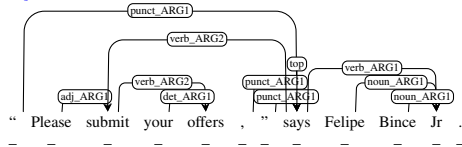
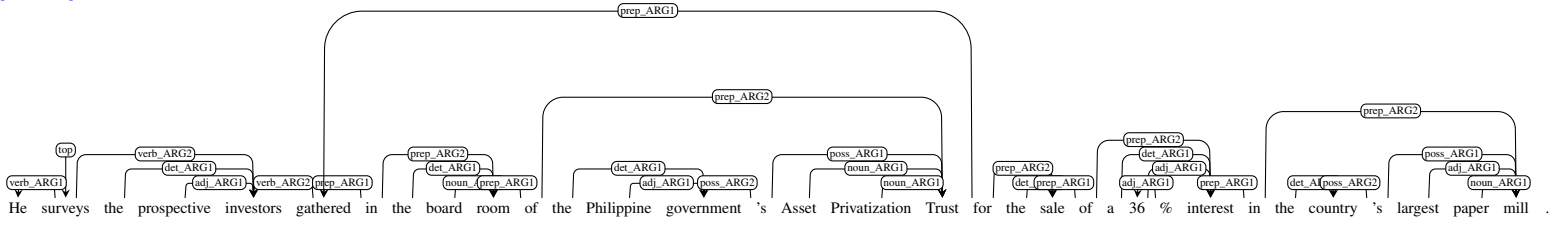


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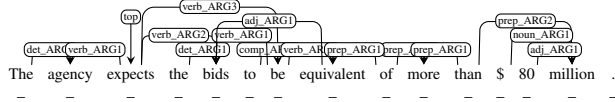
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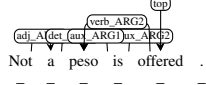
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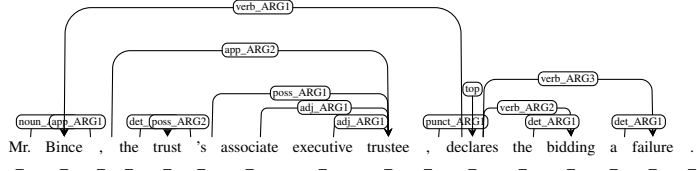
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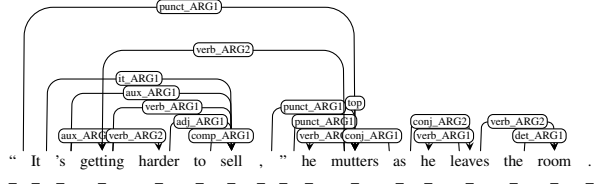
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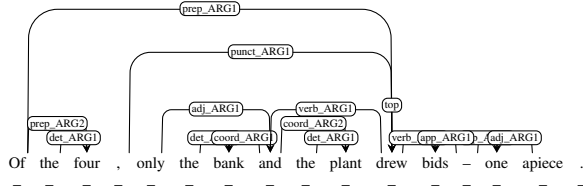
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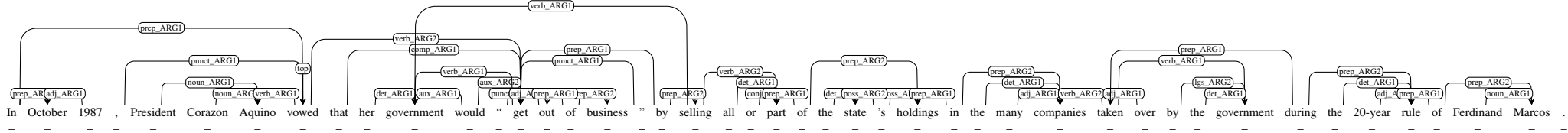
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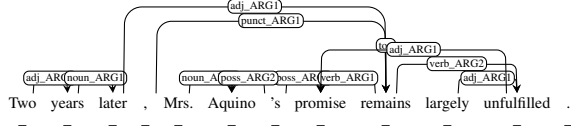
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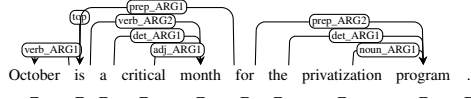
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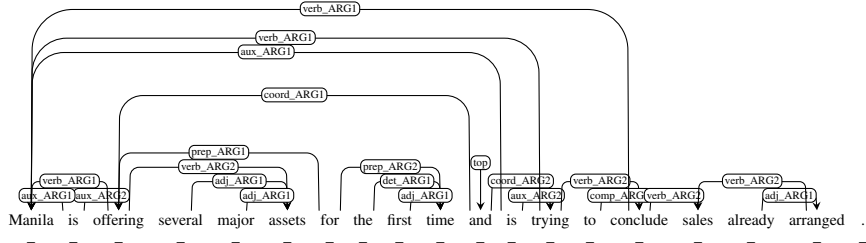
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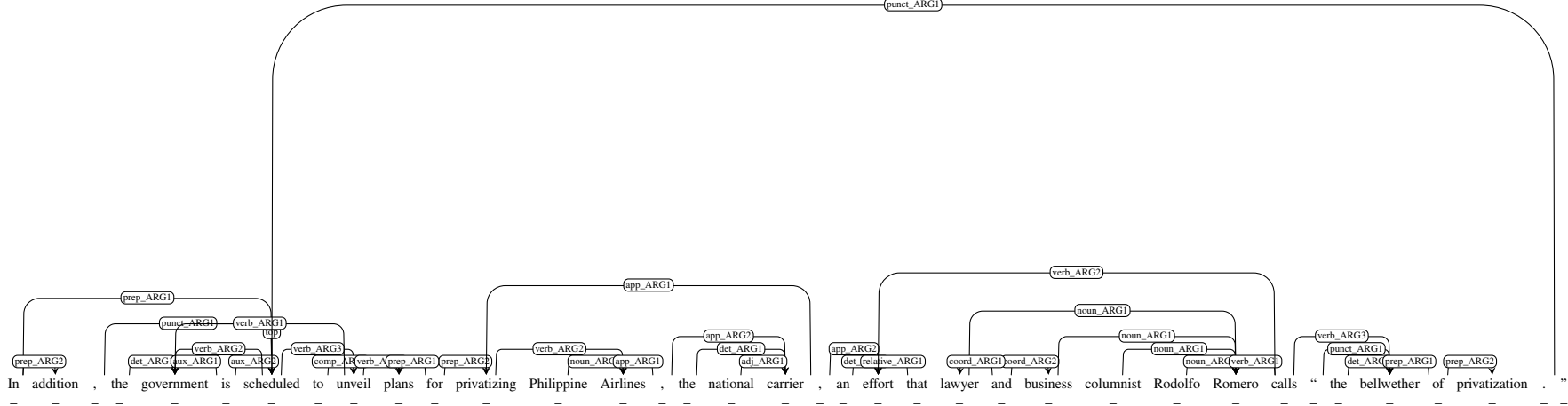
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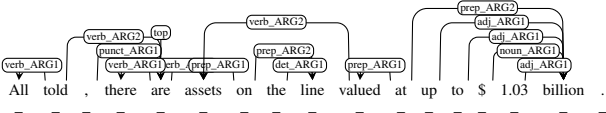
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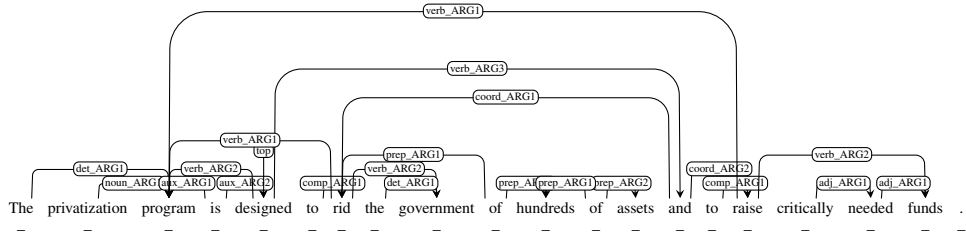
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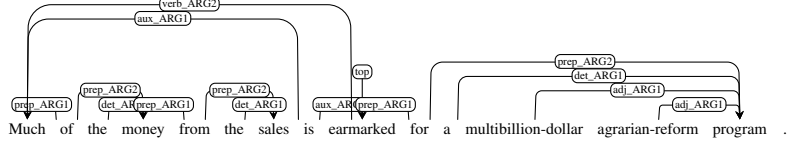
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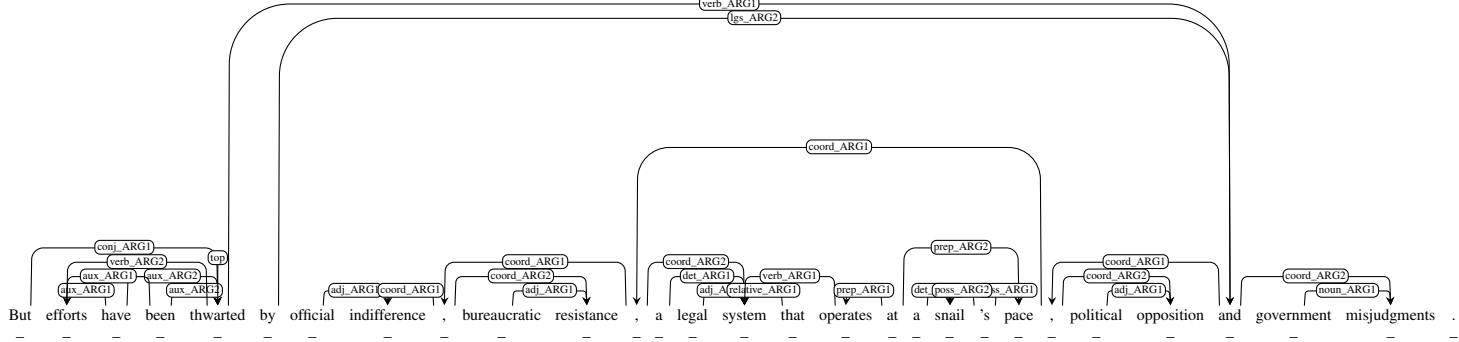
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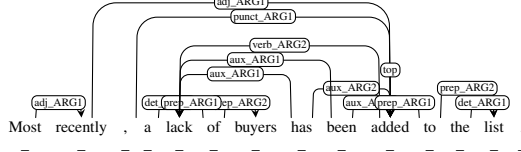
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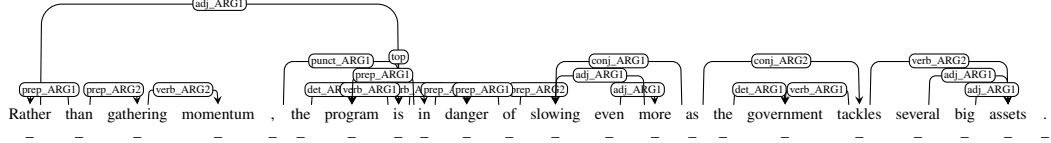
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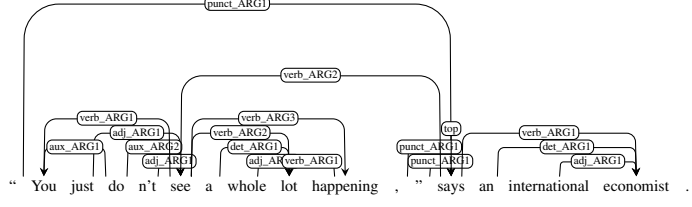
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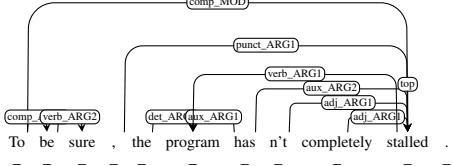
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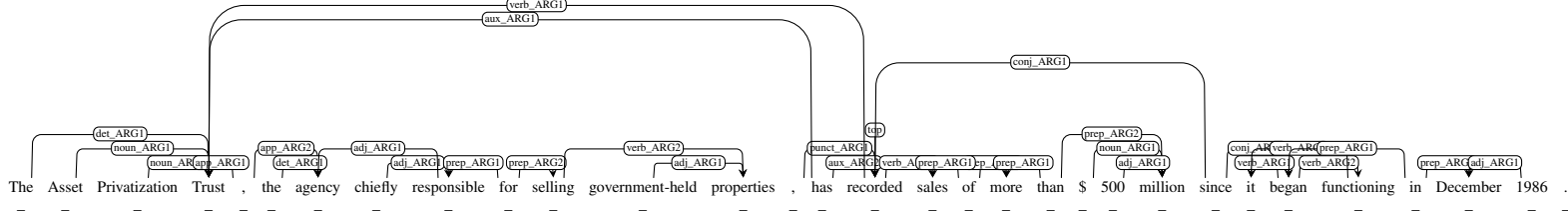
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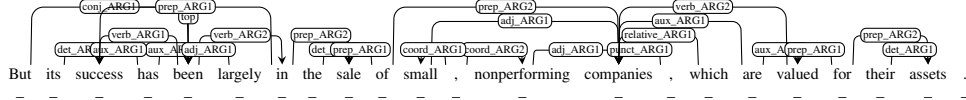
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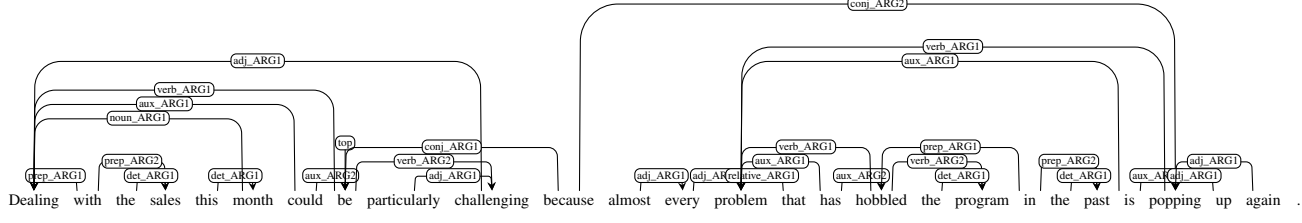
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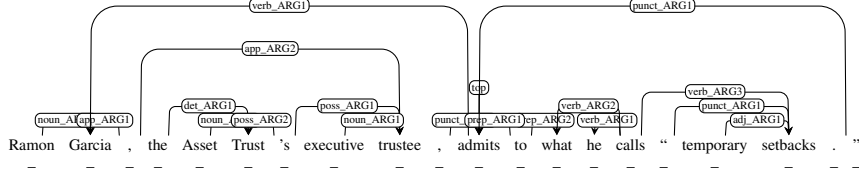
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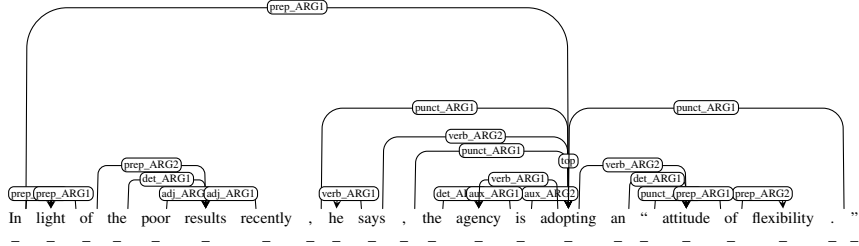
[21525025]



[21525026]



[21525027]



[21525028]

October 's troubles began when the trust failed to sell a state-owned commercial bank , Associated Bank , for the minimum price of 671 million pesos ( \$ 31 million ) .

[21525029]

At the end of the month , the agency again will offer the bank .

[21525030]

But instead of a minimum price , only a target price will be established .

[21525031]

Bankers say , however , that the government may have difficulty selling the institution even without a floor price .

[21525032]

The bank has a negative net worth , they say .

[21525033]

In addition , special bidding rules give the bank 's former owner , Leonardo Ty , the right to match the highest bid .

[21525034]

Mr. Ty lost control to the government in 1980 when a government bank made emergency loans to the cash-strapped institution .

[21525035]

In 1983 , the loans were converted into equity , giving Manila 98 % of the bank , but with the understanding that Mr. Ty had repurchase rights .

[21525036]

His ability to match any bid has scared off many potential buyers .

[21525037]

Separately , the government will try again within a month to sell the 36 % stake in Paper Industries Corp. of the Philippines , or Picop , as the paper mill is known .

[21525038]

The price will depend on how much Picop shares fetch on the local stock market .

[21525039]

But according to bankers and stock analysts who have studied the paper mill , price is n't the only consideration .

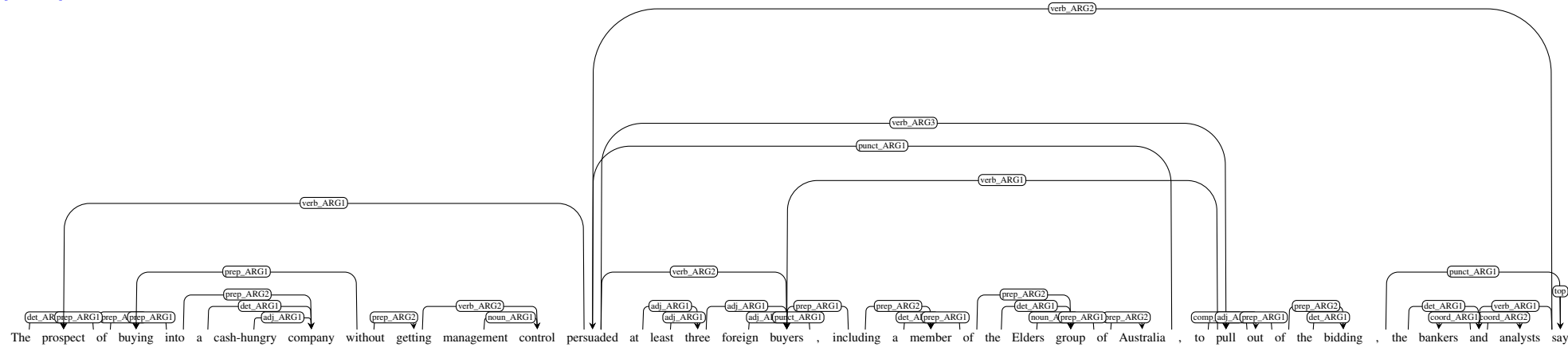
[21525040]

As it stands now , the government would continue to hold 45 % of Picop after the 36 % stake is sold .

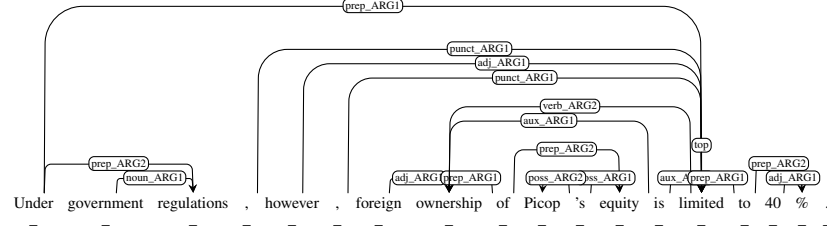
[21525042]

Potential buyers , mostly foreign companies , are reluctant to take a non-controlling stake in a company that , by the government 's own reckoning , needs some \$ 100 million in new capital for rehabilitation .

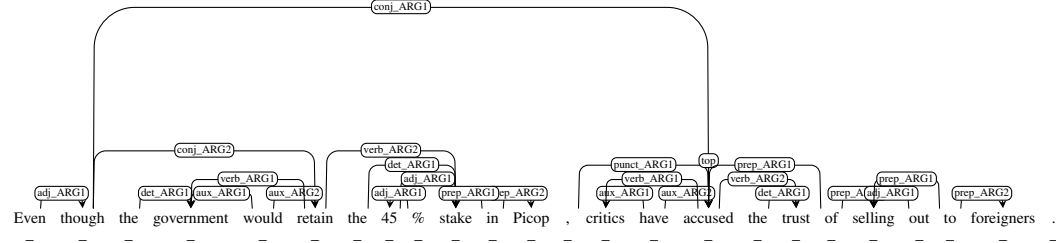
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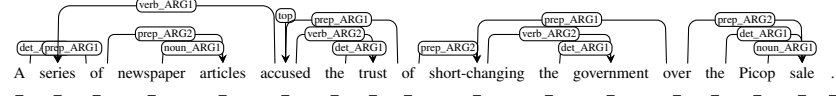
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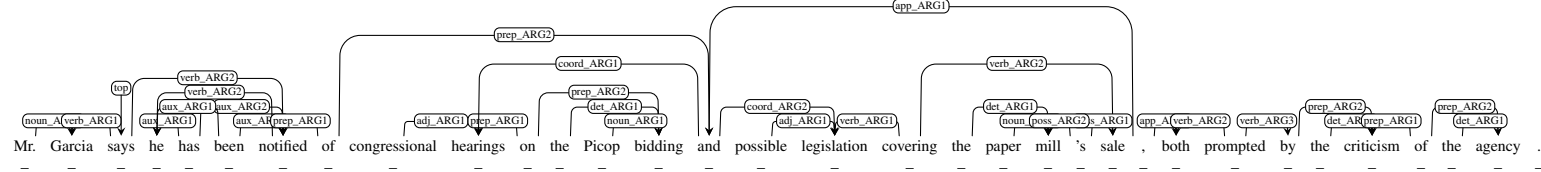
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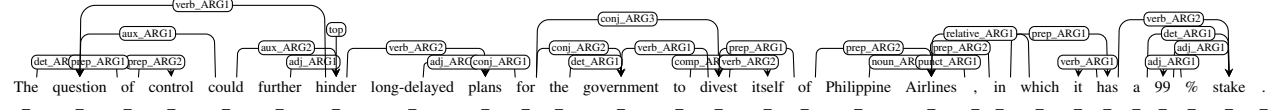
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[21525048]



[21525049]



[21525050]

