

Status of Implementation of Major Programs/Projects (2017)

2017 Business Plan and Corporate Operating Budget

Objectives of the 2017 Business Plan

Market Objective:

Pursue development role and participation as the country's sovereign guarantor for strategic/economic sectors

Internal Objectives:

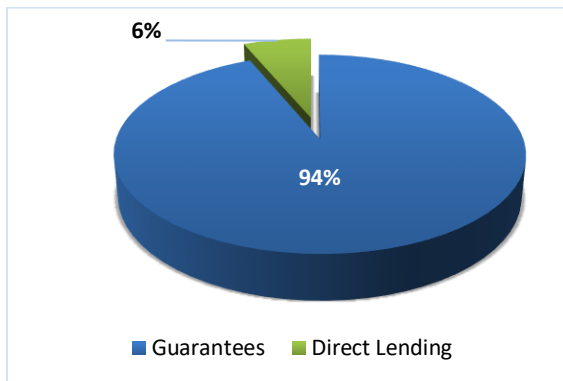
1. Strengthen the Balance Sheet
 - a) Embark on capital infusion efforts
 - a) Build on P500-Million equity in 2017
 - b) Program 2018 infusion of P4.0 B and P500 M every year until 2021
 - b) Pursue Asset Recovery Program
 - Secure deals to reduce non-earning (remedial) portfolio
2. Improve Organizational Capability
 - a) Reorganize to create advantage in line with market objective
 - Re-balance to achieve clarity and interoperability of roles
 - Resolve gridlocks to institute better service delivery and processes
 - Improve on compliance, risk management
 - b) Acquire and retain talent and skill thru:
 - Revised QS and Competency Framework
 - Competitive compensation and rewards (CPCS)
 - Re-tooling and upskilling opportunities (Professional Development)
 - Re-Balanced performance management system (SPMS)
3. Review of PhilEXIM business model as part of institutional strengthening
4. Re-brand the Organization
 - a) Strengthen role as Economic Enabler for industries

Results of Operations:

PhilEXIM's operations for CY 2017 registered a net loss of P132.9 million, which is however P45.1 million or 25% lower than the annual budgeted loss of P178.0 million. Total revenues of P151.9 million were 17% below the target of P183.0 million. The shortfall in revenue was partially offset by P100.2 million or 25% savings in operating expenses (personal services and maintenance and other operating expenses) and P12.8 million or 22% from interest expenses.

PhilEXIM's Credit Portfolio:

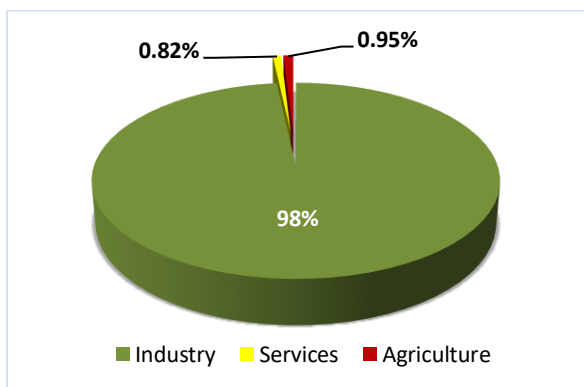
Program allocation



Sector	Amount	% Share
Guarantees	8,937.95	93.56
Direct Lending	615.70	6.44
Total	9,553.65	100%

The credit portfolio comprised the Guarantee Program which amounted to Php 8.9 Billion or almost 94% of the total portfolio. On the other hand, the Direct Lending Program registered Php615.7 Million in volume which is equivalent to 6% of total portfolio.

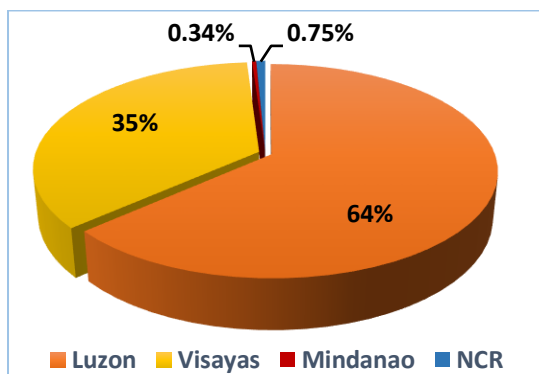
Industry Sector



Sector	Amount	% Share
Industry	9,384.55	98.23
Services	78.14	0.82
Agriculture	90.96	0.95
Total	9,553.65	100%

- A bulk of the Agency's credit portfolio went to the Industry sector
- Agriculture and Services sector represented projects involving Information, Manpower and Tourism follow with a share of 0.95% and 0.82%, respectively

Regional Access to Financing



Sector	Amount	% Share
NCR	72.06	0.75
Luzon	6,122.13	64.08
Visayas	3,326.65	34.82
Mindanao	32.81	0.34
Total	9,553.65	100%

- A total of 64% of the whole credit portfolio rests in the Luzon area
- Visayas is at 34.82%, NCR and Mindanao with less than 1%, respectively.

- **Economic Contributions (as of 31 December 2017)**

In terms of support that will redound towards performing a catalytic role, PhilEXIM-assisted firms under its Guarantee and Direct Lending Programs generated the following developmental impact:

Particulars	Actual
Manpower Generation*	143,380
Export Revenues (In Million US\$)	\$16.13
Number Firms Serviced*	229

**Inclusive of beneficiary firms which are SMEs and/or cooperatives that were extended financing by PhilEXIM*

Results Pursuant to the 2017 Business Plan:

1. Strengthen the Balance Sheet

Increase in Borrowing Authority

To address liquidity risks, Management is laying down the groundwork for an increase in borrowing authority. A stand-by credit will be negotiated with several government financial institutions to augment the liquidity requirements to service calls under the guarantee program.

As regards the existing credit line with the Land Bank of the Philippines, the same was renewed up to 31 March 2018.

Capitalization of the Agency through Equity Infusion

For CY 2017, the P500 million additional equity infusion from the National Government (NG) was included in 2017 General Appropriations Act (GAA) under Programmed Funds and is due to be released upon completion of the review of the COB by the Department of Budget and Management (DBM). To date, PhilEXIM had already submitted to the Department of Budget and Management (DBM) all requirements including Corporate Operating Budget (COB). Per DBM, the proposal subscription receivable of P4.0 billion was included in the "Unprogrammed Funds" for CY 2018. The equity infusion will form part of the Guarantee Reserve Fund of the consolidated guarantee entity.

On the other hand, the proposal for the increase in the TIDCORP's authorized capital stock from P10B to P50B is under evaluation.

Potential/Actual Sale of Assets/Properties by the Remedial and Asset Department

The sale of the foreclosed assets was finalized in 2017, from which PhilEXIM realized gains of P58.35 million from the gross selling price of P83.66 million.

In CY 2017, the Revised Guidelines on the Disposal of Acquired Assets was approved by the Board of Directors. In efforts to expedite evaluation of settlement/restructuring proposals, the Agency also executed restructuring agreements with two defaulted accounts. Likewise, on-going negotiations on loan repayment plans already started with nine (9) defaulted debtors.

Development of a Pricing Matrix for the Guarantee Program of PhilEXIM

Options and alternatives were suggested by Senior Management Committee which included exploration of a scoring model for a particular industry being used by banks as well as a joint project with the Philippine Institute of Development Studies.

2. Improve Organizational Capability

Implementation of the Strategic Performance Management System (SPMS)

Emphasizes the linkage between individual employees' performance to the organizational performance through properly crafted SMART objectives. Initially, SPMS training for middle managers and other employees was conducted last April 17, 2017. The same training was held for officers on August 7, 2017. As of end December the SPMS was fully implemented.

Continuous implementation of ISO-Aligned Quality Management System

- a. In February 2017 PhilEXIM obtained compliant status with the ISO-aligned QMS requirement for FY 2016 PBB grant per re-validation conducted by the validating agency (Systems and Productivity Improvement Bureau, DBM) of the documents covered by PhilEXIM Transparency Seal webpage.
- b. Formation of a Committee on Manual of Procedures (MOPs) in February 2017 was created to review MOPs of all departments.
- c. The first batch of MOPs that were reviewed and approved by the Officer-in-Charge in December, 2017 include the Credit Monitoring Department, Business Revenue Groups and Treasury Operations Department.

Loans Management System (LMS)

The Phase 1 of LMS was implemented in 2015 and continues to undergo enhancement towards a Phase 2 implementation in 2017. Phase 2 involves loans disbursement and payment process but was deferred due to directives relative to the Roadmap.

Brand Strategy/Roadmap

Management has implemented an initial branding program beginning 2014 with the launch of a new corporate logo, and that beginning 2014 up to present, the logo has been in use in all promotional paraphernalia and business presentations of the Corporation.

As part of the Branding initiative, PhilEXIM conducted an in-house, on-line customer feedback survey to its existing clients in December 2017 of which half of the respondents gave a 100% favorable response rate on the programs and services of PhilEXIM.

Other Initiatives/Compliances:

Designation of a Compliance Officer to oversee all compliance activities and programs undertaken by departments as well as enhance corporate governance pursuits.

Data Privacy Act of 2012

- a. Data Privacy Officer (DPO) was appointed and submitted name of DPO and discussed role its role with National Privacy Commission (NPC).
- b. Briefing to Philexim officers and staff regarding salient features of RA 10173 on June 6, 2017 was conducted.
- c. NPC conducted a Privacy Impact Assessment workshop on June 30, 2017 and created the PIA Team where PIA teams submitted data inventory

Freedom of Information

The following compliances were accomplished in support of Executive Order No. 02, s. 2016 or the Freedom of Information (FOI) Order:

- a. PhilEXIM submitted its FOI Manual in August, 2017
- b. Freedom of Information and On-Boarding Workshop conducted by the Presidential Communications Operation Office
- c. The Freedom of Information (FOI) Manual posted on Website
- d. Attended 4th CIO Forum/Conference – Roadmap to Data Privacy Compliance

Website compliance to DICT standards

PhilEXIM successfully harmonized its new “look and feel” with the Government Website Template in October, 2017, an initiative of the Integrated Government Philippines (iGovPhil) project led by agencies under the Department of Science and Technology (DOST) – ASTI and Information and Communications Technology Office (ICTO) in collaboration with the Presidential Communications Development and Strategic Planning Office (PCDSPO).

Gender and Development (GAD) Initiatives

In support to GAD and as part of the Agency's effort to integrate gender concepts and GAD perspective to its business operations, the following compliances and initiatives were pursued:

- a. Submission of GAD Reports:
 - FY 2017 GAD Plan and Budget (reviewed and endorsed by PCW)
 - FY 2016 GAD Accomplishment Report (reviewed and endorsed by PCW)
 - FY 2015 GAD Accomplishment Report (reviewed and endorsed by PCW)
- b. Events and Activities
 - Finalization of Writeshop on DOF-GAD National Framework Strategy and GAD Planning/Workshop

- Secured copy of the All-Women Cast *Lupang Hinirang* Music Video in support of PhilEXIM to PCW Memorandum Circular No. 2016-01 to recognize and raise awareness on the important contributions and roles of women in all aspects of the Philippine society.
- Awareness on the Importance of Physical Activity in the workplace - Physical Therapy Students from UP College of Allied Medical Professions and a UP Instructor conducted said activity
- DOF-GFPS, "Women Inspiring Women Forum" participation
- Film Screening of MA'ROSA an indie film by Director Brillante MA Mendoza
- "Arts Appreciation talk of Women Artist" – A DOF-GFPS Activity pursuant to Presidential Proclamation Nos. 224 and 227, s. 1988 and R.A. s.1990 on the 2017 National Women's Month Celebration (NWMC) activity
- Seminar/Workshop on Gender Mainstreaming and GAD Analysis for Employees
- Seminar/Activity on Nutrition & Household Solution Opportunity for employees
- Attended the Gender and Development Budget Fora 2017- conducted by PCW Technical Services and Regional Coordination Division, (TSRCD)
- Screenplay of "Ang Kababaihan ng Malolos" in coordination with the "Woman of Malolos Foundation"
- DOF-GAD Focal Point System Meeting of TWGs at DOF
- Donation of various Fixtures and Furnitures located in PhilEXIM Warehouse to Sto. Rosario Elem. School- Pampanga

Orientation and Drug Testing pursuant to the "Comprehensive Dangerous Drugs Act of 2002" and CSC Memorandum Circular No. 13, s. 2017

- a. Sixty-eight (68) employees attended the In-House Orientation Seminar for a Drug-Free Workplace (2 batches) with the Head of the Legal Affairs of PDEA and representatives from the Dangerous Drugs Board as Speakers, held last October 11, 2017.
- b. Mandatory Drug Testing was conducted for all 77 Officers and employees present last October 19, 2017, by Chemists from the National Bureau of Investigation.