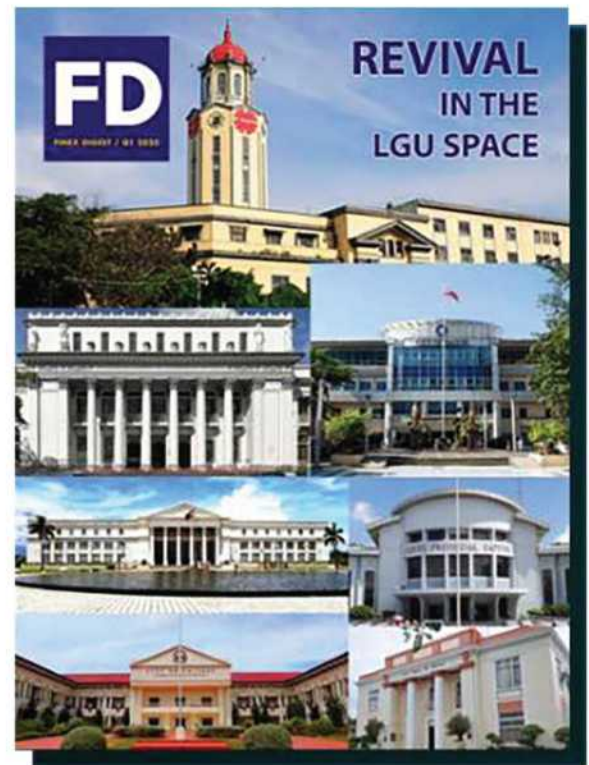




EDSA BUSWAY: TRANSFORMATIVE CHANGE



THE RETURN OF



FINEX DIGEST debuted in 1999 as the official monthly publication of FINEX, succeeding the defunct FINEX NEWS. Initially a black-and-white newsletter, it eventually evolved into a full-color magazine.

In 2007, it was replaced by the monthly FINEX FOCUS and thereafter became an annual publication released during inaugural meetings or national conferences. The last issue of the annual FINEX DIGEST was published in 2013.

Last year, the Media Affairs Committee revived FD as a quarterly magazine. Every issue contains feature articles, opinion columns, and post-event reports written by FINEX members. Read on!



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EDSA BUSWAY: TRANSFORMATIVE CHANGE



by **Eddie H. Yap**



For decades up to the start of the COVID-19 pandemic lockdown in March 2020, the traffic and public transportation problems on EDSA had deteriorated with devastating effects on society and economy. Deep skepticism and disappointment pervaded the public and engendered a mindset among some that these twin problems could not be solved. Instituting change under such conditions was very challenging.

Institutional fragmentation with a three-way power sharing arrangement in Metro Manila does not lend to optimal governance. The Metropolitan Manila Development Authority (MMDA), governed by a council of 17 mayors with a rotating chair, has partial jurisdiction over public services, primarily traffic management. Public transportation is under two national agencies – the Department of Transportation (DOTr) and the Land Transportation Franchising and Regulatory Board (LTFRB), which although affected by traffic, have no representation in the council. EDSA's infrastructure is under the Department of Public Works and Highways (DPWH).

Front and center of the problem is the ineffectiveness of the yellow bus lanes on EDSA, making severe traffic congestion and hellish commute regular occurrences. Being on conflict lanes, buses and cars were switching in and out of the yellow lanes and blocking the orderly flow of traffic. Any number of

buses, licensed or otherwise, may enter and use the lanes because of uncontrolled access. Bus flow management was impossible.

By 2015, “carnageddon” assumed crisis proportions. Then MAP President Francisco Del Rosario supported the Traffic, Transportation, and Infrastructure Committee chaired by this author and authorized the presentation of the output – “The Traffic and Transportation Problems of Metro Manila: A Holistic Approach” – in a general meeting on Aug. 26, 2015.

I presented a menu of short-, medium-, and long-term solutions, including a new busway at the inner lanes to replace the ineffective yellow bus lanes, grounded on the three essential elements for a sustainable solution to traffic congestion: engineering, education, and enforcement.

The general meeting achieved the desired objective of generating public awareness as the catalyst for government response. It also placed MAP in solidarity with the suffering public and businesses as a positive force for change that led to this transformational development on EDSA.

LOCKDOWN OPPORTUNITY

Fast-forward to the onset of the COVID-19 pandemic and the protracted lockdown starting March 15, 2020 that provided an unusual window of opportunity as commuter traffic scaled down drastically. Introducing a new bus



became manageable.

Last May, I wrote an article titled “Don’t Waste a Crisis” stating that “crisis is opportunity and must be used to institute reforms in public transportation” – particularly the new inner lane busway which was not previously implemented. And, in another article, “operate the individually operated buses as an organized system.”

Transportation Secretary Arthur Tugade seized the opportunity, exercised leadership, and took bold action by mobilizing his DOTr team and the support of MMDA. The mission: put in place an alternative public transportation system to address system deficiencies, including replacement of the ineffective yellow lanes and in the process, improve the bus system on EDSA, Metro Manila’s busiest and most congested highway.

Directives issued by Tugade implemented complementary reform measures – the new busway at the innermost lanes adjacent to the MRT-3 line plus the LTFRB’s bus franchise rationalization and route restructuring scheme, highlighted by a single EDSA Carousel bus route.

This new bus scheme is another game changer as it prevented EDSA from being flooded by buses from 61 feeder routes. These reforms were meticulously planned over many months and made ready when conditions warrant. The ideal scenario materialized finally when stringent lockdown was imposed, then downgraded last June in time for the dry run of the new system.

MASTER STROKES

Dual-purposing the facilities of the MRT-3 was a masterstroke as it quickly provided the essential interim access with PWD lifts over the EDSA roadway to the bus station platform located at the median island underneath the MRT-3 carriageway. Another was availing of the core competence of bus operators and their bus assets, which laudably reduced resistance, hastened project implementation, and cut capital expenditures to a level of relative insignificance. These enlightened policy approaches were hallmarks of the DOTr’s reform initiatives that enabled the quick, low-cost, and disruption-free implementation.

Significantly, the reforms included the vital engineering element – a new, dedicated busway. First introduced in England in 1971, busways are not a new concept. In 1973, Curitiba in Brazil introduced the main features of a bus rapid transit (BRT) system on busways. By 2018, 146 cities in six continents have busways carrying over 32 million passengers daily. Jakarta has the longest system with 256 kilometers. The Guangzhou BRT in China is the gold standard, with over a million passengers carried daily.

In our situation, placing the dedicated busway at the innermost lanes that are protected, access-controlled, and intersection-free on the densest stretch of the EDSA corridor conformed to global standards. Accredited buses and emergency vehicles now run efficiently at one-fourth of the previous travel time. Buses are no longer contributory to con-

gestion in other lanes.

REMARKABLE PROGRESS

Much has been achieved since June from its initial stretch on EDSA starting at North Avenue in Quezon City to Ayala Avenue in Makati City, which is the densest portion. Opened within just two weeks, the busway is being extended from Monumento in Caloocan to its terminus in the Parañaque Integrated Terminal Exchange or PTIX. Buses with left-facing doors were introduced in August, with more on the way.

To date, 15 bus stations have been completed and are being operationalized as the needed barriers become available. Bus supply is calibrated to meet passenger demand. The system can be scaled up to carry over one million passengers per day.

The EDSA Busway has proven the concept of inner lane BRT with an organized bus

system. It has broken the technical and policy barriers and pointed to the feasibility of upgrading this evolving infrastructure to a gold rated busway with rapid bus service. The public is now confronted with two starkly contrasting situations on EDSA: the new busway is free and flowing while private vehicles, now occupying four lanes from the previous three, are often caught in bumper-to-bumper traffic.

Car lane congestion has different causes and requires a different set of solutions, particularly a more effective vehicle volume reduction measure such as the high occupancy vehicle rule. Car plate number coding has not yielded the needed result.

Continuous improvements of this work-in-progress will ensure a brighter future where the majority of commuters will have high levels of satisfaction and convenience in service, to the point where private vehicle owners will willingly choose to take public transportation and leave their cars behind. Moreso when EDSA is transformed into a softer, greener, bikeable, and walkable avenue – at the same level as the great avenues of the world.

Efficient mass transit requires fewer vehicles and will open up road space for this transformation. Buses now run unimpeded day and night, rain or shine, unlike before when they mostly stagnated in traffic. The busway is now saving time for commuters, saving lives of sick persons getting to the hospital, helping eco-



nommic productivity, and finally removing a big thorn that pestered commuters and authorities for decades.

The implementation of this EDSA Busway has broken psychological, technical, and policy barriers that held back reforms in the past. With proof of concept, the way is now clear for upgrading the busway to attain the much-coveted gold standard rating of the Institute for Transportation Development Projects (ITDP), a US-based nongovernmental organization that sets standards to objectively evaluate busways and bus service with ratings of bronze, silver, and gold.

Former DPWH Secretary Jose “Ping” de Jesus, who built flyovers to transform EDSA and Roxas Boulevard into intersection-free corridors during the presidencies of Corazon Aquino and Fidel Ramos, said: “The busway scheme is the most practical solution ever proposed in a long time to try to put some order in the EDSA traffic.”

HIGH RATINGS

This early, the EDSA Busway and bus service have features entitling it to high ITDP ratings in four important categories – busway standards, service planning, infrastructure design, and station design. Compliance with busway standards garners the highest number

of points and the EDSA Busway passes four of them: dedicated corridor, busway alignment, off-board fare collection, and intersection treatment to eliminate or minimize conflict traffic. However, the platform level with buses remains non-compliant.

To complement the busway are equally transformational access bridges, each one with a concourse for commuters to get to the station platforms. The conceptual design has a Filipino-inspired roof profile, while other parts will be modern, open, well ventilated, and inviting to commuters. Lifts are a standard feature as are roofs over stairs. These bridges are intended to be iconic structures that, aside from being functional, will enhance the cityscape and instill civic pride.

The introduction of new generation high-capacity buses will greatly increase efficiency and attain optimal passenger throughput. Technological advances in the development of articulated “smart” commuter bus trains have closed the gap with rail trains, such that these buses are increasingly becoming the preferred urban mass transit solution on major traffic cor-

corridors worldwide. The EDSA Busway will reach a high level of service with these buses as rolling stock, and the goal is to attain the gold rating of ITDP.

PARADIGM SHIFT

The MMDA has been a helpful partner to the DOTr in implementing the new busway system and can help boost further advancements with a paradigm shift in the allocation of road space away from the long extant car-oriented policy.

Enlightened policy is needed for more road space to widen station platforms, build much-needed stations where the MRT-3 occupies the median, and widen the currently very narrow sidewalks to transform EDSA into a walkable, bikeable, tree-lined corridor.

Roads are finite valuable resources of densely populated Metro Manila and must be used to satisfy community rights to move people through mass transit and walkable sidewalks. This is a policy decision that, hopefully, the MMDA will soon embrace to effect full and lasting transformation of EDSA.

Aside from aesthetics, walkable streets enhance nonvehicle-reliant mobility and lend more vibrancy to the community that leads to higher levels of social interaction, commerce, economic growth, employment, and property values.

CONFLUENCE OF EVENTS

Currently, there are two contrasting situations in EDSA. The busway is congestion-free, while the car lanes are congested. But a confluence of events will greatly contribute to better traffic conditions along the National Capital Region's main artery.

With the recent opening of the Metro Manila Skyway Stage 3 connecting the South Luzon Expressway and the North Luzon Expressway, vehicular traffic has been diverted from EDSA. The MRT-3 will be fully rehabilitated by the third quarter of 2021. Coupled with the new busway, existing train and bus services will have more capacity, higher speed, and better reliability that will draw motorists away from their vehicles.

Three new bridges across the Pasig River will soon be completed and are expected to further decongest EDSA: the Ortigas-BGC Link connecting Pasig City and Taguig City; the Binondo-Intramuros Bridge in Manila; and the expanded Estrella-Pantaleon Bridge linking Makati City and Mandaluyong City.

More effective vehicle volume reduction measures, such as requiring high occupancy in



vehicles, will further reduce the vehicular load. Interconnecting the EDSA Busway with rail lines will brighten the future of mass transit. Convenient transfer for commuters at key interconnection points will increase the appeal of mass transit. Live-work-play within large scale mixed-use communities, urban dispersal, park-and-ride facilities at strategic entry points to the city – all these will lessen commute time, motor vehicle traffic, and urban congestion.

EMBRACING CHANGE

Voltaire is often quoted as saying that “the best is the enemy of the good.” Having the mindset of striving for perfection can be a barrier to reforms and the excuse for policy inertia. For instance, the EDSA Busway has physical obstacles on its right-of-way, such as ramps of flyovers and U-turn slots, but these are not insurmountable and they should not detract from the full implementation of the busway. Work-around solutions are available while constant tweaking and fine-tuning will improve the new system.

With people of goodwill working together constructively, a better public transport system is evolving. Change is the only thing constant in this world and change is happening. Let us embrace it. **FD**

SKYWAY TO HEAVEN

PURSE STRINGS



by Amy HC Ylagan



What was previously about three hours ride from Buendia to North Luzon Expressway (NLEX) before COVID-19 is cut to just 15 minutes,” San Miguel Corporation (SMC) President and COO Ramon Ang said at the formal inauguration of the 18-kilometer Metro Manila Skyway Stage 3 last Jan. 14.

In January 2012, SMC and Indonesian-owned Citra Central Expressway Corp. (CCEC) together with the Philippine National Construction Corp. (PNCC) formed a joint venture under then-President Benigno Simeon Aquino III’s Public-Private Partnership (PPP) program for infrastructure development. The project was launched in January 2014, but construction did not

begin until April of that year, with completion originally targeted for mid-2016.

The beauty of the PPP projects was that these would be built without taking from the people’s tax money. The entire original amount of P26.5-billion would be fully funded by the Skyway 3’s project proponents, CCEC-PNCC and SMC. And now, after a delay of four years, the project has been delivered.

According to SMC, the final costs amounted to P66.1 billion, 63% higher than even the revised costing of P36.2 billion ap-

proved by the Toll Regulatory Board (TRB) in 2014. This was due to right-of-way settlement costs, project delays, and plan renovations. Perhaps it was also because the construction time frame slid into the next political administration, which took some time to review and familiarize itself with the PPP project of the previous administration.

But of course, the businessman must always at least cover his costs, plus some. SMC submitted a 21-page petition to the TRB last Jan. 8 proposing toll fees to be paid by users of Skyway 3 ranging from P110 (Buendia to Quirino stretch) to P274 (Buendia to Balintawak full route). The proponents would have to recover maintenance and operating costs for 30 years from these toll fees. In this depressed and depressing time of the COVID-19 lockdowns, the Skyway 3 will effectively be maintained with the hard-earned money of the Filipino, after all.

For the would-be users: yes, toll fees are high at P548 round trip to go 18 kilometers from Buendia to Balintawak and back. Since, in the first place, the pandemic has lessened traffic, it might now be tempting to travel instead on the old roads below Skyway 3, at less cost to those who ride their own vehicles – even leniently assuming those who can afford will choose the Skyway for the luxury.

COVID-19 has certainly reduced traffic because of the great shift to work-at-home and online learning. Only private vehicles such as cars, SUVs, vans, and pickup trucks will be allowed entry, at



least for now, like it is presently on the South Luzon Expressway. Skyway 3's entry points at Buendia, Quirino, Plaza Dilao, Nagtahan, E. Rodriguez, Quezon Avenue, A. Bonifacio, and Balintawak/NLEX might not yet be efficient and convenient, while the infrastructure and support system for Skyway travel will yet have to develop according to the demand.

The self-propelling Law of Supply and Demand has always to be reckoned with, as situations change people's needs and wants. Alas, the levelling COVID-19 has brutally forced prioritizations against decreasing individual incomes and opportunities. Even the crazy rich denizens of pre-pandemic time have re-thought their strategies as their traditional "cash cows" and fat yields on investments were starved (some fatally) by the merciless force majeure of the pandemic. The middle class has downscaled standards for fear of sliding down to being poor, as savings are scraped up to fill the lack in the financial drought of lowered



development Authority (MMDA) had recorded an average of 405,882 vehicles plying EDSA as of August 2019 which dropped to an average 55,000 from March to May 2020 in the time of the expanded community quarantine or ECQ. The current estimate (unconfirmed by MMDA) of daily traffic on EDSA is about 100,000 on workdays. Meantime, the expected 50,000 vehicles per day on Skyway 3 is yet to be seen.

So despite the bravura of government and SMC at the high-spirited inauguration of Skyway 3, there can be the sinking feeling generally that the Skyway has become anti-climactic in this depressed and depressing time of the COVID-19 lockdowns. Of course, there should be skyways and diversion roads to decongest traffic, thereby to ease the flow of goods and services – much needed in time of scarce supply for some pitifully inelastic demands. Of course, infrastructure must be ready for the economic expansion sure to come after the pandemic – the economy has sunk so low, it cannot but go up, if only to gasp for breath.

It is good to have the Skyway 3 to look at as a positive image of better things to come. **FD**



income opportunities.

Attention is on the poor, who are buffeted most by physical hunger and the mental/emotional stress of where and when to get the next meal. Government has given very temporary subsidies and small dole-outs to alleviate their plight after being pitifully dislocated more now than they have already been homeless and unsettled. Social and religious groups have reached out to the marginalized in noble efforts to help. But these often cannot be sustained because of limited funding. All are hoping for respite from material lack and mental anxieties, as well as for renewed bounty to cover the world. Soon.

And there in the pervading low-morale gloom, the glistening double-deck Skyway 3 ribbons over and around urban Manila, ready for its 200,000-vehicle per day capacity. Before the pandemic, the Metropolitan Manila Devel



REVOLUTION AT THE STOCK MARKET

ONE VOICE



by **Bingo Dejaresco III**

Heretofore, the Philippine stock market was largely influenced by foreign players who would quickly opt out at the slightest hint of an interest rate hike by the US Federal Reserve. Dominant players used to be the institutional investors and employed workforce who were not too aggressive in their investment risk-taking.

2021 awakened us to new realities in the stock market. In terms of trading value in the Philippine Stock Exchange, the locals who comprised 48.7% of the total in 2014 have overtaken their foreign counterparts at 73.3% as of January 2021. Accordingly, retail players almost tripled from 18.2% in 2019 to 50.7% in 2021 – a marked shift from the dominance of institutional buyers.

Total stock market accounts ballooned from 640,661 in 2014 to 1,228,031 in 2019 while those with direct market access using electronic facilities rose from 27.3% to 63.7% over the same period.

According to a leading stock brokerage firm, the appetite has shifted to more aggressive non-index trades that zoomed from 54% in 2019 to 87.6% in 2021. Comprising 40% of the market in 2019, the 30-39 year-olds gave way to the 18-29 year-olds who made up 51% of the market in 2020.

The majority share of those employed who traded stocks was diminished by a growing minority coming from the unemployed, partially employed, small entrepreneurs, OFWs, and students.

This rise of the newbies was fueled by the availability of online trading (sans broker's commission); wider education on economics and business through social media; availability of time due to lockdown and work-from-home; forced savings due to the unavailability of non-essential goods and services.

Will this new powerhouse of retail investors repeat what hap-

Robinhood

pened to GameStop, a Texas-based video game retailer that engaged Wall Street biggies who tried to short-sell the company in a terrific tug-of-war for almost a month? By buying stock intensely, causing prices to rise 1,600%, some short sellers consequently lost their shirts – unable to cover their positions as the stock price rose dramatically.

Brokers like Robinhood were about to crash due to the new cash requirements on both sides of the trade, prompting them to stop trading GameStop last Jan. 28 and causing the stock to fall tremendously before trading resumed several days later.

During a congressional hearing, Robinhood officials justified that the trading halt was done not to favor Wall Street over the “rebel retailers” but because they had to borrow \$3.4 billion to square their position. GameStop, which suffered decreasing sales and revenues due to the pandemic, was only trading between \$31.40 and \$39.12 per share from Jan. 13 to Jan. 20. When the Reddit-based traders attacked, the share jumped to \$483 at one point before the Robinhood “intervention.” As the dust settled, the stock plunged to \$51.20 on Feb. 11.

People in the know say the GameStop saga, which nearly broke the stock trading ecosystem as we know it, could not happen in the Philippines because we do not have “naked short-selling” – which, however, will soon be made available here. Even local deterrents like the minimum broker's fee of 0.25% might appear meaningless if the stock shoots to the roof by 1,600%.

Retail investors being the majority here is a newfound development that is unlikely to galvanize into a united front waging a war of attrition between the “haves” and the “have-nots” in the near term. We leave it to the regulators and shareholders to ensure that a GameStop saga does not happen here. [FD](#)



COMMITTEE CLIPBOARD

LIFE Members' 1st Virtual Fellowship: Getting to Know You

Since many of its members are confined in their own homes due to their vulnerability to COVID-19, the LIFE Members Sub-Committee of the Membership Committee organized a virtual get-together on Feb. 26, 2021.

Otherwise known as the Life Icons of FINEX, the LIFE members gathered for the first time in over a year since the sub-committee was formed – though virtually – for a getting-to-know-you fellowship.

The event was also held to honor LIFE member Jose “Joey” Cuisia Jr. He was bestowed a Lifetime Achievement Award for his valuable service to FINEX as its 1984 President; his outstanding contribution to the financial and investment management of the country; and his meaningful service to the Philippine government as Administrator of the Social Security System (SSS), Governor of the Central Bank of the Philippines, and Ambassador to the United States of America.

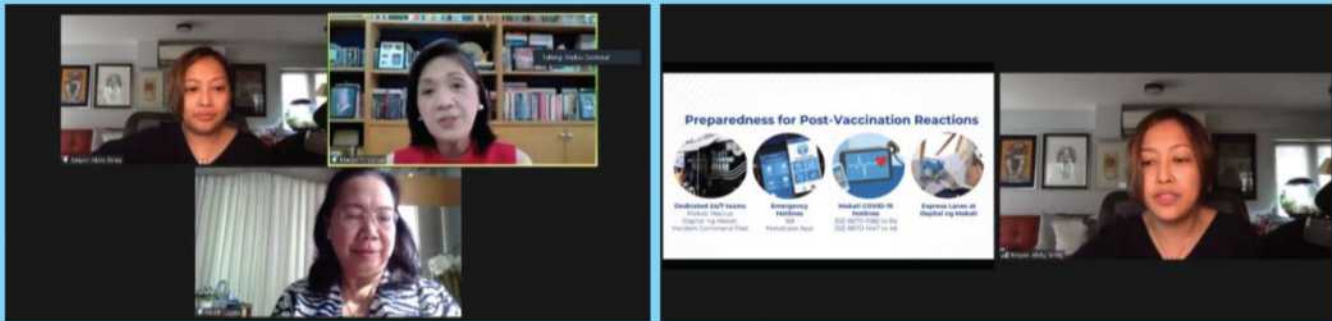
In a message shared by 1987-1988 President Renato “Rene” Valencia, he paid tribute to Cuisia as a great leader and mentor who inspired people as a role model. Valencia, who also served as SSS Administrator, said: “Your character is unassailable; your faith in God, unshakeable; your patriotism, unquestionable; your love for family is rock solid; and your fidelity to your institution is enduring.” Cuisia expressed his heartfelt gratitude to FINEX for the award, which according to him is “not expected but very much appreciated.”

After the awarding ceremony, the LIFE members were divided into groups of five or six to know more about each other and what they have been doing during the lockdown. They enjoyed the breakout sessions thoroughly and looked forward to the next fellowship of FINEX’s Lifetime Icons.



COMMITTEE CLIPBOARD

LOCAL GOVERNANCE SERIES: PROVIDING SUPPORT IN THE NEW NORMAL



The Good Governance Committee, in partnership with P&A Grant Thornton, successfully held the 4th session in the Local Governance Series which was a dialogue with Makati City Mayor Mar-Len Abigail Binay. The forum was held on Feb. 23, 2021 and was co-sponsored by PayMaya.

Mayor Abby discussed how she manages the current health care crisis and helps individuals and businesses in Makati to facilitate recovery. She touched on prioritizing mass COVID-19 vaccinations and promoting public safety and convenience as businesses in the country's financial district gradually open.

She also advocates the use of modern technology to implement programs such as a learning platform to ensure that students in Makati will continue with their education despite the risks and restrictions imposed by the pandemic. In addition, the city government provides a web portal for use by residents and business owners in transacting with the local government unit including the payment of business and property taxes.

The event was attended by over 300 participants on Zoom, and reached about 3,200 views on the combined FINEX YouTube Channel and Facebook Live, with the assistance of media partners Daily Tribune and OneNews.



COMMITTEE CLIPBOARD

GREEN SOCIAL SUSTAINABLE BONDS SERIES: LAUNCHING THE PHILIPPINE INITIATIVE

On Feb. 24, 2021, the Capital Market Development Council (CMDC), Securities and Exchange Commission (SEC), Asian Development Bank (ADB), and FINEX conducted a workshop on Green Social Sustainable Bonds (GSSBS).

The GSSBS workshop's objectives are to promote greater awareness on sustainable finance among corporate bond issuers, increase understanding on sustainable bonds, understand how these bonds can be integrated as part of financing strategies, and discuss how development partners such as ADB or its Credit Guarantee and Investment Facility (CGIF) can support the issuance of relevant thematic bonds in the Philippines.

During the workshop, SEC Commissioner Ephyro Luis Amatong, discussed the ASEAN Green, Social, and Sustainability standards as well as ongoing and upcoming initiatives of CMDC and the Philippine government.

ADB Consultant Rob Fowler defined sustainable finance and the process for labeling and issuance of GSSBS, while Financial Sector Specialist Kosintr Puongsophol and Senior Economics Officer Richard Supangan shared the ADB's Underwriters on issuing thematic bonds in the Philippines.



ASEAN Catalytic Green Finance Facility (ACGF) Consultant Karthik Iyer talked about the ACGF under the ASEAN Infrastructure Fund, and CGIF Vice President for Operations Anuj Awasthi discussed the CGIF's renewable energy projects, pipeline deals, and other support transactions.

Next in the GSSB series was a webinar for issuers, underwriters, arrangers, and advisors held on March 24, 2021. Headlining the workshop again were Fowler, Iyer, and Puongsophol, but this time they were joined by BPI Senior Vice President for Corporate Strategy Maria Consuelo Lukban. The event was moderated by ADB Economist Shu Tian and BDO Securities Corp. COO Bernhard Tsai.

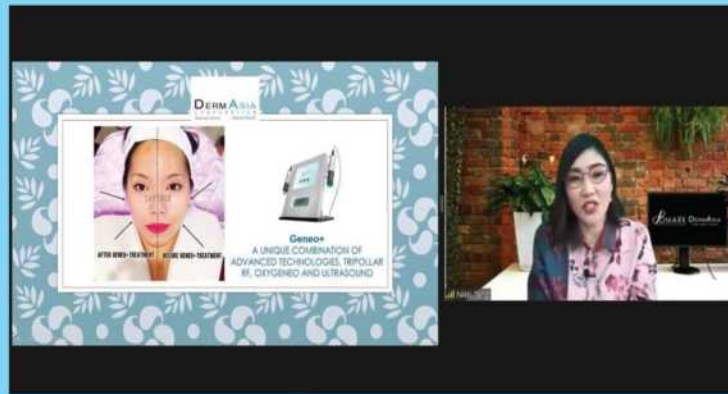


COMMITTEE CLIPBOARD

Classification Talk Series: Beauty and Beyond

The Women in Finance (WIF) Committee conducted the first of the Classification Talk Series on Feb. 11, 2021 on “Beauty and Beyond” with guest speaker Nikki Tang, CEO of DMark Beauty Corp., who shared her expertise in skin care highlighting the latest technology and products in the market.

Offered exclusively to WIF members and select female JFINEX students, the forum was moderated by Griselda Santos. WIF Committee officers were present to support the event, including Chair Esther Magleo, Co-Vice Chair Mildred Vitangcol, and Liaison Director Stephanie Zulueta.



In celebration of the International Women’s Month, WIF conducted the “Global Leadership at its Best” webinar on March 18, 2021 with three guest speakers: Angkas CEO Angeline Tham; Mayor Juslyn Manalo of Daly City, California, USA; and UN Women Regional Head Isobel Rivera. The speakers shared their knowledge, insights, and experiences about various aspects of global leadership in the time of a pandemic.

Tham discussed how she led Angkas during its most controversial crisis when there were several attempts to halt the company’s operations, but it stayed on and prevailed. Her disruptive innovation has given Filipino motorbike users safe and convenient livelihoods.

Manalo finds the bayanihan spirit of her Filipino-American constituents very evident during the pandemic by putting up fundraising projects via restaurants to help the needy.

Rivera presented the efforts of UN Women together with Philippine legislators in defining the legislative priorities to address the pandemic. She also updated the audience on the national development and recovery plans.

The three women leaders epitomized inspired and collaborative leadership that benefited the people that they have worked with. The well-attended webinar was also broadcast live on Facebook and YouTube.



COMMITTEE CLIPBOARD

FINEX Academy Rolls Out Capital Markets Course

For its premiere offering, the FINEX Academy will launch its Capital Markets and Fixed Income Securities Course on April 6, 2021. All slots have been filled up and registration for the next offering is now ongoing.

Pending approval with the Professional Regulation Commission are the Continuing Professional Development or CPD credits for attendees. The course is in line with the joint project of the Securities and Exchange Commission (SEC) with the FINEX Academy regarding the development of SEC Certification Examination modules. Below is the detailed outline for the two-part course.

COURSE 1

SESSION 1 | INTRODUCTION

- Ethics and Integrity
- Circular Flow of Income
- Concept of Risk and Reward
- Knowing Your Customer

SESSION 1 | (SEC MODULE 1) FUNDAMENTALS OF SECURITIES

- Types of Securities
 - Debt
 - Equity
 - Hybrid
 - Derivatives
- Benefits, Rights and Risks of Investors According to Type of Security
- Investor Protection
- Overview of Risk
- Valuation of Securities

SESSION 1 | (SEC MODULE 2) ECONOMIC PRINCIPLES AND MARKET THEORIES

- Macroeconomic Indicators
- Business Cycles
- Monetary Policy
- Fiscal Policy
- Types of Markets
 - Domestic vs Global
 - Stock vs Bond vs Derivatives
 - Primary vs Secondary
 - OTC vs Exchange Traded

SESSION 2 | (SEC MODULE 3) SECURITIES MARKETS AND REGULATIONS

- Capital Market Participants
 - Primary
 - Secondary
 - Support/Settlement Institutions
- Issuance, Sale and Distribution
- Concept of Pooled Funds
- Regulation of Salesmen and Associated Persons
- Taxation

SESSION 2 | (SEC MODULE 4) CORPORATE GOVERNANCE

- Code of Corporate Governance
- ASEAN Corporate Scorecard
- Integrated Annual Corporate Governance Report
- Rules Governing Independent Directors

SESSION 3 | (SEC MODULE 6) ANTI-MONEY LAUNDERING

- Stages of Money Laundering
- Basic Concepts in Combatting Money Laundering
- Duties of Covered Persons and Institutions
- Predicate Crimes and Unlawful Activities
- Terrorist Financing

SESSION 3 | (SEC MODULE 5) RISK MANAGEMENT

- Three Levels of Risk
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 - Developing
 - Black Swan
- Types of Risk
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- Lines of Defense
- Risk Mitigation Tools
 - Hedging
 - Control and Governance Framework
 - Incident Management
 - Whistleblowing Policy

COURSE 2

SESSION 4 | (SEC MODULE 7) FIXED INCOME MARKET

- Overview of Fixed Income Markets
 - Types of Fixed Income Markets
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 - Regulators
 - Governing Regulations
 - Types of Fixed Income Securities
 - Taxation
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- Bond Pricing and Valuation
 - Regular Bonds vs Zero Coupon Bonds
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- Post-Issuance and Pre-Trading
 - Listing Process
- Secondary Market
 - Trading over-the-counter
 - Trading via Exchange
 - Trading Process
- Broker and Dealer Activities
 - Overview of Broker and Dealer Activities
 - Brokers' Fiduciary Responsibilities
 - Market Making, Risk Trading and Asset-Liability Management
- Credit Analysis
 - Analysis of Financial Ratios
 - Cashflow Analysis

MODEL OF IMPERFECTION

INNER GARDEN



by Wilma I. Miranda

I have daughters but no son and I have granddaughters but no grandson. And I want them to live in a society where female role models have struggles of their own and imperfections are acceptable – that one does not reach the top on a smooth and easy ride.

The little girls in our house were playing and one of them quit because it looked like she was going to lose. Whenever her sister is likely to win, she refuses to play. When I asked her why, she said she's afraid to lose! That is the perfect time to teach children that to enjoy games and life as a whole we need to learn how to accept losses and failures and that winning is not everything.

I was so inspired by a recent New York Times article titled "Imperfect Girls Make Perfect Role Models." The idea was so revolutionary that perhaps I can help spread the word to make future generations of women look not just at the success but also into the work-in-progress of women who happen to be role models of this generation but have stories to tell about the hardships and challenges they had to hurdle to reach the top.

"Girls want to please, judge themselves harshly, and suffer from rampant perfectionism. They need to see the screw-ups and failures and struggles in their role models, as well as heavy doses of perseverance," the NYT article said. In desperation, some commit suicide because they see in social media the achievements of their contemporaries whose lives seem so perfect while their own is such a struggle and full of imperfections. They only see the façade and

then compare themselves with these popular figures.

We have a society where winning is everything and losing is a sign of failure. In this pandemic, women leaders worldwide are outperforming male leaders in handling the COVID-19 crisis. We have a woman Vice President in the Philippines and a woman Vice President in the US. But lest future generations feel they are not good enough to reach these positions, we should also show the stories that catapulted them to leadership, how they handled failures along the way, and the hard work they had to invest to be where they are now.

Women who do not compare themselves with others but who make the best of their talents and work on their weaknesses should be the role models of our daughters and granddaughters. Not only the popular or accomplished but also the simple woman who is happy to live a contented life and yet does her best to make the most of what she has, trying to overcome the problems along the way and never giving up. A woman who gets her strength from a power greater than oneself – a God she looks up to and seeks every day – should be the role model of every woman.

One remarkable example is Miriam Quiambao, the Philippine candidate for Miss Universe 1999 who slipped and fell onstage during the preliminary round of the evening gown competition. Despite the fall, she remained calm, regained composure, and finished her walk with such grace and confidence that drew applause from the audience. She went on to win first-runner up and although she

did not bring home the crown, all of us were proud of her.

Challenges are part of life – that should be the spirit of every woman. What's important is we learn to get up and move ahead with renewed vigor and vitality. **FD**





by **Manny R. Guillermo**

Once upon a time... during the 1960s, I would hang out a good deal with a good friend, Ramon Kalaw Ilusorio. Ray, as we call him, was fresh out of college and I was in my early 20s as well. It was a thrill all throughout, driving out at night in his German sports car to rendezvous with equally eager friends – quite typical, I assure you, of the energetic youth.

Even at a young age, my friend showed a lot of depth and substance in the way he viewed life. Back then, I already had some hints that our carefree days would be a passage of sorts. Soon he was to leave for his MBA studies in New York, while I was sent to Davao to head our company's first franchise operation for two years.

Next I was seconded to lead our joint venture in Thailand, where our Filipino-owned company was to be responsible in managing the JV for over 10 years. As fate would have it, I reunited with my good friend in Bangkok. In fact, Ray had just successfully set up the first investment bank in Thailand, while I helped set up that nation's first consumer finance company. A special feat we did not foresee for ourselves was that both of us would create turning points in the financial sector of our favorite neighboring country.

I observed then that my friend had remained witty and full of his usual sense of humor, but definitely became quite serious and greatly more focused. In many ways, he was a changed man, making sure that his every minute was precious and should not be taken lightly as to take him away from his apparently new mission in life.

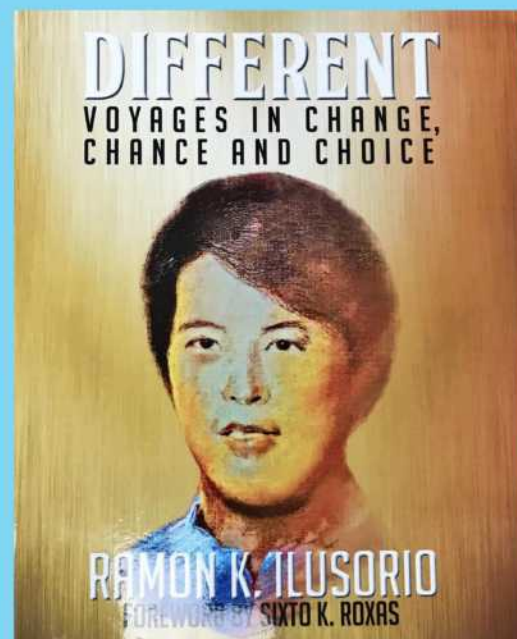
Ray's many accomplishments back in Manila, I would learn later, were nothing short of magnificent, including being one of the Founders of FINEX – exceeded only by a superior will power, strong principled leadership, astute long-term planning, and a healthy dosage of tenacity on his part. The rest is history. **FD**

RAMON KALAW ILUSORIO: Visionary Genius

Editor's Note: RKI was one of the 12 Founders of FINEX. When our organization was registered with the Securities and Exchange Commission (SEC) on January 15, 1968, he was listed as one of the incorporators under the Articles of Incorporation issued by the SEC.

Last year, *FINEX Digest* Editor-at-Large Manny Guillermo or MRG reached out to RKI after all these years. Through Multinational Investment Bancorporation Chair Malou Cristobal and RKI's personal secretary Karen Roxas, MRG requested RKI for an interview to be published in *FD Life's Journey* column. Known to be a recluse in his later years, RKI's response was to send three of his published books to MRG.

One of them is titled *Different Voyages in Change, Chance and Choice*. This book is what he calls a "multibiography" or "his way of saying it is the story of everyone who somehow played a role in his odyssey," according to the foreword written by his uncle and mentor at Bancom Development Corporation, Sixto Kalaw Roxas or SKR.



Interestingly, RKI's portrait on the book cover comes from a commendation he received from FINEX in 1988 when it celebrated the 20th anniversary of its founding. The back cover shows RKI as the first Filipino to reach the North Pole during his 1996 expedition aboard a Russian icebreaker, and summarizes the contents of the 10-chapter book published in 2014.



Author Ramon K. Ilusorio during his 1996 expedition to the North Pole. Ilusorio is the first Filipino to reach the North Pole via the Russian ice breaker Yamal.

IN THIS BOOK

- How the Philippine Money Market started at Bancom Development Corporation.
- How the first investment bank (TISCO) in Thailand and the first Asean merchant bank (SEASCOM) in Hong Kong were established; and how the Thailand and Indonesian money markets started.
- How Financial Entrepreneurship was developed at Multinational Investment Bancorporation; how capital was created in a capital intensive and brutally competitive industry with hardly any internal or external capital to start with.
- How Interpreneurship and Meritocracy work in a Corporate Partnership; how to prevent their abuse; how a Matrix Organization operates to produce maximum outputs from minimum inputs; and how to perpetuate an ideology and the institutions to house it.
- How to engage Human Capital in Social Reform, activate socially responsible projects and use Non-Government Organizations (NGOs) to pursue them.
- How Philippine Education is in crisis and how the Multiversity combined with the Autodidactic Process can provide alternative education.
- How Government Regulations make Rural Development difficult and why Philippine-type democracy cannot cure endemic poverty.
- Why the Himalayan mountain range is at the geographical center of Major World Religions.
- How Individual Freedom and Social Responsibility can be formed within a coherent Socio-Political Philosophy.
- How Modularity can function in Art and Architecture.
- How Private Diplomacy can promote International Amity.
- How Chance plays a role in everyday life and in making decisions.

REQUIESCAT IN PACE

Just before going to press, we learned the sad news that RKI passed away on March 30, 2021 after a lingering illness.

REMINISCING ABOUT RAY Q&A with Archit Bartolome

What are your memories of FINEX Co-Founder Ray Ilusorio?

When I returned to Manila in 1968 following my stint with Wells Fargo Bank in San Francisco, my cousin Efrenilo Cayanga introduced me to Ray. After one interview only, Ray hired me as a trader in the Money Market Division of Bancom Development Corporation. With his brilliant mind, Ray obtained his Masters in Economics from New York University, MBA from Fordham University, and Economics degrees from University of Michigan and Ateneo de Manila University. He was the Ten Outstanding Young Men (TOYM) Awardee for Merchant Banking in 1973 given by the Philippine Jaycees.

Ray collaborated with his uncle Sixto Roxas to make Bancom the premier investment house in the country. He founded the first investment bank in Thailand and acted as consultant of Indonesia's central bank to establish the Indonesian money market. He served as Managing Director of SEASCOM, the first regional merchant banking institution in Southeast Asia. He was the Founder of Multinational Investment Bancorporation (MIB), now the oldest and only independent investment bank in the Philippines.

Considered a renaissance man, Ray loved flying and as Chairman of the Pacific Air Group, he guided the establishment of the only rural air transport system in the Philippines. He was fond of going to exotic places such as the North Pole and joining safaris in Africa.

He kept a low profile but when I was President of the Rotary Club of Manila, he accepted my invitation to be our guest speaker. I would see him in Manila Golf once a year and he was most comfortable being in small groups. Although he co-founded FINEX, by the time I joined the organization in 1974, he had faded away and embarked on his next adventures.



The FINEX pioneers in one of their 1969 luncheon meetings: Ramon Ilusorio (standing, left); Miguel Guerrero (standing right); Arsenio Vistro (seated, 2nd from left); Jaime Ladao (seated, 2nd from right); Vicente Pacis (seated, rightmost)

RAMON K. ILUSORIO



QUANTUM MUTATIONS

10 Philosophies For Relevant Change

How was it like working for the Philippines' so-called University of Investment Banking?

Bancom was originally a joint venture between Banker Trust New York (BTNY) and Comtrust Manila. It was founded by BTNY Vice Chairman Sixto Roxas, who headed the National Economic Council under President Diosdado Macapagal, and Comtrust Chairman Augusto Barcelon.

There were "Four Emperors" in Bancom: Ray Ilusorio (head of money and capital markets); Louie Villafuerte (head of legal and administrative); Rolly Gapud (head of investment banking); and

Francis Moran (head of management consultancy). Incidentally, Louie and Rolly also won the TOYM awards in the same year as Ray. That was in 1973 when three out of the 10 winners were from Bancom!

As a trader, I reported to Philip Ang (head of capital market) and Celso Samaniego (head of research and development). Then I became head of the Money Market Division generating the funding and looking for users or borrowers.

Under Ray's leadership, we created the commercial paper market, buying/selling corporate bonds of San Miguel Corporation and big multinationals like Procter & Gamble, Unilever PRC, and Colgate-Palmolive. Market conditions then were such that there was no regulation and we operated like an independent republic. Our game plan was to undercut all banks at double the prevailing interest rate.

Bancom also developed the government securities market in partnership with the Central Bank and the Bureau of Treasury. We were the operator and custodian of the weekly T-bills auction for 91-day and 182-day tenors. As the dominant industry player, Bancom was practically a monopoly, capturing more than 90% of the market. Our only competitors then were the foreign banks, namely Citibank, Bank of America, HSBC, and Standard Chartered.

As a result, Bancom became so big in the early 1970s that it was almost like a conglomerate going into such diverse industries as farm machineries, movie production, steel fabrication, semi-conductors, and overseas manpower deployment. However, when BTNY had a feud with Comtrust, it teamed up with RCBC to form a functional merger with Bancom. This gave birth to the Philippines' first merchant bank in collaboration with JP Morgan.



FINEX Charter President Arsenio Vistro with keynote speaker Sixto Roxas and guest Amy Gustilo

The Treasury Department of RCBC came under Bancom's Money Market Division. Later, BTNY was replaced by American Express Bank, after which Bancom and SSS acquired Union Bank for its clearing facility.

What happened to you after Bancom?

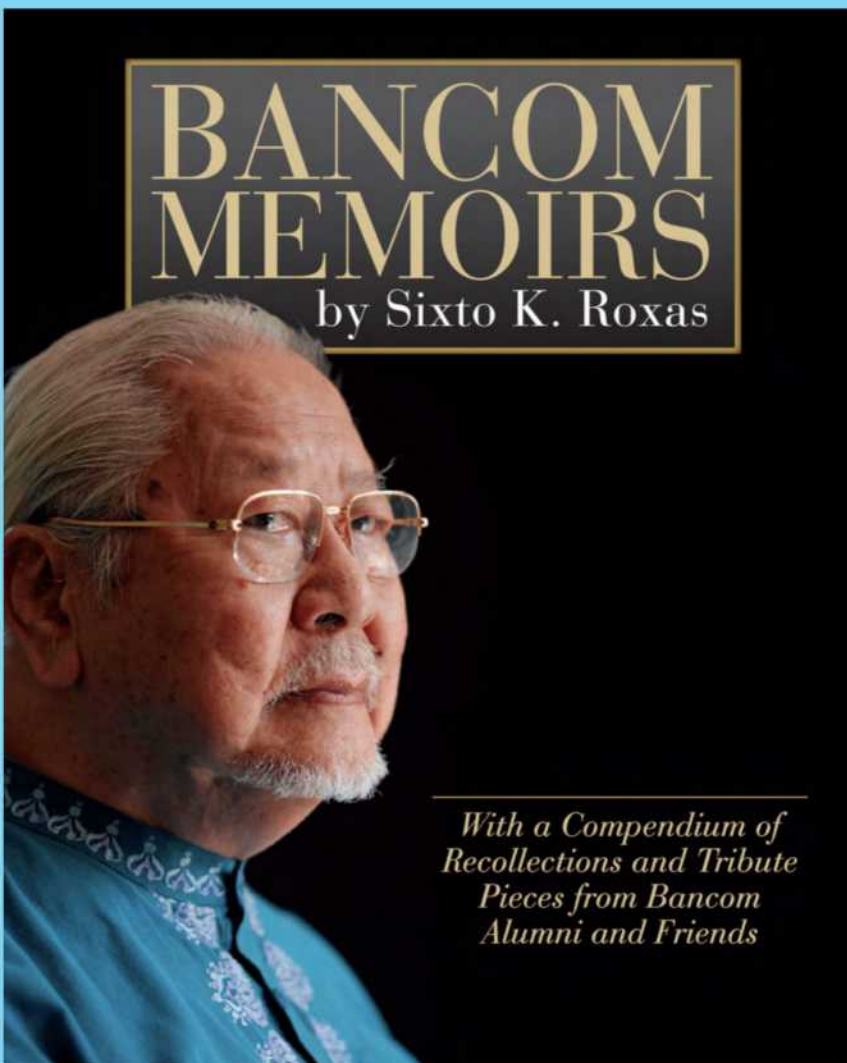
I left Bancom in 1972 to head Citibank's Treasury Department. Then in 1974, I joined Ray in MIB as General Manager for Marketing. MIB operated as "the total bank" even with no quasi-banking license. It never took a position in any deal - with zero risk using other people's money.

Among MIB's deals then was the acquisition of condominium units at Urdaneta Apartments from Ayala Investment and Development Corporation. We also had a more detailed letter of credit facility. Under Ray's concept of corporate partnership, the management had unlimited liability similar to the present SALN for government officials.

After four years with MIB, I moved to RCBC as head of the Treasury Department and later formed Urban Development Bank in 1980. Due to the Dewey Dee scandal, Bancom collapsed in 1981 - ending a significant chapter in Philippine business history.

Any parting thoughts about RKI?

Ray was 20 years ahead of his time. He is a visionary who appreciates beauty and his business concepts predated the rise of Bermuda, Cayman Islands, and the British Virgin Islands as tax havens. He is truly a genius who pioneered foreign currency trading, Eurodollar deposits, Europeso market (swaps against the US dollar, German deutschmark, Japanese yen, and British pound), and treasury bills in the Philippines. Indeed, Ray is regarded by Filipino bankers as the Father of the Philippine Money Market. **FD**



**BANCOM
MEMOIRS**
by Sixto K. Roxas

*With a Compendium of
Recollections and Tribute
Pieces from Bancom
Alumni and Friends*

Q&A with Francis Lim



Pre-pandemic overseas trips of Francis with his wife Edy, daughter Steph, and three sons Paolo, Edward, Julo

What were the cultural values you grew up with that guided you in your life's journey?

Work hard and pray hard. Be as helpful to as many people as possible.

Did you experience any compelling adversities that you have triumphed over in your career? How did you manage through them?

I was shy and not so confident about myself during my younger years. I kept telling myself that I was better than what I thought of myself and that helped triumphed over them.

What do you consider your key successes through the years?

My professional career both as a lawyer and as president of the Philippines Stock Exchange. As a lawyer, I was able to assist putting in place rules of procedure that now govern several aspects of law practice. I also helped put in place laws that govern business such as the Financial Rehabilitation and Insolvency Act and the Competition Act. As PSE head, I was able to help put in some meaningful and long lasting reforms. I actively participated in enacting laws that are pro-capital market such as the Real Estate Investment Trust Act. I also helped in getting permanent DST (documentary stamp tax) exemption for secondary trading of shares in the stock market and quite recently, the removal of the tax on initial public offerings.

If you were the President of our country today, what is the most urgent measure you would do?

I would ramp up the vaccination program. Vaccinate, vaccinate, vaccinate! Our economic recovery and return to normalcy greatly depend on it.

Amid the COVID-19 pandemic, how would you approach - from a leadership perspective - making your judgment on striking a balance between the loss of human lives and the risks of reactivating the economy by prematurely lifting the lockdowns?

I would depend on data in making decisions. Data-driven decision is very important so that we don't make it a guessing game. I will strictly



Atty. Francisco Ed. Lim

enforce health protocols every step of the way, knowing that it is human nature to take the line of least resistance.

How have you balanced your lifestyle so as not to miss out on your family despite the conceivably grueling demands of your work?

Taking time to travel abroad with them so that I would be physically away from work. While this is not possible during the pandemic, the work-from-home arrangement has enabled me to spend more time with the family.

If you had such an opportunity, what would you change otherwise in the way you have crafted your career to flourish?

I would have gone into public service. I have tried to make up by taking up the presidency of the PSE and private sector organizations like SharePHIL, FINEX, and MAP.

FD



500 YEARS AFTER MAGELLAN

FINAL SAY



by **J. Albert Gamboa**

March 16, 1521 was the day when Portuguese explorer Ferdinand Magellan supposedly “discovered” the Philippines on behalf of the Spanish Empire. However, this fact is being downplayed by the National Quincentennial Committee (NQC) which is the government body handling the 2021 commemoration of various events that happened five centuries ago.

Instead, the NQC wants to highlight the 500th anniversary of the Victory at Mactan on April 27, when local chieftain Lapulapu and his forces killed Magellan at Punta Engaño in present-day Lapulapu City.

Secondary to the Battle of Mactan in the NQC calendar is the 500th anniversary of the first circumnavigation of the world accomplished by remnants of Magellan’s 241-man expedition.

And only third in the NQC’s hierarchy of commemorations is the 500th anniversary of the introduction of Christianity in the Philippines, with an explicitly stated limitation: “the government’s focus on academic, cultural, and historical aspects only.”

Spearheading the religious and spiritual aspects is the Catholic Bishops Conference of the Philippines (CBCP) headed by Davao Archbishop Romulo Valles. The CBCP’s yearlong commemoration will kick off on April 4 with the celebration of the first Easter mass in all cathedrals and parishes nationwide, followed by the reenactment of the first baptism at the Magellan Cross in Cebu City on April 14.

According to CBCP Vice President and Caloocan Bishop Pablo David, “the same Christian faith that the conquistadores tried to use in order to pursue their colonial purposes also inspired our revolutionaries to dream of freedom and democracy.” He pointed out that the natives in 1521 did not equate Christianity with colonialism as “our ancestors were intelligent enough to accept what was good and reject what was evil.”

In the Vatican, Pope Francis officiated a special mass at St. Peter’s Basilica last March 14 together with Luis Antonio Cardinal Tagle, papal vicar for Rome Angelo Cardinal De Donatis, and the Filipino community in Italy. The Pope has also declared a “Special Jubilee Year” in the Archdiocese of Cebu and is granting plenary indulgence to Filipinos who out the archipelago.

Secular organizations are also participating in the quincentennial commemoration. The UP Diliman Department of Anthropology held a forum on March 10 titled “Of Crosses and Culture: An Anthropological Look at 500 Years of Christianity in the Philippines.” It featured critical discussions on cultural developments pertinent to the introduction of Christian practices in the country.

Even earlier in Portugal, Philippine Ambassador to Lisbon Celia Anna Feria hosted a conference on “Magellan in Philippine History” in December 2019 with five leading Filipino historians as keynote speakers. The conference received widespread coverage in the Portuguese press and was capped by the historians’ visit to Magellan’s hometown Sabrosa in Portugal’s Tras os Montes region.

March 16, 2021 would have been the Philippine National Day at the World Expo in Dubai. The event was originally set on that date by the Department of Trade and Industry, which is the lead agency in the Philippine Organizing Committee (POC) for Expo 2020 Dubai. But just like the 2020 Tokyo Olympics, the World Expo has also been postponed by one year due to the pandemic.

The POC chose the date because “the celebration will be designed to change people’s thinking that March 16, 1521 is the day that Magellan discovered the Philippines to the day Filipinos discovered Magellan.”

Downplaying the significance of Magellan’s “discovery” seems to be trending nowadays. But no amount of historical revisionism can alter the fact that his arrival on Homonhon Island in Eastern Samar 500 years ago paved the way for the eventual unification of our more than 7,600 islands into one Filipino nation. **FD**



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