



Seven-time Awardee for Development Efforts
(2002, 2004, 2005, 2007, 2009, 2011 and 2015)



PhilexIM
PHILIPPINE EXPORT-IMPORT CREDIT AGENCY

2015 ANNUAL REPORT

We are one with the
National Government in
fulfilling our core mandate
of development financing
to capably serve the export
and priority industries
of our nation.

OUR COVER

The Philippine flag is the country's most cherished symbol. It is the nation's seal of freedom. It also connotes solidarity and sovereignty, the hallmark of unity that binds the Filipino people.

The flag was illustrated against the backdrop of skyscrapers showing economic stability in this year's Annual Report cover. Alongside economic opportunities of a strong economy, PhilEXIM continues its mandate of financing development, aligning with that of the government's socio-economic programs. Its Strategic Framework provides a general direction on its plans and programs aimed at contributing towards the government's overall goals.

OUR COMMITMENT

We are a sovereign guarantor extending primarily guarantee, export insurance and related services to business entities in order to develop the Nation's export industry and facilitate investment in strategic sectors of the economy.

OUR ASPIRATION

By 2018, PhilEXIM shall be the preferred credit guarantee institution facilitating international trade and investments responsive to the developmental needs of the country.

CORE VALUES

- Integrity
- Professionalism
- Good Governance
- Innovation
- Teamwork

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38 YEARS
MILESTONES

28

WORLDWIDE ALLIANCES
& PARTNERSHIPS /
CORPORATE SOCIAL
RESPONSIBILITY

TOTAL CREDIT PORTFOLIO

7.8B

IN PESOS (PHP)



FINANCIAL HIGHLIGHTS



Developmental Role of PhilExim

Corporate Objectives and Functions

1. To promote and facilitate the entry of foreign loans into the country for development purposes having special regard to the needs of export-oriented industries, industries registered with the Board of Investments, public utilities, and industries the promotion of which is encouraged by government policy;
2. To guarantee loans granted by Philippine banking and financial institutions to qualified exporters, producers of export products, and contractors with approved service contracts abroad;
3. To facilitate and assist in the implementation of approved service contracts abroad entered into by Philippine entities, enterprises, or corporations with foreign exchange earning potentials, by providing counter-guarantee to Philippine banks and financial institutions issuing stand-by Letters of Credit or of Letters of Guarantee for the performance of said service contracts;
4. To meet requests from domestic entities, enterprises, and corporations to assist them in the coordination of their development and expansion plans with a view to achieving better utilization of their resources;
5. To provide insurance cover, credit and appropriate services to facilitate the export of Philippine goods or services by any entity, enterprise or corporation organized or licensed to engage in business in the Philippines;
6. To provide direct credits and loans to exporters of Philippine goods and services;
7. To provide technical assistance in the preparation, financing, execution of development or expansion programs, including the formulation of specific project proposals; and
8. To undertake such actions that are consistent with the primary purposes of the corporation.

Capitalization

PhilEXIM has an authorized capital stock of P10 Billion, to be fully subscribed by the Government of the Republic of the Philippines. The statutory limit on its aggregate outstanding guarantee obligations is fifteen times (15x) its subscribed capital stock plus surplus. All obligations of PhilEXIM carry the full faith and credit of the Republic of the Philippines.

Programs for Small, Medium and Large Exports PhilEXIM plays a vital role in helping Philippine exporters gain access to international markets and become globally competitive. To assist small, medium and large exporters, as well as priority sectors, PhilEXIM has various financing products which address credit-

related problems such as limited resources, lack of collateral and limited access to facilities and other forms of trade financing.

GUARANTEES

- **Guarantee Program for SMEs**
Guarantees on short term loans to persons or entities licensed to engage in export-oriented activities, as well as activities which, in the determination of TIDCORP, promote and develop the capital goods and import-substitution industries.
- **Guarantee Program for Large Accounts**
–Guarantees on loans to direct and indirect exporters, firms involved in priority projects of the National Government and import substitution industries.

–Promotes and facilitate the entry of foreign loans into the country for development purposes having special regard to the needs of export-oriented industries, industries registered with the Board of Investments, public utilities, and industries the promotion of which is encouraged by government policy.

–Guarantees on investments (Equity and Debt)
- **Portfolio Guarantee Program for SMEs**
Expand the business the business capability of any financial institution's B-BBB rated SME portfolio by means of utilizing the sovereign rating, zero-risk weight feature and capital leveraging advantage of PhilEXIM.

DIRECT LENDING

- **Short-Term Direct Lending Program for SMEs**
Short-term loans to persons or entities licensed to engage in export-oriented activities, as well as in activities which, in the determination of TIDCORP, promote and develop the capital goods and import-substitution industries.
- **Medium to Long-Term Direct Lending Program for SMEs**
Medium and long term loans to persons or entities licensed to engage in export-oriented activities, as well as in activities which, in the determination of TIDCORP, promote and develop the capital goods and import-substitution industries.
- **Wholesale Direct Lending Program for SMEs**
Short term loan and capability building assistance to SME Export Sector.
- **Access of Small Enterprises to Sound Lending Opportunities (ASENSO) Lending program** by government financial institutions (GFIs) designed to give small and medium enterprises (SMEs) greater access to short and long-term funds.

TRADE CREDIT INSURANCE

It is an insurance policy offered to business entities wishing to protect their accounts receivable from loss due to credit risks.

- **Export Credit Insurance (ECI)**
Insurance coverage to exporters against the risk of non-payment by foreign buyers of export shipments on credit arising from political or commercial risks
- **Domestic Credit Insurance**
Insurance coverage on receivables of a multinational's subsidiary company against non-payment of buyers in the subsidiary's country

PROGRAMS FOR PRIORITY SECTORS OF THE GOVERNMENT

Consistent with government's existing priorities, PhilEXIM provides guarantee facilities to attract investments particularly in areas where the foreign country has distinct advantages, and where foreign exchange may be generated and/or saved, namely:

The 2014-2017 Investment Priority Plan (IPP) focuses on competitiveness, skills development, technology upgrading, infrastructure modernization, and improvements in overall business environment. Together with the governance reforms and good macroeconomic performance of the Philippines in more recent years, this bodes well for attracting investments and achieving economic transformation.

Tourism-Related Projects

- **Type of Project:** Hotel, resort, eco-tourism, retirement havens, medical tourism, wellness facilities, sports, and leisure complex in priority areas under the Department of Tourism's Development Plan.
- **Nature of Requirements**
Civil works to include:
 - Vertical developments (i.e. buildings & other recreational structures)
 - Horizontal developments (i.e. roads, water sewage, electrical system, telecoms infrastructure)
 - Other support facilities

Information and Communications Technology (ICT) Projects

- **Type of Project:** This is a Services project which can also cover integrated circuit (IC) design, ship repair, testing facilities, and charging stations for e-vehicles.

Development of:

- ICT zones (i.e. cyber park or IT park dedicated to IT locators)
- IT-based industries (i.e. software development)
- IT-related projects (i.e. call/data centers. Backroom processing operations, data recovery and operation)
- **Nature of Requirements**
Civil works to include:
 - Vertical and horizontal developments

- Capital Expenditure (e.g. network computer servers and special equipment)
- Acquisition of software packages

Agri-Modernization Projects

- **Type of Project:** Integrated mechanized farm production and bulk handling facility, Oleo chemical facility, grains production, and postharvest system
- **Nature of Requirements**
Civil works to include:
 - Vertical/ horizontal development
 - Installation of electro-mechanical system, capital equipment

Electro-mechanical works to include:

- Installation of electro-mechanical system, capital equipment
- Farm machinery & equipment

Infrastructure and Energy Projects

- **Type of Project:** Tollways, ports, airports, bulk water supply, water systems, railway systems, power generation, transmission and distribution, solid waste management, water, and wastewater treatment.
- **Nature Requirements**
Civil works to include:
 - Vertical developments (buildings, structures)
 - Horizontal developments (rail and road stations, water and telecom infrastructure)
 - Other support facilities equipment (electro-mechanical system and installation, metallurgical equipment, tolling stock, conveyor equipment)

Mining Projects

- **Type of Project:** Mineral ore production and processing
- **Nature of Requirements**
Civil works to include:
 - Vertical/ horizontal development
 - Other support facilities
 - Procurement of equipment
 This year's proposed IPP did not include some of the preferred activities included in the previous year, including creative industries or knowledge-based services, research and development, green projects, hospital and medical services, and disaster prevention, mitigation, and recovery projects

Compared to stand-alone, where corporations typically resort to commercial borrowings to finance their capital asset acquisition and/ or civil works, and where the borrowing costs are normally market rates with tenors such as five (5) years or less, the guarantee facilities offered by PhilEXIM for projects in the above-mentioned priority sectors provide financing with risk-based pricing and the resultant economic returns.

This translates to more concessional project terms and conditions as well as better cash flows. In the end, the project becomes realistically affordable to the end-user and viable in the long-run. The promotion of the industry sectors generate more high value jobs, equitable distribution of economic benefits and a better quality of life for a greater number of Filipinos.



Message from His Excellency

The Filipino people have worked hard to revive the economy and institute critical reforms. No longer the “Sick Man of Asia,” the Philippines has become more competitive and has earned a place among the world’s best-performing economies. This can, in large part, be attributed to the success of our most productive sectors—like industry, services and manufacturing, which have all shown robust development in this period of revitalization.

Through the establishment and expansion of business, commerce becomes energetic and competition is strengthened. As opportunities are created, the risk of doing business in the country declines. With lower interest rates and more flexible debt payment schedules, more investors are finding it desirable to cast a stake in the Philippines. All these are direct results of reforms we made along the Daang Matuwid.

Your mandate to continually play a proactive role in the priority areas of the government remains among the top-ranked of the administration’s value chain. It is our hope that PhilEXIM will progressively be a step ahead in its endeavors as we further intensify our pursuit of inclusive growth.

I thank you for your partnership, and congratulations on a job well done.

A handwritten signature in black ink, appearing to read "Benigno S. Aquino, III".

Benigno S. Aquino, III
President of the
Republic of the Philippines



Message from the Chairman

The Philippine Export-Import Credit Agency (PhileXIM) continues to fulfill its mandate as a reliable partner of government towards achieving the country's set economic pursuits.

With the objective and emphasis of the 2015 business plan to transform itself as a self-sufficient, profitable, socially-responsible and professionally-run developmental institution, the Agency had steadfastly continued to pursue its board-approved directive of focusing on providing more guarantees while extending direct lending on remedial or meritorious considerations.

Despite financial challenges, PhileXIM demonstrated relevance in its qualitative efforts such as its capacity-building initiatives both for its internal and external stakeholders. Notable achievements of which was the Agency's hosting of the 29th Asian Eximbanks Forum (AEBF) Training Program, on PPP Financing which further enhances regional cooperation to foster a long term relationship within the Asian Export Credit Agencies (ECA) community. Internally, PhileXIM pursued the Quality Management System initiative, crafted a brand strategy road map, stream lined operational processes through the Loans Management System (LMS), and came up with a board-approved reorganizational framework to underpin organizational refinements. It also re-launched its Cebu Business Center in its continuing efforts to expand its network.

With major challenges and opportunities still in the near horizon, I urge PhileXIM to continue its productive partnership with the government in our shared pursuit of inclusive growth.



A stylized, handwritten signature in blue ink, which appears to read "Cesar V. Purisima".

Hon. Cesar V. Purisima
Secretary, Department of Finance



“In keeping with corporate strategy, and making significant milestones on our business priorities, PhilEXIM positioned itself to perform meaningfully, consistent with its medium-term performance objectives and the onus of creating shareholder value.”

Report of the President & CEO

I am pleased to report that the Philippine Export-Import Credit Agency continued to fulfil its agenda buoyed by our continuing commitment to our stakeholders who count on the developmental mandate of the Agency.

The Agency's credit portfolio totalled Php 7.78 Billion as of end-December 2015 the biggest part of which was PhilEXIM's Guarantee Program amounting to Php 7.1 Billion or 92%, a result in the shift of business concentration led by large accounts thereby giving the Direct Lending Program a little more than half a billion portfolio or eight percent. The industry sector comprising the supply and processing-intensive industries such as manufacturing, power, infrastructure, transportation and utilities form the biggest part of the Agency's credit portfolio at 71%. The services sector on the hand with 28% cut was propelled by tourism industry, which is also a growth driver of the country's economy particularly, foreign exchange earnings.

The rest of the portfolio were spread to the Agriculture sector with projects involving agri-business and agricultural modernization. These progresses are harmonized with the Philippine Development Plan (PDP) 2011-2016 and the new Philippine industrial policy its primary aim of which is consistent with the PDP's main goal of inclusive growth focusing on promoting investments in physical infrastructure, transparent and responsive government, and human development.

Aside from NCR, PhilEXIM was able to successfully penetrate the Visayas region at almost half of the total credit portfolio is in the Visayas area while Mindanao with 24%.

As of end-December 2015, PhilEXIM generated total revenues of Php 292.95 Million but based on core income budget of Php 421.2 Million, this year's performance underwent a net loss of Php 12.88 Million. This was due to diminishing guarantee and loan portfolios as a result of



amortizations and pre-terminations of some accounts, an unrealized sale of credit interest in a default account, and provisioning for bad debts.

Total expenses on the one hand registered a total of Php 311.4 Million, 18% lower than its Php 379.6 Million target or 25% lower year-on-year. Another significant impact is the endorsement of the DOF, DBM and GCG on the requests of the Corporation relative to its capital infusion and the proposed increase in authorized capital stock from Php 10 Billion to Php 30 Billion.

Despite the challenges, efforts by our Legal and Asset Department (LAD) to dispose and market non-earning assets continue to be on priority status as part of the revenue-generating activities of the Corporation. Proactive management of workable options demonstrated thru the LAD's constant endorsement to the Board of various workable proposals to sell/dispose acquired properties. Relative to this, the Corporation is expected to receive insurance proceeds relative to a default account, resulting from the approval of the Claims Committee of the GSIS.

Good Governance Practices

Notwithstanding the striving issues that influenced the Agency's performance, we have consistently been a responsive and viable organization. We have effectively managed the guarantee portfolio by professionalizing our staff through effective training programs and other interventions to enhance skills and proficiency of existing credit policy memoranda (CPMs). Our Corporate Governance and Internal Audit Offices as well as our Risk Management Department adopted the Governance, Risk and Compliance (GRC) Framework in the area of internal control. With respect to capacity building we've successfully hosted the 29th Asian Eximbanks Forum (AEBF) Training Program on Delivering Infrastructure Projects Using



Php7.8B
Agency's Credit
Portfolio



Php292.95M
Total Revenues
Generated in 2015



Php421.2M
Total Core
Income Budget

the Public-Private Partnership (PPP) Model. We are continually implementing the Quality Management System (QMS) as part of our initiatives toward obtaining the ISO Certification. We streamlined processes through operationalization and full implementation of the Central Liability System (CLS) as well as the automation of credit documentation of our Treasury and Loans Department. Pursuant to PCW MC 2011-01, we created a Gender Development Focal Point System (GFPS). Moreover, to enhance market presence we implemented Phase 1 of the Brand Strategy/Roadmap to boost institutional positioning of the Agency beginning with an Internal branding initiative through the application of new logo and application of relevant communication materials.

We re-launched the Cebu Business Center in an effort to broaden market reach and enhance positioning particularly in the Visayas and Mindanao areas.

As continued demonstration of the Agency's efforts, we earned a Merit Award from the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), for "Strategy Management Initiative" under Category 9 (Corporate Governance). This category awards an undertaking, a program or project developed, instituted or adopted by the member that advocates, promotes and sustains good corporate governance practices and ideals. This is part of ADFIAP's "Outstanding Development Project Awards" which recognizes members which have undertaken and/or assisted projects that have created a development impact in their respective countries.

Inclusively, we have our continuing CSR practices and this year we partnered with Leukemic Indigent Fund Endowment (LIFE) Foundation and Hallmark Philippines through gift giving and purchased of greeting cards, and giveaway items wherein part of the proceeds from the sale is donated to the said Foundation. LIFE Foundation and Hallmark Philippines reach out and support young Filipinos who suffer from the dreaded leukemia disease through their charitable endeavour called Hallmark for LIFE.

In keeping with corporate strategy, and making significant milestones on our business priorities, PhilEXIM positioned itself to perform meaningfully, consistent with its medium-term performance objectives and the onus of creating shareholder value.

In closing, I would like to thank our shareholders from the public as well as from the private sectors for their business. It is a source of pride for us to serve our partners and clients well. I also want to thank our Board of Directors for their confidence and continued support.

Ermilando D. Napa
President and CEO



29th Asian Exim Banks Forum



PhilEXIM hosted the 29th Asian Exim Banks Forum (AEBF) International Training Program on Delivering Infrastructure Projects using the Public-Private Partnership (PPP) Model held last February 10-13, 2015 at Taal Vista Hotel, Tagaytay City.

The Asian Development Bank (ADB) also supported the event through having the most number of attendees in the event. President Ermilando D. Napa welcomed the foreign delegates and other participants from PhilEXIM.

During the forum, different perspectives, policies, and strategies on infrastructure development were discussed by speakers from the private, government as well as from the international sectors. The roster of presenters included Trevor Lewis and Jin Sasaki, both from Asian Development Bank (ADB); Octavio Peralta of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), Jorgen Kragh of Eksport Kredit Fonden (EKF);

Christine Antonio of the Public Private Partnership Center of the Philippines; and Joselito Quinto of Unicapital, Inc.

President Napa emphasized the need for continual regional connectivity and cooperation as well as collaboration with the private sector, for sustainable development. He encouraged dynamic participation and exchange in risk reduction and management among the EXIMS and agencies. Mr. Napa said that, as part of the global financial community, they have the responsibility to ensure that the future remains robust, viable, and sustainable.

After the training, participants were treated to a cultural program via a showcase of local Filipino dances, a tour of the sights and tastes of Tagaytay, Las Piñas Bamboo Organ, and a souvenir hunt at the SM Mall of Asia.

Policy Directions pursuant to the Strategic Framework (2014-2017)

PhilEXIM shifted its strategic priorities and revised its business plan following the direction of the National Government, where it emphasized its thrusts – support industries such as SMEs tourism, infrastructure, agriculture and manufacturing.

Aligned towards the pursuit of government on social-economic development, PhilEXIM redefined its business direction guided by a Strategic Framework under the new leadership which came in during the later part of 2014, namely:

Stabilize
the business with sufficient capacity;

Create
a responsive and sustainable organization;

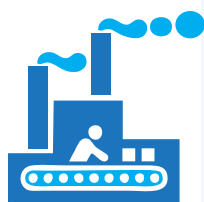
Achieve
socio-economic relevance.

The overall focus of PhilEXIM is to continue being a relevant, self-sufficient, profitable, socially-responsive and professionally-run Agency, strongly supportive of key economic development priorities of the Government. Hence, to enable the Agency to implement the aforesaid Framework, major strategic initiatives shall form the core of both revenue and support units. These are the following:



01

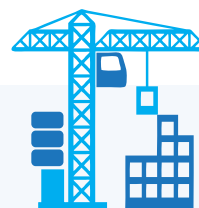
Remain relevant as a self-sufficient and profitable agency strongly supportive of key economic development priorities of the government.



02

Activities shall be confined to:

- Providing sovereign guarantees to carefully selected large enterprises in strategic industries, as well as direct lending on purely meritorious cases;
- Providing direct lending and, on a case-to-case basis, guarantees to strategic SMEs



03

Strategic industries under large accounts shall be confined initially to the following sectors:

- Tourism
- Agri-oriented exports and import substitution
- Infrastructure, including key supply-side support sector
- Export- and import substitution oriented manufacturing



04

Strategic SMEs include:

- Export- and import substitution-oriented manufacturing
- Tourism
- Agri-exports and import substitution



05

Continuous but focused development of internal capabilities through:

- a) Well-balanced and responsive organization
- b) Continuous personnel training and development
- c) Competitive remuneration structure
- d) Good corporate governance
- e) Creation of a Board-level Finance and Business Development Committee



07

Comprehensive approach to the development and growth of SMEs:

- a) Capability-building in such areas as financial management, financial reporting/recording, business development and management.
- b) Give more weight to sustainable viability of projects over adequacy of collateral cover.
- c) Close evaluation, monitoring and management of accounts to facilitate development and faster transition into bankable/profitable entities.
- d) Strong support for high-impact account prospects that will generate more jobs, export and import substitutes particularly those that can be easily replicated thru regions outside NCR. This may involve assistance in the determination of the appropriate legal and operating structures of the client



06

Proactive evaluation, monitoring and management of guarantee portfolio, comparable to, if not better than, those performed by direct lenders

- a) Ensure sustainable long-term viability and profitability of accounts by paying particular attention to the following, among others:
 - Major economic developments which may significantly impact on the clients' business
 - Major changes in the ownership and/or management structure of the Corporation
 - Major technological developments which may affect the clients' products or services.
 - Major changes in the competitive environment such as the entry of a new big player or major expansion of an existing competitor
 - Major changes in the demand and/or supply side of the clients business
- b) Ensure accounts remain in good standing and potential problems are detected and cured on time

09

For non-performing assets:

Proactive role, apart from undertaking legal initiatives, via close networking and coordination with co-creditors, prospective financial or strategic investors and borrowers/debtors, among others, to ensure that non-performing assets are recovered, liquidized and/or converted to performing assets the soonest possible.

08

For large guaranteed accounts in selected strategic industries:

- a) Proactive evaluation, monitoring and management of accounts to ensure that the business continuously remains viable and the accounts remain in good standing.
- b) Favorably consider arranging with lenders and/or directly granting short-term credit facility, on purely meritorious cases, to prevent/cure temporary setbacks/defaults or ensure sustainable viability of the business of guaranteed accounts.
- c) Encourage and support equity financing over debt financing from foreign funders by way of guarantees on foreign equity component, especially for expanding/enhancing existing viable businesses in strategic or NG's priority industries, thereby further improving viability and profitability due to reduced interest burden, and also helping promote much needed foreign direct investments into the country.

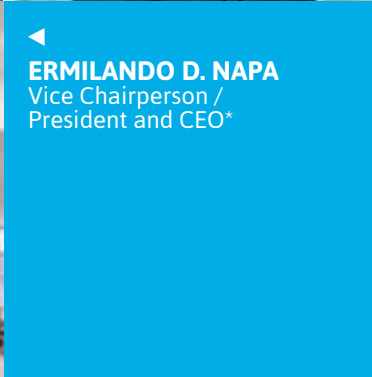


Governing Board

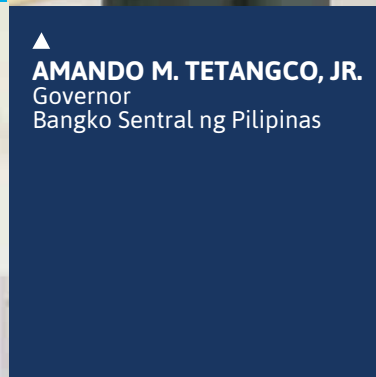
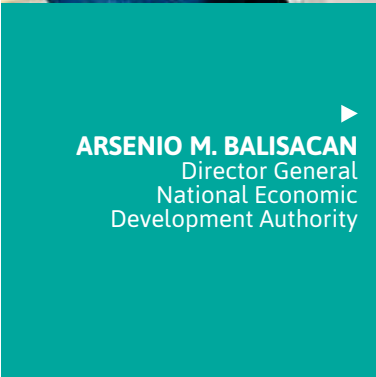
▶
CESAR V. PURISIMA
Chairman and Secretary
Department of Finance



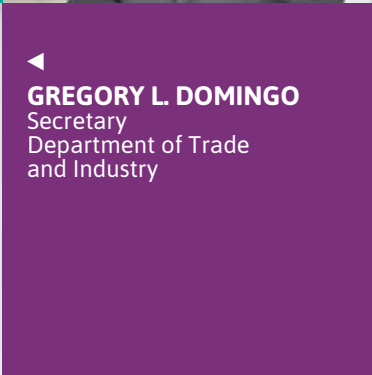
◀
ERMILANDO D. NAPA
Vice Chairperson /
President and CEO*



▶
ARSENIO M. BALISACAN
Director General
National Economic
Development Authority



◀
GREGORY L. DOMINGO
Secretary
Department of Trade
and Industry



◀
ISIDRO A. CONSUNJI
Chairman, Philippine
Overseas Construction
Board (POCB)

Alternate Members

◀ **WILFRIDO A. ATIENZA**
Appointive Director



◀ **JAY Y. YUVALLOS**
Appointive Director

SOLEDAD EMILIA J. CRUZ
Assistant Secretary
Department of Finance



VICENTE S. AQUINO
Deputy Governor
Bangko Sentral ng Pilipinas



EMMANUEL F. ESGUERRA
Deputy Director General
National Economic
Development Authority



PONCIANO C. MANALO, JR.
Undersecretary
Department of Trade
and Industry



SONIA T. VALDEAVILLA
Executive Director
Philippine Overseas
Construction Board



Affiliations

GOVERNING BOARD

(As of December 2015)

CESAR V. PURISIMA DOF Secretary

- BS in Commerce Majors in Accounting & Management of Financial Institutions from De La Salle University
- MBA JL Kellogg Graduate School of Management, Northwestern University in Chicago, Illinois

Past/Present Directorships:

- Global Board of Andersen Worldwide and the Global Executive
- Board of Ernst & Young

ERMILANDO D. NAPA PhilEXIM, President and CEO

- Master in Management Asian Institute of Management
- Bachelor of Science in Business Administration – Aquinas University

Past/Present Directorships:

- National Reinsurance Corporation of the Philippines
- Manila Consulting & Management Company, Inc.
- Century Woods, Inc.
- Catanauan Resources & Development Corp.
- CIIF-Oil Mills Group

ARSENIO M. BALISACAN NEDA Director-General

- PhD in Economics (University of Hawaii); MS, Agricultural Economics (UP Los Baños)

Past/Present Directorships:

- Philippine Statistics Authority
- Philippine Institute for Development Studies
- Philippine Center for Economic Development
- Public-Private Partnership Center

GREGORY L. DOMINGO DTI Secretary

- BS Management Engineering Ateneo de Manila University
- MBA Asian Institute of Management
- MS Operations Research Wharton School University of Pennsylvania

Past/Present Directorships:

- SM Investments Corporation
- BDO Private Bank
- Belle Corporation
- MERALCO

AMANDO M. TETANGCO, JR. BSP Governor

- AB Economics, Ateneo de Manila University

Past/Present Directorships:

- BSP Monetary Board the Anti-Money Laundering Council
- Philippine International Convention Center
- Agriculture Credit Policy Council
- Capital Market Development Council
- Export Development Council
- PhilExport Board of Trustees

ISIDRO A. CONSUNJI POCB Chairperson

- BS Civil Engineering University of the Philippines
- MBA - Asian Institute of Management

Past/Present Directorships:

- DMCI Holdings Inc.
- DICON Corporation
- Philippine Realty Holdings, Inc.
- DMC-Urban Property Developers, Inc.
- DMCI Project Developers, Inc. (PDI)
- Universal Rightfield Property Holdings Inc.
- SEM-Calaca Power Corp.

- Association of Builders Consultants and Designers, Inc.
- Philippine Constructors Association
- Philippine Chamber of Coal Mines, Inc.

WILFRIDO A. ATIENZA Private Sector Representative

- BS Business Economics University of the Philippines
- MBA Finance Columbia University of New York, Graduate School of Business

Past/Present Directorships:

- Wealth Development Bank
- Ayala Corporation
- Guild Financial Consulting, Inc.
- Inter-Asia Development Bank

TOMASA H. LIPANA Private Sector Representative

- BS Business Administration, University of the East
- Certified Public Accountant, 18th Place

Past/Present Directorships:

- Flexo Manufacturing Corporation
- Goldilocks Bakeshop, Inc.
- QBE Insurance
- Inter-Asia Development Bank

JAY Y. YUVALLOS Export Sector Representative

- BS Commerce Accounting University of San Jose Recoletos

Past/Present Directorships:

- Interior Basics Export Corporation
- Infinite Horizons Incorporated
- ASEAN Business Advisory Council

*Resigned on July 30, 2015

Affiliations

ALTERNATE MEMBERS

(As of December 2015)

SOLEDAD EMILIA J. CRUZ

Assistant Secretary
Department of Finance

- BS Commerce Major in Accounting
St. Scholastica's College
- MBA
Ateneo de Manila Graduate School of
Business

Past/Present Directorships:

- National Power Corporation
- Local Water Utilities Administration
- Light Rail Transit Authority,
- National Food Authority

VICENTE S. AQUINO

Deputy Governor
Bangko Sentral ng Pilipinas

- BS Journalism, Lyceum of the Philippines
- Bachelor of Laws , MLQU School of Law

Past/Present Directorships:

- BSP Provident Fund Board of Trustees
- Philippine International Convention
Center
Board of Directors
- Philippine Retirement Authority

EMMANUEL F. ESGUERRA

Deputy Director General
National Economic
Development Authority

- AB Economics - UP Diliman
- MA- Economics (UP Diliman)
- PhD Agricultural Economics (Ohio State
University, USA)

Past/Present Directorships:

- Economics Research Center
- UP School of Economics

PONCIANO C. MANALO, JR.

Undersecretary
Department of Trade
and Industry

- Management Engineering,
Ateneo de Manila University

Past/Present Directorships/Positions:

- Colgate-Palmolive Company
- Hill's Pet Nutrition (USA)
- Procter and Gamble Philippines

SONIA T. VALDEAVILLA

Executive Director
Philippine Overseas
Construction Board

- BS Civil Engineering MSEFU, Lucena City
- MA Urban & Regional Planning UP
Diliman

Past/Present Directorships:

- Bureau of Product Standards
- Sub-TC on Standards Development
Sanitary Wares
- Philippine Overseas Construction Board
CIAP
- Philippine Institute of Civil Engineers
(Makati Chapter)

Review of Operations

PhilEXIM's Credit Portfolio:

The credit portfolio of the Agency totaled Php 7.78 Billion as of end-December 2015 broken down as follows:



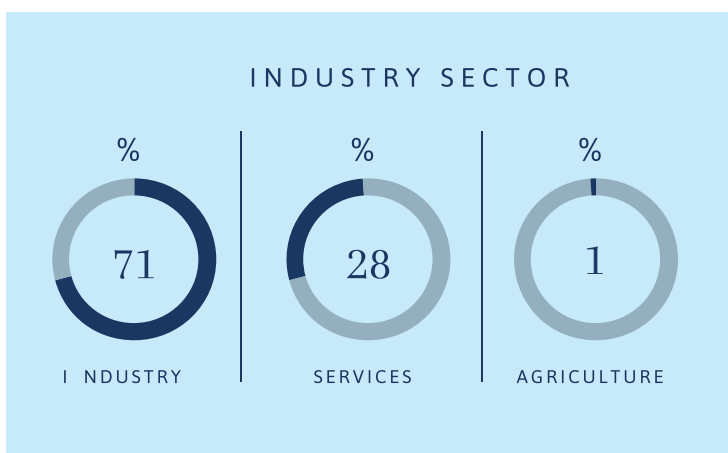
Sector	Amount	% Share
Guarantees	7,123	92
DLP	659	8
Total	7,782	100%

2015 Financial and Operational Programs/Thrusts/Targets and Accomplishments

Results:

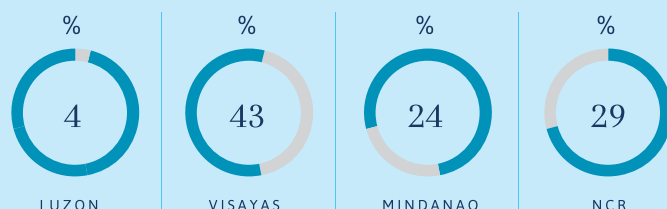
Management requested for capital infusion of the 4.5 billion subscription receivable due from the National Government (NG), and the increase of PhilEXIM's authorized capital stock of Php 10.0 billion to Php 30.0 billion. Both requests have the endorsements from the DOF, GCG and DBM to the Office of the President. The said additional capital would have increased the Agency's capacity to meet the substantial financial requirements of the country's priority and strategic projects, to include the SMEs (medium). Likewise, this will enable PhilEXIM to be at par status with its counterparts in terms of capital.

The biggest part of the credit portfolio was in the Guarantee Program amounting to Php 7.1 Billion or 92%. This is the result of the shift in business concentration which is guarantee, led by large accounts thereby giving the Direct Lending Program of 659 Million worth of portfolio or a thin cut of 8%.



Sector	Amount	% Share
Industry	5,529	71
Services	2,185	28
Agriculture	68	1
Total	7,782	100%

REGIONAL FINANCING RESULTS



Sector	Amount	% Share
Luzon	333	4
Visayas	3,343	43
Mindanao	1,888	24
NCR	2,218	29
Total	7,782	100%

The biggest part of the Agency's credit portfolio went to the industry sector comprising the supply and processing-intensive industries such as manufacturing, power, infrastructure, transportation, and utilities at 71%. The services sector on the hand with 28% cut was propelled by tourism industry, which is also a growth driver of the country's economy particularly, foreign exchange earnings. The rest of the portfolio were spread to Agriculture sector with projects involving agri-business and agricultural modernization for a total of 1%.

Industry-wise the bulk of the total portfolio went to manufacturing at 66%, followed by tourism at 29%, Utilities at 2%, Information Technology at 1%, and other industries such as infrastructure, transportation, mining, manpower and agriculture with less than 1% each or a total of 2%.

Financial Results:

As of end-December 2015, PhilEXIM generated total revenues of Php 292.9 Million, dominated by core business amounting to Php 235.9 Million or 81% of the total income. Based on core income budget of Php 421.2 Million, this year's performance sank by 40%, due to diminishing guarantee and loan portfolios as a result of amortizations and pre-terminations of some accounts coupled with no new approved accounts since September 2012, unrealized sale of credit interest in WGI, and provisioning for bad debts. Thus, a net loss of Php 12.88 Million was registered as of December 31, 2015.

Total expenses, on the other hand, registered a total of Php 311.4 Million, 18% lower than its Php 379.6 Million target or 25% less year-on-year.

Results Pursuant to the 2015 Business Plan

At the close of 2015, the implementation of the TIDCORP Business Plan resulted into less encouraging results, with reasons emanating from extraneous factors.

A status of plans as of December 31, 2015 is as follows:

1. **Stabilize the business with sufficient capacity**
 - a. Immediate capital infusion of the P5-B subscription receivable due from NG.
 - b. Increase authorized capital stock of TIDCORP to P30-B.
 - c. Convert non-earning assets as profit areas through pro-active management of workable options.

Economic Contributions:

In terms of support that can play a catalytic role and make a positive development impact, the PhilEXIM-assisted firms under its Guarantee and Direct Lending Programs generated the following:



It is to be reiterated that the requested infusion merely represents the subscription receivable from the National Government. Year after year, the Corporation submits its request for infusion as part of the business strategy and competitive capacity requirements.

On the other hand, the endorsements of the DOF, GCG and DBM of the request for increase in authorized capital were transmitted to the Office of the President of the Philippines (OP).

Efforts by the Legal and Asset Department to dispose and market non-earning assets continue to be on priority status as part of the revenue generating activities of the Corporation. Proactive management of workable options demonstrated thru the LAD's constant endorsement to the Board of various workable proposals to sell/dispose acquired properties. Relative to this, the Corporation is expected to receive insurance proceeds from the WGI property, resulting from the approval of the Claims Committee on GSIS, indicatively in the amount of at least P88 Million.

The Merit Award given to PhilEXIM in May 2015 by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) for “Strategy Management”.

The project institutionalized strategy management in strategic planning, corporate communications, and human/physical resource management.



2. Create a responsive and sustainable organization

- Focused development of internal resource capabilities.
- Pro-active origination, evaluation, monitoring and management of the guarantee portfolio.
- Sustain good corporate governance for balanced and efficient organization.
- Continued adoption of key business and operating policies and controls.

Items (a) and (b) are being addressed through the Training and Development Committee (TDC), where Sessions 1 and 2 have been concluded over the last two quarters, relative to the orientation of existing TIDCORP credit policy memoranda (CPMs) to determine weakness of application and address the same. A third session is to be undertaken, with the participation of the senior officers and members of the Board, being the approving authority over credit and accounts related matters. The aim of the TDC is to professionalize the staff through effective training programs and other interventions to enhance skills and know-how. The 3rd session of the CPM Orientation will be conducted during the first quarter of 2016.

Items (c) and (d) are being observed through the coordination and governance pursuits of the audit and compliance related offices of TIDCORP – Internal Audit Office, Risk Management Dept. and the Corporate Governance Office. Adopting the GRC Framework, the processes involving the three units improved the governance processes within the Agency, especially in the area of internal control.

In support of the business execution with the guidance of the Board as the policy enabling body, meetings were held in 2015 by Board-level Committees, specifically the following: Credit, Risk Oversight, Corporate Governance, Audit, and the Finance and Business Development Committee (FBDC).

To ensure proper business generation and finance- related initiatives, FBDC was created pursuant to the Business Plan, comprising of Board members and with senior officers as resource individuals. Other Board and Management committees continue to be implemented and serve as monitoring and coordinating bodies for the efficient and effective implementation of plans and programs.

Meetings of the Senior Management Committee (SMC), comprising SVPs and up and including the Head of Risk Management, were adjusted to meet every week, and delineated

the topics of discussion for better coordination and decision-making, covering administrative, business generation, finance and compliances. To achieve better governance measure, the charter of the SMC was crafted by Management and approved by the Board.

3. Achieve socio-economic relevance

Attainment of development success indicators reflective of standards consistent with institutional efforts and that of the GCG, namely:

- Stakeholders Perspective – indicators referring to the efforts of the Agency to fulfill its mandate of providing development financing thru guarantees and lending, and in the process achieve customer satisfaction.
- Financial Perspective – indicators referring to the efforts of the Agency to sustain portfolio quality and profitability.
- Internal Processes Perspective – indicators referring to the efforts of the Agency to enhance its internal capabilities thru process improvements, with the end in view of attaining better service delivery.
- Organizational Perspective – indicators referring to the efforts of the Agency towards strengthening institutional presence and its core internal human resources.

Significant accomplishments/milestones for the year included the following:

1. Continued conduct of capacity-building initiatives:

- Hosted and participated in the 29th Asian Eximbanks Forum (AEBF) International Training Program on Delivering Infrastructure Projects Using the Public-Private Partnership (PPP) Model. AEBF country delegates present at the one-day forum included China, India, Indonesia, Japan, Philippines, South Korea, Thailand and Vietnam. New observers were also invited at the event which included Bangladesh, Cambodia, Kazakhstan, Krykz Republic, Laos, Mongolia, Myanmar, Nepal, Sri Lanka, and Tajikistan. Inc. The forum's principle task is to develop and enhance regional cooperation and forge stronger link among its member institutions, thereby fostering a long term relationship within the Asian ECA community;
- Participated in the Technical Workshop on Sustainable Development Goals (SDG) Indicators last October 22, 2015, organized by NEDA. The workshop aimed to come up with a list of indicators per SDG target that will be put forth by the Philippine Delegation during the UN SDG's conference;



- c. Participated as member of the Philippine delegation to the Third International Conference on Financing for Development at the directive of the Finance Secretary Cesar V. Purisima. The event which was held in Addis Ababa, Ethiopia on July 13-16 was participated in by wide-ranging members of government, private/business sectors as well as civil society. Laudable in this endeavor is PhilEXIM's critical role as Philippine development financing institution, of which key sustainable development initiatives on innovative risk mitigation, equity/ investment guarantees, promotion of foreign direct investment inflows in the Philippines, and involvement in quality infrastructure financing are among the major actions espoused by the adopted Addis Ababa Action Agenda (AAAA), which will be submitted to the General Assembly of the United Nations for ratification during the September 2015 Sustainable Development Summit in United Nations Headquarters, New York, USA.
 - d. Conducted exploratory talks with DTI and Nueva Segovia Consortium of Cooperatives (NSCC) in coordination with Business Revenue Group 2, as partner enterprise for the pilot implementation the Corporation's proposed Regional Capacity-Building and Financing Forum with Key Government and Private Sector Partners.
2. **On-going implementation of the Quality Management System (QMS) as part of the Corporation's initiatives toward obtaining the ISO Certification.** Phases 1 and 2 of the processes were completed which include the creation of project teams and assessment of gaps to the development of the ISO Manual. In-house training was held which include the following modules:
 - a. Introduction to ISO 9001:2008 and QMS specifications
 - b. Business Process Model
 - c. Establishing the QMS
 3. **Streamlined Operational Processes through the following:**
 - a. Operationalization and full implementation of the Loans Management System (LMS). Planning and negotiation of the ground up Phase 2 of CLS has been completed, accepted and implemented;
 - b. Automation of Credit Documentation was fully implemented by the first quarter of 2015 by the Treasury and Loans Department (TLOD).
 4. Created a Gender Development Focal Point System (GFPS) to secure the necessary authority pursuant to PCW MC 2011-01. Preparation of GAD plans for the 2017 and a series of related capacity-building activities were conducted. A database on GAD information to include gender statistics and sex-disaggregated data has been started and now in the process of completion.
 5. Implemented Phase 1 of Brand Strategy/Roadmap to enhance institutional positioning and better awareness of the Agency beginning with an Internal branding initiative thru the application of new logo in the communication materials such as stationaries, presentations and other collaterals.
 6. **Continued organizational refinements and focused development of internal capabilities through:**
 - a. Approval by the Board of the Reorganizational Framework in July 2015 which will result into the commencement of the reorganization activities in line with the GCG M.C. No. 2015-04. Accordingly, the Change Management Team (CMT) was constituted for the foregoing purpose. Also as approved by the Board, a third-party consultant was hired in September to conduct current state assessment of PhilEXIM as required by the GCG;
 - b. Received the CSC approval of the the Strategic Performance Management System (SPMS) in compliance with CSC MC 6, s.2012. Per evaluation of the Civil Service Commission, the PhilEXIM SPMS showed substantial compliance with CSC MC 6, s. 2013 which prescribes the guidelines on the establishment of Agency SPMS;
 - c. Initiated the Institutionalization of Employee Career Development Program (Succession Planning);
 - d. Sent employees to various trainings both local (in-house and external) and abroad to equip personnel with appropriate competencies and skills aligned with the Agency's business model;
 7. **Blessing and Re-launching of Cebu Business Center on October 28, 2015, in an effort to strengthen market reach particularly in the Visayas and Mindanao areas.**
 8. **Conducted CSR activity in partnership with Leukemic Indigent Fund Endowment (LIFE) Foundation and Hallmark Philippines through gift giving and purchased of greeting cards, and giveaway items wherein part of the proceeds from the sale is donated to the said Foundation.**
LIFE Foundation and Hallmark Philippines reach out and support young Filipinos who suffer from the dreaded leukemia disease through their charitable endeavor called Hallmark for LIFE.

Senior Management



<
ERMILANDO D. NAPA
President and CEO*

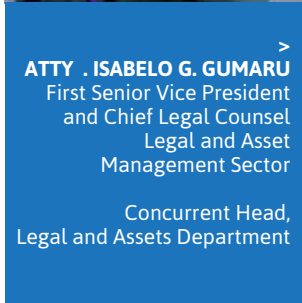


<
ATTY. FLORENCIO P. GABRIEL, JR.
Senior Exec. Vice President**
Corporate Resources Group



<
IAN A. BRIONES
First Senior Vice President
Strategy and Development
Sector and OIC,
Human Resource and
Administrative Department

Chief-of-Staff
Office of the President
and CEO



>
ATTY. ISABELO G. GUMARU
First Senior Vice President
and Chief Legal Counsel
Legal and Asset
Management Sector

Concurrent Head,
Legal and Assets Department



>
CELSO R. GUTIERREZ
First Senior Vice President
Revenue Center 4 –
Business Revenue Group II

Concurrent Head,
Davao Business Center



<
ATTY. EMMANUEL R. TORRES
First Senior Vice President
Revenue Center 1 –
Business Revenue Group I

Concurrent Head
Cebu Business Center



<
MARILOU A. MEDINA
First Senior Vice President
Finance and Information
Management Sector



<
ATTY. DYNAH G. NEPOMUCENO-BAYOT
Senior Vice President
Office of the
Corporate Secretary

Concurrent Head
Corporate Governance Office



*Resigned on July 30, 2015

**Assumed as OIC on August 1, 2015

Department Heads

<p>></p> <p>EDUARDO S. ANGELES Vice President Revenue Center 5 – Business Revenue Group II</p>		<p>></p> <p>ARSENIO C. DE GUZMAN Vice President Treasury and Loan Operations Department</p> <p>Concurrent Head Technology and Services Systems Department</p>	
	<p><</p> <p>ARMAND D. EUGENIO Vice President Risk Management Office</p>		<p><</p> <p>MILDRED B. FLORES Vice President Finance Services and Budget Department</p>
<p>></p> <p>JULITA LEAH M. GARCIA Vice President Revenue Center 6 – Business Revenue Group II</p>		<p>></p> <p>EVANGELINE MAURA Q. GOTANGCO Vice President Revenue Center 3 – Business Revenue Group I</p>	
	<p><</p> <p>ROVI M. PERALTA Vice President Revenue Center 2 – Business Revenue Group I</p>		<p><</p> <p>ESTRELLITA N. TESORO Vice President Credit and Monitoring Department II</p>
	<p><</p> <p>MILDRED S. VIRAY Vice President Credit and Monitoring Department I</p>	<p>Not in photo:</p> <p>EDNA G. DE LEON Senior Vice President Internal Audit Office</p>	

Good Governance

This is to expressly confirm that Philippine Export Import Credit Agency (PhilEXIM) also known as the Trade and Investment Development Corporation (TIDCORP), its Members of the Board of Directors, its Officers and Employees have fully complied with the provisions of the Code of Corporate Governance mandated by Section 5 (c) of Republic Act 10149, GCG Memorandum Circular No. 2012-07 dated November 2012 as well as PHILEXIM's Code of Corporate Governance dated January 2014.

As a Government-Owned and Controlled Corporation, PHILEXIM strives to practice good corporate governance throughout its organization. It is the policy of PhilEXIM to "actively promote and pursue corporate governance reforms and to continuously observe the principles of fairness, accountability and transparency."

The Board of Directors of PhilEXIM hereby adopts this Code of Corporate Governance as a conscious attempt to significantly enhance PhilEXIM's corporate organization to make it a valuable partner of the government in national development and to make it a corporation that is "competitive both locally and globally." (PHILEXIM Manual of Corporate Governance, Page 3).

PHILEXIM firmly believes that it should be more than be a sovereign guarantor that extends credit, export insurance and related services to business entities in order to develop the nation's export industry and facilitate investment in strategic sectors of the economy. The agency should also be a respectable corporate citizen; an organization that fulfils all of its commitments to its internal and external shareholders, while conforming with the best practices of similar organizations in the same field.

As a company, our primary objective is to become the preferred credit guarantee institution facilitating international trade and investments responsive to the developmental needs of the country. We also endeavour to undertake the following actions in fulfilment of our sworn mandate (TIDCORP Quality Policy Statement):

- Operate satisfactorily statutory standards and requirements as a socially-responsive and reliable agency of the Government;
- Provide effective and efficient services that consistently meet clientele satisfaction;
- Continually improve the effectiveness of our Quality Management System based on international quality standards;
- Act as a catalyst for sustainable socio-economic development; and

- Demonstrate the corporate values of integrity, professionalism, good governance, innovation and teamwork enshrined in our institutional credo, the TIDCORP Creed.

Meanwhile, in the area of transparency and accountability, PHILEXIM is currently developing its internal Whistle Blowing Policy, taking into consideration GCG Memorandum Circular 2016-02, ("Revised Whistle Blowing Policy for the GOCC Sector"), dated 22 April 2016, among other relevant regulations.

Moreover, PHILEXIM initiated efforts to set-up the Quality Management System (QMS) to pave the way for the attainment of ISO Certification. Phases 1 and 2 of the processes were completed last May, 2015 of which include the creation of project teams and assessment of gaps to the development of the ISO Manual. An In-house training was also held, which covered the following modules:

- a. Introduction to ISO 9001:2008 and QMS specifications
- b. Business Process Model
- c. Establishing the QMS

PHILEXIM strives to maintain good working relations with all of our stakeholders. As part of our capacity-building initiatives, the agency hosted and participated in the 29th Asian Eximbanks Forum (AEBF) International Training Program on Delivering Infrastructure Projects Using the Public-Private Partnership (PPP) Model in Tagaytay City. Representatives from the one-day forum included China, India, Indonesia, Japan, Philippines, South Korea, Thailand and Vietnam attended. New observers were also invited at the event which included Bangladesh, Cambodia, Kazakhstan, Kyrgyz Republic, Laos, Mongolia, Myanmar, Nepal, Sri Lanka, and Tajikistan. The forum's principle task is to develop and enhance regional cooperation and forge stronger partnerships among its member institutions, thereby fostering a long term relationship within the Asian Export Credit Agency community. PhilEXIM conducted exploratory talks with the Department of Trade and Industry and Nueva Segovia Consortium of Cooperatives (NSCC) in coordination with the Business Revenue Centers, as partner enterprise for the pilot implementation the Corporation's proposed Regional Capacity-Building and Financing Forum with Key Government and Private Sector Partners.

While we undertake continuing organizational improvements, our top management hand in hand with the members of the Board, are doing their share in learning new governance system and policies to keep them abreast with latest trends in good governance practices. Our Board of Directors attended the Corporate Governance Orientation Program (March, 2015); Integrity Forum: Protecting Private & Public Sector Integrity (August, 2015); Corporate Governance Training Program (October, 2015) and Corporate Governance Scorecard

Orientation (November, 2015). The PHILEXIM Board will attend other appropriate ICD / DAP trainings as recommended by the Governance Commission for GOCCs (GCG). It's worth mentioning that the ICD and DAP are the only institutions accredited by the GCG to provide training for Boards of Directors/Trustees of GOCCs.

Corollary to these efforts, PhilEXIM's Board Level Committees continued to bolster corporate governance practices and risk management efforts within the Agency through the Board-level Corporate Governance and Risk Oversight committees, in line with the overall thrust of positioning PhilEXIM as a sound and viable government corporate entity and a stable partner of development.

SOLEDAD EMILIA J. CRUZ

Alternate to the Chairperson

- Bachelor of Science in Commerce Major in Accounting (St. Scholastica's College)
- MBA, Ateneo de Manila Graduate School of Business

ERMILANDO D. NAPA

Vice-Chairperson/President and CEO

- Bachelor of Science in Business Administration- Aquinas
- Master in Management - Asian Institute of Management



Per Charter the Board shall convene as frequently as is necessary to discharge its responsibilities properly, but shall meet at least once every two weeks

COMPOSITION	NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
1. Soledad J. Cruz*	11	12
2. Ermlando D. Napa	13	13
3. Ponciano C. Manalo	6	13
4. Vicente S. Aquino	5	13
5. Emmanuel F. Esguerra	5	13
6. Sonia T. Valdeavilla	12	13
7. Jay Y. Yuvallos	13	13
8. Wilfrido A. Atienza**	5	7
9. Tomasa H. Lipana**	7	7
10. Gil S. Beltran ***	1	1

* Representative of Sec. Cesar Purisima up to November 2015

** Appointive Member starting July 2015

***Representative of Sec. Cesar Purisima starting December 2015

MEMBERS

PONCIANO C. MANALO, JR.

- BS Management Engineering (Ateneo de Manila)

VICENTE S. AQUINO

- BS Journalism - Lyceum of the Philippines
- Bachelor of Laws - MLQU School of Law

EMMANUEL F. ESGUERRA

- BS Journalism - Lyceum of the Philippines
- MA- Economics (UP Diliman), PhD Agricultural Economics (Ohio State University, USA)

SONIA T. VALDEAVILLA

- BS Civil Engineer (MSEFU, Lucena City)
- MA Urban & Regional Planning (UP Diliman, Quezon City)

JAY Y. YUVALLOS

- BS in Commerce Accounting University of San Jose Recoletos

WILFRIDO A. ATIENZA

- BS Business Economics - UP Diliman
- MBA - Columbia University

TOMASA H. LIPANA

- Business Administration - UE Manila
- Management Development Program (AIM), Top Management Program (AIM), Executive Development Program (Harvard Business School)

Major Committee Decisions

• Reconstitution of Board-level Committees	• Inclusion of TIDCORP Guarantee in the BSP List of Non-Risk Assets
• Finance & Business Development Committee Report	• Five (5) -Year Lease Contract for TIDCORP Davao Satellite Office
• Guarantee on Foreign Equity Financing	• Budget Estimates for CY 2016 and Medium Term Plan 2015-2018
• Financial Statements as of 31 December 2014	• 2015 Performance Agreement with GCG
• Operations Audit Report (Office of the Chief Legal Counsel)	• Framework for the 2015 TIDCORP Reorganization
• Audit Committee Report	• Audit Observation Memorandum on Reimbursement of Expenses
• Nomination of Rehabilitation Receiver	• Amendments to the Risk Oversight Committee Charter
• IAO Business Plan for 2015	• Internet-Based Performance Evaluation of Directors (iPED) Orientation
• Prior Period Adjustments for CY 2014	• Amendments to the Credit Committee Charter
• Corporate Governance Committee Report	• Quality Management System – ISO Consultant
• 2014 Annual Compliance	• Third Party Consultant on ISO
• Offer to Buy the Acquired Property in Barangay Inarawan, Antipolo City	• 2016 Performance Scorecard
• Report on the AEBF Meeting hosted by TIDCORP	• Reconstitution of the IT Steering Committee
• Departmental Functions of the Agency	• Performance Assessment for CY 2014
• TIDCORP's BUSINESS PLAN and its RATIONALE	• Transfer of Car Fund from Provident Fund to TIDCORP
• GCG's Decision on TIDCORP's Classification	• OGCC's Favorable Opinion on TIDCORP's Proposed Executive Order on Guarantee on Foreign Equity
• Report on the List of Accounts Approved by the Credit Committee	• Delegated Authorities of OIC-P/CEO
	• Conduct of Perception Survey
	• Amendments to the Corporate Governance Committee Charter
	• Proposed Finance & Business Development Committee Charter
	• Proposed Action Plan to Address Liquidity Gap & Capital Inadequacy
	• Credit Policy Memorandum No. 2015-090 (Turnover of Accounts)

Good Governance

Board Accomplishments



2015 Trainings/Seminars Attended

1. Corporate Governance Orientation Program - March 5, 2015

Director Jay Y. Yuvallos

2. Integrity Forum: Protecting Private & Public Sector Integrity - August 20, 2015

Director Tomas H. Lipana

3. Corporate Governance Training Program - October 16, 2015

Director Tomas H. Lipana

Director Wilfrido A. Atienza

4. Corporate Governance Scorecard Orientation - November 25, 2015

Director Tomas H. Lipana

Board-Level Committees

PhilEXIM's Board Level Committees continued to undertake its responsibilities consistent with strengthening corporate governance practices and risk management efforts within the Agency. Together with Management, these Committees actively support the overall thrust of positioning PhilEXIM as a sound and viable government corporate entity and a strong partner of development.

Per Charter the Committee shall meet regularly every month with authority to convene special meetings as circumstances so require

COMPOSITION	NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
1. Chairperson Valdeavilla*	4	4
2. Esguerra	1	4
3. Yuvallos***	3	3
4. Aquino	3	4
5. Lipana**	1	1

* Chairperson up to August 2015 pursuant to Board-approved reconstitution of Board-level Committees

** Chairperson starting September 2015 pursuant to Board-approved reconstitution of Board-level Committees

*** Member up to August 2015 pursuant to Board-approved reconstitution of Board-level Committees



Audit Committee

Installs and ensures the full operationalization of a proper and adequate control system that guarantees reliability of reporting, safeguarding of assets, compliance with rules and regulations on financial and related matters as well as effectiveness and efficiency of operations.

Matters Acted Upon by the Committee

• 2014 IAO Accomplishment Report	• Status of Action on IAO Observation	• Review of Audit Committee Charter
• IAO Business Plan Overview for 2015	• BSP Circular 871 - Internal Control and Internal Audit	• Status of Action on COA Observation
• Financial Reports for CY 2014	• Amendments to the Audit Committee Charter	• Status of Approved Accounts/Problem Accounts
• Prior Period Adjustments	• IAO Update Report	• Status of Acquired Assets and Court Cases
• Report on Audit (Freshtex account)	• Audit of Petty Cash Fund	• Matrix of Corrective Action - Audit on SME Department
	• Audit of TIDCORP Art Holdings	

Per Charter the Committee shall meet regularly every month with authority to convene special meetings as circumstances so require

COMPOSITION	NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
1. Chairperson Napa*	11	11
2. Cruz****	7	10
3. Yuvallos	10	11
4. Esguerra***	1	8
5. Manalo	4	11
6. Atienza**	3	3

* Chairperson up to August 2015 pursuant to Board-approved reconstitution of Board-level Committees

** Chairperson starting September 2015 pursuant to Board-approved reconstitution of Board-level Committees

*** Member up to August 2015 pursuant to Board-approved reconstitution of Board-level Committees

**** Representative of Secretary Purisima to Board and Board-level Committees up to October 2015



Credit Committee*

Approves credit transactions of up to P100 million and preapproves all credit transactions beyond P100 million before presentation to the Board of Directors for approval.

Per Charter the Committee will meet as the need arises or upon the directive of the Board en banc

COMPOSITION	NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
1. Chairperson Cruz	2	3
2. Napa**	2	2
3. Valdeavilla	2	3
4. Manalo**	1	2
5. Yuvallos	2	3
6. Atienza*	1	1
7. Esguerra*	0	1

* Member starting August 2015 pursuant to Board-approved reconstitution of Board-level Committees

** No longer a member starting August 2015 pursuant to Board-approved reconstitution of Board-level Committees

Matters Acted Upon by the Committee

- iPED 2014 Orientation
- Updates on BSP Examination
- Updates on CGO Activities and GCG Compliance
- Review of Corporate Governance Committee Charter
- Annual Compliance Report
- 1st and 2nd Quarter Compliance Report for CY 2015

Corporate Governance Committee

Oversees PhilEXIM's compliance efforts with respect to the Manual of Corporate Governance, Code of Ethics and related laws, rules and regulations, as well as company policies and procedures; keeps abreast with developments in the field of corporate governance affecting PhilEXIM.



Per Charter the Committee shall meet as often as necessary or as it deems appropriate

COMPOSITION	NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
1. Chairperson Manalo	3	3
2. Napa	3	3
3. Cruz*	0	2
4. Valdeavilla*	2	2
5. Lipana**	1	1
6. Aquino**	0	0

* Member starting August 2015 pursuant to Board-approved reconstitution of Board-level Committees

** No longer a member starting August 2015 pursuant to Board-approved reconstitution of Board-level Committees

Other Accounts and Administrative Matters

- Proposed Action Plan to Address Liquidity Gap
- Review of ROC Charter
- New Risk Mitigants
- Report on Portfolio Cap, CAR and SBL
- Frequently Violated Credit Policy Memorandums
- Report on TIDCORP Risk Profile



Risk Oversight Committee

Assists the Board in directing the affairs of the Corporation particularly the development and oversight of the Corporation's risk management plans and programs. It also assists the governing body in assessing and providing oversight to management relative to the identification and evaluation of major risks involved in the Corporation's business operations or any other areas that could create significant risks to the Corporation's results of operations, reputation or capacity to fulfil its mandate

Per Charter the Committee shall meet every month or as often as required to undertake its duties and responsibilities effectively

COMPOSITION	NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS
1. Chairperson Yuvallos*	4	5
2. Napa**	5	5
3. Cruz***	3	4
4. Valdeavilla****	3	3
5. Manalo	2	5
6. Atienza*****	2	2
7. Lipana*****	2	2

* Chairperson up to July 2015 pursuant to Board-approved reconstitution of Board-level Committees

*** Representative of Secretary Purisima to Board and Board-level Committees up to October 2015

**** Member up to July 2015 pursuant to Board-approved reconstitution of Board-level Committees

***** Member starting August 2015 pursuant to Board-approved reconstitution of Board-level Committees

Other Accounts and Administrative Matters

- Outline of the Functions of the Finance & Business Development Committee
- Acquired Property in Antipolo City
- Branding and Communications Strategy of TIDCORP
- Budget Estimates for CY 2016 and Medium Term Plan 2015-2018
- Guarantee on Foreign Equity Financing
- Facilitating Financing for Selected PPP Projects
- Accounts Recovery Process
- Proposed Finance & Business Development Committee Charter
- 2014 Results of Operations
- Increase in Authorized Capital Stock and Capital Infusion
- 2015 Amended Budget
- Proposed Circular to Operationalize TIDCORP's Sovereign Guarantee
- Establishment of Davao Office
- Revised Credit Risk Pricing Matrix for Guarantee
- Terms of Reference for the Hiring of Consultant for Institutional Branding Project



Financial Business Development Committee

The Committee shall work, among others, towards the recapitalization of the agency, disposal of non-earning assets and improvement of revenue-earning capability to help achieve SME growth objective.

PhilEXIM @ 38: Through the Years

1977

The Philippine Export and Foreign Loan Guarantee Corporation or PHILGUARANTEE was established through Presidential Decree 1080 on January 31. It mandated the Corporation to guarantee not only approved foreign loans for developmental purposes but also loans granted by domestic and foreign financial institutions to exporters and manufacturers of export products as well as contractors with approved service contracts abroad.

1979



PHILGUARANTEE was granted the additional power to offer export credit insurance with the transfer of the functions of the defunct Philippine Export Credit Insurance and Guarantee Corporation (PECIGCOR) to the Corporation.

1980



PHILGUARANTEE launched a P3 million facility to provide guarantee coverage to loans of up to P1 million for small companies, and up to P3 million for medium-sized enterprises, under a memorandum of agreement that was also signed by 27 participating commercial banks.

1984

PHILGUARANTEE shifted its focus and resources from the issuance of guarantees for overseas construction contracts to the issuance of guarantees for export-oriented enterprises in view of the mounting defaults by guaranteed contractors engaged in Middle East construction projects. Presidential Decree 1930 was issued, requiring that all loan guarantees to be extended by government-owned and controlled corporations should have prior approval of the President of the Philippines.

1985

Presidential Decree 1962 increased the authorized capital stock of PHILGUARANTEE to P10 billion.

1987

Executive Order No. 127 issued to empower PHILGUARANTEE to extend direct loans and export credit insurance. The EO abolished the Export Credit Corporation that was created under PD. 1785, and transferred its functions to PHILGUARANTEE.

1995



Full corporate rehabilitation program, started in 1988, completed with the conversion into equity of PHILGUARANTEE's P436 million liabilities owed to the National Government. Automatic Guarantee Line (AGL) Facility launched to accelerate utilization of PERF and PERG Programs by providing guarantee coverage to loans of PFIs without prior PHILGUARANTEE approval. Second regional field unit opened in Davao City to service clients in the Mindanao area.

1996



Term Loan Guarantee Program (TLGP) launched to provide guarantee coverage to medium and long-term loans extended by PFIs to medium and large exporter accounts under existing PERF and PERG Programs. The TLGP is intended to help exporters increase production by providing access to term financing for the upgrade of plant facilities. Third regional field unit opened in Bacolod City.

1997



PHILGUARANTEE marked its 20th anniversary with the formal launching of Export Credit Insurance Program and the signing of Partnership Agreement with France's COFACE. Organized and hosted the APEC-funded Trade and Investment Insurance Training Program aimed at developing trade and investment insurance activities in APEC member economies. Fourth regional field office established in Legazpi City to provide service to exporters in the Bicol region and nearby Southern Luzon provinces.

1998



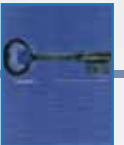
Republic Act No. 8494 was signed by President Fidel V. Ramos, reorganizing and renaming PHILGUARANTEE into the Trade and Investment Development Corporation of the Philippines (TIDCORP).

1999



Website launched, giving clients and the public easy access to information about the Corporation's programs and services through www.tidcorp.org.ph.

2000



Strengthened global presence by broadening strategic alliances through participation in various conferences such as the Berne Union (International Union of Credit and Investment Insurers) held in Tashkent, Uzbekistan; the Asian Regional Conference of Credit Alliance in Bangkok, Thailand; the 6th Annual Meeting of AsianExport Credit Agencies in Phuket, Thailand; and the joint meeting of the Berne Union and Eximbanks and ECAs of Eastern European countries held in Vienna, Austria.

2007



PhilEXIM, as a top adherer of corporate governance, formulated and implemented a risk-based Audit Plan that focused on the agency's core business functions, treasury, information technology and human resources.

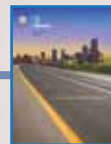
Signed Memoranda of Understanding with Korea Export-Import Bank, the PT. Bank Ekspor Indonesia and the Export-Import Bank of Malaysia, primarily to enhance cooperation and exchange of business insights.

2008



PhilEXIM included in the Corporate Governance Circle for GOCCs and GFIs.

2009



PhilEXIM awarded a plaque of merit on the agency's Wholesale Lending Program during the 2nd ADFIAP Annual Meeting.

2010



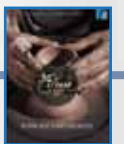
Operationalization of the Trade Finance and Loans System (TFLS). PhilEXIM netted Php332 Million in profit, the first on its history of financial performance.

2011



Automation of the general ledger system and framing of an Information Security Policies Manual.

2012



Over the last five years, (2008-2012) PhilEXIM reached total revenues of P3 billion, brought about by innovations in operations and financial management.

1988

1989

1990

1991

1993

1994

Executive Order No. 64 authorized PHILGUARANTEE to transfer to the National Government non-performing accounts that were incurred by government financial institutions that included DBP and PNB, among others. The Deed of Transfer was executed in 1989.

PHILGUARANTEE was authorized to issue guarantees under the General Facility Program for medium- and large-scale exporters even without prior approval of the President of the Philippines.

The PHILGUARANTEE Board of Directors approved a general policy framework for the corporate revitalization and financial rehabilitation of the Corporation to facilitate its transformation into the national Export Credit Agency (ECA). A US-based consultancy firm, First Washington Associate (FWA), was tapped to study and implement PHILGUARANTEE's institutional strengthening and reorganization program.



The Pre-shipment Export Finance Guarantee (PEFG) Program was launched in line with the Corporation's revitalization and new corporate thrust. PEFG allowed small and medium exporters to gain access to financing without need to put up hard collateral.



The Corporation issued a historic guarantee commitment for the US\$138 million loan of Manila Electric Company (Meralco) from the Asian Development Bank for Meralco's distribution project.



The Post-shipment Export Risk Guarantee (PERG) Program was introduced to provide guarantee coverage for export bill purchases by participating financial institutions arising from export transactions guaranteed under the PEFG Program. The new facility was designed to provide liquidity to exporters during the vital interval between shipment date and actual receipt of payment from the buyer. First field unit opened in Cebu to service exporters and clients in the Visayas region.

2001

2002

2003

2004

2005

2006



TIDCORP launched the Medium and Long-Term Direct Lending Program (MLT-DLP) for Small, Medium and Large exporters. New offices at Citibank Center inaugurated.



TIDCORP celebrates its 25 years with the distinction of being designated as the Philippine Export-Import Credit Agency per EO 85 by President Gloria Macapagal-Arroyo. It won the first Gawad Florendo Award for Public Information.



PhilEXIM was given an "AAA" rating by the Philippine Rating Services Corporation (Philratings), a first for a government institution. For the second time, it was recognized with the Gawad Florendo Award for Public Information.



PhilEXIM Omnibus Line and Expanded Omnibus Line Programs were consolidated into a single program to be known as the Omnibus Line under the General Facility Program.



PhilEXIM signed a Memorandum of Understanding with the Korea Export Insurance Corporation (KEIC) for various trade and investment opportunities.



PhilEXIM launched the Wholesale Lending Program aimed to address the need for immediate credit and development assistance to export organizations and sub-contractors. It won the ADFIAP Development Award for Best Annual Report.

2013

2014

2015



Following the theme, "Ensuring the Country's Economic Momentum", PhilEXIM contributes to the financial upturn of the country through its role as the sovereign credit facility with a multi-sectoral development focus.



Launched its Portfolio Guarantee Program aimed at SME development by means of supporting such enterprises thru FI portfolios.

New institutional logo launched to signal change in branding.



PhilEXIM was given the ADFIAP Development Award for Strategy Management



Presidents and OICs Through the Years

ROSENDO D. BONDOC
(1977-1985)

CESAR P. MACUJA
(1985-1986)
EVP - Officer-in-Charge

VICTOR C. MACALINCAG
(1986-1991* and 1991-2001)
*Concurrent Officer-in-Charge while Undersecretary of Finance (1986-1991) and Treasurer of the Philippines (1983-1988)

JOEL C. VALDES
(2001-2004)

EDUARDO SERGIO G. EDEZA
(2004)

VIRGILIO R. ANGELO
(2004-2007)

FRANCISCO S. MAGSAJO, JR.
(2008 - 2014)

ERMILANDO D. NAPA
(2014 - 2015)

BENIGNO L. ZIALCITA
(July 2014)
Officer-in-Charge

FLORENCIO P. GABRIEL, JR.
(August 2014; July 2015 - present)
SEVP - Officer-in-Charge

Worldwide Alliances & Partnerships



A number of Export Credit Agencies (ECAs) were created during the course of economic development in many Asian countries consistent with their governments' export-oriented strategy. Over the years, Exim Banks/ ECAs have evolved into widely different financial institutions depending upon the business environment in the respective countries, their foreign trade profile, country risk considerations and the development of local financial markets. Its annual meetings serve as a forum for discussing a wide range of issues which focus on fostering common understanding and sharing information. It also endeavors to meet the challenges faced as an ECA in Asia and explore possible areas for further regional cooperation.

PhilEXIM is a regular member of the Asian EXIM Banks Forum (AEBF) which was created upon the initiative of the Export-Import Bank of India (Exim India) in 1996. The objective of the AEBF is to enhance cooperation and forge stronger links among its member institutions.

PhilEXIM is also a member of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) where it attends various fora and seminars the latter. ADFIAP was founded in 1976 and is an association of development banks and other financial institutions engaged in the financing of development in the Asia-Pacific region with the mission of advancing sustainable development by strengthening the development finance function and institutions, enhancing capacity of members and advocating development finance innovations. The idea of an association of development bankers originated in Manila in 1969 at the Fourth Regional Conference of Development Financing Institutions of Asia and the Pacific under the auspices of the Asian Development Bank (ADB).

PhilEXIM is a seven-time awardee of ADFIAP for its development pursuits (2002, 2004, 2005, 2007, 2009, 2011 and 2015).



As part of PhilEXIM continuing CSR program it forged a partnership with the Leukemic Indigent Fund Endowment (LIFE) Foundation and Hallmark Philippines through gift giving and purchased of greeting cards, and giveaway items wherein part of the proceeds from the sale is donated to the said Foundation. LIFE Foundation and Hallmark Philippines reach out and support young Filipinos who suffer from the dreaded leukemia disease through their charitable endeavor called Hallmark for LIFE.

Since 1995, Hallmark for L.I.F.E. has helped alleviate the burden of leukemic children from indigent families and intensified public awareness about the truth behind the dreaded disease - leukemia can be cured through continuous medical treatment. With this inspiration, Filstar Distributors Corporation, the country's exclusive licensee of Hallmark Cards, and the Leukemic Indigents Fund Endowment (L.I.F.E.) Foundation created this charitable project.

For its part, PhilEXIM not only was able to help the indigent children of L.I.F.E. but also served as an Ambassador of Goodwill for the Foundation through its franchise of giveaways and special cards which were given as tokens to valued clients and shareholders.



Corporate Social Responsibility





PhilexIM
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