



**DIGITAL
ASSETS
ON
THE
RISE**



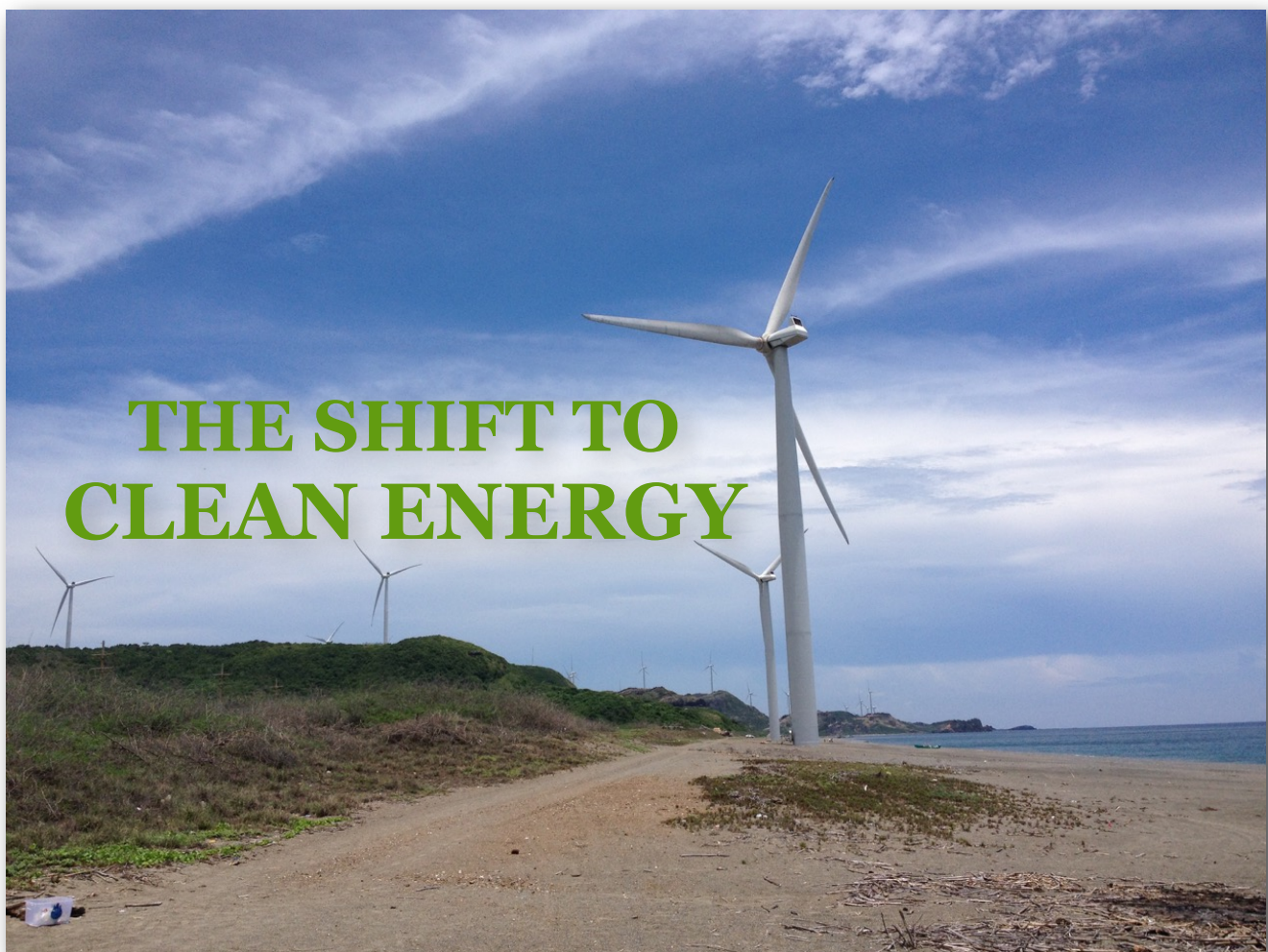
**HISTORIAN
REFLECTS ON
HISPANIDAD'S
ECONOMIC
AGENDA**



CRYPTO TRANSFORMS FINANCE

500 YEARS OF PHILIPPINE-EUROPEAN TRADE

FINEX FOCUS



**THE SHIFT TO
CLEAN ENERGY**

FINEX General Membership Meeting
Wednesday, May 19, 2021
Webinar via Zoom

**SOUTHEAST ASIA'S
FIRST WINDMILL
FARM IN BANGUI,
ILOCOS NORTE**



EDITOR'S NOTE

By **J. Albert Gamboa**

INVESTING IN RENEWABLES

HSBC Global Research has ranked the Philippines as the second best investment destination for renewable energy (RE) in Southeast Asia, next only to Vietnam but ahead of Singapore, Malaysia, Indonesia, and Thailand. It also named our country as one of the three that led the first wave of RE capacity growth in the ASEAN region last year due to an attractive regulatory environment.

The independent research house said our solar and wind resources can generate up to 3,000 gigawatts and cited our highly-liberalized wholesale electricity spot market with partial retail competition.

Featured on our cover is the iconic NorthWind farm of AC Energy in the windswept Ilocos Norte town of Banguui which my family visited before the pandemic. This was the ASEAN region's first-ever wind energy facility when it opened in 2005 and is part of a 700-hectare conservation estate-cum-nature sanctuary with long-term sustainability programs.

Pictured below is Southeast Asia's biggest solar farm located in the Negros Occidental city of Cadiz. It was developed by world RE leader and French firm Bouygues Construction, which handed it over to Filipino-owned Helios Solar Energy Corp. in 2016.

Based on Bloomberg and HSBC estimates, utility-scale solar projects have a levelized energy cost of \$62 per megawatt-hour in the Philippines and this will go down by 16% in 2025. The cost of onshore wind projects in the country is currently at \$93 per megawatt-hour and is expected to decrease by 22% in the next four years.

Green financing may help bring down borrowing costs, while solar and wind technology advancements could further trim labor costs as well as reduce outage periods.

Highlighting the Philippines' renewable portfolio standards program, HSBC predicts that the next RE growth wave will be more evenly spread across Southeast Asia.



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KEYNOTE SPEAKERS' PROFILES

DOE SECRETARY AL CUSI

Energy Secretary Alfonso G. Cusi, a pillar in the country's logistics and transportation industries, started his career in government in early 2001 when he was appointed by then President Gloria Macapagal-Arroyo as the General Manager of the Philippine Ports Authority.

He then moved on to become the General Manager of the Manila International Airport Authority, and subsequently as the Director-General of the Civil Aviation Authority of the Philippines until December 2010.

After his stint at CAAP, Sec. Cusi returned to the private sector until he was called to public duty again in 2016, this time by President Rodrigo Duterte to head the Department of Energy.

As DOE Secretary, his policies and programs reveal his staunch advocacy for the promotion and protection of consumer welfare, as well as his long-term vision of helping the country attain energy security, regardless of source, to ensure a brighter future for the coming generations of Filipinos.

Sec. Cusi is concurrently the Cabinet Officer for Regional Development and Security of Region IV-B or MIMAROPA. He is the assigned Cabinet member tasked to assist Rizal province in fighting COVID-19 and also serves as the current Vice Chairman of the Partido Demokratiko Pilipino-Lakas ng Bayan or PDP-Laban.



EDC PRESIDENT RICHARD TANTOCO

Richard B. Tantoco is the President and Chief Operating Officer of Energy Development Corporation, the largest vertically integrated geothermal company in the world. He is also a member of the Board of Directors of EDC and First Gen Corporation.

Mr. Tantoco serves as a Trustee in the boards of several non-profit organizations – Business for Sustainable Development, Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation Inc., The Lopez Museum, Stiftung Solarenergie Solar Energy Foundation, and Messy Bessy, among others.

Prior to joining EDC and First Gen, he worked at the management consulting firm Booz Allen & Hamilton Inc. based in New York and London, where he was involved in a variety of projects, which included merger and acquisition advisory, turnaround strategy advisory, and growth strategy formulation for manufacturing and media companies.

Mr. Tantoco obtained his BS Business Management degree from the Ateneo de Manila University where he graduated with honors, and his MBA in Finance from the Wharton School of the University of Pennsylvania.





PRESIDENT'S CORNER

By Francis Ed. Lim

According to the most recent Department of Energy (DOE) figures, the Philippines remains heavily reliant on coal as its primary source of power production, accounting for 54.6 percent of total power generation. Natural gas and renewable energy come in second and third, with 21.1 percent and 20.8 percent, respectively, while oil-based power generation accounts for just 3.5 percent of total power generation.

The Philippine government had promoted investments in renewable energy sources well before the pandemic. The Renewable Energy Act of 2008 established a number of programs aimed at speeding up the production of renewable energy. While these reforms can hasten an effective energy transition, some aspects of them are incompatible with EPIRA's affordability objectives.

Today, we are fortunate to have no less than the Honorable DOE Secretary Al Cusi and Mr. Richard Tantoco, the President and COO of one of the major players in the country's renewable energy sector, Energy Development Corp., as our guests of honor and speakers, to share their insights on the Philippine current energy mix and strategy and the opportunities and challenges of producing renewable energy in the country. May I now report on what we did since the last meeting.

Advocacy

FINEX continues to be at the forefront of national issues affecting business and the economy. Through the Capital Markets Development Committee (CMDComm), FINEX led the following initiatives: providing comments to the proposed changes to the PSE REIT listing rules in partnership with IHAP, specifically the amendments to the SRC Rules 9 and 10 to the SEC; representation in the committee hearing at the Congress on the Capital Markets Development Act; and taking the lead in the digitalization roadmap of the Philippine Capital Market.

On May 4, the electronic Securities Issue Portal (eSIP), the joint initiative of FINEX and the PDS Group, went live with the pilot issuance of ALI 10B 4-year bond. During the Capital Market Development Council meeting last April 23, FINEX presented the proposed digital roadmap with the end goal of digitizing the whole life cycle of bonds (issuance, distribution, trading, and up to custody of the securities).

On April 28, through the National Affairs Committee (NAC), FINEX issued its position paper on Senate Bill 1924, "An Act Mandating Banking Institutions to strengthen the Financing System for Agricultural, Fisheries, and Rural Development in the Philippines." In the FINEX Board meeting on May 12, FINEX will be part of Eleksyon 2022 Koalisyon to promote voters' registration and education.

In 2018, FINEX, as part of its 50th founding anniversary, published an Ethics Book titled Ethics: Black, White (or Gray)?, a compilation of 50 ethics-related articles. E-copies of the book will be given to all our partner schools to promote ethics among our younger generation.

Lastly, your Board also approved a modest donation of P500,000 to various institutions for COVID-19 related support. I sincerely thank the National Affairs Committee led by Committee Chairman Gov. Say Tetangco, Vice Chairman Riza Mantaring, and Liaison Director Toti Bengzon; the Capital Markets Development Committee led by Committee Chairman Tess Ravalo, Vice Chairman Malou Cristobal, and Liaison Director Zondy Garcia; and the Ethics Committee led by Past President Fred Parungao and Liaison Director Ayen Guevara for leading these initiatives.

Webinars

Since our last GMM on April 21, our committees have been very active in conducting webinars and online meetings. These programs were as follows:

- April 22 – (R)Evolution of Cryptocurrencies as Assets: Fintech Leaders Talk About BITCOIN vs. ETHER + Other Cryptos as "The New Digital Gold." This free webinar for FINEX and guests were courtesy of our sponsors: Binance, BloomX, and RCBC.
- April 23 – "Magellan in the Philippines: Spain's Economic Aims in the 16th Century Expansion in Asia"
- April 28 – 1st Dialogue with FINEX Icons with PP Ebot Tan, PP Ed Francisco, and Ms. Riza Mantaring
- May 11 – Special GMM Public Service Series entitled "No Holds Barred: The Latest on COVID-19 with Dr. Samuel Ang"

Thank you to the ICT Committee led by Chair Rey Lugtu, Vice-Chair Mark Gorriceta, and Liaison Director Zondy Garcia; Capital Market Development Committee led by Chair Tess Ravalo, Vice-Chair Malou Cristobal, and Liaison Director Zondy Garcia; Arts Committee led by Chair Lia San Juan and Liaison Director Domeng Go; Life Membership Sub-Committee led by Chair Archit Bartolome, Overall Chair Caloy Cervantes, and Liaison Director Tiffi Zulueta; and Programs and Meetings Committee led by Chair Nenet de Jesus, Vice-Chair Tonyboy Ongsiako, and Liaison Director Edith Dychiao for the webinars and other online activities, they organized last month.

Future Projects

We have a lineup of succeeding projects for the coming months. The following are the details of these activities:

- May 20 – The "REIT" Stuff – A Deeper Look into REITs by the Capital Market Development Committee
- May 25 – Network and Chill Session with New Members
- May 27 – Fireside Chat with 2014 ING FINEX CFO of the Year Jeng Pascual by Membership Recruitment & Retention Sub-Committee
- May 27 – Interpretations of Juan Luna's "Parisian Life" by the Arts Committee
- May 28 – A Cashless Society Driven by QR Codes by the ICT Committee, sponsored by RCBC and Mastercard
- June 17 – Balancing Act: Family, Work, and Advocacy by Women in Finance
- June 22 – "Its OK not to be OK" Mental and emotional wellness in the midst of the pandemic by the LIFE Members Sub-Committee
- June 24 – Revised Corporation Code: Latest Updates on Corporate Governance by Good Governance and Tax & Legal Committees
- July 6 – Digital Media and Ethical Issues by the Media Affairs Committee

We are all aware that we lost our usual networking among our members. Our Programs and Meetings Committee will hold quarterly "General Membership Networking Session" on top of our regular membership meetings to compensate for this. The dates and details will be announced soon. Please make time to attend them as there are valuable takeaways for your businesses, especially at this critical time.

Annual FINEX Conference

Preparations have started for our Annual FINEX Conference. I urge everyone to block their calendars on October 4 to 8 with the theme, "Disruptive Inclusion: Achieving a Sustainable Future in the New Frontier."

For this year's conference, a series of webinars will be held throughout the week. I am pleased to inform you that BSP Gov. Benjamin Diokno and Shell Royal Dutch Global Senior Economist/Policy Adviser Mallika Ishwaran have confirmed to be keynote speakers. The FINEX Week Committee led by Co-Chairs Brian Edang and Albert Gamboa and Liaison Director Mike Guarin will invite international experts and world leaders. We will make sure that this year's conference will be a remarkable one. Please mark your calendar!



Membership

I'm happy to report that our membership drive is proceeding quite well. With today's inductees, we already have 58 new members. May I remind the committees of their quota of five new members each. We need to beef up our membership to ensure sustainability. Membership is the core of our organization.

To those who have not paid their 2021 membership fees, we urge you to pay at the soonest possible time. Your contribution will surely go a long way to support our advocacies and projects for the year. I am pleased to inform you that your Board has recently approved an Incentive Program for all the members. Your active involvement in our activities and projects and recruitment of members will entitle you to discounts for your next year's membership fee. The details of this program will be sent to you through email. I encourage everyone to take part in this program.

Sponsorship

At this point, I would like to express our sincerest gratitude to the following companies that have made commitments to support FINEX through their sponsorship for 2021:

- Partner Union Bank of the Philippines
- Platinum First Philippine Holdings Corp. and LT Group Inc.
- Diamond Ayala Land Inc.
- Gold Converge ICT Solutions Inc., Shell Petroleum Corp., SGV & Co., United Auctioneers Inc.
- Patron BPI, BDO, Divina Law, Cirtex Holdings Phils. Corp., Megaworld Corp.
- CFO Survey Partner KPMG R.G. Manabat & Co.

Please help us get more sponsors.

Moderna Vaccines

As you may be aware, as a pure service to our members, FINEX is one of the consolidators for the purchase of Moderna vaccines by the private sector. Around 100 of our members and/or their member companies responded to this and coursed their orders through us. We have been coordinating with ICTSI on this matter.

50th Anniversary Coffee Table Book

I am honored to announce that our 50th anniversary book, "FINEX 50: LEADING ON TO WIDER FRONTIERS" was recognized by the International Association of Business Communicators (IABC) with a Gold Quill Award.

For more than 40 years, IABC has awarded excellence in strategic communication worldwide. The IABC Gold Quill Awards program recognizes business communication excellence globally and is acknowledged as one of the most prestigious awards programs in the industry.

I would like to express my profound thanks to the project team led by Past President Santi Dumlaog, Albert Gamboa, and Dennis Decena with support from Past Presidents Marivic Espano, Dick Baladad, Archibart Bartolome and Ebot Tan, Director Flor Tarriela, and Past Director Benny Soliven, and to Media Wise for co-publishing this book.

We look forward to celebrating this milestone during the virtual Excellence Gala to be held on June 29, 2021. Please buy copies of the book for posterity.

Health Protocols

I urge everyone to take extra precaution against the onslaught of COVID-19. The number of infected individuals and the dying is worrisome. We personally know and are friends with several of them.

In this regard, we are working with ICTSI on the vaccines that we ordered. Meanwhile, please strictly observe the health protocols under the 7 Commandments to protect our countrymen and us from the Covid virus. These include simple things such as wearing masks and face shields, social distancing, frequent disinfection, adequate ventilation, and isolation of symptomatic and COVID positives.

We will continue to update you on our upcoming programs, particularly on the developments of our significant thrusts for this year, and we fervently hope to receive your continuing support.

Thank you at Mabuhay ang FINEX.



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LOCKDOWN DIARIES

By Lia Picazo-San Juan

TSINOYS AND TISOYS IN PHILIPPINE LIFE

FINEX's Arts and Culture Committee conducted back-to-back webinars over the past two months even while stricter community quarantine protocols were being enforced.

RARE TREASURES AND PRECIOUS VIGNETTES

Last March 10, we had the mother-and-daughter tandem of Teresita Ang See and Carmelea Ang See as guest speakers on "Tsinoy in Philippine Life: Rare Treasures and Precious Vignettes." Teresita is the Founding President of Kaisa Para sa Kaunlaran Inc. while Carmelea is the Director of Bahay Tsinoy.

The well-attended webinar focused on the Filipino-Chinese role in the history, art, and culture of Philippines. Both speakers shared interesting vignettes and anecdotes about Tsinoy, demonstrating the shared cultural heritage between the Chinese and the Filipinos.

Carmelea (1st row, center) showed photos of rare books, maps, artifacts, and other treasures housed at the Bahay Tsinoy Museum in Intramuros, Manila. She explained that many of these treasures were specifically acquired by the museum to maintain a record of the Tsinoy's impact on the growth of the Filipino nation.

Teresita (1st row, leftmost) gave a talk about the ties between the two cultures, including their shared history and technology. The Q&A portion moderated by FINEX member Malou Cristobal (2nd row, leftmost) involved a discussion on migration and how it affected the integration of the Chinese in Southeast Asian countries.



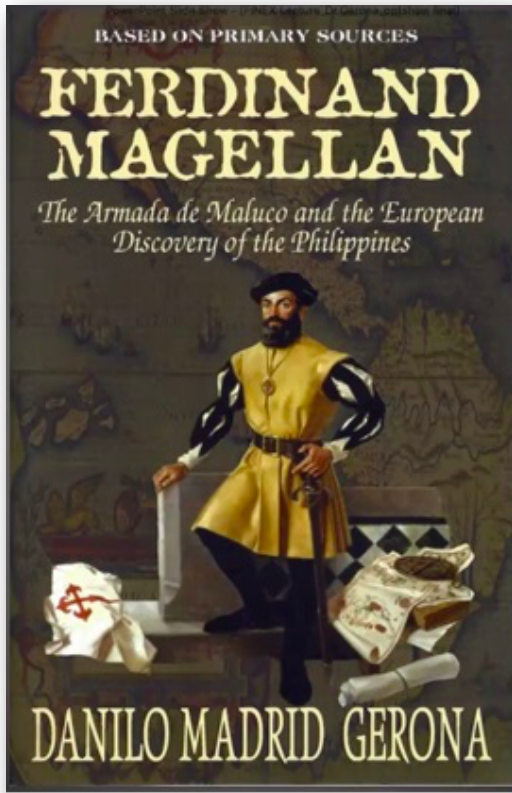
Editor's Note: Also in photo above are FINEX President Francis Lim (1st row, rightmost), Liaison Director Domeng Go (2nd row, center), Arts and Culture Committee Chair Lia Picazo-San Juan (2nd row, rightmost).

SPAIN'S ECONOMIC AIMS IN THE 16TH CENTURY EXPANSION IN ASIA

In celebration of the 500th anniversary of the Philippine portion of the first circumnavigation of the globe, the Arts and Culture Committee sponsored a webinar titled "Magellan in the Philippines: Spain's Economic Aims in the 16th Century Expansion in Asia" last April 23.

Our guest speaker was Dr. Danilo Madrid Gerona, Director of the Magellan-Elcano Studies Center at Partido State University in Camarines Sur. He is a professor, historian, and writer specializing in the early colonial history of the Philippines.

Dr. Gerona's topic was apt, considering the country's commemoration of the quincentennial of Magellan's arrival and the Lapulapu-led Victory at Mactan. Drawing his research from primary documents kept in major



THE BATTLE OF MACTAN



European archives in Spain, Portugal, and Italy, he discussed the political and economic objectives of the Magellan-Elcano expedition which led him to the Philippines.

Details about the economic costs of the expedition, the royal and private investors who financed it, and specific instructions to Magellan from the King Charles V of Spain with regard to the expeditions's ultimate destination -- which was the Moluccas -- were indicative of the extensive research done by Dr. Gerona. He also discussed the events surrounding Magellan's arrival in the Visayas, his deviation from the royal agenda by interfering with local politics, and the events leading to the Battle of Mactan.

The webinar had more than 100 attendees, including NEDA Secretary Karl Kendrick Chua and two former Central Bank Governors: Jose Cuisia Jr. and Jaime Laya (the latter is also the first Liaison Trustee of FINEX's Arts Committee). Many actively participated in the Q&A portion of the lecture, thus resulting in its extension beyond the indicated time in order to accommodate all the queries. It was indeed very insightful and a most interesting date with history.

LOCKDOWN DIARIES

By Chito Oreta



DOLOMITE, COVID, AND RED-TAGGING



One day, I was reading the papers about phase two of the project to dump crushed dolomite rocks along the seashore of Manila Bay that would cost P265 million. This, after phase one as reported last year would cost P389 million. You'd think that the national government had better plans for the money after over one million cases of COVID-19, nearly 20,000 deaths from the disease, and many hospitals unable to take in patients afflicted with the SARS-CoV-2 virus.

You'd think the government had a better response after being told by experts that the sand would be washed away by the next typhoon and after news reports said the project couldn't come up with its own Environmental Impact Statement. Haven't they heard of the cries for more COVID testing and contact tracing? You'd think that the government had the best COVID response after allocating nearly P700 million to whitewash the Manila Bay shoreline.

Not many seem to be talking about how the Philippines' fiscal response to the pandemic is one of the weakest in Southeast Asia. What truly bothers me is the effect of widespread malnutrition on our country's future human capital.

Thankfully, the spontaneous response from the citizenry has been to launch self-help projects. Started by Patricia Non, who opened a community pantry in Quezon City, these have since blossomed to many parts of the country -- proof positive of the lockdown resulting in the lack of food for many of our countrymen.

Will community pantries be enough to feed all those who can't get a decent meal? I had to shake my head after Patricia Non and others took the initiative and launched this self-help movement only to be labeled as doing the work of Satan and linking the pantries to communist rebels.

In the meantime, the beautification project along Manila Bay shows no sign of abating. Maybe that's why they're called white elephants?

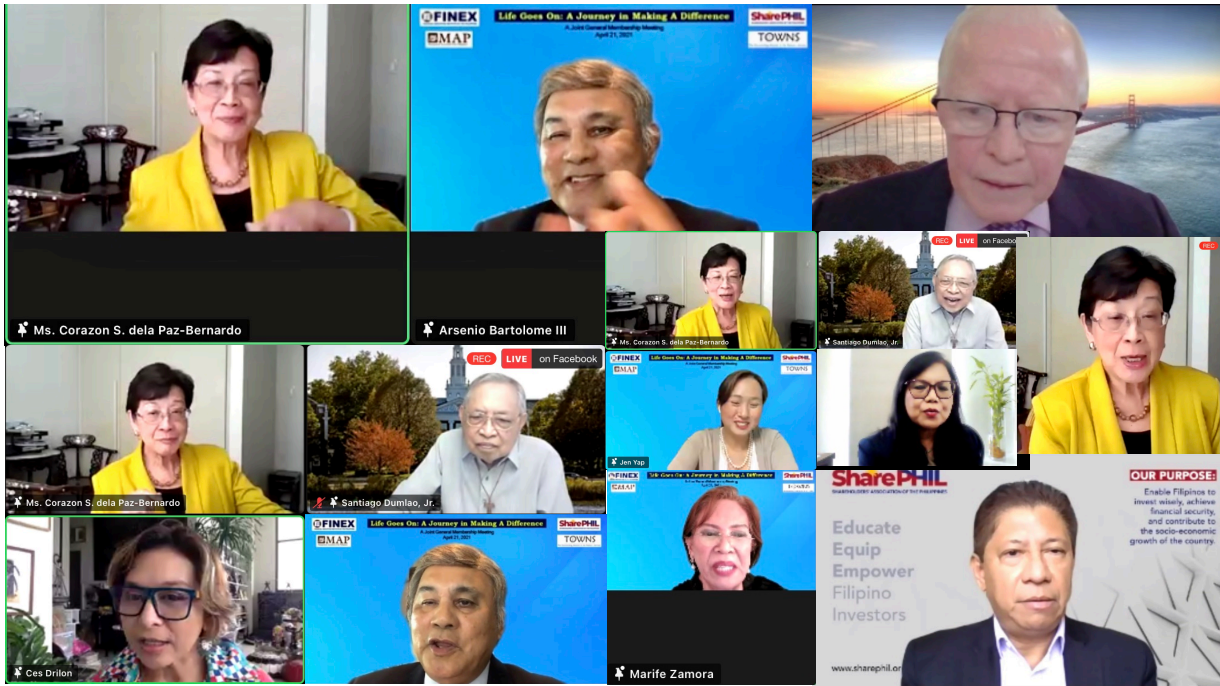
EDITOR'S NOTE: The writer is a retired CFO of Manila Water Co. and FINEX-ING CFO of the Year 2015.





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