



Overseas Filipino Bank

A Digital Bank of  **LANDBANK**

2

Reaching Farther,
Rooted in Trust



25

ANNUAL REPORT



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OFBANK CHARTER STATEMENT

MISSION

“OFBank is committed to empowering Overseas Filipinos and their families by delivering innovative, inclusive, and sustainable financial solutions. Through the Bank’s Overall Financial Wellness Program for Overseas Filipino Workers (OFW4OFW Program), we aim to enhance financial security and well-being while actively supporting national development. Guided by our dedication to resilience, equality, and social inclusion, OFBank strives to be a driving force in shaping a better future for the global Filipino community.”

VISION

“OFBank will be the most trusted and leading bank dedicated to Overseas Filipinos and their families, supporting national development while fostering inclusive financial services with commitment to resilience, equality, and social inclusion.”

CORE VALUES

At the heart of OFBank's commitment is the belief that every Overseas Filipino and their family should have access to financial opportunities that promote security, growth, and equality. This core value reflects the Bank's dedication to empower its clients by providing inclusive and innovative financial solutions. These solutions are designed to be adaptable and future-ready, ensuring that OFs and their families can overcome challenges, enhance their financial well-being, and contribute to national development.

By focusing on resilience, equality, honesty, integrity, customer-centricity, creativity, unity, cohesiveness, and social inclusion, OFBank seeks to create a positive impact not only for individual clients but also for the entire global Filipino community. This empowerment value reinforces the Bank's mission to foster financial independence and create lasting economic security for its clients.

1 EMPOWERMENT THROUGH INCLUSIVITY AND INNOVATION

OFBank is committed to empowering Overseas Filipinos and their families by providing inclusive and innovative financial solutions. Through tailored services and cutting-edge financial products, the Bank ensures that its clients can overcome challenges, enhance their financial security, and contribute to national development. This value drives OFBank's commitment to fostering resilience, equality, and social inclusion within the global Filipino community.

2 UPHOLDING ETHICAL STANDARDS

OFBank operates with the highest level of honesty and integrity, adhering to ethical standards in all transactions and relationships. Transparency, fairness, and trustworthiness form the bedrock of all operations, ensuring that every decision reflects the best interests of clients, partners, and stakeholders.

3 CUSTOMER-CENTRICITY

OFBank places its customers at the center of its mission. By understanding the unique needs and preferences of Overseas Filipinos and their families, OFBank tailors its services and products to meet those needs effectively. The Bank aims to provide exceptional customer service, fostering trust and loyalty through consistent and reliable support.

4 INNOVATION AND CREATIVITY

Innovation is at the core of OFBank's strategy, constantly seeking creative ways to design products and services that are safe, reliable, and relevant to the evolving needs of Overseas Filipinos and their families. The Bank promotes a culture of creativity, ensuring its financial offerings remain future-ready and aligned with global best practices.

5

ORGANIZATIONAL COHESIVENESS AND UNITY

OFBank thrives on shared values, responsibilities, and trust among its team members. By fostering a cohesive and united organization, OFBank encourages positive relationships, mutual success, and a commitment to its mission. Collaboration across all levels of the organization is essential to achieving shared goals and creating a lasting impact.

6

SOCIAL RESPONSIBILITY

As a socially responsible bank, OFBank is committed to operating in an ethical, environmentally friendly, and socially conscious manner. Its decisions and activities are designed to benefit not only its clients and shareholders but also the broader community. This value amplifies the Bank's commitment to sustainable growth and ethical business practices, ensuring a positive impact on society and the environment.

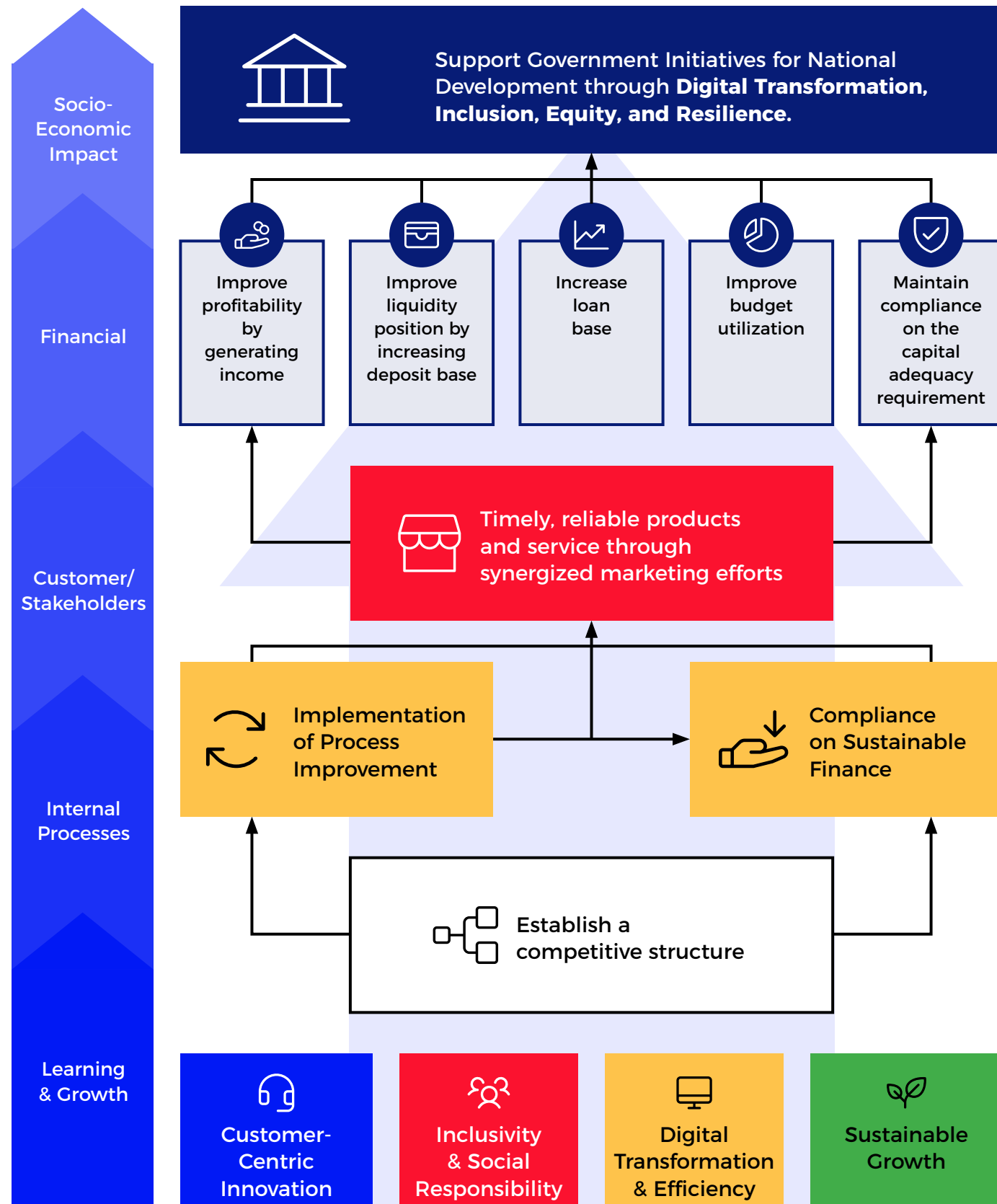
These core values serve as the guiding principles for OFBank as it strives to fulfill its vision and mission, creating a trusted financial institution that uplifts Overseas Filipinos and their families while contributing to national development.





OFBANK

CHARTER STATEMENT



CORPORATE PROFILE

Overseas Filipino Bank (OFBank) is the Philippines' first and only government-owned digital-only bank and a wholly owned subsidiary of LANDBANK.

Established to serve Overseas Filipino Workers (OFWs), Overseas Filipinos, their beneficiaries, and underserved sectors, OFBank provides secure, convenient, and fully digital banking services accessible anytime, anywhere in the world.

The Bank's digital-first operating model eliminates geographical barriers to banking by enabling customers to open accounts, transfer funds, pay bills, invest in government securities, and access banking services entirely through digital channels.

As a government institution operating at the intersection of financial technology and public service, OFBank plays a critical role in advancing financial inclusion, digital transformation, and economic empowerment among Filipinos globally.





OFBANK THE FINANCIAL HOME OF FILIPINOS WORLDWIDE

Always Close to Home.

Home is more than a place. It is family waiting for a call, children pursuing their dreams, parents cared for with dignity, and aspirations built through hard work and sacrifice.

For millions of Filipinos living and working overseas, home remains at the center of every financial decision. Every remittance sent is an expression of love. Every peso saved is a step toward a better future. Every investment is a commitment to long-term security. Every financial goal is ultimately connected to the people and places that matter most.

That is why Overseas Filipino Bank (OFBank) exists.

As the Philippines' first government-owned digital-only bank dedicated to Overseas Filipinos and their families, OFBank brings trusted financial services closer to Filipinos wherever they may be. It combines the strength of a government institution with the convenience of modern digital banking, making it easier to save, send, invest, and grow across borders.

But OFBank is more than a bank.

It is a trusted partner in every Filipino journey—from first earnings abroad and supporting loved ones back home, to building wealth, achieving aspirations, and securing a brighter future for generations to come. Through financial inclusion, innovation, and empowerment, OFBank helps transform hard work into lasting progress.

Because behind every account is a family. Behind every remittance is a sacrifice. Behind every financial goal is a dream.

And behind every Filipino, wherever they are in the world, is a financial home they can trust.



COMPLIANCE MANAGEMENT



COMPLIANCE MANAGEMENT

OFBank maintained a compliance and internal control framework designed to support adherence to applicable banking laws, BSP regulations, anti-money laundering and counter-terrorism financing requirements, data privacy obligations, financial consumer protection standards, cybersecurity directives, internal policies, and regulatory reporting requirements. Compliance risk management was treated as a shared responsibility across the organization, supported by monitoring activities, policy advisories, regulatory updates, training, testing, and reporting to Management and appropriate Board-level committees.

The internal control system supported the reliability of financial and regulatory reports, safeguarding of assets, integrity of digital operations, proper authorization of transactions, protection of customer information, and timely identification of control gaps. Internal Audit provided independent and objective assurance on the adequacy and effectiveness of governance, risk management, internal controls, technology controls, regulatory compliance, and operational processes. Audit results and compliance observations were tracked through management action plans with assigned accountable units, target dates, validation procedures, and periodic status reporting.



OFBANK BUSINESS MODEL

The Financial Home of Filipinos Worldwide
Always Close to Home

OFBank's business model is founded on a singular purpose: to serve as the trusted financial partner of Overseas Filipinos and their families throughout every stage of their financial journey. It leverages digital technology, strategic partnerships, and government trust to deliver accessible, secure, and inclusive financial services regardless of geography.

The Bank creates value by connecting Filipinos worldwide to financial opportunities that enable them to save, send, invest, borrow, and build long-term financial security. Through its fully digital platform, customers can conveniently manage their finances anytime, anywhere, allowing them to remain connected to their families, goals, and future in the Philippines while pursuing opportunities across the globe.

The Bank generates value through a diversified mix of deposit-based earnings, lending activities, treasury and investment income, transaction services, and strategic partnerships. At the same time, it advances broader national objectives by promoting financial inclusion, supporting migrant welfare, mobilizing savings, and strengthening engagement with the global Filipino community.

Supported by the strength of the LANDBANK Group and enhanced by a digital-first operating model, OFBank combines the credibility of a government financial institution with the convenience and efficiency of modern banking. This enables the Bank to deliver sustainable value to customers, stakeholders, and the nation while remaining responsive to the evolving needs of Filipinos worldwide.

At the core of OFBank's business model are five interconnected pillars:



SAVE

Mobilizing deposits and encouraging financial discipline through accessible digital savings products.



SEND

Facilitating remittances, fund transfers, and payments that connect Overseas Filipinos with their families and financial obligations at home.



INVEST

Providing access to government securities and other investment opportunities that support wealth creation and long-term financial resilience.



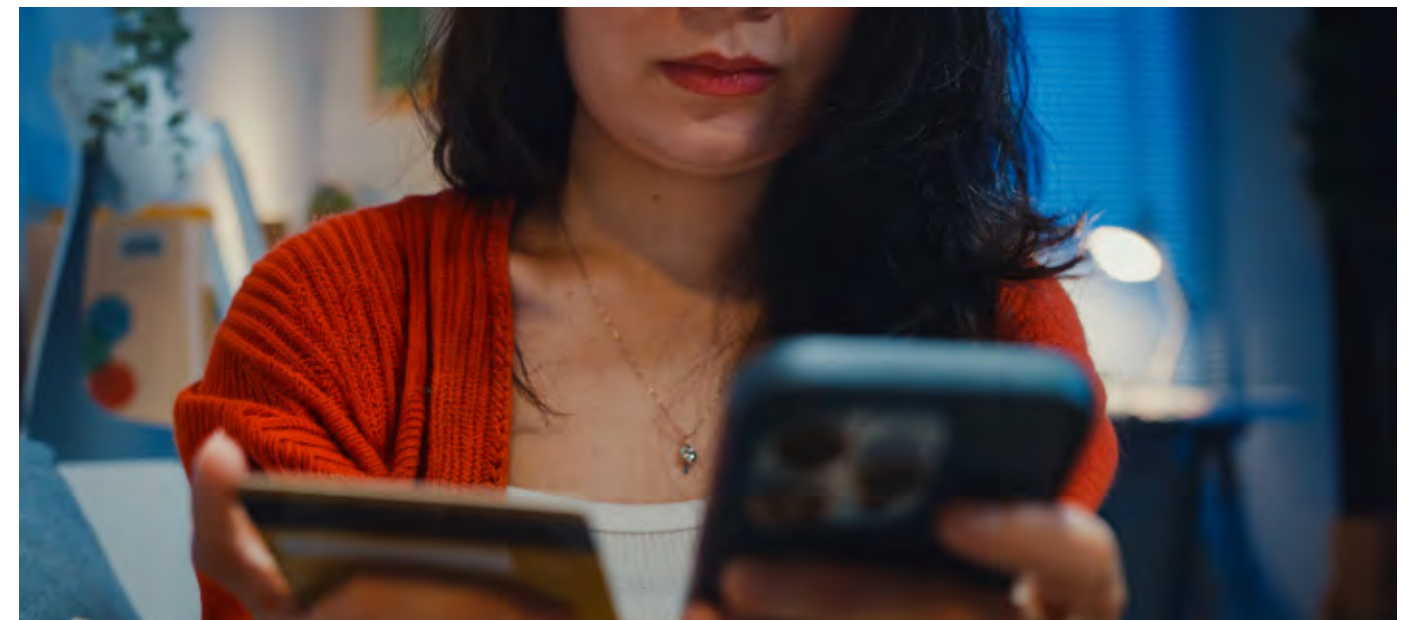
BORROW

Offering responsible and sustainable financing solutions that help customers achieve personal, family, and entrepreneurial goals.



LEARN

Empowering customers through financial literacy, investment education, and digital financial capability programs that promote informed financial decision-making.





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, 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 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 also added in the contact us portion of the website for compliance to BSP M-2021-031 where it shows the handling process of the customer's concerns. | ☒ Anti-Red Tape Act (ARTA) Compliance Report |
| ☒ Statement of Financial Position | ☒ Revised on whistleblowing reporting |
| ☒ Trial Balance | ☒ OFBank Performance Scorecard and Accomplishment |
| ☒ Citizens' Charter | ☒ Corporate Social Responsibility |
| ☒ Certification of Code of Conduct | ☒ Board Committees and Charters |
| ☒ Certification of Compliance | ☒ Annual Procurement Plan |
| | ☒ Links to Government Offices |



CHAIRPERSON'S MESSAGE





LYNETTE V. ORTIZ

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

The story of OFBank is one of Filipinos who, despite the distance, remain deeply connected to home. Every day, millions of overseas Filipinos work tirelessly to support their families, shape brighter futures, and help move our nation forward. Their sacrifices, resilience, and enduring ties to the Philippines uplift communities and enrich lives nationwide.

In 2025, remittances from overseas Filipinos climbed up to US\$39.62 billion – a new

milestone that reflects their steadfast role in sustaining the Philippine economy and the well-being of millions of families across the country. OFBank is honored to champion these efforts by delivering seamless digital banking solutions that empower them to manage their finances with confidence and care for the people who matter most.

Through OFBank's Mobile Banking Application, Filipinos around the globe

NEW MILESTONE

IN 2025

**US \$39.62
BILLION**

TOTAL REMITTANCE
FROM OVERSEAS FILIPINOS



CHAIRPERSON'S MESSAGE

gain access to a growing suite of financial products and services built around their needs – from everyday banking to Retail Treasury Bonds and other government securities. In doing so, OFBank helps transform their earnings into avenues for long-term growth, greater independence, and a direct stake in the country's development.

As the digital landscape evolves, OFBank remains focused on deepening engagement with customers, partners, and stakeholders worldwide. We continue to elevate service delivery, sharpen operational efficiency, and harness technology to create more responsive and rewarding banking experiences for Filipinos everywhere.

As Chairperson of OFBank, I am proud of the progress we have achieved and optimistic about the opportunities ahead. Anchored in innovation, strengthened by our partnership with LANDBANK, and inspired by the extraordinary contributions of overseas Filipinos, we will continue to advance financial inclusion and digital transformation in the service of our people.



Lynette V. Ortiz
LYNETTE V. ORTIZ

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

PRESIDENT'S REPORT





ELCID C. PANGILINAN

OFBank, President and CEO

In 2025, OFBank further strengthened its role as the Philippines' first government-owned digital-only bank and the official digital bank of the Philippine Government, advancing its mission of delivering accessible, secure, and innovative financial solutions for Overseas Filipinos and their families worldwide.

Guided by our mandate to promote financial inclusion, we continued to leverage digital innovation to expand access to banking services, deepen engagement with global



Guided by our mandate to promote financial inclusion, we continued to leverage digital innovation to expand access to banking services, deepen engagement with global Filipino communities, and deliver meaningful value to our clients and stakeholders.

Filipino communities, and deliver meaningful value to our clients and stakeholders. Throughout the year, we remained focused on making banking more convenient, responsive, and empowering for Filipinos wherever they may be.

PRESIDENT'S REPORT

Strengthening Financial Performance and Institutional Resilience

OFBank achieved sustained growth and stronger financial performance in 2025, reflecting the continued trust of clients and stakeholders in our digital banking model.

The Bank posted a net income of P111.71 million, up 30% from P86.01 million in 2024, while total assets grew by 12% to P5.56 billion. Total equity likewise rose to P1.48 billion, supported by sustained earnings and prudent financial management. The

continued growth of individual deposits further affirmed the confidence of clients worldwide in OFBank as their preferred digital banking partner.

These results were achieved through a lean and efficient operating model, demonstrating the scalability of our branchless banking platform while enabling us to deliver quality service and greater value to our clients.

Driving Financial Inclusion for Overseas Filipinos

Beyond financial performance, OFBank remained steadfast in advancing its core mandate of expanding financial access and inclusion for our kababayans across the globe.

Through our fully digital platform, clients can conveniently save, invest, remit, and manage their finances anytime and anywhere, overcoming barriers posed by distance and geography. As more Filipinos pursue opportunities overseas, we remain



P111.71
million

Net Income in 2025



P1.48
billion

Total Equity in 2025



PRESIDENT'S REPORT

committed to ensuring that reliable, secure, and accessible banking services are always within reach, helping them stay connected to their financial goals wherever they are.

A key priority in 2025 was strengthening engagement with overseas-based Filipinos through strategic government and community platforms. Through sustained on-site marketing activities at the Department of Migrant Workers (DMW) Central Office and Seafarers Hub, as well as participation in Pre-Departure Orientation Seminars (PDOS) and Employment Permit System (EPS) programs, OFBank directly engaged overseas workers and aspiring migrants before their deployment abroad.

More than promoting digital banking solutions, these engagements allowed us to provide financial education and practical guidance to help clients make informed decisions and build long-term financial resilience.

Building Strategic Partnerships for Greater Impact

Strategic partnerships continued to expand

OFBank's contribution to financial inclusion and national development.

In 2025, the Bank formalized its collaboration with the Commission on Filipinos Overseas (CFO) to strengthen financial education, promote financial inclusion, and widen access to digital banking services for Overseas Filipinos and their families.

OFBank also joined the DMW's National Reintegration Network (NRN), reinforcing our support for programs on financial literacy, fraud awareness, digital financial inclusion, and long-term economic empowerment.

Together, these partnerships strengthened OFBank's role in supporting Filipino migrants and their families throughout every stage of their financial journey, while contributing to the government's broader financial inclusion agenda.

Enabling Wealth Creation and Supporting Nation-Building

In 2025, OFBank also broadened opportunities for Filipinos abroad to build wealth while contributing to national development.

Through our active participation in the Bureau of the Treasury's Retail Treasury Bond (RTB) 31 Global Roadshows across the Middle East, Asia, Europe, and North America, we helped promote investment awareness among Overseas Filipinos and encouraged greater participation in government securities.

As one of only three participating banks offering end-to-end digital investment in RTB 31, OFBank made government investment instruments more accessible to Filipinos regardless of location. This enabled our kababayans abroad to strengthen their financial security while directly supporting government programs and development priorities.

Expanding Global Reach

OFBank further strengthened its presence among Filipino communities abroad through its participation in the DMW's BBM Serbisyo Caravan in Hong Kong, a major government outreach initiative for Filipinos overseas.

Through financial literacy sessions, digital banking promotions, and account-opening

assistance, we brought our services closer to our kababayans and reinforced the value of safe, convenient, and technology-enabled banking.

These engagements reflect our continuing commitment to making reliable financial services accessible to Filipinos wherever they live and work.

Maintaining Trust Through Strong Governance

Underpinning these accomplishments is OFBank's unwavering commitment to sound governance, operational excellence, and financial stability.

The Bank maintained a strong Capital Adequacy Ratio of 56.8%, significantly above regulatory requirements, demonstrating its solid capacity to support future growth while prudently managing risks.

The Commission on Audit (COA) likewise issued an unmodified opinion on OFBank's 2025 financial statements, affirming the integrity, transparency, and reliability of the Bank's financial reporting.



These achievements were supported by a lean and efficient operating model that enables OFBank to maximize resources while consistently delivering quality service to clients.

Advancing the Future of Digital Banking for Global Filipinos

Looking ahead, OFBank remains committed to strengthening its digital capabilities, deepening strategic partnerships, and expanding initiatives that advance financial education and inclusion for Overseas Filipinos worldwide.

We will continue to develop customer-centric digital solutions that respond to the evolving needs of migrant workers, their families, and global Filipino communities, making banking more accessible, responsive, and empowering.

The accomplishments of 2025 reflect OFBank's continued transformation as a trusted digital banking partner of the global Filipino community. Guided by our mandate and inspired by the resilience of Filipinos around the world, we remain committed

to creating meaningful opportunities, promoting financial empowerment, and delivering lasting value to our clients, stakeholders, and the nation.



Looking ahead, OFBank remains committed to strengthening its digital capabilities, deepening strategic partnerships, and expanding initiatives that advance financial education and inclusion for Overseas Filipinos worldwide.


ELCID C. PANGILINAN
 OFBank, President and CEO



FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

In its operations throughout 2025, 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 P111.71 million, marking a significant improvement over the previous year’s net income of P86.01million. 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, Land Bank of the Philippines.

The Bank experienced a robust 12% 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 57% 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 fully provisioned for by allowances. Non-performing assets (NPA) represented only 0.6% of total gross assets, demonstrating prudent risk management practices.

In terms of operational management, administrative expenditures accounted for 64% of total expenses, a figure that translated to 42% of gross revenues, reflecting efficient cost management strategies.

Looking ahead, liquidity ratios for 2025 remained high and are anticipated to strengthen further, positioning OFBank to navigate future challenges and sustain its pivotal role in supporting Overseas Filipinos and contributing to the nation’s economic growth.

P111.71
MILLION

reported net
income of 2025

12%

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

57%

CAR surpassed the BSP’s
minimum requirement

0.6%

total gross assets
represented by NPA

64%

administrative expenditures
of total expenses

42%

administrative expenditures
relative to gross revenue

FINANCIAL SUMMARY/FINANCIAL HIGHLIGHTS

	2025 (AUDITED)	2024 (RESTATED)
PROFITABILITY		
Total Net Interest Income	213,526,264	167,697,725
Total Non-interest Income	32,109,353	34,225,854
Total Non-interest Expenses	133,924,740	112,110,498
Pre-provision profit	111,710,877	89,813,081
Provision for Credit Losses	0	3,800,000
Net Income	111,710,877	86,013,081
SELECTED BALANCE SHEET DATA		
Liquid Assets	2,848,267,538	2,996,085,067
Gross Loans	1,460,973,731	1,741,362,255
Total Assets	5,562,618,838	4,981,838,438
Deposits	3,763,489,247	3,423,934,429
Total Equity	1,479,992,156	1,367,397,906
SELECTED RATIOS		
Return on Equity	7.8%	6.4%
Return on Assets	2.3%	1.7%
CET1 Capital Ratio	56.1%	52.6%
Tier 1 Capital Ratio	56.1%	52.6%
Capital Adequacy Ratio	56.8%	53.4%

	2025 (AUDITED)	2024 (RESTATED)	GROWTH RATE (%)
Gross Revenues	321,054,408	303,354,947	6%
Total Expenses	209,343,531	217,341,866	-4%
Net Income	111,710,877	86,013,081	30%
Net Income/(Loss) After Other Comprehensive Income/(Loss) – (if applicable)	112,594,250	88,422,957	27%
Total Resources	5,562,618,838	4,981,838,438	12%
Total Liabilities	4,082,626,682	3,614,440,532	13%
Total Equity	1,479,992,156	1,367,397,906	8%

KEY PERFORMANCE RATIOS AND INDICATORS

2025 (AUDITED)

CAPITAL ADEQUACY	2025	2024
Capital Adequacy Ratio (CAR)	56.8%	53.4%
Capital (Tier 1) (P'000)	1,463,192	1,348,586
Equity to Total Assets	26.6%	27.4%
ASSET QUALITY		
Past Due Ratio	3.4%	1.9%
NPL Ratio - Gross	2.4%	1.6%
NPL Ratio - Net	0.6%	0.1%
NPL Coverage	77.4%	96.8%
NPA to Gross Assets	0.6%	0.5%
NPA Coverage	132.8%	168.2%
Loan Loss Reserve to Total Loan Portfolio	3.2%	2.7%
MANAGEMENT		
Administrative to Total Expense	64.0%	53.1%
Overhead Cost to Gross Revenue	41.7%	38.0%
EARNINGS/PROFITABILITY		
Net Income/(Loss) (P'000)	P111,711	P86,013
Return on Assets	2.3%	1.7%
Return on Equity	7.8%	6.4%
Net Interest Margin	4.4%	3.4%
LIQUIDITY		
Loans to Deposits	38.8%	50.9%
Liquid Assets to Deposits	75.7%	87.5%

CAPITAL AND CAPITAL RATIOS

As of Dec. 31, 2025, OFBank's paid-up capital stood at P2.68 billion, with net capital reaching P1.48 billion—an increase of P112.6 million from the previous year, primarily driven by higher net earnings.

Consistent with Basel III and Bangko Sentral ng Pilipinas (BSP) requirements, the table below details the composition of the Bank's comparative Common Equity Tier 1 (CET1) capital, regulatory deductions, and total qualifying capital for 2025 and 2024. All amounts are in million pesos unless otherwise noted.

	2025 AUDITED	2024 AUDITED
TIER 1 CAPITAL		
COMMON EQUITY TIER 1 (CET1) CAPITAL		
Paid-up Common Stock	2,680	2,680
Deposit for Common Stock Subscription	0	0
Retained Earnings	(1,314)	(1,401)
Undivided Profits	112	86
Other Comprehensive Income	2	1
Total	1,480	1,366
REGULATORY DEDUCTIONS FROM CET1 CAPITAL	133,924,740	112,110,498
a. Unsecured Directors, Officers, Stockholders, and their Related Interests (DOSRI) Loans		
b. Deferred Income Tax	17	18
c. Other intangible assets		
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)		
h. Other equity investments in non-financial allied undertakings and non-allied undertakings		
Total	17	17
Net CET1 Capital	1,463	1,348
Additional Tier 1 Capital	0	0
Total Tier 1 Capital	1,463	1,348
Tier 2 Capital	20	20
General Loan Loss Provision		
Total Tier 2 Capital	20	20
Total Qualifying Capital	1,483	1,368



The Bank's CET1 capital increased by 8% in 2025 or P112.6 million from P1,348 million the previous year due to net earnings.

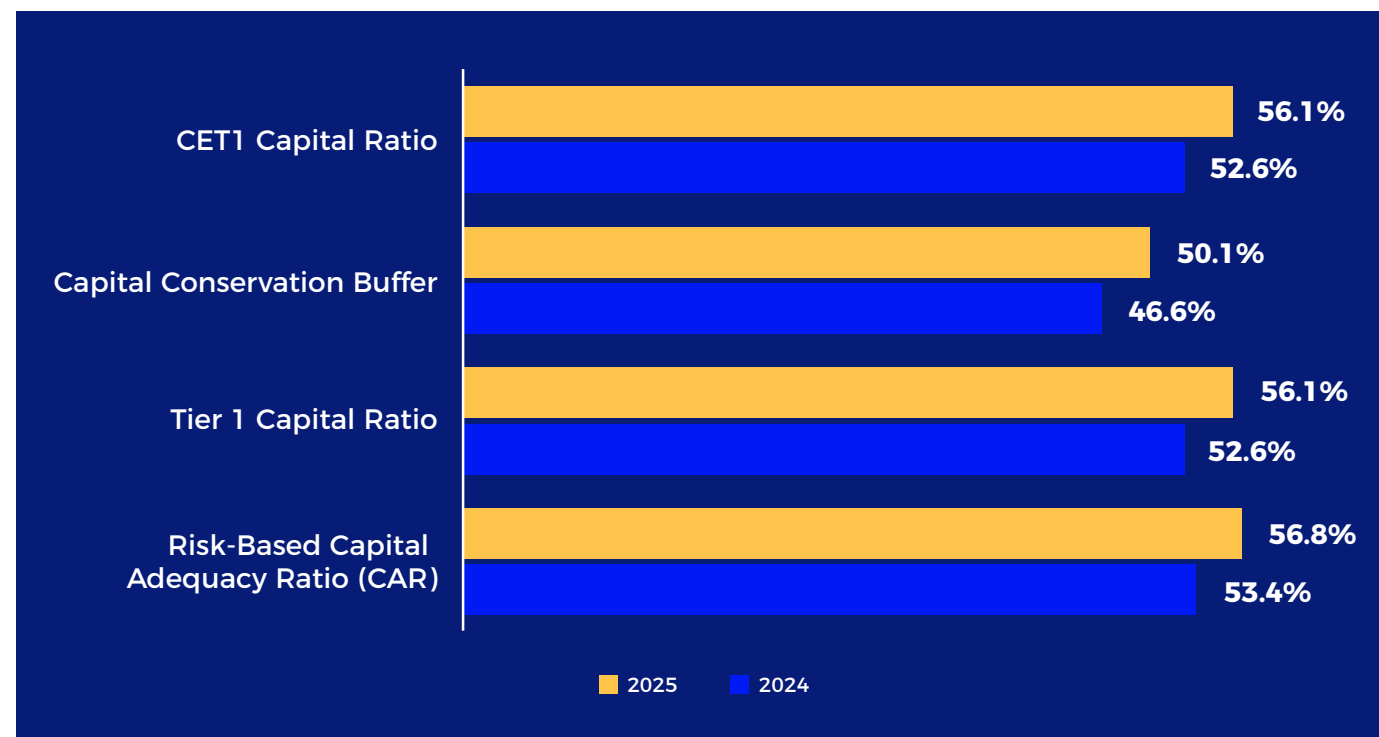
The full reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements are as follows (amount in Million Pesos):

Account Description	OFBank					
	2025			2024		
	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	(1,314)	0	(1,314)	(1,401)	0	(1,401)
Revaluation Increment	0	0	0	0	0	0
Undivided Profits	112	0	112	86	0	86
Other Comprehensive Income						
Net Unrealized Gains or Losses on Available-for-Sale (AFS) Securities	2	0	2	1	0	1

Account Description	OFBank					
	2025			2024		
	Regulatory Capital	Reconciling Items	Audited Financial Statements	Regulatory Capital	Reconciling Items	Audited Financial Statements
Remeasurement of retirement benefit obligation						
Currency Translation Difference						
Others						
Deductions	17	0	17	18	0	18
Tier 1 (CET1) capital/Total equity	1,463	0	1,463	1,348	0	1,348
Tier 2 Capital	20		20	20		20
Total Qualifying Capital/Total equity	1,483	0	1,483	1,368	0	1,368

	2025	2024
Risk-Weighted Assets		
Credit Risk-Weighted Assets		
Total Risk-Weighted On-Balance Sheet Assets	2,249	2,309
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)	20	20
Total Credit Risk-Weighted Assets	2,249	2,309
Market Risk-Weighted Assets		
Interest Rate Exposures		
Equity Exposures		
Foreign Exchange Exposures		
Options	0	0
Total Market Risk-Weighted Assets	0	0
Total Operational Risk-Weighted Assets	360	252
Total Risk-Weighted Assets	2,609	2,561

There was an increase in total risk-weighted assets (RWA) at 1.9% from P2,561 million to P2,609 in 2025.



CET1 ratio increased to 56.1% in 2025 from 52.6% in the previous year due to increase in earnings. The CAR remains significantly above the Bangko Sentral ng Pilipinas (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



STRENGTHENING OFBANK'S PRESENCE THROUGH SUSTAINED ON-SITE MARKETING AND FINANCIAL EDUCATION PROGRAMS

In 2025, Overseas Filipino Bank (OFBank) significantly enhanced its nationwide client acquisition and financial literacy efforts through the sustained conduct of daily marketing activities at the Department of Migrant Workers (DMW) Central Office in Ortigas and Seafarers Hub. These strategic engagement platforms enabled the Bank to maintain direct and continuous interaction with Overseas Filipino Workers (OFWs), seafarers, and prospective overseas workers at critical stages of their migration journey.

Complementing these marketing initiatives was OFBank's active participation in the conduct of Pre-Departure Orientation Seminars (PDOS) and Employment Permit System (EPS) programs, where the Bank

served as a resource partner in promoting financial preparedness and digital banking adoption among departing workers. Through these engagements, OFBank introduced participants to accessible and secure banking solutions designed specifically for the unique financial needs of Overseas Filipinos, while providing direct assistance in account opening and digital onboarding.

This sustained field presence strengthened OFBank's visibility among its target market and established the Bank as a trusted financial partner capable of delivering practical banking solutions before, during, and throughout an OFW's overseas employment journey.



EXPANDING FINANCIAL LITERACY REACH THROUGH STRATEGIC GOVERNMENT PARTNERSHIPS

Partnership with the Commission on Filipinos Overseas (CFO)

A milestone in 2025 was the formal sealing of a partnership between OFBank and the Commission on Filipinos Overseas (CFO) through the signing of a Memorandum of Understanding (MOU) at the CFO Office in Pasay City. The agreement was signed by CFO Chairperson Secretary Dante Francis M. Ang II and OFBank President and CEO Elcid C. Pangilinan, witnessed by CFO Undersecretary Atty. Ma. Arlene S. Borja and OFBank Electronic Business Unit (EBU) Head Joanna Sangrador.



This collaboration expands financial inclusion, education, and access to digital banking services for Overseas Filipinos and their families. OFBank supports CFO programs such as the Pre-Departure Orientation Seminar (PDOS) by providing digital financial education and on-site information sessions for departing migrants.

PARTNERSHIP WITH THE DEPARTMENT OF MIGRANT WORKERS (DMW) - NATIONAL REINTEGRATION NETWORK (NRN)

In parallel, OFBank strengthened its institutional role by joining the Department of Migrant Workers' National Reintegration Network (NRN). This partnership aligns OFBank with the government's full-cycle reintegration framework, ensuring that OFWs and their families benefit from financial literacy, fraud protection, and digital financial inclusion programs embedded across all stages of migration.

Through these collaborations, OFBank reinforced its position as a key stakeholder in advancing the government's broader objective of empowering Overseas Filipinos through financial education and accessible banking services.



SUPPORTING NATIONAL INVESTMENT PROGRAMS THROUGH GLOBAL RTB 31 ROADSHOWS

Demonstrating extensive promotion of digital financial innovation, OFBank actively supported the Bureau of the Treasury's (BTr) Global Roadshows for Retail Treasury Bonds (RTB) 31, which were conducted virtually across multiple dates in July and August 2025. During these sessions, OFBank delivered financial literacy presentations virtually to Overseas Filipinos in various countries across the Middle East, Asia, Europe, and North America, empowering them to grow their hard-earned savings while working abroad. At the same time, OFBank reached domestic investors through local financial literacy activities held in Davao, Cebu, Butuan, Lucena, and Baguio, culminating in a regional roadshow in early August.

As one of only three participating banks that enabled end-to-end digital investment in RTB 31, OFBank played a critical role in expanding the accessibility of government investment instruments to Filipinos worldwide. By highlighting the advantages of savings, investments, wealth building, and the use of digital banking channels, OFBank reinforced its capability to bridge geographical barriers through technology-driven financial services. This initiative allowed Overseas Filipinos and local investors alike to participate in nation-building while strengthening their financial resilience.



BRINGING DIGITAL BANKING CLOSER TO FILIPINOS ABROAD THROUGH INTERNATIONAL OUTREACH

Further strengthening its international engagement efforts, OFBank participated in one of the largest Department of Migrant Workers (DMW) Bagong Bayaning Manggagawa (BBM) Serbisyo Caravan events held in Hong Kong. The activity provided a valuable platform for direct engagement with the Filipino community overseas and allowed the Bank to bring its services closer to OFWs residing and working abroad. Throughout the caravan, OFBank conducted financial literacy activities, promoted its digital banking products and services, and facilitated account opening assistance for interested participants. The event

generated new client relationships while increasing awareness of OFBank's role as the Philippines' first and only government-owned digital bank dedicated to serving Overseas Filipinos and their beneficiaries.

OFBank strengthened its international presence and demonstrated its commitment to ensuring that banking services remain accessible regardless of location. The activity further reinforced the Bank's mission of empowering Overseas Filipinos through innovative, convenient, and technology-enabled financial solutions.

ADVANCING OFBANK'S CLIENT-CENTRIC AND INCLUSIVE BANKING STRATEGY

Collectively, the Bank's marketing, partnership, and global engagement initiatives in 2025 reflect a strategic and coordinated approach toward expanding financial inclusion, strengthening client relationships, and enhancing public awareness of digital banking solutions for Overseas Filipinos.

Through sustained on-site marketing at key government touchpoints, strategic collaborations with migration-focused agencies, participation in global investment education campaigns, and direct engagement with Filipino communities abroad, OFBank successfully broadened its reach while reinforcing its mandate of serving Overseas Filipinos worldwide. These accomplishments underscore OFBank's continued transformation into a highly responsive, digitally driven financial institution that not only facilitates banking transactions but also empowers Filipinos through financial education, investment opportunities, and accessible digital

financial services. As the Bank continues to expand its footprint locally and globally, its 2025 initiatives stand as a testament to its unwavering commitment to financial inclusion, innovation, and service excellence for Overseas Filipinos across the world.



FUTURE PLANS AND PROGRAMS

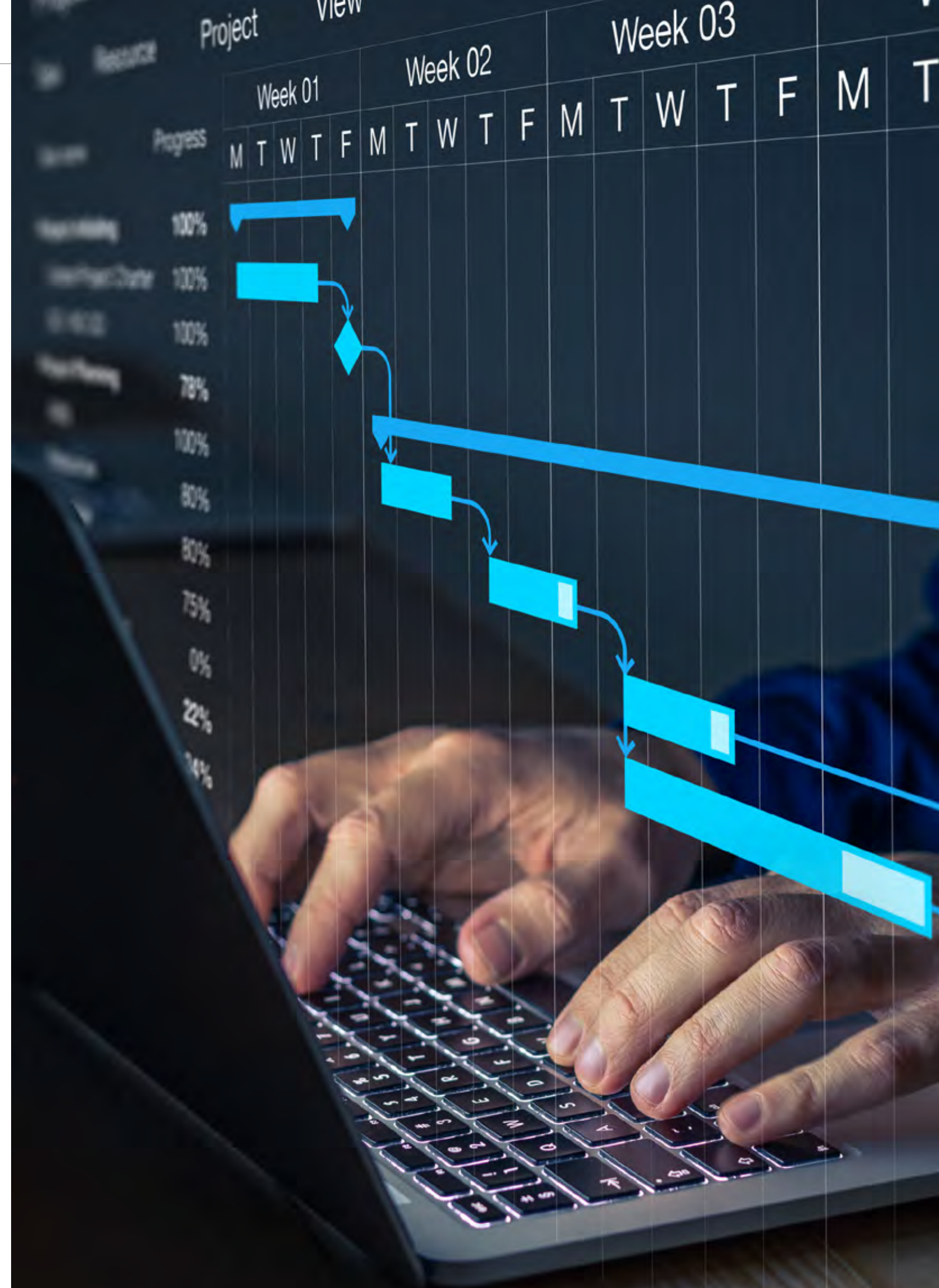
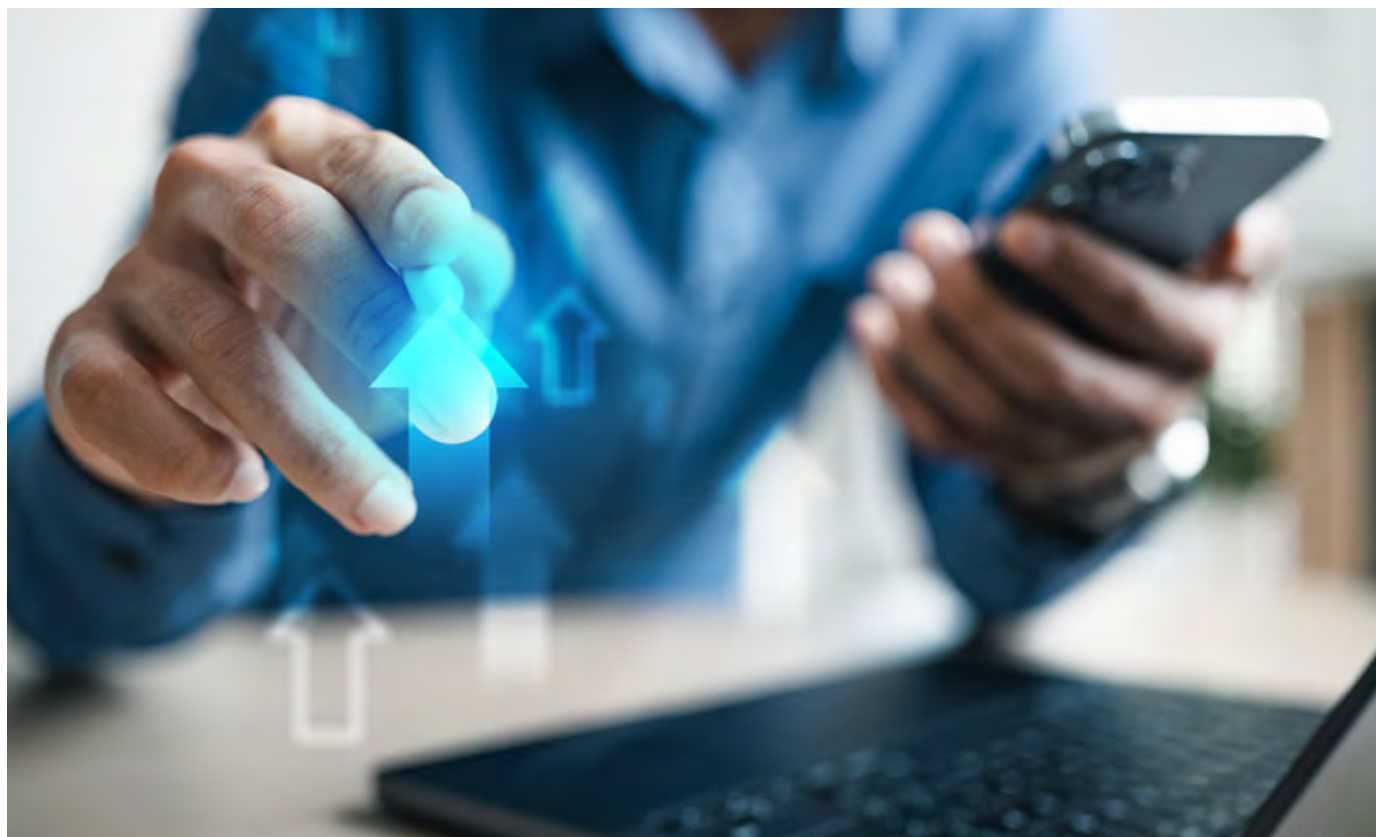


FUTURE PLANS AND PROGRAMS

In 2026, OFBank will continue to advance digital banking solutions that deliver more tangible benefits to OFWs, Overseas Filipinos, and their families. The Bank's growth priorities will be anchored on making everyday banking more accessible, secure, convenient, and relevant to the needs of Filipinos living and working abroad—from account opening and fund transfers to savings, remittance management, payments, customer assistance, and access to government investment opportunities.

To support this direction, OFBank will focus on enhancing its digital products and services, expanding customer acquisition, deepening deposit generation, pursuing prudent lending opportunities, strengthening customer protection, and broadening partnerships with government agencies and institutions serving Overseas Filipinos. These initiatives are intended to help customers manage their finances with greater confidence, support their families more efficiently, protect themselves from digital risks, and participate more meaningfully in savings, investment, and nation-building opportunities.

By combining digital innovation with public service, OFBank aims to strengthen its role as a trusted financial partner for OFWs and their families. The Bank will continue to build a secure, resilient, and customer-centered digital banking platform that supports financial inclusion, household resilience, responsible financial behavior, and sustainable growth in the years ahead.





SPECIAL FEATURES

The Overseas Filipino Bank (OFBank), led by President and CEO Elcid C. Pangilinan, conducted a Corporate Social Responsibility (CSR) activity in partnership with the Tarlac Public Employment Service Office (PESO) on Dec. 21, 2025, in support of Overseas Filipino Workers (OFWs) and their families in the province of Tarlac.

Through the coordination of Tarlac PESO, representatives from various barangays and OFW associations were invited to participate in the activity. As part of the initiative, OFBank distributed Noche Buena packages to the participants in time for the Christmas season, as a gesture of appreciation and solidarity with the OFW community.



The activity highlighted OFBank's commitment to strengthening collaboration with local government units and advancing programs that promote social welfare and community development. It also reinforced the Bank's mission of delivering meaningful support to OFWs and their families through inclusive and compassionate initiatives.

OFBank remains steadfast in its commitment to serving the OFW sector and will continue to implement programs that foster shared growth and community engagement, especially during meaningful occasions such as the holiday season.



RISK MANAGEMENT

In 2025, OFBank continued to strengthen its Enterprise Risk Management Framework to support safe, sound, and sustainable digital banking operations. The framework provided a structured approach for identifying, assessing, monitoring, controlling, and reporting risks across the organization, including credit, operational, information technology, cybersecurity, compliance, liquidity, market, reputational, strategic,

and money laundering and terrorism financing risks. Consistent with its mandate as the Government’s digital bank for Overseas Filipinos, OFBank embedded risk management in business planning, product development, technology initiatives, customer service, vendor oversight, and daily operations to ensure that innovation and growth were pursued within prudent and acceptable risk parameters.

RISK GOVERNANCE AND ACCOUNTABILITY

The Bank’s risk governance structure was anchored on clear roles, independent oversight, and timely escalation of significant risk matters.

THREE LINES OF DEFENSE MODEL

reinforced ownership of risks at the operating level while preserving independent review and Board-level visibility over material exposures.

Business and operational units 	Risk Management and Compliance 	Internal Audit 
Units served as the first line of accountability for risks arising from their activities.	Functions provided second-line oversight through policy guidance, monitoring, review, and challenge.	Provided independent assurance on the effectiveness of governance, risk management, and internal control processes.

RISK APPETITE AND RISK LIMITS

OFBank’s risk-taking activities were guided by a Board-approved Risk Appetite Framework that defined the level and nature of risks the Bank was prepared to accept in pursuit of its strategic objectives. The framework was supported by risk limits, key risk indicators, monitoring thresholds, and escalation protocols covering capital, liquidity, operational capacity, technology resilience, regulatory compliance, and customer protection. These mechanisms enabled Management and the Board to monitor whether the Bank’s activities remained aligned with its financial condition, regulatory requirements, and public service mandate.

BOARD AND MANAGEMENT OVERSIGHT

Oversight of risk management was exercised through the Board of Directors, the Corporate Governance and Risk Management Committee, Senior Management, the Risk Management Unit, Compliance Unit, and Internal Audit Function. Regular reporting supported informed deliberation on significant risk issues, emerging threats, regulatory expectations, internal control matters, audit observations, and remediation activities requiring Management action or Board-level attention. This governance discipline helped ensure that risk matters were reviewed, documented, escalated, and resolved in a timely and accountable manner.

CYBERSECURITY AND DIGITAL TRUST

Cybersecurity remained a core component of OFBank’s enterprise risk profile, reflecting the Bank’s fully digital operating model and its responsibility to protect customers who access banking services across jurisdictions and time zones. The Bank reinforced its information security posture through layered controls covering secure technology infrastructure, customer authentication, account access, transaction monitoring, data protection, systems availability, vulnerability management, fraud surveillance, incident response readiness, and cybersecurity awareness for employees and customers. These measures supported customer confidence in safe, reliable, and secure digital financial services.

FRAUD RISK MANAGEMENT AND CUSTOMER AWARENESS

In response to the increasing sophistication of digital fraud, OFBank sustained monitoring activities designed to identify unusual transaction patterns, suspicious account behavior, potential account misuse, and customer exposure to scams. These measures were complemented by customer education on safe digital banking practices, including awareness on phishing, fake investment schemes, unauthorized account access, credential protection, and responsible use of online banking channels.

OPERATIONAL RESILIENCE AND BUSINESS CONTINUITY

The Bank placed strong emphasis on service reliability, recognizing that uninterrupted digital access is essential for Overseas Filipinos and their beneficiaries. Business continuity, disaster recovery, systems availability, backup arrangements, incident management, and recovery procedures were reviewed to support timely restoration of critical services, minimize disruption, and safeguard banking operations. These arrangements strengthened the Bank’s readiness to respond to operational, technology, and external disruption events.

TECHNOLOGY AND THIRD-PARTY RISK OVERSIGHT

Given the Bank’s reliance on technology-enabled service delivery, OFBank strengthened governance over information technology assets, outsourced services, system enhancements, and vendor relationships. Due diligence, service level monitoring, performance review, information security requirements, regulatory access, auditability, and risk-based assessments supported the Bank’s ability to manage third-party dependencies while maintaining accountability for customer protection, regulatory compliance, and operational soundness.

REGULATORY COMPLIANCE, ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING (AML/CTPF), AND AUDIT ASSURANCE

OFBank maintained compliance monitoring, policy review, control testing, regulatory reporting, and audit assurance activities covering risk management, information technology risk, financial consumer protection, anti-money laundering and counter-terrorism financing, data privacy, and cybersecurity. Observations and control gaps were tracked through management action plans with accountable units, target timelines, and periodic status reporting.

2025 RISK MANAGEMENT HIGHLIGHTS

During the year, OFBank advanced risk priorities through enhancements in governance practices, control testing, operational resilience, regulatory compliance, business continuity preparedness, policy refinements, and remediation tracking. These initiatives reinforced the Bank's control environment and institutional readiness in an evolving digital banking landscape.

RISK CULTURE AND ACCOUNTABILITY

OFBank continued to promote a culture of risk awareness across the organization. Employees were expected to understand their roles in protecting customer information, maintaining secure and compliant processes, reporting incidents, observing internal policies, and supporting responsible innovation. This culture of accountability enabled the Bank to pursue digital growth while upholding prudence, transparency, regulatory readiness, and public trust.

Through this integrated approach, OFBank strengthened its capacity to manage emerging risks, sustain stakeholder confidence, and support safe digital growth.



CORPORATE SOCIAL RESPONSIBILITY

At Overseas Filipino Bank (OFBank), corporate social responsibility is integral to its purpose of serving Overseas Filipinos and their families. Guided by its vision of becoming the most trusted and leading bank dedicated to Overseas Filipinos and their families, supporting national development while fostering resilience, equality, and social inclusion, OFBank remains committed to creating meaningful value beyond banking. Through innovative, inclusive, and sustainable financial solutions, OFBank empowers Filipinos worldwide to achieve greater financial security, resilience, and economic opportunity.

In 2025, OFBank continued to advance initiatives that promoted financial inclusion, digital empowerment, financial literacy, consumer protection, and investment awareness among Overseas Filipinos and underserved communities. Through strategic partnerships with government agencies and key stakeholders, the Bank expanded access to safe and accessible digital financial services while strengthening financial capability and supporting migrant welfare across the entire migration journey—from pre-departure preparation to overseas employment,

reintegration, and long-term financial well-being.

As a socially responsible digital bank, OFBank recognizes that sustainable growth is achieved when financial innovation is matched by social impact. OFBank therefore strives to leverage technology, collaboration, and responsible stewardship to create opportunities, strengthen families, and contribute to inclusive and sustainable national development. Through its programs and partnerships, OFBank continues to help build financially empowered and resilient Filipino communities around the world.

Guided by its vision and mission, OFBank remains steadfast in its commitment to empowering Overseas Filipinos and their families through initiatives that promote financial inclusion, resilience, equality, and social inclusion. By harnessing innovation, strategic partnerships, and sustainable financial solutions, OFBank continues to create lasting value for its stakeholders, contribute to national development, and help build a more inclusive, resilient, and prosperous future for Filipinos worldwide.



SUSTAINABILITY



SUSTAINABILITY

At OFBank, sustainability is rooted in our commitment to creating long-term value for our customers, stakeholders, and the communities we serve. The Bank recognizes that sustainable banking extends beyond financial performance. It encompasses financial inclusion, operational resilience, responsible governance, technological innovation, environmental stewardship, and meaningful social impact.

By leveraging technology to provide accessible, secure, and customer-centric financial services, OFBank continues to empower Overseas Filipinos and their families while contributing to national economic development and the advancement of a more inclusive financial system.

ADVANCING INCLUSIVE AND SUSTAINABLE DIGITAL BANKING

Sustainability is embedded in OFBank's mission to deliver accessible, relevant, and technology-driven banking solutions for Overseas Filipinos worldwide. Through continuous innovation, prudent risk management, and responsible banking practices, the Bank seeks to create sustainable value while supporting the evolving financial needs of our customers.

OFBank's sustainability approach is anchored on four key priorities:

- Promoting financial inclusion and financial well-being;
- Supporting Overseas Filipinos through secure digital banking and remittance services;
- Advancing responsible and prudent financial management; and
- Strengthening governance, operational resilience, and environmental responsibility.

These priorities guide our strategic initiatives and reinforce our commitment to supporting inclusive and sustainable economic growth.

FINANCIAL INCLUSION AND SOCIAL IMPACT

Financial inclusion remains at the core of OFBank's mandate. Through our fully digital banking platform, we continue to expand access to financial services for Overseas Filipino Workers (OFWs), Overseas Filipinos, and their beneficiaries regardless of their location.

By removing geographic barriers and providing convenient digital banking channels, OFBank enables customers to save, transact, and manage their finances securely and efficiently. Our digital platform also facilitates timely and cost-efficient remittance services, helping Overseas Filipinos send funds to their families and beneficiaries in the Philippines while supporting household financial stability and economic activity.

Beyond providing financial services, OFBank actively promotes financial literacy and responsible financial management among OFWs and their families. Through financial education initiatives, webinars, and capability-building programs, the Bank helps customers deepen their understanding of savings, budgeting, responsible borrowing, digital banking, cybersecurity awareness, fraud prevention, and long-term financial planning. These initiatives empower its customers to make informed financial decisions and strengthen their financial resilience.



Through its efforts in financial inclusion, remittance facilitation, and financial education, OFBank contributes to improving the financial well-being of Filipino families worldwide.

RESPONSIBLE INVESTMENTS AND TREASURY MANAGEMENT

OFBank remains committed to prudent investment and treasury management practices that protect depositor funds and support the long-term sustainability of the Bank's operations.

The Bank manages its investment portfolio in accordance with applicable regulations, sound risk management principles, and governance standards. Investment activities are guided by the objectives of preserving capital, maintaining adequate liquidity, and generating sustainable returns while supporting broader economic stability and national development.

By maintaining a disciplined and risk-conscious approach to resource management, OFBank continues to strengthen its financial resilience and create sustainable value for stakeholders.

DIGITALIZATION AND ENVIRONMENTAL RESPONSIBILITY

As a fully digital and branchless bank, OFBank inherently supports environmentally responsible banking practices.

The Bank's digital operating model significantly reduces reliance on paper-based transactions and minimizes the environmental footprint traditionally associated with physical branch operations. Through digital account opening, paperless transactions, electronic documentation, and online customer engagement, the Bank promotes resource efficiency while enhancing customer convenience.

OFBank continues to pursue digital innovations that improve service delivery, increase operational efficiency, and support responsible resource utilization, consistent with our commitment to environmental stewardship.

GOVERNANCE AND RESPONSIBLE BANKING

Strong governance is fundamental to OFBank's sustainability journey. It upholds the principles of integrity, accountability, transparency, and regulatory compliance across all aspects of our operations.

The Bank maintains a robust governance framework supported by sound risk management practices, effective internal controls, and a culture of ethical conduct. The Board of Directors and Senior Management provide strategic oversight of sustainability-related initiatives and ensure that environmental, social, and governance (ESG) considerations are appropriately integrated into business decisions and long-term planning.

As a digital bank, OFBank also places significant emphasis on cybersecurity, data privacy, technology risk management, and operational resilience to maintain customer trust and safeguard the integrity of its digital banking ecosystem.

CREATING LONG-TERM SUSTAINABLE VALUE

OFBank remains steadfast in its commitment to building a sustainable future for Overseas Filipinos and their families. By promoting financial inclusion, facilitating secure and efficient remittance services, advancing financial literacy, practicing responsible financial management, and maintaining strong governance standards, the Bank contributes to sustainable economic development and shared prosperity.

As the Bank continues its digital transformation journey, OFBank will remain focused on innovation, resilience, and responsible banking practices that create lasting value for its customers, stakeholders, and the broader Filipino community.



CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

SELECTION PROCESS FOR THE BOARD AND SENIOR MANAGEMENT

The composition and appointment of the OFBank Board of Directors are governed by applicable laws and regulations, Executive Order No. 44, Series of 2017, entitled “Approving the Acquisition of the Philippine Postal Savings Bank by Land Bank of the Philippines,” the Bank’s Articles of Incorporation and By-Laws, and pertinent rules and regulations of the Bangko Sentral ng Pilipinas (BSP) and the Governance Commission for GOCCs (GCG).

In particular, the selection and nomination of appointive members of the Board are undertaken in accordance with the applicable provisions of GCG Memorandum Circular No. 2012-04, “Nomination and Appointment of Appointive Members of the OFBank BOD/ Trustees of GOCCs, Subsidiaries, and Affiliates,” as amended, and other applicable GCG issuances. The process is likewise subject to the applicable fit-and-proper, qualification, confirmation, and other regulatory requirements of the BSP.

The selection and appointment of the Bank’s President and Chief Executive Officer (CEO) and other members of Senior Management are undertaken in accordance with applicable laws, regulations, the Bank’s governance policies, and the qualification and fitness and propriety requirements prescribed by the BSP and other relevant authorities.

BOARD’S OVERALL RESPONSIBILITY

Consistent with Section 132 of the Manual of Regulations for Banks (MORB), the Board of Directors recognizes that a directorship in a bank is a position of trust and has the fiduciary responsibility to manage the Bank in a prudent and sound manner, as expected by its various stakeholders – clients, employees, the National Government, various regulators, and the public at large.

The Board is primarily responsible for approving and overseeing the implementation of the Bank’s strategic objectives, risk strategy, corporate governance framework, and corporate values. It likewise exercises oversight over Senior Management and monitors Management’s performance in the conduct of the Bank’s day-to-day affairs.

Since the Bank’s strategic transformation into a digital-only, branchless bank, the Board has regularly reviewed and approved the Bank’s Vision and Mission and its corresponding Strategy Map, which sets out the Bank’s strategic objectives, key measures, and targets designed to advance the Bank toward its strategic vision. The Board’s oversight takes into account the Bank’s mandate, business environment, risk profile, and long-term sustainability.

The Bank’s strategic direction is further supported by its Performance Scorecard, which

is presented and approved by the Board and serves as a mechanism for monitoring and evaluating the Bank’s performance against established targets and strategic objectives, consistent with applicable GCG policies and issuances.

The Board also oversees the establishment and continued effectiveness of the Bank’s risk governance framework to ensure that it remains appropriate and responsive to the Bank’s evolving business environment, risk profile, and emerging risks. Through an effective system of checks and balances, the Board promotes sound risk management and ensures that material risks are appropriately identified, assessed, monitored, and managed.

In addition, the Board oversees the implementation of a sound corporate governance framework that promotes accountability, transparency, integrity, and ethical conduct, while ensuring adherence to applicable laws, regulations, institutional policies, and regulatory requirements.

The Board approves the appointment and selection of the CEO and key members of Management, as required under applicable laws, regulations, and exercises oversight over Senior Management and the Bank’s independent control functions. The Board also evaluates Management’s performance and ensures that appropriate accountability mechanisms are in place.

Through these responsibilities, the Board provides strategic direction and effective oversight of the Bank, while ensuring that the interests of its various stakeholders are appropriately considered and that the Bank is operated in a safe, sound, prudent, and sustainable manner.

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

- Remain fit and proper for the position for the duration of his/her term.
- 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.
- Act honestly and in good faith, with loyalty and in the best interests of the institution, its stockholder, and other stakeholders such as its depositors, investors, borrowers, other clients, and the general public.
- Devote the necessary time and attention to properly discharge their duties and responsibilities.
- Act judiciously. Before deciding on any matter brought before the Board, every Director shall thoroughly evaluate the issues, ask questions, and seek clarifications when necessary.
- Contribute significantly to the decision-making process of the Board. Directors should actively participate and exercise objective, independent judgment on corporate affairs requiring the BOD’s decision or approval.
- Exercise independent judgment. A Director shall view each problem or situation objectively. When a disagreement with others occurs, he/she shall carefully evaluate the situation and state his position. He/she 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 BSP and pertinent government agencies.
- i. Observe the confidentiality of the non-public information acquired by reason of the position as Director. He/she shall not disclose any information to any other person without the authority of the 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 (the "Gift") from any person, where such Gift: (a) would be illegal or in violation of 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 member of the Board's or Officers' actions as such; or (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 BOARD

i. Chairperson of the Board of Directors (Non-Executive)

The Chairperson of the OFBank Board of Directors provides leadership to the Board and ensures its effective functioning. He/She facilitates the effective flow of relevant, accurate, and timely information between Management and the Board to enable the Board to make informed decisions.

The Chairperson calls and presides over Board meetings and, in consultation with the President and CEO and the Corporate Secretary, sets the agenda for Board meetings. He/She ensures that directors are adequately informed of matters requiring Board action and are given sufficient opportunity to participate actively and meaningfully in discussions and deliberations.

The Chairperson promotes a sound decision-making process by encouraging critical discussion, objective judgment, and constructive challenge. The Chairperson likewise ensures that differing and dissenting views are appropriately expressed, considered, and documented in the Board's deliberations, as applicable.

ii. Vice Chairperson (Executive Director)

The Vice Chairperson of the Board of Directors is the Bank's President and Chief Executive Officer (CEO) and serves as the sole executive director of the Board.

As Head of Management, the President and CEO is responsible for the day-to-day management of the Bank and for implementing the strategies, policies, and objectives approved by the Board. In such capacity, the President and CEO provides Management's perspective and recommendations to the Board and ensures that the Board is kept adequately informed of the Bank's operations, performance, financial condition, and material risks.

In the absence of the Chairperson, the Vice Chairperson presides over meetings of the Board, subject to applicable laws, regulations, and the Bank's By-Laws.

iii. Non-Executive Directors

The non-executive directors provide independent oversight of Management and contribute objective judgment, expertise, and constructive challenge in the Board's deliberations and decision-making.

The non-executive directors perform the duties and responsibilities of directors as prescribed under applicable laws and regulations, the Bank's Articles of Incorporation, the BSP MORB, relevant GCG issuances, and other applicable regulatory requirements and institutional policies.

As members of the Board, the non-executive directors participate in the formulation and approval of the Bank's strategic direction, risk management framework, corporate governance policies, and major business and operational decisions. They likewise exercise oversight over Management and contribute to the effective system of checks and balances within the Bank.

Consistent with applicable laws and regulations and the Bank's governance framework, the Board exercises its authority over the President and CEO, including disciplinary authority and the power to remove the President and CEO for cause.

iv. Independent Directors

The independent directors contribute objective and independent judgment to the deliberations and decision-making of the Board. They help promote an appropriate balance between executive and non-executive participation and strengthen the Board's oversight of Management.

The selection and nomination of independent directors are undertaken in accordance with applicable laws and regulations, the Bank's governing documents, and the requirements of the BSP and GCG, including the applicable fit-and-proper and independence standards. The appointment/election of directors remains subject to the applicable regulatory confirmation and approval requirements. In selecting

and nominating independent directors, the Bank considers their qualifications, competence, experience, integrity, independence, and ability to devote sufficient time and attention to effectively discharge their duties and responsibilities. The Bank likewise considers the number and nature of other directorships held by a nominee to ensure that the nominee can adequately perform the responsibilities of an independent director.

v. Contribution of Independent Directors

The independent directors provide an objective perspective on matters brought before the Board and contribute to the Board’s oversight of strategy, risk management, corporate governance, internal controls, and Management’s performance.

In the exercise of their functions, independent directors are expected to exercise independent judgment, constructively challenge Management and other Board members when appropriate, and ensure that material issues and potential conflicts of interest are properly considered in the Board’s decision-making process.

vi. Participation in Board-Level Committees

Consistent with applicable BSP regulations and the Bank’s governance framework, independent directors serve as members of Board-level committees that perform key oversight and control functions. These include the following:

- a. Audit and Compliance Committee;
- b. Corporate Governance Committee;
- c. Risk Oversight Committee; and
- d. Related Party Transactions Committee.

The composition of these committees is structured in accordance with applicable BSP requirements, including the prescribed participation and independence of independent and non-executive directors. The respective committees operate under Board-approved charters that define their mandates, authorities, duties, responsibilities, and reporting arrangements.

BOARD COMPOSITION

The positions of Chairperson of the Board and President and Chief Executive Officer (CEO) of OFBank are held by different individuals, consistent with the Bank’s corporate governance framework and the principle of separation between the Board’s oversight responsibilities and Management’s day-to-day management of the Bank. **Lynette V. Ortiz**, President and CEO of Land Bank of the Philippines (LANDBANK), serves as Chairperson of the OFBank Board, while **Elcid C. Pangilinan**, OFBank’s Officer-in-Charge (OIC)-President and CEO, serves as Vice Chairperson. This structure promotes an appropriate balance of authority, effective Board oversight, and accountability in the governance and management of the Bank.

Pursuant to Executive Order No. 44, Series of 2017, and the Bank’s governing documents, OFBank is governed by a **nine-member Board of Directors** composed of the President and CEO of LANDBANK as Chairperson, the President and CEO of OFBank as Vice Chairperson, four (4) LANDBANK-designated Directors or Officers, and three (3) members representing the Department of Labor and Employment (DOLE), the Overseas Workers Welfare Administration (OWWA), and the private sector representing overseas Filipinos, respectively. The representatives of DOLE, OWWA, and overseas Filipinos are appointed by the President of the Philippines. The Board’s composition brings together relevant expertise and perspectives to support informed decision-making and effective oversight in furtherance of OFBank’s mandate and strategic objectives.

BOARD COMPOSITION		
POSITION	NAME	REMARKS
Chairperson	Lynette V. Ortiz	Ex-Officio Director (LANDBANK PCEO) Assumed on May 23, 2023 Tenure: 2 years and 7 months
Vice Chairperson	Elcid C. Pangilinan	Executive Director (LANDBANK-Designated) Assumed on August 7, 2024 Tenure: 1 year and 4 months
Members	Leila C. Martin	Non-executive Director (LANDBANK-Designated) Assumed on January 1, 2024 Tenure: 1 year
	Alan V. Bornas	Non-executive Director (LANDBANK-Designated) Assumed on November 8, 2017 Tenure: 9 years and 1 month
	Roderick P. Sacro	Non-executive Director (LANDBANK-Designated) Assumed on March 24, 2023 Tenure: 2 years and 9 months
	Althon C. Ferolino	Non-executive Director (LANDBANK-Designated) Assumed on January 1, 2024 Tenure: 1 year
	Bituin V. Salcedo	Non-executive Independent Director Assumed on March 2, 1998 Tenure: 27 years and 3 months
	Leticia V. Damasco	Non-executive Independent Director Assumed on July 1, 2017 Tenure: 8 years and 5 months
	Robert L. Gosioco	Non-executive Independent Director Assumed on December 20, 2019 Tenure: 6 years

OWNERSHIP STRUCTURE AND BOARD SHAREHOLDINGS

OFBank is a **wholly owned and fully controlled subsidiary of Land Bank of the Philippines (LANDBANK)**. Pursuant to Executive Order No. 44, Series of 2017, the shares of the Philippine Postal Savings Bank, Inc. formerly held by the Philippine Postal Corporation and the Bureau of the Treasury were transferred to LANDBANK, making LANDBANK the Bank’s sole shareholder. As the Bank’s parent and sole shareholder, LANDBANK exercises the rights and powers of the stockholder in accordance with applicable laws, regulations, and the Bank’s governing documents.

As of Dec. 31, 2025, **each member of the OFBank Board of Directors held one (1) share of the Bank**, representing only a nominal individual shareholding. This shareholding structure is consistent with OFBank’s status as a wholly owned subsidiary, with substantially all of the Bank’s ownership and economic interest vested in LANDBANK. The limited individual shareholdings of the Directors reflect the Bank’s ownership structure and do not diminish their fiduciary duties, accountability, or responsibility to exercise independent and prudent judgment in the discharge of their functions.

The Directors’ duties and responsibilities arise primarily from their positions as members of the Board and from applicable laws, regulations, and the Bank’s governance framework, rather than from the extent of their individual shareholdings. Accordingly, the Board continues to exercise effective oversight and governance of the Bank in accordance with its mandate, while LANDBANK, as sole shareholder, exercises its rights as the Bank’s stockholder.

BOARD QUALIFICATIONS

The members of the OFBank Board of Directors are required to meet the qualifications and fitness and propriety standards prescribed under applicable laws, regulations, and the Bank’s governing documents, including Republic Act No. 8791 (The General Banking Law of 2000), Republic Act No. 10149 (The GOCC Governance Act of 2011), the BSP MORB, the Bank’s Articles of Incorporation and By-Laws, applicable issuances of the GCG, and other pertinent laws, rules, and regulations. The following are the qualifications of the members of the Board:

1. Must be a natural-born citizen of the Philippines, not less than 35 years of age, of good moral character and have 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 BOD of the Bank.
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 bonafide member of the indicated sector of the association being represented.
3. Must have attended a special seminar on corporate governance for Board of Directors conducted or accredited by the BSP.

4. Must have attended or must 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. In determining whether a position is fit and proper for the position of a Director, the following matters must be considered:

• integrity/probity;

• physical/mental fitness;

• competence;

• relevant education/financial literacy/training;

• diligence; and

• knowledge/experience

The qualifications and eligibility of the members of the Board are assessed in accordance with applicable regulatory requirements and the Bank’s established policies and procedures.

ACCOMPLISHMENT OF THE BOARD OF DIRECTORS FOR CALENDAR YEAR 2025

In Calendar Year 2025, the OFBank Board of Directors convened **fourteen (14) Board meetings**, comprising eleven (11) Regular Board Meetings and three (3) Special Board Meetings. In addition, the Board acted on various matters through **nine (9) Ad Referendum actions** and participated in **two (2) Stockholders’ Meetings**.

The Board’s meetings and approvals for the year are summarized below:

TYPE OF MEETINGS/APPROVALS MADE	NUMBER OF MEETINGS
Regular Board of Directors Meetings	11
Special Board of Directors Meetings	3
Approvals Made via Ad Referendum	9
Stockholders’ Meetings	2

During the year, the Board of Directors considered and acted on a broad range of matters in the exercise of its oversight responsibilities over the Bank’s governance, strategic direction, policies, financial resources, operations, and risk management. The Board’s deliberations were guided by the Bank’s mandate, strategic objectives, risk appetite, corporate values, and commitment to sound corporate governance, prudent banking practices, and regulatory compliance.

The **Chairperson of the Board, Lynette V. Ortiz**, provided leadership in facilitating the effective functioning of the Board and promoting informed, constructive, and objective deliberations. She ensured that Board meetings were properly convened and that relevant and timely information was made available to the Directors to support informed decision-making. The Chairperson encouraged active participation and critical discussion among the Directors, facilitated the consideration of diverse perspectives, and promoted an appropriate balance between oversight and Management’s responsibility for the day-to-day operations of the Bank. Through her leadership, the Chairperson supported the Board in maintaining focus on the Bank’s strategic priorities, governance responsibilities, risk management, and long-term sustainability.

In total, the Board **approved or acted upon thirty-four (34) proposals** covering key matters relating to corporate governance, institutional policies, budget and resource allocation, marketing initiatives, business development, and strategic plans. These matters required Board-level consideration and action to ensure that the Bank’s strategies and initiatives remained aligned with its corporate objectives, risk appetite, financial capacity, regulatory requirements, and long-term sustainability.

The Board also **reviewed and/or noted seventy-two (72) matters** presented by Management and the various Board-level committees and control functions. These matters covered a wide range of areas, including corporate strategy and business performance; financial condition and results of operations; operational performance; risk exposures and risk management; regulatory compliance; internal audit findings and recommendations; information technology and cybersecurity; consumer protection; related-party transactions; and public accountability and governance requirements.

In reviewing these matters, the Board provided strategic direction and guidance to Management, challenged and evaluated recommendations as appropriate, and monitored Management’s implementation of approved strategies, policies, and corrective measures. The Board likewise monitored the Bank’s financial and operational performance and its risk profile to ensure that material risks were appropriately identified, assessed, managed, and reported.

Through these deliberations, approvals, and oversight activities, the Board strengthened the Bank’s governance and accountability framework and promoted the effective implementation of its strategic priorities. The Board remained focused on ensuring that the Bank operates in a **safe, sound, prudent, and sustainable manner**, while maintaining an effective system of checks and balances, sound risk management practices, strong internal controls, regulatory compliance, and responsiveness to the interests of its stakeholders.

LIST OF BOARD-LEVEL COMMITTEES INCLUDING MEMBERSHIP AND FUNCTIONS

The Board of Directors has constituted Board-level committees to assist it in the effective discharge of its oversight responsibilities. These committees operate within their respective Board-approved charters and are delegated specific functions and responsibilities, while the Board retains ultimate accountability for the Bank’s governance, risk management, and control environment.

A. Corporate Governance and Risk Management Committee (CGRMC)

The Corporate Governance and Risk Management Committee (CGRMC) assists the Board in overseeing the Bank’s corporate governance and risk management frameworks and in ensuring compliance with applicable laws, regulations, and internal policies.

The Committee reviews the Bank’s governance policies and practices, including its Vision and Mission, strategic objectives, Board and senior management qualifications, continuing education, succession planning, and other matters relating to effective corporate governance. It also reviews and recommends for Board approval the Bank-wide risk management policies, practices, and procedures, monitors the Bank’s risk profile and exposures, and oversees the identification, assessment, management, and reporting of material and emerging risks, including information technology and cybersecurity risks.

COMMITTEE COMPOSITION	
Chairperson	Director Robert L. Gosioco
Member	Director Leticia V. Damasco
Member	Director Bituin V. Salcedo

During Calendar Year 2025, the CGRMC convened **sixteen (16) times**, including regular, special, and joint committee meetings. The Committee **acted upon twenty-six (26) proposals** covering bank-wide policies, risk management practices, governance matters, strategic initiatives, and other matters requiring Committee action or recommendation to the Board.

The Committee also **reviewed, monitored, and/or noted forty-four (44) reports** covering the Bank’s enterprise-wide risk management and corporate governance oversight. These included reports on risk exposures and limits, liquidity and interest rate risks, stress testing, recovery planning, risk and control self-assessments, business continuity and operational resilience, information technology and cybersecurity risks, regulatory and supervisory matters, incidents and complaints, legal matters, organizational and human resource developments, and other matters relevant to the Bank’s overall risk profile and governance framework.

Through these activities, the CGRMC provided oversight and guidance on the Bank’s governance and risk management practices and supported the Board in ensuring that material risks are appropriately identified, assessed, monitored, and managed in accordance with the Bank’s strategic objectives, risk appetite, policies, and applicable regulatory requirements.

B. Audit and Compliance Committee (ACCom)

The Audit and Compliance Committee (ACCom) assists the Board in overseeing the Bank’s financial reporting, internal control, internal audit, regulatory compliance, and Anti-Money Laundering and Counter-Terrorist and Proliferation Financing (AML/CTPF) frameworks.

The Committee provides oversight of the internal audit and compliance functions, reviews significant audit and regulatory findings, monitors Management’s implementation of corrective actions, and evaluates the effectiveness of the Bank’s internal control system. It also reviews compliance and AML/CTPF reports and escalates significant control deficiencies, compliance concerns, and other matters requiring Board attention.

COMMITTEE COMPOSITION	
Chairperson	Director Alan V. Bornas
Member	Director Bituin V. Salcedo
Member	Director Leticia V. Damasco

During Calendar Year 2025, the ACCom acted upon two (2) audit and compliance-related proposals and reviewed and/or discussed twelve (12) reports covering management, internal audit, regulatory compliance, and AML/CTPF matters.

Among the matters considered by the Committee were reports and recommendations relating to internal controls, audit observations, compliance with laws, regulations and internal policies, regulatory findings, and the Bank’s AML/CTPF compliance framework. The Committee likewise monitored Management’s responses and corrective actions on significant audit and compliance matters to promote their timely and appropriate resolution.

Through these activities, the ACCom strengthened the Board’s oversight of the Bank’s financial reporting, internal control, audit, compliance, and AML/CTPF frameworks and supported the maintenance of a sound control environment and a strong culture of accountability, integrity, and regulatory compliance.

C. Related Party Transactions Committee (RPTCom)

The Related Party Transactions Committee (RPTCom) assists the Board in ensuring that transactions with related parties are conducted on an arm’s-length basis, under fair and reasonable terms, and in accordance with applicable laws, regulations, and the Bank’s policies.

The Committee oversees the identification and monitoring of Related Parties (RPs) and Related Party Transactions (RPTs), reviews material RPTs and their terms and conditions, and ensures that potential conflicts of interest and associated risks are appropriately identified and managed. It likewise monitors the Bank’s aggregate exposures to RPs, reviews the adequacy and effectiveness of the Bank’s RPT policies and controls, and ensures appropriate reporting and disclosure to the Board and regulatory authorities.

The Committee also oversees the periodic independent review or audit of RPTs, including the implementation of appropriate controls for identifying, measuring, monitoring, and reporting RPT exposures.

COMMITTEE COMPOSITION	
Chairperson	Director Robert L. Gosioco
Member	Director Leticia V. Damasco
Member	Director Bituin V. Salcedo

During Calendar Year 2025, the RPTCom convened seven (7) times and reviewed and acted upon various related party transactions and other matters requiring Committee oversight. Among the significant matters considered by the Committee were:

1. Renewals of LANDBANK High-Yield Savings Account (HYSA) arrangements;
2. Renewal of the Money Market Line with LANDBANK;
3. InstaPay Sponsorship Agreement;
4. OFBank’s lease of office premises at Palacio del Gobernador Building;
5. Outsourced services and Service Level Agreements (SLAs) with LANDBANK; and
6. Purchase of Corporate Fixed Rate Bonds of Aboitiz Power Corporation through LANDBANK Trust Banking Group.

Through these activities, the RPTCom supported the Board in ensuring that related party transactions were properly identified, evaluated, monitored, and undertaken on an arm’s-length basis and in accordance with applicable laws, regulations, and the Bank’s policies.

TERM OF OFFICE OF THE BOARD OF DIRECTORS

Pursuant to Section 17 of Republic Act No. 10149, or the *GOCC Governance Act of 2011*, the term of office of each Appointive Director is **one (1) year**, unless sooner removed for cause. An Appointive Director continues to hold office until a successor is appointed, ensuring continuity in the governance and oversight of the GOCC.

An Appointive Director may be considered for reappointment, subject to applicable GCG requirements on qualifications, fitness and propriety, and performance. In accordance with the GCG framework, reappointment is subject to the prescribed performance standards and applicable nomination and appointment processes.

In case of a vacancy, the appointment of a successor shall be made in accordance with applicable laws, rules, and regulations and shall generally be for the unexpired portion of the predecessor’s term.

The Bank observes the applicable GCG and regulatory requirements governing the appointment, reappointment, tenure, and succession of its Appointive Directors.

DIRECTOR’S ATTENDANCE AT BOARD AND BOARD-LEVEL COMMITTEE MEETINGS FOR CALENDAR YEAR 2025

DIRECTOR’S ATTENDANCE TO BOARD AND BOARD-LEVEL COMMITTEE MEETINGS FOR CALENDAR YEAR 2025								
Name of Directors	Board Meeting		Corporate Governance and Risk Management Committee		Audit and Compliance Committee		Related Party Transactions Committee	
	(16 Meetings) ¹		(16 Meetings)		(3 Meetings)		(7 Meetings)	
	Attended	%	Attended	%	Attended	%	Attended	
LYNETTE V. ORTIZ	16	100.00						
ELCID C. PANGILINAN	16	100.00						
ALAN V. BORNAS	16	100.00	N/A		3	100.00	N/A	
ATTY. RODERICK P. SACRO	16	100.00	N/A		N/A		N/A	
LEILA C. MARTIN	16	100.00	N/A		N/A		N/A	
ALTHON C. FEROLINO	6	100.00	N/A		N/A		N/A	
BITUIN V. SALCEDO	16	100.00	16	100.00	3	100.00	7	100.00
LETICIA V. DAMASCO	16	100.00	16	100.00	3	100.00	7	100.00
ROBERT L. GOSIOCO	16	100.00	16	100.00	N/A		7	100.00
Dir Althon C. Ferolino - resigned effective July 1, 2025								
Total Number of Meetings Held During the Year: 42								

PERFORMANCE ASSESSMENT PROGRAM

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

The iPED was developed by the Governance Commission for GOCCs (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 Government-Owned or -Controlled Corporations (GOCCs) under the jurisdiction of GCG.

¹Includes 14 Board Meetings and 2 Stockholders' Meetings conducted in 2025.

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 in the Bank.

For the 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.

The 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 have a solid foundation for a successful, long-term working relationship between the Bank and the employee.

In terms of the continuing education program for the Bank’s employees, the Bank has been sponsoring various seminars and trainings for the whole year for all employees to upgrade their skills and competencies relative to the performance of their duties and responsibilities.

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

For the 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 encourage Directors/Commissioners to attend ongoing or continuous professional education programs, OFBank abides by 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 the Bank’s operations as well as continuous education and development to further hone their skills and knowledge base.

OFBank also adopts and adheres to the requirements guidelines of GCG’s Memorandum Circular 2014-03 on the Performance Evaluation for Directors (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 BOARD OF DIRECTORS FOR CALENDAR YEAR 2025

LIST OF SEMINARS /TRAININGS ATTENDED BY OFBANK DIRECTORS AND THE CORPORATE SECRETARY FOR CALENDAR YEAR 2025					
No.	Name	Kind of Trainings/Seminars	Date	Number of Hours	Number of Seminars Attended
1	Lynette V. Ortiz	Top Level AML/CTPF	Dec. 19, 2025	3	3
		Opceo Planning & Team Bldg Activity 2025	Dec. 5, 2025	8	
		Gen AI For Executives	Nov. 27, 2025	7	
2	Alan V. Bornas	Top Level AML/CTPF Refresher/Updates	Dec. 19, 2025	3	4
		Gen AI For Executives	Nov. 27, 2025	7	
		33RD BAIPHIL Convention	June 3, 2025	17	
		OS Planning & Team Bldg	Feb. 2, 2025	8	
3	Atty. Roderick P. Sacro	Top Level AML/CTPF Refresher/Updates	Dec. 19, 2025	3	4
		Gen AI For Executives	Nov. 27, 2025	7	
		CSS Planning & Team Bldg Activity 2025	May 16, 2025	10	
		LRP: High Impact Presentation Skills	Jan. 16, 2025	6	
4	Althon C. Ferolino	2025 AML Retooling	June 14, 2025	4	1
5	Leila C. Martin				
6	Robert L. Gosioco	Corporate Governance Orientation Program for Government Owned and Controlled Corporation (GOCC)	May 6-7, 2025	4	5

LIST OF SEMINARS /TRAININGS ATTENDED BY OFBANK DIRECTORS AND THE CORPORATE SECRETARY FOR CALENDAR YEAR 2025 (continuation)					
No.	Name	Kind of Trainings/Seminars	Date	Number of Hours	Number of Seminars Attended
6	Robert L. Gosioco	Beyond the Algorithm: Exploring the Cyber Security and AI Revolution	May 29-30, 2025	2	5
		Corporate Governance Orientation Program for Government Owned and Controlled Corporation (GOCC)	Sept. 25, 2025	4	
		TARGETED FINANCIAL SANCTIONS (TFS)	Sept. 29, 2025	3	
		AMLC REGISTRATION AND REPORTING GUIDELINES (ARRG)	Sept. 26, 2025	4	
7	Bituin V. Salcedo	Corporate Governance Orientation Program for Government Owned and Controlled Corporation (GOCC)	May 6-7, 2025	4	5
		Beyond the Algorithm: Exploring the Cyber Security and AI Revolution	May 29-30, 2025	2	
		Corporate Governance Orientation Program for Government Owned and Controlled Corporation (GOCC)	Sept. 25, 2025	4	
		Targeted Financial Sanctions (TFS)	Sept. 29, 2025	3	
		AMLC REGISTRATION AND REPORTING GUIDELINES (ARRG)	Sept. 26, 2025	4	
8	Leticia V. Damasco	Corporate Governance Orientation Program for Government Owned and Controlled Corporation (GOCC)	Sept. 25, 2025	4	3
		Targeted Financial Sanctions (TFS)	Sept. 29, 2025	3	
		AMLC REGISTRATION AND REPORTING GUIDELINES (ARRG)	Sept. 26, 2025	4	
9	Corporate Secretary Atty. Karl D. Antonio	Corporate Governance Orientation Program for Government Owned and Controlled Corporation (GOCC)	May 6-7, 2025	4	2
		Beyond the Algorithm: Exploring the Cyber Security and AI Revolution	May 29-30, 2025	2	

RETIREMENT AND SUCCESSION POLICY

OFBank, in coordination with its parent bank, Land Bank of the Philippines (LANDBANK), maintains a succession planning program to ensure the availability of qualified, competent, and suitably trained successors for critical positions and to support the continuity of the Bank's operations. The program includes the identification of key positions, assessment of potential successors, and development of qualified personnel who may assume critical roles when necessary.

The Bank also identifies alternates for key positions, particularly those involving critical business, operational, risk management, compliance, and control functions. Alternates are provided with appropriate exposure and training to enable them to assume the responsibilities of the position during the temporary or permanent absence of the designated position holder. These initiatives help promote continuity of leadership, preserve institutional knowledge, and minimize operational disruption arising from vacancies or changes in key personnel.

With respect to retirement, **there is no prescribed retirement age for members of the Board of Directors in their capacity as directors.** For Senior Management and employees covered by the applicable retirement laws and employment policies, the **compulsory retirement age is generally sixty-five (65) years**, subject to applicable laws, regulations, retirement plans, and the terms of their respective appointments or employment. Retirement planning is integrated with the Bank's succession and workforce planning processes to facilitate orderly transitions and ensure the continued availability of qualified and competent personnel for critical positions, thereby supporting organizational resilience and business continuity.

REMUNERATION POLICY

I. 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, and by GOCC Circulars (1) MC2016-01-Compensation Framework for GOCC Governing Boards and (2) Reissued MC 2012-02-Revised Interim Rules on Per Diem and 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.

II. Remuneration Policy for Management

The compensation structure for Management follows the structure approved by the Bank's 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 DBM National Budget Circular No. 548 dated May 15, 2013 re 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 CCG.

POLICIES AND PROCEDURES ON RELATED PARTY TRANSACTIONS

Overarching policies and procedures for managing related party transactions

Related Party Transactions (RPTs) refer to transactions or dealings between the Bank and its Related Parties (RPs), whether or not a price is charged. These may include on- and off-balance sheet transactions and cover the various types of transactions and relationships within the scope of applicable BSP regulations and the Bank's RPT policy, including transactions involving Directors, Officers, Stockholders, and their related interests, as applicable.

OFBank allows RPTs provided that these are conducted on an **arm's-length basis**, under fair and reasonable terms, and in accordance with applicable laws, regulations, and the Bank's policies. The Bank maintains appropriate governance mechanisms and internal controls to identify, evaluate, monitor, and manage RPTs and to prevent conflicts of interest, abuse, or transactions that may be disadvantageous to the Bank.

The Board of Directors exercises overall oversight of the Bank's RPT framework through Board-approved policies and procedures. Material RPTs are subject to appropriate review, approval, monitoring, reporting, and disclosure requirements, with the objective of ensuring that related party dealings are undertaken prudently, transparently, and with integrity, and that the interests of the Bank and its stakeholders are adequately protected.



MATERIAL RELATED PARTY TRANSACTIONS

Name of Counterparty	Relationship	Date	Type of transaction	Terms	Amount	Outstanding Balance as of Dec. 31, 2025
LANDBANK OF THE PHILIPPINES	Parent Bank	Dec. 1, 2025	LANDBANK HYSA renewal		P 1.70B	P 1.70B
LANDBANK OF THE PHILIPPINES	Parent Bank	Aug. 1, 2025	Continuation of the use/ occupancy of LANDBANK FMD of the six (6) parking spaces in OFBank Parking Area		P792,000.00	P792,000.00

SELF-ASSESSMENT FUNCTION

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

Pursuant to Sec. X163 (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.

a. 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.

b. 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 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 board of directors 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 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 and of the subsidiary or affiliate BSFI: Provided, further, 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 Internal Audit Group (IAG) on 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: (1) remedial action may be undertaken; (2) improvements in procedures and systems to prevent waste, extravagance and fraud are recommended; and (3) appropriate system of controls and other accounting and operational matters are advised.

OFBANK DIVIDEND

Pursuant to Republic Act No. 7656, government-owned and controlled corporations are generally required to declare and remit at least fifty percent (50%) of their annual net earnings as dividends to the National Government. The law, however, allows the dividend rate to be adjusted upon the recommendation of the Secretary of Finance and approval of the President, taking into consideration, among others, the viability, financial condition, and requirements of the GOCC.

The Department of Finance approved the Non-Remittance of Dividend for Calendar Year 2025. The non-declaration and non-remittance were made in consideration of the Bank’s financial and capital requirements and applicable regulatory considerations.

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 Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1048 to amend Circular No. 857 and firmly institutionalize consumer protection as an integral component of corporate governance and culture, thereby effectively managing risks related to the daily business operations of BSP's supervised financial institutions (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 with the guidelines provided in the new Circular and the efficient delivery of financial products and services to all OFBank clients.

CONSUMER ASSISTANCE MANAGEMENT SYSTEM (CAMS)

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

"Assessment and investigation of complaints/requests take 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

Complaints Report is reported 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 trainings and seminars on customer service and other relevant development workshops, in coordination with LANDBANK.

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; and
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, including 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. Ensures that approved CPRMS and CAM policies and procedures are clearly documented, properly understood, and appropriately implemented across all levels and business units;
2. Establishes 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;
 - d. Identify and assess emerging or increasing consumer risks that affect the BSFI such as through social media monitoring and market monitoring;
3. Ensures 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. Ascertains that weaknesses in the consumer protection practices or consumer protection emerging risks are addressed and corrective actions are taken in a timely manner; and
5. Ensures observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit.



OUR LEADERS

OFBANK BOARD OF DIRECTORS



LYNETTE V. ORTIZ
Chairperson



ELCID C. PANGILINAN
Vice-Chairperson



ALAN V. BORNAS
Director



BITUIN V. SALCEDO
Director



ROBERT L. GOSIOCO
Director



LETICIA V. DAMASCO
Director



LEILA C. MARTIN
Director



ATTY. RODERICK P. SACRO
Director



ALTHON C. FEROLINO
Director



**LYNETTE V.
ORTIZ**

Chairperson
61 years old, Filipino

Lynette V. Ortiz assumed her role as Chairperson 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.



ELCID C. PANGILINAN

Vice-Chairperson and Officer-in-Charge/
President & CEO
57 years old, Filipino

Mr. Elcid C. Pangilinan brings over 30 years of government experience, with extensive involvement in strategy, digital transformation, information and communications technology, and development initiatives. He was seconded from LANDBANK as the Officer-in-Charge/President and CEO of OFBank on August 7, 2024.

During his earlier stint with the Land Bank of the Philippines (LANDBANK), Mr. Pangilinan was among the early advocates of digital banking and championed the establishment of the Bank's Enterprise Data Warehouse. As Head of the Strategy and Knowledge Management Group, he promoted digital financial inclusion, including the co-location project with the Philippine Statistics Authority for the National ID. As a lead of the Digital Transformation and Innovation Committee, he helped facilitate the crafting of the LANDBANK's Digital Transformation Blueprint and also advanced the Bank's Business Intelligence and Data Analytics initiative.

His experience in information and communications technology also extends to the development sector. Mr. Pangilinan led the pilot ICT for Development project of the United Nations Development Programme (UNDP) in the Philippines. He also previously served as Senior Policy Advisor to the Secretary of the Department of Education (DepEd), where he worked on the Information and Communications Technology for Education initiative and the development of ICT competency standards for teachers.

Mr. Pangilinan earned his Master of Science degree from the London School of Economics and Political Science, with Social Policy and Planning in Developing Countries as his major field of study. He was also a Hubert H. Humphrey Fellow in Public Policy, Management and Finance at Boston University in Massachusetts, USA.



ALAN V. BORNAS

Director
59 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
76 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
67 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
76 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
64 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.

Director Martin 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
53 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.

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

Director
59 years old, Filipino

Director 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, Director 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.

2025 OFBANK'S MANAGEMENT TEAM AND CORPORATE SECRETARY



PATRIA P. MADRIO
Head
Financial Management Unit



MARY C. CALACASAN
Head
Administrative Services Unit



JOANNA C. SANGRADOR
Head
Electronic Business Unit



RONALDO E. BUENAVENTURA
Head of Technology
Management Unit and
Data Privacy Officer
(January to August 2, 2025)



ATTY. KARL D. ANTONIO
Corporate Secretary



REYNANTE A. BAZAR
Head
Central Point of Contact
Unit and Treasurer



YUL JOHN V. MARQUEZ
Head Technology
Management Unit
(August to December 2025)



PATRIA P. MADRIO

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.



JOANNA C. SANGRADOR

Bank Officer and Head of
Electronic Business Unit
52 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.



REYNANTE A. BAZAR

Head, Central Point of Contact
and Treasurer
57 years old, Filipino

Mr. Bazar is a highly accomplished finance professional and Certified Public Accountant (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.



MARY C. CALACASAN

Head of Administrative Services Unit
48 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 undertook various roles such as 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 earned units in 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.



RONALDO E. BUENAVENTURA

Head of Technology Management Unit
and Data Privacy Officer
(Jan. 1, 2025 to Aug. 2, 2025)
46 years old, Filipino

Mr. Buena Ventura 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 Silver Award.

Mr. Buena Ventura 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.



YUL JOHN V. MARQUEZ

Head of Technology Management Unit
(effective Aug. 2, 2025)
33 years old, Filipino

Mr. Marquez is a technology professional with over ten years of combined experience in information technology, network administration, digital banking, and technology management. A graduate of San Beda College (now San Beda University) in 2013, he began his career in the BPO industry as a Technical Support Specialist before advancing to Network Administrator. He later worked as a Graphic Artist for a U.S.-based company and subsequently joined the Philippine Southeast Asian Games Organizing Committee (PHISGOC) in 2019, where he served as Team Lead for the Polo Competition in Calatagan, Batangas, successfully overseeing event operations despite adverse weather conditions.

Having been in the banking industry for five years, he has been part of the pioneer team behind Overseas Filipino Bank (OFBank), the first digital-only bank in the Philippines. Through his dedication, technical expertise, and guidance from his mentors, he was appointed Head of the Technology Management Unit at a young age, achieving this leadership role within four years of joining the Bank. He now leads the Bank's technology and cybersecurity initiatives in close coordination with its parent bank, LANDBANK, while continuously enhancing his expertise through professional certifications and specialized training, including the ISO/IEC 27001 ISMS Lead Implementer certification.



ATTY. KARL D. ANTONIO

Corporate Secretary
33 years old, Filipino

Atty. Antonio was appointed Corporate Secretary of OFBank in 2024. He concurrently serves as Corporate Secretary Officer of LANDBANK, supporting the alignment of corporate governance practices across the LANDBANK Group.

Atty. Antonio joined LANDBANK in 2018 under its Legal Services Group, where he handled litigation matters before various courts and tribunals. He was subsequently appointed Corporate Secretary Officer in LANDBANK's Office of the Corporate Secretary, where he gained extensive experience in board governance, corporate secretarial practice, and regulatory compliance.

As Corporate Secretary of OFBank, Atty. Antonio oversees the Bank's corporate governance and board secretariat functions, including the preparation and maintenance of Board and committee documentation, Board resolutions and Secretary's Certificates, and the coordination of Board, committee, and stockholders' meetings. He also supports the Bank's regulatory and governance requirements in coordination with the BSP, SEC, and CCG, and works closely with the Board and Senior Management on matters relating to corporate governance and regulatory compliance.

Prior to joining LANDBANK, Atty. Antonio practiced in a private law firm, where he handled litigation and provided corporate legal advisory services to clients across various industries. He subsequently served as in-house counsel for a private company, focusing on contract review and negotiation, corporate compliance, and legal risk management.

Atty. Antonio's professional experience encompasses corporate secretarial practice, board governance, regulatory compliance, litigation, labor law, and corporate legal advisory work. His combined experience in private practice, in-house counsel work, and government banking contributes to his role in supporting sound corporate governance and regulatory compliance within LANDBANK and OFBank.

PRODUCTS AND SERVICES

OFBank's products and services are designed to support the evolving financial needs of Overseas Filipinos, OFWs, their beneficiaries, and other underserved sectors through a secure, branchless, and fully digital banking model. In 2025, the Bank continued to deliver essential banking services through digital channels, enabling customers to open and maintain accounts, perform cashless transactions, transfer funds, access remittance-linked services, pay bills, use debit card facilities, and participate in government investment opportunities without the need for physical branch visits.

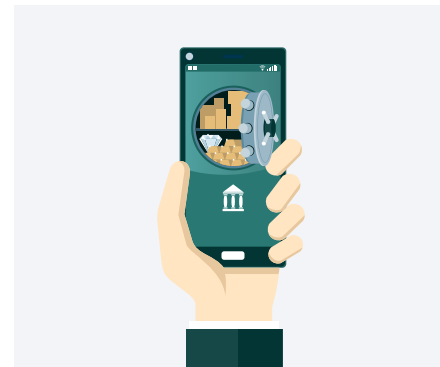
DIGITAL ACCOUNT OPENING AND ONBOARDING

Customers may access account opening and onboarding services through OFBank's digital channels, supported by customer due diligence, account validation, and digital onboarding processes designed for Overseas Filipinos and their beneficiaries.



DEPOSIT PRODUCTS

The Bank offers digital deposit accounts that support savings mobilization, account maintenance, remittance receipt, and day-to-day financial management through secure digital banking access.



MOBILE AND ONLINE BANKING SERVICES

OFBank's mobile banking application and digital banking channels allow customers to perform banking transactions remotely, monitor accounts, initiate fund movements, and access services from the Philippines or abroad.



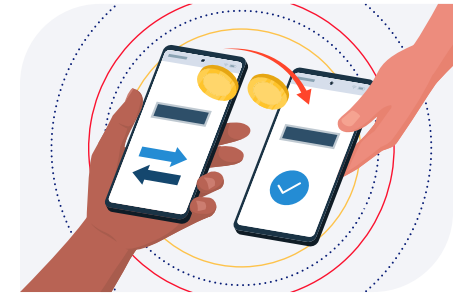
FUND TRANSFERS AND PAYMENTS

Customers are provided access to digital fund transfer and payment services, including electronic fund transfers, bills payment, and other cashless transaction capabilities supported by the Bank's digital infrastructure.



REMITTANCE-LINKED SERVICES

The Bank supports remittance-linked account usage and related services that help Overseas Filipinos manage funds, support beneficiaries, and strengthen household financial resilience through digital banking access.



DEBIT CARD SERVICES

OFBank provides debit card facilities, including regular debit card and beneficiary card services, to support customer access, payment convenience, and account-linked transactions.



GOVERNMENT SECURITIES AND INVESTMENT ACCESS

Through digital banking and partnership initiatives, OFBank enables customers to participate in government securities offerings and investment literacy programs, including retail treasury bond campaigns that promote savings, investment participation, and nation-building.



CUSTOMER ASSISTANCE AND AFTER-SALES SUPPORT

The Bank supports customers through digital customer assistance, inquiry handling, complaint management, fraud-related reporting, and after-sales service channels that help sustain customer trust and service responsiveness.



Product enhancements and future offerings are subject to appropriate governance, feasibility assessment, risk review, compliance clearance, system readiness, customer impact evaluation, and Board or Management approval. This ensures that OFBank's services remain responsive to the needs of Overseas Filipinos while aligned with regulatory expectations and the Bank's public service mandate.

FINANCIAL STATEMENT



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, 2025 and 2024, 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, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 PFRS Accounting Standards, 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 a manner that achieves fair presentation.

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 Revenue Regulations 15-2010 in Note 25, and BSP Circular No. 1074 in Note 29 to the 2025 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

June 2, 2026



June 2, 2026

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

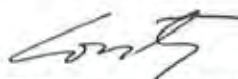
The management of OVERSEAS FILIPINO BANK, INC., A Digital Bank of LANDBANK (OFBI), formerly PHILIPPINE POSTAL SAVINGS BANK, INC. (PPSBI), is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025 and 2024, 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.

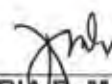
The Commission on Audit (COA), has audited the financial statements of OFB in accordance with International Standards of Supreme Audit Institutions (ISSAI), and in its report to the Board of Directors, has expressed its opinion on the fairness of presentation upon completion of such audit.



MA. LYNETTE V. ORTIZ
Chairman of the Board



LEILA C. MARTIN
President and Chief Executive Officer



PATRIA P. MADRIO
Head, Financial Management Unit

OVERSEAS FILIPINO BANK, INC.
(A DIGITAL BANK OF LANDBANK)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(In Philippine Peso)

	NOTE	2025	2024 As Restated
ASSETS			
Cash and Cash Equivalents	6	1,262,468,880	1,194,475,473
Fair value thru other comprehensive income	10	297,309,514	286,373,897
Held to Maturity Financial Assets, net	11	2,170,902,991	1,515,235,697
Loans and Receivables, net	12	1,414,231,555	1,694,620,079
Property and Equipment, net	13	145,975,897	146,163,765
Other Intangible Assets, net	14	16,813,235	18,168,981
Other Assets, net	15	254,916,766	126,800,546
TOTAL ASSETS		5,562,618,838	4,981,838,438
LIABILITIES AND EQUITY			
Liabilities			
Deposit Liabilities	16	3,763,489,247	3,423,934,429
Accrued Expenses	17	123,107,766	104,667,862
Other liabilities	18	196,029,669	85,838,241
Total Liabilities		4,082,626,682	3,614,440,532
Equity			
Capital Stock	19	2,680,000,000	2,680,000,000
Retained Earnings (Deficit)	20	(1,202,031,081)	(1,313,741,958)
Other Comprehensive Income (Loss)	21	2,023,237	1,139,864
Total Equity		1,479,992,156	1,367,397,906
TOTAL LIABILITIES AND EQUITY		5,562,618,838	4,981,838,438

The notes on pages 9 to 38 form part of these statements.

OVERSEAS FILIPINO BANK, INC.
(A DIGITAL BANK OF LANDBANK)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Philippine Peso)

	NOTE	2025	2024 As Restated
INTEREST INCOME			
Loans & discounts		140,716,444	144,683,915
Investments		104,181,033	76,943,861
Loans and receivables arising from RA/CA/PR/SLB		5,345,745	5,206,440
Due from Bangko Sentral ng Pilipinas		38,621,923	42,231,862
Deposits with banks		79,910	63,015
		288,945,055	269,129,093
INTEREST EXPENSE			
Deposit liabilities		75,418,791	101,431,368
NET INTEREST INCOME		213,526,264	167,697,725
Provision for credit losses	12	0	3,800,000
NET INTEREST INCOME AFTER PROVISION FOR LOSSES		213,526,264	163,897,725
OTHER OPERATING INCOME			
Fees and commission		31,260,162	30,490,424
Foreign exchange gains from revaluation		256	17
Miscellaneous income	22	848,935	3,735,413
		32,109,353	34,225,854
OTHER OPERATING EXPENSES			
Compensation and fringe benefits	23a	11,668,649	10,292,334
Depreciation and amortization	23b	7,609,261	7,646,437
Taxes and licenses	25b	12,035,881	10,783,831
Miscellaneous expenses	24	102,610,949	83,387,896
		133,924,740	112,110,498
NET INCOME FOR THE PERIOD		111,710,877	86,013,081
INCOME TAX EXPENSE	25	0	0
NET INCOME AFTER TAX		111,710,877	86,013,081
OTHER COMPREHENSIVE GAIN		883,373	2,409,876
TOTAL COMPREHENSIVE INCOME		112,594,250	88,422,957

The notes on pages 9 to 38 form part of these statements.

OVERSEAS FILIPINO BANK, INC.
(A DIGITAL BANK OF LANDBANK)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Philippine Peso)

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		279,643,132	265,960,734
Interest paid		(77,695,388)	(141,867,132)
Fees and Commissions		31,259,827	30,490,424
Miscellaneous Income	22	848,935	3,735,413
General and Administrative Expenses		(108,362,519)	(96,782,511)
Operating income before changes in operating assets and liabilities		125,693,987	61,536,928
Changes in operating assets and liabilities			
(Increase) / Decrease in operating assets			
Loans and Receivables		280,388,524	47,840,870
Other Resources		(116,027,270)	35,173,171
Increase / (Decrease) in operating liabilities:			
Deposit Liabilities		339,554,818	170,389,201
Other Liabilities		110,168,278	7,868,922
Net Cash Provided by Operating Activities		739,778,337	322,809,092
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to intangible asset, property and equipment (net)	13 & 14	(6,065,648)	0
Investments in Bonds		(655,667,293)	(101,672,016)
Placement in investment management account		(10,103,471)	(132,009,292)
Net Cash Used in Investing activities		(671,836,412)	(233,681,308)
Effects of Exchange Rate changes on Cash & Cash Equivalents		51,482	133,176
NET INCREASE IN CASH AND CASH EQUIVALENTS		67,993,407	89,260,960
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,194,475,473	1,105,214,513
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	1,262,468,880	1,194,475,473

The notes on pages 9 to 38 form part of these statements.

OVERSEAS FILIPINO BANK, INC.
(A DIGITAL BANK OF LANDBANK)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Philippine Peso)

	Capital Stock Note 19	Other Comprehensive Income (Loss) Note 21	Retained Earnings (Deficit) Note 20	Total Equity
Balance as of December 31, 2023	2,680,000,000	(1,270,012)	(1,400,670,077)	1,278,059,911
Prior period adjustment			915,038	915,038
Balance as of December 31, 2023, as restated	2,680,000,000	(1,270,012)	(1,399,755,039)	1,278,974,949
Unrealized gain on available for sale financial assets		2,409,876		2,409,876
Net Income for CY 2024, as restated			86,013,081	86,013,081
Balance as of December 31, 2024, as restated	2,680,000,000	1,139,864	(1,313,741,958)	1,367,397,906
Unrealized gain on available for sale financial assets				
Net Income for CY 2025				
Balance as of December 31, 2025	2,680,000,000	2,023,237	(1,202,031,081)	1,479,992,156

The notes on pages 9 to 38 form part of these statements.

OVERSEAS FILIPINO BANK, INC.
(A Digital Bank of LANDBANK)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

(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 (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 (RA) 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 LANDBANK 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 LANDBANK 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 LANDBANK 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 March 25, 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, 2025, the Bank has 12 organic employees, nine seconded employees from the Parent Bank and 13 contractual employees. Its principal place of business is at Liwasang Bonifacio, Intramuros, Manila.

2. Statement of Compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards/Philippine Accounting Standards (PAS)

The financial statements of the Bank have been prepared in accordance with PFRS Accounting Standards/PAS.

The accompanying comparative financial statements were authorized for issue by the Board of Directors per Secretary's Certificate issued on June 2, 2026.

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 Accounting Standards

The following new and amended standards which are mandatorily effective for annual periods beginning on or after January 1, 2025.

- 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.

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.

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. Replaces PAS 1 Presentation of Financial Statements. Major changes in the requirements includes a more structured statement of profit or loss, requires some "non-GAAP" measures to be reported in the Financial Statements, greater disaggregation of information and other changes applicable to the primary financial statements. Applicable to annual reporting period beginning on or after January 1, 2027.

c. Amendments to PFRS 9 and PFRS 7 Amendments to the Classification and Measurement of Financial Instruments. Settlement of liabilities through electronic payment systems. The amendment to PFRS 9 clarifies when a financial asset or a financial liability is recognized and derecognized. Under the amendments, a company generally derecognizes its trade payable on the settlement date. Normally this is the date on which payment is completed. The amendment also provide an optional exception, with certain criteria. Effective for annual reporting periods beginning on or after January 1, 2026.

d. Amendment to PFRS 9 and PFRS 7 – Contracts Referencing Nature-dependent Electricity. The amendments enable nature-dependent electricity contracts, which are sometimes referred to as renewable power purchase agreements (PPAs), to be better reflected in the financial statements. The amendments clarify the application of the own use exemption to these contracts, amend the hedge accounting requirements to allow contracts for electricity from nature-dependent renewable energy sources to be used as a hedging instrument if certain conditions are met and introduce additional disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and future cash flow.

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 FVOCI

These investments are measured at FVOCI 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 FVTPL

This refers to the debt and equity securities held for trading that are measured at FVTPL 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 five 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 that no additional provision for credit losses as of December 31, 2025 computed using Expected Credit Losses Model of the Parent Bank. The net carrying value of loans from customers stood at P1,414.23 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.

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	2025	2024
Due from Bangko Sentral ng Pilipinas	7	1,093,790,450	1,130,768,437
Due from Other Banks	8	58,678,430	63,707,036
Loans and Receivables arising from RA/CA/PR/SLB	9	110,000,000	0
		1,262,468,880	1,194,475,473

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:

	2025	2024
Term deposit account	999,000,000	900,000,000
Demand deposit account	94,790,450	137,768,437
Overnight deposit account	0	93,000,000
	1,093,790,450	1,130,768,437

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, LANDBANK amounting to P58,678,430 and P63,707,036 in CY 2025 and 2024, respectively.

9. Loans and Receivables Arising from Repurchase Agreements/Certificates of Assignment/Participation with Recourse/Securities Lending and Borrowing

This pertains to loans arising from repurchase agreement with BSP amounting to P110,000,000 and P0 in CY 2025 and 2024, respectively.

10. Fair Value through Other Comprehensive Income

This account is composed of:

	2025	2024
Investment in Treasury Bills/Fixed Treasury Notes purchased from Security Bank Corp. Investment Management Account with LANDBANK-Trust Banking Group (52401-26777-13-01)	49,514,098	48,332,320
Investment in QUEDANCOR Bonds	247,795,416	238,041,577
Allowance for credit losses	30,000,000	30,000,000
	(30,000,000)	(30,000,000)
	297,309,514	286,373,897

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 LANDBANK-Trust Banking Group consists of various placements in government securities and corporate bonds. This is covered by an agency agreement between OFB and LANDBANK-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 QUEDANCOR Restructured Notes.

11. Held to Maturity Financial Assets, net

	2025	2024
BTR-Retail Treasury Bonds (05-16,18,19)	1,600,000,000	1,400,000,000
San Miquel Corporation GP Bonds	43,440,000	59,830,000
Robinson Land Corporation Bonds	32,500,000	62,200,000
Aboitiz Bond	200,000,000	0
Petron Bond	300,000,000	0
Total	2,175,940,000	1,522,030,000
Less: Unamortized Discount	5,037,009	6,794,303
	2,170,902,991	1,515,235,697

12. Loans and Receivables, net

This account consists of:

	2025	2024
Loans to Individuals for Other Purposes	1,460,973,731	1,741,362,255
Allowance for Losses	(46,742,176)	(46,742,176)
	1,414,231,555	1,694,620,079

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 of 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:

	2025	2024
Balance, January 1	27,221,179	23,420,672
Provisions	0	3,800,000
Transfers and other adjustments	0	507
Balance, December 31	27,221,179	27,221,179

The movement of the general loan loss provisions are:

	2025	2024
Balance, January 01	19,520,997	19,520,997
Adjustments	0	0
Balance, December 31	19,520,997	19,520,997

As to Status:

	2025	2024
Current Loans	1,425,785,515	1,714,056,247
Non-Performing Loans	35,188,216	27,306,008
	1,460,973,731	1,741,362,255

As to Security:

	2025	2024
Secured Loans	0	0
Unsecured Loans	1,460,973,731	1,741,362,255
	1,460,973,731	1,741,362,255

13. Property and Equipment, net

This account consists of:

	Land	Buildings	Leasehold Rights and Improvements	Furniture Fixture & Equipment	Motor Vehicles	Computer and Peripherals	Total
Cost							
January 1, 2025	131,008,000	48,686,618	0	7,761,857	3,976,723	91,789,656	283,222,854
Additions	0	0	829,600	936,894	663,000	963,244	3,392,738
Reclassifications	0	0	0	0	0	(445,170)	(445,170)
December 31, 2025	131,008,000	48,686,618	829,600	8,698,751	4,639,723	92,307,730	286,170,422
Accumulated Depreciation/ Allowance for Impairment							
January 1, 2025	0	35,229,920	0	7,410,300	3,812,169	90,606,700	137,059,089
Provisions	0	2,336,920	275,055	121,336	220,448	183,831	3,137,590
Reclassifications	0	0	0	0	0	(2,154)	(2,154)
December 31, 2025	0	37,566,840	275,055	7,531,636	4,032,617	90,788,377	140,194,525
Carrying amount							
December 31, 2025	131,008,000	11,119,778	554,545	1,167,115	607,106	1,519,353	146,975,897

	Land	Building	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	32,809,784	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

The OFB (formerly PPSBI) building was acquired through Dacion En Pago from the PPC on November 02, 2012 with booked value amounting to P37.567 million. The Net Book Value of the Building is P11.12 million as of December 31, 2025.

14. Other Intangible Assets, net

This account represents cost of the Digital license fee, creation of the OFB microsite in LANDBANK, 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:

	2025	2024
Other intangible assets	36,896,762	33,778,682
Accumulated amortization	(20,083,527)	(15,609,701)
	16,813,235	18,168,981

15. Other Assets, net

This account is composed of the following:

	2025	2024 restated
Accounts receivable	399,762,077	298,694,722
Accrued interest income from financial assets	21,786,537	12,484,614
Prepaid expenses	1,132,808	1,258,470
Documentary stamps on checks	3,523,836	730,814
Other investments	969,460	538,792
Stationery and supplies on hand	64,429	70,424
Sundry debits	14,245,263	32,898
Miscellaneous assets	45,366,139	44,923,595
	486,850,549	358,734,329
Other Assets - Allowance for Losses	(231,933,783)	(231,933,783)
	254,916,766	126,800,546

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 which will result to inflow of funds on the Due from Other Banks account with LANDBANK Intramuros Branch.

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 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 2024 and creditable withholding taxes from payments of service recipients. Prepayment of taxes has a cumulative balance of P5.22 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 and demand accounts with outstanding balance of P3,763,489,247 and P3,423,934,429 in CY 2025 and 2024, respectively, which earn annual fixed interest rates ranging from 0.05 for regular accounts and 3.65 to 5.25 per cent for High-Yield Savings Account.

17. Accrued Expenses

This account represents:

	2025	2024 restated
Accrued interest expense in financial liabilities	5,343,194	7,619,792
Management and other professional fees	47,445,093	39,238,092
Postage, telephone, cables and telegrams	32,507,649	26,936,609
Information technology	15,622,023	12,341,746
Fees and commissions	3,476,518	996,518
Insurance	3,395,922	3,270,048
Other taxes and licenses	2,280,000	2,280,000
Stationeries and supplies	2,072,425	1,320,169
Security, clerical, messengerial and janitorial	2,957,618	1,669,878
Salaries and wages	0	8,723
Fringe benefits	2,183,601	2,475,160
Repairs and maintenance	38,300	6,383
Power, light and water	124,597	100,000
Advertising and publicity	922,366	810,303
Fuel and lubricants	179,710	83,937
Litigation	4,249,326	4,249,326
Travelling	5,022	0
Others	304,402	1,261,178
	123,107,766	104,667,862

As of December 31, 2025, 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:

	2025	2024 restated
Accounts payable – others	170,173,119	68,036,171
Due to the Treasurer of the Philippines	8,987,480	8,987,480
Unclaimed balances	10,416,300	8,388,256
Withholding tax payable	212,220	203,132
SSS, PHIC, Employee Compensation and Pag-ibig Fund Payable	115,083	100,686
Sundry credits	6,023,968	21,017
Miscellaneous liabilities	101,499	101,499
	196,029,669	85,838,241

The Accounts Payable – others account is composed of unpaid obligation to LANDBANK, 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 LANDBANK 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 LANDBANK 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 LANDBANK 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, LANDBANK 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.

20. Retained Earnings (Deficit)

In consonance with PAS 8, the balance of this account as of December 31, 2025 was restated for prior period adjustments. The adjustments principally relate to reclassification of various accounts, recognition/reversal of income and expenses.

Details of the restatement of Retained Earnings/(Deficit) of the Bank as of December 31, 2024 are as follows:

Particulars	Debit	Credit	Balance
Retained Earnings, as of December 31, 2023 before restatement			(1,400,670,077)
Prior period adjustments:		915,038	915,038
Retained earnings as of December 31, 2023, as restated			(1,399,755,039)
Net Income for CY 2024 before restatement			86,285,460
Adjustments:			
Postage, Telephone, Cables & Telegrams	1,371,458		
Advertising and Publicity	499,968		
Fees and commissions		68,896	
Fuel and lubricants		17,496	
Management and other professional fees		200,000	
Security services		36,077	
Fringe Benefits-Directors		613,914	
Miscellaneous income		663,000	
	1,871,762	1,599,383	(272,379)
Net Income for CY 2024, as restated			86,013,081
Retained earnings as of December 31, 2024, as restated			(1,313,741,958)

The effects of these restatements in the financial statements as of and for the year ended December 31, 2024 are summarized below:

	As Previously Reported	Effects of Restatement	As Restated
Changes in the Statement of Financial Position			
Assets			
Other Assets	126,715,863	84,683	126,800,546
		84,683	
Liabilities			
Accrued Expenses	104,407,798	260,064	104,667,862
Other Liabilities	86,656,281	(818,040)	85,838,241
		(557,976)	
Equity			
Retained earnings/(deficit)	(1,314,384,617)	642,659	(1,313,741,958)
		84,683	

	As Previously Reported	Effects of Restatement	As Restated
Changes in the Statement of Comprehensive Income			
Other Operating Income			
Miscellaneous income	3,072,749	662,664	3,735,413
Other Operating Expenses			
Compensation and Fringe Benefits	10,906,248	(613,914)	10,292,334
Miscellaneous expenses	81,838,939	1,548,957	83,387,896
		935,043	
Net		(272,379)	

21. Other Comprehensive Income

This account consists of Unrealized Gains 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 loan pre-termination fees and loan penalties on delayed payments with outstanding balances of P848,935 and P3,735,413 in CY 2025 and 2024, respectively.

23. Other Operating Expenses

a. Compensation and fringe benefits

	2025	2024 restated
Salaries and Wages	5,801,026	4,975,002
Fringe Benefits	1,772,290	1,085,257
Government Contribution	524,636	420,652
Other compensation and benefits	3,570,697	3,811,423
	11,668,649	10,292,334

b. Depreciation and amortization

	2025	2024
Bank Premises, Furniture, Fixtures and Equipment	3,135,435	2,670,523
Other Intangible Assets	4,473,826	4,975,914
	7,609,261	7,646,437

24. Miscellaneous Expenses

This account is composed of:

	2025	2024 restated
Management and other professional fees	43,412,696	29,159,811
Documentary stamps used	13,093,361	14,427,803
Information technology	13,001,045	13,348,615
Insurance	7,416,890	6,963,425
Security, clerical, messengerial and janitorial	6,479,557	5,708,863
Postage, telephone, cable and telegram	5,936,006	5,310,608
Stationeries and supplies used	3,477,216	1,571,166
Fees and commission	2,991,107	2,134,118
Advertising and publicity	2,361,677	937,955
Power, light and water	1,337,837	1,696,738
Rent	955,867	0
Representation & entertainment	782,754	512,675
Fuel and lubricants	382,872	125,956
Membership fees and dues	359,258	244,706
Travelling expense	312,965	618,718
Repairs and maintenance	242,725	551,209
Other expenses	67,116	75,530
	102,610,949	83,387,896

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 2025, there was no income tax requirement computed as follows:

Revenue		176,152,559
Less: Cost of Services		
Interest on deposit liabilities	46,438,421	
Insurance	5,263,136	
Others	29,085,512	80,787,069
Gross Income		95,365,490
Less: Operating Expenses		
Compensation and Fringe Benefits	11,668,649	
Taxes and Licenses	12,035,881	
Rent	955,867	
Insurance	2,153,754	
Management and Other Professional Fees	43,412,697	
Representation and Entertainment	782,754	
Travelling	312,965	
Power, Light and Water	1,337,837	
Postage, Telephone, Cable and Telegram	5,936,007	
Repairs and Maintenance	242,725	
Security, Clerical, Mess. and Janitorial	6,479,557	
Services		
Fuels and Lubricants	382,872	
Advertising and Publicity	2,361,677	
Membership Fees and Dues	359,258	
Stationery and Supplies Used	3,477,216	
Litigation Expenses	20,758	
Others	46,357	
Depreciation/Amortization	7,609,261	99,576,092
Net Loss before Income Tax		(4,210,602)
Income Tax due (25%)		0
Net Loss after Income Tax		(4,210,602)
Net Loss before Income Tax		(4,210,602)
Add (Less): Revenue subject to final tax	144,901,849	
Tax arbitrage	(28,980,370)	115,921,479
Net Income per books		111,710,877

Summary of taxes paid during the year:

	2025	2024
Documentary stamp taxes	13,093,361	14,427,803
Final income taxes (1602)	15,539,073	28,373,417
Income taxes on compensation (1601C)	541,806	421,796
Percentage taxes (2551M)	9,190,130	9,255,430
VAT & other percentage taxes (1600)	349,781	748,323
Expanded Withholding taxes (1601E)	276,702	315,589
Annual registration	0	500
	38,990,853	53,542,858

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 2025 are as follows:

Documents/Transactions	DST Paid
Certificate of time deposits/Other deposits	13,093,361

b. Other taxes and licenses

In 2025, Taxes and licenses presented as part of "Other Operating Expense" accounts in the statement of comprehensive income includes the following:

Local taxes	2,047,886
National	
Percentage taxes (2551)	9,987,995
	12,035,881

c. Withholding Taxes

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

Tax on compensation and benefits	541,806
Expanded (Creditable) withholding taxes	276,702
Final withholding taxes	
Final income taxes	15,539,073
Final withholding VAT	349,781
	16,707,362

26. Related Party Transactions

In the ordinary course of business, the Bank has deposits and other transactions in CY 2025 with its parent bank, LANDBANK, as follows:

	Amount
Due from Other Banks	58,678,430
FVOCI (IMA Account)	247,795,416
Accounts Receivable-Others	199,486,791
Deposit liability	1,700,000,000
Accrued expenses	109,553,587
Accounts payable-others	161,634,412
Paid In Capital Stock-common stock	2,680,000,000
Interest income	79,910
Fees and Commission Expense	2,991,106
Interest expense	69,197,917
	5,229,417,569

	Amount
Breakdown of Accrued Expenses	
Information technology	16,405,601
Management and other professional fees	47,165,258
Stationeries and Supplies	1,972,853
Fees and Commissions	3,336,940
Security Services	2,315,361
Advertising and Publicity	810,303
Postage, cables, telephone and telegraph	31,979,024
Fuel and Lubricants	179,710
Repairs and Maintenance	38,300
Seminars & Trainings	2,021
Travelling	5,022
Interest expense	5,343,194
	109,553,587

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

Employees of the Bank shall be entitled to the allowances and fringe benefits subject to the conditions for entitlement or eligibility requirements.

As of December 31, 2025, the balance of 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

	2025	2024
	(In percentage)	(In percentage)
Return on average equity	7.8	6.4
Return on average assets	2.3	1.7
Net interest margin	4.4	3.4
Risk Based Capital Adequacy Ratio	56.8	53.4

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.

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. The Board sets the overall risk tolerance of the Bank that is consistent with its business plan, financial strength and organizational capability.

The Board of Directors 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 LANDBANK, the RMG consults with OFB's business units through the Bank's Central Point of Contact Unit 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.

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 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. 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 LANDBANK. 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 has no provision for additional credit losses as of December 31, 2025. The existing allowance computed using Expected Credit Losses Model of parent bank, LANDBANK, with total amount of P48.76 million was sufficient to cover the outstanding classified accounts of P50 million or 3.18 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 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 Board of Directors 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, Non-Performing Loan (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;
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	• Current
	Stage 2	• One to 30 days past due
	Stage 3	• 31 to 90 days past due • More than 90 days past due (monthly installments) • More than 30 days past due (lump sum payment, and quarterly, semi-annual and annual installments)
Observable Impairment Indicators	Stage 1	General economic and market conditions
	Stage 2	• Economic and market conditions adverse to the borrower • Industry specific issues
	Stage 3	Company-specific business, operational and financial (PFRS 9 loss events)
BSP Classification/ Internal Rating	Stage 1	• 1 (Prime) • 2 (High Grade) • 3 (Good) • 4 (Very Satisfactory) • 5 (Satisfactory) • 6 (Watchlist)
	Stage 2	• 7 (EM) • 8 (Substandard)
	Stage 3	• 9 (Doubtful) • 10 (Loss)

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.

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 Board of Directors.

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

	2025	2024
Neither past due nor impaired	1,410.96	1,707.65
Past Due but not impaired	14.82	6.40
Impaired	35.19	27.31
	1,460.97	1,741.36
Less: Specific allowance for credit losses	27.22	27.22
	1,433.75	1,714.14

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

	2025	Per cent	2024	Per cent
Secured	0	0	0	0
Unsecured	35.19	100	27.31	100
	35.19	100	27.31	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 Board of Directors-level CGRMC. In general, mitigation measures on credit risks are implemented at various levels.

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. As of December 31, 2025, the Bank's qualifying capital covering credit risk is P1.48 billion. On the other hand, the SBL is pegged at P371 million for direct lending.

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

	2025	2024
Salary-Based General-Purpose Consumption Loans	1,460.97	1,741.36
	1,460.97	1,741.36
Allowance for Credit Losses	(27.22)	(27.22)
	1,433.75	1,714.14

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 Board of Directors 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 Chief Executive Officer.

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, 2025, remaining Government Securities classified under FVOCI with average yield to maturity of 3.5 per cent registered an unrealized gain/mark-to-market loss of P0.45 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.

The following table sets out the liquidity ratios as of December 31, 2025.

Liquid Assets (Cash and Due From BSP/ Local Bank, Government Securities)	P2,848,267,538
Financial Ratios:	
Liquid Assets to Total Assets	51.2%
Liquid Assets to Total Deposits	75.7%

32. EVENTS AFTER THE REPORTING PERIOD

Program Reversion

The Purchase of Receivable Program (PRP) is undergoing full reversion to the Parent Bank, LANDBANK. This strategic action is being implemented in strict compliance with BSP regulatory requirements, supported by governance and oversight mechanisms to ensure transparency, risk mitigation, and an orderly transition. The reversion ensures continuity of access to credit, robust risk management, and adherence to prudential standards.

Initial Settlement

As of April 28, 2026, the initial settlement of the PRP portfolio was completed. This included the transfer of all outstanding loan accounts, associated documentation, and customer records from OFBank to LANDBANK as of cut-off March 31, 2026. The settlement was conducted under supervisory oversight, ensuring compliance with BSP circulars on fair lending and responsible credit granting.

Current Activity

As of May 2026, the program has entered the reconciliation phase. The focus is on validating portfolio balances and account values to ensure accuracy of transferred records. This process identifies any underpayments or overpayments, with corrective measures being prepared for settlement.

Completion of Reconciliation

All adjustments arising from reconciliation are scheduled to be finalized on or before June 30, 2026. Independent audit and validation will confirm compliance with BSP prudential standards. Final compliance reports will then be submitted to BSP to formally conclude the reversion process.

CORPORATE INFORMATION



OWNERSHIP

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



BANK WEBSITE

The OFBank website, www.ofbank.com.ph, contains the Bank's corporate information, products and services, and financial and operational highlights.



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Website: www.ofbank.com.ph





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