

# Partnering with Filipino Heroes, POWERING FILIPINO DREAMS

2024

ANNUAL REPORT





# Table of Contents

4	About OFBank
13	Messages
18	Financial Highlights
26	Operational Highlights
35	2025 Major Plans and Programs
48	Corporate Social Responsibility
58	Sustainability
60	Special Feature
63	Corporate Governance
107	Risk Management
114	Compliance Management
121	Our Leaders
132	Management Team
140	Financial Statements
176	Corporate Information
177	Products and Services







# About the Cover

The Overseas Filipino Bank's (OFBank) 2024 report cover is a heartfelt tribute to our Overseas Filipino Workers (OFWs) across the globe.

OFWs are the unsung heroes of our time. They leave their families behind, as well as the comfort of the familiar to build a better future for themselves and their loved ones. They make quiet sacrifices and endure the distance, their hard work empowering more than just their families but the whole nation as well.

As a bank dedicated solely to our OFWs, OFBank proudly honors every Filipino working abroad. The Bank stands as an unwavering, reliable partner, committed to making banking simpler, faster, and secure—anytime, anywhere.



# ABOUT OFBANK

## Vision

By 2024, OFBank shall be the country’s leading Overseas Filipino Workers (OFW)-centric branchless digital Bank committed to provide competitive and innovative products and services through convenient, reliable, and secure banking platforms.

## Mission

### TO OUR CLIENTS

OFBank is the first officially licensed digital Bank in the country and the official digital Bank of the Government of the Philippines, committed to provide convenient, reliable, and secure banking solutions responsive to the needs of the Global Filipinos.

We are focused on developing long-term relationships with our customers and other stakeholders through strategic alliances and partnerships.

### TO OUR EMPLOYEES

We are dedicated to nurturing our employees in an enabling environment and providing opportunities for professional growth.







# The OFBank Brand

OFBank, a pioneering venture by the Land Bank of the Philippines (LANDBANK), stands as the country’s first branchless, digital-only banking institution. Tailored to meet the distinct needs of Overseas Filipinos (OFs), especially OFWs and their beneficiaries, OFBank offers unique and cutting-edge financial solutions.

Leveraging on advanced technology, OFBank provides secure, affordable, and reliable financial services to Filipinos worldwide primarily through its Mobile Banking Application (MBA).

In the digital economy landscape, OFBank actively cultivates and enriches its relationships with customers, partners, and stakeholders on a global scale.



# Business Model of OFBank

In response to the growing demand for accessible and convenient banking and financial services among OFs and OFWs, OFBank was established in 2017 as a subsidiary of LANDBANK. This Government-led initiative was specifically designed to address the unique banking needs of Filipinos living and working abroad, as well as their families back home.

The significance of OFBank increased further with the onset of the COVID-19 pandemic in 2020, which accelerated the global shift toward digital banking services, emphasizing the importance of innovation and accessibility in meeting the evolving needs of OFs.



## PIONEERING DIGITAL TRANSFORMATION

The COVID-19 pandemic outbreak in 2020 highlighted the urgent need for safer, more convenient, and accessible banking options, driving a swift expansion of digital banking solutions worldwide. In response, OFBank was virtually launched on June 29, 2020, as the Philippines’ first digital-only, branchless Government Bank. This strategic move aligned with the government’s initiatives to promote digital transformation and enhance financial inclusion, ensuring Filipinos—especially OFs—could access reliable banking services anytime, anywhere.



## OBTAINING A DIGITAL BANKING LICENSE

On March 25, 2021, OFBank reached a major milestone by securing its digital banking license from the Bangko Sentral ng Pilipinas (BSP), establishing itself as the first licensed digital Bank in the Philippines. This achievement not only solidified OFBank’s pioneering status but also empowered it to expand its global reach, offering innovative financial services directly to OFs—anytime and anywhere—thereby strengthening its commitment to accessible and inclusive banking for Filipinos worldwide.

## DIGITAL ONBOARDING SYSTEM WITH ARTIFICIAL INTELLIGENCE

At the core of OFBank’s services is its Digital Onboarding System, powered by Artificial Intelligence (DOBSAI), seamlessly integrated into the OFBank MBA. This innovative technology enables clients to open savings accounts securely online, eliminating the need for physical visits or face-to-face interactions traditionally required at bank branches. Customers can easily upload necessary documents and complete the entire account opening process directly through their smartphones, ensuring maximum convenience and efficiency. The app is available for free download on Google Play for Android devices, and the Apple Store for iOS devices. In 2023, it was also launched on the HUAWEI AppGallery, broadening its accessibility for users worldwide.





## INNOVATIVE MOBILE BANKING APPLICATION

The OFBank MBA serves as a gateway to a comprehensive suite of financial services designed specifically for OFs. Leveraging advanced image recognition technology for secure client verification, the app combines enhanced security with user convenience. Through the MBA, customers can access a wide range of financial products—including savings, credit, investments, and other essential services—empowering them to manage their finances effectively from anywhere in the world.

## STRATEGIC COLLABORATION WITH LANDBANK



OFBank utilizes a shared technology infrastructure through an outsourcing partnership with its parent bank, LANDBANK. This collaboration streamlines essential operations—including account management, deposit and withdrawal transactions, mobile banking features, anti-money laundering (AML) systems, and loan management—ensuring seamless and efficient service delivery to its clients.

## RESILIENT OPERATIONS

Despite its streamlined organizational structure, OFBank operates efficiently with a dedicated core team supplemented by seconded officers from LANDBANK. This agile configuration allows OFBank to deliver high-quality services while maintaining optimal operational efficiency and cost-effectiveness.



## CASH AGENCY AGREEMENT

A key component of OFBank’s operational strategy is its Cash Agency Agreement with LANDBANK, which allows OFBank clients to perform over-the-counter transactions at all LANDBANK branches nationwide. This partnership guarantees continuous banking services, even during disruptions, ensuring clients’ access to their funds and the ability to support their families in the Philippines without interruption.

## DRIVING FINANCIAL INCLUSION AND EMPOWERMENT

OFBank’s digital-first approach extends beyond mere convenience—it is about empowering OFs to seize control of their financial futures. By offering a wide array of accessible, innovative financial solutions tailored to the unique needs of OFs and OFWs, OFBank actively promotes financial inclusion and supports the economic empowerment of Filipinos worldwide.

By harnessing cutting-edge technology and strategic partnerships, OFBank has revolutionized financial services for OFs, providing secure, accessible, and empowering banking solutions. As the digital banking landscape continues to evolve, OFBank exemplifies the transformative power of innovation in expanding financial inclusion and effectively serving the needs of Filipinos around the world.





# Bank Website

With digitalization at the core of OFBank’s financial services, the Bank has further enhanced its online banking platforms to offer increased accessibility and convenience to its client base, which comprises OFWs, immigrants, and their families.

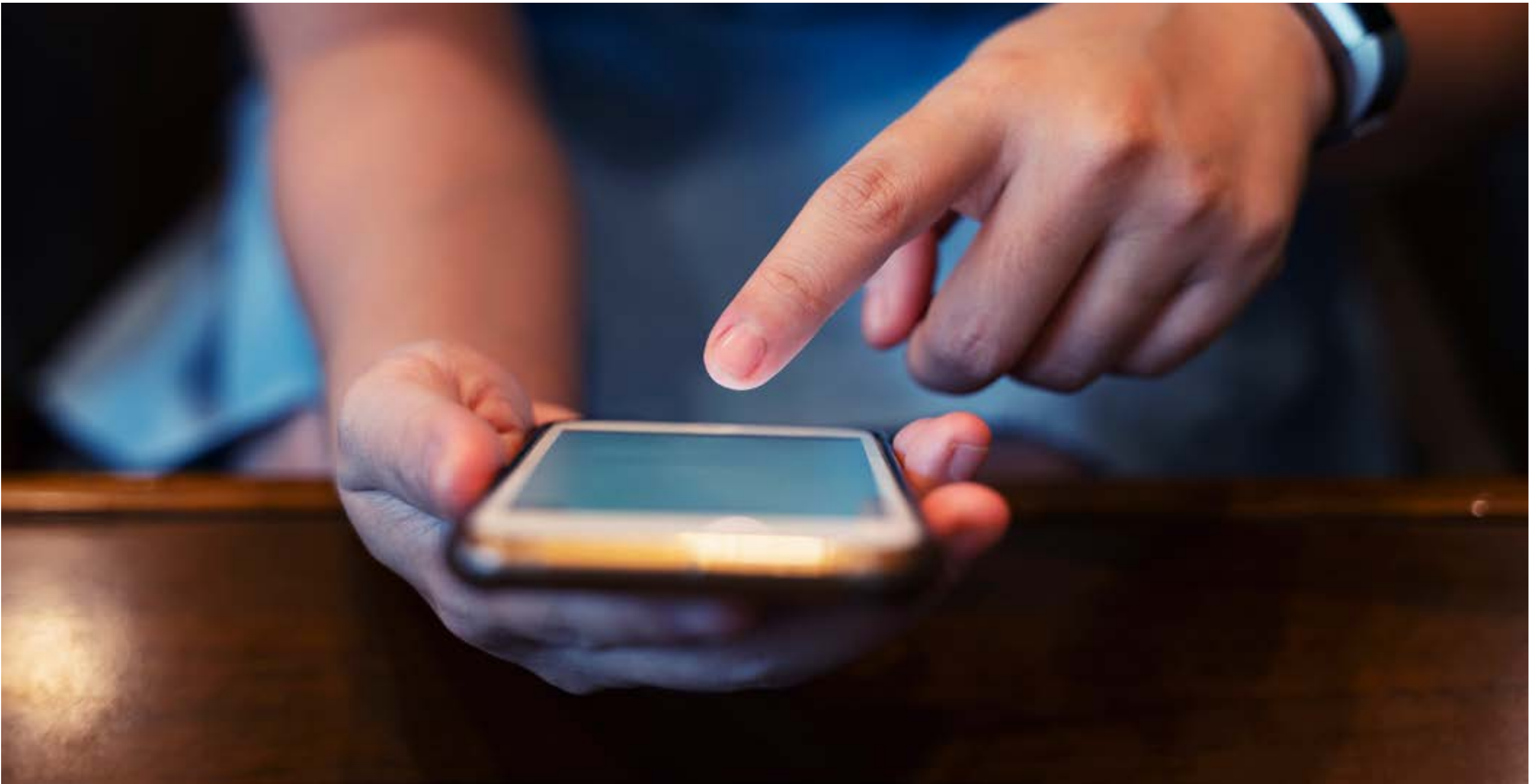
The OFBank website, <http://www.ofbank.com.ph>, underwent significant improvements as part of its transition to a digital-only and branchless bank. The upgraded website, along with a new and improved Facebook page, was first unveiled to the public on June 29, 2020. The updated layout and content of these channels aim to provide a better user experience.

In 2021, the OFBank website was further enhanced to improve the user experience. This included adding links to LANDBANK Leasing and Finance Corporation’s leasing facilities, and the LANDBANK Customer Satisfaction Survey. The website contains a wealth of information about the Bank’s history, products and services, as well as financial and operational highlights. Additionally, it includes links directing clients to LANDBANK iAccess and Link.BizPortal for retail banking services.

The following are the updated features/reports on the OFBank website for 2022:

- ▶ Customer Assistance Mechanism (CAM) was added to the “Contact Us” portion of the website to comply with BSP Memorandum No. 2021-031, outlining the process for handling customer concerns.
- ▶ Statement of Financial Position
- ▶ Trial Balance
- ▶ Citizens Charter
- ▶ Certification of Code of Conduct
- ▶ Certification of Compliance
- ▶ Anti-Red Tape Act (ARTA) Compliance Report
- ▶ Whistleblowing Reporting
- ▶ OFBank Performance Scorecard and Accomplishment
- ▶ Corporate Social Responsibility
- ▶ Board Committees and Charters
- ▶ Annual Procurement Plan
- ▶ Links to Government Offices





# About the Bank

Since its founding in 1906 as a savings bank serving clients in remote areas, and subsequent rebirth in 1994 as a bank supporting Micro, Small and Medium Enterprises (MSMEs) and remittances, OFBank has consistently evolved to meet the changing needs of Filipinos. In 2022, it transformed into a branchless, digital-only Bank dedicated to OFWs, bridging distances to deliver reliable, accessible financial services worldwide.

Harnessing the power of digital transformation, OFBank’s reinvention aligns with the Duterte administration’s vision of establishing a government bank that specifically caters to the needs of OFWs, and immigrants—individuals who are vital contributors to the country’s economic growth. It also supports the government’s mandate for sustainable and inclusive development, in line with the national development agenda.

OFBank secured a digital banking license from the Monetary Board on March 25, 2021, followed by a Certificate of Authority to Operate on April 18, 2022. It successfully met the minimum P1 billion capitalization requirement set by the BSP for digital banks on May 26, 2022.



As the digital banking arm of LANDBANK, OFBank’s reach extends to 140 countries and territories. It has established tripartite agreements with LANDBANK and various local and international agencies to facilitate remittances, enabling overseas migrant workers and immigrants to support their families, grow their savings through online investments, and bolster the economy during critical times.

At the heart of OFBank’s services is the MBA, which offers contactless account opening, cashless payments, and instant fund transfers—accessible anytime, anywhere in the world.

Recently, OFBank launched US Dollar Savings Accounts to help OFs and OFWs grow their hard-earned money while participating in government economic initiatives. Through the OFBank MBA, both first-time and seasoned investors can conveniently access government-backed medium- and long-term investment instruments such as the Bureau of the Treasury’s Retail Treasury Bonds (RTBs) and Retail Dollar Bonds (RDBs).

Beyond banking services, OFBank remains committed to the welfare of OFs by conducting continuous financial literacy programs—through webinars and face-to-face sessions—that equip them with valuable money management skills. These initiatives aim to empower OFWs and immigrants to make informed financial decisions, achieve financial wellness, and secure a prosperous future for themselves and their families.







# CHAIRPERSON'S MESSAGE

The theme “*Partnering with Filipino Heroes, Powering Filipino Dreams*” reflects the very heart of OFBank’s mission and impact. It is a tribute to the courage, resilience, and hard work of our modern-day heroes — the overseas Filipinos (OFs) and overseas Filipino workers (OFWs) — whose sacrifices uplift families, strengthen communities, and fuel our nation’s progress.

Every day, we are inspired by stories of overseas Filipinos who rise above hardships with grace and determination — working far from home, yet keeping their hearts close to the families and communities they love.

In 2024, remittances from overseas Filipinos reached a historic high of USD38.34 billion — a testament to their steadfast commitment to their loved ones and to our country’s economic strength. This remarkable contribution strengthens our resolve to ensure that every hard-earned peso works harder for them and their families.





As the official digital bank of the Philippine government, OFBank now connects global Filipinos in over 140 countries and territories to secure, efficient, and affordable financial services. We are enabling more of our *kababayans* abroad to send earnings home with ease, turning each transaction into an investment in their families’ future and in our nation’s development.

Through the OFBank Mobile Banking Application (MBA), we continue to provide overseas Filipinos with convenient access to digital financial services anytime, anywhere. From seamless account opening and instant fund transfers to convenient bills payment and direct access to government financial programs — our platform ensures fast, seamless, and dependable transactions across borders.

Beyond remittances, we open pathways to financial growth through savings products and investment opportunities in government securities, such as the Bureau of the Treasury’s Retail Treasury Bonds (RTBs). These offerings empower our *kababayans* to grow their funds with confidence while contributing directly to nation-building.

Moving forward, we stand firm in our mission to be by the side of our Filipino heroes at every stage of their financial journey. Guided by innovation, collaboration, and a deep sense of service, we will continue to empower more dreams, open more doors, and build a brighter future where every overseas Filipino and OFW can thrive — no matter the distance.

  
**LYNETTE V. ORTIZ**

Chairperson, Overseas Filipino Bank  
President and CEO, Land Bank of the Philippines





# PRESIDENT’S REPORT

The year 2024 marked another period of sustained growth and operational excellence for the Overseas Filipino Bank (OFBank), as we strengthened our role as the Philippines’ first branchless, digital-only bank dedicated to serving Overseas Filipinos and their families.

Guided by our mission to deliver secure, accessible, and innovative financial solutions, we expanded our reach, improved efficiency, and made a meaningful impact on the lives of our *kababayans* worldwide.



## SUSTAINED GROWTH AND OPERATIONAL EFFICIENCY

OFBank’s prudent approach to resource management and service delivery yielded strong results. Total assets rose to P4.98 billion from P4.75 billion in 2023, while equity increased to P1.37 billion from P1.28 billion.

We posted a net income of P86.28 million, driven by improved operational efficiency and prudent financial management. Notably, we maintained a 100% salary loan turnaround time and fully utilized our annual budget, underscoring our commitment to excellent client service.

The Commission on Audit (COA) once again issued an unmodified opinion on our financial statements, affirming the Bank’s strict adherence to transparency, accountability, and sound governance practices. These results reflect not only financial stability but also our consistent delivery of quality service to clients across the globe.

Our lean but highly capable workforce, consisting of 10 organic employees, eight seconded from LANDBANK and eight contractual staff, enabled OFBank to remain the BSP-licensed digital bank with the lowest manpower count in the country, while delivering positive operational outcomes.

## DEEPENING IMPACT ON OVERSEAS FILIPINOS

OFBank played a vital role in supporting the record-high USD38.34 billion in remittances sent by Overseas Filipinos in 2024. Through secure, convenient, and efficient remittance services, we helped ensure that this economic lifeline reached countless Filipino families.

We also made strides in our advocacy for financial inclusion, conducting 915 Pre-Departure Orientation Seminars (PDOS) and financial literacy sessions in collaboration with government partners. These initiatives equipped thousands of Filipinos with the knowledge and tools to manage, save, and invest their hard-earned income — empowering them to secure better futures for themselves and their loved ones.







## RECOGNITION OF EXCELLENCE

In 2024, OFBank’s commitment to innovation, operational discipline, and customer service excellence earned international recognition. We were named Best Bank in Asia-Pacific by CNBC and Best Bank in the Philippines by Forbes, solidifying our reputation as a trusted partner of Filipinos worldwide.

These honors stand as a testament to the dedication of our people, the trust of our clients, and the unwavering support of LANDBANK and our government partners.

## LOOKING AHEAD

OFBank remains committed to innovation and strengthening partnerships to meet the evolving needs of Overseas Filipinos and their families. With the continued support of LANDBANK, our government partners, and our clients worldwide, we will continue to serve as a reliable financial partner — helping our modern-day heroes secure a brighter future wherever they may be.

A stylized white signature of Elcid C. Pangilinan on a dark blue background.

**ELCID C. PANGILINAN**  
President and CEO





# FINANCIAL HIGHLIGHTS

In its operations throughout 2024, OFBank demonstrated unwavering dedication to its mission of serving OFs, even amidst intensified competition from digital banks and the evolving landscape of migrant worker destinations. Despite these challenges, OFBank continued to prioritize meeting the financial needs of Filipinos abroad, adapting proactively to changing circumstances, and actively contributing to the country’s economic recovery following the pandemic.



One of the notable achievements of the year was the reported net income of P86.28 million, marking a significant improvement over the previous year’s net income of P50.34 million. This turnaround can be largely attributed to the substantial increase in interest earned from the Purchase Receivable Program (PRP). The PRP, which was implemented way back in 2022, covers pre-selected and cherry-picked salary loan accounts from the parent bank, LANDBANK.

The Bank experienced a robust 5% increase in total resources, primarily due to a rise in deposit liabilities from individual accounts. This healthy growth reflects the substantial and sustainable influx of deposits from individual customers, indicating their growing trust and engagement with the institution.

OFBank’s robust Capital Adequacy Ratio (CAR) of 53% surpassed the BSP’s minimum requirement, underscoring the Bank’s strong capital base and its ability to absorb potential losses.

Regarding asset quality, the Bank maintained a stringent approach with 100% of non-performing loans (NPL) fully provisioned for by allowances. Non-performing assets (NPA) represented only 0.5% of total gross assets, demonstrating prudent risk management practices.

In terms of operational management, administrative expenditures accounted for 53% of total expenses, a figure that translated to 38% of gross revenues, reflecting efficient cost management strategies.

Building on the strong performance in 2024, liquidity ratios are anticipated to strengthen further looking ahead. This positions OFBank to effectively navigate future challenges and sustain its pivotal role in supporting Filipinos and contribute significantly to the nation’s economic growth.

P86.28 million

reported net income of 2024

5% ↑

increase in total resources due to a rise in deposit liabilities from individual accounts

53%

CAR surpassed the BSP’s minimum requirement





# Financial Summary and Highlights

(Amount in Philippine peso)

	2024 (Audited)	2023 (Audited)
Profitability		
Total Net Interest Income	167,697,725	175,164,084
Total Non-interest Income	33,563,190	33,733,867
Total Non-interest Expenses	114,975,455	144,418,081
Pre-provision Profit	90,085,460	64,479,870
Provision for Credit Losses	3,800,000	14,141,686
Net Income	86,285,460	50,338,134
Selected Balance Sheet Data		
Liquid Assets	2,996,085,067	2,670,866,082
Gross Loans	1,741,362,255	1,789,202,618
Total Assets	4,981,753,755	4,748,674,492
Deposits	3,423,934,429	3,253,545,227
Total Equity	1,366,755,247	1,278,059,911
Selected Ratios		
Return on Equity	6.4%	4.0%
Return on Assets	1.7%	1.1%
Common Equity Tier (CET) 1 Capital Ratio	52.6%	51.2%
Tier 1 Capital Ratio	52.6%	51.2%
Capital Adequacy Ratio (CAR)	53.4%	52.0%

	2024 (Audited)	2023 (Audited)	Growth Rate (%)
Gross Revenues	302,692,283	288,341,400	5%
Total Expenses	216,406,823	238,003,216	-9%
Net Income	86,285,460	50,338,184	71%
Net Income/(Loss) After Other Comprehensive Income/(Loss) – (if applicable)	88,695,336	52,610,558	68%
Total Resources	4,981,753,755	4,748,674,492	5%
Total Liabilities	3,614,998,508	3,470,614,581	4%
Total Equity	1,366,755,247	1,278,059,911	7%





# Key Performance Ratios and Indicators

## 2024 (Audited)

Capital Adequacy	
Capital Adequacy Ratio (CAR)	53.4%
Capital (Tier 1) (P'000)	1,348,586
Equity to Total Assets	27.4%
Asset Quality	
Past Due Ratio	1.9%
NPL Ratio – Gross	1.6%
NPL Ratio – Net	0.1%
NPL Coverage	96.8%
NPA to Gross Assets	0.5%
NPA Coverage	168.2%
Loan Loss Reserve to Total Loan Portfolio	2.7%
Management	
Administrative to Total Expense	53.1%
Overhead Cost to Gross Revenue	38.0%
Earnings/Profitability	
Net Income/(Loss) (P'000)	86,285
Return on Assets	1.7%
Return on Equity	6.4%
Net Interest Margin	3.4%
Liquidity	
Loans to Deposits	50.9%
Liquid Assets to Deposits	87.5%

# Capital and Capital Ratio

As of Dec. 31, 2024, OFBank’s paid-up capital stood at P2.68 billion, with net capital reaching P1.37 billion—an increase of P88.7 million from the previous year, primarily driven by higher net earnings.



Consistent with Basel III and the BSP requirements, the table below details the composition of the Bank’s comparative CET 1 capital, regulatory deductions, and total qualifying capital for 2024 and 2023. All amounts are in million pesos unless otherwise noted.

	2024 Audited	2023 Audited
<b>Tier 1 Capital</b>		
<b>CET 1 Capital</b>		
Paid-up Common Stock	2,680	2,680
Deposit for Common Stock Subscription	0	0
Retained Earnings	(1,401)	(1,451)
Undivided Profits	86	50
Other Comprehensive Income	1	(1)
<b>Total</b>	<b>1,366</b>	<b>1,278</b>
<b>Regulatory Deductions from CET 1 Capital</b>		
a. Unsecured Directors, Officers, Staff, and their Related Interests (DOSRI) Loans;		
b. Deferred income tax;		
c. Other intangible assets;	18	23
d. Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers/ brokers and insurance companies), after deducting related goodwill, if any (for solo basis only and as applicable);		
e. Investments in equity of unconsolidated subsidiary securities dealers/ brokers and insurance companies after deducting related goodwill, if any (for both solo and consolidated bases and as applicable);		
f. Significant minority investments (10%-50% of voting stock) in banks and quasi-banks, and other financial allied undertakings after deducting related goodwill, if any (for both solo and consolidated bases);		
g. Minority investments (below 10% of voting stock) in subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers/brokers and insurance companies), after deducting related goodwill, if any (for both solo and consolidated bases); and		
h. Other equity investments in non-financial allied undertakings and non-allied undertakings		
<b>Total</b>	<b>18</b>	<b>23</b>
<b>Net CET 1 Capital</b>	<b>1,348</b>	<b>1,255</b>
<b>Additional Tier 1 Capital</b>	<b>0</b>	<b>0</b>
<b>Total Tier 1 Capital</b>	<b>1,348</b>	<b>1,255</b>
<b>Tier 2 Capital</b>		
General Loan Loss Provision	20	20
<b>Total Tier 2 Capital</b>	<b>20</b>	<b>20</b>
<b>Total Qualifying Capital</b>	<b>1,368</b>	<b>1,275</b>







The Bank’s total CET 1 capital increased by 1.4% in 2024, or P88 million, from P1,278 million the previous year, due to net earnings.

The full reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements is as follows:

(Amount in Million Pesos)

Account Description	2024			2023		
	Regulatory Capital	Reconciling Items	Audited Financial Statements	Regulatory Capital	Reconciling Items	Audited Financial Statements
Paid-up Common Stock	2,680	0	2,680	2,680	0	2,680
Deposit for Common Stock Subscription	0	0	0	0	0	0
Paid-in Surplus	0	0	0	0	0	0
Retained Earnings	(1,401)	0	(1,401)	(1,451)	0	(1,451)
Revaluation Increment	0	0	0	0	0	0
Undivided profits	86	0	86	50	0	50
Other Comprehensive Income						
Net unrealized gains or losses on AFS securities	1	0	1	(1)	0	(1)
Remeasurement of retirement benefit obligation						
Currency Translation Difference						
Others						
Deductions	18	0	18	23	0	23
Tier I (CET 1) capital/Total equity	1,348	0	1,348	1,255	0	1,255
Tier 2 Capital	20		20	20		20
Total Qualifying Capital/Total equity	1,368	0	1,368	1,275	0	1,275



	2024	2023
<b>Risk-Weighted Assets</b>		
Credit Risk-Weighted Assets		
Total Risk-Weighted On-Balance Sheet Assets	2,309	2,271
Total Risk-Weighted – Off-Balance Sheet Assets	0	0
Total Counterparty Risk-Weighted Assets in the Trading Books	0	0
Less: Gen. Loan Loss Provision (in excess of the amount permitted in Tier 2)	0	0
<b>Total Credit Risk-Weighted Assets</b>	<b>2,309</b>	<b>2,271</b>
Options	0	0
<b>Total Market Risk-Weighted Assets</b>	<b>0</b>	<b>0</b>
<b>Total Operational Risk-Weighted Assets</b>	<b>252</b>	<b>183</b>
<b>Total Risk-Weighted Assets</b>	<b>2,561</b>	<b>2,454</b>

There was an increase in total risk-weighted assets (RWA) at 4.4% from P2,454 million to P2,561 million in 2024.



	2024	2023
CET 1 Capital Ratio	52.6%	51.2%
Capital Conservation Buffer	46.6%	45.2%
Tier 1 Capital Ratio	52.6%	51.2%
Risk-Based Capital Adequacy Ratio (CAR)	53.4%	52.0%

CET 1 ratio increased to 52.6% in 2024 from 51.2% the previous year due to an increase in earnings. The CAR remains significantly above the BSP requirement of 10.0%.

OFBank’s Capital Conservation Buffer (CCB) demonstrates significant robustness by being designed to fully encompass the maximum required countercyclical capital buffer (CCyB) of 2.5%.

This preparedness ensures that even under conditions where economic fluctuations necessitate the highest level of additional capital reserves, OFBank can seamlessly absorb such requirements without compromising its financial stability or operational integrity.

The integration of the CCB with the potential CCyB reflects OFBank’s proactive risk management strategy, underscoring its commitment to maintaining a strong capital position capable of withstanding adverse economic cycles and contributing to overall financial system resilience.







# OPERATIONAL HIGHLIGHTS

In response to the clamor of OFs and other clients for non-traditional and diversified retail investments in the Philippines, OFBank adapted and expanded its services to allow clients to purchase RDBs issued by the Bureau of Treasury (BTr). OFBank launched a US Dollar deposit account product specifically for the purpose of enhancing accessibility and streamlining the settlement process for RDB investors.



# RDB Investor Support

The Bank’s engagement in the RDB issuance aligns with its commitment to provide efficient and tailor-fitted financial solutions to its distinct clients. Utilizing their accounts with OFBank as the settlement account, the Bank has facilitated and simplified the investment process for retail investors.

# Commitment to Retail Treasury Bonds

In addition to its involvement in RDB issuance, OFBank has actively participated in various BTr RTBs, demonstrating continuous dedication to supporting the Philippine Government’s fundraising initiatives aimed at retail investors. The utilization of ATM deposit accounts further reinforces the Bank’s commitment to providing accessible avenues for retail investors to engage with government bonds.

# Empowering Investors and Promoting Economic Development

In addition to providing secure and accessible channels anchored on clients’ accounts to facilitate placements to RTB and RDB, OFBank actively participates in the BTr’s continuing campaign for increased participation in the Philippine Government’s fundraising efforts. Through involvement in roadshows across America, Asia, and the Middle East, the Bank has played a crucial role in raising awareness and attracting investments for RTB and RDB issuances, which in the end, will be used by the Government for initiatives that will spur economic growth.

OFBank’s participation in these roadshows signifies its commitment to fostering financial inclusion and advancing economic development in the Philippines. These events serve as pivotal platforms for engaging potential depositors and investors, showcasing the value proposition of government bonds, and highlighting the stability and growth potential of the Philippine economy.





# Key Contributions

By engaging in these initiatives, OFBank not only supports its clients but also contributes significantly to the nation’s economic progress. The Bank’s active involvement in the Treasury’s campaign underscores its dedication to promoting savings, investment opportunities, and strengthening the financial landscape. Through strategic partnerships and outreach efforts, the Bank aims to broaden access to investment options and empower individuals to participate in the country’s growth story.

## Support for Distressed OFWs: Facilitating Settlement of Unpaid Claims from Employers Based in the Kingdom of Saudi Arabia

OFBank spearheaded the negotiation of a Memorandum of Agreement (MOA) with the Department of Migrant Workers (DMW) and LANDBANK in order to streamline the acceptance and clearing process for indemnity checks, which represent the settlement of unpaid salaries and end-of-service benefits of OFWs from their employers based in the Kingdom of Saudi Arabia, dating as far back as 2015.

This crucial proactive support for OFWs encountering difficulties related to the clearing of indemnity checks and those contending with name discrepancies underscores OFBank’s commitment to addressing issues and challenges faced by OFWs, affirming the organization’s dedication to upholding the rights and welfare of migrant workers in need.





# Strategic Partnerships and Financial Access Initiatives

OFBank is enhancing its financial services for OFWs through a collaboration with the DMW. On March 1, 2024, a MOA was signed to improve financial access via digital banking platforms. This agreement simplifies benefit claims, including compensation payouts from the Saudi Arabian government for OFWs impacted by company bankruptcies in 2015 and 2016.

Reaffirming its dedication, OFBank joined the DMW’s Kalinga Program on Oct. 2, 2024, in Mandaluyong City, and participated in Migrant Workers’ Day from June 3-7, 2024. These events featured financial literacy sessions aimed at empowering OFWs in financial management.

OFBank also took part in activities supporting OFWs and their families, such as the Overseas Workers Welfare Administration (OWWA) OFW Family Day on Dec. 10, 2024, at the SMX Convention Center, and the 13th OFW and Family Summit on Nov. 8, 2024, in Las Piñas City, which focused on entrepreneurship under the theme “Tara Magnegosyo Na.”





# Comprehensive Financial Wellness Initiatives

In 2024, OFBank launched Financial Wellness Webinars and educational sessions worldwide to enhance financial literacy among OFs, equipping them with essential personal management skills.

## Global Reach Through Online and Hybrid Webinars

Throughout the year, OFBank hosted online and hybrid webinars for participants in countries including Jordan, Japan, South Korea, Sweden, France, Turkey, Azerbaijan, Georgia, North Cyprus, Bermuda, Niue, New Zealand, Canada, the Turks and Caicos Islands, the Cayman Islands, and the Commonwealth of the Northern Mariana Islands, such as Tinian, Rota, and Saipan, addressing specific financial challenges.

On Nov. 29, 2024, OFBank participated in the International Forum on Migration in Seoul, focusing on empowering OFWs for reintegration.

A dedicated Financial Wellness Webinar Series for Filipinos in Saudi Arabia was conducted every Friday in March 2024, enhancing their financial management skills.





# Face-to-Face Financial Education Sessions

In addition to virtual offerings, OFBank organized in-person sessions in Taiwan from June 13-16, 2024, in South Korea in September 2024, and in Hong Kong on Nov. 17, 2024, providing detailed insights and personalized guidance.



# Ongoing Support and Future Plans

OFBank’s initiatives highlight its commitment to the financial well-being of OFs and their families. Through strategic partnerships, educational programs, and event participation, OFBank empowers OFWs with vital financial knowledge and tools. The establishment of the OFBank-HanPass Information Desk at the DMW Lobby further emphasizes its dedication to enhancing financial access.

In October 2023, OFBank forged a significant partnership with the Philippine Embassies in Italy and Switzerland, along with LANDBANK, specifically for the purpose of promoting financial education and inclusion among OFWs residing in these countries.

The Agreement underscores OFBank’s steadfast commitment to fostering financial literacy and empowerment within the global Filipino community. By leveraging the reach and influence of Philippine Embassies and LANDBANK’s expertise, this initiative equipped the target OFWs with essential knowledge and tools to make informed financial decisions, thereby enhancing their financial well-being and resilience.



# Participation in the Singapore FinTech Festival

From Nov. 14 to 19, 2024, OFBank joined the prestigious Singapore FinTech Festival as the co-presenter of the “Bagong Pilipinas” Pavilion, a platform dedicated to highlighting the ingenuity of Philippine fintech companies. This collaboration marked a significant milestone in OFBank’s commitment to advancing financial technology and promoting the capabilities of Filipino fintech entrepreneurs on the global stage.

The Singapore FinTech Festival, known as the world’s largest fintech event, provided an exceptional opportunity for OFBank to exhibit its leadership in facilitating digital financial solutions and championing financial inclusion, and innovation. By co-presenting the “Bagong Pilipinas” Pavilion, OFBank played a pivotal role in emphasizing the transformative impact of Filipino fintech enterprises and their cutting-edge services.

The Pavilion served as a vibrant hub where attendees engaged with leading Philippine fintech companies, explored groundbreaking solutions, and gained insights into the burgeoning fintech landscape in the country. OFBank’s participation in this Pavilion raised its aspiration to nurture transformative fintech solutions.

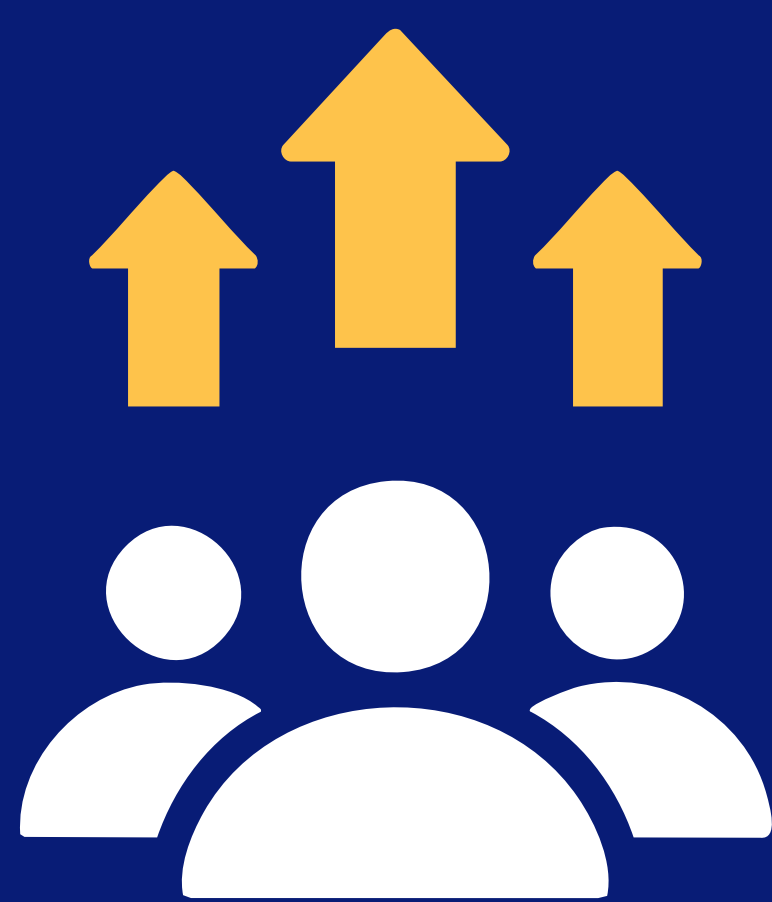


# OFBank’s Digital Onboarding Success: Accelerating Growth Amidst Shifting Consumer Preferences

In response to the evolving consumer landscape and the increased demand for digital services, OFBank successfully highlighted its DOBSAI as a pioneering innovation to address the challenges posed by the location of its mandated clients: the OFWs and OFs.

The remarkable 31.22% growth in the total number of accounts opened underscores the effectiveness and efficiency of OFBank’s digital strategy and the unprecedented trust in digital banking solutions among its customers seeking convenient and secure financial services.

OFBank’s achievement in opening 41,967 accounts for the year 2024, through DOBSAI, signifies a pivotal moment in the financial industry, where technology plays a crucial role in enhancing customer experience and accessibility. By embracing advanced digital onboarding powered by artificial intelligence, OFBank not only expanded its customer base but also trailblazed a broader trend towards embracing innovative, technology-driven solutions in the financial sector to meet evolving consumer needs and preferences.



31.22%

growth in the total number of accounts opened

41,967

opened accounts for the year 2024





# Strategic Expansion through Digital Technology

OFBank has made significant strides in expanding its global reach, enhancing its role as a pivotal financial institution for OFs/OFWs and their families. This expansion is a testament to the Bank’s commitment to providing accessible and inclusive financial services to Filipinos worldwide, aligning with the broader goals of financial inclusion and economic empowerment.

OFBank, a subsidiary of LANDBANK, has leveraged digital technology to broaden its reach and improve service delivery. The Bank’s digital transformation strategy, which includes the development of a robust online banking platform and mobile application, has been central to its global expansion efforts. These digital tools allow OFWs to open accounts, transfer funds, pay bills, and manage their finances from anywhere in the world, eliminating the need for physical branch visits.

As of Dec. 31, 2024, OFBank has at least one active client in 143 countries and territories.





# 2025 MAJOR PLANS AND PROGRAMS





Plans and Programs	Commitment	Budget Ask
Strategic Objective: Growth in Deposit Accounts		
1. Deposit Account Opening Campaign	Referral Program:	P6.61M
2. Strategic partnerships with:	▸ No. of accounts – 15,000	
a. Key Government Agencies	▸ OS Balance – 159.87M	
b. FinTechs, third-party service providers (TSPs), Non-Government Organizations (NGOs), and schools	▸ Revenue – 2.16M	
3. Inclusion of Filipinos and other clients overseas	Tri-Promo Campaign	P6.61M
4. Aggressive Marketing Strategy	▸ No. of accounts – 20,000	
	▸ OS Balance – 213.16M	
	▸ Revenue – 3.88M	P6.61M
	Other Marketing Initiatives:	
	▸ No. of accounts – 25,000	
	▸ OS Balance – 266.45M	P6.61M
	▸ Revenue – 7.01M	
Strategic Objective: Growth in Consumer Loans		
1. New Loan Products	Pre-departure Loans:	P5M <sup>a</sup>
2. Strategic Partnerships with:	▸ No. of accounts – 2,000	
a. Key Government Agencies	▸ Loan Releases – 100M	
b. FinTechs, TSPs, NGOs, and schools	▸ Year-end Balance – 70.92	
3. Aggressive Marketing Strategy	▸ Revenue – 3.64M	P5M <sup>a</sup>
Strategic Objective: Product and Services Improvements		
1. YaniRemit: Account-to-Account Remittance Solution	Expected roll-out is mid-Q4 2025 <sup>b</sup>	P5M <sup>c</sup>
2. Products, Enhancements, and Innovations		
Strategic Objective: Compliance with Regulatory Agencies		
1. Organizational Rationalization Framework	Board-approved ORF	P2M
2. Upgrading of OFBank’s Organization Competency	Board-approved Competency Framework based on ORF	

<sup>a</sup> Budget for system enhancement will be capitalized to be amortized for 5 years  
<sup>b</sup> Revenue for YaniRemit is expected to be realized starting in 2026  
<sup>c</sup> Budget for system enhancement will be capitalized to be amortized for 5 years





# Business Targets

(Amount in Million Pesos)

Account	2024 TARGET	2024 YTD	2024 FY Estimates	YoY	2025 TARGET <i>normal growth</i> (a)	2025 growth initiatives (b)	Total 2025 TARGET (c = a+b)	2025 STRETCH TARGET
Loans Volume	1,968.40	1,790.44	1,701.44	55.21	1,685.73	70.92 <sup>a</sup>	1,756.65	1,760.20
Deposits	1,567.13	1,700.51	1,715.51	639.49	1,981.96	373.04 <sup>b</sup>	2,355.00	2,386.97
Past Due (PD) Loans	216.52	37.87	34.24	1.16	33.88	1.43	35.48	35.55 <sup>c</sup>
Net Income	44.56	73.55	77.98	17.06	78.35	16.69	95.04	95.87
LTD Ratio	57.60%	51.89%	49.10%	0.37%	45.17%	19.01%	48.73%	48.40% <sup>d</sup>
CIR	74.88%	55.03%	58.67%	1.07%	58.21%	0.46%	59.74%	57.97

<sup>a</sup> Projected increase in Loans due to the new loan product (pre-departure loan) to be rolled out in 2025

<sup>b</sup> Projected increase in Deposits due to marketing programs: Tri-promo campaign and Referral program

<sup>c</sup> Target in PD Loans corresponds with the increase in loans (new loan product)

<sup>d</sup> The decrease in LTD Ratio is due to a higher increase in deposits than loans



# Program 1

Deposit Account Opening Campaign	
Description	<p>Campaign to increase the active deposit accounts base of OFBank.</p> <ol style="list-style-type: none"><li>1. Market face-to-face Pre-Departure Orientation Seminars (PDOS) participants;</li><li>2. Run the Tri-promotion Campaign (account opening/ client on-boarding, and deposit and awareness campaign);</li><li>3. Tie-up with Philippine embassies/consulates, Local Government Units - Public Employment Service Offices (LGU-PESOs), Technical Education and Skills Development Authority (TESDA), Maritime Industry Authority (MARINA), Social Security System (SSS), and schools/colleges/universities, for financial education and account opening campaigns;</li><li>4. Tie-up with Private Organization (e.g., Villar-Sipag Foundation, Philippine Professional Organization, Filipino Community Organization, etc);</li><li>5. Integrate with the Apps of the Department of Information and Communications Technology (DICT), and embed the OFBank account opening in their registration and membership process;</li><li>6. Run a Referral Incentive Campaign with Business Partners; and</li><li>7. Implementation of the Yani Savers</li></ol>
Objective	To increase the number of active OFBank deposit accounts
Proposed Target	60,000 active deposit accounts by Dec. 2025
Estimated Budget	Included in the marketing campaign budget





# Program 2

Strategic Partnerships with Key Government Agencies	
Description	<p>Partnerships with government agencies (e.g., DMW, OWWA, DICT, Department of Finance (DOF), BTr, Department of Foreign Affairs (DFA), SSS, TESDA, LGUs, etc.) to leverage on the “government conglomerate” and make OFBank the go-to bank of the government for all its OF/OFW-related financial services requirements and initiatives.</p> <p>Advocate for the:</p> <ul style="list-style-type: none"><li>▸ Opening of OFBank accounts for OFWs and their families to promote financial inclusion;</li><li>▸ Opening of transaction accounts for OFWs in the countries where they work, and the crediting of their salaries in these accounts;</li><li>▸ Digital disbursement of various aids (e.g., Agarang Kalinga at Saklolo para sa mga OFW na Nangangailangan (AKSYON) Fund, welfare assistance) to the OFWs.</li></ul>
Objective	To achieve synergies in government for its financial inclusion and digital payments goals
Proposed Target	At least 25,000 new accounts for 2025 and at least 50,000 for 2026-2029 (starting 2025, continuing until 2029)
Estimated Budget	P0





# Program 3

Strategic Partnerships with Fintechs, TSPs, NGOs, and Schools	
Description	<p>Partnerships with:</p> <ul style="list-style-type: none"><li>▸ Fintechs, technology, and other third-party service providers;</li><li>▸ Non-government and civil society organizations that provide economic, social, and other services to OFs and their families, for financial education and account opening; and</li><li>▸ Maritime, healthcare, engineering, Information Technology (IT), and vocational schools for financial education and account opening for their students and employees.</li></ul>
Objective	<ul style="list-style-type: none"><li>▸ To broaden and strengthen OFBank’s market presence, fostering synergies and generating value for stakeholders within the OF ecosystem</li><li>▸ To leverage new technologies and specialized expertise to enhance OFBank’s products and services, driving innovation and continuous improvement</li></ul>
Proposed Target	At least 10,000 new accounts per year, starting in 2025, and continuing until 2029
Estimated Budget	Included in the Marketing Budget



# Program 4

Inclusion of Filipinos and Other Clients Overseas	
Description	<p>Per the Commission on Filipinos Overseas (CFO), there are about 10.2M overseas Filipinos (cfo.gov.ph/statistics-2). A significant number of them do not have valid Philippine government-issued IDs. Thus, these OFs cannot avail themselves of OFBank’s services.</p> <p>The OFBank account opening process will be enhanced to include the valid foreign-issued passports of potential clients overseas as acceptable ID in the electronic Know Your Customer (eKYC) process.</p> <p>The BSP has approved the DOF-BTr’s request to allow OFBank to accept foreign-issued passports as valid IDs for dual citizens so that they can participate in the Retail Dollar Bonds. The SSS has also requested OFBank to enable SSS pensioners who are already based abroad to open accounts with OFBank. SSS intends to disburse the pensions to the OFBank accounts.</p>
Objective	To enable potential clients overseas to open accounts using their foreign-issued passports
Proposed Target	<ul style="list-style-type: none"><li>▸ 2,000 new accounts per year</li><li>▸ Q2 2025</li></ul>
Estimated Budget	Included in the budget for the MBA



# Program 5

Aggressive Marketing Campaign	
Proposed Targets	<p><b>2025 GOALS:</b></p> <ul style="list-style-type: none"><li>▸ Enhance the current OF-to-beneficiary ratio, shifting from 70-30 to a target of at least 60- 40.</li><li>▸ Achieve at least 35% awareness of OFBank among OFWs and their families, up from less than 2% (based on the informal survey by LANDBANK Overseas Remittance Officers (OROs).</li><li>▸ Ensure at least 40% of those aware of OFBank open an account with the bank.</li><li>▸ Increase active account usage to at least 65% among OFBank accountholders, up from the current 44%.</li><li>▸ Encourage at least 50% of clients to advocate for and promote OFBank.</li></ul>
	<p><b>2027 GOALS:</b></p> <ul style="list-style-type: none"><li>▸ OF-to-beneficiary ratio, shifting from 60-40 to a target of at least 55-45.</li><li>▸ Attain at least 90% awareness of OFBank among OFWs and their families.</li><li>▸ Convert at least 60% of those aware of OFBank into account holders.</li><li>▸ Boost active usage to 80% among OFBank accountholders.</li><li>▸ Ensure at least 75% of clients become advocates for and promoters of OFBank.</li></ul>
	<p><b>2029 GOALS:</b></p> <ul style="list-style-type: none"><li>▸ OF-to-beneficiary ratio, shifting from 55-45 to a target of at least 50-50.</li><li>▸ Reach a 98% awareness level of OFBank among OFWs and their families.</li><li>▸ Achieve a 70% conversion rate from awareness to account opening.</li><li>▸ Increase active account usage to 85% among OFBank account holders.</li><li>▸ Have at least 80% of clients advocate for and promote OFBank.</li></ul>





# Program 6

New Loan Products	
Description	<p>The Multi-purpose Loan, Pre-departure Loan, and Education, and Business Loan products are designed to support OFBank customers with:</p> <ul style="list-style-type: none"><li>a. Assistance to meet daily expenses and bridge financial gaps;</li><li>b. Funding for essential expenses or urgent financial needs;</li><li>c. Capital for qualified OFWs to finance working capital or acquire fixed assets; and</li><li>d. Coverage for tuition and educational expenses for OFWs and their dependents.</li></ul> <p>The ultimate goal of these loan programs is to empower OFWs and their families, helping them achieve financial independence. This foundation will be further strengthened with the upcoming introduction of Business Loans, enabling OFWs to build sustainable businesses and attain long-term financial security.</p>
Objective	To facilitate access to credit for credit-worthy OFWs and their families
Proposed Target	P100 million for 2025 and P100 million increase annually
Estimated Budget	<ul style="list-style-type: none"><li>▸ P0</li><li>▸ OFBank Management is proposing to engage a TSP on a revenue-sharing partnership agreement.</li></ul>





# Program 7

YaniRemit: Account-to-Account Remittance Solution	
Description	A secure, reliable, and cost-effective digital fund transfer solution for moving funds from foreign accounts to OFBank accounts, using trusted global providers like Visa for enhanced visibility and seamless transactions. The solution will be branded as “YaniRemit Powered by Visa” or other globally recognized brands.
General Objectives	<ul style="list-style-type: none"><li>▸ To enable OFBank to fulfill its mandate of delivering quality and efficient foreign remittance services. A secure, cost-effective digital fund transfer solution.</li><li>▸ Enhance visibility and trust through Visa or other globally recognized brands.</li><li>▸ Ensure seamless transactions for OFs and their families.</li></ul>
Operational Objectives	<ul style="list-style-type: none"><li>▸ Integrate Brand’s platform with OFBank systems for smooth transfers.</li><li>▸ Ensure 24/7 availability of the service with minimal downtime.</li><li>▸ Streamline processes to reduce transaction time and improve user experience.</li></ul>
Marketing Objectives	<ul style="list-style-type: none"><li>▸ Increase awareness of YaniRemit through targeted campaigns.</li><li>▸ Promote the service’s security, cost-effectiveness, and reliability.</li><li>▸ Strengthen OFBank’s brand by partnering with Visa or any globally recognized brand.</li></ul>
Financial Objectives	<ul style="list-style-type: none"><li>▸ Achieve target transaction volumes within the first six months.</li><li>▸ Generate revenue from competitive transaction fees.</li><li>▸ Increase OFBank’s market share in the remittance sector.</li></ul>





# Program 7

YaniRemit: Account-to-Account Remittance Solution	
Customer Experience Objectives	<ul style="list-style-type: none"><li>▸ Provide an easy-to-use platform for senders and receivers.</li><li>▸ Offer exceptional customer support for any transaction issues.</li><li>▸ Gather feedback for continuous service improvement.</li></ul>
Long-Term Objectives	<ul style="list-style-type: none"><li>▸ Position YaniRemit as the preferred remittance service for OFWs.</li><li>▸ Expand remittance corridors and service offerings.</li><li>▸ Enhance financial inclusion for OFWs and their families.</li></ul>
Proposed Target	October 2025
Estimated Budget	Included in the enhancement of the MBA



# Program 8

Product Enhancements and Innovations	
Description	<ul style="list-style-type: none"><li>▸ Improve the clarity and user-friendliness of processes, labels, instructions, and messages in the OFBank MBA to enhance the overall customer experience.</li><li>▸ Accelerate the delivery of innovative, customer-centric solutions through the use of big data, analytics, and agile technologies to better understand customer needs and optimize decision-making.</li><li>▸ Enhance the existing chatbot functionality to provide more efficient, responsive, and accurate assistance for users, improving overall service quality.</li><li>▸ Launch the digital loan offerings with simplified application processes and provide faster approval times.</li><li>▸ Integrate the OFBank MBA with the DICT and DMW App to enhance accessibility and convenience for users.</li></ul>
Objective	To improve customer experience and to provide excellent digital solutions
Proposed Target	<ul style="list-style-type: none"><li>▸ Five enhancements/innovations in 2025; three for 2026; at least two for 2027-2029</li><li>▸ Customer Satisfaction: 90% by 2025</li><li>▸ Innovative, customer-centric solutions: starting Q1 2024, continuing until 2028</li></ul>
Estimated Budget	To be included in the annual Corporate Operating Budget



# Program 9

Organizational Rationalization Framework	
Description	<p>Development and implementation of an Organizational Rationalization Framework (ORF) for OFBank. This framework will guide the strategic design and operational optimization of OFBank, considering the following core building blocks:</p> <ul style="list-style-type: none"><li>▸ <b>Organization:</b> Identification of key business entities and lines of business, along with a clear structural framework for their effective integration and operation.</li><li>▸ <b>Processes:</b> Design and implementation of essential procedures and process flows that will drive operational efficiency and ensure seamless service delivery across the organization.</li><li>▸ <b>IT Infrastructure:</b> Development of robust technology and IT architecture to support OFBank’s digital transformation, enabling scalability, security, and operational continuity.</li><li>▸ <b>People:</b> Definition of critical roles, responsibilities, and skill sets needed, ensuring the alignment of talent with organizational objectives for optimal performance and growth.</li></ul> <p>This framework aims to align OFBank’s organizational structure, processes, technology, and human capital to drive sustainable success and enhanced service delivery.</p>
Objective	<ul style="list-style-type: none"><li>▸ To implement a practical ORF that will enable OFBank to effectively and successfully deliver and execute on its strategies.</li><li>▸ The ORF will serve as a basis for OFBank to request the Governance Commission for Government-Owned and Controlled Corporations’ (GCG) approval of OFBank’s new organizational structure and upgraded Compensation and Position Classification System (CPCS) classification.</li></ul>
Proposed Target	<ul style="list-style-type: none"><li>▸ Service Availability: 24/7, 99.9%</li><li>▸ Employee Satisfaction: 90% by 2026; 92% by 2028</li><li>▸ ORF Development: 2024</li><li>▸ ORF Implementation: Starting June 2025</li></ul>
Estimated Budget	To be included in the Corporate Operating Budget (Manpower, Training, etc) – P2.10 million







# CORPORATE SOCIAL RESPONSIBILITY

## Empowering Global Filipinos: OFBank's Commitment to Transformative CSR Initiatives

OFBank's Corporate Social Responsibility (CSR) exemplifies its unwavering commitment to fulfilling its social mission by implementing programs and initiatives that foster a better, safer, and more progressive society. The Bank's ultimate goal is to enhance the quality of life for its key beneficiaries—the OFWs, OFs, and their families.



The CSR initiatives of OFBank are strategically aligned with themes that reflect its dedication to providing convenient, reliable, and secure banking solutions tailored to the unique needs of Global Filipinos. These programs are grounded in its core values of honesty and integrity, innovation and creativity, as well as organizational unity and excellence. Moreover, the efforts of the Bank extend to vital advocacies such as financial literacy programs designed specifically for the circumstances of OFWs, OFs, and their loved ones.

Through these initiatives, OFBank positions itself not only as a financial service provider but also as a responsible corporate citizen committed to the holistic development of the community. The Bank aims to empower and uplift its clients by equipping them with essential financial knowledge and resources, enabling them to navigate challenges effectively and seize new opportunities for growth and stability.

Ultimately, OFBank’s CSR reflects its deep understanding of the evolving needs and aspirations of Global Filipinos. By integrating social responsibility into the Bank’s corporate ethos, it strives to make meaningful, and lasting impacts that go beyond banking—actively promoting the well-being and prosperity of its clients and their families around the world.





# Driving Sustainability: OFBank's Digital Revolution Towards Environmental Responsibility

OFBank is committed to delivering innovative digital products and services that support both the organization and its clients in achieving sustainability and environmental protection objectives. The Bank's goal is to reduce its carbon footprint and promote ecological conservation through its offerings. All OFBank's digital solutions—ranging from account opening, fund transfers, bill payments, to investments—are easily accessible via mobile devices. Transactions are typically completed within five minutes, using only a client's mobile phone, thereby eliminating the need for ink, paper, and over-the-counter interactions. This digital approach not only enhances convenience but also significantly lowers environmental impact.

The Bank's Corporate Environmental Policy emphasizes the integration of environmentally responsible practices across all operations, services, and decision-making processes. It is committed to continually implementing strategies to reduce energy consumption, such as reconfiguring office layouts and limiting access for guests and clients to minimize resource use. Additionally, OFBank actively promotes sustainable transport options like carpooling and adopting electronic processing and approval systems to decrease greenhouse gas emissions.

By embracing digitalization, OFBank not only improves operational efficiency but also contributes meaningfully to environmental preservation. These initiatives help streamline services, reduce ecological impact, and foster a culture of sustainability within the organization and among clients. OFBank's unwavering commitment to environmental stewardship drives it to continuously explore innovative solutions that advance its sustainability goals and promote a greener future for all.



# Empowering Overseas Filipinos: OFBank's Innovations in Financial Inclusion and National Development

Aligned with its vision of becoming the Philippines' leading OFW-centric, branchless digital bank, OFBank is committed to delivering innovative, competitive products and services through secure, reliable, and convenient banking platforms. As a key player in driving economic activity, OFBank actively supports government initiatives on financial inclusion and digital transformation, empowering OFWs and their families.

A notable initiative is OFBank's facilitation of RTBs and RDBs via its MBA. This groundbreaking move enables OFWs, OFs, and their beneficiaries to participate easily in the government's savings mobilization program. By making government securities accessible to retail investors, especially individual Filipinos, OFBank advances financial inclusion and provides a secure avenue for growing their savings.

These investment opportunities not only help OFWs and their families secure their financial future but also play a vital role in funding national priorities, including the Build Better More (BBM) infrastructure program of the Marcos administration. Through their investments, OFBank customers contribute directly to the country's development efforts while enhancing their own financial security.

Leveraging its digital capabilities, OFBank has successfully expanded access to financial services for Filipinos worldwide. Integrating RTBs and RDBs into its mobile banking platform exemplifies OFBank's commitment to innovation and customer-centricity. Now, OFWs and their beneficiaries can manage their investments and savings securely and conveniently from anywhere—breaking geographical barriers and fostering greater financial literacy among its overseas community.



OFBank’s active participation in government savings initiatives underscores its dedication to serving the unique needs of OFWs and OFs. Providing accessible investment options promotes financial inclusivity and supports national growth. As OFBank continues to realize its vision of being the premier OFW-focused digital bank, it remains devoted to empowering Filipinos by equipping them with the tools and opportunities for financial growth, security, and prosperity—wherever they may be.

# Commitment to Nurturing and Empowering Employees in an Inclusive Environment

In today’s competitive banking environment, success depends as much on robust financial strategies as it does on having a strong, motivated human capital. OFBank recognizes that cultivating a culture of continuous growth and inclusivity is not only a strategic priority but a core commitment to its employees’ development and well-being.

## NURTURING TALENT THROUGH PROFESSIONAL DEVELOPMENT

OFBank is dedicated to prioritizing the professional growth and well-being of its team. It strives to create an empowering environment that fosters opportunity, regardless of gender or social status. OFBank’s talent management approach extends beyond traditional practices; it is about inspiring individuals to excel and succeed in their careers.

To this end, the Bank invests in comprehensive capability-building programs that equip its employees with the skills and knowledge needed to thrive. From leadership workshops to specialized training sessions, every team member has access to resources that nurture their potential and support ongoing professional development.







## CHAMPIONING EQUAL OPPORTUNITIES

At the heart of OFBank’s ethos is the principle of equal opportunity. It is committed to ensuring fair and merit-based access to training, career advancement, and rewards. Talent and potential, not gender or social background, determine career trajectories at OFBank.

In addition, OFBank believes in recognizing and rewarding performance and dedication across all levels of the organization.

## CREATING A SAFE AND INCLUSIVE WORKPLACE

A safe, healthy, and inclusive work environment is non-negotiable at OFBank. The Bank upholds rigorous health and safety protocols to protect its employees’ well-being. The commitment of OFBank extends to providing essential amenities, such as safe drinking water and well-maintained facilities, to support a comfortable workplace.

Additionally, the Bank monitors its employees’ health closely and offers support where needed, fostering a culture of trust, respect, and care. The Bank’s focus on wellness and safety underscores its dedication to creating an environment where everyone feels valued and secure.



# OFBank's Commitment

The success of OFBank is deeply rooted in the growth, happiness, and engagement of its employees. It is more than just a bank—OFBank is a vibrant community that embraces diversity, champions equality, and values continuous improvement. By investing in its human capital and fostering an enabling environment, it empowers every individual to flourish and contribute meaningfully to its shared vision of excellence.

## UPHOLDING HUMAN RIGHTS: COMMITMENT AND RESPONSIBILITY IN BANKING

In the realm of banking and finance, the principles of human rights extend far beyond monetary transactions and investments. It is about safeguarding dignity, equality, and safety for all individuals, regardless of background or belief. For one banking institution, these principles are not just words; they form the very fabric of its operational ethos.

At the core of OFBank's commitment lies a steadfast pledge: to champion human rights through the daily execution of its duties and responsibilities. The Bank recognizes the inherent worth of every person, fostering an environment where courtesy and respect reign supreme. Its creed knows no bias or prejudice—whether it is race, religion, regional origin, ethnic heritage, gender, or political affiliation.

Central to the Bank's ethos is the unwavering belief in the sanctity of human life. This belief resonates not only within the organizational walls but also extends to the broader communities that it serves. The Bank undertakes comprehensive measures to protect lives, implementing robust security protocols that shield both its personnel and clientele from harm, loss, and compromise.

Within the institution, inclusivity is not just a notion; it is a practice deeply embedded in the Bank's hiring and career advancement strategies. With this, OFBank upholds non-discrimination principles, ensuring equal opportunities for all employees to thrive and excel in their professional journeys. Every individual's rights are upheld and respected, fostering a culture of fairness and empowerment.



OFBank is not merely a bank; it is a custodian of integrity, an advocate for justice, and a proponent of human dignity. Its commitment to human rights is not just a mere proclamation; it is a lived reality, woven into every aspect of the Bank’s operations.

The path to a just and equitable society begins with individual actions and institutional commitments. By prioritizing human rights in all of the Bank’s operations, it takes a significant stride towards realizing a world where every person is valued, protected, and empowered.

In the institution, banking is not just about transactions; it is about transformation—a journey towards a better, fairer tomorrow for all.

**UPHOLDING INTEGRITY: GOVERNANCE AND ANTI-CORRUPTION MEASURES IN ACTION**

In the realm of corporate governance, integrity and compliance are fundamental to the identity of OFBank. The Bank upholds a comprehensive governance framework that not only aligns with but often exceeds government regulations and legal standards, reflecting its unwavering commitment to transparency, accountability, and ethical conduct.

Its governance approach is rooted in strict adherence to applicable laws and internationally recognized principles. The Bank maintain rigorous compliance with regulatory requirements and global standards, ensuring every aspect of its operations exemplifies the highest levels of integrity.

A core principle guiding the Bank is a steadfast zero-tolerance stance on corruption. OFBank actively implements robust measures to prevent malpractice, enforces strict adherence to the Code of Conduct for Public Officials and Employees, and upholds anti-corruption laws without exception. The Bank leaves no room for ethical lapses, emphasizing responsible stewardship at all levels.

OFBank’s commitment to ethical behavior extends to every team member. The Bank expect and enforce unwavering compliance with its Code of Ethics, which serves as a blueprint for principled conduct aligned with the organizational values.



More than a regulatory requirement, OFBank’s governance is about setting the standard for ethical leadership and responsible management. The Bank believes that trust and credibility are built on an unshakeable foundation of integrity and transparency.

As the organization navigate an increasingly complex financial landscape, its focus remains on excellence grounded in ethical clarity. Its governance practices stand as a testament to the Banks dedication to doing what is right—upholding fairness, transparency, and accountability in every action that it undertakes.

In a world where integrity is non-negotiable, OFBank remains resolute—guided by a governance framework that embodies its commitment to the highest standards of ethical conduct and responsible stewardship.

**ENHANCING CUSTOMER EXPERIENCE: OFBANK’S COMMITMENT TO EXCELLENCE AND INTEGRITY**

In the dynamic landscape of financial services, customer-centricity and integrity are the pillars of OFBank’s operational philosophy. The Bank is committed to delivering excellence in service while upholding transparency, compliance, and efficiency in every interaction with its clients.

At the core of OFBank’s values is the principle of full disclosure. The Bank empower its customers by providing comprehensive and clear information about its products and services, including features, terms, and conditions—strictly in accordance with government laws and regulatory standards. This unwavering dedication to transparency fosters trust and builds long-lasting relationships with the clients.

Timeliness is another hallmark of the OFBank customer service as it recognizes the importance of providing prompt and effective support, especially for mandated clients. Through dedicated financial and technical assistance, the Bank ensure clients receive guidance and support precisely when they need it most.



Accessibility is central to OFBank’s engagement strategy. The Bank utilizes diverse communication channels—including webinars, social media platforms like Facebook, and other digital tools—to proactively connect with its clients. In 2024 alone, OFBank hosted over 915 webinars and seminars attended by 44,662 OFWs, complemented by regular social media updates to keep clients informed and empowered.

Upholding compliance is non-negotiable at OFBank. It has established rigorous procedures for compliance testing, risk management, and legal adherence. This commitment ensures that its operations are ethical, responsible, and fully aligned with all applicable laws, regulations, and standards.

OFBank is also proactive in streamlining services in accordance with the ARTA. By reducing bureaucratic obstacles and combating graft and corruption, the Bank enhances operational efficiency and accountability, reinforcing its dedication to professionalism and integrity.

OFBank’s personnel embody these values daily, guided by a stringent Code of Conduct and the principles of ARTA. Integrity and professionalism are woven into the organizational culture—not just as aspirational ideals but integral to how the Bank serves its clients.

It is the mission of OFBank to serve with excellence and unwavering integrity. Its dedication to transparency, compliance, and efficiency ensures that every client interaction reflects its core values—making each transaction a testament to its commitment to responsible, service-oriented banking.







# SUSTAINABILITY

## Sustainable Finance Framework (SFF)

OFBank is continuously refining its strategies to ensure the secure, seamless, and accessible delivery of banking services to its clients and stakeholders. As the official digital Bank of the Philippine Government, OFBank is steadfast in its mission to promote financial inclusion for Filipinos across the globe. By leveraging technology and maintaining a prudent approach to risk management, the Bank not only enhances its product and service delivery but also optimizes its operations through hybrid work arrangements, virtual seminars, and digital internal communications. This forward-thinking approach positions OFBank at the forefront of digital banking, enabling it to meet the evolving needs of its customers while fostering operational efficiency and employee engagement.



As a subsidiary of LANDBANK, OFBank aligns with its parent institution’s initiatives to deliver innovative financial solutions that support sustainable development and environmental stewardship. This strategic alignment ensures that OFBank’s offerings are not only cutting-edge but also socially and environmentally responsible. By integrating sustainability into its core business practices, OFBank reinforces its commitment to contributing to national and global sustainability goals.

Looking ahead, OFBank remains dedicated to providing seamless digital banking services to Filipinos worldwide, upholding its social mandate of financial inclusion and sustainable development. The Bank’s unwavering commitment to accessible financial services empowers more individuals—especially OFWs—to participate in the formal financial system, fostering economic growth and personal financial stability.

In line with its sustainability objectives, the OFBank Board approved the SFF Transition Plan on Sept. 23, 2022, which was subsequently submitted to the BSP on Oct. 3, 2022, in compliance with BSP Circular No. 1085. This framework outlines the Bank’s strategic approach to embedding sustainability into its financial operations and product offerings. By adhering to BSP guidelines, OFBank demonstrates its commitment to regulatory compliance and responsible banking practices.

To reinforce this commitment, OFBank has incorporated a 5% compliance weight related to the Circular into its Key Result Areas (KRA) for employee performance evaluations. The Bank has undertaken the following initiatives:

- 1. Participated in a refresher course on the SFF;
- 2. Updated its Investment Policy Guidelines and Strategy to include SFF-related provisions; and
- 3. Revised its Risk Management Manual to integrate Environmental and Social Risk Management System (ESRMS) principles.

Through these efforts, OFBank continues to champion inclusive and sustainable banking, ensuring that its growth remains responsible, resilient, and aligned with the needs of its stakeholders and the broader community.



# Client Testimonials



**JIREH O. GUARDIANO**  
Seafarer, OSM THOME

“ Dahil sa OFBank, nagagawa ko ang mga importanteng financial transactions kahit nasa laot ang aming barko.”



**ANIE GRACE H. BUSTAMANTE**  
OFW - Domestic Worker, Singapore

“ Malaki ang naitulong ng OFBank sa akin mula nung ginamit ko ito. Madali na para sa akin ang magpadala ng allowance at mabilis na natatanggap ng mga anak ko.”



# Client Testimonials



**NIZAN CHAVAL**  
OFW - Cook, Spain

“Sa OFBank, super dali at mabilis ang proseso ng pagpapadala ng pera. Walang hassle, at higit sa lahat, walang bayad ang fund transfer kung may OFBank account din ang family at friends ko. Lubos ko itong nire-recommend!”



**JOLLY ANDREW AMIGO**  
OFW - Caregiver, Trinidad and Tobago

“Dahil sa OFBank, mabilis at madali kong nagagawa ang aking financial transactions. Kahit nasaan man ako ay conveniently akong nakakapag-fund transfer at nagkakapagbayad ng bills.”



# Client Testimonials



**JULIETA P. ENCARNACION**  
OFW - Finance Manager, Dubai, UAE

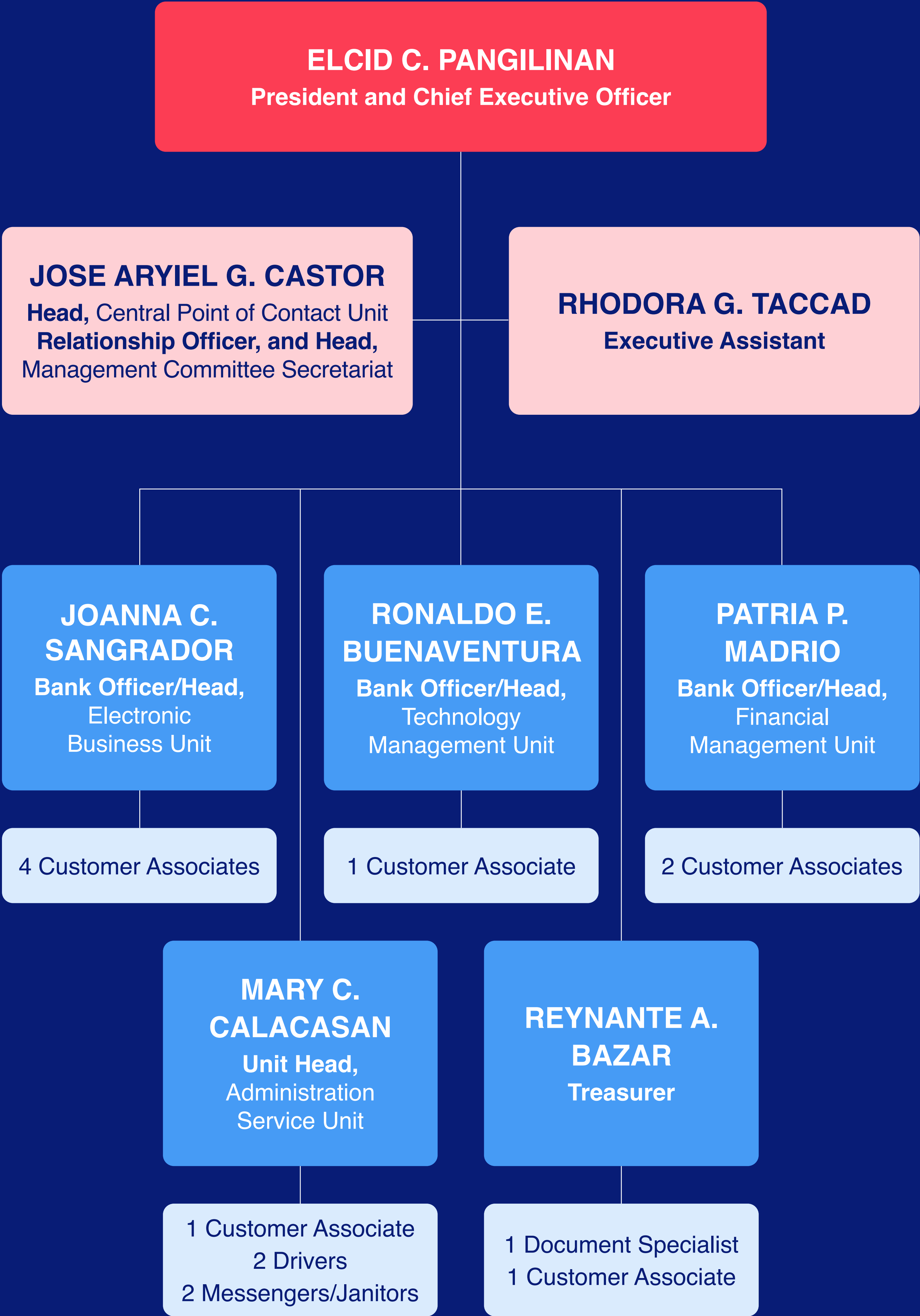
“

When my friend recommended OFBank, I was initially hesitant, but opening an account online from the UAE was quick and easy with just my passport or ID. The app is efficient, offering real-time remittances and fund transfers, with no fees for amounts under P1,000, ideal for small transactions. You can earn interest on savings with a P500 daily balance. While there’s no default physical card, the cardless withdrawal feature worked well during my visit to the Philippines. Overall, my experience with OFBank has been excellent, making it a reliable choice for Overseas Filipino Workers. I highly recommend it for managing finances abroad.”



# OVERSEAS FILIPINO BANK

## ORGANIZATION CHART







# CORPORATE GOVERNANCE

## Excellence in Governance: The Commitment of OFBank to Professional and Ethical Practices

OFBank is committed to upholding strong governance policies that align with globally accepted principles and best practices. This commitment underscores the Bank’s dedication to fairness, accountability, transparency, and ethical conduct across all facets of its operations. By adhering to these principles, OFBank ensures that its policies and strategies are designed with integrity, fostering trust among stakeholders and contributing to the attainment of its institutional goals and objectives.



Through a robust governance framework, OFBank integrates these principles into its day-to-day operations. This includes rigorous oversight and decision-making processes that prioritize transparency and accountability. By embedding these values into its organizational culture, OFBank not only meets regulatory standards but also cultivates an environment that promotes ethical behavior and responsible financial practices, ultimately enhancing stakeholder confidence and sustaining long-term success.

# Principles of Good Governance

## 1. FAIRNESS

OFBank ensures fair treatment of all stakeholders, protecting and upholding the rights of its shareholders, designated directors, and officers. It also provides and follows fair employment practices regarding its employees, and engages with the local community in a just manner. Finally, it also commits to interacting with public officials and entities transparently and equitably.

OFBank recognizes that fairness is essential for maintaining trust, ethical operations, and the overall health of a company. When stakeholders are fairly treated, the entire corporate governance system benefits.

In implementing this principle, the OFBank Board of Directors has the duty to direct and manage the Bank in a manner that is fair to its owner/s and stakeholders, acting with prudence and justice.

## 2. ACCOUNTABILITY

This principle refers to the direct relationship between OFBank and its Directors. The OFBank Board is accountable to its sole shareholder, LANDBANK, and is responsible for overseeing the actions of the Management.

The management team implements policies and strategic directions that originate from the OFBank Board. The OFBank Board is also responsible for assigning responsibilities, measuring results, and balancing the interests of the owner and stakeholders.



### 3. TRANSPARENCY

The OFBank Board of Directors is responsible for ensuring timely and accurate disclosure of all material matters, including the financial status, performance, ownership, and governance of the corporation. To achieve this, the OFBank Board shall establish robust checks and balances along with a comprehensive monitoring and reporting system based on recognized standards for sufficient disclosures.

### 4. ETHICS

This principle embodies the fundamental tenets of honesty, integrity, and adherence to a Code of Ethics that reflects the core values of the Bank. It necessitates avoiding conflicts of interest, which is integral to a Director’s duty of loyalty to the Bank. The OFBank Board of Directors must vigilantly ensure that the Bank’s goals, strategies, policies, and practices adhere to moral, ethical, and legal standards.

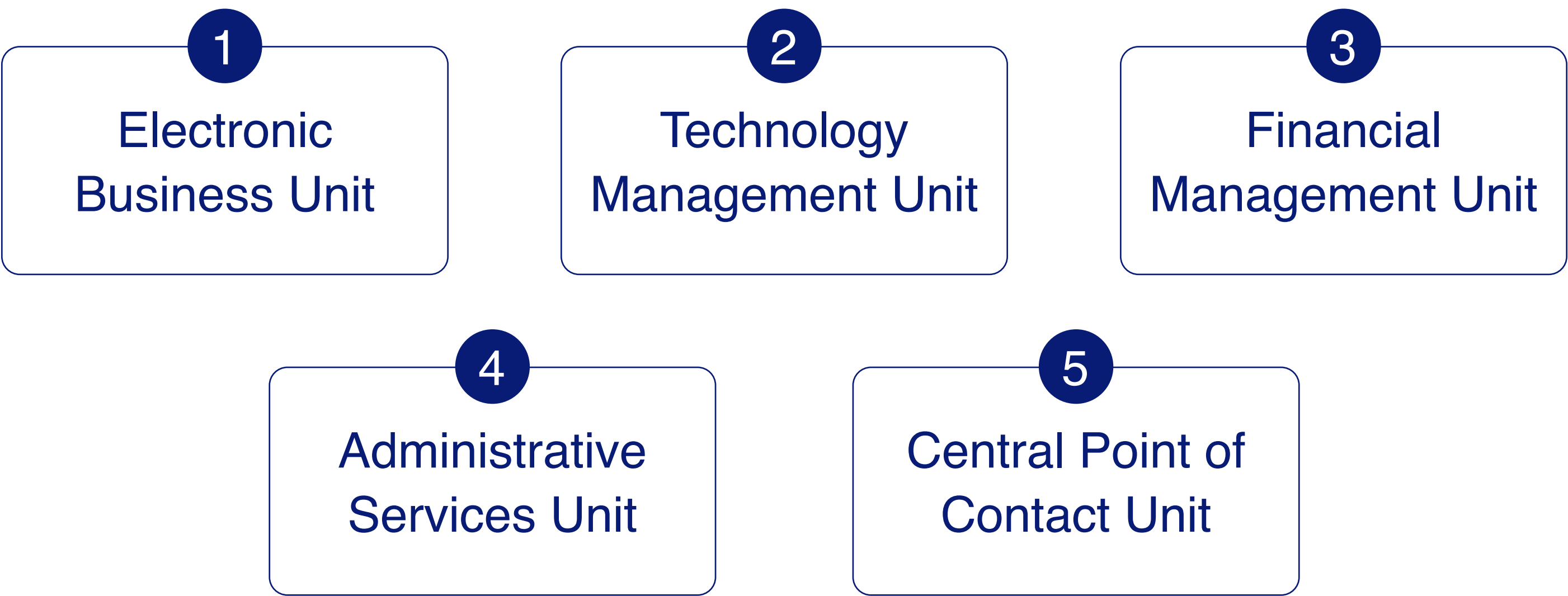
## Enhanced Governance: The Organizational Structure of OFBank

OFBank upholds full compliance with the Code of Corporate Governance, reinforcing its commitment to transparency, accountability, and sound management practices. The Bank has established a robust organizational structure anchored by the OFBank Board of Directors, which exercises oversight through three key committees:

- ▶ Corporate Governance and Risk Management Committee
- ▶ Audit and Compliance Committee
- ▶ Related Party Transactions Committee



Supporting these governance bodies are five strategic business units that drive the Bank’s operations:



The **Central Point of Contact (CPC)** Unit serves as OFBank’s primary liaison with its parent institution, LANDBANK. It facilitates coordination with outsourced functions such as Internal Audit, Risk Management, and Compliance, in accordance with a formal **MOA** and **Service Level Agreements** between OFBank and LANDBANK.

The CPC reports directly to the President and CEO. To ensure that the Unit’s duties are comprehensively carried out, the CPC also receives logistical support from the Office of the Corporate Secretary to the OFBank Board and its committees.

OFBank’s governance framework is designed to meet global standards, ensuring the independence of the OFBank Board from Management. The roles of **Chairman of the Board** and **President and CEO** are distinctly defined:

- ▶ The Chairman oversees adherence to governance principles and monitors overall institutional performance.
- ▶ The President and CEO is responsible for day-to-day operations and the execution of Board-approved policies and strategies.

The President and CEO directly supervises the Bank’s five core units, ensuring operational alignment with strategic goals. This clear delineation of roles and responsibilities reflects OFBank’s commitment to effective governance, operational excellence, and adherence to best practices.



# Selection Process for the OFBank Board and Senior Management

The members of the OFBank Board are appointed pursuant to the provisions of Executive Order No. 44, Series of 2017 entitled “Approving the Acquisition of the Philippine Postal Savings Bank by LANDBANK”.

The selection process is also pursuant to the pertinent and applicable provisions of the GCG Memorandum Circular No. 2012-04 (Fifth Issue) dated Sept. 18, 2018, titled Nomination and Appointment of Appointive Members of the OFBank Board of Directors/Trustees of Government-Owned or -Controlled Corporations (GOCCs), Subsidiaries, and Affiliates.







## Board’s Overall Responsibility

Consistent with the provisions of Section 132 of the Manual of Regulations for Banks (MORB), the OFBank Board of Directors has the fiduciary responsibility to manage the Bank in a prudent and sound manner, as expected by its various stakeholders. These stakeholders include clients, employees, the National Government, various regulators, and the public at large.

The OFBank Board approves and oversees the implementation of strategies to achieve corporate objectives. The OFBank Board has continued to regularly review and approve the Bank’s Vision, Mission, and corresponding Strategy Map since the last quarter of 2019 (which corresponds with OFBank’s restructuring to a branchless, digital-only bank) up to the time of this report’s release. In particular, the Strategy Map summarizes the specific strategic objectives and measures for achieving targets that aim to lead OFBank closer to its Vision.

These are further complemented by the OFBank Performance Scorecard, which is presented to and duly approved by the OFBank Board as required by Memorandum Circular (MC) No. 2017-02 and MC-2019-02 for the monitoring and validation of performance against targets for the year.



The OFBank Board of Directors also ensures that the established risk governance framework remains relevant given the changing challenges and oversees its continued implementation facilitated by a robust system of checks and balances. In addition, the OFBank Board has put in place a sound corporate governance framework that can deliver long-term success by strongly adhering to ethical standards and complying with legal, institutional, and regulatory requirements.

The OFBank Board of Directors approves the selection of the CEO and key members of Management, as well as controlling their functions and overseeing their performance. Overall, the OFBank Board exercises oversight and supervision over how OFBank operates and ensures that its interests align with those of all its stakeholders.



The members of the OFBank Board are expected to abide by the following:

- A.** Remain fit and proper for the position for the duration of his/her term.
- B.** Conduct fair business transactions with the Bank and ensure that Board decisions are not biased in favor of the personal interest of any Board member.
- C.** Act honestly and in good faith, with loyalty and in the best interest of the institution, its stockholder, and other stakeholders such as its depositors, investors, borrowers, other clients, and the general public.
- D.** Devote the necessary time and attention to properly discharge his duties and responsibilities.



- E.** Act judiciously. Before deciding on any matter brought before the OFBank Board, every Director shall thoroughly evaluate the issues, ask questions, and seek clarifications when necessary.
- F.** Contribute significantly to the decision-making process of the OFBank Board. Directors should actively participate and exercise objective, independent judgment on corporate affairs requiring the OFBank Board's decision or approval.
- G.** Exercise independent judgment. A Director shall view each problem or situation objectively. When a disagreement with others occurs, they shall carefully evaluate the situation and state their position. A Director should not be afraid to take a position even though it might be unpopular, and shall ultimately support plans and ideas that are beneficial to the Bank.
- H.** Have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of OFBank Articles of Incorporation and By-laws, requirements of the Bangko Sentral ng Pilipinas (BSP), and pertinent government agencies.
- I.** Observe the confidentiality of the non-public information acquired by reason of the position as Director. They shall not disclose any information to any other person without the authority of the OFBank Board.
- J.** Ensure the continuing soundness, effectiveness, and adequacy of the Bank's control environment.
- K.** Shall not solicit, nor accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or anything of monetary value. A "gift" is defined as anything from any person, where such gift:
  - a.** Would be illegal or in violation of the law;
  - b.** Is part of an attempt or agreement to do anything in return;
  - c.** Has a value beyond what is normal and customary in the Bank's business;
  - d.** Is being made to influence the members of the OFBank Board's or Officers' actions, as such; and
  - e.** Could create the appearance of a conflict of interest.
- L.** Attend orientation and training. A Director is required to have an adequate orientation process and continuous development and education regarding the Bank's operations.



# Description of the Role and Contribution of Executive, Non-Executive and Independent Directors, and of the Chairperson of the OFBank Board

## CHAIRPERSON OF THE OFBANK BOARD OF DIRECTORS (NON-EXECUTIVE)

The Chairperson of the OFBank Board is responsible for the efficient functioning of the OFBank Board of Directors. As such, they exercise control over the quality, quantity, and timeliness of the flow of information between Management and the OFBank Board.

The Chairperson calls meetings, approves, and sets the agenda and presides over OFBank Board meetings, ensuring that all directors are enabled and encouraged to actively participate in all discussions and resolutions on matters taken up by the OFBank Board.

The Chairperson also promotes critical discussion, ensuring that dissenting views can be expressed and discussed within the decision-making process.

## VICE CHAIRPERSON (EXECUTIVE DIRECTOR)

The Vice Chairperson of the OFBank Board of Directors is the Bank’s President and CEO. In the absence of the Chairman of the Board, the Vice Chairperson presides over OFBank Board meetings. Among the nine members of the OFBank Board of Directors, the Vice Chairperson is the sole executive director.



## NON-EXECUTIVE DIRECTORS

The non-executive directors shall perform the duties and responsibilities of a director as prescribed under the Bank’s Articles of Incorporation, the BSP MORB, the rules and regulations of the GCG, and other laws and issuances as may be applicable. In addition, the OFBank Board, consisting of the non-executive directors, has disciplinary powers over the President and an Executive Director, with the capability to remove them with sufficient cause.

## INDEPENDENT DIRECTORS

The OFBank Board appoints/nominates the independent directors from among the appointive directors, seeking thereafter the confirmation of such nomination by the Monetary Board.

In the nomination of an independent director, the OFBank Board ensures that the nominee will be able to devote sufficient time to effectively carry out his duties and responsibilities.

Pursuant to BSP Circular No. 969, Series of 2017, the independent directors are members of the following Board-level committees:

- ▶ Audit and Compliance Committee (with at least three members, majority shall be independent, including the chairperson);
- ▶ Corporate Governance Committee (with at least three members, majority shall be independent, including the chairperson);
- ▶ Risk Oversight Committee (with at least three members, majority shall be independent, including the chairperson).





# OFBank Board Composition

The positions of Chairperson of the OFBank Board and President and CEO are held by two different persons. The Chairperson of the OFBank Board is LANDBANK President and CEO **Lynette V. Ortiz**, while the Vice-Chairperson is OFBank OIC-President and CEO **Elcid C. Pangilinan**.

Board Composition	
LANDBANK President and CEO	Chairperson (Ex-Officio)
OFBank President and CEO	Vice Chairperson
Four LANDBANK-designated Directors and three members appointed by the President of the Philippines (representing the Department of Labor and Employment, Overseas Workers Welfare Administration, and private sector-Overseas Filipinos) as provided for in Executive Order 44, Series of 2017.	
Members	



# Board Qualification

Pursuant to R.A. 8791, R.A. 10149, the BSP MORB, the OFBank AOI/By-laws, GCG Memorandum Circular No. 2012-07, and other pertinent laws and regulations, the following are the qualifications of the members of the OFBank Board of Directors:

1. Must be a natural-born citizen of the Philippines, not less than 35 years of age, of good moral character, and has attained proficiency, expertise, and recognized competence in one or more of the following: banking, finance, economics, law, and business management. Provided further, that no Director, stakeholder, or employee of any other bank shall be eligible for election or appointment as a member of the OFBank Board of Directors.
2. Must have a college degree with at least five years of relevant work experience, except for a sectoral representative who only needs to be a bona fide member of the indicated sector of the association being represented.
3. Must have attended a special seminar on corporate governance for the OFBank Board of Directors conducted or accredited by the BSP.
4. Must have attended (or will attend within three months from the date of appointment) a special seminar on public corporate governance for Directors conducted by the GCG, or any individual or entity accredited by the GCG.
5. Must be fit and proper for the position of a Director of the Bank. The following characteristics must be considered in determining if a candidate is fit and proper for the position of a Director:
  - integrity/probity;
  - physical/mental fitness;
  - competence;
  - relevant education/ financial literacy/ training;
  - diligence; and
  - knowledge/experience



# List of Board-Level Committees Including Membership and Functions



## CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE (CGRMC)

As corporate governance is the basic framework from which effective risk management takes shape, the CGRMC is tasked with managing the loop between strategic initiatives and day-to-day operational performances of the bank.

### Corporate Governance:

1. Assists the OFBank Board of Directors in adopting the appropriate decision-making processes so that there is a clear distinction between the decisions to be made by the OFBank Board and by the Bank’s management.
2. Ensures a sound system of procedural and financial delegations that promotes efficiency as well as control.
3. Ensures that the OFBank Board acts judiciously; exercises independent judgment; has working legal knowledge affecting the Bank; observes effectiveness and adequacy of the Bank’s control environment; and has a process that determines whether a director devotes necessary time and attention in performing their duties.
4. Reviews the following for updates/revisions: Bank’s Mission and Vision, strategic objectives, policies, and procedures as being practiced by the OFBank Board and senior management.
5. Ensures that the Code of Conduct has the appropriate and adequate policies and procedures to identify and deal with potential conflicts of interest.



6. Oversees directors' and senior officers' training on corporate governance and its leading practices and principles by Securities and Exchange Commission (SEC)-accredited institutional training providers.
7. Oversees the Bank's compliance with all relevant laws and regulations, including codes of best business practices.
8. Maintains a process to ensure that senior officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules, and regulations.
9. Reviews and evaluates the qualification of persons nominated to positions in the Bank that require appointment by the OFBank Board.
10. Develops recommendations to the GCG for updating the Compensation and Position Classification System (CPCS), and ensuring that the same continues to be consistent with the Bank's culture, strategy, control environment, as well as the pertinent laws, rules, and regulations.

### **Risk Management:**

1. Recommends for full Board approval of Bank-wide policies, practices, and procedures for risk definition, assessment, management, and monitoring/reporting. This includes information security risks identified by the Information Risk Officer.
2. Reviews and recommends risk limits and delegated credit authorities for OFBank Board approval.
3. Evaluates the magnitude, nature, and distribution of risk exposures.
4. Analyzes and evaluates that the risk infrastructure is within the Bank's overall direction, and is supported by updated/current information technology.
5. Promotes the continuous development and upgrade of risk practices, policies, procedures, and structures.
6. Ensures that personnel under business/risk units develop sufficient risk management-related skills and demonstrate high standards of ethical behavior.



Board Composition	
Chairperson	Director Robert L. Gosioco
Member	Director Leticia V. Damasco
Member	Director Bituin V. Salcedo

The following are the accomplishments of the CGRMC in 2024:

Date of Approval	Title of the Proposals	Actions Taken by the Committee	BR No.
Jan. 23, 2024	Guidelines on Contracts Management	Approval	2024 - 01
	Revised CASA (Hiring and Movement of Personnel and Credit and Loans Operation)	Approval	2024 - 02
	OFBank Incidents Report as of December 31, 2023	Noted	
	Electronic Business Unit (EBU) Complaints Monitoring Report as of December 31, 2023	Noted	
	EBU Complaints Resolutions	Noted	
	Intraday Liquidity Report as of December 2023	Noted	
	Schedule of Meetings Corporate Governance and Risk Management Committee Meetings	Approval	2024 - 03
Feb. 19, 2024	Booking of Required Expected Credit Losses (ECL)	Approval	2024 - 04
	Intraday Liquidity Report for January 30, 2024	Noted	
	Projected Liquidity Report for the 4th Quarter of 2023	Noted	
Mar. 18, 2024	Revised Guidelines on the Management and Operations of OFBank	Approval	2024 - 05
	Central Point of Contact Unit (CPCU) Manual of Operations	Approval	
	Intraday Liquidity Report for February 2024	Noted	
	OFBank Incidents Report as of February 2024	Noted	



	EBU Complaints Monitoring as of February 2024	Noted	
	EBU Complaints Resolutions as of February 2024	Noted	
	Appointment of Atty. Karl D. Antonio as OFBank Corporate Secretary	Approval	2024 - 06
Apr. 19, 2024	Guidelines on Accounting for Bank Premises, Furniture and Fixture Equipment	Approval	2024 - 07
	Intraday Liquidity Report for March 2024	Noted	
May 20, 2024	Appointment of Mr. Reynante A. Bazar as OFBank Treasurer	Approval	2024 - 08
	Intraday Liquidity Report for April 2024	Noted	
	Report on Promotions and Step Increments of OFBank Personnel	Noted	
	Status of Commitments to BSP ROE and Risk Management (RM) Requirement of OFBank	Noted	
	OFBank RM Manual Calendar of Activities	Noted	
	Re-baselining of the OFBank’s Enterprise Risk Management Implementation	Approval	2024 - 09
Jul. 1, 2024	OFBank Business Continuity Plan (BCM)	Approval	2024 - 10
	Program of Activities for OFBank Treasury Risk	Approval	2024 - 11
	OFBank Recovery Plan	Noted	
	Status of RM Manual	Noted	
	Conversion of the US Dollar Savings/Settlement account to High-Yield Dollar Time Deposit	Noted	
	Partial Termination of LANDBANK-High-Yield Savings Account (HYSA)	Noted	
	Intraday Liquidity Report for May 2024	Noted	
	Customer Care Department (CuCD) Incidents Report as of May 2024	Noted	



Jul. 19, 2024	OFBank Policy on Data Privacy	Approval	2024 - 12
	OFBank Administrative Policies and Procedures Manual	Approval	2024 - 13
	Technology Management Manual	Approval	2024 - 14
	CuCD Incidents Report as of June 2024	Noted	
	EBU Complaints Monitoring as of June 2024	Noted	
	Status of OFBank Legal Cases	Noted	
	Result of Stress Testing for 1st Semester of 2024	Noted	
Aug. 28, 2024	Intraday Liquidity Report for July 2024	Noted	
	Handling of Transactions of Depositor Based in Restricted Countries	Noted	
	EBU Complaints Monitoring as of August 2024	Noted	
	EBU Complaints Resolutions	Noted	
	CuCD Incidents Report as of July 2024	Noted	
Sept. 20, 2024	OFBank Business Continuity Plan (BCP)	Approval	2024 - 15
	Request for Extension for the Preparation of OFBank Risk Management Manual	Noted	
	BSP Letter Re: 2023 OFBank Recovery Plan	Noted	
	BSP Letter Re: Updates/Changes in the Management and Governing Board of OFBank	Noted	
	Intraday Liquidity Report for August 2024	Noted	
Oct. 29, 2024	Intraday Liquidity Report for September 2024	Noted	
	OFBank Incidents Report for August and September 2024	Noted	
Nov. 18, 2024 Referendum	Purchase of Corporate Bonds Thru LANDBANK-Trust Banking Group (TBG)	Approval	2024 - 16



Dec. 2, 2024	Guidelines in Succession Planning	Approval	2024 - 17
	Status Update on the OFBank Risk Management Manual	Noted	
	OFBank Incidents Report as of October 2024	Noted	
	EBU Complaints Monitoring as of November 27, 2024	Noted	
	EBU Complaints Resolution	Noted	
	Intraday Liquidity Report for October 2024	Noted	
	Updates Purchase of Double Dragon	Noted	
Dec. 18, 2024	CGRMC Schedule of Meetings for CY 2025	Approval	2024 - 18
	Intraday Liquidity Report for November 2024	Noted	



**AUDIT AND COMPLIANCE COMMITTEE (ACCOM)**

With the essential roles of audit and compliance in ensuring that the bank operates effectively, the ACCom is mandated to monitor that the bank adheres to sound policies, processes, and procedures, and at the same time, look at these policies, processes, and procedures through the lens of regulatory compliance.

**Audit:**

1. Oversees the financial reporting framework (i.e., financial reporting process, practices, and controls). It shall ensure that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.
2. Ensures that a review of the effectiveness of the Bank’s internal controls, including financial, operational, and compliance controls and risk management, is conducted at least annually.
3. Oversees the performance of the internal audit service provider, may it be for assurance, consulting, or any engagement in which the internal audit activity would require resources and competence/expertise from a third party.



4. Provides functional supervision over the CPC Unit to ensure effective performance of its functions.
5. Assesses the reports from external auditors and regulatory agencies, and ensures that management judiciously and appropriately acts on recommendations on significant deficiencies and/or material weaknesses identified.
6. Recommends formulation or amendments to policies, systems, and procedures based on the results of its evaluation of reports from LANDBANK IAG, external audit, and regulatory bodies.
7. Utilizes the work conducted by internal audit functions by undertaking timely and effective actions on issues identified.
8. Exercises the following: explicit authority to investigate any matter within its terms of reference; full access to and cooperation by management; full discretion to invite any director or officer to attend its meetings; and adequate resources to enable effective discharge of its functions.
9. Establishes and maintains mechanisms by which officers and staff may (in confidence) raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing, or other issues to persons or entities that have the power to take corrective action. It shall ensure that arrangements are in place for the independent investigation, appropriate follow-up action, and subsequent resolution of complaints.
10. Provides an open avenue of communication among the internal auditors, external auditors, Management, the OFBank Board of Directors, and other supervisory authorities.

## **Compliance:**

1. Reviews the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.



2. Ensures that procedures for the following have been established:
- a. Receipt, retention, and treatment of complaints regarding accounting and internal accounting controls;

b. Confidential and anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters;

c. Review of the findings of any examination/audit by regulatory agencies;

d. Review of the process for communicating the code of conduct to the Bank’s personnel and for monitoring compliance therewith; and

e. Regular updates from management and the Bank’s legal counsel, and other consultants regarding compliance matters.

Board Composition	
Chairperson	Director Alan V. Bornas
Member	Director Bituin V. Salcedo
Member	Director Leticia V. Damasco

The following are the accomplishments of the ACCom in 2024:

Date of Approval	Title of the Proposals	Actions Taken by the Committee	BR No.
Jan. 29, 2024	Anti-Money Laundering/ Counter Terrorism Proliferation Financing (AML/CTPF) Reports for Oct to December 2023		
	Regulatory Issuances for the months of July to November 2023 and Results of Pre-Testing		
	Results of Periodic Compliance Testing (PCT) Conducted in 3rd quarter of 2023		
	BSP Letter on Non-submission of Report on Material RPTs		
	Schedule of ACCom Meetings	Approval	

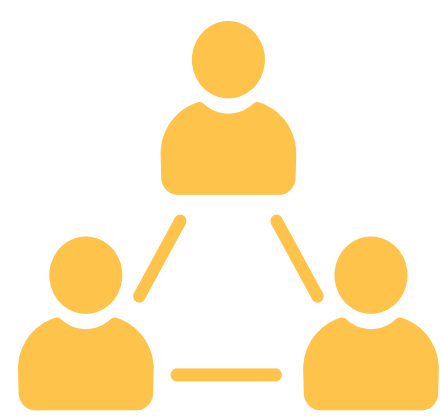


Feb. 15, 2024	OFBank Compliance Manual, Updated as of 31 December 2023	Approval	2024 - 01
	OFBank Replies to BSP Report of Examination (ROE) Completed on 4 October 2023	Approval	2024 - 02
April 18, 2024	Regulatory Issuances for the months of December 2023 to February 2024 and Results of Pre-Testing		
	Results of Periodic Compliance Testing (PCT) Conducted in the 4th quarter of 2023		
May 21, 2024	Anti-Money Laundering/ Counter Terrorism Proliferation Financing (AML/ CTPF) Reports for the 1st Quarter		
	Regulatory Issuances for the month of March 2024 and Results of Pre-Testing		
	Results of Periodic Compliance Testing (PCT) Conducted in the 1st quarter of 2024		
July 21, 2024	Amendments to the Money Laundering and Terrorism Financing Prevention (MTPP) Manual	Approval	
	OFBank Annual Audited Report (AAR) CY 2023 and previous years	Approval	
Aug. 1, 2024	Anti-Money Laundering/ Counter Terrorism Proliferation Financing (AML/ CTPF) Reports for the 2nd Quarter of 2024	Noted	
	Regulatory Issuances for the month of April 2024 and Results of Pre-Testing	Noted	



Oct. 10, 2024	Release of Ms. Solita R. Vitug in Paying the Rent Expense Amounting to Php 700,000.00	Approved	2024 - 09
	Result of COA Compliance Audit	Noted	
	Results of Independent Compliance Testing of OFBank Units in 1st and 2nd Quarter 2024	Noted	
	Regulatory Issuances for the month of July 2024 and Results of Pre-Testing	Noted	
	Results of Periodic Compliance Testing (PCT) Conducted in 2nd Quarter 2024	Noted	
Dec. 12, 2024	Cancellation and Rescheduling of OFBank Operations Audit for CYs 2024 and 2025	Approved	2024 -10
	Regulatory Issuances for the months of August and September 2024 and Results of Pre-Testing	Noted	
	Results of Periodic Compliance Testing (PCT) Conducted in 3rd Quarter 2024	Noted	
	Status Updates on Actions Taken/Plan of Actions on OFBank’s Money Laundering, Terrorist Financing, and Proliferation Financing Institutional Risk Assessment (IRA) Approved Action Plans	Noted	
	Anti-Money Laundering/ Counter Terrorism Proliferation Financing (AML/ CTPF) Reports	Noted	





## RELATED PARTY TRANSACTIONS COMMITTEE (RPTCOM)

Consistent with its function to assist the OFBank Board of Directors in ensuring that transactions with related parties are undertaken on an arm’s length basis and handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations, the RPTCom is tasked as follows:

1. Evaluate on an ongoing basis the existing relations between and among business and counterparties and ensure that all Related Parties (RPs) are continuously identified, Related Party Transactions (RPTs) are monitored, and subsequent changes in relationships with counterparties (i.e., from non-related to related and vice versa) are captured; RPs, RPTs, and changes in relationships shall be reflected in the relevant reports to the OFBank Board of Directors and regulators/supervisors.
2. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such RPs than similar transactions with non-related parties under similar circumstances; that no corporate or business resources of the Bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. All RPTs that are considered material based on the Bank’s internal policies shall be endorsed by RPTCom to the OFBank Board for approval.
3. Ensure that appropriate disclosure is made (and/or information is provided) to regulating and supervising authorities relating to the Bank’s RPT exposures and policies on conflicts of interest or potential conflicts of interest.
4. Report quarterly to the OFBank Board of Directors the status and aggregate exposures to each RP, as well as the total amount of exposures to all RPs.
5. Ensure that RPTs, including write-off of exposures, are subject to periodic independent review or audit processes.
6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.



Board Composition	
Chairperson	Director Robert L. Gosioco
Member	Director Leticia V. Damasco
Member	Director Bituin V. Salcedo

The following are the accomplishments of the RPTCOM in 2024:

Date of Approval	Title of the Proposals	Actions Taken by the Committee	BR No.
Jan. 23, 2024	Updates on the Service Level Agreements (SLAs)	Noted	
	Compliance of RPTCom Charter with Applicable Regulation	Noted	
Feb. 19, 2024	SLA between OFBank and LANDBANK Procurement Department (ProcD)	Approval	2024 - 01
March 18, 2024	LANDBANK HYSA Renewal	Noted	
April 19, 2024	Updates on the SLA’s	Noted	
May 20, 2024	SLA between OFBank and LANDBANK Treasury Operations Department	Approval	2024 - 02
	Termination of the Investment Management Agreement (IMA) Investment	Noted	
July 1, 2024	SLA between OFBank and LANDBANK Legal Services Group	Approval	2024 - 03
	Donation of Service Vehicle	Confirmation	2024 - 04
	Partial Termination of LANDBANK HYSA	Noted	
July 19, 2024	SLA between OFBank and LANDBANK System Implementation Department (SID)	Approval	2024 - 05
	SLA between OFBank and LANDBANK Technology Management Group (TMG)	Approval	2024 - 06



Aug. 28, 2024	Renewal of P1.85 billion LANDBANK HYSA	Approval	2024 - 07
	Reference Rates for the P1.85 billion LANDBANK HYSA renewed on 8 July 2024	Noted	
	Continuation of the use/ occupancy of LANDBANK Facilities Management Department (FMD) of the four (4) parking spaces in OFBank Parking Area	Approval	2024 - 08
	Updates/Report on OFBank SLA's	Noted	
Sept. 20, 2024	LANDBANK HYSA Renewal Reference Rates	Noted	
Oct. 29, 2024	LANDBANK HYSA Partial Reduction and Renewal	Approval	2024 - 09
Nov. 18, 2024 Referendum	Purchase of Corporate Bonds Thru LANDBANK-TBG	Approval	2024 - 10
Dec. 2, 2024	LANDBANK HYSA Renewal Rates	Noted	
	Updates on the Purchase of Double Dragon RTB	Noted	
	Updates on OFBank Outsourced Services	Noted	
Dec. 18, 2024	LANDBANK HYSA Renewal	Approval	2024 - 11
	Schedule of RPTCom Meetings for CY 2025	Approval	2024 - 12

# Term of Office of the OFBank Board of Directors

Under GCG Memorandum Circular No. 2012-04 (re-issued), any provision in the charter of each GOCC to the contrary notwithstanding, the term of office of each Appointive Director shall be for one year, unless sooner removed for cause; provided, however, that the Appointive Director shall continue to hold office until their successor is appointed.



# Director’s Attendance at OFBank Board and Board-Level Committee Meetings for CY 2024

Name of Directors	Meetings Attended			
	Board Meeting  (12 meetings)	Corporate Governance and Risk Management Committee  (12 meetings)	Audit and Compliance Committee  (8 meetings)	Related Party Transactions Committee  (12 meetings)
1. MA. LYNETTE V. ORTIZ	12/12 (100%)			
2. ALAN V. BORNAS	12/12 (100%)	N/A	8/8 (100%)	N/A
3. ATTY. RODERICK P. SACRO	12/12 (100%)	N/A	N/A	N/A
4. LEILA C. MARTIN	12/12 (100%)	N/A	N/A	N/A
5. ALTHON C. FEROLINO	9/12 (75%)	N/A	N/A	N/A
6. BITUIN V. SALCEDO	12/12 (100%)	12/12 (100%)	8/8 (100%)	12/12 (100%)
7. LETICIA V. DAMASCO	12/12 (100%)	12/12 (100%)	8/8 (100%)	12/12 (100%)
8. ROBERT L. GOSIOCO	12/12 (100%)	12/12 (100%)	N/A	12/12 (100%)
Total Number of Meetings Held During the Year:		44		





# Performance Assessment Program

The performance of the members of the OFBank Board of Directors is being assessed using the Performance Evaluation for Directors (iPED) System.

The iPED was developed by the GCG to effectively implement the Performance Evaluation for Directors in the GOCC Sector (PED). This tool is designed to facilitate a more stable, confidential, secure, and reliable database system that will house the performance reviews of all the members of the Governing Boards of various GOCCs under the jurisdiction of GCG.

Pursuant to GCG MC No. 2014-03 (3rd Issue), all Ex Officios, their duly designated Alternates, and Appointive Directors are required to encode their self and peer ratings, comments, and assessments in the iPED.

In 2021, continued enhancement was made on the implementation of the program with more focus on the basic elements in the Strategic Performance Management System (SPMS) that include alignment of performance goals to the organization’s overall objectives, identified key result areas/key performance indicators, clear delineation of rater and ratee’s roles, and feedback mechanism to support performance monitoring.

The Bank’s performance assessment covers all full-time Bank officers and staff, whether permanent or temporary.





# Orientation and Education Program

Employee orientation, as an integral part of the Bank’s human resource development strategy, provides employees with the information necessary to begin or continue a successful career at the Bank.

For new hires, the Administrative Services Unit conducts an Orientation Program to promote a broad understanding of the Bank as a financial institution. The process also includes details about working in OFBank, and the basic expectations of the Bank as an employer.

New employees require essential information related to their work and their work environment. Thus, within a reasonable time following their appointment, they are oriented on their duties, work environment, and terms and conditions of employment. The goal is to establish a solid foundation for a successful and long-term working relationship between the Bank and the employee.

In terms of continuing education programs for its employees, the Bank sponsors various seminars and training sessions throughout the year to upgrade employees’ skills and competencies in relation to their duties and responsibilities.



Aside from the required seminars and training that are facilitated by various regulatory agencies, the Bank also has a Training Program for the continuing improvement of its employees.

For the OFBank Board of Directors, all new/incoming Directors are required to attend the Corporate Governance Orientation Program for GOCCs conducted by the Institute of Corporate Directors (ICD) as required by the GCG.

In terms of policies/programs that encourages Directors/Commissioners to attend ongoing or continuous professional education programs, OFBank abides with the “Fit and Proper Rule,” which refers to a set of standards for determining whether a Director or Executive Officer is qualified to hold a position in a GOCC which shall include, but not limited to, standards on integrity, experience, education, training and competence as such standards are set forth under GCG Memorandum Circular No. 2012-05.

Consistent with the policy, the Directors are required to undergo an adequate orientation process on bank’s operations as well as continuous education and development to hone further skills and knowledge base.

OFBank also adopts and adheres to the requirements guidelines of GCG’s Memorandum Circular 2014-03 on the PED, wherein the evaluation is instrumental in developing effective and appropriate training programs for new and existing members of the Board.



# Summary of Actual Trainings Attended by the OFBank Board for Year 2024

Name of Directors and Position	Kind of Trainings/ Seminars	Date	Number of Hours
1. MA. LYNETTE V. ORTIZ Chairman	Digital Leadership Programme	Sept. 25 and 27, 2024	24
	Targeted Financial Sanction	Aug. 29, 2024	2
	AML/CTF Fundamentals	Aug. 13, 2024	3
	Sustainability and Sustainable Finance	April 30, 2024	2
	Corp. Gov. Orientation Program for GOCCs	Feb. 8, 2024	8
	Leap: Information Security Management	Feb. 8, 2024	4
Number of Seminars Attended: 6			
2. ALAN V. BORNAS Member	Fostering Collaboration and Engagement	Oct. 4, 2024	2
	Targeted Financial Sanction	Aug. 8, 2024	2
	AML/CTF Fundamentals	Aug. 13, 2024	3
	Sustainability and Sustainable Finance	April 30, 2024	2
	Ignite: Inspire Growth & Nurture	March 6, 2024	2
	Ignite: Inspire Growth & Nurture	Feb. 29, 2024	2
	Leap: Information Security Management	Feb. 8, 2024	2
Number of Seminars Attended: 7			



3. <b>ATTY. RODERICK P. SACRO</b> Member	LRP: Leadership & Team Effectiveness	Oct. 8, 2024	3
	LRP: Negotiation	Oct. 29, 2024	3
	AML/CTF Fundamentals	Oct. 28, 2024	3
	LRP: Financial Inclusion	Oct. 10, 2024	3
	LRP: Innovative Mindset	Oct. 10 2024	3
	Fostering Collaboration and Engagement	Oct. 4, 2024	2
	LRP: Strategic Mindset	Oct. 1, 2024	3
	LRP: Strategic Execution	Oct. 1, 2024	3
	Digital Leadership Programme	Sept. 25 and 27, 2024	24
	LRP: Emotional Intelligence	Sept. 19, 2024	3
	LRP: Coaching and Mentoring	Sept. 19, 2024	6
	LRP: People Development	Sept. 11, 2024	3
	Sustainability and Sustainable Finance	April 30, 2024	2
Number of Seminars Attended: <b>15</b>			
4. <b>ALTHON C. FEROLINO</b> Member	Fostering Collaboration And Engagement	Nov. 15, 2024	1.5
	AML/CTF Fundamentals	Oct. 14, 2024	3
	AML/CFT/CPF For Sr. Management & Bod	June 18, 2024	4
	Sustainability and Sustainable Finance	April 30, 2024	2
	Branch Boost: Strategic Marketing	Jan. 29 and 30, 2024	18
Number of Seminars Attended: <b>5</b>			

5. LEILA C. MARTIN Member	DBS Planning & Team Bldg Activities 2024	Dec. 19, 2024	6
	Targeted Financial Sanction	Oct. 30, 2024	2
	AML/CTF Fundamentals	Oct. 28, 2024	3
	Digital Leadership Programme	Sept. 25, 2024	24
	Sustainability and Sustainable Finance	April 30, 2024	2
	Ignite: Inspire Growth & Nurture	March 6, 2024	2
	Ignite: Inspire Growth & Nurture	Feb. 29, 2024	2
	Leap: Information Security Management	Feb. 8, 2024	4
Number of Seminars Attended:			8
6. LETICIA V. DAMASCO Member	Targeted Financial Sanction	Sept. 11, 2024	2
	AML/CTF Fundamentals	Sept. 16, 2024	3
	AMLC Registration and Reporting Guidelines (ARRG)	Sept. 24, 2024	3
	Corporate Governance and Orientation Program	Dec. 3 and 4, 2024	8
Number of Seminars Attended:			4



# Retirement and Succession Policy

OFBank, in collaboration with its parent bank, LANDBANK, ensures the readiness of successors for critical positions within the Bank to ensure the continuity of its business operations. Another vital program to ensure the availability of highly trained and qualified manpower is the identification of alternates to key positions. The alternate can completely take on the position in the absence of the principal process owner.

OFBank adheres to a retirement program that complies with the applicable rules and regulations issued by various regulatory bodies regarding retirement policy. These regulations recognize lengthy tenures of OFBank employees.





# Remuneration Policy

## REMUNERATION POLICY AND STRUCTURE FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS

The current Allowances, Benefits and Incentives (ABI) are governed by the guidelines released by regulatory agencies and adopted by the Bank’s Board.

The ABIs of the OFBank Board are guided by:

- ▶ EO No. 24, Series of 2011: “Prescribing Rules to Govern the Compensation of Members of the Board of Directors/ Trustees in GOCCs including GFIs” (issued by then-President Benigno S. Aquino III)
- ▶ GOCC Circulars
  - MC2016-01: ”Compensation Framework for GOCC Governing Boards”
  - Reissued MC 2012-02: “Revised Interim Rules on Per Diem”
- ▶ Other entitlements of Members of the Governing Boards of GOCCs covered by RA No.10149

The Bank’s Corporate Secretary oversees the implementation of the ABIs of OFBank’s appointive Directors.

## REMUNERATION POLICY FOR MANAGEMENT

The compensation structure for Management follows the structure approved by the OFBank Board of Directors. Cash benefits and allowances are pursuant to the Board-approved benefits and allowances.

The grant of representation and transportation allowances is based on the Department of Budget and Management (DBM) National Budget Circular No. 548 (dated May 15, 2013), regarding Amended Rules and Regulations on the Grant of Representation and Transportation Allowances. The Performance Based-Bonus (PBB) is based on the Interim PBB guidelines, based on the Memorandum Circular issued by the GCG.



# Policies and Procedures on Related Party Transactions (RPTs)

## OVERARCHING POLICIES AND PROCEDURES FOR MANAGING RELATED PARTY TRANSACTIONS

RPTs are transactions or dealings with Related Party (RPs) of the Bank, regardless of whether or not a price is charged. It covers all types of transactions (on-and off-balance sheet transactions) with DOSRI and their Close Family Members (CFMs) or juridical entity.

At OFBank, RPTs are allowed provided these are done at an arm’s length basis to avoid abuses disadvantageous to the Bank and ensure that RPTs are handled in a prudent manner with integrity. The OFBank Board exercises rigorous and appropriate overall governance and controls on RPTs by issuing Board-approved policies.

## OFBANK BOARD OF DIRECTORS’ DUTIES AND RESPONSIBILITIES

The OFBank Board of Directors shall have the overall responsibility for ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors, and other stakeholders. Towards this end, the OFBank Board shall carry out the following duties and responsibilities:

1. Observe good governance and approve an overarching policy on the handling of RPTs to ensure that there is effective compliance with existing laws.
2. Approve all material RPTs, including those that cross the materiality threshold, write-off of material exposures to related parties, and renewal or material changes in the terms and conditions of RPTs.
3. Delegate to the Management Committee the vetting of non-material RPTs and confirm all non-material RPTs vetted in accordance with the CASA as presented by the RPTCom. The ManCom minutes shall articulate the discussions on RPT.



4. Direct Management to establish an effective system to:
  - Direct, identify and monitor RPs and RPTs;
  - Continuously review and evaluate existing relationship between and among businesses and counterparties; and
  - Identify, measure, monitor and control risks arising from RPTs.
5. Maintain adequate capital against risks associated with exposures to RPs.
6. Oversee the integrity, and effective implementation of the Bank’s whistleblowing policy.
7. Constitute an RPT Committee and provide adequate resources to said Committee (including the authority to procure the assistance of independent experts if necessary) to assess the fairness of RPTs.

MATERIAL RELATED PARTY TRANSACTIONS

Name of Counterparty	Relationship	Date	Type of transaction	Terms	Amount	Outstanding Balance as of Dec. 31, 2024
LANDBANK OF THE PHILIPPINES	Parent Bank	March 18, 2024	LANDBANK HYSA renewal		P 1.75B	P1.75B
LANDBANK OF THE PHILIPPINES	Parent Bank	July 1, 2024	Donation of service vehicle		P663,000.00	P663,000.00
LANDBANK OF THE PHILIPPINES	Parent Bank	August 28, 2024	Continuation of the use/ occupancy of LANDBANK FMD of the four (4) parking spaces in OFBank Parking Area		P638,000.00	P638,000.00
LANDBANK OF THE PHILIPPINES	Parent Bank	Sept. 18, 2024	Purchase of Corporate Bonds thru LANDBANK-TBG - Double Dragon RTB		P100,000,000.00	P100,000,000.00





# Self-Assessment Function

## THE STRUCTURE OF THE INTERNAL AUDIT AND COMPLIANCE FUNCTIONS INCLUDING ITS ROLE, MANDATE/AUTHORITY, AND REPORTING PROCESS

Pursuant to Sec. X186 (2008 – X164) (a) and (b) of the MORB, Internal Audit Function: “Internal audit is an independent, objective assurance and consulting function established to examine, evaluate and improve the effectiveness of internal control, risk management and governance systems and processes of an organization, which helps management and the board of directors in protecting the bank and its reputation.”

The internal audit function shall both assess and complement operational management, risk management, compliance, and other control functions. In this respect, internal audit shall be conducted in frequencies commensurate with the assessed levels of risk in specific banking areas.

### Permanency of the internal audit function

Each bank shall have a permanent internal audit function. In the case of group structures involving a parent bank and subsidiary or affiliate Bangko Sentral supervised financial institutions (BSFIs), the internal audit function shall either be established in each of the BSFI or centrally by the parent bank.

### Internal audit function in group structures

In case each BSFI belonging to group structures has its own internal audit function, said internal audit function shall be accountable to the financial institution’s own Board of Directors (BOD) and shall likewise report to the head of the internal audit function of the parent bank within a reasonable period and frequency prescribed by the BOD of the parent bank.

On the other hand, in case the parent bank’s internal audit function shall cover the internal audit activities in the subsidiary or affiliate BSFI, the BOD of the parent bank shall ensure that the scope of internal audit activities is adequate considering the size, risk profile, and complexity of operations of the subsidiary or affiliate concerned.

The establishment of an internal audit function centrally by the parent bank in group structures shall not fall under the outsourcing framework as provided under Sec. X162. In this respect, the head of the internal audit function of the parent bank shall define the internal audit strategies, methodology, scope and quality assurance measures for the entire group:

- ▶ Provided that this shall be done in consultation and coordination with the respective board of directors of the subsidiary or affiliate BSFI;
- ▶ Provided that the board of directors of the subsidiary or affiliate BSFI, shall remain ultimately responsible for the performance of the internal audit activities.

In view of the foregoing, a Service Level Agreement was executed on July 29, 2020 between OFBank and LANDBANK IAG. The Service Level Agreement specified the provision of internal audit function to OFBank under the group-wide structures with the Central Point of Contact, as the focal unit to liaise with concerned IAG units.

The results of assurance services, consulting services, and other services by LANDBANK IAG aim to draw attention to any breakdown in internal control or significant issues so that:

- ▶ Remedial action may be undertaken
- ▶ Improvements in procedures and systems to prevent waste, extravagance, and fraud are recommended
- ▶ Appropriate system of controls and other accounting and operational matters are advised



# OFBank Dividends

As required under RA No. 7656, the OFBank shall remit cash dividends to the National Government (NG) every year. For 2024, the Bank did not declare nor remit a percentage of its annual net earnings as cash dividends to NG under the exemptions provided in the said law, subject to confirmation by the Department of Finance.

# Financial Consumer Protection

OFBank adopts the Financial Consumer Protection (FCP) framework, and complies with laws and regulations focused on consumers’ security in the financial marketplace.

Anchored on LANDBANK’s consumer protection programs and guiding principles, the OFBank’s FCP framework ensures that all its clients obtain correct, accurate, and unbiased information about its products and services for making sound financial decisions. The Framework also makes sure that OFBank clients get access to a recourse mechanism for complaints and dispute resolution.

In December 2019, the BSP issued Circular No. 1048 to amend Circular No. 857. This action firmly institutionalizes consumer protection as an integral component of corporate governance and culture, thereby effectively managing risks related with the daily business operations of BSP’s BSFIs, such as compliance, reputational, legal, operational and credit, among others.

The collaboration of OFBank and LANDBANK (from top management to individual employees and stakeholders) contributes to compliance to the guidelines provided in the new Circular and the efficient delivery of financial products and services to all OFBank clients.

# Oversight Function:

## Roles and Responsibilities

### OFBANK BOARD OF DIRECTORS (OFBANK BOARD)

The OFBank Board is primarily responsible for ensuring that consumer protection practices are incorporated into the Bank’s business operations by adhering to LANDBANK’s FCP framework, policies, programs, processes, systems, and practices, including Consumer Protection Risk Management System (CPRMS) and Consumer Assistance Management System (CAMS).

The responsibilities of the OFBank Board in relation to BSP Circular No. 1048 include the following:

1. Approve the CPRMS and consumer assistance mechanism (CAM) that takes into consideration the BSFI’s business model, market, product lines, and relationships with third parties that may give rise to consumer protection risks.
2. Promote a culture of ethical behavior and adherence to the highest standards of fair and responsible dealing with consumers.
3. Ensure that adequate information and actions taken are reported on a regular basis in terms of the measurement of consumer protection-related risks, reports from the CAM, as well as other material consumer-related developments that will impact the BSFI.
4. Ensure the adequate provision of resources and effective implementation of personnel training and competency requirements.
5. Approve remuneration and compensation packages structured to encourage responsible business conduct, fair treatment, and avoidance/mitigation of conflicts of interest.
6. Review periodically the implementation and effectiveness of the CPRMS, specifically how findings are reported and whether the audit mechanisms in place enable adequate oversight. This includes putting in place a regular mechanism to review the relevance of the CPRMS in case of changes in the BSFI business model and/or operating environment.





## OFBANK MANAGEMENT

Meanwhile, the responsibilities of the OFBank Management under BSP Circular No. 1048 include the following:

- 1.** Ensure that approved CPRMS and CAM policies and procedures are clearly documented, properly understood, and appropriately implemented across all levels and business units.
- 2.** Establish an effective monitoring and management information system to regularly measure, aggregate, and analyze consumer-related issues to determine the level of consumer protection risk. An appropriate and clear reporting and escalation mechanism should also be integrated into the risk governance framework. The management information system should be able to:
  - a.** Provide adequate information on the performance and quality of the BSFI's CAM that allows for the identification of emerging consumer issues and root cause analysis;
  - b.** Determine the level of consumer protection risk exposure by evaluating the implementation of the Consumer Protection Standards of Conduct (i.e., transparency and disclosure, protection of client information, fair treatment, effective recourse and financial learning and awareness);
  - c.** Identify and monitor, in a timely manner, consumer protection risk exposures approaching risks of loss to financial consumers, legal and reputational risk, as well as other related risks; and
  - d.** Identify and assess emerging or increasing consumer risks that affect the BSFI such as through social media monitoring and market monitoring.
- 3.** Ensure that adequate systems and controls are in place to promptly identify issues that affect the consumer, across all phases of the relationship with the consumer.
- 4.** Ascertain that weaknesses in the consumer protection practices or consumer protection emerging risks are addressed and corrective actions are taken in a timely manner.
- 5.** Ensure observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit.





# Consumer Assistance Management System

The OFBank seeks to further enhance and strengthen the Bank’s thrust of providing excellent customer service through proper handling of inquiries, concerns, requests or complaints and using clients’ data/ feedback to improve service delivery. CAMS is being implemented with the assistance of the parent bank.

The complaints management process involves the following steps:

**1. Receipt, Acknowledgment and Recording of Complaints**

The Bank obtains pertinent information/data from the customer, provides the turnaround time, and (if necessary) informs the complainant of the progress and the measures being taken for the complaint’s resolution.

**2. Assessment and Investigation**

The Bank ensures that the assessment and investigation of complaints/requests takes into consideration the uniqueness of each complaint/request and the desired resolution of the party.



3. Complaints Resolution and Closure

The Bank shall communicate the feedback/result of the investigation to the customer either through SMS, email, letter or call/call report.

4. Customer Feedback

The customer shall be requested to fill out a survey form once the complaint has been resolved/closed.

5. Monitoring/Reporting

The Complaints Report is presented to the Bank’s Management every month, which includes recommendations on how to avoid recurring complaints and suggestions for process/personnel competency improvements, as needed.

Personnel managing the CAMS are competent and equipped with the right knowledge on the structure and implementation of the consumer assistance mechanism. The personnel are also provided with applicable training and seminars on customer service and other relevant development workshops, in coordination with LANDBANK.







# RISK MANAGEMENT FRAMEWORK

Risk management is embedded in all the business processes of OFBank’s risk-taking activities. OFBank has adequate risk management framework, policies, and internal controls. Its systems, processes, and procedures are continuously reviewed and updated with the guidance and active participation of the OFBank Board, the CGRMC, and Senior Management.



OFBank implements a Risk Governance Framework provided for under MORB Section 142 Risk Governance Framework. The Bank's risk exposures are adequately managed and mitigated through the active participation of all the Risk Management key players headed by the OFBank Board of Directors, CGRMC, and Senior Management. The risk management process to mitigate risks is covered by the OFBank RM Manual which is in turn implemented at the transactional level of the Business Units (BUs) who are the Authorized Risk Takers (ARTs).

OFBank's risk management approach aligns with that of its parent bank, LANDBANK, aiming to balance risks and reward by operating within its thresholds and maximizing business opportunities by minimizing losses within its risk appetite. This approach is governed by the LANDBANK Board-approved Risk Governance Framework, as documented under the Volume 1 Risk Governance Framework Manual. It is implemented across three levels namely: Strategic, Portfolio, and Transactional levels, in accordance with the Bank's mission, vision, and strategic objectives.

At the Strategic Level, the OFBank Board, through its CGRMC, is actively involved in an enterprise-wide risk management oversight that involves formulation and approval of the risk management framework, policies and strategies, internal controls, and RM systems, as well as annual review and enhancement of the RM process. The OFBank Board and Senior Management are also involved in an organizational-wide risk monitoring, which is used as basis for decision-making and the review of OFBank's controls/mitigating measures to manage core risks such as operational, credit, market, liquidity, strategic, and information and security, among others.

At the Portfolio Level, the OFBank's BU Heads oversee the implementation of policies and processes, and monitor and report possible breaches. They also recommend policies and process enhancements to address risk occurrences that are encountered.

At the Transactional Level, the ARTs who act as the first line of defense are involved in the actual implementation of risk policies and procedures. The ARTs embrace the continuous management of risk events associated with their operations and immediately escalate to their BU Heads all policy breaches, procedural infractions, and related risk occurrences.

# Risk Governance Framework

Risk Management involves the oversight function covering risk identification, assessment, measurement, control, monitoring, and reporting of risks inherent in all activities of OFBank.

LANDBANK’s Risk Governance Framework includes managing risks residing in all its Subsidiaries, which include OFBank. It is a means of improving LANDBANK’s business and services on a group-wide or enterprise-wide level that involves LANDBANK, and its wholly owned subsidiaries, in the pursuit of its business goals and objectives.

The LANDBANK Risk Management Group (RMG) performs the independent risk management oversight function for all major risk areas, including those coming from the LANDBANK Subsidiaries. This ensures an integrated perspective of risk exposures, both at disaggregated and aggregated levels.

The independent risk management function at OFBank is overseen by the Chief Risk Officer of LANDBANK and the Heads of the following RMG Departments, providing guidance and oversight within their respective risk domains:

- ▶ Operational Risk Management Department (ORMD)
- ▶ Market and Liquidity Risk Management Department (MLRMD)
- ▶ Credit Risk Management Department (CRMD)
- ▶ Information Security & Technology Risk Management Department (ISTRMD)
- ▶ Internal Capital Adequacy Assessment Process (ICAAP) Team

This structure ensures comprehensive oversight across all risk areas, as part of the risk management oversight structure of LANDBANK to OFBank, consistent with the three lines of defense model.



Furthermore, the OFBank Board has also approved the designation of the following key officers:

▸ **Chief Information & Security Officer (CISO) under ISTRMD**

The CISO implements and manages Information Security Risk Management (ISRM) and coordinates information risk levels through active collaboration with the OFBank Technology Management Unit (TMU).

▸ **Chief Technology Officer (CTO)**

The CTO oversees the effectiveness of the IT organization, which includes the IT budget, acquisition oversight, and professional development training, among others.

▸ **Risk Management Officer (RMO) under ORMD**

The RMO operates through active coordination with the OFBank Central Point of Contact Unit (CPCU), which functions under the supervision of the CGRMC.

# Risk Management Program for Subsidiaries

LANDBANK – RMG provides RM oversight to OFBank, acknowledging that their operations also bear impact on the Bank’s financial statements. It monitors and reports risk exposures through the submission of consolidated financial reports.

OFBank’s Risk Governance Framework is also an essential component of its corporate governance, which ensures an integrated perspective of risk exposures, clearly delineating all Risk Management roles and responsibilities and ensuring that there is a process to identify, assess, mitigate, monitor, and report risks.

The implementation of the Risk Management Program for Subsidiaries (RMPS) enables OFBank to ensure that its RM Framework is robust and the articulated RM process of identifying, measuring, monitoring, and managing risks is aligned with the RM framework of LANDBANK. This promotes RM culture and awareness within OFBank in full compliance with existing internal and external regulations, and ensures risk ownership and accountability.

The RMPS includes relevant methodologies, processes, and tools that guide OFBank and other LANDBANK subsidiaries in implementing robust risk management.

It embodies the respective RM Frameworks of the LANDBANK subsidiaries including OFBank, and covers the following:

- 1. RM Policy, Structure, Roles, and Responsibilities
- 2. Enterprise Risk Management Approach
- 3. Risk Management Culture Development in LANDBANK subsidiaries

The RMPS covers identification of material risk exposures residing in OFBank, facilitating impact assessment of said risks and monitoring actions taken to mitigate these risks. Risk issues escalated/reported to the CGRMC are likewise being escalated/reported to the LANDBANK Risk Oversight Committee (ROC) for reference/recommendation.

RMPS implementation enables OFBank to mirror the RM Framework and policies of LANDBANK in compliance with the MORB Section 142 “Guidelines on Risk Governance Framework”. The RMPS also takes into consideration OFBank’s mandate, nature of business operations, structure, risk appetite, and other relevant variables as a digital bank.

To highlight on operational risk and information security and technology risk, the following tools facilitate the identification, assessment, mitigation, monitoring and reporting of risks inherent in OFBank’s business operations:



# Operational Risk Management

## OPERATIONAL RISK AND LOSS DATABASE (ORLD)

Pursuant to MORB 146 regarding “Guidelines on Operational Risk Management” and as part of LANDBANK’s Risk Management oversight to OFBank, ORMD regularly maintains and updates the subsidiaries’ Operational Risk and Loss Database (ORLD).

The ORLD highlights the brief description of operational risk events in OFBank categorized per Basel II risk event categories as follows:

- 1. Internal Fraud
- 2. External Fraud
- 3. Employment Practices & Workplace Safety
- 4. Damage to Physical Assets
- 5. Business Disruption & Systems Failures
- 6. Execution, Delivery & Process Management
- 7. Clients, Products and Business Practice

Other risk events not classified under the Basel II category are also recorded such as: Environmental & Social Risk and Violation of Data Privacy Act (DPA) RA 10173.

The amount of potential or actual losses incurred, causes and consequences of the risk event, and actions taken by OFBank Management to mitigate the risk event are also covered under the subsidiaries’ ORLD, maintained under the LANDBANK ORMD.

This information is collected through the OFBank’s Risk Event Monitoring Report, a reference for building up the subsidiaries’ ORLD.



## ADDITIONAL ORM TOOLS AND METHODOLOGIES

The subsidiaries’ ORLD is an input to the Operational Risk Weighted Asset (ORWA) Optimization Process which aims to develop capital measurement models that effectively capture LANDBANK’s risk profile. In addition, OFBank implements various ORM tools to support its risk governance framework:

- 1. Risk and Control Self-Assessment (RCSA)
- 2. Business Continuity Risk Assessment (BCRA)
- 3. Business Impact Analysis (BIA)
- 4. Risk Event Monitoring Report (REM) Report
- 5. Business Continuity Management (BCM) Guidelines / Business Continuity Plan (BCP)
- 6. Information Security Risk Assessment (ISRA)
- 7. ICAAP Major Risk Assessment Document for Subsidiaries Risk
- 8. Recovery Plan

To further support risk governance and strengthen risk identification, the RCSA has been further refined to formally integrate Environmental & Social Risks and Human Resources Risks as distinct sub-processes. This enhancement facilitates a more comprehensive evaluation of emerging and organizational risks across OFBank.







# COMPLIANCE MANAGEMENT

In accordance with the LANDBANK Centralized Compliance Management Framework (CCMF), the LANDBANK Compliance Management Group (CMG) is responsible for overseeing and managing the compliance functions of OFBank. The CCMF delineates the guiding principles and standards for the compliance management functions applicable to both LANDBANK and its subsidiaries, including OFBank.

The LANDBANK CMG oversees the implementation of the OFBank Compliance Risk Management System designed to identify and mitigate compliance risks that could potentially undermine the Bank’s franchise value. These risks include the potential for regulatory sanctions, significant financial losses, or damage to the Bank’s reputation resulting from non-compliance with relevant laws, regulations, self-regulatory organization standards, and codes of conduct applicable to its operations.



Compliance risks may also arise from failure to manage conflicts of interest, failure to ensure the fair treatment of customers, or in the ineffective mitigation of risks associated with money laundering and terrorist financing activities.

The head of LANDBANK CMG serves as the designated LANDBANK Group Chief Compliance Officer (CCO) and Anti-Money Laundering Compliance Officer responsible for the Bank’s compliance function.

Key components of the compliance function include:

01

COMPLIANCE MANUAL AND MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAM (MTPP) MANUAL

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**a.** The Compliance Manual outlines the Bank’s risk-based Compliance Program and details of planned activities. These activities include identifying and assessing new laws, rules, and regulations, maintaining constructive working relationships with regulatory agencies BUs, providing training and communication to Bank personnel on regulatory and compliance matters, conducting compliance monitoring and testing, and reporting to the Management and the OFBank Board of Directors. This ensures that Bank personnel are well-informed about new laws, rules, regulations, and other regulatory requirements relevant to the Bank’s operations.

OFBANK’s Compliance Manual was approved by the OFBank Board on Feb. 27, 2024.

**b.** The MTPP Manual encapsulates the comprehensive set of risk-based operational policies and procedures. These are designed to uphold high ethical and professional standards while preventing both intentional and unintentional involvement in Money Laundering, Terrorism Financing, and Proliferation Financing activities.

OFBank’s MTPP Manual was approved by the OFBank Board on June 28, 2024.



## 02 IDENTIFICATION AND ASSESSMENT OF COMPLIANCE RISK, MONITORING COMPLIANCE, AND REPORTING

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The LANDBANK CMG identifies and assesses the compliance risks related to various laws, rules, and regulations, including Anti-Money Laundering/Counter-Terrorism Financing and Proliferation of Weapons of Mass Destruction Financing. These are disseminated through Compliance Bulletins, which contain identified regulatory requirements to help update personnel on new regulatory issuances. The CMG also monitors and validates actions taken or the action plans to ensure adherence to regulatory standards.

To enhance compliance oversight, the LANDBANK CMG conducts various compliance testing methodologies, such as AML/CTPF Compliance Testing (ACT), tailored to the identified regulatory risks. Pre-testing involves verifying initial actions or action plans for implementing new regulatory mandates, while periodic testing ensures ongoing compliance with existing regulations. In-depth reviews are conducted for areas identified as high-risk or vulnerable to compliance issues.

As the system owner and administrator of the New AML System (NAMLS), the LANDBANK CMG reviews and submits OFBank Covered Transaction Reports (CTRs) and Suspicious Transaction Reports to the Anti-Money Laundering Council (AMLC). Additionally, the LANDBANK CMG monitors system-generated transaction alerts, among others.

The LANDBANK Group’s CCO or the designated representative provides regular reports to the OFBank Management Committee and to the OFBank Board through the Audit and Compliance Committee. Among those that are regularly reported to the Committees are: compliance with new laws and regulations, results of compliance testing and corrective actions taken, the Bank’s regulatory compliance status, and areas with compliance vulnerabilities and emerging regulatory risks. This structured reporting framework ensures transparency, accountability, and proactive risk management within the organization.

## 03 TRAINING AND COMMUNICATION

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CMG regularly issues compliance advisories/bulletins and Compliance Nuggets. These resources deliver concise and easily digestible information on important regulations, including AML/CTPF requirements. The CMG ensures that AML/CTPF training materials remain current and relevant, enabling staff to stay abreast of the latest regulatory developments.

OFBank’s Central Point of Contact and representatives from the LANDBANK CMG convene regular meetings whenever necessary to engage in robust discussions on compliance matters. This collaborative effort strengthens coordination in managing compliance risks effectively, ensuring a proactive approach to addressing regulatory challenges, and promoting a strong compliance culture throughout the organization.

## 04 COMPLIANCE MANUAL AND MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAM (MTPP) MANUAL

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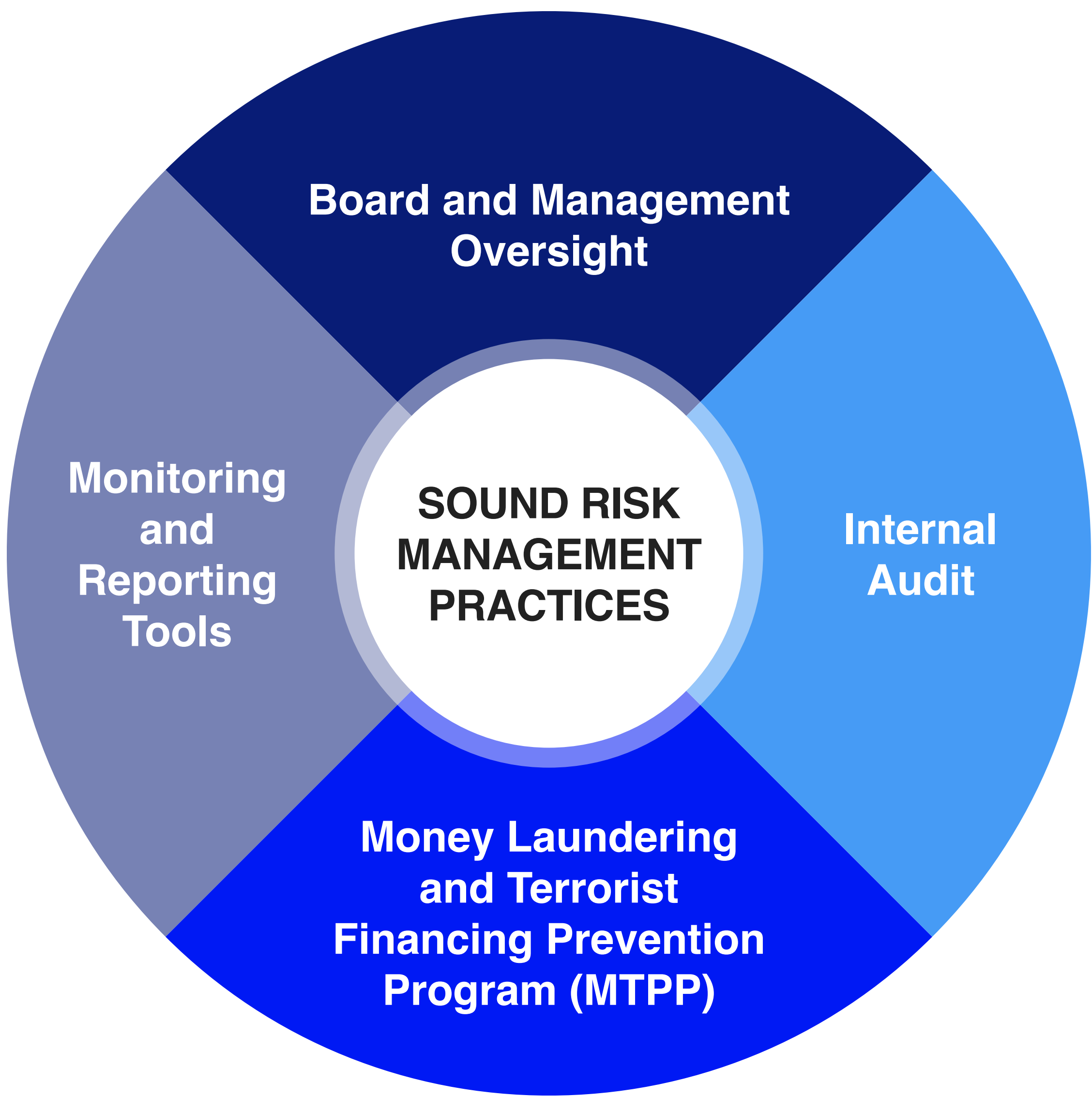
OFBank, through the LANDBANK CMG, maintains a collaborative and constructive relationship with various regulatory agencies. By fostering open communication, engaging in frequent dialogues, and seeking consultations to address specific regulatory concerns, OFBank has cultivated a strong and mutually beneficial relationship with regulatory bodies. The LANDBANK CMG proactive approach includes closely monitoring and ensuring the timely submission of ad hoc requests and requirements, underscoring the organization’s dedication to responsiveness and adherence to regulatory mandates.



# AML Governance and Culture, and Overview of Money Laundering/Terrorist Financing Risk Management Framework:

The OFBank upholds robust AML governance and a culture of compliance to combat Money Laundering, Terrorist Financing, and Proliferation (ML/TF/PF) effectively. The institution has established comprehensive risk management policies and practices to identify, assess, monitor, mitigate, and control ML/TF/PF risks. These measures are integral to safeguarding the Bank’s operations from being exploited for illicit financial activities. By implementing a sound and holistic ML/TF risk management framework, OFBank demonstrates its commitment to upholding the highest standards of integrity, transparency, and regulatory compliance in its operations.

The four areas of sound risk management practices are as follows:



# 01

## BOARD AND MANAGEMENT OVERSIGHT:

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OFBank Board, through its Audit and Compliance Committee, oversees the implementation of AML/CTPF policies to ensure swift resolution of compliance issues. The LANDBANK CMG functions include: updating the MTPP Manual; identifying and disseminating applicable AML/CTPF laws, rules, and regulations; conducting ACT and monitoring corrective actions; conducting and developing AML/CTPF training programs; conducting ML/TF/PF Institutional Risk Assessment; reporting AML/CTPF compliance matters to OFBank Senior Management and OFBank Board through the Audit and Compliance Committee; and handling the reporting of covered and suspicious transactions to the AMLC.

# 02

## MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAM (MTPP):

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The MTPP includes the policies and procedures related to customer identification, transaction monitoring, alert investigation, covered and suspicious transaction reporting, record keeping, training programs, and internal audit activities. These components collectively form a robust framework for mitigating money laundering and terrorist financing risks within the organization.



## 03 MONITORING AND REPORTING TOOLS:

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OFBank’s transactions are captured by LANDBANK’s AML System, a web-based analytics platform that generates CTRs.

LANDBANK, OFBank’s parent bank, introduced a new framework using the Real-time Monitoring Tool (RMT) method for alert generation, formalized through Executive Order No. 08, series of 2024. This system prioritizes transactions based on their financial significance, resulting in a 95% reduction in alert volume and a 5,000-fold increase in alert relevance.

This shift from the previous NAMLS addresses the challenge of excessive alerts—over 5,000 monthly—that overwhelmed investigation teams and led to many unresolved or false-positive alerts. Recent BSP examinations highlighted deficiencies in alert management, prompting the adoption of the RMT approach as a strategic improvement to enhance detection effectiveness and compliance.

## 04 INTERNAL AUDIT

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The LANDBANK Internal Audit Group conducts periodic and independent evaluations to assess the effectiveness of the organization’s risk management practices, internal controls, and compliance with regulatory requirements. This function plays a crucial role in providing assurance to management and the Board regarding the adequacy and integrity of the Bank’s internal controls and risk management processes.



# OUR LEADERS



**Ma. Lynette V. Ortiz**  
Chairperson



**Alan V. Bornas**  
Director



**Atty. Roderick P. Sacro**  
Director



**Leila C. Martin**  
Director



**Althon C. Ferolino**  
Member of the Board



**Bituin V. Salcedo**  
Director



**Leticia V. Damasco**  
Director



**Robert L. Gosioco**  
Director





**MA. LYNETTE V. ORTIZ**

**Chairperson**

61 years old, Filipino

Lynette V. Ortiz assumed her role as Chairman of the Board on May 24, 2023, following her appointment by President Ferdinand R. Marcos, Jr. With an illustrious career spanning over three decades in banking and finance, she brings a wealth of expertise to her new position.

Ms. Ortiz’s professional journey has been marked by significant achievements in various domains of banking, including Risk Management, Treasury, Corporate Finance, and Capital Markets. Her extensive experience includes holding senior leadership positions in both local and international financial institutions.

Prior to her appointment as Chairperson, she made history as the first Filipino CEO of Standard Chartered Bank (SCB) Philippines. During her tenure, she crafted and executed strategies that propelled the growth of SCB’s local operations across diverse client segments, ensuring sustainable financial performance.

Her leadership at SCB was characterized by pioneering initiatives in the capital markets arena. She played a pivotal role in orchestrating landmark transactions that left an indelible mark on Philippine and ASEAN capital markets. Noteworthy among these achievements were her contributions to the inaugural issuances of Sustainability Bonds by LANDBANK and the Development Bank of the Philippines. Additionally, she facilitated significant fundraising efforts for the Philippine government through both global and domestic bond issuances, where SCB acted as a prominent book runner for foreign currency-denominated offerings of the Republic of the Philippines (ROP).

In addition to her corporate responsibilities, she holds influential positions within the Bankers Association of the Philippines (BAP). Currently serving as First Vice President on the BAP’s Board and a member of its Executive Committee, she contributes actively to shaping policies and strategies that advance the banking sector’s interests in the Philippines.



**MA. LYNETTE V. ORTIZ**  
**Chairperson**  
61 years old, Filipino

Beyond her professional achievements, she is passionate advocate for diversity and inclusion in corporate settings. Her dedication to these principles was recognized when she received the United Nations 2021 Philippine Women’s Empowerment Principles Awards Champion for Leadership Commitment. This prestigious accolade honored her instrumental role in promoting inclusive leadership and establishing robust corporate commitments to diversity.

Her academic credentials complement her extensive professional accomplishments. She holds a Master of Business Administration (MBA) in Finance and Investments from the City University of New York, Baruch College. Prior to her MBA, she graduated Cum Laude with a Bachelor of Arts degree in Economics from the University of the Philippines, underscoring her academic excellence and commitment to continuous Learning.

As Chairperson of the Board, Lynette Ortiz continues to lead with vision and dedication, leveraging her profound industry knowledge and leadership acumen to steer her organization towards new heights of success in the dynamic landscape of global finance.





**ALAN V. BORNAS**

Director

58 years old, Filipino

Director Bornas brings over three decades of comprehensive experience to LANDBANK, where he has been instrumental in managing and enhancing both technical and operational aspects crucial to the bank’s success. Currently at LANDBANK’s helm in the Operations Sector, his primary focus lies in optimizing the institution’s technological infrastructure and operational workflows.

His journey at LANDBANK began in 1989, initially joining as a technical specialist. Over the years, he ascended through various leadership roles, each affording him invaluable insights and opportunities to spearhead transformative initiatives. Notably, as the former Group Head of the Technology Management Group, Director Bornas championed numerous strategic projects aimed at fortifying and expanding the bank’s technological capabilities. His leadership was pivotal in driving forward automation initiatives and leveraging IT advancements to enhance customer service delivery and overall business efficiency.

Director Bornas is a distinguished alumnus of the University of the Philippines Diliman, where he earned his degree in Computer Science. Furthermore, his commitment to continuous learning and professional development is underscored by his completion of the esteemed Pacific Rim Bankers executive banking course at the University of Washington in 2012.



**BITUIN V. SALCEDO**

Director

75 years old, Filipino

Director Salcedo has been a valued member of the Board of Directors since March 3, 1998, and served as the Corporate Treasurer of the Bank from 2002 to 2012.

Before her tenure at OFBank, she held significant leadership roles in various organizations. She was the Director and President of Dumlao Valdez Realty and Development Corporation, where she guided the company’s strategic initiatives and development projects. Additionally, she served as Director and President of Stanford Ventures, Inc., overseeing its business operations and growth strategies.

With over 25 years of dedicated service as a Director of the Bank, Director Salcedo has been instrumental in shaping the institution’s policies and governance.

Ms. Salcedo holds a bachelor’s degree in Social Work from the University of the Philippines and is a licensed social worker, bringing a unique perspective and a commitment to social responsibility to her roles in both the banking and corporate sectors.





**ROBERT L. GOSIOCO**

Director

66 years old, Filipino

Director Gosioco’s expertise in banking is grounded on a vast career trajectory spanning both national and international arenas. Beginning his journey with City Trust Banking Corporation (CTCB) and subsequently transitioning to roles of increasing responsibility at National Commercial Bank (NCB) in Saudi Arabia, he acquired profound insights across diverse banking functions.

His international stint commenced in 1989 as a credit review officer, which started a career marked by significant achievements. Rising through the ranks, he attained pivotal roles such as Senior Vice President and Head of Planning and Performance Management at NCB. His tenure at NCB also encompassed pivotal positions such as Marketing and Credit Relationship Manager, Senior Corporate Banker, Head of Corporate Sector Planning and Management Information Systems (MIS), and Head of Financial Control for Corporate Divisions.

Moreover, his contributions extended to strategic leadership as Vice President and International Business Development Manager, where he spearheaded effective risk management programs and strategic initiatives. His role as Senior Strategy Officer underscored his ability to drive comprehensive organizational strategies aimed at sustainable growth.

In recognition of his extensive experience and leadership acumen, Director Gosioco was appointed as a Non-Executive Director of OFBank on Dec. 20, 2019, representing LANDBANK, the principal stockholder. His educational foundation includes a bachelor’s degree in Commerce from St. Louis University, underscoring his academic preparation in addition to his practical expertise.

Director Gosioco’s career exemplifies a commitment to excellence in banking, characterized by strategic foresight, operational acumen, and a deep understanding of global financial markets. His multifaceted roles have positioned him as a respected figure in the banking industry, driving impactful initiatives and contributing to organizational success on a global scale.



**LETICIA V. DAMASCO**

Director

75 years old, Filipino

Director Damasco has played a pivotal role as a member of the Board of Directors since July 1, 2016, contributing significantly to LANDBANK’s strategic direction. Her tenure has seen her expand her influence as she concurrently serves as Director at LBP Leasing and Finance Corporation (LLFC), a subsidiary of LANDBANK. With an illustrious career spanning 32 years within LANDBANK, she has accumulated extensive banking expertise across various roles.

Director Damasco’s journey into banking followed an initial career phase as a college instructor at the Manuel V. Gallego Foundation Colleges from 1973 to 1981. Her transition to the financial sector included a directorship at the Rural Bank of Sta. Rosa, showcasing her commitment to enhancing financial services beyond LANDBANK.

Her academic credentials include a bachelor’s degree in Economics from the Philippine Women’s University and a master’s degree in Psychology from the Philippine Statesman College, underscoring her diverse intellectual pursuits and the multidimensional perspective she brings to her leadership roles.

Director Damasco’s dedication to both education and finance has shaped her into a seasoned leader with a deep understanding of both sectors. Her dual expertise in economics and psychology provides a unique foundation for navigating complex organizational challenges and driving sustainable growth.





**LEILA C. MARTIN**  
Director  
63 years old, Filipino

Director Leila C. Martin is the Executive Vice President for Digital Banking Sector of LANDBANK.

She was previously appointed as the President and CEO of the OFBank on October 1, 2019. Prior to her appointment in the LANDBANK subsidiary, she was also the Head of LANDBANK North NCR Branches Group. Her skills merited awards of excellence in the fields of audit management, branch banking operation, and project management.

Leila obtained her Bachelor’s Degree in Mass Communication from Pamantasan ng Lungsod ng Maynila and Post Graduate Degree in Business Administration from Colegio de San Juan de Letran. She further expanded her knowledge in the banking industry by attending a rural banking course in Japan and taking up International Study on Rural Banking and Finance at the Massey University in New Zealand.



**ATTY. RODERICK P. SACRO**

Director

52 years old, Filipino

Atty. Sacro’s career at LANDBANK spans over two decades, during which he has exhibited unwavering dedication and proficiency across various sectors of the organization. His journey began in 1995, when he joined LANDBANK as a Management and Audit Officer. This role provided him with foundational insights into the operational and audit processes critical to LANDBANK’s functions.

Building on this experience, Atty. Sacro transitioned into roles of increasing responsibility and complexity. As a Treasury Analyst, he honed his skills in financial management and strategic planning, contributing directly to LANDBANK’s fiscal health and stability. His stint as a Management Audit Officer equipped him with a keen eye for efficiency and compliance, ensuring that LANDBANK’s internal processes adhered to the highest standards of governance.

Recognizing his legal acumen and leadership potential, LANDBANK entrusted Atty. Sacro with the role of Legal Officer. In this capacity, he navigated intricate legal landscapes, providing sound counsel and strategic direction to safeguard LANDBANK’s interests and operations. His contributions were instrumental in mitigating risks and facilitating growth opportunities for the organization.

Atty. Sacro’s ascent within LANDBANK culminated in his appointment as First Vice President and subsequently as the Head of the Legal Services Group. In these pivotal roles, he oversees all legal matters, offering expert guidance on regulatory compliance, litigation management, and corporate governance.





**ATTY. RODERICK P. SACRO**

Director

52 years old, Filipino

Beyond his professional achievements, Atty. Sacro holds distinguished credentials that underscore his multifaceted expertise. He is a Certified Public Accountant, bringing a unique blend of financial and legal insights to his role. As a member of the Integrated Bar of the Philippines, he upholds the highest ethical standards in legal practice, further enhancing his credibility and effectiveness as a legal leader.

Atty. Sacro’s academic journey is equally impressive. He earned his Bachelor of Science in Accountancy from St. Louis University, providing him with a solid foundation in financial principles essential to his career. His legal education continued at Arellano University, where he obtained his Bachelor of Laws, equipping him with the legal expertise necessary for his roles at LANDBANK. Complementing his legal and financial background, Atty. Sacro pursued further academic advancement with a Master’s degree in Business Administration from the Ateneo Graduate School of Business, broadening his strategic outlook and managerial skills.



**ALTHON C. FEROLINO**  
Member of the Board  
58 years old, Filipino

SVP Ferolino joined LANDBANK in 1991 starting as a field operations analyst at the Lanao Del Sur Field Office. Before his appointment as head of South NCR Branches Group, he led various branches before heading the Electronic Products Department, Central Luzon and West Visayas Branches Groups, and Southeast Luzon Branches Group.

Prior to his work at LANDBANK, SVP Ferolino worked as a development officer at the National Irrigation Administration and as an instructor at the Mindanao State University and Iligan Medical Center Colleges. He earned his bachelor’s degree in Political Science from the Mindanao State University. He also earned units for a bachelor’s degree in Law at the same university. He completed his master’s degree in Business Administration at the Laguna College of Business and Arts.



# MANAGEMENT TEAM



**Ronaldo E. Buenaventura**  
**Head, Technology Management Unit**



**Mary C. Calacasan**  
**Head, Administrative Services Unit**



**Joanna C. Sangrador**  
**Bank Officer/Head,**  
**Electronic Business Unit**



**Patria P. Madrio**  
**Bank Officer/Head,**  
**Financial Management Unit**



**Jose Aryiel G. Castor**  
**Head, Central Point of Contact Unit**  
**(beginning March 16, 2024)**  
**Relationship Officer and Head,**  
**Management Committee Secretariat**



**Maria Chona P. Gregorio**  
**Head, Central Point of Contact Unit**  
**Treasurer**  
**(until March 15, 2024)**



**Reynante A. Bazar**  
**Treasurer**  
**(beginning March 16, 2024)**





**RONALDO E. BUENAVENTURA**  
Head of Technology Management Unit  
(Seconded from LANDBANK, effective  
November 2023)  
45 years old, Filipino

Mr. Buenaventura is a highly accomplished banking professional with over 24 years of specialized expertise in IT Project Management, Technology Management, and Business Analysis within the financial sector. He began his illustrious career at LANDBANK, where he initially served as a Systems Analyst within the Application Systems Department (ASD). Over the years, he transitioned to significant leadership roles within the IT Project Management Department (ITPMD), demonstrating his exceptional capabilities in driving complex projects and strategic initiatives.

During his tenure at LANDBANK, he assumed diverse responsibilities, including Senior Business Analyst, Head of IT Strategy and Project Support Unit, and later as Business Analysis Unit Head, culminating in his appointment as Project Manager. As a Project Manager, he successfully spearheaded the execution of pivotal IT projects such as the LANDBANK Remittance System (LBRS), Asset-Liability Risk Management System (ALRMS), and the Online Signature Verification System (OSVS). His meticulous approach and commitment to excellence led him to achieve certification as a Project Management Professional (PMP) by the esteemed Project Management Institute (PMI).

In addition to his practical experience, he is a graduate of the LANDBANK Management Development Program (MDP) in 2010, which further enriched his leadership acumen and strategic thinking abilities. He also led the LandBank Quality Circle Team on User Acceptance Testing (UAT) Automation Tool that achieved a Silver Award.

Mr. Buenaventura is an alumnus of the University of the Philippines (UP) Diliman, where he earned his Bachelor’s Degree in Business Economics. He later pursued his Master’s Degree in Business Administration at the Pamantasan ng Lungsod ng Maynila (PLM), solidifying his academic foundation in business management.





**MARY C. CALACASAN**  
Head of Administrative Services Unit  
46 years old, Filipino

Ms. Calacasan, a Filipino professional with diverse expertise, brings a wealth of experience spanning the Real Estate and Banking industries.

She commenced her career in a prominent real estate company, where she assumed a pivotal role managing the Loans Department. Over nearly a decade, she oversaw critical functions including documentation, collection, foreclosure, and titling, acquiring comprehensive insights into real estate operations.

Transitioning to the banking sector, she held various roles, including Loans Documentation Review Specialist and Loans Officer, across multiple esteemed banks. Notably, she served as the Head of the Credit and Documentation Unit at Philippine Postal Savings Bank, Inc., where her meticulous oversight ensured the seamless transfer of collaterals and security documents during the bank’s transition to OFBank.

Before assuming her current role as Head of the Administrative Services Unit, she was the Technical Assistant to the President & Chief Executive Officer of the Bank, showcasing her adaptability and strategic acumen.

Ms. Calacasan’s academic achievements include a Bachelor’s Degree in AB Political Science from West Visayas State University, a Bachelor of Laws from the University of Iloilo, and a Master’s Degree in Business Administration from Central Philippine University. Notably, she is also a licensed teacher, reflecting her commitment to continuous learning and professional development.



**JOANNA C. SANGRADOR**  
Bank Officer and Head of Electronic  
Business Unit  
51 years old, Filipino

Ms. Sangrador is a seasoned professional in the banking industry, boasting over 30 years of comprehensive experience in various domains. With a solid foundation in Economics from the University of Santo Tomas, she has cultivated a dynamic career path marked by significant contributions to esteemed financial institutions.

As the former Risk Officer of Philippine Postal Savings Bank, Inc., she played a pivotal role in fortifying the institution’s risk management framework for three years. Her tenure coincided with a transformative phase as the bank transitioned into OFBank, where she seamlessly integrated into the Management Team.

Prior to her tenure at Philippine Postal Savings Bank, Incorporated, she honed her expertise across different facets of banking. Her journey includes noteworthy stints at prominent institutions such as BDO, Bank of Commerce, and Traders Royal Bank. In each role, she demonstrated versatility and adeptness in navigating the complexities of credit risk, lending, and banking operations.





**PATRIA P. MADRIO**  
Bank Officer and Head of Financial  
Management Unit  
58 years old, Filipino

Ms. Madrio is a seasoned Certified Public Accountant (CPA) with more than 30 years of banking experience spanning various facets of the financial landscape. With a solid educational foundation in Accountancy from the prestigious Polytechnic University of the Philippines, she has honed her skills and expertise to become a trusted figure of OFBank.

Throughout her career journey, she has navigated through various roles within the Accounting Department, showcasing her proficiency in financial management, reporting, and compliance. Her dedication and commitment to excellence led her to assume the role of Comptroller at the Philippine Postal Savings Bank Incorporated (PPSBI), where she played a pivotal role in ensuring the financial health and integrity of the institution.

During the transition of PPSBI to OFBank, she seamlessly transitioned into a key member of the Bank’s Management Team. Leveraging her deep understanding of financial systems and regulations, she contributed significantly to the smooth integration process, ensuring continuity and efficiency in operations.



**JOSE ARYIEL G. CASTOR**  
Head of Central Point of Contact Unit  
(beginning March 16, 2024), Relationship  
Officer, and Head of Management  
Committee Secretariat  
59 years old, Filipino

Mr. Castor is a seasoned banking professional with 31 years of extensive experience across various roles and locations. He began his career with the Philippine National Bank before serving as the Head Office Manager of the Rural Bank of Pigcawayan, North Cotabato. In 1996, he joined LANDBANK, where he underwent the Branch Officers Development Program and subsequently held Managerial positions at various LANDBANK branches in the Cities of Makati and Taguig for 15 years.

His career also includes significant international experience as a Senior Overseas Representative Officer covering multiple countries, including the Kingdom of Saudi Arabia, Kuwait, Jordan, France, Italy, and Greece for 6 years. Additionally, he led LANDBANK’s Tokyo Representative Office, overseeing operations in Japan and South Korea for 2 years. His expertise extends to strategic roles within LANDBANK, where he headed the Branch Banking Sector Technical Working Group for 2 years.

Mr. Castor holds a Bachelor’s degree in Commerce with a major in Accounting from Notre Dame University, Cotabato City, and is a Licensed Fixed Income Market Salesman.





**MARIA CHONA P. GREGORIO**  
Head of Central Point of Contact Unit  
and Treasurer  
(until March 15, 2024)  
47 years old, Filipino

Ms. Gregorio is a highly accomplished professional with over 17 years of invaluable experience within LANDBANK, where she has consistently demonstrated expertise across various domains, including Branch Banking, International Trade, Corporate Banking, Treasury Sales, and Trust Banking. Currently positioned as the Head of Central Point of Contact Unit at OFBank, she continues to excel in her field, bringing to the table a wealth of knowledge in financial management and investment products.

Throughout her career, she has exhibited a keen understanding of the intricacies of the banking industry, coupled with a strong aptitude for navigating complex financial landscapes. Her proficiency extends to diverse areas such as Unit Investment Trust Fund (UITF) training and sales, as well as Fixed Income and Money Market sales, reflecting her versatility and adaptability within the financial sector.

Ms. Gregorio’s academic background is equally impressive, with a Bachelor’s degree in Accountancy from the esteemed University of San Carlos, Cebu, laying the foundation for her career in finance. She further honed her skills and knowledge by obtaining a Master’s degree in Business Administration from the prestigious Ateneo Graduate School of Business, solidifying her expertise and enhancing her leadership capabilities.



**REYNANTE A. BAZAR**  
Treasurer  
(beginning March 16, 2024)  
57 years old, Filipino

Reynante A. Bazar is a highly accomplished finance professional and CPA with over 24 years of leadership experience in the banking sector. He holds a Master of Business Administration from the esteemed Pamantasan ng Lungsod ng Maynila, reflecting his strong academic foundation and unwavering commitment to professional excellence.

Throughout his distinguished career, Mr. Bazar has consistently demonstrated strategic leadership and operational expertise. His tenure at LANDBANK was marked by progressive roles in financial management, culminating in his leadership of multiple accounting centers. In these capacities, he spearheaded initiatives that enhanced operational efficiency, strengthened internal controls, and fostered high-performing teams.

Mr. Bazar’s capabilities extend well beyond accounting. His deep understanding of branch banking operations, reinforced by his completion of the Essentials of Domestic Banking Course at LANDBANK, showcases his versatility and broad-based knowledge of the banking industry. His ability to navigate both technical and operational domains underscores his adaptability and dedication to continuous learning.

In his current role at OFBank, Mr. Bazar brings a wealth of experience and a strategic perspective that significantly contribute to the bank’s mission of delivering inclusive and innovative financial services. His dual expertise in accounting and banking operations positions him as a key driver of organizational success and a trusted resource within the institution.

Guided by a passion for financial stewardship and a commitment to service excellence, Mr. Bazar exemplifies the qualities of a dynamic and forward-thinking leader. His extensive experience, academic credentials, and dedication to lifelong learning distinguish him as a respected figure in the banking industry and a valuable asset to any organization he serves.



# FINANCIAL STATEMENTS



REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City

**INDEPENDENT AUDITOR'S REPORT**

**The Board of Directors**  
Overseas Filipino Bank, Inc.  
Liwasang Bonifacio, Manila

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Overseas Filipino Bank, Inc. (OFB), a wholly owned subsidiary of Land Bank of the Philippines, which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the OFB as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

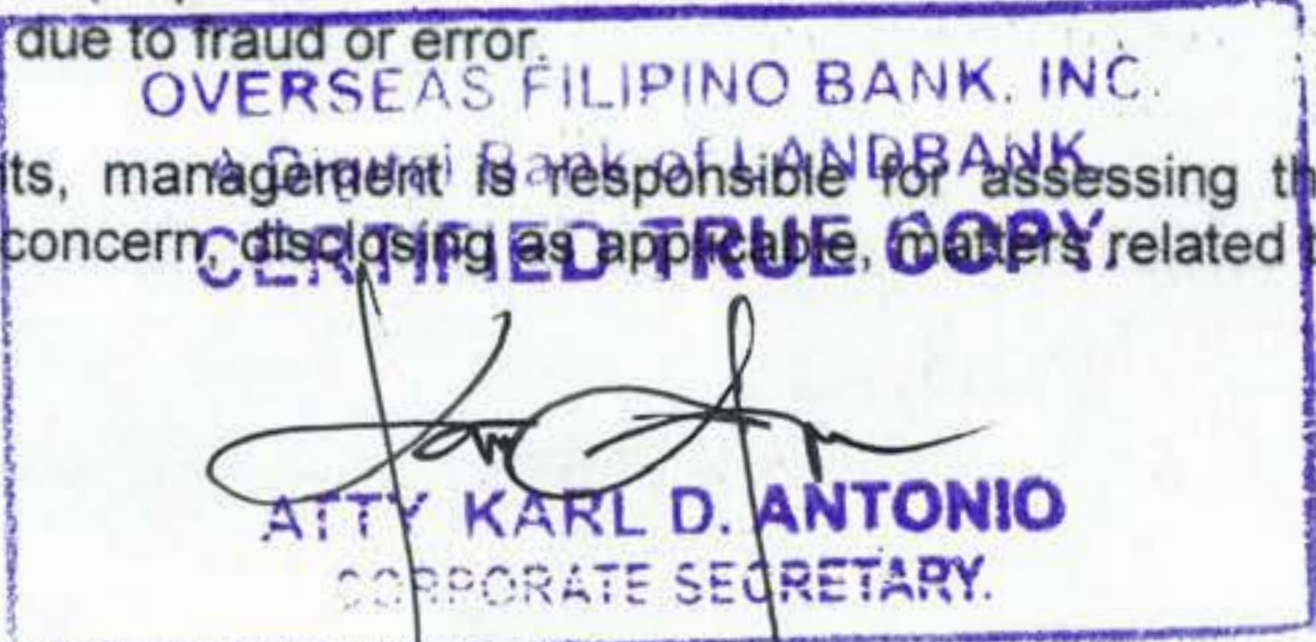
**Basis for Opinion**

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the OFB in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the OFB's ability to continue as a going concern, disclosing as applicable, matters related to





going concern and using the going concern basis of accounting unless management either intends to liquidate the OFB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the OFB’s financial reporting process.

*Auditor’s Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OFB’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the OFB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in accordance with PFRSs.

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CORPORATE SECRETARY.




We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Regulatory Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under the Revenue Regulations 15-2010 in Note 25, and the BSP Circular No. 1074 in Note 29 to the 2024 financial statements is presented for purposes of filing with the Bureau of Internal Revenue, and the BSP, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**COMMISSION ON AUDIT**

  
**MARIE FRANCES HAZEL S. ACEBEDO**  
Supervising Auditor

May 20, 2025

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May 19, 2025

STATEMENT OF MANAGEMENT’S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS

The management of OVERSEAS FILIPINO BANK, INC., A Digital Bank of LANDBANK (OFBI), formerly PHILIPPINE POSTAL SAVINGS BANK, INC. (PPSBI), is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls as management determines necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

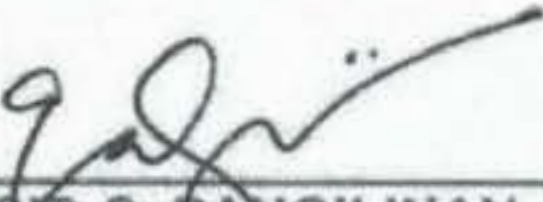
In preparing the financial statements, management is responsible for assessing OFB’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate OFB or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing OFB’s financial reporting processes.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein and submits the same to the Stockholders, regulators, creditors and other users.

The Commission on Audit (COA), has audited the financial statements of OFB in accordance with International Standards of Supreme Audit Institutions (ISSAI), and in its report to the Board of Directors, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
MA. LYNETTE V. ORTIZ  
Chairman of the Board

  
ELOID C. PANGILINAN  
Officer-In-Charge  
Office of the President and Chief Executive Officer

  
PATRIA P. MADRIO  
Head, Financial Management Unit

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OVERSEAS FILIPINO BANK, INC.  
(A DIGITAL BANK OF LANDBANK)  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Philippine Peso)

	NOTE	2024	2023
<b>INTEREST INCOME</b>			
Loans & discounts		144,683,915	145,882,022
Investments		76,943,861	71,766,585
Loans and receivables arising from RA/CA/PR/SLB		5,206,440	8,181,311
Due from Bangko Sentral ng Pilipinas		42,231,862	28,748,343
Deposits with banks		63,015	29,272
		269,129,093	254,607,533
<b>INTEREST EXPENSE</b>			
Deposit liabilities		101,431,368	79,443,449
<b>NET INTEREST INCOME</b>		167,697,725	175,164,084
Provision for credit losses	12	3,800,000	11,371,427
<b>NET INTEREST INCOME AFTER PROVISION FOR LOSSES</b>		163,897,725	163,792,657
<b>OTHER OPERATING INCOME</b>			
Fees and commission		30,490,424	32,836,250
Foreign exchange gains from revaluation		17	(4)
Miscellaneous income	22	3,072,749	897,621
		33,563,190	33,733,867
<b>OTHER OPERATING EXPENSES</b>			
Compensation and fringe benefits	23a	10,906,248	8,669,637
Provision for probable losses	23b	0	2,770,259
Depreciation and amortization	23c	7,646,437	8,948,617
Rent	3.9	0	700,000
Taxes and licenses		10,783,831	10,588,271
Miscellaneous expenses	24	81,838,939	115,511,556
		111,175,455	147,188,340
<b>NET INCOME FOR THE PERIOD</b>		86,285,460	50,338,184
<b>INCOME TAX EXPENSE</b>	25	0	0
<b>NET INCOME AFTER TAX</b>		86,285,460	50,338,184
<b>OTHER COMPREHENSIVE INCOME</b>		2,409,876	2,272,374
<b>TOTAL COMPREHENSIVE INCOME</b>		88,695,336	52,610,558

The notes on pages 9 to 36 form part of these statements.

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OVERSEAS FILIPINO BANK, INC.  
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STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Philippine Peso)

	Capital Stock Note 19	Other Comprehensive Income (Loss) Note 21	Retained Earnings (Deficit) Note 20	Total Equity
Balance as of January 1, 2023	2,680,000,000	(3,542,386)	(1,431,231,408)	1,245,226,206
Prior Period Adjustments			(19,776,853)	
Balance as of January 1, 2023, as restated	2,680,000,000	(3,542,386)	(1,451,008,261)	1,225,449,353
Unrealized gain on available for sale financial assets		2,272,374		2,272,374
Net Income for CY 2023			50,338,184	50,338,184
Balance as of December 31, 2023	2,680,000,000	(1,270,012)	(1,400,670,077)	1,278,059,911
Other Comprehensive Income		2,409,876		2,409,876
Net Income December 31, 2024			86,285,460	86,285,460
Balance as of December 31, 2024	2,680,000,000	1,139,864	(1,314,384,617)	1,366,755,247

The notes on pages 9 to 36 form part of these statements.

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OVERSEAS FILIPINO BANK, INC.  
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STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Philippine Peso)

	Note	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		265,960,734	254,993,649
Interest paid		(141,867,132)	(55,415,671)
Fees and Commissions		30,490,424	19,095,332
Miscellaneous Income	22	3,072,749	897,621
General and Administrative Expenses		(97,022,570)	(156,354,545)
Operating income before changes in operating assets and liabilities		60,634,205	63,216,386
Changes in operating assets and liabilities			
(Increase) / Decrease in operating assets			
Loans and Receivables		47,840,870	77,444,518
Other Resources		35,257,854	(13,881,506)
Increase / (Decrease) in operating liabilities:			
Deposit Liabilities		170,389,201	196,819,234
Other Liabilities		8,686,962	6,125,628
Net Cash Provided by Operating Activities		322,809,092	329,724,260
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment(net)	13	0	(717,138)
Investments in Bonds		(101,672,016)	(848,033)
Placement in investment management account		(132,009,292)	(103,554,015)
Net Cash Used in Investing activities		(233,681,308)	(105,119,186)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS		133,176	(20,833)
NET INCREASE IN CASH AND CASH EQUIVALENTS		89,260,960	224,584,241
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,105,214,513	880,630,272
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	1,194,475,473	1,105,214,513

The notes on pages 9 to 36 form part of these statements.

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**OVERSEAS FILIPINO BANK, INC.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(All amounts in Philippine Peso unless otherwise stated)

**1. Corporate Information**

Overseas Filipino Bank, Inc., a Digital Bank of LANDBANK (OFB or the Bank) formerly known as Philippine Postal Savings Bank, Inc. (PPSBI) is a subsidiary of the Land Bank of the Philippines (LBP or the Parent Bank or LANDBANK) acquired by the latter at zero value as stated on Executive Order (EO) No. 44 dated September 26, 2017.

The PPSBI is a subsidiary of the Philippine Postal Corporation (PPC) re-established and re-opened by virtue of PPC Board Resolution No. 94-34 dated February 24, 1994 in fulfillment of the intents and purposes of Republic Act No. 7354, otherwise known as Postal Services Act of 1992, which was enacted by the Congress on April 03, 1992. The re-establishment of PPSBI was finally approved under the Bangko Sentral ng Pilipinas (BSP) Board Resolution No. 267 dated March 18, 1994. The PPSBI was incorporated on June 22, 1994 and started operations as a savings and mortgage bank on July 21, 1994. The PPSBI was mandated to mobilize savings and promote entrepreneurship to widen economic opportunities and to provide the Filipino people with a full range of professional banking and financial resources accessible in all areas of the country, and shall promote the values of thrift, industry and prudence especially in the youth.

In December 2016, the National Government directed the LBP to initiate the acquisition of PPSBI as its subsidiary, with the plan of eventually converting it to a bank for Overseas Filipino Workers. On September 26, 2017, President Rodrigo Duterte issued EO No. 44, which mandates the PPC and the Bureau of Treasury (BTr) to transfer their PPSBI shares to LBP at zero value.

PPSBI registered with the Securities and Exchange Commission the Amended Articles of Incorporation bearing the new corporate name on January 05, 2018. The BSP through its Circular Letter no. CL-2018-007 dated January 18, 2018, approved the change of corporate name of the PPSBI to "Overseas Filipino Bank, Inc., a Savings Bank of LANDBANK". On March 2018, the BTr and PPC transferred and conveyed to LBP the 3,802,428 and 2,999,998 common shares respectively at P100 per share.

The Monetary Board of the BSP, in its Resolution No. 358 dated 25 March 2021, approved the application of the Bank to convert its banking license from a thrift bank to a digital bank license, subject to the fulfillment of certain conditions. As stated in its Vision/Mission: "OFB is the first digital bank in the country and the official digital bank of the Philippine government committed to provide convenient, reliable and secure banking solutions responsive to the needs of the global Filipinos, focused on developing long-term relationship with customers and other stakeholders through strategic alliances and partnerships."

As of December 31, 2024, the Bank has 10 organic employees, 8 seconded employees from the Parent Bank and 8 contractual employees. Its principal place of business is at Liwasang Bonifacio, Intramuros, Manila.

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9



2. Statement of Compliance Philippine Financial Reporting Standards/Philippine Accounting Standards

The financial statements of the Bank have been prepared in accordance with Philippine Financial Reporting Standards/Philippine Accounting Standards (PFRSs/PASs).

The accompanying comparative financial statements were authorized for issue by the Board of Directors per Secretary's Certificate issued on May 20, 2025.

3. Summary of Material Accounting Policies

3.1 Basis of Financial Statements Preparation

The financial statements were prepared on historical cost basis unless otherwise stated.

Fair Value through Other Comprehensive Income (FVOCI) are measured at fair value while Loans and Receivables are measured at amortized cost. Held to Maturity Financial Assets are carried at cost less/add premium/discount amortizations. Discount amortization uses the effective interest rate method.

The accompanying financial statements include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The financial statements prepared for these units are combined after eliminating inter-unit accounts. The functional currency of RBU and FCDU is Philippine Peso and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated assets and liabilities in the RBU are translated in Philippine Peso based on the Bankers Association of the Philippines (BAP) closing rate prevailing at the end the year.

The preparation of financial statement requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies.

The accounting policies adopted are consistent with those of the previous year.

The financial statements are presented in Philippine Peso and all values are rounded to the nearest peso except when otherwise indicated.

3.2 New and Amended Standards

Adoption of New and Amended PAS/PFRS


The following new and amended standards which are mandatorily effective for annual periods beginning on or after January 1, 2024.

- a. Amendments to PAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-current. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially

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CORPORATE SECRETARY



OVERSEAS FILIPINO BANK, INC. (A DIGITAL BANK OF LANDBANK) STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2024 AND 2023 (In Philippine Peso)			
	NOTE	2024	2023
<b>ASSETS</b>			
Cash and Cash Equivalents	6	1,194,475,473	1,105,214,513
Fair value through other comprehensive income	10	286,373,897	152,087,888
Held to Maturity Financial Assets, net	11	1,515,235,697	1,413,563,681
Loans and Receivables, net	12	1,694,620,079	1,746,260,949
Property and Equipment, net	13	146,163,765	148,834,288
Other Intangible Assets, net	14	18,168,981	21,643,876
Other Assets, net	15	126,715,863	161,069,297
<b>TOTAL ASSETS</b>		<b>4,981,753,755</b>	<b>4,748,674,492</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities			
Deposit Liabilities	16	3,423,934,429	3,253,545,227
Accrued Expenses	17	104,407,798	139,212,060
Other liabilities	18	86,656,281	77,857,294
<b>Total Liabilities</b>		<b>3,614,998,508</b>	<b>3,470,614,581</b>
Equity			
Capital Stock	19	2,680,000,000	2,680,000,000
Retained Earnings (Deficit)	20	(1,314,384,617)	(1,400,670,077)
Other Comprehensive Income (Loss)		1,139,864	(1,270,012)
<b>Total Equity</b>		<b>1,366,755,247</b>	<b>1,278,059,911</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,981,753,755</b>	<b>4,748,674,492</b>
<i>The notes on pages 9 to 36 form part of these statements.</i>			

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due to be settled within one year) or non-current. Effective date on annual periods beginning on or after January 1, 2024.

b. Amendments to PAS 1- Non-current liabilities with covenants. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective date on annual periods beginning on or after January 1, 2024.

The adoption of these amendments have no impact in the amounts and disclosures reported in the financial statements of the Bank.

*Standards Issued but not yet Effective*

Below consists of new and amended standards issued, which the Bank reasonably expects to be applicable at a future date. The Bank intends to adopt these standards when they become effective. Except as otherwise indicated, the Bank does not expect the adoption of these new and amended standards to have significant impact on its financial statements.

- a. Amendments to PAS 21 – Lack of Exchangeability. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency of a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency. (with normal administrative delay) and the transaction would take place through a market or exchange mechanisms that creates enforceable rights and obligations. Effective on annual periods beginning on or after January 1, 2025.
- b. PFRS 18 Presentation and Disclosures in Financial Statements. This includes requirements for all entities applying PFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting period beginning on or after 1 January 2027.
- c. Amendments to PFRS 9 and PFRS 7 regarding classification and measurement of financial instruments. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of PFRS 9 Financial Instruments.

3.3 Foreign currency translation

Foreign currency transactions are accounted for and revalued monthly using the month-end closing rate published by the Banker's Association of the Philippines. Foreign exchange differences arising from the revaluation are charged to operations.

3.4 Fair Value Measurement

The methods and assumptions used by the Bank in estimating the fair value of the financial instruments include the following:





Cash and cash equivalents and short-term investments – Carrying amounts that approximate fair values due to the relatively short-term maturity of these instruments.

Debt securities – Fair values are generally based upon quoted market prices. If the market prices are not readily available, fair values are estimated using either value obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments.

Other financial assets and financial liabilities – Since quoted market prices are not readily available, they are reported at cost.

3.5 Financial assets and liabilities

*Date of recognition*

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Deposits, amounts due to banks and customers and loans are recognized when cash is received or released to the borrowers.

*Initial recognition and classification*

The Bank’s financial instruments, including investment securities and loans and receivables, are initially recognized at fair value. Except for financial assets and financial liabilities valued at Fair Value through Profit or Loss (FVTPL). The initial measurement of financial instruments includes transaction costs. The Bank generally classifies its financial assets in the following measurement categories as: (1) financial assets at FVTPL, (2) financial assets at Fair Value through Other Comprehensive Income (FVOCI) and (3) financial assets at amortized cost.

The Bank classifies its financial assets under the following categories:

a. Financial assets at Fair Value through Other Comprehensive Income

These investments are measured at fair value through other comprehensive income that meets the following conditions:

- i. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at Fair Value through Profit or Loss

This refers to the debt and equity securities held for trading that are measured at fair value through profit or loss that the company may, at initial recognition, irrevocably designate as such to eliminate or significantly reduce a measurement or recognition inconsistency. The financial assets are:





- i. acquired principally for the purpose of selling or repurchasing them in the near term; or
  - ii. part of a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
- c. Financial assets at amortized cost

The financial asset shall be measured at amortized cost if the following conditions are met:

- i. the financial asset is held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These includes loans and receivables, due from BSP, due from other banks, and securities under agreement to resell.

Under PFRS 9, the classification and measurement of financial assets is driven by the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The financial liabilities are classified as financial liabilities at FVTPL and financial liabilities at amortized cost.

*Determination of fair value*

The fair value of financial instruments traded in active markets at the statement of financial position date is based on their quoted market price or dealer price quotation. In the absence of an available current bid or asking prices, the price of the most recent transaction is used because it provides evidence of the current fair value as long as there has been no significant change in the economic circumstances since the time of the transaction. For other financial instruments not listed in an active market, the Bank determines fair value using relevant valuation models.

3.6 Impairment of Assets

The Bank determines at each reporting date if there is objective evidence that assets may be impaired.

*Financial assets at FVOCI*

The Bank opted to apply the impairment requirements for the recognition and measurement of loss allowance for FVOCI investments. The said allowance is to be recognized in other comprehensive income and will not reduce the carrying amount of the financial asset in the statement of financial position.





*Financial assets at amortized cost*

The Bank calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. Because every loan and receivable carries with it some risk of default, every such asset has an expected loss attached to it – from the moment of its origination or acquisition.

The Bank recognizes in profit or loss, as impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with PFRS 9.

Uncollectible loans are written off against the related allowance account for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of loss has been determined. Subsequent recoveries of amounts previously written off are recognized as deductions to provisions in the statement of comprehensive income.

The Bank measures expected credit losses of a financial instrument that reflects:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum period considered when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

*Property and Equipment and Other Assets*

Where an indicator of impairment exists, the Bank makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of its fair market value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset. The impairment loss on non-revalued asset is recognized in the profit or loss and an allowance account is set up to reduce the carrying amount of the asset.

3.7 Property and Equipment

Property and equipment including leasehold improvements are stated at cost less accumulated depreciation and amortization and any impairment in value. Depreciation is computed based on a straight-line method net of 5 per cent residual value of acquisition cost over the estimated useful lives of the related assets as follows:





	Number of Years
Building	10 – 20
Furniture, fixtures and equipment	5 -10
Leasehold improvements	5 (maximum)
Transportation equipment	5

Impairment is only recognized when there is substantial evidence of the decline in the value of the property and equipment.

The cost of leasehold improvements is amortized over the term of the lease or the estimated useful life of the improvements not exceeding five years whichever is shorter. Minor expenditures for replacement, maintenance and repairs are expensed as incurred. Major renovations and improvements that will extend the life of the asset are capitalized.

Properties that are no longer needed or uneconomical to maintain are disposed of in accordance with the existing guidelines on disposal. The cost and the related accumulated depreciation and amortization of the disposed assets are derecognized in the books and any resulting gain or loss is credited or charged to current operations.

3.8 Intangible Assets

Intangible assets represent costs of software licenses and cost incurred directly in the development and maintenance. These are measured at cost and amortized based on a straight-line method with an expected maximum useful life of 10 years. Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Cost that are directly associated with the production of identifiable and unique software products controlled by the Bank and that will probably generate economic benefits exceeding costs, beyond one year, are recognized as intangible assets. Direct costs include software licenses, software development, employee costs and the related overheads.

This account includes digital license fees to be amortized within the remaining life of the corporation.

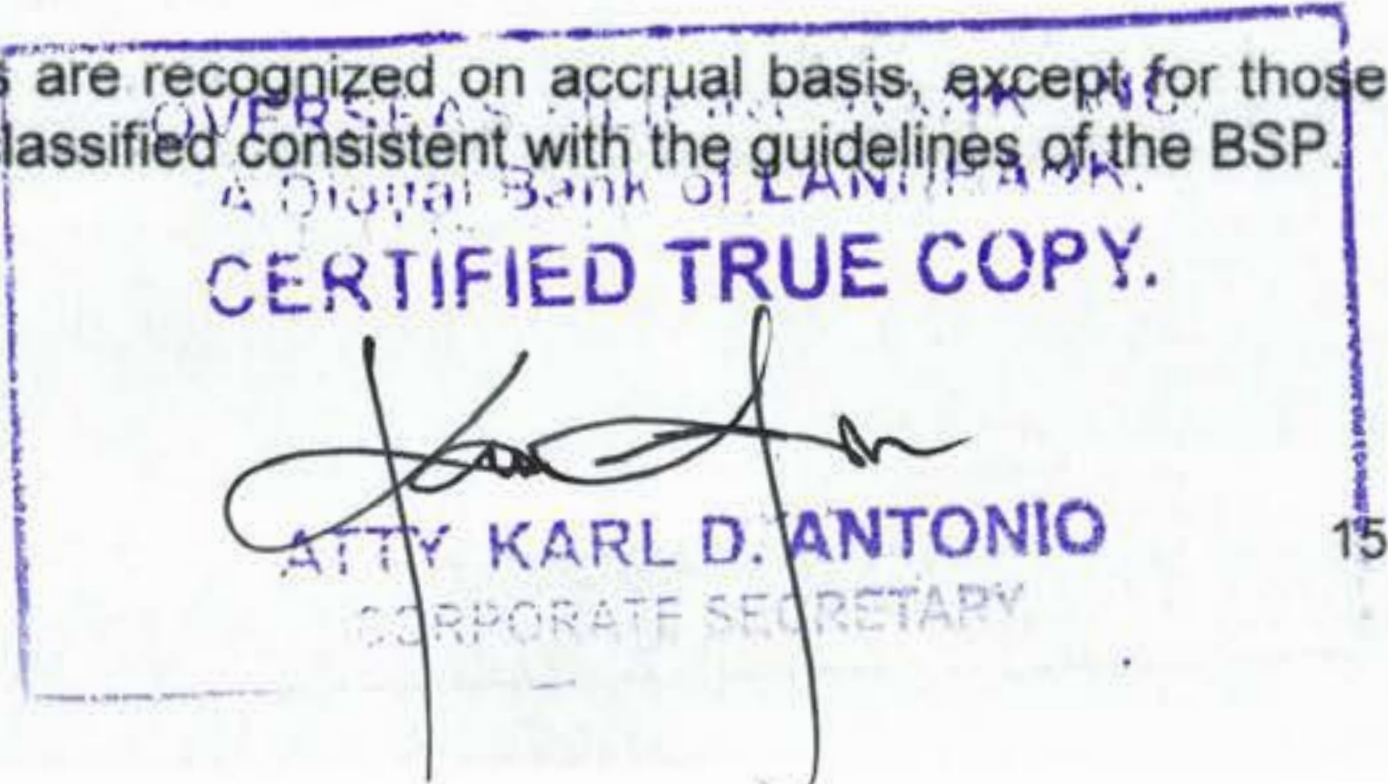
3.9 Leases

The leases entered into by the Bank are primarily operating leases. The payments made under operating leases are recognized as an expense on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

3.10 Recognition of Income and Accounting for Expenses

Interest, other income and expenses are recognized on accrual basis, except for those loan accounts, which are adversely classified consistent with the guidelines of the BSP.





4. Significant Accounting Judgments and Estimates

The following are the critical judgments and key assumptions that have significant influence in the carrying amounts of assets and liabilities:

4.1 Operating lease commitments

The Bank assesses at contract inception whether a contract is, or contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for considerations. It applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Bank has no lease liabilities and Right of Use Assets recognized.

4.2 Impairment losses of loans and receivables

The Bank reviews its loan portfolio to assess impairment at least annually or as the need arises. In determining whether an impairment loss should be recorded in the books, the Bank makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows including information indicating that there has been an adverse change in payment status of borrowers, or national or local economic conditions that correlate with defaults on assets.

The Bank estimated a total of P3.8 million additional credit losses as of December 31, 2024 computed using Expected Credit Losses Model of the Parent Bank. The net carrying value of loans from customers stood at P1,694.62 million, net of allowance for credit losses amounting to P46.74 million.

4.3 Impairment of financial assets at FVOCI

The Bank considers FVOCI investments as impaired when there has been a significant or prolonged decline in fair value (market value) below its carrying amount. The determination of significant or prolonged decline in fair value requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in prices. Impairment may also be appropriate when there is evidence of deterioration in the financial health of the Investee Company, industry and sector performance, changes in technology and operational and financing cash flows.

4.4 Impairment of Property and Equipment /Other Assets

Assets are reviewed and tested whenever there is indication of impairment at least annually. Impairment of assets requires estimates and judgments through the use of certain tools/devices/factors/market data/existing conditions.

Management determines the estimated useful lives and related depreciation charges for its property and equipment. The Bank will increase the depreciation charge where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete or items that have been sold.

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5. Fair Value Hierarchy

These levels are based on the inputs that are used to determine the fair value and can be summarized in:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: inputs that are not based on observable market data or unobservable inputs

6. Cash and Cash Equivalents

This is broken as follows:

	Note	2024	2023
Due from Bangko Sentral ng Pilipinas	7	1,130,768,437	946,625,933
Due from Other Banks	8	63,707,036	71,717,394
Loans and Receivables arising from RA/CA/PR/SLB	9	0	86,871,186
		1,194,475,473	1,105,214,513

7. Due from Bangko Sentral ng Pilipinas

This account consists of the following deposits/placement accounts which the Bank utilizes in its clearing operations and reserve requirements of the BSP:

	2024	2023
Term deposit account	900,000,000	750,000,000
Demand deposit account	137,768,437	196,625,933
Overnight deposit account	93,000,000	0
	1,130,768,437	946,625,933

8. Due from Other Banks

This account represents demand deposit account, short-term investments in special savings deposits and premium savings account deposited with the Parent Bank, LBP amounting to P63,707,036 and P71,717,394 in CY 2024 and 2023, respectively.

9. Loans and Receivables Arising from Repurchase Agreements (RA)/Certificates of Assignment (CA)/Participation with Recourse (PR)/ Securities Lending and Borrowing (SLB)

This pertains to loans arising from repurchase agreement with BSP amounting to P0 and P86,871,186 in CY 2024 and 2023, respectively.

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17



10. Fair Value through Other Comprehensive Income

This account is composed of:

	2024	2023
Investment in Treasury Bills/Fixed Treasury Notes purchased from Security Bank Corp.	48,332,320	47,540,142
Investment Management Account with Land Bank of the Philippines (52401-26777-13-01)	238,041,577	104,547,746
Investment in QUEDANCOR Bonds	30,000,000	30,000,000
Allowance for credit losses	(30,000,000)	(30,000,000)
	286,373,897	152,087,888

The Investment in Treasury Bills/Fixed Treasury Notes has a Face Value of P50 million and a stated quarterly coupon rate of 3.5 per cent which will mature on September 20, 2026.

The Investment Management Account (IMA) with the LBP consists of various placements in government securities and corporate bonds. This is covered by an agency agreement between OFB and LBP-Trust Banking Group for financial return and appreciation of assets of the account. The agreement does not guaranty a yield, return or income by the investment manager, as such, past performance of the account is not a guaranty of future performance and the income from investments may rise or fall depending on prevailing market conditions.

The investment in QUEDANCOR bonds amounting to P30 million with allowance for probable losses of the same amount was recorded initially under Unquoted Debt Securities Classified as Loans and subsequently reclassified to Miscellaneous Assets account in 2018 in accordance with BSP Circular No. 1011 dated August 14, 2018 and to FVOCI account in 2020. This investment was made for the Bank's Agri-Agra compliance which is now under negotiation for the replacement of QUENDANCOR Restructured Notes.

11. Held to Maturity Financial Assets, net

	2024	2023
BTR-Retail Treasury Bonds (05-16)	1,400,000,000	1,300,000,000
San Miquel Corporation GP Bonds	59,830,000	59,830,000
Robinson Land Corporation Bonds	62,200,000	62,200,000
Total	1,522,030,000	1,422,030,000
Less: Unamortized Discount/Premium	6,794,303	8,466,319
	1,515,235,697	1,413,563,681

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12. Loans and Receivables, net

This account consists of:

	2024	2023
Loans to Individuals for Other Purposes	1,741,362,255	1,789,202,618
Allowance for Losses	(46,742,176)	(42,941,669)
	1,694,620,079	1,746,260,949

On November 26, 2021 and December 15, 2021, OFB and LANDBANK had secured their respective Board of Directors' approval for the assignment of Landbank's Electronic Salary Loans to OFB with total outstanding principal amount of up to Two Billion Pesos.

On May 11, 2022 and June 15, 2022, Landbank assigned its Salary Loan portfolio composed of 13,065 and 1,662 eligible borrowers' accounts to OFB and pursuant to said assignments, LANDBANK executed a Deed of Assignment in favor of OFB covering the Salary Loan accounts assigned. There were 15 accounts returned to the Parent Bank due to ineligibility.

After the assignment, OFB shall outsource from the concerned LANDBANK branches various operational support and administrative services relative to the loans assigned to further enhance OFB's business efficiency, aligned with its new structure, in providing digital banking services to its clients.

A service fee of 1.5 per cent based on total interest collected per month per covered LANDBANK Branch shall be paid by OFB to LANDBANK. The Cash Agency Arrangement executed by both parties shall supplement the Memorandum of Agreement.

Allowance for Losses

The details of specific allowances on loans are:

	2024	2023
Balance, January 1	23,420,672	11,785,712
Provisions	3,800,000	11,371,427
Transfers and other adjustments	507	263,533
Balance, December 31	27,221,179	23,420,672

The movement of the general loan loss provisions are:

	2024	2023
Balance, January 01	19,520,997	19,520,997
Adjustments	0	0
Balance, December 31	19,520,997	19,520,997

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As to Status:

	2024	2023
Current Loans	1,714,056,247	1,763,142,972
Non-Performing Loans	27,306,008	26,059,646
	1,741,362,255	1,789,202,618

As to Security:

	2024	2023
Secured Loans	0	0
Unsecured Loans	1,741,362,255	1,789,202,618
	1,741,362,255	1,789,202,618

13. Property and Equipment, net

This account consists of:

	Land	Buildings	Furniture Fixture & Equipment	Motor Vehicles	Computer and Peripherals	Total
Cost						
January 1, 2024	131,008,000	48,686,618	7,761,857	3,976,723	91,789,656	283,222,854
December 31, 2024	131,008,000	48,686,618	7,761,857	3,976,723	91,789,656	283,222,854
Accumulated Depreciation/Allowance for Impairment						
January 1, 2024	0	32,609,784	7,410,300	3,812,169	90,556,313	134,388,566
Provisions	0	2,620,136	0	0	50,387	2,670,523
December 31, 2024	0	35,229,920	7,410,300	3,812,169	90,606,700	137,059,089
Carrying amount						
December 31, 2024	131,008,000	13,456,698	351,557	164,554	1,182,956	146,163,765

	Land	Building	Furniture Fixture & Equipment	Motor Vehicles	Computer and Peripherals	Total
Cost						
January 1, 2023	131,008,000	48,199,841	7,761,859	4,298,798	90,983,678	282,252,176
Additions	0	486,777	(2)	0	230,363	717,138
Reclassifications	0	0	0	759,599	341,922	1,101,521
Disposal	0	0	0	(1,081,674)	233,693	(847,981)
December 31, 2023	131,008,000	48,686,618	7,761,857	3,976,723	91,789,656	283,222,854
Accumulated Depreciation/Allowance for Impairment						
January 1, 2023	0	28,923,717	7,358,951	4,134,243	89,665,817	130,082,728
Provisions	0	2,583,720	48,464	0	301,584	2,933,768
Reclassifications	0	1,102,347	2,885	759,599	355,219	2,220,050
Disposal	0	0	0	(1,081,673)	233,693	(847,980)
December 31, 2023	0	32,609,784	7,410,300	3,812,169	90,556,313	134,388,566
Carrying amount						
December 31, 2023	131,008,000	16,076,834	351,557	164,554	1,233,343	148,834,288

The OFB (formerly PPSBI) building was acquired through Dacion En Pago from the Philippine Postal Corporation on November 02, 2012 with booked value amounting to P37.567 million. The Net Book Value of the Building is P13.46 million as of December 31, 2024.

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20



14. Other Intangible Assets, net

This account represents cost of the Digital license fee, creation of the OFB microsite in LBP, various enhancements of the Digital On Boarding System Mobile Banking Application (DOBS MBA) and the Livelihood Loan System (LLS) to support OFB operations. Details as follows:

	2024	2023
Other intangible assets	33,778,682	32,277,665
Accumulated amortization	(15,609,701)	(10,633,789)
	18,168,981	21,643,876

15. Other Assets, net

This account is composed of the following:

	2024	2023
Accounts receivable	298,694,722	333,689,657
Accrued interest income from financial assets	12,484,614	9,948,588
Prepaid expenses	1,258,470	302,671
Documentary stamps on checks	730,814	694,118
Other investments	538,792	153,333
Stationery and supplies on hand	70,424	870,042
Sundry debits	32,898	150,510
Deferred Charges	0	4,161,991
Miscellaneous assets	14,838,912	13,032,677
	328,649,646	363,003,587
Other Assets - Allowance for Losses	(201,933,783)	(201,934,290)
	126,715,863	161,069,297

Accounts receivable

The Accounts Receivable account includes the amounts relative to cases involving former officers of the then PPSBI branches, to wit: Sorsogon Branch in the amount of P4.10 million and Tacloban Branch of P8.64 million. Appropriate charges were filed in court. In addition, outstanding accounts receivable from Naga branch amounted to P179.37 million as of December 2019 as restitution for losses appropriated by a former employee. On the last quarter of 2018, the Bank requested for staggered booking of the estimated P237.9 million provision for losses arising from Naga branch fraud. On March 2019, the BSP approved the staggered booking of allowance at P11.90 million quarterly starting March 31, 2019 for five years ending in December 2023. As of October 2022, accounts receivable from Naga branch fraud were 100 per cent provided with allowance amounting to P179.37 million.

This account also includes temporary partner clearing accounts on collections of loans under the Purchase of Receivable Program (PRP) which will result to inflow of funds on the Due Other Banks account with LBP Intramuros Branch.

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21



Sundry Debits

This is a temporary account used for unmatched salary loan proceeds which are cleared the next day and discrepancies of online transactions with corresponding System Feedback Form (SFF) for resolution.

Prepaid Expenses

This account consists of prepayment on documentary stamp tax for the high-yield savings account renewal and mobile banking application maintenance.

Miscellaneous assets

The account is composed of various security deposits and advance rentals of building and utilities transferred from the closed branches, prepayment of taxes from CY 2020 to 2023 and creditable withholding taxes from payments of service recipients. Prepayment of taxes has a cumulative balance of P6.26 million and shall be applied in the future payments of income tax requirements of the Bank.


16. Deposit Liabilities

This account is composed of domestic individual savings account with outstanding balance of P3,423,934,429 and P3,253,545,227 in CY 2024 and 2023, respectively, which earn annual fixed interest rates ranging from 0.05 to 5.25 per cent.

17. Accrued Expenses

This account represents:

	2024	2023
Management and other professional fees	39,438,092	32,748,778
Postage, telephone, cables and telegrams	25,565,151	25,052,644
Information technology	12,341,746	8,118,843
Accrued interest expense in financial liabilities	7,619,792	48,055,556
Rent	4,249,326	0
Fringe benefits	3,397,083	1,406,437
Insurance	3,270,048	3,124,550
Other taxes and licenses	2,280,000	2,780,409
Security, clerical, messengerial and janitorial	2,040,955	1,809,025
Stationeries and supplies	1,320,169	2,008,425
Fees and commissions	1,065,414	4,769,440
Advertising and publicity	310,335	311,652
Fuel and lubricants	101,433	198,238
Power, light and water	100,000	360,000
Salaries and wages	40,693	1,717,832
Repairs and maintenance	6,383	1,105,103
Others	1,261,178	5,645,128
	104,407,798	139,212,060

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As of December 31, 2024, the remaining accrual on Early Retirement Incentive Plan is P1.16 million included under Fringe benefits. Others include provision for fraud losses in compliance with BSP Memorandum 2017-019, and membership dues to Digital Bank Association of the Philippines.

18. Other Liabilities

This account comprises of:

	2024	2023
Accounts payable – others	68,854,211	65,631,747
Due to the Treasurer of the Philippines	8,987,480	8,987,480
Unclaimed balances	8,388,256	2,696,424
Withholding tax payable	203,132	111,304
SSS, PHIC, Employee Compensation and Pag-ibig Fund Payable	100,686	80,489
Sundry credits	21,017	248,351
Miscellaneous liabilities	101,499	101,499
	86,656,281	77,857,294

The Accounts Payable – others account is composed of unpaid obligation to LBP, overpayment on loans pending refund, loans payment pending posting, delivered items of supplies and equipment not yet paid, obligations deducted from employees last salary and others.

Due to the Treasurer of the Philippines refers to all credits and deposits including interest thereon, held by the bank in favor of person known to be dead or who have not made further deposits or withdrawals during the preceding 10 years or more, which have been reported to the Treasurer of the Philippines pursuant to the provisions of the Unclaimed Balances Act (Act No. 3936, as amended). These credits and deposits, including interest thereon, shall remain in this account up to the time the proceeds thereof have been remitted under court order to the Treasurer of the Philippines or other parties.

Unclaimed Balances refers to the other credits held by the Bank in favor or persons known to be dead or unheard from during the preceding 10 years or more which have not been reported to the Treasurer of the Philippines pursuant to the provisions of the Unclaimed Balances Act.

The Sundry Credits account is a temporary account used as partner clearing account on transactions resulting to outflow of funds on the Due Other Banks account which are cleared the next day.

19. Capital Stock

The Bank is authorized to issue 10,000,000 shares at P100 par value of which 10,000,000 shares amounting to P1 billion were fully paid and issued.





Four million four hundred thousand (4,400,000) shares were issued and were fully paid by PPC amounting to P440 million. Additional issuance of 1,310,080 common shares of stock for the National Government was made by PPSBI corresponding to the latest appraised value of parcel of land where Head Office is situated per Board Resolution No. 2014-142 dated June 10, 2014. These shares were then approved for transfer to LBP on October 10, 2017 per PPC Board Resolution no. 2017-147 in compliance with EO No. 44, dated September 28, 2017.

In CY 2011, the Board of Directors of the Bank, through Board Resolution No. 2011-274, approved the issuance to the Republic of the Philippines of common shares of stock with par value equal to the cash balance of the Project Dagdag Regular Income Via Entrepreneurship (DRIVE) Fund, a microfinance program for the transport sector, amounting to P249.23 million or equivalent to 2,492,348 shares. The National Government consented to the treatment of the Fund as capital in the books of PPSBI per memorandum from the Executive Secretary of the Office of the President of the Philippines dated December 16, 2011. On September 28, 2017, the President of the Philippines, through EO No. 44, directed the Bank to return to the National Treasury (NT) the balance amounting to P249.23 million from the previously released P500 million to fund the Project DRIVE Fund.

On January 19, 2018, pursuant to EO No. 44, the Bank transferred to the NT the amount of P249.23 million which is the equivalent value of the Capital Stock issued for the remaining balance of the Project DRIVE Fund.

On July 6, 2018, the LBP subscribed and paid four million two hundred eighty-nine thousand nine hundred twenty (4,289,920) shares amounting to P428.99 million.

EO No. 44 series of 2017 provides that "In order to strengthen the capital base of OFB and enable the same to attain its primary agenda of servicing the various financial and banking needs of overseas Filipinos, the LBP is hereby directed to infuse the necessary capital to OFB".

Relatedly, at the respective meetings of the stockholders and Board of Directors held on May 18, 2018, approved the increase in the authorized capital stock from P1.0 billion to P3.5 billion divided into 30.0 million common shares with a par value of P100 per share and 5.0 million preferred shares with a par value of P100 per share.

In January and December 2019, the Parent Bank, LBP contributed cash of P500 million and P772 million, respectively, and recognized as deposit for stock subscription.

The Bank received the endorsement by the Government Commission on GOCCs on the proposed increase in capital stock which was also filed and approved by the Securities and Exchange Commission through issuance of Certificate of Approval of Increase of Capital Stock from P1.0 billion divided into 10.0 million shares of the par value of P100 each, to P3.5 billion divided into 30.0 million common shares of the par value of P100 each and 5.0 million preferred shares of the par value of P100 each, and Certificate of Filing of Amended Articles of Incorporation dated March 18, 2021.

On May 26, 2022, the Parent Bank infused additional capital amounting to P407.992 million to meet the requirement of the P1.0 billion capitalization of a digital bank:

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20. Retained Earnings (Deficit)

As of December 31, 2024, the Bank is reporting a Retained Earnings Deficit of P1,314.38 billion. This deficit indicates the cumulative losses incurred by the then Philippine Postal Savings Bank, Inc. which was carried in the books of OFB to date.

21. Other Comprehensive Income (Loss)

This account consists of Unrealized Gains/Losses on FVOCI Financial Assets representing the gains and losses from mark to market valuation of FVOCI securities which is booked on a daily basis and the Cumulative Foreign Currency Translation representing the foreign exchange differences arising from the revaluation of the foreign currency assets every end of the month using the month-end closing rate published by the Banker's Association of the Philippines.

22. Miscellaneous Income

This account includes reversal of long outstanding accounts payable, loan pre-termination fees and loan penalties on delayed payments with outstanding balances of P3,072,749 and P897,621 in CY 2024 and 2023, respectively.

23. Other Operating Expenses

a. Compensation and fringe benefits


	2024	2023
Salaries and Wages	4,975,002	4,062,094
Fringe Benefits	1,699,171	1,220,667
Government Contribution	420,652	343,804
Other compensation and benefits	3,811,423	3,043,072
	10,906,248	8,669,637

b. Provision for probable losses

	2024	2023
Other Assets	0	2,770,259
	0	2,770,259

c. Depreciation and amortization

	2024	2023
Bank Premises, Furniture, Fixtures and Equipment	2,670,523	4,052,299
Other Intangible Assets	4,975,914	4,896,318
	7,646,437	8,948,617

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24. Miscellaneous Expenses

This account is composed of:

	2024	2023
Management and other professional fees	29,359,811	32,544,893
Documentary stamps used	14,427,803	40,763,794
Information technology	13,348,615	10,163,007
Insurance	6,963,425	6,520,650
Security, clerical, messengerial and janitorial	5,744,940	5,249,635
Postage, telephone, cable and telegram	3,939,150	3,936,804
Fees and commission	2,203,014	4,387,356
Power, light and water	1,696,738	1,293,219
Stationeries and supplies used	1,571,166	1,318,704
Travelling expense	618,718	797,438
Repairs and maintenance	551,209	1,137,247
Representation & entertainment	512,675	561,677
Advertising and publicity	437,987	912,463
Membership fees and dues	244,706	1,237,661
Fuel and lubricants	143,452	406,306
Other expenses	75,530	4,280,702
	81,838,939	115,511,556

Other expenses include litigation expense, notarial fees, fines, penalties and other charges.

25. Income and Other Taxes

Under Philippine tax laws, the Bank is subject to percentage and other taxes as well as income taxes. Percentage and other taxes paid consist principally of gross receipt tax and documentary stamp tax.

Income taxes include the corporate income tax and final taxes paid at the rate of 20 per cent, which is a final withholding tax on gross interest income from government securities.

Interest allowed as a deductible expense is reduced to an amount equivalent to 20 per cent of interest income subject to final tax.

For CY 2024, there was no income tax requirement computed as follows:

Revenue	178,247,105
Less: Cost of Services	
Interest on deposit liabilities	76,542,332
Insurance	6,818,025
Others	27,776,418
Gross Income	111,136,775
Less: Operating Expenses	67,110,390
Compensation and Fringe Benefits	10,900,244
Taxes and Licenses	10,783,831





Fees and Commissions	2,203,014	
Insurance	145,400	
Management and Other Professional Fees	29,359,811	
Representation and Entertainment	512,675	
Travelling	618,718	
Power, Light and Water	1,696,738	
Postage, Telephone, Cable and Telegram	3,939,150	
Repairs and Maintenance	551,209	
Security, Clerical, Mess. and Janitorial Services	5,744,940	
Fuels and Lubricants	143,452	
Advertising and Publicity	437,987	
Membership Fees and Dues	244,706	
Stationery and Supplies Used	1,571,166	
Litigation Expenses	57,549	
Others	17,981	
Depreciation/Amortization	7,646,437	76,581,012
<b>Net Loss</b>		<b>(9,470,682)</b>

Net Loss		(9,470,682)
Add (Less):		
Revenue subject to final tax	124,445,178	
Provision for Probable losses	(3,800,000)	
Tax arbitrage	(24,889,036)	95,756,142
<b>Net Income per books</b>		<b>86,285,460</b>

Summary of taxes paid during the year:

	2024	2023
Documentary stamp taxes	14,427,803	40,763,794
Final income taxes (1602)	28,373,417	11,083,127
Income taxes on compensation (1601C)	421,796	280,726
Percentage taxes (2551M)	9,255,430	9,664,708
VAT & other percentage taxes (1600)	748,323	319,528
Expanded Withholding taxes (1601E)	315,589	337,332
Annual registration	500	500
	<b>53,542,858</b>	<b>62,449,715</b>

Supplemental Information Required under Revenue Regulation No. 15-2010

Presented below is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulation to be disclosed as part of the notes to financial statements.

a. Documentary stamp tax

The documentary stamp tax on loan instruments and other transactions subject thereto for the tax period 2024 are as follows:

	OVERSEAS FILIPINO BANK, INC.	
Documents/Transactions	Digital Bank of LANDBANK.	DST Paid
Certificate of time deposits/Other deposits	CERTIFIED TRUE COPY.	14,427,803



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b. Other taxes and licenses

In 2024, Taxes and licenses presented as part of "Other Operating Expense" accounts in the statement of comprehensive income includes the following:

Local taxes	1,766,961
National	
BIR annual registration	500
Percentage taxes (2551)	9,255,430
	11,022,891

c. Withholding Taxes

The amount of withholding taxes paid/accrued for the year amounted to:

Tax on compensation and benefits	421,796
Expanded (Creditable) withholding taxes	315,589
Final withholding taxes	
Final income taxes	28,373,417
Final withholding VAT	748,323
	29,859,125


26. Related Party Transactions

In the ordinary course of business, the Bank has deposits and other transactions in CY 2024 with its parent bank, LBP, as follows:

	Amount
Due from Other Banks	63,707,036
FVOCI (IMA Account)	238,041,577
Accounts Receivable-Others	99,286,364
Deposit liability	1,750,000,000
Accrued expenses	89,576,469
Accounts payable-others	62,811,947
Paid In Capital Stock-common stock	2,680,000,000
Interest income	63,015
Fees and Commission Expense	2,203,014
Interest expense	94,251,042
	5,079,940,464

Breakdown of Accrued Expenses

Information technology	12,341,746
Management and other professional fees	39,438,092
Stationeries and Supplies	1,320,169
Fees and Commissions	1,065,414
Security Services	1,810,955
Advertising and Publicity	310,335
Postage, cables, telephone and telegraph	25,562,150
Fuel and Lubricants	101,433

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	Amount
Repairs and Maintenance	6,383
Interest expense	7,619,792
	89,576,469

27. Employee Benefits

Sick Leave Credits

Per existing policy, the cash value of the accumulated sick leave credits of the employees can be monetized excess of 40 days accumulated sick leave credits within the year.

Employees Benefits, Plan Amendment, Curtailment or Settlement

As of December 31, 2024, the Bank outstanding accrual for retired employees pursuant to EO No. 44 series of 2017 is P1.16 million.

28. Commitments and Contingent Liabilities

The Bank is contingently liable for lawsuits or claims filed by third parties, which are either pending decision by the courts or under negotiations, the outcomes of which are not determinable at balance sheet date.

29. Basic Quantitative Indicators of Financial Performance

	2024	2023
	(In percentage)	(In percentage)
Return on average equity	6.4	4.0
Return on average assets	1.7	1.1
Net interest margin	3.4	4.1
Risk Based Capital Adequacy Ratio	53.4	52.0

30. Capital Management

The overall capital management objective of the Bank is to create a more efficient capital structure while ensuring compliance with externally imposed capital requirements.

The Bank manages its capital by maintaining strong credit ratings and healthy risk-based Capital Adequacy Ratio to support its business and sustain its mandate. Adjustments to the Bank’s capital structure are made in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

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31. Management of Risks Related to Financial Instruments

Credit risk management

Credit risk is a possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. Traditionally, it refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection.

The Bank is exposed to credit risk as lender, holder of securities and as counterparty in trading activity.

Management of Credit Risk

Credit risk management aims to maintain its risk exposure within proper and acceptable parameters set out in contractual agreement.

The process involves the identification, measurement, and monitoring of actual or potential losses and implementation of appropriate measures by setting-up limits to credit exposures.

The Bank also manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and the correlation of credit risk with other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of the Bank.

The Bank manages credit risk through a structured risk management system and structure, to wit:

Risk Management System and Structure

The risk management framework at OFB is a top-down process where all risk policies and procedures are approved by the Board of Directors (BOD). The Board sets the overall risk tolerance of the Bank that is consistent with its business plan, financial strength and organizational capability.

BOD has created the Corporate Governance and Risk Management Committee (CGRMC), composed of two members of the Board, to oversee the implementation of risk management process that includes development of various risk strategies and principles, implementation of risk measurement tools, monitoring risk indicators and approval of risk limits.

The Parent Bank's Risk Management Group (RMG) under the group-wide structure supports the CGRMC in the identification, measurement, monitoring and control of risks. As an independent unit reporting directly to the Board of LBP, the RMG consults with OFB's business units through the Bank's Central Point of Contact Unit (CPCU) in identifying, measuring, and implementing risk management methodologies and controls. It assists business and operating units in measuring risk/return to better manage their risk profile.

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Senior Management of OFB is also actively involved in the planning, reviewing and assessing different risks being managed by the Bank through the various committees. The Management Committee ensures that all business objectives are align with the risk tolerance set by the Board. Due to the lean manpower of the Bank, its Management Committee functions as the Assets and Liabilities Committee (ALMC). This Committee is responsible for ensuring that market and liquidity risks are adequately addressed on long-term and daily basis.

The Parent Bank's Internal Audit Group (IAG) under the group-wide structure, provides another layer for independent check and balance to further strengthen risk controls and compliance. The IAG ensures that risk-takers comply with standards and established policies. It also evaluates the effectiveness and adequacy of the Bank's risk management framework particularly on its control processes.

The Bank outsources its Legal Office to its Parent Bank. The unit responsible for this is the Legal Services Group of LBP. It has the primary responsibility of reviewing all Banks' documents for completeness and enforceability under respective legal jurisdiction provided for the Service Level Agreement signed by the Bank.

The Credit Risk Management Department (CRMD) of the RMG reviews the Bank's effective impairment to assure proper loan classification and setting up of valuation reserves.

The Bank estimated a total of P3.8 million additional credit losses as of December 31, 2024 computed using Expected Credit Losses (ECL) Model of parent bank, LBP, with total booked allowance for credit losses of P46.74 million. For the same period, the Bank's Non-Performing Loan (NPL) stood at P27.31 million or 1.6 per cent of the total loan portfolio.

*Credit Risk Rating*

The Bank adopts the industry-specific and borrower-specific credit risk scorings with consideration on Single Borrower's Limit (SBL) rule.

In addition, the Bank shall also continue to use the expert-based credit rating system for banks and financial institutions.

*Credit Risk Monitoring*

The Bank has continuously adopted a formal reporting system for the BOD and Senior Management to be able to monitor the credit quality of individual and loan portfolio using asset quality indicators such as past due ratio, NPL ratio, level of non-performing assets, coverage ratio and concentration risk. Large exposures, breaches in regulatory and internal limits, potential credit risk, Directors, Officers, Stockholder and their Related Interests loans, Related Party Transactions and compliance with Real Estate Stress Test (REST) are intensively monitored by the CGRMC. The recovery of written-off accounts is also within the radar of the OFB Board, CGRMC and Management.

ECL assessment shall be applied to the following exposures.

- 1. Loans and receivables measured at amortized cost.

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2. Investments in debt instruments that are measured at amortized cost;
3. Investments in debt instruments that are measured at FVOCI; and
4. Due from Bangko Sentral ng Pilipinas and Due from Other Banks

Credit exposures follow the staging assessment:

Factor	Stage	Criteria
Age	Stage 1	<div><div>• Current</div><div>• One to 30 days past due</div></div>
	Stage 2	<div><div>31 to 90 days past due</div></div>
	Stage 3	<div><div>• More than 90 days past due (monthly installments)</div><div>• More than 30 days past due (lump sum payment, and quarterly, semi-annual and annual installments)</div></div>
Observable Impairment Indicators	Stage 1	General economic and market conditions
	Stage 2	<div><div>• Economic and market conditions adverse to the borrower</div><div>• Industry specific issues</div></div>
	Stage 3	Company-specific business, operational and financial (PFRS 9 loss events)
BSP Classification/ Internal Rating	Stage 1	<div><div>• 1 (Prime)</div><div>• 2 (High Grade)</div><div>• 3 (Good)</div><div>• 4 (Very Satisfactory)</div><div>• 5 (Satisfactory)</div><div>• 6 (Watchlist)</div></div>
		<div><div>• 7 (EM)</div><div>• 8 (Substandard)</div></div>
		<div><div>• 9 (Doutbful)</div><div>• 10 (Loss)</div></div>

The Bank’s exposures shall be further classified into the following stages:

Stage	Characteristics	ECL Assessment
1	credit exposures that are considered “performing” and with no significant increase in credit risk since initial recognition or with low credit risk	12 month
2	credit exposures that are considered “under-performing” or not yet non-performing but with significant increase in credit risk since initial recognition	Lifetime
3	credit exposures with objective evidence of impairment, these are considered as “non-performing”	Lifetime

The result of the credit evaluation is used as basis in adjusting credit lines periodically. To efficiently manage credit exposures, collateral and other applicable agreements are executed with counterparties whenever possible.

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The Bank monitors and reviews from time to time the credit practices and reporting, and if appropriate, approve credit policy changes and procedures to ensure that credit policies are appropriate and are being complied with. Accounts for write-off shall also approved by the BOD.

The Bank prepares a monthly report on credit quality as summarized below (in million Pesos):

	2024	2023
Neither past due nor impaired	1,707.65	1,753.40
Past Due but not impaired	6.40	9.74
Impaired	27.31	26.06
	1,741.36	1,789.20
Less: Specific allowance for credit losses	27.22	23.42
	1,714.14	1,765.78

The Bank further classifies its NPL into secured and unsecured (in million Pesos):

	2024	Per cent	2023	Per cent
Secured	0	0	0	0
Unsecured	27.31	100	26.06	100
	27.31	100	26.06	100

Credit Stress Test

The Bank regularly conducts stress testing of individual large exposure and its loan portfolio taking into account plausible risk events with high probability of occurrence. Utilizing such scenarios with documented assumptions, tests are done to determine the magnitude of impact on the loan portfolio, on the Credit Risk Weighted Assets, and finally on the Common Equity Tier 1 (CET1) Ratio. The stress testing also includes prescribed regulatory tests such as uniform stress test and REST. Likewise, various loan portfolio assessment and review are conducted to determine impact of a certain event and government regulation to the Parent’s loan portfolio, past due ratio and CET 1. Results of the stress testing, together with the contingency plans, are validated by the CRMD and escalated to CGRMC.

Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Bank has established concrete guidelines and procedures relative to managing, monitoring and reporting large exposures and credit risk concentrations in accordance with the rules and regulations issued by the BSP.

Overall credit risk management oversight is a function of the BOD level CGRMC. In general, mitigation measures on credit risks are implemented at various levels.

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As of December 31, 2024, the Bank's qualifying capital covering credit risk is P1.37 billion. On the other hand, the SBL is pegged at P341 million for direct lending.

The following shows the concentration of credit risk by industry at the reporting date (in million Pesos):

	2024	2023
Salary-Based General-Purpose Consumption Loans	1,741.36	1,789.20
	1,741.36	1,789.20
Allowance for Credit Losses	(27.22)	(23.42)
	1,714.14	1,765.78

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates, equity prices, commodity prices and other market indicators which may affect the Bank's income or values of its financial assets. The Bank uses mark-to-market and factor sensitivity to manage risk on its securities portfolios.

The Bank is exposed to market risk that originates primarily from its risk-taking activities on fixed income investments in securities and foreign exchange effects. Transaction limits are used to operationally manage market risks.

Treasury market risks originate from its holdings of debt securities mainly as compliance to liquidity reserves for government deposits. Further, it classifies its debt securities exposures under trading and non-trading portfolios.

The Bank uses a combination of stress testing, CET 1 ratio and capital metrics to manage market risks and establish limits. The OFB BOD and CGRMC define and set the various market risk limits for each treasury portfolio. The Electronic Business Unit manages the liquidity and reserve positions, conducts risk-taking activities and seeks approval from President and CEO.

The Bank also adopts the following staging assessment for its treasury exposures based on external rating:

- Stage 1 - investment grade
- Stage 2 - downgrade to speculative/non-investment grade; risk ratings downgraded by at least two rating grades
- Stage 3 - default

As of December 31, 2024, remaining Government Securities classified under Fair Value thru Other Comprehensive Income with average yield to maturity of 3.5 per cent registered an unrealized gain/mark-to-market loss of P1.67 million for a P50 million portfolio.

Market Risk Measurement

Treasury portfolio is measured at mark-to-market to measure market risk in the books under normal conditions.





*Liquidity Risk Management*

The Bank’s liquidity Risk Management (RM) process is consistent with its general RM framework covering risk identification, measurement and analysis, monitoring and control. The Treasurer through the Management Committee is responsible for the implementation of sound policies and procedures keeping in mind the strategic direction and risk appetite of the Bank. The basic liquidity policy of the Bank is to maintain fund availability at all times and hence, to be in a position to meet all of its obligations, in the normal course of business.

The Bank considers liquidity risk based on market and funding liquidity risk perspectives. Market liquidity risk refers to inability to unwind positions created from market, exchanges and counterparties due to temporary or permanent factors. It is the risk that the Bank cannot easily offset or eliminate a position at the market price because of inadequate market depth or through market disruption.

Market liquidity risk is also associated with the probability that large transactions may have a significant effect on market prices in markets that lack sufficient depth. This liquidity risk perspective is captured through stress testing or scenario analysis.

Funding liquidity risk is the risk that the Bank will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Bank. It occurs from the mismatch of asset, liability, exchange contract and contingent commitment maturities. Funding liquidity risk is being monitored and controlled through the classification of maturities of assets and liabilities over time bands and across functional currencies as reflected in the Liquidity Position Matrix (LPM) and the Intraday Liquidity Reports.

The Bank’s Board exercises oversight through CGRMC and has delegated the responsibility of managing overall liquidity to the Treasurer and the Management Committee. They are responsible for the daily implementation and monitoring of relevant variables affecting liquidity position. The Treasurer presents to the Management Committee the assets and liabilities position on a regular basis where the Management Committee recommends measures to promote diversification of its liabilities according to source, instrument and currency to minimize liquidity risks resulting from concentration in funding sources. The Bank performs a comprehensive liquidity risk measurement and control using LPM.

*Liquidity Risk Measurement Models*

The Bank conducts liquidity gap analysis using the LPM. This risk measurement tool is used in identifying the current liquidity position and the Bank’s ability to meet future funding needs. It categorizes balance sheet items according to estimated maturities of assets and liabilities in order to determine any future mismatch such as long-term assets growing faster than long term liabilities.

Financial ratio analysis is another liquidity risk measurement tool that calculates and compares liquidity leverage ratios derived from information on financial statements against set liquidity/ leverage limits.


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The following table sets out the liquidity ratios as of December 31, 2024.

Liquid Assets (Cash and Due From BSP/ Local Bank, Government Securities)	P2,996,085,067
Financial Ratios:	
Liquid Assets to Total Assets	60.1%
Liquid Assets to Total Deposits	87.5%

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# CORPORATE INFORMATION

## OWNERSHIP

OFBank is a wholly-owned, digital bank of LANDBANK.

## BANK WEBSITE

The OFBank website, [www.ofbank.com.ph](http://www.ofbank.com.ph), contains the Bank’s corporate information, products and services, and financial and operational highlights.

## HEAD OFFICE

OFBank Center  
Liwasang Bonifacio, Ermita, Manila  
1000 Philippines

## TELEPHONE NUMBER

(632) 8405-7000

## CUSTOMER CARE

Phone: (632) 8405-7000, 1-800-10-405-7000 (PLDT/Smart Toll-Free Number)  
Email: [customer.care@ofbank.com.ph](mailto:customer.care@ofbank.com.ph)  
Website: [www.ofbank.com.ph](http://www.ofbank.com.ph)

## ACKNOWLEDGMENT

For the OFBank client testimonials, we give special thanks to Mr. Nico Yater De Guzman, Ms. Arlene Y. Calamay-Longcop, and Mr. Dario P. Aladin.





# PRODUCTS AND SERVICES

From its inception, OFBank has always pursued significant strides towards enhancing financial accessibility and convenience. This drive to set a new standard for inclusive banking is consistent with its recognition as the country’s first licensed digital bank. Through its MBA, OFBank is currently revolutionizing how Filipinos worldwide engage with formal financial services, powered by cutting-edge technologies such as the DOBSAI.

The cornerstone of OFBank’s approach lies in its commitment to break down barriers to financial inclusion. With the DOBSAI, a secure mobile account opening facility powered by liveness detection technology and optical character recognition capability, clients can embark on their banking journey from anywhere, anytime—eliminating the need for in-person visits to bank branches or meet-ups with authorized bank personnel.

OFBank’s MBA offers a suite of account options, ensuring that every client’s financial needs and circumstances are catered to:

## A. PESO DENOMINATED ACCOUNTS



### 1. OFBank Visa Debit Account:

Designed specifically for OFWs and OFs, this savings account is offered with a Visa Card ATM, empowering users with seamless global transaction capabilities.





2. OFBank Regular Debit Account:

Aimed at minors (below 18 years old but not younger than 7 years old) who are beneficiaries of OFWs and OFs, this account serves as a secure foundation for their financial journey.



3. OFBank Visa Debit Beneficiary Account:

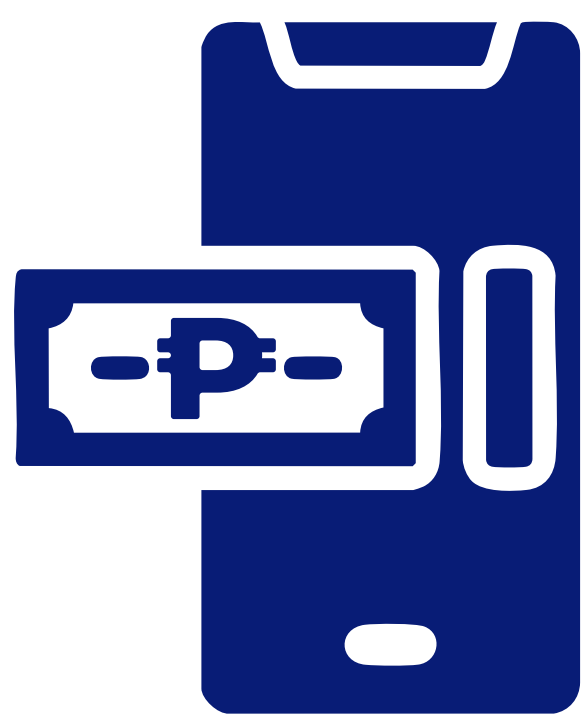
For beneficiaries of OFWs and OFs aged 18 years and above, this account comes with a Visa ATM Card, providing a gateway to formal financial services.

Features



a. Fund Transfer Module:

Fast, convenient, and secure way of transferring funds between bank accounts. There are no charges for fund transfers between OFBank accounts and from/to LANDBANK accounts, regardless of the number of transactions. Fund transfers to other commercial bank accounts can also be made, subject to applicable charges, using InstaPay.



b. Cardless Withdrawal

Allows OFBank clients to conduct cardless withdrawals using the Mobile Banking App through any LANDBANK ATMs.





**c. Bills Payment Facility**

Hassle-free online payment for hospital bills, utility bills, school tuition, insurance premiums, food deliveries, and more to over 800 merchants/billers, with just a few clicks on the mobile phone.



**d. Investment Services**

Online access/purchase of low-risk investments (Retail Treasury Bonds/Premyo Savings Bonds). A Peso-denominated medium to long-term debt securities issued by the Republic of the Philippines (ROP) through the BTr.

**A. US DOLLAR DENOMINATED ACCOUNTS**

**OFBank US Dollar Account:**



Tailored for retail dollar bond investors, this US Dollar-denominated savings account offers access to low-risk investments (Retail Dollar Bonds) through the OFBank MBA. Retail Dollar Bonds are medium to long-term debt securities denominated in US Dollars issued by the ROP through the BTr.

Complementing the major products and services are other MBA functionalities:

- Quick Balance
  - Mobilock
  - Loan Application
  - One-Time PIN (OTP) Generator
- Customer Service
  - Viewing of transaction history (Fund Transfer, Bills Payment, Deposit, and Withdrawal transactions)
  - QR Code generation



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