



Press Statement

18 February 2011

**MBC SUPPORTS THE REAPPOINTMENT OF
BSP GOVERNOR AMANDO M. TETANGCO**

The Makati Business Club wishes to publicly declare our support for the reappointment of Amando M. Tetangco for a second term as Governor of the Bangko Sentral ng Pilipinas beginning 1 July 2011.

Governor Tetangco, a career central banker, began his first term as head of the BSP in July 2005. During his watch, the following occurred:

The Philippine economy sailed through the recent global financial crisis relatively unscathed. As the crisis hit the bottom and the global economy started to recover, the Philippine economy grew more than 7% on the back of solid macroeconomic fundamentals, timely and effective policy responses, and purposeful reforms. Moreover, this strong growth was achieved in a low-inflation environment.

The country's external payments position continued to strengthen, as the country posted a surplus of \$13.2 billion in the first 11 months of 2010 and gross international reserves surpassed the \$60-billion mark. With these, credit raters Standard and Poor's and Moody's upgraded the Philippines' credit rating outlook from stable to positive.

The exchange rate remained relatively stable despite the heavy inflow of hot money into developing economies, and the BSP kept the peso competitive even as it appreciated. Meanwhile, the domestic banking system remained robust, with banks' deposits and loans growing at a healthy pace, their bottom lines at relatively solid levels, and their capital ratios well above the regulatory minimum levels.

In the last six months, the Philippines issued \$1 billion worth of 10-year peso-denominated global bonds and \$1.25 billion of 25-year peso-denominated global bonds. The highly successful issues, which helped lengthen the countries debt maturities and reduced the domestic economy's exposure to foreign exchange fluctuations, are clear indications of foreign investors' confidence in the outlook of the Philippine economy.

The true effectiveness of central bankers is tested in times of crisis, and we believe that Governor Tetangco has proved his mettle.

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