

A decorative illustration of several bamboo stalks with green leaves, positioned on the left side of the slide.

Amando M. Tetangco, Jr. , Governor, Bangko Sentral ng Pilipinas
(Central Bank), Philippines

*Session 1: Corporate governance reform in the Philippines : progress
and challenges*

A large banner with a green and white diagonal striped background on the left and a map of Asia on the right. The text 'Asian Roundtable on Corporate Governance 10-year Anniversary' is written in white serif font across the banner.

Asian Roundtable
on Corporate Governance
10-year Anniversary

9-10 September 2009 - Manila, Philippines



*Bangko Sentral ng
Pilipinas*

OECD ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE



AMANDO M. TETANGCO, JR.
Governor

OECD Asian Roundtable on
Corporate Governance
The Peninsula Manila
9 September 2009



BSP Initiatives on Corporate Governance

- Setting the tone from the top
 - Qualifications of directors
 - Fit and proper for the job considering the following:
 - Integrity/probity
 - Competence
 - Education
 - Diligence
 - Experience/training
 - Attended a special seminar on corporate governance



BSP Initiatives on Corporate Governance

- **Setting the tone from the top**
 - Duties and responsibilities of the board and the members of the board in their individual capacity
 - Appointment of at least 2 independent directors
 - Creation of the following committees in the board:
 - Risk management
 - Corporate governance
 - Audit



BSP Initiatives on Corporate Governance

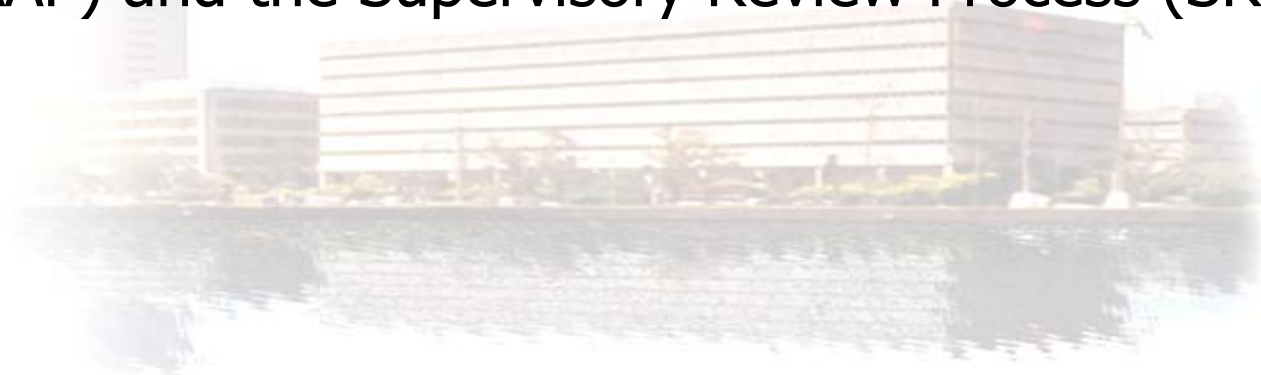
- Enhancing transparency, disclosure and financial reporting
 - Adoption of the International Accounting Standards
 - Disclosure requirements in the published reports, audited financial statements and annual reports
 - Accreditation of external auditors
 - Memorandum of Agreement signed by the BSP, Securities and Exchange Commission, Insurance Commission and Board of Accountancy



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BSP Initiatives on Corporate Governance

- Enhancing supervisory tools
 - Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review Process (SRP)





BSP Initiatives on Corporate Governance

- Corporate Governance Scorecard for Banks
 - First of its kind in the world
 - Covers locally organized universal and commercial banks and their subsidiary/affiliate banks
 - Includes a category on ***Control Environment and Processes***
 - Adopted the “person-on-the-street” approach”



BSP Initiatives on Corporate Governance

- Corporate Governance Scorecard for Banks
 - Average score of the universal/commercial banks (U/KBs) is 84%
 - U/KBs registered the highest score in Control Environment and Processes category at 89%
 - Top three U/KBs had an average score of 94% while the bottom three registered an average score of 66% (margin of 28%)
 - On a per industry basis the margin narrowed to 15%



Bangko Sentral ng Pilipinas

Roadmap for the future

- Initiate reforms for good governance in the financial industry
 - Continuing assessment of existing regulations
 - Proposed amendments to the BSP Charter
- Increase financial literacy



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Thank you

