



LBP LEASING AND FINANCE CORPORATION
 (A LANDBANK SUBSIDIARY)

MEMORANDUM:

FOR : The Board of Directors
 THRU : The President and CEO
 The Management Committee
 FROM : The Treasurer
 SUBJECT : **Declaration of Cash Dividend**
 DATE : April 14, 2023

LBP LEASING AND FINANCE CORP.
 09 May 2023
 CERTIFIED TRUE COPY

Results of Operations for the Year Ended December 31, 2022

For the year ended December 31, 2022, LBP Leasing and Finance Corporation (LLFC) realized a net income after tax of **P 43.02 Million** based on the unaudited Philippine Financial Reporting Standards (PFRS) Financial Reports. This income level was P 12.95 Million **higher** than the P 30.07 Million NIAT realized in the year 2021. The following are the highlights and comparison of the financial results of operations for the years 2022 and 2021:

(In Thousand Pesos)

	Unaudited Yr2022	Audited Yr2021	Inc/(Dec)	%
Gross Revenue	648,506	581,297	67,209	11.56%
Total Expenses	<u>583,588</u>	<u>520,787</u>	62,801	12.06%
Net Income Before Tax	64,918	60,510	4,408	7.28%
Income Tax	<u>21,901</u>	<u>30,441</u>	(8,540)	(28.05%)
Net Income After Tax	<u>43,017</u>	<u>30,069</u>	12,948	43.06%
Total Assets	5,472,286	4,964,628	507,658	10.23%
Return on Assets	0.82%	0.60%	0.22%	
Per Capita Income	755	510	245	48.04%
No. of Personnel	57	59		

Lodged in User : i. Iramo@lbp-leasing.com (05/09/2023)
 *Sale of property located in BGC Taguig City

Common Stock, Issued and Outstanding, Par Value: P 10.00 Per Share

	Unaudited Yr2022	Audited Yr2021	Inc/(Dec)	%
Number of Shares	48,555,255	48,555,255		
Value	485,553	485,553		
Additional Paid-in Capital	113,970	113,970		
Total Capital Stock	599,523	599,523		
Retained Earnings	1,011,418	1,027,867	(16,449)	(1.60%)
Other Comprehensive Income	(9,558)	(9,558)		
Total Stockholders' Equity	1,601,383	1,617,832	(16,449)	(1.02%)
Ave. Stockholders' Equity	1,609,608	1,692,199		
Return on Equity	2.67%	1.78%		
Earnings per Share	0.886	0.619	0.267	
Book Value per Share	32.981	33.319	(0.338)	

Republic Act No. 7656

Republic Act (R.A.) No. 7656 requires "government owned and controlled corporations, without impairing their viability and the purposes for which they have been established, shall share a substantial amount of their **Net Earnings** to the National Government."

In January 2016, the Department of Finance issued the Revised Implementing Rules and Regulations to R.A. No. 7656, "An Act Requiring Government-Owned or Controlled Corporations to Declare Dividends Under Certain Conditions to the National Government, and for Other Purposes."

Net Earnings, December 31, 2022

Net Taxable Income	P 145,198,710
Add back: Interest Income subject to final tax	<u>44,291</u>
Total Earnings for the Year	P 145,243,001
Less: Income Tax Due	<u>(36,299,678)</u>
Net Earnings Available for Dividend Declaration	P 108,943,323
Minimum Dividend	50%
Minimum Amount for Dividend Declaration	<u>P 54,471,662</u>

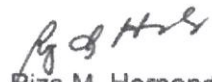
A letter request was sent to the Department of Finance (DOF) to defer the remittance of the cash dividend until LLFC receives the Audit Report from the Commission on Audit (COA). DOF, on its letter dated April 13, 2023, responded that the computation of the dividends due shall use the Annual Income Tax Return and the dividends shall be remitted on or before May 15 (copy attached).

Recommendation:

In view of the profitable results of operations for the year ended December 31, 2022 and in compliance with the requirements of Revised IRR of Republic Act No. 7656, we recommend:

The declaration of cash dividend equivalent to **PESOS: ONE AND ONE THOUSAND TWO HUNDRED NINETEEN CENTAVOS (P 1.1219) per share of common stock held to all stockholders of record as of December 31, 2022** or a total amount of **PESOS: FIFTY-FOUR MILLION FOUR HUNDRED SEVENTY-FOUR THOUSAND ONE HUNDRED FORTY-ONE (P 54,474,141.00)**. The amount is 50.00% of the Net Earnings.

For your approval.


Riza M. Hernandez



Republic of the Philippines
DEPARTMENT OF FINANCE

Roxas Boulevard Corner Pablo Ocampo, Sr Street
Manila 1004

April 13, 2023

MR. MICHAEL P. ARAÑAS
President and CEO
LBP Leasing and Finance Corporation
15/F SycipLaw Center, No. 105 Paseo de Roxas
Makati City 1226

NOTED
TO: VP RIZA

SUBJECT: LBP Leasing and Finance Corporation's (LLFC) Request for Approval to Defer the Remittance of Cash Dividend for the 2022 Net Earnings

Dear President and CEO Arañas:

In response to LLFC's subject request, pursuant to 2016 Revised Implementing Rules and Regulation (RIRR) of Republic Act (RA) No. 7656 or the Dividend Law, the remittance of dividends should be on or before May 15 of each year. For the computation of the dividends due, the Annual Income Tax Return is used as one of the bases for determining net earnings or the dividend base. Please refer to Section 3(i), 5 and 6 of the RIRR.

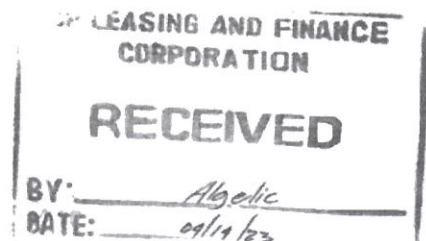
Please be guided accordingly.

Thank you.

Very truly yours,


JOANNA P. CASTILLO
Director IV of the Corporate Affairs Group – Corporate Operations Office

Logged in User : ilramo@lbpleasing.com (05/09/2023)



CC: **GLEND A. RUMOHR- FIGUEROA**, Assistant Secretary of the Privatization and Corporate Affairs Group