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BANKNEWS

Friday, May 22, 2009

RBAP new set of officers – BusinessMirror p. B8

RBAP new set of officers – Phil. Star p. B10

Bangko Sentral ng Pilipinas (BSP) Governor Amando M. Tetangco Jr. (leftmost) swears in the new set officers and directors of the Rural Bankers Association of the Philippines (RBAP) during their 58th annual convention held recently at the Sofitel Philippine Plaza. Looking on is BSP Deputy Governor Nestor A. Espenilla (rightmost). Sworn in were (2nd from left) Gregory D. de Guzman (Corporate Secretary), Katrina L. Pilapil (Assistant Corporate Secretary), George K. Dyaico (Director, Region III), Ma. Rosario R. Banzon (Director, Region III), Edward Leandro Z. Garcia, Jr. (Vice President for Luzon), Cleto L. Villatuya (Director, Region IV), Delfin J. Diezmo (Director, Region V), Rodolfo Z. Alvarez (VP for Visayas), William Christopher C.S. Discocho (Director, Region VII), Rizalito Sy (Director, Region VII), Wilner A. Palacios (Director, Region X), Vittorio Z. Almario (VP for Mindanao), Joseph Omar O. Andaya (President) and Nora S. Pascual (Treasurer). Not in photo is Anacleto D. Aboyme (Director, Region VIII).

Credit card launched – BusinessWorld p. S2/6

Banco de Oro Unibank Inc. announced the launch of the American Express Gold Credit and the American Express Credit Card.

Share prices close flat as investors dither – BusinessWorld p. S2/2

SHARE PRICES managed to avoid closing lower yesterday after bargain hunters positioned themselves during the latter part of trading, analysts said.

The benchmark Philippine Stock Exchange index (PSEi) added 0.0013% or 0.03 points to 2,333.79, while the all share index gained 0.64% or 9.74 points to 1,516.70.

...The Metropolitan Bank & Trust Co. added 1.42% or P0.50 to P35.50 while *Sy-led Banco de Oro Unibank, Inc.* declined by 3.03% or P1 to P32.

Moody's to review ratings of nine local banks – Phil. Star p. C2

The debt and deposit ratings of nine Philippine banks have been placed on review by Moody's Investors Service, including the country's biggest bank, *Banco de Oro*.

Moody's announced yesterday that also affected by the review are Allied Banking Corp. (ABC), Bank of the Philippine Islands (BPI), Development Bank of the Philippines (DBP), Land Bank of

the Philippines (LBP), Metropolitan Bank and Trust Co. (MBT), Philippine National Bank (PNB), Rizal Commercial Banking Corp. (RCBC) and United Coconut Planters Bank (UCPB).

Moody's said its decision to review these nine banks was prompted by what it considered the "increasingly negative impact" of the global economic crisis on the Philippine economy and on the intrinsic strength of its financial institutions.

Peso barely moves – BusinessWorld p. S2/1

THE PESO barely moved against the dollar yesterday as market players awaited the central bank's policy decision next week as well as US economic data that will give indications on the direction of the global economy.

The local currency closed at P47.23 against the dollar, a five-centavo gain from Wednesday's close of P47.28.

First-quarter growth likely 1.8-2.8% — Recto – BusinessWorld p. S1/1

Recto sees economy growing 1.8%-2.8% in Q1 – Phil. Star p. B8

Economy seen to grow by up to 2.8% in Q1 – Phil. Daily Inquirer p. B1

Growth will surprise doom predictions, says Neda – Manila Standard Today p. a1

Q1 economic growth slows – Manila Times p. A1

THE ECONOMY likely expanded by 1.8-2.8% in the first quarter, backed by modest growth in services, and the government is confident of hitting its full-year growth goal, the socioeconomic planning chief yesterday said.

Ralph G. Recto told reporters government pump-priming and sustained remittance flows from overseas Filipinos would support consumption and lift growth in the first quarter.

Lower consumer prices, with the National Economic and Development Authority forecasting the annual inflation rate hitting 0% in July or August, would also boost spending, making the government optimistic of achieving its 2009 growth target of 3.1-4.1%, he said.

"We expect it (consumption) to be positive because of the pump priming of the government," Mr. Recto said.

Budget deficit seen to remain at P200B – Phil. Star p. C1

Despite the revenue drop in April, analysts said the budget deficit of the Arroyo administration would remain at P200 billion this year although spending might have to slow down unless revenues actually improve.

The Finance department reported a P7.9-billion budget surplus for April, normally the biggest tax month of the year, dropping 69 percent compared to last year's April surplus of P25.8 billion.

April revenues fell 4.4 percent compared to the 2008 level while spending was up 12.9 percent and similarly, collections for the first four months dropped by 6.3 percent while spending was up 14 percent.

Public borrowings rise 23% in January-April – Phil. Star p. D1

The government's total borrowings rose 23 percent in the first four months this year due mainly to the country's swelling budget deficit, latest data from the Bureau of Treasury showed.

The BTr reported that the government borrowed P246.39 billion from January to April or P46.55 billion more than the P199.84 billion it borrowed in the same period last year.

This developed as the Philippines doubled its foreign commercial borrowings to \$1.5 billion from \$750 million last year due to the wider-than-expected budget deficit.

Interest payments lift end-April expenditures – Manila Times p. B1

BELYING claims of higher infrastructure and social spending outlay, interest payments were largely responsible for the up tick in government expenditures in the first four months of the year, the Department of Finance said.

At end-April, the government shelled out P122.16 billion for interest payments on its outstanding liabilities, or 2.68 percent higher than it paid in the same period last year.

Interest payments in April stood at P15.84 billion from P18.73 billion in the same period last year.

Global finance firms confident gov't can keep budget-deficit target in '09 – BusinessMirror p. B8

SOME of the best names in global finance agree the government should be able to keep the budget deficit within its stated goal this year.

Dutch financial-services giant ING Bank, for instance, said the latest numbers boosted the view the Philippines may have left behind the worst of the global financial upheaval in the first quarter.

It noted the widening of the four-month deficit by P25.8 billion to P111.8 billion, but noted as well this was still within the programmed ceiling of P155.1 billion.

“If correct, our view that the worst of the global downturn was behind in the first quarter, the restrained public spending should form into a trend and keep the full-year deficit within the official target of P199.2 billion or 2.5 percent of the gross domestic product,” ING Bank said in commentaries rounding up developments around the region.

3.7% exports dip seen to cut growth in Q1 – BusinessMirror p. A1 Q1 growth placed at 1.8-2.8% - Malaya p. A1

THE 3.68-percent contraction in exports in the first quarter, part of the fallout from global crisis, will significantly affect the gross domestic product (GDP) growth, likely cutting it to a range of 1.8 percent to 2.8 percent in the first quarter, according to the National Economic and Development Authority (Neda).

In a press briefing, Neda Director General Ralph Recto on Thursday said this situation had been expected due to the crisis, but although “the first-quarter figures are naturally lower than the full-year targets since there were no ‘green shoots’ in the first quarter, in the second quarter onwards, growth will be better.”

The Development Budget Coordination Committee (DBCC) official GDP projections for the whole of 2009, which it is maintaining at the moment, is 3.1 percent to 4.1 percent.

RP maintains low targets – Phil. Star p. B5

Despite numerous indications that the United States economy would start to recover and post positive growth in the third quarter of this year, the country's economic managers prefer to remain conservative with their growth targets.

Acting National Economic and Development Authority Director General Rolando Tungpalan, in a briefing at Malacañang, reiterated that there are strong indications that the worst is over as far as the global financial crisis is concerned.

He said that the government's growth target for this year in terms of gross domestic product would remain in the range of 3.1 to 4.1 percent.

Optimism up among companies – BusinessWorld p. S1/1

Business sentiment improves in Q2 – Phil. Star p. B1

Businessmen upbeat about 2nd quarter – BSP – Phil. Daily Inquirer p. A10

Sentiment still gloomy but improving, says BSP – Daily Tribune p. 8

Latest BSP survey finds business sentiment now turning favorable – Manila Bulletin p. B3

Businessmen see GDP improving in Q3 – Manila Standard Today p. B3

Q2 outlook much rosier – BusinessMirror p. A1

Business sentiment turns favorable for Q3 – Malaya p. A1

MORE FIRMS expect business conditions to improve in the next six months — with profits going up and a potential resumption of expansion activities — due to a growing perception that the worst of the US-led global recession has passed, the central bank yesterday said.

In releasing its latest Business Expectations Survey, the Bangko Sentral ng Pilipinas (BSP) said the outlook had improved for the second quarter.

While still in negative territory, the business confidence index showed a marked improvement to -2.6%, from -23.9% in the first quarter.

It turned positive for the third quarter, to 13.7%, the first time that the confidence level has not been in negative territory since the second quarter of last year.

OFW remittances seen falling 5% this year – BusinessWorld p. S1/1

MONEY SENT HOME by Filipinos overseas is expected to fall by 5% this year despite sustained demand for workers that led to a record rise in remittances in March, a Reuters poll showed.

Job cuts, a freeze in wage hikes, and a labor policy to hire more unemployed locals in host countries may put Filipino workers overseas at a disadvantage and weaken remittances in coming months, some analysts said.

The median forecast of ten economists polled by Reuters was for remittances to decline by 5% this year, slightly better than the 6% contraction in a similar poll in March.

Bill seeks disclosure of ATM fees – BusinessWorld p. S2/1

Banks to be fined for failure to disclose fees, charges – Phil. Star p. B8

Senate seeks to regulate 'hidden' ATM fees – Phil. Daily Inquirer p. B8

BANKS will be compelled to disclose how much they charge non-depositors who use their automated teller machines (ATM) if a bill filed at the Senate is passed into law.

Senate Bill No. 3046 filed by Senator Miriam Defensor-Santiago wants banks to fully inform non-depositors about the fees they charge for ATM transactions such as balance inquiries and withdrawals.

"Through technology, bank customers can easily access their bank accounts in order to make cash withdrawals... and balance inquiries," the senator said in the bill's explanatory note.

Banks charge small fees to non-depositors who use their ATMs to cover service costs. These fees differ from bank to bank.

Banks set lending growth targets – BusinessWorld p. S2/1

STATE-OWNED Landbank of the Philippines (Landbank) said a 43% expansion in its loan portfolio in the first quarter puts it on track to hitting its lending target this year.

BPI Family Savings Bank, the thrift bank arm of Ayala-led Bank of the Philippine Islands (BPI), on the other hand, expects continued demand for residential units to support its lending business this year.

In a briefing Wednesday night, Landbank President and Chief Executive Officer Gilda E. Pico said the bank's loan portfolio grew by 43% in the first quarter to P185 billion from P130 billion a year ago.

Landbank loan portfolio up 43% to P185B in Q1 – Phil. Star p. B3

Landbank reports 43% rise in lending – Phil. Daily Inquirer p. B2

LandBank eyes 7-10% growth in loan portfolio this year – BusinessMirror p. B8

Landbank Q1 loan portfolio up 43% - Malaya p. A2

The Land Bank of the Philippines (Landbank) reported a 43-percent growth in its total loan portfolio to P185.1 billion in the first quarter of this year from P130 billion in the same period last year.

Of the total amount, the bank extended 67.4 percent or P124.7 billion to farmers and fisherfolk, microenterprises and small and medium enterprises, livelihood and other environment-related projects, Landbank president and chief executive officer Gilda Pico said yesterday.

Land Bank may raise lower Tier 2 issue to P6.9 billion – Manila Bulletin p. B5

LandBank postpones tier 1 issue – Manila Standard Today p. B3

LandBank plans asset hike to keep current rank – Manila Times p. B2

Land Bank of the Philippines, the country's fourth largest, issued lower Tier 2 Thursday with a minimum offer of P3 billion but they can raise this to P6.9 billion.

But the bank has deferred its planned \$100-million hybrid Tier 1 issue to next year since there is no urgent need to raise additional capital, its president and CEO Gilda E. Pico said.

It's an option to do the Tier 1 but I don't think it will be within the year, Pico said.

BPI Family Bank offers lowest housing loan rates – Phil. Star p. B3

BPI thrift unit cuts interest rates to boost home-lending business – Manila Times p. B2

BPI Family Savings, Ayala Land tie up on housing products – BusinessMirror p. B8

BPI Family Savings Bank, the thrift bank unit of conglomerate Ayala Corp., is offering home buyers and homeowners a once in a lifetime opportunity to lock in and take advantage of the exceptionally low projects of the Ayala Land (ALI) mortgage rates it will offer for group.

“This is BPI’s own stimulus package. We will pump-prime the real estate industry,” said BFSB president Alfonso Salcedo Jr. in a press briefing yesterday as he stressed the interest rates the bank will offer will be the lowest in the market.

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