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BANKNEWS

Friday, April 30, 2009

Deposit cover raised – BusinessWorld p. S1/1

GMA signs law raising deposit insurance to P.5 million – Phil. Star p. B5

Bank deposit insurance raised to P500, 000 – Phil. Daily Inquirer p. A1

Bank deposits insurance hiked – Manila Bulletin p. A1

PDIC gets new charter; deposit cover hiked to P.5M – Daily Tribune p. 8

Deposit insurance doubled to P500, 000 – Manila Standard Today p. A1

PDIC charter doubles deposit insurance – BusinessMirror p. A1

Deposit insurance coverage increased – People’s Journal p. 5

PRESIDENT Gloria M. Arroyo yesterday signed into law the amendments to the state deposit insurer’s charter, doubling the insurance coverage for bank depositors to P500,000.

Republic Act No. 9576, which comes amid a dim global financial environment, will also enhance the Philippine Deposit Insurance Corp.’s (PDIC) powers to help protect tax payers from suffering losses due to criminal banking schemes similar to that perpetrated by the Legacy group of banks.

But Bangko Sentral ng Pilipinas (BSP) said a real, meaningful improvement of the local financial system’s regulatory framework will hinge largely on the approval of the long-delayed amendments to the BSP’s charter.

BoP surplus to beat forecast due to remittances, loans – BusinessWorld p. S1/3

THE BANGKO Sentral ng Pilipinas (BSP) expects the country to beat its balance of payments surplus forecast of \$700 million, amid unexpectedly strong remittance flows and a higher government borrowing program to fund a widening budget shortfall.

Foreign portfolio and direct investments, which are logged under the balance of payments’ (BoP) capital and financial account, are likewise seen doing better than last year, the BSP said.

"If, for example, remittance flows continue on an upward trend and the government borrows more money from abroad," then the country’s BoP may post a surplus higher than the \$700 million forecast, said BSP Deputy Governor Diwa C. Guinigundo.

The BoP, which records all financial transactions and foreign trade made by the Philippines with the rest of the world, will remain largely supported by investments in the business process outsourcing sector, as well as sustained inflows of remittances from Filipino migrant workers.

Capital rules still unclear — insurers

Insurance Commission set to release fresh licenses next month – BusinessWorld p. S2/1

REGULATORS are set to decide on the fate of local insurers next month, but the Philippine insurance industry is still in the dark on whether their licenses would be renewed on the basis of stricter capital requirements.

The deadline for filing of financial statements lapses today, but the Insurance Commission has yet to be explicit on the rules local insurers should follow to continue doing business.

The Philippine Life Insurance Association (PLIA) wants the capital requirement capped at P75 million for 2008, with yearly increases of P25 million. That bid, however, runs counter to a department order issued by former Insurance Commissioner Evangeline C. Escobillo, which required insurance firms to beef up their net worth to P500 million by 2011, half of which is in form of paid-up capital.

Banking system liquidity adequate – Manila Bulletin p. B1

The Bangko Sentral ng Pilipinas (BSP) does not see an urgent need to infuse additional liquidity into the financial system since most banks are awash with cash, central bank governor Amando Tetangco said yesterday.

Sys set aside P31B for mall, tourism expansion – BusinessWorld p. S1/6

SM group to invest P25B in '09 projects – Phil. Daily Inquirer p. B1

SMIC's capital spending up 30% - BusinessMirror p. A1

SMIC increases capex for local, offshore expansion – Manila Times p. B2

THE PUBLICLY listed holding company of the Sys remains in the expansion mode amid resilient domestic demand, while grooming itself to be a dominant player in the tourism and entertainment sector.

"We will pursue our expansion plans for this year with greater focus on areas that we think can make us stronger when the crisis passes," said Harley T. Sy, president of SM Investments Corp., in yesterday's stockholders' meeting.

...Unit **Banco de Oro Unibank, Inc.** on the other hand is planning to redeploy its remaining 37 branch licenses in "high-growth" areas, which will bring the bank's network to over 700 branches, one of the largest in the country.

Market closes flat; profit takers dominate – BusinessWorld p. S2/2

PROFIT TAKERS led bargain hunters in yesterday's trading, sending share prices 0.11% lower.

The benchmark Philippine Stock Exchange index lost 2.45 points to end at 2,061.05, while the all shares index went down by 0.08% or 1.20 points to 1,341.06.

... Andrew Tan-led Megaworld Corp. soared by 4.47% or three centavos to P0.70, while **Sy-led Banco de Oro Unibank, Inc.** added 1.75% or P0.50 to close at P29.

Peso gains on positive US data – BusinessWorld p. S2/3

THE PESO yesterday tracked Asian currencies that recovered against the dollar as upbeat US economic data gave investors fresh signs of an easing recession.

It gained 32.5 centavos to close at P48.670 per dollar, shying away from the crucial P49-to-the-dollar territory. The local currency traded from a low of P48.83 per dollar to a high of P48.62 per dollar.

Govt keeps 3.1-4.1% growth target – BusinessMirror p. A1

Cabinet hikes growth goal to 4.1% this year – Daily Tribune p. 8

DESPITE the zero-growth projection given by the International Monetary Fund (IMF), the government is keeping the recently revised growth targets approved by the interagency Development Budget Coordination Committee (DBCC)—that is, within the range of 3.1 percent to 4.1 percent, according to the National Economic and Development Authority (Neda).

Neda officer in charge Rolando Tungpalan told the BusinessMirror the external economic environment is now improving, as signaled by rising remittances from overseas Filipino workers (OFWs) and in OFW deployment.

Tungpalan said OFW remittances grew 4.9 percent in February while OFW deployment recorded a 30-percent growth. These, he said, will help maintain domestic consumption.

Spanish economist sees 2.5-3.5% growth – BusinessWorld p. S1/3

THE PHILIPPINE economy will still manage to grow albeit at a slower rate this year due to the continuous inflow of remittances from migrant workers and a better debt position, an economist yesterday said.

Pedro Videla, an economist from the Instituto de Estudios Superiores de la Empresa (IESE), said the international consensus that the country's economy will grow by 2.5% to 3.5% is "reasonable" compared to the International Monetary Fund's (IMF) recent forecast of a flat growth this year.

"The international consensus we have today is 2.5% to 3.5%. It seemed to be reasonable compared to the 0%," he told reporters on the sidelines of an economic forum in Makati.

Contraction seen for RP economy – BusinessWorld p. S1/1

LONDON BASED think tank Economist Intelligence Unit (EIU) has turned up the gloom on the Philippines, saying in a report on its Web site this month that the economy may contract by as much as 1.9% from an earlier projection of 0.6% growth, as growth drivers such as exports and remittances suffer from the global economic crisis.

The EIU is the first one to project a contraction for the Philippines, but several international groups have also downgraded their outlook on the country. The International Monetary Fund (no growth from 2.25%), the World Bank (1.9% from 3%), debt watcher Fitch Ratings (0.5% from 2.25%), Goldman Sachs (0.5% from 1.8%) and Citigroup (2% from 3%) had cut their growth forecast on the Philippines. The government had also reduced its growth target to 3.1%-4.1% from 3.7%-4.4%.

If the economy does shrink, it will be the first time since 1998, when the economy contracted 0.6% in the wake of the outbreak of the Asian Financial crisis a year earlier. Philippine growth slowed down to 4.6% last year from 2007's three-decade high of 7.2%.

Recovery in RP to take a year and a half, says economist – BusinessMirror p. A3

ECONOMIC recovery in the Philippines will have a lag of at least six months to almost a year after the crisis hits rock bottom in the member countries of the Organization for Economic Cooperation and Development (OECD) like the United States, according to a visiting economist from Spain.

In a forum jointly presented by the Mandarin Oriental-Manila, Jardines and ZMG Ward Howell, Barcelona, Spain-based IESE Business School Professor of Economics Dr. Pedro Videla said the crisis will bottom out in rich countries, particularly in the US, in three to six months from now or within 2009.

However, Videla said that due to several factors, the recovery in the Philippines will not be felt until after around six to 12 months after the crisis bottoms out in the US.

Investment plan to be signed soon – Phil. Star p. B11

The Investments Priorities Plan (IPP), one of the tools the government is using in order to discourage businesses from laying off workers, is expected to be signed by the President very soon, Trade and Industry Secretary Peter B. Favila said.

According to Favila, he has already signed the IPP and the final nod of the President is the only thing that is keeping it from being implemented. Favila said he expects the approval of the IPP to happen very soon.

The IPP should have been ready last March. However, consultations with various industry groups have delayed the proceedings.

Foreign investments seen to rise – Phil. Star p. B4

Bangko Sentral ng Pilipinas (BSP) officials are cautiously optimistic that foreign investments could actually be higher than expected this year, possibly pushing the country's forex reserves higher and the balance of payments (BOP) stronger.

The BSP said yesterday that based on early indicators, the country's gross international reserves (GIR) could reach \$39 billion—the high end of the official projected range of \$37 to \$39 billion for 2009.

BSP Deputy Governor Diwa Guinigundo said there are indications that foreign direct and portfolio investments are holding steady and could even increase compared with last year's levels.

Insurance and pre-need firms won't suffer same fate – BusinessWorld p. S2/1

Commission says insurance firms stable – BusinessMirror p. B1

Life insurers claim immunity from preneed industry woes – Manila Times p. B1

PHILIPPINE INSURERS would avert a global financial crisis that claimed domestic pre-need firms given strict regulations on the sector's investments, the Insurance Commission (IC) and industry officials yesterday said.

Victor P. Quisumbing, president of the Philippine Life Insurance Association (PLIA), said strict rules imposed by the IC have prompted insurers to be prudent in their investments.

"The life insurance industry is not in crisis. The regulatory body has seen to it that we are conservative in our investment. Because of that, we are stable," Mr. Quisumbing told a briefing yesterday.

Pre-need and insurance are often perceived as a single industry, making the latter vulnerable to spillover effects of the collapse of several pre-need firms. That "misconception" should be corrected, he said.

Undercapitalized insurance firms comply – BusinessMirror p. B8

Local insurance companies previously considered to be undercapitalized have submitted proofs of their compliance with the minimum capital requirements set by the Insurance Commission, a senior agency official said.

"They've complied already," Deputy Commissioner Vida Chiong told reporters on the sidelines of the Sixth Philippine NonLife Insurance Summit held on Wednesday at Hotel InterContinental in Makati City.

However, Chiong said the commission "will take a look at the source of funds.

Legacy owner, 4 officers indicted for estafa – Phil. Star p. A12

De los Angeles et al. face syndicated estafa charges – Daily Tribune p. 3

Justice approves Legacy suits – Manila Standard Today p. A2

More raps vs Legacy – People's Journal p. 5

Legacy Group owner Celso de los Angeles and four officers of his shuttered firms have been indicted for syndicated estafa.

It was the first indictment for De los Angeles and his former officers, who are facing numerous criminal charges for allegedly duping hundreds of investors and clients. Syndicated estafa is a non-bailable offense.

Court says Legacy's preneed 'insolvent' – Manila Times p. A1

A Makati City court issued an order declaring the preneed firm Legacy Consolidated Plans Inc. (LCPI) insolvent on Wednesday, when the Justice department also prepared three syndicated estafa cases against the owner and executives of the Legacy group of companies.

In their petition, Gliceria Ayad, Sahlee de los Reyes and Antonio Huetee Jr.—all of whom are also policyholders and creditors—asked Judge Reynaldo Laigo of Branch 56 of the Regional Trial Court of Makati City to have the Legacy's preneed firm declared insolvent. After finding the petition to be "sufficient in form and substance," the court gave the company 10 days to challenge the petition.

PSBank tops forecast, nets 21% in Q1 – BusinessWorld p. S2/1

PSBank posts 21% growth in first-quarter net profit – Phil. Daily Inquirer p. B2

PSBank posts P304-M profit in Q1, up 21% - Manila Bulletin p. B5

21% hike in Q1 net income for PSBank – Malaya p. A1

PSBank posts 21% increase in first-quarter net income – BusinessMirror p. B8

PSBank first-quarter net income climbs – Manila Times p. B3

PHILIPPINE Savings Bank (PSBank), the thrift bank arm of the George S.K. Ty-Metrobank Group, has reported a profit growth of 21% in the three months to March, owing to its healthy lending business and wider interest margins.

The bank netted P303.73 million during the period, which compares to the P251 million it posted in the first quarter of last year.

The favorable first quarter earnings performance suggests that PSBank is right on track in meeting its net profit goal of P1.1 billion for 2009 despite a difficult operating environment, the bank's president Pascual M. Garcia III said.

"Our first quarter results set us well on the path of growing our net profit to P1.1 billion this year," he said in a statement.

PSE taps gov't TV station for education drive – Phil. Daily Inquirer p. B2

The Philippine Stock Exchange has tied up with the official government television National Broadcasting Network (NBN) to implement starting May 4 an aggressive stock market education campaign for the masses.

The PSE yesterday signed a memorandum of agreement with NBN, which owns TV station channel 4 and more than 30 provincial radio stations, to broadcast about the stock market. Specifically, NBN will display the PSE's ticker during the trading hours on national TV and provide a 5-minute airtime three times a week for the local bourse, PSE president Francis Lim said in an interview at the signing program.

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