

## **GONZALO BENJAMIN A. BONGOLAN**

### **Profile**

Mr. Bongolan is currently the President of the HGC. He is the youngest ever to be appointed to and the first ever to be re-appointed to that position. He came to the Corporation just after the 1997 Asian financial crisis ravaged the real estate industry.

When Mr. Bongolan took over the reins of the Corporation in 2001, he was welcomed with a monstrous P16 billion worth of unpaid guaranties and imminent defaults, and a vast portfolio of non-performing assets. With little cash to go by (P 243.82 million to be exact), the Corporation was in a very difficult position. He carried the burden and had to face dismayed and angry clients whose guaranty claims at that time, some dating back to the 1990s, were still unpaid. The credibility of HGC and the sovereign guaranty that it carries was heavily eroded. HGC's dire situation went around the financial circles and its client base diminished rapidly.

The challenges at hand prompted Mr. Bongolan to formulate a five-year plan to "turn around the HGC into an unimpaired and credible guaranty corporation with a motivated work force to enable it to fulfill its main mandate and support the shelter program and thrusts of the National Government." This was the touchstone upon which all his succeeding executive decisions and actions were based.

Within the first three years of his incumbency, the Corporation was able to pay 69% or P 11 billion of its unpaid guaranty call obligations. By 2004, HGC was able to settle all of its unpaid obligations to the private sector.

The level of outstanding guarantees in 2006 (P63.5 billion) was more than double the P25.81 billion level in Year 2000 (the year prior to his assumption as President). Guaranty call rate was reduced to a very manageable average of 0.075% from 2002 to the present, from an average annual rate of 9.44% prior to his entry to HGC.

The results of the reorganization program he initiated in 2003 were unprecedented. The first stage was the Early Separation and Incentive Program (ESIP) implemented in 2004. Income from operations jumped by 845% that year, as manpower complement was reduced to 28% of its original size. Manpower complement fell 72% and monthly payroll expenses fell 60% to P 10 million.

By example and leadership, Mr. Bongolan instilled a culture of cost efficiency. His efforts translated to a substantial reduction in operating costs by 29.09% in 2004 and by 24% in 2005.

The Corporation benefited from his experience as a finance and stock market professional. It was in his term that HGC began to actively participate both as an issuer and investor in the capital and bond markets.

The best validation of his efforts was the restoration of the market's confidence in the Corporation. In 2002, when HGC made its first ever bond flotation in the capital market, the P5-billion Zero Coupon Bonds issue was oversubscribed. In late 2006, it issued 7-Year P12.0 Billion Zero-Coupon Bonds which were also over subscribed, this time more than twice over, with a better than market yield to maturity of 6.125%,

The Philippine Star described him as a 'shy achiever' and 'a major feather in the Arroyo-De Castro tandem's cap.' Before his appointment to HGC, he was Assistant Vice President for Research of Philippine Commercial Capital, Inc. – Securities Brokers Corporation (PCCI-SBC). Prior to this, he was Manager for Technical Research of First Metro Investment Corporation.

Mr. Bongolan began his career in securities as a Research Analyst for Belson-PrimeEast Capital Asia, Inc. before moving to the Philippine Representative Office of Banque Nationale de Paris (BNP) – PrimeEast Securities Hong Kong as Senior Analyst and Economist.

Mr. Bongolan was among the most popular and heavily-quoted stock market analysts and commentators in the country. He remains actively involved in the newly revived Association of Securities Analysts of the Philippines (ASAP) where he used to be the Membership Committee Chairman and Director. Upon his entry to Government service in 2001, BusinessWorld wrote of him as another "one of the private sector's precious commodities joining the GMA government".

Mr. Bongolan holds an MA in Economics from the U.P. School of Economics. He is also a candidate for Ph.D. and has taught in the same institution. He specializes in international trade and monetary economics and has written about trade and industrial policy, economic development, financial markets and macroeconomics. In the early 1990s, he was a columnist for Business World and Research Fellow at the Philippine Center for Policy Studies.

Among the prominent student leaders in the late 1980's, he was a former Student Regent representing the studentry in the U.P. Board of Regents as well as Chairman of the University Student Council, University of the Philippines in Diliman.