesting to such fact. A minimal fee for its replacement may be charged by the Bank
8. The Bank shall have the right to amend or supplement these terms and conditions from time to time. However, any such change may be effected by posting notice thereof in a conspicuous place in the Bank's premises and/or website prior to its implementation.
9. I agree to receive PBCOM marketing and service messages through my email address and/or the mobile phone number recorded in the customer information file of the Bank.
10. All terms and conditions in the specific Terms, Conditions and Agreements for Account Opening / Placement / Investment that are not incompatible herein shall be applicable.

#### Acceptance of Deposit and Maintenance of Account

11. The Bank shall accept deposits, investments or payments either in cash or check. In receiving items for deposit, the Bank will act as a collecting agent and will exercise extraordinary diligence in handling their client's accounts. I understand that I will not be credited for nor will I be allowed to withdraw the amount corresponding to the items until cleared funds have actually been received by the Bank. Proceeds of deposit or collection items will be credited to my account, net of service charges that may be collected by the Bank or by drawee/collecting Bank.
12. I shall assume full responsibility for the correctness, genuineness and validity of all items deposited as well as of all endorsements thereon.

13. In making a deposit, I agree to assume full responsibility for the accuracy and correctness of the information filled out in the deposit slip

14. In case the deposit/s is/are in the forms of check/s, and the same is/are returned for any reason whatsoever, the deposit/s will be automatically cancelled and without force and effect.

15. The Bank shall not be responsible or liable for any diminution due to taxes or imposts or depreciation in the value of funds credited to the Account (which funds may be deposited by me in my name and subject to the Bank's control with such depository/ies as it may select) or for the unavailability of such funds due to restrictions on convertibility, moratoriums, requisitions, involuntary transfers, distraints of any character, exercise of military or usurped power, acts of war or civil strife or other cases beyond the Bank's control.

In case of foreign currency account, I hereby warrant that the same; (a) shall not be funded by foreign currency which is required to be sold/surrendered under existing *Bangko Sentral ng Pilipinas* (BSP) rules and regulations to the banking system; and (b) shall be funded purely by foreign currency receipts eligible for deposit under MORBFX Manual of Regulations on Foreign Exchange Transactions Sec. 2 and Sec. 3.1. I agree to make no deposit that would violate Republic Act. No. 6426 and its implementing rules and circulars including MORBFX Manual of Regulations on Foreign Exchange Transactions Sec. 2 and Sec. 3.1 and undertake to hold the Bank free and harmless from liability for deposits made in violation of said law, rules, and circulars.

Deposits in foreign currency shall be subject to the rules and regulations of the Manual of Regulations on Foreign Exchange Transactions (MORBFX) and all other circulars, rules and regulations that may thereafter be promulgated by BSP.

16. I shall immediately notify the Bank in case of loss of the checkbook, passbook, certificate or other evidence of the account, and I shall be liable to indemnify the Bank for any damage caused by such loss.

17. I shall promptly notify the Bank of any change in my account information, e.g. contact details, address, etc. by personally going to the Branch where my Account is opened. Correspondence sent to my last address given to the Bank shall be deemed to have been received by me.

### Withdrawals

18. Withdrawals are all debit transactions from my account initiated by me or my duly authorized representative or agent as herein allowed.

19. I may withdraw from my savings account through withdrawal slips signed by me or both by me and my authorized representative if I'm not the one withdrawing.

20. I may withdraw from my checking account through a check signed by me or my authorized signatories, in the case of corporate accounts, appearing on the Bank's records and/or documents I submitted. I may also withdraw through Automated Teller Machine (ATM) or debit cards.

21. Withdrawals from a Savings Account without an ATM card shall be made by submitting a duly accomplished withdrawal slip and presentation of the passbook.

22. For withdrawals via Manager's Check (MC), telegraphic transfers, ATM card, I shall immediately pay any documentary stamp tax, transmission or other charges related to withdrawals from the account upon demand.

23. The Bank's liability for any and all damages arising from oversight, operating errors, non-return of items, payment on stop payment items and similar acts of inadvertence shall be limited to the actual damages proven.

24. I agree that payment for any transmission and other charges related to my withdrawals from my account will be debited from said account.

25. For my dollar account, withdrawals may be made in the form of dollar cash (subject to availability and my prior notice to the Bank), telegraphic transfers, or demand drafts. These may also be in the form of peso currency based on prevailing rate of exchange.

26. The Bank may, at any time at its discretion and without notice to me, set off or apply to the payment of any obligation that may be owing to the Bank by any one of us (the Depositors), any and all monies which may be in the Bank's hands or otherwise belonging to me/us. I/We shall remain liable for any deficiency.

27. I shall maintain the minimum balance that the Bank shall require for the Account, which minimum balance the Bank may change from time to time without need of my prior consent. Service charge, which may change after due disclosure/ notification as required by Bangko Sentral ng Pilipinas (BSP), shall be imposed if account balance falls below the required minimum maintaining balance.

28. The Bank shall have the right to deduct service charges/fees against my account/s and such right shall have preference over the payment of any checks/drafts which may have been drawn from my account/s.

#### Closing

29. The Bank may, at any time and at its sole discretion, discharge its entire liability with respect to the Account by mailing to me, at my address on record, the Bank's draft in currency set forth in the Account, without recourse to the Bank as drawer, payable to my order, in the amount of the credit balance in the Account, together with such other documents, if any, which in the Bank's sole discretion may be necessary to transfer such funds to me.

30. My account is subject to and shall be governed by all pertinent laws, the rules, regulations, and policies of PBCOM, the Bankers Association of the Philippines (BAP), Philippine Deposit Insurance Corporation (PDIC) and BSP. In the event that my Account is closed by the Bank, I authorize the Bank to volunteer, provide and disclose information related to my Account to the BSP or any central monitoring body created to monitor and keep record of undesirable bank accounts/holders. This constitutes as a waiver of my rights under the Bank Secrecy Law & Sec. 55.1 (b) of the General Banking Law

31. In the event that there is a new law, regulation, policy, circular, etc. which may be in conflict to any existing deposit, investment, placement, service or other product of the Bank, I shall hold the Bank free and harmless from any and all damages, suits, claims, etc. which may arise or relative to such non-conformity to the newly declared law, regulation, policy, circular, etc.

32. I recognize the Bank's right to unilaterally close my Account without prior notice to me, in the event that it is improperly handled, e.g. (i) drawing, issuing or endorsing checks to said Account without funds to support the checks, or against insufficient funds, (ii) kiting; (iii) previous involvement in fraud or an attempt to defraud as indicated by reports received; (iv) other similar or analogous infractions which the Bank may deem unsatisfactory or in your opinion that I may be engaged in illegal or unlawful activities.

In case the Account is mishandled by me, or where a check is drawn against insufficient funds or uncollected deposits, or has technical defects, or when a stop payment order (unless for reason of stolen/lost check) has been requested or for other grounds prescribed by law, clearing house regulation, or regulation of the government agency concerned, the Bank shall have the right to impose or deduct therefrom an amount to cover penalties, fines and charges in accordance with the Bank's rules and regulations. The Bank may also impose and deduct in other instances such other fees in accordance with such rules and regulations.

Improper handling of account e.g. drawing, issuing or endorsing checks to said Account without funds to support the checks, or against insufficient funds resulting to negative balance on the account for three (3) consecutive calendar days shall give the Bank the right to automatically close my account thereafter.

33. In instances where temporary overdrawings or drawing against uncollected funds are allowed under express agreement or prior arrangement, interest and penalties shall be collected on the amount withdrawn plus the actual amount withdrawn.

34. In the event of my death or the death of my co-depositor/s, the Bank may freeze the account and the pertinent laws, banking rules and regulations and Section 97 of RA 8424 Tax Reform Act of 1997 shall govern the withdrawal of any balance left in the account.

35. In case the Bank is compelled to take judicial or extrajudicial action to enforce collection of any amount or debt arising out of the Account, I shall indemnify the Bank for attorney's fees in the amount of at least 10% of the total amount due, including accrued interest. Venue of such action or any action hereunder shall be at the City of Makati or any other courts with the same jurisdiction at Bank's sole discretion.

#### Interest Rate

36. Where the account type requires the payment of interest, the Bank shall compute interest based on the average daily balance for savings and checking accounts and outstanding principal for time deposits at the prevailing rates prescribed by the Bank. Interest earned shall be credited at the end of the agreed payment period.

The Bank reserves the right to change the interest rate and the basis of computation and mode of payment as needed. The prevailing interest rate basis of computation and mode of payment and any amendments thereto shall always be posted in a conspicuous place at the Bank's premises and/or website prior to its implementation.

*Prevailing interest rates for all deposit accounts (savings, checking and time deposits) can be seen in the Deposit Rate Sheet posted inside the Bank's premises.*

No interest will be paid on a savings or checking account closed prior to the interest payment dates set by the Bank or on any deposit balance or part thereof to which I have given prior instruction to the Bank that said balance or part thereof shall be withdrawn.

Pre-terminated time deposits will be paid interest but subject to the following:

- a. Interest rate adjustment depending on term completed
- b. Applicable withholding tax to be deducted from the interest
- c. Documentary stamp tax (DST) to be computed on the principal amount

37. Proceeds of matured un-redeemed time deposits shall earn the prevailing interest rate for savings account from the time of maturity until the withdrawal of said proceeds. For matured time deposits with settlement account, proceeds will be automatically credited to the settlement account and shall earn interest rate depending on the product type of the settlement account

### Statement of Account

38. A Statement of Account bearing all of the transactions for checking accounts shall be made available by the Bank every month. I agree to have the Statement of Account delivered by the Bank to my mailing address on record with the Bank or via electronic mail / email. I may, however, request over-the-counter in any of the Bank's branches for an on-demand statement bearing transactions from any type of account subject to certain fees.

I shall carefully check all entries in the Statement of Account and shall report to the Bank any exception to any entry therein within ten (10) days from receipt of the statement. If the Bank does not receive any communication regarding the statement within the said period, said Statement of Account shall be considered complete and correct.

39. Mailed statements of account, which have been subsequently returned by the courier / emailed statements of accounts, which have bounced for reasons including but not limited to invalid registered email address, undeliverable, mailbox full and blocked email shall be disposed after three (3) months upon receipt of return or bounced email. I agree that the returned statement of accounts shall be conclusive and considered complete and correct after ten (10) days from the Bank's receipt of return.

40. For mailed statements of account that have been returned by the courier, the Bank shall hold said statements, under Hold-Mail Service, for sixty (60) days from the time of receipt of return, and I undertake to collect and pick up the statement personally or through my authorized representative, at my branch of account

41. The Bank shall discontinue printing of statements of account for the following reasons:

a. If statements for the past 3 months have been returned by the courier due to unlocated address or invalid address; or

b. If depositor is already deceased

42. The aforementioned discontinuance shall only be lifted once the depositor updates his record with the Bank.

### Dormant Account

43. A Savings Account showing no deposit, withdrawal or fund transfer for a period of two (2) years shall be classified as dormant. The Bank shall notify me prior to the re-classification of my savings account from active to dormant status.

44. A Checking Account showing no deposit, withdrawal, encashment, or fund transfer for a period of one (1) year shall be classified as dormant. The Bank shall notify me prior to the re-classification of my checking account from active to dormant status.

45. A monthly service dormancy fee shall be charged beginning at the sixty-first (61<sup>st</sup>) month after a Savings or Checking Account remains inactive (no deposit/withdrawal/encashment/fund transfer) for five (5) years and the account has fallen below the required minimum monthly ADB for at least two (2) consecutive months. The Bank shall notify me prior to the start of collection of dormancy fee from my account.

46. Dormant accounts may be reactivated upon my personal instructions up to the tenth (10<sup>th</sup>) year following my last initiated transaction thereon. I shall update my specimen signature card with the Bank and the Bank shall fully establish my identity by requiring me to present valid IDs and supporting documents before processing reactivation



and posting any transaction therein or closure of my dormant account, except in the case where I/we issued a check and said check has been presented through inward clearing, the Bank, at its sole discretion, may honor the check upon verification of the signature and provided the check has no technical defect/s

47. Savings and Checking Accounts that remain dormant for ten (10) years will be escheated in favor of the government under the Unclaimed Balance Law (Act No. 3936). Upon the surrender of the balance of my account to the National Treasury, it ceases to be the liability of the Bank. The Bank shall notify me prior to the inclusion of my dormant account in the list of unclaimed balances to be submitted to the Treasurer of the Philippines.

#### Joint Accounts

48. The Bank will recognize in accordance with the authority given in the Account Opening Form/Specimen Signature Card the signature arrangement (e.g. any one, any two or all the depositors) in the payment of funds or transaction of other business on the account during the lifetime of all the joint account holders.
49. For joint **AND** accounts, the signatures of all the account holders are required to operate the account. **OR** accounts automatically vest full authority on one depositor to do whatever he so desires with the funds without the consent of the other account holder/s. The Bank may freeze the account upon the notice of the death of one co-depositor until necessary legal documents are presented.
50. Specific Conditions for a Joint (AND) Account
- a. In the event of my death or the death of my co-depositor/s, the Account shall be paid equally to the survivor/s and the estate/s of the deceased accountee/s. The share pertaining to the estate of a deceased shall be paid to the executor appointed in his will, administrator appointed by the court, or his heirs, as the case may be. The Account shall be deemed as one without right of survivorship, and the herein terms and conditions shall be binding upon each of us, our heirs, executors, administrators and assignees.
51. Specific Conditions for Joint and Solidary (OR) Account
- b. The funds in the Account are owned by us jointly and severally, and shall be payable to and collectible by anyone/either of us during our lifetime, and upon the death of any one of us shall be payable and collectible by the survivor or any of the survivors, and in case of death of the last survivor, shall be payable to and collectible by his estate.
  - c. Should all/both of us die simultaneously, our Account shall be paid to any one of our executors/administrators/heirs who shall first make a written demand for the payment thereof.

#### Specific Conditions for PBCOM Debit Cards

52. Issuance: The Bank shall issue a PBCOM Debit Card (hereinafter referred to as the "Debit Card") or PBCOM Cash Card (hereinafter referred to as the "Cash Card") at the Bank's sole discretion. The issue and use of the Debit/Cash Card shall be subject to existing laws, rules and regulations, as may be in force from time to time. The cardholder shall be deemed to have unconditionally agreed to and accepted these Terms and Conditions by signing the /DEBIT/Cash Card Application Form, by signing on the reverse of the Debit/Cash Card, or performing a transaction with the Debit/Cash Card. The cardholder will also continue to remain bound by the General Terms and Conditions of the Bank.
53. Card Ownership: When issued, the Debit/Cash Card must be signed immediately upon receipt. It is non-transferable and is for the cardholder's exclusive use. It is acknowledged that the Debit/Cash Card shall remain the Bank's property and may be cancelled or retained by the Bank at its sole discretion without prior notice.

54. Personal Identification Number (PIN): It is acknowledged that the PIN is strictly confidential and the cardholder should not under any circumstance disclose the PIN to any other person. All transactions entailing the use of the PIN shall, at all times, and in all circumstances, be conclusively binding. The PIN mailer should be claimed by the cardholder from the Branch, but the Bank may exercise at its discretion the option to deliver the PIN through mail.
55. Transactions: The Debit/Cash Card is for electronic use only. Any usage other than through an electronic terminal will be deemed unauthorized and the cardholder shall be held responsible for such transactions.

The cardholder must not permit any other person to use the Debit/Cash Card and should safeguard it from misuse. The cardholder accepts full responsibility for all transactions made by the use of the Debit/Cash Card, at all times and in all circumstances, with or without his/her knowledge or authority. The cardholder accepts the Bank's record of these transactions as conclusive and binding in all respects.

The Bank reserves the right to impose and change the maximum limit per day for all types of transactions regardless of the sufficiency of the balance in the deposit accounts.

Debit/Cash cards may be transacted internationally through the MasterCard network. These transactions are also subject to the rules, regulations and laws of the country where the transactions were made.

Withdrawals within and outside the Philippines are subject to charges and will be debited from the Account at point of withdrawals. All international ATM withdrawals shall be in the currency permitted by the institution which owns the ATM.

For all international transactions, the amount will be converted to its Peso equivalent based on the exchange rate set by the Bank. The Bank may also impose a fee for international transactions.

The Account shall be debited with the amount of transactions effected by the use of the Debit/Cash Card. Hence, the cardholder authorizes the Bank and any of its employees, representatives and authorized third parties to effect any adjustment, correction or reversal on pre-authorized, misposted or erroneous transactions without the Bank incurring any liability.

The Bank will not be held responsible should a merchant establishment refuse to accept the Debit/Cash Card. If the cardholder is entitled to a refund or rebate for a purchase in part or in whole with the Debit/Cash Card, the cardholder agrees to seek a refund or rebate only from the merchant establishment.

56. Disputes: For disputes arising out of erroneous transactions or if the cash dispensed by the ATM is incorrect, the cardholder shall report the same immediately to the nearest PBCOM Branch or the Bank's Customer Care by calling (632) 777-2266 or Domestic Toll Free at 1-800-1077-7226 or via email at [customercare@pbcom.com.ph](mailto:customercare@pbcom.com.ph).

MasterCard related disputes where the supporting documents are provided by the cardholder beyond sixty (60) calendar days from transaction date shall not be entertained due to strict implementation of MasterCard timeframe and international rules.

57. Earmarking/Holding of funds: The Bank may earmark and hold the available balance of the deposit accounts for inward clearing checks received prior to their posting/recording in the accounts. The Bank may return unpaid any clearing check to the presenting bank in the event that the account balance will not be sufficient at the time of posting

The Bank may also hold the available balance of deposit accounts for MasterCard related transactions upon authorization of the transaction. The cardholder authorizes the Bank and any of its employees, representatives

and authorized third parties to effect any adjustment, correction or reversal on these MasterCard transactions without the Bank incurring any liability.

58. Fund transfer: Any transfer of funds using the Debit/Cash Card shall be considered final and binding on the account holder once the system has successfully executed the instruction/transaction. PBCOM may withdraw temporarily or terminate all funds transfer facilities for all types of transactions at its sole discretion.
59. Bills payment: When accepting bills payments, the Bank merely acts as a conduit between the Payee of the bill and the cardholder. As such, the Bank shall not be answerable for errors made by the cardholder.
60. ATM Service Availability: The ATM shall be open 24 hours daily, except during service time. The Bank, however, may restrict the use of the ATM when the Bank is off-line and /or for such other unforeseen events and emergencies which render the ATM inoperative.
61. Disclosure of Information: The cardholder consents to the collection, storage and communications of all data relating to the Debit/Cash Card and authorizes the Bank to assign or outsource certain aspects of its operations to third party service providers at its sole discretion and to disclose details of the Accounts and the account holder(s) to such third party providers. The Bank also reserves the right to report to Bangko Sentral ng Pilipinas any withdrawals or payments effected using the Debit/Cash Card.

**Fees:** The Bank may impose fees and charges for issuance and usage of the Debit/Cash Card. These fees and charges may be changed from time to time at the Bank's sole discretion. Any and all fees and charges incurred by the Debit/Cash Card shall be debited immediately from the cardholder's account. The cardholder will refer to the Bank's website for the complete list of fees and charges. *(Please refer to Annex A for the fees and limits on /Debit/Cash cards)*

62. Card expiration and renewal: PBCOM Debit/Cash Cards are valid up to ten (10) years from the date of issuance or up to the last day of the validity month indicated on the face of the Card.
63. Lost/Stolen Cards: In the event of loss or theft of the Debit/Cash Card, the cardholder shall immediately report the same to the nearest PBCOM Branch or call the Bank's Customer Care Hotline at (632) 777-2266 or Domestic Toll Free at 1-800-1077-72266. Prior to the receipt and acceptance by the Bank of said notification, all transactions generated by the use of the Debit/Cash Card shall be conclusively binding on the cardholder.
64. Retention of Card: The Bank will retain the Debit/Cash Card for any of the following reasons: a) when the Bank has terminated the arrangement; b) when the Debit/Cash Card has been reported lost or stolen; and c) when there is failure to retrieve the Debit/Cash Card at the end of the transaction within the allotted time set in the ATM machine. Except for reason a), the Bank may reissue the same Debit/Cash Card if requested but subject to the conditions the Bank may impose, if any.
65. Replacement of Card: The issuance of replacement Debit/Cash cards shall be subject to the Bank's prior approval and the payment of related charges.
66. Cooling Off period: The Bank gives a cooling off period of two (2) banking days for the Debit/Cash Card. Should the cardholder decide to cancel their request for the card within the cooling off period, the cardholder consents to be charged a processing fee by the Bank.



67. Termination: The cardholder should return the Debit/Cash Card immediately and unconditionally to the Bank for cancellation in the event that he/she decides to terminate the use of the Debit/Cash Card or if the Bank at its discretion, decides to withdraw the Debit/Cash Card for any reason whatsoever.
68. Suspension of privileges: The Bank reserves the right to cancel or withdraw at any time, without any prior notice or to renew at its discretion, the Debit/Cash Card or any of the other services offered at any time.
69. Indemnification: It is further agreed that the cardholder undertakes to indemnify and free the Bank from any losses, claims, damages, liabilities, fees, expenses, and such other analogous charges arising from disclosing the PIN to others, mechanical defect or malfunction of ATMs or other channels, the Debit/Cash Card not being honored, bills payments/disagreement between the Payee and the cardholder, disputes arising from erroneous transactions or incorrect cash dispense, disclosure of information to third party service providers or BSP, lost or stolen cards, cancellation of the card and other such activities.

#### Specific Conditions for Savings Account

70. Upon opening a Savings Account, I will be provided with a passbook or debit card depending on the type of savings account opened.
71. In the event of any discrepancy between the entries in my passbook and the Bank records, the latter shall prevail.
72. If my passbook or debit card is lost, stolen or destroyed, I shall immediately submit to the Bank a duly notarized affidavit attesting to such fact. A minimal fee for the replacement of said instruments may be charged by the Bank.
73. Initial deposit to open a Savings Account is subject to the minimum amount required by the Bank depending on the type of savings account opened.

I shall maintain the required minimum average daily balance (ADB) on my account as prescribed by the Bank. A monthly service charge shall be collected on my account if the ADB falls below the minimum requirement for at least two (2) consecutive months. Bank shall notify me of changes in the ADB requirements and fees prior to its effectivity via a letter and branch / website / ATM screen advisories.

74. Savings account will only earn interest if it meets the minimum required ADB to earn interest.
75. Interest will be computed based on the ADB from start of calendar quarter or account opening (for newly opened accounts within the quarter) up to end of quarter using the prevailing interest rate (*please refer to Annex B*).
76. Interest on Savings Accounts is subject to the applicable withholding taxes for Peso and Dollar deposits as specified by law (*please refer to Annex B*).
77. Savings Accounts with zero balance for a period of ninety (90) days shall automatically be closed by the Bank. Accounts closed by the client within thirty (30) days from opening shall be charged a minimum fee. Such amount shall not form part of the withdrawable balance for the first thirty (30) days from date of opening.
78. In case the deposit/s is/are in the forms of check/s, and the same is/are returned for any reason whatsoever, the amount deposited is automatically cancelled and without force and effect. In the case of returned Bills Purchased (BP) checks, the amount of check plus charges shall immediately be debited from my/our account or lodged to past due if balance of account is not sufficient.
79. All deposit/s to my Account over-the-counter (OTC) shall be evidenced by deposit slips or Payment Application Forms (PAFs). All withdrawals OTC, partial or full from my Account shall be covered by a withdrawal slip. I should present my passbook for updating to have all transactions reflected on it.r

## 80. Specific Terms and Conditions for the Starter Account

- 80.01 The initial deposit required shall not exceed One hundred Pesos (P100.00)
- 80.02 The opening of the account shall follow a simplified Know Your Customer (KYC) procedure for low-risk customers wherein identifying the customer and verifying their true identity may be based on any document or information reduced in writing which the Bank deems sufficient to establish the customer's identity.
- 80.03 The account does not have any minimum maintaining balance and dormancy charges.
- 80.04 The account has a maximum balance of Fifty Thousand Pesos (P50,000.00) which if exceeded by the depositor will convert his/her account to a regular savings account that will be subject to the specific terms and conditions for Savings Account under the Account Terms and Conditions including but not limited to submission of additional identification documents as well as imposition of dormancy fees and minimum maintaining balance fees.
- 80.05 Without need of prior written notice to the depositor, the Bank may close the account in the following instances:
  - 80.05.1 Failure of the depositor to comply with the additional requirements of the Bank for conversion of the account to a regular deposit account despite the lapse of one (1) year. Upon closure of the account, the proceeds thereof shall be remitted to the depositor.
  - 80.05.2 The account posts a negative balance for ninety (90) days.
  - 80.05.3 The account has zero balance and has been inactive for two (2) years

### Specific Conditions for Time Deposits

- 81. Upon opening a Time Deposit (TD) account, I will be provided with a TD instrument in the form of a certificate of time deposit (CTD) or passbook (with TD advice) depending on the type of TD account opened.
- 82. The term and interest of the TD is as stated in the TD instrument. Should I choose to make any changes in the terms of the TD, this should be done within five (5) days before the maturity of the existing TD. I shall hold the Bank free and harmless from any liability in following said instructions.
- 83. In the event of any discrepancy between the entries in my TD instrument and the Bank records, the latter shall prevail.
- 84. If my TD instrument is lost, stolen or destroyed, I shall immediately submit to the Bank a duly notarized affidavit attesting to such fact. A minimal fee for the replacement of lost passbook however may be charged by the Bank.
- 85. The TD instrument shall be surrendered to the Bank upon withdrawal of the whole amount or closing of the TD placement.
- 86. The amount of placement cannot be assigned, except in the Bank's favor, transferred or changed either by endorsement of the TD instrument or otherwise.
- 87. The amount of placement shall be payable on the maturity date indicated in the TD instrument with interest up to that date.

88. Opening a TD account is subject to the minimum amount of placement required by the Bank depending on the type of TD account opened.
89. Deposit shall earn interest based on the stipulated interest rate provided the deposit is not withdrawn before the maturity of the agreed term.
90. If maturity of agreed term falls on a non-banking day, the maturity date shall automatically be moved to the next banking day with interest computed for the additional day/s.
91. Interest will be computed based on outstanding principal at TD booking date or last renewal date using the stipulated interest rate and credited at the end of agreed payment period (*please refer to Annex C*).
92. The account shall be subjected to withholding tax on interest earned, documentary stamp tax (DST) and other applicable taxes as may be specified by law. DST shall be paid for by the Bank. However, in case of pre-termination, I shall shoulder the DST based on the original term of TD (*please refer to Annex C*).
93. Withdrawal of the deposits or a portion thereof from the TD prior to its maturity will be subject to pre-termination adjustments/charges (*please refer to Annex C*).
94. In case the deposit is in the form of check and the same is returned for any reason whatsoever, the TD is automatically cancelled and shall be treated without force and effect.
95. At the end of the agreed term, I have the following options:
  - a. Withdraw principal and net interest earned
  - b. Withdraw net interest earned and re-invest principal for another term\*
  - c. Re-invest both principal and net interest earned for another term\*

*\*For TDs <365 days, this is via renewal/roll-over of existing TD. For TDs 365 days & above, a new TD will be booked.*
96. Upon renewal/roll-over of existing TD, the prevailing interest rate will apply and the period setting will be based on the original tenor booked unless I request for a new tenor on my TD.
97. Upon maturity, TDs with tenor < 365 days are set to auto-roll the principal and net interest for another term at the prevailing interest rate unless I give a different instruction for its disposition.
98. Upon maturity, TDs with tenor 365 days and above are set to close. Should I wish to continue the TD, a new TD account will be booked subject to the prevailing interest rate.
99. Interest of TD will cease to run after the maturity date except as may be provided for by the prevailing rules and regulations of the BSP.
100. The Bank's policy regarding the release of deposits, i.e. submission of documentary requirements by the claimants, shall be followed for the release of deposit covered by the TD instrument.

#### Specific Conditions for Current Accounts

101. Upon opening a checking account, I will be provided with a checkbook. I may also be provided with a record book or debit card depending on the type of checking account opened. I shall receive monthly statement of account (SOA). In addition to the monthly SOA, I can also request for an on-demand statement over-the-counter during banking hours subject to the Bank's prevailing fee.

102. In the event of any discrepancy between the entries in my record book or statement of account and the Bank records, the Bank's record shall prevail.
103. Initial deposit to open a checking account is subject to the minimum amount required by the Bank depending on the type of checking account opened.
104. I can withdraw from my checking account through the ATM or over-the-counter in any of the Bank's branches by issuing a check. In exceptional cases and at the bank's discretion, I may also withdraw by signing the bank's withdrawal form.
105. I shall maintain the required minimum ADB on my account as prescribed by the Bank. A monthly service charge shall be collected on my account if the ADB falls below the minimum requirement for at least two (2) consecutive months. Bank shall notify me of changes in the ADB requirements and fees prior to its effectivity.
106. Interest bearing checking account will only earn interest if it meets the minimum required ADB to earn interest.
107. Interest will be computed based on the ADB from start of calendar month or account opening (for newly opened accounts within the month) up to end of the month using the prevailing interest rate (*please refer to Annex D*).
108. I shall present my record book over-the-counter for updating to have the interest earned posted on it.
109. Checking accounts with zero balance for a period of thirty (30) days or more shall be closed by the Bank at its discretion. Should client close the account within thirty (30) days from opening, client shall be charged a minimum fee. Such amount shall not form part of the withdrawable balance during the first thirty (30) days from date of opening.
110. Issuance of checks shall be governed by the rules and regulations imposed by the PCHC and the BSP.
111. Should my checking account be mishandled or not conducted or not used in a manner satisfactory to the Bank, in addition to the Bank's right to close my account without prior notice, I shall return to the Bank and duly account for all unused checks in my possession.
112. Stop payment orders shall be in the Bank's prescribed form. Such order will expire on the 180<sup>th</sup> day from issuance of the check.
113. Return of checks drawn against insufficient funds (DAIF), or drawn against uncollected deposits (DAUD), or with technical defects shall be governed by the rules and regulations of the PCHC and the BSP.
114. I shall hold the Bank free and harmless from any damage that may be caused by the Bank's premature payment through inadvertence, of any post-dated check that I may have issued.
115. Any check presented to the Bank after closure of my account, whether or not closed at the Bank's instance under the terms hereof, shall be dishonored for the reason "Account Closed", and the Bank shall not incur any liability by reason of the dishonor.
116. In case the Bank decides to adopt check imaging, the Bank has the option to provide me with a digital copy of the negotiated checks which may be included in my statement of account.
117. In availing the transfer of funds facility, I am bound by the terms and conditions embodied in the funds transfer agreement executed by me and the Bank. Except for deposits covered by the Bills Purchase (BP) Line

Agreement between me and the Bank, only collected, cleared and unencumbered funds credited to my account shall be available for transfer to other account/s.

Deposit Insurance (Refer to Annex A of RI 2009-03)

Pursuant to its authority to prescribe and issue rules and regulations under Section 2 (d) (1) of Republic Act No. 3591, as amended by (PDIC Charter), the PDIC Board of Directors, by virtue of Resolution No. 2009-08-138, dated August 26, 2009, as amended by Resolution No. 2009-09-159, dated September 30, 2009, approved the promulgation of the following rules and regulations implementing Section 4 (g), in relation to Section 21 (f), of the PDIC Charter.

118. Deposits are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum amount of Five Hundred Thousand Pesos (500,000.00) per depositor.
119. PDIC shall recognize the registered owner/holder of a Legitimate Deposit in the books of the Bank as the depositor entitled to deposit insurance, except where the records of the Bank show that the Legitimate Deposit is maintained in the same right and capacity of the benefit of another depositor, in which case, PDIC shall recognize the latter as the beneficial owner of the Account entitled to deposit insurance.
120. In cases (a) where a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit is/are broken up and transferred into one or more Account/s; or (b) for deposit accounts and deposit transferee/s made in favour of individuals or of entities, either singly or jointly with individuals, from an Account in the name of a corporation, partnership, association, or unincorporated entity, the PDIC shall recognize the transferee/s as the beneficial owner/s of the Accounts when:
- I. The transfer was made with the following conditions present:
    - a. The break-up and transfer of deposit to the transferee is for a Valid Consideration;
    - b. The details or information for the transfer, which establish the validity of the transfer from the transferor to the transferee, are contained in any of the Deposit Account Records of the Bank; and
    - c. Copies of documents, which show the details or information for the transfer, such as but not limited to contracts, agreements, board resolutions, audited financial statements, orders of the courts or of competent government body/agency, are in the custody or possession of the Bank upon takeover by PDIC.
  - II. The transferee/s is/are the Qualified Relative/s of the transferor. Qualified Relatives are transfers within the second degree of consanguinity or affinity of the transferor. Relationship shall be proven by relevant documents such as, but not limited to, birth certificates and marriage certificates.
121. Deposit Splitting occurs whenever a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit maintained under the name of natural or juridical persons is/are broken down and transferred into two or more accounts in the name/s of natural or juridical persons or entities who have no Beneficial Ownership on transferred deposits in their name within one hundred twenty (120) days immediately preceding or during a bank-declared bank holiday, or immediately preceding a closure order issued by the Monetary Board of the Bangko Sentral ng Pilipinas for the purpose of availing the maximum deposit insurance coverage.
122. Upon the determination by the PDIC of Beneficial Ownership or Deposit Splitting, the outstanding Legitimate Deposit/s in the closed bank maintained for the benefit of the beneficial owner/transferor, although in the



name of another person/s or entity/ies, shall be subject to consolidation with the other Legitimate Deposits of the beneficial owner/transferor in said closed bank for deposit insurance purposes.

#### Interpretation

123. In all cases not specifically provided for in the foregoing, and in the absence of a specific agreement between the Bank and the Depositor regarding a specific product or service of the Bank, the usual customs and procedures of banks in the Philippines shall exclusively govern all transactions between the Bank and the Depositor.
124. Where particular transactions, products or services are subject to specific terms and conditions as those incorporated on the covering passbook/certificate/ product service guide/agreement, such specific terms and conditions shall, in case of conflict with these terms and conditions, be controlling in respect of the particular product or service subject thereof.
125. The clause headings in this terms and conditions are only for convenience and do not affect the meaning of the relative clause.

#### Updating of Specimen Signatures/ Customer Information/ Changes in Specimen Signatures and Signatories

126. The Depositor and authorized signatories shall be required to update their specimen signatures and customer information every five (5) and two (2) years respectively or sooner at the discretion of the Bank or as required by the BSP.
127. Changes in authorized signatories shall be allowed only upon receipt of a written request from the Depositor signed by its duly authorized signatories.

#### Customer Information and Bank Communications

128. The Depositor shall ensure that the Bank is provided with his latest contact information and thereby gives consent to the Bank and its authorized representatives to contact the Depositor through mail, e-mail, fax, SMS or by telephone regarding promotional offers and/or notices or alerts with respect to his/her account/s and/or the Bank's products and services.
129. The Depositor acknowledges and accepts that for electronic communications sent via SMS or email, on promotional / service advisories and feedback solicitation, it is his/her responsibility to ensure that his mobile phone and/or email account/s are secure and therefore holds the Bank free and harmless should an unauthorized person view the messages/notices/alerts sent by the Bank.
130. The Depositor also acknowledges and accepts that the Bank does not guarantee the timely delivery of notices or alerts sent via SMS or email and shall hold the Bank free and harmless from any and all liability regarding the delayed or non-receipt of such messages.
131. The Depositor undertakes to immediately inform the Bank of any change in his contact information and agrees to verification procedures before such changes take effect. The Depositor holds the Bank free and harmless against any and all liability from his/her failure to inform the Bank regarding such changes.
132. The Depositor also agrees to be contacted by the Bank even after closure /termination of his/her accounts with the Bank.

## General Provisions

### 133. COMPLIANCE WITH EXISTING LAWS.

I hereby warrant that the use of the Bank products and services does not and will not violate any applicable provision of the Anti-Money Laundering Law, as amended and other applicable pertinent laws, government rules and regulations. By using Bank products and services, I hereby agree to render the Bank, its officers, employees and representatives free and harmless and shall indemnify the Bank from any liability, damages, or cause of action, whatsoever that may arise from my violation of any of these terms and conditions, laws, rules or regulations. Further, the Bank, upon reasonable suspicion or existence of fraud or irregularity involving any Bank products and services may automatically block the use thereof, with or without notice, and proceed to initiate an investigation.

### 134. AMENDMENTS.

The Bank reserves the right to amend or modify these Terms and Conditions, at any time and for whatever reasons it may deem proper. I hereby agree to be bound by such amendment.

### 135. LIMITATION OF LIABILITY.

I shall hold the Bank free and harmless from any liability, loss, damage or claim arising from or caused by any mechanical effect, or as consequence of use or misuse or improper, fraudulent or illegal use of the Bank products and services.

### 136. GOVERNING LAW and OTHER TERMS.

These terms and conditions shall be governed by and construed pursuant to the laws and regulations of the Republic of the Philippines, Banko Sental ng Pilipinas; Anti-Money Laundering Council; Philippine Deposit Insurance Corporation; Philippine Clearing House, etc. If any terms and conditions of this Agreement is declared invalid, all other provisions, terms or conditions shall not be affected and continue to be in full force and effect.

### 137. VENUE.

Any legal action or proceeding arising out of or connected with this Agreement shall be brought in the proper courts of Makati City, to the exclusion of all other courts.

## **PART II. Services/channels:**

### A. Phone Banking

Should I need assistance on my account, I can call PBCOM Customer Care at 7772266 or 1800-10-7772266 (Toll Free). I have the option to choose the Self-Service Phone Banking or talk to a Customer Care Officer.

I acknowledge and agree that the Bank has sole and absolute discretion of the scope, features and functionalities of the PBCOM Phone Banking Service.

### 138. Self Service Phone Banking

**PBCOM Self Service Phone Banking may be availed by registering to the service during account opening or by calling the PBCOM Customer Care Number.** Access to the PBCOM Self Service Phone Banking shall only be made by means of a security Telephone Personal Identification Number (T-PIN).

I am responsible for securing my T-PIN and agree to act prudently and in good faith by taking all the security measures to safeguard my T-PIN.

I agree that PBCOM Self Service Phone Banking shall be used at my own risk and responsibility.

139. Talking to a Customer Care Officer

When talking to a Customer Care Officer/Bank Representative, I agree that my call may be recorded and such recordings may be submitted as evidence in any court or other proceedings as deemed necessary.

I allow the Customer Care Officer to validate my identity by asking security questions in accordance with procedures laid down by the Bank to ensure legitimacy of transactions requested over the phone.

140. **COMPLAINTS**

Should I have any complaint, I can visit my servicing branch or report this through any of the following channels:

- Mail:** PBCOM Customer Care 19<sup>th</sup> Floor, Wynsum Corporate Plaza 22 F. Ortigas Jr., Ortigas Center, Pasig City
- Telephone:** 77PBCOM (7772266)
- Toll Free:** 1800-10-77PBCOM (7772266)
- Email:** [customercare@pbcom.com.ph](mailto:customercare@pbcom.com.ph)

I will provide all the necessary details that will facilitate the investigation of my concern and fulfillment of my inquiry and/or request.

I trust that the Bank Representative will inform me of the results of the investigation and act based on the findings obtained therein.

The Bank shall not be obligated to take any action on any instructions which do not properly comply with the Procedures and the Bank may reject such non-compliant instructions.

**Annex A**

**FEEES AND LIMITS FOR PBCOM DEBIT CARDS**

<b>ATM FEES</b>	<b>Inquiry</b>	<b>Withdrawal</b>
PBCOM ATMs	Free	Free
Bancnet/Megalink ATMs	Php 1.00	Php 10.00
MasterCard ATMs abroad	US\$ 1.00	US\$ 3.50

<b>OTHER FEES</b>	
Card Replacement	Php 150.00
Request for new PIN	Php 100.00 per issuance
Sales Slip Retrieval Fee	Php 400.00
Dispute Handling Fee	Php 1,000.00
International Transaction Fee	3% of the total transaction amount

<b>DAILY TRANSACTION LIMITS</b>	
ATM Withdrawal	Php 10,000 per ATM withdrawal transaction Php 50,000 total ATM withdrawal per day (or equivalent in foreign currency)
POS Purchase	Php 50,000 (or equivalent in foreign currency)
E-commerce Purchase	Php 10,000 (or equivalent in foreign currency)

**Annex B**

**Sample Interest and Withholding Tax Computation for Savings Account**

$$\text{Quarterly Interest} = \frac{\text{ADB for the quarter} \times \text{Prevailing interest rate} \times \text{No. of days the funds stayed with the Bank in the quarter}}{360 \text{ days}}$$

360 days

Posting of interest is at the end of each calendar quarter.

To illustrate:

Given:

- ADB July 1 to Sept 30: PHP 250,000
- Interest rate: 0.100% gross per annum
- No. of days July 1 to Sept 30: 92 days

$$\text{Quarterly Interest} = \frac{250,000 \times 0.100\% \times 92 \text{ days}}{360 \text{ days}}$$

360 days

**Quarterly Interest = 63.89 (gross)**

Withholding tax (WHT) rate for Peso deposit: 20%

WHT = Quarterly interest x WHT rate

WHT = 63.89 x 20%

**WHT = 12.78**



### Annex C

#### Sample Interest Computation and Net Proceeds for Time Deposits

$$\text{Interest for the period} = \frac{\text{Principal} \times \text{Interest rate}^* \times \text{Interest number of days}}{360 \text{ or } 365 \text{ days}^{**}}$$

\* Updated interest rates can be seen in the Rate Sheet posted inside the Bank premises

\*\*360 day divisor for TDs <365 days; 365 day divisor for TDs 365 days & above

To illustrate:

Given:

- Principal amount: PHP 350,000
- TD product: 1 Month
- Date of booking: Aug 18, 2015
- Maturity date: Sept 18, 2015
- No. of days Aug 18 to Sept 18: 31 days
- Interest rate: 0.5300% gross per annum

$$\text{Interest for the period} = \frac{350,000 \times .0053 \times 31}{360}$$

$$\text{Interest for the period} = \mathbf{159.74}$$

Withholding tax (WHT) rate for Peso deposit: 20%

WHT = Interest for the period x WHT rate

WHT = 159.74 x 0.20

WHT = **31.95**

Net interest = Interest for the period (gross) – WHT

Net interest = 159.74 – 31.95

Net interest = **127.79**

Final/net proceeds = Principal + Net interest

Final/net proceeds = 350,000 + 127.79

Final/net proceeds = **350,127.79**

Pre-termination of Time Deposit will be subject to the following:

- a. Interest rate adjustment depending on the term completed:

For all TDs except 5 Year TD:

Term Completed	Adjusted Interest Rate
Half of the Term or less	25% of original rate (at booking or last renewal) will be paid to depositor
More than half of the Term but before maturity	50% of original rate (at booking or last renewal) will be paid to depositor

For 5 Year TD:

Term Completed	Adjusted Interest Rate
Less than 1 year	50% of interest rate at booking will be paid to depositor
1 year to less than 2 years	60% of interest rate at booking will be paid to depositor
2 years to less than 3 years	70% of interest rate at booking will be paid to depositor
3 years to less than 4 years	80% of interest rate at booking will be paid to depositor

4 years to less than 5 years	90% of interest rate at booking will be paid to depositor
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b. Withholding tax – to be deducted from the adjusted interest

For all TDs except 5 Year TD:

Type of TD	Withholding Tax Rate
Peso TD	20% of interest earned
Foreign currency TD	15% of interest earned

For 5 Year TD:

Term Completed	Withholding Tax Rate
Less than 1 year	20% of interest earned
1 year to less than 2 years	20% of interest earned
2 years to less than 3 years	20% of interest earned
3 years to less than 4 years	12% of interest earned
4 years to less than 5 years	5% of interest earned

c. Documentary stamp tax (DST) – to be deducted from the TD proceeds, computed as follows:

$$\text{DST} = \frac{\text{Amount of TD}}{200} \times \frac{\text{Amount as specified by law}}{365} \times \text{Term of TD}$$

365

To illustrate using same sample computation:

If TD is pre-terminated Sept 9

- a. To determine interest rate adjustment:
  - No. of days from Aug 18 to Sept 9: 22 days (term completed)
  - 22 days (term completed) vs. 31 days (original term): more than half of original term
  - Thus, interest rate adjustment: 50% of original rate

b. To compute for adjusted interest rate:

Adjusted interest rate = original rate x rate adjustment

Adjusted interest rate = 0.5300% x 0.50

Adjusted interest rate = 0.2650%

c. To compute for adjusted interest amount:

$$\begin{array}{rcllcl}
 \text{Adjusted} & & & & & \\
 \text{Interest} & & & & & \\
 \text{(gross)} & = & \text{Principal} & \times & \text{Adjusted} & \times & \text{Term} \\
 & & & & \text{rate} & & \text{completed} \\
 & & & & & & \\
 & & \text{-----} & & & & \\
 & & & & 360 & & 
 \end{array}$$

$$\begin{array}{rcllcl}
 \text{Adjusted} & & & & & \\
 \text{Interest} & & & & & \\
 \text{(gross)} & = & 350,000 & \times & .00265 & \times & 22 \\
 & & & & & & \\
 & & \text{-----} & & & & \\
 & & & & 360 & & 
 \end{array}$$

$$\begin{array}{rcl}
 \text{Adjusted} & & \\
 \text{Interest} & & \\
 \text{(gross)} & = & \mathbf{56.68}
 \end{array}$$

WHT = adjusted interest x WHT rate

WHT = 56.68 x 0.20

WHT = 11.34

Adjusted interest net = adjusted interest gross – WHT

Adjusted interest net = 56.68 – 11.34

Adjusted interest net = 45.34

d. To compute for DST:

$$\text{DST} = \frac{350,000}{200} \times \text{PHP } 1.50 \times \frac{31}{365}$$

**DST = 222.94**

*(Currently, DST rate is at Php 1.50 for every Php 200 of amount of deposit)*

e. To proceed with the computation of net proceeds:

Net proceeds = Principal + adjusted interest net – DST

Net proceeds = 350,000 + 45.34 – 222.94

Net proceeds = **349,822.40**



## Annex D

### Sample Interest and Withholding Tax Computation for Current Account

$$\text{Monthly Interest} = \frac{\text{ADB for the month} \times \text{Prevailing interest rate} \times \text{No. of days the funds stayed with the Bank in the month}}{360 \text{ days}}$$

Posting of interest is at the end of each calendar month.

To illustrate:

Given:

- ADB Aug 1 to Aug 31: PHP 250,000
- Interest rate: 0.100% gross per annum
- No. of days Aug 1 to Aug 31: 31 days

$$\text{Monthly Interest} = \frac{250,000 \times .001 \times 31 \text{ days}}{360 \text{ days}}$$

$$\text{Monthly Interest} = \mathbf{21.53}$$

Withholding tax (WHT) rate for Peso deposit: 20%

WHT = Monthly interest x WHT rate

$$\text{WHT} = 21.53 \times 0.20$$

$$\text{WHT} = \mathbf{4.31}$$