

Document Prior to Execution of Contract of Foreign Currency Time Deposits
(and Document for Foreign Currency Deposits, etc)

(This is a document prior to execution of contract of foreign currency deposit and document for foreign currency deposits, etc.
ordered by law.)

Philippine National Bank Tokyo Branch

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Please read this document carefully.

(As of September 1, 2014)

Key points regarding foreign currency time deposit

- 1. Though there is no risk of loss of principal in deposited foreign currency, the exchange rate to be used for currency conversion may fluctuate, and that may cause an exchange loss. Therefore, the value of Yen you will receive including interest may be smaller than the amount of Yen you initially deposited, if the deposit currency has depreciated against Yen.**
- 2. TTS rate (the rate at which Yen is converted to another currency) and TTB rate (the rate at which a foreign currency is converted to Yen) are applied respectively when Yen is converted to another currency (making deposit) and when a foreign currency is converted to Yen (making withdrawal) (please refer the following commission table). TTS rate is determined as follows: the middle rate (the standard rate for foreign currency transactions between a bank and a customer, which fluctuate according to foreign exchange rate move) plus foreign exchange commission (please refer the following commission table). TTB rate is determined as follows: the middle rate minus foreign exchange commission.**
- 3. As a result, the loss of principal and interest may occur when the Yen does not fall against the foreign currency by a margin that exceeds the foreign exchange commission, not only if the deposit currency has depreciated against Yen.**
- 4. When you deposit / withdraw in a foreign currency, handling charge will be applied. In case of cash in foreign currency, foreign currency cash handling charge (1.5% of the amount of foreign currency) will be applied.**

《Foreign Exchange Commission Table》

Currency	Commission (Yen per 1 foreign Currency)
USD	1.00 yen for conversion to or from 1 foreign currency; 2.00 yen for conversion to and from 1 foreign currency

* Commission is subject to change without notice any time.

5. No penalties are charged for early withdrawals of the time deposit. However, the interest rate set on Savings Account will be applied instead of the interest rate originally committed. Change in the amount, term, splitting, and consolidation of the time deposit is not allowed.

《Product Outline》

Product Name	Foreign Currency Time Deposit
Brief Description of Product	Deposit which is to be deposited in foreign currency. The interest rate is determined by deposit currency, term, etc. and interest is paid in deposited foreign currency. Depositing / Withdrawal is to be made from / to foreign currency in principle. Starting the deposit from Yen or Withdrawal in Yen is also accepted. Foreign Exchange Commission is charged for depositing / withdrawal in Yen (please refer the aforementioned Foreign Exchange Commission Table).
Deposit Insurance	Deposits are not covered by any deposit insurance.
Available to	Individual customers and corporate customers
Term	<ul style="list-style-type: none"> ● 1, 2, 3, 6 and 12 months ● Automatic renewal type (both principal and interest renewal type / principle renewal and interest receivable type) and automatic withdrawal type are available.
Making Deposits	
1. Availability	Amount for one time deposit should be deposited by lump sum.
2. Deposit Amount	A minimum of USD1,000.00
3. Unit of Deposit	The second decimal place of one unit of the deposited foreign currency
4. Applicable Currency	USD only
Withdrawals	The principal and interest shall be paid together at maturity. Change in the term etc or withdrawal at maturity should be informed in writing by 3 business days prior to maturity.

<p>Interest</p> <p>1. Applicable Rates</p> <p>2. Payment Method</p> <p>3. Calculation Method</p>	<p>The applicable rate shall be the rate on offer for the Foreign Currency Time Deposit term that applies from the date of deposit. In the case of automatic renewal, the interest rate for the same Foreign Currency Time Deposit term on offer on the maturity date shall apply.</p> <p>For latest rates, please inquire at our branches or see our web site at: http://www.pnb.com.ph/japan/</p> <p>Interest is paid in a lump sum at maturity.</p> <p>Interest shall be calculated in units of the second decimal place of the deposited foreign currency, for the actual number of days deposited based on 365 days a year.</p>
<p>Tax</p> <p>1. Tax on Interest</p> <p>2. Exchange Rate Gains</p> <p>3. Exchange Rate Losses</p>	<p>For corporate customers, interest is subject to Comprehensive taxation. For individual customers, interest is subject to a 20.315% withholding tax (National tax 15.315%, Local tax 5%). The tax-exempt small-sum personal savings system (Maruyu) does not apply.</p> <p>Corporate customers: Comprehensive taxation Individual customers: Comprehensive taxation (To be declared as miscellaneous income for taxation purposes) However, no declaration is necessary when a salaried employee has an annual income of 20 million yen or less and the total amount of income from sources other than employment or retirement income, which includes foreign exchange gains, is 200,000 yen or less.</p> <p>Exchange rate losses can be deducted from surplus miscellaneous income.</p> <p>* Please consult with a chartered accountant or tax accountant for detailed enquiries on tax.</p>
<p>Commission</p>	<p>Amount, limit or calculation method of commission, etc. cannot be shown in advance, since commission is vary depending on a means of depositing / withdrawal, or a foreign currency.</p> <p>For more details, please see the following Commission Table for Depositing and Withdrawal of Foreign Currency Deposits.</p>
<p>Special Contractual Additions</p>	<p>Not applicable</p>
<p>Early Withdrawal</p>	<p>Withdrawals are permitted before expiry of the term. No penalties are charged for early withdrawals but the interest rate set on Savings Account will be applied instead of the interest rate originally committed.</p>
<p>Contact Number</p>	<p>Please inquire at Deposit Section or via Customer Support Center on: 0120-86-6382.</p>
<p>Related Approved Investor Protection Association</p>	<p>No association</p>
<p>Designated Dispute Resolution Institution contracted with</p>	<p>Japanese Bankers Association Contact point : Japanese Bankers Association Customer Relations Center Phone Number : 0570 – 017109 or 03 – 5252 – 3772</p>
<p>Other Conditions</p>	<p>Foreign exchange contract is not available.</p>

Commission and Rates Concerning Foreign Currency Deposits (Deposits and Withdrawal)

	Type of transaction	Commission and interest rates ¹
Deposit	Deposit using cash (Yen) Transfer from yen deposits	TTS ² rates, which include exchange commission, are applied when converting yen into foreign currencies (depositing). (For details of exchange commission, see the above Foreign Exchange Commission Table)
	Deposit using cash (foreign currency) (USD only)	Cash handling charge is applied (1.5% of the amount of foreign currency).
	Deposit in the form of foreign currency T/C ³	Not available.
	Transfer from foreign currency deposit of the client	No fee is charged for transfers between accounts in same currency of the same holder.
	Foreign currency remitted	Handling charge is applied (0.05% of the value to be deposited, minimum 3,000 yen).
Withdrawal	Withdrawal in cash (Yen) Transfer to a yen deposit	TTB ⁴ rates, which include exchange commission, are applied when converting foreign currencies into yen (withdrawal). (For details of foreign exchange commission, see the above Foreign Exchange Commission Table.)
	Withdrawal in cash (foreign currency) (USD only)	Cash handling charge is applied (1.5% of the value of withdrawal).
	Withdrawal in the form of foreign currency T/C	Not available.
	Transfer to a foreign currency deposit owned by the client	No fees are collected for transfers between accounts in same currency owned by the same account holder.
	Remittance in foreign currency ⁵ 1. Remittance to banks overseas 2. Remittance to banks in Japan	1. Remittance fee of USD21.00 for the Philippines. 2. Remittance fee of ¥5,000. equivalent USD Handling charge is applied in addition (0.2% of the value of remittance, minimum 3,000 yen)

- Notes:
1. No consumption tax will be added to the above commission.
 2. “TTS” stands for Telegraphic Transfer Selling Rate. TTS rates are used when converting yen into foreign currencies.
 3. “T/C” refers to “travelers check.”

4. "TTB" stands for Telegraphic Transfer Buying. TTB rates are used when converting foreign currencies into yen.
5. Charges are different for transactions involving foreign currencies other than those deposited. For example, when depositing an incoming remittance in Philippine Peso to U.S.dollars account.