

## **Amando M Tetangco, Jr: Banking sector developments in the Philippines**

Speech by Mr Amando M Tetangco, Jr, Governor of the Central Bank of the Philippines (Bangko Sentral ng Pilipinas), at the ILF MOA Signing Ceremony, Manila, 25 March 2008.

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Members of the Monetary Board, Undersecretary Roberto Tan, BAP President Ramon Sy, Mr. Paul Favila, fellow bankers, special guests, good morning.

I am glad we now have this Memorandum of Agreement for the Enhanced Intraday Liquidity Facility. This MOA will help the Philippine banking sector adapt and respond better and faster to increasingly dynamic and challenging developments in the financial markets.

Congratulations are therefore in order to all those involved in the process that has led to this MOA signing today. Let us give everyone a well-deserved round of applause.

Indeed, operational adjustments in the ILF provide participants greater flexibility in the use of their securities. For instance, instead of earmarking the securities for ILF use for the whole week, participants can now make daily changes in their securities pool.

In addition, availments will be made only when the need arises. Furthermore, availment costs have been reduced to encourage more participation to the ILF.

Ladies and gentlemen. These are challenging times and now, more than ever, we need to close ranks to address the issues that concern the banking sector in a coordinated and comprehensive manner.

On our side at the Bangko Sentral, we assure you that our lines of communication are kept open at all times for discussions and consultations. I expect the same from your end, particularly when it concerns programs that will benefit the financial system in particular and our economy in general.

I will be the first to say that we have done a lot to strengthen our banking sector. This has been validated and repeatedly acknowledged here and overseas. However, we should continue our reform agenda to keep in step with global developments. Let us choose innovation, over stagnation.

United, we can make further improvements in our banking sector as well as our payment and settlements system to make it stronger, more efficient, and consistently aligned with world-class standards.

Mabuhay ang Philippine banking sector! Maraming salamat sa inyong lahat.