



June 30, 2006

Customer Questionnaire Findings

Dear Customers,

First of all, PNB Tokyo and Nagoya would like to express our gratitude to our esteemed customers who were kindly cooperated with us and responded to our Questionnaire.

We would like to disclose the results of Questionnaire hereunder and our actions taken in response to your suggestions and requests.

Regards

1. How the customer questionnaire was implemented

The purpose of this questionnaire was to collect the actual appraisal and suggestions of PNB customers and to know the product needs of our customers by mailing the questionnaire to the client whom we selected at random from users of three different remittance methods.

The response ratio by different remittance methods

	Bank Transfer	Walk-In	Post Office	Total
The number of the questionnaire dispatched	180	150	130	460
The number of the questionnaire collected	78	68	16	162
The response ratio	43%	45%	12%	35%

2. Findings from customer questionnaire (Made public on June 30, 2006)

(1) Satisfaction Level on delivery / execution of remittance

	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
Needs Improvement	7	9%	1	1%	0	0%	8	5%
Satisfactory	32	41%	30	44%	10	63%	72	45%
Excellent	39	50%	37	54%	5	31%	81	50%
Total	78	100%	68	100%	16	100%	162	100%

95% of clients responded are satisfied on delivery speed of remittance. However, 5% of clients answered that we need improvement. The reason is as follows.

(multiple answers)	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
Not executed the same day	2	18%	1	14%	0	0%	3	17%
Difficult to contact the bank to give an instruction	4	36%	3	43%	0	0%	7	39%
PNB Japan does not have a 24-hour Call Center service	2	18%	2	29%	0	0%	4	22%
Unsatisfied	2	18%	0	0%	0	0%	2	11%
Others	1	9%	1	14%	0	0%	2	11%
Total	11	100%	7	100%	0	0%	18	100%

(2) Satisfaction Level on exchange rate

(except no answer)	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
Needs Improvement	10	37%	9	13%	5	38%	24	22%
Satisfactory	15	56%	33	49%	4	31%	52	49%
Excellent	2	7%	25	37%	4	31%	31	29%
Total	78	100%	68	100%	16	100%	162	100%

78% of clients responded are satisfied about the exchange rate that we offer. However, 22% of clients answered that we need improvement. The reason is as follows.

reason of improvement required (multiple answers)	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
PNB Japan's remittance rate is lower than other Filipino banks in Japan	3	10%	1	6%	0	20%	4	8%
PNB Japan's remittance rate is lower than money changers in the Philippines	10	32%	3	17%	0	40%	13	27%
I prefer sending cash and exchange locally	4	13%	2	11%	0	0%	6	12%
I do not mind much on the exchange rate when I remit to the Philippines	3	10%	1	6%	0	20%	4	8%
I wait until the exchange rate would be available before I give my Instruction	1	3%	0	0%	0	20%	1	2%
I prefer that exchange rates be available at 9:00AM	9	29%	8	44%	0	0%	17	35%
I prefer that exchange rates be available at 10:00AM	1	3%	3	17%	0	0%	4	8%
I prefer that exchange rates be available at 10:30AM	0	0%	0	0%	0	0%	0	0%
Others	0	0%	0	0%	0	0%	0	0%
Total	31	100%	18	100%	0	100%	49	100%

Concerning the exchange rate of Japanese yen / Philippine peso, we are confident that PNB Japan offers the best rate in Japan. It seems that clients who responded we are not as good as our competitor bank have some misunderstandings. We can show it by actual record of quoted rates.

There is an opinion that the rate of PNB Japan is not so good in comparison with the Philippine domestic money exchanger rate. The competition environment is different in Japan and in the Philippines; therefore it is difficult for PNB Japan to offer a similar rate.

(3) Satisfaction Level on remittance commission

(except no answer•multiple answers)	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
I find it relatively expensive as compared with other countries	0	0%	6	8%	0	0%	6	6%
I find it relatively expensive as compared with other banks in Japan	5	22%	1	1%	0	0%	6	6%
I find it reasonable.	9	39%	47	59%	2	29%	58	53%
I find it comparatively cheap	4	17%	8	10%	1	14%	13	12%
I know of cheaper ways to remit in Japan	2	9%	1	1%	0	0%	3	3%
I prefer based on amount of remittance	1	4%	9	11%	3	43%	13	12%
I prefer that it be Fixed	2	9%	6	8%	1	14%	9	8%
Others	0	0%	3	4%	1	14%	4	4%
Total	23	100%	79	100%	7	100%	109	100%

65% of the clients answered that our remittance commission is reasonable or comparatively cheap. 6% of the clients gave us the comments that our remittance commission is comparatively higher than other Filipino banks in Japan, however, we recognize the remittance commission of the other Filipino banks are at the same level as ours or higher.

(4) Satisfaction Level on service quality of Call Center

(except no answer•multiple answers)	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
Needs Improvement	6	25%	4	5%	1	8%	11	10%
Satisfactory	14	58%	35	48%	9	75%	58	53%
Excellent	4	17%	34	47%	2	17%	40	37%
Total	24	100%	73	100%	12	100%	109	100%

reason of improvement required	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
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PNB Tokyo Branch is hard to contact at specific time	6	67%	1	20%	1	100%	8	53%
PNB Nagoya Sub-Branch is hard to contact at specific time	0	0%	0	0%	0	0%	0	0%
PNB Staff have not been polite and courteous in assisting me	2	22%	1	20%	0	0%	3	20%
Others	1	11%	3	60%	0	0%	4	27%
Total	9	100%	5	100%	1	100%	15	100%

75% of the clients are satisfied with our Call center services. However, some clients showed dissatisfaction that it is hard to contact at peak hours, such as lunch break period.

(5) Clients' request or needs of new products

For the purpose of better serving the needs of PNB clients, we included in the Questionnaire some questions on new methods of remittance as well as new types of loan products. We received following responses. (except no answer / multiple answers are excluded)

New Product								
ATM Card	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
I am interested	3	60%	8	72%	9	60%	20	65%
I am not interested	1	20%	3	27%	5	33%	9	29%
I prefer registered mail	1	20%	0	0%	1	6%	2	6%
Total	5	100%	11	100%	15	100%	31	100%

New Product								
Virtual Branch	Bank Transfer	%	Walk-In	%	Post Office	%	Total	Percentage
I want to use it	10	71%	7	50%	7	70%	24	63%
it is no need to make instruction, so it is convenient	3	21%	7	50%	2	20%	12	31%
I prefer the conventional transfer procedure	1	7%	0	0%	1	10%	2	5%
Total	14	100%	14	100%	10	100%	38	100%

New Product								
Loan	Bank				Post		Total	Percentage
	Transfer	%	Walk-In	%	Office	%		
Car loan	4	27%	30	42%	6	29%	40	37%
Free loan	4	27%	34	47%	11	54%	49	45%
Philippines deposit secured loan	7	47%	3	4%	1	5%	11	10%
Tokyo Branch deposit secured loan	0	0%	5	7%	2	9%	7	6%
Others	0	0%	0	0%	1	5%	1	1%
Total	15	100%	72	100%	21	100%	108	100%

Improvements to be made in response to the results of the Questionnaire:

Analysis of the Questionnaire has identified the following concerns/problems:

- 1) Access by clients to the Call Center
- 2) Feasibility of the “remittance rate”(exchange rate applied to remittance)
- 3) Need to launch new products particularly remittance products.

I. Access by clients to the Call Center:

Problem / Concern and the actual current situation.

PNB Tokyo Branch’s Call Center was created in February 2004 with the first and foremost duty: To efficiently get remittance instructions from Mizuho Clients. In addition to this, the Call Center’s Customer Relations Officers have to respond to clients’ inquiries regarding basic features of the bank’s products and services.

Calls to PNB Japan peak at lunch breaks from 12 noon to 1:00 p.m., the first day of the month, on salary days which usually every 25th of the month towards the end of each month.

Countermeasures and enhancements to be done by PNB Japan:

- 1) Reinforcement of call center support from the other sections during peak hours (specifically from 11:00 to 14:00) and on peak days.
- 2) Consider the reduction of absolute number of telephone calls which may be a vital solution to this concern. PNB Japan is considering the almost immediate introduction of two remittance methods of “no-telephone-required.” These remittance product schemes will be done in collaboration with the Japan Post Office and Mizuho Corporate

Bank. PNB Japan hopes that the introduction of these new products will improve customer satisfaction by making remittance easier and faster.

II. Feasibility of the remittance rate:

Problem / Concern and the actual current situation:

PNB Japan currently releases its remittance rate (Dollar / Yen, Dollar / Philippine Peso, Philippine Peso / Dollar) at 10:30 a.m. When clients remit over-the-counter before the remittance rates are released, the bank applies the rate of the previous day. Walk-in clients who wish to send using the rate for the day may opt to wait for the rate to be available by 10:30 a.m.

Countermeasures and enhancements to be done by PNB Japan:

Study and discussions were made concerning this issue of having the rates be available earlier than 10:30 a.m. however, PNB Tokyo Branch's Treasury Manager, who is in charge of the Treasury and Foreign Exchange, suggested that it would be best to keep the Bank's current practice of making available the rates at 10:30 a.m. due to the following reasons:

- a) The market of Dollar / Peso starts in the Manila market at 9:00 a.m., Philippine time which is 10:00 Japan time.
- b) It takes around 15 to 30 minutes for the volume of transactions to increase and reflect actual market trend.

Considering the reasons above, PNB Japan has concluded to release and make available the rates at 10:30 a.m. to better reflect actual rate in the foreign exchange market.

III. Need to launch new products.

A) Remittance Products:

Problem / Concern and current actual situation:

In this Marketing Questionnaire, PNB Japan has identified the much interest clients have on the two new remittance products that it hopes to launch in the near future.

Some of the bank's clients work on night shifts, thus would be difficult for them to call or fax to PNB Japan their Remittance Instructions.

Countermeasures or enhancement to be done by PNB Japan:

To address this concern, PNB Japan has come up with two (2) product schemes. In these schemes:

- 1) Clients need to register in advance with PNB Japan.
- 2) Subsequent to their registration to these schemes, they will be given:
 - a) A Japan Post Office Remittance Card, if they transfer funds through the Post Offices.
 - b) A virtual account number of Mizuho Corporate Bank, if they transfer funds through banking institutions. Transfer of the funds can be done through any Japanese Bank's ATMs or over its counter.
- 3) Each Japan Post Office Remittance Card or the virtual account number of Mizuho Corporate Bank will incorporate data on a combination of a client and a beneficiary. Meaning, each respective card or virtual account will correspond to one specific remitter and one specific beneficiary. Thus, as long as there is prior registration to these schemes and the client uses this remittance card or virtual account, he does not need to contact PNB Japan for his Remittance Instruction.

Base on the Marketing Questionnaire, clients' interest on the Japan Post Office Remittance Card is 29% and on the virtual account number, 48%. To commemorate PNB Tokyo Branch's 10th Anniversary Celebration and better serve its clients, PNB Japan hopes to launch these two products in the near future.

B) Loan Products:

Current actual situation:

PNB Tokyo Branch currently provides, as a loan product, only mortgage Housing loans, with the property to be acquired in the Philippines, and secured by the Bank as collateral.

In the Marketing Questionnaire that PNB Japan currently Conducted, respondents took interest on new loan products like Car Loan and Personal Loan.

Countermeasures or enhancement to be done by PNB Japan:

In response to our clients' demands for new loan products, PNB Japan has considered the launching of Car Loan in collaboration with PNB Head Office.

For the Personal Loan, a feasibility study has to be done on the product.