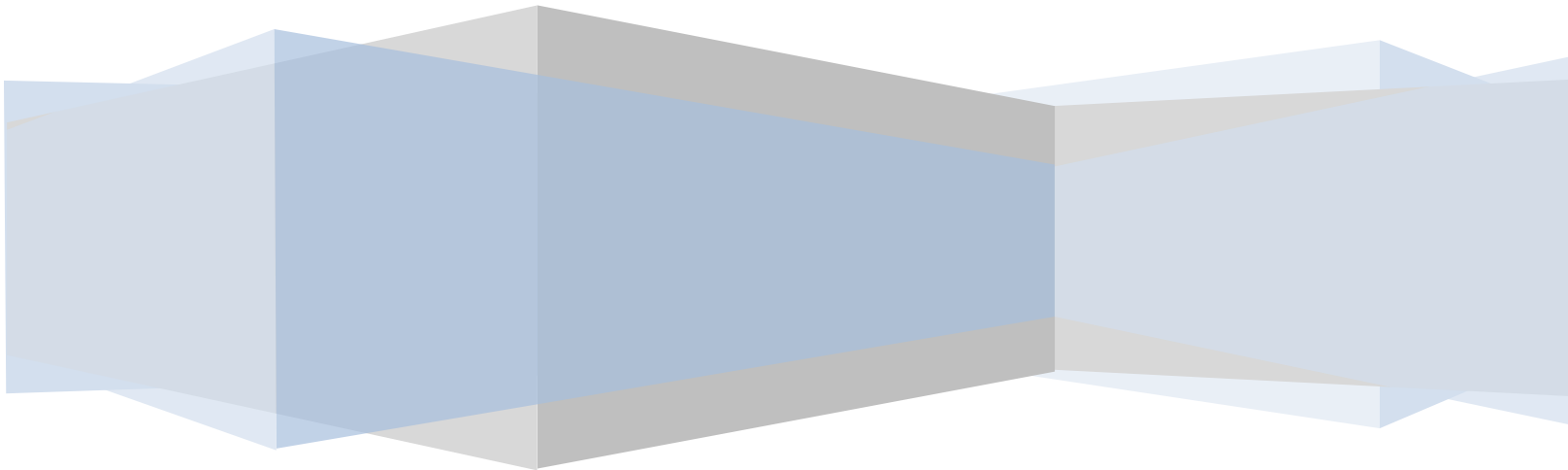




PHILIPPINE CHARITY
SWEEPSTAKES OFFICE

Accomplishment Report

3rd Quarter CY 2014



EXECUTIVE BRIEF

In keeping with its mandate of raising revenues to provide funds to support the numerous charitable projects and undertakings at the same time combat the illegal numbers game, the agency is continuously developing new games that are appealing to the gaming public. Early this year, the Traditional Mini Sweepstakes was introduced followed by Peryahan Games. Likewise, during the 3rd quarter, the Sweepstakes Partnership Program was reintroduced through a special sweepstakes draw in partnership with the COMVAL Tindog Foundation. Of the various gaming products infused in the market, Lotto is still the overwhelming revenue contributor to the PCSO coffers in the amount of P7,468,784,150 or 91.11% for the 3rd quarter alone while the biggest contributor among the departments is the National Capital Region (NCR) in the amount of P2,615,600,570 or 35.02%. With the bulk of the revenue coming from Lotto, vigorous efforts have to be undertaken with respect to the other gaming products so that it could equal if not come close to the revenues being contributed by Lotto. Needless to say, at this point, the life blood of PCSO is the sales from Lotto, thus there is a need to maximize marketing efforts to boost other existing gaming products so that PCSO will not be dependent on Lotto.

Part of the revenues of the agency goes to Charity Fund which is allotted to its various charity works. Most notable among its charity works and the reason for being of the Agency is the Individual Medical Assistance Program (IMAP). For the 3rd quarter alone, a total of P1,458,673,310.27 was disbursed for 56,110 patients of various cases. This means that the Agency is serving an average of 850 patients per working day during the said quarter. With the pork barrel being scrapped by the Supreme Court it is expected that more patients, indigents or not will flood the agency.

Efforts to increase the revenues and to make PCSO services available to the less privileged members of our society, new branches in Oriental Mindoro and Aklan were opened during the 3rd quarter. With the opening of the two branches, PCSO now has 40 branches nationwide. The opening of more branches is in line with the thrust of the present management to bring PCSO closer to the people especially to the far flung areas. With more branches opened, more patients will be served, more jobs will be created and more LGU's will be helped by PCSO.

REVENUE

PCSO derives its revenues from the retail receipts of its main gaming products, namely: Lotto, Lotto Express (Keno), Sweepstakes.

The combined retail receipts of the three (3) products for the 3rd Quarter of 2014 is Php8,197,140,000.00 with Lotto contributing 91.11% of the total retail receipts followed by Lotto Express (Keno) at 8.79%, then the Sweepstakes at 0.09%. Clearly, the bulk of the revenue of the Agency still comes from Lotto retail receipts (**Table 1**).

Table 1. Retail Receipts for the period July to September 2014

PRODUCTS	AMOUNT(In Php)	PERCENTAGE (%)
• LOTTO	7,468,784,150.00	91.11%
• LOTTO EXPRESS (KENO)	720,855,850.00	8.8%
• SWEEPSTAKES	7,500,000.00	.09%
Total	8,197,140,000.00	100%

Other revenues of the agency are derived from shares in Small Town Lottery (STL), Bingo Milyonaryo (BingoM) which is on experimental test run for one year and the recently launched Peryahan. From July to September 2014, shares from Bingo Milyonaryo amounted to Php35,755,670.00 while shares from STL amounted to Php798,224,281.00, registering a 19.63% growth rate from previous year. Shares from Peryahan, which was launched in June 28, 2014 amounted to Php4,128,898.68.

SALES PERFORMANCE

The Agency's mandate to provide charitable services is dependent on the sales generated by the various products which are primarily undertaken by the branches nationwide and supervised by the different departments under the Branch Operations Sector.

1.1 LOTTO AND LOTTO EXPRESS (KENO)

Table 2. Comparative Sales Performance of each Department (2014 vs 2013 -3rd Quarter)

PCSO GAMES	VARIANCE			
	Actual Sales		INC/(DEC)	Growth Rate
	2014	2013		
A. Lotto	7,468,784,150	7,124,233,870	344,550,280	4.84%
NCR	2,615,600,570	2,486,381,330	129,219,240	5.20%
NCL	804,706,360	773,622,530	31,083,830	4.02%
STBR	1,246,568,150	1,207,986,270	38,581,880	3.19%
Visayas	1,794,648,770	1,730,038,220	64,610,550	3.73%
Mindanao	1,007,260,300	926,205,520	81,054,780	8.75%
B. Lotto Express (Keno)	720,855,850	517,340,990	203,514,860	39.34%
NCR	325,180,980	217,004,850	108,176,130	49.85%
NCL	134,528,970	98,987,780	35,541,190	35.90%
STBR	169,915,710	121,612,660	48,303,050	39.72%
Visayas	67,132,660	53,571,820	13,560,840	25.31%
Mindanao	24,097,530	26,163,880	(2,066,350)	-7.90%
TOTAL	8,189,640,000	7,641,574,860	548,065,140	7.17%

The National Capital Region (NCR) Department is consistently the top revenue earner for both Lotto and Lotto Express for the covered period (**Table 2 and Figures 1 & 2**).

Performance of other departments varies with respect to the two products. Visayas Department placed 2nd highest in Lotto but 2nd to the last with respect to Lotto Express. The Southern Tagalog and Bicol Region consistently is the second highest earner for Lotto Express. The decrease in sales in Mindanao for Lotto Express can be attributed to the rotating brownouts in the various areas of the region and the unpredictable weather condition that brought unusual flooding in several areas in the region.

The combined sales of all the departments in Lotto Express for the 3rd Quarter of 2014 in the amount of Php720,855,850 registered an increase of 39.34% or Php203,514,860 compared to its 3rd Quarter sales in 2013 of P517,340,990, while sales for Lotto in the amount of Php7,468,784,150 is 4.84% or Php344,550,280 higher compared to its Php7,124,266,870 sales for the same quarter of 2013.

Table 3. Comparative Sales (Actual vs Projected – July to September 2014)

PCSO GAMES	VARIANCE			
			INC/(DEC)	
	Actual	Projected		Growth Rate
A. Lotto	7,468,784,150	8,636,157,433	(1,167,373,283)	-15.63%
NCR	2,615,600,570	3,107,367,773	(491,767,203)	-18.80%
NCL	804,706,360	954,588,495	(149,882,135)	-18.63%
STBR	1,246,568,150	1,553,524,108	(306,955,958)	-24.62%
Visayas	1,794,648,770	1,898,787,975	(104,139,205)	-5.80%
Mindanao	1,007,260,300	1,121,889,083	(114,628,783)	-11.38%
B. Lotto Express (Keno)	720,855,850	857,592,568	(136,736,718)	-18.97%
NCR	325,180,980	381,870,113	(56,689,133)	-17.43%
NCL	134,528,970	138,192,903	(3,663,933)	-2.72%
STBR	169,915,710	194,275,158	(24,359,448)	-14.34%
Visayas	67,132,660	95,348,678	(28,216,018)	-42.03%
Mindanao	24,097,530	47,905,718	(23,808,188)	-98.80%
TOTAL	8,189,640,000	9,493,750,001	(1,304,110,001)	-13.74%

It is likewise reflected that the combined sales of Lotto and Lotto Express in the amount of Php8,189,640,000 is 13.74% **short** of its projected sales of Php9,493,750,001 (Table 3, Figs. 1 & 2).

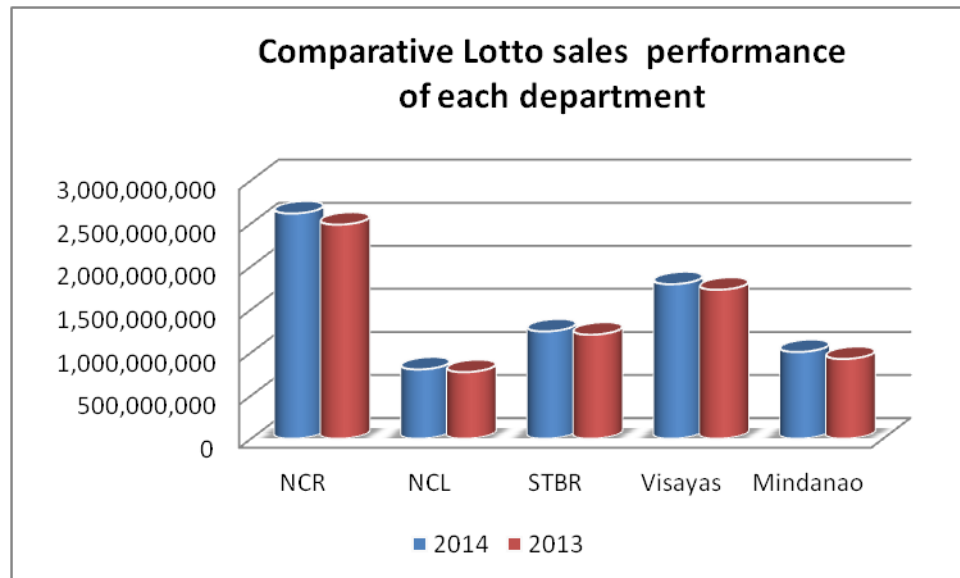


Fig. 1: Comparative Lotto Sales Performance of each Department (2014 vs 2013 -3rd Quarter)

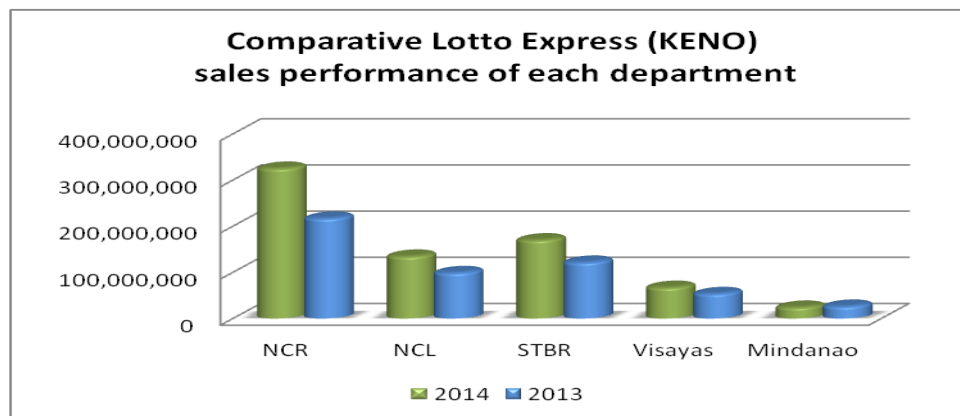


Fig. 2: Comparative Lotto Sales Performance of each Department (2014 vs 2013 -3rd Quarter)

For the period January to September of CY 2014, performance of Lotto Express in the amount of Php2,008,384,610 is very impressive showing an increase of 50.63% or Php675,096,150 compared to its previous sales of Php1,333,288,460 for CY 2013. Lotto sales in the amount of Php22,450,264,060, however, registered -0.86% or Php192,381,390 decrease compared to its sales of Php22,257,882,670 in 2013 (Table 4).

Table 4. Comparative Sales (2014 vs 2013: January-September)

PCSO GAMES	VARIANCE			
			INC/(DEC)	Growth Rate
	2014	2013		
<i>Lotto</i>	22,257,882,670.00	22,450,264,060.00	(192,381,390.00)	-0.86%
<i>Lotto Express (Keno)</i>	2,008,384,610.00	1,333,288,460.00	675,096,150.00	50.63%
TOTAL	24,266,267,280.00	23,783,552,520.00	482,714,760.00	2.03%

The sales increase of Lotto Express compensated the decrease of Lotto sales as the combined sales of both products from January to September 2014 in the amount of P24,266,267,280 increased by 2.03% or Php482,714,760 compared to the actual sales generated in the amount of 23,783,552,520 in 2013 (Table 4).

1.2 SMALL TOWN LOTTERY (STL) AND BINGO MILYONARYO (BINGOM)

Table 5. Comparative Performance of each Department

PCSO GAMES	SHARES (July to August)		VARIANCE	
	2014	2013		
A. Small Town Lottery	798,224,281.00	667,253,530.00	130,970,751.00	19.63%
<i>NCL</i>	418,461,739.00	347,025,281.00	71,436,458.00	20.59%
<i>STBR</i>	272,594,312.00	215,145,243.00	57,449,069.00	26.70%
<i>Visayas</i>	107,168,230.00	105,083,006.00	2,085,224.00	1.98%
B. Bingo Milyonaryo	35,755,670.00	0	35,755,670.00	100%
TOTAL	833,979,951.00	667,253,530.00	166,726,421.00	24.97%

Shares from STL from the three (3) Departments in the amount of Php833,979,951 shows an increase of 24.97% or Php166,726,421 compared to the shares remitted in the same period of last year amounting to Php667,253,530.

OTHER EFFORTS UNDERTAKEN**Increased number of outlets****Table 6.** Comparative Number of Lotto and Lotto Express Outlets (July - September 2014)

Agents	2014	2013	Variance	Growth Rate
Lotto	7,959	6,375	1,584	24.85%
Lotto Express	1,152	997	155	15.55%
TOTAL	9,111	7,372	1,739	23.59%

Both Lotto and Lotto Express outlets gained significant increase in terms of expansion. From 6,375 in the 3rd Quarter of CY 2013, the number of Lotto outlets went up to 7,959 in the 3rd Quarter CY 2014, while the Lotto Express increased from 997 to 1,152 for the same period. The increase of combined outlets from 7,372 to 9,111 *translates to an* increase of 23.59%. The opening of the additional 1,739 new outlets for Lotto and Lotto Express (KENO) is expected to generate more revenues in the coming months (**Table 6**).

Additional PCSO Branch Offices

In line with the objectives of PCSO to improve and make services more accessible to remote and underserved areas of the country, PCSO opened new branches in Oriental Mindoro and Aklan. To date, forty (40) branch offices are now operational and are located in key strategic locations taking into account the population, marketability of PCSO games and poverty incidence in the areas.

Cost-Saving Measures**Table 7.** Savings from the rental fees for the period July - September 2014

BRANCH OFFICE	RENTAL RATES PER MONTH (Php)		SAVINGS (Php)
	OLD	NEW	
• Iloilo (September 19)	10,000.00	Free	10,000.00
TOTAL.....			10,000.00

The management is continuously looking for means to bring down its operational cost and one of these is to locate rent-free office space and government-to-government transactions. For this quarter, a savings of Php10,000 was realized from rental fees when the Iloilo Branch Office transferred to its new rent free location last September 19, 2014. As of September 30, 2014, total savings from rent-free offices amounted to Php1,884,904.94.

CHARITY SERVICES

1. Individual Medical Assistance Program

The Individual Medical Assistance Program (IMAP) aims to provide support to charity patients by providing financial assistance for hospitalization expenses, laboratory procedures and purchase of medicines, chemotherapy drugs, dialysis solutions, antibiotics, implants, devices and other medical needs.

For the third quarter of 2014, a total of 56,110 various cases were attended to by PCSO through its Individual Medical Assistance Program (IMAP) registering an increase of 12,752 or 29.41% compared to the same period of last year. A comparative summary of served patients for the quarters of CYs 2014 and 2013 based on the nature of request consistently shows that hospitalization, dialysis and chemotherapy respectively are the top three (3) requests presented to PCSO (**Table 8** and **Fig.3**).

Table 8: Comparative data on nature of request under IMAP for the 3rd Quarter of 2013 and 2014

PER NATURE OF REQUEST	JULY TO SEPT. 2014 # OF CASES	JULY TO SEPT. 2013 # OF CASES
Hospitalization	22,840	17,004
Dialysis (Hemo and Peritoneal)	16,212	11,603
Chemotherapy	6,622	5,609
Medicines	4,434	3,808
Operations	784	969
Implant/Prosthesis/Stent/Pacemaker/Shunt	1,221	1,167
Cobalt/brachytherapy/radiation/linear accelerator	520	602
Laboratory/ Diagnostic procedures	2,977	2,056
Hearing Aid	233	230
Blood	40	98
Medical Supplies and Appliance	66	47
Transplant	22	9
Others (Reimbursement and PF)	139	156
TOTAL	56,110	43,358

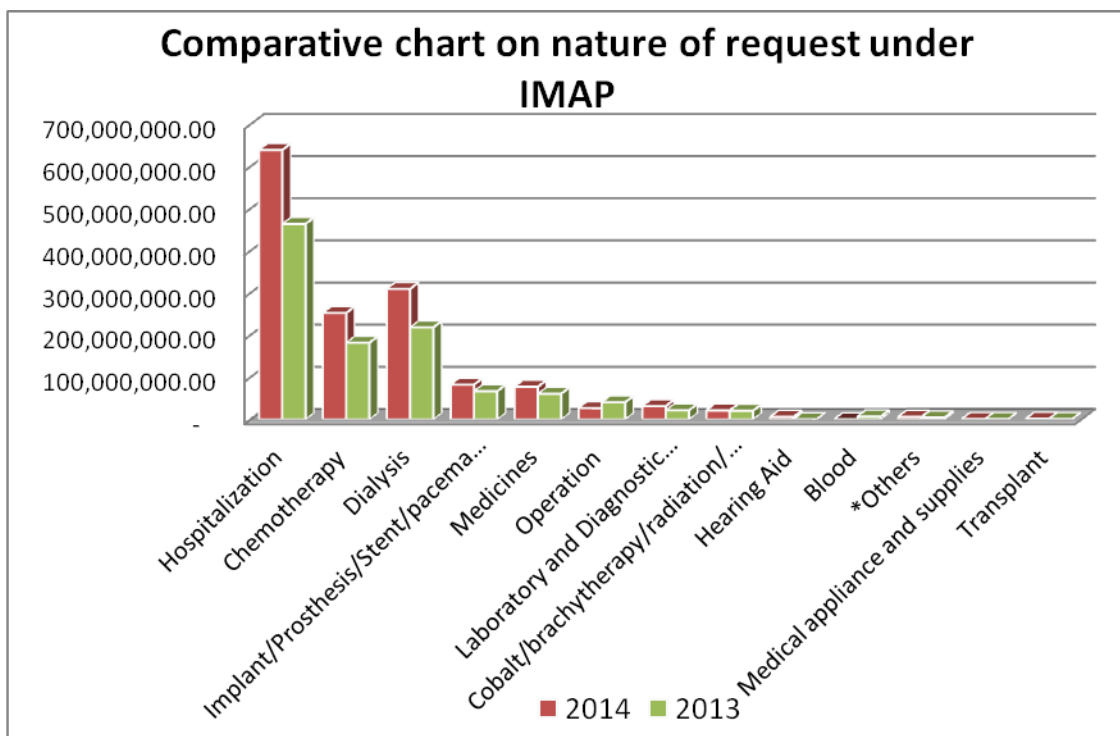


Fig. 3: Comparative data on nature of request under IMAP for the 3rd Quarter of 2013 and 2014

Looking into the amount of assistance disbursed for each case, hospitalization got the highest assistance in the amount of Php639,444,767.45, followed by dialysis with a total assistance of Php309,907,158.82 and chemotherapy in the amount of Php252,836,134.88. The combined amount of assistance for the three mentioned cases already comprises more than 80% of the total amount of assistance for all cases with the bulk of the assistance going to hospitalization cases (**Table 9**).

Table 9: Distribution of amount of assistance (July to September 2014)

PER NATURE OF REQUEST	TOTAL (July to Sept.2014)	PERCENTAGE (%)
Hospitalization	639,444,767.45	43.84%
Dialysis (Hemo and Peritoneal)	309,907,158.82	21.25%
Chemotherapy	252,836,134.88	17.33%
Medicines	77,712,005.96	5.33%
Operations	27,004,562.40	1.85%
Implant/Prosthesis/Stent/Pacemaker/Shunt	82,734,420.00	5.67%
Cobalt/brachytherapy/raditation/linear accelerator	21,565,511.00	1.48%
Laboratory/ Diagnostic procedures	31,730,546.76	2.18%
Hearing Aid	6,196,288.00	0.42%
Blood	172,615.00	0.01%
Medical Supplies and Appliance	1,326,300.00	0.09%
Transplant	1,762,500.00	0.12%
Others (Reimbursement and PF)	6,280,500.00	0.43%
TOTAL	1,458,673,310.27	100%

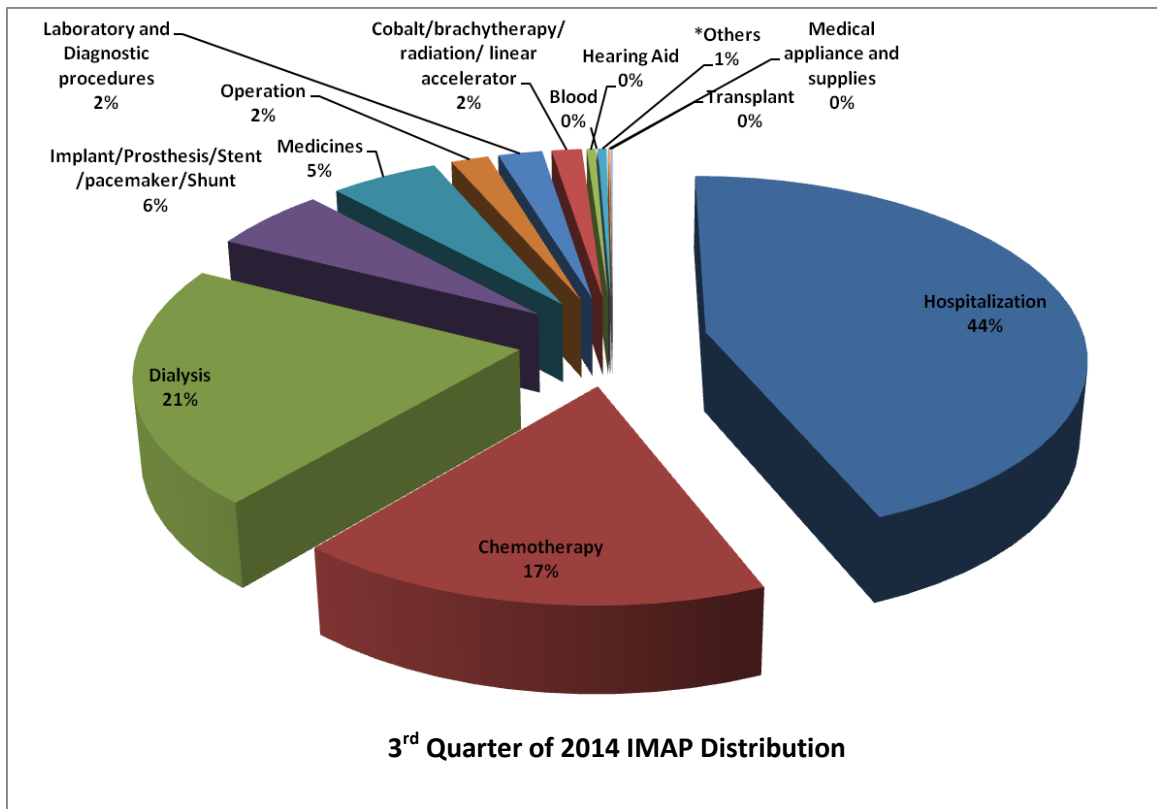


Fig. 4: Chart on the nationwide distribution of IMAP assistance (3rd Quarter of 2014)

As to the nationwide distribution of assistance, clearly, the bulk of assistance released went to the National Capital Region (NCR) receiving the amount of Php614,353,798.66 representing 42.12% of the total amount of assistance disbursed for all cases. Next to NCR is Region 4A with a total assistance of Php261,451,746.20, followed by Region 3 in the amount of Php231,143,534.20 (**Figure 5**).

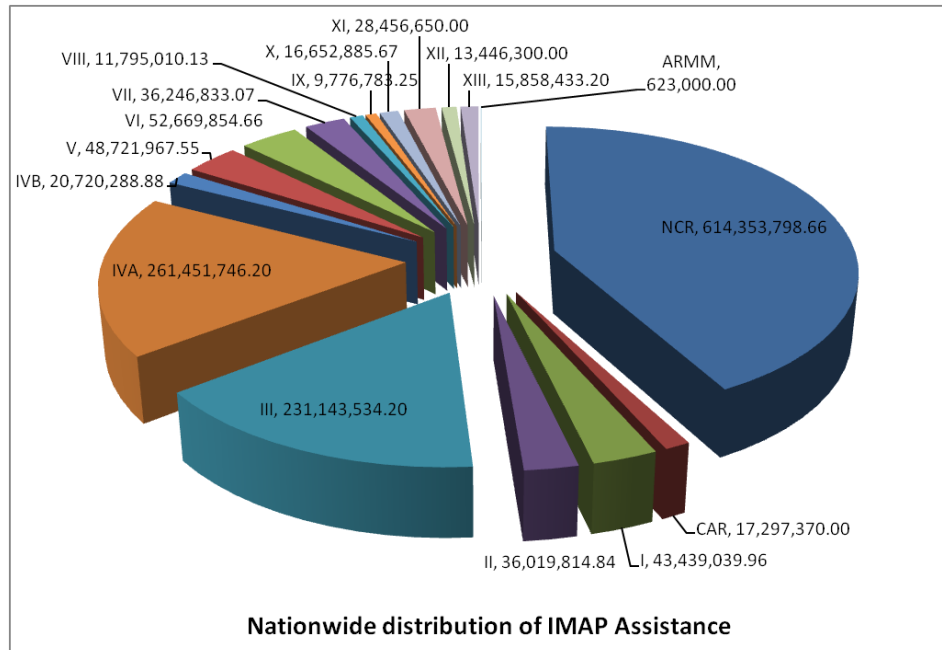


Fig. 5: Chart on the nationwide distribution of IMAP assistance (3rd Quarter of 2014)

2. Other Charity Programs

2.1 Out-patient Consultation Program

The PCSO renders medical services to indigent patients, both referral and walk-ins, and PCSO officials and employees, through its Out-patient Consultation Program. The services include free consultation, treatment of minor surgeries, ambulance conduction, emergency care and provision of free basic medicines.

A total of 8,871 indigent patients and PCSO officials and employees in need of medical and dental attentions were served through the Out-patient Consultation Program. The amount of Php848,143.51 was disbursed in the implementation of this program showing a per capita of P95.61 per patient (Table 10).

Table 10. Out-patient Consultation Services for the period July to September 2014

Out-patients Services Program	July-Sept. 2014
• Number of patients served	8,871
• Total Amount disbursed	Php 848,143.51

2.2 Medical and Dental Mission Program

PCSO resident doctors and nurses attend to the medical and dental needs, diagnose and treat patients, and communicate primary healthcare education 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 services.

As part of PCSO's outreach program and contribution to the government's health promotion campaign, a total of 4,831 indigent patients covering medical, dental and laboratory cases were served by PCSO in medical and dental missions conducted in various parts of the country. The expenses incurred for these programs amounted to Php181,887.33 reflecting a per capita of P37.65/patient (**Table 11**).

Table 11. Data on Medical and Dental Mission

Medical and Dental Mission Program	July - September 2014
• Number of patients served	4,831
• Total Amount disbursed	Php181,887.33

2.3 Medicine Donation Program

Out of 106 requests for medicine donation, a total of 47 were granted with a total amount of P950,184.47 showing a per capita of P20,216.69/grant (**Table 12**).

Table 12. Data on Medicine Donation

Medicine Donation	July - September 2014
• Number of requests granted	47
• Total Amount disbursed	Php950,184.47

OTHER ACCOMPLISHMENTS

- The Philippine Charity Sweepstakes Office's (PCSO) gaming operation has always been strictly supervised to ensure all clients that the lotteries and sweepstakes are monitored and improved, and draws are accurate, transparent, and fair.

In the 3rd quarter of CY 2014, the agency established the Peryahan Games Central Lottery System Remote Access Management Terminal (RAMT) at five (5) Peryahan Draw Centers (*see table 13*). Before deployment, the Peryahan Draw Machines were inspected and tested for quality control. The PCSO's Data Center units including the installation of the software and hardware upgrades were also maintained for operational capabilities and readiness.

From July 1 to September 30, 2014, the PCSO conducted 1,056 online lottery draws (*see Table 14*). Moreover, Mini-Sweepstakes draws were held on July 27, August 24, and September 28, 2014, wherein 10,000 booklets for each draw were all sold out and nine major winners were produced. In addition, the agency organized three PCSO Special Maiden Sweepstakes Races (2 yrs. old open) on July 5, August 3, and September 20, 2014 to further generate funds for charity. The PCSO also partnered with the Tindog Comval Foundation, Inc. to conduct a Mini-Sweepstakes Draw on December 8, 2014 wherein 10,000 booklets worth Php 2,500,000.00 were ordered and considered sold.

To reach out and inform the public through media, the PCSO broadcasted lottery draws as well as a special program and commercial on PTV4. Between July and September 2014, the agency produced and aired daily Philippine lottery draws and Mini-Sweepstakes draws. The PCSO also filmed and produced "PCSO News Blitz" which featured the agency's ground breaking ceremony at San Marcelino, Manila. The 60-second "Sweepstakes Partner Tayo" commercial was also produced by the agency.

Table 13. Peryahan Draw Centers where RAMT's were established for 3rd quarter, CY 2014

Locations of Peryahan Draw Center	Opening Date
Mogpog, Marinduque	July 26, 2014
Puerto Princesa, Palawan	August 8, 2014
Mandaue, Cebu	September 5, 2014
Cagayan de Oro, Misamis Oriental	September 23, 2014
Butuan, Agusan del Norte	September 23, 2014

Table 14. Breakdown of online lottery draws per game.

Lotteries	Number of Draws
EZ2 Lotto	275
Suetres Lotto	275
Bingo Milyonaryo	275
4-Digit Game	38
6-Digit game	39
Lotto 6/42	39
Mega Lotto 6/45	38
Super Lotto 6/49	39
Grand Lotto6/55	38
Total	1,056

- Last September 8, 2014, the Philippine Charity Sweepstakes, through the initiative of the Board headed by Acting Chairman and General Manager Atty. Jose Ferdinand M. Rojas II, held the ceremonial groundbreaking in the PCSO San Marcelino Office in Ermita, Manila. This was the first step taken by the Agency in fulfilling its plan to have a new home by 2017.

The event marked another milestone in the history of the Agency. The laying of the time capsule to be opened on the Agency's 100th anniversary on 2034 highlighted the event. The time capsule contained the copy of the project brief, bet slips of all lotto games, sweepstakes tickets, representative set of draw balls used during the first sweepstakes draw on September 8, 1935, certified true copies of board resolutions pertaining to the approval of the construction of PCSO Building and the approval of the 2 Billion budget in a trust fund to ensure availability of the budget when the construction of the building starts, approval letter of his Excellency President Benigno Aquino III directing the PCSO to utilize San Marcelino property as the permanent location of the PCSO Head Office, souvenir magazine of the 2013 PCSO Presidential Gold Cup, and other personal items of the PCSO Board of Directors such as pins, identification cards, and pens.