

LBP INSURANCE BROKERAGE, INC.

TARGET FOR 2012

(in million pesos)

	A	B	C (B - A)	D (C/A)
	ACTUAL	TARGET	A2011 vs. TARGET '12	
	Dec-11	2012	INC (DEC)	%
1 <b>Gross Service Fees</b>	65.48	60.91	(4.57)	(6.98)
2 Less: Handling Fees	(5.70)	(4.26)	1.44	(25.26)
3 <b>NET SERVICE FEES</b>	<b>59.78</b>	<b>56.65</b>	<b>(3.13)</b>	<b>(5.24)</b>
4 Extra Remuneration	14.04	12.95	(1.09)	(7.76)
5 Contingent Profit Commission	5.14	3.50	(1.64)	(31.91)
6 <b>Trading/Service Fees</b>	<b>12.01</b>	<b>11.50</b>	<b>(0.51)</b>	<b>(4.22)</b>
7 <b>Other Income</b>	<b>32.67</b>	<b>32.38</b>	<b>(0.29)</b>	<b>(0.88)</b>
8 <b>TOTAL REVENUES</b>	<b>123.64</b>	<b>116.98</b>	<b>8.28</b>	<b>6.70</b>
9 Manpower	18.61	19.71	1.10	5.91
10 Operating Expenses	11.67	13.31	1.64	14.07
11 <b>EXPENSES</b>	<b>30.28</b>	<b>33.02</b>	<b>2.74</b>	<b>9.06</b>
12 <b>OPERATING INCOME</b>	<b>93.36</b>	<b>83.96</b>	<b>(9.40)</b>	<b>(10.06)</b>
13 <b>Other Expenses</b>	<b>4.10</b>	<b>3.15</b>	<b>(0.95)</b>	<b>(23.19)</b>
14 <b>NET INCOME BEFORE TAX</b>	<b>89.26</b>	<b>80.81</b>	<b>(8.44)</b>	<b>(9.46)</b>
15 <b>PROVISION FOR TAX</b>	<b>17.61</b>	<b>15.25</b>	<b>(2.36)</b>	<b>(13.40)</b>
16 Income Tax Benefits	(0.36)	(0.48)	(0.12)	32.60
17 <b>NET INCOME AFTER TAX</b>	<b>72.01</b>	<b>66.04</b>	<b>(5.97)</b>	<b>(8.29)</b>

ASSUMPTIONS:

1. Net service fees is based on accrual basis of income recognition. Assumption on the decrease on insurance premium production from private insurers due to the effect of the transfer of livelihood and salary loan processing thru Lending Centers instead of thru LBP branches.

Estimated Premium to be produced will be P 485M with an estimated commission of P60.91M broken down as follows:

	Premium	Commission
Private Insurers	250.00	58.56
GSIS	235.00	2.35
	<u>485.00</u>	<u>60.91</u>

2. Manpower Cost is based on implemented uniform salary structure of LBP Subsidiaries, accrual of Sick Leave and provision for PIP
3. Reduction on in other income due to continues decline of market interest rates on GS where LIBI is only allowed to invest. Almost of LIBI's high yielding investment (as high as 6% ) had matured and reinvested to only at the average of 3.5% (gross)