



BANK OF CHOICE

Table of Contents

Vision / Mission / Core Values	2
Message from the Chairman/President	3
Porac Branch Blessing	8
Statement of Management's Responsibility for Financial Statements	9
Statements of Financial Position	10
Statement of Management's Responsibility for Annual Income Tax Return	11
Statements of Comprehensive Income	12
Statements of Cash Flows	13
Statements of Changes in Equity	14
Independent Auditor's Report	15
Risk Management Framework	17
Organizational Chart	21
Corporate Governance	23
Board of Directors	27
Executive Committee and Credit Committee / Audit and Compliance Committee	29
Top Management / Management Committee	30
Self-Assessment Function	31
Consumer Protection Practices	33
BOF 2017 at a Glance	35
Products and Services	37
Branches / Credits and Disclaimer	38



VISION

We will be the bank of choice
of Micro, Small and Medium Enterprises (MSMEs)
in Central Luzon delivering excellent and relevant
products & services contributing to financial inclusion
towards economic progress and development.

MISSION

We provide innovative products and personalized services
at all times ensuring utmost client satisfaction and in compliance
with government regulations.

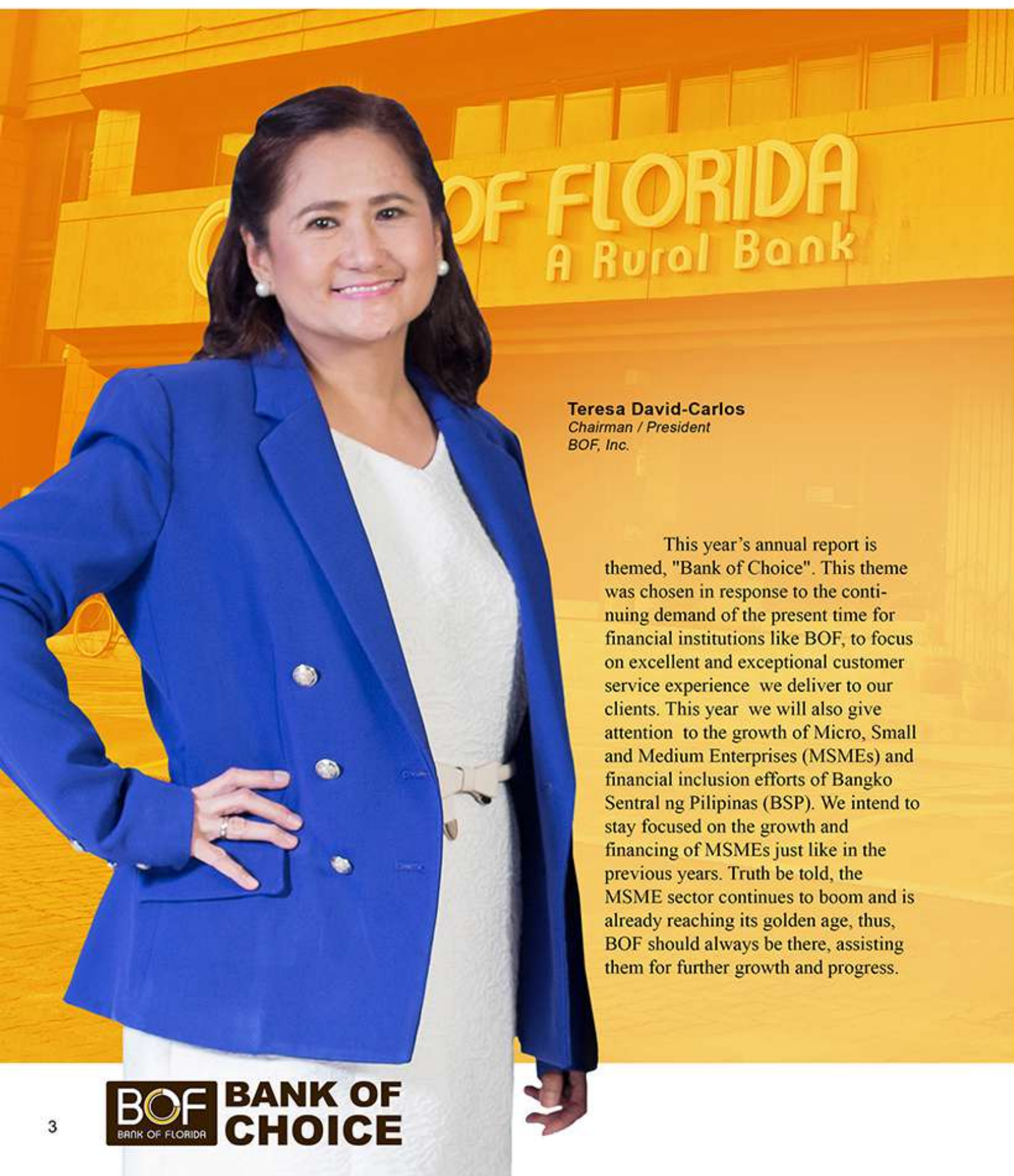
We develop and empower our people to be highly competent
professionals and we shall recognize their excellent performance.

We deliver consistent and satisfactory returns to our shareholders
and build lasting partnership with our key stakeholders
advocating social responsibility.

CORE VALUES

- C** - Competence
- A** - Accountability
- R** - Responsibility
- I** - Integrity
- N** - Nurturing
- G** - God-driven

Message from the Chairman/President



Teresa David-Carlos
Chairman / President
BOF, Inc.

This year's annual report is themed, "Bank of Choice". This theme was chosen in response to the continuing demand of the present time for financial institutions like BOF, to focus on excellent and exceptional customer service experience we deliver to our clients. This year we will also give attention to the growth of Micro, Small and Medium Enterprises (MSMEs) and financial inclusion efforts of Bangko Sentral ng Pilipinas (BSP). We intend to stay focused on the growth and financing of MSMEs just like in the previous years. Truth be told, the MSME sector continues to boom and is already reaching its golden age, thus, BOF should always be there, assisting them for further growth and progress.

Message from the Chairman/President

BSP and Financial Inclusion

As defined by BSP, financial inclusion is about providing all Filipinos access to affordable and client-centered financial services that can help them build a better life for themselves and their families.

The main objective of the financial inclusion principle is to make microfinancing be part of every bank's activities, products and services. We are accepting the challenge of BSP's policy initiative to promote efficiency, leveling of the playing field, and introduce responsible innovation and consumer protection to create a sound economic environment geared towards financial inclusion.

BOF Rankings

2017 was a memorable year because of the rich experiences. We, as BOF family, have sojournd. It was a year full of opportunities and challenges as well. All of hardships paid off making our heads still held high, and proud being a part of the BOF family. The rural banking industry continued to face challenging years, but we remained steadfast, even making our standing far better than in the past.

As of December 2017, for the first time in BOF's banking history and a landmark achievement as well, BOF's Total Resources has already reached PhP 3.1 billion placing BOF now as the seventh (7th) largest rural bank in the country in terms of Total Assets.

These are the fruits of our excellent banking principles and strategies coupled with exceptional customer service experience we provide to our clients.

Focus on Consumer Loans for 2018

This 2018 will be focused in boosting our consumer loan products, one of which is the Power Cash Loan (PCL). This consumer loan product is easily available for employed and self-employed individuals for their short and medium-term financing needs.

We will also boost our Auto Loan Program (ALP) as part of our consumer loan products. We have made it more competitive if not at par with auto loans in the market today.

This 2018, we will also launch our newest fee-based product, the Electronic Commerce Payment System or ECPAY. It will be BOF's newest payment facility product.

Branch Renovations, Transfers, and Expansion

With regards to our branch expansion, transfers, and renovations, we have transferred Guagua Branch Office (GBO) to its new location on July 10, 2017 in the strategic and booming new commercial district of Guagua along Jose Abad Santos Avenue (JASA).

Message from the Chairman/President

We have also expanded our number of branches to seventeen (17) when we opened our Porac Branch Office (PBO) on August 7, 2017.

We were able to complete the upgrading of all our branches when our Candaba Branch Office was renovated and inaugurated on August 9, 2017. Now, all of our 17 branches carry the same new BOF Brand.

We have also transferred our Sta. Rita Branch Office (SRBO) on December 5, 2017 to a more strategic location within the locality thereby increasing our accessibility to our existing, as well as targeted clients in the area.

We will also continue to expand our branches to reach more potential clients and make them experience our signature customer service. This year, we will be opening our 18th branch in Macabebe, Pampanga by 3rd quarter of 2018.

BOF Partnerships

Just like in the previous years, our pursuit for continued partnerships with different business, civic and socially oriented organizations further enriched BOF's story for 2017.

Our partnership with Pampanga Small and Medium Enterprises Council or PSMEDC chaired by yours truly since July 2007 continues to dwell deeper as BOF partake in its mission to support MSME growth in the country. BOF has continuously supported PSMEDC in its undertakings, programs, and projects under the guidance of its four pillars as provided by Republic Act 6977 also known as Magna Carta for Micro, Small and Medium Enterprises (MSMEs).

BOF also continues to enrich its partnership with DTI- Negosyo Centers where we continue to support Micro & Small Enterprises (MSEs) growth by offering them our financing facilities that are designed specifically for them. Our collateral-free Power Cash Loan is at the forefront of our product offerings to them, for we consider it to be MSE-friendly.

Corporate Social Responsibility

Though BOF is primarily focused on operating as a banking institution and as a business entity, its efforts to reach out to the communities it serves also made its own mark in 2017. At BOF, we have always been about helping others and strengthening the community. Now, our commitment is even more important.

In March of 2017, BOF has become instrumental in another milestone that best exemplifies public-private partnerships (PPP) that benefit a wider segment of our community when resources are shared. The House of David, our parent company, has decided to partner with the Department of Education (DepEd) and Pampanga Chamber of Commerce and Industry, Inc. (PAMCHAM) under its "Adopt-a-School Program".

Message from the Chairman/President

Under the legacy of the founder of the House of David, Ladislao Sibal David (LSD), we have donated on June 7, 2016 a two-classroom building at Sta Cruz Elementary School in Sta. Cruz, Lubao, Pampanga; and on March 6, 2017, another donation of a two-classroom building was made at Sindalan Elementary School in San Fernando, Pampanga.

These initiatives are our commitments and our goals of sharing. This is aside from the more than 3000 scholarship grants we have awarded to qualified students for the past fifteen (15) years which was also a legacy of our founder, LSD.

It is also by God's grace that we had this opportunity to show how much we care for the indigent students of Babosacan Elementary School in the Municipality of Porac, Pampanga through our Corporate Social Responsibility (CSR) activity on June 9, 2017. Our company has extended a helping hand to these indigent students for their school supplies for the school year.

In the same month, another CSR milestone was etched in the history of BOF. In an Aeta village located in Sitio Calapi, Brgy. Marcos Village, Mabalacat. ABS-CBN Corporation – Lingkod Kapamilya spearheaded a CSR event together with the House of David Foundation, Inc. (HDFI) and BOF, various government and private organizations on June 23, 2017, for the benefit of the residents of Sitio Calapi. The highlight of the said event was the handing over ceremony and launching of the Water System donated by HDFI. BOF has also provided grocery items for the Aeta families residing in the community as a gesture of assistance and support for their daily living.

Strategic Planning 2018-2020

On November 10 and 11, 2017, our Management Committee underwent a two-day Strategic Planning Workshop. It aimed to produce our Strategic Plan for 2018-2020. This plan defined BOF's priorities, approaches, objectives and strategies. It also defined where the organization wants to go and how it wants to get there.

Business Process Re-engineering (BPR)

Pursuant to our corporate objective in finding the right fit and best structure for our organization, we have re-introduced the Business Process Re-engineering (BPR).

In the conduct of BPR, all Groups, Strategic Banking Units and Departments (GSDs) continue to assess and identify the processes that entail work arounds, long processes or workflows and most importantly do not contribute to the bottom line without sacrificing substantial compliance. The "nice to have" processes that do not add value to the departments' job duties and functions can be eliminated.

Message from the Chairman/President

Possible effect of the BPR may include among others re-assignment of personnel, putting the right people at the right bus, simplifying processes, maximizing efficiency, improving services and reducing costs and eventually contributing to our bottom line that redounds to the benefit of everyone.

Policy on Recognition, Rewards, and Incentives (PRRI)

Our Policy on Recognition, Rewards, and Incentives or PRRI is currently undergoing revisions for improvements in the recognition and awarding systems, processes and qualifications, as well as rewards and incentives, to further encourage everyone to give their best in performing their duties and responsibilities.

However, it is noteworthy that in the past years, we were able to allocate significant amount of monetary incentives which were truly encouraging for the excellent performers of our bank.

I believe that BOF can face 2018 with heads held up high, confident that it can withstand all the coming challenges, and welcome opportunities that lies ahead. Given our strong balance sheet, solid capital base that exceed regulatory standards, we can be on a steady journey for a better, stronger, and more efficient and high performance driven organization working toward financial inclusion and growth of MSMEs.

Again, my congratulations to everyone for your hardwork for this great institution. We highly appreciate your efforts that lead to BOF's successes, achievements, triumphs, and dynamic story of growth and development that benefits our people and the communities we serve.
Mabuhay ang BOF!

Adcarlos
TERESA DAVID-CARLOS
Chairman / President

Porac Branch Blessing

August 11, 2017



Porac Branch Office
Brgy. Babo Sacan,
Porac, Pampanga

Statement of Management's Responsibility for Financial Statements

The Management of **BOF, INC. (A RURAL BANK)**, is responsible for the preparation and fair presentation of financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016, in accordance with the prescribed financial reporting framework indicated therein, and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

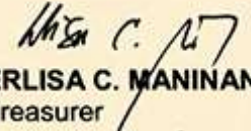
In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders of the Bank.

Alas, Oplas & Co., CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the Bank in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such audit.


TERESA DAVID-CARLOS
Chairman/President


ERLISA C. MANINANG
Treasurer

Signed this 13th day of April 2018.

Statements of Financial Position

December 31, 2017 and 2016
In Philippine Peso

	Notes	2017	2016
ASSETS			
Cash and other cash items	8	29,443,699	26,558,842
Due from Bangko Sentral ng Pilipinas	9	73,019,687	60,120,911
Due from other banks	9	450,731,732	387,302,865
Investments at fair value through profit or loss	10	16,190,122	16,564,163
Held-to-maturity investments	11	45,321,770	5,321,770
Loans and other receivables – net	12	2,216,502,421	1,771,689,891
Bank premises, furniture, fixtures and equipment -net	13	89,706,323	85,571,793
Investment properties – net	14	159,953,058	221,376,323
Deferred tax assets	26	25,858,640	20,196,176
Other assets	15	35,414,727	50,236,707
TOTAL ASSETS		3,142,142,179	2,644,939,441
LIABILITIES AND EQUITY			
LIABILITIES			
Deposit liabilities	16	2,258,548,279	1,903,752,610
Bills payable	17	292,339,000	197,898,459
Income tax payable		8,296,002	3,452,739
Dividends payable	19	2,068,907	1,652,558
Deferred tax liabilities	26	6,644,867	6,803,110
Other liabilities	18	26,730,509	24,466,781
Total Liabilities		2,594,627,564	2,138,026,257
EQUITY			
Capital stock – common	19	386,526,320	386,526,320
Capital stock – preferred	19	206,000	206,000
Additional paid-up capital	19	33,166,673	33,166,673
Revaluation surplus		15,504,690	15,873,922
Surplus – free		112,110,932	71,140,269
Total Equity		547,514,615	506,913,184
TOTAL LIABILITIES AND EQUITY		3,142,142,179	2,644,939,441

See Notes to Financial Statements.

Statement of Management's Responsibility for Annual Income Tax Return

The Management of **BOF, INC. (A RURAL BANK)** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2017. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax and/ or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the years ended December 31, 2017 and 2016 and the accompanying Annual Income Tax Return are in accordance with the books and records of **BOF, INC. (A RURAL BANK)**, complete and correct in all material respects. Management likewise affirms that:

- the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Bank's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- BOF, INC. (A RURAL BANK)** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


TERESA DAVID-CARLOS
Chairman/President


ERLISA C. MANINANG
Treasurer

Signed this 13th day of April 2018.

Statements of Comprehensive Income for the Years Ended December 31, 2017 and 2016

In Philippine Peso

	Notes	2017	2016
INTEREST INCOME			
Due from other banks	9	5,955,042	6,762,467
Investment at fair value through profit or loss	10	735,922	706,562
Held-to-maturity investments	11	823,723	267,840
Loans and other receivables	12	186,288,642	171,771,642
		193,803,329	179,508,511
INTEREST EXPENSE			
Deposit liabilities	16	(28,264,376)	(21,709,408)
Bills payable	17	(3,413,746)	(7,520,836)
		(31,678,122)	(29,230,244)
NET INTEREST INCOME		162,125,207	150,278,267
PROVISION FOR IMPAIRMENT LOSSES	20	(24,631,732)	(17,905,930)
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		137,493,475	132,372,337
OTHER INCOME	21	89,352,392	47,718,625
TOTAL OPERATING INCOME		226,845,867	180,090,962
OPERATING EXPENSES	22	(155,413,235)	(132,621,879)
OTHER EXPENSE	23	(430,275)	(540,981)
PROFIT BEFORE TAX		71,002,357	46,928,102
PROVISION FOR INCOME TAX	26	(20,558,407)	(8,995,507)
PROFIT		50,443,950	37,932,595
OTHER COMPREHENSIVE INCOME			
Item to be subsequently reclassified to profit/loss		-	-
Item not to be subsequently reclassified to profit/loss			
Reversal of revaluation surplus – net		158,243	756,711
TOTAL COMPREHENSIVE INCOME		50,602,193	38,689,306

See Notes to Financial Statements.

Statements of Cash Flows for the Years Ended December 31, 2017 and 2016

In Philippine Peso

	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		71,002,357	46,928,102
Adjustments for:			
Gain on sale of investment properties	14,21	(61,605,265)	(20,707,026)
Depreciation and amortization	22,25	25,984,145	23,285,836
Provision for credit losses	20	24,631,732	17,905,930
Interest income	9,10,11	(7,514,687)	(7,736,869)
Interest expense	17	3,413,746	7,520,836
Unrealized loss on investment at FVTPL	10,23	374,041	540,981
Gain on sale of bank premises, furniture, fixtures and equipment	13,21	(128,570)	(980,742)
Operating income before working capital changes		56,157,499	66,757,048
Decrease (increase) in operating assets:			
Loans and other receivables		(474,185,254)	(199,837,800)
Other assets		2,842,283	2,400,534
Increase (decrease) in operating liabilities:			
Deposit liabilities		354,795,669	255,944,001
Other liabilities		1,535,698	(16,559,543)
Cash generated from (used in) operations		(58,854,105)	108,704,240
Income tax paid		(14,541,055)	(11,401,252)
Interest received		6,658,168	7,282,986
Interest paid		(2,685,717)	(5,019,341)
Net cash generated from (used in) operating activities		(69,422,709)	99,566,633
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investment properties	14	117,985,758	62,948,535
Acquisition of held-to-maturity investments	11	(40,000,000)	—
Acquisition of bank premises, furniture, fixtures and equipment	13	(14,293,675)	(8,975,765)
Proceeds from disposal of bank premises, furniture, fixtures and equipment	13	143,232	2,570,745
Acquisition of intangible asset	15	—	(1,570,253)
Net cash generated from (used in) investing activities		63,835,315	54,973,262
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of bills payable	17	292,339,000	—
Payments of bills payable	17	(197,898,459)	(118,860,104)
Dividends paid	19	(9,684,413)	(4,839,702)
Net cash generated from (used in) financing activities		84,856,128	(123,699,806)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH		(56,234)	36,317
NET INCREASE IN CASH AND CASH EQUIVALENTS		79,212,500	30,876,406
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
Cash and other cash items		26,558,842	30,623,735
Due from Bangko Sentral ng Pilipinas		60,120,911	52,517,569
Due from other banks		387,302,865	359,964,908
		473,982,618	443,106,212
CASH AND CASH EQUIVALENTS AT END OF YEAR			
Cash and other cash items	8	29,443,699	26,558,842
Due from Bangko Sentral ng Pilipinas	9	73,019,687	60,120,911
Due from other banks	9	450,731,732	387,302,865
		553,195,118	473,982,618

See Notes to Financial Statements.

Statements of Changes in Equity for the Years Ended December 31, 2017 and 2016

In Philippine Peso

	Capital Stock (Note 19)		Additional paid – up capital (Note 19)	Revaluation Surplus	Surplus Free	Total
	Common Stock	Preferred Stock				
Balance at December 31, 2015	386,526,320	206,000	33,166,673	17,639,581	30,685,304	468,223,878
Comprehensive income:						
Profit	—	—	—	—	37,932,595	37,932,595
Other comprehensive income	—	—	—	(2,141,859)	2,898,570	756,711
Reclassification (Note 30)	—	—	—	376,200	(376,200)	—
Balance at December 31, 2016	386,526,320	206,000	33,166,673	15,873,922	71,140,269	506,913,184
Transactions with the owners:						
Dividends declared	—	—	—	—	(10,000,762)	(10,000,762)
Comprehensive income:						
Profit	—	—	—	—	50,443,950	50,443,950
Other comprehensive income	—	—	—	(369,232)	527,475	158,243
Balance at December 31, 2017	386,526,320	206,000	33,166,673	15,504,690	112,110,932	547,514,615

See Notes to Financial Statements.

Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs

8/F Richmond Plaza, San Miguel Avenue
corner Lourdes Drive, Ortigas Center,
Pasig City Philippines 1605
Phone No.: (02) 535-5029
Email: aocortigasbranch@alasoascpas.com

25/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone No.: (632) 759-5090 | Fax: (632) 887-6180
Email: aocheadoffice@alasoascpas.com
www.alasoascpas.com

Independent Member of

B K R International

INDEPENDENT AUDITOR'S REPORT

To the Stockholders and the Board of Directors
BOF, INC. (A RURAL BANK)
Mc Arthur Hi-way, Dolores,
City of San Fernando, Pampanga

Opinion

We have audited the financial statements of **BOF, INC. (A RURAL BANK)** (the "Bank") which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the *Code of Ethics for Professional Accountants in the Philippines*, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Alas Oplas & Co., CPAs

The Supplementary Information Required under Revenue Regulations Nos. 15-2010 and 19-2011

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Information Required under Revenue Regulations Nos. 15-2010 and 19-2011 on taxes, duties and license fees paid or accrued during the taxable year, taxable income, and deductions in Notes 33 and 34 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of **BOF, INC. (A RURAL BANK)**. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs

BOA Registration No. 0190, valid from January 1, 2017 to December 31, 2019
SEC A.N. (Firm) 0321-F, issued on February 3, 2016; effective until February 2, 2019
TIN 002-013-406-000
BIR A.N. 08-001026-000-2018, issued on January 25, 2018; effective until January 24, 2021

By:



RYAN A. SABUG

Partner

CPA License No. 111183
SEC A.N. (Individual) 1530-A, February 3, 2016; effective until February 2, 2019
TIN 232-158-286-000
BIR A.N. 08-006531-001-2016, issued on September 9, 2016; effective until September 8, 2019
PTR No. 6614488, issued on January 4, 2018, Makati City

April 13, 2018
Pasig City, Philippines

Risk Management Framework

Risk Appetite and Strategy

BOF's Policy on Risk Appetite (PoRA) is set by the Board of Directors (BOD) to serve as a guide for Top Management (TM), Officers and staff in prompting all concerned the result of banking operations.

The BOD recognizes the risks associated in the conduct of its business. It aggressively pursues its three (3)-year business plan (2018 - 2020) within a moderate risk appetite to support its vision of becoming the preferred financial institution of Micro, Small and Medium Enterprises (MSMEs) in Region 3.

BOF shall continue to take calculated risks to effectively serve its stakeholders, taking into consideration its overall sustainability and maintaining various risks and ratios.

OWNERS OF THE RISKS

The owners of the risk are responsible for ensuring that the risk will be avoided or reduced. The owners of the risks are the Risk Champions and Risk Designates. The following are the appointed Risk Champions and Risk Designates.

- 1. The Over-all Risk Champion shall be the Chief Compliance Officer (CCO).
- 2. Based on BOF's Top Five (5) Risks as identified by the management, the following are the designated Risk Champions and Risk Designates:

RISKS	RISK CHAMPIONS	RISK DESIGNATES
Credit Sales	Lending Group (LG) Head	Loans and Discounts Department (LDD) Head
Credit Process	Credit Management Group (CMG) Head	CMG Officer
Competitiveness	Marketing Department (MkD) Head	Administrative Group (AG) Head
Business Continuity Plan (BCP)	Branch Banking Group (BBG) Head	Chief Internal Auditor (CIA)
Liquidity	Accounting and Treasury Group (ATG) Head	Treasury Department (TrD) Head
Information Technology (IT)	Information Technology Department (ITD) Head	Network Administration Officer
Recruitment and Retention	Human Resources Department (HRD) Head	Human Resources Officer

Risk Management Framework

A risk management framework encompasses the scope of risks to be managed, the process/systems and procedures to manage risk and the roles and responsibilities of individuals involved in risk management. The framework should be comprehensive enough to capture all risks a bank is exposed to and have flexibility to accommodate any change in business activities.

Risk Management is a discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure that:

- 1. The individuals who take or manage risks clearly understand it.
- 2. The organization's risk exposure is within the limits established by Board of Directors (BOD)
- 3. Risk taking decisions are in line with the business strategy and objectives set by BOD.
- 4. The expected payoffs compensate for the risks taken.
- 5. Risk taking decisions are clear.
- 6. Sufficient capital as a buffer is available to take risk.

The acceptance and management of financial risk is inherent to the business of banking and banks' roles as financial intermediaries. Banks should accept those risks that are uniquely part of bank's services.

BOF has a mechanism to identify stress situations ahead of time and plans to deal with such unusual situations in a timely and effective manner. Contingency plans are reviewed regularly to ensure they encompass reasonably probable events that could impact the organization. Plans are tested as to the appropriateness of responses, communication channels and the impact on other parts of the institution.

Risk Management Framework

Money Laundering and Terrorist Financing Prevention and Suppression Program (MLPP)

BOF's Money Laundering and Terrorist Financing Prevention & Suppression Program (MLPP) principal objective of this program is to adopt a comprehensive and risk-based MLPP geared towards the promotion of high ethical and professional standards of the bank being used, intentionally or unintentionally, for money laundering and terrorist financing.

MLPP is promulgated to prescribe the guidelines for the implementation of the Anti-Money Laundering Act (AMLA). AMLA is a policy of the State to (a) protect and preserve the integrity and confidentiality of bank accounts and to ensure that the Philippines, in general, and the covered persons, in particular, shall not be used, respectively, as a money laundering site and conduit for the proceeds of any unlawful activity; and (b) protect life, liberty and property from acts of terrorism and to condemn terrorism and those who support and finance it and reinforce the fight against terrorism by criminalizing the financing of terrorism and related offenses. Consistent with its foreign policy, the Philippines shall extend cooperation in transnational investigations and prosecutions of persons involved in the money laundering activities whenever committed.

COMPLIANCE AND IMPLEMENTATION OF MAJOR REQUIREMENTS OF ANTI-MONEY LAUNDERING ACT (AMLA)

RISK MANAGEMENT

BOF developed sound risk management policies and practices to ensure that risks associated with money-laundering such as counterparty, reputational, operational, and compliance risks are identified, assessed, monitored, mitigated and controlled, as well as to ensure effective implementation of AMLA, to the end that covered institutions shall not be used as a vehicle to legitimize proceeds of unlawful activity or to facilitate or finance terrorism.

Board and Senior Management oversight

It is the ultimate responsibility of the Audit and Compliance Committee (ACC) to fully comply with provisions of AMLA rules and Revised Implementing Rules and Regulations (RIRR), ensure effective implementation of AMI/CFT policies approved by the board and alignment of activities with the strategic objectives, risk profile and corporate values set by the board. For this reason, it ensures that oversight on the institution's compliance management is adequate;

To ensure independence of the Compliance Office, it shall have a direct reporting line to the ACC on all matters related to Anti-Money Laundering (AML) and terrorist financing compliance and their risk management.

Role of the Internal Audit

The results of the internal audit is timely communicated to the BOD and shall be open for scrutiny by BSP examiners in the course of the regular or special examination without prejudice to the conduct of its own evaluation whenever necessary. Results of the audit is likewise promptly communicated to the Chief Compliance Officer (CCO) for appropriate monitoring of corrective actions taken by the different business units concerned. The CCO regularly submit reports to the Board through the ACC to inform them of management's action to address deficiencies noted in the audit.

Risk Management Framework

RISK ASSESSMENT

Consistent with risk-based approach, BOF is required to identify, understand and assess their ML/FT risks, arising from customers, countries or geographic areas of operations and customers, products, services transactions or delivery channels. The assessment methodology shall be appropriate to the nature of operations and complexity of the business of the covered person. The risk assessment includes:

- a. Considering all relevant factors;
- b. Adequately documenting results and findings; and
- c. Updating periodically or as necessary.

COORDINATION WITH ANTI-MONEY LAUNDERING COUNCIL (AMLC)

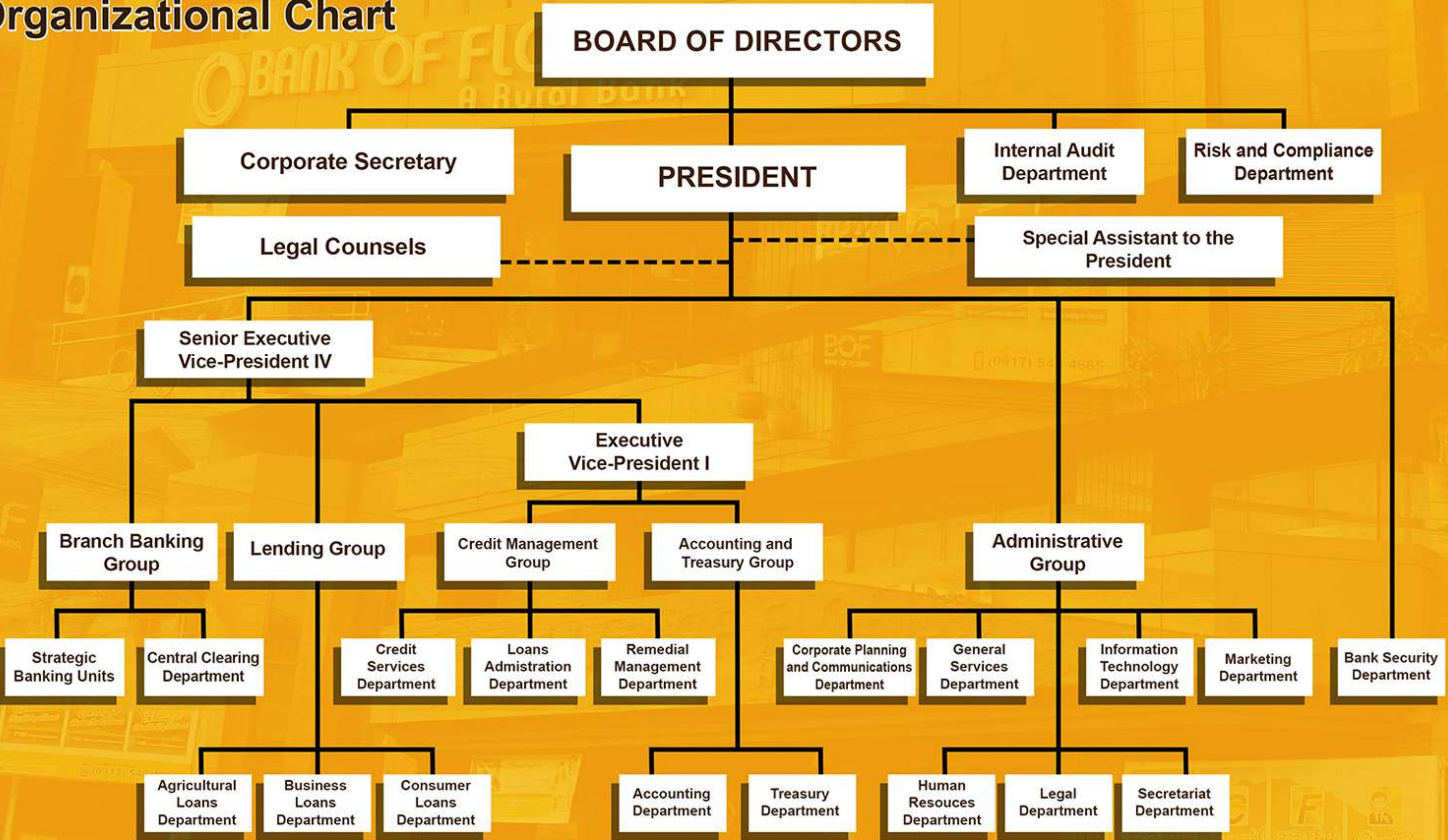
As a liaison between BOF, the BSP and the AMLC in matters relating to the Bank's AML, the CCO shares information and coordinate activities with the aforementioned government agencies to ensure proper implementation of the program.

Activities may include, but not limited to, the following:

1. Check regular submission of covered or suspicious transaction reports;
2. Attend-seminars and other training programs sponsored by BSP or AMLC on Anti-Money Laundering (AML) Program;
3. Be updated on current matters or issues affecting AMLA;
4. Coordinate with said agencies on matters reported as Suspicious Transactions through periodic information of suspected individual/s or corporate entity/ies;
5. Solicit advice or opinions of AMLC on grey areas;
6. Report updates of bank's performance through periodic communication with AMLC on status of compliance; and
7. Coordinate with AMLC in other areas where assistance of the bank is sought for.

By opening its communication link to the AMLC, the bank can always assure the public of its thrust to combat all money laundering activities. It dares to pursue against any engagement, involvement, facilitation or participation in illegal activities.

Organizational Chart



Corporate Governance

Structure and Overall Responsibility of the Board of Directors

The corporate powers of an institution shall be exercised, its business conducted, and all its resources controlled through its board of directors. The powers of the board of directors as conferred by law are original and cannot be revoked by the stockholders. The directors shall hold their office charged with the duty to exercise sound and objective judgment for the best interest of the institution.

The members of the board of directors are selected from a broad pool of qualified candidates. Non-executive directors, who include independent directors, comprise at least majority of the board of directors to promote the independent oversight of management by the board of directors.

The Chairman of the Board of Directors

The Chairperson of the board of directors provides leadership in the board of directors. She ensures effective functioning of the board of directors, including maintaining a relationship of trust with members of the board of directors. She:

- (1) ensures that the meeting agenda focuses on strategic matters including discussion on risk appetites, and key governance concerns;
- (2) ensures a sound decision making process;
- (3) encourage and promote critical discussion;
- (4) ensure that dissenting views can be expressed and discussed within the decision-making process;
- (5) ensure that members of the board of directors receives accurate, timely, and relevant information;
- (6) ensure the conduct of proper orientation for first time directors and provide training opportunities for all directors; and
- (7) ensure conduct of performance evaluation of the board of directors at least once a year.

Board's Responsibility

The compliance with the good corporate governance starts with the Board of Directors (BOD) who, collectively, is primarily and ultimately responsible for ensuring the attainment of the goal of good governance. The Board, as such, is structured in a manner described below to provide corporate policy and performance oversight, and thus serve as an independent check on Management.

The BOD exercises its corporate powers, conducts its business, and controls all the Bank's property. To achieve good governance, the Board assumes fiduciary responsibility and establishes a corporate identity, values, vision, mission, and strategic goals that will attain for the Bank a competitive position in the global economy.

The BOD also is primarily responsible for approving and overseeing the implementation of the Bank's strategic objective, risk strategy, corporate governance and corporate values. Further, the BOD is also responsible for monitoring and overseeing the performance of senior management as the latter manages the day to day affairs of the Bank.

Consistent with the Bank's strategic objectives, business plans are established for the Bank and initiatives thereto are implemented with clearly defined responsibilities and accountabilities. These are take into account the Bank's long-term financial interests, its level of risk tolerance and its ability to manage risks effectively.

Corporate Governance

The Board approves policies on all major business activities (e.g. investments, loans, asset and liability management, business planning and budgeting). The Board accordingly defines the Bank's level of risk tolerance in respect of said activities and is responsible for defining the Bank's level of risk tolerance and for the approval and oversight of the implementation of policies and procedures relating to the management of risks throughout the Bank

Further, the BOD appoints competent management team at all times, monitor and assess the performance of the management team based on the established performance standards that are consistent with the Bank's strategic objectives, and conduct regular review of Bank's policies with the management team.

Since reputation is a very valuable asset, it is in the Bank's best interest that in dealings with the public, it observes a high standard of integrity. The BOD leads in establishing the tone of good governance from the top and in setting corporate values, codes of conduct and other standards of appropriate behavior for itself, the senior management and other employees. It recognizes and acknowledges the importance of the assessment of the independent, competent and qualified internal and external auditors as well as the risk and compliance officer in ensuring the safety and soundness of the operations of a bank.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS
January 2017 to December 2017

Name of Directors	Board Number of Meetings	
1. Teresa David-Carlos	12	100%
2. Susan David-Nunga	12	100%
3. Analiza O. Pulido*	8	88,9%
4. Yolanda David-Aguila	12	100%
5. Atty. Carmelino M. Roque	12	100%
6. Liberato P. Laus	11	92%
7. Jesus S. Nicdao	11	92%
8. Atty. Elfren P. Hipolito, Jr.	11	92%
9. Jose Paolo D. Carlos	12	100%
TOTAL NUMBER OF MEETINGS HELD DURING THE YEAR	12	

*Board of Director - January to September 2017 only

MAJOR STOCKHOLDERS OF THE BANK
OWNING MORE THAN TWENTY PERCENT (20%)

Stockholder	Percent of Shares
House of David Investment and Management Corp.	39.64%

Dividend Policy

Consistent with the guidelines of the Bangko Sentral ng Pilipinas (BSP), BOF adopts as a matter of policy the following requirements on the declaration of dividends:

1. Clearing account with the BSP is not overdrawn
2. Liquidity floor requirement for government funds
3. Minimum capitalization requirement and risk based capital ratios as provided under applicable and existing capital adequacy framework
4. Capital conservation buffer
5. Higher loss absorbency requirement
6. Has not committed any unsafe or unsound banking practice.

BOF's declaration of dividends are reported to the appropriate department of the Supervisory and Examination Sector (SES) of BSP within ten (10) banking days after date of declaration in the following manner:

1. Submission of duly notarized certification
2. Submission of the Report on Dividends Declared

Performance Assessment Program

All employees of the bank are being evaluated on an annual basis using an institutionalized Performance Appraisal Form (PAF) to assess character and work performance expectations from the employees. While for Probationary-hired employees, they are being evaluated during their 3rd and 5th months to assess if they are fit for regularization.

And with the bank's initiative to continue to innovate and improve the existing Performance Appraisal Form tool, an engagement with an Organizational Development practitioner has been set last April 3, 2018 to come up with a more effective tool in assessing the performance of all employees. The revised PAF tool shall be cascaded to all employees for information and implementation.

Orientation and Education Program

BOF provides relevant trainings in compliance with regulations and laws like Anti-Money Laundering Act (AMLA), Bureau of Internal Revenue (BIR), and Bangko Sentral ng Pilipinas (BSP), etc.

The HR Department conducts Training Needs Analysis (TNA) to assess the current training needs of the employees. Based on the outcome of the TNA, the HR then formulates the relevant Seminars, Trainings, and Workshops (STWs) to address the training needs as well as to develop the employees' in becoming highly competent professionals.

An annual budget for Internal and External STWs are being approved by the Execom and elevated to the Board of Directors for ratification, which sets as a guide for HRD in implementing the STWs on a monthly basis.

Retirement and Succession Policy

BOF provides Retirement benefit to its employees as mandated by the Philippine Labor Code. The minimum retirement pay shall be equivalent to the employee's 1/2 month salary for every year of service.

A succession planning policy is in placed, in order to ensure business continuity at all times, especially for the bank's key officers.

Remuneration Policy

BOF provides a competitive compensation and benefit package to all of its employees. Aside from the 13th month pay, which is mandated by the Philippine Law, the company also provide other bonuses to all of its regular employees.

Adjustment in salaries which consists of across the board-economic increase, merit increase and promotional increase is also given to all employees.

A Policy on Recognition, Rewards and Incentives (PRRI) is in placed, to ensure that employees are being rewarded, thus, making certain that employees are valued and motivated to continue to be more productive and loyal.

Policies and Procedures on Related Party Transaction

BOF's Policy on Related Party Transactions (PRPT) aims to recognizes that transactions between and among related parties create financial, commercial and economic benefits to individual institutions and to BOF. It is generally allowed provided that these will be done on an arm's length basis.

It also aims to exercise appropriate oversight and implement effective control systems for managing said exposures as these may potentially lead to abuses that are disadvantageous to the bank and its depositors, creditors, fiduciary clients, and other stakeholders. The policy will ensure that every RPT is conducted in a manner that will protect BOF from conflict of interest and guarantee proper review, approval and disclosure of transactions between BOF and the related party as required by the regulatory bodies.

Related parties cover the bank's subsidiaries as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities) that the bank exerts direct/indirect control over or that exerts direct/indirect control over the bank, the bank directors, officers, stockholders and related interests (DOSRI), and their close family members as well as corresponding persons in affiliated companies. This also include such other personal/judicial entity whose interests may pose potential conflict with the interest of the bank.

Related party transactions shall be allowed provided that these comply with applicable regulatory limits/requirements and dealings are conducted at arm's length basis. Said transactions shall only be made and entered into, substantially on terms and conditions not less favorable than those with other customers of comparable risks.

The Board of Directors shall have the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders.

All final decisions of the board on material, amounting above two million pesos (PhP2.M) RPTs, including important facts about the nature, terms, conditions, original and outstanding individual and aggregate balances, justification and other details that would allow stockholders to make informed judgment as to the reasonableness of the transaction, must be clearly disclosed during stockholders meetings and duly reflected in the minutes of board and stockholders' meetings.

Board of Directors





Executive Committee and Credit Committee

(L-R) Teresa David-Carlos - Chairman, Jose Paolo D. Carlos - Member, Susan Jesusa David-Nunga - Member



Audit and Compliance Committee

(Standing L-R) Atty. Elfren P. Hipolito, Jr. - Chairman, Atty. Carmelino M. Roque - Member, Liberato P. Laus - Member
(Sitting L-R) Myrin M. Paguio - Chief Internal Auditor, Cecile G. Escalante - Chief Compliance Officer



Top Management

(Sitting L-R) Teresa David-Carlos - Chairman/President, Jose Paolo D. Carlos - Senior Vice-President
(Standing L-R) Yolanda David-Aguila - Special Assistant to the President, Atty. Peter Paul S. Maglalang - Corporate Secretary/
Legal Counsel, Jaime P. Panganiban - Executive Vice-President, Susan Jesusa David-Nunga - Senior Executive Vice-President IV



Management Committee

(Sitting L-R) Cecile G. Escalante - Chief Compliance Officer, Myrin M. Paguio - Chief Internal Auditor,
Erlisa C. Maninang - Accounting and Treasury Group Head, Rona Q. Binuya - Branch Operations Group Head
(Standing L-R) Albert R. Aguilar - Remedial and Asset Recovery Group Head, Cristina O. Mangalus - General Services Group Head,
Lee Ann S. Delfin - Human Resources Group Head, Einar B. Evangelista - Credit Group Head, Beejay A. Sebastian - Marketing and
Communications Group Head, Jayson M. Lagman - Information and Communications Technology Group Head,
Grace D. Castro - Loans and Discounts Department Head

Self-Assessment Function

I. Self-Assessment Function

- i. Describe the structure of the internal audit and compliance functions including its role, mandate/authority, and reporting process
- ii. Describe the review process adopted by the board to ensure effectiveness and adequacy of the internal control system
- iii. Internal Audit and Compliance

The Audit and Compliance Committee has been established in accordance with BSP Circular 969 and circular 871. The ACC is responsible in overseeing senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations and safeguarding of assets. It has an explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings and adequate resources to enable it to effectively discharge its functions. The ACC is composed of five (5) members; three (3) from the Board of Directors (BOD) of which one (1) of them is an independent director and also acts as the ACC Chairman & two (2) Senior Officers; the Chief Compliance Officer and Chief Internal Auditor. The ACC is responsible on the following:

1. The ACC provides watchful supervision over the institution's Financial Reporting and control and internal and external audit functions, and compliance to various regulatory agencies' rules and regulations as well as risk management;
2. The ACC is responsible for setting-up of the Internal Audit Department (IAD) and for the appointment of the Chief Internal Auditor (CIA) and Chief Compliance Officer (CCO) who shall both report directly to ACC. The ACC is also responsible in setting-up the salaries, remunerations and other benefits of the CCO and the CIA.
3. It monitors, reviews and evaluates the adequacy and effectiveness of the internal control system and shall ensure that a review of effectiveness of the institution's internal controls, including financial, operational, and compliance controls, and risk management, is conducted at least annually;
4. The ACC establishes and maintains mechanisms by which officers and staff in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing or other issues to persons or entities that have the power to take corrective action;
5. The ACC takes all necessary measures, or ensure that the Executive Committee (ExeCom) shall take all necessary measures, to provide the appropriate resources and staffing that would enable internal audit and compliance department to achieve its objectives;
6. It ensures that arrangements are in place for the independent investigation, appropriate follow-up action, and subsequent resolution of complaints.
7. The ACC ensures that the internal audit function maintains an open communication with the senior management, the external auditors, and the supervisory authority.
8. The ACC ensures and recommends to the BOD any penalties under Policy on Discipline (POD) and/or for any violation on the Corporate Good Governance.
9. The ACC establishes an Anti-Money Laundering (AML) reporting mechanism to ensure that the Board of Directors (BOD) and Management are appropriately, comprehensively and timely apprised of relevant AML ACC issues and concerns, as well as the status of actions taken and adequately documenting discussions thereon.

Self-Assessment Function

10. The ACC is responsible for the oversight of the Bank's compliance with AML rules and regulations.

11. ACC resolutions are reported to the Board of Directors (BOD) for ratification.

II. Performance Assessment Program

The board of directors is primarily responsible for defining the Bank's vision and mission. It has the fiduciary responsibility to the Bank and all its shareholders including minority shareholders. It approves and oversees the implementation of strategies to achieve corporate objectives. It also approves and oversees the implementation of the risk governance framework and the systems of checks and balances. It establishes a sound corporate governance framework. The board of directors approves the selection key members of senior management and control functions and oversees their performance.

Performance of the board and senior management is being evaluated annually to assess their strengths and weaknesses that give sense of their competence and accomplishments.

The board are being evaluated on the following areas;

- (1) selection and appointment of qualified officer to administer institution's affairs;
- (2) establishment of objectives and business strategies;
- (3) Conduct affairs of the institution with high degree of integrity;
- (4) Establishment and Ensuring compliance with sound written policies;
- (5) Effective supervision bank's affairs
- (6) Prescribing a clear assignment of responsibilities and decision-making authorities;
- (7) Effective supervision of bank's affairs
- (8) Adoption and maintenance adequate risk management policy;
- (9) Presence of Board level committee (e.g. ACC)
- (10) Presence of other committees like credit and executive committee
- (11) Conduct of regular meeting
- (12) Keeping the individual members of the Board and the shareholders informed of the financial position of the bank and its financial and non-financial performance.
- (13) Ensuring that the institution has a beneficial influence to the economy
- (14) Annual assessment of BOD performance and effectiveness as a body as well as the various committees, Chairman/President and the institution itself
- (15) Keeping the authority of the board within the powers of the institution as prescribe in the articles of incorporation, charter, by laws and in existing laws, rules and regulations

Senior Management are also being evaluated based on their performance, leadership style, competencies and personal traits & characteristic.

Consumer Protection Practices

BOF, Inc. (A Rural Bank), has established its own policy on consumer protection congruent to the approved Financial Consumer Protection Framework of the Bangko Sentral ng Pilipinas (BSP) also known as BSP Circular No. 857 – Financial Protection Framework. This policy aims to provide enabling environment that protects the interests of the financial consumers and institutionalizes the responsibilities of all BOF stakeholders. BOF, Inc. shall ensure to be responsive to the needs of its stakeholders while being held against a high standard of accountability.

BOF's paramount goal is to provide excellent, committed, transparent, fair, honest and dedicated services to its customers that will translate into prestige, profitability and stability of BOF.

The primary objectives of BOF developing this framework are:

1. To protect the financial rights of its clients.
2. To maintain good relationship of BOF with its clients (depositors, loan borrowers and other customers) over a long period of time;
3. To promote transparency and better understanding and appreciation of banking products and services;

Disclosure and Transparency

BOF provides up to date information about its products and services to customers. This information is easily accessible, clear, simple to understand, accurate, not misleading and include any potential risks for the clients. It includes the rights and responsibilities of both the Bank and the customer, including the mechanism for either party to end the banking relationship, as well as details of fees, pricing and any potential penalties that the customer may incur.

Conflict of Interest

BOF shall ensure of a written policy on conflict of interest, and ensures that this policy will help to detect potential conflicts of interest. When the possibility of a conflict of interest arises between BOF and the third party, this should be disclosed to the customer.

Confidentiality and Security of Client Information

Consumers' financial and personal information disclosed in the course of a transaction is protected through appropriate control and protection mechanisms. These mechanisms should define the purposes for which the data may be collected, processed, held, used and disclosed (especially to third parties).

Consumer Protection Practices

Fair Treatment

BOF deal fairly, honestly and with professionalism with costumers at all stages of their relationship, so that it is an integral part of the culture of BOF. Products are not disadvantageous to the customers. Care is also be made and special attention given to the needs of vulnerable persons and groups.

Financial Education and Awareness

Financial education initiatives give customers the knowledge, skills and confidence to understand and evaluate the information they receive and empower them to make informed financial decisions. Banks have the reach, expertise and established relationships necessary to deliver financial education as Banks deal directly with financial customers. Financial education is integral to the good governance of BOF.

BOF, Inc. (A Rural Bank) also established and created a Consumer Protection Risk Management System (CPRMS) that is part of the corporate-wide Risk management System. The CPRMS is a means by which BOF identify, measure, monitor and control consumer protection risks inherent in its operations.

BOF, INC. (A Rural Bank) (BOF) strives to improve its operations and to extend the best quality of service to its clients, suppliers, affiliates, and companies it deals with. BOF believes that the most effective scheme in coming up with the best services lies in recognizing, understanding and resolving the complaints, comments or concerns of the general public elevated through the Customer Care (C2). With this in mind, it is important that customers are given the utmost attention and assurance that they are heard and understood.

BOF 2017 at a Glance

2017 ANNUAL REPORT



State of the Bank Address
February 04, 2017
Tierra Linda Building, City of San Fernando, Pampanga



Lingap Pamilya Micro Insurance Launching
April 21, 2017
TPKI Building, City of San Fernando, Pampanga



Turnover of Two-Classroom Building
March 06, 2017
Sindalan Elementary School, City of San Fernando, Pampanga



Handog Kaalaman Project
June 09, 2017
Babo Sacan Elementary School, Porac, Pampanga



Turnover of Water System
June 23, 2017
Sitio Calapi, Mabalacat, Pampanga



HDG-AT-FUN
June 24, 2017
Amana Water Park, Pandi, Bulacan



Guagua Branch Blessing
July 19, 2017
San Matias, Guagua, Pampanga



Candaba Branch Blessing
August 09, 2017
Poblacion, Candaba, Pampanga



Porac Branch Blessing
August 11, 2017
Babo Sacan, Porac, Pampanga



Sta. Rita Branch Blessing
November 29, 2017
San Vicente, Sta. Rita, Pampanga



HDG Christmas Party
December 09, 2017
Otel Pampanga, City of San Fernando, Pampanga

Products and Services

Deposit Products



Loan Products



New Loan Products



Other Services



Branches

Floridablanca Branch Office
Poblacion, Floridablanca, Pampanga
floridablanca@bankofflorida.ph
(+6345) 970 1069 / (+6345) 970 0333
(+6345) 970 0456

Sto. Tomas Lubao Branch Office
Crossing, Sto. Tomas,
Lubao, Pampanga
stotomaslubao@bankofflorida.ph
(+6345) 971 5481 / (+6345) 971 6224

Sta. Cruz Lubao Branch Office
C. Soto Street, Sta. Cruz,
Lubao, Pampanga
stacruz@bankofflorida.ph
(+6345) 971 6333

Sto. Tomas Branch Office
San Matias, Sto. Tomas, Pampanga
stotomas@bankofflorida.ph
(+6345) 961 2090

Sta. Ana Branch Office
Poblacion, Sta. Ana, Pampanga
staana@bankofflorida.ph
(+6345) 409 9814

Arayat Branch Office
Poblacion, Arayat, Pampanga
arayat@bankofflorida.ph
(+6345) 409 9660

San Fernando Branch Office
Dolores, City of San Fernando, Pampanga
sanfernando@bankofflorida.ph
(+6345) 961 1460

Pulilan Branch Office
Barangay Paltao, Pulilan, Bulacan
pulilan@bankofflorida.ph
(+6344) 769 3283

Capas Branch Office
Poblacion, Capas, Tarlac
capas@bankofflorida.ph
(+6345) 925 0173

Candaba Branch Office
Poblacion, Candaba, Pampanga
candaba@bankofflorida.ph
(+6345) 409 9998

Guagua Branch Office
MQC Building, Jose Abad Santos Ave.,
San Matias, Guagua, Pampanga
guagua@bankofflorida.ph
(+63917) 167 8828

Magalang Branch Office
Sta. Cruz, Magalang, Pampanga
magalang@bankofflorida.ph
(+6345) 343 4355 / (+6345) 866 2334

Dau Branch Office
Dau, Mabalacat City, Pampanga
dau@bankofflorida.ph
(+6345) 624 0008

Sta. Rita Branch Office
San Vicente, Sta. Rita, Pampanga
starita@bankofflorida.ph
(+6345) 497 0145

Angeles City Branch Office
Sto. Rosario St., Sto. Rosario,
Angeles City, Pampanga
angelescity@bankofflorida.ph
(+6345) 322 8182

Minalin Branch Office
269 Poblacion, San Nicolas,
Minalin, Pampanga
minalin@bankofflorida.ph
(+6345) 435 6319

Porac Branch Office
Barangay Babo Sacan,
Porac, Pampanga
porac@bankofflorida.ph
(+63932) 714 0520

BOF BANK OF CHOICE
BANK OF FLORIDA

**Annual Report to
Stockholders (ARSH)
2017 Committee**

Contents:
Cecile G. Escalante
Basty A. Sebastian

Creative Director:
Aljun R. Tolentino

Layout by:
Jose Mari S. Enciso

Photography by:
Crismont Photography
Services

Disclaimer: Presentation of Information

This Annual Report of BOF, Inc. (A Rural Bank) is prepared in accordance with Philippine Financial Reporting Standards.

Certain statements in the Annual Report are not historical facts and are 'forward-looking' statements that relate to, among other things, BOF's business, result operation, financial condition, plans, vision and mission, goals and objectives, strategies, future events, target revenues and/or performance, as well as assumptions thereof. These statements are based on BOF's current view with respect to future events and financial performance. By their very nature, forward looking statements involve uncertainties and are subject to certain risks, including, but not limited to, (i) general economic conditions, in particular in BOF's core and niche markets, (ii) changes in the availability of, and costs associated with, sources of liquidity, as well as conditions in the credit market generally, including changes in borrower credit-worthiness, (iii) performance of financial markets, including developing markets, (iv) interest rate levels, (v) credit spread levels, (vi) currency exchange rates, (vii) general competitive factors, (viii) general changes in the valuation of assets, (ix) changes in law and regulations, including taxes, (x) changes in policies of governments and/or regulatory authorities, (xi) changes in law and regulations, including taxes, (x) changes in policies of governments and/or regulatory authorities, (xii) the result of our strategy and objectives, and (xiii) the risks and uncertainties as addressed in this Annual Report, the occurrence of which could cause BOF's actual results and/or performance to differ from those predicted in such forward-looking statements and from past results.

The forward-looking statements speak only as of the date hereof. BOF does not undertake any obligation to update or revise forward-looking statements contained in this Annual Report, whether as a result of new information, future events or otherwise. Neither do BOF nor any of its directors, officers, and employees make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

It's all about YOU

(BOF Jingle)
Music and Lyrics by
Ben & Deng Escasa

Mula noon hanggang ngayon
Tayo'y Magkakasama
Partner sa pag asenso
Kabalikat sa progreso
Kabuhayan mo ay gaganda
It's All About You
Here at BOF

Sa Bank of Florida
Ika'y very happy
Together like one family
Sa serbisyo ay panalo
Ang pera mo ay sigurado

Sa Bank of Florida
Ikaw ang bida
Love na love namin kayo
We give service with a smile
It's All About You
Here at BOF

Sa Bank of Florida
Puno ng pag-asa
Pangarap mo'y may katuparan
Kinabukasan ay aalagaan
Tunay Kaming Maaasahan
Salamat sa tiwala nyo
It's All About You
Here at BOF

CUSTOMER CARE HOTLINE

(0917) 548-4665



WEBSITE

www.bof.com.ph