

Modern Countryside Banking Beyond Mindanao

2012 Annual Report



Our Vision

One Network Bank will be the Philippines' widest banking network in progressive communities unserved or underserved by commercial banks, especially in rural areas, powered by values-driven professionals with a deep sense of mission to provide these communities easy access to modern quality banking services.

Our Vision

One Network Bank will...

- Aggressively build up capital in order to widen branch infrastructure and to provide the widest possible array of financial products and services;
- Accelerate and deepen presence in progressive communities unserved or underserved by commercial banks;
- Ensure holistic development of human resources guided by ONB core values;
- Provide access to innovative and quality lending programs to small farmers and small businessmen;
- Provide special banking services for rural banks, cooperatives and multi-branch institutions;
- Implement best practices in compliance, risk management and good governance;
- Provide shareholders with rates of return on investment that are highest in the banking industry.

About the Cover

ONB has taken on a growth imperative of expanding modern countryside banking beyond Mindanao and continues to imprint its mark of inclusivity in the banking landscape.

The 2012 Annual Report cover clearly depicts ONB's goal of going beyond Mindanao into a nationwide presence, starting with the Islands of Panay and Guimaras in the Visayas and Makati City, Metro Manila in Luzon. The cover portrays 90 branches and MBOs in Mindanao, 5 branches in Iloilo, 6 ATMs in Semirara Island and 1 branch in Makati City. Essentially, the map also illustrates how ONB is bridging the economic divide between the countryside and the economic center in Makati.

ONB is committed to its Vision and Mission to make innovative and affordable banking platforms and solutions easily accessible to more unserved and underserved communities not only across Mindanao but also across the country. It is within this stronger purpose that the Bank remains motivated to expand its range of electronic banking channels and enrich the lives of countryside clients thru multi-channel banking convenience.

Financial Highlights

2012 Year End Performance

OPERATING RESULTS (IN MILLIONS)	2012	2011	2010
Operating NIAT	556	315	276
Total Comprehensive Income After Tax	572	521	316
Resources	20,122	15,614	11,832
Net Loans	14,955	10,407	6,279
Deposit Liabilities	14,108	10,508	9,464
Stockholders' Equity	3,040	2,467	1,959

SELECTED FINANCIAL RATIOS	2012	2011	2010
Return on Private Investment	34%	26%	28%
Return on Assets	3%	2%	3%
Risk-Based Capital Adequacy Ratio	19%	19%	19%
Intermediation Ratio	99%	98%	63%
Liquidity Ratio	24%	33%	48%
Expense to Gross Income Ratio	78%	83%	81%
Non-Performing Loans (NPL)	2%	3%	5%
Non-Performing Assets (NPA)	2%	2%	3%
Number of Employees	1,318	1,206	1,092
Number of Branches	96*	82	81
Number of ATMs	135	114	104

*as of January 2013

President and Chairman's Message

Victor A. Consunji
Chairman



Alex V. Buenaventura
President



We ask our stakeholders to join us in commemorating the milestones we attained in the year 2012.

We celebrate yet another year of unprecedented growth. The ONB metrics of 2012 are undeniably glowing:

- Our branch network has reached 91 offices with an additional 5 offices resulting from our merger with Rural Bank of San Enrique to be added with the approval made by the BSP's Monetary Board as we transitioned to 2013. We also now have 135 ATMs deployed. The ONB footprint has indeed expanded considerably.
- Our resources have breached the Php 20 billion level after growing 29%.
- Behind this growth in resources are the 34% growth in deposits and 41% increase in our loan portfolio. We now have more than 600,000 depositors, of which 97,000 are borrowers.
- The operational results in deposit taking, lending and provision of financial services have driven our net operating income to Php 556 million, representing a robust 77% growth. Taking further consideration of the potential income of our held investments, our comprehensive income stood at Php 572 million at yearend 2012.
- And our equity has risen to Php 3 billion, a level that can allow ONB to cross over to commercial banking.

There are two metrics that particularly stand out.

One is the fact that we have exceeded our self-imposed operating net income after tax target of Php 500 million which we set 6 years ago. In 2006, we had just exceeded the operating net income after tax level of Php 200 million. It was then that we set this next lofty goal, never imagining this could be had 72 months later. Just to lend perspective of where we came from, we draw a comparison of ONB then and now:

	2006	2012	% Increase
Operating Net Income After Tax (in millions)	202	556	175%
Resources (in millions)	5,161	20,121	290%
Loans (in millions)	3,387	14,955	342%
Deposits (in millions)	3,607	14,108	291%
Equity (in millions)	886	3,040	243%
Employees	768	1,318	72%
Branches	64	96	50%
ATMs	51	135	165%

Clearly, the physiology of ONB has shown remarkable development during this short span of time.

Another standout measure is the level of capitalization of ONB, which is intriguing at the very least. Of course, the question this raises is, "*When will ONB convert into a commercial bank?*" To people who have visited the new 7-storey ONB Center, this question arises as a matter of course. We have been told by clients, partner-banks and even regulators who have been to our Head Office as well as branches that ONB has the look and feel of a commercial bank. So when will the cross over come?

To this we toss another question back, "*What for?*" Simply put, the nation presently does not need another commercial or universal bank. There are too many universal banks and commercial banks crowding in our urban centers. ONB will go where it is needed. And there is still a lot of country that needs banking services. Admittedly, this road less traveled is more difficult. This takes us to fringes of the economy, away from the comfortable realm of exclusivity so common in banking. But this is where we came from and this is where we have carved out our brand. More importantly, it is in this inclusive, fringe banking model that we are needed most and where we have attained the successes we have seen since the inception of ONB.

Simply put, what we want to say is that even if our "body" has improved considerably, our soul remains the same.

And we are very grateful for these successes even as we celebrate. We thank our corps of officers and employees, our partner institutions, our regulators, our broadening client base, our stockholders and most of all, the Almighty for the very fulfilling journey that was the year 2012.


Victor A. Consunji
Chairman


Alex V. Buenaventura
President

Extending our Reach

After succeeding in its mission to establish an unparalleled banking infrastructure in Mindanao over the years, thereby engraving a lasting mark in the rural banking industry, ONB welcomed 2012 with optimism. Henceforth, the bank is embarking on the strategy of increasing its presence nationwide while constantly calibrating its brand of modern and inclusive banking to reach more underserved, if not unserved, sectors.

The year provided a backdrop in illustrating ONB's passion to carry out its vision. On the first month of the year, ONB opened its 83rd branch in Makati City, the Bank's first branch outside of Mindanao, as a response to the need of Mindanao clients for a financial highway to the country's premiere business district, allowing for convenient transactions from the countryside to the economic center. Corollarily, the Makati branch provides a direct on-line channel linking corporations to their counterparties reachable through ONB's counters in 95 other communities outside Metro Manila.

Thereafter, efforts ensued to bolster further ONB's track record as the widest banking network in Mindanao. In the first half of 2012, three new branches were added in Butuan City (ONB's second in the city), in Balingasag, Misamis Oriental and in the Zamboanga City suburb of Sangali, its fourth in the city. Also, expansion was done in Compostela Branch in consonance with the Bank's continuing efforts to improve client accommodation. Further demonstrating its commitment to inclusive banking, ONB extended its reach to more underserved areas through the roll out of five micro banking offices (MBOs) right in the hub of the progressive barangays of Sasa, Cabantian, Catalunan Grande, Sandawa and Bunawan in Davao City. The counters of the ONB MicroBranch served as primary platforms to service the immediate banking needs of the residents residing and doing business in fringe communities at service levels comparable to regular ONB branches. To better serve these communities with a wider range of products and services, the opportunity to convert these micro branches into extension offices is being pursued.

Encouraged by the potential that can be derived from thriving communities in the Visayas with minimal access to financial services, ONB found expansion opportunities in the Island of Panay through a merger with the Rural Bank of San Enrique, Inc. (RBSEI), an Iloilo-based rural bank with five regular branches in Iloilo City, Dingle, Passi, San Enrique and Jordan in Guimaras as well as a Business Development Office in La Paz, Iloilo City, which will be converted to a regular branch. This merger was eventually approved by the BSP's Monetary Board in January 2013. The year 2012 ended with ONB starting the introduction of its proven business model in inclusive banking to the Visayas through the six existing Iloilo branches and will extend further into five branches approved by BSP in Jaro, Pototan, Janiway and Dumangas in Iloilo and Semirara Island in the municipality of Caluya in Antique. As such, the Bank started 2013 with an extensive network of 96 branches composed of 85 branches in Mindanao, 1 branch in Makati, 5 branches in Iloilo and 5 MBOs in Davao City.

Parallel to its accomplishment in terms of geographic expansion, ONB reached greater heights in 2012 upon the completion of the ONB Center, the Bank's corporate head office located in Sasa, Davao City. The 7-storey edifice worth P303 million with 9,670 square meters of space is the new home of ONB Head Office personnel of more than 300 professionals who provide back office support to increase and improve the range of products and services as well as the productivity of branch and offsite operations. The Center is a monument of ONB's continuing redefinition of what modern and professional inclusive banking should be.

The momentum ONB continued to generate in 2012 is propelling the Bank along its course of extending its reach to unserved and underserved areas beyond Mindanao. The merger incentives granted by the Monetary Board of the Bangko Sentral ng Pilipinas will allow ONB to establish fifteen (15) more branches in non-restricted areas over a period of 3 years. More than a strategy that will result to sustained earnings and an extensive network of at least 117 offices by 2016, the expansion is an opportunity for the Bank to extend the reach of its ever expanding platform of products and services to unbanked and underbanked communities in the fringes of the financial system.



ONB Center
Sasa, Davao City



J.C. Aquino Branch
Butuan City



Balingasag Branch
Misamis Oriental



Sangali Branch
Zamboanga City



Makati Branch
Metro Manila



Sasa MBO
Davao City

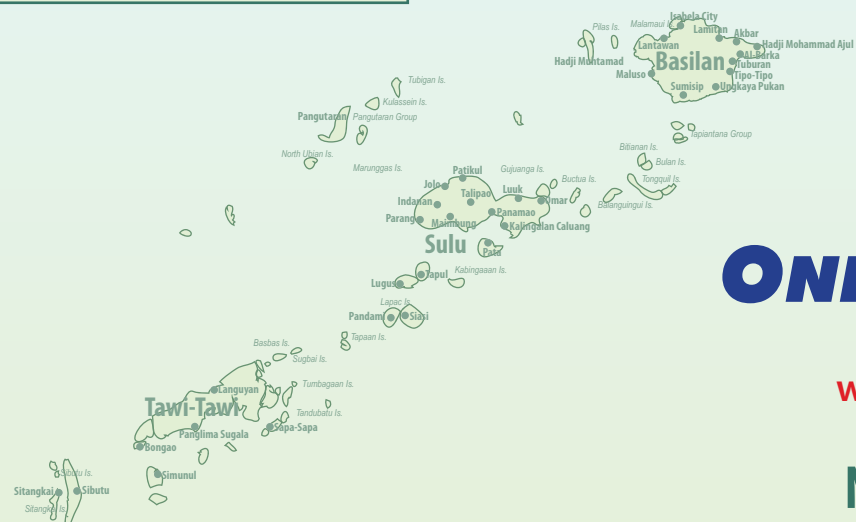
“ ONB embarks on extending its presence nationwide, bringing its brand of modern and inclusive banking to communities in the fringes of the financial system. ”

THE WIDEST AND MOST MODERN RURAL BANKING NETWORK

96 Branches & MBOs*

135 *Pera Agad* ATMs

(as of January 2013)



www.onenetworkbank.com.ph

Now serving Makati City

- ¹Davao City:
 - Calinan
 - Matina
 - Mintal
 - Monte Verde
 - Panacan
 - Piapi
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 - Sasa
 - Toril
 - Tibungco
- ²Cagayan de Oro City:
 - Cogon
 - Puerto
- ³Gen. Santos City:
 - Lagao
 - Santiago
- ⁴Zamboanga City:
 - Ayala
 - Guiwan
 - Saavedra
 - Sangali
- ⁵Butuan City:
 - Langihan
 - Aquino
- ⁶Panabo City:
 - Maharlika
 - Quirino
- Metro Manila:
 - Makati City



*Micro Banking Offices

Evolving e-Banking in the Countryside



Electronic banking – delivering banking services through computers and telecommunications, rather than through branches – has made its way into ONB's operations in response to the changing needs of its clientele. The evolution of electronic banking in ONB can be traced to the year 2002 when the bank started with a cash dispensing machine in Calinan, Davao City. A few years after, in 2005, ONB invested heavily on technology in order to run bankwide ATM operations. Notwithstanding its late start in electronic banking, ONB has achieved outstanding but critical milestones in its quest for bringing modern banking services to countryside Mindanao at service levels that are at least at par with the commercial banking industry.

These achievements include deployment of ATMs allowing transactions in MegaLink, Bancnet and Expressnet networks, participation in electronic check clearing of PCHC and electronic settlement through PhilPass, converting to a centralized on-line core banking system called OneBanker and investing in advance technologies that provide support to multi-channel banking and security protocols compliant with banking industry standards. The Bank is presently in the midst of upgrading ATMs to attain higher security standards through Triple DES (Data Encryption Standard) compliance.

In 2012, ONB has moved beyond providing e-banking services through ATMs alone to ensure that more countryside clients can indulge in easy access to convenient, cost-efficient and hassle-free banking. The successful launch in August 2012 of Business Online Banking (BOB), an internet banking service for business transactions, paved the way for more cash management solutions to corporate and individual business clients.

The delivery of more electronic banking channels such as PeraAgad ATMs and POS CashPoint units (point of sale terminals) reinforced the bank's distinction as the modern rural bank. Now, through these three electronic banking channels, ATM, POS and Internet Banking, ONB is supplying the necessary banking services demanded by increasingly technologically aware countryside clients in Mindanao. In so doing, the Bank reinforced its ability to support increased business volumes as manifested in the 34% climb in deposits to P14 billion from the P10.5 billion level in 2011. This deposit level was generated from a rapidly increasing client base of 600,248 depositors.

ONB is further bent on understanding the evolving needs of clients and how these can be addressed through electronic banking solutions. As it gears up for bringing the convenience of electronic banking enjoyed by countryside Mindanao to the island of Panay, the bank also seeks to enhance the existing as well as explore more e-channels for clients to easily access and utilize their accounts, therefore enabling them to keep up with the fast changing times of multi-channel banking.

“ The successful launch in August 2012 of Business Online Banking (BOB), an internet banking service for business transactions, paved the way for more cash management solutions to corporate and individual business clients. ”

PeraAgad ATM



For the three years in a row, ONB's PeraAgad ATM was conferred Top Onsite and Offsite ATM awards by MegaLink. This citation, in addition to the recorded average monthly withdrawal transaction of P1.88 billion in 2012, confirms the merits of ONB's pursuit to provide electronic banking channels in more countryside areas. The bank deployed 20 more onsite and offsite PeraAgad ATMs throughout the year, including one in Makati Branch and another in RBSEI's branch in Jordan, Guimaras, resulting to a total year-end count of 135 ATMs. Installation of more ATMs will follow once the integration of systems with RBSEI branches is completed.

ONB also made banking more affordable and accessible in the countryside through its diversified range of ATM savings accounts. Around 88,000 new PeraAgad ATM cardholders were serviced for the year 2012, a 29% increase from the same period last year. The most popular ATM savings product is PeraAgad ATM Pinoy, the cardholders of which are benefiting from the tagline "Sa halagang P100, may ATM card ka na".

The popularity of the PeraAgad ATM card in the countryside continues to expand following the activation of its debit card function. Cardholders now enjoy cashless payments and convenient shopping experience through swiping their PeraAgad ATM cards at any MegaLink, Bancnet and Expressnet point-of-sale (POS) terminals nationwide for purchases and payments at groceries, shops, restaurants and other establishments.



"My PeraAgad ATM debit card provides the ease and safety I need in my cash related transactions. On top of providing immediate access to my funds, it enables me to perform successful payments and purchases at no transaction cost, making it an indispensable tool whenever and wherever I travel."

Dra. Nemesia Andoy
Banaybanay, Davao Oriental

The *PeraAgad* ATM Debit Card

"ATM card na, debit card pa" goes the tagline describing the seamless banking experience of PeraAgad ATM debit cardholders like Dra. Nemesia Andoy. Through her PeraAgad ATM card, she is able to access funds from any of the strategically located PeraAgad ATMs without being confined to conventional banking hours especially during instances when immediate need for funds arises. Moreover, the debit card function of the PeraAgad ATM card meets her desire for convenience. Since it eliminates the need to queue at ATMs to withdraw cash to be used as payment, the card has become her primary mode of payment in groceries, department stores, pharmacies, clinics and other business establishments.

"With my PeraAgad ATM debit card, I am able to enjoy shopping, dining and making payments without the inconvenience of bringing cash. My husband enjoys the same advantage, too."

Mary Ann Oracion
Monteverde, Davao City

As a housewife who frequents the grocery and department stores, Mary Ann Oracion regards her PeraAgad ATM debit card as a permanent fixture in her purse as it eases her concerns related to carrying cash. In addition, when paying for purchases using the PeraAgad ATM debit card, only the exact amount is debited from her account balance and the transaction entails no fee. Realizing that this enhanced banking product can also relieve her husband, a contractor, from the burden of losing or misplacing bills, she encouraged him to utilize the debit card function of his PeraAgad ATM card. Since then, her husband has also been enjoying the benefit of swiping his PeraAgad ATM debit card to pay for his purchases at hardwares and payments with other suppliers.



"We admire ONB for addressing our need for modern banking products like PeraAgad ATM Tseke and for the commendable quality of service they render in our community."

Carmen & Alfredo Gaborne
Calinan, Davao City

By virtue of hard work, Alfredo and Carmen Gaborne were able to succeed as banana growers in Calinan, a venture they have been engaged in for the past 15 years. In running their business today, they highly rely on their checking account with ONB and the ATM card linked to it as it gives them the advantage to easily shift from check writing to immediate access to cash whenever necessary – an important consideration when paying suppliers. The fast accommodation and efficient service of ONB Calinan Branch has been of great help in sustaining their operations. Moreover, with the availability of PeraBayad bills payment in ONB Calinan Branch, they are able to pay their PhilHealth and SSS contributions without having to travel to downtown Davao. With this, the couple esteems ONB's unwavering dedication to the residents of Calinan.

Business Online Banking



ONB recognizes that businesses in the countryside have been stretching their capacity to face challenges in operations. This has inspired the bank to make business banking experience easier and more efficient by introducing another delivery channel for banking services – the internet.

A platform for cash management solutions, ONB's Business Online Banking is specifically designed to address the needs of corporate and individual business entities by providing them the choice and control in keeping an eye on their accounts and managing the cash flow of their business.

BOB basically enables direct access to accounts and perform real time banking transactions anytime in the day, transcending the confines as well as the operating hours of the ONB branch. It also broadens into a bundle of cash management services such as collection and payment solutions designed to improve administrative and operational efficiencies of corporate clients or multinational corporations with multi-branch operations in the countryside.

ONB's BOB delivers a faster and more convenient system to perform financial transactions such as fund transfers, bills payment, uploading payroll, collecting payments, reviewing details and status of transactions and reconciling transactions wherever internet access is available, whether at home, in the office or even when out of town.

Jose Teoxon, proprietor of Kaumahan, a store specializing in agricultural supplies, knows how complicated it is to run a business with branches in the city and in rural areas. With the help of Business Online Banking, it only takes a few clicks to disburse payroll and perform fund transfers from his home office in Davao City to his accounts in Compostela, Calinan, Sto. Tomas, Nabunturan and Maragusan where other branches of Kaumahan are located. BOB significantly relieved his company of the stress as well as security risks related to transferring funds and paying out wages. In addition, managing finances is now a lot easier as BOB provides an immediate picture of their cash flow. Drawing upon the operational efficiency achieved through the help of BOB, he found it easier to arrive at the decision to put up 2 more Kaumahan branches in the very near future.



“Consolidating our finances has never been this easy. With a modern banking solution like Business Online Banking, we are able to access our accounts anytime. ONB surely succeeded in enabling businesses like mine in the countryside increase our capabilities.”

Jose Teoxon

Kaumahan, Buhangin, Davao City



Unifrutti Group may be one of the youngest fresh produce companies in Davao Region but it already has illustrated its strength by leveraging on a combination of its operations in several regions in Mindanao and its competitive edge in the export of banana and pineapple to a diversified market outside the country. Unifrutti considers ONB as a key partner in the success of its small growers program, according to Mr. Herminio Martin. With ONB’s Business Online Banking, they are able to securely auto-credit payments to the ONB accounts of about 400 banana growers in just a short span of time. This quick and secure automated banking transaction made possible through BOB has saved the company a lot of time, making the operation of its small grower business more efficient and competent.

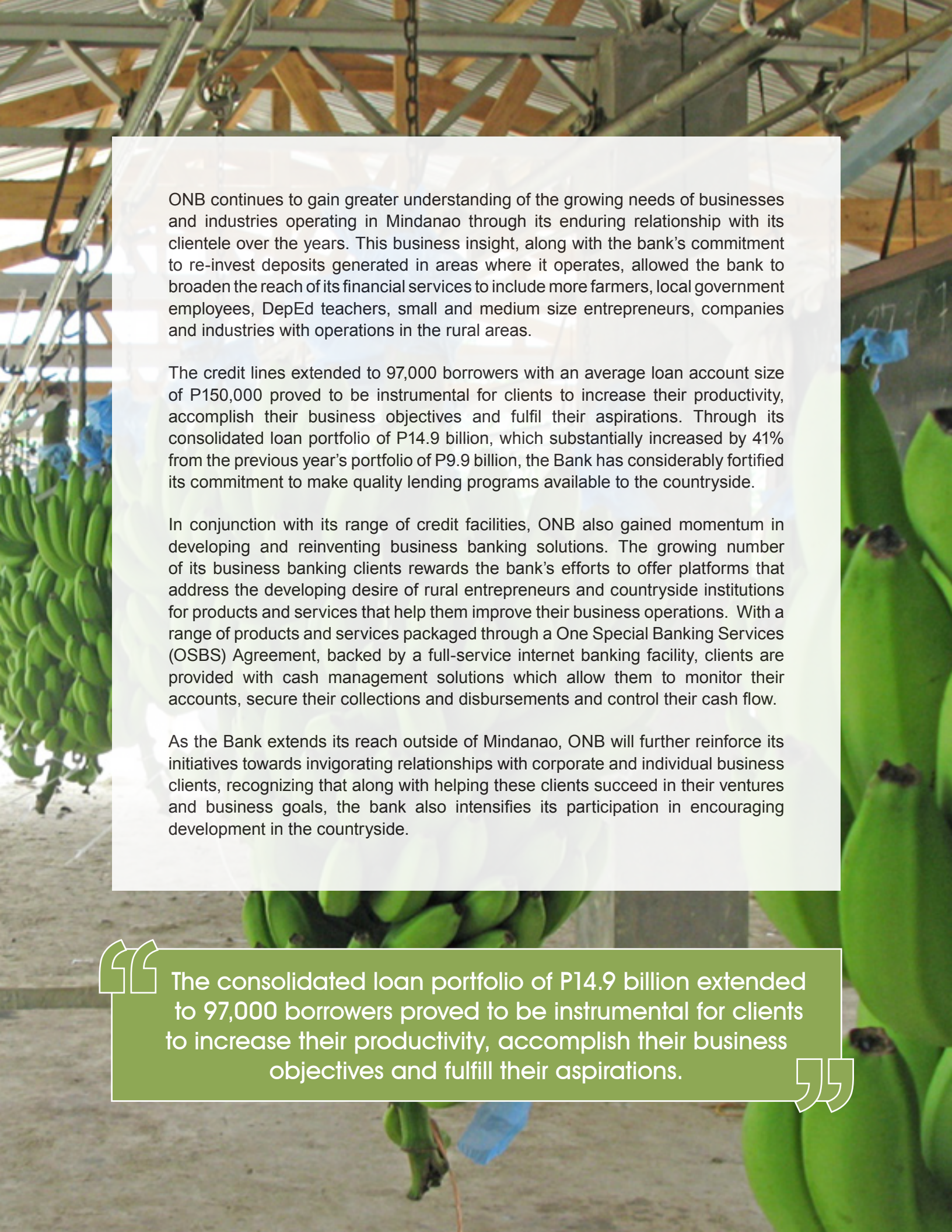
“Business Online Banking saves us time in crediting payments to our increasing number of banana growers and helps us achieve greater work efficiency. It also allowed us to be competitive in this key operation of our small grower business, adopting the so-called “pack-deliver today, pay tomorrow” policy. I consider One Network Bank as an icon. ONB’s pioneering approach to rural banking remarkably altered the landscape of the industry.”

Herminio Martin

President, Unifrutti Group Philippines

Enabling Countryside Development





ONB continues to gain greater understanding of the growing needs of businesses and industries operating in Mindanao through its enduring relationship with its clientele over the years. This business insight, along with the bank's commitment to re-invest deposits generated in areas where it operates, allowed the bank to broaden the reach of its financial services to include more farmers, local government employees, DepEd teachers, small and medium size entrepreneurs, companies and industries with operations in the rural areas.

The credit lines extended to 97,000 borrowers with an average loan account size of P150,000 proved to be instrumental for clients to increase their productivity, accomplish their business objectives and fulfil their aspirations. Through its consolidated loan portfolio of P14.9 billion, which substantially increased by 41% from the previous year's portfolio of P9.9 billion, the Bank has considerably fortified its commitment to make quality lending programs available to the countryside.

In conjunction with its range of credit facilities, ONB also gained momentum in developing and reinventing business banking solutions. The growing number of its business banking clients rewards the bank's efforts to offer platforms that address the developing desire of rural entrepreneurs and countryside institutions for products and services that help them improve their business operations. With a range of products and services packaged through a One Special Banking Services (OSBS) Agreement, backed by a full-service internet banking facility, clients are provided with cash management solutions which allow them to monitor their accounts, secure their collections and disbursements and control their cash flow.

As the Bank extends its reach outside of Mindanao, ONB will further reinforce its initiatives towards invigorating relationships with corporate and individual business clients, recognizing that along with helping these clients succeed in their ventures and business goals, the bank also intensifies its participation in encouraging development in the countryside.

“ The consolidated loan portfolio of P14.9 billion extended to 97,000 borrowers proved to be instrumental for clients to increase their productivity, accomplish their business objectives and fulfill their aspirations. ”

Business Loans

Placing small and medium enterprise clients at the heart of its business lending program, ONB continues to enhance its suite of flexible loan products which value cash flow more than the assets owned by the project proponents. Demonstrating its position as a primary provider of credit services in the rural areas, ONB delivered financial assistance of P1.9 billion to small and medium enterprises, a significant increase of 20% from the 2011 level.

Even as the bank strengthens management of its credit risk exposure, ONB focused as well in deploying its lending operations to provide countryside clients with competitive loan products and excellent customer service that used to be found only in urban centers. In this capacity, the Bank's Branch Banking Group and Credit Department have provided access to more and more loanable funds that draw small and medium scale enterprises into the economic mainstream. The Bank finds itself as a fulcrum for generating much needed employment as enterprises grow their businesses.

ONB continues to create value in responding to the varied and increasing needs of the countryside, recognizing that its lending operations is inextricably linked with the development of the communities in which it operates. As the bank aims to broaden its reach and serve more entrepreneurs, businessmen and industries in other countryside areas of the country, it remains true to its mission of enriching the economies of unbanked and underbanked communities.



"ONB has been a steady partner in the growth of our business. If not for the micro business loan extended to us, we would not have been able to achieve our goals and help other farmers."

Rudy & Teresita Rubio

Governor Generoso, Davao Oriental

PeraSosyo

For the success of their copra and charcoal production trading business, Rudy and Teresita Rubio speaks of ONB with full gratitude. Through ONB's PeraSosyo Program, they were able to improve their venture by investing in facilities and increasing manpower needed to boost their production. The loan grant also helped them support other local coconut farmers as it ushered the expansion of their business to include more projects related to copra and charcoal development. The couple credits the success of their business to their partnership with ONB. They commend the bank's prompt response to their needs for access to critical funds as well as the warm reception of the branch personnel - all of which demonstrate ONB's heart for entrepreneurs in the countryside.



"Our success story is anchored on the support extended to us by ONB. The bank has nurtured our growth by providing us the means to expand our business endeavors."

Alexander & Jane Lea Olmilla

Carmen, Davao del Norte



Mini Business Loans

The financial aid extended by ONB complemented by hard work and perseverance altogether made it possible for Jane Lea and Alexander Olmilla to fulfill their persisting desire to enrich their agri-vet supplies store. The ONB Mini Business Loan met their need for additional working capital to augment their stocks, helping them provide town locals with more product choices at affordable rates. The credit line they availed also paved the way for their eventual expansion into rice trading, acquiring a new market stall and purchasing land. For this, Jane Lea and Alexander maintains a high regard for ONB Carmen Branch, praising its attitude of going the extra mile to ensure that they are one step closer to their goals.



"We are privileged to have ONB as a partner. One Business Loans not only translated our business goals into reality, it also enabled us to provide more services for Don Carlos and Quezon."

Edgar & Judith Tecson
Don Carlos, Bukidnon

One Business Loans

After putting up 5 branches of their grocery store and pharmacy in Bukidnon, Judith and Edgar Tecson have set greater entrepreneurial goals which they were able to attain with the help of the ONB One Business Loan Program. The credit line essentially enabled them to extend the main branch of their Twins Supermart building, boost the operations of two other Twins Supermart branches and two drugstores located in Don Carlos and Quezon and build their dream house right in the middle of Don Carlos. Drawing upon these resources and on ONB's service oriented approach as well as prompt response towards their banking needs, they continue to sketch new dreams that will open the door for them to develop more services and provide jobs for their immediate community.

Cash Management Services

The bank's position as a major mover in the rural banking industry is again demonstrated through its suite of cash management solutions for business clients in the countryside. Distributors, dealers and collecting agents all over Mindanao are taking advantage of the wide network of ONB branches in managing their sales collections. Under OSBS packaging, these clients are offered more flexibility and safety in handling collections or receivables. In the same way, corporate clients with business transactions to and from Mindanao are now afforded with more secure and efficient banking transactions through OSBS packaging of disbursements of payables.

Furthermore, ONB embarked on a major undertaking of strengthening the cash management services with a critical electronic banking facility called Business Online Banking, an online service specially designed to assist the business clients in reducing paperwork, costs and time spent on business banking transactions.

Inspired by last year's success, ONB will continue to look after the needs of these drivers of economic growth in the countryside. Expanding OSBS with more electronic processing of collections and payments such as PDC warehousing, account sweeping, check cutting services and interbank transactions is ONB's support to business clients in strengthening and streamlining cash management as well as nailing the operational efficiencies they want to achieve.



"ONB is a partner that has been ever present in our business growth. The bank provides us banking products and services that are flexible enough to match our needs, enabling us to pursue enhanced operations."

Edmund Ralph Pang
Tagum City, Davao del Norte

For more than five years, Edmund Ralph Pang of Madayaway Distributors, Inc. have entrusted ONB to support the cash management needs of his distribution company. Operating in the countryside areas of Davao Oriental, Compostela Valley and Davao del Norte is now more convenient with the aid of Payroll Servicing, Pick-up Deposit, Interbranch Transactions and Bills Purchase Line. This package of financial solutions provided the most secure and efficient means for Madayaway Distributors, Inc. to disburse, deposit and collect proceeds and strike a balance between payables and receivables, thereby attaining improved back office operations as well as better cash flow management. The excitement builds up with the company's recent enrolment in ONB Business Online Banking which will enable it to achieve the same operational efficiencies without having to go to the Bank.

Agricultural Lending Program

ONB remains relentlessly motivated in upgrading Mindanao's agricultural industry through its Agri Development Loans program. By developing a flexible agri-lending platform focused on helping a growing number of farmers achieve financial stability, experience better living conditions and recover from unreasonable debt, the bank translates its vision of reinvesting revenues earned in Mindanao for the benefit of the countryside.

The bank's Agri Development Loans program bridges farmers to recognized buyers in the world market such as Dole and Sumifru. The Tripartite Agreement ensures certainty of profit for farmers by way of institutionalizing a process for farmers to deliver produce to buyer, for buyer to pay farmer through ONB, and for ONB to debit the farmer's savings account for loan payments.

Furthermore, ONB persists in strengthening its operative framework of modernizing agriculture through timely and appropriate financing which significantly benefited farmers, including independent banana growers.

More broadly, the deployment of Agri Production Technicians (APTs) who intensively collaborate with farmer-borrowers through facilitating application of tested production technologies as well as dissemination of knowledge on modern farming methods continues to become an essential aspect in meeting production standard and maintaining high quality yield.

Since the inception of the program in 2005, ONB has already financed a total of 918 hectares of banana farms and 250 hectares of oil palm farms in North Davao and in South Cotabato, which translates to the success narratives of 424 farmers. Moving forward, ONB is optimistic that it can sustain and enhance its agri-lending programs and maintain its distinction as the bank that goes beyond financial assistance to significantly transform the lives of more farmers and their families.



"ONB provided us the capacity to attain our goals and realize our vision. With ONB's Agri Production Technicians who are always ready to provide insight, immediate assistance and strategic advice, we are confident that we can make it in a competitive and dynamic business environment."

Andrestine Tan
General Santos City

SAFI Agro Industries rolls up its sleeves towards becoming the leading independent producer and exporter of fresh premium quality of bananas in SOCSARGEN. Leveraging on this shared vision and on his rich experience in the tuna fishing export industry, company president Andrestine Tan is keen on developing a good farm that can attract banana buyers from all over the world. It is in objectively conceptualizing and realizing this goal that ONB plays a primary role. More than providing the liquidity needed to acquire necessary farm inputs such as a drip irrigation system and construct a packing plant designed in accordance with international standards and equipped with water recycling facility, ONB also extended technical assistance that boosted the company's competence to produce high value fruits with minimum effort and time required. Banking on this competitive edge, SAFI Agro Industries confidently looks at possible expansion in the future that will benefit neighboring farm lands by converting them to banana plantation. The successful partnership between ONB and SAFI Agro Industries conveys ONB's commitment to reinvest resources it gained in Mindanao to further support home grown industries.



"ONB's One Banana Program is a significant advocacy that helps farmers achieve a sense of accomplishment. The success of my farm stems from the full support of the Agri Production Technicians and all the hard work we put into farming."

Rodolfo Magbiray
Santo Tomas, Davao del Norte

Retirement opened the doors for Rodolfo Magbiray to go full time in growing bananas and ONB's One Banana Program made this venture more meaningful. With the assistance of Agri Production Technicians who constantly support him and his assistants in appropriating technology and processes in effective farm management, he was able to yield an annual production of 4,500 boxes of Class A Cavendish banana per hectare. For Rodolfo, the purchase of a vehicle and motorcycles only come secondary to his feat as a farmer. What proved to be more fruitful in enrolling his 2.10 hectare farm under the program for the past four years was providing a stable income and livelihood for his farm workers and setting an example of an ideal farm.

Salary Loans



Recognizing the prevalent need of fixed income earners for secure, hassle free and flexible access to funds, ONB took greater strides in promoting the ONB Salary Loan Program to all qualified government and private employees. The Bank grew its loan portfolio to P12 billion reflected in 2012, a significant increase of 47% from the previous year.

ONB brought its One DepEd Salary Loan Program up a notch by enabling more members of the biggest group of government employees, the teachers, to avail of the loan program which is accredited by the Department of Education under the Auto Payroll Deduction Scheme (APDS). The Program resulted in ONB's DepEd loan portfolio reaching P10.4 billion in 2012 or an increase of 53% from the previous year. Through ONB's extensive branch network, an increasing number of teachers were able to access the Program's low interest rates, longer payment terms and bigger net take home pay which gives them the edge and flexibility to meet their needs, whether this be house improvement, purchase of vehicle, educational advancement, or start of a business venture.

Moreover, the accessibility of ONB branches and its strategically dispersed PeraAgad ATMs makes it safer and more convenient for all One Salary Loan Program borrowers to withdraw loan proceeds at their preferred time using their free PeraAgad ATM card.



"I have long been enjoying the convenience ONB brings, especially the flexible and affordable rates under One LGU Salary Loan Program. On top of Saturday banking, I delight in ONB's fast and efficient service which has definitely eased my transactions."

Luz Dumanon
Butuan City

One LGU Salary Loan Program

For her banking needs, Luz Dumanon, Officer-in-Charge of the Public Library of Butuan City, has always relied on ONB, the institution she trusts for the excellent service it delivers. Since availing of ONB's flexible and affordable loan program for government employees that can be paid at terms of one, two or three years, she has already completed a lot of her personal projects, including the acquisition of a vehicle and an additional house and lot. The fund was vital in her children's educational needs and in the renovation of her family's home. Luz continues to bank with ONB, where she enjoys the warm reception of the branch staff as well as the efficient processing of her documents.

"Since 2003, One DepEd Salary Loan Program has been making it more convenient for teachers like me to accomplish our goals, whether big or small, thanks to its lower interest and longer payment terms."

Ma. Ellen de Ompoc
Carmen, Davao del Norte

One DepEd Salary Loan Program

Ma. Ellen de Ompoc remains true to her mission of providing literacy for the grade school students of Carmen just as ONB strengthens its commitment to support teachers in the countryside through its One DepEd Salary Loan Program. With the affordable rates and the easy means of accessing loan proceeds through her PeraAgad ATM account, she was able to send her son to school, renovate their home and eventually purchase a new house and lot. More than providing a means to a life of comfort, the loan also paved the way for her to commence her graduate school studies to become a better educator.



Enhancing Remittance and Payment Solutions



ONB's leadership in countryside banking is driven by its unique ability to recognize that, apart from immediate access to basic financial services and innovative banking products, the countryside also has an emergent need for a prompt, cost-efficient and secure money transfer and bills payment platform.

By bringing PeraDala and PeraBayad, the bank's respective remittance and bills payment facilities closer to clients through its branches across various regions in Mindanao, ONB has not only streamlined remittance and bills payment process for individuals but also rendered a more efficient financial workflow for companies and institutions with operations in Mindanao.

Constant efforts towards improving processes and systems to make PeraDala and PeraBayad more agile in providing ease and convenience have been rewarded by a positive consumer response. For the year 2012, PeraDala processed a total volume of P33 billion for interbranch, foreign and domestic remittances which is an increase of 19% from the previous year. Likewise, the transactions under PeraBayad reached P84 million, a 54% growth over 2011.

Encouraged by this positive trend, ONB delves into paving more financial highways with additional access points like ATMs, POS and Internet Banking. Further enhancements on these services are being pursued to ensure that more families, OFW beneficiaries, entrepreneurs, businessmen, corporate clients and institutions can enjoy the availability of quick, practical and dependable banking solutions in areas unserved and underserved by commercial banks and with minimal presence of remittance companies and money transfer outlets. As ONB gears up for delivering the success of its electronic fund transfer facilities and bills payment services to the Visayas, the bank remains keen on increasing its strength in providing excellent customer service for the countryside.

“ ONB has not only streamlined remittance and bills payment process for individuals but also rendered a more efficient financial workflow for companies and institutions with operations in Mindanao as it brings PeraDala and PeraBayad closer to the clients through ONB branches across various regions in the countryside. ”

PeraDala Remittance Services

Over the years, ONB has successfully established a head start in facilitating the sending and receiving of funds in Mindanao. The brand name PeraDala grew to become a value-added service enabling clients with more opportunities in expanding geographical coverage and prompt service delivery.

Families, OFW beneficiaries, businessmen and corporate clients are making the most out of the vigorous remittance workflow made possible by PeraDala. Available through ONB's 96-branch network, PeraDala continues to simplify the practice of sending and receiving cash to and from the highlands and islands of Mindanao and other parts of the country as well as receiving money sent by loved ones abroad.

PeraDala InterBranch Fund Transfer (IBT) is the essential force in creating a secure and convenient fund transfer workflow within Mindanao. Capitalizing on the ONeBanker, ONB's centralized core banking system which enhances the service delivery speed of inter-branch transactions within ONB's 96-branch network, PeraDala IBT streamlines the processing of cash and check deposits and withdrawals. ONB has also brought up a notch its capacity in facilitating faster and more reliable movement of funds in Mindanao as it opened a door to the country's financial center through its Makati Branch.

The year witnessed the strong performance of PeraDala InterBranch transactions with an average monthly volume of P2.7 billion or an annual total of P32.6 billion, registering a 19% climb from previous year and thereby reflecting significantly increasing client confidence. Clients will also be introduced to more innovative means of sending and receiving money following the introduction of fund transfer through ONB's electronic channels such as ATM, POS and Internet Banking.

Cash transmittal anywhere within the country has been made more convenient as ONB further improved the operations and expanded the coverage of its **PeraDala Domestic Remittance** services. **RemitAgad**, ONB's solid domestic remittance partnership with **Security Bank**, continued to manifest strength as it moved P104 million worth of transactions in 2012. Meanwhile, the **GCash** arrangement with **G-Xchange, Inc. (GXI)**, another domestic remittance channel that allows Globe and Touch Mobile phone subscribers to load and encash their GCash wallet at any ONB branch, posted a volume of around P9 million. ONB's most recent remittance tie-up with **Palawan Pawnshop's Express Pera Padala** which offers clients another means to send and receive money to and from anywhere in the Philippines also exhibited a commendable performance with P8.8 million worth of funds moved since its launch.

ONB continues to be a primary and trusted pay-out center for international money transfer companies and commercial banks without access to the remote areas in Mindanao through its **PeraDala Foreign Remittance Service**. The year saw efforts steered towards providing more OFW beneficiaries across the countryside with a secure, efficient and timely collection of remittance from loved ones abroad. The Bank has forged a wide array of alliances as it closely collaborates with foreign remittance tie-ups composed of banks such as **BDO, BPI, AUB, RCBC, China Bank, DBP, PNB**, and soon to include **Metrobank**, as well as international money transfer companies such as **MoneyGram, UniTeller, iRemit, GCash Remit, XOOM, ABS-CBN's My Remit, e-Money Plus** and **Xpress Money**. With this expanded menu of tie-ups, the Bank successfully recorded a volume of P241 million of foreign remittances to Mindanao beneficiaries in 2012. Moving forward, ONB aims to augment the foreign remittance service through more international remittance partnerships that will connect more OFWs to their beneficiaries in Mindanao and in Iloilo, thereby bridging the countryside to the rest of the world.



"The remittance partnership of Xoom and ONB not only spares me from the stress of traveling to the next city and enduring long queues at pay out centers but also makes it easier for my sister to send funds through the Internet."

Arlene Olaer
Padada, Davao del Sur

PeraDala Foreign Remittances

The distance between Arlene Olaer and her sister, a pharmacist in New York, has never been a hindrance when it comes to strengthening family bond. Arlene continues to keep her sister posted on matters the latter has financed, including the family's sugarcane business in Kidapawan, the education of her nephews and especially the family events she organized. ONB's link with **Xoom** makes it easier for Arlene to easily claim the remittance directly sent to her account by her sister via the Internet. With this arrangement, she no longer has to travel to Digos City or Davao City to claim money from other banks and pay out facilities. Since her PeraAgad ATM card lets her access the funds anytime, anywhere, Arlene has more time for her work in the parish and for her family.

"ONB's PeraDala Foreign Remittance has been instrumental in building the dream house that my daughter has worked hard for. I thank ONB for providing Manay residents with an accessible and secure channel to claim our remittance."

Ruth Tinggoy
Manay, Davao Oriental



PeraDala Foreign Remittances

The presence of ONB in the municipality of Manay has considerably addressed the clamor of local residents for a remittance pay-out facility that is within their reach. Take, for instance, Ruth Tinggoy who used to travel for more than an hour to Mati on a monthly basis to claim the funds sent by her daughter who works for a perfume company in Kuwait. With the availability of **BDO Remit** in ONB branches through ONB's PeraDala Foreign Remittance, Ruth has been enjoying a safe, secure and hassle-free channel to access her daughter's remittance which is integral in improving her sari-sari store business, investing on a property and building their family's dream house. Now on its final stage of completion, the dream house is not only a proof of her daughter's hard work but is also an emblem of ONB's continued support for OFWs.



"Claiming my school allowance through ONB is very easy. After receiving a text prompt from my father, I just make a short walk from school to the bank, fill out claim form and wait for my turn at the counter. The modern feel of the branch and the accommodating employees also makes the experience more comfortable."

Carlo Rey Delgado
Surigao City, Surigao del Norte

PeraDala Domestic Remittances

ONB and Palawan Pawnshop have kept ties closer between Carlo Rey Delgado, a freshman high school student at Northeastern Mindanao Colleges in Surigao City, and his father who currently works in Bukidnon. Carlo has been claiming the allowance sent by his father via **Palawan Pawnshop** through ONB's PeraDala Domestic Remittance since 2011, the same year when the partnership was forged between the remittance company and the bank. Through this tie-up, it only takes for Carlo to make a quick trip to the branch during his break time to access his allowance for school-related expenses and projects. More than providing assistance to his schooling, this practice also gives Carlo the advantage to learn responsible management of finances at a young age which all the more makes his father proud of him.

"We are able to maximize our finances with the fast, safe and convenient transfer of funds in the countryside only made possible by ONB's InterBranch Fund Transfer. Every time we open a new branch, we always consider the presence of ONB in the area."

Henry Sorongon
Digos City, Davao del Sur



PeraDala Interbranch Fund Transfer

Running a business with an extensive and dispersed coverage used to be taxing for Henry Sorongon, especially when it comes to managing payments and collecting receivables. It used to entail the hassle of opening accounts in different banks in every location where they operate and the risk of transferring large sum of cash payments on a regular basis. The presence of ONB branches in countryside areas and its InterBranch Fund Transfer facility relieved Henry of all these complications. IBT has rendered the operations of his agri-vet supply and rice and corn milling ventures with invaluable efficiency, primarily in terms of consolidating financials generated from his branches and warehouses in Malita, Padada, Digos, Bansalan, Kidapawan, Kabacan and Mlang. And with the help of Business Online Banking, fund transfer will become a branchless banking transaction that will further improve the cash flow of his business.

PeraBayad Bills Payment



To ensure that more countryside clients can experience the convenience of a one-stop bills payment facility that is within their reach, ONB continues to enhance PeraBayad as a value added service offered through its branch counters. PeraBayad is not only designed to enable subscribers of utility companies, schools and other billing institutions enjoy a fast, secure and easy mode of payment but it also renders billers with an efficient daily monitoring and report generation process with its centralized database.

Subscribers of communications service providers such as **Smart Telecom, Smart Bro, Globe Telecom, Globe Innove, PLDT, Smart and Bayantel** can pay for their landline and mobile phone bills at any of ONB's 96 branches. PeraBayad has also minimized time, expenses and security risks for parents in the countryside who intend to pay for their children's tuition fees in Mindanao's leading academic institutions like **Ateneo de Davao University, Holy Cross of Davao College, Mountain View College** and **Davao Doctors College**.

ONB also facilitates easier payments for **SSS** and **PhilHealth** premiums in the countryside. In 2012, the bank was accorded with an SSS Balikat ng Bayan Award for Best Collecting Rural Bank for servicing a monthly average of P10 million in the previous year which corresponds to a record volume of 5,000 transactions coursed through its wide branch infrastructure. The distinction gained by Ozamiz Branch as Best Collecting Rural Bank for 2011 in Northern Mindanao also demonstrates the bank's strength as a collecting agency for PhilHealth premiums.

In 2012, a total PeraBayad collection volume of P84 million, a 54% increase from the previous year, has encouraged ONB to further upgrade bills payment experience by enabling payers to settle all utility bills, tuition fees and other types of payments anytime, anywhere through electronic channels such as POS, ATM and Internet Banking.

"The assurance that the tuition fee I have worked hard for goes directly to my daughter's school is priceless. I truly found a safe and convenient means to pay tuition fees in PeraBayad."

Ruth Duyan
Trento, Agusan del Sur

Ruth Duyan, a teacher in East Bunawan Central Elementary School, indulges in the range of modern banking products and services made available by ONB in Trento, Agusan del Sur. In addition to the affordable rates and borrower-friendly terms of One DepEd Salary Loan which enabled her to purchase a coconut farm, Ruth also enjoys the flexibility and convenience of ONB's PeraBayad Bills Payment service. By enabling her to pay for the tuition fee of her daughter who is studying at the **Holy Cross of Davao College** in Davao City, Ruth is confident that the funds she saved up for her daughter's education are directly credited to HCDC's account, thereby eliminating security risks and high costs entailed in sending money via other means.



"I am happy with the presence of ONB in our locality since it gives us access to modern banking services. I highly commend the branch manager and staff for providing dependable customer service."

Astrabel Solarta
Lala, Lanao del Norte



Astrabel Solarta is passionate about her business just as ONB is fervent about delivering its brand of banking to the thriving community of Maranding. The accessibility of the branch makes it easy to secure her funds through her savings and checking account. Furthermore, with the fast and convenient bills payment experience provided by PeraBayad, she does not need to make a trip to Iligan or Ozamiz to settle her **Smart** and **Globe** payments, thereby giving her more time to focus on her entrepreneurial ventures. Astrabel also enjoys ONB's presence in Makati which provides a secure and convenient transfer of funds from the financial hub to her account in Maranding.

"With the convenience of PeraBayad, I no longer have to endure the strenuous travel from Maragusan to Tagum just to pay for my SSS and PhilHealth remittances."

Armina Villareal
Maragusan, Compostela Valley



For Armina Villareal, who resides in Maragusan, paying **SSS** and **PhilHealth** premiums primarily required long travel down from the highlands to get to the nearest collection office located in Tagum City. Since the establishment of an ONB branch in the area, Armina's concern for basic banking services delivered in a cost-effective manner has been resolved, especially with access provided to a convenient service facility for bills payment. PeraBayad has definitely eliminated the security risk, hassle, and transportation expenses involved in making payments, giving Armina more time to concentrate on running her store in the public market. Armina admires ONB's commitment to respond to the countryside's demand for banking services as reflected through the countryside-friendly approach of the Bank which makes her banking experience all the more pleasant.



"By choosing to serve our town, ONB has demonstrated its capacity as a bank that knows exactly how to effectively respond to the banking demands of communities like ours in the countryside."

Engr. Rudy Hilot
Molave, Zamboanga del Sur

In Zamboanga del Sur, the residents of the municipality of Molave are benefiting from the presence of ONB, including Engr. Rudy Hilot who has been in the construction business for more than ten years. ONB suited his need for an affordable checking account and more broadly, for modern quality banking services that are normally available only in commercial banks. ONB's PeraBayad facility has given him an accessible channel through which he can course the **PhilHealth** premium contributions of all the employees of his construction company – a more convenient means than the usual practice of traveling to the collection agency in Pagadian. Engr. Hilot is confident that more individuals and businesses in Molave will be able to enjoy the same banking convenience he has experienced in ONB.

"On top of my banking transactions, I am able to make on-time payments for my child's college tuition fee and for my SSS and PhilHealth contributions through ONB. It only takes a quick visit to the branch to accomplish all of these things."

Paul Misa
Tulunan, North Cotabato

With the growing roster of utility companies, schools and other billing institutions that has partnered with ONB to provide subscribers with a convenient bills payment facility, PeraBayad has evolved to become an essential one stop shop in the countryside. Subsequently, clients like Paul Misa are pleased that PeraBayad enables them to maximize time instead of traveling to different payment centers for settlement of bills. The availability of a branch counter in Tulunan that accepts payments not only for his **SSS** and **PhilHealth** contributions but also for the tuition fee of his child studying in the **Ateneo de Davao University** has been a huge relief for Paul who yearned for a safe, affordable and efficient channel to accomplish these payments without having to travel all the way to Kidapawan. For Paul, ONB will always be a trusted bank that takes care of his finances and of his need for convenient banking services.



Enriching Stakeholders' Welfare

For ONB, it has always been an imperative to value the sustained confidence of its stockholders, the continued trust of its clients and the commendable dedication of its workforce – all of which remain to be the major drivers behind the Bank's exemplary performance and excellent growth. In 2012, as it moved towards a more progressive course and achieved more significant milestones, the bank also made certain that its appreciation to all of its stakeholders would be translated into practice.

In its course of maximizing shareholders wealth, ONB continues to boost the growth of its equity base which not only allows the bank to embark on strategic expansion beyond Mindanao but also to invest more in modern products and services, thus further increasing revenues. By maintaining its strategy of providing excellent returns to shareholders through stock dividends, the bank has reached a capital level of P3 billion exceeding the minimum capital required to operate as a commercial bank. Some P230 million of stock dividends were distributed to stockholders in the 2012 stockholders meeting out of 2011 operations to affirm this desire to strengthen its capital base.

ONB is committed to further improve its customer service delivery. Establishing a Branch Services Department under the Branch Banking Group helps ensure that all branch concerns related to customer service are addressed properly and efficiently. The implementation of the bank's Communications Policy has paved way for the improvement in the way the Bank communicates with its clients. Clients are also provided with several channels to communicate their inquiries and comments, including suggestion boxes installed in branches as well the open communications line provided by the Bank's corporate website. Complementing the services of its branch counters, point-of-sale terminals as well as its internet banking facility is the **ONB Help Line**, manned by Customer Service Associates, an alternative and direct means to reach ONB. All these and more projects to come has resulted to an effective handling and faster facilitation of client inquiries on products and services, requests for assistance and other customer service related matters.



The sustained confidence of its stockholders, the continued trust of its clients and the commendable dedication of its workforce are the main ingredients of the Bank's exemplary performance and excellent growth.



ONB strongly values its workforce as the foundation on which its robust capital and firm reputation is built. It is in this light that the bank constantly strives towards providing an environment for professional and spiritual growth through implementation of development initiatives for its 1,318 employees. For the year 2012, a total of P 7.9 million was spent on training programs which are designed not only to enhance skills and competencies but also to nourish the well-being of employees, thereby demonstrating the bank's commitment to further cultivate a motivated, committed and productive workforce. The regular conduct of **Skills Training Programs** in Loan Packaging, Accounting and Telling is aimed at increasing employee motivation and their capacity to perform their respective functions efficiently. In addition, ONB empowers its people to become more effective and successful leaders through the **Leadership Development Program (LDP)**, a three-day training course intended to provide bank personnel in managerial positions with an enriched leadership framework, techniques and tools.

The bank's total investment of around P8.3 million for its Annual Physical Examination (APE), monthly sports activities and health care program manifests its constant efforts to maintain and promote health and wellness among all ONB employees.

Taking advantage of the opportunities embedded in expanding modern countryside banking beyond Mindanao, ONB is committed more than ever to enrich the welfare of its stakeholders whose consistent support has made ONB's rural banking leadership all the more meaningful.



BOMDP

ONB enriches its people through continuously cultivating a range of employee development initiatives, the most vital of which is the Branch Operations Management Development Program (BOMDP). The BOMDP is a 6-month intensive training that grooms qualified staff to become proficient Branch Operations Officers through basic courses in cash, loans and accounting operations. The BOMDP encourages future managers to develop supervisory skills and efficiency in branch administration, thereby aligning with the Bank's endeavour to provide clients with excellent service. For 2012, the Bank produced its 7th batch of BOMDP graduates composed of 22 employees now serving in various ONB branches.

Annual Assembly

ONB collectively celebrates its sustained success in the rural banking industry through its Annual Employees Assembly. In 2012, ONB signified its bond as a strong community by holding its Annual Assembly for the first time at the ONB Center, the Bank's corporate head office in Sasa, Davao City. Event highlights were the recognition of loyalty awardees for 25, 20 and 15 years of service as well as recognizing Branch Performance Excellence Awardees - branches with outstanding performance in branch operations in terms of Hitting All Targets on Deposits, Net Income and Past Due Ratio. The night also saw performances of the ONB Chorale, participants of the Hip Hop Dance Competition coming from various branches and offices, and ABS-CBN's Showtime's regular host Vice Ganda.



Client Appreciation Night

As an expression of the bank's appreciation and gratitude to valued clients and their unwavering support, ONB held its first ever Client Appreciation Night at the 7th floor of ONB Center on August 23, 2012. The event provided the perfect opportunity for all Branch Managers, Cluster Head, Area Heads, Group Heads and ONB's Executive Committee to personally thank clients and articulate the bank's pledge to provide them with a more enhanced banking experience. Clients were delighted with cocktails, dinner and a raffle resulting to 15 guests bringing home brand new laptops. The Client Appreciation Night also became the perfect backdrop for the official launch of the ONB Business Online Banking. Premier balladeer Basil Valdez performed for ONB clients during the affair.

2012 Stockholders Meeting

On May 21, 2012, ONB stockholders convened for the bank's second Stockholders Meeting as One Network Bank, Inc. (A Rural Bank) which transpired right after the inaugural ceremony of the ONB Center. This annual gathering enables ONB to keep its shareholders abreast of the bank's operational highlights, financial condition and latest developments and effectively address their various concerns through an open forum. The event, in addition to providing the venue for the election of members of the Board of Directors, also provided the occasion for stronger fellowship among the stockholders of the bank.



espousing Corporate Governance



Crucial to ONB's growth and success is sustaining a culture of excellence, transparency and accountability in its operations. ONB constantly looks into advocating and benchmarking its corporate governance practices against industry best practices and banking regulatory yardsticks.

The Board of Directors (BOD) and the Corporate Governance and Nominations Committee lead the efforts in upholding a culture of ethics and compliance. Being at the core of the Bank's corporate governance system, they institutionalise adherence to laws and regulations, establish strategic objectives and ensure that bank operations are conducted in a sound manner. Their governance function is exercised during the regular monthly board meetings where risk oversight, business management and internal control framework and strategies are discussed. Independent views and perspectives are provided by two independent directors as well as by the independent functions of internal audit, compliance and risk management departments.

The Board of Directors provides oversight to the Bank's fulfillment of management accountability and governance expectations in relation to management of risks and adherence to risk management related policies. The decisions and priorities of the Board are carried out through various committees and management teams. The Executive Committee, Credit Committee, Risk Oversight Committee, Asset and Liabilities Committee and ICT Committee meet regularly every week to ensure that operational policies and procedures are executed in accordance to legal and regulatory standards, mechanisms are in place for performance monitoring, new projects are undertaken with the proper risk assessment and management and the Bank's financial performance are aligned with its overall objectives. The Committees, together with a strong management team, work altogether to ensure that all of ONB's operations are instituting measures according to the corporate governance rules and principles the Bank upholds, thereby ensuring integrity, excellence and success in all of its undertakings.

Risk Management

ONB continues to constantly sharpen its ability to identify, measure, assess and manage different types of risks and balance these with sustainable growth and profitability. The risk management infrastructure of the Bank starts at the top with the Board of Directors taking responsibility for risk tolerance and risk management strategies. The Risk Oversight Committee represents the BOD in exercising oversight on the evaluation and management of the Bank's risk portfolio and appetite. A dedicated management unit called the Risk Management Department (RMD) in turn assists the Risk Oversight Committee in the periodic review and revision of the corporate risk management plan.

Underpinned in the risk management process is the constant coordination of RMD with relevant operating units and project management teams to assess actual and inherent risks as well as develop and implement risk control methodologies and processes such as Business Continuity Planning and Disaster Recovery Program. Manifesting RMD's integral and pro-active participation is its completion of 34 risk registers, 44 User Acceptance Testing (UAT) risk reports and the risk assessments for 48 projects – all in 2012. At the same time, the Department enhanced their competencies on risk management through trainings attended such as IT Governance and Fundamentals and Processes of IT Auditing, Risk and Capital Management, Risk Management and Internal Controls and Business Continuity Management & Business Impact Analysis.

As ONB continues in its journey towards expanding its presence and extending its reach beyond Mindanao, its risk management principles and practices will continue to focus on risks inherent to as well as emergent in banking operations such as credit risk, liquidity risk, interest rate risk, operational risk, market risk, reputation risk, legal risk, compliance risk and strategic business risk.

Compliance

Demonstrating its drive for quality assurance and compliance in its branch banking operations as well as branch support services, ONB institutionalizes operational manuals, procedures and guidelines that are thoroughly reviewed by the Policy Development Committee and signed off as compliant to regulatory standards by the Bank's Compliance Officer. The Compliance Department, another independent management unit, is instrumental to the alignment of the Bank's operational policies and procedures to all banking regulations and other business decrees.

In 2012, the unit focused on promoting understanding of banking laws and regulations as well as the non-compliance risks and consequences through dissemination of regulations from BSP and other regulatory agencies, monitoring compliance in all bank projects, conducting seminars and trainings on Anti Money Laundering (AML) rules and regulations and providing inputs during policy development, thus clearly demonstrating ONB's responsible corporate governance practices. To effectively perform their tasks, personnel under the Department's AMLA, Compliance Specialist and Compliance Reviewer Units attended trainings on BSP Circular 706 Updated AML Rules and Regulations, Circular 730 Updated Rules Implementing Truth in Lending Act to Enhance Loan Transparency, Basel 1.5 Risk and Capital Management and AMLA Risk Rating System, Financial Reporting Package, Enterprise Risk and Operational Risk Management and Compliance Officers Development.

As the Bank moves toward a nationwide coverage, the Compliance Department will continue to uphold compliance awareness and best practices by enhancing its Risk-based Compliance Program. The Unit is in the process of enhancing its Anti-Money Laundering Manual to follow the updated rules and regulations of Anti-Money Laundering and Terrorist Financing Prevention as well as upgrading into a more comprehensive electronic AML system in order to ensure that the Bank will not be used for money laundering and terrorist financing activities.

“The Executive Committee lead the efforts in ensuring that operational policies and procedures are executed in accordance to legal and regulatory standards, mechanisms are in place for performance monitoring, new projects are undertaken with the proper risk management and the Bank's financial performance are aligned with its overall objectives.”

Audit and Control

ONB understands that integral to improving its operations and enhancing stakeholders' value is an effective oversight of internal and external audit functions in compliance with laws, rules and regulatory requirements. The Bank regularly undergoes internal and external audit and goes through examination by the Bangko Sentral ng Pilipinas as well.

As a vital part of the Bank's sound corporate governance, the Audit Committee exercises its oversight function in providing an independent assurance on the effectiveness and efficiency of operations. While the Risk Oversight Committee concentrates on the future, the Audit Committee focuses on ensuring that the bank's external and internal audits of historical performance are sufficient and that management has put in place appropriate internal controls to address business risks.

The Internal Audit Department, composed of competent and qualified auditors, is given sufficient authority, resources, independence and access to the BOD to conduct risk-based audits of all operating units of the bank and recommend appropriate controls to assist the Bank in achieving its overall goals and objectives. Through participation in trainings and seminars on Conducting Internal Audit Engagement, IT Audit and Assurance, Bank Fraud and Developing Persuasive Audit Reports, the Internal Audit Department ensures that its personnel collectively possess the necessary knowledge, skills and other competencies to appropriately conduct audit engagements.

The role of Punongbayan and Araullo as external auditors of ONB is crucial in making certain that the Bank's financial condition and results of operations are fairly presented in accordance with the Philippine Financial Reporting Standards (PFRS). By providing external audit opinion, the bank's stakeholders are ensured that the financial reports of the Bank are credible and reliable.

Board of Directors



Atty. Jose M. Balingit, Jr.
Corporate Secretary

Antonio P. Avelino
Vice-Chairman

Victor A. Consunji
Chairman

Alex V. Buenaventura
President

Rev. Fr. Agustin L. Nazareno
Independent Director

Antonio R. Cabreira, Jr.
Director

Luz Consuelo A. Consunji
Director

Evelyn T. Ang
Independent Director



Executive Committee

Alex V. Buenaventura
Antonio R. Cabreira, Jr.
Antonio P. Avelino



Corporate Governance and Nominations Committee

Antonio P. Avelino
Evelyn T. Ang
Rev. Fr. Agustin L. Nazareno

Risk Oversight Committee

Rev. Fr. Agustin L. Nazareno
Antonio R. Cabreira, Jr.
Antonio P. Avelino



Audit Committee

Luz Consuelo A. Consunji
Rev. Fr. Agustin L. Nazareno
Evelyn T. Ang





Council of Advisers

Edgardo S. Lagman | Dr. Edgardo V. Buenaventura | Jose V. Buenaventura | Rev. Fr. Jessie S. Esparagoza



Group Heads

Romulo C. Guerrero
(Support Group)

Minda A. Lim
(Treasury Group)

Nelson L. Billena
(Branch Banking Group)

Ronnie B. Hombre
(ICT and E-Channels Group)

Statement of Management's Responsibility for Financial Statements

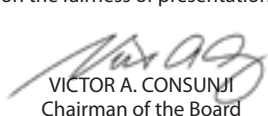
The management of **ONE NETWORK BANK, INC. (a Rural Bank)** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2012 and 2011 in accordance with Philippine Financial Reporting Standards, including the following additional supplementary information which is filed separately from the basic financial statements:

- Supplementary schedule required under Annex 68-E of the Securities Regulation Code
- Reconciliation of retained earnings available for dividend declaration
- Map showing the relationship between and among related entities
- Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2012
- Schedule showing financial soundness indicators
- Schedule showing other ratios required for financing companies


Management's responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements, and the additional supplementary information, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders for the period December 31, 2012 and 2011, has examined the consolidated financial statements of the Bank in accordance with Philippine Standards on Auditing and, in its report to the Board of Directors and stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.



VICTOR A. CONSUNJI
Chairman of the Board



ALEX V. BUENAVENTURA
President



ANTONIO R. CABREIRA, JR.
Treasurer

Report of Independent Auditors

The Board of Directors
One Network Bank, Inc. (a Rural Bank)
Km. 9, Sasa, Davao City

Report on the Financial Statements

We have audited the accompanying financial statements of One Network Bank, Inc. (a Rural Bank), which comprise the statements of financial position as at December 31, 2012 and 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended December 31, 2012 and the period July 14, 2011 to December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of One Network Bank, Inc. (a Rural Bank) as at December 31, 2012 and 2011, and its financial performance and cash flows for the periods then ended in accordance with Philippine Financial Reporting Standards.

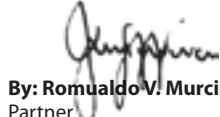
Other Matter

The Bank was registered with the Securities and Exchange Commission on July 14, 2011 and started its commercial operations on September 1, 2011.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2012 required by the Bureau of Internal Revenue as disclosed in Note 29 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: Romualdo V. Murcia, III
Partner
CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 3671457, January 2, 2013, Makati City
SEC Group A Accreditation

Partner - No. 0628-AR-1 (until August 5, 2013)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-22-2011 (until Feb. 3, 2014)
Firm's BOA /PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)
April 5, 2013

ONE NETWORK BANK, INC. (A RURAL BANK)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011
(Amounts in Philippine Pesos)

	NOTES	2012	2011
<u>RESOURCES</u>			
CASH AND OTHER CASH ITEMS	7	P 904,551,125	P 777,741,589
DUE FROM BANGKO SENTRAL NG PILIPINAS	7, 8	369,107,846	138,944,010
DUE FROM OTHER BANKS	7, 9	980,403,058	1,300,943,429
AVAILABLE-FOR-SALE INVESTMENTS	10	1,519,915,019	1,795,836,741
HELD-TO-MATURITY INVESTMENTS	11	323,076	25,657,420
LOANS AND RECEIVABLES - Net	12	14,955,134,143	10,407,034,215
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	13	1,132,395,859	877,466,607
INVESTMENT PROPERTIES - Net	14	19,572,625	15,128,743
DEFERRED TAX ASSETS	24	129,151,334	162,889,008
PREPAYMENTS AND OTHER RESOURCES - Net	15	111,393,847	112,841,528
TOTAL RESOURCES		P 20,121,947,933	P 15,614,483,290
<u>LIABILITIES AND EQUITY</u>			
DEPOSIT LIABILITIES	17	P 14,108,243,071	10,507,947,903
BILLS PAYABLE	18	2,601,880,000	2,175,000,000
ACCRUED EXPENSES AND OTHER LIABILITIES	19	367,057,716	393,084,926
INCOME TAX PAYABLE		5,078,967	71,702,179
Total Liabilities		17,082,259,754	13,147,735,008
EQUITY	20	3,039,688,179	2,466,748,282
TOTAL LIABILITIES AND EQUITY		P 20,121,947,933	P 15,614,483,290

See Notes to Financial Statements

ONE NETWORK BANK, INC. (A RURAL BANK)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012
AND THE FIVE-AND-A-HALF MONTHS ENDED DECEMBER 31, 2011 *
(Amounts in Philippine Pesos)

	NOTE	CAPITAL STOCK	OTHER RESERVES	REVALUATION RESERVES	SURPLUS	TOTAL
Balance at January 1, 2012		P 1,451,624,210	P 677,658,536	P 156,290,840	P 181,174,696	P 2,466,748,282
Issuance of shares during the period	20	854,390	465,643	—	—	1,320,033
Stock dividends	20	385,000,000	(385,000,000)	—	—	—
Cash dividends	20	—	(8,224)	—	—	(8,224)
Total comprehensive Income for the period	20	—	—	15,604,153	556,023,935	571,628,088
Balance at December 31, 2012		P 1,837,478,600	P 293,115,955	P 171,894,993	P 737,198,631	3,039,688,179
Balance at July 14, 2011		P 1,451,624,210	P 677,658,536	P —	P —	P 2,129,282,746
Total comprehensive income for the period		—	—	156,290,840	181,174,696	337,465,536
Balance at December 31, 2011	20	P 1,451,624,210	P 677,658,536	P 156,290,840	P 181,174,696	P 2,466,748,282

See Notes to Financial Statements

* The Bank was registered with the Securities and Exchange Commission on July 14, 2011 and started its commercial operations on September 1, 2011.

ONE NETWORK BANK, INC. (A RURAL BANK)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012
AND THE FIVE-AND-A-HALF MONTHS ENDED DECEMBER 31, 2011 *
(Amounts in Philippine Pesos)

	NOTES	2012 (ONE YEAR)	TOTAL 2011	DEC. 31, 2011 (FOUR MONTHS) CONSOLIDATED AUDITED	AUG. 31, 2011 (EIGHT MONTHS) ONB & RBNCI AUDITED
INTEREST INCOME ON					
Loans and receivables	12	P 1,475,969,653	P 922,540,242	P 369,337,618	P 553,202,624
Investments	10, 11	94,023,725	107,632,777	38,764,320	68,868,457
Deposits with other banks	7	43,432,108	88,065,816	17,402,363	70,663,453
		<u>1,613,425,486</u>	<u>1,118,238,835</u>	<u>425,504,301</u>	<u>692,734,534</u>
INTEREST EXPENSE ON					
Deposit liabilities	17	316,505,267	233,984,352	81,563,074	152,421,278
Bills payable	18	64,114,268	16,946,254	16,897,053	49,201
		<u>380,619,535</u>	<u>250,930,606</u>	<u>98,460,127</u>	<u>152,470,479</u>
NET INTEREST PROFIT		1,232,805,951	867,308,229	327,044,174	540,264,055
IMPAIRMENT LOSSES	16	133,330,891	138,628,840	56,384,616	82,244,224
NET INTEREST PROFIT AFTER IMPAIRMENT LOSSES		1,099,475,060	728,679,389	270,659,558	458,019,831
OTHER INCOME					
Service charges, fees and commissions		808,508,177	649,376,510	329,081,681	320,294,829
Others	22	91,716,953	42,987,882	13,310,949	29,676,933
		<u>900,225,130</u>	<u>692,364,392</u>	<u>342,392,630</u>	<u>349,971,762</u>
OTHER EXPENSES					
Compensation and employee benefits	23	388,211,324	345,021,617	133,442,239	211,579,378
Occupancy and equipment related expenses	13, 28	227,542,481	173,870,102	56,833,220	117,036,882
Taxes and licenses	29	207,467,287	107,826,385	33,139,734	74,686,651
Transportation and travel		76,421,844	69,942,568	25,718,042	44,224,526
Security, messengerial and janitorial services		73,604,082	66,705,680	24,577,701	42,127,979
Stationery and supplies		51,932,712	39,672,122	18,430,314	21,241,808
Service charge		44,955,929	29,568,350	12,150,444	17,417,906
Communications, telephone and telegraph		34,554,297	28,798,453	9,004,034	19,794,419
Fuel and lubricants		31,070,567	27,593,768	10,016,870	17,576,898
Insurance		25,217,609	20,461,277	7,063,978	13,397,299
Professional fees		11,288,691	4,445,289	1,913,195	2,532,094
Advertising and publicities		5,445,629	6,200,866	3,150,598	3,050,268
Banking fees		5,285,792	4,503,870	1,693,014	2,810,856
Others		42,085,099	46,048,163	17,178,049	28,870,114
		<u>1,225,083,343</u>	<u>970,658,509</u>	<u>354,311,431</u>	<u>616,347,078</u>
PROFIT BEFORE TAX		774,616,847	450,385,272	258,740,757	191,644,515
TAX EXPENSE	24	218,592,912	135,681,947	77,566,060	58,115,887
NET PROFIT	25	556,023,935	314,703,325	181,174,697	133,528,628
OTHER COMPREHENSIVE INCOME	10	15,604,153	205,977,183	156,290,840	49,686,343
TOTAL COMPREHENSIVE INCOME		P 571,628,088	P 520,680,508	P 337,465,537	P 183,214,971
Basic and Diluted Earnings Per Share	25	P 0.303	P 0.217		

See Notes to Financial Statements

* The Bank was registered with the Securities and Exchange Commission on July 14, 2011 and started its commercial operations on September 1, 2011.

ONE NETWORK BANK, INC. (A RURAL BANK)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
AND THE FIVE-AND-A-HALF MONTHS ENDED DECEMBER 31, 2012*
(Amounts in Philippine Pesos)

	NOTES	2012 (ONE YEAR)	2011 (FIVE-AND-A-HALF MONTHS)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 774,616,847	P 258,740,756
Adjustments for:			
Impairment losses	16	133,330,891	56,384,616
Depreciation and amortization	13	99,102,507	25,864,185
Realized gain on sale of available-for-sale securities	10, 22	(61,972,476)	—
Income from disposal of investment properties	14, 22	(1,882,321)	(1,215,891)
Amortization of deferred charges		—	1,363,476
		<u>943,195,448</u>	<u>341,137,142</u>
Operating profit before changes in resources and liabilities			
Increase in loans and receivables		(5,297,677,927)	(2,940,055,903)
Decrease in prepayments and other resources		1,447,680	22,332,480
Increase in deposit liabilities		4,252,434,271	643,673,456
Increase (decrease) in accrued expenses and other liabilities		(26,027,210)	68,065,439
Cash used in operations		(126,627,738)	(1,864,847,385)
Cash paid for taxes		(224,038,272)	(44,553,468)
Net Cash Used In Operating Activities		(350,666,010)	(1,909,400,853)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of available-for-sale financial assets	10	1,400,450,744	—
Acquisition of available-for-sale financial assets	10	(1,100,000,000)	—
Acquisition of bank premises, furniture, fixtures and equipment	13	(370,466,077)	(119,335,346)
Maturity of held-to-maturity investments		25,334,344	169,769
Proceeds from disposal of investment properties	14	<u>4,900,000</u>	<u>2,357,611</u>
Net Cash Used in Investing Activities		(39,780,989)	(116,807,966)
CASH FLOW FROM FINANCING ACTIVITY			
Availment of bills payable		<u>426,880,000</u>	<u>2,175,000,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>36,433,001</u>	<u>148,791,181</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
Cash and other cash items		777,741,589	704,968,647
Due from Bangko Sentral ng Pilipinas		138,944,010	37,638,360
Due from other banks		<u>1,300,943,429</u>	<u>1,326,230,840</u>
		<u>2,217,629,028</u>	<u>2,068,837,847</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
Cash and other cash items	7	904,551,125	777,741,589
Due from Bangko Sentral ng Pilipinas	8	369,107,846	138,944,010
Due from other banks	9	<u>980,403,058</u>	<u>1,300,943,429</u>
	7	<u>P 2,254,062,029</u>	<u>P 2,217,629,028</u>

See Notes to Financial Statements.

ONE NETWORK BANK, INC. (A RURAL BANK)

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