

THIRD DIVISION

[G.R. No. 175678, August 22, 2012]

BANK OF THE PHILIPPINE ISLANDS, PETITIONER, VS. BANK OF THE PHILIPPINE ISLANDS EMPLOYEES UNION- METRO MANILA, 22 AUGUST 2012 RESPONDENT.

D E C I S I O N

PERALTA, J.:

For resolution of this Court is the Petition for Review under Rule 45 of the Revised Rules of Court, dated January 20, 2007, of petitioner Bank of the Philippine Islands (BPI) which seeks to reverse and set aside the Court of Appeals' (CA) Decision^[1] and Resolution,^[2] dated June 8, 2006 and November 29, 2006, respectively, in CA-G.R. SP No. 83387.

The antecedent facts follow.

Respondent Bank of the Philippine Islands Employees Union-Metro Manila (BPIEU-MM), a legitimate labor organization and the sole and exclusive bargaining representative of all the regular rank-and-file employees of petitioner BPI in Metro Manila and petitioner BPI have an existing Collective Bargaining Agreement (CBA)^[3] which took effect on April 1, 2001. The CBA provides for loan benefits and relatively low interest rates. The said provisions state:

Article VIII - Fringe Benefits

x x x x

Section 14. Multi-Purpose Loan, Real Estate Secured Housing Loan and Car Loan. - The Bank agrees to continue and maintain its present policy and practice, embodied in its Collective Bargaining Agreement with the Union which expired on 31 March 2001, extending to qualified regular employees the multi-purpose and real estate secured housing loans, subject to the increased limits and provisions hereinbelow, to wit:

(a) Multi-Purpose Loan not exceeding FORTY THOUSAND PESOS (P40,000.00), payable within the period not exceeding three (3) years via semi-monthly salary deductions, with interest at the rate of eight percent (8%) per annum computed on the diminishing balance.

(b) Real Estate-Secured Housing Loan not exceeding FOUR HUNDRED FIFTY THOUSAND " PESOS (P450,000.00), payable

over a period not exceeding fifteen (15) years via semi-monthly salary deductions, with interest at the rate of nine percent (9%) per annum computed on the diminishing balance.

The rate of interest on real estate secured loans, however, may be reduced to six percent (6%) per annum, subject to the following conditions:

1. If the loan is accepted for coverage by the Home Insurance and Guaranty Corporation (HIGC).
2. The HIGC premium shall be paid by the borrower.
3. The borrower procures a Mortgage Redemption Insurance coverage from an insurance company selected by the BANK.
4. The BANK may increase the six percent (6%) interest if the HIGC or the Government imposes new conditions or restrictions necessitating a higher interest in order to maintain the BANK'S position before such conditions or restrictions were imposed.
5. Such other terms or conditions imposed or which may be imposed by the HIGC.
6. It is distinctly understood that the rate of interest shall automatically revert to nine percent (9%) per annum upon cancellation of the HIGC coverage for any cause.

The BANK shall make strong representations with the Bangko Sentral ng Pilipinas for a second upgrade and/or availment under the Housing Loan Program.

(c) Car Loan. - The BANK shall submit a revised plan for the approval of the Bangko Sentral ng Pilipinas which shall incorporate a car loan program in its existing Housing Loan Program. The said car loan shall be a sub-limit under the program such that any availment thereof shall operate to decrease the available housing loan limit. Therefore, the combined amount of both housing and car loans that may be availed of shall not exceed FOUR HUNDRED FIFTY THOUSAND PESOS (P450,000.00). This supplemental revision of the loan program shall be subject to the rules and regulations {e.g., amount of sub-limit, credit ratio, type and age of vehicle, interest rate, etc.) which the BANK may promulgate, and to the terms of the approval of the Bangko Sentral ng Pilipinas.

The multi-purpose and housing loans stated in the next preceding paragraphs, as well as the car loan which shall be incorporated in the housing loan program, shall be subject further to the applicable provisions, guidelines and restrictions set forth in the Central Bank Circular No. 561, as amended by Central Bank Circular No. 689, and to the rules, regulations and policies of the BANK on such loans insofar as they do not violate the provisions, guidelines and restrictions set forth in said Central Bank Circular No. 561, as amended.

Section 15. *Emergency Loans.* - The BANK agrees to increase the amount of emergency loans assistance, upon approval by the Central Bank of the Philippines, from a maximum amount of Ten Thousand Pesos (P10,000.00) to a maximum amount of Fifteen Thousand Pesos (P15,000.00) to qualified employees intended to cover emergencies only, *i.e.*, expenses incurred but could not be foreseen such as those arising from natural calamities, emergency medical treatment and/or hospitalization of an employee and/or his immediate family and other genuine emergency cases of serious hardship as the BANK may determine. Hospital expenses for caesarian delivery of a female employee or an employee's wife not covered by the Group Hospitalization Insurance Plan shall qualify for the emergency loan.

Emergency loans shall be payable in twenty-four (24) months via semi-monthly salary deductions and shall be charged interest at the minimal rate of Seven percent (7%) per annum for the first P10,000.00 and Nine percent (9%) for the additional P5,000.00 computed on the diminishing balance. The emergency loan assistance program shall be governed by the rules, regulations and policies of the BANK and such amendments or modifications thereof which the BANK may issue from time to time.^[4]

Thereafter, petitioner issued a "no negative data bank policy"^[5] for the implementation/availment of the manpower loans which the respondent objected to, thus, resulting into labor-management dialogues. Unsatisfied with the result of those dialogues, respondent brought the matter to the grievance machinery and afterwards, the issue, not having been resolved, the parties raised it to the Voluntary Arbitrator.

In his decision, the Voluntary Arbitrator found merit in the respondent's cause. Hence, the dispositive portion of the said decision reads as follows:

WHEREFORE, viewed in the light of the foregoing circumstances, this Arbitrator hereby rules:

1. That the imposition of the NO NEGATIVE DATA BANK as a new condition for the implementation and availment of the manpower loan benefits by the employees evidently violates the CBA;

2. That all employees who were not allowed or deprived of the manpower loan benefits due to the NO NEGATIVE DATA BANK POLICY be immediately granted in accordance with their respective loan benefits applied for;

3. That the respondent herein is ordered likewise to pay ten percent (10%) of the total amount of all loans to be granted to all employees concerned as Attorney's Fees; and

4. That the parties herein are directed to report compliance with the above directives within ten (10) days from receipt of this ORDER.

SO ORDERED.^[6]

Aggrieved, petitioner appealed the case to the CA via Rule 43, but the latter affirmed the decision of the Voluntary Arbitrator with the modification that the award of attorney's fees be deleted. The dispositive portion states:

WHEREFORE, premises considered, the Voluntary Arbitrator's Decision dated April 5, 2004 is hereby AFFIRMED with the MODIFICATION that the award of attorney's fees is hereby deleted.

SO ORDERED.^[7]

Petitioner filed a motion for reconsideration, but it was denied in a Resolution^[8] dated November 29, 2006.

Hence, the present petition.

Petitioner raises the following arguments:

A. The "No NDB policy" is a valid and reasonable requirement that is consistent with sound banking practice and is meant to inculcate among officers and employees of the petitioner the need for fiscal responsibility and discipline, especially in an industry where the element of trust is paramount.

B. The "No NDB policy" does not violate the parties' Collective Bargaining Agreement.

C. The "No NDB policy" conforms to existing BSP regulations and circulars, and to safe and sound banking practices.^[9]

Respondent, on the other hand, claims that the petition did not comply with Section 4, Rule 45 of the Revised Rules of Court and must be dismissed outright in accordance with Section 5 of the same rule; that the CA did not commit any reversible error in the questioned judgment to warrant the exercise of its