

Philippine Postal Corporation

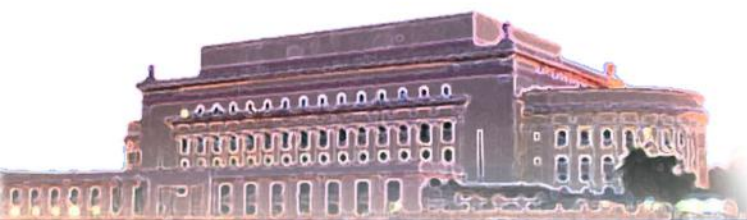
A Government Owned and Controlled Corporation



Annual Report 2012

"...sustaining the gains."





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The corporate intent of PHLPost is consistent with three out of five key result areas of the President's Social Contract namely;

- ✓ Transparent, accountable, and participatory governance;
- ✓ Rapid, inclusive, and sustained economic growth; and
- ✓ Poverty reduction and empowerment of the poor and vulnerable

Message from the Chairman

The Postmaster General and CEO on Sustaining the Gains



The performance of the Philippine Postal Corporation in the past two years has quietly demonstrated that the Post Office, as the public know it, has both the resiliency and the verve to rise from a lackluster and much-maligned institution into a truly outstanding government corporation. In 2011, the first year under a new leadership, we turned around major financial losses from the previous year into a healthy profit to enable us to make our first dividend contribution to the national treasury. Last year, as if to prove that it was no fluke, we even surpassed our 2011 profitability record in spite of mitigating factors highlighted by the simultaneous cleansing of our books to truly reflect our financial position.

Parallel to our effort to achieve growth and stability, we laid in the past two years the groundwork for what the public expects from its postal service – efficient and timely delivery of services and zero pilferage of mail and cargo. Postal delivery represents one of the most visible frontline services of government, and it is never easy to satisfy a critical customer base numbering in the millions. Happily for the Corporation, its heavy intention to streamline operations, which some personnel describe in the local language as “*tutok*”, appears to be paying off if the reduced number of complaints is any gauge.

The challenge of the future is to sustain in the coming years the gains that have been made. We are fully aware that operational changes are more difficult to implement as these involve both systems and behavioral and attitudinal changes in people. Add to this the dynamic telecommunications and competitive environment and the challenge to do well becomes even more formidable.

However, based on what I have seen so far, we shall be up to the challenge, and all proclaim, I am “*CARTERO*” and I am proud to be one.




CESAR N. SARINO
Chairman

We did it again!

PHLPost is proud to report once again, we have surpassed our targets and achieved more in 2012, including the approval and implementation of the Rationalization Plan.

2012 was a year of strengthened partnerships, new opportunities and new challenges. In line with our 20th corporate anniversary celebration, PHLPost ventured into new businesses and partnerships that significantly contributed to the overall financial success of the postal corporation.

In March, we initially opened Bayad Center counters in 47 post offices nationwide. It was also in the same period when we started doing the Conditional Cash Transfer payout to some 30,000 beneficiaries as part of our tie-up with Land Bank of the Philippines and the Department of Social Welfare and Development. To date, we are already doing the payout for more than a million beneficiaries around the nation.

We have also strengthened our ties with our foreign partners with the signing of bilateral agreements on exchange of transactions via Eurogiro Network with Poste Italiane, Hellenic Post and Swiss Post, giving the corporation a total of 17 Postal Administration partners.

Another major achievement we had before the end of 2012 was the approval of our Rationalization Plan, which enabled us to implement significant reforms in the organization as well as make the necessary adjustments in compensations as stated in Executive Order 366.

2012 was also the year that we regained our Good Standing status with the Government Service Insurance System (GSIS). Except for our employees from the National Capital Region, our workforce is now again enjoying the privileges and benefits of being a GSIS member.

Apart from all the gains, we delight in the fact that PHLPost is slowly getting back on track, as we continue to earn the trust and confidence of our clients. Our success story has just started. 2013 promises to be a year of more business opportunities and partnerships as we go full blast in our efforts to improve our services and introduce new products in the coming months.



My sincerest gratitude to our beloved President Benigno Aquino III, for his unrelenting support and for believing in us that we can make things happen for PHLPost. The same gratitude is being extended to every man and woman of PHLPost, who bravely faced the challenges and rose victorious in every quest for excellence.

Ang lahat ng aming tagumpay ay alay namin sa bawat Pilipinong naniniwala na susulong muli ang PHLPost.


MA. JOSEFINA M. DELA CRUZ
Postmaster General and CEO

Board of Directors



HON. CESAR N. SARINO
Chairman

Chairman Sarino is a former Secretary of the Department of Interior and Local Government (DILG) and the former President and General Manager of the Government Service Insurance System (GSIS) before being appointed as President and CEO of the Philippine Postal Savings Bank, Inc. and PHLPost's Chairman of the Board in 2011.

The years spent by Chairman Sarino in government service are highlighted by two of his major accomplishments such as the formalization, submission, lobbying, and approval of the Local Government Code of 1991 and the GSIS Act of 1996.

Aside from the government sector, he is also affiliated with various private corporations; education and cultural institutions; international organizations; and professional, non-government, civil, and religious organizations where he holds key positions.

With a degree in Economics taken at the Ateneo de Manila University, Chairman Sarino also completed his masters degree in business administration at New York University.

HON. MARIA JOSEFINA M. DELA CRUZ
Vice Chairman, Postmaster General & CEO

Postmaster General and CEO Dela Cruz is a multi-awarded local chief executive and a champion in reinventing public service. Her celebrated political career spanning almost 30 years was foregrounded when she became the first lady governor of Bulacan for three consecutive terms.

Her irrefutable excellent leadership in local governance earned her numerous recognitions which include the Ten Outstanding Young Filipinos Award for Community Development and Government Service in 1997, the Konrad Adenauer Local Government Award in 2000, the Presidential Lingkod Bayan Award, and the Most Outstanding Governor 2000 among others. It was also during her incumbency when Bulacan was steered to being one of the most admired provinces in the country.

PMG Dela Cruz has a solid educational background in Management Engineering (Cum laude, Ateneo de Manila University, 1980) and Psychology (Magna Cum Laude, Ateneo de Manila University, 1981). Further, she has studied various aspects of governance by attending workshops and executive courses in United States of America, India, Japan, Singapore, Nepal, Australia, and the John F. Kennedy School of Government at Harvard University.

HON. MORY Q. SISON
Member, Board of Directors

Chairman, Committee on Marketing
Vice Chairman, Committee on Asset Management
Member, Committee on Finance

Director Mory Q. Sison hails from Lingayen, Pangasinan where he once served as one of its Municipal Councilors. He also served as Vice-President for Media and Public Relations of the Government Service Insurance System (GSIS).

HON. FELIPE A. HIDALGO, JR.
Member, Board of Directors

Chairman, Committee on Operations and Internal Relations
Vice Chairman, Committee on Finance
Member, Committee on Good Governance

Director Felipe A. Hidalgo, Jr. is a former Assistant Postmaster General who rose from the ranks. In his more than 40 years in the postal service, he served as Postmaster, Postal Inspector, Regional Director and was designated as APMG for Administration, Marketing and Business Development and Operations. Upon his retirement from PHLPost, he briefly served as consultant to the Bureau of Customs before being appointed as Member of the PHLPost Board of Directors.

HON. JOEL L. OTARRA
Member, Board of Directors

Chairman, Committee on Finance
Vice Chairman, Committee on Operations and International Relations
Member, Committee on Marketing

Director Joel L. Otarra started his career as an active member of the Catholic Church, a dedicated community organizer in Mindanao and a vital staff of the Catholic Bishops Conference of the Philippines (CBCP).

HON. MA. LOURDES P. VARONA
Member, Board of Directors

Chairman, Committee on Good Governance
Vice Chairman, Committee on Marketing
Member, Committee on Asset Management

Director Ma. Lourdes P. Varona started her career in government service as a Public Relations Officer at the Games and Amusement Board in 1979 and as a Technical Consultant to the Chancellor, University of the Philippines in Manila. She also served as Assistant Secretary and Head of the Correspondence Office, Office of the President from 2001 to 2010 before her appointment as PHLPost Board Member.

HON. RONALDO S. TUAZON
Member, Board of Directors

Chairman, Committee on Asset Management
Vice Chairman, Committee on Good Governance
Member, Committee on Operations and International Relations

Director Ronaldo S. Tuazon is among the original members of the Board of Directors during the transition of the former Bureau of Posts into the Philippine Postal Corporation. He served from 1993 to 1998 and held Chairmanship as well as membership in various Board Committees.

The Executive Management Team



PHLPost Management Committee composed of the Postmaster General and CEO, Assistant Postmaster General for Operations, Assistant Postmaster General for Administration and Finance and Assistant Postmaster General for Marketing and Management Support Services, and the Department Managers, Officers-in-Charge, and Division Chiefs of the Corporation.



The PHLPOST Executive Management Team, from left to right : APMG for Marketing and Management Support Services Luis D. Carlos, APMG for Administration and Finance Maura M. Baghari-Regis, Postmaster General and CEO Ma. Josefina M. Dela Cruz, and APMG for Operations Engr. Mama S. Lalanto, al Haj



MYRACHELLE GAY T. SANTOS
Chief of Staff
Office of the Postmaster General

ATTY. LEE P. VICERAL
Officer In-Charge
Legal Service

NOEL R. ACUÑA
Director
Inspection Service

MARIA LOURDES L. RIFAREAL
Officer In-Charge
Corporate Planning Service

FRANCIS T. CERENO
Officer In-Charge
Internal Audit Service

PETER S. BARTOLOME
Officer In-Charge
Management Information System

ESTHER V. CABIGAO
Director
Human Resource Management Department

FEDERICO D. FRAYNA
Officer In-Charge
Central Mail Exchange Center

OLIVIA M. VALDERAMA
Officer In-Charge
Domestic Operations and Services Department

MARY ANN C. LEE
Officer In-Charge
Express Mail Service

ROMEO M. SARDAN
Officer In-Charge
Foreign Surface Mail Distribution Center

EDNA R. VILLANUEVA
Officer In-Charge
International Affairs Department

FLORENTINO A. GUY-JOCO
Officer In-Charge
Mail Processing Office

ENGR. AUGUSTO A. LECCIONES
Officer In-Charge
Motor Transport Department

DANILO B. VELASCO
Officer In-Charge
Network and Transport Department

ENGR. ELIEZER V. ROSALES
Officer In-Charge
General Engineering Department

ENGR. IRENEA G. VILLAMOR
Officer In-Charge
Logistics and Property Management Department

MARIETTA B. BERTILLO
Officer In-Charge
Accounting Department

ZENAIDA D. BAÑAGA
Officer In-Charge
Investment Management and Treasury Department

CORAZON E. DAMIAS
Officer In-Charge
Money Remittance Department

ELENITA D. SAN DIEGO
Officer In-Charge
Postage and Philatelic Department

ANABELLE M. ERFELO
Officer In-Charge
Marketing Department

ANTONIO C. SABLAN, JR.
Division Chief
Corporate Communications Division

ROBERT S. MONDOÑEDO
Area Director
Mega Manila Area



Corporate Profile



2012 Financial Gains

The relentless efforts of the Corporation towards financial sustainability have again resulted to financial gains in 2012. While doing reforms to enhance the Corporation's competitiveness, prudent financial management practices now have kept the annual operating expenses lower than the PhP3.307 billion revenue earned this year. Further, taking into account the reimbursement of franked mails and other subsidies, the Corporation realized a net income of PhP353.05 million.

Human Resources

The Year 2012 marks another milestone for the Corporation as the Rationalization Plan was finally approved by the Office of the President on October 5, 2012. It was then endorsed by the Governance Commission for Government Owned and Controlled Corporations to PHLPost on October 31, 2012. The approval paved the way for a new organizational structure which is very essential in establishing improved corporate governance. The personnel complement in the approved rationalization plan is 7,043 employees.

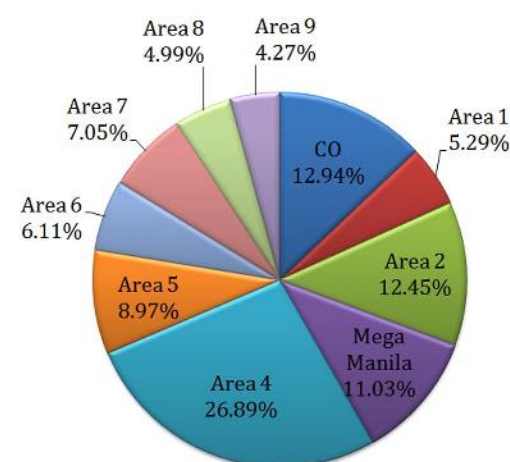
Human Resource Status

Office/Postal Areas	Manpower Complement as of December 31, 2012				
	Regular	Contractual	ELs	COS	TOTAL Manpower
CO	979	52	251	48	1,330
Area 1	476	-	27	41	544
Area 2	1,175	-	52	52	1,279
Area 3	846	1	167	119	1,133
Area 4	1,657	-	781	325	2,763
Area 5	662	1	134	125	922
Area 6	430	3	101	94	628
Area 7	599	-	72	53	724
Area 8	408	-	27	78	513
Area 9	394	1	24	20	439
TOTAL	7,626	58	1,636	955	10,275

As of December 2012, the actual manpower is 10,275 individuals, 4,437 (43.18%) of which are letter carriers.

In terms of personnel sharing among postal areas, including the Central Office, Southern Luzon Area has the greatest number of employees at 26.89 percent share followed by the Central Office and Northwest Luzon Area respectively.

Human Resource Distribution by Area, 2012
Total=10,275

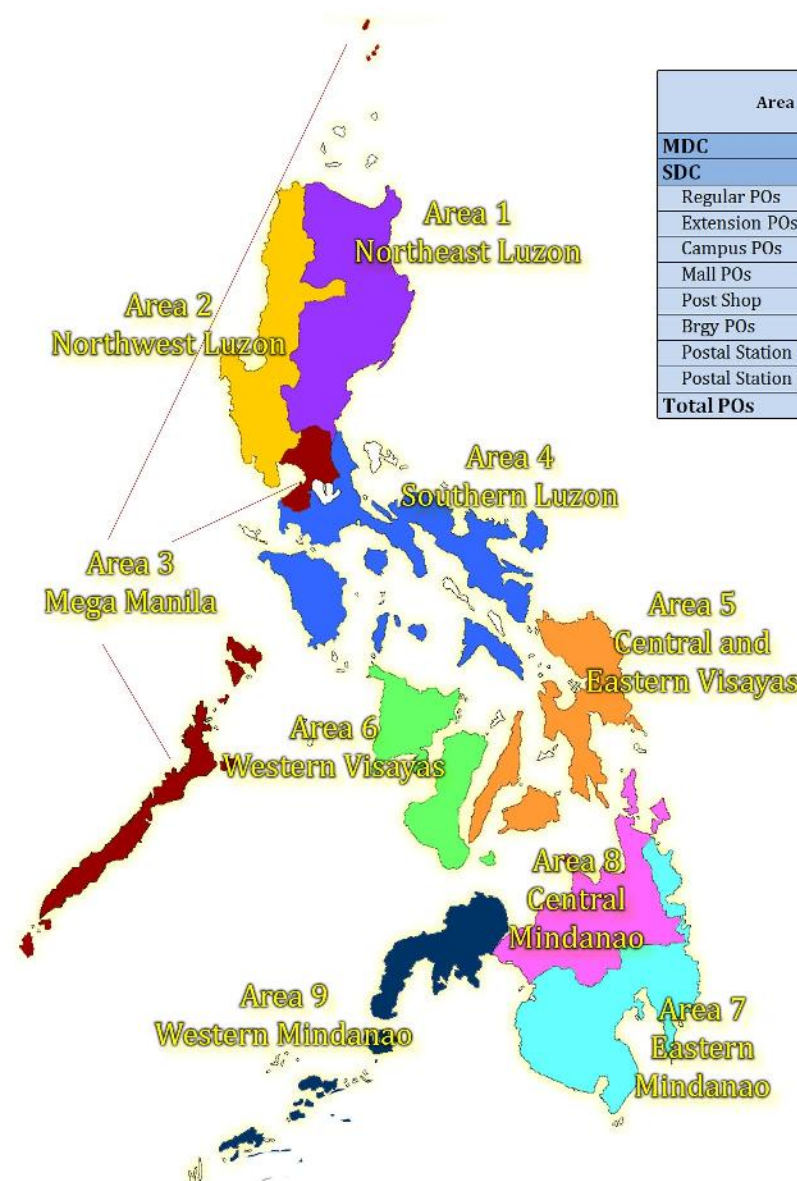


Postal Areas

Aligned with the strategic directions, the field operations patterned according to the Philippine political and administrative boundaries were restructured effective January 13, 2012 from 14 Postal Regions into nine (9) Postal Areas based on the postal network of PHLPost. The postal areas include Northeast Luzon, Northwest Luzon, Mega Manila, Southern Luzon, Central and Eastern Visayas, Western Visayas, Eastern Mindanao, Central Mindanao, and Western Mindanao.

Postal Network

Area	Area 1 NELA	Area 2 NWLA	Area 3 Mega Manila	Area 4 SLA	Area 5 CEVA	Area 6 WVA	Area 7 EMA	Area 8 CMA	Area 9 WMA	Total
MDC	1	1	1	1	1	1	1	1	1	9
SDC	3	7	0	14	3	5	3	7	3	45
Regular POs	90	216	141	203	126	121	119	154	84	1,254
Extension POs	71	86	40	86	68	49	20	16	35	471
Campus POs	2	13	3			6	3	7		34
Mall POs			11			1	4	1		17
Post Shop			3							3
Brgy POs			5					1		6
Postal Station (Owned)		1								1
Postal Station (Private)		3								3
Total POs	163	319	203	289	194	177	146	179	119	1,789



With the presence of 1,672 post offices including postal stations strategically located in almost all cities and municipalities, PHLPost is one of the major delivery companies with the widest network in the country. Furthermore, aside from the nine Mail Distribution Centers (MDCs) and 45 Sub-Distribution Centers (SDCs)/Mail Hubs, PHLPost has three Offices of Exchange (OEs) such as Express Mail Service Office (EMSO) and the Mail Processing Office (MPO) which are both located in the Central Mail Exchange Center (CMEC) and Foreign Surface Mail Distribution Center (FSMDC). These OEs serve as the central mail processing hubs handling both the inbound and outbound international mails and the inter-regional mails.

PHLPost's international network covers 56 destination countries for Express Mail Services and 196 destination countries for Parcel and Letter Post.

The Board at Work



Towards the fulfillment of the 3 Policy Imperatives

The Board of Directors has approved a total of 94 resolutions in 2012 which are all essential in the fulfillment of the three corporate policy imperatives. The major resolutions include the following:

On timely delivery of mails

Board Resolution No. 2012-15. "Approving the three-year refueling program of the Philippine Postal Corporation."

Board Resolution No. 2012-28. "Authorizing the engagement of services of a marketing research firm to regularly conduct surveys on mail delivery performance, among others."

On zero pilferage

Board Resolution No. 2012-32. "Institutionalizing the imposition of the penalty of dismissal from the service of employees or officials found guilty of dishonesty or malversation of public funds."



Chairman Sarino and other Board Members

Board Resolution No. 2012-33. "Adopting as a matter of policy that employees or officials who have been involved in a case connected with malversation of funds or dishonesty shall not be qualified for any promotion in rank or career advancement within the corporation and shall not be assigned to handle any office or assignment with money accountabilities during the pendency of the administrative case."

Board Resolution No. 2012-61. "Approving a policy on the periodic reassignment and/or reshuffling of postal officials/employees assigned in the processing of parcels."

Board Resolution No. 2012-68. "Approving the grant of authority to Postmaster General Ma. Josefina M. Dela Cruz to commence negotiation for the procurement of two hundred eighteen units of digital metered machines."

On financial sustainability, thus contributing to national treasury

Board Resolution No. 201-08. "Approving the agreement for initialzing new transactions on the Eurogiro Network between the Philippine Postal Corporation and Hellenic Post Elta S.A."

Board Resolution No. 2012-27. "Approving the second memorandum of agreement between the Philippine Postal Corporation and Philippine Postal Savings Bank, Inc. to accelerate the implementation of the synergy agreement (First MOA) to optimize the use of post offices to jumpstart remittance and electronic financial services under a micro-finance banking officer/other banking office (MBO/OBO) environment, among others."

Board Resolution No. 2012-52-A. "Approving the commercial agreement on postepay twin cards with Poste Italiane."

Resolutions cutting across policy imperatives

Board Resolution No. 2012-16. "Adopting a new corporate logo depicting the needs and aspirations of the Philippine Postal Corporation and serving as component of the re-branding and repositioning strategies geared to project new corporate image and commitment for quality service to the mailing public."

Board Resolution No. 2012-37. "Approving the educational program of the Philippine Postal Corporation and its implementing guidelines."

Board Resolution No. 2012-43. "Approving the memorandum of understanding between the Philippine Postal Corporation and the Development Academy of the Philippines for the offering of ladderized programs leading to masteral and/or doctoral degrees to qualified postal employees/officials and for the intensive training of postmasters nationwide."

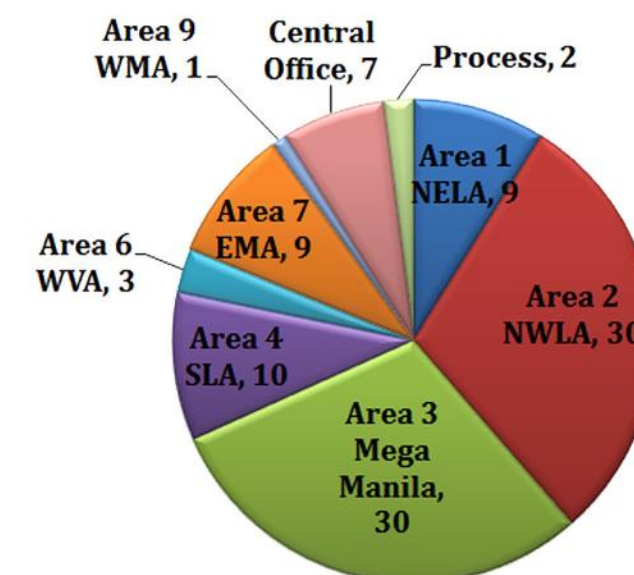
Board Resolution No. 2012-63. "Approving the second memorandum of agreement between the Philippine Postal Corporation and the Development Academy of the Philippines for the intensive training of postmasters nationwide to enhance their competencies."

Internal Audit Results

The PHLPost Internal Audit Department (IAD) continues its effort to ensure reliability of financial reports, efficiency of operations, effectiveness of internal controls, compliance with laws, rules and regulations, and protection of assets. PHLPost internal auditing intends to identify problems and issues according to its root cause, indicators, and risks.

In 2012, IAD was able to finish the auditing of 101 post offices, processes and other offices from all over the country. Based on the audit results, post offices with shortages in monetary accountabilities are the major challenge for the Corporation. Among the factors which have allowed the shortages include weakness in policies and procedures, compensating non-working controls, and weak supervision.

Audited Post Office by Area, Total = 101



Results of Marketing Efforts



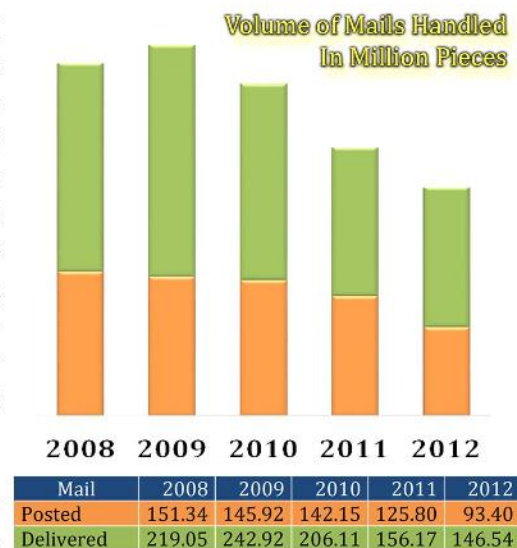
Historical Figures

In 2012, about 93.4 million pieces of mails were accepted by PHLPost for delivery to various local and international destinations. However, this is 25.76 percent lower compared to that of 2011. In terms of volume, domestic letter post has the biggest share at 85.46 percent while the domestic parcel post has the least share.

Domestic Express Mail Service (DEMS) comprises almost all (93.3%) of the posted Domestic Express Mail while the remaining are Domestic Express Pouch. Almost all (82.5%) of the total Domestic Letter posted are Ordinary Letter followed by Registered

Letter (12.4%) and Priority Mail (2.6%) among the rest. For Domestic Parcel Post, almost all (94.5%) are Domestic Parcels while the rest are COD (5.5%). Majority of the International Express Mail Service is composed of parcels (58.5%) while the remaining are letters (41.5%). Lastly, almost all (90.1%) of International Letter posted are ordinary followed by registered (7.0%), small packets (1.7%) and printed matters (1.3%).

On the other hand, the letter carriers were able to deliver about 146.54 million pieces of mails throughout the country in 2012.



MAIL	2011	% Share to 2011 Total	2012	% Share to 2012 Total	% Change
POSTED					
A. Domestic Express	652,020	0.52	496,630	0.53	(23.83)
B. Domestic Letter Post	106,972,441	85.03	79,965,151	85.62	(25.25)
C. Domestic Parcel Post	48,316	0.04	17,944	0.02	(62.86)
D. International Express	901,497	0.72	513,334	0.55	(43.06)
E. International Letter Post	8,733,282	6.94	5,737,212	6.14	(34.31)
F. International Parcel Post	636,331	0.51	230,574	0.25	(63.77)
G. Franked Mail	7,854,620	6.24	6,437,926	6.89	(18.04)
TOTAL POSTED	125,798,507	100.00	93,398,771	100.00	(25.76)
DELIVERED	156,165,475	-	146,541,563	-	(6.16)

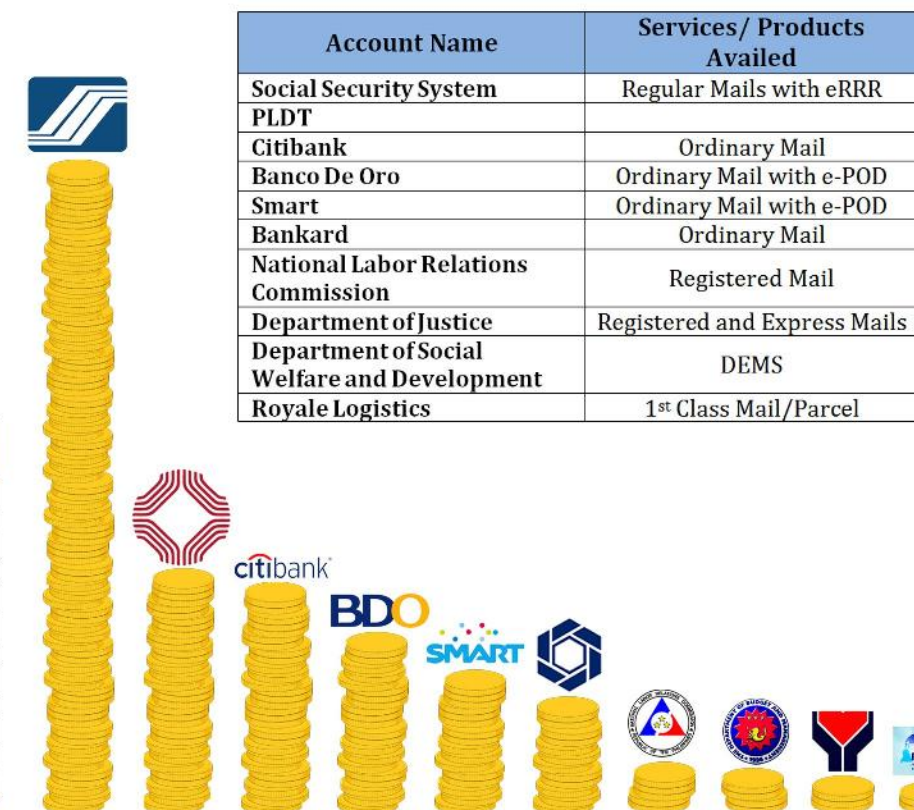
New Corporate Clients

PHLPost has also made a deal with 28 new companies and government agencies for mail delivery services. The Corporation earned about PhP15.83 million worth of revenue from these new accounts. Greatest number (13 of 28) of these clients availed of the ordinary mail services equivalent to around PhP2.066 million while those that availed the registered mail services, including Stocks Specials and Computer Services, Lepanto Consolidated Mining, Incorporated Bridge Publications, and Empire East Holdings, Inc. have generated the greatest revenues.

PHLPost Products/ Services Availed	No. of New Clients
Registered Mails	3
DEMS	1
Ordinary Mails	13
Logistics	2
Ordinary Mails with e-POD	1
Stamps in Bulk	1
Registered with RRR	2
1st Class Mails with POD	1
2nd Class Mails	1
Unaddressed Advertising Mail Service	1
Regular Mails with eRRR	1
3rd Class Mails	1
TOTAL	28

Top Ten Corporate Clients

Corporate accounts continue to contribute largely to the revenue of the Corporation. In 2012, the figures on revenue have placed the Social Security System, Philippine Long Distance Telephone Company, Citibank, Banco de Oro and Smart Communications respectively on top of the list.



Stamps Issued



Commemorative Stamp released on January 2, 2012
"60th Year Anniversary of Lyceum of the Philippines University"

Commemorative Stamp released on January 19, 2012
"100th Year Anniversary of the Grand Lodge of Free and Accepted Masons of the Philippines"



Commemorative Stamp released on January 25, 2012
"50th Year Anniversary of the Diocese of Malolos Philippines"

Commemorative Stamp released on March 16, 2012
"75th Year Anniversary of Davao City"



Commemorative Stamp released on March 19, 2012
"100th Year Anniversary of Ateneo de Zamboanga"

Commemorative Stamp released on March 21, 2012
"100th Year Anniversary of St. Agnes Academy"



Results of Marketing Efforts

Responsible Investment

While striving to attain financial sustainability, PHLPost has not veered away from doing responsible investment. It has remained in touch with its mandate of providing public service by making postal service accessible, available, and affordable. Accordingly, the Corporation launched innovative products and services in 2012.

Payment Collection Services. By partnering with the Philippine Bayad Center, the leader and the pioneer in the country's Outsourced Payment Collection Industry, PHLPost has now started to accept payments for utilities for different electricity, water, internet, mobile and landline companies; payments for credit cards and government services; and payments for other companies providing insurance, real estates, travel services, and other financial services.

Conditional Cash Transfer (CCT) Payout. CCT is a priority project of Philippine National Government that assists the country's poorest by the provision of monthly stipends. This is a project of the country's Department of Social Welfare and Development with the help of Landbank of the Philippines that takes care of the fund transfer, and PHLPost that conducts some of the payouts. Through the CCT, PHLPost has been proven effective in conducting a nationwide payout even to far-flung and island areas at economical rates. Aside from earning about 52.86 million equivalent to 1.39 million payouts to 468,086 beneficiaries, the CCT payout serves as a brand equity investment addressing the poor image of the Corporation.



CCT Payout operations all over the country

E-POST MO. PHLPost has also transformed the paper-based postal money order into an electronic postal money order. E-POST MO is an electronic remittance system that facilitates fund transfers through an instant payout process. A total of 6,528 transactions were successfully remitted during its gestation period.

Logistics. The Logistics services by the Corporation has also generated about PhP239.92 thousand.

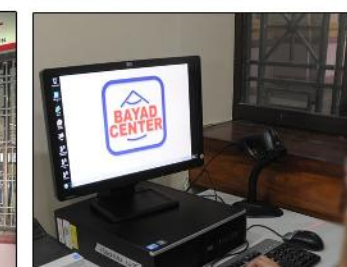
Postal Stations. The Postal Station was introduced in 2012 for interested individuals or entities to undertake acceptance of mail matters.

Revenue from New Products and Services

Products / Services	Performance Indicators	
	Volume	Revenue Generated
Bayad Center	81,907 transactions	510,790.00
CCT Payout	1,390,676 beneficiaries	52,863,294.00
E-Post MO	6,528 transactions	817,738.76
Logistics	no consolidated volume	239,924.00



New PHLPost trucks for Logistics Services



(right) e-Post shop at Manila Central Post Office
(top) Bayad Center systems test before launching

Stamps Issued



Commemorative Stamp released on April 1, 2012
"50th Year Anniversary of the APPU"



Definitive Stamp released on March 30, 2012
"1st Quarter Topical Issue - Philippine Folklores and Legends Series featuring Mariang Makiling"



Commemorative Stamp released on April 10, 2012
"20th Corporate Anniversary of PHLPost"

Commemorative Stamp released on May 1, 2012
"Birth Centenary of Felipe de Leon"



Special Stamp released on May 1, 2012
"Filipino Heritage Festival featuring Philippine Churches"



Commemorative Stamp released on May 2, 2012
"45th Annual Meeting of the Asian Development Bank"



Special Stamp released on June 15, 2012
"Cagayan de Oro - White Water Rafting"

Results of Marketing Efforts



Partnerships Established

PHLPost signed both bilateral and commercial agreements with other postal administrations in 2012. Bilateral Agreements on exchange of transactions via Eurogiro Network was signed with Poste Italiane (Italy), Hellenic Post (Greece), Swiss Post (Switzerland) and Postal Sociedad Estatal de Correos Y Telegrafos S.A. (Spain).



The agreement with Poste Italiane deals with cash payments which involve the issuance of a postal payment order to the beneficiary covering the amount of remittance for encashment at the post office or designated bank.



Postmaster General and CEO Dela Cruz and Engr. Massimo Sarmi, CEO of Poste Italiane during the Ceremonial Signing of the Bilateral Agreement initially signed at the Eurogiro Community Meeting, in Athens, Greece on May 8-10, 2012.



(left to right, top to bottom) Correos Deputy Director for Financial Services Mr. Jose Luis de la Mano, APMG for MMSS Luis D. Carlos, Dir. Joel L. Otarra, Correos General Director for Operations Mr. Magin Blanco Gonzales, Correos Responsable Unit Send/Receive Money Orders Mr. Luis Serrano Cabrera, CEO Sociedad Estatal de Correos y Telegrafos Mr. Javier Cuesta Nuin, Postmaster General and CEO Ma. Josefina M. Dela Cruz, and Philippine Ambassador to Spain Mr. H.E. Carlos C. Salinas

Commercial Agreement on PostePay Card was also signed with Poste Italiane. The Postepay Twin is a kit of two prepaid cards (one named and one unnamed) for withdrawals and payment. The two cards are sold as a single kit and linked at the time of purchase. The unnamed card, unloaded and inactive is given to the client with an envelope and sent to the Philippines. Once it has reached its destination, the cardholder of the named card in Italy can activate the unnamed card through Poste Italiane's call center. The international circuit of Postepay Twin card is VISA Electron and withdrawals can be made only from any VISA ATM worldwide, wherever the beneficiary wants to withdraw his/her money.

The same agreement was signed between PHLPost and Swiss Post. PHLPost's agreement with Hellenic Post and Correos on the other hand also involved credit to account services aside from cash payments. With this agreement, the total amount of remittance is credited to the account of the beneficiary.

Given these new partnerships, PHLPost now has a total of 17 Postal Administration partners around the world for postal payments.

Countries which Postal Administrations have Bilateral Agreement with PHLPost

International Payment Partners	Volume of Transactions	Other International Payment Partners
Singapore – Eurogiro	6,384	
Korea	102	✓ Brunei
Singapore	21	✓ Greece – Eurogiro
Switzerland – Eurogiro	7	✓ Indonesia
Hong Kong	6	✓ Iran
Malaysia	3	✓ Kuwait
Italy – Eurogiro	2	✓ Mongolia – Eurogiro
United Arab Emirates	2	✓ Vietnam
Thailand	1	✓ Spain – Eurogiro
TOTAL	6,528	

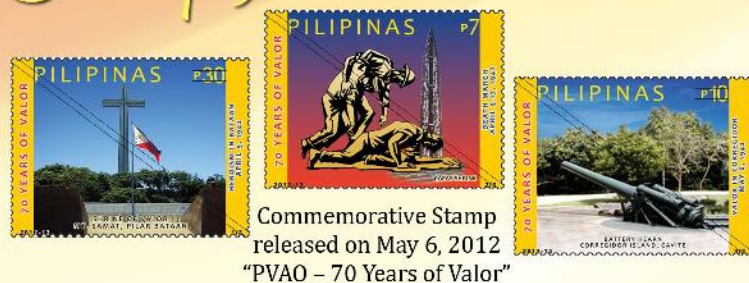
Major Programs, Projects, and Activities

- PHILPEX 2012 – Philatelic Exhibit at Manila CPO lobby on February 2012
- Participation to the Kabisig Government Expo on February 2012
- Launching of new PHLPost Logo and introduction of new Services such as Bayad Center and CCT Payout, e-Post MO, Logistics Service and Postal Station franchising during PHLPost's 20th Corporate Anniversary on April 2012
- Grand Kartero Day on November 2012



Celebration of Grand Kartero Day (top), PHILPEX: Opening of Exhibit at Manila CPO Lobby (left), PMG and CEO Dela Cruz with Mr. Oscar Reyes of Bayad Center (right)

Stamps Issued



Commemorative Stamp released on May 6, 2012 "PVAO – 70 Years of Valor"

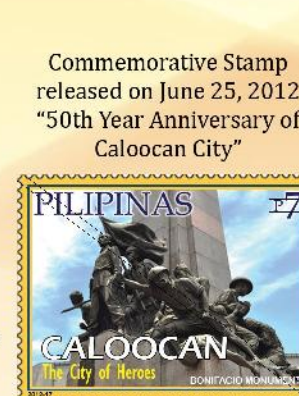
Commemorative Stamp released on May 28, 2012 "75th Year Anniversary of GSIS"



Special Stamp released on June 8, 2012 "Year of the Dragon (Series II)"



Commemorative Stamp released on June 25, 2012 "50th Year Anniversary of Caloocan City"



Definitive Stamp released on June 26, 2012 "2nd Quarter Topical Issue Philippine Folklores and Legends Series featuring Habagat"

Special Stamp released on July 28, 2012 "The Games of the 30th Olympiad in London"



Stamps Issued



Results of Operations

This year, about 32 stamps were issued by PHLPost consisting of 19 Commemorative Stamps, nine Special issues and four Definitives with a total volume of 16,822,000 pieces. Philatelic Sales for 2012 amounted to PhP31,658,947 representing almost one percent of the Corporation's gross revenue.

Definitive Stamps

Definitives or regular stamps are for general and continuous use for all existing postal rates. These shall be printed in sufficient quantities to last for a minimum of one year. Number of issues are limited to one series every year. (Philpost Administrative Order No. 08-01). In 2012, PHLPost issued about 10,150,000 pieces of definitive stamps.

Commemorative Stamps

Commemorative stamps mark anniversaries of national and international significance. These are printed in limited quantities and made available for a period of one (1) year from the first day of sale and conform with the basic prevailing rates including souvenir sheets. (Philpost Administrative Order No. 08-01). In 2012, PHLPost issued about 2,870,800 pieces of commemorative stamps.

Special Stamps

Special Stamps promote, publicize, and draw attention to events, personages and objects of national and international significance. These are printed in limited quantities and made available for a period of one (1) year from the first day of sale and conform with the basic prevailing rates including souvenir sheets. (Philpost Administrative Order No. 08-01). In 2012, PHLPost issued about 3,801,200 pieces of special stamps.

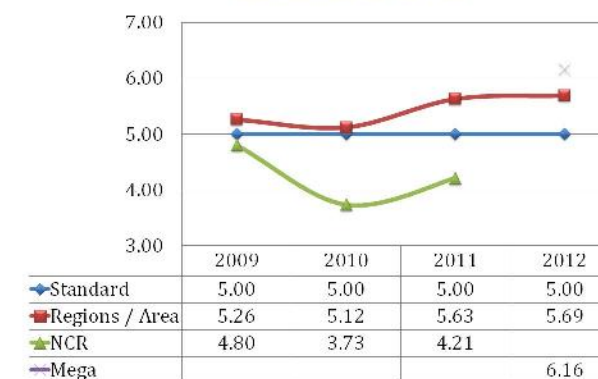
Volume of Issued Stamps

Denomination in PhP	% Share to Total Volume
7.00	76.64
9.00	6.92
10.00	14.12
30.00	1.73
40.00	0.59
Total	100.00

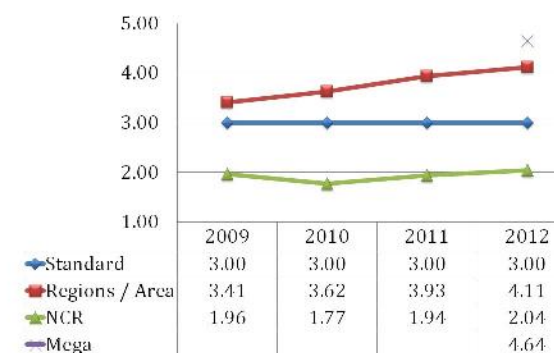
Historical Delivery Performance

Based on the available actual measurement of delivery performance, PHLPost was able to perform better in terms of the delivery of registered mails in 2012. Generally, the postal areas were able to deliver the registered mails not exceeding the D+4 days standard for intra-regional while D+7 days for inter-regional. On the other hand, PHLPost needs to institute reforms to overcome the challenges in the delivery specifically for DEMS and ordinary mails.

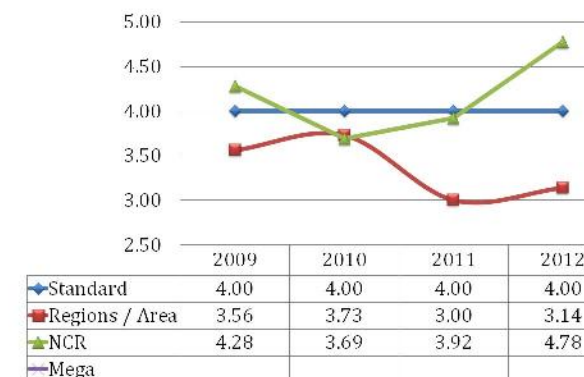
Ordinary Mails (Inter-Regional) Standard: D+5



Ordinary Mails (Intra-Regional) Standard: D+3

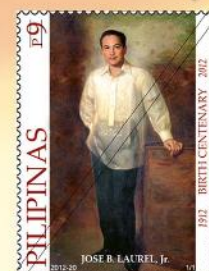


Registered Mails (Intra-Regional) Standard: D+4



Stamps Issued

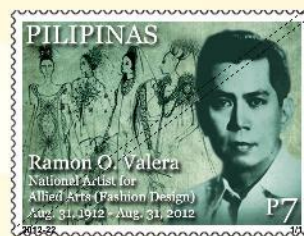
Commemorative Stamp released on August 29, 2012
"50th Year Anniversary of Metrobank"



Commemorative Stamp released on August 29, 2012
"Birth Centenary of Jose B. Laurel"



Commemorative Stamp released on August 31, 2012
"Birth Centenary of Ramon O. Valera"

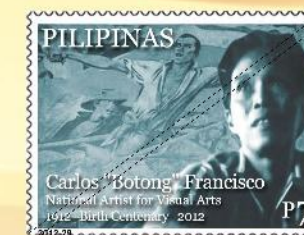


Definitive Stamp released on September 28, 2012
"3rd Quarter Topical Issue - Philippine Folklores and Legends Series featuring Amihan"



Commemorative Stamp released on October 5, 2012
"100th Year Anniversary of Manila Hotel"

Special Stamp released on October 21, 2012
"Canonization of Blessed Pedro Calungsod"



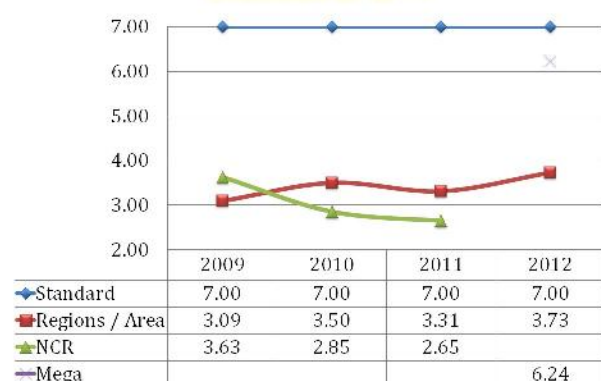
Commemorative Stamp released on November 4, 2012
"Birth Centenary of Carlos Botong Francisco"



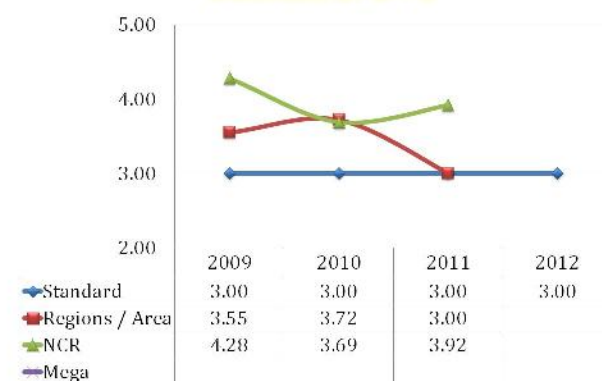
Results of Operations



Registered Mails (Inter-Regional) Standard: D+7



Domestic Express Mails (Inter-Regional) Standard: D+3



Vehicle Complement for CY 2012

PHLPost uses its 212 delivery vehicles, which include vans, trucks, and motorcycles to service its 210 mail routes. Greatest of these vehicles are in Mega Manila Area while the least are in Northeast Luzon Area and Central Mindanao Area. With only two reserve vehicles, the Corporation needs to procure more delivery vehicles as proposed in the refueling plan.

Delivery Vehicles vs. Delivery Routes per Area

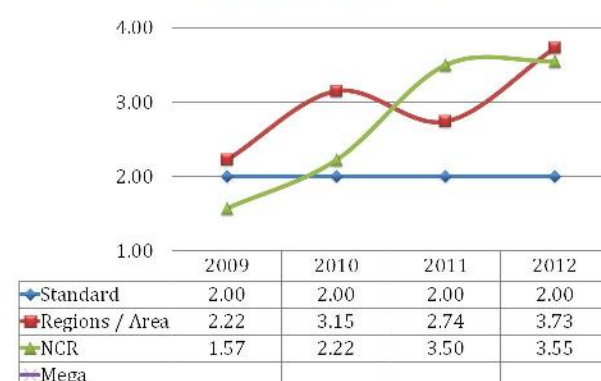
Area	No. of Routes	No. of Delivery Vehicles
1. Northeast Luzon	13	13
2. Northwest Luzon	19	19
3. Southern Luzon	47	47
4. Mega Manila	23	25
5. Central & Eastern Visayas	26	26
6. Western Visayas	19	19
7. Eastern Mindanao	23	23
8. Central Mindanao	13	13
9. Western Mindanao	27	27
Total	210	212

Delivery Beats

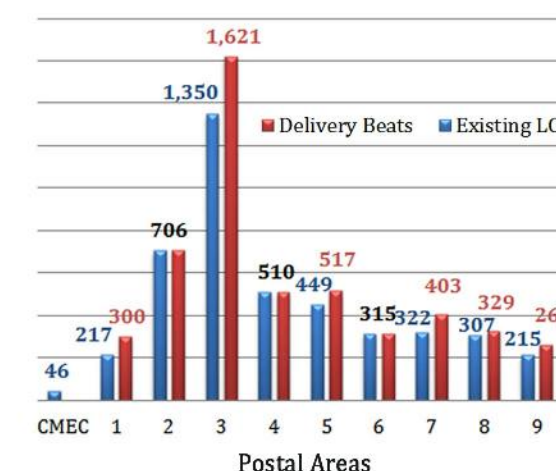
Each letter carrier on the average handles more than one delivery beat as of December 31, 2012.

Area	Existing LC	Delivery Beats	Difference
CMEC	46		
1. Northeast Luzon	217	300	(83)
2. Northwest Luzon	706	709	(3)
3. Southern Luzon	1,350	1,621	(271)
4. Mega Manila	510	510	-
5. Central & Eastern Visayas	449	517	(68)
6. Western Visayas	315	315	-
7. Eastern Mindanao	322	403	(81)
8. Central Mindanao	307	329	(22)
9. Western Mindanao	215	260	(45)
TOTAL	4,437	4,964	(527)

Domestic Express Mails (Intra-Regional) Standard: D+2



Delivery Vans (top), Acceptance Counters in Manila Central Post Office (bottom left and right)



Stamps Issued

Special Stamp released on November 11, 2012
"Pasko 2012"



Special Stamp released on October 5, 2012
"Paintings of Young Filipino Artists"



Definitive Stamp released on August 29, 2012
"4th Quarter Topical Issue - Philippine Folklores and Legends Series featuring Bernardo Carpio"



Commemorative Stamp released on December 7, 2012
"75 Years of Lepanto Consolidated Mining Company"

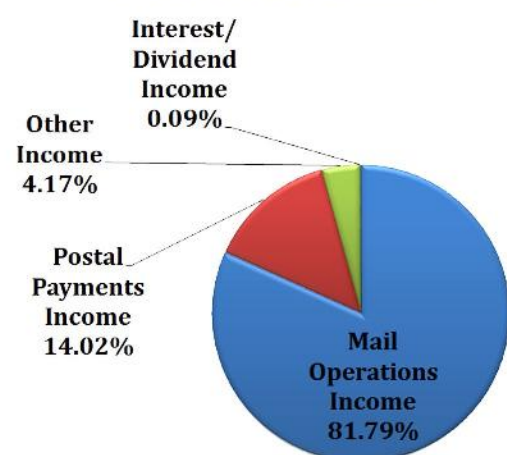
Special Stamp released on December 12, 2012
"2013 Year of the Snake"



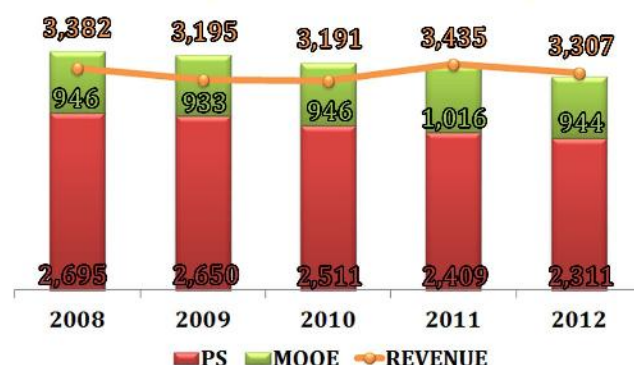
Highlights of Administrative and Financial Performance



2012 Revenue
Total=PhP3,307 Million



Revenues and Expenses in Million Pesos (2008-2012)



Personnel services (PS) outweighs the maintenance and other operating expenses (MOOE) of the Corporation's total expenses in the past 5 years at an average of 72.4 percent share. The overall expenses used to exceed the total revenues except recently from 2011 to 2012.

The financial gains in 2011 were sustained in 2012 as the revenue generated is higher than the operating expenses.

Most (81.79%) of the 2012 revenues are generated from the delivery services while the rest are from postal payments (14.02%), and other sources.

All the revenue items have contributed to the Corporation's financial sustainability in 2012 equivalent to a net income after subsidies of PhP353.05 million - a proof of PHLPost's transformation from losses into gains.

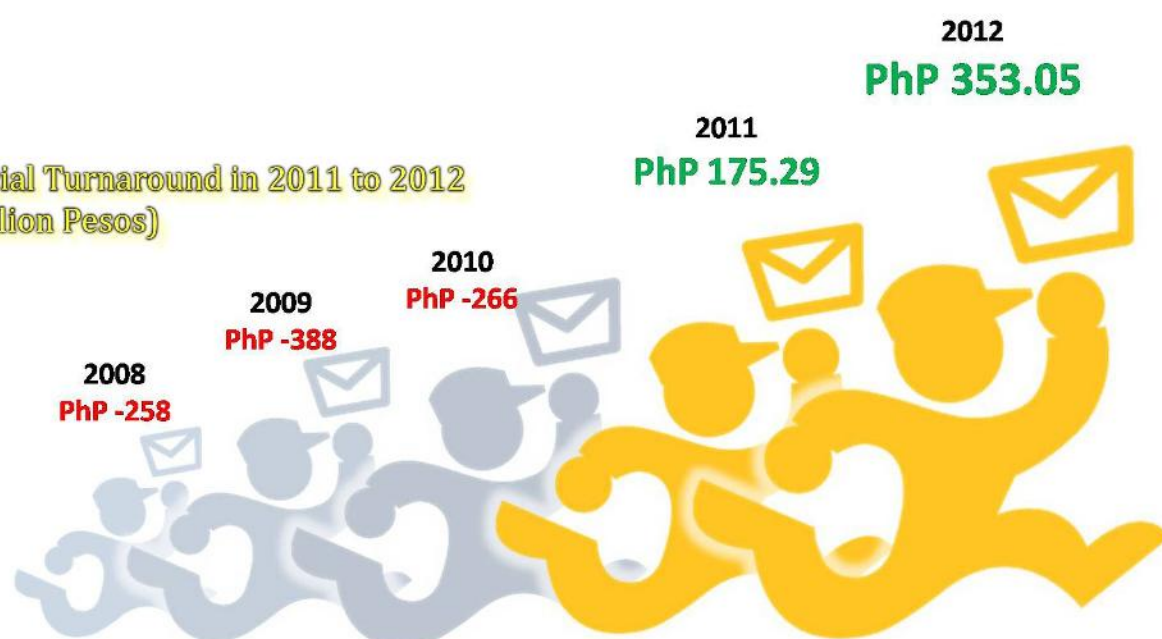
Comparative Income Statement
For Calendar Years 2011 and 2012

Particulars	2011	2012	Increase/ (Decrease)
Revenue	3,429,402,690	3,304,360,224	(125,042,466)
Operating Expenses	3,409,778,310	3,227,095,701	(182,682,609)
Income (Loss) from Operations	19,624,380	77,264,523	57,640,143
Other Income(Expenses)	-	-	-
Interest Income/Dividend Income	2,241,996	3,000,164	758,168
Gain (Loss) on Forex	3,421,389	(1,889,873)	(5,311,262)
Other Financial Expenses	(14,999,287)	(26,329,308)	(11,330,021)
Income Before Income Tax	10,288,478	52,045,506	41,757,028
Less: Income Tax	-	-	-
NET INCOME AFTER TAX	10,288,478	52,045,506	41,757,028
Reimbursement of Franked Mails and Other Subsidies	165,000,000	301,000,000	136,000,000
NET INCOME AFTER SUBSIDIES	175,288,478	353,045,506	177,757,028

Comparative Balance Sheet
For Calendar Years 2011 and 2012

Particulars	2011	2012	Increase/ (Decrease)
Current Assets	4,525,344,360	5,920,528,599	1,395,184,239
Non-Current Assets	2,912,246,707	2,907,632,170	(4,614,537)
Total Assets	7,437,591,067	8,828,160,769	1,390,569,702
Current Liabilities	4,844,513,991	5,910,479,009	1,065,965,018
Non-Current Liabilities	299,237,812	279,180,017	(20,057,795)
Total Liabilities	5,143,751,803	6,189,659,026	1,045,907,223
Total Stockholders' Equity	2,293,839,264	2,638,501,743	344,662,479
Total Liabilities and Stockholders' Equity	7,437,591,067	8,828,160,769	1,390,569,702

Financial Turnaround in 2011 to 2012
(in Million Pesos)



Comparative Cash Flow Statement
For Calendar Years 2011 and 2012

Particulars	2011	2012
Net cash flow from operating activities	510,820,089	1,022,007,050
Net cash flows from investing activities	(2,021,180)	(29,422,124)
Net Cash flows from financing activities	(254,396,451)	(47,729,433)
Effects of exchange rate changes on cash and cash equivalents	3,421,390	(1,889,874)
Net increase (decrease) in cash and cash equivalents	257,823,848	942,965,619
Cash and cash equivalents, beginning of the year	615,828,332	873,652,180
Ending Cash Balance	873,652,180	1,816,617,799

Highlights of Administrative and Financial Performance



Financial Ratios

Financial ratios are also presented to indicate the Corporation's profitability, short-term solvency or liquidity, and stability. Data used include the primary figures in the financial statement including the net income, mail operations income, current assets, total assets, and current liabilities.

The following table shows the financial ratios including the rate of return on sales which indicates the amount of net income per peso of sales or income from mail operations. The comparison of the 2011 and 2012 figures shows that

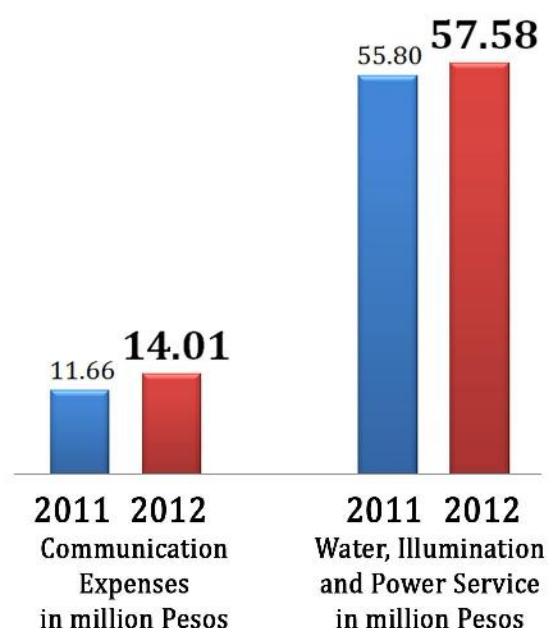
the profitability of the Corporation has improved from 0.059 to 0.131.

Another is the current ratio which indicates the ability of the PHLPost to pay its current obligations. Figures show that the current ratio has not only improved in 2012 but also indicate that the Corporation's current assets are more than enough to pay its current liabilities. Meanwhile, current assets to total assets ratio indicates the liquidity of the total assets, which in the case of the Corporation has improved in 2012 from its figures in 2011.

Financial Ratios	2011	2012
Rate of Return on Sales	0.059	0.131
Current Ratio	0.934	1.002
Current Assets to Total Assets	0.608	0.671

Utilities in C.Y. 2011 and 2012

PHLPost total expenses on utilities particularly on communication, water, and electricity have increased by 6.14 percent from PhP67.45 million in 2011 to PhP71.59 million in 2012. Communication expenses recorded the greatest increase at 20.18 percent due to additional telephone rentals and payment of internet connections.



Comparative Procurement C.Y. 2011 and 2012

Total procurement in 2012 has increased by more than five times of the total procurement in 2011. This is equivalent to a total of PhP215,495,811.50, greatest of which came from the procurement of motor vehicles as part of the refueling program. The 2012 procurement also includes the acquisition of networked digital postage meter machines (109 postal counters and four units for bulk mail).



Clockwise: Weighing Scales, Digital Postage Metered Machine, Digital Weighing Scale, and 6-wheeler trucks acquired in 2012.



Particular	Procurement 2011	% Share	Procurement 2012	% Share	Increase/Decrease	% Change
Operational Supplies & Materials	10,625,867.80	27.49	9,555,546.32	3.76	(1,070,321.48)	(10.07)
Printed Forms/ Books	8,568,906.20	22.17	10,537,891.50	4.15	1,968,985.30	22.98
Accountable Forms	7,726,083.00	19.99	28,960,521.44	11.40	21,234,438.44	274.84
Other Supplies & Materials	5,967,582.74	15.44	12,339,548.13	4.86	6,371,965.39	106.78
Motor Vehicle	-	-	98,945,137.00	38.93	98,945,137.00	
Equipment/ Machineries	4,345,876.95	11.24	71,652,962.00	28.19	67,307,085.05	1,548.76
Infrastructure	1,413,646.61	3.66	22,152,168.41	8.72	20,738,521.80	1,467.02
Total	38,647,963.30	100.00	254,143,774.80	100.00	215,495,811.50	557.59



Management Support Services



Planning for Development

The Corporate Planning Department, in support to the Corporation to achieve its vision, has conducted several studies and formulated various guidelines to help in the management decision making and implementation of proposed programs, projects, and activities. In 2012, a total of eleven major studies and guidelines which output have contributed to fulfilling the Corporation's intention for timely delivery services, integrity of the postal network, and financial sustainability.

- Study on the IEMS Standards for 2013
- Review of the IP-PBX Terms of Reference

Timely Delivery Services



- Study on the Proposed Postal ID Migration Rate
- Study on the outsource of Security Services

Zero Pilferage



- Study on Postage Metered Machine
- Postal Station Rates Review
- Preliminary Study on the Proposal for QCCPO Development

Financial Sustainability



- PHLP Statistics
- Interim PHLP Performance-based Incentive
- Digital Archiving System
- Study on the outsource of Janitorial Services

Others



Help Desk

The Office of the Postmaster General has established a Help Desk to handle customer inquiries and complaints. In 2012, the Help Desk has received 206 communications from the clients asking for assistance. The greatest number (33%) from this request for assistance is about personnel relations with the customer, while 28 percent was about delayed or non-delivery and the rest are about postal ID application, and other services.

Corporate Communications

PHLP continues its rebranding efforts to inform the general public on the latest developments in the Corporation through the Courier Newsletter and posting of news releases in the PHLP official webpage and Facebook page. PHLP has also ensured continuous relations with the media through publishing of news releases, guesting in television and radio stations, and posting of advertisement supplements.

In 2012, there has been seven issues of the Courier Newsletter, 19 news releases uploaded to PHLP webpage and Facebook page, twenty 20 television and radio guestings, six advertisement supplements, and one media fellowship.

Lastly, the Major Impact Values Promotion Program was also held every flag ceremony in 2012.



Capability Building

To support the implementation of the Rationalization Plan and to consistently upgrade the skills and capabilities of PHLP employees, the Human Resource Management Department (HRMD) conducted Pre-employment Orientation for Letter Carriers (184 trainees), Postmaster's Skills Enhancement Training (307 trainees), Letter Carrier's Skills Enhancement Training (310 trainees), and Basic Computer Literacy Training (147 trainees). A total of 12 employees have qualified and been granted with foreign scholarships on various courses, mostly conducted at the Asian-Pacific Postal Training Center in Bangkok, Thailand.

The HRMD also continues to conduct birthday month celebrations where each employee participant is given a chance to have a dialogue with the Postmaster General and CEO.

Letter Carrier Dialogue

Dialogues between the Management and the letter carriers have also been conducted to address several issues and challenges. In 2012, about 3,913 letter carriers attended these dialogues.

PMG and CEO Dela Cruz and APMG for Operations Lalanto during the Letter Carrier Dialogue.



Course	Duration	No. of participants	Conducted by:
1. IT Management	January 9-27	1	APPC, Bangkok
2. Advance Business Management	January 9-27	1	
3. Human Resource Management	February 13-March 9	1	
4. Service Quality Management	February 13-March 9	1	
5. International Mail Accounting	March 19-April 6	1	
6. Operations Management	June 4-29	1	
7. Postal Sector in the Digital Age "Trends & Strategies to cope with the e-challenge"	June 11-29	2	
8. Postal Financial Services with Special Emphasis on International Remittances	July 2-13	1	
9. Express Mail Service	October 22-November 9	1	
10. Strategy Formulation and Execution	October 29-November 9	1	
11. Leadership Development Programme for Postmasters & Managers	October 29-November 9	1	Indian Technical & Economic Cooperation, India

Legal Support

The PHLP Legal Department has been rendering services to the Corporation by reviewing agreements, contracts, and other documents, by giving opinions, decisions, other legal assistance to the different departments of the Corporation. In 2012, the Legal Department was able to issue 20 legal opinions; review and pass 79 Memorandum of Agreements and 47 Contracts; and facilitate ten criminal cases, nine civil cases and six Civil Service cases.

About 101 decisions were rendered, a big majority (63) of which were dismissals from service, while 14 were suspensions and the rest were decisions on warnings, fines, forced resignations and closed cases.



Management Support Services

Postal Area Highlights



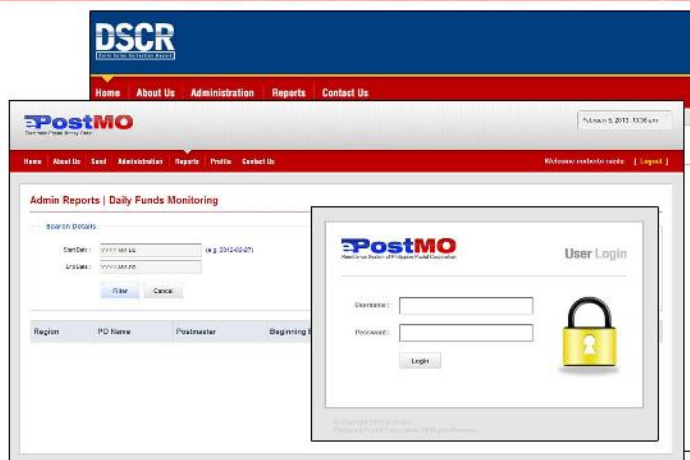
Management Information System

As PHLPost rides along with technological advancement, the MIS Department continues to develop IT systems that will assist the operation, administrative, and financial processes of the Corporation. In 2012, the MIS Department developed six systems including the following:

Document Tracking System (DTS) is a computer system or application designed for administration of document used to track and store electronic communications and/or images of paper documents. The DTS is used to monitor historical and current transactions of every document.

Daily Sales and Collection Report (DSCR) simply gathers all sales and collection information from all field offices that may be uploaded and viewed by authorized offices including the Office of the Postmaster General. This system intends to assist management in its decision making.

Electronic Postal Money Order (e-POST MO). The system for e-POST MO works on real time domestic remittances and has the capability to generate reports on daily transactions, user and client profiles, and other administrative documents.



Personnel/ Payroll Management Information System (PPMIS) is a software solution for the data entry, data tracking and data information needs of the Human Resources, payroll, management and time keeping functions within PHLPost. It conveys three basic modules: the Personnel Information Module, Payroll Module, and Timekeeping Module.

Financial Management Information System (FMIS) automates financial operation and has the capability to track and summarize financial events. It also supports adequate management reporting, policy decisions, fiduciary responsibilities, and preparation of auditable financial statements. It contains three modules namely Budget Module, Treasury Module, and Accounting Module or e-NGAS provided by the Commission on Audit (COA).

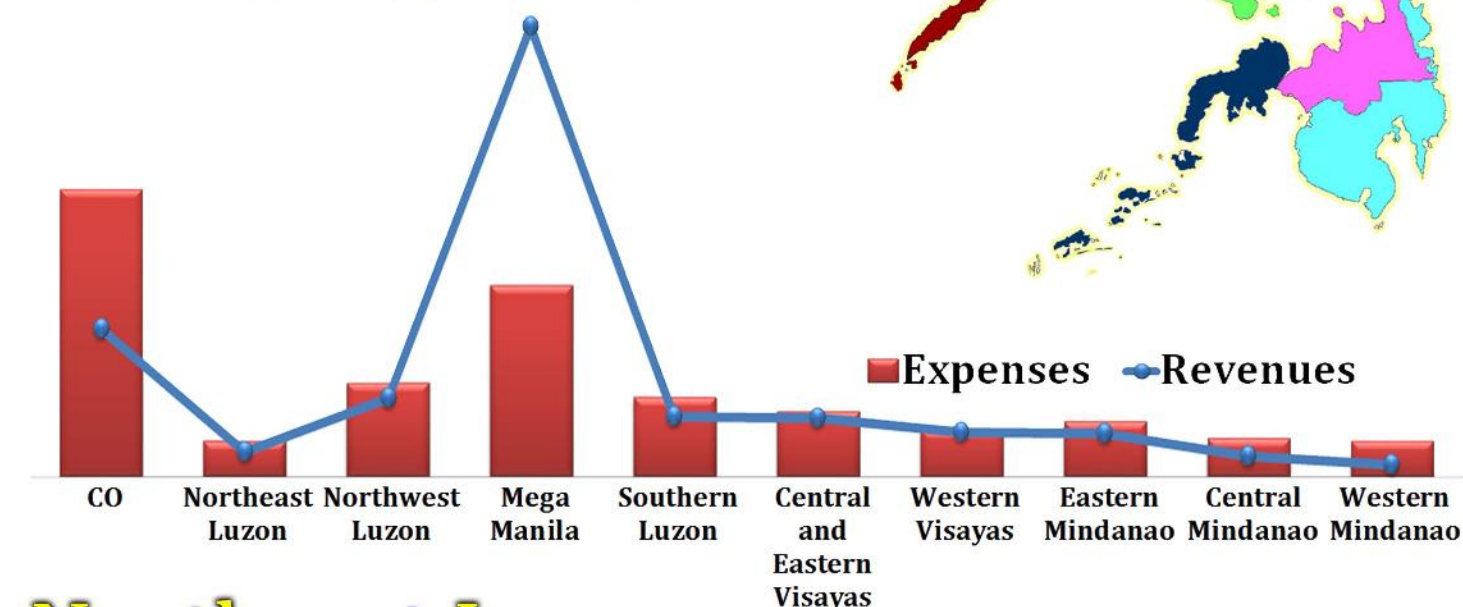
Human Resource Information System (HRIS) Online is an application subsequent from the desktop based system (PPMIS) that aims to provide readily available information across all levels of PHLPost work force. HRIS is a database system that helps PHLPost employees keep track of the different types of information related to their employment. It provides a complete online application that may be accessed by employees from any location with an internet connection. HRIS online corresponds to the networked-based desktop application system used by the Human Resource Management Department.

2012 Revenues and Expenses by Postal Area

Total Revenue = PhP3,307,360,388

Total Expenses = PhP3,255,314,882

Net Income after Subsidies = PhP353,045,506



Northeast Luzon

- Covers 9 provinces – Apayao, Aurora, Cagayan, Ifugao, Isabela, Kalinga, Nueva Ecija, Nueva Vizcaya, Quirino with total population of 5,874,492 as of Census 2010;
- Covers about 47,181 sq. km. of land area with 300 delivery beats and 217 letter carriers;
- With 17 units of vehicle complement;



Dir. Oscar V. Lazo

- Posted a total of 2,095,676 mails, most (85.8%) of which are domestic letter post;
- Delivered a total of 5,400,306 mails, most (88.1%) of which are domestic letter post;
- Majority (51.2%) of mail revenue comes from domestic letter post, followed by international express mail (21.8%) and international letter post (16.0%); and
- Ranked 3rd among all areas in terms of the volume of posted domestic small packets;
- With total CCT net income of PhP3,557,465, (6.89% of total).





Postal Area Highlights



Northwest Luzon

- Covers 11 provinces – Abra, Bataan, Benguet, Ilocos Norte, Ilocos Sur, La Union, Mountain Province, Pampanga, Pangasinan, Tarlac, and Zambales with total population of 10,916,610 as of Census 2010;
- Covers about 47,181 sq. km. of land area with 709 delivery beats and 706 letter carriers;
- With 38 units of vehicle complement;

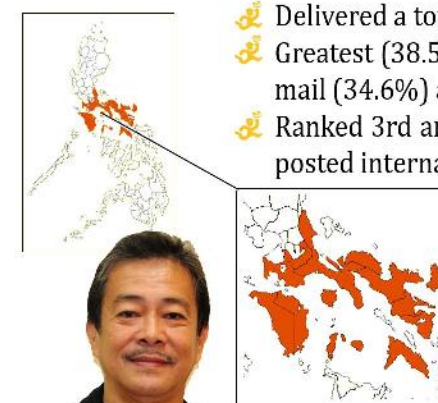


Dir. Joel L. Zamudio

- Posted a total of 8,119,965 mails, most (81.4%) of which are domestic letter post;
- Delivered a total of 25,789,060 mails, most (86.9%) of which are domestic letter post;
- Greatest (42.0%) of mail revenue comes from domestic letter post, followed by international express mail (21.8%) and international letter post (16.0%);
- Ranked 2nd among all areas in terms of the posted domestic letter post, domestic parcel, and international small packet;
- Ranked 1st among all areas in terms of the delivered domestic parcel post and international express mails; and
- Ranked 2nd among all areas in terms of the revenues generated from domestic letter post, international letter post, and international parcel post;
- With total CCT net income of Php5,598,287, (10.85% of total).

Southern Luzon

- Covers 12 provinces – Albay, Batangas, Camarines Norte, Camarines Sur, Catanduanes, Laguna, Marinduque, Masbate, Mindoro, Quezon, Romblon and Sorsogon with total population of 14,205,014 as of Census 2010;
- Covers about 44,853 sq. km. of land area serviced with 510 delivery beats by 510 letter carriers;
- With 28 units of vehicle complement;
- Posted a total of 5,988,585 mails, a big majority (76.3%) of which are domestic letter post;

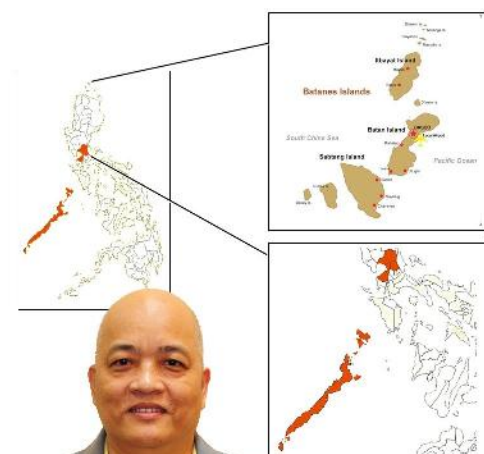


Dir. Mario D. Lanuza

- Delivered a total of 21,831,696 mails, almost all (93.9%) of which are domestic letter post;
- Greatest (38.5%) of mail revenue comes from domestic letter post, followed by international express mail (34.6%) and international letter post (13.3%);
- Ranked 3rd among all areas in terms of the volume posted domestic letter post, and 2nd in terms of posted international express mail, and international parcel post;
- Ranked 3rd among all areas in terms of the delivered domestic letter and parcel post;
- Ranked 1st in terms of revenue generation from domestic express pouch, and 3rd in terms of revenue generation from international express mails;
- With total CCT net income of Php7,274,895, (14.09% of total).

Mega Manila

- Covers the National Capital Region and 5 other provinces – Batanes, Bulacan, Cavite, Palawan and Rizal with total population of 21,366,883 as of Census 2010;
- Covers about 23,432 sq. km. of land area with 1,621 delivery beats and 1,350 letter carriers;
- With 71 units of vehicle complement;



Dir. Robert S. Mondoñedo

- Posted a total of 60,857,762 mails, most (89.3%) of which are domestic letter post;
- Delivered a total of 46,883,124 mails, most (82.5%) of which are domestic letter post;
- Majority (59.7%) of mail revenue comes from domestic letter post, followed by international express mail (17.7%) and international letter post (13.0%);
- Ranked 1st among all posted products except for unaddressed mail, fax, COD, and international printed matter;
- Ranked 1st among all areas in terms of the delivered domestic express pouch, domestic and international letter post, and international parcel post; and
- Ranked 1st among all areas in terms of mail revenue generation except for domestic express pouch, fax, and international printed matter;
- With total CCT net income of Php3,158,839, (6.12% of total).

Central and Eastern Visayas

- Covers 8 provinces – Biliran, Bohol, Cebu, Eastern Samar, Leyte, Northern Samar, Samar, Southern Leyte with total population of 9,523,770 as of Census 2010;
- Covers about 33,414 sq. km. of land area with 517 delivery beats and 449 letter carriers;
- With 32 units of vehicle complement;
- Posted a total of 5,475,714 mails, a big majority (76.7%) of which are domestic letter post;



Dir. Carlo Reynaldo S. Argana

- Delivered a total of 15,693,328 mails, most (89.2%) of which are domestic letter post;
- Greatest (39.9%) of mail revenue comes from domestic letter post, followed by international express mail (23.5%) and international letter post (20.4%);
- Ranked 2nd among all areas in terms of the volume posted domestic registered letter, and business reply envelop;
- Ranked 2nd among all areas in terms of the delivered domestic letter and parcel post, international express parcel, and international printed matter; and
- Ranked 2nd in terms of revenue generation from domestic registered letter, domestic priority mail and business reply envelop;
- With total CCT net income of Php 5,054,569, (9.79% of total).

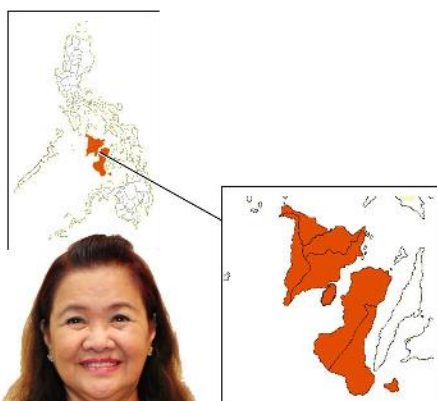


Postal Area Highlights



Western Visayas

- Covers 8 provinces – Aklan, Antique, Capiz, Guimaras, Iloilo, Negros Occidental, Negros Oriental, Siquijor with total population of 8,480,170 as of Census 2010;
- Covers about 26,517 sq. km. of land area with 315 delivery beats and 315 letter carriers;
- With 27 units of vehicle complement;

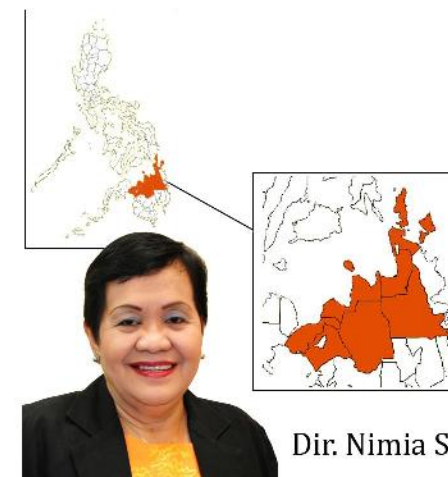


Dir. Fabiolita P. Ferraris

- Posted a total of 3,996,727 mails, a big majority (73.4%) of which are domestic letter post;
- Delivered a total of 9,912,497 mails, almost all (90.2%) of which are domestic letter post;
- Greatest (44.5%) of mail revenue comes from domestic letter post, followed by international express mail (27.3%) and international letter post (19.4%); and
- Ranked 2nd among all areas in terms of the volume posted and delivered domestic express mails;
- With total CCT net income of PhP21,664,485, (41.97% of total).

Central Mindanao

- Covers 9 provinces – Agusan del Norte, Agusan del Sur, Bukidnon, Camiguin, Dinagat Province, Lanao del Norte, Lanao del Sur, Misamis Oriental, Surigao del Norte with total population of 6,530,946 as of Census 2010;
- Covers about 48,481 sq. km. of land area with 329 delivery beats and 307 letter carriers;
- With 17 units of vehicle complement;



Dir. Nimia S. Acebes

- Posted a total of 2,428,464 mails, a big majority (79.8%) of which are domestic letter post;
- Delivered a total of 5,835,485 mails, most (88.2%) of which are domestic letter post;
- Majority (51.8%) of mail revenue comes from domestic letter post, followed by international express mail (23.4%) and international letter post (14.6%);
- With total CCT net income of PhP147,792, (0.29% of total).

Eastern Mindanao

- Covers 10 provinces – Compostela Valley, Davao del Norte, Davao del Sur, Davao Oriental, Maguindanao, North Cotabato, Sarangani, South Cotabato, Sultan Kudarat, Surigao del Sur with total population of 10,084,071 as of Census 2010;
- Covers about 58,309 sq. km. of land area with 403 delivery beats and 322 letter carriers;
- With 24 units of vehicle complement;

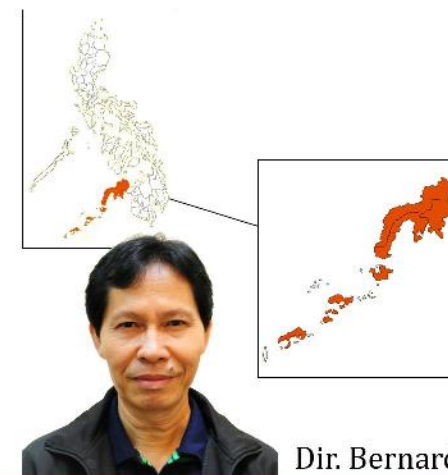


Dir. Raul Q. Buensalida

- Posted a total of 2,937,664 mails, most (81.3%) of which are domestic letter post;
- Delivered a total of 7,888,422 mails, almost all (90.6%) of which are domestic letter post;
- Greatest (38.1%) of mail revenue comes from international express mail followed by domestic letter post (35.3%) and international letter post (14.2%);
- Ranked 2nd among all areas in terms of the volume posted international printed matters; and
- Ranked 2nd among all areas in terms of the delivered international express letters;
- With total CCT net income of PhP4,984,364, (9.66% of total).

Western Mindanao

- Covers 8 provinces – Basilan, Metro Zamboanga, Misamis Occidental, Sulu, Tawi-tawi, Zamboanga del Norte, Zamboanga del Sur, Zamboanga-Sibugay with total population of 5,353,157 as of Census 2010;
- Covers about 30,165 sq. km. of land area with 260 delivery beats and 215 letter carriers;
- With 27 units of vehicle complement;



Dir. Bernardito V. Gonzales

- Posted a total of 1,498,214 mails, a big majority (77.8%) of which are domestic letter post;
- Delivered a total of 7,307,645 mails, most (89.3%) of which are domestic letter post;
- A big majority (60.2%) of mail revenue comes from domestic letter post, followed by international letter post (17.9%) and international express mail (10.9%);
- Ranked 3rd among all areas in terms of the volume posted domestic parcel;
- Ranked 3rd among all areas in terms of the delivered domestic express pouch; and
- Ranked 2nd in terms of revenue generation from domestic parcels;
- With total CCT net income of PhP174,110, (0.34% of total).

Products and Services

A. Mail Services

1. Express Post

- a. **International Express Mail Service (IEMS)** - the fastest means of sending time-sensitive items to addresses abroad. Any articles such as documents, samples of merchandise and goods not specifically prohibited by regulations can be sent by IEMS. Currently, the Philippines has bilateral agreements with 56 countries for the reciprocal exchange of EMS items.



- b. **Domestic Express Mail Service (DEMS)** - the fastest means of sending urgent messages, business documents or goods to addresses within the Philippines. Generally, DEMS items are delivered the next day after the date of mailing provided that they are posted on or before the prescribed cut-off time. Currently, the service is available in all major cities and towns nationwide

- c. **Express Pouch** - guaranteed next day door-to-door delivery of time-sensitive and important documents to selected areas either by land or air



2. Letter Post

- Ordinary Mail
- Priority Mail
- Registered Mail
- Literature for the Blind
- M Bags - direct sacks of printed matters sent to a single addressee at a single address. There are three types of M-bags: Airmail M-bags, International Priority Airmail (IPA) M-bags, and International Surface Air Lift (ISAL) M-bags
- Printed matters
- Small Packets
- Electronic Business Mail Service - a mail service with provision for delivery information through an electronic proof of delivery or electronic registry receipt

3. Parcel Post

- Air Parcel Post
- Surface Parcel Post
- Insured Parcel Post

4. **Direct Mail** is offered by PHLPost under its Unaddressed Advertising Mail Service (UAMS) and allows the client to get optimum advertising mileage for its products and services at the least cost. Companies can send brochures, flyers, cards, catalogues including product samples to their customers in specific areas of their choice. Moreover, they can send announcements, public notices, important news items and research or survey questionnaires which will be delivered at the doorstep of their targeted customers



**Unaddressed
Advertising
Mail Service**
UAMS

5. Logistics and Warehousing

6. Mail Room Service

7. P.O. Box Rental

8. Postal ID Card

B. Financial Services

1. Postal Payment Services

- Postal Money Order**
- e-Money Order Service (e-Post MO)/ Remittance Service** - an electronic remittance system that will facilitate fund transfers through an instant payout process. Aside from its real time characteristic that allows faster transmission, this service is also accessible and does not require complicated identification processes. Recipients can go to any postal station to claim their remittance. This e-money service can interface with Universal Postal Union-member countries, EUROGIRO members, duly licensed money remittance companies, and local and foreign international banks. Thus, families of OFWs can also avail of this service.



2. Agency Services

- PhilHealth
- Bayad Center

3. Philately

C. Other Products and Services

1. Collect-on-Delivery Service (COD)

Available for mailable materials or merchandise, including books, magazines, periodicals and other printed matters may be sent collect-on-delivery, where the amount due is paid by the addressee upon delivery of the articles

2. Fax Mail Service

3. Business Reply Envelops/ Cards (BRE/BRC)

4. Address Check Service

5. General Delivery Services

6. Proof of Delivery (POD)

7. International Reply Coupon

8. Postal Station

The Postal Station is a PHLPost-authorized facility established and operated wholly or in part by a person, entity or local government unit for the purpose of performing postal business and sale of any other related products and services.



*The Annual Report 2012 is prepared by the Planning, Research and Business Development Division
of the Corporate Planning Department under the supervision of Ms. Maria Lourdes R. Rifareal.*