



SECRETARY'S CERTIFICATE

I, CESAR S. CABAÑES, with office address at Overseas Filipino Bank Center, Liwasang Bonifacio, Manila, after having been duly sworn in accordance with the law, hereby certify that:

- 1. I am the duly appointed Corporate Secretary of Overseas Filipino Bank, Inc. (the "Corporation"), a government financial institution duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Overseas Filipino Bank Center, Liwasang Bonifacio, Manila.
2. The Board of Directors issued the following resolution in a meeting held on 31 October 2019 at which a quorum was duly present:

"RESOLVED, that, as recommended by the Management Committee per its Resolution No. 253-2019, the proposed Plans, Programs and Corporate Operating Budget (COB) for the year 2020, hereto attached be, as they are hereby approved."

IN WITNESS WHEREOF I have hereunto set my hand on this 15th day of November, 2019 in the City of Manila, Philippines.

CESAR S. CABAÑES
Corporate Secretary

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S.


BEFORE ME, a Notary Public for and in the City of Manila personally appeared Cesar S. Cabañes with IBP ID bearing Roll of Attorneys No. 46629, known to me and to me known to be the person who executed the foregoing Secretary's Certificate and acknowledged to me that he signed and executed the same as an act of his own free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this Nov 15 2019, at CITY OF MANILA

Doc. No. 509;
Page No. 103;
Book No. IV;
Series of 2019.

NOTARY PUBLIC
Atty. JOAN WREYES CATRE
Commission No. 2018-020; Roll No. 61083
Notary Public for Manila until 12/31/19
IBP No. 857481 P.P.E. 12/19/18
PTR No. 8033330 Manila 1/14/18
MCLÉ Compliance No. 19-0025027
1598 MH del Pilar St., 1010 Manila

BUSINESS TARGETS 2020

		2019 DECEMBER Projected	2020 DECEMBER TARGET	2020 VS. 2019
	DEPOSITS	₱1.11 B	₱1.16 B	4.5%
	LOANS	₱0.06 B	₱0.07 B	16.7%
	INVESTMENTS/ DUE FROM BSP	₱0.08 B	₱1.06 B	1225%
	NET LOSS	(₱620.58 M)	(₱233.06 M)	62%

2020 EXPENSE AND CAPEX BUDGET

OPERATING EXPENSE	Projected DEC 2019	Budget DEC 2020	DEC 2020 VS. DEC 2019
	In million ₱		%
Interest Expense	₱145.31	₱21.83	-85%
GRT, PDIC and Doc Stamps	₱55.07	₱11.00	-80%
Compensation and Fringe Benefits	₱95.03	₱47.90	-50%
Other Administrative Expenses	₱205.28	₱148.40	-28%
Provisions and Amortization	₱423.10	₱74.89	-82%



CAPITAL EXPENDITURE 2020

CAPEX Item	Amount in Millions ₱
Building Improvements	₱20.00

IV. PROJECTED REVENUE AND EXPENSE BUDGET WITH DETAILED SCHEDULES

A. Summary of Projected COB for 2020

	<u>Projected 31-Dec-20</u>
Revenues	
Interest Income from Loans	₱8.40
Interest Income from Investments	₱42.42
Other Income	₱20.14
TOTAL REVENUES	₱70.96
Less: Expenses	
<u>Variable Expenses</u>	
Interest Expenses	₱21.83
Insurance (PDIC)	₱2.32
Documentary Stamps Used	₱8.26
Taxes (GRT)	₱0.42
	₱32.83
<u>Fixed Expenses/ MOOE</u>	
Compensation and Fringe Benefits	₱47.90
Management & Other Professional Fees	₱43.66
Information Technology Expenses	₱62.00
Other Admin Expenses	₱42.74
	₱196.30
<u>Depreciation/ Provisions/ Amortization</u>	
Depreciation	₱20.91
Amortization	₱2.47
Provisions	₱51.51
Impairment	₱0.00
Recovery Charge-off Assets and Bad Debts Written Off	₱0.00
	₱74.89
TOTAL EXPENSES	₱304.02
Net Income	(₱233.06)

B. Detailed Schedules

	<u>Projected 31-Dec-20</u>
Income/ Revenues	
<u>Interest Income</u>	
Interest Income on Loans	P8.40
Interest Income on Financial Assets, Due from Banks and Others	P42.42
Sub-Total (Interest Income)	P50.82
<u>Non-Interest Income</u>	
Fees and Commission Income	P0.00
Gains/(Losses) on Financial Assets & Liab. Held for Trading	P0.00
Foreign Exchange Profit (Loss)	P0.00
Gains from Sale/Redemption/Derecognition of Non-Trading Financial Assets and Liabilities	P0.00
Gains from Sale/Derecognition of Non-Financial Assets	P20.14
Recovery on Charged-Off Assets	P0.00
Other Income	P0.00
Sub-Total (Non-Interest Income)	P20.14
Total Income/ Revenues	P70.96
Expenses	
<u>Variable Costs</u>	
Interest Expense	P21.83
Taxes (GRT)	P0.42
Insurance (PDIC)	P2.32
Documentary Stamps Used	P8.26
<i>LANDBANK Deposit</i>	P7.50
<i>Others</i>	P0.76
Sub-Total (Variable Costs)	P32.83
<u>Administrative Expenses/ Overhead</u>	
Compensation/Fringe Benefits	P47.90
<i>Salaries, Wages, Benefits (inc RA)</i>	P43.69
<i>Directors' Fees</i>	P2.66
<i>Others (Trainings, Meetings, Socials)</i>	P1.55
Other Administrative Expenses	P148.40
Rent	P0.00
Taxes and Licenses - Others	P4.94
Insurance - Others	P2.13
Management & Other Professional Fees	P43.66
Representation & Entertainment (Marketing)	P1.00
Travelling Expenses	P4.25
Power, Light and Water	P3.16

	<u>Projected 31-Dec-20</u>
Postage, Telephone, Cable and Telegram	P4.07
Repairs and Maintenance	P1.32
Security Services	P2.88
Clerical, Mess. & Janitorial Services	P2.16
Information Technology Expenses	P62.00
Supervision Fees	P1.92
Fees and Commission Expenses	P0.60
Fuels and Lubricants	P0.21
Advertising and Publicity	P5.00
Membership fees and dues	P0.60
Donations and Charitable Contributions	P0.04
Periodicals and Magazines	P0.02
Stationery and Supplies Used	P8.46
Fines, Penalties and Other Charges	P0.00
Litigation Expense	P0.00
Others	P0.00
Sub-Total (Admin. Expenses/ Overhead)	P196.30
<u>Depreciation, Provisions and Amortization</u>	
Depreciation	P20.91
Building	P1.88
Furniture and Fixture	P0.27
Information Technology Equipment	P2.02
Other Office Equipment	P0.35
Transportation Equipment	P0.04
Leasehold Rights/ Building Improvements	P2.00
ROPA	P14.35
Amortization	P2.47
Intangible Assets (Amortization)	P2.47
Provisions	P51.51
Specific/ GLLP/ Accrued Interest Income on Financial Assets	P0.70
Provisions - Others	P3.23
Provisions - Naga	P47.58
Impairment Loss	P0.00
Recovery Charge-Off Assets/Bad Debts Written Off	P0.00
Sub-Total (Provisions and Amortization)	P74.89
Total Expenses	P304.02
Net Loss	(P233.06)