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Industry Career Guide: Banking and Finance

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INDUSTRY CAREER GUIDE

BANKING AND FINANCE

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Executive Summary

The banking and finance sector performs a critical function in the Philippine economy as it is primarily responsible for the mobilization of domestic savings and the conversion of these funds into directly productive investments. Financing the needs of firms which desire to raise productive capacity by purchasing additional capital equipment, acquiring or leasing idle property, building and expanding factories, and increasing inventory are responsible for sustaining economic growth in the long term, alongside the creation of new jobs. It is very important for the banking and finance sector to continue finding ways to encourage households to save their unspent income in various financial assets so that these resources could be used and transformed into loans that will finance the expansion of directly productive business ventures.

The financial system is composed of two general groups namely: banks and non-bank financial institutions. Banking institutions include: universal banks, commercial banks, thrift or savings banks and the rural and cooperative banks. These institutions are allowed to collect savings and time deposits to fund loans and also perform the function of providing credit and payment services. Large banks, particularly the universal and commercial banks, are allowed to engage in other intermediation activities such as investment banking and may offer other forms of portfolio investment instruments and insurance products.

Non-bank financial institutions on the other hand, are composed of insurance companies, pension fund institutions, investment banks, financing companies, pawnshops and mutual fund institutions. These institutions are not allowed to collect deposits but may encourage the general public to invest household savings in various financial instruments. Premium payments for term insurance policies, regular contributions to pension funds, investment into mutual funds or purchases of shares of stock in financing companies and pawnshops are some of the ways by

which non-bank financial institutions can source funds in order to finance lending and or investment operations.

The Bangko Sentral ng Pilipinas (BSP) is the independent central monetary authority of the Philippines that has regulatory and supervisory power over banks and non-bank financial institutions. The BSP supervises the nation's banking system. Non-bank financial institutions such as insurance companies and investment houses are overseen by the Insurance Commission and Securities and Exchange Commission respectively.

The role of financial intermediation in the Philippine economy continues to expand and is expected to create greater prospects for employment over the next several years. The share of financial intermediation output to total service sector output as well as to gross domestic product has continually increased over the recent past.

Growth prospects for output and employment are promising considering that economic growth during the past few years continues to create new jobs in the financial intermediation sector. The Philippine economy grew by 7.3 percent in 2010, 3.7 percent in 2011, and 6.6 percent in 2012. Alongside this growth, the financial sector had also increased its output by 6.5 percent, 6.6 percent and 7.8 percent over the same period. This generated an increase in the number of employed persons in the financial sector from 369,000 in 2009 to 400,000 in 2010, 434,000 in 2011 and 437,000 workers by the end of 2012.

Expected increases in employment growth beyond 2012, will be further enhanced by the continued increases in the profitability of both bank and non-bank financial institutions, the stability of the financial system and the sustained growth of the economy.

Chapter 1

Nature of Industry

A. Service-oriented Industry

The banking and finance sector is primarily responsible for mobilizing domestic savings and converting these funds into directly productive investments. Financing the needs of firms which desire to raise productive capacity by purchasing additional capital equipment, acquiring or leasing idle property, building and expanding factories, and increasing inventory are responsible for sustaining economic growth in the long term, alongside the creation of new jobs.

Banks perform the function of safekeeping money and valuables and extending loans, credit and payment services in the form of checking accounts, money orders, cashier's checks as well as the issuance of debit and credit cards. Large banks (particularly the universal and commercial banks) are also allowed to engage in other intermediation activities such as investment banking (underwriting debt instruments and or stocks for other firms) and may offer other forms of portfolio investment instruments and insurance products.

B. Industry Sub-sectors

i. Banks and Non-Bank Financial Institutions

The financial system is composed of two general groups namely: bank and non-bank financial institutions. The banking institutions include the universal banks, commercial banks, thrift or savings banks, and the rural and cooperative banks.

Universal and commercial banks have the largest resources and offer the widest variety of banking services outside of collecting deposits and providing loans. These other services include underwriting and other functions of investment houses,

investing in equities and non-allied undertakings. Thrift banks include savings and mortgage banks, private development banks, stock savings and loan associations and microfinance thrift banks. They accumulate the savings of depositors and provide housing loans and financing for short-term working capital as well as medium and long term financing to small and medium scale enterprises engaged in agriculture, services, and industry. Rural and cooperative banks promote and expand the rural community by mobilizing savings and extending loans and other financial services to farmers to help with the purchase of seeds, livestock, fertilizers, and other farm inputs and the marketing of their produce.

Non-bank financial institutions, on the other hand, are composed of insurance companies, pension fund institutions, investment banks, financing companies, pawnshops, and mutual fund institutions.

There are several types of non-bank financial institutions offering a wide variety of services such as investment houses, financing companies, investment companies, securities dealers/brokers, lending investors, government non-bank financial institutions, venture capital corporations, non-stock savings and loans associations, pawnshops and credit card companies (Lirio, 2001).

ii. Concentration of Industrial Activity

Financial intermediation services on the average, accounted for roughly 12.3 percent of the entire country's service sector and 6.15 percent of gross domestic product (National Statistical Coordination Board Report, 2011). The output of the financial intermediation service sector measured in terms of gross value added had grown by an average of 5 percent across the last three years (National Statistical Coordination Board Report, 2011). On the average, 75 percent of financial intermediation services come from banks, 8 percent from non-bank financial

institutions and 17 percent from insurance companies (National Statistics Office, Philippines in Figures, 2011).

In the entire financial intermediation sector, there are 723 banks, 6,596 non-bank financial institutions, and 5 offshore banking units. Out of the 723 banks, there are 20 universal banks, 18 commercial banks, 71 thrift/savings banks, 574 rural banks, and 40 cooperative banks.

From the 6,596 non-bank financial institutions, 16 have quasi-banking functions, 6,464 are pawnshops, 70 are non-stock savings and loans associations and 46 are either financing firms, investment companies, securities dealers or brokers, lending investors, venture capital corporations, credit card companies, government non-bank financial institutions and investment houses (Bangko Sentral ng Pilipinas Banking Industry Report 2011).

Table 1. Number of Financial Institutions

Type of Bank	Total	Number of Head Offices	Number of Branch Offices
BSP Supervised/ Regulated Financial Institutions	26,399	7,324	19,075
I. Banks	9,186	723	8,463
Universal and Commercial Banks	4,904	38	4,866
1. Universal Banks	4,231	20	4,211
a. Private Domestic	3,766	11	3,755
b. Government Banks	448	3	445
c. Foreign Bank Branches	17	6	11
2. Commercial Banks	673	18	655
a. Private Domestic	584	8	576
b. Foreign Bank Subsidiaries	76	2	74
c. Foreign Bank Branches	13	8	5
3. Thrift Banks/ Savings Banks	1,545	71	1,474
Rural and Cooperative Banks	2,737	614	2,123

4. Rural Banks	2,570	574	1,996
5. Cooperative Banks	167	40	127
II. Non-Bank Financial Institutions	17,208	6,596	10,612
1. With Quasi-Banking Functions	39	16	23
2. Without Quasi-Banking Functions	17,169	6,580	10,589
a. Non-Stock Savings and Loan Associations	174	70	104
b. Pawnshops	16,936	6,464	10,472
c. Others*	59	46	13
III. Offshore Banking Units	5	5	0

Source: Bangko Sentral ng Pilipinas, Banking Industry Report 2011.

***Includes Financing Co., Investment Co., Securities Dealer/Broker, Lending Investor, Venture Capital Corp., Credit Card Co., Govt NBFIs, Investment Houses (w/o QB function)**

iii. Industry Organizations

The Bangko Sentral ng Pilipinas (BSP) monitors, regulates and supervises bank and non-bank financial institutions (with quasi-banking functions). The Insurance Commission and the Securities and Exchange Commission (SEC) perform the oversight function of non-bank financial institutions with non-quasi-banking functions). Outside of these three regulatory institutions, there are 14 industry organizations in the financial intermediation sector. There are 9 organizations which are directly involved with banking, 1 for insurance, 1 for cooperatives, and 3 securities. A list of these industry organizations is presented below:

Table 2. List of Industry Organizations.

Industry Organizations	Financial Sector Category
1. Association of Development Financing Institutions in the Asia	Banking

Pacific	
2. Association of Foreign Exchange Dealers	Banking
3. Bankers Association of the Philippines	Banking
4. Bankers Institute of the Philippines	Banking
5. Credit Management Association of the Philippines	Banking
6. Financial Executives Institute of the Philippines	Banking
7. National Confederation of Cooperatives	Cooperatives
8. Philippine Association of Stock Transfer and Registry Agencies	Securities
9. Philippine Association of Security Brokers and Dealers Inc.	Securities
10. Rural Bankers Association of the Philippines	Banking
11. Life Underwriters Association of the Philippines	Securities
12. Money Market Association of the Philippines	Banking
13. Philippine Association of Credit Executives	Banking
14. Philippine Life Insurance Association	Insurance

Source: Bangko Sentral ng Pilipinas, Insurance Commission, Bankers Institute of the Philippines, Philippine Stock Exchange, Securities and Exchange Commission

C. Economic Profile

Gross Value Added of Banks, Non-Banks and Insurance Firms

The output of the financial sector had increased from roughly P347.37 billion in 2009, to P369.95 billion in 2010, to 394.37 billion in 2011 and 425.127 billion in 2012. This reflected

growth rates of 6.5 percent in 2010, 6.6 percent in 2011 and 7.8 percent in 2012 (National Statistical Coordination Board, 2013).

Banks generated the bulk of gross value added in financial intermediation from P178.219 billion in 2011 to P190.121 billion in 2012. In 2011, banks accounted for 45 percent of the total gross value followed by non-banks at 33 percent, insurance at 16.5 percent and activities auxiliary to financial intermediation at 5.5 percent. By the year 2012, the banks contribution to gross value added in financial intermediation become 44.5 percent, non-bank intermediation at 33.08 percent, insurance at 16.7 percent and activities auxiliary to financial intermediation at 5.72 percent. By the year 2012, non-bank financial institutions generated P141.199 billion worth of gross value added while insurance firms produced a combined P71.315 billion worth output in services (National Statistical Coordination Board, 2013).

Selected Performance Indicators for the Banking Industry

The banking industry in the Philippines continues to post moderate gains as total assets grew from P5.322 trillion in June 2008 to P7.037 trillion by September 2011. Annual growth in these total banking assets was relatively strong at 8.59 percent in June 2008, 9.01 percent in September 2008, 11.46 percent in June 2011 and 9.67 percent in September 2011.

The financial health of the banking industry continues to improve as the non-performing loans ratio remains low and has been decreasing over the 2008 to 2011 period. This ratio (which includes interbank lending) was at a low 4.52 percent in June 2008, and had consequently decreased to 3.10 percent by September 2011.

Another indicator which shows improvement in the health of the banking industry, as well as an improvement in the quality of assets is the continued decline of the non-performing assets to

gross assets ratio. This ratio which was at a low 5.63 percent in June 2008, decreased to 3.56 percent by September 2011.

Net profits in the banking industry have grown from P25.13 billion in June 2008 to P79.675 billion by September of 2011. Net profits have increased by a compounded annual growth rate of 28 percent from June 2008 to June 2011. From September 2008 to September 2011, net profits increased by a compounded annual growth rate of 32.8 percent.

These indicators show that the Philippine banking industry had performed relatively well during the 2008 to 2011 period posting moderate to strong growth in both total assets and net profits as well as improving the quality of assets as manifested by the declining non-performing loans ratio as well as the decreasing non-performing assets to gross assets ratio.

Selected Balance Sheet Indicators for the Philippine Banking Industry

Total assets in the Philippine banking industry had increased from P6.799 trillion in March 2011, to P7.020 trillion in June and P7.050 trillion by September 2011. Total liabilities had increased from P5.981 trillion in March to P6.181 trillion by September 2011. The amount of capital infused into the system was at P818.063 billion in March 2011 and this had grown to P868.532 billion by September 2011. Deposit liabilities have remained at a level of slightly over P5 trillion from March to September 2011.

Capital adequacy ratios have remained well above the international (Basel) standard of 8 percent. The consolidated capital adequacy ratio was at 17.39 percent in March 2011 and had increased slightly to 17.43 percent by September of the same year. Higher capital adequacy ratios indicate more capital infusion by banks, and this is expected to induce these banks to be more prudent in their lending and investment operations, since a little more of their own resources will be at risk alongside those of depositors.

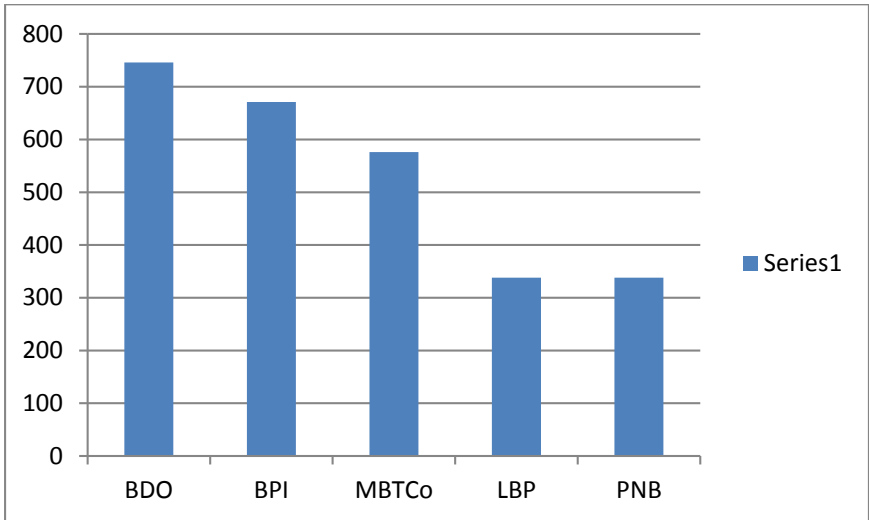
The liquid assets to deposits ratio provides an indication of how well banks will be able to service deposit withdrawals. This ratio was at 60.22 percent in March 2011, declined to 57.03 percent in June and increased slightly to 58.80 percent by September of the same year. Although a decrease in the ratio from 60 percent to 58.8 percent was shown from March to September 2011, this will not necessarily compromise the stability and strength of the banking sector considering that total assets are more than enough to cover total liabilities as indicated by a ratio of 1.137 for March and June 2011 and 1.140 for September 2011.

Net Profits of Universal, Thrift and Rural and Cooperative Banks

Universal banks posted the largest net profits during the year 2011. In the month of March, net profits were at P21.656 billion, and this had increased to P46.468 billion by June 2011 and P69.628 billion by September of the same year. Thrift banks also showed strong growth from P1.859 billion in March 2011 to P4.382 billion in June 2011 and P6.971 billion by September of 2011. Rural and cooperative banks had the lowest net profits, and relatively slower growth from P1.061 billion in March to 1.877 billion in June to P2.475 billion in September of 2011.

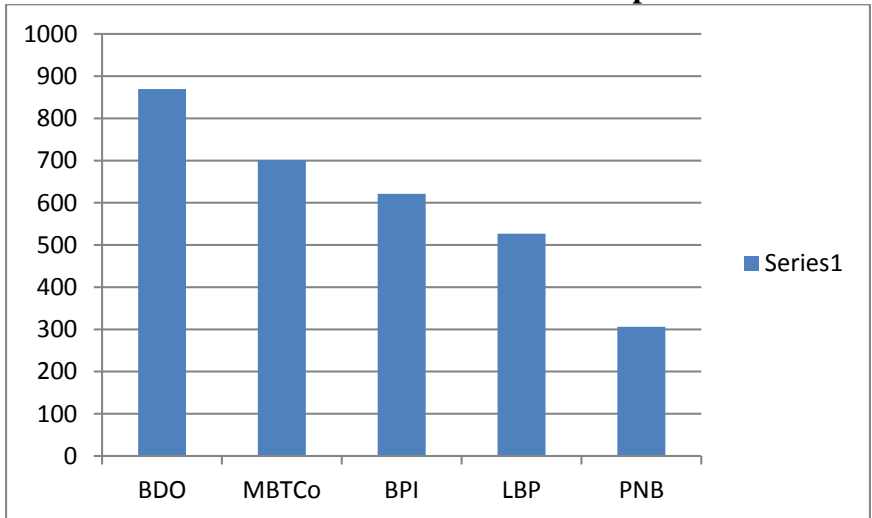
The top five (5) universal banks in the country based on the number of offices are: 1) Banco de Oro (746 offices); 2) Bank of the Philippine Islands (671 offices); 3) Metropolitan Bank and Trust Company (576 offices); 4) Land Bank of the Philippines (338 offices) and; 5) Philippine National Bank (338 offices).

Figure 1. Top five universal banks based on the number of offices



As of September 2010, Banco de Oro Unibank has the largest value of total assets of PhP 869.501 Billion, followed by Metropolitan Bank and Trust Company at PhP 701.185 Billion, Bank of the Philippine Islands is ranked third with PhP 621.329 Billion, Land Bank of the Philippines at fourth with PhP 526.790 Billion, and Philippine National Bank at fifth with PhP 306.153 Billion.

Figure 2. Top five universal banks based on total assests in billions of pesos



i. Contribution to Philippine GDP

Despite of events that increased risks in international market and threatened to slow down the global economy, the Philippine economy was still able to post a modest growth rate in gross domestic product (GDP) at 3.7 percent in 2011 though country's growth performance was relatively slower compared to several of its ASEAN neighbors particularly Indonesia (at 6.5 percent), Vietnam (at 5.9 percent), Malaysia (at 5.1 percent) and Singapore (at 4.9 percent) for 2011.

The banking system has generally remained strong with performance indicators showing steady asset expansion, double digit credit growth, and stability in the funding base, ample liquidity, continuing improvement in overall asset quality and above standard solvency ratios despite slowdown in economic growth in 2011. Banks also reflected positive net profit positions on account of cost-efficient and technology enabled delivery of banking services to their chosen clients (BSP, 2011).

ii. Distribution of Employment

In January of 2008, there were roughly 364,000 workers employed in the financial intermediation sector of the country which modestly grew to approximately 373,000 workers in October of the same year. However, employment in the sector declined by 7.42 percent or 337,000 workers at the beginning of 2009 but was able to gain 0.536 percent or 375,000 growth in October. Employment growth continued in January of 2010, as it was able to obtain 13.95 percent increase, reaching a level of 384,000 workers. As of January 2011, the number of employed persons in the financial intermediation sector was estimated at 447,000 workers reflecting employment growth of 16.4 percent relative to the January 2010 level (National Statistics Office, labor Force Survey, March 2013).

towards its highest level in October 2010 as the number of workers grew by 9.87 percent or 412,000 employed persons. The surge in employment for October 2010 may be attributed to faster economic growth in the Philippine economy from 1.06 percent at the end of 2009 to 7.33 percent by December of 2010.

For the year 2010, out of the 400,000 workers employed in the financial intermediation sector, approximately 72,000 persons or 18 percent were made up of government officials, officials of special interest groups, corporate executives, managers and supervisors. There were 38,000 professionals making up 9.5 percent of the financial intermediation workforce and 56,000 or 14.0 percent were technicians and associate professionals.

The largest groups of workers based on occupation were clerks, estimated at 202,000 or 50.5 percent of the financial intermediation workforce. Other occupations such as service, shop and market sales workers estimated at 9,000 persons made up 2.25 percent of the sector's workforce, followed by machine operators at 4,000 (1.0 percent) and labor and unskilled workers at 18,000 or 4.5 percent. The percentage shares of each of the major occupation groups were practically the same during the year 2009.

Table 3. Employed Persons in the Financial Intermediation Sector and Major Occupation Group, Philippines: 2009-2010 (in thousands)

Financial Intermediation Sector	2009	2010
All Occupations	369 (100 %)	400 (100 %)
Officials of Government and Special Interest Organizations, Corporate Executives, Managers, Managing Proprietors and Supervisors	71 (19.24 %)	72 (18.0 %)
Professionals	31 (8.4 %)	38 (9.5 %)
Technicians and Associate Professionals	57 (15.44%)	56 (14.0%)
Clerks	180 (48.78%)	202 (50.5%)
Service Workers and Shop and Market Sales Workers	9 (2.44%)	9 (2.25%)
Machine Operators	4 (1.08%)	4 (1.0%)
Laborers and Unskilled Workers	16 (4.34%)	18 (4.5%)
Special Occupations	1 (0.271%)	*

Source: National Statistics Office, Labor Force Survey, Public Use Files

*less than 500

Table 4. Employed Persons in the Financial Intermediation Sector and Major Occupation Group, Philippines: 2009-2011 (in thousands)

Financial Intermediation Sector	2009	2010	Jan. 2011
All Occupations	369 (100 %)	400 (100 %)	447 (100%)
Officials of Government and Special Interest Organizations, Corporate Executives, Managers, Managing Proprietors and Supervisors	71 (19.24 %)	72 (18.0 %)	83 (18.6%)**

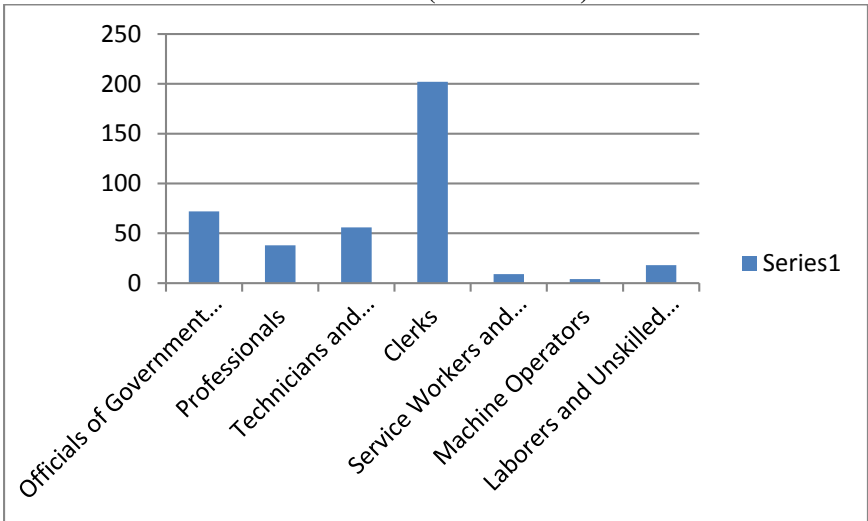
Professionals	31 (8.4 %)	38 (9.5 %)	40 (9.0%)**
Technicians and Associate Professionals	57 (15.44%)	56 (14.0%)	66 (14.7%)**
Clerks	180 (48.78%)	202 (50.5%)	223 (50.0%)**
Service Workers and Shop and Market Sales Workers	9 (2.44%)	9 (2.25%)	10 (2.3%)**
Machine Operators	4 (1.08%)	4 (1.0%)	5 (1.04%)**
Laborers and Unskilled Workers	16 (4.34%)	18 (4.5%)	20 (4.4%)**
Special Occupations	1 (0.271%)	*	*

Source: National Statistics Office, Labor Force Survey, Public Use Files

***less than 500**

****distribution estimates**

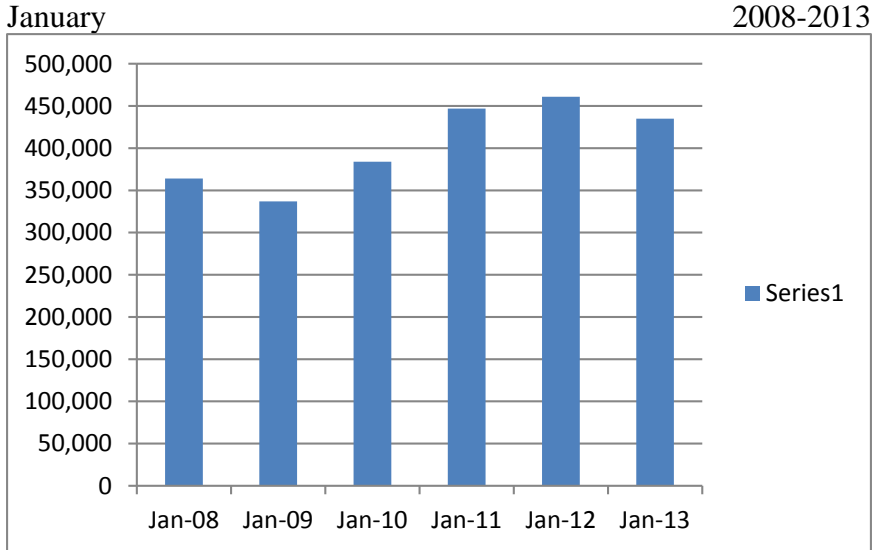
**Figure 3. Distribution of Employed Persons
in the Financial Intermediation Sector based on
Major Occupation Group, Philippines: 2010
(in thousands)**



iii. Recent Developments

The most recent labor force survey results released by the National Statistics Office reveal a further increase in financial intermediation sector employment for January 2012 at 461,000 workers reflecting a 3.13 percent increase from the 447,000 workers recorded in January 2011. However, survey results for January 2013 reflect a reduction in employment to 435,000 workers representing a 5.6 percent decline as compared to the previous year. Although employment for January 2013 is also lower compared to the those of January 2011, this is still significantly larger compared to employment levels in January 2008, 2009 and 2010 at 364,000, 337,000, 384,000 workers respectively (National Statistics Office, Labor Force Survey, 2013).

Figure 4. Financial Intermediation Sector Employment
(estimated number of workers)



Source: (National Statistics Office, Labor Force Survey, 2013).

Chapter 2

General Employment

A. Occupations

Under the industry grouping of banking institutions (except Central Banking) are nine (9) general categories of occupations namely: 1) Statisticians; 2) Accountants and Auditors; 3) Economists; 4) Bookkeepers; 5) Accounting and Bookkeeping Clerks; 6) Statistical and Finance Clerks; 7) Tellers; 8) Customer Service Representative and Associates in Call Centers and; 9) Unskilled workers except Janitors, Messengers and Freight Handlers. These categories of occupations were set and identified by their numbered codes under the Philippine Standard for Occupation Classification (PSOC). The banking institutions (except Central Banking) industry group, on the other hand, is number coded under the Philippine Standard for Industrial Classification (PSIC J6510).

The non-bank financial intermediation sector (PSIC J66) contains ten (10) general categories of occupations, where eight (8) of these occupations are identical to those in the banking industry. The two (2) other occupations which differentiate the non-bank financial intermediation sector are: Securities and Finance Dealers and Brokers (PSOC 3411) and Debt Collectors and Related Workers (PSOC 4215).

B. Core Occupations

The core occupations in banking mainly focus on the performance of the core banking functions particularly the mobilization and accumulation of savings and time deposits, the provision of loans to businesses, consumers and real estate mortgages and the facilitation of payments in the financial system. These core occupations cannot be outsourced because of the need to have direct contact between the banks and their customers .

Banks develop relationships with customers in order to build up the clients trust and confidence in the financial institution considering that most transactions involve the safe keeping of hard earned savings, the availment of loans as well as repayment of other contractual obligations.

These core occupations include the following:

Bank tellers – responsible for processing transactions for customers which include cashing checks, accepting deposits as well as loan payments, withdrawing funds from customer's accounts, opening and closing accounts, verifying customer's identity prior to a transaction and the preparation of daily transaction reports. Marketing the bank's various financial services is also expected from this frontline position.

Fresh college graduates are normally hired for this position. They are expected to be computer literate, are proficient in arithmetic, have good interpersonal and oral communication skills and possess the ability to listen well to customers and provide the appropriate service. Most of the training is done on the job with complete supervision by experienced tellers and branch officers (Kolakowski, 2013).

Loan officers - assist potential borrowers with their loan applications, determine the type of loans suitable for their projects, assess the credit worthiness of borrowers and to a certain extent market loan programs to various industries.

The position requires a Bachelor's degree in finance, accounting or economics. A Master's degree in Business Administration will be an advantage alongside accumulated work experience. Loan officers must have strong quantitative and analytic skills (Kolakowski, 2013).

Investment bankers – raise funds for corporations by structuring the issuance of securities such as stocks and bonds, advise corporations on mergers and acquisitions. They must possess strong quantitative analytical abilities and excellent sales skills. A Bachelor’s degree in finance, accounting or economics will be required. A Master’s degree in Business Administration will also be an advantage alongside extensive work experience in the investment banking functions (Kolakowski, 2013).

Accountants, Auditors and Bookkeepers – responsible for recording all transactions entered into by the bank, produce the financial reports needed by both management and banking regulatory agencies and ensure that all declarations made in the financial statements are supported by official documents to preserve the truth and integrity of the reports. A bachelor’s degree in accounting is required alongside the passing of the Certified Public Accountants Licensure Examinations.

C. In demand and the Hard-to-Fill Occupations

The 2009 labor market survey conducted by the Department of Labor and Employment identifies the most “in-demand” and “hard to fill occupations” in the banking and finance sector. The most “in-demand” occupations are: 1) operations managers and; 2) tellers. (DOLE, Project Jobsfit, 2009)

As the economy grows and the demand for financial services increase, banks tend to respond by expanding branch operations which will require the hiring of more tellers who will help meet the growing needs of more customers and operations managers who are expected to implement more efficient service delivery systems in the branches.

The most “hard to fill” occupations are: 1) accounting clerks; 2) bookkeepers; 3) auditors; 4) cashiers; 5) credit card analysts; 6) finance analyst specialists; 7) accountants (account officer analysts) and; 8) risk management officers/ managers . (DOLE, Project Jobsfit, 2009) .

These occupations may be more difficult to fill because of the work experience that banks and financial institutions may require

from their applicants. Although these occupations can be learned by college graduates through on the job training, banks in general may prefer to recruit workers with previous directly related experience in order to further reduce time and training costs and expect productive contributions as soon as possible.

D. Basic Educational, Training and Skill Requirement

The various types of positions or occupations which workers can apply for in the banking and finance industry will require certain educational background that may come from either vocational, technical or college courses.

Graduates of vocational and technical courses with adequate background in bookkeeping, secretarial training, office management, and data entry and software applications may apply for the entry level clerical positions, while college graduates may be expected to apply for management trainee positions that require exposure in various job functions such as credit analysis and evaluation, customer service, loans application processing and evaluation, management accounting, financial trading, and investment management. Higher management positions will demand more in terms of organizational skills, industry experience and exposure, extensive in-house training as well as a wide network of clients that could be brought into the financial institution hiring the applicant.

College degrees in Accountancy, Finance, Economics, Business Management, Marketing and Commercial Law will be useful particularly for workers applying for management trainee positions. Aside from a college degree in accountancy, banking and finance, or business management, graduates and those already working need strong math, analytical and problem solving skills to qualify for these occupations (DOLE, 2012).

Employee with adequate academic preparation may assume the position of chief accountant, budget director, controller or chief

financial officer. Those who excel in their jobs may move to executive positions in other fields of specialization such as management accounting or internal auditing, consequently occupying top positions as Vice President for Finance or as Corporation President (DOLE, 2012).

Workers applying for senior management or executive positions will need the appropriate college degree, work experience, industry exposure, training and probably a completed Master's degree in Business Administration (MBA) or any other related graduate degree in order to have a reasonable chance of being considered for the position of trust officer, loan officer, branch manager, mortgage and investment banker and or financial manager.

Superior communication skills, both oral and written become an advantage at the recruitment stage as well as during the initial stages of employment particularly when contractual or probationary employees are trained and evaluated (DOLE, 2012).

The banking and finance industry will generally need workers that possess good fundamental business and communication skills. It is important for financial managers and their support staff to understand the needs of businesses and consumers. Workers in the industry must possess the ability to explain how these needs will be met by loans, investments, money market placements and deposits. Accounting and written communication skills are also necessary. Knowledge of accounting practices is essential particularly for lending officials and credit analysts. Account assistants must have competent writing skills in order to draft reports and discuss loan evaluations and conclusions.

Managers and their staff must be knowledgeable of the latest innovations in the industry which include financial engineering, derivatives and other forms of securities and debt instruments that allow corporations to borrow and investment in order maximize returns while at the same time facilitating the financial intermediation process.

A strong work ethic is needed to ensure that all employees perform their best in terms of providing financial services to clients, ensuring the continued and efficient operations of institutions by providing their utmost support, maintaining honest dealings with savers and investors as well as suppliers and buyers of funds and building and keeping the trust of the general public.

E. Professional Licensure Requirements

Entry level positions in the banking and finance sector generally do not impose professional licensure requirements. However, if the financial institution needs a specialist to perform auditing functions, the prospective applicant should be a Certified Public Accountant (CPA). Similarly, if a lawyer is needed to be part of the bank's legal management division,, all applicants for the position should therefore have a license to practice law. Mechanical engineers hired to manage physical facilities, civil engineers needed for appraising real property and electronics and communications engineers responsible for maintaining communication systems within the banking institutions will also be subject to professional licensure requirements, particularly if they will be assigned to high managerial positions.

F. Personal Qualities

Workers assigned to the frontline such as tellers, loan officers and investment bankers must possess good interpersonal skills, and are very much willing to listen to customers comments and opinions in order to provide good service. Establishing a pleasant relationship with depositors, borrowers and other clients also allows the banks to further promote the financial services it is offering.

Although accountants, auditors, bookkeepers, statisticians, economists and information technology personnel work behind the frontline, it will always be important for all workers to maintain cordial and professional relationships with one another by being polite, pleasant, honest, helpful and respectful with both customers and co-workers.

G. Terms of Employment

All employment practices and labor relations are governed by the Labor Code of the Philippines. In the absence of any collective bargaining agreement between financial institutions and workers, provisions of the Labor Code of the Philippines will apply, particularly with regard to minimum employable age, minimum wage rates, regular work hours and rest periods, rest days, nightshift differential and overtime, security of tenure and retirement.

Monthly salaries for financial institutions are generally above the minimum wage since most of the core occupations in the banking and finance sector hire college graduates which are expected to have more advanced skills and a better academic background.

The Labor Code sets the regular hours of work per day to be no more than 8 hours and not exceeding 5 days a week. Any hours worked in excess of this limit will be compensated with overtime pay. Overtime work for employees (beyond 8 hours) is allowed and workers shall be paid with his/her regular wage plus an additional 25 percent of the regular wage per hour worked or 30 percent during holidays or rest days (Labor Code of the Philippines, 1990).

Employees are given additional wages for working in nightshifts (a period which begins at 10:00 in the evening to 6:00 in the following morning) receiving 10 percent more of his /her regular wage rate (Labor Code of the Philippines, 1990) (Labor Code of the Philippines, 1990).

All employees have the right to have a 24 consecutive hours of rest day after 6 days of work. Employers are responsible for determining and scheduling the rest day of employees except only if the employee prefers a different day based on religious grounds (Labor Code of the Philippines, 1990).

The employer has the right to terminate an employee due to the following reasons: 1) Serious misconduct or disobedience to the employer; 2) Neglect of duties or commission of a crime by the employee (Labor Code of the Philippines, 1990).

An employee who is allowed to work with the firm after completing the six (6) month probationary period shall be considered a regular employee with security of tenure. Probationary employment shall not exceed six (6) months from the date the employee started working unless it is covered by an apprenticeship agreement stipulating a longer period. The services of an employee on probation may be terminated for just cause or when he fails to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of engagement (Labor Code of the Philippines, 1990).

The retirement age for an employee depends on the employment contract . Upon retirement, the employee should be given the benefits according to the agreement or contract between the employer and employee. However, if there is no existing retirement plan or agreement for the employee, he/she may retire at the age of 60, given that he/she has served the employer for 5 years, and shall be given a retirement pay of at least half a month's salary for every year of service (Labor Code of the Philippines, 1990).

Chapter 3

Industry Occupations

A. Working Conditions

i. Nature of Employment

ii. Working Hours

During the 2001 to 2010 period, most of the employed persons in the banking and finance industry generally worked for five (5) days a week averaging roughly 42 hours a week. There are bank branches which may be open on weekdays (either on Saturday or the entire weekend) if they offer credit card and consumer loan services in the branches mostly located in either large grocery stores or shopping malls. Corporate executives and managers on the average spend 51 to 52 hours a week at work, most of whom stay late into the evenings working on unfinished business or conducting staff meetings. Operations managers in very busy branches inside malls and shopping centers spend long hours daily as these bank branches open late in the morning and close during the early evening, requiring staff to stay longer to finalize transactions and close the accounting books. Clerks stay within 44 to 45 hours to provide administrative and technical support for management, while professionals spend within 40 to 41 hours on the average. Technicians and associate professionals spend the least number of hours per week on the average at a minimum of 37 to a maximum 39 hours per week.

iii. Working Environment

Bank tellers normally work in confined spaces over long periods of time, interacting with clients, doing repetitive tasks and giving special attention to security as they handle large sums of money associated with deposits, withdrawals and payments for various types of services.

Administrative support staff for various departments at the head offices of financial institutions work within comfortable air-conditioned surroundings. Loan officers may be based in the head office but will be required to perform client visits, plant visits, inspect real estate and other types of property offered as collateral, and may undertake trips out of town or in foreign countries to meet prospective borrowers and investors during the day or night, and either during weekdays or weekends.

Customer service representatives/associates in call centers may have more diverse work schedules. There are 8-hour day shifts and night shifts the entire week to meet the needs of both local and international clients whose demands have to be accommodated in different global geographical time zones. Assignments for day and night shifts may be done on a rotation basis, subject to management's discretion, worker's request as well as the customer demands.

iv. Benefits

Employees may generally receive several of the following benefits depending on the size and profitability of the financial institution: 1) salaries above the minimum wage (because of the preference for college graduates) ; 2) complimentary and discounted banking services for employees such as checking, savings and credit card accounts; 3) low interest rates on employees loans; 4) membership in credit unions; 5) bank incentive referral programs which provide rewards for employees referring new customers to open checking, savings, time and credit card accounts; 6) access to free in service training programs which improve skills and introduces employees to different areas of banking and finance; 7) financial support through payments or reimbursements for enrollment in business related graduate courses (MBA); 8) Parking at the banking offices at no cost; 9) job satisfaction from working in several fields without having to move from one company to another; 10) meal allowances; 11) quarterly or annual productivity bonuses; 12) 13th, 14th and 15th month

pay benefits depending on years of service; 13) payable leave credits; 14) group health insurance; 15) medical and dental allowances; 16) paid sick leaves; 17) paid vacation leaves; 18) normal working hours; 19) team building seminars and corporate outings and field trips; 20) on the job training for new recruits and management trainees; 21) transportation allowances; 22) a well-defined career path and the potential for career advancement; 23) job stability and the security of tenure; 24) retirement benefits; 25) annual job reviews and salary increases and; 26) free uniforms; 27) employee wellness programs involving sports and other physical activities) (Jobs DB Inc. 2013, Philippine National Bank Employee Reviews, 2013, Bank of the Philippine Islands Employee Reviews, 2013).

v. Occupational Hazards

Bank tellers assigned in busy urban branches, may experience severe stress because of the long lines of customers and the large volume of transactions that need to be processed at the quickest possible time without having to make mistakes in posting cash receipts and accepting payments. Pressure from customers hurrying and demanding that their transactions be completed immediately becomes physically and mentally draining, also leading to computational errors.

When the bank closes after servicing the last customer, bank tellers are expected to reconcile cash inflows and outflows with transaction receipts and the records of the branch accountant. During working days with a large volume of transactions, bank tellers and bank accountants are not allowed to leave until cash inflows and outflows and their corresponding transactions receipts are properly reconciled (Kolakowski, 2013).

Tellers and other bank personnel are also put at risk because of attempted robberies. Tellers are also subject to risk because of their exposure to irate customers capable of unpredictable behavior.

Loan officers are also subject to stress from clients who cannot pay back loans and whose property will be subject to foreclosure. They also have to contend with the unpleasant experience of rejecting loan applications of clients who do not qualify because of poor credit evaluations. Stress can also come from the pressure to meet larger loan program targets and the need to find good clients to offer new loans (Kolakowski, 2013).

Bank personnel may enjoy the comforts of air conditioning but may also suffer from physical ailments such as back and joint problems because of the long hours spent sitting in an office in front of a computer during the eight hour work day.

B. Earnings

The average daily basic pay of workers in the financial intermediation sector had generally increased from PhP 491.73 to PhP 529.99 from the year 2006 to 2010. Except for a 3.72 percent decline in 2007, the average daily basic pay had increased by 4.73 percent in 2008, 3.97 percent in 2009 and 2.8 percent in 2010. It is important to note that the average is based across all occupations from corporate executives and officials who receive the largest compensation up to the lowest wage earners composed of laborers and un-skilled workers. A large part of the average daily basic pay is also influenced by the wages and salaries of clerks who account for 50 percent of the workforce in the financial intermediation sector. The PhP 529.99 average daily basic pay in 2010 is 31.19 percent higher than the PhP 404 National Capital Region (NCR) non-agricultural minimum wage rate set by the National Wages and Productivity Commission (NWPC) during the same year. In addition, it is also interesting to note that the average daily basic pay in 2010 was also 18.83 percent higher than the minimum wage of PhP 446 per day set by the NWPC for the non-agricultural sector of the NCR for June 2012.

The five (5) occupations with the highest average monthly wage rates for August 2010 were for Accountants and Auditors at PhP 26,563, Economists at PhP 21,944, Statisticians at PhP 18,509, Statistical and Finance Clerks at PhP 17,645 and Customer Service Representatives / Associates in Call Centers at PhP 16,244.

The occupations with the comparatively lower average monthly wage rates are: Accounting and Bookkeeping Clerks at PhP 14,339, Tellers at PhP 14,077, Bookkeepers at PhP 13,577 and Un-skilled workers except Janitors, Messengers and Freight Handlers at PhP 8,326. Accounting and Bookkeeping Clerks are paid relatively lower wage rates compared to Accountants and Auditors who are paid substantially more because of the professional licensure requirement. Accountants and Auditors have Certified Public Accountant (CPA) licenses and are expected to shoulder more responsibilities particularly in assuring the integrity of the bank's accounting systems and the truth and validity of prepared financial statements and reports. Economists and statisticians also receive higher wage rates because of the specialized functions they perform particularly in the area of strategic and corporate planning.

Bank tellers have relatively lower wage rates and this may be explained by that fact that applicants may be sourced from many college graduates coming from a wide variety of business related courses. In addition, they will still be subject to on the job training by senior tellers, supervisors and bank officers before they become productive.

Labor market forces also explain differences in wage rates. Highly demanded specialized occupations will offer higher wage rates in order to attract qualified applicants. On the other hand, occupations with an over-supply of workers do not need to raise wages significantly since a substantial amount of applicants can easily be sourced from a large pool of both high school or college graduates.

Average monthly wage rates for all occupations have generally increased from 2006 to 2010 except for bookkeepers whose average compensation had declined from PhP 13,642 in 2006 to PhP 13,577 in 2010. Decreases in average compensation for the bookkeeping occupation may be attributed to the large number of bookkeepers that have already been employed as well as the large number of those currently applying for jobs combined with the relatively slower demand for these positions by the banking institutions. Average monthly wage rates for August 2006 and July 2008 for *all occupations in banking institutions* are presented below:

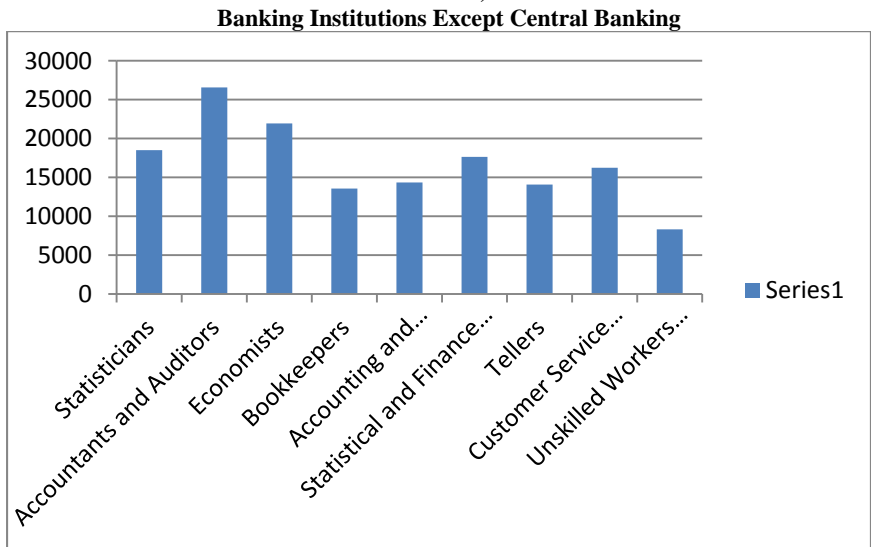
Table 5. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: August 2006, July 2008 and August 2010 (in PhP)
(Non-agricultural establishments employing 20 workers and over)

1994 PSIC Amended/ PSOC 2002 update	Industry / Occupation	Ave. monthly wage rate Aug 2006	Ave. monthly wage rate July 2008	Ave. monthly wage rate Aug 2010	Monthly wage rate range Aug 2010 (estimates)
J6510	Banking Institutions Except Central Banking				
2122	Statisticians	16,127	17,531	18,509	18,020 to 18,998
2411	Accountants and Auditors	17,446	19,360	26,563	22,961 to 30,165
2441	Economists	11,612	18,970	21,944	20,457 to 23,431
3433	Bookkeepers	13,642	12,977	13,577	13,277 to 13,877
4121	Accounting and Bookkeeping Clerks	10,851	12,213	14,339	13,276 to 15,402
4122	Statistical and Finance Clerks	13,461	11,389	17,645	14,517 to 20,773
4212	Tellers	10,661	12,732	14,077	13,404 to 14,750
4225	Customer Service Representatives/Associates	13,137	18,295	16,244	15,219 to 17,269

	(in Call Centers)				
9400	Unskilled Workers Except Janitors, Messengers and Freight Handlers	7,421	7,326	8,326	7,826 to 8,826

Source: Bureau of Labor and Employment Statistics, DOLE.

Figure 5. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: August 2010 (in PhP)



Source: Bureau of Labor and Employment Statistics, DOLE.

For non-banking institutions, the five (5) occupations which have the highest average monthly wage rate for August 2010 were Customer Service Representatives/Associates in Call Centers at PhP 35,424, Statisticians at PhP 35,010, followed by Economists at PhP 27,214, Accountants and Auditors at

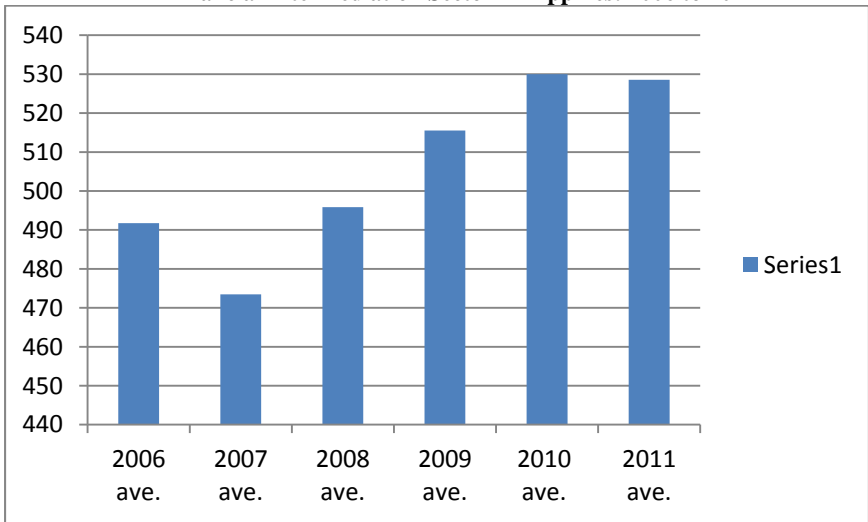
PhP 20,585, Securities and Finance Dealers and Brokers at PhP 20, 171.

Table 6. Average Daily Basic Pay of Wage and Salary Workers in the Financial Intermediation Sector Philippines: 2006 to 2011

Year	Average Daily Basic Pay	Growth Rate
2006	P491.73	-0-
2007	473.44	-3.72
2008	495.85	4.73
2009	515.55	3.97
2010	529.99	2.80
2011	528.57	-0.268

Source: National Statistics Office, Labor Force Survey, Public Use Files.

Figure 6. Average Daily Basic Pay of Wage and Salary Workers in the Financial Intermediation Sector Philippines: 2006 to 2011



Source: National Statistics Office, Labor Force Survey, Public Use Files.

It is interesting to note that customer service representatives/ associates on the average are the highest paid among all occupations in the non-bank financial intermediation sector. In addition, the average monthly wage rate of PhP 35,424 is 2.18 times higher than its counterpart in the banking industry. This may be explained by the stronger demand for customer service representatives and associates in the non-bank financial

intermediation sector where more business process outsourcing activities are conducted particularly in the area of international financial trading which involves foreign currency, stocks, bonds and other securities over a 24-hour period.

Statisticians and Economists in non-bank financial intermediation also have higher average monthly wage rates relative to their counterparts in the banking industry for the year 2010. Average compensation for statisticians are 1.89 times higher while economists have average monthly wage rates which are larger by 24 percent.

The five (5) occupations with the relatively lower average monthly wage rates are: Bookkeepers at PhP 12,922, Accounting and Bookkeeping Clerks at PhP 12,173, Statistical and Finance Clerks at PhP 12,075, Debt Collectors and Related Workers at PhP 8,455 and Unskilled Workers except Janitors, Messengers and Freight Handlers at PhP 7,148.

There were six (6) occupations which posted increases in average compensation from 2006 to 2010. Most significant of these were for customer service representatives/associates, statisticians and securities finance dealers and brokers. Decreases in average compensation across the four year period were observed for economists, accounting and bookkeeping clerks, debt collectors and related workers, and unskilled workers.

Table 7. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: August 2006, July 2008 and August 2010 (in PhP)
(Non-agricultural establishments employing 20 workers and over)

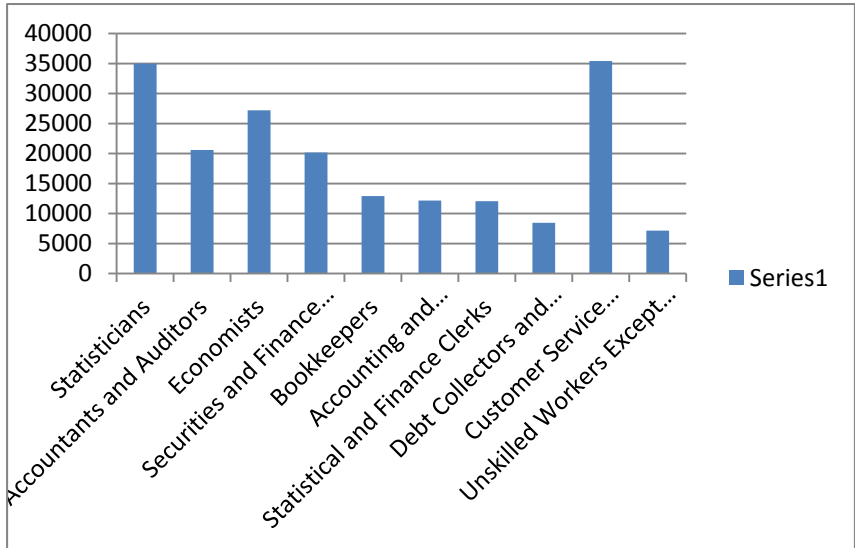
1994 PSIC Amended/ PSOC 2002 update	Industry / Occupation	Ave. monthly wage rate Aug 2006	Ave. monthly wage rate July 2008	Ave. monthly wage rate Aug 2010	Monthly wage rate range Aug 2010 (estimates)
J66	Non-Bank Financial Intermediation				

2122	Statisticians	14,667	16,671	35,010	25,840 to 44,180
2411	Accountants and Auditors	17,944	18,079	20,585	19,332 to 21,838
2441	Economists	27,932	21,401	27,214	24,307 to 30,121
3411	Securities and Finance Dealers and Brokers	9,300	16,401	20,171	18,286 to 22,056
3433	Bookkeepers	10,952	11,796	12,922	12,359 to 13,485
4121	Accounting and Bookkeepin g Clerks	12,256	11,219	12,173	11,696 to 12,650
4122	Statistical and Finance Clerks	8,859	7,987	12,075	10,031 to 14,119
4215	Debt Collectors and Related Workers	-0-	9,134	8,455	8,116 to 8,794
4225	Customer Service Representati ves/ Associates (In Call Centers)	14,679	9,443	35,424	22,433 to 48,415
9400	Unskilled Workers Except Janitors, Messengers and Freight Handlers	10,752	9,266	7,148	6,089 to 8,207

Source: Bureau of Labor and Employment Statistics, DOLE.

Figure 7. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in

Selected Industries and Occupations, Philippines: August 2010 (in PhP)
 (Non-agricultural establishments employing 20 workers and over)
Non-Bank Financial Intermediation



Source: Bureau of Labor and Employment Statistics, DOLE.

The insurance and pension fund sector contains eleven (11) general categories of occupations wherein seven (7) are identical to those found in the non-bank financial intermediation sector. The four (4) other occupations which differentiate insurance and pension funding from the non-bank financial intermediation sector are: Actuaries (PSOC 2121), Computer Programmers (PSOC 2132), Insurance Representatives (PSOC 3412), Appraisers and Valuers (PSOC 3417).

The six (6) occupations which pay the highest average monthly wage rate in the insurance and pension fund industry are Actuaries at PhP 35,480, Accountants and Auditors at PhP 27,555, Computer Programmers at PhP 25,785, Statisticians at

PhP 24,556, Customer Service Representatives/Associates in Call Centers at PhP 19,083 and Appraisers and Valuers at PhP18,839.

The five (5) occupations with the relatively lower average monthly wage rates are for Statistical and Finance Clerks at PhP 17,459, Debt Collectors and Related Workers at PhP 16,025, Insurance Representatives at PhP 15,607, Accounting and Bookkeeping Clerks at PhP 15,130 and Un-skilled Workers except Janitors, Messengers and Freight Handlers at PhP 10,570.

Average monthly wage rates had generally increased from the 2006 to 2010 period for ten (10) out of the eleven (11) occupations. The only decline noticeable was for insurance representatives which received an average of PhP 16,327 in August 2006 and consequently decreased to an average of PhP 15,607 by August of 2010.

Actuaries, along with Accountants and Auditors, have the highest average monthly wage rates in the industry relative to Computer Programmers and Statisticians. Compared to non-bank financial institutions, the insurance and pension fund industry pay lower average monthly wage rates for Statisticians, and Customer Representatives/Associates but offer substantially higher pay for Accountants and Auditors. Accounting and Bookkeeping Clerks, Statistical and Finance Clerks, Debt Collectors and Related Workers and Unskilled Workers excluding Janitors, Messengers and Freight Handlers.

The higher average monthly wages rates for occupations in the insurance and pension funding sector which have exact counterparts in the non-bank financial institution industry may give an indication of the former's willingness to compete for the recruitment of workers with same set of skills, thus offering higher average compensation as compared to the latter. Average monthly wage rates for 2006, 2008, and 2010

and the corresponding occupations in the insurance and pension funding industry are provided in the following table:

Table 8. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: August 2006, July 2008 and August 2010

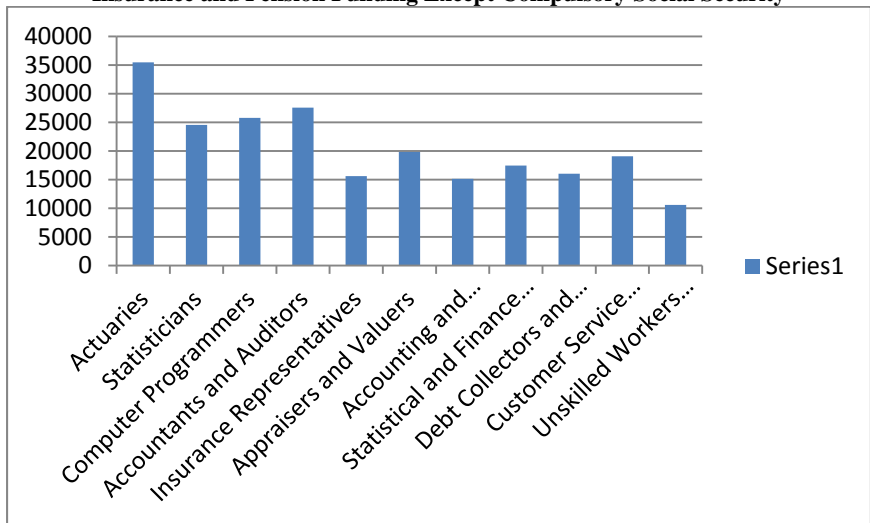
(Non-agricultural establishments employing 20 workers and over)

1994 PSIC Amended/ PSOC 2002 update	Industry / Occupation	Ave. monthly wage rate Aug 2006	Ave. monthly wage rate July 2008	Ave. monthly wage rate Aug 2010	Monthly wage rate range Aug 2010 (estimates)
J67	Insurance and Pension Funding Except Compulsory Social Security				
2121	Actuaries	32,529	35,625	35,480	35,408 to 35,552
2122	Statisticians	20,820	21,121	24,556	22,839 to 26,273
2132	Computer Programmers	24,125	20,977	25,785	23,381 to 28,189
2411	Accountants and Auditors	26,526	29,594	27,555	26,535 to 28,575
3412	Insurance Representative	16,327	15,919	15,607	15,451 to 15,763
3417	Appraisers and Valuers	16,273	15,097	19,839	17,468 to 22,210
4121	Accounting and Bookkeeping Clerks	13,629	14,329	15,130	14,730 to 15,530
4122	Statistical and Finance Clerks	11,033	14,690	17,459	16,075 to 18,843
4215	Debt Collectors and Related Workers	-0-	13,318	16,025	14,672 to 17,378
4225	Customer Service Representatives / Associates (in Call Centers)	14,355	14,346	19,083	16,715 to 21,451
9400	Unskilled Workers	7,907	10,700	10,570	10,505 to 10,635

	Except Janitors, Messengers and Freight Handlers				
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Source: Bureau of Labor and Employment Statistics, DOLE.

Figure 8. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: August 2010
(Non-agricultural establishments employing 20 workers and over)
Insurance and Pension Funding Except Compulsory Social Security



Source: Bureau of Labor and Employment Statistics, DOLE.

For the year 2012, the occupational wages survey conducted by the Bureau of Labor and Employment Statistics (BLES), combined the banking and non-banking financial institutions into one general category specified as the “Financial Services Activities” to conform with the 2009 Philippine Standard Industrial Classification (PSIC) and Philippine Standard Occupational Classification (PSOC) system implemented by the National Statistical Coordination Board (NSCB).

As of July 2012, the top five occupations with the highest monthly average wage rates under “Financial Services Activities” include: 1) Securities and Finance Dealers and Brokers

(P24,310); 2) Accountants and Auditors (P23,731); 3) Statisticians (P23,234); 4) Economists (P20,690) and; 5) Bookkeepers (P15,686).

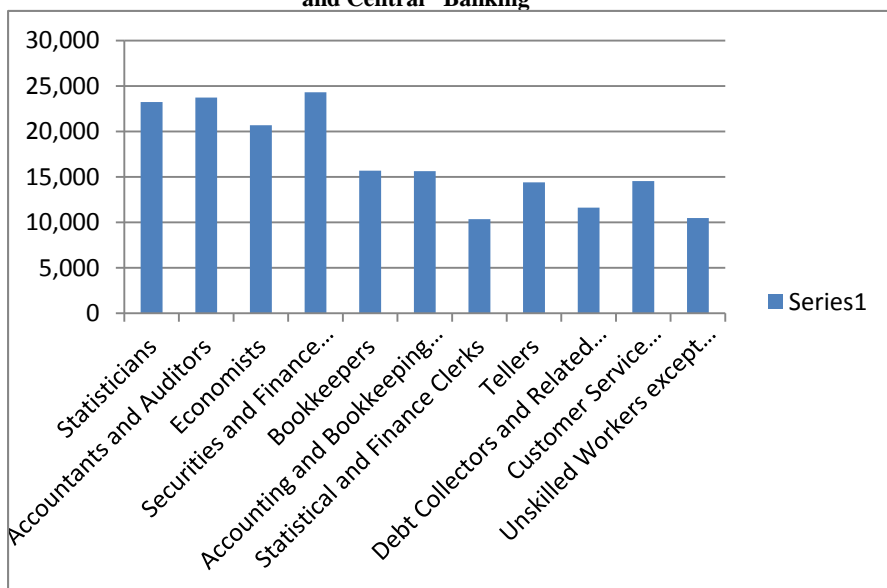
Table 9. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: July 2012

(Agricultural and non-agricultural establishments employing 20 and over.
Wage rates refer to the sum of basic pay and regular/guaranteed cash allowances.)

2009 PSIC/PSOC 2002 Update	Industry/Occupation	Average Monthly Wage Rates (₱) As of July 2012
K64 excl. K6411	Financial Service Activities except Insurance, Pension Funding and Central Banking	
2122	Statisticians	23,234
2411	Accountants and Auditors	23,731
2441	Economists	20,690
3411	Securities and Finance Dealers and Brokers	24,310
3433	Bookkeepers	15,686
4121	Accounting and Bookkeeping Clerks	15,632
4122	Statistical and Finance Clerks	10,353
4212	Tellers	14,393
4215	Debt Collectors and Related Workers	11,610
4225 ^b	Customer Service Representatives/Associates (in call centers)	14,535
9400 ^b	Unskilled Workers except Janitors, Messengers and Freight Handlers	10,472

Source: Bureau of Labor and Employment Statistics, Occupational Wages Survey 2012.

Figure 9. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: July 2012
Financial Service Activities except Insurance, Pension Funding and Central Banking



Source: Bureau of Labor and Employment Statistics, Occupational Wages Survey 2012.

The occupational wages survey of 2012 also continues to maintain the “Insurance and Pension Funding” industry as a separate category. Based on the survey results, the top five occupations with the highest average monthly wage rates are: 1) Actuaries (P47,876); 2) Statisticians (P34,497); 3) Computer Programmers (P33,281); 4) Accountants and Auditors (P32,767) and: 5) Appraisers and Valuers (21,716).

Table 10. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: July 2012

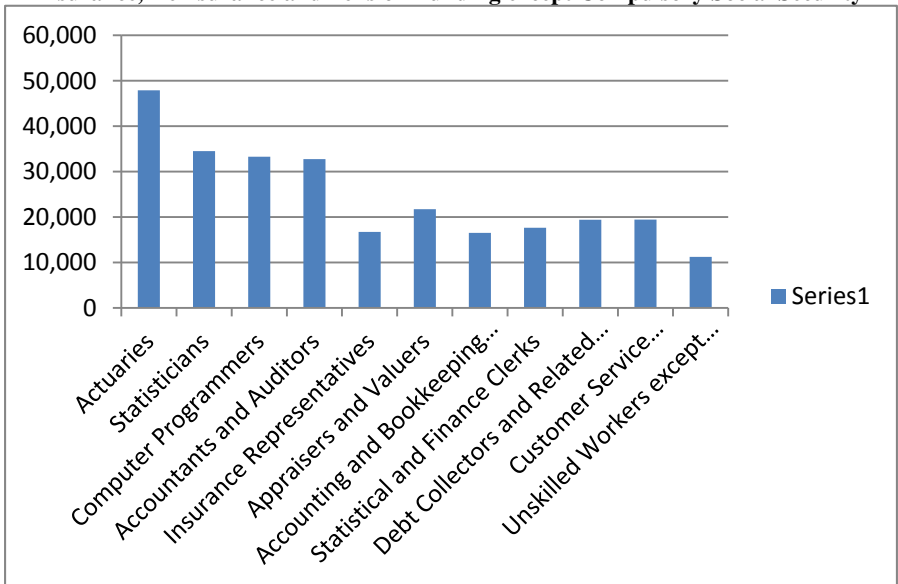
(Agricultural and non-agricultural establishments employing 20 and over.
Wage rates refer to the sum of basic pay and regular/guaranteed cash allowances.)

2009 PSIC/PSOC 2002 Update	Industry/Occupation	Average Monthly Wage Rates (₱) As of July 2012
K65	Insurance, Reinsurance and Pension Funding except Compulsory Social Security	
2121	Actuaries	47,876
2122	Statisticians	34,497

2132	Computer Programmers	33,281
2411	Accountants and Auditors	32,767
3412	Insurance Representatives	16,719
3417	Appraisers and Valuers	21,716
4121	Accounting and Bookkeeping Clerks	16,522
4122	Statistical and Finance Clerks	17,629
4215	Debt Collectors and Related Workers	19,401
4225 ^b	Customer Service Representatives/Associates (in call centers)	19,449
9400 ^b	Unskilled Workers except Janitors, Messengers and Freight Handlers	11,237

Source: Bureau of Labor and Employment Statistics, Occupational Wages Survey 2012.

Figure 10. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in Selected Industries and Occupations, Philippines: July 2012 Insurance, Reinsurance and Pension Funding except Compulsory Social Security



Source: Bureau of Labor and Employment Statistics, Occupational Wages Survey 2012.

C. Training and Advancement

Bank Training Programs

Although college graduates may have the academic background to qualify for jobs in banking and finance, it will still be necessary to spend time and resources training newly hired employees so that they can become truly productive members of the organization.

Banks allocate resources for the development and growth of employees to make sure that they reach their full potential and become effective partners of the financial institution in fulfilling its mission and achieving organizational success (Land Bank of the Philippines, 2010).

Training programs are generally geared towards expanding employee competencies particularly in the functional areas, technical leadership and management, and human behavior in organizations. This upgrades employee qualifications, increases competence and improves their ability to perform jobs or tasks effectively and efficiently.

Most training programs for new recruits will include employee orientation, understanding bank products and services, enhancing oral and written communication skills, improving customer service, inculcating ethics and values enhancement (Land Bank of the Philippines, 2010).

Programs to improve competency and productivity involve training in the functional areas of auditing, branch banking, compliance management, credit management, electronic banking, financial analysis and management, information technology, legal, organization development and human resource management, risk management, treasury and investments and trust banking (Land Bank of the Philippines, 2010).

Personnel that exhibit the potential to perform executive functions are encouraged to participate in management and leadership training programs depending on the level at which their qualifications fit. Specific training programs are available at the supervisory level, junior officers, middle and senior level officers and top management (Land Bank of the Philippines, 2010).

Formal Education

Banking and finance jobs that perform management, finance, investment and business functions will require a bachelor's degree. Promotion to senior management positions may require a master's degree in business administration with specializations in finance or marketing.

A large number of both private and public colleges and universities scattered across the country offer programs in accountancy and the management of financial institutions. These are normally 4-year courses taken on a full-time basis which allow students to earn a bachelor's degree. The larger colleges and universities (both private and public) may also offer master's degree in business administration which may be completed in two years on a part-time basis, or one year on a full time basis. College tuition fees for both undergraduate and graduate levels are substantially higher in private tertiary institutions as compared to the heavily subsidized state colleges and universities. A large number of management positions are given to experienced and technically skilled professional personnel such as accountants, auditors, budget analysts, credit analysts, and financial analysts.

However, for high school graduates who do not have the means to pursue a college degree but are willing to complete a short course or training program to improve their chances of being employed in the banking and finance sector may consider the option of enrolling in the Technical Education and Skills Development Authority (TESDA) program. A diploma in secretarial and accounting services which may be completed in 2 years can provide students with bookkeeping skills (292 training hours) with core competencies in posting and journalizing transactions, preparing trial balances and financial reports and reviewing internal control systems. The program also includes training for personal computer operations (214 hours), front office services (472 hours) and events management services (108 hours). The program uses a modular method for learning and issues a *Certificate per Qualification* for each of the four above-mentioned qualification areas and upon completion of the program, an *Institutional Diploma* may be granted (TESDA, 2012).

D. Specific Occupations

Table 11. Specific Occupations with Job Descriptions and Educational Attainment

Position	Job Description	Educational Attainment Required
Bank Tellers	Provide routine bank services such as accepting deposits, servicing withdrawals, changing money, selling money orders, personal checks, traveler's checks and accept payments for loans and bills.	Bachelor's Degree
New Accounts Clerks / Customer Service Representatives	Assist customers by answering inquiries and providing information on a broad range of services and products offered by the bank to potential clients. The help open and close accounts, facilitate the completion of forms to apply for bank services.	Bachelor's Degree
Loans and Credit Clerks	Provides documentation services for processing loan and credit applications as well as maintaining files for record purposes.	1. Bachelor's Degree 2. Associate Degree (2 yrs.) or Vocational Course (1 yr) may qualify depending on the applicant's competence)
Bill and Account Collectors	Facilitates collection of payments for past due accounts	1. Bachelor's Degree 2. Associate Degree (2 yrs.) or Vocational Course (1 yr) may qualify depending on the applicant's competence)

General Office Clerks/ Bookkeeping, Accounting and Auditing Clerks	Provides recording/ documentation services of all bank transactions	Associate Degree (2 yrs.) or Vocational Course (1 yr) may qualify depending on the applicant's competence)
Statistical and Finance Clerks	Records and organizes statistical and accounting data based on client transactions as well as demographic and economic profiles	Associate Degree (2 yrs.) or Vocational Course (1 yr) may qualify depending on the applicant's competence)
Debt Collectors	Responsible for contacting clients with unpaid debts and reminding them of the conditions of their contractual obligations as well as the legal consequences of not settling debts.	Associate Degree (2 yrs.) or Vocational Course (1 yr) may qualify depending on the applicant's competence)
Office and Administrative Support Workers (Secretaries, Data Entry and Information Processing Workers and Receptionists	Provides operational support services for management, corporate planning, senior level management and customer services	1. Bachelor's Degree 2. Associate Degree (2 yrs.) or Vocational Course (1 yr) may qualify depending on the applicant's competence)
Securities, commodities, and financial services sales agents/ securities and finance dealers and brokers	Contact potential clients to explain their services in the area of deposit accounts, credit lines, sales or inventory financing, certificates of deposit, cash management and other investment services	Bachelor's Degree
Financial Managers	Direct bank branches and departments, resolve customer problems administer operations and	1. Bachelor's Degree 2. Master's Degree in Business

	investments	Administration complemented with management experience improves chances of being recruited.
Credit Analyst	Assess consumer and business credit applications, estimate future cash flows and evaluates the financial stability of the applying organizations. Interacts and coordinates with credit committees, loan officers and other business personnel.	Bachelor's Degree
Loan Officer	Evaluates the loan application and grants approval if all standards and requirements are met. Determines the ability of customers to pay back the loans.	<ol style="list-style-type: none"> 1. Bachelor's Degree 2. Master's Degree in Business Administration complemented with management experience improves chances of being recruited.
Loan Counselors	Advise borrowers on the management of their finances, takes action to collect outstanding loans	<ol style="list-style-type: none"> 1. Bachelor's Degree 2. Master's Degree in Business Administration complemented with management experience Improves chances of being recruited.
Branch Manager	Responsible for the oversight of new accounts, customer service, loan origination, safe deposit boxes, foreign exchange, and all other services offered at a bank branch. They are expected to develop positive customer relationships, sympathetic to customer needs, posse's good	<ol style="list-style-type: none"> 1. Bachelor's Degree 2. Master's Degree in Business Administration complemented with management experience improves chances of being recruited.

	quantitative analytical skills, strong work ethic, good organizational skills and a broad understanding of the banking industry. Effective and efficient branch managers generally become regional or area managers responsible for the administration of several branches.	
Trust Officer	Offer financial products and financial advice to high net worth individuals. They understand and provide council in the area of business, estate planning, investment, taxation and probate law.	<ol style="list-style-type: none"> 1. Bachelor's Degree 2. Master's Degree in Business Administration complemented with management experience improves chances of being recruited.
Mortgage Banker	Provides potential homeowners and businesses with loan opportunities. Interacts and coordinates with real estate agents and home buyers, performs credit checks, and facilitates the sale of loans as debt instruments in the securities markets.	<ol style="list-style-type: none"> 1. Bachelor's Degree 2. Master's Degree in Business Administration complemented with management experience improves chances of being recruited.
Economists	Provides the research reports on the performance of the economy, its implications on the financial sector as well as the individual performance of various industries which serve as the client base for financial institutions. Also provides information for corporate decision making and policy formulation in order to respond to threats and exploit opportunities in the market.	<ol style="list-style-type: none"> 1. Bachelor's Degree 2. Master's Degree in Economics or Business Administration complemented with management and corporate planning experience improves chances of being recruited.
Statisticians	Responsible for collecting,	Bachelor's Degree

	organizing, summarizing, interpreting and analyzing data which will be used to draw inferences from sample data that can apply to the major participants in the financial markets. The data base developed and continually updated should assist in the formulation of policies and plans that will help financial institutions better exploit the opportunities in the market.	
Actuaries	Analyze the financial consequences of risk, recommend asset price decisions, design insurance, pension and other financial plans and use mathematics, statistics and financial theory to study uncertain future events and the probability of certain outcomes which may have financial consequences for both investors and the financial institutions.	Bachelor's Degree
Computer Programmers	Convert project specifications and statements of problems and procedures to detailed logical flowcharts for coding into computer language. Develop and write computer programs to store, locate and retrieve specific documents, data and information. Create, develop and maintain websites.	Bachelor's Degree
Accountants and Auditors	Prepare and examine financial records, ensure that they are accurate and that taxes are paid on time. They assess financial operations and work to ensure that the firm is run efficiently.	Bachelor's Degree
Insurance	Sell life, property, casualty,	1. Bachelor' Degree

Representatives	health, automotive, or other types of insurance.	2. Associate Degree (2 yrs.) depending on the applicant's competence
Appraisers and Valuers	Assesses the market value of assets from jewelry to plant property and equipment. Provides the information on assessed values to loan officers to determine the acceptability of collateral to secure a loan or to acquired assets units that should know the appropriate price when attempting to liquidate real estate assets.	Bachelor's Degree

- Sources:** 1) Bureau of Labor Statistics US Department of Labor 2) Career Overview.Com 3) Career Planner.Com***
- 4) JobStreet.Co, 2013. Philippines
5) Best Jobs Philippines, 2013. DGNET LTD.
6) JobsDB.com, Philippines, 2013.
7) East West Banking Corporation, Career Opportunities, 2013.
8) Hong Kong Shanghai Banking Corporation, Careers, 2013.
9) Allied Banking Corporation, Job Openings, 2013.
10) Development Bank of the Philippines, Job Openings, 2013.

Chapter 4

Job Outlook and Prospects

A. Growth Outlook

The Philippines is expected to remain on the path towards sustained economic growth, price stability and reduced unemployment as policy reforms are implemented to further improve competitiveness, public governance, provide more infrastructure support and encourage the entry of more private sector investment into the economy.

Economic growth for 2013 is expected to reach 7 percent given the rising domestic demand fueled by larger private sector investment and increased government spending on infrastructure. The momentum for sustained economic growth began in 2010 as real GDP grew by 7.3 percent, followed by 3.7 percent in 2011 and 6.6 percent in 2012. Solid macroeconomic fundamentals including a low inflation rate, a strong external position, a sound and stable banking system and a healthy fiscal position allowed the country to post a 7.6 percent economic growth rate for the 1st semester of 2013 (National Statistical Coordination Board, 2013, IMF World Economic Outlook, 2013.).

The performance of the financial intermediation sector has generally followed the direction taken by the real economy, as it grew by 6.5 percent in 2010, 6.6 percent in 2011, and 7.8 percent by the end of 2012. For the 1st semester of 2013, the financial intermediation sector grew by 13.5 percent (National Statistical Coordination Board, 2013).

During the past three years, the financial sector had performed well, particularly for the year 2012. Banks' profitability was robust, the non-performing loans ratio continued to decline, capital adequacy remained strong, and credit growth was brisk. Loans by universal and commercial banks grew by 16 percent, remaining at a moderate 31 percent of GDP (International Monetary Fund Country Report, 2013).

For the year 2013, financial intermediation services rose by 9.6 percent in the second quarter of 2013, up from the 7.0 percent growth in the same period last year. Growth was largely attributed to the non-bank financial intermediaries which expanded by 9.7 percent from 9.1 percent in 2012, banking institutions grew by 6.6 percent compared to 6.4 percent in 2012, while the insurance sector grew faster by 16.6 percent from 5.7 percent in 2012 (National Statistical Coordination Board, 2013).

Greater government spending and surges in private sector investments are expected to promote economic growth. Unlike 2011, when government had considerably slowed spending due to the need to identify and correct leakages associated with inefficient or wasteful spending alongside graft and corruption, improved “housekeeping” in government operations will lead to increased and fast tracked spending on infrastructure projects for 2012. Higher investments are expected by the Philippine Economic Zone Authority (PEZA) based on a large amount of investment pledges registered during the first quarter of 2012, increased private construction in housing driven by the growing housing demand of families with Overseas Filipino Workers (OFWs) and the development of more commercial space due to the greater demands of the business process outsourcing industry (Senate Economic Planning Office, 2012). Greater consumption spending fueled by OFW remittances, tourists as well as the increasing number workers securing jobs in the local economy will generate increased economic activity and consequently higher GDP growth.

B. Employment Prospects

The role of financial intermediation in the Philippine economy continues to expand and this creates greater prospects for increasing employment within the next few years. The share of financial intermediation output to gross domestic product has

continually increased from 5.88 percent in 2008 to 6.12 percent by the end of 2010. The ratio of financial intermediation output to the total service sector output has also increased from 12.02 percent to 12.32 percent over the same period. This provides an indication of the expanding role as well as increasing contributions of the financial intermediation sector to the service sector as well as to the entire economy.

Growth prospects for output and employment are good considering that economic growth induces employment and this was illustrated during the 2007 to 2010 period, when economic growth at an average of 4.795 percent occurred alongside increases in financial intermediation employment which grew at an average of 3.885 percent. This translated to an increase in the number of employed persons in the financial intermediation sector from 359,000 to 400,000 workers. The gross value added of the financial intermediation sector had grown by 2.52 percent in 2008, 5.94 percent in 2009 and 6.5 percent in 2010 which has fueled job creation efforts.

The average output growth for the first three quarters of 2011 indicated that the financial intermediation sector had the fastest expansion at 6.3 percent, relative to the entire service sector at 4.67 percent, as well as gross domestic product growth at 3.83 percent. Although the Philippine economy grew by 3.7 percent by the end of 2011, an expansion in financial intermediation employment is expected, with growth of at least 3.0 percent, increasing the number of employed persons in the sector to roughly 412,000.

Results from the recent labor force surveys revealed that the number of employed persons in the financial intermediation sector had increased from 400,000 in 2010 to 434,000 in 2011, 437,000 in 2012 and 442,000 as of July 2013. While gross value added in the same sector had increased by 6.5 percent in 2010, 6.6 percent in 2011, and 7.8 percent in 2012.

As the Philippine economy grows, the foreseen increase in the number of business establishments in the country will require more workers with skills to set up books prepare taxes and payrolls and

provide financial analysis and advice (DOLE, 2012). Increased private sector investment and large incomes for both firms and workers will continue to induce the demand for financial services and consequently encourage banks and other financial intermediaries to expand operations and hire more workers. Employment in the financial intermediation sector has always grown with strong GDP growth. Corresponding significant increase in financial intermediation sector employment should be expected with positive economic growth projections. The expectations of better economic performance should create more jobs and increase employment particularly in the banking and finance sector. The expected increases in employment growth will further be strengthened by the continued increases in the net profits of financial institutions, the moderate growth in assets, their financial stability in terms of capital adequacy, liquidity and solvency positions and their ability to weather a financial crisis due to prudential regulation by the monetary authorities and sound management by the financial institutions.

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