

Amando M Tetangco, Jr: The Philippine Deposit Insurance Corporation and the Bangko Sentral ng Pilipinas – continuing a partnership for stability

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Signing of the Memorandum of Agreement on Bank Examination between the Bangko Sentral ng Pilipinas and the Philippine Deposit Insurance Corporation (PDIC), Manila, 27 August 2013.

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Thank you for joining us this afternoon to witness the signing of this Amended Memorandum of Agreement on Bank Examination between the Philippine Deposit Insurance Corporation and the Bangko Sentral ng Pilipinas.

Our signing ceremony is brief and simple ... but also significant and meaningful. The MOA we have signed today underscores the continuing efforts of the PDIC and the BSP to enhance our respective regulatory and policy frameworks. Equally important, this amended MOA reflects our continuing cooperation to ensure that our joint working arrangements are responsive to the changes taking place in the operating environment of our supervised and regulated institutions.

Indeed, the PDIC and the BSP have a long history of partnership and cooperation to achieve and maintain a sound and stable banking system.

In particular, the PDIC and the BSP signed the original MOA on Bank Examination on October 11, 2005... which created the overall framework for our institutions to supervise banks through, among others, ... the conduct of on-site examinations, jointly or independently.

While the original MOA has served us well, we recognized the need to align it with current supervisory procedures, practices and requirements. The joint review committee created for this purpose was headed by PDIC Executive Vice President Imelda Singzon and BSP Managing Director Chuchi Fonacier with support from their respective groups. And so today, we have this amended MOA. Let us give our review committee a big hand.

As amended, the MOA harmonizes our examination procedures to avoid overlapping of functions and efforts, enhances data-sharing arrangement, and maximizes the use of reports and resources. The amended MOA also provides the PDIC more flexibility in terms of the types of banks it can jointly examine with the BSP, defines the specific findings/information that the BSP examiners can share with PDIC examiners, and considers the provisions as well as rules and regulations of Republic Act No. 9576 which amended the PDIC Charter.

With these amendments, we look forward to the PDIC and the BSP being able to address examination findings and violations with expediency... especially those involving unsafe and unsound banking activities. This is consistent with the thrust of the BSP and the PDIC to promote and strengthen good governance practices in supervised banks to ensure the stability of the banking system at all times.

We look forward therefore to exploring new projects and expanding existing initiatives with the PDIC to realize our shared goal of delivering a better quality of life to Filipinos through a sound and responsive banking system.

Mabuhay ang BSP at ang PDIC! Mabuhay ang ating mahal na bansang Pilipinas! Maraming salamat sa inyong lahat!