

- Officers and members of the Bankers Institute of the Philippines headed by President Blesilda Andres; friends from the banking sector; ladies and gentlemen; good afternoon!
- I am honored to address you today as we witness the new officers of BAIPHIL take their oath. So first things first, let me extend our sincerest congratulations to the new set of officers of BAIPhil. I am confident that just like your past leaders of BAIPHIL, you will all rise to the challenge of leading this organization and take it even further, as we journey through the digital era.

# BSP and BAIPHIL: Working Towards Shared Goals



- In the past 70 years, the BAIPHIL has proven to be a dependable ally of the BSP in elevating the quality of bankers and finance professionals in the country. The BSP and BAIPHIL have weathered a lot of challenges in the banking and finance landscape—from regional and global economic crises to the rise of financial technology and emergence of digital transformation. Through all these, our strong collaboration was sustained ..... unchanging.
- Today’s theme “Promoting Collaborative Governance for Digital Transformation and Sustainability” embodies the BSP and BAIPHIL’s long history of working together towards shared goals.

# We Live in a Digital Society...



- In keeping with today's theme, let me walk you through how BSP deals with digital transformation.
- We are living in a society where technological innovations have made their way into our everyday lives—be it in government, communication, transportation, business and finance, education, and even medicine. These technologies are changing the way we live, communicate, and work.
- So what must we do then? We must ride the wave of digital transformation. Otherwise, we will become irrelevant and obsolete.

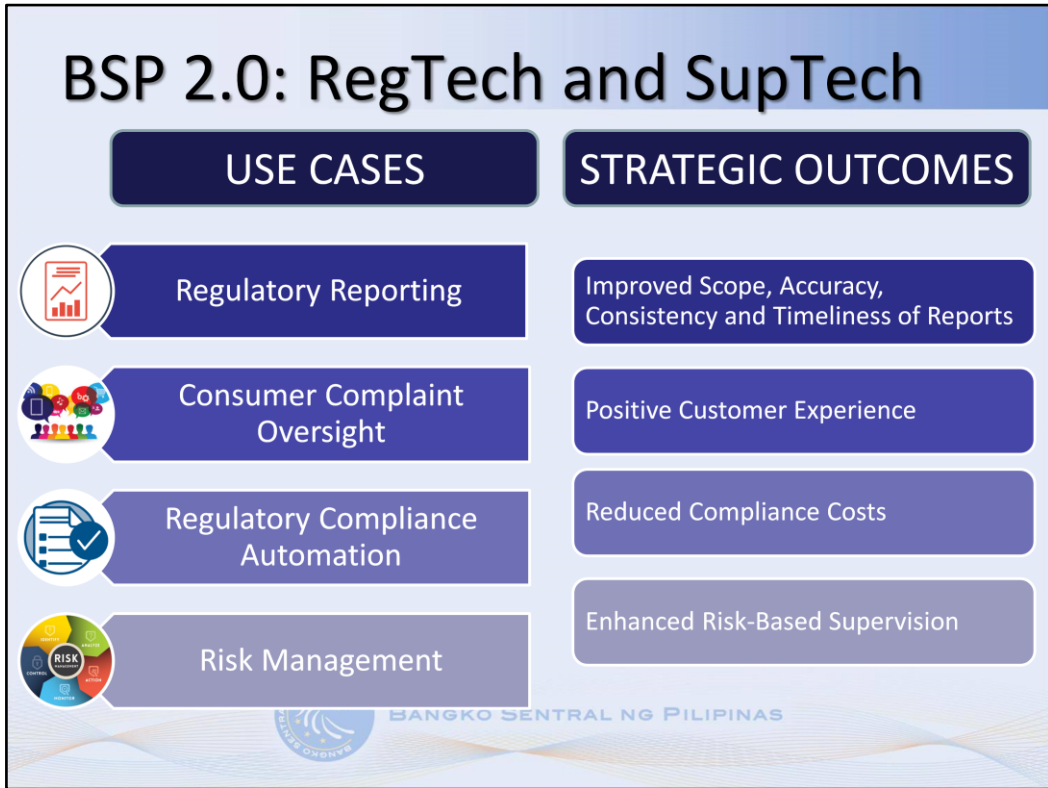
# FinTech and Payments Landscape



- Financial institutions are at the forefront of capitalizing on digital innovations. By doing so, they improve their operations, attract more customers, and offer new financial services in tune with market demands.
- We at BSP have observed the following trends:
  - ✓ Banks, as well as other financial institutions and non-bank players, are increasingly adopting and exploring digital innovations as an integral part of their business strategies.
  - ✓ The rapid pace of development continues across various technology platforms--from artificial intelligence, digital currencies, blockchain, cloud computing, and the like.
  - ✓ FinTech players, including TechFin, are aggressively entering the financial services market, either as technology service providers or direct competitors of financial institutions, posing added dimensions of risks, among others.
  - ✓ Advanced cyber-threats and attacks are continuously being launched against banks and the greater business community. Even central banks are not spared from the onslaught of cyber-attacks carried out by organized, well-funded and professional cyber-threat actors.



- Digital transformation is a challenge being hurdled not only by private organizations. It also impacts government institutions and regulatory bodies like the BSP.
- As you know, the government has been increasingly utilizing technology to improve its service to the public. This is in line with the E-Government Master Plan, which is envisioned to provide, among others, responsive and transparent online citizen-centered services for Filipinos.
- To cope with the growing fintech landscape, the BSP is also embarking on a digital transformation. We set up in 2018 a dedicated Financial Technology Subsector to ensure an operational and a cyber-resilient financial system.
- We are also exploring regtech and suptech solutions covering cases such as regulatory reporting, consumer complaint oversight, and regulatory compliance automation to enhance the timeliness and quality of our risk-based decision-making.
- In particular, the BSP embarked on the Strategy for Technology Adoption in Regulatory Supervision (STARS) Program. Areas covered by STARS are real-time market surveillance, supervision and examination digitalization, data analytics, data collection, and distribution.



- Let me expound on BSP’s STARS Program that covers both the BSP and the BSP-supervised financial institutions (BSFIs).
- We understand that the changing financial landscape brought increasing pressure from the regulators through the issuance of various policies and prudential requirements that made compliance challenging for our supervised institutions.
- With so many policies to enforce and with the growing number of supervised financial institutions, including non-bank fintech players, there is a need for Regulatory Technology (RegTech) or Supervisory Technology (SupTech) solutions to unravel the regulatory and supervisory challenges of the BSP.
- Through appropriate RegTech/SupTech solutions, we expect to achieve strategic outcomes which will improve the scope, accuracy, consistency and timeliness of reports, as well as positive customer experience for clients of BSFIs.



# Collaboration: A Powerful Catalyst to Digital Transformation



BANGKO SENTRAL NG PILIPINAS

- This brings me to the subject of collaboration—which is a must in this digital era.
- Let me cite the story of Post-it Notes. A chemist at 3M named Spencer Silver has developed a better adhesive. But he was not able to find the purpose for it yet until he met Art Fry. To make the long story short, this collaboration led to the creation of the Post-it Notes, which had an estimated sales of \$4.3 billion in 2012. This is a classic example of the power of collaboration.
- Collaboration can also influence the success of digital transformation efforts on a larger scale. Industry experts have said—and I agree—that digital transformation and collaboration can't exist without one another.
- Just like the BSP, I'm sure that your respective organizations have also ventured on this digital transformation journey. Much as we are pre-occupied with our plans and initiatives, we also need to collaborate towards a stable, secure, and efficient financial system.



- Undertaking digital transformation is no easy feat. It requires a clearly defined strategy, integrating critical elements such as people, process, and technology to be aligned with the fundamental goal of utilizing technology to change the way we operate and deliver value.
- Given the complex nature of this undertaking, digital transformation is more of a journey, rather than a destination, which has to permeate the entire organization to be truly productive and successful.

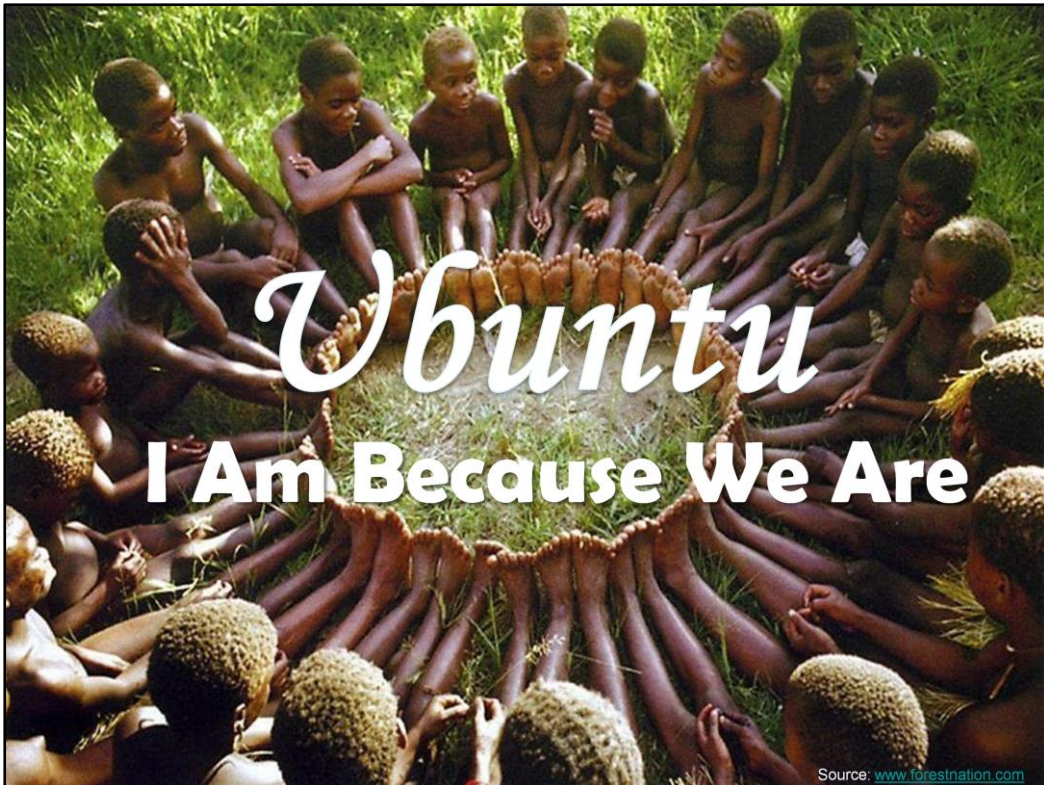


# Facing the Challenges Head On



BANGKO SENTRAL NG PILIPINAS

- As the BSP navigates this exciting yet challenging digital frontier, the BSP shall remain steadfast in delivering our mandate of ensuring the safety and soundness of the financial system and upholding the trust and confidence of the public.
- We shall continue to pursue monetary and financial sector policies that are data-driven, evidence-based, and attuned to the evolving market environment.



- Ladies and gentlemen, let me conclude by sharing with you this beautiful African philosophy.
- Ubuntu means “I am, because, we are.” Archbishop Desmond Tutu\* aptly describes it as “A person with Ubuntu is open and available to others... affirming of others..., does not feel threatened that others are able and good...from knowing that he or she belongs in a greater whole.”
- We must always remember that, as we share and collaborate, we will have more.

-----  
\* Desmond Tutu (born 7 October 1931) is a South African [Anglican](#) cleric and [theologian](#) known for his work as an [anti-apartheid](#) and [human rights](#) activist. He was the [bishop of Johannesburg](#) from 1985 to 1986 and then the [archbishop of Cape Town](#) from 1986 to 1996, in both cases being the first black African to hold the position. Theologically, he sought to fuse ideas from [black theology](#) with [African theology](#); politically, he identifies as a [socialist](#).

Source: Wikipedia



- Thank you and more power to BAIPHIL!