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GM Bank Inc., a rural bank based in Cabanatuan, is seeking to raise fresh capital of up to P75 million through the issuance of Tier 2 notes as it plans to lend more and put up five new branches this year.

The notes offering is ongoing and has attracted Country Bankers Life Insurance Corp. and Manila Bankers Life Insurance Co., GM Bank president and chief executive Tomas Gomez IV said on Monday.

“We should be able to raise the full amount of P75 million within the first quarter. Total subscription as of today is about P60 million,” Gomez said in a phone interview.

GM Bank, which has 27 branches in Nueva Ecija, Tarlac, Bulacan, Pampanga and Pangasinan, will seek authority from the Bangko Sentral ng Pilipinas to put up five more branches this year.

“We are looking to expand our loan portfolio, which at present is now a little over P1 billion,” Gomez said.

Gomez said the additional capital to be raised will bring GM Bank’s capital adequacy ratio to 15 percent from the current level of 14 percent, which is well above the minimum requirement of 10 percent.

Gomez, who is also the current president of the Rural Bankers Association of the Philippines, said the entry of the two insurance firms is in line with GM Bank’s goal of diversifying its investor base. However, he declined to disclose the size of investments made by the insurers last month, citing confidentiality agreement.

Individual investors took up the bulk of the notes via private placement, he said.

The insurance companies’ investments are a milestone and represent growing institutional interest in the investment attractiveness of the rural banking sector,” he said E. de la Cruz

Source: [BusinessMirror](#)