

**LBP INSURANCE BROKERAGE, INC.**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>	<u>INCREASE (DECREASE)</u>	<u>%</u>
<b>Income</b>				
<b>Service and Business Income</b>				
<b>Service Income</b>				
Fees and Commission Income	123,645,238.24	104,970,340.40	18,674,897.84	17.79
Less: Other Discounts	(11,071,173.89)	(10,010,237.05)	(1,060,936.84)	10.60
<b>Net Fees and Commission Income</b>	<b>112,574,064.35</b>	<b>94,960,103.35</b>	<b>17,613,961.00</b>	<b>18.55</b>
<b>Total Service Income</b>	<b>112,574,064.35</b>	<b>94,960,103.35</b>	<b>17,613,961.00</b>	<b>18.55</b>
<b>Business Income</b>				
Interest Income	33,090,384.72	27,163,330.83	5,927,053.89	21.82
Other Business Income	2,656,132.02	8,892,197.64	(6,236,065.62)	(70.13)
<b>Total Business Income</b>	<b>35,746,516.74</b>	<b>36,055,528.47</b>	<b>(309,011.73)</b>	<b>(0.86)</b>
<b>Total Service and Business Income</b>	<b>148,320,581.09</b>	<b>131,015,631.82</b>	<b>17,304,949.27</b>	<b>13.21</b>
<b>Gains</b>				
Gain on Forex Exchange (FOREX)	158,595.64	287,846.25	(129,250.61)	(44.90)
<b>Total Gains</b>	<b>158,595.64</b>	<b>287,846.25</b>	<b>(129,250.61)</b>	<b>(44.90)</b>
<b>Other Non-Operating Income</b>				
Dividend Income	-	29,088.67	(29,088.67)	(100.00)
Rental Income	810,000.00	607,500.00	202,500.00	33.33
Miscellaneous Income	581,996.53	527,278.78	54,717.75	10.38
<b>Total Other Non-Operating Income</b>	<b>1,391,996.53</b>	<b>1,163,867.45</b>	<b>228,129.08</b>	<b>19.60</b>
<b>Total Income</b>	<b>149,871,173.26</b>	<b>132,467,345.52</b>	<b>17,403,827.74</b>	<b>13.14</b>
<b>Expenses</b>				
<b>Personnel Services</b>				
<b>Salaries and Wages</b>				
Salaries & Wages-Regular	17,999,671.00	7,895,981.78	10,103,689.22	127.96
Salaries & Wages-Casual/Contractual	911,797.91	951,087.91	(39,290.00)	(4.13)
<b>Total Salaries and Wages</b>	<b>18,911,468.91</b>	<b>8,847,069.69</b>	<b>10,064,399.22</b>	<b>113.76</b>
<b>Other Compensation</b>				
Other Bonuses and Allowances	5,618,807.49	4,784,921.04	833,886.45	17.43
Overtime and Night Pay	2,526,301.59	933,898.24	1,592,403.35	170.51
Year End Bonus	1,559,597.67	737,970.00	821,627.67	111.34
Representation Allowance (RA)	522,000.00	348,812.50	173,187.50	49.65
Transportation Allowance (TA)	279,000.00	248,000.00	31,000.00	12.50
Cash Gift	218,000.00	172,500.00	45,500.00	26.38
Longevity Pay	169,714.28	112,464.28	57,250.00	50.91
Clothing/Uniform Allowance	162,008.91	160,178.57	1,830.34	1.14
<b>Total Other Compensation</b>	<b>11,055,429.94</b>	<b>7,498,744.63</b>	<b>3,556,685.31</b>	<b>47.43</b>
<b>Personnel Benefit Contributions</b>				
Employees Compensation Insurance Premiums	558,217.00	448,876.60	109,340.40	24.36
PhilHealth contributions	112,762.50	88,725.00	24,037.50	27.09
Pag-IBIG Contributions	49,450.00	42,300.00	7,150.00	16.90
<b>Total Personnel Benefit Contributions</b>	<b>720,429.50</b>	<b>579,901.60</b>	<b>140,527.90</b>	<b>24.23</b>
<b>Other Personnel Benefits</b>				
Other Personnel Benefits	2,645,123.64	1,147,329.95	1,497,793.69	130.55
<b>Total Other Personnel Services</b>	<b>2,645,123.64</b>	<b>1,147,329.95</b>	<b>1,497,793.69</b>	<b>130.55</b>
<b>Total Personnel Services</b>	<b>33,332,451.99</b>	<b>18,073,045.87</b>	<b>15,259,406.12</b>	<b>84.43</b>
<b>Maintenance and Other Operating Expenses</b>				
<b>Traveling Expenses</b>				
Traveling Expenses-local	751,294.03	297,471.93	453,822.10	152.56
<b>Total Traveling Expenses</b>	<b>751,294.03</b>	<b>297,471.93</b>	<b>453,822.10</b>	<b>152.56</b>
<b>Training and Scholarship Expenses</b>				
Training Expenses	173,159.88	246,700.00	(73,540.12)	(29.81)
<b>Total Training and Scholarship Expenses</b>	<b>173,159.88</b>	<b>246,700.00</b>	<b>(73,540.12)</b>	<b>(29.81)</b>
<b>Supplies and Materials Expenses</b>				
Office Supplies	582,256.89	625,631.31	(43,374.42)	(6.93)
Accountable Forms Expenses	125,133.22	98,965.92	26,167.30	26.44
Non-Accountable Forms	2,745.52	5,287.38	(2,541.86)	(48.07)
<b>Total Supplies and Materials Expenses</b>	<b>710,135.63</b>	<b>729,884.61</b>	<b>(19,748.98)</b>	<b>(2.71)</b>
<b>Utility Expenses</b>				
Electricity Expenses	901,441.89	965,022.78	(63,580.89)	(6.59)
Water Expenses	107,692.27	26,212.85	81,479.42	310.84
<b>Total Utility Expenses</b>	<b>1,009,134.16</b>	<b>991,235.63</b>	<b>17,898.53</b>	<b>1.81</b>
<b>Communication Expenses</b>				
Postage and Courier Services	693,980.25	502,167.81	191,812.44	38.20
Telephone Expenses	433,097.15	392,426.61	40,670.54	10.36
Internet Subscription Expenses	179,126.88	179,126.88	-	-

**LBP INSURANCE BROKERAGE, INC.**  
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**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>	<b>INCREASE (DECREASE)</b>	<b>%</b>
<b>Total Communication Expenses</b>	<b>1,306,204.28</b>	<b>1,073,721.30</b>	<b>232,482.98</b>	<b>21.65</b>
<b>Professional Services</b>				
Auditing Services	1,026,748.13	321,750.00	704,998.13	219.11
Legal Services	240,000.00	340,000.00	(100,000.00)	(29.41)
Other Professional Services	46,852.20	201,919.10	(155,066.90)	(76.80)
Consultancy Services	-	-	-	-
<b>Total Professional Services</b>	<b>1,313,600.33</b>	<b>863,669.10</b>	<b>449,931.23</b>	<b>52.10</b>
<b>Other General Services</b>				
Other General Services	840,572.72	1,590,903.55	(750,330.83)	(47.16)
Security Services	249,287.73	281,675.06	(32,387.33)	(11.50)
Janitorial Services	29,746.90	278,076.46	(248,329.56)	(89.30)
<b>Total Other General Services</b>	<b>1,119,607.35</b>	<b>2,150,655.07</b>	<b>(1,031,047.72)</b>	<b>(47.94)</b>
<b>Repairs and Maintenance</b>				
Repairs and Maintenance - Transportation Equipment	223,295.90	130,902.55	92,393.35	70.58
Repairs and Maintenance - Machinery and Equipment	16,013.03	42,378.66	(26,365.63)	(62.21)
Repairs and Maintenance - Semi-Expendable Machinery and Equip	15,535.71	14,185.71	1,350.00	9.52
Repairs and Maintenance- Furnitures, Fixtures and Books	7,219.41	62,045.56	(54,826.15)	(88.36)
<b>Total Repairs and Maintenance</b>	<b>262,064.05</b>	<b>249,512.48</b>	<b>12,551.57</b>	<b>5.03</b>
<b>Taxes, insurance Premium and Other Fees</b>				
Taxes, Duties and Licenses	1,366,560.26	1,901,362.71	(534,802.45)	(28.13)
Insurance Expenses	186,675.14	206,953.89	(20,278.75)	(9.80)
<b>Total Taxes, insurance Premium and Other Fees</b>	<b>1,553,235.40</b>	<b>2,108,316.60</b>	<b>(555,081.20)</b>	<b>(26.33)</b>
<b>Other Maintenance and Operating Expenses</b>				
Directors & Com. Members' Fees	3,796,000.00	3,663,250.00	132,750.00	3.62
Representation Expense	1,548,725.67	895,674.88	653,050.79	72.91
Donations	403,613.13	2,050,000.00	(1,646,386.87)	(80.31)
Rent/Lease Expenses	280,843.03	309,623.00	(28,779.97)	(9.30)
Advertising, Promotional and Marketing	29,010.31	31,570.89	(2,560.58)	(8.11)
Membership Dues and Contributions to Organizations	12,000.00	12,000.00	-	-
Subscription Expenses	4,050.00	4,800.00	(750.00)	(15.63)
Other Maintenance and Operating Expenses	1,062,291.96	1,309,978.38	(247,686.42)	(18.91)
<b>Total Other Maintenance and Operating Expenses</b>	<b>7,136,534.10</b>	<b>8,276,897.15</b>	<b>(1,140,363.05)</b>	<b>(13.78)</b>
<b>Total Maintenance and Operating Expenses</b>	<b>15,334,969.21</b>	<b>16,988,063.87</b>	<b>(1,653,094.66)</b>	<b>(9.73)</b>
<b>Financial Expenses</b>				
<b>Financial Expenses</b>				
Other Financial Charges	61,993.99	209,390.30	(147,396.31)	(70.39)
Bank Charges	24,320.00	20,125.00	4,195.00	20.84
<b>Total Financial Expenses</b>	<b>86,313.99</b>	<b>229,515.30</b>	<b>(143,201.31)</b>	<b>(62.39)</b>
<b>Non-Cash Expenses</b>				
<b>Depreciation</b>				
Depreciation - Building and Other Structures	1,911,018.24	1,736,586.46	174,431.78	10.04
Depreciation - Machinery and Equipment	495,513.25	406,661.11	88,852.14	21.85
Depreciation - Transportation Equipment	323,775.60	367,132.68	(43,357.08)	(11.81)
Depreciation - Furniture, Fixtures and Books	43,912.20	21,530.42	22,381.78	103.95
<b>Total Depreciation</b>	<b>2,774,219.29</b>	<b>2,531,910.67</b>	<b>242,308.62</b>	<b>9.57</b>
<b>Impairment Loss</b>				
Impairment Loss-Loans and Receivables	2,455,719.28	3,705,339.52	(1,249,620.24)	(33.72)
Impairment Loss-Property, Plant and Equipment	-	8,191.91	(8,191.91)	(100.00)
<b>Total Impairment Loss</b>	<b>2,455,719.28</b>	<b>3,713,531.43</b>	<b>(1,257,812.15)</b>	<b>(33.87)</b>
<b>Losses</b>				
Loss on Sale Property, Plant and Equipment	42,796.94	-	42,796.94	-
Other Losses	-	5,000.00	(5,000.00)	(100.00)
<b>Total Losses</b>	<b>42,796.94</b>	<b>5,000.00</b>	<b>37,796.94</b>	<b>755.94</b>
<b>Total Non-Cash Expenses</b>	<b>5,272,735.51</b>	<b>6,250,442.10</b>	<b>(977,706.59)</b>	<b>(15.64)</b>
<b>Total Expenses</b>	<b>54,026,470.70</b>	<b>41,541,067.14</b>	<b>12,485,403.56</b>	<b>30.06</b>
<b>Profit/ (Loss) Before Tax</b>	<b>95,844,702.56</b>	<b>90,926,278.38</b>	<b>4,918,424.18</b>	<b>5.41</b>
Income Tax Expenses	19,563,011.15	20,233,758.00	(670,746.85)	(3.31)
Income Tax Benefits	(736,715.78)	(1,111,601.86)	374,886.08	(33.72)
<b>Profit/ (Loss) After Tax</b>	<b>77,018,407.19</b>	<b>71,804,122.24</b>	<b>5,214,284.95</b>	<b>7.26</b>
<b>Other Comprehensive Incomefor the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive Income</b>	<b>77,018,407.19</b>	<b>71,804,122.24</b>	<b>5,214,284.95</b>	<b>7.26</b>

CERTIFIED CORRECT:

NOTED BY:

LBP INSURANCE BROKERAGE, INC.  
DETAILED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>	<u>INCREASE (DECREASE)</u>	<u>%</u>
SHIRLEY A. PALAPAL ACCOUNTING HEAD				
TOMAS T. DE LEON CHAIRMAN/OFFICER-IN-CHARGE				

**LBP INSURANCE BROKERAGE, INC.**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

	2017	2016	INCREASE (DECREASE)	%
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Cash and Cash Equivalents</b>	<b>128,648,801.47</b>	<b>242,629,530.77</b>	<b>(113,980,729.30)</b>	<b>(46.98)</b>
<b>Cash on Hand</b>	50,000.00	225,096.88	<b>(175,096.88)</b>	<b>(77.79)</b>
Petty Cash	50,000.00	52,000.00	(2,000.00)	(3.85)
Local Currency on Hand	-	109,890.25	(109,890.25)	(100.00)
Foreign Currency on Hand	-	63,206.63	(63,206.63)	(100.00)
<b>Cash in Bank-Local Currency</b>	128,598,801.47	241,950,182.77	<b>(113,351,381.30)</b>	<b>(46.85)</b>
Cash in Bank -Local Currency, Current Account -MBC Ayala	126,108,949.20	101,881,205.51	24,227,743.69	23.78
Cash in Bank -Local Currency, Current Account -Paseo	2,489,852.27	140,068,977.26	(137,579,124.99)	(98.22)
<b>Cash in Bank-Foreign Currency</b>	-	454,251.12	<b>(454,251.12)</b>	<b>(100.00)</b>
Cash in Bank-Foreign Currency-Current Account	-	454,251.12	(454,251.12)	(100.00)
<b>Cash Equivalents</b>	-	-	-	-
<b>Receivables</b>	<b>81,637,069.35</b>	<b>82,849,615.17</b>	<b>(1,212,545.82)</b>	<b>(1.46)</b>
<b>Loans and Receivable Accounts</b>	<b>81,637,069.35</b>	<b>82,849,615.17</b>	<b>(1,212,545.82)</b>	<b>(1.46)</b>
Accounts Receivable	66,396,489.11	67,085,021.35	(688,532.24)	(1.03)
Accrued Service Fees Receivable	9,156,804.34	9,841,551.63	(684,747.29)	(6.96)
<i>Allowance for Impairment-Accrued Service Fees Receivable</i>	<i>(1,204,962.37)</i>	<i>-</i>	<i>1,204,962.37</i>	<i>-</i>
Net Value-Accrued Service Fees Receivable	7,951,841.97	9,841,551.63	(1,889,709.66)	(19.20)
Interest Receivable	7,208,380.25	5,702,046.91	1,506,333.34	26.42
<i>Allowance for Impairment-Interest Receivable</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Value-Interest Receivable	7,208,380.25	5,702,046.91	1,506,333.34	26.42
Receivables-Disallowances/Charges	-	-	-	-
Due from Officers and Employees	-	-	-	-
Other Receivables	80,358.02	220,995.28	(140,637.26)	(63.64)
<i>Allowance for Impairment-Other Receivable</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Value-Other Receivable	80,358.02	220,995.28	(140,637.26)	(63.64)
<b>Inventories</b>	<b>87,926.81</b>	<b>80,193.70</b>	<b>7,733.11</b>	<b>9.64</b>
<b>Inventory Held for Consumption</b>	87,926.81	80,193.70	<b>7,733.11</b>	<b>9.64</b>
Office Supplies Inventory	65,509.17	33,533.82	31,975.35	95.35
<i>Allowance for Impairment-Office Supplies Inventory</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Value-Office Supplies Inventory	65,509.17	33,533.82	31,975.35	95.35
Accountable Forms Inventory	15,024.78	44,427.74	(29,402.96)	(66.18)
<i>Allowance for Impairment-Accountable Forms Inventory</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Value-Accountable Forms Inventory	15,024.78	44,427.74	(29,402.96)	(66.18)
Non-Accountable Forms Inventory	7,392.86	2,232.14	5,160.72	231.20
<i>Allowance for Impairment-Non-Accountable Forms Inventory</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Value-Non-Accountable Forms Inventory	7,392.86	2,232.14	5,160.72	231.20
<b>Other Current Assets</b>	<b>5,458,832.68</b>	<b>5,344,386.84</b>	<b>114,445.84</b>	<b>2.14</b>
<b>Advances</b>	-	-	-	-
Advances to Officers and Employees	-	-	-	-
<b>Prepayments</b>	<b>5,365,407.98</b>	<b>5,324,386.84</b>	<b>41,021.14</b>	<b>0.77</b>
Withholding Tax at Source	4,372,298.69	4,499,292.43	(126,993.74)	(2.82)
Prepaid Insurance	159,525.57	140,967.13	18,558.44	13.17
Input Tax	77,234.80	102,535.13	(25,300.33)	(24.67)
Creditable Input Tax	5,743.92	38,954.60	(33,210.68)	(85.25)
Other Prepayments	750,605.00	542,637.55	207,967.45	38.33
<b>Deposits</b>	<b>93,424.70</b>	<b>20,000.00</b>	<b>73,424.70</b>	<b>367.12</b>
Guaranty Deposits	93,424.70	20,000.00	73,424.70	367.12
Other Deposits	-	-	-	-
<b>Total Current Assets</b>	<b>215,832,630.31</b>	<b>330,903,726.48</b>	<b>(115,071,096.17)</b>	<b>(34.77)</b>
<b>Non-Current Assets</b>				
<b>Receivables</b>	<b>44,748,014.88</b>	<b>80,872,996.55</b>	<b>(36,124,981.67)</b>	<b>(44.67)</b>
<b>Loans and Receivable Accounts</b>	<b>44,748,014.88</b>	<b>80,872,996.55</b>	<b>(36,124,981.67)</b>	<b>(44.67)</b>
Accounts Receivable	43,223,915.52	76,355,175.54	(33,131,260.02)	(43.39)
Accrued Service Fees Receivable	9,524,709.73	23,103,518.71	(13,578,808.98)	(58.77)
<i>Allowance for Impairment-Accrued Service Fees Receivable</i>	<i>(9,363,771.73)</i>	<i>(19,948,859.06)</i>	<i>(10,585,087.33)</i>	<i>(53.06)</i>
Net Value-Accrued Service Fees Receivable	160,938.00	3,154,659.65	(2,993,721.65)	(94.90)

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**AS AT DECEMBER 31, 2017**

	2017	2016	INCREASE (DECREASE)	%
Receivables-Disallowances/Charges	1,363,161.36	1,363,161.36	-	
Due from Officers and Employees	-	-	-	
Other Receivables	-	-	-	
<i>Allowance for Impairment-Other Receivable</i>	-	-	-	
Net Value-Other Receivable	-	-	-	
<b>Other Non-Current Assets</b>	<b>2,101,214.69</b>	<b>1,612,047.76</b>	<b>489,166.93</b>	<b>30.34</b>
<b>Advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Advances to Officers and Employees	-	-	-	
<b>Prepayments</b>	<b>2,003,446.13</b>	<b>1,534,279.20</b>	<b>469,166.93</b>	<b>30.58</b>
Withholding Tax at Source	945,733.72	613,665.35	332,068.37	54.11
Prepaid Insurance	-	-	-	
Input Tax	821,558.40	686,489.28	135,069.12	19.68
Creditable Input Tax	-	-	-	
Other Prepayments	236,154.01	234,124.57	2,029.44	0.87
<b>Deposits</b>	<b>97,768.56</b>	<b>77,768.56</b>	<b>20,000.00</b>	<b>25.72</b>
Guaranty Deposits	97,768.56	77,768.56	20,000.00	25.72
Other Deposits	-	-	-	
<b>Financial Assets</b>	<b>964,882,757.96</b>	<b>797,842,474.51</b>	<b>167,040,283.45</b>	<b>20.94</b>
<b>Held-to-Maturity</b>	<b>964,882,757.96</b>	<b>797,842,474.51</b>	<b>(167,040,283.45)</b>	<b>20.94</b>
Investment Securities at Amortized Cost	964,882,757.96	797,842,474.51	167,040,283.45	(20.94)
<i>Allowance for Impairment-Investment Securities at Amortized Cost</i>	-	-	-	
Net Value-Investment Securities at Amortized Cost	964,882,757.96	797,842,474.51	167,040,283.45	(20.94)
<b>Investment Property</b>	<b>998,315.51</b>	<b>998,315.51</b>	<b>-</b>	<b>-</b>
<b>Land and Building</b>	<b>998,315.51</b>	<b>998,315.51</b>	<b>-</b>	<b>-</b>
Investment Property, Land	998,315.51	998,315.51	-	
<i>Accumulated Impairment Losses-Investment Property, Land</i>	-	-	-	
Net Value-Investment Property, Land	998,315.51	998,315.51	-	
<b>Property, Plant and Equipment</b>	<b>23,147,319.02</b>	<b>23,145,518.29</b>	<b>1,800.73</b>	<b>0.01</b>
<b>Building and Other Structures</b>	<b>14,972,881.50</b>	<b>16,883,899.74</b>	<b>(1,911,018.24)</b>	<b>11.32</b>
Buildings	38,670,505.16	38,670,505.16	-	
<i>Accumulated Depreciation-Buildings</i>	(23,697,623.66)	(21,786,605.42)	1,911,018.24	(8.77)
<i>Accumulated Impairment Losses-Buildings</i>	-	-	-	
Net Value-Buildings	14,972,881.50	16,883,899.74	(1,911,018.24)	(11.32)
<b>Machinery and Equipment</b>	<b>5,552,240.24</b>	<b>4,364,233.47</b>	<b>1,188,006.77</b>	<b>27.22</b>
Office Equipment	5,780,511.98	5,717,186.94	63,325.04	1.11
<i>Accumulated Depreciation-Office Equipment</i>	(4,142,420.33)	(4,138,258.65)	(4,161.68)	0.10
<i>Accumulated Impairment Losses-Office Equipment</i>	-	-	-	
Net Value-Office Equipment	1,638,091.65	1,578,928.29	59,163.36	3.75
Information and Communication Technology Equipment	4,430,898.50	3,175,367.97	(1,255,530.53)	(39.54)
<i>Accumulated Depreciation-Information and Communication Technol</i>	(516,749.91)	(390,062.79)	126,687.12	32.48
<i>Accumulated Impairment Losses-Information and Communication Tec</i>	-	-	-	
Net Value-Information and Communication Technology Equipment	3,914,148.59	2,785,305.18	1,128,843.41	40.53
<b>Transportation Equipment</b>	<b>2,238,370.29</b>	<b>1,486,253.03</b>	<b>752,117.26</b>	<b>50.60</b>
Motor Vehicle	4,425,107.14	3,349,214.28	1,075,892.86	32.12
<i>Accumulated Depreciation-Motor Vehicle</i>	(2,186,736.85)	(1,862,961.25)	323,775.60	17.38
<i>Accumulated Impairment Losses-Motor Vehicle</i>	-	-	-	
Net Value-Motor Vehicle	2,238,370.29	1,486,253.03	752,117.26	50.60
<b>Furniture, Fixtures and Books</b>	<b>383,826.99</b>	<b>411,132.05</b>	<b>(27,305.06)</b>	<b>(6.64)</b>
Furniture and Fixtures	2,411,296.32	2,394,689.18	16,607.14	0.69
<i>Accumulated Depreciation-Furniture and Fixtures</i>	(2,027,469.33)	(1,983,557.13)	43,912.20	2.21
<i>Accumulated Impairment Losses-Furniture and Fixtures</i>	-	-	-	
Net Value-Furniture and Fixtures	383,826.99	411,132.05	(27,305.06)	(6.64)
<b>Intangible Assets</b>	<b>2,132,633.66</b>	<b>2,132,633.66</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>	<b>2,132,633.66</b>	<b>2,132,633.66</b>	<b>-</b>	<b>-</b>
Development in Progress-Computer Software	2,132,633.66	2,132,633.66	-	
<b>Deferred Tax Assets</b>	<b>3,870,148.08</b>	<b>6,817,500.40</b>	<b>(2,947,352.32)</b>	<b>(43.23)</b>
<b>Deferred Tax Assets</b>	<b>3,870,148.08</b>	<b>6,817,500.40</b>	<b>(2,947,352.32)</b>	<b>(43.23)</b>
Deferred Tax Assets	3,870,148.08	6,817,500.40	(2,947,352.32)	(43.23)
<b>Total Non-Current Assets</b>	<b>1,041,880,403.80</b>	<b>913,421,486.68</b>	<b>128,458,917.12</b>	<b>14.06</b>
<b>Total Assets</b>	<b>1,257,713,034.11</b>	<b>1,244,325,213.16</b>	<b>13,387,820.95</b>	<b>1.08</b>

LBP INSURANCE BROKERAGE, INC.  
 DETAILED STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2017

	2017	2016	INCREASE (DECREASE)	%
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>	<b>174,481,167.60</b>	<b>163,932,357.35</b>	<b>10,548,810.25</b>	<b>6.43</b>
<b>Payables</b>	<b>167,518,552.95</b>	<b>156,604,581.49</b>	<b>10,913,971.46</b>	<b>6.97</b>
Insurance/Reinsurance Premium Payable	114,522,178.92	94,357,474.58	20,164,704.34	21.37
Accounts Payable	52,996,229.85	62,182,979.54	(9,186,749.69)	(14.77)
Due to Officers and Employees	144.18	64,127.37	(63,983.19)	(99.78)
<b>Other Financial Liabilities</b>	<b>6,962,614.65</b>	<b>7,327,775.86</b>	<b>(365,161.21)</b>	<b>(4.98)</b>
Other Financial Liabilities	6,962,614.65	7,327,775.86	(365,161.21)	(4.98)
<b>Inter-Agency Payables</b>	<b>5,867,439.04</b>	<b>8,405,066.84</b>	<b>(2,537,627.80)</b>	<b>(30.19)</b>
<b>Inter-Agency Payables</b>	<b>5,867,439.04</b>	<b>8,405,066.84</b>	<b>(2,537,627.80)</b>	<b>(30.19)</b>
Due to BIR	449,739.26	671,983.54	(222,244.28)	(33.07)
Value Added Tax Payable	1,549,698.24	1,429,796.83	119,901.41	8.39
Income Taxes Payable	3,868,001.54	6,303,286.47	(2,435,284.93)	(38.64)
<b>Trust Liabilities</b>	<b>24,895,547.03</b>	<b>22,373,631.53</b>	<b>2,521,915.50</b>	<b>11.27</b>
<b>Trust Liabilities</b>	<b>24,895,547.03</b>	<b>22,373,631.53</b>	<b>2,521,915.50</b>	<b>11.27</b>
Customers' Deposits Payable	24,645,547.03	22,148,431.53	2,497,115.50	11.27
Guaranty/Security Deposits Payable	250,000.00	225,200.00	24,800.00	11.01
<b>Provisions</b>	<b>4,265,702.89</b>	<b>5,211,825.04</b>	<b>(946,122.15)</b>	<b>(18.15)</b>
<b>Provisions</b>	<b>4,265,702.89</b>	<b>5,211,825.04</b>	<b>(946,122.15)</b>	<b>(18.15)</b>
Pension Payable	753,293.20	670,783.00	82,510.20	12.30
Leave Benefits Payable	1,036,895.40	1,075,492.04	(38,596.64)	(3.59)
Other Provisions	2,475,514.29	3,465,550.00	(990,035.71)	(28.57)
<b>Other Payables</b>	<b>439,372.49</b>	<b>1,690,054.17</b>	<b>(1,250,681.68)</b>	<b>(74.00)</b>
<b>Other Payables</b>	<b>439,372.49</b>	<b>1,690,054.17</b>	<b>(1,250,681.68)</b>	<b>(74.00)</b>
Undistributed collections	439,372.49	1,640,234.16	(1,200,861.67)	(73.21)
Other Payables	-	49,820.01	(49,820.01)	(100.00)
<b>Total Current Liabilities</b>	<b>209,949,229.05</b>	<b>201,612,934.93</b>	<b>8,336,294.12</b>	<b>4.13</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>	<b>44,644,530.27</b>	<b>77,812,661.00</b>	<b>(33,168,130.73)</b>	<b>(42.63)</b>
<b>Payables</b>	<b>44,644,530.27</b>	<b>77,812,661.00</b>	<b>(33,168,130.73)</b>	<b>(42.63)</b>
Insurance/Reinsurance Premium Payable	44,116,065.07	77,425,111.81	(33,309,046.74)	(43.02)
Accounts Payable	525,921.21	387,549.19	138,372.02	35.70
Due to Officers and Employees	2,543.99	-	2,543.99	-
<b>Trust Liabilities</b>	<b>5,009,640.09</b>	<b>13,203,341.68</b>	<b>(8,193,701.59)</b>	<b>(62.06)</b>
<b>Trust Liabilities</b>	<b>5,009,640.09</b>	<b>13,203,341.68</b>	<b>(8,193,701.59)</b>	<b>(62.06)</b>
Customers' Deposits Payable	4,784,440.09	13,203,341.68	(8,418,901.59)	(63.76)
Guaranty/Security Deposits Payable	225,200.00	-	225,200.00	-
<b>Provisions</b>	<b>7,709,551.48</b>	<b>1,577,462.15</b>	<b>6,132,089.33</b>	<b>388.73</b>
<b>Provisions</b>	<b>7,709,551.48</b>	<b>1,577,462.15</b>	<b>6,132,089.33</b>	<b>388.73</b>
Pension Payable	1,341,566.00	744,433.00	597,133.00	80.21
Leave Benefits Payable	2,539,485.48	449,029.15	2,090,456.33	465.55
Other Provisions	3,828,500.00	384,000.00	3,444,500.00	897.01
<b>Total Non-Current Liabilities</b>	<b>57,363,721.84</b>	<b>92,593,464.83</b>	<b>(35,229,742.99)</b>	<b>(38.05)</b>
<b>Total Liabilities</b>	<b>267,312,950.89</b>	<b>294,206,399.76</b>	<b>(26,893,448.87)</b>	<b>(9.14)</b>
<b>EQUITY</b>				
<b>Stockholders' Equity</b>	<b>990,400,083.22</b>	<b>950,118,814.40</b>	<b>40,281,268.82</b>	<b>4.24</b>
<b>Stockholder's Equity</b>	<b>300,000,000.00</b>	<b>300,000,000.00</b>	<b>-</b>	<b>-</b>
Share Capital	300,000,000.00	300,000,000.00	-	-
<b>Retained Earnings/(Deficit)</b>	<b>690,400,083.22</b>	<b>650,118,814.40</b>	<b>40,281,268.82</b>	<b>6.20</b>
Retained Earnings/(Deficit)	690,400,083.22	650,118,814.40	40,281,268.82	6.20
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>1,257,713,034.11</b>	<b>1,244,325,214.16</b>	<b>13,387,819.95</b>	<b>1.08</b>

LBP INSURANCE BROKERAGE, INC.  
DETAILED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2017

2017	2016	INCREASE (DECREASE)	%
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CERTIFIED CORRECT:

NOTED BY:

SHIRLEY A. PALAPAL  
Accounting Head

TOMAS T. DE LEON  
Chairman/Officer-In-Charge

**LBP INSURANCE BROKERAGE, INC.**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**CORPORATE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>	INCREASE (DECREASE)	%
<b>Income</b>				
<b>Service and Business Income</b>				
Service Income	112,574,064.35	94,960,103.35	17,613,961.00	18.55
Business Income	35,746,516.74	36,055,528.47	(309,011.73)	(0.86)
<b>Gains</b>	158,595.64	287,846.25	(129,250.61)	(44.90)
<b>Other Non-Operating Income</b>	1,391,996.53	1,163,867.45	228,129.08	19.60
<b>Total Income</b>	<b>149,871,173.26</b>	<b>132,467,345.52</b>	<b>17,403,827.74</b>	<b>13.14</b>
<b>Expenses</b>				
<b>Personnel Services</b>				
Salaries and Wages	18,911,468.91	8,847,069.69	10,064,399.22	113.76
Other Compensation	11,055,429.94	7,498,744.63	3,556,685.31	47.43
Personnel Benefit Contributions	720,429.50	579,901.60	140,527.90	24.23
Other Personnel Benefits	2,645,123.64	1,147,329.95	1,497,793.69	130.55
<b>Total Personnel Services</b>	<b>33,332,451.99</b>	<b>18,073,045.87</b>	<b>15,259,406.12</b>	<b>84.43</b>
<b>Maintenance and Other Operating Expenses</b>				
Traveling Expenses	751,294.03	297,471.93	453,822.10	152.56
Training and Scholarship Expenses	173,159.88	246,700.00	(73,540.12)	(29.81)
Supplies and Materials Expenses	710,135.63	729,884.61	(19,748.98)	(2.71)
Utility Expenses	1,009,134.16	991,235.63	17,898.53	1.81
Communication Expenses	1,306,204.28	1,073,721.30	232,482.98	21.65
Professional Services	1,313,600.33	863,669.10	449,931.23	52.10
Other General Services	1,119,607.35	2,150,655.07	(1,031,047.72)	(47.94)
Repairs and Maintenance	262,064.05	249,512.48	12,551.57	5.03
Taxes, insurance Premium and Other Fees	1,553,235.40	2,108,316.60	(555,081.20)	(26.33)
Other Maintenance and Operating Expenses	7,136,534.10	8,276,897.15	(1,140,363.05)	(13.78)
<b>Total Maintenance and Operating Expenses</b>	<b>15,334,969.21</b>	<b>16,988,063.87</b>	<b>(1,653,094.66)</b>	<b>(9.73)</b>
<b>Financial Expenses</b>				
Financial Expenses	86,313.99	229,515.30	(143,201.31)	(62.39)
<b>Non-Cash Expenses</b>				
Depreciation	2,774,219.29	2,531,910.67	242,308.62	9.57
Impairment Loss	2,455,719.28	3,713,531.43	(1,257,812.15)	(33.87)
Losses	42,796.94	5,000.00	37,796.94	755.94
<b>Total Non-Cash Expenses</b>	<b>5,272,735.51</b>	<b>6,250,442.10</b>	<b>(977,706.59)</b>	<b>(15.64)</b>
<b>Total Expenses</b>	<b>54,026,470.70</b>	<b>41,541,067.14</b>	<b>12,485,403.56</b>	<b>30.06</b>
<b>Profit/ (Loss) Before Tax</b>	<b>95,844,702.56</b>	<b>90,926,278.38</b>	<b>4,918,424.18</b>	<b>5.41</b>
Income Tax Expenses	19,563,011.15	20,233,758.00	(670,746.85)	(3.31)
Income Tax Benefits	(736,715.78)	(1,111,601.86)	374,886.08	(33.72)
<b>Profit/ (Loss) After Tax</b>	<b>77,018,407.19</b>	<b>71,804,122.24</b>	<b>5,214,284.95</b>	<b>7.26</b>
<b>Other Comprehensive Income for the Period</b>	-	-	-	
<b>Comprehensive Income</b>	<b>77,018,407.19</b>	<b>71,804,122.24</b>	<b>5,214,284.95</b>	<b>7.26</b>

The notes on pages \_ to \_ form part of these statements

CERTIFIED CORRECT:

SHIRLEY A. PALAPAL  
Accounting Head



**LBP INSURANCE BROKERAGE, INC.**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>	INCREASE (DECREASE)	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	128,648,801.47	242,629,530.77	(113,980,729.30)	(46.98)
Receivables	81,637,069.35	82,849,615.17	(1,212,545.82)	(1.46)
Inventories	87,926.81	80,194.70	7,732.11	9.64
Other Current Assets	5,458,832.68	5,344,386.84	114,445.84	2.14
<b>Total Current Assets</b>	<b>215,832,630.31</b>	<b>330,903,727.48</b>	<b>(115,071,097.17)</b>	<b>(34.77)</b>
<b>Non-Current Assets</b>				
Receivables	44,748,014.88	80,872,996.55	(36,124,981.67)	(44.67)
Financial Assets	964,882,757.96	797,842,474.51	167,040,283.45	20.94
Investment Property	998,315.51	998,315.51	-	-
Property, Plant and Equipment	23,147,319.02	23,145,518.29	1,800.73	0.01
Intangible Assets	2,132,633.66	2,132,633.66	-	-
Other Non-Current Assets	2,101,214.69	1,612,047.76	489,166.93	30.34
Deferred Tax Assets	3,870,148.08	6,817,500.40	(2,947,352.32)	(43.23)
<b>Total Non-Current Assets</b>	<b>1,041,880,403.80</b>	<b>913,421,486.68</b>	<b>128,458,917.12</b>	<b>14.06</b>
<b>Total Assets</b>	<b>1,257,713,034.11</b>	<b>1,244,325,214.16</b>	<b>13,387,819.95</b>	<b>1.08</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Financial Liabilities	174,481,167.60	163,932,357.35	10,548,810.25	6.43
Inter-Agency Payables	5,867,439.04	8,405,066.84	(2,537,627.80)	(30.19)
Trust Liabilities	24,895,547.03	22,373,631.53	2,521,915.50	11.27
Provisions	4,265,702.89	5,211,825.04	(946,122.15)	(18.15)
Other Payables	439,372.49	1,690,054.17	(1,250,681.68)	(74.00)
<b>Total Current Liabilities</b>	<b>209,949,229.05</b>	<b>201,612,934.93</b>	<b>8,336,294.12</b>	<b>4.13</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities	44,644,530.27	77,812,661.00	(33,168,130.73)	(42.63)
Trust Liabilities	5,009,640.09	13,203,341.68	(8,193,701.59)	(62.06)
Provisions	7,709,551.48	1,577,462.15	6,132,089.33	388.73
Other Payables	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>57,363,721.84</b>	<b>92,593,464.83</b>	<b>(35,229,742.99)</b>	<b>(38.05)</b>
<b>Total Liabilities</b>	<b>267,312,950.89</b>	<b>294,206,399.76</b>	<b>(26,893,448.87)</b>	<b>(9.14)</b>
<b>EQUITY</b>				
Stockholder's Equity	300,000,000.00	300,000,000.00	-	-
Retained Earnings/(Deficit)	690,400,083.22	650,118,814.40	40,281,268.82	6.20
<b>Total Equity</b>	<b>990,400,083.22</b>	<b>950,118,814.40</b>	<b>40,281,268.82</b>	<b>4.24</b>
<b>Total Liabilities &amp; Stockholders' Equ</b>	<b>1,257,713,034.11</b>	<b>1,244,325,214.16</b>	<b>13,387,819.95</b>	<b>1.08</b>

The notes on pages \_ to \_ form part of these statements

CERTIFIED CORRECT:

SHIRLEY A. PALAPAL  
Accounting Head

**LBP INSURANCE BROKERAGE, INC.**  
(A wholly-owned subsidiary of Land Bank of the Philippines)  
**STATEMENTS OF CHANGES IN EQUITY**  
For the Years ended December 31, 2017 and 2016  
(In Philippine Peso)

	Share Capital (Note 17)	Retained Earnings (Note 18)		TOTAL
		Appropriated	Unappropriated	
<b>BALANCE AT JANUARY 1, 2016</b>	<b>300,000,000.00</b>	<b>158,000,000.00</b>	<b>452,248,031.16</b>	<b>910,248,031.16</b>
Adjustments:				
Add/(Deduct):				
Prior Period Adjustments			9,474,342.00	9,474,342.00
<b>RESTATED BALANCE AT JANUARY 31, 2016</b>	<b>300,000,000.00</b>	<b>158,000,000.00</b>	<b>461,722,373.16</b>	<b>919,722,373.16</b>
<b>CHANGES IN EQUITY FOR 2016</b>				
Add/(Deduct):				
Cash Dividend			(41,407,681.00)	(41,407,681.00)
Comprehensive Income for the year			71,804,122.24	71,804,122.24
<b>BALANCE AT DECEMBER 31, 2016</b>	<b>300,000,000.00</b>	<b>158,000,000.00</b>	<b>492,118,814.40</b>	<b>950,118,814.40</b>
<b>CHANGES IN EQUITY FOR 2017</b>				
Add/(Deduct):				
Cash Dividend Declaration			(37,758,827.00)	(37,758,827.00)
Comprehensive Income for the year			77,018,407.19	77,018,407.19
Appropriations		19,000,000.00	(19,000,000.00)	-
Reversal of appropriations		(2,000,000.00)	2,000,000.00	-
Other Adjustments			1,021,688.63	1,021,688.63
<b>BALANCE AT DECEMBER 31, 2017</b>	<b>300,000,000.00</b>	<b>175,000,000.00</b>	<b>515,400,083.22</b>	<b>990,400,083.22</b>

*The notes on pages \_ to \_ form part of these statements*

**CERTIFIED CORRECT:**

**SHIRLEY A. PALAPAL**  
Accounting Head

**NOTED BY:**

**TOMAS T. DE LEON**  
Chairman/Officer-In-Charge

**LBP INSURANCE BROKERAGE, INC.**  
(A wholly-owned subsidiary of Land Bank of the Philippines)  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**  
(In Philippine Peso)

	Note	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from Sale of Foreign Currencies		1,230,465,102	2,499,218,590
Cash Received from Advance Payment of Premium		393,618,227	353,227,610
Collection of Income/Revenue		305,789,506	262,100,453
Collection of Receivables		3,918,415	29,015,830
<b>Total Cash Inflows</b>		<b>1,933,791,250</b>	<b>3,143,562,483</b>
<b>Cash Outflows</b>			
Payment for the Purchase of Foreign Currencies		(1,228,820,674)	(2,366,366,739)
Payment of Premiums to Insurance Companies		(562,038,812)	(483,374,821)
Payment of Expenses		(37,693,401)	(35,641,850)
Payment for the Purchase of Inventories		(347,974)	(271,236)
Prepayments		(7,368,854)	(6,858,666)
Payments of Accounts Payable		(5,975,866)	(9,185,855)
Remittance of Personnel Benefit and Mandatory Deduction		(720,429)	(579,902)
Grant of Financial Assistance/Subsidy/Contribution		(403,613)	(2,050,000)
Payment of Income Taxes		(28,414,622)	(26,537,099)
<b>Total Cash Outflows</b>		<b>(1,871,784,245)</b>	<b>(2,930,866,168)</b>
<b>Net Cash Provided by Operating Activities</b>		<b>62,007,005</b>	<b>212,696,315</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from Sale of Property, Plant & Equipment		4,060	59,189
Proceeds of Matured Investments		2,593,113,537	10,383,783,867
Receipt of Interest Earned from Investments		34,028,702	27,163,331
<b>Total Cash Inflows</b>		<b>2,627,146,299</b>	<b>10,411,006,387</b>
<b>Cash Outflows</b>			
Purchase of Property, Plant, Equipment		(2,822,877)	(6,480,352)
Placement of Investments		(2,762,710,926)	(10,626,265,035)
<b>Total Cash Outflows</b>		<b>(2,765,533,803)</b>	<b>(10,632,745,387)</b>
<b>Net Cash Used in Investing Activities</b>		<b>(138,387,504)</b>	<b>(221,739,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Payment of Cash Dividends		(37,758,827)	(41,407,681)
<b>Cash Used in Financing Activities</b>		<b>(37,758,827)</b>	<b>(41,407,681)</b>
<b>Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>		<b>158,596</b>	<b>287,846</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(113,980,730)</b>	<b>(50,162,520)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	4	<b>242,629,531</b>	<b>292,792,051</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	4	<b>128,648,801</b>	<b>242,629,531</b>

*The Notes on pages 9 to 40 form part of these statements.*

**Annex C**

COMPUTATION OF DIVIDEND

Net Income After Tax (based on Unaudited Financial Statements)	P	77,018,407.19
Add: Provision for Probable Losses		<u>2,455,719.28</u>
Dividend Base		79,474,126.47
Multiplied by the Dividend rate		<u>0.50</u>
<b>Dividend Payable</b>	<b>P</b>	<b><u><u>39,737,063.24</u></u></b>

**CERTIFIED CORRECT:**

**NOTED BY:**

**SHIRLEY A. PALAPAL**  
Accounting Head

**TOMAS T. DE LEON**  
Chairman/Officer-In-Charge