

***2024 PLANS AND PROGRAMS
AND
CORPORATE OPERATING
BUDGET***



A Digital Bank of  **LANDBANK**

Reaching Filipinos Worldwide

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2023 BUSINESS TARGETS

(In P' Million)

STATEMENT OF INCOME AND EXPENSE

ACCOUNTS	RECALIBRATED 2023 TARGET	ACTUAL ACCOMPLISHMENT (SEPT. 2023)	ESTIMATED YEAR-END (2023)	PROPOSED TARGET 2024	TARGET GROWTH RATE 2023 vs. 2024
INTEREST INCOME	267.12	187.11	249.48	391.05	57%
Loans	151.63	109.80	146.40	226.02	54%
Due from BSP	16.93	25.86	34.48	82.74	140%
Deposit in other bank	0.22	0.02	0.03	0.19	625%
Government securities	61.20	1.05	1.40	1.40	0%
HTM (Bonds)	37.14	49.75	66.33	65.97	-1%
IMA	-	0.63	0.84	14.73	1654%
OTHER INCOME	30.56	27.83	37.11	24.41	-34%
Fees and commission	21.50	16.82	22.43	24.28	8%
Rental income	8.94	10.31	13.75	-	-100%
Other Income	0.12	0.70	0.93	0.13	-86%
TOTAL INCOME	297.68	214.94	286.59	415.46	45%
OPERATING EXPENSES					
Variable cost/ expenses	137.03	76.08	129.29	192.45	49%
Interest on deposits	82.87	53.74	71.65	146.33	104%
Insurance on deposits	7.52	4.81	6.41	13.15	105%
Documentary stamps	34.21	11.26	37.26	11.44	-69%
GRT	11.14	6.27	8.36	13.11	57%
Provision for credit losses	1.29	-	5.60	8.42	
Manpower costs	15.29	5.35	7.23	31.77	339%
OFB organic - salaries and fringe benefits	11.11	3.97	5.29	25.38	379%
Directors' per diems/ allowances/other expenses	4.11	1.38	1.84	4.14	125%
Seminars and trainings	0.07	-	0.10	2.25	2150%

STATEMENT OF INCOME AND EXPENSE

ACCOUNTS	RECALIBRATED 2023 TARGET	ACTUAL ACCOMPLISHMENT (SEPT. 2023)	ESTIMATED YEAR-END (2023)	PROPOSED TARGET 2024	TARGET GROWTH RATE 2023 vs. 2024
Other operating expenses	106.60	56.60	94.26	172.00	82%
Mgt. and other prof. fees - BSP/COA	3.54	1.58	2.11	1.39	-34%
Mgt. and other prof. fees - Others	39.40	23.68	38.51	59.46	54%
Rent	-	0.70	0.93	-	-100%
Taxes and Licenses - others	2.47	1.49	1.99	3.32	67%
Insurance - others	0.28	0.14	0.19	0.43	130%
Representation & Entertainment	0.57	0.32	0.43	1.86	336%
Power, Light and Water	2.11	3.45	4.60	2.18	-53%
Postage, Telephone, Cables and Telegrams	14.00	9.80	13.07	13.84	6%
Repairs and maintenance	2.68	0.02	2.53	0.09	-96%
Security services	2.12	2.16	3.13	1.18	-62%
Clerical, janitorial and messengerial	1.55	1.28	2.61	6.65	155%
Information and technology expenses	6.12	3.18	4.24	3.80	-10%
Fees and commissions expense	8.54	2.87	3.83	14.28	273%
Fuel and lubricants	0.40	0.12	0.16	0.44	175%
Advertising and publicity	2.72	0.05	1.07	11.64	991%
Litigation	4.80	-	4.60	-	-100%
Membership fees and dues	0.33	0.23	1.31	0.43	-67%
Stationery and supplies	0.23	0.09	0.12	0.25	108%
Travelling Allowance/Expense	0.80	0.15	1.80	8.03	346%
Miscellaneous/ others	0.05	0.02	0.03	0.06	125%
Depreciation and amortization and impairment	12.92	4.52	6.03	41.69	592%
Provision for probable losses - fraud	0.97	0.75	1.00	0.97	-3%
TOTAL OPERATING EXPENSES	258.92	138.03	230.78	396.22	72%
NET INCOME (LOSS) BEFORE TAX	38.76	76.91	55.81	19.24	-66%
LESS: INCOME TAX	9.69	4.29	13.95	4.81	-66%
NET INCOME (LOSS) AFTER TAX	29.07	72.62	41.86	14.43	-66%

2023 BUSINESS TARGETS

(In P' Million)

STATEMENT OF FINANCIAL CONDITION

ACCOUNTS	REVISED 2023 TARGET	ACTUAL ACCOMPLISHMENT (SEPT. 2023)	ESTIMATED YEAR-END (2023)	PROPOSED TARGET 2024	TARGET GROWTH RATE 2023
ASSETS					
Due from Bangko Sentral ng Pilipinas (DDA, ODF, TDF, RRP)	1,105.19	968.32	734.93	845.22	15%
Due from other banks	20.00	70.96	62.34	80.67	29%
Available for sale - debt securities (net)	49.00	46.94	46.24	46.63	1%
Held to Maturity - debt securities (net)	1,422.03	1,413.16	1,413.57	1,415.24	0%
Investments in IMA	100.00	100.00	100.00	500.00	400%
Loans - net	2,060.61	1,801.32	1,834.00	2,036.68	11%
> PRP				1,914.55	
> New Loans				122.13	
Bank premises, furniture and equipment - net	161.85	152.57	152.57	167.86	10%
Other assets - net	290.76	180.99	199.09	344.84	73%
TOTAL ASSETS	5,209.44	4,734.26	4,542.74	5,437.14	20%
LIABILITIES AND EQUITY					
Liabilities					
Deposit liabilities	3,825.96	3,187.48	3,117.00	4,033.31	29%
Other liabilities	109.14	228.19	138.19	115.05	-17%
Total Liabilities	3,935.10	3,415.67	3,255.19	4,148.36	27%
Equity					
Common stock	2,680.00	2,680.00	2,680.00	2,680.00	0%
Retained earnings , beg.	(1,431.23)	(1,431.23)	(1,431.23)	(1,402.16)	-2%
Add: Net Income/loss	29.07	72.62	41.86	14.43	-66%
Retained earnings, end.	(1,402.16)	(1,358.61)	(1,389.37)	(1,387.73)	0%
Other Comprehensive Income	(3.50)	(2.80)	(3.08)	(3.50)	14%
Total Equity	1,274.34	1,318.59	1,287.55	1,288.77	0%
TOTAL LIABILITIES AND EQUITY	5,209.44	4,734.26	4,542.74	5,437.14	20%

Program 1	Deposit Account Opening Campaign
Description	<p>Campaign to increase the active deposit accounts base of OFB.</p> <ol style="list-style-type: none"> 1. Implementation of the Tiered Interest Rates 2. Market PDOS participants and OFWs with LBP accounts; 3. Tie-up with Philippine embassies/consulates, LGU - Public Employment Service Offices (PESOs), TESDA, MARINA, SSS, schools/colleges/universities, for financial literacy and account opening campaigns; 4. Integrate with the Apps of the DICT, and embed the OFB account opening in their registration and membership process; 5. Run a Referral Incentive Campaign (eg., Referrer gets PhP50, while the new accountholder gets PhP25 for every successful account opened).
Objective	To increase the number of active OFB deposit accounts.
Proposed Target	<ul style="list-style-type: none"> • 3,000,000 active deposit accounts by Dec 2028.
Estimated Budget	Included in the marketing campaign budget.

Program 2	Strategic Partnerships with Key Government Agencies
Description	<p>Partnerships with government agencies (e.g., DMW, OWWA, DICT, DOF, BTr, DFA, SSS, TESDA, LGUs, etc.) to leverage on the “government conglomerate” and make OFB the go-to bank of the government for all its OF/OFW-related financial services requirements and initiatives.</p> <p>Advocate for the:</p> <ul style="list-style-type: none"> • Opening of OFB accounts for OFWs and their families to promote financial inclusion; • Opening of transaction accounts for OFWs in the countries where they work, and the crediting of their salaries in these accounts; • Digital disbursement of various aids (e.g., welfare assistance) to the OFWs.
Objective	To achieve synergies in government for its financial inclusion and digital payments goals.
Proposed Targets	<ul style="list-style-type: none"> • 100,000 new accounts per year; • Starting 2024, continuing until 2028.
Estimated Budget	PhP 0.

Program 3	Strategic Partnerships with FinTechs, TSPs, NGOs, Schools
Description	Partnerships with: <ul style="list-style-type: none"> • FinTechs, technology, and other third-party service providers; • Non-government and civil society organizations that provide economic, social, and other services to OFs and their families, for financial education and account opening; • Maritime, healthcare, engineering, IT, and vocational schools for financial education and account opening for their students and employees.
Objectives	<ul style="list-style-type: none"> • To expand and deepen the reach of OFB; and to achieve synergies and create value amongst stakeholders within the OF ecosystem; • To gain access to new technologies and expertise that can help OFB improve its products and services.
Proposed Targets	<ul style="list-style-type: none"> • 10,000 new accounts per year; • Starting 2024, continuing until 2028.
Estimated Budget	PhP 0.

Program 4	Inclusion of Filipinos and Other Clients Overseas
Description	<p>Per the Commission on Filipinos Overseas (CFO), there are about 10.2M overseas Filipinos (cfo.gov.ph/statistics-2). A significant number of them do not have valid Philippine government-issued IDs. Thus, these OFs cannot avail of OFB's services.</p> <p>The OFB account opening process will be enhanced to include the valid foreign-issued passports of potential clients overseas as acceptable ID in the eKYC process.</p> <p>The BSP has approved the DOF-BTr's request to allow OFB to accept foreign-issued passports as valid IDs for dual citizens so that they can participate in the Retail Dollar Bonds. The SSS has also requested OFB to enable SSS pensioners who are already based abroad to open accounts with OFB. SSS intends to disburse the pensions to the OFB accounts.</p>
Objective	To enable potential clients overseas to open accounts using their foreign-issued passports.
Proposed Targets	<ul style="list-style-type: none"> • 2,000 new accounts per year; • Q1 2024.
Estimated Budget	PhP 10M.

Program 5	Aggressive Marketing Campaign
Description	Development and implementation of a comprehensive Marketing Plan to: <ul style="list-style-type: none"> a. Significantly increase awareness of the OFB brand; b. Engage prospective customers to generate interest and desire to avail of OFB’s products and services; c. Incite prospective customers to avail of OFB’s products and services; and d. Retain customers, build loyalty, and turn customers into brand advocates.
Objective	To increase brand awareness, customer onboarding, customer profitability.
Estimated Budget	PhP 66M (over a 5-year period).
Proposed Targets	<ul style="list-style-type: none"> • Develop Marketing Plan: Nov 2023. • Implement Marketing Plan: Starting Q4 2023, continuing until 2028.

Program 5	Aggressive Marketing Campaign
Proposed Targets	<ul style="list-style-type: none"> • By 2024, <ul style="list-style-type: none"> ○ At least 30% level of awareness of OFWs and their families about OFB (from less than 2%, based on the informal survey conducted by the LBP OROs); ○ At least 30% of those who are aware of OFB will open an OFB account; ○ At least 65% of OFB accountholders will actively use their OFB accounts (from the current 44%); ○ At least 50% of clients will advocate for and promote OFB. • By 2026, <ul style="list-style-type: none"> ○ At least 90% level of awareness of OFWs and their families about OFB; ○ At least 60% of those who are aware of OFB will open an OFB account; ○ At least 80% of OFB accountholders will actively use their OFB accounts; ○ At least 75% of clients will advocate for and promote OFB. • By 2028, <ul style="list-style-type: none"> ○ At least 98% level of awareness of OFWs and their families about OFB; ○ At least 70% of those who are aware of OFB will open an OFB account; ○ At least 85% of OFB accountholders will actively use their OFB accounts; ○ At least 80% of clients will advocate for and promote OFB.

Program 6	New Loan Products
Description	<p>Multi-purpose Loan, Pre-departure Loan, and Education Loan products will be launched to help the OFB customers to:</p> <ul style="list-style-type: none"> a. make ends meet; b. finance significant expenses or any immediate financial needs; c. finance the working capital or fixed assets acquisition expenses of qualified OFWs; or d. finance the matriculation expenses of OFWs or their dependents.
Objective	To facilitate access to credit for credit-worthy OFW and their families.
Proposed Target	<p>Jul 2024.</p> <p>Please see the next slide for the revenue and income targets.</p>
Estimated Budget	<p>PhP 0.</p> <p>OFB Management is proposing to engage a third-party service provider (TSP) on a revenue-sharing partnership agreement.</p>

Program 7	<u>YaniRemit</u>: Account-to-Account Remittance Solution
Description	More secure, reliable, and economical mode of digitally transferring money from a foreign account to an OFB account.
Objectives	<ul style="list-style-type: none"> • To enable OFB to fulfill its mandate of delivering quality and efficient foreign remittance service. • To promote customer stickiness.
Proposed Target	<p>Phase 1: Jul 2024.</p> <p>Phase 2: Sep 2024.</p> <p>Please see the next slide for the revenue and income targets.</p>
Estimated Budget	<p>PhP 0.</p> <p>OFB Management is proposing to engage a third-party service provider (TSP) on a revenue-sharing partnership agreement.</p>

Value Proposition:

Pinaka sulit at seguridad na,
very convenient pa.

Program 8	Ongoing Products Enhancements and Innovations
Description	<ul style="list-style-type: none"> • Enhancement of the processes, labels, instructions, and messages of the OFB Mobile Banking App (MBA) to make them easier to understand and to improve the customer experience. • Delivery of innovative and customer-centric solutions within faster turn-around times by leveraging on big data, analytics, and agile-based technologies to gain insights on customers, enhance decision-making, and provide excellent digital-only experiences (eg., Digital loan products; YaniRemit; chatbot; Integration with DMW App).
Objective	To improve customer experience, and to provide excellent digital solutions.
Proposed Targets	<ul style="list-style-type: none"> • 5 enhancements/innovations in 2024; 3 for 2025; at least 2 for 2026-2028. • Customer Satisfaction: 90% by 2024; 93% by 2028. • OFB MBA Enhancements: Dec 2023. • Innovative, Customer-centric Solutions: Starting Q1 2024, continuing until 2028.
Estimated Budget	<p>OFB MBA Enhancements: PhP 15M.</p> <p>Innovative, Customer-centric Solutions: For Business Case preparation.</p>

Program 9	Automation of Internal Processes
Description	<p>OFB personnel are doing work which are significantly manual in nature. Based on data of the OFB personnel, the average daily working hours rendered by the Unit Heads are 10 hours during weekdays, and 3.75 hours during weekends. For the rest of the staff, the average daily working hours are 9.94 hours during weekdays, and 3.75 hours during weekends.</p> <p>Automating as many of the manual work processes as possible is expected to improve the OFB personnel productivity and work-life balance, and have a positive impact on employee satisfaction.</p>
Objective	To automate at least two (2) internal processes every year for the next five years.
Proposed Target	<ul style="list-style-type: none"> • 2 processes per year (a total of 10 processes by 2028). • Employee Satisfaction: 90% by 2025; 92% by 2027.
Estimated Budget	PhP 15M (over a 5-year period).



Program 10	Target Operating Model (TOM) for OFB
Description	<p>Development and implementation of a practical TOM for OFB that will take into account the following core building blocks:</p> <ul style="list-style-type: none"> • Organization. Entities and lines of business needed and how they will be structured. • Processes. Key procedures and process flows necessary to run OFB. • IT. Technology and IT architecture needed to support and enable OFB. • People. Key roles, responsibilities, types of people and skillsets needed in OFB.
Objective	<ul style="list-style-type: none"> • To implement a practical TOM that will enable OFB to effectively and successfully deliver and execute on its strategies. • The TOM will serve as a basis for OFB to request the GCG’s approval of OFB’s new organization structure and upgraded CPCS classification.
Proposed Targets	<ul style="list-style-type: none"> • Service Availability: 24/7, 99.9%. • Employee Satisfaction: 90% by 2025; 92% by 2027. • TOM Development: June 2024. • TOM Implementation: Starting July 2024.
Estimated Budget	TOM Development: PhP 10M.

Program 11	Upgrading of OFB’s Organization Competency
Description	<p>Formulation and implementation of a Learning and Development Plan (LDP) for OFB personnel that will hasten the creation of a culture of:</p> <ul style="list-style-type: none"> • Customer-centricity; • Exceptional customer service and support; • Continuous learning; • Ongoing innovation; and • Digital-first, data-driven organization.
Objective	For OFB personnel to attain the competencies required for a digital-only bank, to enable OFB to effectively function and accomplish its goals.
Proposed Targets	<ul style="list-style-type: none"> • “Advanced” competency level by 2025; “Expert” by 2027. • Employee Satisfaction: 90% by 2025; 92% by 2027. • LDP Formulation: Dec 2023. • LDP Implementation: Starting Jan 2024, continuing until 2028.
Estimated Budget	LDP Formulation and Training: PhP 27M (over a 5-year period).

Thank you!



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