

Amando M Tetangco, Jr: Leading the way toward growth and development

Speech by Mr Amando M Tetangco, Jr, Governor of the Central Bank of the Philippines (Bangko Sentral ng Pilipinas), at the Inaugural Blessing of the newest branch of One Network Bank in Sasa, Davao City, 20 July 2007.

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Archbishop Capalla, Mayor Duterte, the officers and staff of One Network Bank (ONB), fellow bankers, special guests, Maayong gabi-i sa inyong tanan!

On behalf of the Bangko Sentral ng Pilipinas, I congratulate ONB on the inaugural of its Head Office Branch, the 65th in its network of branches within Mindanao. These 65 branches exclude the five new branches that have just been approved by the BSP. Now a leading rural bank, ONB has positioned itself as a catalyst for economic growth in Mindanao, with a presence bigger than other private banks.

One Network Bank: making a difference in Mindanao

In particular, ONB's support for the agriculture sector including small farmers is most commendable. I understand that ONB's loan exposure to agriculture is among the highest in the industry and it continues to grow: it was P1.1 billion in March 2006 and by March this year it had reached P1.5 billion!

We also recognize the Bank's contribution in financing the development of the education, health and services sectors in Mindanao through credit facilities that are made available to various institutions such as schools, hospitals, and local government units.

In addition, ONB has responded positively to Bangko Sentral's policy to encourage technological innovations that translate to more efficient and convenient ways of facilitating access to banking services. For instance, ONB paved the way for the investments by rural and cooperative banks in Automated Teller Machines. In addition, ONB's focus to expand its remittance services resulted in partnerships with commercial banks and money transfer companies. ONB has also applied for its own FCDU license. This is aligned with Bangko Sentral's policy to encourage more overseas workers to transact through the banking system.

The way forward

Indeed, judging from its involvement in countryside banking, ONB has become a model among rural banks in terms of both financial soundness and social responsibility.

Tonight, therefore, I ask the men and women of ONB to sustain ONB's performance and enhance the bank's status as an agent of economic growth.

Ladies and gentlemen. The BSP has been fostering a more liberal regulatory environment, built on strong prudential supervision foundation to promote a more inclusive and accessible financial system. Among others, we have liberalized branching to boost the efficient delivery of financial services, including microfinance, to areas with minimal access to banking services.

Altogether, these regulatory measures should give rural banks scope to participate more fully in economic development. Now, more than ever, we shall be relying on the collective support

of industry players in working toward a stronger and more efficient rural banking system – one that is fully capable of mobilizing savings for a robust rural economy.

To achieve this, let us work together to continue the reforms we have started to create greater confidence in the integrity and dependability of the country's banking system.

Let us therefore resolve to strengthen our partnership for a more efficient, competitive and resilient banking system as a service to our people and our country.

Again, our congratulations to the officers and staff of ONB!

Daghan Salamat sa inyong tanan.