



Press Statement

15 February 2012

**MBC STATEMENT OF CONCERN OVER THE  
COURT OF APPEAL'S DECISION ON BANCO FILIPINO**

The Makati Business Club expresses its concern and outrage over the impact of the Court of Appeals recent order to the Bangko Sentral ng Pilipinas and the Monetary Board to reopen the Banco Filipino Savings and Mortgage Bank. Promulgated on 27 January 2012, the judgment threatens to undermine the power, granted to the central monetary authority by the Constitution, to supervise and regulate the banking industry. The decision appears to reward defiance of the Bangko Sentral ng Pilipinas, encourage undisciplined business practice, and, worst, permit abuse of depositors' trust and misuse of the people's money.

Not without reason did the 1987 constitution vest the supervision and regulation of banks on a monetary authority that is independent: free to provide, in the exercise of its specialized expertise, the country's policy direction in the areas of money, banking and credit and to supervise the players in the banking industry; unfettered by fiscal problems, political exigencies, and government constraints. The Bangko Sentral ng Pilipinas was meant by the fundamental law of the land to be independent and the sole authority in such matters, free from court interference, except only in the case of grave abuse of discretion amounting to lack or excess of jurisdiction.

The law acknowledges the vital role of banks in providing an environment conducive to the sustained development of the national economy. In unison, decisions of the Supreme Court recognize that the business of banking is impressed with public interest.

In the World Economic Forum's Global Competitiveness Report 2011-2012 the Philippines ranked 46 out of 142 countries in terms of soundness of banks. This order goes against the tide of our improving global competitiveness rankings.

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