

LBP LEASING CORPORATION
INCOME STATEMENT
(Actual 2014 vs. Budget 2015)

			Increase (Decrease)	
	Actual 2014	Budget 2015	Amount	%
REVENUES				
Interest Income				
Interest Income on Other Loans/Receivable - FL	53,724,333.34	80,586,500.01	26,862,166.67	33.3%
Interest Income on Other Loans/Receivable - FL LBP	159,503,260.54	149,348,142.46	(10,255,118.08)	-6.9%
Interest Income on Other Loans/Receivable - FL BIR Accounts	128,861,160.16	127,926,444.02	(934,716.14)	-0.7%
	<u>342,188,754.04</u>	<u>357,861,086.49</u>	<u>15,672,332.45</u>	<u>4.4%</u>
Interest Income on Other Loans/Receivable	119,971,693.94	149,564,617.43	29,992,923.49	20.0%
Interest Income on Other Loans/Receivable (2)	0.00	26,100,000.00	26,100,000.00	100.0%
	<u>119,971,693.94</u>	<u>176,064,617.43</u>	<u>58,092,923.49</u>	<u>32.6%</u>
Income from Deposits in Banks	214,186.17	0.00	(214,186.17)	
Interest Income - Others	62,951.59	12,248.61	(70,702.98)	-577.2%
	<u>297,137.76</u>	<u>12,248.61</u>	<u>(284,889.15)</u>	<u>-2325.9%</u>
Total Interest Income	<u>462,457,585.74</u>	<u>535,937,952.53</u>	<u>73,480,366.79</u>	<u>13.7%</u>
Other Income				
Operating Lease Income	44,553,018.39	44,410,032.00	(142,986.39)	-0.3%
Profit/(Loss) from Assets Sold/Exchanged	212,460.00	0.00	(212,460.00)	
Gain/(Loss) from Derecognition of Financial Assets	627,470.53	12,000,000.00	11,372,529.47	94.8%
Recovery on Charged-off Assets	272,264.08	0.00	(272,264.08)	
Miscellaneous Income/(Loss)	7,341,425.07	7,500,000.00	158,574.93	2.1%
Total Other Income	<u>53,006,638.07</u>	<u>63,910,032.00</u>	<u>10,903,393.93</u>	<u>17.1%</u>
Total Revenue	<u>515,464,223.81</u>	<u>599,847,984.53</u>	<u>84,383,760.72</u>	<u>14.1%</u>
Less: Direct Expenses				
Interest Expense - FL	10,126,892.99	5,017,711.84	(5,109,181.15)	-101.8%
Interest Expense - Operating Lease	832,119.64	1,676,240.69	844,121.05	50.4%
Interest Expenses	61,654,060.03	83,878,027.93	22,223,967.90	26.5%
Documentary and Science Stamp Used	13,589,567.81	15,000,000.00	1,410,432.19	9.4%
Provision for Probable Losses	14,000,000.00	17,000,000.00	3,000,000.00	17.6%
Depreciation-Eqpt. & Other Prop. for Lease	5,055,038.67	5,055,038.97	0.00	0.0%
Compensation and Fringe Benefits - Marketing Operations	12,435,910.74	18,236,521.87	5,800,611.13	31.8%
Transfer Mortgage and Registrations Fees - LBP (FL)	850,172.72	850,172.72	0.00	0.0%
Transfer Mortgage and Registrations Fees - OL	213,033.55	213,033.55	0.00	0.0%
Transfer Mortgage and Registrations Fees	4,596,940.11	0.00	(4,596,940.11)	
Insurance - LBP (FL)	6,318,132.49	6,634,000.00	315,867.51	4.8%
Insurance - Operating Lease	1,589,488.97	1,589,488.97	0.00	0.0%
Repairs and Maintenance - LBP (FL)	3,175,636.90	3,350,000.00	174,303.20	5.2%
Repairs and Maintenance - Operating Lease	1,726,647.70	1,810,000.00	83,352.30	4.6%
Security, Msgrl, Janitorial & Contractual Services - LBP (FL)	106,060,449.95	106,219,540.62	159,090.67	0.1%
Security, Msgrl, Janitorial & Contractual Services - OL	23,019,718.92	23,054,248.50	34,529.58	0.1%
Total Direct Expenses	<u>265,243,871.39</u>	<u>289,584,025.66</u>	<u>24,340,154.27</u>	<u>8.4%</u>
Gross Income	<u>250,220,352.42</u>	<u>310,263,958.87</u>	<u>108,723,914.99</u>	<u>35.0%</u>
GENERAL AND ADMINISTRATIVE EXPENSES				
Taxes and Licenses - FL	11,088,944.88	12,666,265.18	1,577,320.29	12.5%
Taxes and Licenses - Operating Lease	2,227,650.92	2,220,501.60	(7,149.32)	-0.3%
Taxes and Licenses - Loan	6,665,659.17	8,903,230.87	2,237,571.70	25.1%
Taxes and Licenses - BIR	2,856,595.40	1,279,264.44	(1,577,330.96)	-123.3%
Taxes and Licenses	1,336,591.28	2,323,534.22	986,942.94	42.5%
Compensation and Fringe Benefits	16,283,399.94	21,198,629.43	4,915,229.49	23.2%
Management and Other Professional Fees	719,700.00	1,853,000.00	1,133,300.00	61.1%
Membership Fees and Dues	608,810.89	640,000.00	31,189.11	4.9%
Insurance	451,294.30	495,000.00	43,705.70	8.8%
Depreciation-Furn., Fixtures and Eqpt.	927,588.20	1,659,054.56	731,466.36	44.1%
Depreciation - Building	1,256,776.32	1,256,776.32	0.00	0.0%
Depreciation - PPE (Ropoa)	1,681,425.00	2,241,000.00	560,475.00	25.0%
Depreciation - ROPA	170,333.28	0.00	(170,333.28)	
Amortization of Intangibles	1,392,970.66	2,166,928.30	773,957.64	35.7%
Litigation/Assets Acquired Expenses	3,194,015.26	2,000,000.00	(1,194,015.26)	-59.7%
Rent	89,600.00	1,500,000.00	1,410,400.00	94.0%
Power, Light and Water	1,816,176.38	1,997,800.00	181,623.62	9.1%
Fuel and Lubricants	309,609.45	387,500.00	77,890.55	20.1%
Transportation and Travelling	1,487,609.88	2,994,300.00	1,506,690.12	50.3%
Representation and Entertainment	1,669,866.93	3,113,100.00	1,443,233.07	46.4%
Repairs and Maintenance	601,433.21	750,000.00	148,566.79	19.8%
Security, Messengerial, Janitorial & Contractual Services	2,602,947.90	2,800,000.00	197,052.10	7.0%
Data Processing Charges	85,342.99	120,000.00	34,657.01	28.9%
Bank Charges	2,150.00	5,000.00	2,850.00	57.0%
Postage, Cables, Telephone and Telegram	721,562.70	900,000.00	178,437.30	19.8%
Stationeries and Supplies Issued	634,931.66	793,700.00	158,768.34	20.0%
Information Technology Expense	44,227.43	48,650.00	4,422.57	9.1%
Advertising and Publicity	836,574.10	1,000,000.00	163,425.90	16.3%
Fines Penalties & Other Charges	93,866.69	0.00	(93,866.69)	
Periodicals and Magazines	18,388.00	22,985.00	4,597.00	20.0%
Donation and Other Charitable Contribution	2,000,000.00	2,100,000.00	100,000.00	4.8%
Fringe Benefit Tax	29,423.99	37,000.00	7,576.01	20.5%
Miscellaneous Expenses	385,012.00	480,000.00	94,988.00	19.8%
Total Expenses	<u>64,290,478.81</u>	<u>79,951,119.92</u>	<u>15,660,641.11</u>	<u>19.6%</u>
Net Income Before Income Tax	<u>185,929,873.61</u>	<u>230,312,838.95</u>	<u>124,384,556.09</u>	<u>54.0%</u>
Less: Provision for Income Tax				
Income Tax Expense - Prior Years	(91,935.32)	0.00	91,935.32	
Deferred Tax Expense	393,312.55	0.00	(393,312.55)	
Income Tax Benefit	(1,413,203.76)	(3,600,000.00)	(2,186,796.24)	60.7%
Total Income Tax Expenses	<u>46,422,006.05</u>	<u>55,307,512.60</u>	<u>8,885,506.55</u>	<u>16.1%</u>
Net Income After Income Tax	<u>139,507,867.56</u>	<u>175,005,326.35</u>	<u>115,499,049.55</u>	<u>66.0%</u>

LBP LEASING CORPORATION

2015 Projected Personal Services -Filled & Unfilled Positions

GROUP/UNIT/POSITION	TOTAL NUMBER OF APPROVED POSITIONS	NUMBER OF EXISTING PERSONNEL	NUMBER OF VACANT POSITIONS
Office of the President	2	1	1
Risk Management Unit	2	1	1
Compliance Unit	1	0	1
Management Services Unit	2	1	1
Legal Services Unit	2	1	1
Internal Audit Unit	2	1	1
Account Management Group	1	0	1
Team A	7	4	3
Team B	7	5	2
Gov't Accts	3	1	2
Sub Total AMG	18	10	8
Extension Offices (Desks)	6	0	6
Account Servicing Group	1	1	0
Account Administration Unit	7	5	2
Credit Investigation & Appraisal Unit	6	5	1
Sub Total ASG	14	11	3
Corporate Services Group	2	2	0
Accounting Unit	5	3	2
Administrative Services Unit	6	5	1
Sub Total CSG	13	10	3
Information Technology Unit	2	1	1
Treasury Unit	2	2	0
Total	66	39	27

LBP Leasing Corporation
Capital Outlay
CY 2015

PARTICULARS	Quantity	Unit Price	TOTAL
A. Carried Over from 2014 CAPEX			
Acquisition of Additional Space		45,000,000	45,000,000
Acquisition of five (5) units vehicles as replacements for day to day operations	5	1,200,000	6,000,000
Desktops/Laptops	7	55,000	385,000
Back-Up Hardware System	1	650,000	650,000
Servers	2	500,000	1,000,000
Projector (with motorized ceiling bracket)	1	250,000	250,000
Computer Peripherals			
KVM Switch	1	130,000	130,000
for DRP Equipment	1	50,000	50,000
Office Reconfiguration (Office Space Planning & Acquisition of Furniture & Fixtures)	1	1,100,000	1,100,000
Replacement of Blinds	60	10,167	610,020
CCTV Cameras			360,000
Split-type Airconditioners	2	165,000	330,000
Heavy Duty Shredder1	1	41,000	41,000
Intangibles:			
Acquisition of various computer applications to enhance operational efficiencies and to comply with the BIR LTIS requirement (Card Access System, Document Management System and Backup System software)		12,039,341	12,039,341
Sub-Total of Carried Over from 2014 CAPEX			<u><u>67,945,361</u></u>
B. 2015 Proposed CAPEX			
Desktops/Laptops	10	55,000.00	550,000
Tablets	10	20,000	200,000
Back-Up Hardware System	1	650,000	650,000
Un-interruptible Power Supply (UPS)	2	460,000	920,000
Computer Peripherals:			
Ethernet Switch	2	20,000	40,000
Audio Codes 4-port GSM Gateway	1	90,000	90,000
Conversion of light bulbs to LED lights			300,000
Air-Conditioner for Server Room	1	150,000	150,000
Vault-type Cabinets	3	60,000	180,000
Intangibles:			
Sub-Total of 2015 Proposed CAPEX			<u><u>3,080,000</u></u>
TOTAL			<u><u>71,025,361</u></u>

LBP LEASING CORPORATION

2015 Quarterly Monitoring Report

Per GCG PAN and TWG

PAN AGREEMENT					
Component					
			Weight	Formula	Full Year 2015 Target
CUSTOMER/ STAKEHOLDERS	SO 1	Increase and maintain portfolio of priority accounts			
	SM 1	Percentage of Priority Sectors Portfolio	20%	Percentage of Priority Sectors Portfolio over Total Portfolio	65%
	SM 2	No. of New Individual Clients under Special Financing/Leasing Programs to support government projects	5%	Absolute Amount	50 accounts
	SO 2	Improved Service Delivery			
	SM 3	Customer Satisfaction Rating based on in-house survey	5%	80% of respondents should have rated LBP LC "satisfactory" or higher	<i>Satisfactory</i>
FINANCIAL	SO 1	Ensure Sustainable Financial Growth			
	SM 4	Total Portfolio	15%	Absolute Amount	P3.8 Billion
	SM 5	Net Past Due Rate	10%	Total Past Due less Deferred Leasing Income/Unearned Credits & Specific Loan Loss Provision Over Total Portfolio	2%
	SO 2	Consistently Increase Net Income			
	SM 6	Net Income After Tax	15%	Absolute Amount	P143 Million*
INTERNAL PROCESS	SO 1	Improve Efficiency and Quality of Credit Processes			
	SM 7	Average no. of days to process applications of new clients from receipt of complete documents to approval	5%	Total Actual No. of Days for All Applications of New Clients from Receipt of Complete Documents over Total No. of Applications Processed/ Approved	45 days
	SM 8	Average no. of days to process applications of existing clients from receipt of complete documents to approval	5%	Total Actual No. of Days for All Applications of Existing Clients from Receipt of Complete Documents over Total No. of Applications Processed/ Approved	35 days
	SO 2	Expand Market Reach			
	SM 9	No. of LBP LC desks established in LBP Lending Centers outside Metro Manila	5%	Absolute Amount	1*
LEARNING AND GROWTH	SO 1	Attract, Develop and Retain Competent Personnel			
	SM 10	Percentage of Existing Personnel vs. Approved Manpower Complement	5%	Actual No. of Regular Personnel over Total Approved Manpower Complement at year end	75%
	SO 2	Adopt Continuing Productivity and Corporate Culture Enhancement Programs			
	SM 11	Average competency level of the corporation	5%	Actual Accomplishment	Competency Framework Approved by the LBP LC Board
	SO 3	Continuous Improvement of IT Infrastructure			
	SM 12	Automation of Key Processes	5%	Actual Accomplishment vs. Work Program	1 (Lease & Loan System)
Total Weight			100%		

* As revised per GCG - TWG on 08 September 2015