



OVERSEAS FILIPINO BANK

REVISED CORPORATE OPERATING BUDGET

FOR THE YEAR 2020

I. SUMMARY OF ASSUMPTIONS

- Income/revenues and expenses are annualized based on June 30, 2020 balances with considerations on:
 - Reduced rates on BSP facility: ODF - 1.75% and RRP - 2.25%
 - Interest on loans - 4% on P35 million OFW loans: 35,000 accounts at P20,000 (per approved original target)
 - Other Income - Fee-based income on online transactions starting August 2020; 50% of 40,000 (2000*5*4) @ P10 per transaction - P1 million
 - Information technology expenses - Outsourced systems: DOBSAI, CASA, FMS, etc. - P44 million (per approved original target)
 - Management and other professional fees Outsourced services: customer care, cash agency agreement, etc. - manpower costs on LBP seconded personnel)
 - Documentary stamps used - LBP - P2 billion, OWWA - P35 million and existing deposit - P300 million
 - Provision on credit losses - Additional SLLP of P0.531 million to cover expected credit losses
- Capital Expenditure - P20 million (per approved original target)
- Loans - OFW loans: 35,000 accounts at P20,000 - P70 million (per approved original target) plus the existing loan balance
- Deposit liabilities - LBP deposit of P2 billion; OWWA deposit of P35 million; OFW deposit of P37 million (35,000 accounts @ P10,000 plus 20,000 accounts @ P100 ADB); plus, the existing deposit balance of P0.517 million
- Net equity - Reduced by projected net loss of P145.525 million



II. REVISED CORPORATE OPERATING BUDGET (Amounts in Million Pesos)

	AMOUNTS
Income/ Revenues	
Interest Income	
Loans	69.51
Financial Assets	0.77
Due From Local Banks	0.11
Due From BSP	46.44
Investment	15.95
Sub-Total	132.78
Non-Interest Income	
Fees and Commission	2.27
Other Income	0.37
Sub-Total	2.64
Total Income/Revenues	135.42
Expenses	
Variable Costs	
Interest Expense	43.89
Taxes (GRT)	0.09
Insurance (PDIC)	5.50
Documentary Stamps Used	16.39
Sub-Total	65.88
Administrative Expenses/ Overhead	
Compensation/Fringe Benefits	
Salaries, Wages, Benefits	9.45
Directors' Fees	3.13
Seminars and Trainings	0.20
Sub-Total	12.78
Other Administrative Expenses	
Rent	3.91
Taxes and Licenses - Others	0.97
Insurance - Others	0.47
Management & Other Professional Fees	
LBP seconded personnel	42.27
Legal services	0.48
Audit services	19.02
Supervisory Fees	1.50
Representation & Entertainment	0.94
Travelling Expenses	0.14
Power, Light and Water	1.66
Postage, Telephone, Cable and Telegram	1.01
Repairs and Maintenance	0.06
Security Services	4.47
Clerical, Mess. & Janitorial Services	4.03
Information Technology	62.09
Fees and Commission	0.50
Fuels and Lubricants	0.17
Advertising and Publicity	0.03
Membership Fees and Dues	0.26
Periodicals and Magazines	0.00
Stationery and Supplies Used	0.80
Litigation Expense	0.12
Others	0.01
Sub-Total	144.92
Depreciation, Amortization, Provisions and Impairments	
Depreciation	
Building	2.53
Furniture and Fixture	0.25
Information Technology Equipment	2.18
Other Office Equipment	0.29
Amortization	
Intangible Assets	2.55
Provisions	
Specific/ GLLP	0.53
Provisions - Naga	47.58
Impairment Loss	1.46
Sub-Total	57.36
Total Expenses	280.95
NET LOSS	145.52



III. PROJECTED STATEMENT OF INCOME AND EXPENSES (Amounts in Million Pesos)

	REVISED YEAR-END 2020
INTEREST INCOME	
Loans	69.51
Financial assets	0.77
Due from BSP	62.39
Deposit in bank	0.11
	132.78
INTEREST EXPENSE	
Deposit liabilities	43.89
NET INTEREST INCOME	88.89
PROVISION FOR CREDIT LOSSES	0.53
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	88.36
OTHER OPERATING INCOME	
Fees and commission	2.27
Rent income	0.37
	2.64
OPERATING EXPENSES	
Variable expenses - others	21.99
Compensation and fringe benefits	12.78
Management and other professional fees	63.27
Information and technology expenses	62.09
Rent	3.91
Power, light and water	1.66
Security, clerical, mess. & janitorial services	8.50
Other administrative expenses	5.48
Depreciation, amortization and impairment	9.26
Provision for probable losses	47.58
	236.52
NET INCOME (LOSS)	(145.52)



IV. PROJECTED STATEMENT OF FINANCIAL CONDITION (Amounts in Million Pesos)

	REVISED YEAR-END 2020
ASSETS	
Cash on hand	0.39
Due from Bangko Sentral ng Pilipinas (DDA, ODA, RRP)	3,258.92
Due from other banks	38.25
Available for sale	51.87
Loans - net	75.56
Bank premises, furniture and equipment - net	158.24
Other assets - net	106.89
TOTAL ASSETS	3,690.12
LIABILITIES AND EQUITY	
<i>Liabilities</i>	
Deposit liabilities	2,588.99
Manager's checks	1.99
Accrued other expenses	194.58
Other liabilities	12.68
Total Liabilities	2,798.24
<i>Equity</i>	
Common stock	1,000.00
Deposit for stock subscription	1,272.01
Retained earnings	(1,380.13)
Total Equity	891.88
TOTAL LIABILITIES AND EQUITY	3,690.12