

29 June 2021

**The Chairman and Members
Governance Commission for GOCCs**
3/F Citibank Center, 8741 Paseo de Roxas
1226 Makati City

**Subject: Submission of Financial Information and Highlights of Accomplishment
for CY2020, Philippine Postal Corporation**

Dear Sirs and Madam:

Relative to GCG Memorandum dated 30 April 2021 regarding the request for Highlights of Accomplishment for CY2020, we are respectfully submitting the requested document for your information.

Should you have any clarification, please contact the Corporate Planning Department at 8527-9615 or email at corplan@phlpost.gov.ph

For the information and reference of the Commission.

Very Truly Yours,


NORMAN N. FULGENCIO
Postmaster General & CEO



HIGHLIGHTS OF ACCOMPLISHMENTS 2020



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EXECUTIVE SUMMARY

By virtue of Republic Act No. 7354 (RA No. 7354), known as the Postal Service Act of 1992, the Philippine Postal Corporation (PHLPost) was created as a government-owned and controlled corporation (GOCC) on 2 April 1992. Presently, the PHLPost is under the Office of the President pursuant to Executive Order No. 47, series 2011. The PHLPost is mandated to plan, develop, promote and operate a nationwide Postal System with a network that extends or makes available at least Ordinary Mail Service to any settlements in the country as well as provide for the collection, handling, transportation, delivery, forwarding, returning and holding of Mails, Parcels and like materials throughout the Philippines and pursuant to agreements entered into, to and from foreign countries.

One of the powers of the PHLPost is to establish and maintain Post Offices, Postal Stations, Collection Points, and related facilities and equipment of such character and in such locations that Postal Users throughout the Philippines will, consistent with reasonable economies of operations, have ready access to essential Postal Services.


As mandated in RA No. 7354, the mission of PHLPost is the provision of an efficient, competitive and on-time delivery of Communications, Goods and Merchandise, and Payment Services in any Filipino community. Based on the mandate and mission statements, the PHLPost envisages as the preferred Universal Delivery Service Provider of Communications, Goods and Merchandise, and Payment Services in every Filipino community.

The PHLPost is committed to not only attain the service quality and financial sustainability but also to fully comply with Corporate Governance Standards for the GOCCs set by the Governance Commission for the GOCCs (GCG). Thus, the BOD ensures that proper framework and best practices are sustained for the attainment of the short and long-term goals of PHLPost.

As of December 2020, there are 1,134 cities and municipalities or 70 percent of the total cities and municipalities in the Philippines with access to Postal Services (postal access). These cities and municipalities with postal access are provided frontline services by 1,382 postal outlets. The postal outlets are managed and operated by nine (9) Postal Areas.

The PHLPost sends to 57 countries and receives from 185 countries International Express Post items as well as exchanges Letter and Parcel Post items with 192 countries under the Single Postal Territory concept of the UPU. The PHLPost operates three (3) International Mail Processing Centers (IMPCs) and/or Offices of Exchange (OEs) and nine (9) Domestic Mail Processing Centers and/or Mail Distribution Centers (MDCs).

Of the postal outlets operated by PHLPost, Post Offices, 742 or 55 percent of the 1,342 Post Offices are with Internet Connectivity and have access to PHLPost Postal Services systems providing tracking visibility to postal items handled.

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Pursuant to Board Resolution No. 2020 – 93 dated 9 December 2020 and PHLPost Office Order No. 20-63 dated 10 December 2020, the PHLPost adopted and/or reverted to the organizational structure as per the Rationalization Plan approved by the GCG in their Memorandum Circular No. 202-21 dated 29 October 2012.

As of December 2020, the total personnel complement of PHLPost is 6,752 or 61 percent of the authorized Plantilla positions. Of the total personnel, 4,270 or 63 percent are holding Regular or Plantilla (Regular) positions while 2,436 or 36% are employed under Contract of Service (COS). Of the personnel holding Regular positions (Regular personnel), 3,531 personnel or 83 percent are in operations while 739 personnel or 17 percent are performing management, support to operations and administrative and support functions.

Pursuant to Section 8, Article II of RA No. 7354, the powers of PHLPost is vested in and exercised by its Board of Directors composed of seven (7) members. As of December 2020, the BOD of PHLPost is chaired by Mr. Norman N. Fulgencio with the Corporate Officer-in-Charge, Mr. Joel L. Zamudio, as the Vice Chairperson. The Postmaster General & CEO (PMG & CEO), Mr. Joel L. Otarra, is on leave of absence by October 2020.

As per item 4.1.8.1 of the Governance Manual, the Management is the center of decision-making for the day-to-day affairs of the PHLPost, determining its activities by putting the targets set by the BOD in concrete terms and implementing basic strategies for achieving said targets. Mr. Joel L. Otarra is the PMG & CEO of PHLPost and he is assisted by 1) Ms. Maura M. Baghari-Regis – APMG for AdFin; 2) Mr. Maximo C. Sta. Maria III – Acting APMG for Management Support Services; and, 3) Engr. Joel L. Zamudio – Acting APMG for Operations. Engr. Joel L. Zamudio is the Corporate Officer-in-Charge (Corporate OIC) of PHLPost as of December 2020 as PMG Otarra is on leave by October 2020.

In 2020, 2,005 Regular personnel or 68 percent of the total Regular personnel assigned at Post Offices (Post Office personnel) undergone training on the required Technical Competencies in providing Frontline services of PHLPost. Of the total Post Office personnel, 1,338 Post Office personnel or 46 percent are meeting the required Organizational and Leadership Competencies. Of the Regular personnel performing supervisory functions at mail processing centers, 215 or 27 percent are meeting the required competencies as Supervisors. Of those meeting the required competencies, 159 Regular Supervisors or 74 percent are partially meeting the competencies while 56 Supervisors or 26 percent fully meeting the competencies.

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As a result, various marketing and research initiatives were conducted to gather enough insights to design goods and services that are innovative and adaptive to the ever-changing demands of the customers: 1) Negotiations with the Philippine Statistics Authority (PSA) - PhilSys for the potential Agency to Agency contract for the delivery of PhilID; 2) Implementation of Valentine's Day Project; 3) Media exposures/engagement through online, print, TV, and radio at no cost to PHLPost and increased interest of subscribers to social media (FB, twitter, instagram, and Youtube); 4) Distribution of marketing collaterals, printing of posters and flyers, and special tarpaulins for government institutions, private establishments, Barangays and organizations; 5) Completion of the Market Research conducted by Nielsen (3rd Party Service Provider); 6) Establishment of Stamps on Wheels, a postal merchandise digital ordering system and door to door delivery; and, 7) Issuance of eight (8) philatelic stamps giving importance to history, heritage and arts through programs and activities that promotes the commemoration and preservation.

Results of the Quality of Service monitoring conducted in 2020, the Delivery Performance of Express post, Letter post and Parcel post services exceeded the standard set for the year, subject to the validation by the GCG as part of the Performance Evaluation System for GOCCs. Notable Delivery Performance are: 1) Domestic Express post for committed areas within Metro Manila – 100 percent of sample items delivered within 3 days after posting / International Express post for committed areas rest of Luzon – 100 percent delivered within 10 days after Customs clearance / International post delivered in the rest of Luzon – 100 percent delivered within 15 days after Customs clearance; 2) International Letter post delivered in Luzon – 97.02 percent delivered within 15 days after Customs clearance; and, 3) International Letter post delivered in Visayas and Mindanao – 96.68 percent delivered within 30 days after Customs clearance.

Two (2) of the priority strategic and/or development programs of PHLPost for 2020 are the Operations Improvement Program and ICT Development Program. The major projects implemented under these programs is the development of the Enterprise Resource Planning Systems (ERP) and the procurement of the ICT hardware to be used for the systems being developed. One of the sub-systems in the ERP is the Mail Management System for an ICT-enabled postal operations.

The total postal items handled in 2020 is 43,150,099 pieces, which is a decrease of 63.05% of the volume handled in 2019. The bulk of the postal traffic is handled by Postal Areas in Luzon island. The total volume of postal items accepted and/or posted for 2020 is 38,454,410, which is a 64.55 percent decreased against the previous years' volume. The decrease in the postal traffic handled is mainly due to the effects of the health and social protocols adopted to minimize and/or curtail the COVID19 pandemic, such as community quarantine as well as limited and/or suspension of air, land and sea conveyances.

In FY 2020, the PHLPost generated a total revenue of PHP2,163,245,,158 wherein PHP2,158,194,210 or 99.77 percent are from Service and Business Income. The total revenue generated for 2020 fall by 48.26 percent from FY 2019, contributory is the decrease in Mail Services by 49.69 percent and Business Income by 36.61 percent. The decrease in revenue is attributed to the effects of the COVID19 pandemic as postal customers, clients and partners limited the sending of postal items as transport and delivery is delayed due to limited and/or suspended air, land and sea transports as well as community quarantine protocols.

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Based on the Unaudited Condense Statement of Financial Performance for FY 2020, the PHLPosts' operations resulted to a comprehensive loss of PHP240,147,072 as the annual revenue fall to PHP2,158,194,210 or 48.25 percent against previous year and despite the significant decreases of 31.65 percent in the Current Operating Expenses. The PHLPost posted Loss before Interest, Taxes, Depreciation and Amortization (LBITDA) for FY 2020 of PHP670,903,206.

As of 31 December 2020, the total Assets of PHLPost of PHP10,775,564,986 decreased by 12.73 percent from that of FY 2019. The Current Assets is PHP6,532,687,918 or 60.63 percent of the total Assets while the Non-Current Assets is PHP4,242,877,069 or 39.37 percent. The total Liabilities of PHLPost is PHP5,689,064,207 which is reduced by 16.02 percent against FY 2019. The Current Ratio of PHLPost for FY 2020 of 1.20 is a good ratio, meaning the PHLPost is liquid and has the ability to pay its short-term obligations or those that are due within one (1) year.


The total Equity of PHLPost as of end of 2020 is PHP5,086,500,780, wherein it decreased by 8.74% against FY 2019. The Retained Earnings of PHLPost at the end of year is only 9.84 percent of the total Equity and decreased by 30.90 percent against FY 2019.

The PHLPost did not declare and remit to the Philippine Government a Dividend for FY 2020 as it declared a Comprehensive Loss in the operations. Under Republic Act No. 7656 (RA 7656), An Act requiring GOCCs to declare Dividends under certain conditions to the National Government, the PHLPost is required to declare and remit at least 50 percent of its annual Net Earnings as Dividend to the National Government.

Pursuant to item (c), Section 2, Chapter I of Republic Act No. 10149 (RA No. 10149, otherwise known as the GOCC Governance Act of 2011, Management of PHLPost commit to the principles and best practices of Good Corporate Governance as a critical element in creating and sustaining Shareholders' value, while considering and balancing the interest of all other Stakeholders.

In the Memorandum Circular No. 2020-1 dated 2 June 2020 of the Inter-agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting System (AO 25 IATF MC No. 2020-1), the PHLPost is compliant to the following: 1) Posting of the Agencies Review and Compliance Procedures of the Statement of Assets, Liabilities and Net Worth (SALN) – as of 1 February 2021; 2) Freedom of Information (FOI) Compliance – as of 25 March 2021; 3) Anti-Red Tape Act (ARTA) Citizen's Charter – as of 5 April 2021; 4) FY 2021 2021 Annual Procurement Plan (APP) Common Supplies and Equipment (CSE) submission – as of 5 April 2021; and, 5) Sustained Compliance with Audit Findings – as of 26 April 2021.

Pursuant to GCG Memorandum Circular No. 2017-02 dated 30 June 2017, the GCG actively exercises the State Ownership rights through the institutionalization of a Performance Evaluation System (PES) for GOCCs. The Annual Performance Scorecard of PHLPost for CY 2020 is 82.74 percent, with one Strategic Measure (SM) to be requested for exclusion and three (3) SMs to be requested for renegotiation. Note that the Annual Target for CY 2020 is recalibrated taking into consideration the impact of the ongoing COVID-19 pandemic to the operations and/or performance of GOCCs.


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The provisions of RA No. 7354 delegates to the PHLPost the provision of Postal Services in the Philippines and the fulfilment of the related obligations of the Philippine Government arising from the Acts of the Universal Postal Union (UPU) as well as the designation as Designated Postal Operator of the Philippines (Philippine DPO). Pursuant to RA No. 7354, Mails, Parcels and like materials are the postal items under UPS in the Philippines following the definition in the UPU Constitution. Under the current categories of postal items by PHLPost, these are Letter post and Parcel post items. In 2020, the UPS items handled by PHLPost is 42,525,821 pieces wherein 99 percent are Letter post items.

In 2020, the PHLPost continues to be the payout partner of five (5) Non-Government Organizations and one (1) National Government Agency in their financial payout during calamities and/or disasters.

Under Section 14, Article II of the 1987 Philippine Constitution, the State recognizes the role of women in nation-building, and shall ensure the fundamental equality before the law of women and men. In 2020, the actual expenditure of PHLPost for Gender and Development (GAD) activities and projects is PHP1,155,348. As of December 2020, there are 1,692 Female personnel holding Plantilla and Contractual positions, 39.20 percent of the total Plantilla and Contractual complement. In the Senior Management level, 40.00 percent are female Executives while for Middle Management it is 36.84 percent.

In March 2020, the Philippine Government places the country under community quarantine to curb, curtain and minimize the spread of COVID-19 virus. During this period, the PHLPost implemented the following initiatives to comply with the protocols imposed by the Philippine Government during the community quarantine as well as ensure that the provision of Postal continues: 1) Prioritization of the processing, transport and delivery of postal items containing medical and health supplies, perishable items as well as Government and private pensions; 2) In cooperation with select NGAs and NGOs, undertake the delivery of relief and medical supplies to medical personnel and communities, supported by electric bicycles; 3) The Post Offices and processing facilities at areas placed in the Enhance Community Quarantine (ECQ) and Modified ECQ (MECQ) are under limited operations with skeletal workforce while those in the areas under the General Community Quarantine (GCQ) and Modified GCQ (MGCQ) return on regulations with workforce on alternative work schedule; 4) The Offices of Exchanges continues to receive and process inbound mail dispatches transported to the Philippines as well as process and transport outbound dispatches to select countries through alternative conveyance methods; 5) Adoption of alternative conveyance mode and/or innovations in the mail network to transport of mails dispatches between Luzon and Visayas/Mindanao as well as between Postal Areas; 6) The personnel assigned at support and administrative functions in Central Office and Post Offices are on alternative work schedule during ECQ and MECQ; 7) Provision of protective personal equipment and supplies to personnel, such as face mask and face shield, as well as regular disinfection of postal facilities; and, 8) Following Administrative Nos. 26 and 28, series 2020, the PHLPost granted to the personnel who physically reported for duty during ECQ and MECQ the COVID-19 Hazard Pay and/or Special Risk Allowance (COVID-19 SRA). In FY 2020, the PHLPost disbursed PHP10,820,700 for COVID-19 related activities, wherein 81.27 percent of the amount is the payment of the COVID-19 SRA.

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1 CORPORATE DIRECTION

By virtue of Republic Act No. 7354 (RA No. 7354), known as the Postal Service Act of 1992, the Philippine Postal Corporation (PHLPost) was created as a government-owned and controlled corporation (GOCC) on 2 April 1992. Presently, the PHLPost is under the Office of the President pursuant to Executive Order No. 47, series 2011.

A. Mandate, Obligation and Powers

Mandate.


Pursuant to Section 5, Article 1 of RA No. 7354, the PHLPost is mandated to:

- Plan, develop, promote and operate a nationwide Postal System with a network that extends or makes available at least Ordinary Mail Service to any settlements in the country;
- Provide for the collection, handling, transportation, delivery, forwarding, returning and holding of Mails, Parcels and like materials throughout the Philippines and pursuant to agreements entered into, to and from foreign countries; and,
- Determine and dispose of, in a manner it deems most advantageous, with law and settled jurisprudence, confiscated or non-mailable Mail Matters, prohibited articles, Dead Letters and Undelivered Mails, except the sale of prohibited drugs, dangerous materials, and other banned articles as defined by law.

Corporate Powers.

Following Section 6, Article 1 of RA No. 7354, the PHLPost as a GOCC and Philippine DPO are provided the following powers to achieve and undertake its functions effectively:

- Establish and maintain Post Offices, Postal Stations, Collection Points, and related facilities and equipment of such character and in such locations that Postal Users throughout the Philippines will, consistent with reasonable economies of operations, have ready access to essential Postal Services;


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- b. Offer a wide array of Postal Services other than Ordinary Mails and Parcels, which, however, shall not be compulsory, discriminatory nor unfairly competing with similar private enterprises, such as Money Order, Parcel Post, Postal Saving Bank, Philatelic, and other types of services which are internationally accepted part of Postal Business;
- c. Adopt and promulgate such rules and regulations as would improve the Postal System or implement the provisions of RA No. 7354;
- d. Issue and sell Postage Stamps and other Stamped Paper, Cards and Envelopes as it may deem necessary or desirable; and,
- e. Charge fees for Postal Services to be rendered, receipt the same, and prescribe the manner it is to be paid and collected, subject to the provisions of RA No. 7354.

Figure 1. Mandate and Powers, Philippine Postal Corporation, 1992

| Legal Basis | Powers |
|---|---|
| <p>Section 5, RA No. 7354, the Postal Service Act of 1992</p> <p>PHLPost, as a GOCC, is mandated to pursue the following:</p> <ol style="list-style-type: none"> a) Plan, develop, promote, and operate a NATIONWIDE POSTAL SYSTEM with a network that extends or makes available, at least ordinary mail service, to any settlement in the country; b) Provide for the collection, handling, transportation, delivery, forwarding, returning and holding of MAILS, PARCELS, and LIKE MATERIALS, throughout the Philippines, and pursuant to agreements entered into, to and from foreign countries; and, c) Determine and dispose of, in a manner it deems most advantageous, with law and settled jurisprudence, CONFISCATED OR NON-MAILABLE MAIL MATTERS, PROHIBITED ARTICLES, DEAD LETTERS AND UNDELIVERED MAILS, except the sale of prohibited drugs, dangerous materials, and other banned articles as defined by law. | <p>Section 6, RA 7354</p> <p>Powers of PHLPost to achieve the objectives and undertake the functions effectively:</p> <ol style="list-style-type: none"> a) Charge fees for Postal Services to be rendered, receipt the same, and prescribe, the manner it is to be paid and collected, subject to the provisions of the Act; b) Establish and maintain Post Offices, Postal Stations, Collection Points, and related facilities and equipment of such character and in such locations that postal users throughout the Philippines will, consistent with reasonable economies of operations, have ready access to essential Postal Services; c) Issue and sell Postage Stamps and Other Stamped Paper, Cards, and Envelopes as it may deem necessary or desirable; d) Offer a wide array of Postal Services other than Ordinary Mail and Parcels, which, however, shall not be compulsory, discriminatory nor unfairly competing with similar private enterprises, such as Money Order, Parcel Post, Postal Savings Bank, Philatelic, and Other Types of Services which are internationally accepted as part of Postal Business; and, e) Adopt and promulgate such rules and regulations as would improve the Postal System or implement the provisions of the Act. |

Source: Corporate Planning Department

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B. Mission, Vision and Values

Mission.

As mandated in RA No. 7354, the mission of PHLPost is the provision of an efficient, competitive and on-time delivery of Communications, Goods and Merchandise, and Payment Services in any Filipino community.

Vision.

Based on the mandate and mission statements, the PHLPost envisages as the preferred Universal Delivery Service Provider of Communications, Goods and Merchandise, and Payment Services in every Filipino community.


Organizational Values.

Following the Board Resolution No. 2019-28 dated 21 March 2019 by the Board of Directors (BOD) on 21 March 2019, the PHLPost aligned its Organizational Values to the Public Service Values Program (PSVP) of the Civil Service Commission (CSC) of the Philippines and the concept of Servant Leadership. The work ethics, with acronym CITE PIES, of PHLPost are founded on the Public Service and Corporate Values.

Table 1. Organizational Values, Philippine Postal Corporation, 2019

| <i>Corporate Values (CITE)</i> | | <i>Public Service Values (PIES)</i> | |
|------------------------------------|---|---|---|
| C ommitment | The state or quality of being dedicated to a goal, job, cause, activity, thereby contributing to attain organizational effectiveness. | P atriotism | Taking pride in being a Filipino |
| I nnovation | Creating/developing a new method, idea, product, and the like, results to work improvement, cost efficiency and seamless processes. | I ntegrity | Quality of being honest and having strong moral principles; moral uprightness and ethical decision making in day to day work life |
| T eamwork | Collaborative effort of a group to achieve a common goal or to complete a task in the most effective and efficient way. | E xcellence | Being outstanding or extremely good in the performance of duties applying exemplary behaviour or attitude. |
| E ntrepreneurial Spirit | Creating value by way of knowing and understanding PHLPost products and services and effective resources management | S pirituality | Putting God in the center of life by being concerned with the human spirit or soul as opposed to material or physical things. |

Source: Human Resources Management Department

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C. Strategy Map

The PHLPost is committed to not only attain the service quality and financial sustainability but also to fully comply with Corporate Governance Standards for the GOCCs set by the Governance Commission for the GOCCs (GCG). Thus, the BOD ensures that proper framework and best practices are sustained for the attainment of the short and long-term goals of PHLPost.


Goals and Objectives.

To attain its vision and effectively fulfil its mission, the PHLPost pursues a set of corporate goals and objectives that are reflected in its strategic and development programs as well as plans, activities and projects.

Table 2. Corporate Goals and Objectives, Philippine Postal Corporation, 2020

| <i>Goals</i> | <i>Objectives</i> |
|--|---|
| a. Sustainability of the Organization | To foster sustainable partnership with postal partners |
| b. Relevance of the Postal Service | To remain a relevant component of the value chain |
| c. Adoption of Information Technology | Towards an ICT-enabled postal services |
| d. Market Push Products and Services | By expanding: <ol style="list-style-type: none"> Express Post Service; Providing government services at Postal Outlets; Venturing to e-Commerce fulfilment services; and, Trade facilitation using the postal network |

Source: Corporate Planning Department

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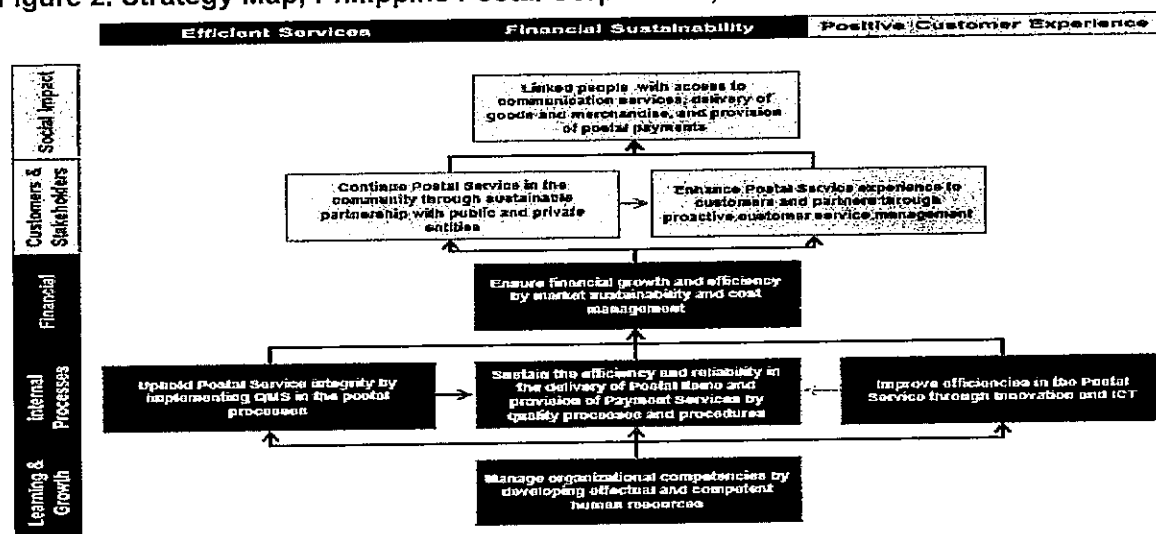
Strategies and Thrusts.

The strategies adopted by the PHLPost to provide efficient Postal Services, attain financial sustainability and positive Customer experience, viz.:


- Organizational Competency.** A competent workforce with adequate knowledge, relevant and suitable skills, and attitudes and values consistent with the core values of the PHLPost through a competency-based human resources management policies and system to address the competency gaps.
- Effective Quality Management System (QMS).** Institutionalize an effective QMS to enhance customer satisfaction through continuous enhancement of the quality of Postal Service, streamlining of processes, and modernization and/or computerization efforts taking advantage of information, communication and technology advancements as well as e-Commerce opportunities and developments.
- Financial Sustainability.** Generate revenues and an effective cost management to fund the provision of Postal Services in the Philippines as well as development programs of PHLPost at the same time strike a balance between Postal USO and profitability.
- Positive Customer Experience.** Customer requirements are met and they are satisfied to the Postal Services provided by PHLPost.
- Access to Communications, Goods and Merchandise, and Payment Services.** A reliable network that provides public and every Filipino community a physical, digital and financial Postal Services access.

Below is the Strategy Map of PHLPost as approved by the Governance Commission for GOCCs (GCG) in 2020.

Figure 2. Strategy Map, Philippine Postal Corporation, 2020



Source: Corporate Planning Department

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2 CORPORATE PROFILE

A. Postal Network

Postal Outlets.


As of December 2020, there are 1,134 cities and municipalities or 70 percent of the total cities and municipalities in the Philippines with access to Postal Services (postal access). These cities and municipalities with postal access are provided frontline services by 1,382 postal outlets. The postal outlets consisted of: 1) Post Offices, PHLPost operated outlets – 1,342 or 97 percent of the postal outlets; 2) Postal Stations privately operated – 26 or 2%; and 3) Local Government Unit (LGU) operated Postal Stations – 14 or 1%. In 2020, two (2) LGU operated Postal Stations are opened.

The postal outlets are managed and operated by nine (9) Postal Areas. Four (4) of the Postal Areas are located in Luzon island while two (2) and three (3) are in Visayas and Mindanao islands, respectively.

Table 3. Access to Postal Services, Philippines, As of December 2020

| Postal Areas | Postal Access | | | Postal Outlets | | | |
|------------------------------|--|---|--|----------------------|---------------------------------|-----------------|--------------|
| | Total No. of Cities and Municipalities | No. of Cities and Municipalities WITH Postal Access | No. of Cities and Municipalities WITHOUT Postal Access | Total Postal Outlets | Post Offices (PHLPost Operated) | Postal Stations | |
| | | | | | | Private Owned | LGU Operated |
| 1. Northeast Luzon | 153 | 150 | 3 | 161 | 157 | 2 | 2 |
| 2. Northwest Luzon | 242 | 178 | 64 | 209 | 209 | 0 | 0 |
| 3. Mega Manila | 108 | 83 | 25 | 168 | 161 | 7 | 0 |
| 4. Southern Luzon | 285 | 157 | 108 | 173 | 167 | 6 | 0 |
| 5. Central & Eastern Visayas | 243 | 182 | 61 | 214 | 203 | 6 | 5 |
| 6. Western Visayas | 164 | 161 | 3 | 182 | 175 | 2 | 5 |
| 7. Eastern Mindanao | 154 | 84 | 70 | 105 | 100 | 3 | 2 |
| 8. Central Mindanao | 169 | 78 | 91 | 93 | 93 | 0 | 0 |
| 9. Western Mindanao | 131 | 61 | 70 | 77 | 77 | 0 | 0 |
| Total | 1,629 | 1,134 | 495 | 1,382 | 1,342 | 26 | 14 |
| % to Total | 100% | | | | | | |

Source: Service Regulations Department

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Postal Partners.

The PHLPost sends to 57 countries and receives from 185 countries International Express Post items as well as exchanges Letter and Parcel Post items with 192 countries under the Single Postal Territory concept of the UPU.

Table 4. Outbound Postal Partners, International Express Post Service, Philippine Postal Corporation, 2020

| <i>Africa (4 countries)</i> | <i>Americas (4 countries)</i> | <i>Asia Pacific (26 countries)</i> | <i>Europe (15 countries)</i> | <i>Middle East (8 countries)</i> |
|---------------------------------|-----------------------------------|--|----------------------------------|--------------------------------------|
| 1. Egypt | 5. Brazil | 9. Australia | 35. Austria | 50. Bahrain |
| 2. Morocco | 6. Canada | 10. Bangladesh | 36. Bulgaria | 51. Cyprus |
| 3. Nigeria | 7. Colombia | 11. Brunei Darussalam | 37. Denmark | 52. Israel |
| 4. Zambia | 8. United States of America | 12. Bhutan | 38. Finland | 53. Kuwait |
| | | 13. Cambodia | 39. France | 54. Oman |
| | | 14. China | 40. Germany | 55. Qatar |
| | | 15. Hong Kong | 41. Greece | 56. Saudi Arabia |
| | | 16. Indonesia | 42. Ireland | 57. United Arab Emirates |
| | | 17. India | 43. Italy | |
| | | 18. Iran | 44. Netherlands | |
| | | 19. Japan | 45. Norway | |
| | | 20. Lao | 46. Spain | |
| | | 21. Macao | 47. Sweden | |
| | | 22. Malaysia | 48. Switzerland | |
| | | 23. Maldives | 49. United Kingdom | |
| | | 24. Myanmar | | |
| | | 25. Nepal | | |
| | | 26. New Zealand | | |
| | | 27. Pakistan | | |
| | | 28. Papua New Guinea | | |
| | | 29. Singapore | | |
| | | 30. South Korea | | |
| | | 31. Sri Lanka | | |
| | | 32. Taiwan | | |
| | | 33. Thailand | | |
| | | 34. Viet Nam | | |

Source: Service Regulations Department

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Mail Network.

The PHLPost operates three (3) International Mail Processing Centers (IMPCs) and/or Offices of Exchange (OEs) and nine (9) Domestic Mail Processing Centers and/or Mail Distribution Centers (MDCs).

The OE, Express Mail Exchange Department (EMED), IMPC code PHMNLB, is handling the inbound and outbound International Express post exchanges as well as the Domestic Express post exchanges between Luzon and Visayas / Mindanao islands and vice versa. While the Airmail Exchange Department (AMED), IMPC code PHMNLA, and Surface Mail Exchange Department (SMED), IMPC code PHMNLF, processes the inbound and outbound International Letter and Parcel post exchanges as well as the Domestic Letter and Parcel post exchanges between Luzon and Visayas / Mindanao islands and vice versa. The AMED handles mail dispatches transported by air while SMED handled those dispatches by surface and surface airlifted (SAL).

All MDCs in Visayas and Mindanao are exchanging mail dispatches by air with AMED and EMED while those in Luzon by land. The SMED exchanges dispatches by sea to select MDCs in Visayas and Mindanao.


B. Postal Connectivity

Of the postal outlets operated by PHLPost, Post Offices, 742 or 55 percent of the 1,342 Post Offices are with Internet Connectivity and have access to PHLPost Postal Services systems providing tracking visibility to postal items handled.

Table 5. Internet Connectivity, Post Offices, Philippine Postal Corporation, As of December 2020

| Postal Areas | Post Offices with Internet Connectivity | | Total Post Offices (PHLPost-operated) | Total Postal Outlets |
|------------------------------|---|-------------------------|---------------------------------------|----------------------|
| | Number | % to Total Post Offices | | |
| 1. Northeast Luzon | 70 | 43% | 157 | 161 |
| 2. Northwest Luzon | 130 | 62% | 209 | 209 |
| 3. Mega Manila | 149 | 87% | 161 | 168 |
| 4. Southern Luzon | 105 | 61% | 167 | 173 |
| 5. Central & Eastern Visayas | 62 | 29% | 203 | 214 |
| 6. Western Visayas | 56 | 31% | 175 | 182 |
| 7. Eastern Mindanao | 57 | 54% | 100 | 105 |
| 8. Central Mindanao | 59 | 63% | 93 | 93 |
| 9. Western Mindanao | 54 | 70% | 77 | 77 |
| TOTAL | 742 | 55% | 1,342 | 1,382 |

Source: Management Information Systems Department

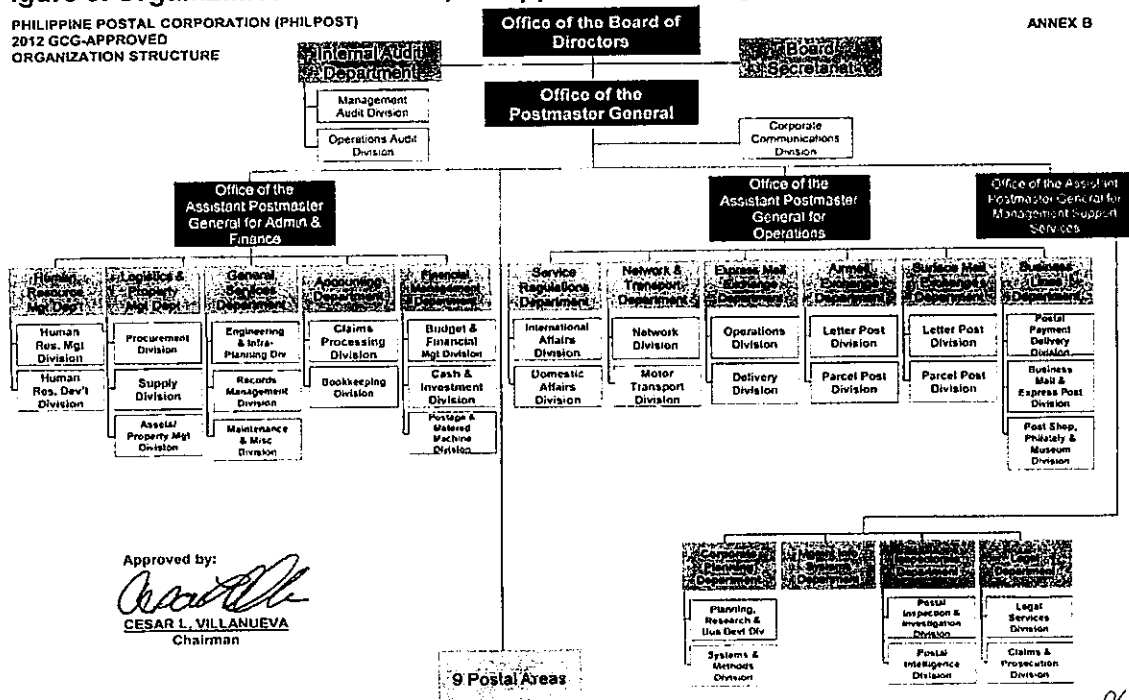
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C. Organizational Structure


Pursuant to Board Resolution No. 2020 – 93 dated 9 December 2020 and PHLPost Office Order No. 20-63 dated 10 December 2020, the PHLPost adopted and/or reverted to the organizational structure as per the Rationalization Plan approved by the GCG in their Memorandum Circular No. 202-21 dated 29 October 2012.

In the GCG-approved, the three Assistant Postmasters General are for Administration & Finance (AdFin), Management Support Services (MSS), and Operations, who exercises technical supervision to the Postal Areas. Note that Postal Areas are directly under the Postmaster General & CEO.

Figure 3. Organizational Structure, Philippine Postal Corporation, As of December 2020



Source: Governance Commission for Government Owned and Controlled Corporations.

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Personnel Complement.

As of December 2020, the total personnel complement of PHLPost is 6,752 or 61 percent of the authorized Plantilla positions. Of the total personnel, 4,270 or 63 percent are holding Regular or Plantilla (Regular) positions while 2,436 or 36% are employed under Contract of Service (COS). Note also that 28% of the Regular personnel are assigned at Mega Manila Area while Central Office and Northwest Luzon Area are at 14 percent and 12 percent, respectively. The distribution of COS follows the same pattern: 1) Mega Manila Area – 22%; 2) Central Office – 14%; and, 3) Northwest Luzon Area – 13%.

There are 2,773 vacant Plantilla positions or 39 percent of authorized positions as of December 2020. Of the vacant positions, 24 percent are in Mega Manila Area following by Northwest Luzon Area and Central & Eastern Visayas Area at 13 percent, then Central Office at 11 percent.

Of the personnel holding Regular positions (Regular personnel), 3,531 personnel or 83 percent are in operations while 739 personnel or 17 percent are performing management, support to operations and administrative and support functions. Of the total Regular personnel, 3,347 or 78.4 percent are in the non-supervisory functions while 900 personnel or 21 percent are performing supervisory functions. The executives as well as senior and junior management is only 0.5 percent of the total Regular personnel.

Table 6. Personnel Complement, Philippine Postal Corporation, As of December 2020

| Table 6. Personnel Complement, Philippine Postal Corporation, As of December 2020 | | | | | | |
|---|--------------------------------------|--|----------------------------------|--------------|------------------------|----------------------------------|
| Operating Units | Authorized Plantilla Positions | Number of Personnel Personnel Complement (As of December 2020) | | | | Vacant Plantilla Positions |
| | | Total Personnel Complement | Filled Plantilla Positions | Contractuals | Contract of Service | |
| 1. Central Office | 842 | 912 | 548 | 21 | 348 | 294 |
| 2. Northeast Luzon | 332 | 362 | 199 | 2 | 161 | 133 |
| 3. Northwest Luzon | 878 | 841 | 511 | 3 | 327 | 367 |
| 4. Mega Manila | 1,969 | 1,859 | 1,309 | 2 | 548 | 660 |
| 5. Southern Luzon | 760 | 744 | 441 | 3 | 300 | 319 |
| 6. Central & Eastern Visayas | 716 | 630 | 361 | 3 | 266 | 355 |
| 7. Western Visayas | 473 | 488 | 293 | 3 | 192 | 180 |
| 8. Eastern Mindanao | 430 | 340 | 269 | 3 | 68 | 161 |
| 9. Central Mindanao | 336 | 353 | 196 | 3 | 154 | 140 |
| 10. Western Mindanao | 307 | 223 | 143 | 3 | 77 | 164 |
| Total | 7,043 | 6,572 | 4,270 | 46 | 2,436 | 2,773 |

Source: Human Resource Management Department


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Table 7. Regular Personnel by Functions, Philippine Postal Corporation, As of December 2020

| <i>By Functions</i> | <i>Personnel holding Plantilla Positions 2020</i> | | | |
|---|---|---|-------------------|--|
| | <i>Total Regular Personnel</i> | | <i>Operations</i> | <i>Management Administrative and Support</i> |
| | <i>No. of Personnel</i> | <i>% to Total Regular Personnel</i> | | |
| a. Executives | 4 | 0.1 % | | 4 |
| b. Managers | 19 | 0.4 % | | 19 |
| c. Supervisory | 900 | 21.1 % | 797 | 103 |
| d. Non-Supervisory | 3,347 | 78.4 % | 2,734 | 613 |
| Total | 4,270 | 100.0 % | 3,531 | 739 |
| % to Total Regular Personnel | 100% | | 83% | 17% |

Source: Human Resource Management Department

Board of Directors.

Pursuant to Section 8, Article II of RA No. 7354, the powers of PHLPost is vested in and exercised by its Board of Directors composed of seven (7) members. Following item 4.1.2 of the Manual of Corporate Governance for PHLPost (Governance Manual), as approved in the Board Resolution No. 2014-150 dated 18 December 2014, the officers of the BOD are the Chairman, Vice-Chairman, Corporate Secretary and Compliance Officer. In compliance to item 4.1.3.1 of the Governance Manual, the roles of the Chairman and the Chief Executive Officer (CEO) is with different individuals.

As of December 2020, the BOD of PHLPost is chaired by Mr. Norman N. Fulgencio with the Corporate Officer-in-Charge, Mr. Joel L. Zamudio, as the Vice Chairperson. The Postmaster General & CEO (PMG & CEO), Mr. Joel L. Otarra, is on leave of absence by October 2020.

Note that the Internal Audit Department (IAD) is under the Office of the Board of Directors in the Rationalization Plan.


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Table 8. Board of Directors and its Officers, Philippine Postal Corporation, 2020

| <i>Name</i> | <i>Position</i> |
|---|---|
| 1. Mr. Norman N. Fulgencio | Chairperson |
| 2. Mr. Joel L. Otarra, <i>PMG & CEO (On Leave)</i> Engr. Joel L. Zamudio, <i>Officer-in-Charge</i> | Vice Chairperson |
| 3. Ms. Liberty C. Avila | Member |
| 4. Atty. Raul B. Bendigo | Member |
| 5. Ms. Cristina E. Caringal | Member |
| 6. Mr. Pelagio S. Paguican | Member |
| 7. Atty. Ridgway M. Tanjili | Member |
| Atty. Lindeza R. Rogero-Gavino | <ul style="list-style-type: none"> • Corporate Secretary • Compliance Officer – Board |
| Mr. Francis T. Cereno | Manager, Internal Audit Department |

Source: Office of the Board Secretariat

Management.

As per item 4.1.8.1 of the Governance Manual, the Management is the center of decision-making for the day-to-day affairs of the PHLPost, determining its activities by putting the targets set by the BOD in concrete terms and implementing basic strategies for achieving said targets. Following Sections 19 and 20, Article IV of RA No. 7354, the Postmaster General, assisted by Assistant Postmasters General (APMGs), manages the PHLPost as well as the powers, functions and/or duties delegated by the BOD. As per Rationalization Plan, there are three (3) APMGs.

Mr. Joel L. Otarra is the PMG & CEO of PHLPost and he is assisted by 1) Ms. Maura M. Baghari-Regis – APMG for AdFin; 2) Mr. Maximo C. Sta. Maria III – Acting APMG for Management Support Services; and, 3) Engr. Joel L. Zamudio – Acting APMG for Operations. Engr. Joel L. Zamudio is the Corporate Officer-in-Charge (Corporate OIC) of PHLPost as of December 2020 as PMG Otarra is on leave by October 2020.


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Table 9. Management, Philippine Postal Corporation, 2020

| <i>Name</i> | <i>Position</i> |
|--|---|
| 1. Mr. Joel L. Otarra, <i>On Leave</i> | Postmaster General & CEO |
| | Corporate Officer-in-Charge |
| 2. Engr. Joel L. Zamudio | Acting Assistant Postmaster General for Operations |
| 3. Ms. Maura Baghari-Regis | Assistant Postmaster General for Administration and Finance |
| 4. Ms. Maximo C. Sta. Maria III | Acting Assistant Postmaster General for Management Support Services |
| | |
| 1. Atty. Lori Ann D. Atal | Area Director, Northeast Luzon |
| 2. Atty. Lee P. Vicalal | Area Director, Northwest Luzon |
| 3. Mr. Gilbert B. Javier | Acting Area Director, Mega Manila |
| 4. Ms. Melody P. Olavidez | Acting Area Director, Southern Luzon |
| 5. Mr. Reynaldo M. Malacapo, Jr. | Area Director, Central & Eastern Visayas |
| 6. Mr. Bernardito V. Gonzales | Area Director, Western Visayas |
| 7. Mr. Carlo Reynaldo S. Argana | Area Director, Eastern Mindanao |
| 8. Engr. Irene G. Villamor | Acting Area Director, Central Mindanao |
| 9. Atty. Benjie S. Yotoko | Area Director, Western Mindanao |
| | |
| Ms. Zenaida V. Mataverde | <ul style="list-style-type: none"> • Acting Chief Executive Staff • Compliance Officer – Management |

Source: Human Resource Management Department

Organizational Competencies.

In 2020, 2,005 Regular personnel or 68 percent of the total Regular personnel assigned at Post Offices (Post Office personnel) undergone training on the required Technical Competencies in providing Frontline services of PHLPost. Of the total Post Office personnel, 1,338 Post Office personnel or 46 percent are meeting the required Organizational and Leadership Competencies.

Of the Regular personnel performing supervisory functions at mail processing centers, 215 or 27 percent are meeting the required competencies as Supervisors. Of those meeting the required competencies, 159 Regular Supervisors or 74 percent are partially meeting the competencies while 56 Supervisors or 26 percent fully meeting the competencies.



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Table 10. Organizational Competencies, Personnel assigned at Post Offices, Philippine Postal Corporation, 2020

| Plantilla positions by Function | Filled Plantilla Positions (As of December 2020) | Trained on Required Technical Competencies 2020 | |
|---------------------------------|---|---|-----------------------|
| | | No. of Regular Personnel | % to Total Trained |
| 1. Postmasters | 1,973 | | |
| 2. Postal Tellers | 527 | | |
| 3. Senior Letter Carriers | 357 | | |
| 4. Letter Carriers | | | |
| Total | 2,857 | 2,005 | 70.2 % |

Source: Human Resource Management Department

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3 PERFORMANCE HIGHLIGHTS

A. Marketing Initiatives

The PHLPost believes that a company's success depends on how well the products are known to the customer. As a result, various marketing and research initiatives were conducted to gather enough insights to design goods and services that are innovative and adaptive to the ever-changing demands of the customers.

1. Negotiations with the Philippine Statistics Authority (PSA) - PhilSys for the potential Agency to Agency contract for the delivery of PhilID;
2. Implementation of Valentine's Day Project. The annual marketing activity aimed on promoting the Domestic Express Mail Service (DEMS). Part of the program is the promotion of Personalized "Selfie" Stamps, same-day delivery of cards, chocolates, flowers, and cakes to recipients;
3. Media exposures/engagement through online, print, TV, and radio at no cost to PHLPost and increased interest of subscribers to social media (FB, twitter, instagram, and Youtube);
4. Distribution of marketing collaterals, printing of posters and flyers, and special tarpaulins for government institutions, private establishments, baranggays and organizations;
5. Completion of the Market Research conducted by Nielsen (3rd Party Service Provider);
6. Establishment of Stamps on Wheels, a postal merchandise digital ordering system and door to door delivery; and,
7. Issuance of eight (8) philatelic stamps giving importance to history, heritage and arts through programs and activities that promotes the commemoration and preservation.


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Table 11. Philately Issuances, Philippine Postal Corporation, 2020

| <i>Issuance Date</i> | <i>Proponent</i> | <i>Type</i> | <i>Denomination</i> |
|----------------------|--|---------------------|--|
| 1. 23 January 2020 | 1. Municipality of Consolacion 100th Founding Anniversary | Commemorative | Php 12.00 |
| 2. 6 February 2020 | 2. Valentine's Day 2020, The Love We Deserve | Special | Php 12.00 |
| 3. 15 February 2020 | 3. 75 Years of the Battle of Manila | Commemorative Cover | Php 12.00 |
| 4. 21 February 2020 | 4. Marinduque (1920-2020) Sentenaryo Alab ng Puso ng Pilipinas | Commemorative Cover | Php 12.00 |
| 5. 27 April 2020 | 5. Aboitiz 100 Years of Advancing Business and Communities | Commemorative | Php 12.00 |
| 6. 2 May 2020 | 6. National Heritage Month, Larong Atin! | Special | Php 12.00 SS Php 100.00 |
| 7. 13 July 2020 | 7. Frontline Heroes, Fight Against Coronavirus | Commemorative | Php 12.00 SS Php 55.00 |
| 8. 5 September 2020 | 8. My Teacher, My Hero, National Teachers' Month 2020 | Special | Php 12.00 Php 14.00 Php 15.00 Php 17.00 |

Source: Business Lines Department

B. Operations Performance

Service Performance.

Results of the Quality of Service monitoring conducted in 2020, the Delivery Performance of Express post, Letter post and Parcel post services exceeded the standard set for the year, subject to the validation by the GCG as part of the Performance Evaluation System for GOCCs. Notable Delivery Performance are: 1) Domestic Express post for committed areas within Metro Manila – 100 percent of sample items delivered within 3 days after posting / International Express post for committed areas rest of Luzon – 100 percent delivered within 10 days after Customs clearance / International post delivered in the rest of Luzon – 100 percent delivered within 15 days after Customs clearance; 2) International Letter post delivered in Luzon – 97.02 percent delivered within 15 days after Customs clearance; and, 3) International Letter post delivered in Visayas and Mindanao – 96.68 percent delivered within 30 days after Customs clearance.

Noted that the Delivery Standards for Express post, Letter post and Parcel post services for 2020 is recalibrated taking into consideration the impact of the ongoing COVID-19 pandemic in postal operations. Notable



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Table 12. Delivery Performance, Express Post and Parcel Post Services, Philippine Postal Corporation, 2020

| Category of Post Items | 2020 | | 2019 |
|--|--|--|--|
| | Recalibrated Standard (Due to COVID-19 Pandemic) | Actual Performance (As Submitted to GCG) | Actual Performance (As validated by GCG) |
| • Express Post | | | |
| 1. Domestic Express Post – Committed Areas within Metro Manila | 90 % of items delivered within 3 days after posting | 100 % of items delivered within 3 days after posting | 86.97 % of items delivered within 1 day after posting |
| 2. Domestic Express Post – Committed Areas outside Metro Manila | 90 % of items delivered within 10 days in Luzon and 15 days in VizMin after posting | 92.85 % of items delivered within 10 days in Luzon after posting | 85.32 % of items delivered within 3 days after posting |
| | | 90 % of items delivered within 15 days in VizMin after posting | |
| 3. International Express post – Committed Areas handled by EMED | 95 % of items delivered within 3 days after Customs clearance | 95.12 % of items delivered within 3 days after Customs clearance | 96.07 % of items delivered within 1 day after Customs clearance |
| 4. International Express post – Committed Areas outside of those handled by EMED | 95 % of items delivered within 10 days in Luzon and 15 days in VizMin after Customs clearance | 100 % of items delivered within 10 days in Luzon after Customs clearance | 87.06 % of items delivered within 3 days after Customs clearance |
| | | 95.83 % of items delivered within 15 days in VizMin after Customs clearance | |
| • Letter Post | | | |
| 5. Domestic Ordinary post | 85 % of items delivered within 15 days in Luzon and 30 days in VizMin after posting | 91.37 % of items delivered within 15 days in Luzon after posting | 82.40 % of items delivered within 7 days after posting |
| | | 90.32 % of items delivered within 30 days in VizMin after posting | |
| 6. Domestic Ordinary post | 85 % of items delivered within 15 days in Luzon and 30 days in VizMin after posting | 90.95 % of items delivered within 15 days in Luzon after posting | 83.84 % of items delivered within 7 days after posting |
| | | 92.47 % of items delivered within 30 days in VizMin after posting | |
| 7. International Letter post | 85 % of items delivered within 15 days in Luzon and 30 days in VizMin after Customs clearance | 97.02 % of items delivered within 15 days in Luzon after Customs clearance | 86.38 % of items delivered within 7 days after Customs clearance |
| | | 86.68 % of items delivered within 30 days in VizMin after Customs clearance | |
| • Parcel Post | | | |
| 8. International Parcel post | 85 % of items delivered within 15 days in Luzon and 30 days in VizMin after Customs clearance | 100 % of items delivered within 15 days in Luzon after Customs clearance | 83.56 % of items delivered within 3 days after Customs clearance |
| | | 92.12 % of items delivered within 30 days in VizMin after Customs clearance | |

Source: Service Regulations Department

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Projects and Activities.

Two (2) of the priority strategic and/or development programs of PHLPost for 2020 are the Operations Improvement Program and ICT Development Program as it directly impacts the fulfilment of the mandate of providing efficient delivery of goods and services to every Filipino community.

The major projects implemented under these programs is the development of the Enterprise Resource Planning Systems (ERP) and the procurement of the ICT hardware to be used for the systems being developed. One of the sub-systems in the ERP is the Mail Management System for an ICT-enabled postal operations.

Postal Traffic.

The total postal items handled in 2020 is 43,150,099 pieces, which is a decrease of 63.05% of the volume handled in 2019. Of the total annual traffic: 1) Domestic postal items posted, those for delivery within the Philippines, is 36,820,868 pieces or 83.33 percent of the total volume; 2) Inbound International postal items, those from abroad for delivery within the Philippines, is 4,552,327 pieces or 10.55 percent of the annual volume; and, 3) Outbound International postal items, those for delivery abroad, is 1,633,542 pieces or 3.79 percent of the total.

The bulk of the postal traffic is handled by Postal Areas in Luzon island: 1) Mega Manila Area – 28,979,138 pieces or 67.16 percent of the total; 2) Northwest Luzon Area – 3,824,892 pieces or 8.86 percent; and, 3) Southern Luzon Area – 2,625,414 pieces or 6.08 percent.

The total volume of postal items accepted and/or posted for 2020 is 38,454,410, which is a 64.55 percent decreased against the previous years' volume. The Domestic items posted is 95.75 percent of the total wherein Domestic Letter-post posted is 99.61 percent. The Mega Manila Area handled 69.12 percent of the total volume posted followed by Northwest Luzon Area and Southern Luzon Area at 7.62 percent and 6.09 percent, respectively.

The decrease in the postal traffic handled is mainly due to the effects of the health and social protocols adopted to minimize and/or curtail the COVID19 pandemic, such as community quarantine as well as limited and/or suspension of air, land and sea conveyances.

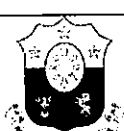
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Table 13 Postal Traffic Handled, Philippine Postal Corporation, CY 2020

| Category of Postal Items | Postal Traffic Handled | | | |
|---|------------------------|-----------------------------|---------------------|--|
| | 2020 | | 2019 (In Pieces) | % Variance from Previous Year Volume Increase / (Decrease) |
| | In Pieces | % to Total Annual Volume | | |
| A. Domestic Items Posted | 36,820,868 | 85.33% | 57,471,358 | (35.93%) |
| <i>a. Domestic Express Posted</i> | <i>143,839</i> | <i>0.39%</i> | <i>288,182</i> | <i>(50.09%)</i> |
| 1. Domestic Express Documents Posted | 79,987 | 55.61% | 129,974 | (38.46%) |
| 2. Domestic Express Merchandise Posted | 63,852 | 44.39% | 158,208 | (59.64%) |
| <i>b. Domestic Letter-post Posted</i> | <i>36,675,866</i> | <i>99.61%</i> | <i>57,178,241</i> | <i>(35.86%)</i> |
| 3. Domestic Registered Letters Posted | 6,494,855 | 17.71% | 11,492,780 | (43.49%) |
| 4. Domestic Ordinary Letters Posted | 24,172,214 | 65.91% | 36,713,424 | (34.18%) |
| 5. Domestic Registered Franked Letters Posted | 5,818,472 | 15.87% | 8,255,145 | (29.52%) |
| 6. Domestic Ordinary Franked Letters Posted | 190,325 | 0.52% | 716,892 | (73.45%) |
| <i>c. Domestic Parcel-post Posted</i> | <i>1,163</i> | <i>0.003%</i> | <i>4,935</i> | <i>(76.43%)</i> |
| 7. Domestic Ordinary Parcels Posted | 907 | 77.99% | 4,792 | (81.07%) |
| 8. Domestic COD Parcels Posted | 256 | 22.01% | 143 | 79.02% |
| B. International Items Posted/Outbound | 1,633,542 | 3.79% | 51,008,077 | (96.80%) |
| <i>d. International Express Posted</i> | <i>166,143</i> | <i>10.17%</i> | <i>318,422</i> | <i>(47.82%)</i> |
| 9. Outbound International Express Documents | 41,998 | 25.28% | 87,386 | (51.94%) |
| 10. Outbound International Express Merchandise | 124,145 | 74.72% | 231,036 | (46.27%) |
| <i>e. International Letter-post Posted</i> | <i>1,456,347</i> | <i>89.15%</i> | <i>50,666,749</i> | <i>(97.13%)</i> |
| 11. Outbound International Registered Letters | 192,501 | 13.22% | 489,683 | (60.69%) |
| 12. Outbound International Ordinary Letters | 1,237,161 | 84.95% | 50,126,701 | (97.53%) |
| 13. Outbound International Small Packets | 25,560 | 1.76% | 41,581 | (38.53%) |
| 14. Outbound International Printed Matters | 1,125 | 0.08% | 8,784 | (87.19%) |
| <i>f. Outbound International Parcel-post</i> | <i>11,052</i> | <i>0.68%</i> | <i>22,906</i> | <i>(51.75%)</i> |
| C. International Items Inbound/Delivered | 4,552,327 | 10.55% | 8,054,950 | (43.48%) |
| <i>g. International Express Delivered</i> | <i>310,918</i> | <i>6.83%</i> | <i>542,668</i> | <i>(42.71%)</i> |
| 15. International Express Documents Delivered | 157,589 | 50.69% | 296,847 | (46.91%) |
| 16. International Express Merchandise Delivered | 153,329 | 49.32% | 245,821 | (37.63%) |
| <i>h. International Letter-post Delivered</i> | <i>4,074,384</i> | <i>89.50%</i> | <i>7,258,534</i> | <i>(43.87%)</i> |
| 17. International Registered Letters Delivered | 528,520 | 12.97% | 651,739 | (18.91%) |
| 18. International Ordinary Letters Delivered | 2,676,060 | 65.68% | 4,890,445 | (45.28%) |
| 19. International Small Packets Delivered | 320,848 | 7.88% | 526,309 | (39.04%) |
| 20. International Printed Matters Delivered | 548,956 | 13.47% | 1,190,041 | (53.87%) |
| <i>i. International Parcel-post Delivered</i> | <i>167,025</i> | <i>3.67%</i> | <i>253,748</i> | <i>(34.18%)</i> |
| D. Undeliverable International Postal Items | 143,362 | 0.332% | 233,428 | (38.58%) |
| <i>k. Undeliverable Inbound International Express Items</i> | <i>3,378</i> | <i>2.356%</i> | <i>4,391</i> | <i>(23.07%)</i> |
| 21. Undeliverable Inbound International Express Documents | 1,189 | 35.198% | 1,682 | (29.31%) |
| 22. Undeliverable Inbound International Express Merchandise | 2,189 | 64.802% | 2,709 | (19.20%) |
| <i>l. Undeliverable Inbound International Letter-post Items</i> | <i>125,038</i> | <i>87.218%</i> | <i>203,703</i> | <i>(38.62%)</i> |
| 23. Undeliverable Inbound International Registered Letters | 14,752 | 11.798% | 27,290 | (45.94%) |
| 24. Undeliverable Inbound International Ordinary Letters | 72,729 | 58.166% | 109,022 | (33.29%) |
| 25. Undeliverable Inbound International Small Packets | 23,336 | 18.663% | 40,103 | (41.81%) |
| 26. Undeliverable Inbound International Printed Matters | 14,221 | 11.373% | 27,288 | (47.89%) |
| <i>m. Undeliverable Inbound International Parcel-post Items</i> | <i>14,946</i> | <i>10.425%</i> | <i>25,334</i> | <i>(41.00%)</i> |
| Total | 43,150,099 | 100.00% | 116,767,813 | (63.05%) |

Source: Corporate Planning Department



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Table 14 Postal Traffic Handled by Operating Units, Philippine Postal Corporation, CY 2020

| Category of Postal Items | Total Annual Volume | By Operating Units (in Percent) | | | | | | | | | |
|--|---------------------|---------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|----------------|----------------|------------------|
| | | NLA | NPA | NRA | SLA | DLA | NPA | DNA | DNA | NPA | CD |
| A. Domestic Items Processed | 36,820,838 | 754,744 | 2,373,395 | 26,45,517 | 2,739,869 | 1,351,839 | 1,06,846 | 95,182 | 622,038 | 344,029 | 235,530 |
| a. Domestic Expresses Processed | 34,838 | 4,453 | 14,301 | 85,874 | 14,034 | 12,039 | 4,255 | 5,339 | 2,025 | 1,373 | 0 |
| 1. Domestic Express Documents Processed | 75,387 | 4,794 | 8,594 | 37,631 | 17,317 | 10,170 | 4,093 | 4,093 | 1,760 | 779 | 0 |
| 2. Domestic Express Merchandise Processed | 63,857 | 779 | 6,006 | 48,771 | 3,507 | 1,146 | 707 | 1,146 | 343 | 1,095 | 0 |
| b. Domestic Letter-post Processed | 33,375,356 | 750,291 | 2,359,094 | 26,058,210 | 2,725,835 | 1,341,669 | 1,02,572 | 91,043 | 619,978 | 342,250 | 235,530 |
| 1. Domestic Registered Letters Processed | 4,424,153 | 64,458 | 4,916,7 | 4,933,794 | 621,555 | 383,471 | 89,651 | 55,378 | 223,320 | 44,743 | 0 |
| 2. Domestic Ordinary Letters Processed | 21,022,234 | 3,17,523 | 1,455,868 | 9,086,075 | 54,554 | 481,067 | 597,355 | 50,341 | 3,11,563 | 60,845 | 733,130 |
| 3. Domestic Registered Parcel Letters Processed | 5,932,477 | 750,762 | 635,137 | 2,548,639 | 77,545 | 451,197 | 24,872 | 17,644 | 247,776 | 51,844 | 0 |
| 4. Domestic Ordinary Parcel Letters Processed | 69,325 | 934 | 6,827 | 43,413 | 71,023 | 0,835 | 2,317 | 2,752 | 5,747 | 1,237 | 0 |
| c. Domestic Parcel-post Processed | 1,863 | 0 | 0 | 223 | 271 | 16 | 6 | 6 | 6 | 6 | 0 |
| 1. Domestic Ordinary Parcel Letters Processed | 327 | 0 | 47 | 35 | 35 | 143 | 6 | 6 | 6 | 6 | 0 |
| 2. Domestic CDD Parcel Letters Processed | 715 | 0 | 34 | 47 | 7 | 7 | 0 | 0 | 0 | 0 | 0 |
| B. International Items Processed/Delivered | 1,623,547 | 14,867 | 671,397 | 463,367 | 48,838 | 45,475 | 35,038 | 18,872 | 6,446 | 4,250 | 864,81 |
| a. International Expresses Processed | 65,943 | 6,516 | 33,481 | 78,380 | 18,381 | 8,225 | 7,007 | 8,195 | 2,329 | 763 | 0 |
| 1. Outbound International Express Documents | 4,588 | 153 | 845 | 1,465 | 1,508 | 1,508 | 7,357 | 7,357 | 54 | 87 | 0 |
| 2. Outbound International Express Merchandise | 64,945 | 5,775 | 21,392 | 54,455 | 14,324 | 7,209 | 4,150 | 4,150 | 2,885 | 93 | 0 |
| b. International Letter-post Processed | 1,455,547 | 7,882 | 671,397 | 383,016 | 21,870 | 25,553 | 31,863 | 8,879 | 12,024 | 3,480 | 864,81 |
| 1. Outbound International Registered Letters | 89,501 | 1,885 | 35,348 | 68,178 | 3,725 | 7,725 | 7,725 | 7,725 | 3,474 | 580 | 0 |
| 2. Outbound International Ordinary Letters | 1,729,867 | 5,997 | 38,023 | 352,568 | 17,877 | 17,877 | 24,138 | 5,154 | 8,550 | 2,895 | 864,81 |
| 3. Outbound International Small Parcels | 71,560 | 179 | 1,380 | 7,117 | 527 | 118,72 | 817 | 1,108 | 101 | 35 | 0 |
| c. Outbound International Parcel Letters | 105 | 0 | 809 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1. Outbound International Registered Parcel Letters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Outbound International Ordinary Parcel Letters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. International Items Processed/Delivered | 4,552,377 | 65,919 | 682,016 | 2,311,531 | 273,350 | 274,543 | 242,034 | 185,587 | 68,259 | 5,103 | 137,878 |
| a. International Expresses Delivered | 210,818 | 5,504 | 46,080 | 146,080 | 38,836 | 28,368 | 18,548 | 18,548 | 5,416 | 1,025 | 137,878 |
| 1. International Express Documents Delivered | 5,153 | 1,388 | 1,446 | 8,283 | 1,830 | 1,830 | 8,558 | 8,558 | 1,623 | 43 | 0 |
| 2. International Express Merchandise Delivered | 61,229 | 3,116 | 28,594 | 27,602 | 16,376 | 16,418 | 7,865 | 7,865 | 4,793 | 580 | 0 |
| b. International Letter-post Delivered | 4,071,384 | 58,437 | 619,755 | 2,200,944 | 240,351 | 238,508 | 223,584 | 169,300 | 55,740 | 7,187 | 0 |
| 1. International Registered Letters Delivered | 578,350 | 8,608 | 214,438 | 64,744 | 31,889 | 24,138 | 18,324 | 18,324 | 6,027 | 1,091 | 0 |
| 2. International Ordinary Letters Delivered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. International Small Parcels Delivered | 2,515,050 | 50,109 | 5,90,302 | 1,454,854 | 64,940 | 26,570 | 26,570 | 26,570 | 78,902 | 5,762 | 0 |
| 4. International Parcel Letters Delivered | 3,070,446 | 348 | 24,037 | 1,01,726 | 2,441 | 35,016 | 8,945 | 42,075 | 9,518 | 2,24 | 0 |
| 5. International Registered Letters Delivered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. International Ordinary Letters Delivered | 548,936 | 1,342 | 9,976 | 289,242 | 49,307 | 3,259 | 34,335 | 6,821 | 7,401 | 143 | 0 |
| 7. International Small Parcels Delivered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. International Parcel-post Delivered | 67,025 | 387 | 18,251 | 76,022 | 6,831 | 14,972 | 78,972 | 16,598 | 4,880 | 1,075 | 0 |
| 1. International Ordinary Parcel Letters Delivered | 67,025 | 387 | 18,251 | 76,022 | 6,831 | 14,972 | 78,972 | 16,598 | 4,880 | 1,075 | 0 |
| 2. International Registered Parcel Letters Delivered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D. Undeliverable International Postal Items | 141,322 | 763 | 8,474 | 66,323 | 8,797 | 12,447 | 8,850 | 12,871 | 2,765 | 107 | 0 |
| a. Undeliverable International Expresses Items | 3,779 | 69 | 835 | 50 | 484 | 877 | 81 | 404 | 125 | 3 | 0 |
| 1. Undeliverable International Express Documents | 1493 | 50 | 735 | 67 | 68 | 715 | 45 | 83 | 21 | 3 | 0 |
| 2. Undeliverable International Express Merchandise | 7,853 | 19 | 830 | 343 | 246 | 507 | 45 | 712 | 67 | 0 | 0 |
| b. Undeliverable International Letter-post Items | 125,028 | 654 | 5,385 | 78,774 | 7,487 | 11,673 | 5,989 | 14,425 | 1,974 | 58 | 0 |
| 1. Undeliverable International Registered Letters | 18,327 | 195 | 1,558 | 5,85 | 1,438 | 562 | 273 | 1,163 | 294 | 7 | 0 |
| 2. Undeliverable International Ordinary Letters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Undeliverable International Small Parcels | 27,773 | 544 | 7,307 | 17,917 | 3,941 | 4,761 | 2,925 | 3,415 | 1,778 | 25 | 0 |
| 4. Undeliverable International Parcel Letters | 77,730 | 4 | 37 | 15,447 | 1,117 | 2,712 | 5,15 | 2,504 | 107 | 14 | 0 |
| 5. Undeliverable International Registered Letters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Undeliverable International Ordinary Letters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Undeliverable International Small Parcels | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Undeliverable International Parcel Letters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. Undeliverable International Parcel-post Items | 11,515 | 0 | 654 | 8,048 | 316 | 945 | 2,600 | 573 | 258 | 3 | 0 |
| 1. Undeliverable International Registered Parcel Letters | 11,515 | 0 | 654 | 8,048 | 316 | 945 | 2,600 | 573 | 258 | 3 | 0 |
| 2. Undeliverable International Ordinary Parcel Letters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 41,618,089 | 836,102 | 3,044,892 | 28,579,038 | 2,823,444 | 1,634,057 | 1,416,978 | 1,166,422 | 978,633 | 257,444 | 1,751,716 |
| % to Total Volume | 100.00% | 1.98% | 7.30% | 68.67% | 6.78% | 3.92% | 3.40% | 2.79% | 2.33% | 0.62% | 4.19% |

Source: Corporate Planning Department

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C. Financial Performance

Revenue.

In FY 2020, the PHLPost generated a total revenue of PHP2,163,245,158 wherein PHP2,158,194,210 or 99.77 percent are from Service and Business Income. Of the total revenue, the Mail Services contributed PHP1,803,870,481 or 83.39 percent while Postal Payment Service generated PHP345,329,921 or 15.96 percent.

The total revenue generated for 2020 fall by 48.26 percent from FY 2019, contributory is the decrease in Mail Services by 49.69 percent and Business Income by 36.61 percent. The decrease in revenue is attributed to the effects of the COVID19 pandemic as postal customers, clients and partners limited the sending of postal items as transport and delivery is delayed due to limited and/or suspended air, land and sea transports as well as community quarantine protocols.

Table 15. Revenue Generated, Philippine Postal Corporation, FY 2020

| Particulars | Revenue Generated FY 2020 | | | |
|--------------------------------|------------------------------|-----------------------|---|--|
| | 2020 Unaudited | | 2019 Audited (In Philippine Peso) | % Variance from Previous Year Increase / (Decrease) |
| | In Philippine Peso | % to Total Revenue | | |
| Mail Services | 1,803,870,481 | 83.39% | 3,585,733,334 | (49.69%) |
| Postal Payment Service Revenue | 6,986,249 | 0.32% | 18,334,492 | (61.90%) |
| Other Service Income | 2,007,559 | 0.09% | 3,619,862 | (44.54%) |
| Business Income | 345,329,921 | 15.96% | 562,539,881 | (38.61%) |
| Other Non-Operating Income | 5,050,948 | 0.23% | 10,440,602 | (51.62%) |
| Total Revenue | 2,163,245,158 | 100.00% | 4,180,668,171 | (48.26%) |

Source: Accounting Department

Results of Operations.

Based on the Unaudited Condense Statement of Financial Performance for FY 2020, the PHLPosts' operations resulted to a comprehensive loss of PHP240,147,072 as the annual revenue fall to PHP2,158,194,210 or 48.25 percent against previous year and despite the significant decreases of 31.65 percent in the Current Operating Expenses. Noted that the Maintenance & Other Operating Expenses (MOOE) decreased by 56.24 percent.

The PHLPost posted Loss before Interest, Taxes, Depreciation and Amortization (LBITDA) for FY 2020 of PHP670,903,206.


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Table 16 Unaudited Condensed Statement of Financial Performance, Philippine Postal Corporation, as of December 2020


| Particulars | In Philippine Peso | | % of Variance against previous Year (Increase / (Decrease)) |
|---|----------------------|----------------------|--|
| | 2020 (Unaudited) | 2019 (Audited) | |
| Revenue | | | |
| Service and Business Income | 2,158,194,210 | 4,170,227,569 | (48.25%) |
| Shares, Grants and Donations | 31,776 | 28,358 | 12.05% |
| Total Revenue | 2,158,225,986 | 4,170,255,927 | (48.25%) |
| Current Operating Expenses | | | |
| Personnel Services | 1,776,464,983 | 1,796,710,944 | (1.13%) |
| Maintenance & Other Operating Expenses | 1,007,091,598 | 2,301,396,312 | (56.24%) |
| Financial Expenses | 3,163,501 | 1,693,273 | 86.83% |
| Direct Costs | 2,761,650 | 5,735,020 | (51.85%) |
| Non-Cash Expenses | 70,125,571 | 78,290,635 | (10.43%) |
| Total Current Operating Expenses | 2,859,607,303 | 4,183,826,184 | (31.65%) |
| Deficit from Current Operations | (701,381,317) | (13,570,257) | 5,068.52% |
| Add: Other Non-Operating Income | 5,050,948 | 10,440,602 | (51.62%) |
| Gains | 26,416,848 | 84,316,794 | (68.67%) |
| Losses | (70,489,551) | (79,425,276) | (11.25%) |
| Income / (Deficit) before Tax | (740,403,072) | 1,761,863 | (42,123.87%) |
| Less: Income Tax Expense | | 520,051 | (100.00%) |
| Income / (Deficit) after Tax | (740,403,072) | 1,241,812 | (59,722.80%) |
| Add: Net Assistance/Subsidy | 500,256,000 | 541,323,000 | (7.59%) |
| Net Income / (Loss) | (240,147,072) | 542,564,812 | (144.26%) |
| Add: Other Comprehensive Income / (Loss) for the Period | 0 | 0 | 0.00% |
| Comprehensive Income / (Loss) | (240,147,072) | 542,564,812 | (144.26%) |

Source: Accounting Department

Table 17. Earnings / (Losses) before Interest, Taxes, Depreciation and Amortization, Philippine Postal Corporation, As of December 2020

| Particulars | In Philippine Peso | | % of Variance against previous Year (Increase / (Decrease)) |
|--|----------------------|---------------------|--|
| | 2020 Unaudited | 2019 Audited | |
| Total Revenue | 2,158,225,986 | 4,170,255,927 | (48.25%) |
| Less: Total Current Operating Expenses | 2,859,607,303 | 4,183,826,184 | (31.65%) |
| Deficit from Current Operations | (701,381,317) | (13,570,257) | 5,068.52% |
| Add: Other Non-Operating Income | (39,021,755) | 15,332,120 | (354.51%) |
| Income / (Deficit) before Tax | (740,403,072) | 1,761,863 | (42,123.87%) |
| Add: Income Tax Expense | | 520,051 | (100.00%) |
| Depreciation | 66,999,866 | 78,081,152 | (14.19%) |
| Interest Expenses | 2,500,000 | 785,347 | 218.33% |
| Amortization | | | |
| Earnings / (Losses) before Interest, Tax, Depreciation & Amortization | (670,903,206) | 81,148,413 | (926.76%) |

Source: Accounting Department

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Financial Position.

As of 31 December 2020, the total Assets of PHLPost of PHP10,775,564,986 decreased by 12.73 percent from that of FY 2019. The Current Assets is PHP6,532,687,918 or 60.63 percent of the total Assets while the Non-Current Assets is PHP4,242,877,069 or 39.37 percent.

Of the Current Assets: 1) Receivables is 40.24 percent; 2) Cash and Cash Equivalents is 32.23 percent; and, 3) Other Investments is 22.72 percent. The bulk of the Non-Current Assets is Property, Plant and Equipment which is 84.11 percent while Other Non-Current Assets is 10.99 percent.

The total Liabilities of PHLPost is PHP5,689,064,207 wherein PHP5,431,195,643 or 95.47 percent is Current Liabilities while Non-Current Liabilities is PHP257,868,564 or 4.53 percent only. The Liabilities is reduced by 16.02 percent against FY 2019.

The Current Ratio of PHLPost for FY 2020 of 1.20 is a good ratio, meaning the PHLPost is liquid and has the ability to pay its short-term obligations or those that are due within one (1) year.

The total Equity of PHLPost as of end of 2020 is PHP5,086,500,780 where the Government Equity is at 62.91 percent while Revaluation Surplus is at 27.25%. It decreased by 8.74% against FY 2019.

The Retained Earnings of PHLPost at the end of year is only 9.84 percent of the total Equity and decreased by 30.90 percent against FY 2019.



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Table 18. Statement of Financial Position, Philippine Postal Corporation, As of 31 December 2020

| Particulars | In Philippine Peso | | % Variance from Previous Year <small>Increase / (Decrease)</small> |
|--------------------------------------|-----------------------|-----------------------|---|
| | 2020 Unaudited | 2019 Audited | |
| A. ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 2,105,512,021 | 2,711,483,668 | (22.35%) |
| Receivables | 2,628,913,517 | 2,781,158,348 | (5.47%) |
| Inventories | 162,328,163 | 157,560,821 | 3.03% |
| Other Investments | 1,484,089,149 | 1,492,853,295 | (0.59%) |
| Other Current Assets | 151,845,067 | 199,200,008 | (23.77%) |
| Total Current Assets | 6,532,687,918 | 7,342,256,140 | (11.03%) |
| Non-Current Assets | | | |
| Investments in Subsidiaries | 5,302,123 | 5,302,123 | 0.00% |
| Financial Assets | 50,000,000 | | |
| Property, Plant and Equipment | 3,568,544,048 | 4,380,825,341 | (18.54%) |
| Deferred Tax Assets | 152,659,907 | 143,896,314 | 6.09% |
| Other Non-Current Assets | 466,370,990 | 475,472,920 | (1.91%) |
| Total Non-Current Assets | 4,242,877,069 | 5,005,496,698 | (15.24%) |
| Total Assets | 10,775,564,986 | 12,347,752,838 | (12.73%) |
| B. LIABILITIES | | | |
| Current Liabilities | | | |
| Financial Liabilities | 2,686,676,406 | 2,714,529,079 | (1.03%) |
| Inter-Agency Payables | 567,196,707 | 572,231,497 | (0.88%) |
| Intra-Agency Payables | 742,470,687 | 1,214,671,217 | (38.87%) |
| Trust Liabilities | 730,085,903 | 774,755,630 | (5.77%) |
| Deferred Credits/Unearned Income | 268,379,613 | 715,629,950 | (62.50%) |
| Provisions | 302,811,356 | 275,810,552 | 9.79% |
| Other Current Payables | 133,574,972 | 204,987,720 | (34.84%) |
| Total Current Liabilities | 5,431,195,643 | 6,472,615,645 | (16.09%) |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 108,530,264 | 100,069,054 | 8.46% |
| Other Payables | 149,338,300 | 201,245,393 | (25.79%) |
| Total Non-Current Liabilities | 257,868,564 | 301,314,447 | (14.42%) |
| Total Liabilities | 5,689,064,207 | 6,773,930,091 | (16.02%) |
| C. EQUITY | | | |
| Government Equity | 3,199,942,410 | 3,274,050,410 | (2.26%) |
| Revaluation Surplus | 1,386,003,590 | 1,575,397,359 | (12.02%) |
| Retained Earnings / (Deficit) | 500,554,780 | 724,374,978 | (30.90%) |
| Total Equity | 5,086,500,780 | 5,573,822,747 | (8.74%) |
| Total Liabilities and Equity | 10,775,564,986 | 12,347,752,838 | -12.73% |

Source: Accounting Department

| | | | |
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Dividend.

The PHLPost did not declare and remit to the Philippine Government a Dividend for FY 2020 as it declared a Comprehensive Loss in the operations. Under Republic Act No. 7656 (RA 7656), An Act requiring GOCCs to declare Dividends under certain conditions to the National Government, the PHLPost is required to declare and remit at least 50 percent of its annual Net Earnings as Dividend to the National Government.

Table 19. Declaration of Dividend to the Philippine Government, Philippine Postal Corporation, FY 2020

| <i>Particulars</i> | <i>2020</i> |
|--|----------------------|
| Reconciliation of Net Income per Books Against Taxable Income | |
| Net Income / (Loss) per Books | (740,403,072) |
| Add: Non-Deductible Expenses/Taxable Other Income | 2,500,000 |
| Less: Non-Taxable Income and Income subjected to Final Tax | 24,182,752 |
| Net Taxable Income - Regular / Special | (762,085,824) |
| Less: Total Income Tax Due | 3,821,876 |
| Adjusted Income - Regular | (765,907,700) |
| Gross Income/Receipts, subject to Final Withholding Tax | 30,228,440 |
| Less: Total Final Tax Withheld/Paid | 6,045,688 |
| Adjusted Income - Final Tax | 24,182,752 |
| Net Taxable Income - Exempt | 0 |
| Add: Special Allowable Itemized Deductions | 0 |
| Less: Income Tax Due | 0 |
| Adjusted Income - Exempt | 0 |
| Add: National Government Operating Subsidies | 0 |
| Project Subsidies Adjustments, if applicable | 0 |
| Total Adjusted Income | (741,724,948) |
| Dividend Rate - 50% | 50% |
| Projected Dividend Collection | 0 |

Source: Accounting Department

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Notes to Financial Statements.

As per Circular No. 2015-003 dated 16 April 2015 of the Commission on Audit (COA), the PHLPost is classified as a Non-Government Business Enterprise (Non-BGE) for not having met the criteria to qualify as Government Business Enterprise (BGE). The criteria to be classified as BGE are either of the following:

- Has the power to contract in its own name;
- Has been assigned the financial and operational authority to carry on a business;
- Sell goods and services, in the normal course of its business to other entities at a profit or full cost of recovery;
- Is not reliant on continuing Government funding to be a going concern (other than purchases of outputs at arm's length); or;
- Is controlled by a public sector entity.

As a Non-GBE, the International Public Sector Accounting Standards (IPSAS) and the Revised Chart of Accounts (RCA) for GOCCs as per COA Circular No. 2020-002 dated 28 January 2020 shall apply in the preparation of the Financial Statements and other related financial reports.

The Financial Statements of PHLPost have been prepared on the historical basis and are presented in Philippine Peso (PHP), which is the GOCCs functional and presentation currency. Foreign currency transactions are translated into the functional currency.


The transactions on International Mail Remunerations, the monetary unit being used in the preparation and settlement of accounts is the Special Drawing Rights (SDR), converted to United States Dollar (USD) and then to PHP, presentation currency. The International Money Order transactions are measured in USD and translated into the PHP currency.

The basis of recognizing income and expenses is the Modified Accrual basis. Income of PHLPost is classified based on the nature of service.

Pursuant to Board Resolution No. 2015-144 dated 16 December 2015 and in compliance with existing Revenue regulations, effective 2 January 2017, all sales of PHLPost goods and services are subject to 12% Value Added Tax (VAT), subject to the exemptions that are expressly provided in existing Tax laws.


The PHLPost identified subsequent events as events that occurred after the date of Statement of Financial Position but before the date when the Financial Statements were authorized for issue. Any subsequent events that provide additional information about the financial condition of PHLPost at the Balance Sheet date are reflected in the Financial Statements. Non-adjusting events are disclosed in the Notes to the Financial Statements when material.

Provisions are recognized as Liabilities, assuming that a reliable estimate can be made, because they are present Obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the Obligation. The amount of Liability is presented in the Financial Statements.

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The PHLPost is exempted for all Direct and Indirect Taxes, Customs Duties, Fees, and Imports and Tariff Duties, Compensating Taxes, Wharfage Fees and other charges as well as from restrictions on the importation of equipment, machineries, spare parts, accessories, and other materials, including supplies and services used directly in the operations of the Philippine Postal System not obtainable locally on favourable terms.

All obligations entered into by the PHLPost and any income derived therefrom, including those contracted with private international banking and financial institutions are exempted from all taxes on both principal and interest. The PHLPost is also exempted from the payment of Capital Gains Tax, Local Government Imposts and Fees after 31 December 1997. Further, the PHLPost may offset the full value of Capital Investments not otherwise funded by the Philippine Government against any Income Tax due for the same period.

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4 CORPORATE GOVERNANCE



Pursuant to item (c), Section 2, Chapter I of Republic Act No. 10149 (RA No. 10149, otherwise known as the GOCC Governance Act of 2011, the State shall ensure that the governance of GOCCs is carried out in a transparent, responsible and accountable manner with the utmost degree of professionalism and effectiveness. Item 1 of the Governance Manual, the BOD and Management of PHLPost commit to the principles and best practices of Good Corporate Governance as a critical element in creating and sustaining Shareholders' value, while considering and balancing the interest of all other Stakeholders.

A. Good Governance Conditions

In the Memorandum Circular No. 2020-1 dated 2 June 2020 of the Inter-agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting System (AO 25 IATF MC No. 2020-1), the Good Governance Conditions for FY 2020 are prescribed and for compliance GOCCs are prescribed.

The PHLPost is compliant to the following: 1) Posting of the Agencies Review and Compliance Procedures of the Statement of Assets, Liabilities and Net Worth (SALN) – as of 1 February 2021; 2) Freedom of Information (FOI) Compliance – as of 25 March 2021; 3) Anti-Red Tape Act (ARTA) Citizen's Charter – as of 5 April 2021; 4) FY 2021 2021 Annual Procurement Plan (APP) Common Supplies and Equipment (CSE) submission – as of 5 April 2021; and, 5) Sustained Compliance with Audit Findings – as of 26 April 2021.

The validation report of the following Good Governance Conditions for FY 2020 are yet to be submitted to AO 25 Secretariat: 1) Transparency Seal; 2) FY 2019 Agency Procurement Compliance & Performance Indicator (APCPI); 3) FY 2020 APP Non-CSE Submission; and, 4) Posting of the Indicative FY 2021 APP Non-CSE.




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Table 20. Good Governance Conditions, Inter-agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting System, FY 2020


| <i>Particulars</i> | <i>Deadline</i> | <i>Compliance FY 2020</i> |
|--|------------------------------------|---|
| a. Good Governance Conditions | | |
| 1. ARTA Citizen's Charter <ul style="list-style-type: none"> Pursuant to Section 6 of Republic Act No. 11032 (RA No. 11032, otherwise known as the ARTA of 2007, as well as Philippine President's directive to reduce the processing time of all public transactions with Government and ensure accessible and convenient delivery of services to the public; Set-up the most current and updated Citizen's or Service Charter reflecting the Agency's improved and streamlined/re-engineered system and procedure for all its Government services to citizens, businesses and Government Agencies; and, Departments/Agencies shall submit respective Certificates of Compliance (CoC) to Anti-Red Tape Authority by email, copy furnished the AO 25 Secretariat. | On or before 4 December 2021 | Compliant as of 5 April 2021 |
| 2. Transparency Seal <ul style="list-style-type: none"> Section 106 of the General Provisions of FY 2020 General Appropriations Act; Maintain/update the Agency Transparency Seal; and, Accessible by clicking the Transparency Seal logo on the homepage | On or before 1 October 2020 | No validation report yet submitted by the Office of the Chief Information Officer, Department of Budget & Management (DBM-OCIO) |
| 3. Philippine Government Electronics Procurement System (PhilGEPS) <ul style="list-style-type: none"> Pursuant to Government Procurement Reform Act, Republic Act No. 9184 (RA No. 9184), for transactions above PHP1,000,000 from 1 January to 31 December 2020; and, Update all Invitations to Bids and Awarded Contracts, including Early Procurement for FY 2021 for Non-Common Use Supplies and Equipment (Non-CSE) items. | On or before 29 January 2021 | Non-compliant as of 31 January 2021 |
| 4. International Organization for Standardization (ISO) – Quality Management System (QMS) Requirement <ul style="list-style-type: none"> Initial Certification/Recertification of the Agency's QMS covering at least one (1) critical frontline service or core process as mandated under its existing pertinent law; ISO 9001:2015 Certification(s)/Recertification(s) must be valid as of 31 December 2020; and, Must be posted in the Agency Transparency Seal webpage. | Not later than 31 December 2020 | Non-compliant as of 11 February 2020 |

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| <i>Particulars</i> | <i>Deadline</i> | <i>Compliance FY 2020</i> |
|---|--|--|
| b. Procurement Requirements | | |
| 5. FY 2021 APP Common Supplies and Equipment (CSE) Submission <ul style="list-style-type: none"> Submission to the Procurement Service, DBM (DBM-PS) in the prescribed format; and, Same should be posted on the Agency Transparency Seal webpage. | Submission on or before 15 December 2020 Posted not later than 15 December 2020 | Compliant as of 5 April 2021 |
| 6. FY 2019 Agency Procurement Compliance & Performance Indicator (APCPI) <ul style="list-style-type: none"> As per Resolution No. 39-2017 of the Government Procurement Policy Board, Agencies shall complete the APCPI forms; and, The APCPI results must be submitted to the Technical Support Office, GPPB (GPPB-TSO) through email. | On or before 30 June 2020 | No validation Report yet submitted by GPPB-TSO |
| 7. FY 2020 APP Non-CSE Submission <ul style="list-style-type: none"> As approved by the Head of Procuring Entity (HOPE) to the GPPB in the format prescribed under GPPB Circular No. 07-2015; and, Shall be submitted through electronic mail. | Until 31 March 2020 | No validation Report yet submitted by GPPB-TSO |
| 8. Posting of Indicative FY 2021 APP Non-CSE <ul style="list-style-type: none"> Posted on the Agency Transparency Seal webpage | None | No validation report yet submitted by the DBM-OCIO |
| 9. Conduct of Early Procurement Activities <ul style="list-style-type: none"> Undertaking of Early Procurement for at least 50 percent of the total value of eligible Procurement Projects, included in the proposed budget of the Department/Agency in the National Expenditure Program (NEP), including GOCCs with budgetary support from the Philippine Government; Eligible Procurement Projects as outlined in the Indicative FY 2021 APP Non-CSE consistent with the FY 2021 NEP; Agencies not receiving any budgetary support from the National Government under the GAA are excluded; and, Agencies not receiving any budgetary support from the National Government under the GAA are excluded. | Not Covered | Not Covered |

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| <i>Particulars</i> | <i>Deadline</i> | <i>Compliance FY 2020</i> |
|--|----------------------------------|-------------------------------|
| c. Common Support to Operations and General Administration Support & Services | | |
| 10. Posting of Agency Review and Compliance Procedures of SALN <ul style="list-style-type: none"> Under Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees, Republic Act No. 6713 (RA No. 6713), and Resolutions Nos. 13000455 and 1500088 of the Civil Service Commission (CSC), each Department/Agency shall establish a SALN Review and Compliance Committee to determine whether said SALNs have been submitted on time, are complete, and are in proper form; and, The scanned copy of the Agency Review and Compliance Procedures of SALN shall be uploaded in the Agency Transparency Seal webpage. | Not later than 1 October 2020 | Compliant as 1 February 2021 |
| 11. Freedom of Information (FOI) Compliance <ul style="list-style-type: none"> Pursuant to Executive Order No. 2, series 2016, and based on the enhanced requirements of the Presidential Communications Operations Office, Agencies should comply with the FOI requirements: <ul style="list-style-type: none"> Updated People's FOI Manual, including the new designated list of FOI Receiving Officer(s) and its contact details, if any – uploaded in the Agency Transparency Seal page; FOI Reports, 1) Agency Information Inventory; 2) 2020 FOI Registry; and, 3) 2020 FOI Summary Report – uploaded in the Agency Transparency Seal page; A screenshot of the Agency website's home page containing a visible and functional FOI logo linked to the electronic FOI portal – submitted by email; and, Modified one-page FOI Manual, including FOI Receiving Officer(s) and its contact details and the step-by-step procedure of FOI Requests in standard paper-based and electronic formats – uploaded in the Agency Transparency Seal page. | On or before 29 January 2021 | Compliant as of 25 March 2021 |
| 12. Sustained Compliance with Audit Findings <ul style="list-style-type: none"> The objective is to improve the Agency's internal control processes, enhance operational effectiveness, and eliminate, resolve and remedy most, if not all, of the Agency audit findings by end of 2021; and, Fully implement 30 percent of the prior years' audit recommendations as shown in the Report on Status of Implementation of Prior Years' Recommendations. | None | Compliant as of 26 April 2021 |

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| <i>Particulars</i> | <i>Deadline</i> | <i>Compliance FY 2020</i> |
|--|--------------------------------|-------------------------------------|
| 13. Posting of Systems of Rating and Ranking <ul style="list-style-type: none"> Departments/Agencies shall prepare the Systems of Agency Ranking of Delivery Units for FY 2020 Performance-Based Bonus; Cascaded to the employees to heighten transparency among delivery units and employees; and, Posted in the Agency Transparency Seal webpage. | On or before 1 October 2020 | Non-compliant as of 5 February 2021 |

Source: Inter-agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems

B. Performance Scorecard

Pursuant to GCG Memorandum Circular No. 2017-02 dated 30 June 2017, the GCG actively exercises the State Ownership rights through the institutionalization of a Performance Evaluation System (PES) for GOCCs. The PES provides the framework of such targets that serve as a basis for ascertaining whether such GOCC should be reorganized, merged, streamlined, abolished or privatized.

The Annual Performance Scorecard of PHLPost for CY 2020 is 82.74 percent, with one Strategic Measure (SM) to be requested for exclusion and three (3) SMs to be requested for renegotiation. Note that the Annual Target for CY 2020 is recalibrated taking into consideration the impact of the ongoing COVID-19 pandemic to the operations and/or performance of GOCCs.

The SM to be requested for exclusion is SM 12.1. Percentage of employees meeting Required Competencies, Technical, Frontline Personnel – 2.5 percent.

The SMs that are requested for renegotiation are: 1) SM 4.2. Percentage of Satisfied Customers, Corporate Clients – 2.0 percent; 2) SM 10. ISO Certification – 5.0 percent; and, 3) SM 11. Percentage of PHLPost-operated Postal Outlets with Internet connectivity enabling Track and Trace – 5.0 percent.



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Table 21. Performance Scorecard, Philippine Postal Corporation, CY 2020

| Measures by Perspective and Objectives | Outcome | | Weight (In Percent) | |
|--|---|---|------------------------|---|
| | Recalibrated Target | Actual Accomplishment | Target | Rating For Renegotiation / Exclusion |
| a. SOCIAL IMPACT | | | 8.0 % | 8.00 % |
| <i>SD 1 - Linked people with access to communication services, delivery of goods and merchandise, and provision of postal payments</i> | | | | |
| SM 1 - Postal Traffic (Transactions handled) | 31.57 million | 38.48 million | 8.0 % | 8.00 % |
| b. CUSTOMERS AND STAKEHOLDERS | | | 12.0 % | 8.11 % |
| <i>SD 2 - Continue Postal Service in the community through sustained partnership with public and private entities</i> | | | | |
| SM 2 - Number of Municipalities and Cities with Postal Access (out of a total 1,628) | 9 additional cities and municipalities | 2 Postal Outlets | 5.0 % | 1.11 % |
| SM 3 - Number of NGAs / NGOs partners for services | 6 partners | 6 partners | 5.0 % | 5.00 % |
| <i>SD 3 - Enhance Postal Service experience of customers and partners through proactive Customer Service Management</i> | | | | |
| SM 4 - Percentage of Satisfied Customers | | | | |
| 4.1. Individual Customers | Excluded | Excluded | (3.0 %) | (3.00 %) |
| 4.2. Corporate Clients | 90% Customer Satisfaction rating | Failure of Public Bidding for the procurement of Third party Customer Satisfaction Survey | 2.0 % | 2.00 % |
| c. FINANCIAL | | | 12.0 % | 4.13 % |
| <i>SD 4 - Ensure financial growth and efficiency through market sustainability and cost management</i> | | | | |
| SM 5 - Revenues | PHP3,179 billion | PHP2,189.69 billion | 6.0 % | 4.13 % |
| SM 6 - Earning before Interest, Taxes, Depreciation and Amortization | PHP80,308 million | (PHP670.90 million) | 6.0 % | 0.00 % |
| d. INTERNAL PROCESSES | | | 60.0 % | 60.00 % |
| <i>SD 5 - Sustain the efficiency and reliability in the delivery of postal items and provision of payment services by quality processes and procedures</i> | | | | |
| SM 7 - Express Post Delivery Performance | | | | |
| 7.1. Domestic Express post Delivery Performance - Committed areas in Metro Manila | 90 % of items delivered within 3 days after posting | 100 % of items delivered within 3 days after posting | 7.0 % | 7.00 % |
| 7.2. Domestic Express post Delivery Performance - Committed areas outside of Metro Manila | Luzon - 90 % of items delivered within 10 days after posting | Luzon - 92.85 % of items delivered within 10 days after posting | 7.0 % | 7.00 % |
| | Visayas and Mindanao - 90 % of items delivered within 15 days after posting | Visayas and Mindanao - 90 % of items delivered within 15 days after posting | | |
| 7.3. International Express post Delivery Performance - Committed areas handled by Express Mail Exchange Department | 95 % of items delivered within 3 days after Customs Clearance | 95.12 % of items delivered within 3 days after Customs Clearance | 7.0 % | 7.00 % |
| 7.4. International Express post Delivery Performance - Committed areas outside those handled by Express Mail Exchange Department | Luzon - 95 % of items delivered within 10 days after Customs clearance | Luzon - 100 % of items delivered within 10 days after Customs clearance | 7.0 % | 7.00 % |
| | Visayas and Mindanao - 95 % of items delivered within 15 days after Customs clearance | Visayas and Mindanao - 95.83 % of items delivered within 15 days after Customs clearance | | |
| SM 8 - International Parcel post Delivery Performance | Luzon - 85 % of items delivered within 15 days after Customs clearance | Luzon - 100 % of items delivered within 15 days after Customs clearance | 4.0 % | 4.00 % |
| | Visayas and Mindanao - 85 % of items delivered within 30 days after Customs clearance | Visayas and Mindanao - 92.12 % of items delivered within 30 days after Customs clearance | | |
| SM 9 - Letter post Delivery Performance | | | | |
| 9.1. Domestic Ordinary Letter post Delivery Performance | Luzon - 85 % of items delivered within 15 days after posting | Luzon - 91.37 % of items delivered within 15 days after posting | 7.0 % | 7.00 % |
| | Visayas and Mindanao - 85 % of items delivered within 30 days after posting | Visayas and Mindanao - 90.32 % of items delivered within 30 days after posting | | |
| 9.2. Domestic Registered Letter post Delivery Performance | Luzon - 85 % of items delivered within 15 days after posting | Luzon - 90.95 % of items delivered within 15 days after posting | 7.0 % | 7.00 % |

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| Measures by Perspective and Objectives | Outcome | | Weight (In Percent) | |
|--|--|--|------------------------|---|
| | Recalibrated Target | Actual Accomplishment | Target | Rating For Renegotiation / Exclusion |
| | Visayas and Mindanao – 85 % of items delivered within 30 days after posting | Visayas and Mindanao – 92.47 % of items delivered within 30 days after posting | | |
| 9.3. International Letter post Delivery Performance | Luzon – 85 % of items delivered within 15 days after Customs clearance | Luzon – 97.02 % of items delivered within 15 days after Customs clearance | 4.0 % | 4.00 % |
| | Visayas and Mindanao – 85 % of items delivered within 30 days after Customs clearance | Visayas and Mindanao – 96.68 % of items delivered within 30 days after Customs clearance | | |
| SD 6 – Uphold Postal Service integrity by implementing QMS in the postal processes | | | | |
| SM 10 – ISO Certification | ISO 9001:2015 Certification of Postal Offices within the City of Manila and in the Offices of Exchange | <ul style="list-style-type: none">Approval of the Quality of Manual;Implementation of SI Revised QMS procedures;On-going repairs, arrangement and installation of equipment at Post Offices and Offices of Exchange;On-going SS Program in concerned office as well as training of personnel; and,Preparation of updated Terms of Reference for the procurement of ISO Certifying Body services. | 5.0 % | 5.00 % |
| SD 7 – Improve efficiencies in the Postal Service through innovation and ICT | | | | |
| SM 11 – Percentage of PHLPst-operated Postal Outlets with Internet connectivity enabling Track and Trace | 60 % of PHLPst-operated Postal Outlets | 55 % or 742 Post Office with Track and Trace | 5.0 % | 5.0 % |
| d. LEARNING AND GROWTH | | | 5.0 % | 2.50 % |
| SD 8 – Manage organizational competencies through the implementation of competency-based Human Resource Management Systems | | | | |
| SM 12 – Percentage of Employees meeting Required Competencies | | | | |
| 12.1. Technical Competencies | 100% of Frontline Personnel meeting Required Technical Competencies | 68.41% or 2,005 Frontline Personnel meeting Required Technical Competencies | (2.5 %) | 0.00 % |
| 12.2. Organizational and Leadership Competencies | 35 % of Frontline Personnel meeting Required Organizational and Leadership Competencies | 45.65 % or 1,338 Frontline personnel meeting Required Organizational and Leadership Competencies | 1.5 % | 1.50 % |
| 12.3. Competency of Supervisors | Establish Baseline on Competency of Supervisors in the Operations Group | 215 of the Operations personnel and Supervisors with Baseline data on Competency assessment | 1.0 % | 1.00 % |
| Total | | | 94.50 % | 82.74 % |

Source: Corporate Planning Department

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5 CORPORATE SOCIAL RESPONSIBILITY

A. Universal Postal Service Obligation

The provisions of RA No. 7354 delegates to the PHLPost the provision of Postal Services in the Philippines and the fulfilment of the related obligations of the Philippine Government arising from the Acts of the Universal Postal Union (UPU) as well as the designation as Designated Postal Operator of the Philippines (Philippine DPO).

Pursuant to the Preamble of the Constitution of the UPU, the member countries of the UPU adopted the stimulation of the lasting development of an efficient and accessible Universal Postal Services (UPS) of quality in order to facilitate a communication between the inhabitants of the world by:


- Guaranteeing the free circulation of postal items over a Single Postal Territory of interconnected networks;
- Encouraging the adoption of fair common standards and the use of technology;
- Ensuring cooperation and interaction among stakeholders;
- Promoting effective technical cooperation; and,
- Ensuring the satisfaction of customers' changing needs.

The UPU, as a United Nations (UN) specialized agency with 192 member countries, is the primary forum for cooperation between Postal Sector players. It helps ensure a truly universal network of up-to-date products and services by setting the rules for International Mail Exchanges and making recommendations to stimulate growth in the volume and/or transactions of Mail, Parcel and Financial Services as well as improve the quality of service for customers.

Figure 4. Mandate, Obligations and Powers, Philippine Postal Corporation, 1992

| Universal Postal Service Obligation | Legal Basis | Powers |
|---|--|---|
| <p>Preamble, Constitution of the UPU, 2010</p> <p>Plan/potentialities of the Governments of the Contracting Countries have, subject to ratification, adopted the Mission of the Union to stimulate the lasting development of efficient and accessible UNIVERSAL POSTAL SERVICES of quality in order to facilitate a communication between the inhabitants of the world by:</p> <ul style="list-style-type: none"> - guaranteeing the free circulation of postal items over a single postal territory of interconnected networks; - encouraging the adoption of fair common standards and the use of technology; - Ensuring cooperation and interaction among stakeholders; - promoting effective technical cooperation; - ensuring the satisfaction of customers' changing needs. | <p>Section 5, RA No. 7354, the Postal Service Act of 1992</p> <p>PHLPost, as a QOCC, is mandated to pursue the following:</p> <ol style="list-style-type: none"> Plan, develop, promote, and operate a NATIONWIDE POSTAL SYSTEM with a network that extends or makes available, at least ordinary mail service, to any settlement in the country; Provide for the collection, handling, transportation, delivery, forwarding, returning and holding of MAILS, PARCELS, and LIKE MATERIALS, throughout the Philippines, and pursuant to agreements entered into, to and from foreign countries; and, Determine and dispose of, in a manner it deems most advantageous, with law and settled jurisprudence, CONFISCATED OR NON-MAILABLE MAIL MATTERS, PROHIBITED ARTICLES, DEAD LETTERS AND UNDELIVERED MAILS, except the sale of prohibited drugs, dangerous materials, and other banned articles as defined by law. | <p>Section 6, RA 7354</p> <p>Powers of PHLPost to achieve the objectives and undertake the functions effectively:</p> <ol style="list-style-type: none"> Charge fees for Postal Services to be rendered, receipt the same, and prescribe, in the manner it is to be paid and collected, subject to the provisions of the Act; Establish and maintain Post Offices, Postal Stations, Collection Points, and related facilities and equipment of such character and in such locations that postal users throughout the Philippines will, consistent with reasonable economies of operations, have ready access to essential Postal Services; Issue and sell Postage Stamps and Other Stamped Paper, Cards, and Envelopes as it may deem necessary or desirable; Offer a wide array of Postal Services other than Ordinary Mail and Parcels, which, however, shall not be compulsory, discriminatory nor unfairly competing with similar private enterprises, such as Money Order, Parcel Post, Postal Savings Bank, Philatelic, and Other Types of Services which are internationally accepted as part of Postal Business; and, Adopt and promulgate such rules and regulations as would improve the Postal System or implement the provisions of the Act. |

Source: Corporate Planning Department

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Pursuant to RA No. 7354, Mails, Parcels and like materials are the postal items under UPS in the Philippines following the definition in the UPU Constitution. Under the current categories of postal items by PHLPost, these are Letter post and Parcel post items.

In 2020, the UPS items handled by PHLPost is 42,525,821 pieces wherein 99 percent are Letter post items. *Please see Table 13.*


B. Financial Inclusion Initiatives

In 2020, the PHLPost continues to be the payout partner of five (5) Non-Government Organizations and one (1) National Government Agency in their financial payout during calamities and/or disasters.

Table 22. Financial Inclusion Partners, Philippine Postal Corporation, 2020

| <i>Partners</i> | <i>Effectivity</i> | <i>Services Provided</i> |
|---|------------------------|---|
| 1. International Committee of the Red Cross | Since 25 January 2015 | <ul style="list-style-type: none"> Cash payout services Signed Framework Agreement from January 2020 to December 2021 |
| 2. Philippine Red Cross | Since 22 April 2015 | <ul style="list-style-type: none"> Cash payout services Signed Memorandum of Agreement effective 1 June to 31 December 2020, and deemed automatically renewed thereafter |
| 3. OXFAM International | Since 23 May 2015 | <ul style="list-style-type: none"> Cash payout services Contract deemed renewed automatically year by year under the same terms and conditions |
| 4. Department of Social Welfare and Development National Capital Region FO | Since 14 August 2015 | <ul style="list-style-type: none"> Door-to-door delivery of stipends under the Social Pension Program Supplemental Contract signed on 29 December 2017 |
| 5. Save the Children Phils. Inc. | Since 1 December 2016 | <ul style="list-style-type: none"> Cash payout services Signed Contract effective 14 March 2020 to 31 December 2021, and deemed automatically renewed thereafter |
| 6. Citizen's Disaster Response Center, Inc. | Since 12 December 2018 | <ul style="list-style-type: none"> Cash payout services Deemed renewed automatically from year to year, subject to renegotiation on the Service Fee after end of every year |

Source: Business Lines Department

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C. Gender and Development

Under Section 14, Article II of the 1987 Philippine Constitution, the State recognizes the role of women in nation-building, and shall ensure the fundamental equality before the law of women and men. With this national mandate, the Executive Order No. 273, series 1995, adopted the Philippine Plan for Gender-Responsive Development, 1995 – 2025 which further strengthen by Section 36, Chapter VI of Republic Act No. 9710, otherwise known as 'The Magna Carta of Women', wherein GOCCs shall adopt Gender mainstreaming as a strategy to promote women's human rights and eliminate Gender discrimination in their systems, structures, policies, programs, processes and procedures.

In 2020, the actual expenditure of PHLPost for Gender and Development (GAD) activities and projects is PHP1,155,348, viz.:


- Holding of PHLPost-wide events and with other agencies celebrating the National Women's Month with 1,500 female and 500 male personnel participating;
- Orientation on Republic Act No. 9262 (RA No. 9262), An Act on Anti-Violence against Women and their Children, with 378 women and men participating, but is discontinued during the COVID-19 pandemic;
- Facelifting and rehabilitation of common Comfort Rooms and/or waiting areas for clients in two (2) Post Offices: 1) Batac Post Office in Northwest Luzon Area; and, 2) Daet Post Office in Southern Luzon Area; and,
- Conduct of annual GAD planning and budgeting workshop with 40 participants from GAD Focal Point System Technical Working Group (GFPS TWG) of Postal Areas;

As of December 2020, there are 1,692 Female personnel holding Plantilla and Contractual positions, 39.20 percent of the total Plantilla and Contractual complement. In the Senior Management level, 40.00 percent are female Executives while for Middle Management it is 36.84 percent. Note that in the Professional and Supervisory level, the female personnel is 49.94 percent. The COS personnel are not included in the Gender disaggregated data.

Table 23. Gender Disaggregated Data, Plantilla and Contractual Personnel, Philippine Postal Corporation, As of December 2020

| Position Level | Total Plantilla and Contractual Personnel | Female | | Male |
|---------------------------------|--|---------------------|-------------------------|---------------|
| | | No. of Personnel | % to Total Personnel | |
| a. Senior Management | 5 | 2 | 40.00% | 3 |
| b. Middle Management | 19 | 7 | 36.84% | 12 |
| c. Professional and Supervisory | 94 | 46 | 48.94% | 48 |
| d. Clerical and General Staff | 4,198 | 1,637 | 38.99% | 2,561 |
| Total | 4,316 | 1,692 | 100.00% | 2,624 |
| % to Total Personnel | 100.00% | 39.20% | | 60.80% |

Source: Human Resources Management Department

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D. COVID-19 Initiatives

In March 2020, the Philippine Government places the country under community quarantine to curb, curtain and minimize the spread of COVID-19 virus. During this period, the PHLPost implemented the following initiatives to comply with the protocols imposed by the Philippine Government during the community quarantine as well as ensure that the provision of Postal continues.

- Prioritization of the processing, transport and delivery of postal items containing medical and health supplies, perishable items as well as Government and private pensions.
- In cooperation with select NGAs and NGOs, undertake the delivery of relief and medical supplies to medical personnel and communities, supported by electric bicycles;
- The Post Offices and processing facilities at areas placed in the Enhance Community Quarantine (ECQ) and Modified ECQ (MECQ) are under limited operations with skeletal workforce while those in the areas under the General Community Quarantine (GCQ) and Modified GCQ (MGCQ) return on regulations with workforce on alternative work schedule.
- The Offices of Exchanges continues to receive and process inbound mail dispatches transported to the Philippines as well as process and transport outbound dispatches to select countries through alternative conveyance methods.
- Adoption of alternative conveyance mode and/or innovations in the mail network to transport of mails dispatches between Luzon and Visayas/Mindanao as well as between Postal Areas.
- The personnel assigned at support and administrative functions in Central Office and Post Offices are on alternative work schedule during ECQ and MECQ.
- Provision of protective personal equipment and supplies to personnel, such as face mask and face shield, as well as regular disinfection of postal facilities.
- Following Administrative Nos. 26 and 28, series 2020, the PHLPost granted to the personnel who physically reported for duty during ECQ and MECQ the COVID-19 Hazard Pay and/or Special Risk Allowance (COVID-19 SRA).

In FY 2020, the PHLPost disbursed PHP10,820,700 for COVID-19 related activities, wherein 81.27 percent of the amount is the payment of the COVID-19 SRA. Noted that the PHLPost realigned and revised the approved Corporate Operating Budget for FY 2020 (FY 2020 COB) to provide for COVID-19 budget as said allocation is not included in the FY 2020 COB which is approved in April 2019.