

**CLIENT : Rural Bankers Association of the Philippines**  
**BRAND : Rural Bankers Association of the Philippines**  
**PROJECT : RBAP PR Campaign**  
**RE : Media Monitoring on Banks**  
**PERIOD : May 9-10, 2009**

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## **BANKNEWS**

**Saturday, May 9, 2009**

### **Mas malawak na pautang sa mga magsasaka, singuro ng RBAP – Abante Tonite p. 8**

Sa kabila ng epekto ng global economic crisis, mananatili ang Rural Bankers Association of the Philippines (RBAP) sa pagtulong upang mas lalo pang mapaunlad ang mga kanayunan.

“Makakaasa ang ating mga magsasaka na mabibigyan namin sila ng mas malaking pautang ngayong taon,” pahayag ni Tomas Gomez IV, RBAP president. “Kami ay nananatiling tapat sa pagtulong upang mas mapaingting ang pag-unlad sa kanayunan, lalo na ngayon sa gitna ng pananalasa ng pandaigdigang krisis,” aniya pa.

### **BDO Q1 profit down 24.6%; China Bank income up 23.8% - Phil. Daily Inquirer p. B6**

#### **Banco de Oro net income recovers in first quarter – Manila Times p. B1**

The country’s largest bank, *Banco de Oro Unibank* of retail tycoon Henry Sy Sr., posted a P1.01 billion first quarter net profit, 24.6 percent lower than the P1.34 billion recorded in the same period last year.

The 2008 first quarter net was boosted by a P650-million one-time gain from the initial public offering of Visa, BDO president Nestor Tan said.

#### **Prudentialife vows to meet obligations – Phil. Daily Inquirer p. B2**

#### **Prudentialife Plans promises to pay P2b in benefits to plan holders – Manila Standard Today p. B1**

#### **Penalized insurance firm may sell life plans anew – Manila Times p. A3**

Prudentialife Plans Inc. has asked the Securities and Exchange Commission (SEC) to allow it to sell new life or memorial plans as it affirmed its commitment to settle all maturing preneed plan obligations.

In a briefing yesterday, Prudentialife Group president Jose Alberto Alba said Prudentialife had been managed professionally over the past 31 years, but its trust fund had been weighed down by the economic downturn.

...Prudentialife’s five trustee banks—ING, Deutsche Bank, *Banco de Oro Unibank*, Metropolitan Bank and Trust Co. and Bank of the Philippine Islands—reported a positive average yield of 8-9 percent in the first three months.

**The power of three (Ah Cebu! By Mila Espina) – Manila Standard Today p. C1**

The Cathay Pacific, American Express and *Banco de Oro Unibank* launched the Cathay Pacific American Express Elite Credit Card and Cathay Pacific American Express Credit Card which will offer the best Asia Miles earn rate in the Philippines.

**Bank lending posts slower growth in March – Phil. Star p. B10**

**Growth in commercial lending slows as banks tighten credit – Phil. Daily Inquirer p. B1**

**Bank lending slows amid rising liquidity in March – Manila Times p. B1**

The growth in bank lending slowed down dramatically to 17.8 percent in March from a robust 22.6 percent expansion in February as the economic slowdown takes its toll on production activities, the Bangko Sentral ng Pilipinas (BSP) reported yesterday.

The BSP said the March preliminary data on loans for production activities continued to lead the expansion although at a slower rate of 16.8 percent compared with the 20-percent growth in the previous month.

The BSP said loans went into agriculture, hunting, and forestry which increased by 70.1 percent; real estate, renting and business services (41.1 percent); electricity, gas and water (31.3 percent); financial intermediation (16.4 percent); other community, social and personal services (41.9 percent); and transportation, storage & communication (20.7 percent).

**Domestic liquidity grows 15.6% in March – Manila Bulletin p. B1**

The Bangko Sentral ng Pilipinas (BSP) reported yesterday that domestic liquidity or M3 continue to expand, driven by net foreign assets (NFA).

As of March, M3 grew 15.6 percent year-on-year and the pace of growth is higher compared to February's 14.6 percent.

**FDI seen to hit only \$700 million – Phil. Star p. B3**

**BSP sees cut in foreign investments – Phil. Daily Inquirer p. A7**

**BSP says crisis to slash foreign investments by half – Manila Times p. B1**

The Bangko Sentral ng Pilipinas (BSP) said yesterday that foreign direct investments are expected to drop to only \$700 million this year from \$1.4 billion in 2008 as investors hold back their plans to invest in the Philippines in the midst of the global economic recession.

BSP Deputy Governor Diwa Guinigundo said that the central bank is making a “conservative” projection for this year, counting only foreign direct investments that are already in the pipeline and scheduled to come in this year.

According to Guinigundo, the expected FDI flows are seen to go into power and telecommunications although some inflows were also expected to go into mining and quarrying.

**AEV reports P1.4-billion net income in 1st quarter – Phil. Star p. B3**

**AEV reports 20% rise in Q1 profit – Phil. Daily Inquirer p. B6**

**Unionbank's profit falls 6% - Manila Standard Today p. B1**

Aboitiz Equity Ventures, Inc. (AEV), the listed holding firm of the Aboitiz family, posted a net profit of P1.4 billion in the first quarter this year, 20 percent higher than the previous level.

Aside from a foreign exchange loss of P83 million at the parent and subsidiary levels, AEV realized a non-recurring income of P633 million resulting from a P575 million reversal of impairment provision to adjust the carrying amount of the assets of Aboitiz Transport System Corp. in consideration of the termination of the planned sale of ATSC and a P58-million booked revenue.

... Meanwhile, the financial services group chipped in P242 million, up four percent from P232 million the previous level. Union Bank of the Philippines contributed P229 million while City Savings Bank registered a net income of P13 million.

### **ATR Kim Eng accepts settlement offer – Phil. Daily Inquirer p. B1**

ATR Kin Eng Financial Corp. has accepted a P617.4-million out-of-court settlement deal from Filipino businessman Carlos Araneta and the LBC group in connection with its disputed investment in Delaware-based LBC Global Corp.

ATRKE, which has a 10-percent stake in the Araneta-controlled LBC holding company LBC Global, earlier filed a complaint, citing an alleged breach of fiduciary duty in the disappearance of substantial assets of LBC Global. In 2007, a Delaware court ordered Araneta and two other individuals to pay ATRKE \$24.49 million plus expenses and interest.

Consequently, ATRKE sought to enforce the Delaware court's order on certain assets of LBC in the United States and in the Philippines. But according to the judicial practice in California, mediation must first be attempted by concerned parties before any court order is enforced.

## **Sunday, May 10, 2009**

### **Outstanding loans of banking sector grow 18% in 1<sup>st</sup> quarter – Manila Bulletin p. B1**

The Bangko Sentral ng Pilipinas (BSP) said yesterday that banking sector's outstanding loans grew 17.8 percent year-on-year to P1.943 trillion in March, lower compared to the loan expansion in February.

Including reverse repurchase agreements, bank lending rose 18.9 percent to P2.193 trillion gross, said the BSP.

### **BDO income breaches P1-billion mark in first quarter – Phil. Star p. B1**

*Banco de Oro Unibank Inc. (BDO)*, the country's biggest lender in terms of assets, posted a solid performance in the first three months this year as its net income breached the P1-billion mark, supporting its continued optimism of a stronger profit position in 2009.

In a statement, BDO said net earnings reached P1.01 billion in the first quarter, 25.7 percent lower than the P1.36 billion profit in the same period in 2008, as the bank previously sold a substantial stake in US credit card company VISA. On a recurring basis, however, net income improved 45 percent year-on-year.

### **Inflation to bottom out in third quarter – Manila Bulletin p. B1**

The country's annual inflation may hit its bottom in the third quarter following base effects from rapid increases in commodity prices in the same period of 2008, central bank officials said on Friday.

**BSP sees positive FDI, portfolio money inflows – Manila Bulletin p. B2**

Bangko Sentral ng Pilipinas (BSP) Deputy Governor Diwa Guinigundo said yesterday that they still expect positive foreign direct investments (FDIs) and foreign portfolio investments this year despite investors risk-averse sentiments amid global crisis.

BSO forecasts FDI to close the year with \$700 million and \$600 million for portfolio investments or “hot money”. FDIs or non-resident foreign investments totaled \$1.4 billion in 2008 while portfolio funds dropped to a huge net outflow of \$3.7 billion.

**PSE elects new board with Sicat as chairman – Phil. Star p. B1**

**Stock exchange board picks Hans Sicat to lead it – Phil. Daily Inquirer p. A6**

The Philippine Stock Exchange (PSE) elected yesterday its new board of directors with a third comprised of fresh faces led by its new chairman, Hans Sicat, a former investment banker.

Sicat, who was unanimously voted by the PSE board, concurrently sits as president and chief executive officer of LegisPro Corp., a knowledge process outsourcing firm he co-founded in September last year. He spent over two decades as an international investment banker for Citigroup.

Meanwhile, PSE president Francis Lim was elected for another term.

**Union Bank posts lower income of P565M in Q1 – Phil. Star p. B2**

Aboitiz controlled Union Bank of the Philippines recorded a net income of P565.2 million in the first three months of the 2009, slightly lower than the P602.49 profit million in the same period last year. Revenues expanded to P3.9 billion while interest income expanded by 44.6 percent to P3.9 billion.

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