



NEW RURAL BANK OF SAN LEONARDO, INC.

OFFICE OF THE PRESIDENT

PRESS STATEMENT

OFFICE OF THE PRESIDENT AND CORPORATE OFFICES

NRBSL Building,
Brgy. Magsaysay Sur,
41 Maharlika Highway
Cabanatuan City,
Nueva Ecija
044-4647101
044-6004010

BRANCHES

MAIN BRANCH
GROUND FLOOR
NRBSL BLDG.,
BRGY. DIVERSION,
SAN LEONARDO,
NUEVA ECija
044-6043003

SAN ANTONIO
POBLACION,
SAN ANTONIO,
NUEVA ECija
044-4863504

GEN. TINIO
POBLACION,
GEN. TINIO,
NUEVA ECija
044-9730471

SAN ISIDRO
POBLACION,
SAN ISIDRO,
NUEVA ECija
044-4861417

LA PAZ
BRGY. SAN ISIDRO,
LA PAZ, TARLAC
045-8040367

TARLAC CITY
BRGY. SAN ROQUE,
TARLAC CITY, TARLAC
045-8000712

SAN MIGUEL
TECSON ST., POBLACION,
SAN MIGUEL, BULACAN
044-6781284

CABANATUAN CITY
41 MAHARLIKA HIGHWAY,
CABANATUAN CITY
044-6004010

*Helping
Build
Local Economies*

NRBSL SUPPORTS INCREASE IN DEPOSIT INSURANCE COVERAGE

Calls for more concrete action to address implications of global economic recession to local economy building

Cabanatuan City, 30 October 2008. The New Rural Bank of San Leonardo, Inc. (NRBSL) supports the move by government and concerned sectors to increase the deposit insurance coverage to ₱1 million from the current ₱250,000 per bank depositor. At the same time, NRBSL leadership urges government and its agencies to establish concrete measures that address the local implications of the on-going economic recession among First World countries, particularly the foreseen cut down in the hiring of foreign labor and the looming possibility of overseas Filipinos being sent back home due to contract pre-termination or retrenchment.

NRBSL President Andres G. Panganiban believes that the proposal to raise deposit insurance coverage will not only enhance the general public's confidence in the banking system. More importantly, the move will help assure the small depositors in local communities that their lifetime savings deposited in banks are secure. A significant number of deposits in banks such as NRBSL are financial proceeds from remittances of overseas Filipino workers who are saving for health care, education, housing costs and investment in both current and future business enterprises upon their return.

At the same time, NRBSL presses government and its concerned agencies to institute significant and concrete measures that will address the local implications of the global financial crisis. For instance, one significant implication of the crisis to local communities is the return of Filipino overseas workers laid-off due to downscaling in global economic activity. Return of OCWs will signal the end of dollar-denominated income by way of remittances and unemployment in the communities where they came from.

There are about 11 million overseas Filipinos abroad or 11% of the Philippine population and, collectively, they account for about an annual remittance of US\$14 billion to the country's economy.


In the communities where NRBSL have on-going microfinance and community credit programs, about 60 percent of loan accounts depend on the continued flow of remittances as payments for credit amortizations. Pre-termination of overseas employment and remittances will disrupt the cash flows of businesses and projects financed under these loan accounts.

NRBSL believes that government should go beyond the usual and trite re-training programs it offers to returning OCWs. The preparation of significant and concrete measures should focus on offering local investment and business options for returning overseas Filipinos. These options should accordingly be attuned to the local communities and needs of the returning OCWs who are seeking to pour their lifetime savings in viable enterprises in their localities.

Rural banks like NRBSL and the member banks of the Nueva Ecija Federation of Rural Banks (NEFRB) are well-positioned to receive and offer these returning overseas Filipinos and their families the much-needed investment and financial advice. Rural and community banks are the first to be approached by this clientele since they are in their communities. Government financial institutions can set up guarantee funds and similar mechanisms that shall make use of the network of RBs as conduits in retailing these to returning Filipino migrant workers and community entrepreneurs affected by the global recession. Without such concrete measures, the families of returning overseas Filipinos are in danger of falling back into poverty.

NRBSL Pres. Panganiban echoes and quotes former UN Secretary General Kofi Annan's lament in a recent international conference: "while national governments and international lenders scramble to inject hundreds of billions of dollars into failing banks, the developing world goes hungry... (The) financial crisis is no excuse for inaction (on the more fundamental and global problem of food, hunger and poverty)".

NRBSL is one of the leading rural banks in the Philippines and is highly-rated by the Bangko Sentral ng Pilipines (BSP). Into its 15th year of operation, NRBSL is a medium-sized bank with eight (8) branch operations in the provinces of Nueva Ecija, Tarlac and Bulacan and in the cities of Cabanatuan and Tarlac. By end of 2007, the Bank's business and microfinance products and services have reached more than 72,000 clients with a population outreach of 290,000 persons. NRBSL continues to focus on banking for the enterprising poor and helping build local economies.


ANDRES G. PANGANIBAN
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