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BANKNEWS

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RBAP assures more loans to farmers in '09 – Malaya p. A7

The Rural Bankers Association of the Philippines (RBAP) will help sustain the development of the countryside this year despite the effects of the worldwide economic crunch.

“The farmers can count on us to give them more loans this year,” assured Tomas Gomez IV, RBAP president. “We are committed to help sustain the growth of the countryside, most especially now, with the effects of the global downturn.”

Bank lending slows down in March – Malaya p. A1

Bank lending continued growing in March, but slightly lower compared to the previous month's expansion.

Bangko Sentral ng Pilipinas (BSP) data showed that the growth in outstanding loans of commercial banks including reverse repurchase agreements (RRPs) remained strong at 18.9 percent in March.

Loans outstanding of universal and commercial banks in March, gross of RRPs, amounted to P2.19 trillion.

Net of RRP placements with the BSP, lending also expanded by 17.8 percent, totalling P1.94 trillion.

But BSP said that the rise in bank loans, was slightly lower when compared to the expansion in the previous month, which were 22.5 percent and 22.6 percent, respectively.

RP still predicts current account surplus despite lower exports – Manila Standard Today p. A1

The central bank expects its current account to remain in surplus this year, boosted by overseas borrowings by the government and private firms.

This year's current account is estimated to show a P4.1-billion surplus as the government may borrow an extra \$600 million overseas, Deputy Governor Diwa Guinigundo said. That compares with the \$4.2-billion surplus last year and \$2.7 billion in March.

BSP asked to identify banks similar to Legacy group – Manila Standard Today p. B1

The Monetary Board has ordered the central bank's supervision department to find other copycats of the Legacy group to stop them from duping the public.

The central bank closed a number of banks belonging to the Legacy group in December.

Trade deficit seen smaller at \$1B in 2009 – Manila Bulletin p. B1

The trade deficit this year will only be \$1 billion lower to \$11.6 billion compared to 2008's \$12.6 billion.

The Bangko Sentral ng Pilipinas (BSP) on Friday said it forecasts exports to decline by 13 percent to \$41.9 billion from a much smaller drop of 2.6 percent last year, totaling \$48.2 billion.

As for imports, BSP sees a 12 percent decline to \$53.5 billion. Last year imports increased five percent to \$60.8 billion.

BDO reports P1-billion net income in 1st quarter – Manila Bulletin p. B3

BDO shows solid growth – Malaya p. A7

Banco de Oro nets P1b; Chinabank's profit up 24% - Manila Standard Today p. B2

Banco De Oro Unibank (BDO), the country's largest local bank in terms of assets, said it posted net earnings of P1.01 billion in the first quarter of 2009, 62 percent higher compared with that of the previous quarter but 24 percent lower than the P1.34 billion recorded in the same period last year.

A statement released from the bank said it had a "solid financial performance despite the challenges brought by the prevailing global financial setback." Bank officials also stated that it "remains upbeat in its outlook for 2009, both for its revenue and income growth, notwithstanding the tough environment posed by the global financial crisis."

RCBC raises P4B from debt issue – BusinessWorld p. S2/1

RIZAL COMMERCIAL Banking Corp. (RCBC) said it had raised P4 billion from a Tier 2 notes issue.

RCBC said at the weekend it had closed the order book ahead of the May 12 deadline after raising the amount it needed on Friday.

... Aside from RCBC, *Banco de Oro Unibank, Inc.*, the country's largest, raised P3 billion in Tier 2 debt in March. BDO was followed by the Metropolitan Bank & Trust, the second largest, which raised P4.5 billion in Tier 2 debt the following month.

RCBC's Lower Tier 2 notes oversubscribed – Phil. Star p. B10

P4-billion RCBC Tier 2 notes oversubscribed – Manila Bulletin p. B5

RCBC boosts capital with sale of debt papers – Manila Times p. B3

RCBC closes tier 2 offer – Manila Standard Today p. B1

The Lower Tier 2 unsecured subordinated notes offer of the Rizal Commercial Banking Corp. (RCBC) worth P4 billion was oversubscribed, forcing the commercial bank to close the order book days in advance.

The order book was filled within just the first seven-days of the planned two-week offer period.

...Standard Chartered Bank is the sole arranger, bookrunner and market-maker for this issue. Multinational Investment Bancorp., *BDO Capital & Investment Corp.* and Citicorp Financial Services and Insurance Brokerage Philippines Inc, together with Standard Chartered Bank, were appointed selling agents. RCBC is also a limited selling agent for the transaction.

BDO Leasing expects 1% profit gain this year – BusinessWorld p. S2/1

LISTED FIRM *BDO Leasing and Finance Inc.*, the leasing subsidiary of bank leader Banco de Oro Unibank, Inc. (BDO), is expecting a minimal increase in its earnings this year due to higher depreciation of its leased assets.

The company said it expects its net income to reach P370 million by yearend, only 1% higher than the P366 million notched last year.

This would be supported by growth in its leasing and financing portfolio to P10.82 billion, up by 22% from P8.9 billion last year.

5-year bond rate may drop; peso likely to continue rising – BusinessWorld p. S2/1

THE FIVE-YEAR Treasury bond is expected to fetch a lower rate at tomorrow's auction amid ample market liquidity and easing inflation, traders said.

The Bureau of the Treasury is scheduled to sell P8.5 billion worth of five-year bonds tomorrow. A trader said the five-year paper could fetch between 6.15% and 6.19%, 6-10 basis points (bps) lower than the 6.25% coupon rate awarded when the government swapped the five-year paper for older government debts last January.

This would also be 7.8-11.8 basis points lower than the 6.268% average the paper of the same tenor fetched when it was re-issued last April 14.

Economists lower inflation forecast to 4% this year – Phil. Star p. B1

Private-sector economists see tamer '09 inflation – Manila Times p. B1

Economists have lowered their projected average inflation rate for this year from 4.5 percent to four percent, falling within the government's official target inflation of 3.5 to 5.5 percent.

The Bangko Sentral ng Pilipinas (BSP) conducted a survey among private sector economists and analysts in the first quarter of the year and the results showed that inflation expectations have improved.

Based on its survey of non-government analysts and economists, the BSP said the mean inflation forecast for 2009 was four percent, lower than the 4.5-percent forecast in the survey three months previously.

RP pledges \$3.68B for \$120-B regional fund – BusinessWorld p. S1/1

\$3.68B in reserves tied to Asian fund – Daily Tribune p. 1

RP sets aside a tenth of reserves for AMF – BusinessMirror p. A1

THE PHILIPPINES will commit a tenth of its gross international reserves (GIR) to a multi-billion regional fund that can be tapped by countries experiencing liquidity problems, the Finance department said.

Data released after last week's Asian Development Bank (ADB) Board of Governors meeting in Bali, Indonesia show the Philippines had pledged to contribute \$3.68 billion to the \$120-billion expanded Chiang Mai Initiative (CMI), equivalent to 10% of the projected \$36.8-billion GIR for this year.

This was confirmed by Rosalia V. de Leon, officer-in-charge of the Finance department's international finance group, in a text message.

"Yes that is the amount," Ms. de Leon said on Friday.

RP promo effort still 'weak'

... along with other East Asian and Pacific nations, says World Bank survey – BusinessWorld p. S1/1

EAST ASIAN COUNTRIES, the Philippines included, remain weak in terms of promoting their economies to investors, a biennial survey conducted by the World Bank showed.

The Washington-based lender's Global Investment Promotion Benchmarking (GIPB) 2009 showed the East Asia and the Pacific region scoring 40% or "weak" in 2008, albeit an improvement from 2006 in an index that has 100% as the highest possible score.

The GIPB, the second in a series, measures the ability of so-called investment promotion intermediaries (IPIs) — which includes online marketing and telephony — worldwide to provide information to foreign firms looking to invest. It reviewed 181 country IPIs and 32 subnational IPIs between March and September last year.

2009 FDIs to go down 50%: BSP – Malaya p. A1

FDI seen to dip 50% in 2009n – BusinessMirror p. A1

The Bangko Sentral ng Pilipinas (BSP) sees foreign direct investments (FDIs) contracting by 50 percent this year.

Data from the revised 2009 projections of the BSP showed that FDIs will register inflows of \$700 million, only half of the \$1.4 billion recorded in 2008.

The BSP earlier projected FDIs to register "flat" growth this year.

The country's FDI went down by almost 50 percent in 2008 on massive risk aversion brought by the global economic slowdown.

BSP said that net equity capital flows in 2008 amounted to \$1.4 billion, or 30.7 percent lower than the year-ago level.

GSIS reports 30.4% rise in loans, invest returns – Daily Tribune p. 8

The Government Service Insurance System (GSIS) proved its resilience against the economic storms in 2008, as it posted a 30.39 percent increase in income from loans and investments last year to P46.42 billion from P35.6 billion a year ago. This as the state-run pension fund remained prudent on its investments strategy last year.

Latest financial results showed the GSIS improved last year's earnings from investments by 94.20 percent to P28.57 billion from P14.71 billion in 2007.

It also improved its income from loans, which stood at P14.18 billion last year.

Stockbrokers to ask SC to invalidate bourse ownership cap – BusinessWorld p. S1/9

PSE seeks amendments to Securities Regulation Code – Phil. Star p. B9

New PSE board seeks changes in code – Manila Standard Today p. B1

STOCKBROKERS will ask the Supreme Court (SC) to declare as unconstitutional a law forcing them to dilute their collective ownership of the Philippine Stock Exchange (PSE) to just a fifth.

"The Philippine Association of Securities Brokers and Dealers, Inc. (PASBDI) Board has approved that we move the case to the Supreme Court. In the next few months, I think that will be possible," PASBDI Governor Ismael G. Cruz said over the weekend.

The group last month has sought the recommendations of the Quasha Ancheta Pena & Nolasco law firm whether the brokers have valid grounds to file a petition to nullify the law that limits to 20% the ownership of the exchange by any group.

Clients of closed HK Securities to get partial payment from SEC investor protection fund – BusinessWorld p. S1/8

CLIENTS OF CLOSED brokerage firm HK Securities, Inc. may now claim up to P100,000 of their investments from the fund established to shield customers from losses due to the failure or fraud the bourse's brokers or dealers, the Philippines Stock Exchange (PSE) said.

In a memorandum issued late last week, the PSE's market regulation division said HK Securities clients who still have claims against the brokerage even after its trade-related assets are sold and distributed may collect up to P100,000 from the Securities Investors Protection Fund (SIPF).

Those seeking only P5,000 or less would immediately paid, while claims over P5,000 but less than P100,000 will get three-quarters of their investment from the SIPF, the document read.

PSE to build unified offices in Taguig

Sicat is elected new PSE chairman – BusinessWorld p. S1/8

Sicat is new PSE chair – Malaya p. B1

PSE elects investment banker as chairman – BusinessMirror p. B1

THE PHILIPPINE STOCK Exchange (PSE) might be the one to build the unified headquarters in Taguig City under a new proposal submitted to the bourse by property developer Ayala Land, Inc. on Friday.

"We had a meeting with Ayala Land [and the plan says] that PSE has the option to build the new exchange themselves [although] the developments will be linked," PSE Director Ismael G. Cruz said.

Under the plan, the unified stock exchange will be built at a new site just across the old one in 5th Avenue in Taguig City.

The new exchange, which will be called as the Philippine Stock Exchange Square, will be phase one of the project and will cover almost half of the total 5,700 square meters. The 15-storey high tower however will be connected by a bridge to phase two which will be the Ayala offices.

SMC to implement stock swap in June – Phil. Daily Inquirer p. B1

San Miguel Corp. has mandated American financial giant Citibank to help the diversifying conglomerate draw up a novel plan to offer existing shareholders the option to swap their common shares into higher-yielding preferred shares.

The equity restructuring aims to give stockholders who may be skeptical about San Miguel's foray into businesses outside its core food and beverage interests the chance to reduce their risk exposure by holding debt-like securities instead of outright equity.

"Citibank is advising San Miguel," company president Ramon Ang told the Inquirer.

RCBC raises P4B in fresh funds from tier 2 notes - Phil. Daily Inquirer p. B2

Rizal Commercial Banking Corp., the country's seventh largest bank, has raised P4 billion from the sale of debt notes qualifying as tier 2 or supplementary capital.

The offering of lower tier 2 unsecured subordinated notes was well-received by investors and was oversubscribed, prompting RCBC to close the order book earlier than the planned closing date on May 12, the bank said in a statement.

The coupon rate was 7.75 percent a year with quarterly interest payments. The notes have a maturity of 10 years from issue date. They have a call option at the end of the fifth year and subject to a step-up interest rate feature, which means RCBC may choose to redeem all the notes on 2014 or otherwise pay investors a higher rate.

China Bank sees double-digit growth in '09 profit – Phil. Daily Inquirer p. B8
China Bank seen poised for growth amid 'very difficult year' – BusinessMirror p. B4

China Banking Corp. expects a double-digit growth in net profit this year, a turnaround from the 20-percent decline last year, on the back of stronger core businesses and improved financial market conditions.

Ricardo Chua, bank executive vice president and chief operating officer, said the bank would likely do better this year. Chua said China Bank would rely more on earnings from lending portfolio than treasury activities, which was seen to remain volatile given the global uncertainties.

Lending is projected to rise by 10-15 percent this year.

Unionbank Q1 revenues up 41% - Malaya p. A7

Unionbank capped the first quarter of 2009 with marked improvements in its income sources, as shown by the 41.3 percent jump in its revenues to P3.9 billion.

Interest income for the period soared by 44.6 percent to P3 billion from P2.1 billion in the same period a year ago.

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