



LANDBANK

**AT THE FOREFRONT
OF NATION-BUILDING**

2023 OPERATIONAL PLANNING CONFERENCE



Ms. Leila C. Martin

President and CEO
Overseas Filipinos Bank





LANDBANK

**AT THE FOREFRONT
OF NATION-BUILDING**

2023 OPERATIONAL PLANNING CONFERENCE





PLANING KNOWLEDGE **NEEDED** PROCESS **SUCCESS**
BUSINESS TEAM ADVERTISING VISION ORGANIZATIONS
PROFIT IDEA **DEFINITION** HANDWORK
QUALITY SOCIAL PROMOTION **SPECIAL** REPORT BUSINESS **SOLUTION** **IDEA**
NETWORK SATISFACTION ORGANIZATIONS THINK GOAL CREATIVITY
TECHNOLOGY ACTION

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GOAL **CONCEPT** THINK RULE
MANAGEMENT DEVELOPMENT TEAM CAPITAL
OK TEAM
PROCESS
THINK VISION REPORT RISK
KNOWLEDGE STRATEGY STORAGE
INVESTMENT FUTURESTIC **NEEDED** TEAM GOAL
CAPITAL SERVICE RESEARCH RECORDS
RULE GOAL CUSTOMS **MANAGEMENT** DATABASES IDEA
VISION INNOVATION ORGANIZATIONS PROMOTION CAPITAL REPORT
GROWTH PROJECT ANALYSIS
MARKETING TEAM GOAL SERVICE **YES** **GOOD** ORGANIZATIONS
SOLUTION teamwork **GROWTH** **SUCCESS** teamwork
OK

MAJOR ACCOMPLISHMENTS



LANDBANK

SERVING THE NATION

April 18, 2022



BREAK THROUGH 3 KEY STAGES

03

Issuance of the Certificate of Authority (COA) to operate as a Digital Bank of LANDBANK



02

Issuance of a Certificate of Authority (COA) to register with the SEC with P1B capitalization (June 22, 2021)

Approval to establish a new bank (March 25, 2021)

01

BOTTOMLINE STRATEGIC LENSES

eSalary Loan application

Purchase of Receivables Program (PRP)

1

- a total of P1.958Bn LBP eSL purchased and assigned to OFB last **11 May 2022**

Gross Income
(end of 2022)

P 114.63M

Net Income
(end of 2022)

P108.00M

BOTTOMLINE STRATEGIC LENSES

2

Asset Diversification Program (ADP)

- Investment in Corporate Bonds
 - High interest rate
 - Highest credit rating
 - Implemented in **July 2022**

Gross Income
(end of 2022)

P27.37M

Net Income
(end of 2022)

P21.90M

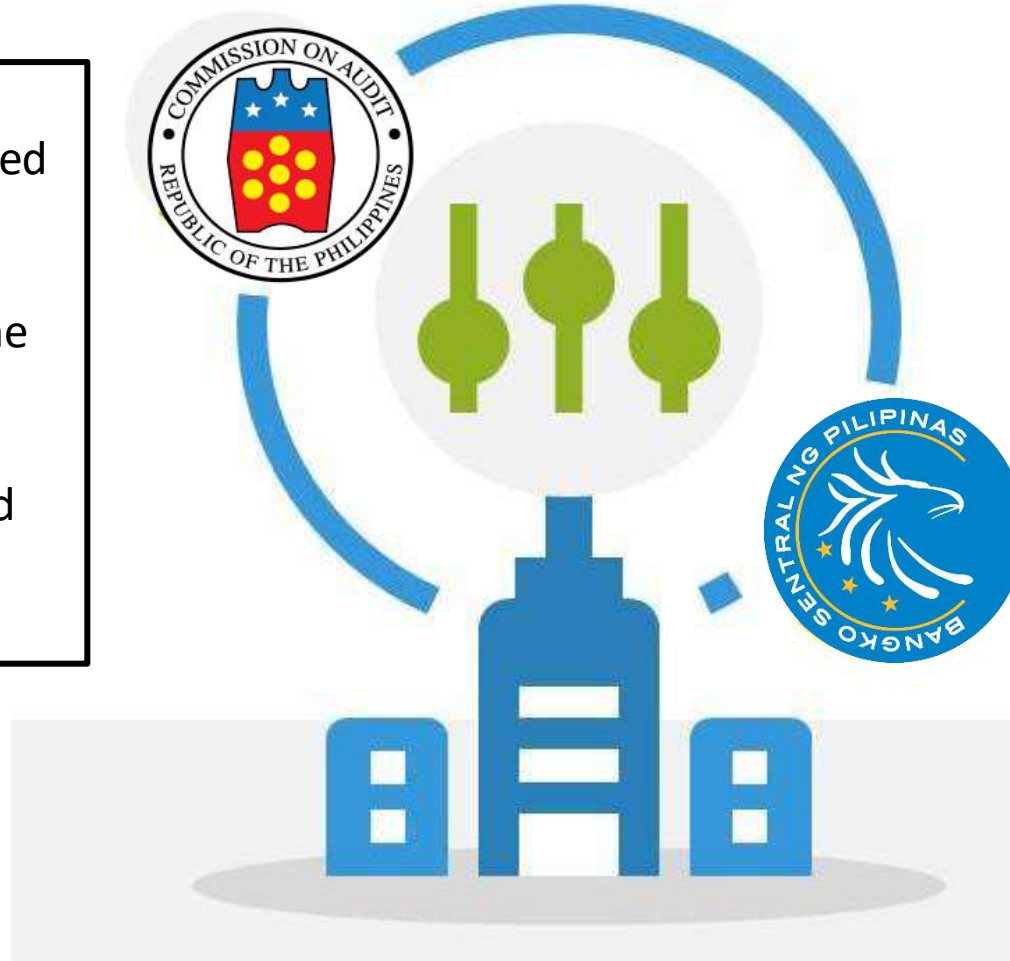


REGULATORS VOTE OF CONFIDENCE

On **June 29, 2022**:

COA rendered an “Unmodified Opinion” on the fairness of presentation of the financial statements of the OFB for the years ended December 31, 2021 and 2020.

- Since 1995, COA rendered “Qualified Opinion” in its audit reports.



On **July 19, 2022**:

BSP issued a SAFr Composite Rating of 3/Stable to OFBank

- The first digital bank to be audited under the new SAFr model

INTEGRATIVE DIGITAL PLATFORM

*Investments - Premyo Bonds/Retail
Treasury Bills/Retail Dollar Bonds*

Bills Payment

eSalary Loan under PRP

Fund Transfer

Unit Investment Trust Fund

*Digital OnBoarding System with AI
- Peso ATM deposit accounts
augmented with virtual card*

*Digital OnBoarding System with AI
- Dollar Deposit Account*





2019

2020

2021

2022

2023

Net Income

SUMMARY OF PROJECTS

PROJECTS	2022 TARGET	STATUS/REMARKS
e-Salary Loan Facility (PRP Accounts) <ul style="list-style-type: none"> A mobile based system to enable borrowers covered by the PRP to apply for loan renewal/view/inquire loan account via the OFB MBA 	Q2 2022	<ul style="list-style-type: none"> Completed. Onboarded in MBA on 11 May 2022
MBA Digital Card Verification Value (CVV) Facility <ul style="list-style-type: none"> A facility to display the CVV and the card expiry date 	Q4 2022	<ul style="list-style-type: none"> Completed. Onboarded in OFB and LBP MBA on 07 October 2022
Optical Character Recognition (OCR) <ul style="list-style-type: none"> The OCR will be utilized to lessen manual intervention on back-office KYC process 	Q4 2022	<ul style="list-style-type: none"> Completed. Onboarded in MBA on 07 October 2022

BUSINESS TARGETS 2022

Statement of Income and Expense

(In P millions)

ACCOUNTS	2022 TARGET	SEPTEMBER 2022 ACTUAL	SEPTEMBER 2021 ACTUAL	GROWTH RATE (%)	SEPT. 2022 ACTUAL vs. 2022 TARGET (%)
	(a)	(b)	(c)	((b) – (c)) ÷ (c)	(b) ÷ (a)
Interest Income	169.54	101.59	35.28	188.00%	60%
Other Income	35.63	18.01	4.68	285%	51%
TOTAL INCOME	205.17	119.6	39.96	199%	58%
Variable cost/ expenses	87.18	57.43	29.43	95%	66%
Manpower costs	11.71	4.23	3.59	18%	36%
Other operating expenses	80.11	79.72	79.16	1%	100%
TOTAL OPERATING EXPENSES	179.01	141.38	112.18	26%	79%
NET INCOME (LOSS)	26.15	(21.78)	(72.22)	-70%	-83%

BUSINESS TARGETS 2022

Statement of Financial Condition

(In P millions)

ACCOUNTS	2022 TARGET	SEPTEMBER 2022 ACTUAL	SEPTEMBER 2021 ACTUAL	GROWTH RATE (%)	SEPT. 2022 ACTUAL vs. 2022 TARGET (%)
	(a)	(b)	(c)	((b) – (c)) ÷ (c)	(b) ÷ (a)
ASSETS					
Due from Bangko Sentral ng Pilipinas (DDA, ODF, TDF, RRP)	1,016.13	755.24	3,460.51	-78%	74%
Due from other banks	30.00	52.82	32.97	60%	176%
Available for sale - debt securities	46.50	46.49	50.43	-8%	100%
Held to Maturity - debt securities	1,500.00	1,413.04	-		94%
Loans - net	2,015.57	1,906.12	1.24	153619%	95%
Bank premises, furniture and equipment - net	159.73	157.66	159.14	-1%	99%
Other assets - net	176.18	187.65	109.23	72%	107%
TOTAL ASSETS	4,944.11	4,519.03	3,813.52	19%	91%
LIABILITIES AND EQUITY					
Liabilities					
Deposit liabilities (all savings deposits)	3,520.59	3,131.25	2,823.87	11%	89%
Other liabilities	136.18	144.48	87.52	65%	106%
Total Liabilities	3,656.77	3,275.73	2,911.39	13%	90%
Equity					
Common stock	2,680.00	2,680.00	2,272.01	18%	100%
Retained earnings	(1,389.16)	(1,433.54)	(1,370.27)	5%	103%
Other Comprehensive Income	(3.50)	(3.15)	0.39	-908%	90%
Total Equity	1,287.34	1,243.31	902.13	38%	97%
TOTAL LIABILITIES AND EQUITY	4,944.11	4,519.03	3,813.52	19%	91%

2023 PLANS AND PROGRAMS

2023 BUSINESS TARGETS

(In P' Million)

STATEMENT OF INCOME AND EXPENSE

ACCOUNTS	RECALIBRATED TARGET 2022	ACTUAL ACCOMPLISHMENT (SEPTEMBER 2022)	ESTIMATED YEAR END (2022)	2023 TARGET	TARGET GROWTH RATE 2022 vs. 2023 (%)
INTEREST INCOME	169.54	101.59	163.30	267.12	58%
Loans	113.21	61.98	102.64	151.63	34%
Due from BSP	31.23	34.38	37.26	16.93	-46%
Deposit in other bank	0.17	0.01	0.17	0.22	29%
Government securities	7.43	2.68	19.61	61.2	724%
Other Investment (Corp. Bonds)	17.5	2.54	3.62	37.14	112%
OTHER INCOME	35.63	18.01	33.79	50.86	43%
Fees and commission	30.01	15.01	28.51	41.8	39%
Rental income	5.51	2.98	5.17	8.94	62%
Other Income	0.11	0.02	0.11	0.12	9%
TOTAL INCOME	205.17	119.60	197.09	317.98	55%
Variable cost/ expenses	87.18	57.43	81.50	79.93	-8%
Manpower costs	11.71	4.23	6.24	15.54	33%
Other operating expenses	80.11	79.72	79.70	53.20	-34%
TOTAL OPERATING EXPENSES	179.01	141.38	167.44	148.67	-17%
NET INCOME (LOSS)	26.15	-21.78	29.65	169.31	547%

2023 BUSINESS TARGETS

(In P' Million)

STATEMENT OF FINANCIAL CONDITION

ACCOUNTS	RECALIBRATED TARGET 2022	ACTUAL ACCOMPLISHMENT (SEPTEMBER 2022)	ESTIMATED YEAR END (2022)	2023 TARGET	TARGET GROWTH RATE 2022 vs. 2023 (%)
ASSETS					
Due from BSP	1,016.13	755.24	343.14	398.14	-61%
Due from other banks	30.00	52.82	20.00	20.00	-33%
Investments	1,546.50	1,459.53	1,869.03	2,471.03	60%
Loans - net	2,015.57	1,906.12	1,975.97	2,060.61	2%
Bank premises, furniture and equipment - net	159.73	157.66	156.39	160.76	1%
Other assets - net	176.18	187.65	280.28	288.26	64%
TOTAL ASSETS	4,944.11	4,519.03	4,644.81	5,398.80	9%
LIABILITIES AND EQUITY					
Liabilities					
Deposit liabilities	3,520.59	3,131.25	3,249.99	3,825.96	9%
Other liabilities	136.18	144.48	100.44	109.14	-20%
Total Liabilities	3,656.77	3,275.73	3,350.43	3,935.10	8%
Equity					
Common stock	2,680.00	2,680.00	2,680.00	2,680.00	0%
Retained earnings	(1,389.16)	(1,433.54)	(1,382.11)	(1,212.80)	-13%
Other Comprehensive Income	(3.50)	(3.15)	(3.50)	(3.50)	0%
Total Equity	1,287.34	1,243.31	1,294.39	1,463.70	14%
TOTAL LIABILITIES AND EQUITY	4,944.11	4,519.03	4,644.81	5,398.80	9%

2023 PLANS & PROGRAMS

PROGRAM 1	Digital Lending Platform
Description	A lending facility with easy application submission, quick approvals, compliant lending processes, and auto-debit loan payments
Objectives	Automate the journey from application to loan disbursement and collection <ul style="list-style-type: none">▪ Acquire and assess customers faster while enhancing back-office processes and reducing costs
Proposed Target	Q3 2023
Estimated Budget	P 5.00 MM

2023 PLANS & PROGRAMS

PROGRAM 2	Credit Risk Database for OFWs/Beneficiaries Financial Inclusion
Description	This initiative includes creating a scoring model based on a database built from information gathered from various government and private sources to facilitate the ability of OFBank to service OFWs/OFs/Beneficiaries better.
Objectives	Address the challenges of OFWs/beneficiaries such as their access to finance due to lack of collateral, inability to provide credit history, and bank lack of information in assessing credit
Proposed Target	Q4 2023
Estimated Budget	P10.00 MM

2023 PLANS & PROGRAMS

PROGRAM 3	Direct participation in National Retail Payment System based on ISO 20022 standard (Note: Included in the scope of LBP project: Adoption of the ISO20022 on Retail Payment Systems and on the Real-Time Gross Settlement as required by BSP MC NO. M-2010 -002.)
Description	OFBank integration with Instapay and Pesonet allowing for straight-through -processing and interoperability of payment and settlement systems and other financial initiatives
Objectives	<ul style="list-style-type: none">▪ OFBank visibility in Instapay and Pesonet platforms▪ Improved payment transaction data quality and greater interoperability between international payment schemes
Proposed Target	Q2 2023
Estimated Budget	P 5.00 MM

2023 PLANS & PROGRAMS

PROGRAM 4	Mobile Micro-Insurance
Description	A mobile based system to enable access to micro-insurance products intended to cover lives and protect the assets of OFs/OFWs and their families from natural disasters, illness, death, accidents amongst others.
Objectives	a. Leverage the mobile infrastructure for micro-insurance product: <ul style="list-style-type: none"> • Registration via SMS • Facilitate payment of Insurance premiums • Facilitate disbursement of payouts b. Create additional revenue stream for OFBank
Proposed Target	Q2 2023
Estimated Budget	P 5.00 MM

OPERATING EXPENSE

(In P' Million)

ACCOUNTS		ESTIMATED DEC. 2022	PROJECTED 2023	% CHANGE	NOTES
Taxes and Insurances		17.31	21.41	24%	increase GRT due to increase in projected net income
Fees and Charges/ Mgt. & Prof. Fees		25.51	3.54	-86%	discontinued accruals on manpower cost of seconded personnel
Utilities					
Business Development	Advertising & Publicity	3.81	2.72	-28%	completion of major marketing activities (digital marketing campaign) in 2022
	Donations & Contributions	-	-		
	Rep & Ent. – BDE (Unit)	0.13	0.17	31%	return of face to face meetings
	Rep & Ent. – BDE (Committee/s)	0.14	0.16	14%	return of face to face meetings
Travelling Expense		0.24	0.29	21%	increase in travelling allowance per CPCS
Information Technology		6.96	13.12	89%	accrual for cost of SMS API
Security, Contractual, Janitorial & Messengerial		5.02	4.09	-19%	reduction in number of security guard and utility personnel
Litigation/Assets Acquired		0.20	0.20	0%	
Depreciation/Amortization		6.21	12.08	95%	amortization of intangible assets related to system enhancements, depreciation of renovation
Miscellaneous Expense		0.06	0.05	-17%	major hauling and disposal activities completed as of 2022
Fees/Commission Expense		7.58	9.04	19%	servicer fee of 1.5% of interest collections, LBP Marketing team services, OTC transaction fees @P20 per transaction
Provisions		36.93	0.22	-99%	AR (Naga Branch) already with full provision as of Oct. 2022

MANPOWER COST

(In P' Million)

ACCOUNTS	ESTIMATED DEC. 2022	PROJECTED 2023	% CHANGE	NOTES
Overtime	0.22	0.24	9%	Additional 1 Customer Associate (effective Aug 2022)
Night Differential	-	-	-	
Seminars/Trainings	0.32	0.32	-	

MANPOWER COMPLEMENT FOR 2023

2022				Additional Manpower in 2023 (e)	Projected Headcount in 2023 (d+e)
Actual Headcount as of September	New Hires	Retirement/ Resignations	Headcount by December		
(a)	(b)	(c)	$d = (a + b) - c$		
8	1	1	8	2	10





Thank you.

BUSINESS TARGETS 2022

Statement of Income and Expense

(In P millions)

ACCOUNTS	2022 TARGET	SEPTEMBER 2022 ACTUAL	SEPTEMBER 2021 ACTUAL	GROWTH RATE (%)	SEPT. 2022 ACTUAL vs. 2022 TARGET (%)
	(a)	(b)	(c)	$((b) - (c)) \div (c)$	$(b) \div (a)$
INTEREST INCOME	169.54	101.59	35.28	188.00%	60%
Loans	113.21	61.98	0.04	154850%	55%
Due from BSP	31.23	34.38	34.06	1%	110%
Deposit in other bank	0.17	0.01	0.14	-93%	6%
Government securities	7.43	2.68	1.04	158%	36%
Other Investment (Corp. Bonds)	17.5	2.54	-		15%
OTHER INCOME	35.63	18.01	4.68	285%	51%
Fees and commission	30.01	15.01	0.54	2680%	50%
Rental income	5.51	2.98	4.14	-28%	54%
Other Income	0.11	0.02	-		18%
TOTAL INCOME	205.17	119.6	39.96	199%	58%

ACCOUNTS	2022 TARGET	SEPTEMBER 2022 ACTUAL	SEPTEMBER 2021 ACTUAL	GROWTH RATE (%)	SEPT. 2022 ACTUAL vs. 2022 TARGET (%)
OPERATING EXPENSES					
Variable cost/ expenses	87.18	57.43	29.43	95%	66%
Interest on deposits	26.38	20.25	24.30	-17%	77%
Insurance on deposits	7.08	4.89	3.82	28%	69%
Documentary stamps	20.16	11.28	1.29	774%	56%
GRT	8.15	1.52	0.02	7500%	19%
Provision for credit losses	25.41	19.49	-		77%
Manpower costs	11.71	4.23	3.59	18%	36%
OFB organic - salaries and fringe benefits	7.57	3.48	2.93	19%	46%
Directors' per diems/ allowances	3.85	0.74	0.66	12%	19%
Seminars and trainings	0.29	-	-		
Other operating expenses	80.11	79.72	79.16	1%	100%
Management and other prof. fees - BSP/COA	2.01	1.55	1.68	-8%	77%
Management and other prof. fees - LBP	2.50	18.71	16.58	13%	748%
Rent	0.58	1.89	1.56	21%	326%
Taxes and Licenses - others	1.57	1.54	1.37	12%	98%
Insurance - others	0.35	0.19	0.46	-59%	54%
Representation & Entertainment	0.40	0.36	0.25	44%	90%
Power, Light and Water	2.22	1.66	1.69	-2%	75%
Postage, Telephone, Cables and Telegrams	0.89	0.41	0.23	78%	46%
Repairs and maintenance	0.38	0.11	0.09	22%	29%
Security services	2.82	2.22	3.79	-41%	79%
Clerical, janitorial and messengerial	1.71	1.88	2.09	-10%	110%
Information and technology expenses	8.54	7.08	3.42	107%	83%
Fees and commissions expense	7.27	1.16	0.01	11500%	16%
Fuel and lubricants	0.31	0.16	0.19	-16%	52%
Advertising and publicity	3.77	0.05	0.06	-17%	1%
Litigation	0.20	-	-		0%
Membership fees and dues	0.22	0.23	0.14	64%	105%
Stationery and supplies	0.62	0.10	0.08	25%	16%
Travelling Allowance/Expense	0.14	0.18	-		129%
Miscellaneous/ others	0.06	0.07	0.23	-70%	117%
Depreciation and amortization and impairment	6.64	4.19	9.55	-56%	63%
Provision for probable losses - AR	36.63	35.68	35.69	0%	97%
Provision for probable losses - Others	0.30	0.30			100%
TOTAL OPERATING EXPENSES	179.01	141.38	112.18	26%	79% 30
NET INCOME (LOSS)	26.15	(21.78)	(72.22)	-70%	-83%

2023 BUSINESS TARGETS

(In P' Million)

STATEMENT OF INCOME AND EXPENSE

ACCOUNTS	RECALIBRATED TARGET 2022	ACTUAL ACCOMPLISHMENT (SEPTEMBER 2022)	ESTIMATED YEAR END (2022)	2023 TARGET	TARGET GROWTH RATE 2022 vs. 2023 (%)
INTEREST INCOME	169.54	101.59	163.30	267.12	58%
Loans	113.21	61.98	102.64	151.63	34%
Due from BSP	31.23	34.38	37.26	16.93	-46%
Deposit in other bank	0.17	0.01	0.17	0.22	29%
Government securities	7.43	2.68	19.61	61.20	724%
Other Investment (Corp. Bonds)	17.50	2.54	3.62	37.14	112%
OTHER INCOME	35.63	18.01	33.79	50.86	43%
Fees and commission	30.01	15.01	28.51	41.80	39%
Rental income	5.51	2.98	5.17	8.94	62%
Other Income	0.11	0.02	0.11	0.12	9%
TOTAL INCOME	205.17	119.60	197.09	317.98	55%

Accounts	Recalibrated Target 2022	Actual Accomplishment (September 2022)	Estimated Year End (2022)	2023 Target	Target Growth Rate 2022 vs. 2023 (%)
Operating Expenses					
Variable cost/ expenses	87.18	57.43	81.50	79.93	-8%
Interest on deposits	26.38	20.25	26.40	25.77	-2%
Insurance on deposits	7.08	4.89	7.07	7.52	6%
Documentary stamps	20.16	11.28	20.18	34.21	70%
GRT	8.15	1.52	8.36	11.14	37%
Provision for credit losses	25.41	19.49	19.49	1.29	-95%
Manpower costs	11.71	4.23	6.24	15.54	33%
OFB organic - salaries and fringe benefits	7.57	3.48	4.77	11.11	47%
Per diems/ allowances/other expenses	3.85	0.74	1.19	4.11	7%
Seminars and trainings	0.29	-	0.28	0.32	10%
Other operating expenses	80.11	79.72	79.70	53.20	-34%
Mgmt & other professional fees (BSP/COA)	2.01	1.55	1.41	3.54	76%
Mgmt and other professional fees - LBP	2.50	18.71	2.50	-	-100%
Rent	0.58	1.89	1.71	-	-100%
Taxes and Licenses - others	1.57	1.54	1.50	2.47	57%
Insurance - others	0.35	0.19	0.38	0.28	-20%
Representation & Entertainment	0.40	0.36	0.37	0.57	43%
Power, Light and Water	2.22	1.66	2.30	2.11	-5%
Postage/Telephone/Cables/Telegrams	0.89	0.41	0.48	0.50	-44%
Repairs and maintenance	0.38	0.11	0.38	0.28	-26%
Security services	2.82	2.22	2.82	2.12	-25%
Clerical, janitorial and messengerial	1.71	1.88	2.20	1.55	-9%
Information and technology expenses	8.54	7.08	6.96	13.12	54%
Fees and commissions expense	7.27	1.16	7.58	9.30	28%
Fuel and lubricants	0.31	0.16	0.22	0.40	29%
Advertising and publicity	3.77	0.05	3.81	2.72	-28%
Litigation	0.20	-	0.20	0.20	0%
Membership fees and dues	0.22	0.23	0.23	0.33	50%
Stationery and supplies	0.62	0.10	1.13	0.23	-63%
Transportation Allowance/Expense	0.14	0.18	0.24	0.29	107%
Miscellaneous/ others	0.06	0.07	0.07	0.05	-17%
Depreciation/amortization/impairment	6.64	4.19	6.28	12.92	95%
Provision for probable losses - AR	36.63	35.68	36.63	-	-100%
Provision for probable losses - Others	0.30	0.30	0.30	0.22	-27%
TOTAL OPERATING EXPENSES	179.01	141.38	167.44	148.67	-17%
NET INCOME (LOSS)	26.15	(21.78)	29.65	169.31	547%



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