



PHILIPPINE BANK OF COMMUNICATIONS
(A corporation duly organized and existing under Philippine laws)

PRICING SUPPLEMENT DATED 5 NOVEMBER 2024

PHP7,693,800,000 6.0796% PHP DENOMINATED FIXED-RATE SERIES A BONDS DUE 2026 (THE “SERIES A BONDS”) ISSUED AS THE 1ST TRANCHE UNDER THE PHP15 BILLION PESO BOND 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 Arranger and Bookrunner



Selling Agents



This document constitutes the Pricing Supplement relating to Series A 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 “Master Terms and Conditions”) set forth in the Trust Agreement and the Offering Circular dated 26 September 2024 (the “Offering Circular”). This Pricing Supplement contains the final terms of this Offer and the Series A 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.

Issuer	Philippine Bank of Communications (“ PBCOM ”).
Issuer Rating	PRS Aa minus (corp.), with a Stable Outlook from Philippine Rating Services Corporation.
Issue	PHP-denominated fixed-rate Series A Bonds due 2026 (the “Series A Bonds”) constituting direct, unconditional, unsecured and unsubordinated obligations of PBCOM which shall be issued as the first tranche (1st) under the Issuer’s existing PHP15 billion Bond Programme.
Issue Amount	PHP 7,693,800,000.
Manner of Distribution	Public offering.
Use of Proceeds	For general corporate purposes including refinance debt obligations, diversify funding sources and support loan growth.
Issue Price	Par or 100% of face value.
Issue Date	5 November 2024.
Maturity Date	5 May 2026.
Form and Denomination	The Bonds shall be issued in scripless form in denominations of PHP100,000 each, as a minimum, and in multiples of PHP50,000 thereafter, and traded in denominations of PHP50,000 in the secondary market.
Ranking	The Series A Bonds constitute direct, unconditional, unsecured, and unsubordinated obligations of the Bank, enforceable according to the 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 present and future direct, unconditional, unsecured, and unsubordinated obligations of the Bank, except for any obligation enjoying a statutory preference or priority established under Philippine laws.
Interest Rate	6.0796% per annum payable on the Interest Payment Dates set out below
Interest Payment Dates	5 February, 5 May, 5 August and 5 November of each year, commencing on 5 February 2025.
Day Count Fraction	30/360 day count basis.
Redemption for Taxation Reasons or Increase in Regulatory Reserves	If (a) payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date, or (b) the Issuer becomes subject to increased reserve requirements against Peso denominated obligations that include the Bonds, as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax or reserve requirement by Law or by regulation of the BSP cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days’ prior written notice to the Trustee) at par or 100% face value plus accrued interest.

Final Redemption

The Bonds will be redeemed at par or 100% face value upon their maturity.

Prohibited Bondholders

Prohibited Bondholders mean, subject to any amendments in an applicable Pricing Supplement, persons and entities which are prohibited from purchasing and/or holding the Bonds pursuant to regulations governing the Bank, specifically:

(1) (a) the Issuer (except where the Issuer purchases and cancels the Bonds under the allowable conditions in the Master Terms and Conditions), (b) the Issuer's "related parties" as defined in (and subject to exemptions under) the MORB, including but not limited to, in addition to the Issuer's subsidiaries and affiliates and any party (including their subsidiaries, affiliates and special purpose entities) that the Issuer exerts direct/indirect control over or that exerts direct/indirect control over the Issuer, any person or entity that is in possession or has access to material and non-public information which affects the pricing and marketability of the Bonds or which would substantially impact an investor's decision to buy or sell the Bonds once the same are disseminated to the public; *provided*, that without limiting the generality of the foregoing, the following persons shall be deemed "related parties" of the Issuer:

(i) With respect to any issuance of Bonds:

- (A) the Issuer's Directors, Board Advisers, Corporate Secretary, officers/staff of the Office of the Corporate Secretary and their relatives within the first degree of consanguinity or affinity, or by legal adoption;
- (B) All members of the Bank's Senior Management Team ("**SMT**") (President & CEO; Chief Strategy and Implementation Officer; Chief Operations Officer; Heads of Finance Group, Treasury Group, Trust and Wealth Management Group, Corporate and Commercial Banking Group, Branch Banking Group, Transaction Banking Group, Consumer Finance Group, Heads of Human Resources Group, Legal Services Group, Marketing Services Division, Consumer Protection and Experience Management Division, Information Technology Group, Enterprise Risk Management Group, Internal Audit Group, Compliance Management Group); the Executive Assistant of the President; and their relatives within the first degree of consanguinity or affinity, or by legal adoption;
- (C) All members of the Asset Liability Committee ("**ALCO**") including the ALCO secretariat and their relatives within the first degree of consanguinity or affinity, or by legal adoption;

(D) Members of the following Groups, Divisions, including their relatives within the first degree of consanguinity or affinity, or by legal adoption:

- (1) Treasury Group;
- (2) Trust and Wealth Management Group;
- (3) Compliance Management Group;
- (4) Office of the Corporate Secretary;
- (5) Finance Group;
- (6) Performance and Project Management Division;
- (7) Legal Services Group;
- (8) Marketing Services Division
- (9) Customer Protection and Experience Management Division; and
- (10) Market and Asset Liability Risk Management Team;

(E) The Bank's stockholders, substantial stockholders, subsidiaries, affiliates and other related parties, as defined in the MORB. For this purpose, "stockholders" shall refer to any stockholder of record of the Bank, whose stockholdings, amount to one percent (1%) or more of the total subscribed capital stock of the Bank, individual and/or collectively with the stockholdings of: (a) his spouse and/or relative within the first degree by consanguinity or affinity or legal adoption; (b) a partnership in which the stockholder and/or the spouse and/or any of the aforementioned relatives is a general partner; and (c) association or firm of which the stockholder and/or his spouse and/or the aforementioned relatives own more than fifty percent (50%) of the total subscribed capital stock of such corporation, association or firm.

(ii) in relation to any issuance of the Bonds, the following persons, but only to the extent such persons have performed the services or functions described below in respect of such Tranche:

(A) The partners and associates of external legal counsel to the Issuer, and select officers and staff of the Arrangers and Bookrunners; and

- (B) The officers and staff of the Issuer's external auditors, and auditors providing comfort letters;

Provided, further, that a party participating in an Offer as an underwriter or Arranger and Bookrunner of the Bonds may hold such Bonds even if such underwriter or Arranger and Bookrunner is a related party of the Issuer, to the extent that such party is authorized to hold Bonds pursuant to the relevant underwriting or arrangement agreement and otherwise is in compliance with the provisions of the Governing Regulations applicable to such investment.

(2) such persons who are otherwise not qualified under the Governing Regulations including any other person whose acquisition, holding, or transfer of the Bonds would violate any applicable law or regulation, including but not limited to the rules of the PDEX, BSP, AMLC, or other government regulation in any relevant jurisdiction; or

(3) persons classified as U.S. Persons under the Foreign Account Tax Compliance Act of the United States, as this may be amended from time to time ("**FATCA**"), which include: (a) a U.S. citizen (including a dual citizen who may have another citizenship besides having a U.S. citizenship); (b) a U.S. resident alien for tax purposes, which includes a person who has substantial presence in the U.S. ("substantial presence" is defined as more than 31 days in the current calendar year or a total of 183 days over the previous three years from the current tax year); (c) a U.S. partnership, U.S. corporation, or U.S. entity; (d) a U.S. estate; (e) a U.S. trust if a court within the United States is able to exercise primary supervision over the administration of the trust, or one or more U.S. persons have the authority to control all substantial decisions of the trust; or (f) any other person that is not a non-US person under the FATCA; or

(4) persons classified as a Restricted Party.

For purposes of the definition of Prohibited Bondholders, a **subsidiary** means, at any particular time, a company which is then directly controlled, or more than fifty percent (50%) of whose issued voting equity share capital (or equivalent) is then beneficially owned, by the Bank and/or one or more of its subsidiaries or affiliates. An **affiliate** means, at any particular time, a company at least twenty percent (20%) but not more than fifty percent (50%) of whose issued voting equity share capital is then owned by the Bank. For a company to be **controlled** by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise

controls or has the power to control the affairs and policies of that company.

Taxation

Interest income on the Bonds is subject to a final withholding tax at rates ranging from 0% to 20% to 25% (or such other rates as may be required by law or regulations) depending on the tenor of the Bonds and tax status of the relevant Bondholder under relevant law, regulation, or tax treaty. Subject to the Master Terms and Conditions of the Bonds, if any payments of principal and/or interest in respect of the 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 below.

As issuer of the Bonds, the withholding of final tax on the interest due on the Bonds is the responsibility of the Bank pursuant to Section 57 of the Tax Code, and Section 2.57 of Revenue Regulations No. 2-98, as amended by Revenue Regulations No. 11-2018. The Bank may be required to abide by the terms of the BIR accreditation of the PDS Group Corporate Action Auto-Claim ("**CAAC**") System to the extent of its applicability, and to the extent that it affects information processed by the CAAC system in relation to the Bank's listed issues.

Notwithstanding the foregoing, the Bank shall not be liable for the filing of returns and other reportorial requirements, as well as the payment of the following:

- (i) Income tax on any gain by a Bondholder realized from the sale, exchange, or retirement of the Bonds;
- (ii) The applicable final withholding tax on interest earned on the Bonds prescribed under the Tax Code;
- (iii) Gross Receipts Tax under Section 121 of the Tax Code;

- (iv) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (v) Value Added Tax (“VAT”) under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337, and as may be amended from time to time.

Documentary stamp tax for the primary issue of the Bonds and the execution of the Trust Agreement and other Bond Agreement, if any, shall be for the Bank’s account.

The tax exemption or preferential tax treatment of Bondholders claiming exemption from any applicable tax or preferential rates shall be implemented only upon submission of the following documents to the Registrar and Paying Agent:

- (i) Proof of tax exemption or entitlement to preferential tax rates:
 - For (a) 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); (b) cooperatives duly registered with the Cooperative Development Authority; and (c) 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;
 - For Tax-Exempt Personal Equity Retirement Account established pursuant to the PERA Act of 2008 – certified true copy of the Bondholder’s current, valid and subsisting Certificate of Accreditation as PERA Administrator;
 - For all other tax-exempt entities (including, but not limited to, (a) non-stock, non-profit educational institutions; (b) government-owned or -controlled corporations; and (c) 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;

- For entities claiming tax treaty relief – pursuant to RMO 14-2021, prior to the payment of interest due: (1) 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, (2) 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, (3) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, (4) 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 favour of its authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and 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 (5) 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 Bonds. It shall be the Bondholder's sole responsibility and obligation to file the tax treaty relief application ("TTRA") 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. 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;

- Any other document that the Bank or PDTC may require from time to time; and
- (ii) A duly notarized declaration and undertaking, in the prescribed form, executed by (i.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 (i.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 its tax-exempt status, 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 specifically subject to a preferential tax rate for the relevant tax, and undertaking to immediately notify the Bank and the Registrar of any suspension, revocation, or modification of its tax exemption or treaty privileges, and agreeing to indemnify and hold the Bank, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, expenses, penalties and liabilities resulting from the non-withholding or reduced withholding of the required tax; and

To the extent applicable, such other documentary requirements as may be reasonably required by the Bank or the Registrar and Paying Agent, or required under the applicable regulations of the relevant taxing or other authorities.

Governing Law

Philippine Law.

Payment Account Name

PDTC as Paying Agent of PBCOM FAO PBCOM PHP FIXED RATE Series A BONDS due 2026 Bondholders.

Listing

The Issuer shall list the Bonds on the Philippine Dealing & Exchange Corp. (“PDEX”) on the Issue Date.

PARTIES TO THE TRANSACTION

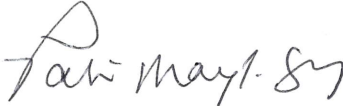
Sole Arranger and Bookrunner	ING Bank N.V., Manila Branch ("ING")
Selling Agents	PBCOM and ING
Trustee	Development Bank of the Philippines - Trust Banking Group
Market Maker	ING
Registrar & Paying Agent	Philippine Depository & Trust Corporation
Listing Agent & Exchange	Philippine Dealing & Exchange Corporation


RESPONSIBILITY

The Bank accepts responsibility for the information contained in this Pricing Supplement.

Philippine Bank of Communications

By:


PATRICIA MAY T. SIY
President and CEO


ALAN E. ATIENZA
EVP and Treasurer