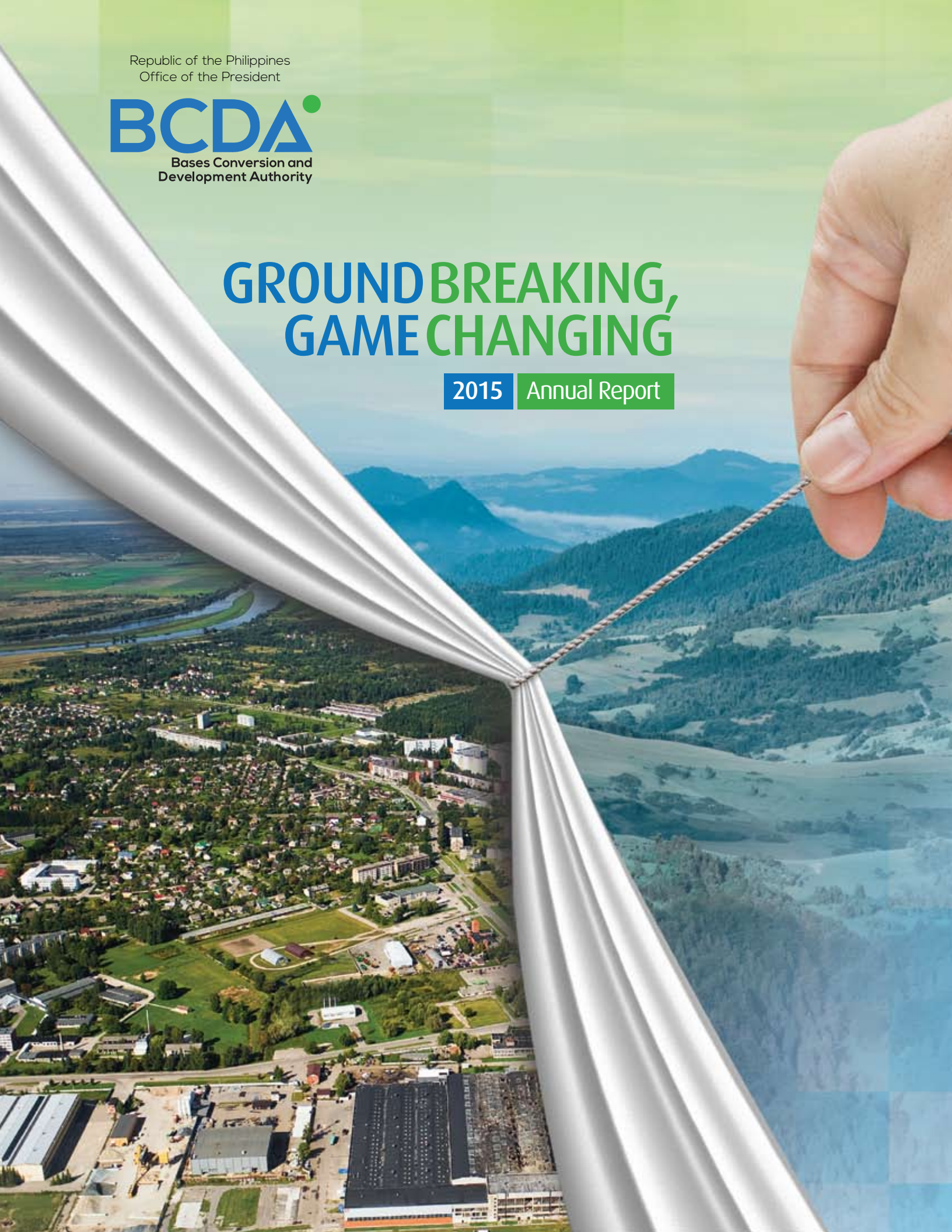


Republic of the Philippines  
Office of the President



# GROUND BREAKING, GAME CHANGING

2015 Annual Report



# TABLE OF CONTENTS

Message from His Excellency Benigno S. Aquino III <b>1</b>	Message of the Chairperson <b>2</b>	Message of the President and CEO <b>4</b>	
	The BCDA Group <b>6</b>	Clark Green City <b>10</b>	Asset Privatization Program <b>16</b>
Stakeholder Engagement <b>24</b>	Infrastructure Development <b>28</b>	Special Economic Zones <b>32</b>	
	Financial Report <b>42</b>	Board of Directors <b>48</b>	Profile of the BCDA Board <b>50</b>
Top Management and Management Directory <b>54</b>	Directory of the BCDA Group <b>56</b>		

BCDA continues its groundbreaking initiatives in transforming former baselands into thriving business centers and economic zones. Guided by its mandate of development, BCDA unveils the vast potentials of areas under its stewardship to develop new growth centers and greatly impact national development.

The artwork shows a panoramic view of a modern economic landscape emerging from what were former baselands and camps to begin a game-changing transformation.

Today, BCDA lives up to its mandate—unlocking the values of managed assets, creating new businesses and building a new metropolis that will serve as another catalyst in nation-building.

## VISION

Leading the way towards creating viable, sustainable and world-class economic zones for nation building through the sound and balanced conversion and development of selected military baselands.

## MISSION

BCDA as the Principal Conversion Authority commits to:

1. Accelerate the sound and balanced conversion of former military baselands into self-sustaining, productive use, anchored on private sector participation and with the involvement of affected sectors and communities;
2. Optimize revenue generation from disposition of, and business developed from, Metro Manila camps to fund conversion and development;
3. Create opportunities for investment and employment in Central Luzon; and,
4. Develop a highly motivated professional workforce.

## BCDA BRANDING STATEMENT

The BCDA Group is a prime mover of national development. We transform former military bases and properties into premier centers of economic growth in partnership with the private sector with integrity, excellence and efficiency in the stewardship of government resources. We create sustainable urban communities to uplift the lives of Filipinos.

## CSR PHILOSOPHY

We at BCDA are committed to fulfill our mandates to our stakeholders by improving the quality of life of and giving dignity to our workforce, our families, and the communities that we develop through the conversion of former military bases and other properties into premier sustainable centers of economic growth.

# MESSAGE OF HIS EXCELLENCY BENIGNO S. AQUINO III



The Philippine landscape has changed remarkably over the years. Investor and citizen confidence infused our economy with new energy. We are teeming with opportunities. This is due, in no small part, to partners such as the Bases Conversion and Development Authority (BCDA) that have consistently worked to harness the vast potential of our country to fuel the momentum of our success.

Every year is another opportunity for the BCDA to surpass old records and create bustling new business hubs. Through your initiatives, the transformation of former military bases into world-class economic centers has spurred unprecedented growth in the archipelago, reinforcing the foundations of equitable progress.

Under your stewardship, Bonifacio Global City, Newport City, and Clark Freeport Zone, among others, continue to rapidly thrive. Further, BCDA has reaffirmed its innovative leadership in the real estate industry with the rise of Clark Green City, envisioned as an integrated green metropolis. May this Annual Report unify your vision as you rise to the call of our countrymen; may you continue to design our skyline and our roadmap towards sustainable development.

Our people's dreams of prosperity and stability inspired our strides on the path of resurgence. We have dismantled the obstructions that hindered us—transactionalism, corruption, and patronage—and have paved a wider, more inclusive path for the Filipino people. Let us ensure that our journey shall not be derailed as, together, we soar towards a brighter, more revitalized future.

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

**BENIGNO S. AQUINO III**  
President  
Republic of the Philippines

## MESSAGE OF THE CHAIRPERSON

The year 2015 was marked by significant milestones in the conversion and development initiatives of BCDA.

Most notable among the year's accomplishments was the signing of a contract between BCDA and Filinvest Land, Inc. to develop 288 hectares in Clark Green City. This partnership with one of the largest real estate developers in the country, with more than 100 projects nationwide, was a landmark in our efforts towards sustainable development.

During the year, we also forged synergies with other reputable organizations and investors, local and international. Among these were the University of the Philippines, the country's premier university, and the first locator in Clark Green City; the Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development (JOIN), a Japanese government corporation that aims to invest and participate in transport or urban development projects involving Japanese companies such as bullet trains and green cities; SSR C-Solar Power, Inc., a developer, owner and operator of clean energy projects in key markets in non-urbanized areas; and, Vivapolis France, a company which represents public and private French stakeholders—seeking to promote a shared vision for sustainable urban development at an international level.

Another key development is the integration of the toll collection systems of BCDA's Subic-Clark-Tarlac Expressway (SCTEX) and the North Luzon Expressway (NLEX). This was forged through a Business Agreement between BCDA and the Manila North Tollways Corp. (MNTC), which gave MNTC management rights to the 94-kilometer SCTEX—with BCDA sharing 50 percent of gross toll revenues. This not only marks the beginning of a long standing Public-Private Partnership (PPP) between the BCDA and MNTC but also sets the stage for world-class service to our



**E**xercising prudence and extraordinary due diligence in performing its stewardship mandate, BCDA also succeeded in generating increasing revenues from its land assets by implementing an efficient and effective collection management system under our Asset Disposition Program.

motorists, and improved access to the Central Luzon Corridor and Clark Green City.

The SCTEX is a viable government project that is seen to generate approximately Php275 billion pesos in revenues during the 28-year contract period. Of this amount, 50 percent will be used to pay the JICA loan used to build the SCTEX, while the remaining revenues will be used to fund future government programs and projects for the benefit of the Filipino people.

Exercising prudence and extraordinary due diligence in performing its stewardship mandate, BCDA also succeeded in generating increasing revenues from its land assets by implementing an efficient and effective collection management system under our Asset Disposition Program.

Collectively, these achievements helped us fulfill our major mandate of contributing to the modernization of the Armed Forces of the Philippines (AFP), our biggest stakeholder in our asset privatization initiatives. Since 1993, BCDA has remitted a total of Php28.5 billion for the account of the AFP. Further, BCDA meaningfully engaged with our military, by institutionalizing the AFP Fora in key regional commands all over the country, where we shared our role in the AFP Modernization Program.

Apart from financial support, to improve operations, we expanded our initiatives to effectively integrate our subsidiaries into what is now known as the BCDA Group. The BCDA Group is composed of parent company BCDA and its subsidiaries, the Clark Development Corporation (CDC), the Poro Point Management Corporation (PPMC), the John Hay Management Corporation (JHMC), the North Luzon Railways Corporation (Northrail), and the BCDA Management and Holdings, Inc. (BMHI). Our conglomeration, strengthened in 2011, created a unified approach to inclusive growth which entailed well-planned and well-coordinated initiatives in developing the Central Luzon corridor. We embraced our group potential and together, executed performance agreements that gave premium on the achievement of development targets to impact the country's progress. Working in synergy to complement each other's strengths resulted to an increase in business, tourism, trade and investments.

Our grand vision continues to live and thrive in areas under Republic Act No. 7227 or the Bases Conversion and Development Act—which now showcases the Bonifacio Global City and McKinley Hill in Fort Bonifacio, Newport City in Villamor Air Base, and vibrant economic zones: Clark Freeport Zone, Poro Point Freeport Zone, the John Hay Special Economic Zone, and the Bataan Technology Park. BCDA will adhere to this vision as we build the country's first green and global metropolis, Clark Green City.

The positive impact of these projects demonstrates BCDA's commitment to good governance, a guiding post in the BCDA organization. The culture of integrity and professionalism of the men and women of BCDA has enabled the organization to fulfill its mandate of sustainable development in the service of the present and future generation of Filipinos.

Committed to carrying on this legacy of truthful governance of our projects, this Board has approved the BCDA Code of Conduct, reinforcing directives on the strict compliance of all officers and employees to its provisions. Anchored on the belief that public office entails service with accountability, efficiency and integrity, the Code fuels my optimism that BCDA will continue its sterling performance as a model corporation, with its professional workforce guided by sound business ethics and transparency in performing their functions.

For 23 years, BCDA has shown its commitment to building progress. As we now build the Clark Green City, we also foresee a more vibrant economy in the future anchored on sustainable development. At the forefront of every development are our people, to whom BCDA has provided the opportunity to better the lives of our countrymen.



**MA. AURORA D. GEOTINA-GARCIA**

Chairperson  
Bases Conversion and Development Authority  
Republic of the Philippines

## MESSAGE OF THE PRESIDENT AND CEO

Adhering to the “straight path” principle of President Aquino’s leadership, BCDA has gained a solid momentum of growth with a record performance in 2015. It is a clear testament to the growing strength of BCDA, achieving a banner year highlighted by a whole spectrum of ground-breaking initiatives, paving the way to game-changing development projects.

This year, BCDA posted a new high of Php10.7 billion in total revenues, or an increase of 51 percent from Php7.1 billion recorded last year.

This increase is primarily due to the signing of a business agreement between BCDA and the Manila North Tollways Corp. (MNTC) with an upfront premium of Php3.5 billion. It gives MNTC the rights to manage the 94-kilometer Subic-Clark-Tarlac Expressway (SCTEX) for 28 years. In turn, BCDA gets 50 percent of SCTEX’s gross toll revenues.

From the start of the Aquino administration, BCDA’s cash inflow continues to grow steadily: Php3.5 billion (in 2011), Php5.2 billion (in 2012), Php6.0 billion (in 2013), Php7.1 billion (in 2014), and then Php10.7 billion (in 2015).

Throughout these years, BCDA’s financial performance has been quite remarkable. Since 2011, we have consistently remitted an average of close to Php2 billion a year to the National Treasury for the account of the Modernization Program of the Armed Forces of the Philippines (AFP). We hit a milestone in 2015, as we remitted a record high Php4 billion to National Government. During that five-year period, a cumulative total of Php9,548 billion has been remitted by BCDA to the Bureau of the Treasury—surpassing the Php8,233 billion that it had remitted in 17 years from 1993 to June 2010.

Overall, from 1993 up to 2015, BCDA has generated a total of Php72 billion through its Asset Disposition Program. Of this amount, Php28.5 billion was remitted to the National Treasury for the Modernization of the AFP and replication of military facilities.

Under Administrative Order 236, 14 government agencies providing vital services in the country also share from the disposition proceeds, with AFP receiving a major share.

This solid and consistent financial performance of BCDA in generating billions for the government is our legacy to the country.

BCDA’s sustained phenomenal growth has been the result of our bold vision and good governance. It is a reflection of our



**N**ow, we are moving forward at a much faster pace in transforming the former baselands into bustling economic centers and thriving global hubs. Today, Clark Green City is rising into a modern sustainable city that will be comparable to the best of its kind in the world.

commitment to integrity as we firmly observe ethical business practices, forge successful business ventures, undertake efficient revenue collection, and effective handling of problematic accounts. We were able to focus on maximizing the value of lands under our stewardship and pursue development projects that benefit both the local and the national economy.

Now, we are moving forward at a much faster pace in transforming the former baselands into bustling economic centers and thriving global hubs. Today, Clark Green City is rising into a modern sustainable city that will be comparable to the best of its kind in the world. Pursued, in partnership with local and foreign organizations and investors, it is BCDA's grandest and most aggressive global development project.

The Government of Japan (GOJ), through the Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development (JOIN), forged a cooperation agreement with BCDA to help the Aquino administration develop Clark Green City as a major economic center in the ASEAN bloc. The involvement of JOIN will lead to multiple joint venture partnerships to serve as vehicle for the formation of Japanese consortium and investments in the field of power, transportation, tollways, industrial zones and economic centers.

On the other hand, the University of the Philippines (UP)—the first locator in Clark Green City, has signed a Memorandum of Agreement (MOA) with BCDA, which will provide the premier state university a 70-hectare campus. The UP global campus will play a vital role in jump-starting the Innovative and Academic District in the fast rising metropolis.

Another landmark event is when BCDA awarded Filinvest Land, Inc., one of the leading real estate developers in the country, with the rights to develop 288 hectares in Clark Green City. The formal signing of the contract is expected to be a milestone event in 2016. It will be a pivotal moment to BCDA's long-term master-plan for Clark Green City.

Things are really looking up when BCDA signed a Memorandum of Understanding (MOU) with Vivapolis France to establish a strategic partnership, encompassing a whole wide range of activities designed to optimize the development of Clark Green City. The MOU includes finding financial solutions for any of its projects. Vivapolis is the umbrella brand that brings together a large number of French firms involved in sustainable urban development.

Certainly, the wide range of BCDA's highly successful development projects has sparked a growing interest among many prospective foreign and local business partners. And it continues to contribute enormously to the country's fast-growing economy.

Through the years, BCDA has carried out its mandate on a mantle of good governance, which laid down its core values of integrity, excellence and professionalism. That is how it has been with the people of BCDA, who are willing to take on great

responsibilities and face every challenge, with dignity and respect. It is the way we work and do business.

To bolster the agency's pursuit of its nation-building mandate while adhering to the national directive on upholding to the highest standards of accountability and transparency, BCDA embarked on the program called STRIDE (Strengthening Integrity Development), an organization-wide comprehensive corruption prevention program. Under this program, BCDA adopted its own Code of Conduct which impresses on employees their duties and responsibilities as stewards and public servants. The Code embodies policies and penalties on whistleblowing, among other requirements in fulfillment of conditions on good governance set by the Governance Commission on Government-Owned and -Controlled Corporations.

I am truly proud of the BCDA workforce as it successfully maintained its ISO 9001:2008 Certification for its Quality Management System, first granted by TUV Rheinland in September 2014. The Certification is proof of BCDA's organization efficiency and adherence to highest quality standards of service in response to its stakeholders.

Committed to protecting the rights of our stakeholders, BCDA scored victory as it successfully recovered 47-hectares of prime land inside the former Fort Bonifacio Military Reservation from the Navy Officers' Village Association, Inc. (NOVAI). The Supreme Court issued its final resolution sealing BCDA's claim for ownership of the property. We applaud this development as it protects the rights and interests of the Filipino soldier against claimants of government land—estimated to be worth more than Php47 billion.

Now more than ever, BCDA stands as a model steward of government land—adhering to global best practices in every aspect of its operations, earning the trust of its business partners. With the continuing success of its development projects, BCDA has made its mark to be recognized as one of the best state-owned corporation, not only in the country but in the global arena.

Indeed, it gives us a sense of pride for what BCDA has achieved thus far. But even so, looking at the bigger picture, we are still far from where we want to go, which means that we have to remain focused and brace ourselves for the greater tasks yet to come. And at the rate that we are going, there is good reason to be optimistic that we are fast leading the country on the road to prosperity.



**ARNEL PACIANO D. CASANOVA**  
President & Chief Executive Officer  
Bases Conversion and Development Authority  
Republic of the Philippines

The BCDA Group

# TRAILBLAZING NEW FRONTIERS



*A former camp of the Philippine Army, Fort Bonifacio, is now home to the bustling Bonifacio Global City, a magnet for investments and a hub for employment of Filipinos.*





*The privatization of Fort Bonifacio gave rise to Bonifacio Global City, a vibrant district which contributes funding for the modernization of the AFP.*

When the Philippine government took over the former US military bases some two and a half decades ago, it presented new opportunities to address the country's critical economic challenges. In 1992, Republic Act 7227 or the Bases Conversion and Development Act was signed into law, creating the BCDA. This agency was created during a time of adversity and uncertainty, following the massive devastation caused by the Mt. Pinatubo eruption and the 1990 Northern Luzon Earthquake.

Since then, BCDA has guided the transformation of former US military bases and military camps placed by law under its stewardship—giving rise to vibrant economic centers and investment havens.

With BCDA at the forefront, the conversion of these former baselands into premier business and tourism hubs have contributed significantly to our growing economy, creating thousands of jobs, and enhancing our capability in building a strong military defense force.

Today, this administration's thrust toward good governance and ethical leadership has inspired BCDA to succeed in its mandate of development, while building a strong upright organization.

Better project implementation, a transparent bidding process and renewed investor confidence led to a year of unprecedented growth.

## **DISPLAYING A SOLID FINANCIAL PERFORMANCE**

Through sound business operations and ethical business practices, BCDA's cash inflow has continued to rise, increasing three-fold in the last five years—from Php3.5 billion in 2011; Php5.2 billion in 2012; Php6.0 billion in 2013; Php7.1 billion in 2014; to Php10.7 billion in 2015.

Further, as mandated by law, BCDA remits a major part of its asset disposition proceeds to the National Treasury for various government agencies performing essential public services. The Department of Budget and Management (DBM), in turn, is responsible for the annual utilization of the proceeds, in accordance with budget execution guidelines and the approved fiscal program of the government.

Showing its commitment to its stakeholders, BCDA remitted a total of Php9.5 billion to the National Treasury for the Modernization Program of the Armed Forces of the Philippines (AFP) generated in the period of July 2010 to December 2015. This amount surpassed the Php8.23 billion remitted, covering a 17-year period from 1993 to June 2010.

From May 1993 to December 2015, asset disposition proceeds reached a total of Php72 billion, an increase of nine percent from Php64.7 billion in 2014. Total taxes on these proceeds which have been remitted to the National Government have reached Php6.3 billion. For the period of 2011-2015 alone, BCDA remittances averaged Php2.9 billion per year or a three-fold increase from 2006-2010 average of Php1 billion per year. From Php2.3 billion in 2011, remittance increased to a record-high Php4 billion in 2015.

## HARMONIZING DEVELOPMENT INITIATIVES

The BCDA Group is composed of BCDA and its subsidiaries—the Clark Development Corporation (CDC), the Poro Point Management Corporation (PPMC), the John Hay Management Corporation (JHMC), the BCDA Management and Holdings, Inc. (BMHI) and the North Luzon Railways Corporation (Northrail). Together, they agreed to a new development platform anchored on three key elements: a unified master plan, complementing infrastructure facilities, and harmonized business processes. This resulted in well-planned

development initiatives to accelerate the progress of North and Central Luzon, areas where the BCDA Group operates.

Working in synergy, the BCDA Group executed performance agreements that fueled the drive to meet development targets. Through the years, the ecozones and economic centers have continued to be highly attractive and preferred business and investment destinations. BCDA's biggest subsidiary, the CDC posted increased revenues of Php1.55 billion in 2015, a big leap from 2011 figures of Php978 million.

Also, PPMC posted total revenues of Php83 million in 2015, consistently rising from Php74 million in 2014 and from Php45 million in 2011.

In 2015, the total local and foreign investments in the zones reached over Php156 billion—with CDC generating Php49.9 billion within a five-year period alone (2011-2015). This accounts for 47 percent of CDC's total investments since 1993 and contributes greatly to the big jump from Php87.55 billion, posted in 2013. This is almost half of the investments generated in a 17-year period.

Total employment in the ecozones has exceeded 90,000, while office workers in Bonifacio Global City (BGC) and BPO workers in McKinley Hill have reached an estimated 160,000. Further, tourist arrivals in Clark, John Hay and Poro Point increased to 2,497,374 in 2015 as against 1,926,750 a year ago.

## DEVELOPING NEW GROWTH CENTERS

The 9,450-hectare Clark Green City, BCDA's most aggressive development project, is fast gaining momentum with several agreements signed albeit non-binding, with prestigious international and local organizations. Among BCDA's partners were the Massachusetts Institute Technology (MIT), the International Finance Corporation (IFC), the Home Development Mutual Fund (Pag-IBIG), the University of the Philippines, the DPWH,

Sunray Power, Sindicatum Solar Power (SSR C-Solar Power), and the Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development (JOIN).

For a smoother and faster traffic flow, BCDA signed a Business Agreement with the Manila North Tollways Corporation (MNTC), giving the latter a 28-year concession to manage and maintain Subic-Clark-Tarlac Expressway (SCTEX). This is a strategic move to integrate SCTEX with the North Luzon Expressway (NLEX). The integration of the two expressways will not only offer convenient travel to motorists but will improve commerce and tourism within Central Luzon.

Further, new businesses were created from the disposition of 575 hectares in Clark Green City, in the special economic zones, and in other Metro Manila camps, which yielded Php8.2 billion in cash inflows and Php26.83 billion in investment commitments.

## BCDA CORPORATE IDENTITY AND BRANDING PROGRAM



*The new BCDA logo*

The integration of BCDA and its subsidiaries into the BCDA Group allowed for the evolution of the BCDA brand to reflect the synergy and dynamism of the organization and its people. The BCDA Corporate Identity and Branding Program, spearheaded by the BCDA Public Affairs Department, gave birth to a modern and polished look for a brand that represents creativity, innovation and growth.

The new BCDA logo and the slogan "Building Progress" are symbolic of BCDA's role as a catalyst of development and inclusive growth in the areas where it operates. In each master-planned community and in the construction of major infrastructure, BCDA carefully

considers both the environment and the potential of a development to be self-sustaining—bearing safety, creativity, efficiency, and innovation in mind. BCDA's programs and projects provide for economic success through investment, trade, tourism and added employment, creating new and better opportunities for the Filipino people.

The colors green and blue represent earth and sky—elements of nature which BCDA helps to preserve through the transformation of land into vibrant sustainable communities. The letter "A" in the logo is shaped like a pyramid to suggest stability, as BCDA strives for the progress of a nation. It also stands for "Alpha" which means "the beginning", a powerful quality that BCDA can claim as a pioneer and trailblazer in development projects such as the Bonifacio Global City (BGC) and Newport City, the Subic-Clark-Tarlac Expressway (SCTEX), and Clark Green City. The green sphere in the upper right corner represents inclusive growth in the cities and global communities that BCDA builds as it enriches and enhances the quality of life of its stakeholders.

## STRENGTHENING THE FOUNDATION OF GOOD GOVERNANCE

BCDA continued to improve its internal processes by successfully maintaining its ISO 9001:2008 certification for its Quality Management Systems resulting to improved responsiveness to its stakeholders and compliance with world-class standards in customer service.

Pursuant to Memorandum Circular No. 2012-07 (Code of Corporate Governance for GOCCs) of the Governance Commission on GOCCs (GCG), the BCDA Board adopted the BCDA Manual of Corporate Governance. The Manual aims to actively promote and pursue corporate governance reforms and push for the observance of accountability, transparency and professionalism within the organization. It contains a detailed

duties and responsibilities of the Board to the state and its stakeholder and provides the structure through which the objectives of the corporation are set and the means to achieve these.

In support of this thrust, BCDA executed Performance Agreements with the GCG—assuring the implementation of good governance practices such as the development of the BCDA Code of Conduct and Whistleblowing Policy. This is in compliance with Memorandum Circular No. 76 issued by the Office of the President which urges all government instrumentalities to adopt an Integrity Management Plan.

The BCDA Code of Conduct was approved by the Board in 2015. It contains the organization's Whistleblowing Policy which promotes responsible reporting and disclosure of vital information in response to the detection of fraud, bribery and corruption within the organization.

This policy aims to encourage concerned individuals to testify on matters involving the actions or omissions of the BCDA officers and employees, including the members of the BCDA Board, that are illegal, unethical—violative of good governance principles and entail unhealthy business practices that are grossly disadvantageous to BCDA.

Indeed, BCDA has come a long way since its creation in 1992. It has changed the country's economic landscape through its highly successful public-private partnerships and its adherence to integrity and honest governance. Its contribution to world-class projects—the Bonifacio Global City, the Clark International Airport, the Subic-Clark-Tarlac Expressway, among others, and its new metropolis, the Clark Green City are proof that good governance, competence and ethical leadership will continue to be the key drivers towards economic development.



Clark Green City

# INTEGRATED, SUSTAINABLE, WORLD-CLASS



*Clark Green City is fast rising to be a green, and inclusive city, a "city within a farm" that is also home to resilient, healthier communities.*



*Clark Green City will provide a holistic approach to city living supported by its healthy mix of residential, business, mixed-use and innovation districts.*

The Philippines is Asia's fastest growing economy—and now is the most opportune time for the government to build a city that will not only absorb the growth of the population but more importantly, sustain the momentum of the sterling economic performance that the country is now experiencing.

Taking off from its success in the development of the Metro Manila camps into Bonifacio Global City and the Newport City, BCDA is now duplicating the formula of partnering with the private sector in the development of its 9,450-hectare flagship project in Central Luzon—the Clark Green City. The disposition of the Clark Green City brings to 592.16 hectares the total land area, which paved the way for new businesses. These include the disposition of Metro Manila properties particularly the sale of a 6.72-hectare area and the lease of some 6.39 hectares; and areas within BCDA-administered zones, specifically 291.2-hectare leased land and another 288 hectares through joint venture mode from. These new opportunities yielded a cash flow totaling Php312 million and investment commitments of Php12.5 billion.

Clark Green City, which is located at the Clark Special Economic Zone in Tarlac will serve as the new urban core for innovation, commerce, trade and industry. Clark Green City is envisioned to be the first smart, green and disaster-resilient master-planned community in the Philippines.

As excitement builds for the creation of this new global city, foreign and local investors and partners have started coming in to provide and apply their expertise in urban planning, utilities development and management, and green technologies to ensure that the development of Clark Green City is guided by the key performance indicators of a smart and disaster-resilient metropolis such as efficient resource management, accessibility, effective leadership and governance, diversity and density, economic vibrancy, and disaster resiliency.

# CLARK GREEN CITY

## MASTER PLANNING AND URBAN DEVELOPMENT

In order to integrate best practices around the world in developing Clark Green City's global and green urban infrastructure, BCDA launched two international competitions in 2015.

AECOM, the world's leading master planning firm won the BCDA-initiated open competition for the best optimized design of Clark Green City's Conceptual Master Development Plan.

AECOM's design provides a complete mix of uses. The design creates economic vibrancy and at the same time balances it with natural sustainability. It also includes

the community that would be living in the area and jobs and opportunities that would be created for a new metropolis.

BCDA also hosted an international mixed-income housing design competition dubbed "B.A.L.E. or Building Accessible & Liveable Ecologies." The winning design by I/O Design Collective that stands for the attainment of quality of life, as it is both innovative and inclusive, will be implemented in the Clark Green City housing project.

Further, the BCDA and Home Development Mutual Fund or "Pag-IBIG Fund" forged a partnership to build some 2,000 housing units in Clark Green City. The Memorandum of Understanding signed by the BCDA and Pag-IBIG Fund

will allow the BCDA to develop a suitable and affordable mixed income housing project for the future minimum wage earners employed in Clark Green City.

Under the Memorandum of Understanding (MOU), Pag-IBIG Fund shall extend an institutional developmental loan to BCDA in accordance with its existing housing loan policies and guidelines for the construction of the proposed mixed income housing project. Pag-IBIG Fund will also provide assistance to the BCDA for the marketing of the housing units for qualified renters.

The BCDA on the other hand shall allocate a parcel of land for the development of the project. It shall identify and determine the criteria for the qualifications of renters



*Global expert AECOM wins the international competition for the Design Optimization of the Masterplan of the Clark Green City.*



*Finalists present their designs to the BCDA top management and esteemed expert judges from all over the world.*



*The winning mixed-income housing design for Clark Green City is by I/O Design Collective.*

and shall also be responsible for the design of the mixed-housing project.

Development of Clark Green City will soon take shape as property developer giant Filinvest Land Inc. has been awarded the right to become BCDA's joint venture partner in the development of a 288-hectare property within the emerging metropolis. Filinvest is the lone proponent that submitted a valid bid for the development premium in the amount of One Hundred Sixty Million Pesos (Php160,000,000.00) payable upon signing of the contract.

The partnership will be in the form of a Joint Venture Corporation (JVC) to be owned forty-five percent (45%) by BCDA and fifty-five percent (55%) by Filinvest. The term of the Joint Venture Agreement (JVA) is 50 years renewable for another 50 years.

The University of the Philippines also signed an MOU with BCDA for the establishment of a UP Clark Green City campus on a 70-hectare area. As the first locator in Clark Green City, the UP global campus will play a vital role in jump-starting the Innovative and Academic District in the rising metropolis.

Access to the Clark Green City is currently being improved to pave

the way for future developments in the new metropolis. The BCDA together with the Department of Public Works and Highways is now building the main access roads leading to Clark Green City—the MacArthur Access Road and the Clark-Bamban-Capas Access Road Projects.

As a rising global metropolis, Clark Green City sets a new trend in green development. It will be a showcase reflecting BCDA's commitment to address the effects of climate change and global warming, with renewable energy as one of its major features. In pursuit of this, BCDA signed an agreement with Sunray Power Inc. (SPI) for the lease of a 260-hectare area in Clark Green City where an Php11.8 billion 100-megawatt solar power facility will be built within 2 years. BCDA earlier signed a lease agreement with SSR C-Solar Power Inc. for a solar energy farm capable of generating 20 megawatts of electricity.

## INTERNATIONAL PARTNERSHIPS FOR DEVELOPMENT

### Japan

The Government of Japan (GOJ) through the Japan Overseas Infrastructure

Investment Corporation for Transport and Urban Development (JOIN) forged a cooperation agreement with BCDA to help the Aquino Administration develop and build Clark Green City as a major economic center in the ASEAN bloc.

BCDA and JOIN, a Japanese government corporation created by the Japanese Parliament represented by its President and CEO Takuma Hatano, will lead the formation of joint venture partnerships to ensure the development of Clark Green City. JOIN is a Japanese government corporation that aims to invest and participate in transport or urban development projects, involving Japanese companies, such as bullet trains, airports, and green cities. Its target investment worldwide is Y30 trillion by 2020.

The involvement of JOIN is expected to lead to multiple joint venture partnerships that will serve as a vehicle for the formation of Japanese consortium and investments in the field of power, transportation, tollways, industrial zones and economic centers.

The Memorandum of Cooperation involves the collaboration of both the BCDA and JOIN to craft a Project Implementation Framework to ensure the economic, financial and commercial



President Aquino witnesses MOU signing between French business organization, Vivapolis, represented by Michèle Pappalardo and BCDA.

viability of building and operating the government project.

Department of Public Works and Highways (DPWH) Secretary Rogelio Singson and the Government of Japan Minister for Land, Infrastructure, Transport and Tourism Akihiro Ohta witnessed the signing of the Memorandum of Cooperation.

## France

Further, President Benigno S. Aquino III witnessed the signing of a Memorandum of Understanding (MOU) between BCDA and Vivapolis France to foster technical cooperation in the development of Clark Green City. The cooperation will promote sustainability, innovation, disaster resiliency, enterprise development and host of other technological expertise, including finding financial solutions for any of Clark Green City's projects. Vivapolis is the biggest group of French companies under the French trade industry engaged in sustainable urban development. It will be a platform for European companies to engage BCDA in the development of this new global city.

Under the MOU, BCDA and Vivapolis will establish a Technical Cooperation Committee that will explore potential collaborative opportunities in relation to sustainable urbanization, and the development of an ecosystem that will mobilize and devise synergies to create innovation and providing business opportunities for Clark Green City.

## Sweden

BCDA has also signed an MOU with the Swedish government and two private firms to pursue cooperation, promote green sustainability, inclusive growth, innovation enterprise development, sustainable city-planning, eco-governance, infrastructure and utilities, energy, clean technology, products and solutions, information technology and smart development, sustainable resource

management, waste management and recycling, and training and education, among others.

The Swedish entities are IVL Swedish Environmental Research Institute (IVL), a foundation jointly owned by the Government of Sweden and Swedish industry; ElectriCITY, a non-profit organization composed of major companies operating in Sweden; and Ceric AB, a company that specializes in providing business consultancy services for small and medium enterprises.

## SOCIAL DEVELOPMENT

In pursuing its vision of building a modern eco-friendly and sustainable metropolis, BCDA will provide adequate facilities for the well-being of its human resources while establishing a friendly relationship and a supportive role in the community where it operates.

Clark Green City aims to provide a wholesome environment and a holistic approach to healthy living. BCDA signed an MOU with UK-based firm M Health Limited

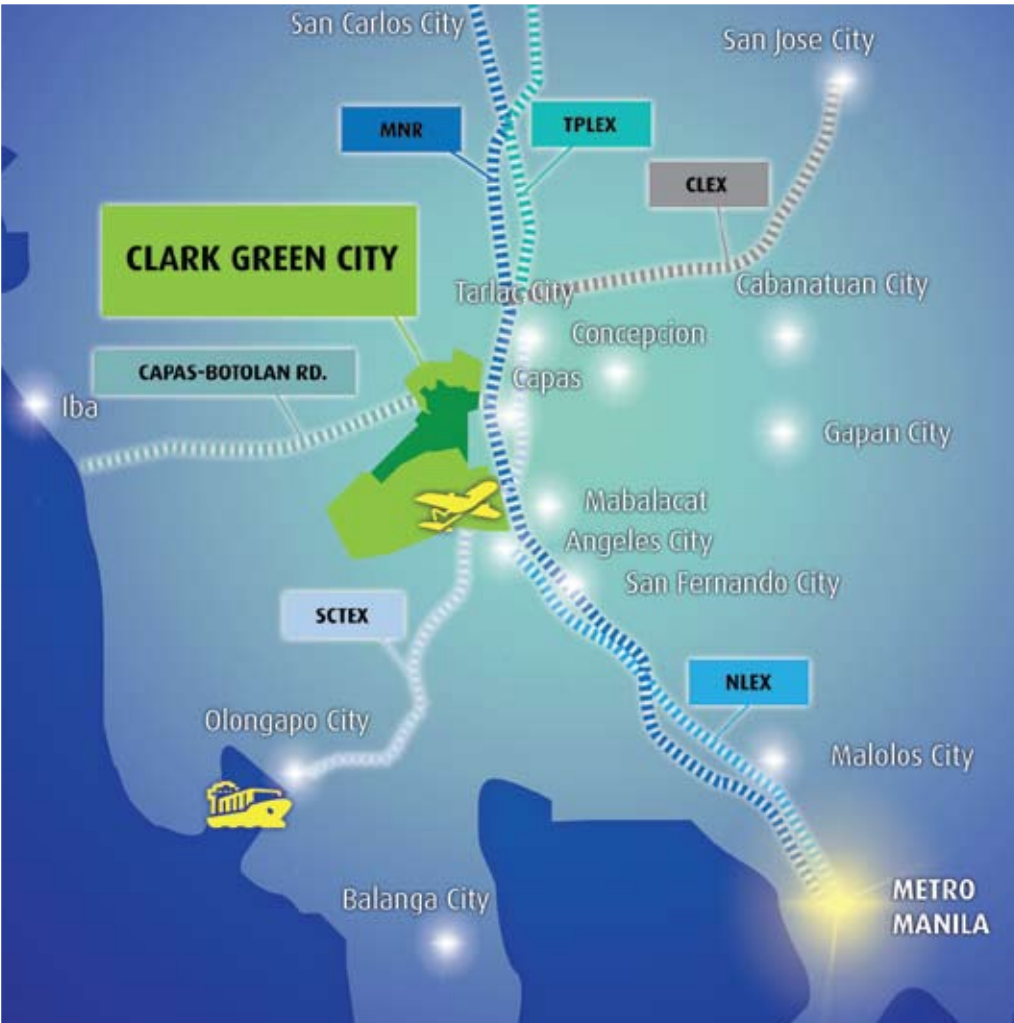


*BCDA representatives sign MOU with the Swedish government and Swedish private firms in pursuing green sustainability projects.*



*DPWH Secretary Rogelio Singson and Government of Japan Minister of Land, Infrastructure, Transport and Tourism Akihiro Ohta witness the cooperation of BCDA led by Mr. Casanova and JOIN, represented by its President Takuma Hatano.*





to conduct a study that will incorporate social health in the development of a 160-hectare area in Clark Green City.

The development will be mainly residential, combined with retail, leisure, educational and other community facilities. The undertaking will promote health and well-being in Clark Green City, with integrated care programs and supportive elderly care.

### ECONOMIC BENEFITS

The development of Clark Green City will bring huge benefits for the country—stimulating a diversity of economic activities in Central Luzon. It will serve as a viable alternative for the transfer of other key industries in the region to decongest Metro Manila.

At full development, Clark Green City will have some 1.12 million residents, 800,000 workers and contribute a gross output of approximately USD34 billion per year to the national economy or roughly four percent share in the country’s Gross Domestic Product (GDP).

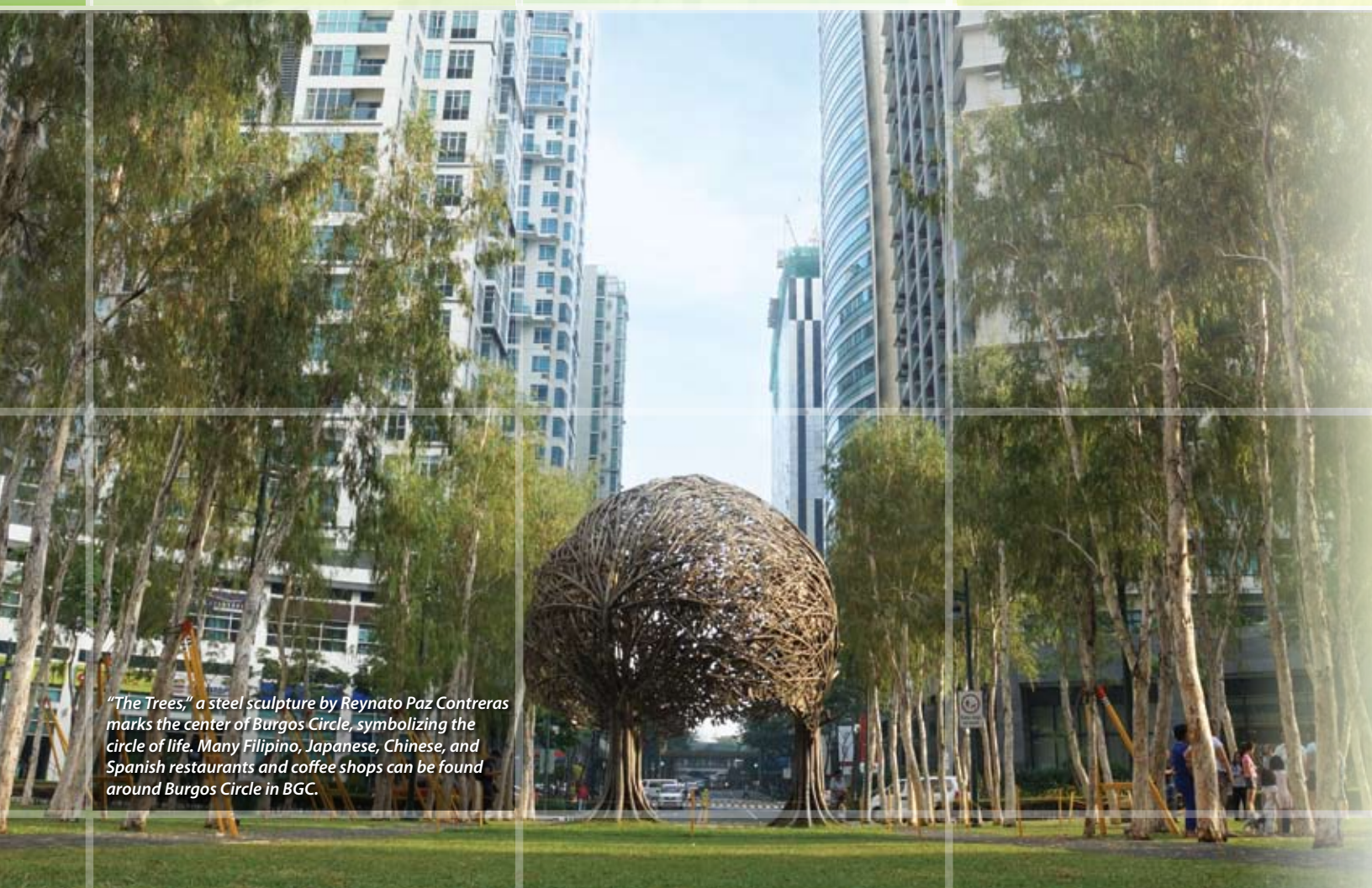


Asset Privatization

**BUILDING**

**PILLARS,**  
**CREATING**

**WEALTH**



*"The Trees," a steel sculpture by Reynato Paz Contreras marks the center of Burgos Circle, symbolizing the circle of life. Many Filipino, Japanese, Chinese, and Spanish restaurants and coffee shops can be found around Burgos Circle in BGC.*



*Bonifacio High Street is a mixed-use development in Bonifacio Global City, located near Ayala Land's Serendra, Market! Market! The mall offers a wide range of high-end retail shops, restaurants, and amenities for leisure and entertainment.*

Since 1993, BCDA generated a total of Php72 billion in revenues through its Asset Disposition Program (ADP). BCDA's largest beneficiary is the Armed Forces of the Philippines (AFP) which received a total of Php28.5 billion in modernization funds. The amount comprises of Php17.1 billion earmarked for the modernization of the AFP and Php11.4 billion for the replication of military facilities affected by the transformation of former camps into economic districts for civilian use.

Supporting BCDA's mandate, the program has realized substantial revenue share for 14 government beneficiary agencies with an aggregate amount of Php7.8 billion to date. These beneficiary agencies provide vital public services for housing, education, social welfare, health insurance, and justice administration.

Further, BCDA has contributed significantly to the country's internal revenue collection. The taxes paid arising from asset disposition proceeds and real estate holdings reached Php6.3 billion for the past 22 years.

In generating revenues for the country, BCDA is guided by its mandate, Republic Act 7227 or the Bases Conversion and Development Act of 1992. Through the years, BCDA has changed Metro Manila's landscape, particularly through the accelerated conversion and development of Fort Bonifacio and Villamor Air Base, with the rise of the world-class Bonifacio Global City (BGC) and several prime township developments like McKinley Hill, McKinley West and Newport City.

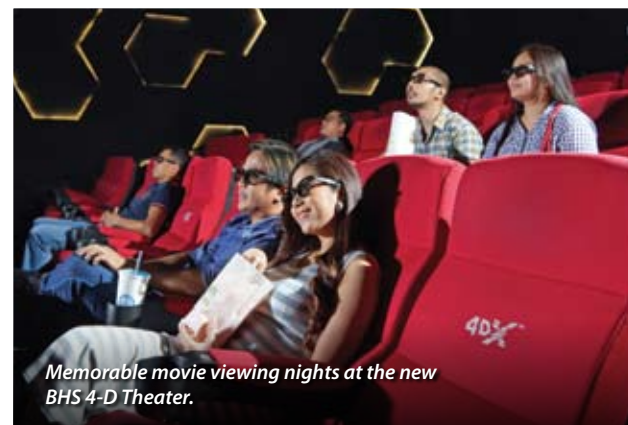
# ASSET PRIVATIZATION



*BGC, a former army camp, is now a revenue generator for the AFP modernization program.*



*Young urban professionals enjoy a unique shopping experience at the Bonifacio High Street (BHS) Centrale.*



*Memorable movie viewing nights at the new BHS 4-D Theater.*

With the optimized urban space, massive urban developments continue to take shape inside the premier residential and business address.

Currently, the Philippines is one of the fastest growing economies in Asia with 5.8 percent growth in Gross Development Product (GDP) and a growth forecast of 6 percent in 2016, according to the Asian Development Bank. We are ranked 52nd globally out of 144 countries in competitiveness rankings cited in the World Economic Forum—improving in areas of transparency, governance and ease of doing business. The steady rise continued through the years, from a rank of 75th in 2011.

As a government corporation with a mandate of privatization and investment generation, BCDA helps steer the country to a solid growth path. Through its commitment to responsible stewardship, ethical business practices, and prudent asset management forged through sound partnerships with real estate leaders in the private sector,

BCDA is harnessing the vast potentials of the former military assets thereby contributing the much needed resources to support the country's economy.

## BONIFACIO GLOBAL CITY

Bonifacio Global City (BGC) in Fort Bonifacio is a dynamic Central Business District in Metro Manila. A vibrant and modern metropolis, it continues to attract a growing influx of investors, making it a template for the agency's development efforts. This means that great opportunities for replicating the successful and vibrant districts and townships within BGC are opening up allowing BCDA to extend development initiatives outside Metro Manila.

Once the value of these areas is unlocked, BCDA will continue to stimulate economic activities all over the country and persevere in raising funds for the AFP Modernization Program.

## Integrated Urban Districts

Among urban developments showcased in BGC are projects resulting from the sound partnership between BCDA and the consortium of real estate leaders led by Ayala Land, Inc. and the Campos Group's Evergreen Holdings, Inc. Prime integrated township projects of Megaworld Corporation include McKinley Hill, McKinley West, and Uptown Bonifacio. Federal Land's Veritown Fort is also taking shape as a premier hotel and residential address, with the six-star Grand Hyatt about to open.

Known as the "Home of Passionate Minds," BGC showcases at present 2.3 million square meters of residential space, 1.6 million square meters of office spaces, 700,000 square meters of retail/entertainment space and 300,000 square meters of institutional areas, totaling a gross floor area of five million square meters. Real estate services firm, KMC MAG Group, reported that BGC's vacancy rate for office space rose to 2.6 percent in the third quarter



*Kidzania is the newest educational destination for kids at BGC.*



*Public art parks for the young and old at BGC.*

of 2015 from 1.3 percent in the previous quarter. Office space is expected to double within the next three years, to accommodate sustained demand from the Information Technology-Business Process Outsourcing (IT-BPO) sector. In 2015, Ayala reports that it has opened 17,000 square meters of office space at Bonifacio Stopover on 31st Street, aside from the BGC Corporate Center.

As of end-2015, BGC posted a property yield of 6 percent, surpassing that of the Central Business Districts (CBDs) of Makati with 5.5 percent and Ortigas' 4.4 percent—according to KMC MAG. Over half of this Gross Floor Area (GFA) is residential, which only shows the growing preference for the urban center as a place to live in. Colliers International reported that residential occupancy levels improved in Fort Bonifacio with vacancy rates at seven percent. Occupancy, however, is expected to decline as new residential units open.

In Fort Bonifacio, condo stock is set to rise by nearly 20 percent. Among these

are Alveo Land's luxury residential tower Park Triangle Residences, the Sequoia Tower at Two Serendra, the West Tower at One Serendra, the two-tower Avida Towers Turf and the five-storey Park West of Federal Land located at the northside of BGC.

As a premier development hub, BGC is a known host to prestigious landmarks such as the iconic residential condominium project Serendra, forged jointly by BCDA with Ayala Land in 2003. As of end-2015, Serendra generated a cumulative revenue of Php5.1 billion. On the other hand, lease payments of Ayala Land's retail mall, Market! Market!, summed up to Php3.3 billion. Just for this year, the disposition proceeds from Serendra and Market! Market! were Php797 million and Php257 million, respectively.

Bonifacio High Street (BHS) is another landmark in BGC. This mall with its unique design features for a pleasant shopping, dining, and recreational experience completes one kilometer of

shopping from the east-west axis of BGC. It now extends to the High Street South Block which features a park, enhancing pedestrian connectivity in BGC.

The newest commercial destination that will delight the next generation is Kidzania, which is nestled within an 8,000 square meter play space at the Park Triangle area. Described as the "ultimate role-playing environment," it opened last August and is expected to help youths aged 4-14 through education and entertainment. Kidzania is located in 22 countries around the world. These include Mexico, Brazil, Chile, Egypt, India, Indonesia, Japan, Kuwait, Malaysia, Philippines, Portugal, Qatar, Russia, Saudi Arabia, Singapore, South Korea, Thailand, Turkey, United Arab Emirates, United Kingdom, and the United States.

With around 120,000 people going to BGC daily, and the high acceptability of BGC spaces, investments into BGC and the jobs to be generated will continue their upward

# ASSET PRIVATIZATION



President Aquino lays down the time capsule for the new Supreme Court complex at BGC. With him are Chief Justice Lourdes Sereno and BCDA President Arnel Casanova.



BCDA paves the way for the rise of the University of the Philippines in BGC. (Photo credit: Misael Bacani of the UP System Information Office)



The Mind Museum has hosted over 900,000 visitors since 2012. (Photo credit: Mind Museum)

trend in the future. BGC has an estimated 12.1 million-square meters of developable space at full development. With at least 41 percent completed so far, more iconic buildings are certain to rise. Among these are the 500-seater Maybank Performing Arts Center, Megaworld's One Uptown Residence at the North Bonifacio District, the 36-storey High Street South Corporate Plaza and the 250-meter high hotel—the six-star Shangri-La at the Fort.

BGC currently has a daily population of at least 71,000 office workers, 2,500 hotel guests, 10,000 business guests, 9,000 students, 1,500 museum visitors, and 45,000 visitors of the North Bonifacio district. It has a bus transit ridership of 44,000 per day, up from 32,800 in 2014.

## Institutions of Excellence & Heritage Landmarks

One of the biggest developments for the year is the groundbreaking of the new building of the Supreme Court of the Philippines within the Fort Bonifacio property, led by President

Benigno Aquino III and Chief Justice Maria Lourdes Sereno. The 21,463-square meter property was purchased by the Supreme Court through the Department of Budget and Management (DBM) at a cost of Php1.28 billion from BCDA. The full transfer is expected in 2019.

With a vision focused on building a meaningful community, BGC is also home to highly reputable international institutions of learning such as the Manila Japanese School, British School Manila, International School Manila, Systems Technology Institute (STI), Every Nation Leadership Institute, and Everest Academy, Inc. Leased areas where these schools stand reaped Php116 million this year.

The UP Professional Schools now has its notable presence in BGC—rising on a BCDA-donated 4,300-square meter area. UP offers graduate courses in law, business administration, statistics, engineering, and architecture, including open university courses and other continuing education courses and seminars.

The De La Salle University has also established a graduate school that offers courses in business administration and law. It stands on a 1,395-square meter property leased for Php17 million in 2015.

The popular Mind Museum located within an area of 12,500 square meters, is a world-class, interactive, science educational institution that has hosted over 900,000 visitors since its launch in 2012. It has received various international citations such as the Thea Award for Outstanding Achievement and a gold-level certification from the Leadership in Environment and Energy Design (LEED).

Fort Bonifacio also unravels a military defense strategy with an underground secret passage that is worth preserving—the Bonifacio War Tunnel. Built by Americans in 1941, its original length stretches 2.2 kilometers beneath Makati's Pembo, East Rembo and eastern BGC. Today, a 730-meter segment remains intact and is envisioned to be a museum and tourist site that complements Fort Bonifacio's rich historical heritage.

## FORT BONIFACIO TOWNSHIPS

Fort Bonifacio is also home to integrated township projects by Megaworld Corporation, such as the 34.5-hectare McKinley West, the 24.6-hectare McKinley Hill, the five-hectare Forbestown Center, and the 15.6-hectare Uptown Bonifacio—a new vibrant district which features world-renowned food establishments, an upscale mall, and late night destinations for rest and recreation. In 2015, McKinley West was declared as a Special Economic Zone by the Philippine Economic Zone Authority (PEZA).

For the year, Megaworld announced a spending of Php20 billion for its 12 office towers in Fort Bonifacio.

## MASTERPLANNED COMMUNITIES

### McKinley West

The joint venture agreement between BCDA and Megaworld in 2010 is transforming 34.5 hectares of the former JUSMAG area along Lawton Avenue into a premier township called, McKinley West. Its township concept involves the development of the property into a mixed-use complex with residential, office, and commercial blocks. With BCDA contributing the land to the joint venture, Megaworld, for its part, committed to invest Php22 billion over 20 years and more than Php23 billion in revenues.

Upon signing of the agreement, BCDA received Php1.5 billion upfront in advance revenues, in addition to the guaranteed annual share of Php873.4 million as contained in the accord. Furthermore, Php700 million was spent for the replication of the AFP Housing Facilities to enable the development of the JUSMAG area in Fort Bonifacio.

Upon full build-out, it will offer 98,000 square meters of premium office spaces, 285 residential lots, an international school, among others. As of end-2015, the joint venture has generated for BCDA Php6.6 billion in cumulative revenues.

### McKinley Hill

In 2015, the McKinley Hill project fetched Php147 million in BCDA's share from its revenues, thus exceeding the guaranteed annual minimum of Php118 million under the joint venture agreement with the Alliance Global Group, Inc. To date, the joint venture has generated a total of Php3 billion for BCDA. It is accredited by PEZA, which means that it offers various incentives to BPO companies locating in its more than 17,000 square meters of prime office space within the project.

One of the buildings, 8 Campus Place, is Megaworld's first LEED gold-certified building for BPOs in McKinley Hill. It is the home to Wells Fargo, an international



*Valkyrie, a new night spot at Uptown Bonifacio (Photo credit: Megaworld Corporation)*



*McKinley's Piazza offers the Venetian experience with its gondola.*



*McKinley West will showcase 285 residential lots to cater to residents of the township development.*

# ASSET PRIVATIZATION

diversified financial services company that has three operating segments—community banking, wholesale banking, and wealth and investment management. It currently employs over 80,000 employees at its McKinley Hill office.

The residential area of McKinley Hill offers 34 residential condominiums, 482 residential lots, 15 office buildings, four embassies and three international schools. Among themed residences are the upscale McKinley Hill Village, the Italian-themed Tuscany Private Estates, and the mid-rise Garden Villas.

McKinley Hill covers 24.6 hectares which BCDA contributed to the joint venture, while Alliance Global Group, Inc. (AGGI) committed to invest a minimum of Php2.06 billion for its development. BCDA's share in the project comes from the sale or lease of residential and condominium units.

## NEWPORT CITY

At the former Villamor Air Base is BCDA's contribution to the country's tourism industry. Newport City, a Php7.64 billion township development, sits across from the Ninoy Aquino International Airport Terminal 3. It is the country's first 24/7 integrated leisure and entertainment center. The 25-hectare center showcases state-of-the-art hotels and a world-class entertainment complex called Resorts World Manila. It houses the Travellers International Hotel Group, Inc.—a partnership between Megaworld and Genting Hong Kong.

In October, Megaworld opened a new business class hotel—the 480-room Newport Belmont Hotel. It is a fourth addition to the six-star Maxims Hotel, the Marriott Hotel and the Remington Hotel. The Marriott Grand Ballroom, also launched in 2015, can accommodate 2,500 people for various functions and 4,000 people for theater-style entertainment.

Currently Newport City hosts, not just the massive Resorts World Manila, but also Asia Pacific's leading cruise line



*Various functions, such as the League of Barangay Congress were held at the premier Marriott Grand Ballroom this year. (Photo credits: Marriott Hotel Manila)*

operator—Star Cruises Ltd, BPO firms at the Cyberpark and residences such as the Residential Resort, the Parkside Villas and the 150 Newport Boulevard.

As of end 2015, the disposition and development of Newport City yielded almost Php2.7 billion, consisting of Php1 billion in JV proceeds, Php307 million in sales proceeds, and the Php1.298 billion used to bankroll the replication of Philippine Air Force (PAF) facilities and community facilities at Villamor Air Base. Investments in Newport City are expected to reach Php50 billion.

## OTHER PROPERTIES IN FORT BONIFACIO

The Bonifacio South Pointe is a 33.1-hectare project of BCDA intended for a mixed residential, commercial, recreational, and civic or institutional development. The property is now the subject of legal proceedings awaiting final resolution, which is being contemplated to yield the optimum benefit to the government and the AFP Modernization Program.

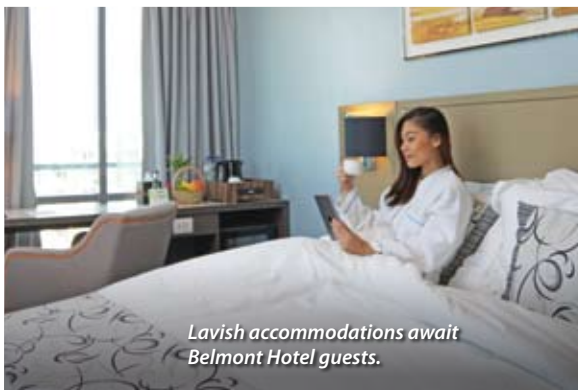


*Belmont Hotel, a new business class hotel, opens in Pasay City*





*Photo credit: Resorts World Manila*



*Lavish accommodations await Belmont Hotel guests.*



*Newport City opens to a perfect vacation hideaway amidst the bustling city, nestled across from NAIA Terminal III and the Villamor Air Base Golf Course.*

In addition, BCDA collected some Php1.5 billion from the partial proceeds of the Fort Bonifacio Development Corporation's (FBDC) developments in the North Central Business District (NCBD) parcels located north of BGC in Taguig. Also, North Bonifacio district, a 25-hectare property, jointly owned by the Metrobank Group of Companies, BCDA, and FBDC was master-planned in collaboration with Federal Land, Inc. in line with the design concept of BGC.

Furthermore, BCDA owns a substantial inventory of Heritage Park Investment Certificates (HPICs) as its share from the development of the upscale memorial park within Fort Bonifacio. By end-2015, BCDA through its subsidiary, the BCDA Management & Holdings, Inc. (BHMI), had sold Php47.185 million in new memorial products in the form of HPICs to third-party buyers. BCDA still holds Php450 million worth of investment certificates available for sale to the market.

## EXPANDING THE DEVELOPMENT OF MILITARY CAMPS AND BASELANDS

Republic Act No. 10349, or the Revised AFP Modernization Act of 2012, opens up windows of opportunities for BCDA, giving it the authority, as the corporate arm of the AFP and the Department of National Defense (DND), in the disposition and development of camps not covered by RA 7227 (the BCDA charter). The new law also extends the AFP's modernization program for another 15 years, aimed to boost the country's external defense capability.

The DND-AFP has identified nine military camps for masterplanning. These camps cover more than 125,000 hectares combined, a massive landholding whose disposition and development can swell the funding for the AFP's modernization effort as well as stimulate economic activities all over the country.

BCDA welcomes the opportunity to replicate the successful development of BGC, Newport City, and McKinley Hill in other camps.

Stakeholder Engagement

# UPLIFTING PEOPLE, EMPOWERING COMMUNITIES





*Our Philippine Navy during their 17th Governance Forum where BCDA President Arnel Casanova reports on the Role of BCDA in the AFP Modernization Program. In attendance is Flag Officer In Command Jesus Millan (2nd from right).*

The mission of BCDA, as laid down by its mandate, is to help build a strong nation and bring prosperity to all Filipinos. Its Corporate Social Responsibility (CSR) advocacies are focused toward that goal—achieving inclusive growth. Its various development projects are rooted in protecting the welfare and further improving the lives of people in the communities where BCDA and its subsidiaries operate.

Consistent with this CSR philosophy is the BCDA's two-pronged approach to deliver services to its stakeholders, to with:

- People-oriented projects geared toward improving life in communities and benefiting targeted stakeholders affected by BCDA development projects. Its objectives are succinctly encapsulated in its *"Yaman at Kaalaman Alay sa Kapwa"* (YAKAP) program.
- Environment-oriented activities for the protection, preservation and sustainable use of natural resources in project areas, which is appropriately expressed in *Kalinga sa Kalikasan para sa Kabuhayan* (KKK) program.

The extent of BCDA's CSR activities goes far beyond its considerable financial support to beneficiary agencies and contiguous cities and municipalities.

## STAKEHOLDER ENGAGEMENT

Last April 30, BCDA and the Philippine National Red Cross conducted a blood-letting activity where BCDA employees and personnel from BCDA's security service providers volunteered to donate blood.

On several occasions, the BCDA personnel initiated a clean-up drive in Pamayanang Diego Silang, Taguig City to encourage residents in the area to adapt a culture of cleanliness and orderliness.

In October 2015, BCDA donated rice and canned food worth Php300,000 to communities affected by Typhoon *Lando*, which wrought heavy damage in Luzon including Tarlac. The turnover of relief goods was facilitated by the Provincial Social Welfare and Development Office. This was followed by the dental, optical and medical mission in Brgy. Planas, Porac, Pampanga on November 12, 2015.

To help improve the quality of dental services being provided by the Philippine Navy to its officers, men, women and dependents, the BCDA Board approved in November 2015 the Deed of Donation to the Philippine Navy Dental Dispensary of six (6) dental chairs valued at Php1.32 million.

Recognizing the need to educate and inform the members of the AFP about the role of BCDA in the AFP Modernization Program, its contribution to nation building, and how its various projects help uplift the lives of the people in its project areas, BCDA is continuously collaborating with the AFP in its effort to engage the men and women in uniform. Through the AFP Forum, BCDA top management are able to achieve the above-mentioned objectives and at the same time measure, through a survey questionnaire, the soldiers' level of awareness and understanding about BCDA and its performance under its mandate. Since 2011 up to November 2015, BCDA had initiated a total of 12 fora as enumerated below:

- Camp Aguinaldo for DND-AFP Metro Manila-based Public Information Officers (August 2011)

- Antipolo, Metro Manila for AFP Regional Public Information Officers (September 6-7, 2012)
- 3rd Infantry Division, Camp Peralta in Jamindan, Capiz (October 11-12, 2012)
- Eastern Mindanao Command in Camp Panacan, Davao City (November 6-7, 2012)
- Central Command in Camp Lapu-Lapu, Cebu (March 18-19, 2013)
- 9th Infantry Division, Camp Elias Angeles, Camarines Sur (July 4-5, 2013)
- Western Command in Camp Artemio Ricarte in Puerto Princesa, Palawan (January 30-31, 2014)
- North Luzon Command in Camp Servillano Aquino, Tarlac (September 9, 2014)
- Philippine Army Forum, PA Headquarters (October 16, 2014)
- Southern Luzon Command in Camp Guillermo Nakar, Lucena Quezon (April 20, 2015)
- Philippine Navy Governance Forum (November 25, 2015)
- 4th Infantry Diamond Division, Cagayan de Oro (November 26, 2015)

Another project is the *Sundalo Ko, Bayani Ko* (SKBK) project, a joint CSR Project between BCDA, and its private partners—FBDC, Ayala Land, Inc. (Serendra, Bonifacio Hight Street), and Station Square East Commercial Corporation (Market! Market!)—for the benefit of the Armed Forces of the Philippines. It is a concrete response to “give back” to 125,000-strong Filipino soldiers and their dependents. It aims to provide assistance by making available promos, discounts, privileges, or other similar offerings on purchases made and services availed by soldiers from participating establishments in BGC.

In support of BCDA's “Greening SCTEX” program, BCDA, in collaboration with the Tollways Management Corporation (TMC) conducted tree-planting activities along the expressway with 2,000 seedlings planted in July, and another 2,000 seedlings



*BCDA conducts dialogues with affected farmers of the Clark Green City project.*



*BCDA personnel deliver relief goods to affected Tarlac communities after Typhoon Lando.*

in August. Again, in November, 2,000 seedlings were planted in cooperation with Jollibee Foods Corporation.

The SCTEX Services Department also carried out a Dental, Optical, and Medical Mission last May for the health and well-being of people in the communities adjacent to SCTEX.

In the same month, BCDA partnered once more with the TMC, Meralco Foundation, Philippine Air Force, and NLEX Road Warriors professional basketball team to hold a basketball tournament participated in by players coming from the different communities around the expressway. Nine teams joined the tournament from different barangays with Barangay Atlu Bola crowned as champion.

In August, BCDA and the Morong Power and Water Corporation (MPWC) forged an agreement for the latter to lease a 4,500 square meter lot in the Bataan Technology Park to establish a water treatment facility and supply potable water to the town of Morong, Bataan and the Subic Water Sewerage System. Currently, no water treatment facility serves Morong. Water comes mainly from deep wells. Others tap water from springs, rivers and from individual rain catchments.

The availability of affordable potable water for everyone will not only provide safe drinking water but will serve as a

catalyst to jumpstart micro, small and medium businesses and generate income.

## SUBSIDIARY INITIATIVES

Clark Development Corporation (CDC) consistently engaged with its stakeholders through the conduct of CSR projects for the underprivileged youths, community entrepreneurs, persons with disability (PWD) and indigenous peoples. Among its notable projects were the conduct of a jobs fair exclusive for the PWDs and the indigenous members of our community and the Specialized Training and Employment Program for the Underprivileged Persons (STEP-UP) which provided skills training for youths through vocational courses that meet employment demands of locator companies within the zone. Further, CDC actively joined the Department of Education (DepEd) and their partners in carrying out *“Brigada Eskwela”*—providing school equipment and financial assistance for construction of school facilities.

On the other hand, the Poro Point Management Corporation (PPMC) pursued community projects that improved the quality of life of communities through its PPMC HELPS (health, education/ environment, livelihood program and strengthening linkages) program.

Its initiatives, done in cooperation with the local government, civil society organizations and private companies, include the LOGOS Hope Offshore Project which provided safe and clean drinking water for residents of Bauang, La Union. Another project is the *“Love Mother Earth Coastal Clean-Up”* which rendered a successful clean up of the San Fernando Bay through the help of the Philippine Navy, Philippine Coast Guard, Philippine Air Force and zone barangay volunteers.

The John Hay Management Corporation (JHMC) sought to uplift the education of less fortunate children in barangays within the John Hay Reservation Area (JHRA) by submitting to DepEd a Road Map for the Infrastructure Development of DepEd Schools within the JHRA. Aside from participating in the DepEd’s *Brigada Eskwela* program for three schools, JHMC with BCDA implemented a six-month feeding program for 227 students of the Hillside Day Care Center and the Happy Hollow Elementary School. It also pursued the *“Silahis ng Pasko”* program in cooperation with the National Correspondents Club of Baguio to help children under the care of the Department of Social Welfare and Development.



*Hillside Day Care Center and Happy Hollow Elementary School benefited from a 6-month Feeding Program provided by the BCDA and JHMC.*



*PPMC initiated a “Love Mother Earth Coastal Clean-up” activity wherein partner agencies inside the zone such as the Philippine Navy, Philippine Coast Guard, Philippine Air Force and PPFZ rendered service for a clean environment along the San Fernando Bay.*

Infrastructure Development

# SETTING THE WHEELS OF PROGRESS IN MOTION





In today's fast-changing world, mobility is the name of the game. To a large extent, a nation's economic growth hinges on its capability in moving people, products and services safely and swiftly through a strategic network of roads, mass transport system and other infrastructures.

## **SCTEX BUSINESS AGREEMENT**

The year 2015 proved to be a milestone year for the biggest infrastructure project of the Bases Conversion and Development Authority (BCDA), the Subic-Clark-Tarlac Expressway (SCTEX), with the approval by President Benigno S. Aquino III of the Supplemental Toll Operations Agreement (STOA) among BCDA, Manila North Tollways Corporation (MNTC) and the Toll Regulatory Board (TRB) on October 16, following the conduct of a price challenge for the rights, interest and obligations in the management, operation and maintenance of the 94-kilometer toll road.

The approval of the STOA formally granted MNTC the concession to manage, operate and maintain the SCTEX for the next 28 years until October 30, 2043. Under the SCTEX Business Agreement, MNTC shall be responsible for the management services, toll collection, traffic safety and security management, toll road and facilities maintenance, including greening and landscaping, public relations and marketing, and all necessary support services. The agreement also includes the payment of concession fees equivalent to 50 percent of SCTEX gross toll revenues.

# INFRASTRUCTURE DEVELOPMENT

Earlier in February, Philippine President Aquino and French President Francois Hollande witnessed the ceremonial signing of the SCTEX Business Agreement between BCDA and the MNTC held at the Malacañan Palace. French firm EGIS Projects SA owns 10 percent of MNTC and is part of the consortium that will provide the toll equipment for the upgrading of the SCTEX systems. Metro Pacific Investment Corporation (MPIC) and MNTC Chairman Manuel Pangilinan signed on behalf of the MNTC while the BCDA was represented by its President and Chief Executive Officer Arnel Paciano Casanova.

During the signing ceremonies, the MNTC turned over a check worth Php3.5 billion to the BCDA. Under the SCTEX Business Agreement, an upfront cash in the amount of Php3.5 billion is payable upon the signing of the agreement.

The said Agreement is in itself a benchmark for other Public-Private Partnership (PPPs) projects to replicate. The SCTEX is a viable government project that is seen to generate some Php275 billion pesos in revenues under the 28-year contract period. Of this amount, 50 percent or Php137 billion will be the

share of BCDA which will be used to pay the Php25 billion JICA loan used to build the SCTEX. The remaining revenues will be used to fund future government programs and projects for the benefit of the Filipino people.

The signing of the agreement also means that motorists will soon begin to enjoy a travel experience to the north and back mirroring the North Luzon Expressway (NLEX) experience in SCTEX. The management, operation and maintenance of the road and its facilities, the brand of customer service available, and the world-class technology used in NLEX will all be extended to the SCTEX. MNTC is the concessionaire of the NLEX.

BCDA formally turned over the SCTEX to the MNTC on November 5, 2015 in a simple ceremony held at the SCTEX Toll Operations Center Building. During the ceremonial turnover, BCDA President and Chief Executive Officer Arnel Paciano Casanova presented to MNTC President and CEO Rodrigo Franco the SCTEX flag that symbolically recognized MNTC as the private sector concessionaire of the SCTEX for the next 28 years.

In 2015, gross toll revenues were at Php1.45 million, a 22 percent increase

from 2014 revenues amounting to Php1.18 million. Traffic increased by 18 percent, yielding 13 million vehicles, up from 11 million vehicles in 2014. The average daily traffic posted in 2015 was at 37,657 vehicles, compared to 32,046 daily traffic a year ago.

## NLEX-SCTEX INTEGRATION

In January 2015, the BCDA and MNTC signed the NLEX-SCTEX toll integration agreement that involves the conversion of separate NLEX and SCTEX toll collection systems into a single system that should allow for more efficient toll collection and faster traffic flow.

The toll integration, which is expected to cost some Php650 million and will be shouldered by MNTC, will improve lane throughput to 800 transactions from 200 transactions per hour.

With the integration of the NLEX and SCTEX, the queuing of vehicles at the SCTEX Mabalacat Toll Plaza will be a thing of the past. The toll booths will be removed allowing vehicles to experience one seamless journey from the NLEX to the SCTEX and vice versa.



*French President Francois Hollande and Philippine President Aquino witnesses the signing of the SCTEX Business Agreement between MNTC Chairman Manuel Pangilinan and BCDA President Casanova.*



*The SCTEX not only offers seamless travel but a breathtaking view of Mt. Tagapo (Mt. Susong Dalaga) located at the Rizal Province.*





*Signing of the NLEX-SCTEX Integration Agreement.*



*Groundbreaking of the Seaoil service area at the southbound direction of Clark-Tarlac segment.*



*Turnover of the SCTEX to the MNTC.*



*Groundbreaking of the PTT service area with Senator Drilon and Ambassador Thanatip Upatising.*

It is expected to be fully operational by the second quarter of 2016.

The NLEX-SCTEX integration was championed by Senate President Franklin Drilon.

**REHABILITATION OF PASIG-POTRERO BRIDGE**

BCDA completed the long-term and permanent rehabilitation works of the SCTEX Pasig-Potrero Bridge in September 2015 at a cost of Php71.6 million. This will provide a more convenient and safer travel to motorists plying the Clark-Subic segment of SCTEX. The bridge sustained damage in 2013 after strong water currents spawned by Typhoon Maring eroded the soil that held its base. It will be recalled that the BCDA and the Department of Public Works and Highways (DPWH) immediately built a bailey bridge as a remedial measure

to make the Clark-Porac segment of the toll road accessible to motorists while the Pasig-Potrero bridge was being rehabilitated.

**CONSTRUCTION OF SERVICE AREAS**

SCTEX motorists are ensured of quality comfort and convenience with the construction of two service areas at the north-bound and south-bound lanes of the expressway. Once completed, motorists can gas-up, rest and avail of other services they need while traveling along SCTEX.

Seaoil Philippines, Inc. broke ground in February for the construction of the Php350 million two-hectare Seaoil service area located at the SCTEX Clark-bound/south-bound direction of the Clark-Tarlac segment in Concepcion,


Tarlac. Seaoil has partnered with CityMall Commercial Centers Inc, the mall development arm of Double Dragon Property Corporation, who will manage the restaurants and convenience store.

Meanwhile, PTT Philippines Corporation (PTT) held groundbreaking rites in June for its two-hectare mega service station located in Brgy. Santiago, Concepcion, Tarlac and at the Clark-bound/north-bound direction of the Clark-Tarlac segment. It is very strategic to motorists as it will be the only north-bound service area that motorists can stop over after they exit the NLEX and the TPLEX.

PTT Philippines Corporation (PTT) President and CEO Sukanya Seriyothin and BCDA President Casanova led the groundbreaking ceremonies of the Php121 million mega service station, with Thailand Ambassador to the Philippines Thanatip Upatising and Senate President Franklin Drilon as guests of honor.

Special Economic Zones

# STIMULATING THE ECONOMY ACCELERATING INCLUSIVE GROWTH



*Korean firm, Sambon P&E Phils. Corp., manufactures world-class audio devices and committed 600 jobs in Clark. The Zone is home to many multinational manufacturing firms, including logistics and BPO companies, luxury hotels, and continues to enjoy a growing number of locators.*



*BCDA has taken the development of John Hay Special Economic Zone into new heights with a conglomeration of fine restaurants, elegant hotels, and BPO firms, complementing its world-class golf and country club.*

The special economic zones under BCDA's ambit, such as the Clark Freeport and Special Economic Zone, the Poro Point Freeport Zone, the John Hay Special Economic Zone and the Bataan Technology Park in the Morong Special Economic Zone, have continued to progress as catalysts of economic growth in the areas where they operate.

The development of major infrastructures such as toll roads, airports and seaports within and around the properties has provided the necessary access and connectivity which enable investments to pour in these growth centers.

The interconnected toll road network of North Luzon Expressway (NLEX), Subic-Clark-Tarlac Expressway (SCTEX), and the Tarlac-Pangasinan-La Union Expressway (TPLEX) linking various international gateways within the region such as the

Clark International Airport, Subic Seaport, San Fernando Airport and the San Fernando International Seaport contributes to the viability of the zones as key investment destinations.

Investments into these ecozones have reached over Php156 billion by the end of 2015. Export proceeds—entirely on account of the Clark Freeport Zone (CFZ), which is home to several export-oriented conglomerates—recorded a total of USD4.43 billion versus USD4.75 billion for the previous year.

# SPECIAL ECONOMIC ZONES

The continuing influx of businesses and investments into the zones has created over 90,000 jobs in 2015. The Clark Freeport Zone accounted for the largest number of workers at 82,382 as reported by its 824 locators. In 2015, the zones have also contributed to the country's tourism industry with almost 2.49 million total tourist arrivals for various events, such as the Philippine International Hot Air Balloon Festival, the first ever Mr. and Ms. Clark pageant, and the Sillag Festival of Lights in Poro Point, La Union.

## CLARK FREEPORT ZONE

The Clark Freeport Zone (CFZ) has flourished into a thriving economic center under the management of Clark Development Corporation (CDC), a subsidiary of BCDA. On the strength of good governance, it has laid the framework for nurturing a sustainable ecozone that has gained global recognition as a choice investment and business destination.

In 2015, CDC's gross revenues reached a record high of Php1.55 billion, or a 12 percent increase from last year's figure of Php1.39 billion. The numbers are clear testaments to CDC's growing strength. For the past three years (2013-2015), the average revenue per year was at Php1.39 billion, which is more than twice the yearly average of Php622 million in the preceding 17 years from 1996 to 2012.

This year, net income was also at its highest at Php691 million, rising 25 percent from Php554 million a year ago. In the last three years, CDC's total net income of Php1.59 billion has surpassed the combined net income in the past 17 years (1996-2012) by 10 percent, and this also represents 52 percent of the total aggregate net income for the past 20 years (1996-2015).

CDC remitted to the government a record total of Php400 million cash dividends in 2015, again the highest single-year remittance so far. From 2013 to 2015—total cash dividends paid to the government is Php720 million, or 53 percent of total remittances since 2006.

## APEC Senior Officials' Meeting

The Clark Freeport Zone hosted the first Asia Pacific Economic Cooperation (APEC) Senior Officials' Meeting (SOM) on January 26 to February 7, 2015, in preparation for the APEC Leaders' meeting scheduled in November. SOM was characterized by a series of more than 30 working group and committee-level meetings covering topics such as Trade and Investment, Economic and Technical Cooperation, Anti-Corruption, Counter-Terrorism, and Health, among others.



*E-Cell Philippines, a global online retailer of mobile devices and cases expands its operations in Clark.*



*The Asia Pacific Economic Conference (APEC) senior officials' meeting kicks off at Clark. In attendance were delegates from the 21 APEC member countries.*



*La Rose Noire, a world renowned pastry company which serves hotels and restaurants in more than 40 countries in five continents around the world have recently expanded its operations to Clark, creating employment opportunities for more Filipinos in their massive facility.*



*SMK Electronics Philippines at the Clark Premiere Industrial Park*



*Yokohama Philippines, Clark's top exporter and employer*



*Another key employer in the zone is Sutherland Global Services, a BPO and technology-enabled services company*

In anticipation of this international event, CDC embarked on the following infrastructure projects: construction of the new rotunda along MacArthur Highway and Bayanihan Park Area, including the access road leading to T-43 and the Ramon Magsaysay Extension; rehabilitation of the access road to the Philippines Science High School–Central Luzon Campus, among others.

Further, several zone locators committed to fund rehabilitation and construction projects that will benefit the public. Midori Hotel/EagleSky Technology rendered service commitments for the construction of slope protection along their lease area and at Dolores Creek and the development of open space/parks; MSK Clark Phils. and Kilton Motors Corp. also provided slope protection for Dolores Creek; SM Clark contributed to the development of the Bayanihan Park. Popular hotels in the area also offered support to enhance tourism experience in the area. Ritzville Hotel built a drainage canal; Fontana built a bypass road between Fontana and areas under BB International Leisure and Resort Development Corp., and The Villages at Global Clark constructed a bridge from Creekside Road connecting to their leased property.

### Business and Investment

Located in a fast-growing region with a population of more than 12 million people, the Zone offers a wide spectrum of advantages and opportunities for investors. It has access to Clark's 2,367-hectare modern aviation complex designated as the country's future premier gateway, as well as modern telecommunications facilities, power and water supply, waste management, vast road network and other infrastructures.

Being a special economic zone, investors are offered the following incentives and benefits: exemption from local and national taxes, imposition of five percent of gross income earned (GIE) in lieu of all taxes; provision for 100 percent

foreign equity on most industries, duty free status and other fiscal and non-fiscal incentives; ready access to a pool of highly trainable and English-proficient skilled labor; access to several Industrial and Technology Parks located within the Zone, which continue to attract a diversified field of business operations.

Several prestigious multinational company-locators, such as Texas Instruments, Phoenix Semiconductor Philippines Corporation, Nanox Philippines, Yokohama Tire Philippines, Inc., and Luen Thai International Group Phils. (L&T) have taken up a solid foothold to operate and conduct business in Clark. And the number is growing fast.

In 2015, a total of 291 inbound investment missions from different countries visited Clark. These countries include Korea, United States of America, China, Singapore, Taiwan and Japan.

Also, locators in the Zone reached 824 from 750 in 2014. Total committed investments stood at USD353.68 million compared to USD277.15 million a year ago. Total committed employment is at 13,668. As of year-end, actual total employment jumped to 82,382 from 75,538 last year.

Envisioned to be a landmark project that will breed future developments in the Zone, Singapore-based Capilion Corporation held its groundbreaking ceremony for Clark Green Frontier, a mixed-use facility intended for Business Process Outsourcing (BPO), commercial and retail enterprises. It is designed to create up to 20,000 jobs.

Another locator, Jamco Philippines, Inc. (JPI), manufacturer of commercial aircraft interior components and sub-assembly parts for Jamco America and Jamco Corp. of Tokyo, Japan has started operations in the Zone this year.

A clear indicator of the trust, confidence and satisfaction of investors is the number of expansion projects being undertaken in Clark: Nanox and Widus International Leisure Inc. are expanding with committed additional investments of USD760 million and Php4 billion,

# SPECIAL ECONOMIC ZONES



Clark 4D Museum



Xenia Hotel



The Philippine International Hot Air Balloon Festival is popular among local and foreign tourists.

respectively; PLDT Clark Telecom, Inc. is establishing its Data Center Facilities infusing an additional investment of Php1.3 billion; Donggwang Clark Corporation's additional project will involve a capital infusion of Php3.4 billion; and, La Rose Noire Inc., continues its expansion and is now completing its 3rd and 4th phase to create another world class facility (its third) on the 11,000-square meter property it occupies inside Clark to meet the highest standards in the production of and demand for world-class pastries and bread, while providing a wider range of job opportunities.

Similar expansion projects with Eagle Sky Gaming and Phoenix Semiconductor are testaments to the Zone's global reputation as an investment haven. Global Zoo and Theme Park Alliance Inc. (GZTPAI) has also committed to invest Php135 million. On the other hand, the Clark Premiere Industrial Park (CPIP) and the Japan Economic Trade

Organization (JETRO) Network have enticed Japanese investors to put up shops at the CFZ.

CPIP is currently home to four Japanese firms, namely Nanox., L&K Industries Philippines, Inc., Aderans Philippines Inc. and SMK Electronics Phils. Corporation. Operating for more than 17 years, CPIP is fully committed to be a trusted global economic partner of the state-run CDC. JETRO, for its part, provides comprehensive information on the country's investment climate, handling appointment requests from locators.

### Tourism Investment

As a result of a booming Philippine tourism industry, investors have started pouring in capital to fund the construction of tourism-related facilities within the Zone.

Investing nearly USD200 million, Xenia Hotel, a Korean locator, opened in May with 200 premium and well-appointed rooms, which would surely

attract more tourists into Clark. Xenia Hotel will be a major player in the hospitality industry, poised into establishing two other branches in Manila and Cebu over the next five years.

Another tourism-related company, Carlson Rezidor Hotel Group, one of the world's largest and most dynamic hotel groups, which just opened its 154-room Park Inn by Radisson Clark in the Zone.

Further, CDC signed a 25-year lease agreement with Somang Global Clark Corporation (SGCC) for the construction of hotel and wellness facilities on a 1.7-hectare property. The South Korean investor firm will infuse at least Php450 million for the hotel and spa facilities which are expected to operate by 2017, employing about 200 employees within five years.

## CLARK INTERNATIONAL AIRPORT

A vital factor that has made Clark Freeport Zone a highly integrated global economic hub is the Clark International Airport (CRK), which is managed and operated by the Clark International Airport Corporation (CIAC) under the Department of Transportation and Communications (DOTC).

During the year, CIAC reported that total passenger traffic reached 868,528; while international and domestic flights totalled 6,057. This is comparable to last year's slightly higher figures of 877,757 passengers and 6,651 flights. Most of the international passenger arrivals came from countries such as Korea, Hong Kong, Doha, Singapore and Malaysia. Cargo movements in 2015 totalled 2,572 flights, and carried 35,012 tons—lesser than the 47,981 tons recorded a year ago.

The existing passenger terminal at Clark International Airport is capable of handling up to four million passengers annually. It primarily serves budget carriers including AirAsia, Jin Air, Tiger Air, and Cebu Pacific. Further, full-service carriers Qatar Airways, Asiana Airlines, and Dragonair also use the airport.

A brand new Php15-billion passenger terminal has been approved for Clark International Airport to increase flights, passenger traffic, and develop a new gateway to and from the Philippines. It will then be expanded further in a second phase to accommodate another five million.

News of the Php15-billion project came following the completion of a feasibility study and master plan that was prepared by foreign consultant Aeroports de Paris, which is based in France. Construction is anticipated to begin in 2016 and targeted for completion within two years.

Located within the Zone, Clark International Airport is an international gateway that is the most convenient



*The Clark International Airport is envisioned as a world-class gateway in the Philippines.*



*The CRK passenger terminal can accommodate up to four million passengers.*

### Tourism Marketing

In its thrust toward promoting the country's tourism industry, CDC hosted a number of well-attended events in 2015. The new Clark Museum was formally opened to the public in July. It is the first world-class interactive museum in Pampanga, with its state-of-the-art 4D Theater and a host of educational displays. From its soft opening in January until end-December, it has welcomed a total of 33,739 local and foreign guests.

Now on its 19th year, the Philippine International Hot Air Balloon Fiesta—the biggest international aviation activity in Asia and a major tourism event in the country—was successfully attended by 95,000 domestic and foreign tourists.

The Clark Festival held December, which was attended by 23,000 guests was likewise a resounding success with live band performances and the coronation of the first Mister and Miss Clark.

# SPECIAL ECONOMIC ZONES

airport of choice for travelers from the Central and Northern Luzon and from the northern Metro Manila area. Access to the airport has become smoother and faster for passengers coming from the North through the North Luzon Expressway (NLEX), the Subic-Clark-Tarlac Expressway (SCTEX), and the Tarlac-Pangasinan-La Union Expressway (TPLEX) link.

Truly, the Clark International Airport has contributed significantly to the influx of businesses and investments into the Clark Freeport Zone, propelling the country to greater economic heights.

## PORO POINT FREEPORT ZONE

Poro Point Management Corporation (PPMC), a subsidiary of BCDA, has come a long way in making Poro Point Freeport Zone (PPFZ) in the City of San Fernando, La Union a viable business and tourism destination.

The project is envisioned to soar as a major investment haven in Northern Luzon with its proximity to vital infrastructure gateways such as the SCTEX, TPLEX, the Clark International Airport, the San Fernando International Seaport and the San Fernando Airport.

PPFZ's carefully crafted master plan covers around 146 hectares of investment areas available for development. Today,

PPFZ is home to Thunderbird Pilipinas Hotels and Resorts, Poro Point Industrial Corporation, Leading Edge International Aviation Academy, and Forerunner Multi Resources. It also houses the three-hectare Information and Communications Technology Park, and the iconic six-hectare Poro Point Lighthouse property, which is being developed into a tourism, leisure and entertainment complex.

In 2015, the 1.3-kilometer Poro Point Baywalk Project—an initiative of PPMC, in partnership with the Provincial Government of La Union—was formally launched as one of the highlights for the annual *SILLAG* Festival of Lights. The promenade by the sea will give preference to small and medium-

entrepreneurs to lease its commercial spaces to encourage local business,

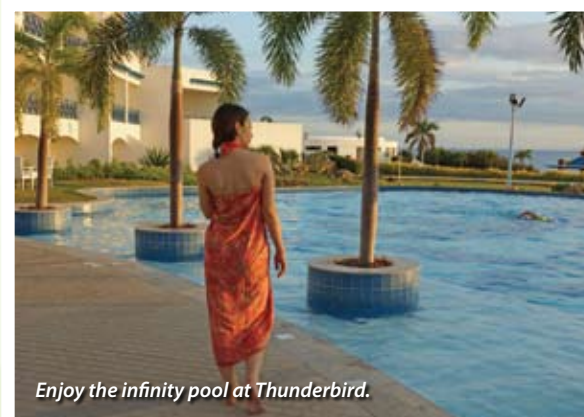
Actual cumulative investments in the Poro Point Freeport Zone reached a total of Php2.01 billion, which is 20 percent higher than Php1.67 billion last year. Total revenues recorded were at Php83 million, an increase of 10 percent compared to Php74 million in 2014.

## JOHN HAY SPECIAL ECONOMIC ZONE

The John Hay Special Economic Zone (JHSEZ), also known as Camp John Hay, is a world-class resort and major tourism

attraction in Baguio City—the Summer Capital of the Philippines. The entire reservation measures approximately 695 hectares, overseen by BCDA through John Hay Management Corporation (JHMC). A 247-hectare portion of the land is covered by the JHSEZ makes up the area that was leased to CJH Development Corporation (CJHDevCo), and which is currently under dispute.

The masterplan for JHSEZ was designed to convert the land into a viable ecotourism



Enjoy the infinity pool at Thunderbird.



Leading Edge International Aviation Academy



Thunderbird Resorts-Poro Point





*JHMC President Jamie Agbayani addresses attendees of a multi-sectoral forum in Baguio City.*



*Good dining experience amidst lush greenery of the John Hay Special Economic Zone*



*The Bell House beholds lush forests maintained by the JHMC.*

park and a human resources center. Today, JHSEZ is a modern tourism resort with luxurious hotels and recreational facilities. It is also home to prestigious BPO companies such as Convergys and InterContinental Hotels Group (IHG).

### Business and Investment

From 2011 to 2015, the number of locators in JHSEZ has increased by 51 percent with a total of 118 business enterprises. During the same period, employment jumped from 1,410 to 5,090. This year, JHMC posted a four percent increase in total revenues to Php110.21 million compared to Php105.53 million last year.

On the business front, Inbound Pacific, Inc. signed two contracts of lease with the BCDA and JHMC. The first contract involves the lease of the 6,275-square-meter area to Mile-Hi Center comprised of retail and restaurant facilities, while the second contract covers the lease of the 261 square meters Cantinetta Restaurant and Café, also within the JHSEZ.

Further, JHMC issued a Notice of Award to the consortium Vendeka Bilgi Teknolojileri Ticaret Limited Sirketi and Isabela Power Corporation for the construction, operation and maintenance of the Camp John Hay Mini-Hydro Power Plant on a long-term lease. The 38-hectare BCDA property is located within the Municipality of Tuba, Benguet and the City of Baguio.

On its regulatory services, the Special Economic Zone Administration Department (SEZAD)/One-Stop-Action Center (OSAC) is making it easy for new and current locators to start and carry on with their businesses in JHSEZ. It has shortened the processing time for the issuance of regulatory permits for renewals to an average of 10 minutes, and for new applications to an average of three days.

The SEZAD continues to promote an investor-friendly business climate in JHSEZ, attaining a 95 percent satisfaction rating from the locators in 2015 (based

on the Stakeholders' Satisfaction survey). It also ensures that all goods and articles entering and exiting the Zone are properly documented and inspected.

### Stakeholder Relations

JHMC, in coordination with BCDA, conducted three major public relations fora, including a Multi-Sectoral Forum in Baguio City in October to engage the stakeholders' participation in the various plans and programs of the BCDA and JHMC.

Three "Kaphans" with the local media were likewise conducted during the year, to apprise them on the efforts of the government relative to the legal cases against CJH DevCo, and the protection of the interests of the general public who may have been affected by the aforesaid cases.

### Recovering and Protecting Government Assets

The BCDA, through perseverance and competent litigation, achieved various victories along the way particularly, in its bid to fully recover the 247-hectare leased portion of JHSEZ from its delinquent lessee Camp John Hay Development Corporation (CJH DevCo) who has accumulated Php3.4 billion in lease arrears to the government.

On February 11, 2015, the Arbitral Tribunal of the Philippine Dispute Resolution Center Inc. (PDRCI), in its Final Decision, ordered CJH DevCo to vacate the leased premises and promptly deliver the property, inclusive of all new constructions and permanent improvements introduced during the term of the lease as reckoned from the execution of the original lease agreement, to the BCDA.

Both BCDA and CJH DevCo have each filed a Judicial Confirmation before the Baguio Regional Trial Court that would pave the way for the enforcement of the PDRCI ruling. The Baguio RTC issued a Writ of Execution to implement the Final Award.

The Final Award also ordered the BCDA to return to CJH DevCo the amount of Php1.42 billion which the CJH DevCo paid to the BCDA as lease payments.

# SPECIAL ECONOMIC ZONES

In compliance with the Final Award, the BCDA has established an escrow fund as early as April 2015 where the Php1.42 billion was deposited.

With this ruling, CJH DevCo has no more legal authority to operate in the JHSEZ. In fact, businesses have voluntarily signed up with BCDA.

The only issue to be resolved is simply the allegation of CJH DevCo that there are third parties affected. However, the so-called "third parties" are sublessees of CJH DevCo. Any rights of the sublessees emanate from the original lease, which in this case, has already been terminated.

The BCDA sees the closure to the issue in the following months ahead. Once a decision is reached, a faster and heightened development in JHSEZ is expected.

## Tourism

The tourism industry remains the primary vehicle for job generation and economic growth in the City of Baguio. In 2015, the number of visitors in JHSEZ has increased by 44 percent with about 268,621 tourist arrivals.

The boost in tourism can be attributed to the promotion of the Camp for recreational and eco-cultural tourism events such as Meetings, Incentives, conventions and Exhibitions (M.I.C.E.), and the opening of the Tarlac-Pangasinan-La Union Expressway (TPLEX) up to Urdaneta City, Pangasinan, which significantly shortened travel time to Baguio from Manila and the south.

At the heart of JHSEZ is the Historical Core, a preferred destination for corporate events and family occasions and heavily promoted in the 57 marketing events, functions and eco-tours held this year.

Virtually everywhere you look in John Hay, you will find activities that capture the wonders of nature. An 18-hole golf course designed by Jack Nicklaus himself defines its magnificent undulating landscape.

Horseback riding at Shalan Ti Kabadjo is another feature for the range-trotting visitors. Families and friends can

enjoy a picnic amidst the majestic pine trees or breeze through a gallery of shops, cafes and restaurants within the Zone.

The Tree Top Adventure Baguio offers several outdoor activities and team-building facilities, surrounded by pine trees and breathtaking views. Indeed, JHSEZ continues to be a prime destination for rest and recreation.

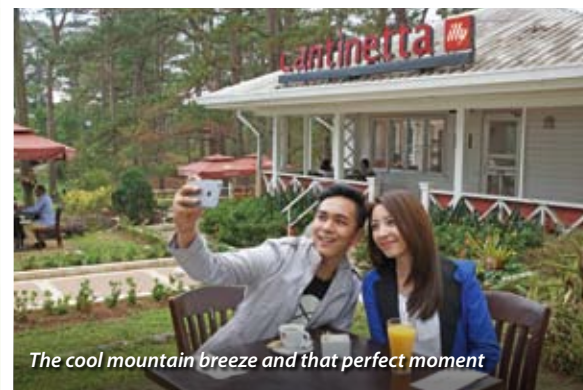
## BATAAN TECHNOLOGY PARK

The 365-hectare Bataan Technology Park (BTP) is situated along the rolling hills of the Morong Special Economic Zone in Bataan, overlooking the West Philippine Sea. It was formerly the Philippine Refugee Processing Center (PRPC), established by the United Nations for Indochinese refugees in the early 1980s.

Today, BTP is an emerging economic zone in a place rich in its historical legacies, with important shrines built by refugees in the park to serve as lasting monuments of the past.



*Romance unfolds at the Bell House Amphitheater*



*The cool mountain breeze and that perfect moment*



*Blissful moments with friends at the Tree Top Adventure-Baguio*



The Khmer Monument represents Cambodia's ancient architectural magnificence; and the Angkor Wat Monument reflecting the historic grandeur of the original.

The Freedom Plaza also features a shrine erected in 2011 with an image of Saint Pope John Paul II, celebrating mass in the former refugee camp when he came to the Philippines in February 1981.

The Atmanda Resort in BTP has become a popular venue for seminars and other corporate training and development activities, due mainly to the aggressive marketing effort of the BCDA Management and Holdings, Inc. With a spectacular scenic view of the sea and surrounding mountains, it is absolutely conducive to these learning events. This year, the resort posted total revenues of Php2.217 million.

BTP's popularity as a destination is growing in coordination with a network of other tourism attractions and beach resorts in the region and its accessibility from Metro Manila or Subic through the North Luzon Expressway (NLEX) and the Subic-Clark-Tarlac Expressway (SCTEX).

Focusing on the vast potential for growth of BTP, BCDA signed a lease agreement in August with the Morong Power and Water Corporation (MPWC) for the construction of a water treatment facility in a 4,500 square meter lot that will provide adequate supply of potable water in BTP and in Morong, Bataan. The project is scheduled to be completed by the second quarter of 2018. The availability of affordable potable water for everyone – a key element of the BTP masterplan – will not only provide safe drinking water, but also serve as the catalyst to jumpstart micro, small and medium businesses and create jobs.

At the end of the year, BTP posted revenues amounting to Php5.156 million up from Php3.811 million in 2014.



The Freedom Plaza was one of the first sights that welcomed thousands of refugees from Indochina. This open airy plaza has become a symbol of safety, freedom, and a new beginning. The Indochina Map, a stone marker was fashioned by the refugees to remind them of their home countries. From 1980 to 1994, the Philippine Refugee Processing Center (PRPC) hosted more than 350,000

refugees from Vietnam, Lao People's Democratic Republic, and Cambodia.

The Buddhist Temple I and The Buddhist Temple II were built and handcrafted by Vietnamese refugees as a place for meditation. The That Luang was built by the refugees from Lao in honor of Luang Prabang, who ruled ancient Laos in the eighth century.

The Refugee Boat represents the struggle for survival as the refugees crossed perilous oceans on board flimsy wooden vessels. The image of the Blessed Virgin Mary was built by Vietnamese Catholic refugees to thank the Blessed Mother for their safe journey. The Vietnamese Monument depicts the influence of Buddhism, Confucianism, and Taoism on Vietnamese Culture.

The Bayon Monument is a replica of the state temple built by Khmer King Jayavarman VII at Angkor Thom.

# FINANCIAL STATEMENTS

BCDA's accomplishment in achieving its mandates is better gleaned from the cash it has generated from its disposition activities which amounted to Php3.6 billion and Php3.9 billion in 2014 and 2015, respectively. An Asset Disposition Report for the period 1993–2015 is included in this report to complement the discussions under each of the financial statements presented herein.\*

## STATEMENT OF FINANCIAL POSITION

December 31, 2015 and 2014

	2015	2014 (as restated)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalent	P 3,675,637,688	P 478,312,483
Short-term investments	9,207,819,984	8,782,685,970
Receivables	3,133,159,786	5,193,067,539
Inventories	610,728,547	672,139,917
Prepayments and other current assets	2,159,699,924	1,499,078,698
Total Current Assets	18,787,045,929	16,625,284,607
<b>Non-Current Assets</b>		
Investments in and advances to subsidiaries/affiliates	19,154,081,720	20,528,400,862
Joint venture investments	14,180,927,744	15,638,749,200
Property and equipment-net	28,535,609,195	28,746,602,266
Investment Property	45,971,445,501	45,490,711,374
Other investments and non-current assets	7,995,266,944	7,822,135,153
Total Non-Current Assets	115,837,331,104	118,226,598,855
<b>TOTAL ASSETS</b>	<b>P 134,624,377,033</b>	<b>P 134,851,883,462</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payables	P 1,734,815,394	P 284,651,729
Inter-agency payables	5,220,202,201	5,406,974,575
Intra-agency payables	1,141,493,960	3,043,620,595
Current portion of loans payable	747,220,208	706,428,084
Other payables	1,813,115,065	1,671,403,807
Total Current Liabilities	10,656,846,828	11,113,078,790
<b>Non-Current Liabilities</b>		
Loans Payable	18,680,505,200	18,367,130,195
Deferred Credits	9,001,220,128	7,920,068,878
Total Non-Current Liabilities	27,681,725,328	26,287,199,073
<b>TOTAL LIABILITIES</b>	<b>38,338,572,156</b>	<b>37,407,217,709</b>
<b>EQUITY</b>	<b>96,285,804,877</b>	<b>97,444,367,150</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P 134,624,377,033</b>	<b>P 134,851,584,859</b>

Php47,166.51 (as of December 31, 2015)

## CY 2015: FINANCIAL POSITION

BCDA's total assets stood at Php134.6 billion as of December 31, 2015, almost unchanged from previous year's level. However, significant changes were registered in the following items in the balance sheet: Cash and Cash Equivalents which increased by 668 percent to Php3.7 billion from its year-ago level; Receivables which decreased by 40 percent to Php3.1 billion; Other Current Assets which increased by 62 percent to Php1.5 billion; Payables which increased by 509 percent to Php1.7 billion and Intra-agency payables which decreased by 62 percent to Php1.1 billion.

Receivables went down by about Php1.8 billion or 40 percent from its year-ago level primarily due to the write-off of lease receivable resulting from the arbitral decision involving the Camp John Hay (CJH) property in Baguio. The arbitral decision rescinded the lease agreement between BCDA and CJHDevCo, and remanded both parties to their original position prior to the agreement. No recognition of increase in CJH assets resulting from the same arbitral decision has yet been effected, pending actual physical turnover to, and appraisal of the CJH property by, BCDA.

The increase in Prepayment and Other Current Assets was principally caused by the set-up of escrow account of Php1.4 billion based on the same decision in the CJH arbitration case.

Intra-agency Payables declined by about Php1.9 billion primarily due to partial settlement by BCDA of the guarantee fees for the Japan International Cooperation Agency (JICA) loan to the Bureau of Treasury.

The total JICA debt should have been reduced by the regular loan amortization payment of about Php718 million for the year; however, this reduction was offset by the unrealized foreign exchange loss of about Php777 million due to the restatement of the loan balance using the Php/Jpy exchange rate as of Php3920 as of December 31, 2015 compared to its year-ago level of Php3706.

The increase in deferred credits was due to the Php1.3 billion receivable from the Supreme Court of the Philippines arising from the sale of portion of the PA-SEG area at Fort Bonifacio on installment.

Total Cash and Cash Equivalents and Short-term Investments increased to the unprecedented level of Php12.9 billion as of 31 December 2015 primarily coming from the proceeds of the SCTEX Price Challenge in the amount of Php3.5 billion and additional gain from redemption of FBDC Preferred B shares of Php1.5 billion.

## STATEMENT OF INCOME

For the Years Ended December 31, 2015 and 2014

	2015	2014 (as restated)
<b>REVENUES</b>		
Share from the income of joint venture operations	P 1,066,193,392	P 1,686,205,424
Gain on redemption of Preferred Shares	1,887,929,168	657,516,539
Lease Income	762,423,788	697,205,530
SCTEX toll collection & Concession fees	4,338,285,999	1,082,307,545
Revenue from sale of Heritage Park Certificates and Parking Units	62,309,279	101,047,590
Income from subsidiaries/affiliates	471,520,206	1,941,158,875
Other business income	16,372,545	5,218,879
<b>TOTAL REVENUES</b>	<b>8,605,034,377</b>	<b>6,170,660,382</b>
<b>EXPENSES</b>		
Personal Services	245,236,795	241,746,046
Maintenance and Other Operating Expenses (MOOE)	3,664,064,239	4,061,431,053
<b>TOTAL OPERATING EXPENSES</b>	<b>3,909,301,034</b>	<b>4,303,177,099</b>
<b>NET OPERATING INCOME</b>	<b>4,695,733,343</b>	<b>1,867,483,283</b>
<b>OTHER INCOME (EXPENSES)</b>		
Unrealized gain (loss) on foreign exchange*	(1,059,900,093)	2,743,237,336
Others**	(4,246,636,183)	(756,312,032)
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(610,802,933)</b>	<b>3,854,408,587</b>
<b>INCOME TAX</b>	<b>(151,879,981)</b>	<b>(89,862,589)</b>
<b>NET INCOME (LOSS)</b>	<b>P (762,682,914)</b>	<b>P 3,764,545,998</b>

\* The unrealized loss on foreign exchange represents the difference in the closing rates of the Japanese Yen vs. Phil. Peso from Php.3706:¥1 last year to Php.3920:¥1 this year for the JICA loan drawdown used for the SCTEX Project. Any gain or loss on translation does not involve actual cash transaction but recognized in the Profit & Loss Statement in compliance with the provision of International Accounting Standard No. 21.

\*\* Others include financial expenses, interest income, impairment loss, legal expenses for the CJHDevCo case and realized and unrealized loss on foreign exchange.

## CY 2015: RESULTS OF OPERATIONS

BCDA's total revenue for 2015 reached Php8.6 billion, 39 percent more than the Php6.2 billion revenue generated in 2014. Net Operating Income increased to Php4.7 billion in 2015 or 151 percent from Php1.9 billion in 2014. The excellent revenue performance of BCDA was mainly attributable to the Php3.5 billion upfront cash generated from the price challenge on SCTEX concession agreement won by Manila North Tollways Corporation (MNTC), and the additional gain on redemption of FBDC Preferred B Shares of Php1.5 billion. No significant disposition of military camps was done in 2015 as efforts were shifted to the launch of the new Clark Green City project.

Maintenance and Other Operating Expenses decreased by 11 percent from Php4.0 billion in 2014 to Php3.7 billion in 2015, brought about by the reduction of SCTEX operations and maintenance cost with the turn-over of the SCTEX Project to MNTC effective October 27, 2015, and decrease in contributions

to AFP Modernization by 14.52 percent from Php2.7 billion in 2014 to Php2.3 billion in 2015 due to the decrease in dividend income from FBDC.

Other income and expenses consisted of interest income of Php269 million from bank deposits and money market placements, interest expense of Php180 million on JICA loan, guarantee fees of Php189 million payable to the Bureau of Treasury and amortization of tax subsidy from National Government of Php138 million for the SCTEX project. The recovery of Jpy currency from its year-ago level created an unrealized foreign exchange loss of Php1.1 billion due to the translation of the balance of JICA loan at the end of the year. Other significant expenses included impairment loss on receivables of Php2.8 billion and other legal expenses of Php1.4 billion, both in relation to the CJHDevCo case.

\* By virtue of the laws governing the sharing of asset disposition proceeds, BCDA follows a unique accounting and business model which is not easily discernible from the traditional financial statements presentation. Depending on the applicable law (RA No. 7227, as amended by RA No. 7917 or EO No. 309), BCDA distributes from 50 percent to 72 percent of the net proceeds from its asset disposition activities to the different beneficiaries stated in the applicable law, but chiefly to the AFP for its modernization program. The remaining BCDA share is used to fund the conversion and viable development of the former military baselands undertaken by its subsidiaries or by BCDA itself, such as financing partly the construction and maintenance of the Subic-Clark-Tarlac-Expressway (SCTEX).

As a further complication, RA 7227 provides that BCDA record its share in the net disposition proceeds as additional paid-up capital from the National Government if the asset disposition activity is an outright sale. If the transaction is a lease or joint venture other than sale, proceeds are recorded as revenue in its Income Statement. In view of this, the Income Statement of BCDA reflects only a portion of the disposition activities of BCDA, while the rest have to be gleaned from the changes in the Equity in the Balance Sheet and the Statement of Cash Flows.

# FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

	2015	2014 (as restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of transferred properties	552,155,521	893,365,041
Proceeds from Joint Venture Projects	2,697,825,125	1,371,896,750
Proceeds from leases	665,887,327	1,313,982,647
Total proceeds from asset disposition	3,915,867,973	3,579,244,438
Proceeds from toll operations	1,210,210,391	1,213,037,111
Proceeds from Concession Fee	3,503,345,082	-
Interest income from cash equivalents and short/long term investment	172,861,556	114,496,312
Dividends received	684,034,425	1,938,825,542
Escrow – Return of rental per CJH arbitration decision	(1,421,096,052)	-
Miscellaneous receipts	178,955,820	110,179,106
Operating expenses	(1,968,652,328)	(1,512,451,754)
Remittance to Bureau of Treasury	(1,708,031,721)	(1,707,350,131)
<b>Net cash from operating activities</b>	<b>4,567,495,146</b>	<b>3,735,980,624</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of Preferred B shares	1,500,000,000	-
Acquisition of property and equipment and payment of various infrastructure projects	(112,615,663)	(41,377,154)
Increase in short-term investments	(340,888,091)	(8,997,914,879)
Investment/Advances in subsidiaries and affiliates	-	-
<b>Net cash used in investing activities</b>	<b>1,046,496,246</b>	<b>(9,039,292,033)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Partial payment of JICA loan and financing charges	(917,369,898)	(1,051,970,407)
Dividends paid to the National Government	(500,000,000)	(500,000,000)
Payment of Guarantee Fees to Bureau of Treasury	(1,000,000,000)	-
<b>Net cash used in financing activities</b>	<b>(2,417,369,898)</b>	<b>(1,551,970,407)</b>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	703,711	(91,038)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,197,325,205</b>	<b>(6,855,372,854)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	478,312,483	7,333,685,337
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>3,675,637,688</b>	<b>478,312,483</b>

### CY 2015: CASH FLOWS

BCDA's total cash position improved significantly from Php12.6 billion in 2014 to Php16.2 billion in 2015. Of these amounts, Php12.1 billion in 2014 and Php12.5 billion in 2015 were placed in short and long-term instruments with the government financial institutions to maximize earnings. These long-term placements were not part of the ending balance of cash and cash equivalent.

#### Operating

Operating cash flows from sale, joint venture projects, and leases generated cash of Php3.9 billion in 2015, up from Php3.6 billion in 2014. The significant increase in operating cash flow was attributable to the payment of upfront cash by MNTC of Php3.5 billion. On the other hand, cash was principally reduced by payment in escrow of Php1.4 billion for the CJHDevCo arbitration case, payment for operating expenses of Php2 billion and remittance to the Bureau of Treasury for AFP/

other beneficiary share of disposition proceeds which remained flat at Php1.7 billion.

#### Investing

Cash flows from investing activities resulted in a net cash inflow of Php1 billion which was attributable to the additional gain on the redemption of Preferred B shares from FBDC of Php1.5 billion. Investment outflow of Php454 million was basically used to increase short-term investment and fixed assets.

#### Financing

This year's financing activities resulted in a net cash outflow of Php2.4 billion, due to the remittance of Php1.0 billion guarantee fees to the Bureau of Treasury, amortization payment for the JICA loan of Php917 million, and dividend remittance to the National Government of Php500 million. No payment of guarantee fees was made in 2014.

## PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

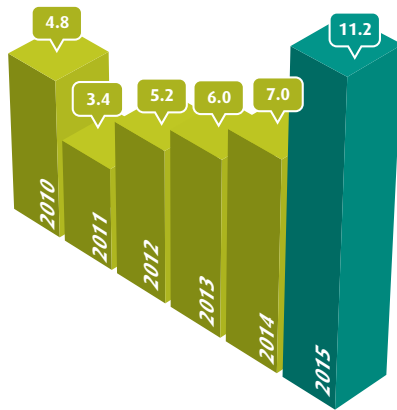
For the Years Ended December 31, 2015 and 2014

	2015	2014 (as restated)
<b>CAPITAL</b>		
Beginning Balance	78,161,199,227	74,321,045,012
Share in Disposition Proceeds	65,618,564	242,269,957
Other Equity Adjustments	373,238,294	3,597,884,258
<b>Ending Balance</b>	<b>78,600,056,085</b>	<b>78,161,199,227</b>
<b>RETAINED EARNINGS</b>		
Beginning Balance	19,290,406,372	16,025,860,374
Net Income (Loss)	(762,682,914)	3,764,545,998
Adjustment in Revaluation Surplus	(341,974,666)	-
Dividends	(500,000,000)	(500,000,000)
<b>Ending Balance</b>	<b>17,685,748,792</b>	<b>19,290,406,372</b>
<b>TOTAL</b>	<b>96,285,807,877</b>	<b>97,451,605,599</b>

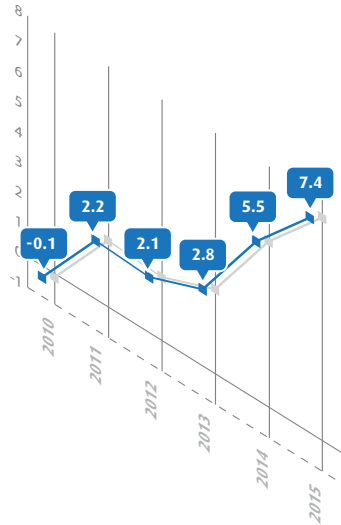
In 2015, the equity dropped from Php97.4 billion in 2014 to Php96.3 billion in 2015, attributable to the result of BCDA operations, adjustments to land assets of Php373 million, revaluation surplus of Php342 million and dividend declaration of Php500 million.

# FIVE-YEAR FINANCIAL SUMMARY

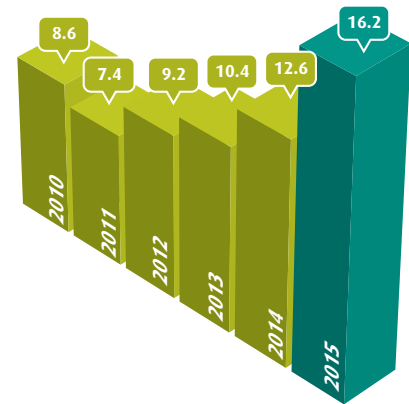
## Cash Inflows (In Php Billions)



## Operating Income (In Php Billions)



## Ending Cash Balance (In Php Billions)



For the period of 2011-2015, the BCDA's financial performance has shown improving trends in terms of profitability and liquidity.

Cash inflows have increased over the years since 2011 and peaked to Php11.165 billion in 2015. Said cash inflow in 2015 was primarily attributed to the Php3.5 billion upfront cash paid by the Manila North Tollways Corporation (MNTC), BCDA's concessionaire for the Subic-Clark-Tarlac Expressway (SCTEX), after winning the price challenge undertaken by BCDA.

Another Php1.5 billion was received as partial settlement from the sale of BCDA's NCBD parcels under joint development agreement with Fort Bonifacio Development Corporation (FBDC).

Consequently, operating income rose to an all-time high of Php4.7 billion in 2015 despite the absence of major land dispositions because of certain legal issues involved.

The agency's strong cash position, which reached Php16.2 billion as of end-2015, enables BCDA to bankroll its programs and projects significantly and increase its contributions to the national coffers.

The BCDA has consistently remitted over Php2 billion yearly to the Bureau of Treasury since 2010. It remitted Php2.112 billion for the period January to December 2010, Php2.317 billion for 2011, Php2.738 billion for 2012, Php2.207 billion for 2013, Php3.202 billion for 2014, and Php4 billion for 2015. This amount represents the National Government's (NG) dividends share, the share of government beneficiary agencies from BCDA's asset disposition proceeds, and payment of other obligations to the NG.

Since the start of the Aquino administration, the BCDA belonged to the so-called "Billionaires' Club" or the top Government-Owned and -Controlled Corporations (GOCCs) that remitted Php1 billion or more to the National Treasury.

Pursuant to Memorandum Circular No. 76 issued by the Office of the President on October 8, 2015, and as part of BCDA's Commitment to good governance under Governance Conditions set by the Governance Commission for Government-Owned and -Controlled Corporations (GCG), the Chairperson of the Board of the Bases Conversion and Development Authority (BCDA) and Directors affirmed by Board Referendum, the following:

- **Truthfulness and fairness/fair representation of the 2015 Annual Financial Statements/Report included in this publication**

*The BCDA Management, led by its President and CEO, has authorized the publication of the said Annual Financial Statements/Report. This is evidenced in Board Resolution No. 2016-06-110;*

- **Full compliance of the BCDA with the Manual of Corporate Governance**

*The BCDA Management, led by its President and CEO, directs all officers and employees to strictly observe and adhere with the provisions of the BCDA Corporate Code of Conduct which was approved by the BCDA Board per Resolution No. 2015-12-176; and,*

- **The adequacy of the GOCC's internal controls/ risk management systems**

*The BCDA, through the Board Committee on Risk Management, Legal and External Relations, has reviewed the corporation's material controls and risk management system and found them to be adequate, as evidenced by Board Resolution No. 2016-05-094, which is also posted in the BCDA website, [www.bcda.gov.ph](http://www.bcda.gov.ph).*

# ASSET DISPOSITION PROCEEDS

## DISPOSITION PROCEEDS

The total disposition proceeds from May 1993 to December 2015 amounted to Php72 billion, up by Php5 billion or 8 percent compared to Php67 billion level in 2014. The increase is mainly attributed to the receipt of project proceeds from NCBD parcels in the amount of Php1.5 billion and the sale of 21,463 square meters PA SEG area to the Supreme Court for a total purchase price of Php1.288 billion in which the Supreme Court paid a down payment of Php129 million in 2015. The remaining balance of Php1.159 billion is expected to be paid in 2016.

The Php72 billion disposition proceeds consist of Php37.3 billion sales proceeds, Php24.4 billion joint venture proceeds, Php6.9 billion lease proceeds and Php3.4 billion other receipts.

## DISTRIBUTION OF DISPOSITION PROCEEDS

As mandated by law, BCDA annually remits bulk of the proceeds from its disposition program to the National Treasury for distribution to its various beneficiary agencies. After remittance to the National Treasury, the utilization and distribution of the remittances become the responsibility of the Department of Budget and Management, which releases the share of the beneficiary agencies pursuant to budget execution guidelines and approved fiscal program of the government.

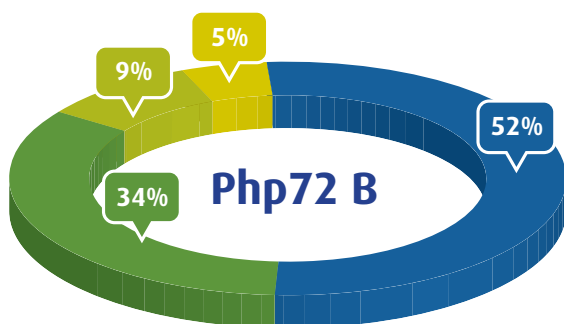
The Armed Forces of the Philippines (AFP) is the main recipient of proceeds from BCDA's Asset Disposition Program. As of end 2015, the AFP's share from the total disposition proceeds of Php72 billion stands at 38 percent or Php27.5 billion. Said amount includes Php17.1 billion remittances for the AFP Modernization Program and Php11.4 billion spent for the replication of military facilities affected by the conversion of former military bases and camps to civilian use.

The BCDA share from the disposition proceeds of Php15.5 billion accounts for 21 percent of the total proceeds, other beneficiary agencies account for 11 percent or Php7.8 billion, while the share of contiguous municipalities is Php0.5 billion or one percent.

Disposition-related expenses which are deducted from the gross proceeds include, Php6.5 billion for direct expenses, mainly for site development and infrastructure projects, relocation of informal occupants, survey, titling, appraisal, and administrative expenses; Php6.3 billion for taxes, duties and fees; and Php0.6 billion for the replication of non-military facilities. A total of Php7.5 billion is still for distribution to the beneficiary agencies and is expected to be remitted in the first quarter of 2016.

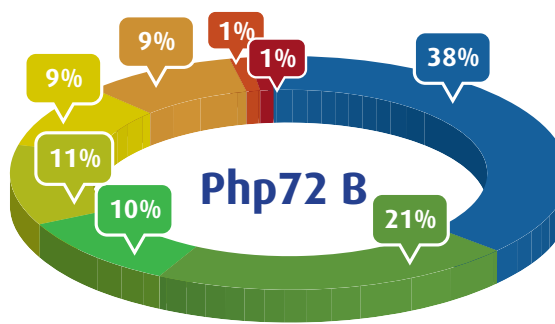
On the other hand, Php7.8 billion have been remitted for the account of BCDA's 14 beneficiary government agencies, namely: the National Housing Authority; National Home Mortgage Finance Corporation and Home Insurance and Guarantee Corporation; Philippine Health Insurance Corporation; Department of Public Works and Highways and the Department of Transportation and Communications; Philippine Veterans Affairs Office; Commission on Higher Education; Department of Science and Technology; Office of the Secretary, Department of Justice and the Ombudsman; Mount Pinatubo Assistance, Rehabilitation and Development Fund; Bureau of Investigation; Bureau of Corrections; Philippine National Police and the Bureau of Jail Management and Penology; Supreme Court of the Philippines and lower courts Sandiganbayan, Court of Appeals and Court of Tax Appeals; Department of Education, Culture, and Sports; Department of Social Welfare and Development; Department of Labor and Employment; the Philippine Economic Zone Authority; the Municipality of Pateros; and the cities of Taguig and Makati.

**Gross Disposition Proceeds**  
May 1993-December 2015 (In Billions)



● Sale	Php37.3 B
● Joint Venture	Php24.4 B
● Lease	Php6.9 B
● Other Receipts	Php3.4 B

**Breakdown of Disposition Proceeds**  
May 1993-December 2015 (In Billions)



● AFP Share	Php27.3 B
● BCDA Share	Php15.5 B
● For Distribution	Php7.5 B
● Share of Other Beneficiary Agencies	Php7.8 B
● Direct Expenses	Php6.5 B
● Taxes, Duties and Fees	Php6.3 B
● LGU Share	Php0.5 B
● Non-Military Replication Expenses	Php0.6 B

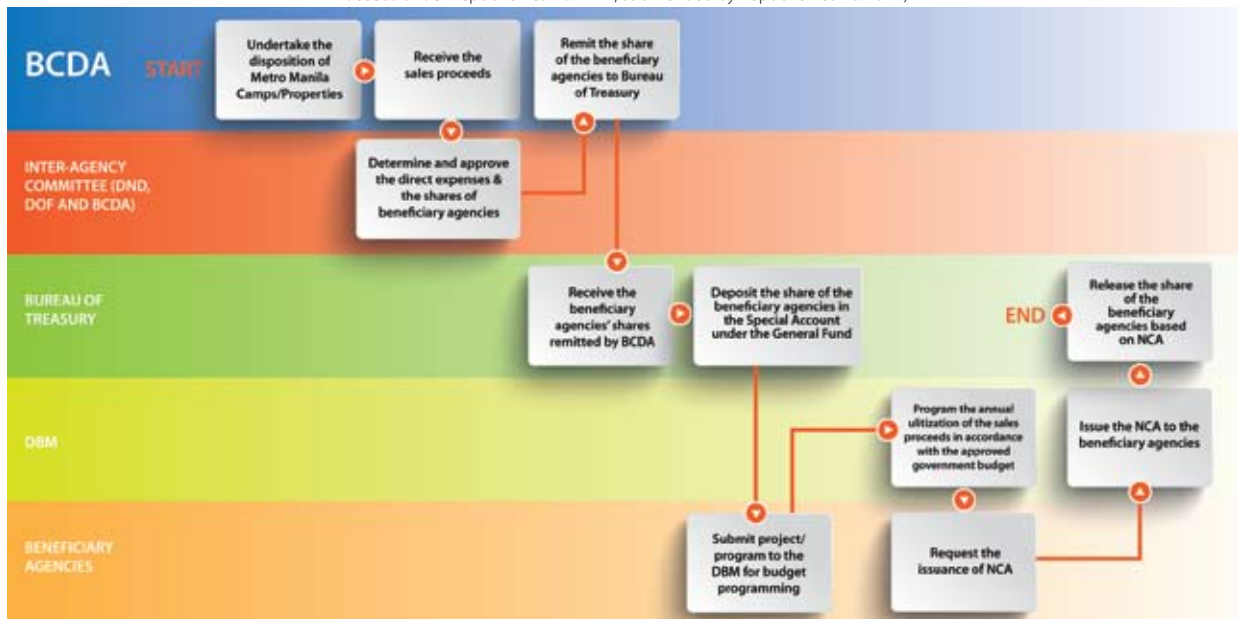


# FLOW OF DISPOSITION PROCEEDS

BCDA adopts two different procedures in the determination and remittance of disposition proceeds, depending on whether the disposition is in the nature of sale transaction or non-sale transaction, e.g. joint ventures, leases. The determination of expenses related to non-sale transactions is jointly approved by the BCDA and the Department of National Defense (DND). On the other hand, expenses related to the sale transactions are determined and approved by the Inter-Agency Committee (IAC) created under Administrative Order No. 236 (1996) composed of representatives from DND, BCDA and the Department of Finance (DOF). Following shows the processes involved:

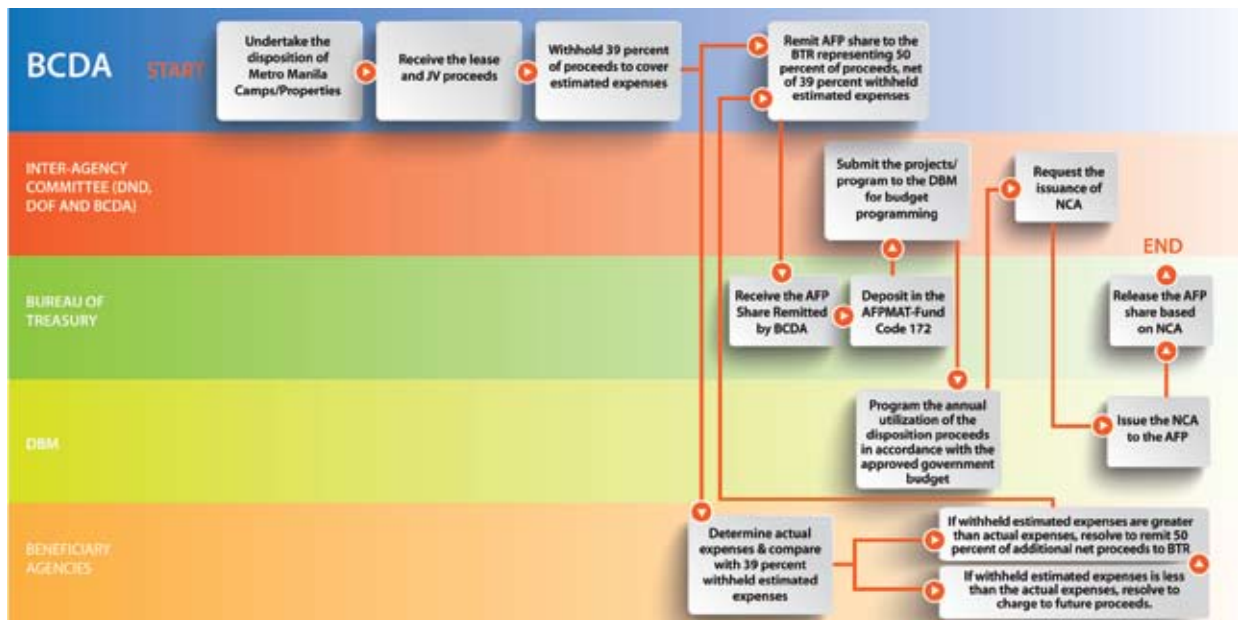
## SALE TRANSACTIONS PURSUANT TO ADMINISTRATION ORDER NO. 236

Based on Administrative Order No. 236, January 8, 1996 (Prescribing Rules and Regulations on the Collection, Remittance and Utilization of Sales Proceeds under Republic Act No. 7227, as amended by Republic Act No. 7917)



## NON-SALE TRANSACTIONS PURSUANT TO ADMINISTRATION ORDER NO. 309 (e.g. Leases and Joint Ventures)

Based on Executive Order No. 309, November 3, 2000 (Prescribing Rules and Regulations for the Distribution of Proceeds of Leases, Joint Ventures, and Transactions other than Sale Involving Portions of Metro Manila Military Camps under Republic Act No. 7227, as amended by Republic Act No. 7917)



# BOARD OF DIRECTORS



From left to right:  
Director Zorayda Amelia C. Alonzo, Vice Chairman/President and Chief Operating Officer Arnel Paciano D. Casanova, Director Gerard R. Seno, Chairperson Ma. Aurora D. Geotina-Garcia, Director Elmar M. Gomez, Director Joseph Emile P. Juico, Director and Retired General Gregorio Pio P. Catapang, Director and Retired Vice Admiral Ferdinand S. Golez, Director Serafin U. Salvador, Jr., Director Eduardo V. De Mesa



# BOARD OF DIRECTORS | PROFILES

## MA. AURORA D. GEOTINA-GARCIA

Age: 63, Filipino

Date of Appointment: 07 April 2011

Number of board meetings attended in CY2015: 24/24

*Chairperson, Bases Conversion and Development Authority since October 2015*

*Chairperson, Heritage Park Management Corporation, Inc.*

*Vice-Chairperson, Fort Bonifacio Development Corporation*

*Director, Bases Conversion and Development Authority since April 2011*

*Director, BCDA Management and Holdings, Inc.*

*Director, Bonifacio Estates Services Corporation*

*Director, Bonifacio Global City Estates Association*

Chairperson Garcia is currently the President of Mageo Consulting, Inc., a company providing business advisory and corporate finance services. As President of Mageo, she networks with other multidisciplinary professional organizations in APEC and ASEAN Countries such as Indonesia, Malaysia, Singapore and Thailand, among others.

Ms. Garcia has served as a consultant to business and government for over 30 years in the area of corporate finance. She has advised clients on project development, packaging and structuring of projects, identification of potential funding sources, capital raising, and negotiation of financing agreements with lenders.

She has also handled projects such as financial rehabilitation and studies, joint venture programs and assistance to foreign investors in establishing local companies, among others.

She was responsible for leading the efforts of SyCip, Gorres, Velayo & Co (SGV & Co.) in investment promotions, which involved assistance to locators in special economic zones such as Clark and Subic.

She started her professional career in SGV & Co. as part of the Management Services Division in 1974 and was subsequently promoted to Manager in 1981. Prior to her promotion, she was briefly assigned to the SGV Group office in Malaysia. Later on, she joined SGV's Economic and Financial Consulting (EFC) Division and was promoted to Partner in 1990. As Partner, she headed SGV & Co.'s Global Corporate Division, (now EY Transaction Advisory Services, Inc.) from 1992 up to 2001 until her retirement from the partnership. She was a Senior Advisor to SGV & Co. from the time of her retirement until September 2006.

Ms. Garcia is the Immediate Past Chairperson of the Women's Business Council Philippines, Inc., a Fellow of the Institute of Corporate Directors, and a member of various professional organizations which include the Management Association of the Philippines and the Philippine Institute of Certified Public Accountants.

Ms. Garcia obtained her BS degree in Business Administration and Accountancy and her Masters Degree in Business Administration from the University of the Philippines.

## ARNEL PACIANO D. CASANOVA

Age: 45, Filipino

Date of Appointment: 07 April 2011

Number of board meetings attended in CY2015: 23/24

*President & Chief Executive Officer, Bases Conversion and Development Authority since April 2011*

*Vice-Chairman, Bases Conversion and Development Authority*

*Vice-Chairman, BCDA Management & Holdings, Inc.*

*Vice-Chairman, Clark Development Corporation*

*Director, John Hay Management Corporation*

*Director, Fort Bonifacio Development Corporation*

*Director, Bonifacio Estates Services Corporation*

*Director, Bonifacio Waters Corporation*

*Director, Bonifacio Global City Estates Association*

Mr. Casanova has a diverse expertise focusing on public-private partnerships, real property development, urban planning, public infrastructure and utilities, finance, governance, social entrepreneurship, security, peace negotiations and mediation, and international relations. He leads BCDA, a USD10-billion government state-owned enterprise, in building the Philippines' first and only smart, green, disaster-resilient metropolis—the Clark Green City, and in all major property development projects and public-private partnerships that have established vibrant economic districts such as the Bonifacio Global City in Fort Bonifacio, and world-class infrastructure, the Subic-Clark-Tarlac Expressway (SCTEX).

Mr. Casanova also served former President Fidel V. Ramos, as part of the peace panel that successfully negotiated peace with and recovered weapons of former military rebels involved in a series of bloody coup attempts against the late President Corazon Aquino. For this exemplary service, he was awarded the prestigious Philippine Legion of Honor Medal.

A staunch advocate of military reforms, Mr. Casanova testified on military corruption before the Feliciano Commission, a body created to investigate the "Oakwood Mutiny" in 2003. He won two landmark cases in the Philippine Supreme Court resulting in the recovery of government properties valued at approximately USD1 billion which was misappropriated by a group of retired and active generals of the military.

Mr. Casanova was the Executive Director for the Philippines of Asia Society, an international non-government organization promoting international relations between the US and Asia and among Asian countries themselves. He obtained his Master's degree in Public Administration from Harvard University's Kennedy School of Government as a World Bank scholar and Mason Fellow. He is a graduate of the country's top university, the University of the Philippines (UP) earning degrees in Law, English studies, and Urban Planning. He teaches real estate law in the UP College of Law.

Mr. Casanova is a reserve officer of the Philippine Navy and a member of the Philippine Army Governance Board. He is a founding executive council member of the Urban Land Institute (ULI) and advises foreign leaders, urban leaders and global institutions in urban redevelopment.

### ZORAYDA AMELIA C. ALONZO

Age: 68, Filipino  
Date of Appointment: 07 April 2011  
Number of board meetings attended in CY2015: 24/24  
*Director - Bases Conversion and Development Authority since April 2011*  
*Director, BCDA Management and Holdings, Inc.*  
*Director, Fort Bonifacio Development Corporation*  
*Director, Bonifacio Estates Services Corporation*  
*Director, Bonifacio Gas Corporation*  
*Director, Bonifacio Global City Estates Association*

Director Alonzo has over 30 years of financial management experience, with 24 years in top management positions. Her experience with both the private and public sectors spans credit analysis, investment banking, airline finance, real estate finance and mortgage market development.

She has served four Philippine Presidents in cabinet and sub-cabinet levels. President Corazon Aquino first appointed her CEO of the Home Development Mutual Fund (Pag-IBIG Fund) in 1988. President Fidel Ramos reappointed her to the same position in 1992 and for the first six months served concurrently as the Chair of the Housing and Urban Development Coordinating Council (HUDCC). In 2001, President Gloria Arroyo appointed her Chair of the Small Business Guarantee and Finance Corporation (SBGFC) and ultimately was named the first Undersecretary of the Department of Trade and Industry for Small and Medium Enterprise Development.

In 1992, Ms. Alonzo received The Outstanding Women in the Nation's Service (TOWNS) for her achievements in deepening the relevance of Pag-IBIG Fund to its stakeholders, the Filipino people.

Ms. Alonzo finished her BA Economics degree from the Philippine Women's University and her MA in Economics from the Universidad de Madrid in Spain and the University of the Philippines. In 1997, she attended courses in Global Social Security Crises and Core Course in Housing Finance in the Harvard Institute of International Development, Harvard University and the Wharton School of Finance, University of Pennsylvania, respectively.

Ms. Alonzo has been a champion for women's empowerment and development. She pursued her long and successful career in Management and Finance with a strong commitment to mentoring younger women leaders and achievers to ensure the rising tempo in the women's march towards gender equality. She currently serves as president of an NGO for women, *Samahan ng Pilipino para sa Reporma at Kaunlaran*, or SPARK, Philippines.

She is a member of the Management Association of the Philippines (MAP) where she served as member of the Board of Governors. She is a lifetime member of the Financial Executives Institute of the Philippines (FINEX).

Ms. Alonzo is a member of the Board of Trustees and Treasurer of the Bayanihan Philippine National Dance Company, Foundation, Inc.

### GEN GREGORIO PIO P CATAPANG, JR (RET)

Age: 56, Filipino  
Date of Appointment: 22 September 2015  
*Number of board meetings attended in CY2015: 5/6*  
*Director, Bases Conversion and Development Authority since October 2015*

General Gregorio Pio Punzalan Catapang Jr. (Ret) was formerly the 45th Chief of Staff of the Armed Forces of the Philippines (AFP), a post he held from 18 July 2014-10 July 2015. He replaced General Emmanuel T. Bautista.

Under his leadership, the AFP's Internal Peace and Security Plan (IPSP) "BAYANIHAN", was created to "provide the strategic guidance in the performance of its (AFP's) mandated functions of protecting the state and the people." He also displayed his firm support for the AFP Transformation Roadmap.

He was also Chairman of the Board of military financial institutions, namely: the Armed Forces and Police Savings Loan Associations Incorporated; Armed Forces and Police Mutual Benefit Association, Incorporated; and AFP Retirement and Separation Benefit System.

He entered the Philippine Military Academy (PMA) in 1977 and is part of PMA "Dimalupig" Class of 1981. In 1983, he took up a Master's Degree in Political Science Studies at the University of the Philippines (UP) and pursued further military training locally and overseas. These include an Executive Course on National Security at the National Defense College of the Philippines in 2004; Defence and Strategic Studies Course at the Australian Defense College in 2006; and attended a Symposium on National Security and Strategy at the National Defence University of the Chinese People's Liberation Army, China in 2007. He is a Career Executive Service Eligible and a licensed real estate broker.

In 1981, General Catapang was deployed in Mindanao and his first assignment was in Brgy. Malatunol, Palimbang, Sultan Kudarat.

In 1983, General Catapang was designated as a PMA instructor, which further enriched his military career. Displaying excellence in his work, his major assignments were as Battalion Commander of the 28th Infantry Battalion, 4th Infantry Division, PA in Mindanao from 20 November 1999 to 03 March 2001; Chief of the Unified Command Staff of the Northern Luzon Command (NOLCOM); Commander, 703rd Brigade, PA (2010); Commander, 7th Infantry Division, PA (2013); Commander of NOLCOM, AFP from 6 July 2013 to 22 May 2014; and the 42nd Vice Chief of Staff of the AFP in NCR from 22 May 2014 to 18 July 2014.

His diligence and dedication led to the conferment of prestigious awards. He was recognized by the Armed Forces of Indonesia in 2015, and was given the Bintang Yudha Dharma Utama (Grand Meritorious Military Order) Award, the highest credit granted to foreign nationals for invaluable services rendered not only to the Tentara Nasional Indonesia/National Defense Armed Forces but also to the Republic of Indonesia, in general.

Other awards include the: Martial Law Citation Badge, February '86 Revolution Ribbon, AFP Comptrollership Badge, Gold Cross Medal, Distinguished Conduct Star Medal, Honorary Flag Rank Command Badge (Marines and Air Force), and Philippine Legion of Honor Medal (Degree of Chief Commander).

Through a Provincial Resolution dated 19 May 2015, he was declared an adopted illustrious son of Palawan in recognition of his initiatives in preserving the sovereignty and territorial security of the Republic of the Philippines amidst the territorial dispute over the West Philippine Sea. He is likewise an adopted son of Porac, Pampanga for his enormous contribution to the peace and security in the municipality.

General Catapang was born in Manila on 11 July 1959 to Gregorio L. Catapang, Sr. and Lourdes Punzalan. His father was a Director at the Securities and Exchange Commission (SEC) while his mother was a Chief Accountant at the Department of Finance (DOF). He is married to Vilma Villanueva Catapang and is blessed with four children.

# BOARD OF DIRECTORS | PROFILES

## ATTY. EDUARDO V. DE MESA

Age: 61, Filipino  
Date of Appointment: 28 November 2012  
Date of Resignation: 28 April 2015  
Number of board meetings attended in CY2014: 24/24  
*Director, Bases Conversion and Development Authority since December 2012*  
*Director, North Luzon Railways Corporation*  
*Director, Fort Bonifacio Development Corporation*  
*Director, Bonifacio Global City Estates Association*  
*Director, Bonifacio Water Corporation*

Eduardo V. De Mesa heads the Labor and Litigation Departments of the Carag, De Mesa and Zaballero Law Firm. He is a seasoned litigator and has extensive experience in commercial, civil, criminal and administrative litigation. His tax litigation experience includes successful representation of clients before the Court of Tax Appeals, the Court of Appeals and/or the Supreme Court on matters involving tax assessments, claims for tax refunds and tax exemptions. His labor law practice includes collective bargaining negotiations, settlement of strikes and other labor disputes, employee disciplinary actions, labor law advisory services and labor litigation. Mr. De Mesa also practices election and immigration law.

Mr. De Mesa received his Bachelor of Laws degree in 1985 from the University of the Philippines where he graduated in the top 10 of his class and was a member of the Order of the Purple Feather Honor Society. He obtained a degree in Bachelor of Science in Education from the University of Sto. Tomas in 1974. He passed the National Teachers Examination in 1977 and was admitted to the Philippine Bar in 1986.

Mr. De Mesa is presently a Commissioner on Bar Discipline of the Integrated Bar of the Philippines. He is also a member and an accredited arbitrator of the Philippine Dispute Resolution Center, Inc.

## VICE ADMIRAL FERDINAND S GOLEZ (RET)

Age: 61, Filipino  
Date of Appointment: 07 April 2011  
Number of board meetings attended in CY2015: 24/24  
*Director, Bases Conversion and Development Authority since April 2011*  
*Director, BCDA Management and Holdings, Inc.*  
*Director, Fort Bonifacio Development Corporation*  
*Director, Bonifacio Communications Corporation*

Director Golez has a highly accomplished and well-decorated career in the naval profession. He has profound experience in the leadership and management of major commands of the Navy—the most recent of which was his almost two-year tour of duty at the helm of the Philippine Navy as its Flag Officer In Command—the highest and most coveted position in the Navy.

He rose to the top command as manager and leader of a 23,000-strong sailor and marine force. His expertise spans naval and maritime operations, intelligence and strategic planning, national security administration, resource allocation, and organizational development. Among his major achievements are his establishment and institution of the Philippine Navy Board of Advisers (a multi-governance sector coalition composed of experts and leaders in various sectors of society), the conduct of Maritime Security Forums from 2008-2010 in different Naval Forces around the archipelago, and all relevant activities to jumpstart the future Navy everyone in this Maritime nation can be proud of.

After his naval career, he joined the Energy Development Corporation as Head of its Security Department since August 2010, where he planned, devised and implemented a working security system to ensure uninterrupted power production in all areas where all renewable power is generated.

## ELMAR M. GOMEZ

Age: 58, Filipino  
Date of Appointment: 07 April 2011  
Number of board meetings attended in CY2015: 24/24  
*Director, Bases Conversion and Development Authority since April 2011*  
*President and CEO / Director, BCDA Management and Holdings, Inc.*  
*Director, Fort Bonifacio Development Corporation*  
*Director, Bonifacio Communications Corporation*

Mr. Gomez is currently the President and CEO of Mobile Arts, Inc., a mobile value-added service provider to mobile telecom operators. Prior to this he was its Chief Operating Officer.

He worked as Country Representative for the Philippines of Netlife Singapore Private Limited, a German software company which provides Internet payment solutions to financial institutions. Mr. Gomez then was responsible for starting its operations and developing the business in the country. Earlier on, he worked as Country Manager of Verifone Singapore in the Philippines, where he was tasked to start the local office, develop and increase the business in the country. Verifone is the manufacturer of credit and debit card point of sale materials. Previously, he worked as Marketing Manager of Nokia Telecommunications (Philippines), Inc.

Mr. Gomez attained his Masters Degree in Business Management from the Asian Institute of Management. Earlier, he obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. In college, he co-founded the Ateneo Computer Society in 1978. Furthermore, Mr. Gomez received his Diploma in Industrial Technology with Specialization in Electronics and Electrical Technology from the De La Salle University.

He is currently a member of the board of Trustees of the Archbishop Gabriel M. Reyes Memorial Foundation, Inc. and a member of the Internet and Mobile Marketing Association of the Philippines.

## JOSEPH EMILE P. JUICO

Age: 38, Filipino  
Date of Appointment: 09 October 2015  
Number of board meetings attended in CY2015: 6/6  
*Director, Bases Conversion and Development Authority since October 2015*

Mr. Juico formerly served as Assistant Secretary to the Office of the Executive Secretary from April 2014 to October 2015. He was the Lead Coordinator for Local Government Units for the Office of the Director General for the Asia-Pacific Economic Cooperation (APEC) in 2015.

A former City Councilor in the 1st District of Quezon City, he was then the youngest councilor elected at the age of 26 years old. He served for three consecutive terms starting 2004 until 2013. During his term, he served as President Pro-Tempore and Chairperson of the Blue Ribbon Committee. In 2007, he was named "Most Outstanding Councilor" during the 17th Manuel L. Quezon Bantayog Awards. He was also recognized by the Quezon City Press Club and the Office of the Vice Mayor for passing the ordinance entitled "An Ordinance Creating The Quezon City Sikap Buhay and Cooperative Center, Defining Its Functions And Appropriating Funds For The Purpose" (Ordinance No. SP-1607, Series Of 2005). For this, he was given the "Kagalingan Sa Huwarang Batas Award." Earlier in his political career, he was also awarded Most Promising Councilor and Most Outstanding Councilor, respectively, during the 14th and 15th Manuel L. Quezon Bantayog Awards for his performance as city councilor by the Office of Mayor Felicitio Belmonte or his service, he was also given a Plaque of Recognition by the Department of Health.

He passed vital legislation that supported the reproductive health of his constituents, promoted security of businesses and strengthened the local government's entrepreneurship and micro-finance program—providing

vital assistance to small businessmen, cooperatives and entrepreneurs. His service led to the creation and strengthening of the Quezon City Sikap Buhay And Cooperative Center in 2005 (Ordinance No. Sp-1607, Series of 2005). In 2012, he passed an ordinance entitled, "Mandating Business Establishments Operating Within The Territorial Jurisdiction Of Quezon City To Install Closed Circuit Television System (CCTV) And Prescribing Penalties For Violations Thereof" (Ordinance No. Sp. 2139); and, another legislation—"Prohibiting The Underdelivery And/Or Shortselling Of Gas And Illegal Trading By Gasoline Retail Outlets And Imposing Fines Thereof" (Ordinance No. Sp-1482). His efforts also led to the formulation of a Quezon City Population And Reproductive Health Management Policy, through the passing of the "Quezon City RH Ordinance" in 2008 (Ordinance No. Sp -1829).

Aside from being part of the BCDA Board, he is also a successful businessman.

He graduated with a degree in AB Human Resources Management at the De La Salle University, College of St. Benilde and also studied AB Political Science at the Missouri Southern State University.

Mr. Juico was born to Phillip Juico, former Agrarian Reform Secretary and Margarita Penson Juico, former Appointment Secretary of President Corazon Aquino. He is married to Trisha and is blessed with one child, Lily.

#### **ATTY. SERAFIN U. SALVADOR, JR.**

Age: 71, Filipino

Date of Appointment: 28 November 2012

Number of board meetings attended in CY2015: 24/24

*Director, Bases Conversion and Development Authority since December 2012*

*Director, Bonifacio Gas Corporation*

Serafin U. Salvador, Jr., or "Jun", is Managing Partner of Salvador, Llanillo & Bernardo Attorney's-At-Law, which is a member of Taxand International Organization—a Global Network of Law Firms in 50 countries—where he is Global Executive Committee member representing the Philippines. He was with SGV & Co. for 30 years (until 2001), where he was Head of the Tax Division and also Tax Principal. SGV & Co. was previously affiliated with Arthur Andersen, and is now affiliated with Ernst & Young. Jun is a professor of taxation in both the Ateneo and UP colleges of law. He is a graduate of UP Law Class 1968 and attended the Graduate Tax Program (1970-1971) at the Graduate School of Law, New York University.

He completed his MBA at the Ateneo de Manila University and attended the TOP Management Program, Asian Institute of Management, and the Managing Multinational Enterprises at INSEAD in Fontainebleau, France. INSEAD is one of the leading and largest graduate business schools in the world.

Jun is a Past President of the Tax Management Association of the Philippines and has been a contributor to various foreign publications, including the CCH Journal of Asia-Pacific Taxation. Jun was appointed by the United Nations as a member of the Committee of Experts on International Cooperation in Tax Matters in accordance with Resolution 2004/69 adopted by the UN Economic and Social Council on November 11, 2004. The term of office is four years, which began on July 1, 2005 and ended on June 30, 2009.

#### **GERARD R. SENO**

Age: 56, Filipino

Date of Appointment: 22 September 2015

Number of board meetings attended in CY2015: 6/6

*Director, Bases Conversion and Development Authority since October 2015*

Mr. Seno is a labor rights advocate and an educator.

His expertise ranges from project development, monitoring and implementation in the fields of union organizing, workers' education, construction health and safety, promotion and management of cooperatives, policy research and advocacy, industrial relations and collective bargaining, among others.

He is currently the National Executive Vice President of the Associated Labor Unions (ALU). He is also Labor Sector Representative of various groups which include the Tripartite Efficiency and Integrity Board (TEIB); the Tripartite Industrial Peace Council (TIPC); Bank Industry Tripartite Council (BITC), and the Construction Industry Tripartite Council (CITC). He is also Mill Worker Sector Representative of the Sugar Tripartite Council (STC), among other key positions. He is a co-convenor of *Nagkaisa*, a broad coalition of labor centers, national federations, Industry unions in private and public sector, informal sector, and other organizations aimed to promote trade union unity, decent work, security of tenure, among others.

He was first appointed to BCDA as Director in 2001, a position he held until 2010. As such, he served in the boards of BCDA's subsidiaries and affiliates which include the BCDA Management and Holdings, Inc., the John Hay Management Corporation, the Bataan Technology Park, Inc. and the Fort Bonifacio Development Corporation.

He was one of the delegates to the International Labor Conference in Geneva, Switzerland held June 01-13, 2015. Among conferences attended since June 2012-2015 were the European and Global Lafarge-Holcim Conference, held June 16-17, 2015 in Zurich Switzerland; the International Transport Workers' Federation 43rd Congress in Sofia, Bulgaria; the Japan Autoworkers Union 43rd Convention in Haneda, Japan (2014); and the Workshop on Labor Management Relations with Special Focus on the Automobile Industry sponsored by Asian Productivity Organization in Tokyo, Japan (2013).

He graduated with Bachelor of Laws and Bachelor of Science in Business Administration degrees from University of San Carlos, Cebu City in 1986 and 1981, respectively.

Mr. Seno was born in Cebu on November 8, 1959. He is married to Maria Theresa Carolina and is blessed with three children.

## TOP MANAGEMENT AND OFFICERS



President and Chief Executive Officer Arnel Paciano D. Casanova  
Executive Vice President Aileen Anunciacion R. Zosa



From left to right:  
General Counsel Peter Paul Andrew T. Flores, Vice President for Finance and Chief Finance Officer Nena D. Radoc, Corporate Secretary Elvira V. Estanislao, and Vice President for Business Development and Operations Joshua M. Bingcang

## MANAGEMENT DIRECTORY

### BOARD OF DIRECTORS

Chairperson Ma. Aurora D. Geotina-Garcia  
Vice Chair Arnel Paciano D. Casanova  
Dir. Zorayda Amelia C. Alonzo  
Dir. Gregorio Pio P. Catapang, Jr.  
Dir. Eduardo V. De Mesa  
Dir. Joseph Emile P. Juico  
Dir. Ferdinand S. Golez  
Dir. Elmar M. Gomez  
Dir. Serafin U. Salvador, Jr  
Dir. Gerard R. Seno  
Tel No.:(632) 575-1715  
Fax No.: 816-3489

### Corporate Board Secretariat

Atty. Elvira V. Estanislao  
Corporate Secretary  
Email: [evestanislao@bcda.gov.ph](mailto:evestanislao@bcda.gov.ph)  
Tel No.: (632) 575- 1704  
Fax No.: 816-0917

### OFFICE OF THE CHAIRMAN

Ma. Aurora D. Geotina-Garcia  
Chairman  
Tel. No.: (632) 575-1702  
Tel./Fax No.: (632) 816-0935

### Internal Audit Services Office

Ma. Lina P. Ocampo  
Department Manager  
Tel. No.: (632) 575-1740  
Tel./Fax No.: (632) 816-0938

### OFFICE OF THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Atty. Arnel Paciano D. Casanova  
President & Chief Executive Officer  
Tel. No.: (632) 575-1703  
Tel./Fax No.: (632) 816-0915

Atty. Peter Paul Andrew T. Flores  
Head Executive Assistant  
Tel. No.: (632) 575-1704

### Information & Communications Technology Department

Virgil M. Alvarez  
Officer-In-Charge  
Tel. No.: (632) 575-1744



#### **Legal Services Department**

Atty. Peter Paul Andrew T. Flores  
General Counsel  
Tel. No.: (632) 575-1728

#### **Planning Services Department**

Eduardo G. Policarpio, Jr.  
Project Manager  
Tel. No.: (632) 575-1729

#### **Public Affairs Department**

Leilani P. Barlongay-Macasaet  
Department Manager  
Tel. No.: (632) 575-1733

#### **Special Projects**

##### **Project Management Office**

Engr. Tomas Y. Macrohon  
Officer-In-Charge  
Tel. No.: (632) 575-1749

#### **OFFICE OF THE EXECUTIVE VICE PRESIDENT**

Aileen Anunciacion R. Zosa  
Executive Vice President  
Tel. No.: (632) 575-1707  
Tel./Fax No.: (632) 816-0962

#### **SCTEX Services Department/ Clark Green City**

##### **Project Management Office**

Engr. Joshua M. Bingcang  
Head  
Tel. No.: (632) 575-1747  
Tel./Fax No.: (632) 816-1089

#### **Subsidiaries, Affiliates & Projects Monitoring Department**

Atty. Maria Soledad C. San Pablo  
Head

Atty. Regina Salve R. Lapuz  
(Retired, August 2015)  
Officer-in-Charge  
Tel. No.: (632) 575-1722

#### **BUSINESS DEVELOPMENT AND OPERATIONS GROUP**

Engr. Joshua M. Bingcang  
Vice President  
Tel. No.: (632) 575-1747  
Tel./Fax No.: (632) 816-1089

#### **Business Development Department**

Arrey A. Perez  
Head  
Tel. No.: (632) 575-1757  
Tel./Fax No.: (632) 816-1043

#### **Land & Assets Development Department**

Engr. Richard Brian M. Cepe  
Officer-In-Charge  
Tel. No.: (632) 575-1755

#### **Project Management Department**

Engr. Tomas Y. Macrohon  
Project Manager  
Tel. No.: (632) 575-1760

#### **FINANCE GROUP**

Atty. Nena D. Radoc  
Vice President & Chief Finance Officer  
Tel. No.: (632) 575-1764  
Tel./Fax No.: (632) 816-1052

#### **Budget Department**

Hedda Lourdes Y. Rulona  
Department Manager  
Tel. No.: (632) 575-1775

#### **Finance Management Services Department**

Clemencia P. Vicente  
Officer-In-Charge  
Tel. No.: (632) 575-1766

#### **Treasury & Investments Department**

Norma S. Pabustan  
Department Manager  
Tel. No.: (632) 575-1769

#### **CORPORATE SERVICES GROUP**

Eleanor L. Atienza  
Vice President  
Tel. No.: (632) 575-1777  
Tel./Fax No.: (632) 816-1004

#### **Premises Administration and Transportation Services Division**

Eduardo R. Rosqueta  
Officer-In-Charge  
Tel. No.: (632) 575-1790

#### **Records Management and Office Services Division**

Aristotle E. Guerrero  
Chief Administration Officer  
Tel. No.: (632) 575-1788  
Tel./Fax No.: (632) 816-0996

#### **Organization Development & Management Department**

Patrick Roehl C. Francisco  
Department Manager  
Tel. No.: (632) 575-1794

#### **Procurement and Property Management Department**

Nancy V. Paje  
Department Manager  
Tel. No.: (632) 575-1783

#### **COMMISSION ON AUDIT**

Lourdes D. Benitez  
Supervising Auditor  
Tel. No.: (632) 575-1717  
Tel./Fax No.: (632) 816-1344

Cecilia N. Chan  
Audit Team Leader  
Tel. No.: (632) 575-1718

# DIRECTORY OF THE BCDA GROUP



## BCDA MANAGEMENT & HOLDINGS, INC.

BMHI Corporate Center  
Pamayanang Diego Silang, C-5 Road  
Ususan, Taguig City, 1632 Philippines  
Tel.: (632) 869-4319 | (632) 519-9959  
E-mail: [bmhi@bmhi.com.ph](mailto:bmhi@bmhi.com.ph)  
Website: <http://www.bmhi.com.ph>

ELMAR M. GOMEZ  
**President and CEO**



## JOHN HAY MANAGEMENT CORPORATION

John Hay Special Economic Zone  
Camp John Hay, Loakan Road  
2600 Baguio City, Philippines  
Tel./Fax: (63) (74) 444-5823  
E-mail: [mgmt@jhmc.com.ph](mailto:mgmt@jhmc.com.ph)  
Website: <http://www.jhmc.com.ph>

MR. SILVESTRE C. AFABLE, JR.  
**Chairman**

DR. JAMIE ELOISE M. AGBAYANI  
**President & CEO**



## CLARK DEVELOPMENT CORPORATION

Bldg. 2122, Elpidio Quirino St.  
Clark Freeport Zone 2023 Pampanga, Philippines  
Tel.: (63) (45) 599-9000 | 599-2092  
Fax: (63) (45) 599-2507  
E-mail: [info@clark.com.ph](mailto:info@clark.com.ph)  
Website: <http://www.clark.com.ph>

ATTY. ARTHUR P. TUGADE  
**President & CEO**



## NORTH LUZON RAILWAYS CORPORATION

3rd Floor Engineering Building  
MWSS Compound, Katipunan Road  
Old Balara 1105 Quezon City, Philippines  
Tel.: (632) 709-1150-54  
Fax: (632) 709-1150 local 7107  
E-mail: [public\\_affairs@northrail.com.ph](mailto:public_affairs@northrail.com.ph)  
Website: <http://www.northrail.com.ph>

ENGR. JOSE MARTIN O. ALILING  
**Chairman**

MR. CONRADO K. TOLENTINO  
**President & CEO**



## CLARK INTERNATIONAL AIRPORT CORPORATION

Corporate Office Building, Clark Civil Aviation Complex  
Clark Freeport Zone, 2023 Pampanga, Philippines  
Tel.: (63) (45) 599-2888 to 97  
Fax: (63) (45) 599-2044  
E-mail: [publicaffairs@clarkairport.com](mailto:publicaffairs@clarkairport.com)  
Website: <http://www.clarkairport.com>

ATTY. FELIPE ANTONIO B. REMOLLO  
**Vice Chairman**

ATTY. EMIGDIO P. TANJUATCO III  
**President & CEO**



## PORO POINT MANAGEMENT CORPORATION

Administrative Office  
Gov. Joaquin L. Ortega Avenue  
Poro Point City of San Fernando 2500  
La Union, Philippines  
Tel.: (63) (72) 242-4016  
Fax: (63) (72) 242-0683  
E-mail: [poropointfreeportzone@gmail.com](mailto:poropointfreeportzone@gmail.com)  
Website: <http://www.poropointfreeport.org>

San Fernando Airport Office  
Mayor Lorenzo Dacanay Avenue  
Canaoay, San Fernando City 2500  
La Union, Philippines  
Tel.: (63) (72) 607-5649  
Fax: (63) (72) 607-5648

MR. IVES Q. NISCE  
**Chairman**

MR. FLORANTE S. GERDAN  
**President & CEO**

# AFFILIATES

## Bonifacio Art Foundation, Inc.

The Mind Museum  
JY Campos Park, 3rd Avenue  
Bonifacio Global City, Taguig City, Philippines  
Tel.: (632) 909-6463  
Fax: (632) 909-6461  
Website: <http://www.themindmuseum.org>  
Email: [inquiry@themindmuseum.org](mailto:inquiry@themindmuseum.org)

## Bonifacio Communications Corporation

c/o Philippine Long Distance Company  
Ramon Cojuangco Bldg., Makati Ave., Makati City  
Tel.: 171 or 1-800-1888-9090  
Fax: (632) 844 66 54

## Bonifacio Estate Services Corporation

2/F, Bonifacio Technology Center  
31st St. corner 2nd Ave.  
Bonifacio Global City, Taguig City, Philippines  
Tel.: (632) 816-2372  
Fax: (632) 818-1603  
Website: [www.bonifacioestate.com](http://www.bonifacioestate.com)  
Email: [inquiry@themindmuseum.org](mailto:inquiry@themindmuseum.org)

## Bonifacio Water Corporation

38th Drive, University District  
Bonifacio Global City, Taguig City, Philippines  
Tel.: (632) 818-3601

## Fort Bonifacio Development Corporation

2/F, Bonifacio Technology Center  
31st St. corner Second Ave.  
Bonifacio Global City, Taguig City, Philippines  
Tel.: (632) 818-3601  
Website: <http://www.bgc.com.ph>  
Email: [inquiry@themindmuseum.org](mailto:inquiry@themindmuseum.org)

## Subic Bay Metropolitan Authority

Administration Building  
Bldg. 229, Waterfront Road  
Subic Bay Freeport Zone, Philippines  
Tel.: (63) (47) 252-4000 | 252-4004 | 171  
or 1-800-1888-9090  
Fax: (632) 844 66 54  
Website: [www.mysubicbay.com.ph](http://www.mysubicbay.com.ph)

## Subic Clark Alliance for Development

Ground Floor, Building 2127  
CDC Corporate Headquarters  
E. Quirino corner C. Garcia Streets  
Clark Freeport Zone, Philippines  
Tel.: (63) (45) 599 7418  
Telefax: (63) (45) 599 7499  
Website : <http://www.scadcouncil.com/>  
Email: [mail@scadcouncil.com](mailto:mail@scadcouncil.com) /  
[scadcouncil@yahoo.com](mailto:scadcouncil@yahoo.com)

## ACKNOWLEDGMENTS

Ayala Technohub-Baguio • Bataan Technology Park • Bell House • Belmont Hotel • Bonifacio Estate Services Corporation • Bonifacio Global City • Bonifacio High Street • BHS Central • Café Naya • Cantinetta • CDC Communications Department • CDC Investor Relations • Chocolate De Batirol Baguio • Clark Development Corporation • Clark International Airport Corporation • Clark Museum • Donggwang Clark Corporation • Ecell Philippines, Inc. • Flying Trapeze Philippines-BGC • Fort Bonifacio Development Corporation • Intercontinental Hotels Group-Baguio • Jamco Philippines, Inc. • John Hay Management Corporation • La Rose Noire • Leading Edge International Aviation Academy, Inc. • Marriott Hotel Manila • Manila North Tollways Corporation • McKinley West • McKinley Hill • Megaworld Corporation • Mercato Centrale-BGC • Metro Pacific Tollways Corporation • Mile Hi-Baguio • Newport City • Palace Pool Club • Poro Point Management Corporation • Resorts World Manila • Revel • Sambon P&E Phils., Corp. • Sutherland Global Services-Clark • SMK Electronics (Philippines) Corporation • The Mind Museum • The Venice Piazza • Thunderbird Resorts Corporation • Tollways Management Corporation • Tree Top Adventure Baguio • University of the Philippines • UP System Information Office • Valkyrie • Xenia Hotel • Yokohama Tire Philippines, Inc.

## PUBLICATION TEAM

The 2015 Annual Report is a project of the BCDA Public Affairs Department

The editorial team is composed of:

**Editorial Director** : Aileen Anunciacion R. Zosa  
**Executive Vice President**


**Public Affairs Team** : Leilani Barlongay-Macasaet  
**Public Affairs Manager**


Roy Victor R. Rosales  
Maricar Gay Savella-Villamil  
Michelle San Juan-De Vera  
Garry A. Cativo  
Irah F. David


Republic of the Philippines  
Office of the President




**BCDA Corporate Center**

 2/F, Bonifacio Technology Center  
31st Street corner 2nd Avenue  
Bonifacio Global City, Taguig City  
Philippines

 Tel. No.: (632) 575-1700  
Fax No.: (632) 816-0996

 [bcda@bcda.gov.ph](mailto:bcda@bcda.gov.ph)

 [www.bcda.gov.ph](http://www.bcda.gov.ph)

 [facebook.com/theBCDAGroup](https://facebook.com/theBCDAGroup)

 [twitter.com/theBCDAGroup](https://twitter.com/theBCDAGroup)