

LBP INSURANCE BROKERAGE, INC.
TARGET FOR 2018

	ACTUAL 2017	TARGET 2018	A2017 vs. T2018	
			INC(DEC)	%
Gross Service Fees	118,267,869	138,427,841	20,159,971.92	17.05
Less: Handling Fees	(11,071,174)	(12,043,222)	972,048.31	8.78
NET SERVICE FEES	107,196,696	126,384,619	19,187,923.61	17.90
Contingent Profit Commission	5,377,369	6,000,000	622,631.21	11.58
OTHER INCOME	37,297,109	38,868,045	1,570,936.01	4.21
TOTAL REVENUES	149,871,173	171,252,664	21,381,490.83	14.27
Personnel Services	33,332,452	39,113,741	5,781,289.01	17.34
Maintenance and Operating Expenses	17,489,510	28,997,585	11,508,074.96	65.80
TOTAL EXPENSES	50,821,962	68,111,326	17,289,363.97	34.02
OPERATING INCOME	99,049,211	103,141,338	4,092,126.87	4.13
OTHER EXPENSES	2,988,443	3,114,692	126,248.66	4.22
INCOME BEFORE TAX	96,060,768	100,026,646	3,965,878.21	4.13
PROVISION FOR TAX	19,627,831	19,654,180	26,348.89	0.13
INCOME TAX BENEFITS	(736,716)	(829,408)	(92,691.82)	12.58
NET INCOME AFTER TAX	77,169,653	81,201,874	4,032,221.14	5.23

	Actual 2017	Target 2018	Inc(Dec)	%
Premium Volume	624,502,180	699,145,319	74,643,139	11.95
Gross service fees	118,267,869	138,427,841	20,159,972	17.05
Less: handling fees	(11,071,174)	(12,043,222)	972,048	8.78
Net service fees	107,196,696	126,384,619	19,187,924	17.90
Contingent Profit Commission	5,377,369	6,000,000	622,631	11.58
Other Income	37,297,109	38,868,045	1,570,936	4.21
Interest Income on Investments	32,827,568	37,332,406	4,504,838	13.72
Interest Income on Deposits	262,817	195,000	(67,817)	(25.80)
Trading Income	2,656,132	-	(2,656,132)	(100.00)
Gain on Forex Exchange	158,596	-	(158,596)	(100.00)
Rental Income	810,000	810,000	-	-
Miscellaneous Income	581,997	530,639	(51,358)	(8.82)
Total Revenue	149,871,173	171,252,664	21,381,491	14.27

Taxable Income	57,287,425	65,513,932	8,226,507	14.36
Provision for Tax	17,186,228	19,654,180	2,467,952	14.36
EBITDA Margin	64%	61%	(0.03)	(0.05)

Forex operations was discontinued in May 2017

Assumptions:

1. Estimated fresh/investible funds of P7M/mo or P84M for 2018 to increase investment portfolio by 5%
2. Increase in personnel services is attributable to the increase in salaries (SSL Tranch 3) and related expenses and additional manpower complement - hiring of 4 Account Officers to be deployed to Davao, Cebu, Cagayan De Oro and Isabela ; hiring of an Internal Auditor
3. Executive & Employee Development - included are fees for trainings and seminars for GQMS Project ISO 9001:2015
4. Increase in consultancy expenses for ISO certification and for Data Privacy Act
5. Increase in operating expenses for utilities, condo/special assessments dues, transportation expenses for reimbursement of fuel consumption of independent directors and ocular visits to clients and lending centers
6. Increase in budget for email services to improve current email / web hosting
7. Increase in Taxes and Licenses and audit fees (new rates of COA auditors)
8. Increase director's fees due to estimated frequency of meetings and provision for PBI
9. Increase in Depreciation Expense for the budget for capital expenditures - upgraded Integrated Insurance Brokerage system (IIBS) other computer paraphernalia like servers, UPS and printers; airconditioning system and for the Chat Bot (virtual assistant) and for the VRF airconditioning system
10. Significant increase in depreciation/amortization expenses due capital expenditures (IIBS & VRF airconditioning system)
11. Includes budget for Gender & Development (GAD) which is equivalent of 5% on the total COB

LBP INSURANCE BROKERAGE, INC.
BUDGET ON PERSONNEL SERVICES
(In Philippine Peso)
Year 2018

PARTICULARS	2017 ACTUAL	2018 BUDGET	A2017 vs. B2018 Increase (Decrease)	
			AMOUNT	%
Personnel Services				
Salaries and wages				
Salaries & Wages-Regular	17,999,671.00	20,243,412.00	2,243,741.00	12.47
Salaries & Wages-Casual/Contractual	911,797.91	1,923,488.00	1,011,690.09	110.96
Total Salaries and Wages	18,911,468.91	22,166,900.00	3,255,431.09	17.21
Other Compensation				
Other Compensation	5,436,622.45	8,078,391.00	2,641,768.55	0.49
Personnel Economic Relief Allowance (PERA)	-	828,000.00	828,000.00	-
Representation Allowance (RA)	522,000.00	888,000.00	366,000.00	70.11
Transportation Allowance (TA)	279,000.00	384,000.00	105,000.00	37.63
Clothing/Uniform Allowance	162,008.91	460,000.00	297,991.09	183.94
Longevity Pay	169,714.28	52,000.00	(117,714.28)	(69.36)
Overtime and Night Pay	2,526,301.59	3,325,035.00	798,733.41	31.62
Year End Bonus	1,559,597.67	1,871,356.00	311,758.33	19.99
Cash Gift	218,000.00	270,000.00	52,000.00	23.85
Other Bonuses and Allowances	5,618,807.49	5,468,417.00	(150,390.50)	(2.75)
Christmas Raffle	1,750,000.00	-	(1,750,000.00)	(100.00)
Rice Allowance	1,277,050.00	1,792,000.00	514,950.00	40.32
Mid-year Bonus	784,800.00	1,871,356.00	1,086,556.00	138.45
Performance Based Bonus	746,757.50	933,461.00	186,703.50	25.00
Medical, Dental and Hospitalization	506,999.99	598,000.00	91,000.01	17.95
Productivity Enhancement Incentive	240,000.00	270,000.00	30,000.00	12.50
Anniversary Bonus	306,000.00	-	(306,000.00)	(100.00)
Teller's Allowance	7,200.00	3,600.00	(3,600.00)	(50.00)
Total Other Compensation	11,055,429.94	13,546,808.00	2,491,378.06	22.54
Personnel Benefit Contributions				
Employees Compensation Insurance Premiums	558,217.00	727,638.00	169,421.00	30.35
PhilHealth contributions	112,762.50	240,927.00	128,164.50	113.66
Pag-IBIG Contributions	49,450.00	60,200.00	10,750.00	21.74
Total Personnel Benefit Contributions	720,429.50	1,028,765.00	308,335.50	42.80
Other Personnel Benefits	2,645,123.64	2,371,268.00	(273,855.64)	(10.35)
Other Personnel Services	2,645,123.64	2,371,268.00	(273,855.64)	(10.35)
Total Personnel Services	33,332,451.99	39,113,741.00	5,781,289.01	17.34

LBP INSURANCE BROKERAGE, INC.
BUDGET ON MAINTENANCE AND OTHER OPERATING EXPENSES
(In Philippine Peso)
Year 2018

PARTICULARS	2017 ACTUAL	2018 BUDGET	A2017 vs. B2018 Increase (Decrease)	
			AMOUNT	%
Maintenance and Other Operating Expenses				
Training Expenses	173,159.88	758,200.00	585,040.12	337.86
Training and Scholarship Expenses	173,159.88	758,200.00	585,040.12	337.86
Office Supplies Expense	582,256.89	821,200.00	238,943.11	41.04
Accountable Forms Expenses	125,133.22	200,000.00	74,866.78	59.83
Non-Accountable Forms	2,745.52	4,600.00	1,854.48	67.55
Supplies and Materials Expenses	710,135.63	1,025,800.00	315,664.37	44.45
Postage and Courier Services	693,980.25	900,000.00	206,019.75	29.69
Telephone Expenses	545,024.03	618,000.00	72,975.97	13.39
Internet Subscription Expenses	67,200.00	400,000.00	332,800.00	495.24
Communication Expenses	1,306,204.28	1,918,000.00	611,795.72	46.84
Electricity Expenses	901,441.89	1,036,659.00	135,217.11	15.00
Water Expenses	107,692.27	113,077.00	5,384.73	5.00
Utility Expenses	1,009,134.16	1,149,736.00	140,601.84	13.93
Auditing Services	1,026,748.13	1,175,500.00	148,751.87	14.49
Legal Services	240,000.00	240,000.00	-	-
Other Professional Services	46,852.20	20,000.00	(26,852.20)	(57.31)
Consultancy Services	-	1,600,000.00	1,600,000.00	-
Professional Services	1,313,600.33	1,860,000.00	546,399.67	41.60
Other General Services	840,572.72	385,719.00	(454,853.72)	(54.11)
Security Services	249,287.73	276,000.00	26,712.27	10.72
Janitorial Services	29,746.90	20,000.00	(9,746.90)	(32.77)
Other General Services	1,119,607.35	681,719	(437,888.35)	(39.11)
Taxes, Duties and Licenses	1,366,560.26	1,409,437.00	42,876.74	3.14
Insurance Expenses	186,675.14	250,000.00	63,324.86	33.92
Taxes, Insurance Premium and Other Fees	1,553,235.40	1,659,437.00	106,201.60	6.84
Repairs and Maintenance - Transportation Equipment	214,838.46	370,000.00	155,161.54	72.22
Repairs and Maintenance - Machinery and Equipment	16,013.03	100,000.00	83,986.97	524.49
Repairs and Maintenance - Semi-Expendable Machinery and Equipmt.	15,535.71	103,800.00	88,264.29	568.14
Repairs and Maintenance- Furnitures, Fixtures and Books	7,040.84	152,411.00	145,370.16	2,064.67
Repairs and Maintenance	253,428.04	356,211.00	102,782.96	40.56
Directors & Com. Members' Fees	3,796,000.00	6,412,000.00	2,616,000.00	68.91
Representation Expense	1,548,725.67	1,819,000.00	270,274.33	17.45
Traveling-local	751,294.03	1,690,600.00	939,305.97	125.03
Donations	403,613.13	1,000,000.00	596,386.87	147.76
Rent/Lease Expenses	280,843.03	240,000.00	(40,843.03)	(14.54)
Advertising, Promotional and Marketing	29,010.31	50,000.00	20,989.69	72.35
Membership Dues and Contributions to Organizations	12,000.00	14,000.00	2,000.00	16.67
Subscription Expenses	4,050.00	6,000.00	1,950.00	48.15
Other Maintenance and Operating Expenses	1,062,291.96	1,135,000.00	72,708.04	6.84
Other Maintenance and Operating Expenses	7,887,828.13	12,366,600.00	4,478,771.87	56.78
Total Maintenance and Operating Expenses	15,326,333.20	21,775,703.00	6,449,369.80	42.05
Other Financial Charges	61,993.99	84,000.00	22,006.01	35.50
Bank Charges	24,320.00	39,000.00	14,680.00	60.36
Financial Expenses	86,313.99	39,000.00	(47,313.99)	(54.82)

Depreciation - Furniture, Fixtures and Books	42,580.49	152,411	109,830.51	257.94
Amortization - Intangible Asset	-	1,985,000	1,985,000.00	-
Depreciation	2,566,789.97	7,182,882	4,616,092.03	179.84
Impairment Loss-Loans and Receivables	2,455,719.28	2,764,692	308,972.72	12.58
Impairment Loss-Property, Plant and Equipment	-	250,000	250,000.00	-
Impairment Loss	2,455,719.28	3,014,692	558,972.72	22.76
Loss on Sale Property, Plant and Equipment	42,796.94	100,000	57,203.06	133.66
Other Losses	-	-	-	-
Losses	42,796.94	100,000	57,203.06	133.66
Total Non-Cash Expenses	5,065,306.19	10,297,574.00	5,232,267.81	103.30
Total Expenses	53,810,405.37	71,226,018.00	17,415,612.63	32.36
Income Tax Expenses	19,627,830.74	19,654,180	26,348.89	0.13
Income Tax Benefits	(736,715.78)	(829,408)	92,691.82	(12.58)
Total Expenses	1,151,194.93	1,089,482.40	(61,712.53)	(5.36)
TOTAL CORPORATE BUDGET	51,225,575.16	68,072,326.00	16,846,750.84	32.89
GAD BUDGET	2,561,278.76	3,403,616.30	842,337.54	24.75
CAPITAL OUTLAY	3,030,000.00	8,560,000.00	5,530,000.00	64.60

ASSUMPTIONS:

- Salaries & Wages & related expenses computed based on SSL Tranch 3
- Executive & Employee Development - included are fees for trainings and seminars for GQMS Project ISO 9001:20
- Transportation Expenses include estimated fuel consumption of 2 vehicles being used by LIBI Officers and ocular visit to clients; reimbursement of fuel consumption of independent BODs during meetings
- Increase in Depreciation Expense for the budget for capital expenditures - upgraded Integrated Insurance Brokerage system (IIBS) other computer paraphernalia like servers, UPS and printers; airconditioning system and for the Chat Bot (virtual assistant)
- Professional fee includes provision for consultancy fees
- Representation expense includes increases on allocation for food expenses for clients, committee meetings and accredited ins. cos. ; budget for corporate give-aways to clients; LIBI's anniversary & Christmas expenses
- Increase in light and water, utilities, courier services, condominium dues
- Includes budget for Gender & Development (GAD) which is equivalent of 5% on the total COB