

Amando M Tetangco, Jr: Scaling up for a more inclusive and more responsive financial system

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Bank Marketing Awards of the Bank Marketing Association of the Philippines, Makati City, 28 August 2015.

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The officers and members of the Bank Marketing Association of the Philippines under the leadership of President Mike Villareal, colleagues in the banking industry, distinguished guests, ladies and gentlemen, good evening.

In its website, BMAP describes itself as “an organization of banking institutions which seeks to upgrade the practice of bank marketing in the country.”

On its 41st year, BMAP remains true to its mandate. Tonight, with the Bank Marketing Awards, BMAP rewards the best bank marketing programs and inspires its members to aspire for award-winning excellence.

I am therefore pleased to be with you tonight to congratulate BMAP and tonight’s awardees. You have raised the bar of excellence and henceforth will serve as benchmark in the years to come. After all, it is said that we do not forget our “firsts.”

This means that the next batch of winners must be truly exceptional to be equally memorable. I hope therefore that BMAP succeeds in sustaining this drive to excel that stands to benefit your banks, your customers, and ultimately our economy.

Your timing is perfect. Last month, we launched our National Strategy for Financial Inclusion or what we call NSFI as well as the results of our National Baseline Survey for Financial Inclusion. I am positive that both will help you craft marketing programs with optimum results.

The NSFI integrates the financial inclusion programs of 13 government institutions including the Bangko Sentral ng Pilipinas. It also provides a platform for government-private partnerships for financial inclusion as a means to achieve inclusive growth. To see how is relevant to you and your bank, you may visit our website at www.bsp.gov.ph.

For now, let me share some of the highlights of our National Baseline Survey on Financial Inclusion which was completed early this year:

1. Ninety-seven percent (97%) of Filipino adults believe that it is important to save money and to have the way or means to save money. And yet, our survey indicated that only 4 out of 10 Filipinos actually save money.
2. Of those who save, 70% keep their money at home; while only 30% of savers keep their money in banks.
3. Six out of ten adults with bank accounts indicated that the bank’s reputation is their main consideration in opening a deposit account. Other considerations are interest rates, minimum maintaining balance, proximity of the bank branch, and quality of client service.
4. Forty-seven percent of Filipinos borrow money. While more than 85% of respondents indicate that they want to access financial services from formal financial institutions, majority of them still borrow from family, friends and informal lenders. Banks as source of borrowing stood only at 4.4.
5. The primary considerations in borrowing money are: interest rates, loan amount, period to pay for the loans, ease of loan application, reputation of the credit institution, amortization, collateral, fees, and processing time.

Ladies and gentlemen. These survey results provide useful insights on how to serve your customers better and how to expand your market. Indeed, there is so much untapped potential that bank marketing experts such as yourselves can reach, develop, and grow with.

As we move toward ASEAN integration, growing and protecting your market will become more challenging. It is best to work on this now.

In selecting tonight's awardees, I understand BMAP selected as criteria four key factors in making a marketing program successful: these are strategy, creativity, execution and results. Applying these factors to your products and programs should help you develop solid and excellent marketing programs.

In general, a product can be upgraded when it is no longer in its prime. In our industry, however, the ultimate product is public trust. It is a product that is fragile, demands constant care and requires special packaging.

And while public trust may seem to be generic, we must also recognize the socio-economic diversity of our archipelago. The point is, that it will take marketing savvy and creativity to make all these details come to life in a holistic and integrated manner.

Ladies and gentlemen. The challenge is not one of sales; it is about marketing. By that, I mean the ability to package specific products to those who need the specific features of the product. This is important in banking where we adhere to a fiduciary responsibility and must constantly meet the bar of client suitability.

As banking and finance is typically too esoteric to the general public, this is where creativity is a must. You need to bridge the demands of a differentiated public to the array of products and services that are available and possible. You need to distill the complexities of banking to messages that the broad public can relate to and base their decisions on. This should help you build a lasting relationship with your clients.

This lasting relationship is the ultimate measure of public trust; it validates the value proposition that your bank presents to the general public.

And if the growth of the banking industry and the increased state of financial inclusion are to be used as measures, then we certainly must recognize the efforts of the best in bank marketing programs.

This initiative underscores the convergence in the goals of BMAP and the BSP which is to enable more Filipinos to benefit from banking services.

I am therefore pleased that your awards cover best financial inclusion program, best kiddie savings program, best program in social media, best product program, best brand program and best electronic delivery channel.

Ladies and gentlemen, we continue to reap the benefits of a strong banking industry. Not only are we expanding, the banking industry has remained a pillar of strength in our economy in the face of new volatilities in the global financial landscape. That said, we do have to recognize that we need to address the gaps in our financial inclusion goals.

This is where BMAP can play a significant role.

Our ultimate stakeholder, our ultimate market in our efforts is the Filipino financial consumer. We want Filipino financial consumers to develop good money habits that will them achieve financial independence.

Indeed, the triumvirate of financial access, financial education and consumer protection makes perfect sense because there is a clear message that is defined for a particular audience. Again, here is another case of marketing: targeting specific products and calibrated interventions for specific audiences under specific conditions. Given this, I am already looking forward to next year's set of Bank Marketing Award winners.

At this point, I want to thank BMAP for continuing to expand its partnership with the BSP – the latest being with our FCPD on the Project BRO campaign (BSP Reaches Out) to emphasize the value of developing saving as a habit at a young age. The “alkansya” gives us that cultural backdrop for this effort and I thank BMAP for providing the alkansya and shouldering the freight cost to Davao, Digos, Dipolog and Iloilo for this campaign.

I also look forward to BMAP finally reaching our goal of opening one million (1,000,000) kiddie accounts within the next few months. Supported and empowered by our major banks, the BSP-BMAP Kiddie Account Program has generated for us international recognition and award as a best practice model that other countries admire but till now could not implement.

I am also pleased to share that our reward program for the best financial teachers in public schools is now on its third year under the DepEd-BSP Guro ng Pag-Asa (Gantimpala Para sa Ulirang Pag-tuturo ng Pag-iimpok at Araling Pansalapi). The objective of the program is to continue to raise the level of excellence in teaching saving, money management and entrepreneurship to millions of our schoolchildren starting from Grade I. Secretary Luistro has issued a memorandum circular to public school teachers across the country about our third Guro ng Pag-Asa.

With financial lessons taught well in schools, we can look forward to raising a new generation of Filipinos who have developed the habit of saving and managing their personal finances successfully.

Ladies and gentlemen, we all want a bright tomorrow, not only for ourselves but for our children and their children’s children. We know that this means we have to invest today to shape the future.

The awards that you launch today is a step in the right direction. We should make time to recognize those who excel and continue to raise the bar of excellence within the banking industry.

Once again, congratulations to all the awardees. Your peers have gathered here tonight to celebrate your success and commit to do better in the years ahead.

Finally, let us congratulate BMAP and its leadership for serving as a catalyst for positive change and for its continuing collaboration with the BSP in the areas of financial inclusion, financial education, and consumer protection.

Mabuhay ang BMAP! Mabuhay ang ating mahal na bansang Pilipinas!

Maraming salamat sa inyong lahat!