SEC News Service

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DTSI seals reseller accord with Dizzion

The DTSI Group recently formalized a reseller agreement with cloud computing specialist Dizzion in its bid to expand its suite of technology-solution offerings particularly by providing Dizzion's Virtual Desktop (VDI) solution using the DTSI trademark targeting global outsourcing firms.

"This is another important milestone in the continuous development of DTSI's service offerings," said Miguel Garcia, DTSI Group president and CEO.

"Dizzion's VDI is an excellent addition to our roster of solutions and will certainly boost our clients' operational workflow, productivity and profitability," he said.

DTSI Group is confident the Dizzion VDI solution will be very attractive to both contact center and IT-business process outsourcing (IT-BPO) clients as it gives employees highly secure and controlled virtual access to their company's customized desktop configuration from any device anytime and anywhere.

Given the global scope of the agreement with Dizzion, DTSI can deploy the solution to clients who want to upgrade their operations anywhere in the world.

"The strategic relationship is more than just us reselling their solution," said Karen Christensen, vice president for Business Development for DTSI USA.

"We envision that DTSI will make Dizzion's VDI by embedding it into our Hosted Contact Center solution. This enables us to deliver contact center technology in the cloud together with desktop applications and a softphone for agents in one package for a monthly recurring charge," he said.

The addition of Dizzion's cloud computing expertise bolsters DTSI's position as a premier end-to-end provider of world-class facilities, innovative communications services and technology solutions to global companies.

DTSI Group's comprehensive array of solutions covers build-out and managed facilities, security solutions, as well as options for information and communications technology.

Manila Standard Today
FRIDAY | APRIL 4, 2014

Bangko Sentral approves merger of EastWest, Green Bank

THE Bangko Sentral has approved the merger of EastWest Banking Corp. and Agusan del Norte-based Green Bank Inc., with EastWest as the surviving entity.

EastWest, the banking unit of the Filinvest Development Corp. of the Gotianun family, said in a disclosure to the stock exchange the merger with Green Bank was approved by the Bangko Sentral.

"We would like to inform the exchange that the Bangko Sentral ng Pilipinas, in its letter dated April 2, 2014, has formally approved the plan of merger and articles of merger of East West Banking Corp. and Green Bank Inc., with EW as the surviving entity," the bank said.

The merger was earlier approved by Philippine Deposit Insurance Corp. The two banks are still waiting for the approval of the Securities and Exchange Commission.

EastWest president and chief executive Antonio Moncupa said earlier the merger with Green Bank was part of the strategy of the universal bank to strengthen presence in Mindanao and serve the unbanked areas in the country.

Green Bank, also known as the Rural Green Bank of Caraga, is a rural bank headquartered in Butuan City, Agusan del Norte. It is the largest bank in the Caraga region in terms of assets, with 46 branches scattered across the Visayas and Mindanao.

It is also one of three rural banks affiliated by BancNet since 2006. EastWest acquired P750 million worth of shares in Green Bank in 2006.

Green Bank was incorporated with the SEC as the Rural Bank of Nasipit on June 20, 1974. The bank started operations on April 5, 1975, originally to serve the town of Nasipit.

EastWest posted a 13.2-percent increase in net income to P2.1 billion in 2013, on the back of growth in core businesses. This resulted in a return on equity and return on assets at 11.1 percent and 1.6 percent, respectively.

EastWest's total assets reached P142.3 billion as of end-2013, up by 17.2 percent from P121.4 billion in 2012.

The bank's total deposits grew 21.9 percent to P111.2 billion, driven by the expanded branch store network.

Julito G. Rada

Market ends flat; Ayala Land gains

STOCKS closed flat Thursday, weighed down by profit-taking on some issues that posted big gains in the past few days.

The Philippine Stock Exchange index ended at 6,587.08, minimally down 0.64 point, or 0.01 percent. Gainers beat losers, 97 to 71, with 47 issues unchanged.

Ayala Land Inc. rose 1.8 percent to P31.60, while Victorias Milling Co. of tobacco tycoon Lucio Tan jumped 5.4 percent to P4.50.

SM Prime Holdings Inc., now the biggest property company, advanced 2.2 percent to P15.50. Petron Corp., the bigger of the two oil refineries, gained 1.5 percent to P12.32.

Security Bank Corp. added 1.3 percent to P108, while Jollibee Foods Corp., the largest fastfood chain, climbed 1.7 percent to P175.

Metropolitan Bank & Trust Co., the second-biggest lender in terms of assets, fell 2.3 percent to P78.25. Semirara Mining Corp., the largest coal producer, dropped 1.3 percent to P400.

Megaworld Corp. retreated 0.9 percent to P4.45 after surging to an all-time high of P4.53 Wednesday in intra-trading. Parent Alliance Global Group Inc. lost 1.4 percent to P29.10.

The rest of Asian markets mostly rose Thursday following another record close on Wall Street as US private jobs growth picked up, but Shanghai gave up early gains despite China unveiling a mini stimulus program.

Global shares have enjoyed a broad rally this week following upbeat manufacturing data in key economies, while investors are keenly awaiting the release of a US non-farm payrolls report on Friday.

Tokyo added 0.84 percent, or 125.56 points, to 15,071.88, Sydney gained 0.12 percent, or 6.6 points, to close at 5,409.9 and in the afternoon, Hong Kong was 0.21 percent higher.

But Seoul slipped 0.18 percent, or 3.55 points, to 1,993.70 and Shanghai was 0.57 percent lower in late trade.

Beijing on Wednesday announced a series of spending measures aimed at kickstarting the Chinese economy, a key driver of global growth but one which has shown signs of slowing in recent months.

The plan includes extra spending on railways, improving low-income housing and tax relief for small businesses, which have been struggling along with the economy.

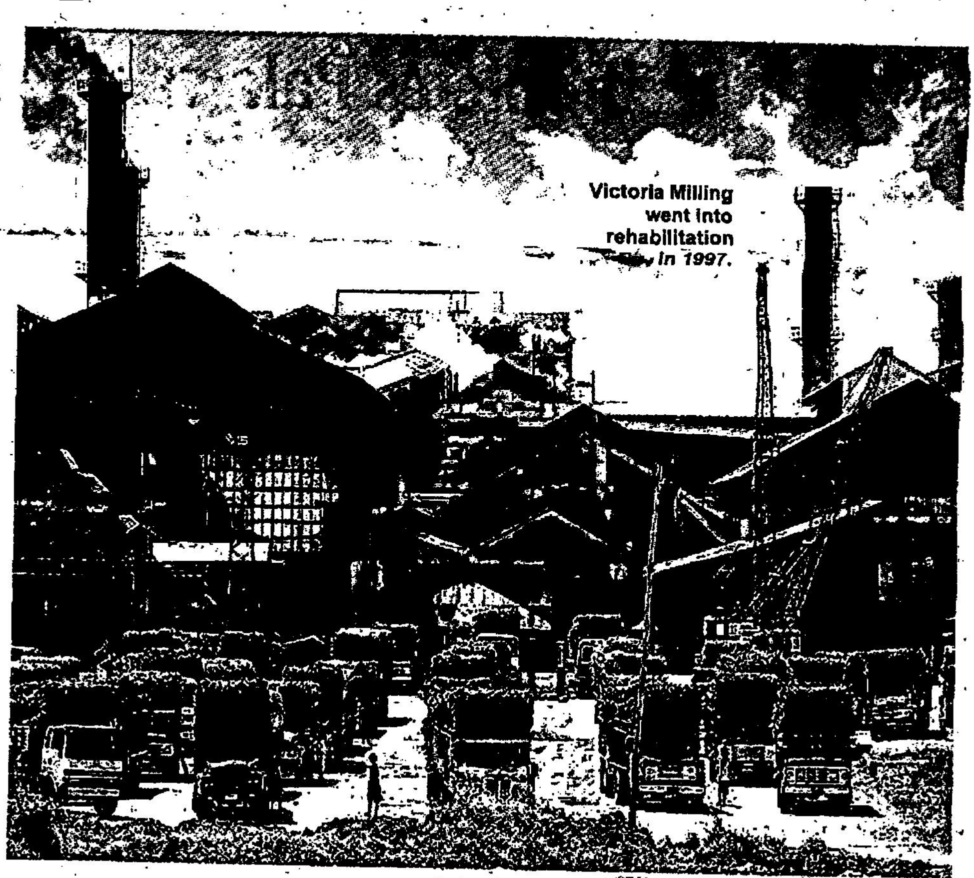
Wednesday's announcement comes after a weak run of Chinese indicators, including on trade, investment and industrial output. The economy grew an annual 7.7 percent in 2013, the same as in 2012—which was the slowest since 1999, while leaders have set a target of 7.5 percent for this year.

"It's very obvious that the leaders feel the need to stabilize growth," Mizuho economist Shen Jianguang told Dow Jones Newswires. "Overall, the 7.5-percent growth target means that the government still cares a lot about economic growth."

However, the government made no mention of monetary policy, such as a reduction in the amount of cash banks must keep in reserve, or an interest rate cut.

With AFP

First Pac acquires 7% of Victorias



Victoria Milling went into rehabilitation in 1997.

BY ALBERT CASTRO

FIRST Pacific Holdings, Inc. now has at least a 7-percent interest in sugar miller Victorias Milling Co., following a series of acquisitions the company sealed with converting debt holders.

Market sources told Malaya Business Insight that First Pacific secured a 7-percent stake particularly from Metropolitan Bank and Trust Co. (Metrobank) whose exposure in the sugar milling firm was converted into shares.

Since March 28, Victorias Milling had 142.34 million shares traded in the open market worth P581.32 million. Some 168.21 million shares worth P736.74 million were crossed in the market through a block sale on March 28 as well.

This has led for Victorias Milling's share price to rise 16.03 percent to P4.27 from March 27's P3.68.

Manuel V. Pangilinan, First Pacific managing director, has been vocal about his interest in expanding the company's exposure in the local sugar industry after successfully buying into listed sugar miller, Roxas Holdings, Inc.

Pangilinan, however, would always be mum on the identity of its next target.

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FIRST

acquisition.

Pangilinan late last year closed a deal acquiring 31 percent of Roxas Holdings for P2.2 billion. This would later be increased to 34 percent after more acquisition in the open market.

According to market sources, taipan Lucio Tan, who has kept a tight hold over the milling firm since it went under rehabilitation would not give up that easily on the company. "At most, what First Pacific can secure maybe up to two board seats only. Tan won't easily give up the company."

The same source however said Pangilinan continuously courts other parties for their stakes.

Victoria Milling went into rehabilitation for its P7.9-billion debts and interest after suspending payments in 1997.

Part of the rehabilitation plan involves the restructuring of P4.4 billion worth of debt over a period of 15 years starting September 2003.

Another P2.4 billion is set for conversion into convertible notes.

The company said that as of its fiscal year ending August 2013, it has converted P702 million worth of convertible notes into common shares at a ratio of 1:1. Some P273 million was converted to convertible notes last year, another P429 million was converted to notes in previous years.

PH stocks mixed; Thai shares down on political woes

SHARE prices ended mixed Thursday as the market underwent correction.

The Philippine Stock Exchange index was down 0.64 points to 6,587.08, a 0.01 percent drop.

The broader all shares index was up 6.32 points to 3,956.49, a 0.16 percent hike. Gainers edge losers 97 to 71 with 47 stocks unchanged.

Trading turnover reached P8.97 billion.

Luis Limlingan, Regina Capital Development Corp., managing director, said the market started the trading with a strong employment report and factory figures that show the economic recovery in the US is in place.

"This served as a sort of drag to the market as it takes foreign investors eyes away from the Philippines and into the US," said Limlingan.

Liminglingan also said the market is already ripe for correction recent uptick, as the recent breach of the market's resistance made it imperative for the market to establish a new support.

The market however got a support at the latter end of trading after the Chinese government announced a stimulus to perk up its slowing economy, noted Limlingan.

Most actively trade Ayala Land, Inc. was up P0.55 to P31.60.

Victorias Milling Corp. was up P0.23 to P4.50. Ayala Corp. was down P3 to P610. SM Prime Holdings, Inc. was up P0.34 to P15.50. BDO Unibank, Inc. was down P0.50 to P86.50. Metropolitan Bank and Trust Co. was down P1.85 to P78.25. Petron Corp. was up P0.18 to P12.32. Universal Robina Corp. was down P1.40 to P145.10.

SM Investments Corp. was down P1.50 to P720.

IN Bangkok, Thai shares retreated after a survey showed consumer confidence fell further in March on concerns over lingering domestic political woes while stocks in Indonesia recouped losses from the previous session as bargain-hunting emerged in laggard stocks.

Bangkok's SET index pared early gains and was down 0.6 percent at midday, with consumer and tourism-related stocks such as Krung Thai Bank and Thai Airways International among the top drags on the index.

Thailand's consumer confidence slipped to its lowest in nearly 12.5 years in March, a survey showed on Thursday, underscoring again the impact of prolonged political unrest on Southeast Asia's second-biggest economy.

"It is usual to we see consumer confidence drop continuously because of the political uncertainty. The households still have high-leverage household debt ... It's not easy for the consumer to spend at the moment," said economist Nuchjarin Panarode of Capital Nomura Securities.

The index is expected to find support at 1,385, and then at 1,370, according to strategists at broker Phillip Securities.

Jakarta's Composite Index edged up 0.4 percent. Shares of XL Axiata and Semen Indonesia were among the biggest gainers among top 45 large-caps.

News that China is taking steps to stimulate its economy underpinned sentiment in the region.

Among the bright spots, shares of Singapore-listed Noble Group NOBG.SI jumped 4.4 percent, adding to a 5 percent rise on Wednesday, after COFCO Corp agreed to pay $1.5 billion for a majority stake in Noble Group's agribusiness. *(With Reuters)*

Greenergy sells 60% stake in RE firm for ₱400M

By Amy R. Remo

PUBLICLY listed Greenergy Holdings Inc. has sold its 60-percent stake in renewable energy developer Biomass Holdings Inc. for P400 million.

In a disclosure to the Philippine Stock Exchange yesterday, Greenergy reported that its equity interest in Biomass Holdings would be acquired by ThomasLloyd Cleantech Infrastructure Fund (formerly Cleantech Projektgesellschaft MBH) or the latter's designee.

The deeds of sale and assignment are expected to be finalized before the end of June this year.

Biomass Holdings has a 64-percent stake in San Carlos Biopower Inc., which is a developer of the 19-megawatt biomass power plant project in Negros Occidental.

Proceeds from the sale of the interest will be used by Greenergy for other energy projects, company president and CEO Antonio L. Tiu said in a text message yesterday.

According to Tiu, the amount will be used to partly fund the construction of the 25-MW Ozamiz power plant, a wind power project, and a proposed mini hydropower facility.

PH bucked slow growth in Asia in 2013, says Apec

By Ben O. De Vera

THE PHILIPPINES was a bright spot in Asia-Pacific last year amid a slowing down in the region's emerging economies, according to the Asia-Pacific Economic Cooperation (APEC).

This year, APEC member-economies are poised to recover, but only if businesses innovate to be more productive, the group said.

The latest APEC Economic Trends Analysis report published this month noted that the economic performance of its members in 2013 was pulled down mainly by slower trade with the European Union (EU), which had reeled from an economic downturn.

"APEC GDP [gross domestic product] is estimated to have expanded by 3.7 percent in 2013, down from the 4.2-percent growth seen in the previous year. This is in contrast to the trend seen in the rest of the world where GDP growth moved to 2.0 percent in 2013, from 1.6 percent growth in 2012. One of the factors attributed to this more subdued APEC economic performance was the uneven recovery of APEC exports," the report read.

While APEC economies had enjoyed a surplus or more exports than imports from the EU in previous years, trade was reversed in the last two years, with Asia-Pacific posting a wider trade deficit with Europe worth about $52 billion—almost 10 times bigger than in 2012—during the first 11 months of last year.

Exports to non-EU markets also dipped 0.5 percent as of end-November last year, APEC data showed.

Trade among APEC members, meanwhile, rose 2.5 percent during the first 11 months of last year, albeit slower than the 4.7-percent increase in 2012.

The region's sluggish export performance was more pronounced in the emerging and developing member-economies, APEC said.

"[A]ctivity in other emerging and developing APEC economies grew at a reduced speed in the second half of 2013, after a strong start in the first quarter of 2013. As a group, GDP growth for developing and emerging APEC, excluding China, decelerated from a 5.3-percent year-on-year growth in the last quarter of 2012 to 2.8 percent year-on-year in last year's final quarter," the report noted.

The Philippine economy, however, managed to jump despite the global economic slowdown and a slew of natural disasters that struck the country last year, APEC said.

"APEC economies in Latin America have seen a rapid slowing in growth... The same trend was observed in some APEC emerging and developing economies in Southeast Asia, with the Philippines being the notable exception," the report read.

"The Philippines' economy continued to perform strongly in 2012 with GDP growing by 6.8 percent. The economy expanded by 7.2 percent in 2013, notwithstanding the adverse effects from Typhoon "Haiyan" in November that partly reined in the expansion of capital formation and consumer spending," it added.

This year, economies across the Asia-Pacific region are expected to rebound, mainly hinged on an expected firmer economic recovery of large industrialized countries such as Japan and the United States, APEC said.

"Economies in the APEC region are recovering and we expect this to accelerate. Our priority now is to ensure that the region moves to a higher medium-term growth path. To achieve that, APEC economies are laying the groundwork for a rebound in trade and productivity," APEC Secretariat executive director Alan Bollard said in a statement Thursday.

Economic growth across the 21 APEC member-countries this year is seen to match the 4.2-percent expansion posted in 2012, while a slightly higher growth of 4.4 percent is projected for next year.

Bollard, however, pointed out that challenges—including concerns on the macroeconomic imbalances linked to the global financial crisis and post-crisis uncertainty—still remain and must be addressed.

"APEC trade is at high levels in global terms but exports remain sluggish and are not contributing to growth in an optimal way. At the same time, the region is facing the twin challenges of decelerating labor productivity and employment growth," Bollard said.

"Production efficiency has dropped among firms in emerging and developing economies while companies in industrialized economies have increasingly turned to layoffs. Economic turnaround is a prerequisite for a revival in productivity and employment but that in and of itself may not be sufficient," noted Quynh Le, lead author of the APEC Economic Trends Analysis report.

Panlilio holding firm seen posting losses this year

Disrupted operations at Fridays resort in Boracay

By Doris C. Dumlao

PANLILIO-LED Boulevard Holdings Inc. is bracing for losses from the disrupted operations of hotel-resort Fridays Boracay due to an escalating crisis arising from a land dispute with a member of the family who sold the lot where the resort is located.

Despite the peak season this summer, business from Fridays Boracay had "fallen off rapidly," BHI chair and president Marcel Panlilio reported to the Philippine Stock Exchange yesterday.

He alleged that "armed civilian men" led by Datu Yap Sumndad, a scion of the family that supposedly sold the lot years ago, had now "walled off" half of the restaurant, occupied the buildings with men carrying long firearms in 17 rooms, drained the resort's pool and started walling the area with hollow blocks.

At the same time, Panlilio said Datu Yap had been looking for buyers to the parcel and rejected BHI's offer to pay an additional P95 million in exchange for a peaceful settlement.

Panlilio said the resort's general manager had left and its 150 staff "disheartened and saddened by the lawlessness."

"From the usual P4 to P5 million in sales per week with P2 million gross profit per week, we are now down to almost zero in profit. Our projection of almost P40 million to P50 million in profits from Fridays, up from 25 million, will probably be a loss (for fiscal year ending in May)," Panlilio said.

Lately, Panlilio said Datu Yap had been trying to sell the property to other potential buyers like Rep. Ronald Singson.

"The directors and myself, now having been humiliated with the raw brute force, having witnessed the lengthy damage to our business and dismay of our employees from the failure of a quick peaceful settlement with the Yaps (just to buy peace) will no longer pay the additional P95 million plus tax for a property we already own. We purchased the property five years ago in a court settlement and it is final, executory, and non appealable," Panlilio said.

"We shall fight in court until the long arm of the law catches up with the squatters," he said.

BHI paid P40 million to buy the property from Datu Yap's parents, a deal which Panlilio said had been approved by the court with finality in 2009.

Ford registered 34% jump in sales last March

FORD GROUP Philippines posted a 34-percent jump in total vehicle sales in March to 1,399 units, driven largely by the solid performance of its commercial vehicle segment.

This brought Ford Philippines' first quarter sales to a record high of 3,692 units—up by 37.5 percent from the 2,685 units sold in the same period last year.

Ford Philippines managing director Kay Hart said on the sidelines of the Manila International Auto Show 2014 yesterday that the company had a record-breaking quarter "driven by the fantastic performances of our top-selling vehicles like the Ranger, Everest, Fiesta and Explorer."

"We're expecting another strong year this year. We just want to continue the great growth," Hart said.

The launch of the Ford Ecosport earlier this year is also expected to further drive sales in 2014. The company expressed "a lot of confidence" that the latest offering would be a hit among Filipinos. In the first quarter, the company conducted the Ford EcoSport roadshow, which included test drives of the all-new EcoSport compact SUV.

This has helped drive customer demand leading up to the start of deliveries next month.

"Initial customer response to the all-new EcoSport has been terrific. Its maneuverability, compact size but spacious interior and abundant storage capacity, as well as smart safety features and technologies, make it the perfect urban SUV," Hart earlier said.

Hart also announced yesterday that Ford Philippines would be bringing in the 2015 model of the Ford Escape by the fourth quarter of the year, with the units to be imported from North America.

To help boost sales, Ford Philippines will open four new dealerships in key provincial areas within the year, bringing the total to 37 locations by end-2014, Hart said. Last year, Ford opened five new dealerships. *Amy R. Remo*

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Friday, April 4 2014 B2-1

EastWest to issue P10-B Basel 3-eligible securities

By Genivi Factao

EASTWest Banking Corp. (EastWest) plans to hold capital-raising activities through the issuance of Basel 3-eligible securities worth up to P10 billion.

In a document submitted to the Philippine Stock Exchange, EastWest said its board of directors approved the issuance of the securities in one or more tranches in the form of additional Tier-1 and/or Tier-2 capital.

"The additional qualifying capital, which are nondilutive to common shareholders, will be used to cover the existing Tier 2 amounting to P2.75 billion, which is not Basel 3-eligible, [and] additional deductions under Basel 3, such as intangible assets; and to pre-fund the bank's anticipated growth in earning assets," the bank said.

This issuance will be subject to regulatory approvals.

According to the Bank for International Settlements website, Basel 3 "is a comprehensive set of reform measures, developed by the Basel Committee on Banking Supervision, to strengthen the regulation, supervision and risk management of the banking sector."

It said "these measures aim to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source; improve risk management and governance; [and] strengthen banks' transparency and disclosures."

"Basel 3 is part of the committee's continuous effort to enhance the banking regulatory framework. It builds on the International Convergence of Capital Measurement and Capital Standards document [Basel 2]," it added.

More than adequate

EASTWEST'S capital adequacy ratio (CAR) under Basel 2 remains more than adequate at 17 percent as of end-2013, despite the increase in risk-weighted assets, particularly customer loans, which increased by 32.9 percent.

The bank's Tier-1 ratio stood at 13.8 percent. Its Tier-1 capital is composed entirely of common equity.

"The bank's capital ratios are still above regulatory limits, even under the implementation of Basel 3 regulations in January 2014," EastWest said.

The board also authorized EastWest to issue Basel 3-compliant preferred shares up to P5 billion as part of the bank's regulatory capital compliance.

"The board shall secure the authority of the shareholders to determine the terms and conditions of the preferred shares, including dividend or interest rates, conversion price, voting rights, redemption prices, maturity dates and similar matters subject to Bangko Sentral ng Pilipinas [BSP] approval," the bank said. EastWest has 500 million unissued preferred shares with par value of P10 per share, thus, the proposed issuance of preferred shares will not require amendments to the bank's articles of incorporation.

Merger plan approved

THE authorization came after the BSP formally approved the plan and articles of merger of EastWest and Green Bank Inc. (GBI), with the former as the surviving entity.

Last May GBI signed an asset purchase agreement with EastWest, covering the majority of its assets. The purchase was consummated last October 31.

The merger was approved by the bank's stockholders during their annual meeting last April 19.

EastWest currently has 300 branches, while its rural banks have 47. It also has 472 automated teller machines as of last December.