



On the Right Track

Philippine Postal Corporation
2013 Annual Report

In response to the National Budget Circular Nos. 507 and 507-A dated January 31, 2007 and June 12, 2007, and pursuant to the Republic Act 10352 otherwise known as the General Appropriations Act of 2013, the Philippine Postal Corporation prepares the 2013 Annual Report containing Corporate operations and financial performance, and marketing, administrative and management support service activities. This Report shall be published and accessible to the public through the official website under the Transparency Seal menu.

PHLPost Annual Report contains data provided by the offices of Assistant Postmaster Generals, Area Directors, and other offices providing Management Support Services - consolidated by the Planning, Research and Business Development Division of the Corporate Planning Department with the following team members:

MARIA LOURDES L. RIFAREAL
Manager, Corporate Planning
Department

ELMER C. ALCANAR
Chief, Planning, Research and
Business Development Division

RITTA DIANNE G. RAMOS
Staff

MARIA CARLA B. ESPIRITU
Staff

JOHN ALBERT P. PUNO
Staff

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Directory &
Products and Services

↑
NET INCOME
72.89%

SUSTAINING FINANCIAL GAINS

The resilience we have demonstrated has enabled us to make a turnaround, proving that we have the will and energy to succeed.

message

MESSAGE FROM THE CHAIRMAN

To my colleagues at the Philippine Postal Corporation:

When the new leadership assumed management of the Philippine Postal Corporation three years ago, it was confronted by many challenges resulting from the rapidly changing communications environment, particularly in the area of modern technology. This was exacerbated by the failure of the postal leadership to adapt to these changes, and to respond to the new opportunities for growth and the threats posed by competition, especially from the private sector. Problems of obsolete equipment, inefficient operating systems, ineffective organization, political intervention, and the changing needs of the delivery market had to be resolved. But perhaps the most problematic of all, the behavioral character of the bureaucracy has given rise to many problems ranging from lack of employee discipline to petty thievery and worst, graft and corruption.

In our organizational set-up, we appear to have neglected the heart and soul of our operation — our postal offices and postmasters. I would like to suggest a major refocus on these vital components of our system. These are the profit centers, they are the deliverers of our services and most importantly they are the face of the Postal Corporation. Thus, in the planning of the Postal Office up in 2016, the roles of all offices must be evaluated and re-examined so that they all become support offices of postal offices. The Post offices are not to be dictated upon and asked to follow instructions. They must manage their respective areas, given the advice and support of all other offices, especially those in the head office.

Our perseverance has been paying off, and we have been succeeding in reestablishing our role, significance, and leadership in the country. Much has been achieved in restoring our institutional prestige, and the public's trust and respect which has been significantly eroded over time. The resilience we have demonstrated has enabled us to make a turnaround, proving that we have the will and energy to succeed. While we still have much to do, we have shown that we, together, should be able to overcome the problems and the pitfalls that will come along the way.

And by 2016, PHLPost will once again fly its flag proudly in all the cities and towns of our progressive country.



LETTER FROM THE POSTMASTER GENERAL & CEO



Our 2013 annual performance depicts a sweet irony as we continue to stamp our increasing social relevance in this exciting new world marked with interconnectivity, fast-pace, and modern technological advancements.

Our performance for the year 2013 speaks volume of how our collective efforts, even pains and sacrifices, had reciprocated the corporation with gains in our financial performance, the trust and confidence of existing and new clients, and the opportunity to scale-up our operations.

We are presenting this 2013 Annual Report to the Filipinos, of which we are honored to be serving, and to our committed partners, of which we are grateful to be working with. We dedicate these fruits of our passion and labor to them.

As a primary indicator of our feat, our corporation posted a net income of PhP280-Million and a net subsidy of PhP308-Million. These yielded PhP588-Million which was 72.89 percent greater than the 2012 net income, a confirmation that we continue to achieve better financial results.

It was also in 2013 that we had fortified our niche as a conduit of national agencies in bringing their services closer to the public. Even the Commission on Elections commended the 100 percent delivery efficiency we rendered in line with the preparations for the 2013 Barangay elections. We also played a crucial role in the aftermath of Super Typhoon Yolanda, when we volunteered our fleet to work hand-in-hand with the national government during relief operations. These two major milestones in our delivery services paved the way for the acquisition of new delivery trucks to head start the venture of the corporation in the logistics business.

We forged strong partnership with multinational companies like Robinsons Land Corporation and SM Prime Holdings, Inc. for the expansion of our market reach through postal counters at shopping malls, and the international company, DHL Express, for a wider set of options for international delivery services.

We also witnessed the inauguration of the first privately-owned postal station and by the end of 2013, a total of 13 postal stations had been operational.

The year 2013 also witnessed the launch of pilot programs aimed at reconnecting with the public, the "Stamp Collectors' Night" and the "First National Letter-Writing Day" which promoted the merits of traditional message-composition among the youth.

Recognizing the toil, knowledge, energy, and time devoted to achieve the foregoing, I congratulate the PHLPost team for the 2013 accomplishments. Let these serve as a hallmark of our readiness to conquer greater heights as we continue to embrace challenges and technological forces as gateways to greater possibilities. Let it also be propeller to carry-out the company's vision of being the preferred universal delivery service provider of communications, goods, and payment services in every Filipino community with the end goal of attaining national development.

With honesty, integrity, and truthfulness in our work ethics, let us continue to etch our social relevance in the modern times.

message

100%

LOGISTICS

DELIVERY EFFICIENCY

Our increased net income and capability to serve as a conduit of national agencies in bringing their services closer to the public head start the venture of the corporation in the logistics business.

*based on COMELEC commendation for the efficient and on-time delivery of election paraphernalia for the 2013 Barangay Elections

Board of Directors &

Management Committee

Cesar N. Sarino
Chairman, Board of Directors



Maria Josefina M. Dela Cruz
Vice Chairman, Board of Directors
Postmaster General and CEO



Mory Q. Sison
Member, Board of Directors
Chairman for Committee on Marketing



Felipe A. Hidalgo
Member, Board of Director
Chairman for Committee on
Operations and International Relations



Joel L. Otarra
Member, Board of Directors
Chairman for Committee on Finance



Ronaldo S. Tuazon
Member, Board of Directors
Chairman for Committee on Asset Management



Ma. Lourdes F. Varona
Member, Board of Directors
Chairman for Committee on Good Governance



Maura M. Baghari-Regis
Assistant Postmaster General for
Administration and Finance



Luis D. Carlos
Assistant Postmaster General for
Marketing



Robert S. Mondoñedo
Assistant Postmaster General for
Operations



Office of the Board of Directors

Atty. Florante R. Cruz
Corporate Secretary
Office of the Board of Directors



Francis T. Cereno
Manager
Internal Audit Department



Management Support Services

Myrachel Gay T. Santos
Chief of Staff
Office of the Postmaster General



Jose Martin R. Victor
Manager
Management Information
Systems Department



Esther V. Cabigao
Manager
Human Resource
Management Department



Atty. Lee P. Vical
Manager
Inspectorate Department



Maria Lourdes L. Rifareal
Manager
Corporate Planning Department



Atty. Joselito B. Gonzales
Manager
Legal Department

Marketing

Enrique V. Tagle
Manager
Business Lines Department



Melanie M. Cruz
Chief
Corporate Communications Division



Operations

Olivia M. Valderama
Manager
Service Regulations Department



Engr. Augusto A. Lecciones
Manager
Network and Transport Department



Peter S. Bartolome
Manager
Express Mail Exchange Department



Florentino A. Guy-Joco
Manager
Airmail Exchange Department



Romeo M. Sardan
Manager
Surface Mail Exchange Department



Administration and Finance

Marietta B. Bertillo
Manager
Accounting Department



Lorna M. Guevarra
Manager
Fiscal Management Department



Engr. Irene G. Villamor
Manager
Logistics and Property
Management Department



Engr. Eliezer V. Rosales
Manager
General Services Department



ON THE RIGHT TRACK ON THE RIGHT TRACK

Vision

“By 2020, PHLPost is the preferred universal delivery service provider of communications, goods and payment in every Filipino community.”

Mission

The Philippine Postal Corporation (PHLPost) provides efficient, competitive and on-time delivery of communications, goods and payment services in any Filipino community.

Shared Values

INTEGRITY. Demonstrated through adherence to honesty in work for a decent life;
LOYALTY. Shown in the faithfulness to the company kindled by love for work;
COMPETENCE. That encourages confidence in the capability to be productive through teamwork and guided by wisdom; and
COMMITMENT. Driven by passion to do good for family and country for a life well-lived.

GCG Performance Scorecard

With the intention to promote the financial viability and fiscal discipline of Government-Owned and Controlled Corporations (GOCC), the Governance Commission for GOCCs (GCG) monitors GOCCs' performance closely using the Performance Scorecard. Performance Scorecard is a part of the performance evaluation system that consists of a set of measures, targets, and initiatives of an agency.

In 2013, PHLPost submits to GCG the Performance Agreement with three expected outputs requiring rating. These are delivery services, postal payment services, and general administration and support services. Other indicators may not require rating but are still monitored by the GCG through the Scorecard.

The 2013 Annual Report highlights the continuing efforts of the Philippine Postal Corporation to scale up postal services in the country. Guided by the four policy imperative namely timely and efficient delivery services, integrity of postal network, financial sustainability, and customer centricity, the Management has undertaken various projects and activities in 2013 which have translated again to a positive financial bottom line figure.



Performance Agreement

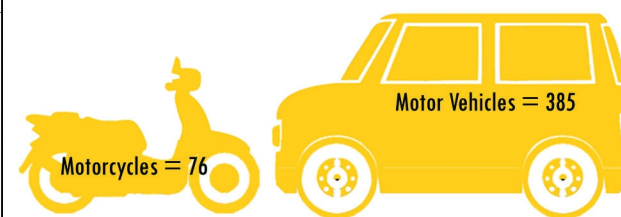
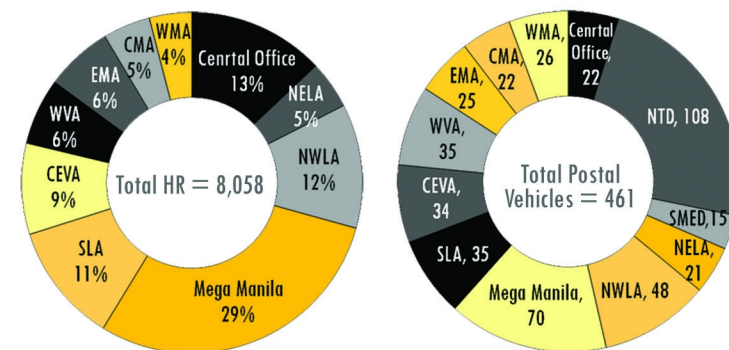
A. MAJOR FINAL OUTPUT			
MFO 1 – DELIVERY SERVICES	Target	Results	Rating
1. International Express post delivery performance, in days (10%)	4 days @ 90%	1.57 days @ 98.51%	10%
2. Domestic Express post delivery performance, in days (10%)	4 days @ 80%	2.48 days @ 80%	10%
3. International Non-Express post delivery performance (10%)	8 days @ 70%	6.13 days @ 85%	10%
4. Domestic Non-Express delivery performance, in days (10%)	8 days @ 70%	4.99 days @ 80%	10%
a. Domestic Parcels			
b. Domestic Registered letters			
c. Domestic Ordinary Letters			
5. Profit & loss before tax, including franking credits, in million pesos (20%)	PHP 576	PHP 576	20%
6. Quantity 3 - No. of franchised postal	6	13	10%
MFO 2 – POSTAL PAYMENT SERVICES			
Total postal payment services revenue, in	PHP 300	PHP 210	14%
B. GENERAL ADMINISTRATION AND SUPPORT			
1. No. of core processes manualized	1 manual (Domestic)	1 manual	10.00%
2. Collection efficiency	Quarterly report of action(s) taken on addressing COA findings		
C. SECTOR OUTCOME INDICATORS			
ICT-ENABLED POSTAL SERVICE			
1. Postal outlets with ICT infrastructure	79		
2. Pnoy mailboxes			
SCORECARD RATING			94%

Corporate Profile

In 2013, PHLPost already has a total manpower of 8,058, 72 percent of which are regular employees while the rest are under contract of service. More than 43 percent (3,497) of this total manpower are letter carriers serving 3,671 delivery beats covered by 1,355 post offices and postal stations. To ensure faster delivery of postal products and services, PHLPost continues its Refleeting Program leaving the Corporation with almost 500 postal vehicles.

Human Resource Complement

OFFICE	Area Admin Center		Mail Distribution Centers		Post Offices		TOTAL		
	Regular	COS Appointees	Regular	COS Appointees	Regular	COS Appointees	Regular	COS Appointees	Total
Central Office	388	96	302	259	-	-	690	355	1,045
1. Northeast Luzon	20	14	36	1	216	79	272	94	366
2. Northwest Luzon	26	15	46	7	705	151	777	173	950
3. Mega Manila	28	71	102	14	1,816	340	1,946	425	2,371
4. Southern Luzon	27	14	50	10	466	350	543	374	917
5. Central and Eastern Visayas	19	6	37	7	304	324	360	337	697
6. Western Visayas	25	7	33	2	337	105	395	114	509
7. Eastern Mindanao	25	8	32	5	280	165	337	178	515
8. Central Mindanao	23	12	35	6	195	92	253	110	363
9. Western Mindanao	25	1	40	-	191	68	256	69	325
TOTAL	606	244	713	311	4,510	1,674	5,829	2,229	8,058



Postal Network

Postal Areas	Classification of Post Offices								Total
	Regular Delivery	Non-Delivery	Extension	Campus	Mall-Based	LGU Postal Station	Barangay-Based	Others	
1. Northeast Luzon	71	1	24	2	0	0	0	0	98
2. Northwest Luzon	158	5	36	10	0	0	1	0	210
3. Mega Manila	86	43	16	7	12	0	10	6	180
4. Southern Luzon	153	6	13	1	2	0	0	0	175
5. Central and Eastern Visayas	107	6	72	5	3	0	0	0	193
6. Western Visayas	88	2	32	4	2	5	0	41	174
7. Eastern Mindanao	74	0	56	3	6	0	0	0	139
8. Central Mindanao	77	3	24	5	1	0	0	0	110
9. Western Mindanao	40	3	29	3	0	0	1	0	76
Total	854	69	302	40	26	5	12	47	1,355

PHLPost also continues investing on computerization and modernization by developing systems to speed up processes and to ensure transparency and accountability. As of end of 2013, Personnel and Payroll Management Information System (PPMIS) were already operational and updated in Central Office and Mega Manila Area. The Financial Management Information System (FMIS) with three modules and the Document Tracking System (DTS) were already implemented in the Central Office and Mega Manila Area.

With the increasing market in remittance in the Philippines, PHLPost has also been enhancing its electronic Postal Money Order (ePMO) services by establishing connectivity among post offices across the country and by building partnerships among foreign postal administrations.

Postal Areas	Internet Connection	Computer	Training	Ready for ePMO
1. Northeast Luzon	4	2	2	2
2. Northwest Luzon	17	19	19	13
3. Mega Manila	44	60	64	33
4. Southern Luzon	10	17	14	11
5. Central and Eastern Visayas	6	26	21	6
6. Western Visayas	2	10	1	1
7. Eastern Mindanao	9	12	9	9
8. Central Mindanao	3	3	1	1
9. Western Mindanao	4	5	1	1
Total	99	154	132	77



PHLPost website was updated in 2013 featuring links to PHLPost Track and Trace Facility, Customer Care services, Pinoy eMail, Transparency Seal, eProcurement, Citizens' Charter and other information on PHLPost products and services including new stamp releases and updated rates.



Postal Services

PHLPost business lines include mail services, logistics services, payment services, and retail services. In 2013, mail services contribute 82.29 percent of the total revenue, while the payment services accounts for 6.62 percent. Meanwhile, the retail services have 8.18 percent of the total revenue, while the rest totaled to 2.91 percent.

Mail Services

Mail services include domestic and international express post, letter post, and parcel post. The domestic letter post has the lion's share of the mail volume posted (85.3%) and delivered (87.9%).

Posted Mail Volume = 61,209,689

Top 3 Mail Services (in thousand pieces)



Other Mail Services (in thousand pieces)



Delivered Mail Volume = 118,175,725

Top 3 Mail Services (in thousand pieces)



Other Mail Services (in thousand pieces)



Logistics Services

PHLPost has ventured into logistics services. As PHLPost is new in this business, the revenues generated from its initial undertakings is not that significant yet. However, in 2013, PHLPost played a significant role in the Philippine barangay election as it helps the Commission on Elections to transmit ballot boxes, forms, supplies, and other election paraphernalia to various regions in the country including Central Luzon, Southern Luzon, Eastern Visayas, Zamboanga Peninsula and National Capital Region.

COMELEC has commended PHLPost on December 9, 2013 for rendering efficient and on-time logistics services resulting to the success of the 2013 Barangay Elections.

PHLPost logistics services also took actions in relief operations by sending ten trucks loaded with supplies and goods from the donors to various areas affected by Typhoon Yolanda.

In 2013, the logistics services generated a revenue of PhP8,124,356.00.



Postmaster General and CEO
Maria Josefina M. Dela Cruz
with Commission on Elections
Chairman Sixto S. Brillantes, Jr.

Payment Services

The payment service market is continuously evolving to different forms. Globalization has led to a massive increase in payment service transactions and modernization paves the way for faster and more reliable payment system. In the Philippines, the continuous flow of money from the urban areas to the rural areas makes the local payment service market increasingly important as the international payment service market. The coming of new players in the industry, the technological innovation, and the building of new partners both locally and globally are the prominent driving forces that constantly change the context of competition in the market.

PHLPost particularly invests on the connectivity of post offices, which already reached almost a hundred post offices, to widen the network of electronic money transfer in the country.

Top management has also promoted international money transfers through Corridor Marketing activities that involve meeting of Filipino communities abroad and their families in the Philippines. PHLPost and Correios, Brazil's postal system, signed a Financial Transfer agreement extending the reach of the Electronic International Money Order (Vie), for the migrant Filipinos and Brazilians. Same partnership was established between PHLPost and Correos, Spain's postal system; and between PHLPost and Romanian Post to increase the market of international electronic postal money order.

The payment services generated a revenue of P205,542,849, taking 6.62 percent share of the total corporate revenue. Almost all (93.4%) of this amount comes from bills payment and collection fees while the remaining 6.6 percent comes from income on international and domestic money transfers both paper-based and electronic.



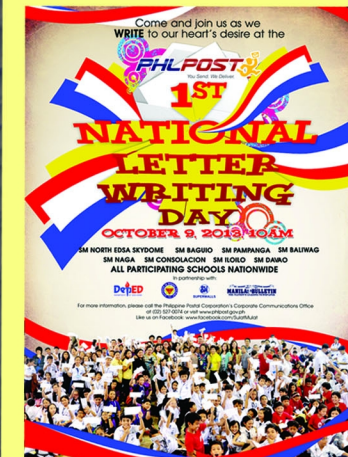
PHLPost partnered with DHL, the world's leading express services provider, which services are first offered in 12 PHLPost locations including Ortigas, Pasig City; Greenhills, San Juan City; Cebu City; Baguio City; Sta. Rosa, Laguna; Angeles, Pampanga; Iloilo City; Legaspi City; Davao City; and central post offices in Manila, Quezon City and Makati City. DHL Express service will offer shipments weighing 0.5 kg and above that are to be sent to countries currently not covered by PHLPost's Express Mail Service (EMS); and shipments sent to countries where EMS is offered, but which exceed the maximum weight that can be accepted DHL services will be expected to be rolled out in more PHLPost locations in 2014.



Partnership with Robinsons Land Corporation now gives postal stations their place in 22 Robinsons Mall Lingkod Pinoy Centers.



Partnership with DOH also continues as PHLPost works on the distribution of the Anti-Dengue Mosquito Ovicidal/Larvicidal Traps, a locally-developed technology system to control the population of dengue carrying mosquito. This partnership also serves as the corporate social responsibility thru active participation in the government effort to improve the quality of life in every community.



PHLPost received about 320,828 entries for the 1st National Letter Writing Day on October and earned a revenue of roughly PhP2.53 million. The project aims to educate and inculcate to the children the reason why letter writing is still an enjoyable and viable means of communication.

Marketing Activities and Partnerships Established



After introducing Postal Stations to interested private individuals in 2012, the privately owned station was inaugurated on February 2013. This project is a public-private partnership that brings the postal products and services closer to the people. As of the year, nine postal stations have already been accredited and has started operating.

As SM Malls provide a multi-government agency services center within selected and mutually-agreed malls called Government Services Center or Business Services Centers, PHLPost ensures visibility of postal facilities particularly in SM Manila, SM Pampanga and SM Cebu. While postal services are limited in these SM Malls, a lifestyle Post Office is featured in SM Aura Premier that will offer clients all the products and services of PHLPost including money transfer, application of Postal ID and other e-government services.



PHLPost also celebrates the National Stamp Collecting Month on November which theme in 2013 is Selyong Pinoy: Pagpapakita ng Husay at Galing ng mga Pilipino featuring the exemplary Filipinos whose achievements and contribution in nation building were depicted through stamps. Several activities for this month's celebration were hosted by the Corporation to market the stamps and to have a fellowship among Filipino Philatelists.

2013 Stamp Issuances

28 stamps with 94 designs
7 Special Stamps
13 Commemorative Stamps
10 Definitive Stamps
30 First Day Covers with 39 Designs
10 souvenir sheets
PhP362.88 Million worth of stamps

Teresita “Mama Sita” Reyes
Proposed by Mama Sita’s Holding Corporation, Inc.
Issued on 11th February



100 Years University of the Philippines Alumni Association



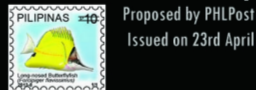
Philippines-Italy 65th Year of Diplomatic Relations



2nd Quarter Topicals Edible Nuts & Seeds



Marine Biodiversity



Lucio San Pedro Birth Centenary
Proposed by National Commission for Culture and the Arts
Issued on 14th February



PHLPost Mailing Center
Proposed by PHLPost
Issued on 22nd February



Malacanang Palace 150
Proposed by PHLPost
Issued on 11th June



Philippine Marine Biodiversity Composite Design (World Stamp Exhibit)

Proposed by PHLPost
Issued on 2nd August



3rd Quarter Topical (Deep Sea Shrimps of the Philippines)

Proposed by PHLPost
Issued on 8th August



Bureau of Fisheries and Aquatic Resources (50th Fish Conservation Week)

Proposed by Bureau of Fisheries and Aquatic Resources
Issued on 14th October

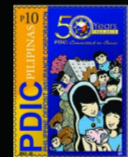


Year of the Horse 2014
Proposed by PHLPost
Issued on 2nd December



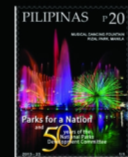
50 Years of Philippine Deposit Insurance Corporation

Proposed by Philippine Deposit Insurance Corporation
Issued on 5th December



50 Years of National Parks Development Committee

Proposed by National Parks and Development Committee
Issued on 5th December



Marine Biodiversity (3 separate issuances)

Proposed by PHLPost
Issued on 10th, 13th, 16th, & 18th December



Philippines-Nigeria 50th Year of Diplomatic Relations

Proposed by PHLPost
Issued on 20th December



January

February

March

April

May

June

August

September

October

November

December

2014 Valentines Day
Proposed by PHLPost
Issued on 14th January



Save the Tamaraw
Proposed by Far Eastern University
Issued on 25th January



1st Quarter Topicals Pitcher Plant

Proposed by PHLPost
Issued on 13th March



Jesse M. Robredo

Proposed by PHLPost
Issued on 27th May



Mariano Ponce 150th Birth Anniversary
Proposed by PHLPost
Issued on 5th September



60 Years BOYSEN
Proposed by Pacific Paint (Boysen) Philippines, Inc.
Issued on 9th September



Gerardo “Gerry” de Leon (National Artist for Film)
Proposed by National Commission for Culture and the Arts
Issued on 12th September

4th Quarter Topical Philippine Tricycles

Proposed by PHLPost
Issued on 12th November



“DOLPHY” Rodolfo Vera Quizon, King of Philippine Comedy

Proposed by PHLPost
Issued on 23rd November



Christmas 2013

Proposed by PHLPost
Issued on 25th November



Andres Bonifacio 150th Birth Anniversary

Proposed by National Historical Commission of the Philippines
Issued on 30th November



Corporate Operations Performance

The Corporate Operations team works on two programs to ensure efficiency of delivery services. The first program, the **Postal Network Enhancement Program** has three major expected outputs; the (1) mail network synchronization, (2) improvement in the effectiveness and efficiency of the postal network, and (3) improvement in transport capability. The third expected output is achieved in 2013 by the regular maintenance of delivery vehicles and acquisition of new delivery vehicles including heavy, medium, small and mini vans and motorcycles.

The second program is the **Quality of Service Enhancement Program** which is accomplished in 2013 through the mail make-up trainings; designation of Quality Control Officers who are equipped with the proper tools and techniques in measuring the delivery efficiency of their areas; designation of Man on the Floor that monitors activities and supervises the processing areas; and the conduct of Good Morning Tuesday that involves random calling of areas offices to check the presence of postal officers in their respective stations. Zoning of delivery commitments was also conducted for program intending to identify the realistic delivery standard per mail product and per area that will serve as the basis for mail delivery performance.

Effectiveness and Efficiency of Postal Network

Strict monitoring of departure and arrival schedule of mail/transport, including dispatch and collection scheme for mails was implemented. Regular coordination and roundtable discussions with airline representatives (Cebu Pacific, PAL Express, etc.) and consolidators (Transpac, PAGSS, MIA SCOR) were held to address issues related to mail delays and other complaints. These efforts led to reduced complaints by 90 percent on mail delays and non-receipt of international mail going to US, Japan, Europe and Dubai. There was also onttt assurance that mails are loaded within the scheduled time. When offloaded, these will be loaded in the next flight. A proposed CMEC extension office was discussed in the PAGSS staging area at NAIA, including action plans on all matters pertaining to the dispatch, collection and transport of domestic and international mails.

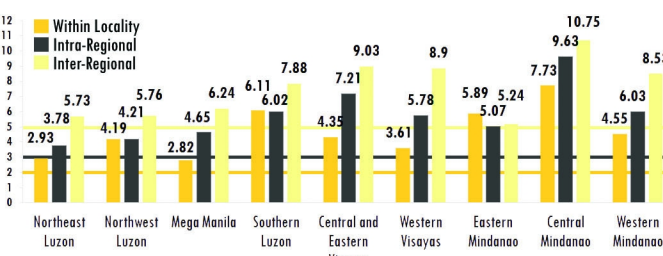
Mail Network Synchronization

New mail routes were implemented in nine postal areas to synchronize the time of collection and dispatch of mail with AMED, EMED and Metro DC processing time and delivery time of post offices.

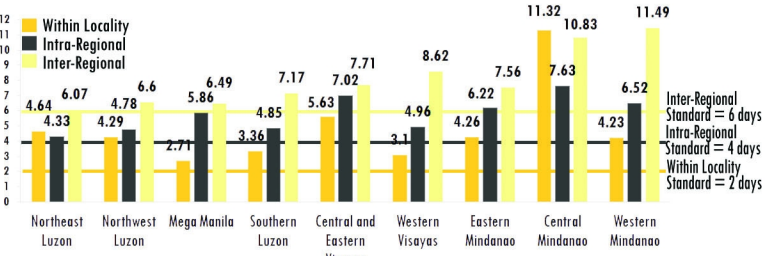
The Visayas and Mindanao dispatch hubs and ports of entry for surface mails were established resulting to reduced loading time (from 30 to 7 days) and less expenses. New hubs include Mandaue Cebu, Cagayan de Oro, Iloilo and Tacloban.



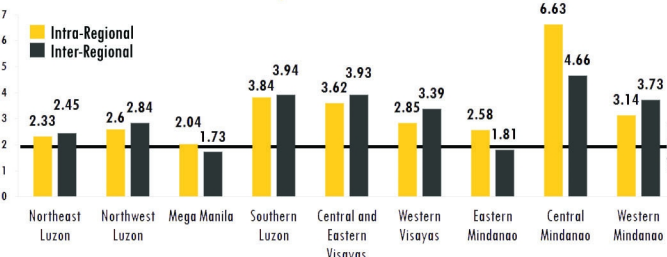
Ordinary Mails Posting to Delivery Performance



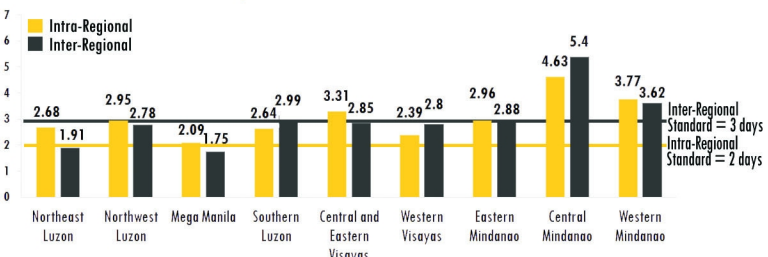
Registered Mails Posting to Delivery Performance



Post Office Performance for Ordinary Mails



Post Office Performance for Registered Mails



Mail Security

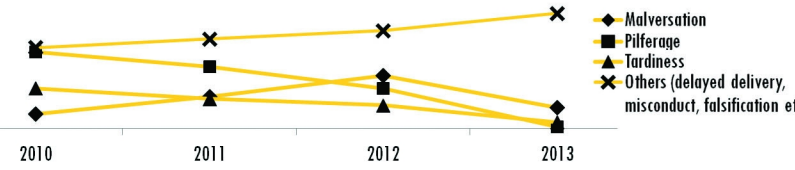


Enhancement Program

One of the most important investments of the Corporation in 2013 is the procurement of equipment that contributes to mail security. The procurement of X-ray machine also speeds up inspection processes at the Central Mail Exchange Center (CMEC). This facility is augmented by strict implementation of policies that include color coding by work area at the processing centers, wearing of proper uniform and identification cards, and restriction of several areas at CMEC accessible only to managers, division chiefs, and personnel from authorized agencies like Bureau of Customs and Bureau of Food and Drugs.

Better Performance, Less Mistakes for PHLPst Personnel

The efforts of the Management and employees equipped by appropriate facilities and systems have resulted to better performance. In 2013, total cases filed against PHLPst employees for various offenses have decreased by 32.67 percent from that of 2012. The average decline of cases filed against PHLPst employees is at the rate of 10.56 percent every year from 2010 to 2013. This is an affirmative indication of the improving culture within the Post which the Management intends to continue in the succeeding years.



Working on Customer Satisfaction

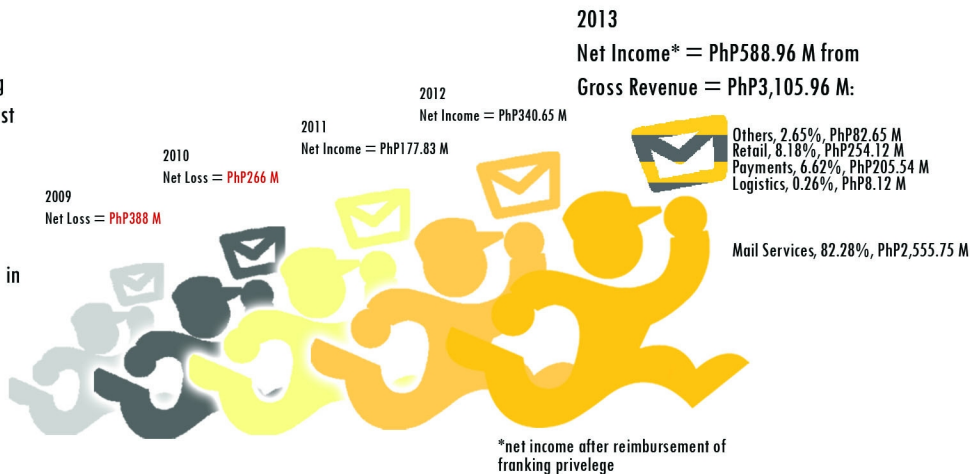
For an organization that centers its business in its customers and the services that it offers, PHLPst recognizes the need for an enhanced customer experience. Thus, customer centricity is added as the new element for the Corporate Thrusts. As the Corporation moves to turn around the corporate image and increase the revenue, one of the key focuses is the immediate feedback to customers. PHLPst customers' concerns 5 major categories including delayed/non-delivery of items, personnel services, its overall customer service experience, tampered/missing/mail disposition and other concerns that include Postal IDs, Return Cards among others.

Due to the improving customer service of the Corporation, the complaints concerning personnel were reduced by 69.12 percent in 2013.

Corporate Financial Performance

The financial statements below show the improving financial health of the Corporation. In 2013, PHLPost was able to register a net income, which is 72.89 percent higher than the previous year.

The Corporation has also managed to increase its total assets by almost 59 percent. Its cash position in 2013 is also better compared with those in the previous years.

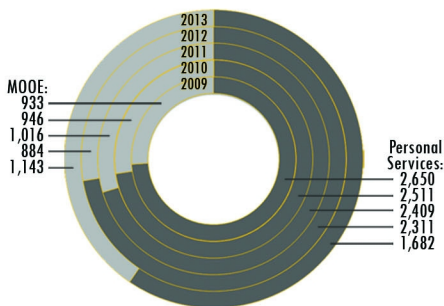


Comparative Income Statement		
For Calendar Years 2012 and 2013		
Particulars	2012	2013
Revenue	3,303,589,072.06	3,105,963,260.79
Investment Gains	-	225,557.67
Expenditures	(3,251,543,566.37)	(2,825,620,063.87)
Income Before Income Tax	52,045,505.69	280,568,754.59
Provision for Income Tax	-	-
Net Income Before Subsidy Income	52,045,505.69	280,568,754.59
Subsidy Income from National Government	600,538,251.00	657,911,026.37
Subsidy Expense	(311,931,197.00)	(349,519,244.67)
Net Income	340,652,559.69	588,960,536.29

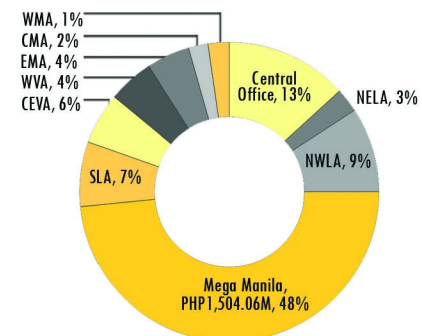
Comparative Balance Sheet		
For Calendar Years 2012 and 2013		
Particulars	2012	2013
Current Assets	6,417,599,034.17	12,703,436,965.37
Noncurrent Assets	2,804,267,962.67	1,919,362,610.62
Total Assets	9,221,866,996.84	14,622,799,576.00
Current Liabilities	4,218,246,449.48	10,989,090,059.42
Noncurrent Liabilities	2,565,761,367.46	2,722,909,402.94
Total Liabilities	6,784,007,816.94	13,711,999,462.36
Total Equity	2,437,859,179.89	910,800,113.64
Total Liabilities and Equity	9,221,866,996.84	14,622,799,576.00

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5-Year Corporate Expenditures in Million PhP



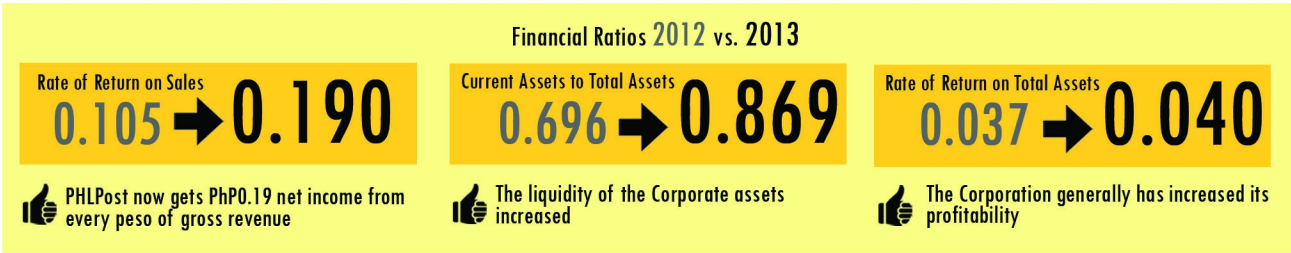
2013 Gross Revenue Share per Postal Area
Total = PHP 3,105,963,260.79



Financial Ratios

PHLPost has also started to watch few financial ratios since 2011 to check the financial health of the Corporation. Three of the fundamental financial ratios are presented including rate of return on sales, current assets to total assets, and rate of return on total assets. A 2-year comparative analysis on these ratios shows that PHLPost has improved in three areas.

First, PHLPost has increased the value it gets as net income from every peso of revenue from mail services from 11 percent in 2012 to 19 percent in 2013. The liquidity of corporate assets has also increased from 70 percent to 87 percent. Lastly, the profitability of the corporate assets has also increased from 3.7 percent to 4.0 percent in 2013.



Administrative Performance

Savings on Procurement

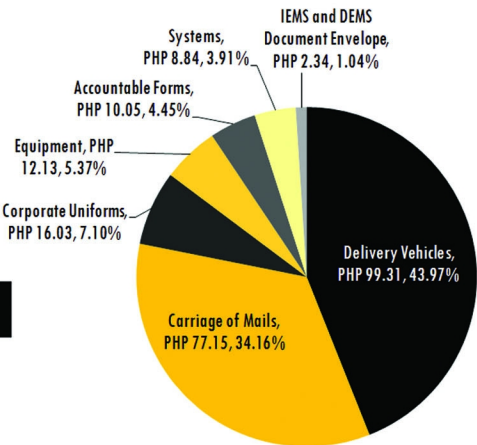
Fifteen projects were completed through public bidding including the procurement of various types of delivery vehicles, services for mail carriage, Fund Management System, 4Ps/Senior Citizen Mobile Verification System, accountable forms, IEMS and EMS Document Envelops, and various equipment.

The total contract price for the completed procurement projects is only 90.79 percent of the total approved bidding cost which translates to 22.90 million pesos worth of savings.

Delivery vehicles accounted for 44 percent of the total contract price of completed procurement projects while the carriage of mails had the second biggest slice at 34 percent.



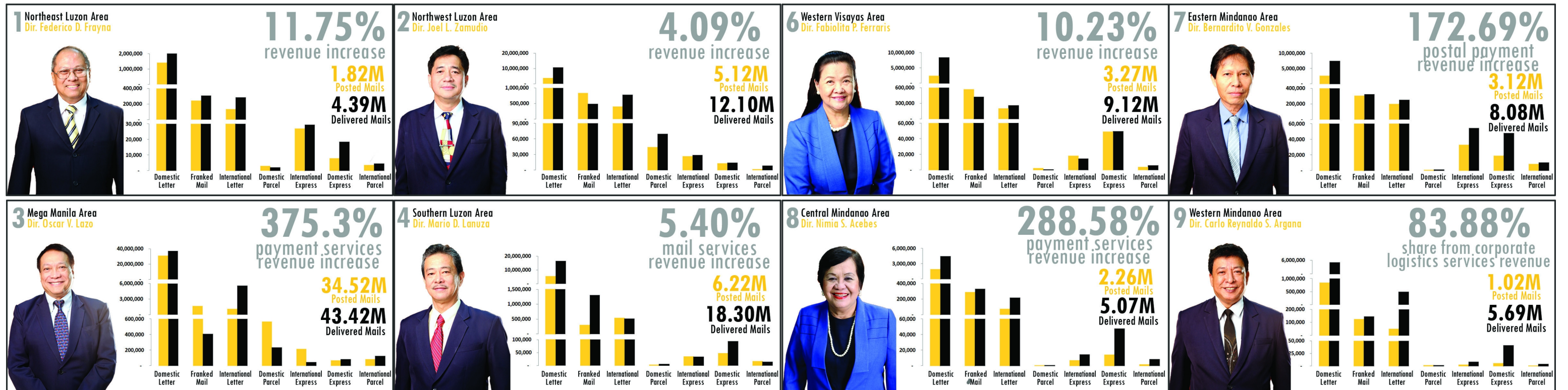
2013 Procured Projects
Total Contract Price= PhP225.84 Million



Income from Administrative Activities

PHLPost also earns revenue from renting out properties and disposing of its assets. In 2013, a total of PhP15.56 million were collected from these activities, 62 percent less than the income from the same activities in 2012.

Administrative Activities	2012	2013
Gain on sale or disposal of assets	-	225,557.67
Rent Income	41,462,703.50	15,336,591.69
Total	41,462,703.50	15,562,149.36



7

Eastern Mindanao Area

Dir. Bernardito V. Gonzales

172.69%

postal payment revenue increase

3.12M

Posted Mails

8.08M

Delivered Mails

3

Mega Manila Area

Dir. Oscar V. Lazo

375.3%

payment services revenue increase

34.52M

Posted Mails

43.42M

Delivered Mails

4

Southern Luzon Area

Dir. Mario D. Lanuza

5.40%

mail services revenue increase

6.22M

Posted Mails

18.30M

Delivered Mails

8

Central Mindanao Area

Dir. Nimia S. Acebes

288.58%

payment services revenue increase

2.26M

Posted Mails

5.07M

Delivered Mails

9

Western Mindanao Area

Dir. Carlo Reynaldo S. Argana

83.88%

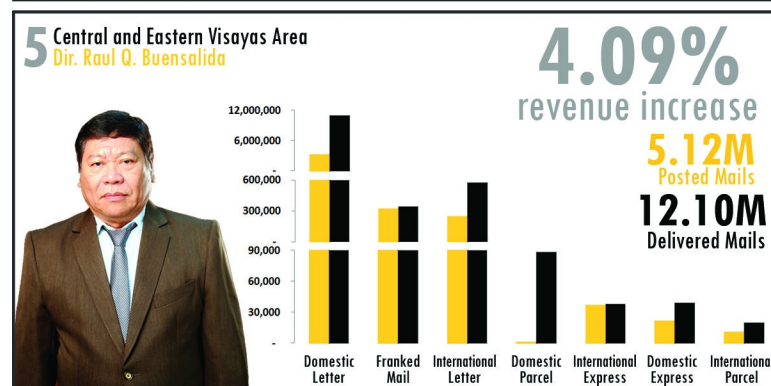
share from corporate logistics services revenue

1.02M

Posted Mails

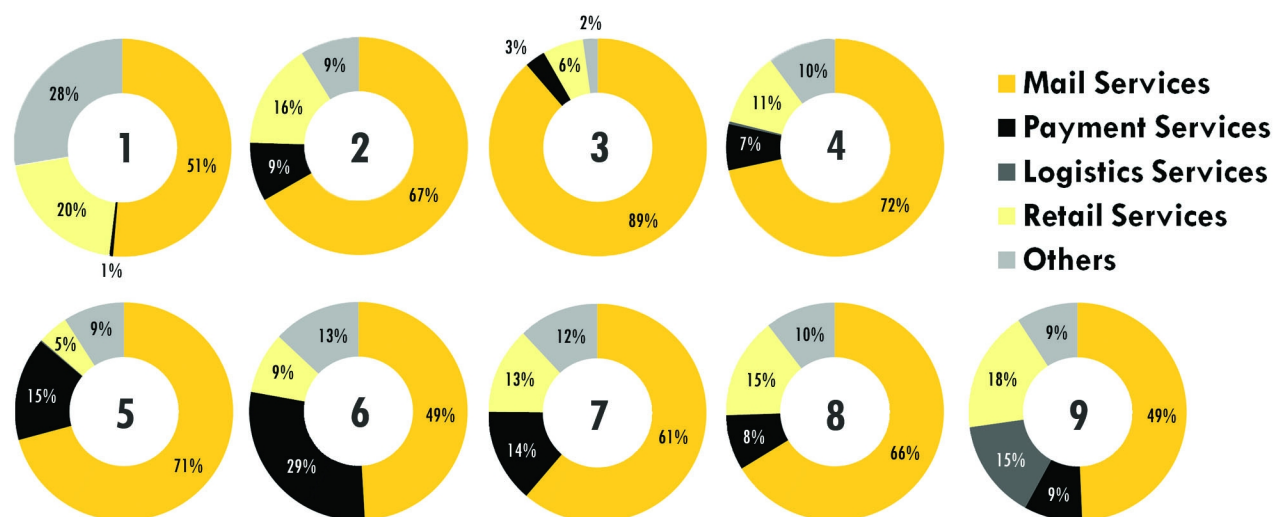
5.69M

Delivered Mails



Postal Area Highlights

Postal Areas Revenue by Business Line



Central Office Departments

Office of the Board of Directors
(02) 527-0152
(02) 527-0153
(02) 527-0157
(02) 528-1602
(02) 528-1603

Internal Audit Department
(02) 527-5870
(02) 527-0071

Office of the Postmaster General and CEO
(02) 527-8327 to 30
(02) 527-8334

Legal Department
(02) 527-0051
(02) 527-0125
(02) 527-9608

Corporate Planning Department
(02) 527-9615

Human Resource Management Department
(02) 527-0104
(02) 527-1018
(02) 527-0061
(02) 527-0050
(02) 527-5871

Management Information System
(02) 527-9604 to 05

Office of the APMG for Administration and Finance
(02) 527-3663
(02) 527-0032

Accounting Department
(02) 527-9611

Fiscal Management Department
(02) 527-5868

Logistics and Property Management Department
(02) 527-9606

General Services Department
(02) 527-0143

Office of the APMG for Marketing
(02) 527-0091

Business Lines Department
(02) 527-0059
(02) 524-8771

Corporate Communications Division
(02) 527-0074

Office of the APMG for Operations
(02) 527-9601

Service Regulations Department
(02) 527-0076

Network and Transport Department
(02) 854-1641

Express Mail Exchange Department
(02) 854-0086
(02) 854-0888

Airmail Exchange Department
(02) 854-4670
(02) 854-9825

Surface Mail Exchange Department
(02) 527-8705
(02) 525-7130

Postal Area Offices

Northeast Luzon Area
Office of the Area Director
(078) 844-1363

Northwest Luzon Area
Office of the Area Director
(072) 700-3660

Mega Manila Area
Office of the Area Director
(02) 527-0144

Southern Luzon Area
Office of the Area Director
(02) 520-6009

Central and Eastern Visayas Area
Office of the Area Director
(032) 344-8242

Western Visayas Area
Office of the Area Director
(033) 509-8360

Eastern Mindanao Area
Office of the Area Director
(082) 224-2962

Central Mindanao Area
Office of the Area Director
(088) 856-6669

Western Mindanao Area
Office of the Area Director
(062) 991-0581



Mail Services

1. Express Post

a. **International Express Mail Service (IEMS)** is 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 via IEMS. Currently, the Philippines has a bilateral agreement with 45 countries for the reciprocal exchange of EMS items.

b. **Domestic Express Mail Service (DEMS)** is 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** is a next day delivery guaranteed to time-sensitive and important documents. It is a guaranteed next-day door-to-door delivery to selected areas either by land or air.



2. **Letter Post** items include letters and post-cards weighing not more than 2 kilos which can be accepted in post offices and postal stations for delivery locally or any part of the world.

a. **Letters** are first class mails which are either ordinary, priority or registered

b. **Ordinary Mail** includes all unrecorded items which are charged the basic postage and delivered through the regular delivery channels. Mails are classified into first, second and third class.

c. **Priority Mail** is a next-day delivery of unrecorded mails in Metro Manila and selected cities and towns nationwide if posted on or before 3:00PM.

d. **Registered Mail** is accorded mail security with the entire process being recorded from acceptance to delivery to the addressee. As proof of delivery, the sender may attach a registry return receipt to be signed by the recipient. Indemnity is paid in case of loss or damage of registered mail.

e. **Literature for the Blind** are letter post items containing writings used by the blind, sound recordings and/or special paper intended solely for the use of the blind.

f. **M Bags** are defined as 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.

g. **Articles** that meet the definition of Printed Matters include newspapers, magazines, journals, books, sheet music, catalogs, directories, commercial advertising, promotional matter, and the likes.

h. **Small Packets** are specially provided for the transmission of goods (including trade samples), whether dutiable or not, in the same mail as Printed Papers, with a limit of two (2) kilograms and below.

3. **Parcel Post** is a convenient means of sending non-perishable foodstuff, handicrafts and other merchandise to addressees within the country and abroad. This service is available in all post offices nationwide. Parcel may be sent via air or surface means.

a. **Air Parcel Post** is the fastest means of sending parcels to foreign countries. This service is available only in countries with which the Philippines has bilateral agreements.

b. **Surface Parcel Post** is the cheapest means of sending parcels to foreign countries with which the Philippines has bilateral agreements. Surface parcels may be sent to countries where we have no bilateral agreements only through the intermediary of the United States of America.

c. **Insured Parcel Post** includes parcels with a maximum insured value of PHP 5,000.00 which may be accepted for delivery in selected foreign countries. At present, this service is available only to Switzerland and the United States of America and its possessions.

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.

5. **Collect-on-Delivery Service (COD)** is available for mailable materials or merchandise, including books, magazines, periodicals and other printed matters which may be sent collect-on-delivery, where the amount due is paid by the addressee upon delivery of the articles.

6. **Fax Mail Service** is an electronic mail service which provides the fastest means of transmission and delivery of written messages or documents. This service is available in selected major post offices nationwide.

7. **Business Reply Envelopes/Cards (BRE/BRC)** maybe sent to parties within the country and returned by mail to the sender whose name appears on the card or envelope as the addressee upon prepayment of postage. Postage and other charges shall be paid by the addressee upon delivery. Persons or business firms desiring to avail of this service may file a written application with the Regional Office concerned. The application shall indicate the post office where the cards or envelopes are to be returned and a pledge that the postage and other charges, if any, shall be paid at the time of delivery.

8. **Address Check Service** offers to validate and provide business entities, especially those involved in direct marketing with the correct address of their customers within a locality, region or nationwide at a minimum cost.

9. **General Delivery Service** is available for transients who have no fixed address in locality. Transients can have their mails addressed c/o General Delivery Service followed by the name of the local post office.

10. **Proof of delivery (POD)** is locally offered to companies that require an assurance/proof that their mails reached their clients. Generally, POD slip is filled-out properly with the post office of entry, name of client/sender, actual date of dispatch, and delivery of the mail.

11. **International Reply Coupon** is sold to postal customers for use in prepaying reply postage from other countries. Those originating from foreign countries may be exchanged with postage stamps representing the highest charged fixed rate for an ordinary mail of the first step sent by air to a foreign country.



Logistics Services

The main Logistics / Warehousing hub of PHLPost for the bulk and break-bulk cargo delivery is located at the Foreign Surface Mail Distribution Center. Such item includes light equipment, appliances, and agricultural products among many others for delivery within limited areas initially and subsequently into the international arena where bilateral agreements have been finalized with other countries.



Postal Payment Services

1. Postal Money Order

a. **Postal Money Order (Paper-Based)** is a financial instrument issued by and payable at a post office as an alternative to sending cash thru the postal system. It is exchangeable for cash on demand and generally accepted as means of payment. All the designated domestic money order offices are also authorized to transact international money order business with Brunei Darussalam, Hong Kong, Indonesia, Japan, Korea, Kuwait, Malaysia, Qatar, Singapore, Thailand, UAE and USA. Exchange rates for international money orders are provided by the Central Office to post offices nationwide from time to time.

b. **e-Money Order Service (e-Post MO)/Remittance Service** is 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, and duly licensed money remittance companies, local and foreign international banks. Thus, families of OFWs can also avail of this service.

2. Agency Services

a. Through an agreement signed between PHLPost and the CIS Bayad Center Inc., post offices within Mega Manila and various provinces in the country shall now assume the function of collecting payments for institutional clients. This service makes it possible for selected PHLPost post offices to function as a **Bayad Center** outlet and collect payments for utilities such as electric, water, telephone bills as well as other services

b. Aside from institutional clients mentioned above, PHLPOST also has an agreement with **PhilHealth** for the collection of monthly contribution from its members.



Retail Services

Philately or stamp collecting is considered the world's most fascinating hobby. Through philately, one can learn of a country's history, art, culture, nature and industry as depicted in special and commemorative stamps. Philatelic stamps come in different forms such as mint, cancelled, se-tenant, souvenir sheets and sheetlets. Other Philatelic products such as First-Day Covers, Stamp Albums and presentations packs are available at the Stamp and Philatelic Division of the Manila Central Post Office and in major post offices nationwide.

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P.O. Box Rental refers to lock boxes that are installed in major post offices for rent to postal customers. These facilities provide special handling, security and utmost confidentiality of mails of individuals, business firms and government offices. They are available in three (3) different sizes such as small, medium and large.





On the Right Track

Philippine Postal Corporation
2013 Annual Report



phlpost.gov.ph



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