



Accomplishment Report (Unaudited Figures)

4TH QUARTER
(October-December 2014)

In This Issue

The Quarter in brief....1

Gaming revenues.....2

Management initiatives for gaming4

Fund provision/fund augmentation for health, medical, social services and charities of national character... 6

PCSO's 80th founding anniversary celebration.....10

Gearing up for a better PCSO in CY 2015.....11

THE QUARTER IN BRIEF:



The successive tropical cyclones during the 4th Quarter of 2014 did not stop the Philippine Charity Sweepstakes Office (PCSO) from earning P9,225,537,327.00 in combined retail sales receipts from its regular games (Lotto, Keno and Sweepstakes) and other income generating games like Small Town Lottery, "Peryahan" (*new lottery game on test run*) and Mini-Sweepstakes.

Sales for this quarter enabled the agency to achieve P32.32 Billion in actual annual sales which represents ninety-three percent (93%) of the P34.50 Billion in projected annual revenue for CY 2014.

Approved allocation for various health, medical, social services and charity of national character from October-December CY 2014 was P1,717,617,669.01.

PCSO's Individual Medical Assistance Program (IMAP) received the biggest funding with eighty-seven percent (87%) share of the allotment for Charity Fund for the period. The remaining thirteen percent (13%) went to other health and social welfare programs of the agency. The significant increase in requests for IMAP in all PCSO offices nationwide may be attributed to the stoppage of financial assistance for health and medical needs funded by Congressional Offices after the Supreme Court's adverse decision on the Development Acceleration Program (DAP) and Priority Development Assistance Program (PDAF).



To address the influx of indigent clients, the PCSO Board has ordered the implementation of the "PCSO Desk" program initially in selected public and private tertiary hospitals to cater to charity ward patients and help manage walk-in indigent clientele in its offices. The agency is also preparing to introduce new marketing channels to enhance its revenue generation capability to sustain its pro-poor charity services nationwide.



MISSION

To generate funds for health programs and charities of national character through charity sweepstakes races, lotteries and other similar activities.

VISION

The PCSO, as the principal government agency for raising and providing funds for health programs, medical assistance and services shall by 2020 have a timely and responsive presence in every province.

CORE VALUES

- Professionalism
- Integrity
- Teamwork
- Creativity
- Service Orientation

The PCSO Board approved numerous good governance policies and programs which will be implemented office wide in CY 2015. Directed at improving the internal processes of the agency, the following programs are desired for implementation

in CY 2015: (1) Provisional approval of the Civil Service Commission (CSC) of PCSO's Strategic Performance Management System (SPMS) as a management tool in monitoring and gauging individual performance aligned towards the attainment of agency targets; (2) Improvement of internal processes with the procurement of the Computerized Accounting System (CAS), Human Resource Information System (HRIS) and preparations for the ISO certification of its gaming operations and charity services; and (3) Utilization of Kaplan and Norton's Balanced Score Card and Strategy Map model to identify PCSO's targets on four (4) key result areas: Financial Perspective, Customer Perspective, Internal Process Perspective and Learning and Growth Perspective.



L-R: Acting Chairperson and General Manager Jose Ferdinand M. Rojas II and Members of the Board of Directors Mabel V. Mamba, Betty B. Nantes, Francisco G. Joaquin III and Florencio Gabriel "Bem" G. Noel handing over PCSO's P10 Million financial assistance to Bicol Regional Training and Teaching Hospital represented by Rogelio Rivera (center).

GAMING REVENUES (UNAUDITED FIGURES):

In the last quarter of 2014, PCSO remained resilient despite the onslaught of typhoons "Hagupit" (Super typhoon Ruby) and "Seniang" which resulted in flooding, landslides, brownouts and partial cessation of on-line lottery activities for a few days due to damaged electric and telecommunication lines in calamity-stricken areas [Calabarzon (IV-A), Mimaropa (IV-B), Bicol Region (V), Western Visayas (VI), Central Visayas (VII) and Eastern Visayas (VIII)].

Sales from major PCSO gaming products- *Lotto, Keno and Sweepstakes* – amounted to P8,019,677,240.00. From this figure, Lotto took the biggest share representing 90.55% (P7,262,066,520.00) followed by Lotto Express (Keno) with P747,610,720.00 (9.32%) and Sweepstakes in the amount of P10,000,000.00 (0.13%).

The agency likewise generated other income from Small Town Lottery (STL) in the amount of P1,198,847,916.00 and P7,012,171.00 from "Peryahan" (new game on test run).

1.1 LOTTO SALES

For this quarter, lotto sales increased by 0.0044% (P7,262,066.520.00) compared to the same period sales in CY 2013 in the amount of P 7,230,247,250.00).

Visayas region proved to be the agency's new niche market with 16.2% lotto sales growth P1,785,507,850.00 compared to last year's sales of only P1,539,008,540.00 during the period and the Mindanao region came next with 2.98% increase from P978,218,620.00 to P1,007,380,850.00.

MAJOR GAMES



DRAW SCHEDULE

Tuesday – Thursday – Saturday



DRAW SCHEDULE

Monday – Wednesday – Friday



DRAW SCHEDULE

Tuesday – Thursday – Sunday



DRAW SCHEDULE

Monday – Wednesday – Saturday



DRAW SCHEDULE

Monday to Sunday
7 am – 12 midnight

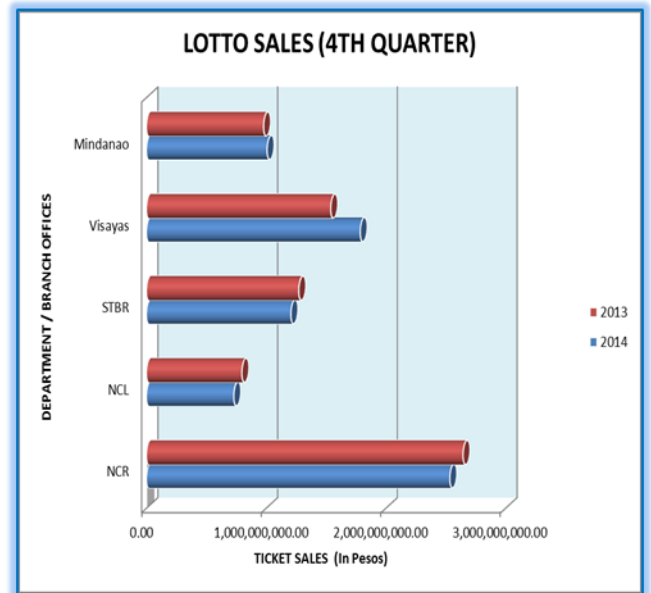
Draw is held every 10 minutes



DRAW SCHEDULE

Every last Sunday of the month

The significant increase in lotto patronage in these jurisdictions may be attributed to the successive lotto jackpot winners from these areas during the last quarter of CY 2014 including the opening of new PCSO branch offices and increase in the number of lotto outlets thus, making PCSO games more accessible in these localities. On the other hand, lotto sales in the National Capital Region (NCR) declined by 4.18% from P2,644,185,520 compared to P2,533,727,060.00 during 4th Quarter CY 2013.



The same is true for Northern Central Luzon (NCL) which posted a 8.50% drop in lotto sales from P796,913,780.00 to P729,913.780.00 including Southern Tagalog and Bicol Region (STBR) with 5.16% decline from P1,271,920,790.00 to P1,206,287,500.00 based on comparative sales figures for 4th Quarter CY 2014 and CY 2013. PCSO attributes the decline in lotto sales in NCR, NCL and STBR with the on-going civil cases and injunction secured by one of its lottery equipment providers- Philippine Gaming and Management Corporation (PGMC)- against the entry of the agency's VIS-MIN lottery equipment provider (Pacific On-line Systems Corporation) in the whole of Luzon. The writ of injunction resulted in delays, if not, prohibition in the installation and/or replacement of lotto machines for new sales outlets.

These legal constraints are being addressed by the agency in coordination with the Office of the Government Corporate Counsel (OGCC) and all efforts are being undertaken to ensure that PCSO's lottery operations shall not be hampered including resort to alternative dispute resolution, if necessary.

1.2 LOTTO EXPRESS (KENO)

Lotto Express (KENO) national sales further improved by 26.70% except in the Mindanao Region which posted 12.44% decline in retail receipts from October-December 2014.

Lotto Express (KENO)	Actual Sales (In Pesos)	
	4 th Quarter 2014	4 th Quarter 2013
NCR	356,561,190.00	268,464,210.00
NCL	125,328,350.00	109,654,350.00
STBR	177,241,600.00	139,250,770.00
Visayas	64,921,980.00	45,769,450.00
Mindanao	23,557,600.00	26,903,050.00
Total	P747,610,720.00	P590,041,830.00

DIGIT GAMES



DRAW SCHEDULE
Monday to Sunday – 3x/day



DRAW SCHEDULE
Monday to Sunday – 3x/day



DRAW SCHEDULE
Monday – Wednesday – Friday



DRAW SCHEDULE
Tuesday – Thursday – Saturday

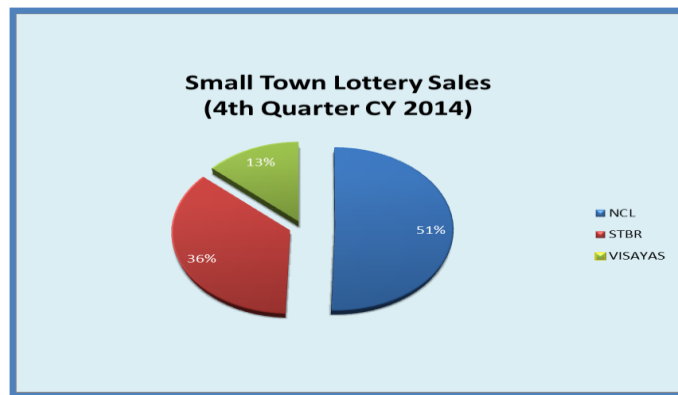
1.3 SWEEPSTAKES

From October-December 2014, PCSO conducted four (4) Mini-Sweepstakes draws held on October 26, November 23, December 8 and December 28, 2014 which gained the agency P10,000,000.00 by year-end. Ten thousand (10,000) booklets for each Mini-Sweepstakes draw were sold out and produced nine (9) major winners. The Product Standard and Development Department (PSDD) under the Gaming, Product Development and Marketing Sector plans to engage more private and governmental organizations in 2015 as new marketing partners or channel under the “Sweepstake Partner Tayo” program.

1.4 OTHER INCOME FROM SMALL TOWN LOTTERY (STL) AND “PERYAHAN”

PCSO also generated other income from Small Town Lottery in the amount of P1,198,847,916.00 or an 18.35% increase from last year’s intake of only P1,012,987,877.00 for the same period.

From this figure, STL authorized agent corporations from Northern Central Luzon (NCL) contributed P606,513,523.00 followed by Southern Tagalog and Bicol Region (STBR) with P431,359,721.00 and the Visayas Region with P160,974,672.00.



Meanwhile, “Peryahan”- the newest game on experimental/test run of the agency - generated P7,012,171.00 during the quarter.

MANAGEMENT INITIATIVES FOR GAMING

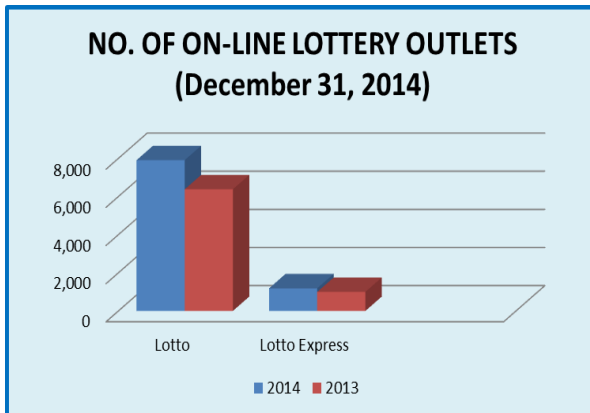
1. Increased number of on-line lottery outlets

Lotto outlets increased during the 4th Quarter from 6,375 outlets in CY 2013 to 7,902 while Lotto Express (KENO) outlets numbered 1,183 outlets for the same period.

OTHER GAMES



By December 31, 2014, PCSO has a nationwide on-line lottery agents/outlets of 9,085. This figure is equivalent to 23.24% increase compared to 7,372 agents/outlets in CY 2013. The positive growth in the number of PCSO's sales outlets contributed in the sustained revenue enhancement programs of the agency and directly supports the Aquino Government's employment generation initiatives on a nationwide scale.



2. Additional PCSO Branch Offices and cost saving measures

During the last quarter of the year, PCSO opened two (2) new Branch Offices in Zamboanga del Norte (October 20, 2014) and Marinduque (November 24, 2014) and consistent with the management's cost saving measures, these offices are rent-free courtesy of partner local government units (LGUs).

By December 31, 2014, PCSO was operating forty-two (42) Branch Offices all over the country and concerted efforts are underway to further penetrate and develop new markets to make the agency's games more accessible to the gaming public in 2015.



DRAW SCHEDULE
Monday to Sunday
11 am, 1 pm, 4 pm,
8 pm and 9 pm



Left photo shows the façade of the new PCSO Branch Office at Zamboanga del Norte. Right photo shows AGM Remeliza M. Gabuyo (3rd from left) posing in front of the PCSO Marinduque Branch Office together with Branch Operations Sector officers and staff.

3. Quality Control for "PERYAHAN"

In 2014, PCSO introduced "PERYAHAN" as its new game on experimental/test run. Consistent with the agency's player protection policy, PCSO established the Peryahan Games Central Lottery System Remote Access Management Terminal (RAMT) in eight (8) locations - Butuan City, Agusan del Norte; General Santos City, South Cotabato; Davao City, Davao del Sur; Cubao, Quezon City; Antipolo City, Rizal; Bacolod City, Negros Occidental; Baclayon, Bohol; Laoac, Pangasinan and Butuan City, Agusan Del Norte - to ensure quality control over the hardware and software of the new game including the maintenance of its optimum operational readiness in said areas.



Individual Medical Assistance Program (IMAP)

Individual Medical Assistance Program aims to provide financial assistance to individual patients through guarantee letters (GL) addressed to hospitals, diagnostic laboratories/centers, pharmacies and other health care facilities. The program covers the cost of hospitalization, medicines, medical supplies, diagnostic procedures, chemotherapy drugs, dialysis, hearing aid/implant, implants and prosthesis and medical needs of the beneficiaries.



Hundreds of Filipinos line up as early as 4:00 am every day at the PCSO Extension Office at the Lung Center of the Philippines to seek financial assistance for various medical and hospital needs.

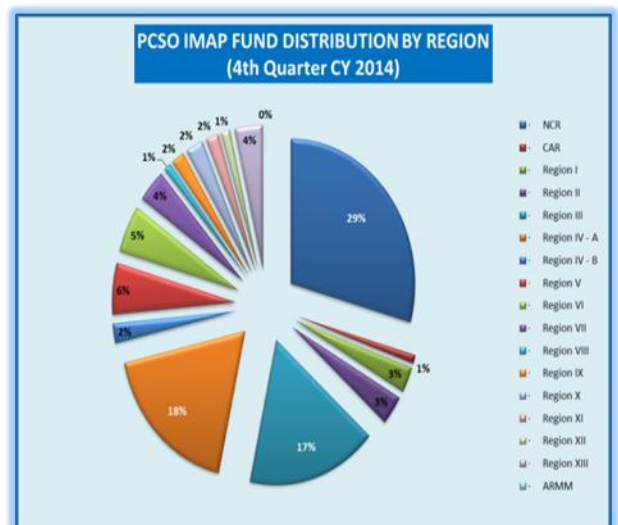
FUND PROVISION/AUGMENTATION FOR HEALTH, MEDICAL, SOCIAL SERVICES AND CHARITIES OF NATIONAL CHARACTER

I. Individual Medical Assistance Program (IMAP)

For the period October to December 2014, PCSO approved the allocation of P1,508,757,650.99 for the benefit of 57,827 individuals nationwide who were in dire need of financial assistance for hospitalization, laboratory and/or medical procedures for various ailments including surgeries and treatment for terminal diseases (chemotherapy and dialysis, etc.).

REGION	No. of Indigent Patients	IMAP Assistance Granted (In Pesos)
NCR	16,942	623,384,902.10
CAR	558	15,473,795.00
Region I	1,664	42,657,980.54
Region II	1,933	36,658,247.46
Region III	9,799	248,853,211.83
Region IV - A	10,429	280,066,648.00
Region IV - B	1,260	20,725,096.17
Region V	3,311	49,946,863.99
Region VI	3,075	58,782,232.92
Region VII	2,169	33,367,114.99
Region VIII	551	10,645,883.31
Region IX	996	12,278,271.49
Region X	1,338	28,909,119.08
Region XI	973	20,725,018.85
Region XII	689	11,637,652.00
Region XIII	2,128	14,119,313.26
ARMM	12	526,300.00
TOTAL	57,827	P1,508,757,650.99

Out of the 57,827 indigent patients who sought the agency's assistance, 26,191 (45%) were served at the PCSO Main Office including its Extension Office at the Lung Center of the Philippines in Metro Manila while the remaining 31,636 patients (55%) were attended to in the 42 PCSO Branch Offices nationwide; and average financial assistance per patient amounted to P26,090.89 for the period. Similarly, from the





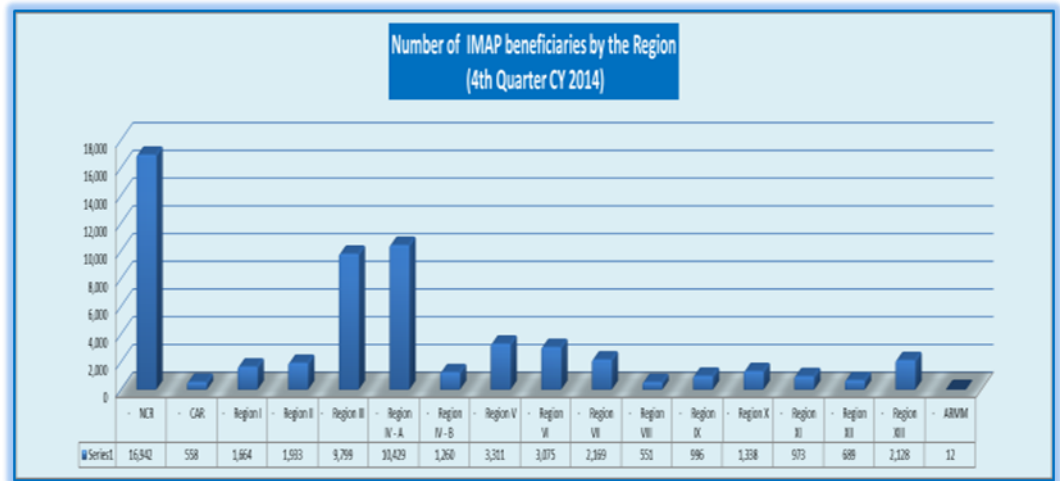
Endowment Fund Program

The Endowment Fund Program provides direct fund assistance to partner health care facilities particularly government-run hospitals making medical assistance more accessible to charity patients. The program immediately addresses the medical care needs, medicines, medical and surgical supplies, diagnostic procedures needed for the management and treatment of the various illnesses of patients as funds are readily available to the partner hospitals making the program more responsive to the health needs of the beneficiaries.



PCSO Vice-Chairman and General Manager Atty. Jose Ferdinand Rojas II, together with Directors: Francisco Joaquin III, Betty Nantes, Mabel Mamba and Corporate Secretary Ramon Rodrigo pose with Charity Assistance Department Manager Rubin Magno and Endowment Fund beneficiaries during the ceremonial turn over of assistance to select public and private hospitals.

P1,508,757,650.99 approved IMAP allocation, about 29% (P623,384,902.10) went to 16,942 indigent patients from the National Capital Region (NCR) followed by 10,429 indigent patients from Region 4-A with 18% (P280,066,648.00) then Region 3 with 17% (P248,853,211.83) and benefitting 9,799 indigent patients and the remaining 36% were



distributed in the other regions of the country.

During this period, the agency likewise observed a significant increase in the number of IMAP requests. The spike in the number of IMAP applications may be attributed to: (1) successive natural calamities that hit the country; and (2) stoppage of financial assistance for health and medical needs funded by Congressional Offices after the Supreme Court's adverse decision on the Development Acceleration Program (DAP) and Priority Development Assistance Program (PDAF). To address the influx of indigent clients, the PCSO Board has ordered the implementation of the "PCSO Desk" program initially in selected public and private tertiary hospitals to cater to charity ward patients and help manage walk-in indigent clientele in its offices. The agency is also preparing to open more branch offices next year including the introduction of new marketing channels and game offerings to enhance its revenue generation capability to sustain and further expand its charity services.

II. Endowment Fund Program

For the period covered, 63 hospitals were granted endowment fund in the amount of P66,200,000.00 broken down as follows: ten (10) DOH hospitals and fifty-three (53) LGU-run hospitals.

REGION	NO. OF HOSPITALS	APPROVED AMOUNT OF ENDOWMENT FUND (PHP)
• NCR	11	22,900,000.00
• CAR	2	4,000,000.00
• Region 1	6	1,900,000.00
• Region 3	5	5,000,000.00
• Region 4	10	6,100,000.00
• Region 5	4	3,300,000.00
• Region 6	2	1,800,000.00
• Region 7	4	4,500,000.00
• Region 9	2	1,500,000.00
• Region 10	5	3,800,000.00
• Region 11	1	2,500,000.00
• Region 12	2	2,000,000.00
• CARAGA	5	4,800,000.00
• ARMM	4	2,100,000.00
TOTAL	63	66,200,000.00



Institutional Partnership Program (Support to charities of national character)

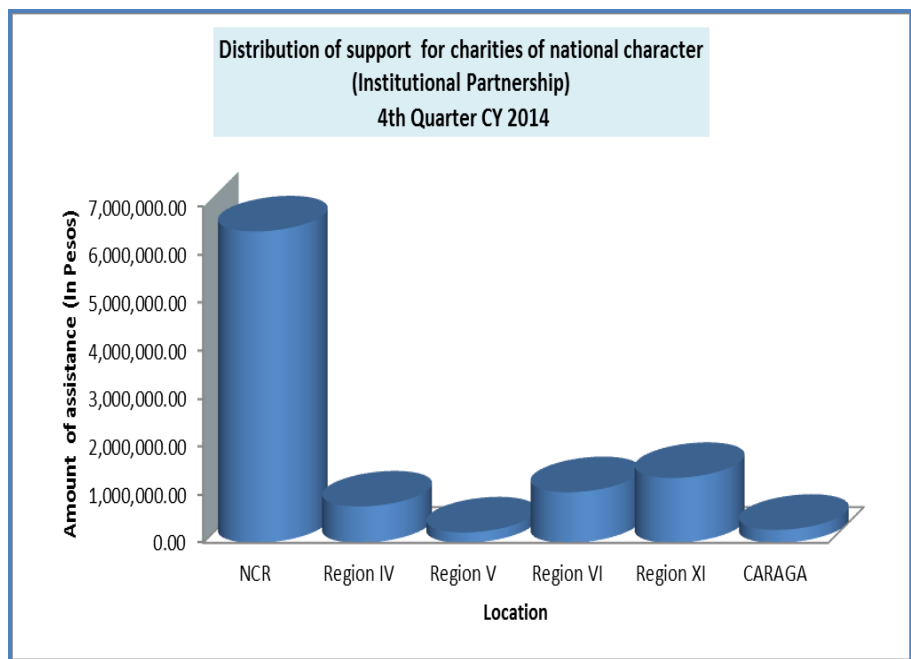
The PCSO Institutional Partnership Program is envisioned to provide and/or augment funds of charitable organization for the upgrading of health care facilities; purchase of medical supplies and equipment; construction and renovation of hospitals, municipal health center, day care centers; and sustenance of sick, elderly, the abandoned, the abused, and other disadvantaged groups of the society.



III. Institutional Partnership Program

During the period covered, PCSO allocated P10,149,575.00 to support the health and social services of seventeen (17) partner institutions engaged in charities of national character, the funds were distributed as follows:

INSTITUTIONAL PARTNERS	APPROVED AMOUNT OF ASSISTANCE (PHP)
1. <i>Abiertas House of Friendship, Inc.</i>	162,450.00
2. <i>Daughters of Mary Providence Sacred Heart Center</i>	270,750.00
3. <i>Asilo de San Vicente de Paul</i>	812,250.00
4. <i>Friendship Home Fr. Luis Amigo</i>	812,250.00
5. <i>Golden Reception and Action Center for the Elderly and Other Special Cases</i>	1,353,750.00
6. <i>Manila Youth Reception Center</i>	1,083,000.00
7. <i>Philippine Band of Mercy</i>	1,000,000.00
8. <i>Kisahang Buhay Foundation, Inc.</i>	1,000,000.00
9. <i>Camillan Sisters – Bahay Kanlungan ni Maria Domenica, Inc.</i>	108,300.00
10. <i>Kanlungan ni Maria – Home for the Aged, Inc.</i>	119,130.00
11. <i>Cottolengo Filipino, Inc.</i>	194,940.00
12. <i>Madre de Amor Hospice Foundation, Inc.</i>	335,730.00
13. <i>Ladies of Charity – AIC Phils., Inc.</i>	216,600.00
14. <i>Bacolod Boys Home Foundation, Inc.</i>	406,125.00
15. <i>Asilo de Molo, Inc.</i>	649,800.00
16. <i>Foundation of Balay Pasilungan, Inc.</i>	1,353,750.00
17. <i>Por Cristo Foundation, Inc.</i>	270,750.00
TOTAL	P10,149,575.00





Out-patient medical services

The PCSO provides basic medical services for walk-in or referred indigent patients thru its Medical Services Department located at its Lung Center of the Philippines (LCP) Extension Office. The agency also engaged the services of medical specialist and other health care professionals to provide free consultation, treatment of minor surgeries, emergency care and provision of free medicines.



Medical and Dental Missions

PCSO resident doctors and nurses attend to the medical and dental needs, diagnose and treat patients and communicate primary health care to local communities through the conduct of free medical and dental missions. This program provides direct consultation and access to medicines along with hands-on medical work and is being implemented in partnership with Local Government Units (LGUs), Non-government Organizations (NGOs), civic and religious organizations and other government agencies.



IV. Out-patient medical services

For the period October to December 2014, a total of 6,293 walk-in and referred indigent patients including 3,979 PCSO officials and employees availed themselves of PCSO's free basic medical and dental consultation and services. Also, free medications were dispensed and distributed to qualified patients amounted to P624,019.57.

V. Medical and Dental Missions

A total of 1,920 patients gained access to free medical and dental consultation, treatment and distribution of free medicines during the five (5) medical and dental missions initiated by the agency from October-December 2014.

VI. Other charity programs

During the last three months of 2014, PCSO also approved the allocation of P112,355,000.00 for other charity programs:

REGION	OTHER CHARITY PROGRAMS						TOTAL	
	Financial Assistance for Purchase of Medicine/Medical Supplies		Financial Assistance for Purchase of Medical Equipment		Calamity Assistance			
	No. of Requests	Amount of Assistance (PHP)	No. of Requests	Amount of Assistance (PHP)	No. of Requests	Amount of Assistance (PHP)	No. of Requests	Amount of Assistance (PHP)
• CAR	6	120,000.00	0	0.00	0	0.00	6	120,000.00
• NCR	0	0.00	0	0.00	1	1,640,000.00	1	1,640,000.00
• Region 4 - A	71	2,280,000.00	2	58,480,000.00	0	0.00	73	60,760,000.00
• Region 4 - B	0	0.00	1	30,000,000.00	0	0.00	1	30,000,000.00
• Region 5	0	0.00	1	10,000,000.00	1	7,500,000.00	2	17,500,000.00
• Region 6	1	100,000.00	0	0.00	0	0.00	1	100,000.00
• Region 8	0	0.00	0	0.00	1	2,195,000.00	1	2,195,000.00
TOTAL	78	2,540,000.00	4	98,480,000.00	3	11,335,000.00	85	112,355,000.00

Moreover, PCSO initiated two (2) strategic charity programs to support the National Government's thrust to provide universal health care - *Capability Enhancement Assistance Program (CEAP) and Raising Military and PNP Hospital to DOH Standard on Equipment* - during the last quarter of CY 2014.

About P6,325,000.00 was allocated for the implementation of the CEAP to provide basic medical apparatus, supplies including medicines in favor of qualified barangays, health centers and indigent patients. PCSO is also awaiting the recommendation of the Department of Health (DOH) on specification of the medical equipments to be procured to raise AFP and PNP hospital facilities to DOH standard.



Indigents line up to avail themselves of free medicines during PCSO's regular medical and dental mission in depressed areas all over the nation.

PCSO's 80th founding anniversary celebration



L-R: Former PCSO Director Ma. Aleta N. Tolentino, Acting Chairperson and General Manager Jose Ferdinand M. Rojas II, AGMs Jose T. Malang and Conrado C. Zaballa and Directors Betty B. Nantes, Mabel V. Mamba and Francisco G. Joaquin III.

The most awaited event of the year was PCSO's 80th founding anniversary with the theme, "Abiding Charity through Innovative Gaming". To kick start the event, a special thanksgiving mass was offered by the Board and Management for the success of the agency followed by a program to recognize long serving employees.



Meanwhile, the PCSO Sports Committee in collaboration with the Sweepstakes Employees Union (SEU) also initiated the conduct of "Family Day" at the PCSO Extension Office at San Marcelino, Manila with entertaining parlor games, photo booths and raffle prizes for employees and their dependents. The joyous anniversary celebration was concluded with an evening of nostalgia featuring the music, dance and events that shaped the eight (8) decades of PCSO's operation and charitable services at the Crowne Plaza Hotel in Mandaluyong City, Metro Manila last October 27, 2014.

PCSO's 80th anniversary celebration is a year-long nationwide fun-filled activity.

Officers and employees in all Branch Offices may look forward to an engaging and productive visit from our Board Members and Key Executive Officers in the coming months as part of the Management's effort to monitor performance in all offices, encourage productivity and spread cheers to all employees.

Gearing up for a better PCSO in CY 2015



The expansion of gaming operations nationwide is a year on year initiative of the present management to: (1) help generate new employment opportunities; and (2) guarantee our business viability to sustain our capacity to provide and/or augment funds for the National Government's priority health and social welfare programs. To this end, the management adopted in 2014, Kaplan and Norton's strategic planning and management system using the balanced scorecard approach in plotting and making clear PCSO's corporate direction for CY 2015.



2015 Performance Agreement Negotiation (PAN) between PCSO and GCG using Kaplan and Norton's strategy map.



The 2015 PCSO Strategy Map features specific, measurable, attainable, realistic and time bound targets or action plan on how PCSO will achieve its mandate - *fund provision/augmentation thru revenue generation from gaming activities*- and at the same time, improve the following:

- (1) **Financial perspective** - expansion of branch offices, increase in the number of existing individual and corporate agents, retailers and distributors, introduction of new games and new marketing channel/s - or revenue enhancement;
- (2) **Customer perspective** (management, retention and feedback mechanism);
- (3) **Internal process perspective** - Human Resource Information System (HRIS), Computerized Accounting System (CAS) and ISO certification of its gaming and charity services - to achieve better, improve and link the day

to day operations between the Head Office, Extension Office and all Branch Offices; and (4) **Learning and Growth perspective** - 2015 Strategic Training Plan; and the Strategic Performance Management System (SPMS) as management's tool in evaluating or monitoring unit and individual performance.



PCSO Division Chiefs and Branch Managers participate in the back-to-back Corporate Planning Department's Good Governance Seminar Series on SPMS and Operational Planning to Strategic Execution last December 2014 at New Horizon Hotel in Mandaluyong City with special guests: Acting Chairperson and General Manager Jose Ferdinand M. Rojas II and Director Florencio Gabriel "Bem" G. Noel