

COMPARATIVE PROFIT AND LOSS STATEMENT

(In Pesos)

Fiscal Year 2014

Corporation: LBP LEASING CORPORATION

PARTICULARS	FY 2013 (Actual)	FY 2014 (Proposal)	Increases (Decreases) over 2013 Actual
I. REVENUES (DBM Form 703-A)			
Operating Revenues	505,353,322.39	611,709,127.36	21%
Interest Income - FL/Others	453,550,561.30	552,899,095.36	22%
Operating Lease	45,987,875.37	46,810,032.00	2%
Other Revenues (ROPA Sale-P6M; Penalties,etc-P6M)	5,814,885.72	12,000,000.00	106%
II. COST OF SALES (DBM Form 703-B)	248,403,755.25	301,676,565.70	21%
III. GROSS PROFIT	256,949,567.14	310,032,561.66	21%
IV. OPERATING EXPENSES	54,724,489.71	71,283,168.85	30%
Personal Services	16,849,668.63	19,896,323.79	18%
Maintenance and Other Operating Expenses (include interest expense-operating, business taxes, duties and licenses other than income tax)	34,864,705.72	46,864,030.05	34%
Others			31%
Non-cash Expenses			111%
Depreciation of fixed assets	2,277,528.32	2,979,078.54	31%
Amortization of intangibles	732,587.04	1,543,736.47	111%
Other non-cash expenses	-		
V. NET PROFIT/(LOSS) BEFORE INCOME TAX	202,225,077.43	238,749,392.81	18%
VI. INCOME TAX	46,374,382.44	68,024,817.84	47%
VII. NET PROFIT/(LOSS) AFTER INCOME TAX	155,850,694.99	170,724,574.97	10%
Add: SUBSIDIES			
Subsidies from National Government	-		
Rest of Subsidies	-		
VIII. NET PROFIT AND SUBSIDIES	155,850,694.99	170,724,574.97	10%

SALES/REVENUE STATEMENT

(In Thousand Pesos)

Fiscal Year 2014

Corporation: **LBP LEASING CORPORATION**

PARTICULARS	FY 2013 (Actual)	FY 2014 (Proposal)	Increases (Decreases) over 2013 Actual
REVENUES			
Interest Income			
Interest Income on Other Loans/Receivable - Loans/Leases	159,330,362.08	274,500,258.33	72%
Interest Income on Other Loans/Receivable - FL LBP	160,630,551.56	149,606,393.40	-7%
Interest Income on Other Loans/Receivable - FL BIR Accounts	133,589,647.66	128,792,443.63	-4%
Interest Income - Others	266,399.62	-	-100%
Total Interest Income	453,816,960.92	552,899,095.36	22%
Other Income			
Operating Lease Income	45,987,875.37	46,810,032.00	2%
Miscellaneous Income (ROPA Sale-P6M; Penalties,etc-P6M)	5,548,486.10	12,000,000.00	116%
Total Other Income	51,536,361.47	58,810,032.00	14%
Total Revenue	505,353,322.39	611,709,127.36	21%

COST OF SALES STATEMENT

(In Pesos)

Fiscal Year 2014

Corporation: **LBP LEASING CORPORATION**

PARTICULARS	FY 2013	FY 2014	Increase (Decrease) over 2013 Actual:
	(Actual)	(Proposal)	
Direct Expenses			
Interest Expense - FL	4,827,965.24	5,442,434.40	13%
Interest Expense - Operating Lease	1,385,675.33	1,562,034.25	13%
Interest Expenses	68,073,871.20	82,132,121.52	21%
Documentary & Science Stamp Used	8,291,564.37	9,948,937.01	20%
Provision for Probable Losses	13,000,000.00	12,000,000.00	-8%
Depreciation-Eqpt. & Other Prop. for Lease	958,876.42	7,653,624.78	698%
Compensation and Fringe Benefits - Marketing Operations	10,522,220.65	19,157,247.08	82%
Transfer Mortgage and Registrations Fees - LBP (FL)	832,939.02	1,120,166.67	34%
Transfer Mortgage and Registrations Fees - OL	198,033.92	240,000.00	21%
Transfer Mortgage and Registrations Fees	-	8,000,000.00	100%
Insurance - LBP (FL)	6,087,166.63	7,080,000.00	16%
Insurance - Operating Lease	235,118.83	2,280,000.00	870%
Repairs and Maintenance - LBP (FL)	1,756,692.10	2,200,000.00	25%
Repairs and Maintenance - Operating Lease	3,512,732.52	2,460,000.00	-30%
Security, Msgrl, Janitorial & Contractual Services - LBP (FL)	104,431,764.92	116,400,000.00	11%
Security, Msgrl, Janitorial & Contractual Services - OL	24,289,134.10	24,000,000.00	-1%
Total Direct Expenses	248,403,755.25	301,676,565.70	21%

DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES

(In Pesos)
Fiscal Year 2014

Corporation: **LBP LEASING CORPORATION**

PARTICULARS	FY 2013 (Actual)	FY 2014 (Proposal)	Increase (Decrease) over 2013 Actual
Taxes and Licenses			
GRT - FL BIR	1,555,882.49	1,287,924.44	-17%
GRT - FL LBP	8,031,527.58	7,480,319.67	-7%
GRT - FL OTHERS	7,755,760.52	13,725,012.92	77%
GRT - OL LBP	2,299,393.77	2,340,501.60	2%
Business Permits and Licenses	1,610,631.67	1,609,571.43	0%
Management and Other Professional Fees	508,200.00	720,000.00	42%
Membership Fees and Dues	556,481.74	672,000.00	21%
Insurance	432,107.80	600,000.00	39%
Depreciation-Furn., Fixtures and Eqpt.	1,020,752.00	1,722,302.22	69%
Depreciation - Building	1,256,776.32	1,256,776.32	0%
Depreciation - ROPA	-		
Amortization of Intangibles	732,587.04	1,543,736.47	111%
Litigation/Assets Acquired Expenses	1,366,241.92	2,000,000.00	46%
Power, Light and Water	1,754,606.84	2,100,000.00	20%
Fuel and Lubricants	305,579.76	480,000.00	57%
Transportation and Travelling	1,353,032.92	2,030,000.00	50%
Representation and Entertainment	1,825,574.64	2,280,000.00	25%
Repairs and Maintenance	581,129.94	720,000.00	24%
Security, Messengerial, Janitorial & Contractual Services	1,870,196.64	2,400,000.00	28%
Data Processing Charges	140,213.80	216,000.00	54%
Bank Charges	1,165.50	1,500.00	29%
Postage, Cables, Telephone and Telegram	634,656.21	960,000.00	51%
Stationeries and Supplies Issued	714,593.27	900,000.00	26%
Information Technology Expense	99,288.50	138,000.00	39%
Advertising and Publicity	1,087,515.95	1,620,000.00	49%
Fines Penalties & Other Charges	4,000.00	-	-100%
Periodicals and Magazines	18,668.00	25,200.00	35%
Donation and Other Charitable Contribution	50,000.00	2,000,000.00	3900%
Fringe Benefit Tax	12,818.80	78,000.00	508%
Miscellaneous Expenses	295,437.46	480,000.00	62%
Total MOOE	37,874,821.08	51,386,845.06	36%

LBP Leasing Corporation

Proposed Capital Outlay

Yr 2014 (In Php)

PARTICULARS	Quantity	Unit Price	TOTAL
Acquisition of Additional Office Space		45,000,000	45,000,000
Acquisition of various computer applications to enhance operational efficiencies and to comply with the BIR LTIS requirement			12,617,880
Acquisition of five (5) units vehicles (as replacements for day to day operations)	5	1,200,000	6,000,000
Computer Hardware & Peripherals:			3,819,278
Desktops	5	250,000	
Laptops	2	140,000	
Firewall Appliance	1	250,000	
Backup System Hardware	1	250,000	
Projector with motorized ceiling bracket	1	250,000	
Servers	2	1,000,000	
Printer/Scanner	3	1,500,000	
For DRP Equipment		50,000	
KVM Switch	1	129,278	
Office Reconfiguration (Office Space Planning & Acquisition of Furniture and Fixtures for additional wokplaces)	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 Shredders	2	41,000	82,000
			<u><u>69,919,178</u></u>



2014 MAJOR FINAL OUTPUTS (MFOs)

Description	Formula	Weight	Rating	2014
MFO 1: Financing & Leasing Services				
Quantity 1: Total loan portfolio	Absolute amount	30%	Actual/Target x Weight (but not to exceed the weight)	P3.56 B
Quantity 2: Number of enterprises or institutional clients under anchor-based programs to support agricultural development and mechanization, and food supply chain enhancement	Absolute number	30%	Actual/Target x Weight (but not to exceed the weight)	30
Quantity 3: Number of individual clients under special financing/leasing programs to support government projects	Absolute number	10%	Actual/Target x Weight (but not to exceed the weight)	100
Quality 1: Net Past Due Rate	Total past due less specific loan loss provision over total portfolio	10%	Actual/Target x Weight (but not to exceed the weight)	2%
Timeliness 1: Average no. of days to process applications from receipt of complete documentations to Board Approval.	Total actual no. of days for all applications from receipt of complete documents/ Total no. of applications processed	10%	Weight – ((Actual-Target)/ (Target)) X Weight (but not to exceed the weight)	45 days
Subtotal of Weights:		90%		
GAS: Enhanced internal processes				
Quality 1: Automation of Financial Management System	% completion based on time-table of activities	5%	Actual/Target x Weight (but not to exceed the weight)	100%
Quality 2: Manualization of processes in preparation for ISO Compliance	Actual number of Manuals updated/prepared	5%	Actual/Target x Weight (but not to exceed the weight)	7(Credit; Admin; Risk Mgt; Audit; Legal; Treasury; Acctg)
Subtotal of Weights:		10%		
TOTAL OF WEIGHTS:		100%		

Indicator	Weight	Targets	Accomplishment		CGO-A Validation		Supporting Documents	Remarks
	2014	2014	Actual	Rating	Score	Rating		
Quality 1: Net Past Due Rate	15%	2%	1.90%	15%	1.90%	15%	Certified Net Past Due Computation with Certified Supporting Documents	Acceptable LBP-LC follows the BSP Circular in the account classification. Total Portfolio amounts to ₱3.71 Billion while Past Due Accounts and Specific Loan Loss Provision totaled to ₱241.48 Million and ₱170.69 Million, respectively.
Timeliness 1 : Average no. of days to process applications from receipt of complete documentations to Board Approval	20%	45 days	34.95 days	20%	34.95 days	20%	Certified List Credit Approval with Computation of Number of Days from Application to Approval	Acceptable Report is being generated manually through MS Excel. Total Number of approvals totaled to 41 with the Total Credit Facilities amounting to ₱1.97 Billion. Level of Approving Authority: ExComm – ₱20 Million Board – any amount
Subtotal Weight:	90%			89.4%		88.5%		
GAS: Enhanced Processes								
Automation of Financial Management System (FMS)	5%	100%	100%	5%	100%	5%	Certified FMS Automation Schedule of Activities and Outputs with Copy	Acceptable In 25 November 2014, the Performance Advantage Systems International, Inc. completed its

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Indicator	Weight	Targets	Accomplishment		CGO-A Validation		Supporting Documents	Remarks
	2014	2014	Actual	Rating	Score	Rating		
								<p>their subcontracting allocations; and</p> <p>2.) The receptiveness of the subcontractors is dependent on and changes with their impressions of the subcontracting moves of the principals as well as other developments in the industry or communities.</p>
<p>Quantity 3: Number of individual clients under special financing/leasing programs to support government projects</p>	15%	50	48	14.4%	45	13.5%	<p>Certified List of Individual Clients Under Special Financing/ Leasing Programs and CreCom Resolutions on Approvals</p>	<p>LBP-LC helps the franchise holders/operators of UV Express vehicles in financing to buy another unit after the old unit was fully depreciated. In line with LTFRB's UV Express re-fleeting scheme to clear national roads of dilapidated and aging PUVs.</p> <p>The total asset cost of these individual clients totaled to ₱46 Million, ₱42 Million of which was financed by LBP-LC.</p> <p>The reported score of 48 is based on the number of units availed in 2014. Revised the actual to 45 to reflect actual number of individual clients.</p> <p>Per Special Transaction Offering Ticket, the account with CreCom Resolution no. 13-058 dated 08 October 2013 is a reinstatement in 2014 of the credit facility approved in 2013.</p>

Indicator	Weight	Targets	Accomplishment		CGO-A Validation		Supporting Documents	Remarks
	2014	2014	Actual	Rating	Score	Rating		
							of Certificate of Acceptance and Training Certificate of Attendance	service and delivered the Microsoft Dynamics NAV 2013.
Manualization of processes in preparation for ISO Compliance	5%	7 (Credit, Admin, Risk Management, Audit, Legal, Treasury and Accounting)	7 (Credit, Admin, Risk Management, Audit, Legal, Treasury and Accounting)	5%	7 (Credit, Admin, Risk Management, Audit, Legal, Treasury and Accounting)	5%	Copies of Manuals Completed and Secretary's Certificates on approval of each Manual	Acceptable
Accumulated Total Weight:	100%			99.40%		98.50%		

LBP LEASING CORPORATION

2014 PES Form 3

MONITORING REPORT ON 2014 MFO TARGETS as of 31 December 2014

(Based on Revised 2014 Targets)

Prepared on 27 Jan 2015

Description	Formula	Baseline 2013	Full Year 2014 Target (revised)	Actual	Balance	Weight	Rating
				Jan-December			
MFO 1 – Financing and Leasing Services							
Quantity 1: Total Loan Portfolio (In Php B)	Absolute amount	3.417	3.560	3.731	met	40%	40.0%
Quantity 3: Number of individual clients under special financing/leasing programs to support government projects	Absolute number	38	50	48	-2	15%	14.4%
Quality 1: Net Past Due Rate	Total past due less specific loan loss provision over total portfolio	1.2%	2%	1.90%	met	15%	15.0%
Timeliness 1: Average no. of days to process applications from receipt of complete documentations to Board Approval.	Total actual no. of days for all applications from receipt of complete documents/ Total no. of applications processed	37.59 days	45 days	34.95 days	met	20%	20.0%
GAS: Enhanced internal processes							
Quality 1: Automation of Financial Management System	% completion based on time-table of activities	85%	100%	100%	met	5%	5.0%
Quality 2: Manualization of processes in preparation for ISO Compliance	Actual number of Manuals updated/prepared	2 (BCP; Compliance)	7(Credit; Admin; Risk Mgt; Audit; Legal; Treasury; Acctg)	7(Credit; Admin; Risk Mgt; Audit; Legal; Treasury; Acctg)	met	5%	5.0%
TOTAL						100%	99.4%

**LBP LEASING CORPORATION
MONITORING REPORT ON 2014 MFO TARGETS AS OF 31 DECEMBER 2014**

Certified Correct:


RIZA M. HERNANDEZ
Head of Accounts Servicing

27 January 2015
Date

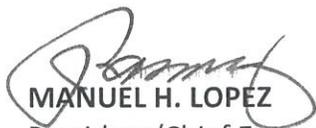

MA. LOURDES G. GONZAGA
Head of Corporate Services/Finance

27 January 2015
Date

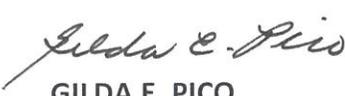

FIDELITO G. MAGNO
Head of Accounts Management

27 January 2015
Date

Approved by:


MANUEL H. LOPEZ
President/Chief Executive
Officer

27 January 2015
Date


GILDA E. PICO
Chairperson, Board of Directors

25 Feb 2015
Date