

Benjamin E Diokno: Keynote message - ECCP AI+ Financial Services Future of Fintech

Keynote message by Mr Benjamin E Diokno, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), during the during the ECCP (European Chamber of Commerce of the Philippines) AI+ Financial Services Future of Fintech, 21 July 2021.

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Friends and colleagues from the European Chamber of Commerce of the Philippines and Fairs and More, Inc., esteemed guest speakers, ladies and gentlemen, a pleasant afternoon to all.

I'm glad to be a part of the AI+ Forum Series wherein we hope to have more strategic discussions about financial technology and how the financial services industry can leverage on technological advancements such as artificial intelligence, machine learning, and robotics, among others, in designing and providing more customer-centric financial products and services.

In just the last ten (10) years, we've all witnessed how technology has dramatically advanced and elevated our day-to-day living. From augmented reality games to self-driving cars; from voice-controlled home devices to life-saving medicines; from office productivity tools to space exploration journeys; the possibilities are indeed limitless.

Personally, I was astonished to recently learn about deepfakes. Such advances in artificial intelligence are both exceptional and admittedly, disturbing at the same time.

After the initial disbelief and amazement wears off, you soon realize how destructive this technology might be if used for ill purposes.

Perhaps this is the reason why there is still some resistance in fully embracing technology when it comes to providing financial services, particularly in banking.

Because banking, at its very core, is built on trust between the financial institution and its customers. Trust is not built overnight, but is diligently earned over a period of time.

Despite the apprehensions, we cannot fully dismiss the potentials that financial technology has to offer, especially in bridging the financial inclusion gap.

What good is it to have the perfect financial system if only a handful in society gets to benefit from it? Thus, we need to set aside our fears and prejudices and transform existing challenges to life-changing opportunities by striking the right balance between innovation and regulation.

The BSP has fervently sought to capitalize on such development.

Our goal has always been to enable a conducive environment for both incumbent banks and Fintechs to harness their full potential with regard to their journey to innovation.

This has also paved the way for greater financial inclusion among Filipinos through the build-up of an inclusive ecosystem, the creation of compelling use cases, and fostering of financial literacy and trust in the financial system through consumer protection.

We are confident that digital innovation can co-exist alongside BSP's key mandates of maintaining monetary, financial stability and the efficiency and safety of payments and settlements systems.

Likewise, the BSP will continue to support financial products and services that are suitably designed, priced, and tailored to diverse market segments, including the unbanked and

underserved markets, through pioneering delivery channels.

While the BSP will continue to champion initiatives promoting responsible innovation in the delivery of financial products and services, all stakeholders must join the journey of transformation into a digital economy that is robust, secure, and resilient that's accessible to all.

Digital is no longer a matter of convenience, but it has, in fact, become a matter of necessity. And the current pandemic has clearly emphasized the need to democratize access to financial services and address exclusion, benefiting those most hit by the pandemic's effects to the economy.

Ultimately, my hope is that the BSP's enabling regulatory environment would continue to foster a healthy cooperative competition or "coo-petition" among Fintechs and traditional banks.

When the advantages of traditional banks, with their market size and operational scale, are coupled with Fintechs' organizational agility and technical know-how, the resulting synergies could substantially improve the delivery of financial services to all Filipinos, especially the underserved.

Indeed, fintech can be a massive driver of our financial inclusion agenda.

And so I hope you have you all here as a partner in this pursuit. Together, let's bring financial services closer to the Filipino people.

Thank you and I hope that all of us remain healthy and well during these trying times.