



FINANCIAL SERVICES



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This industry update from KPMG Manabat Sanagustin & Co. is a bi-monthly collection of the latest news and developments from the country's Financial Services segment. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business, interesting and useful.

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If you want us to send this to any other member of your company, please contact Gillian de Guzman, KPMG Markets Communication Officer, at 8857000 loc 369 or at gdddeguzman@kpmg.com

CAP wants to sell bank stake for P1B

The pre-need group College Assurance Plan Philippines Inc. (CAP) has asked for court permission to sell its 19-percent shareholding in Bank of Commerce to raise about P1 billion. The sale is part of the revised business plan for corporate rehabilitation of CAP, which needs to pay benefits of pre-need plan holders for 2007 and 2008, worth roughly P2 billion.

http://archive.inquirer.net/view.php?db=1&story_id=148471

SMC banking prospect to raise additional P5B

BANK OF COMMERCE PLANS to raise another P5 billion sometime in the last half of the year through a combined offering of subordinated notes and hybrid debt paper. The bank is reportedly being groomed to be the banking arm of food and beverage giant San Miguel Corp.

http://archive.inquirer.net/view.php?db=1&story_id=148219

Metrobank forges remittance tie-up with Hana Bank of Korea

METROPOLITAN Bank & Trust Company (Metrobank), the country's largest bank, has signed a remittance agreement with Hana Bank South Korea as part of its strategy of expanding its network to reach more customers. Hana Bank is the third largest bank by asset value in South Korea, with 124 trillion South Korean Won (about \$135 billion) in assets.

http://archive.inquirer.net/view.php?db=1&story_id=147400

RCBC, 3 others eye acquisition of Asiatrust

At least four groups, including the Yuchengco group's Rizal Commercial Banking Corp. (RCBC) and the Yao group's Philippine Business Bank, have expressed interest in acquiring a majority stake in publicly listed thrift bank Asiatrust Development Bank Inc., sources said.

http://archive.inquirer.net/view.php?db=1&story_id=147261

Bangko Sentral says policy bias will lean towards tightening

The country's central bank, Bangko Sentral ng Pilipinas, will maintain a policy bias towards tightening despite signs that inflation expectations remained anchored, deputy governor Diwa Guinigundo said on Friday, ahead of next week's rates meeting. Fares for public buses, taxis and jeepneys -- the most popular mode of transport in the country -- were raised on Friday, and oil and food prices remain at high levels.

http://archive.inquirer.net/view.php?db=1&story_id=147831



SM Investments raises \$350 million via 3-year bond issue

Holding company SM Investments Corp. said it has raised \$350 million from a three-year bond issue, priced at a fixed rate of 6.75 percent. The proceeds will be used to refinance the company's maturing debt, fund expansion in commercial and hotel businesses, and for other corporate purposes, it said.

http://archive.inquirer.net/view.php?db=1&story_id=147781

BSP adopts 'restrictive' monetary policy

The Bangko Sentral ng Pilipinas (BSP) said on Friday it has adopted a near-term monetary policy that may only be described as restrictive. This acknowledgment indicates a likelihood that the Monetary Board, the BSP's policymaking body, would raise interest rates again during its next meeting on July 17.

<http://www.businessmirror.com.ph/07072008/banking01.html>

PNB allots P6B for China expansion

Tobacco magnate Lucio Tan's banking arm Philippine National Bank plans to invest a billion yuan (about P6 billion) to expand across booming mainland China using a rare banking license obtained by Allied Bank.

http://archive.inquirer.net/view.php?db=1&story_id=147004

Fees for BSP payment system waived for small banks

The Bangko Sentral ng Pilipinas (the Philippine central bank) has waived the fees and charges that small banks have to pay to hook up to its interbank electronic payment system.

http://archive.inquirer.net/view.php?db=1&story_id=146849

2 state banks to buy LGU investment certificates

State-Owned Land Bank of the Philippines and Development Bank of the Philippines will buy P14 billion worth of investment certificates of local government units, which are backed by their future internal revenue allotment.

http://archive.inquirer.net/view.php?db=1&story_id=146846

Neda OK's lending facilities for government units

THE National Economic and Development Authority-Investment Coordination Committee (Neda-ICC)-Cabinet Committee has validated two lending facilities that government units may use to tap concession loans from the governments of Japan and Korea.

<http://www.businessmirror.com.ph/07082008/banking01.html>



Feedback

Please contact Ernie Diaz (+632 885 7000 ext: 229 or etdiaz@kpmg.com.ph) or Gillian de Guzman (+632 885 7000 ext: 369 or gdeguzman@kpmg.com.ph) to discuss your views/suggestions.

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