Office of Supervisory Policy Development

The Philippine

Banking Sector Outlook Survey

First Semester 2018

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I. Introduction

The adoption of a cohesive and pro-active supervisory approach to address potential build-up of systemic risk is essential to achieve one of the BSP's Strategic Objective which calls for a sound, stable and resilient banking and financial system. The Banking Sector Outlook Survey (BSOS) serves as a complementary tool in validating the assessments of banking supervisors. The conduct of the BSOS aims to gather the sentiments of the Presidents/Chief Executive Officers/Country Managers of banks in the country within a two-year horizon.[1] The practice of conducting a periodic banking sector outlook survey (BSOS) has been observed in some countries. However, the Philippine BSOS is unique due to the following: (a) it is conducted by the central bank of the jurisdiction; (b) it gathers the sentiments/outlook of industry leaders; and (c) it forms part of the prudential surveillance and supervisory framework of the BSP.

II. What is the Banking Sector Outlook Survey (BSOS)?

The BSOS serves as a measure of proactive and forward-looking approach to surveillance and financial supervision. Banking sector risks have been historically concentrated in traditional banking activities while the financial services industry has evolved in response to market-driven, technological, and legislative changes. These changes have allowed financial institutions (FIs) to expand product offerings, geographic diversity, and delivery systems. Nonetheless, these changes have also increased the complexity of the FIs' consolidated risk exposure. Such a complexity necessitates the BSP's proactive and forward-looking approach to consider the outlook/sentiments of industry leaders in the conduct of regulatory risk surveillance and formulation of supervisory framework.

The BSOS can complement the analysis of banks' business models moving forward. Reducing information asymmetries is crucial to supervisors for the prompt identification of vulnerabilities, closer monitoring of financial health and comprehensive management of financial strains as they emerge. Hence, the BSOS aims to provide the BSP with additional perspective on the evolution of banks' business models that can eventually help enhance prudential regulations and contribute to ensuring resilience of the banking system. Moreover, it intends to provide supervisory and market perspectives on emerging issues and trends for timely and relevant prudential reporting and related analysis. Lastly, it is also expected to promote financial innovations and developments in the banking sector.

[1] The Monetary Board Resolution No. 833 dated 17 May 2018 approved the conduct of BSOS.

Structure of the BSOS. The BSOS is composed of five sections as shown in Table 1 below:

Table 1. BSOS structure

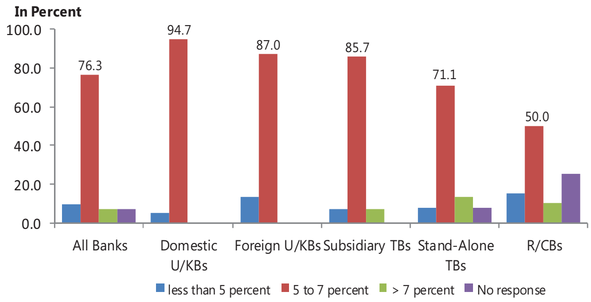
Section	Description
Growth Outlook	▪ This section seeks to solicit respondents' outlook on the country's gross domestic product (GDP) growth, outlook on the performance of the Philippine banking system, as well as the strategic focus of the banking business.
Business Strategy	▪ This section seeks to understand the business model that the banks will adopt to implement their strategies over the next two years.
Operational Performance	▪ This section seeks to understand banks' operational approach to maintain growth, address operational challenges and enhance profitability moving forward.
Impact of Supervision/ Regulation on Bank Performance	▪ This section seeks to solicit sentiments on the concerns posed by BSP regulations to banks' operations, as well as seek opinion in areas of regulation/supervision that the BSP needs to strengthen to promote the safety and soundness of the banking system.
Risk Assessment/Culture and Governance	▪ The section seeks to identify the risks that banks are most wary of; banks' internal assessments of the level and maturity of risk culture and risk governance frameworks; and the existing mitigants for identified risks.

The BSOS Methodology. The maiden conduct of BSOS covers all universal/commercial (U/KBs) and thrift banks (TBs) and the top 20 rural/cooperative banks (R/CBs) in terms of total loan portfolio. The survey questionnaire includes 18 questions (Annex A) and transmitted to the Presidents/Chief Executive Officers/Country Managers of banks only. Four (4) banks failed to submit the accomplished survey questionnaire within the required timeline. The overall survey response rate is satisfactory with R/CBs' 100 percent response rate while U/KBs and TBs response rates stood at 98 percent and 94 percent, respectively.

III. Results of the Banking Sector Outlook Survey as of First Semester of 2018

This section discusses the collective responses of bankers on the survey. It is divided into five parts comprised of discussions on the following: growth outlook, business strategy, operational performance, impact of supervision/regulation to bank, and risk assessment.

Figure 1. Real GDP Forecast by Type of Bank
For the First Semester of 2018

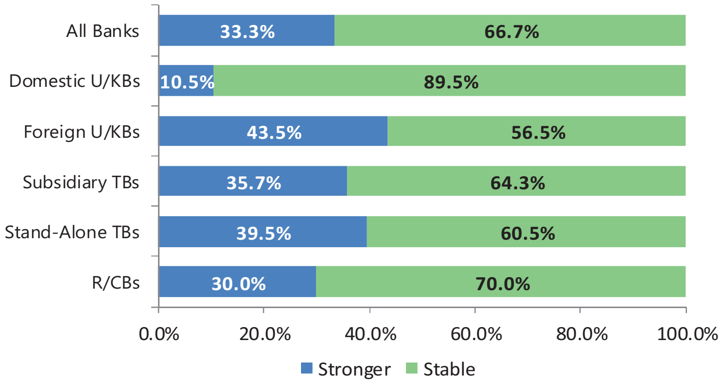


Source: OSPD

Economic Growth Outlook. Majority of bank executives expect the economy to grow by 5 to 7 percent in the next two years across the banks surveyed (Figure 1). This growth forecast is within the Government's 7-8 percent target range set for 2018 until 2022 and the World Bank's projections of 6.7 percent and 6.2 percent in 2019 and 2020, respectively. Moreover, the International Monetary Fund (IMF) expects that the Philippine economy will continue to grow strongly, with real GDP projected to expand at 6.7 percent in 2018 and 2019.

Meanwhile, the outlook for the Philippine banking system in the next two years remains bullish. Figure 2 shows that about 66.7 percent of the respondents consider a stable outlook for the Philippine banking system while the remaining 33.3 percent of the respondents view that banking system will be stronger in the next two years. The stable outlook for the banking system can be attributed to the strong macroeconomic fundamentals, adequate liquidity and rising capital buffers of banks. The upgrade of the S&P Global Banking Industry Country Risk Assessment (BICRA) of the Philippine banking system (PBS) also contributed to the positive outlook of the industry. The S&P upgraded the PBS's credit rating to Group '6' from Group '7' due to the sector's improved credit fundamentals, in particular, the establishment of credit bureaus and improvement in the underwriting practices of the consumer loans segment.[2]

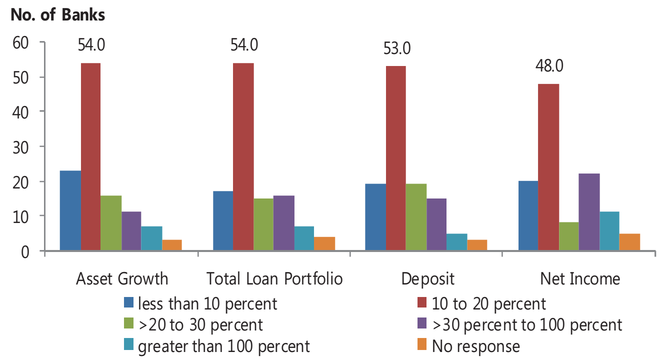
Figure 2. Philippine Banking System Overall Outlook
For the First Semester of 2018



Source: OSPD

Majority of the respondents expect assets, total loan portfolio, deposits and net income to grow between 10 percent and 20 percent in the next two years (Figure 3). Meanwhile, most of the respondents believe that net interest margin (NIM), return on equity (ROE), non-performing loans (NPL) ratio and leverage ratio at below 10 percent while risk-based capital adequacy ratio (CAR) will be between 10 and 20 percent. Moreover, 40 out of the 114 respondents cite that their liquidity coverage ratio will be above 100 percent.

Figure 3. Growth of Selected Banking Indicators
As of First Semester of 2018



Source: OSPD

A total of 9 out of 23 respondents from foreign U/KBs mention that their net income growth is between more than 30 and 100 percent. Moreover, most respondents from domestic and foreign U/KBs as well as subsidiary and stand-alone TBs reveal that their respective NIM will be less than 10 percent in the next two years while 8 out of 20 R/CBs' respective NIM is between 10 and 20 percent. Details of the forecast growth and level of selected banking indicators per bank type is shown in Annex B.

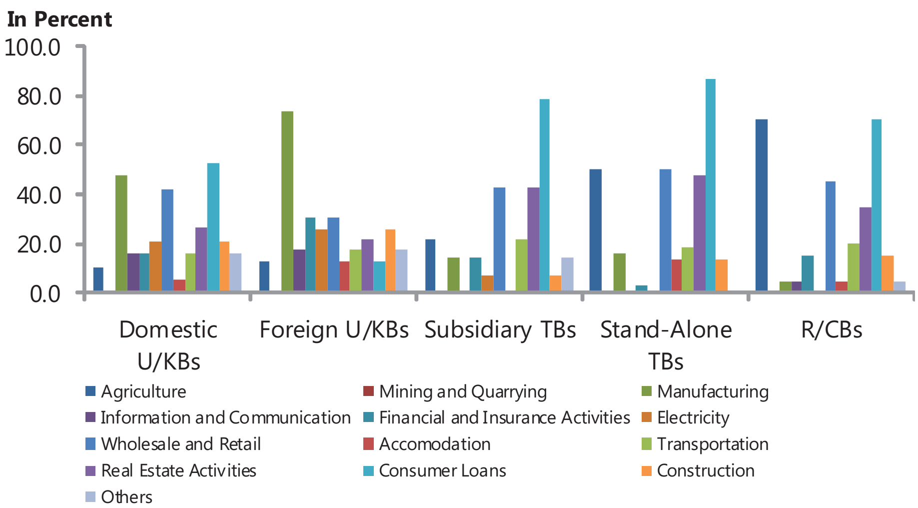
[2] S&P Global Ratings (2018). Security Bank Upgraded To 'BBB-/A-3' And DBP Ratings Affirmed At 'BBB/A-2' Following Philippine Banking Sector Review.

In terms of products or services, about 83.3 percent of the respondents mention that corporate and retail banking will be their top most priority. Under corporate banking, the respondents identify Micro, Small and Medium Enterprise (MSME) lending, payment and settlement services, project financing and other corporate loans as as key/primary services. Meanwhile, real estate loans, salary loans and motor vehicle loans will be the priority products under retail banking.

By type of bank, the respondents disclose that majority of domestic U/KBs will focus on corporate banking, retail banking, trust products and cross-selling while foreign U/KBs will mainly concentrate on corporate banking and trade financing. Meanwhile, retail loans remain as the main priority of TBs amd R/CBs, which indicates that these banks remain committed to their niche market.

The focus of bank lending by economic sector in the next two years is shown in Figure 4. About 53.0 percent (10 out of 19) of respondents from domestic U/KBs disclose that consumer loans is the primary focus of lending followed by manufacturing and wholesale and retail trade. On the other hand, 74.0 percent of respondents from foreign U/KBs prefer to lend mainly to manufacturing, followed by financial and insurance activities and wholesale and retail trade. Both subsidiary TBs and stand-alone TBs mention that consumer loans will have the largest share in their lending portfolio in the next two years. Futhermore, agriculture and consumers loans are the top two credit markets in the R/CB's loan portfolio.

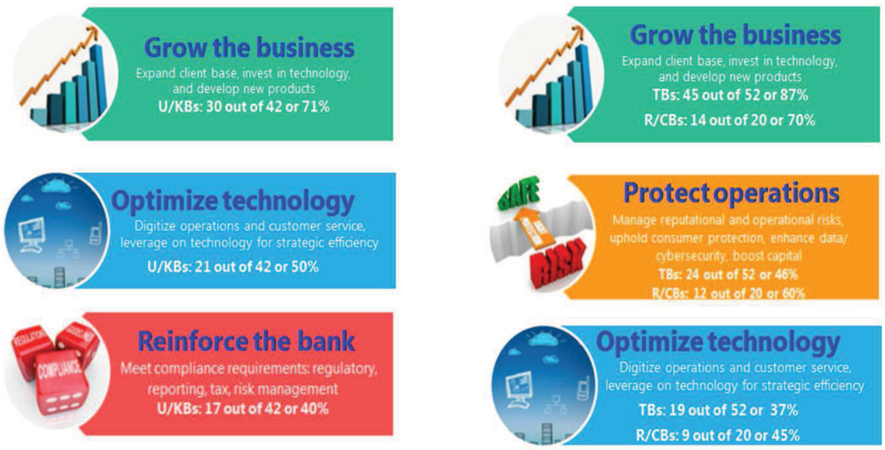
Figure 4. Bank Lending by Economic Sector
For the First Semester of 2018



Source: OSPD

Business Strategy. Overall, the respondents reveal that the top three strategic priorities of the bank executives surveyed are to grow the bank, optimize the available technology, and protect the bank. Majority of the respondents believe that there is a need to grow the bank by expanding client base, by deepening customer relationships, and by developing new products. In line with the emerging market trends and evolving client needs, the rapid pace of digital technology is considerably reshaping the financial services landscape. Thus, 49 out of 114 respondents disclose that they will prioritize the optimization of available technology through digital operations and customer service and will leverage on financial technology for strategic efficiency in the next two years. Lastly, respondents underscore the need to protect the bank as one of their strategic priorities by managing reputational and operational risks, enhancing data and cybersecurity, upholding consumer protection, as well as boosting capital and liquidity ratios. The top three strategic priorities per type of bank are shown in Figure 5. Meanwhile, most of the respondents disclose that the top three business directions are to become a: (a) domestic bank engaged in target retail and business customers; (b) regional champion specializing in the Philippine market; and (c) global bank providing specialized products and services to global clients.

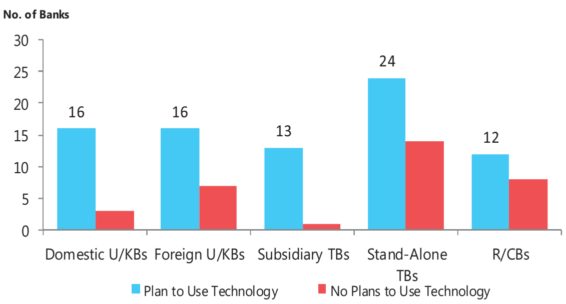
Figure 5. Top 3 Strategic Priorities per Type of Bank



Source: OSPD

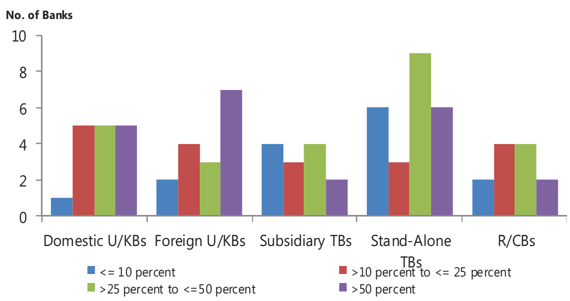
The banking industry supports the use of technology-enabled solutions and exhibits strong interest in participating in the digital finance ecosystem. The survey results reveal that 81 out of 114 or 71.1 percent of banks have plans to use technology in the banking transactions (Figure 6). Meanwhile, of those banks that have plans to use technology, seven out of 16 or roughly 44 percent of respondents from foreign U/KBs diclose that more than 50 percent of their banking transactions will be conducted through the use of digital technology in the next two years (Figure 7). Likewise, 9 out of 24 respondents from stand-alone TBs state that more than 25 percent to 50 percent of their banking transactions will utilize digital means.

Figure 6. Number of Banks Planning to Engage in E-Banking (Mobile Phones and Other Electronic Means)
For the First Semester of 2018



Source: OSPD

Figure 7. Percentage of Technology-Enabled Bank Transactions
For theFirst Semester of 2018



Source: OSPD

Operational Performance. While the regional banking integration slowly unfolds, banks are facing new aspects of competition and may benefit from a good competitive strategy. In the survey, banks are asked how they will maintain growth in an era of intense competition, heightened customer expectation and non-traditional market entrants. The top three plans to maintain growth in the presence of intense competition and other factors are shown in Figure 8.

The results of the survey also show that majority of the banks use technology to address operational performance, internal controls, risk management, business continuity, compliance, customer experience, and client-based expansion.

Figure 8. Top 3 plans to maintain growth in the presence of intense competition and other factors

Source: OSPD

Meanwhile, most of the respondents believe that they should maintain efficient operations to sustain profitability. Hiring/retaining of key talents is also essential to maintain banks' profitability. Similarly, respondents also expect that pursuing organic growth, leveraging on technology, and restructuring internal organization are equally important in maintaining profitability.

Impact of Supervision on Bank Performance. Banks are also asked to enumerate five areas which they find challenging in terms of compliance to evaluate the impact of BSP regulations. Majority, or 78.1 percent of the respondents find difficulty in complying with the mandatory credits to agri-agra and Micro, Small and Medium Enterprises (MSME). As of end-March 2018, the banking system's 12.8 percent compliance ratio for other agricultural credit, for instance, was slightly below the 15.0 percent statutory credit requirement under the Agri-Agra Law (Republic Act No. 10000). Moreover, compliance ratio for agrarian reform credit is way below the required 10.0 percent, and stood at 1.1 percent. Banks' under-compliance with mandatory credit requirements may be attributed to perceived higher credit risk from these market segments, difficulty in extending credit to targeted borrowers such as agrarian reform beneficiaries, and low synergies with the existing business models of some banks such as the foreign banks and investment banks[3].

Moreover, 37.3 percent of respondents reveal that compliance with the BSP's reportorial requirements and regulation on anti-money laundering remains a challenge. In the same manner, the respondents also view credit risk management and other areas of risk

[3] BSP (2018). A Report on the Philippine financial system, 2nd Semester of 2017. Retrieved from http://www.bsp.gov.ph/publications/regular_status.asp

management as most challenging in terms of compliance with BSP's existing rules and regulations.

Table 2 presents the five most challenging areas by type of bank. All the banking group respondents mention that compliance with mandatory credits to agri-agra (25 percent) and MSME (10 percent) as the most challenging area in terms of compliance except for R/CBs, which cite compliance with credit risk management standards as the most challenging area. Majority of the respondents also find difficulty in complying with anti-money laundering rules, except for stand-alone TBs.

Table 2. Most Challenging Areas in Terms of Compliance

Domestic U/KBs	Foreign U/KBs	Subsidiary TBs	Stand-alone TBs	R/CBs
Mandatory credits to agri-agra and MSME	Mandatory credits to agri-agra and MSME	Mandatory credits to agri-agra and MSME	Mandatory credits to agri-agra and MSME	Credit risk management
Anti-money laundering	Reportorial requirements	Anti-money laundering	Credit risk management	Operational risk management
IT risk management	Single Borrowers' Limit	Basel III liquidity requirements	Operational risk management	Mandatory credits to agri-agra and MSME
Philippine Financial Reporting Standards 9	Anti-money laundering	Philippine Financial Reporting Standards 9	Reportorial requirements	Other areas of risk management
Reportorial requirements	Basel III liquidity requirements	Liquidity risk management/Other areas of risk management	Other areas of risk management	Anti-money laundering

Source: OSPD

Meanwhile, the list of regulations or areas of supervision that the respondents want the BSP to strengthen to promote sustained stability of the banking system is presented in Annex C.

Risk Assessment. Table 3 presents the top five risks to the banks' operation. The four types of risks common to U/KBs, TBs and R/CBs are institutional risk, financial market risk, macroeconomic risk and technology risk. Meanwhile, only U/KBs identify global and/or domestic geopolitical risk as risk to their operation. Domestic U/KBs and foreign U/KBs consider cybersecurity threat and money laundering risk, respectively, as the main risk under institutional risks. Moreover, asset quality/credit risk and market competition top the list of risks for subsidiary TBs and stand-alone TBs, respectively. Majority of R/CBs also consider asset quality/credit risk as the leading risk under institutional risks.

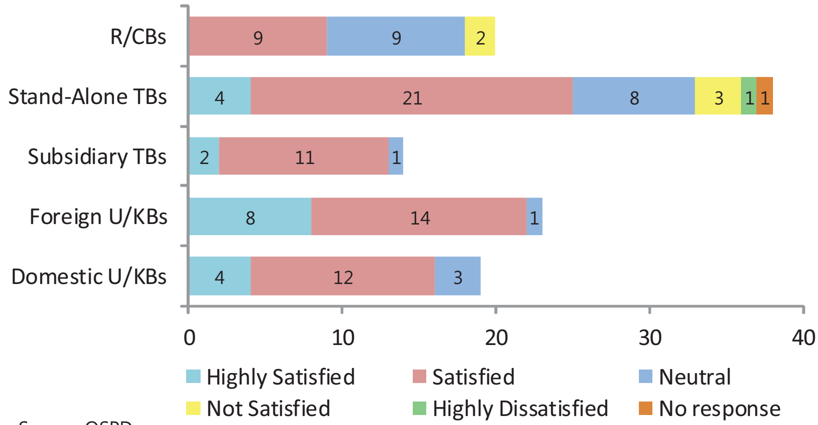
Table 3. Top Five Risks to Banks' Operation

U/KBs	TBs	R/CBs
Institutional Risk	Institutional Risk	Institutional Risk
Financial Market Risk	Financial Market Risk	Financial Market Risk
Macroeconomic Risk	Macroeconomic Risk	Over-regulation
Technology Risk	Technology Risk	Technology Risk
Global and/or domestic geopolitical Risk	Over-regulation	Macroeconomic Risk

Source: OSPD

The survey discloses the extent of satisfaction in terms of the level and maturity of banks' risk culture, as well as the strength of risk governance standards. In general, majority of the respondents reveal that they are satisfied with the risk culture in their respective banks as presented in Figure 9. Meanwhile, 8 out of 23 respondents from foreign U/KBs disclose that they are highly satisfied with their risk culture. On the other hand, a respondent from a TB is highly dissatisfied with the bank's risk culture.

Figure 9. Banks' Risk Culture Satisfaction
For the First Semester of 2018



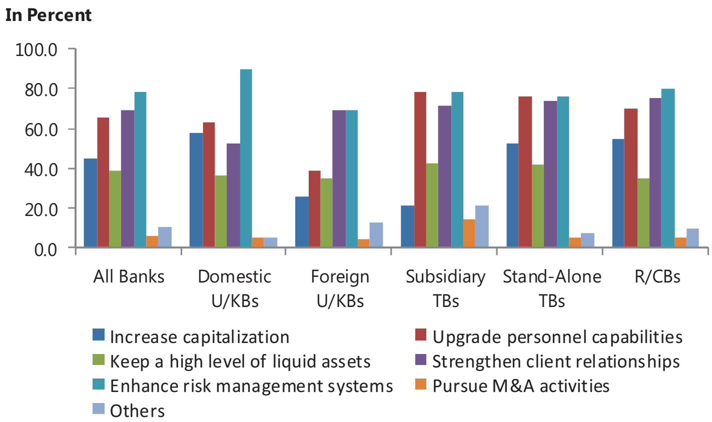
Source: OSPD

The banking environment has been constantly affected by changes in technology, competition, and the evolving regulations and international standards. As new risks emerge due to these factors, it is essential that banks protect their depositors, investors and institutions from these undue risks. These have been reaffirmed in the results of the survey.

The survey results also show that the top three strengths of the bank's risk governance that would help mitigate these risks are: (a) board of director and senior management oversight; (b) appropriate risk appetite for the bank's business, resources and capital; and (c) strong risk culture and values within bank.

On the other hand, the top three areas that need strengthening in the next two years include having (1) highly effective models/system for risk management; risk data aggregation and risk reporting; (2) highly effective control functions for risk management, compliance and internal audit; and (3) highly comprehensive risk management policies. Results specifically show that 41 out 114 respondents (36.0 percent) mention the need for a highly effective models/system for risk management as one of the areas for improvement.

Figure 10. Strengthening Banks Against External Headwinds
For the First Semester of 2018



Source: OSPD

Meanwhile, 89 out 114 or about 78.0 percent of respondents emphasize that enhancing the risk management system is a necessary tool to strengthen the banks against external headwinds (Figure 10). Likewise, strengthening client relationships, upgrading of personnel capabilities, and increasing capitalization are also deemed important by the respondents in order to protect their respective banks against external shocks.

IV. Conclusion and Implications for Microprudential Policy

The maiden conduct of the Banking Sector Outlook Survey (BSOS) discloses banks' awareness of internal and external concerns affecting their business. Most of the respondents expect economic growth between 5 to 7 percent, in line with projections by the National Government, multilateral agencies and financial analysts. The forecast economic growth is expected to further improve the respondent banks' asset quality, liquidity, solvency and profitability.

The BSOS also show that banks are formulating strategies to address these concerns, while positioning for opportunities, particularly from financial technology (fintech). Most of the respondents believe that growing their banks and optimizing the use of technology are strategic priorities to succeed in the business. Business growth shall generally be implemented under the corporate and retail banking segments, focusing on consumer loans, the manufacturing sector and wholesale and retail trade.

Operationally, banks' growth is expected to be achieved by developing new capabilities, particularly in the area of fintech, by expanding market reach and by leveraging on client relationships. However, respondents note that certain BSP regulations present challenges to their strategies, particularly the statutory compliance with the mandatory credits to agri-agra and Micro, Small and Medium Enterprises (MSME).

In retrospect, respondents note that their business objectives are subject to risks from the respective institution itself, the financial market, the macroeconomy, and technological disruptions.

Positive forecasts imply that financial intermediation will continue to contribute to growth. Moving forward, banks will continue to capitalize on business and consumer optimism[4] as well as accelerated infrastructure spending[5] to grow its balance sheet, led by a balanced credit expansion in consumer, middle market and large corporate markets. The industry is also anticipated to invest heavily in technology to expand market coverage and enhance the delivery of financial products and services.

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[4] Results of the Second Quarter 2018 BSP Business Expectations Survey (BES) present that outlook remained optimistic due to increased orders and volume of production, ongoing rollout of government infrastructure projects with the "build, Build, Build" strategy of the administration, and sound macroeconomic condition. Consumer Expectations Survey (CES) similarly indicates positive outlook brought about by higher income, availability of more jobs, and increase in family savings, among others.

[5] Government expenditure grew annually by 13.6 percent in the first quarter of 2018, the highest first quarter annual growth since 2013 (source: Philippine Statistics Authority). National Government (NG) disbursement are targeted to increase by 19.3 percent from the previous year and reach P3,370.0 billion (source: Development Budget Coordination Committee 2018 National Government (NG) Quarterly Fiscal Program).

Use of technology will define the future landscape of the Philippine banking system.

Fintech or technology-driven innovations in financial services, has become a leading driving force in reshaping the landscape of the Philippine financial system. Fintech refers to the integration of finance and technology in a manner that drives the transformation or disruption of the traditional processes in financial services delivery. Financial institutions (FIs) are constantly adopting innovative digital solutions to maximize operational efficiency, improve customer experience, and realize competitive advantage. Nonetheless, FIs engaging on technology driven innovations should be cautious of possible risks that could affect the general safety and soundness of the banking system.

One of the strategic policy objectives of the BSP is to support responsible fintech innovation. The BSP adopts framework to build a regulatory environment that allows innovations to flourish while at the same time ensures that risks are effectively managed and that consumer welfare is equally protected.

In 2017, the BSP issued prudential guidelines on mitigating technology-related risks, including anti-money laundering/combating the financing of terrorism (AML/CFT) concerns related with the use of fintech. These include the issuance of guidelines on virtual currency (VC) exchanges which facilitate the conversion or exchange of fiat currency to VC or vice versa; social media risk management which advocates responsible use by BSFIs of social media; and business continuity management which integrates cyber-resilience in the BSFI's business continuity planning process to adequately capture the potential impact of cyber events.

Practical guidelines were also issued on the adoption of multi-factor authentication (MFA) measures for high-risk transactions and sensitive communications in response to increasing cyber-attacks and threats involving fund transfers, payments and card-not-present (CNP) transactions. In November 2017, the BSP and the Monetary Authority of Singapore (MAS) entered into a Fintech Cooperation Agreement which enables both regulators to refer capable fintech firms, share emerging fintech trends and developments, and facilitate work on fintech projects together. Early this year, the BSP created the Financial Technology Sub-Sector (FTSS) to oversee fintech companies and other innovative alternatives.

Moreover, the BSP is currently exploring the possible adoption of RegTech solutions to strengthen its risk-based regulatory oversight and supervisory activities. The BSP has partnered with RegTech for Regulators Accelerator (R2A) to assess the feasibility of two (2) RegTech solutions which include an Application Programming Interface (API) system that will allow financial service providers to connect to the BSP for data sharing and an automated complaints-handling system or "chatbot" that will enable financial consumers to submit their concerns to the BSP via SMS, Viber and web portal for automatic processing.

Prudential policy will further be strengthened through the adoption of Basel Reforms. The Basel Committee endorsed the Basel III post-crisis regulatory reforms which include the following elements: (1) revised standardized and internal ratings-based approaches for credit risk; (2) revised credit valuation adjustment (CVA) framework; (3) revised standardized approach for operational risk; (4) revised leverage exposure measure and new leverage ratio buffer for global systemically important banks (GSIBs); and (5) aggregate output floor on risk-weighted assets generated by internal models. The targeted implementation date of the Basel III post-crisis reforms is on 1 January 2022. These said reforms are currently being studied.

Moreover, risk-based pricing of credit facilities is likewise being explored. A risk-based approach to pricing is a mechanism in which lenders/financial institutions (FIs) provide credit at a varied rate or loan term depending on the customer's estimated risk profile i.e., credit score, employment status, income and outstanding debt. A risk-based approach to pricing can ensure that the exposures of BSP-supervised financial institutions (BSFIs) to the risks associated with lending/financing activities are adequately compensated. The adoption of risk-based pricing framework, particularly for consumer loans, would help differentiate risks among bank borrowers, allowing those with good credit quality/standing to enjoy lower interest rate.

Comprehensive supervision will continue. The increasing sophistication of financial products, interconnectedness among financial institutions, and the rapidly changing technology entail the BSP to continue the comprehensive supervision of BSFIs. These include among others, strengthened surveillance, improvement of analytical tools, and the adoption of regulatory frameworks which adhere with international standards.

Governance and risk management will be enhanced to promote risk culture. In an effort to further strengthen corporate governance and promote effective risk management across BSFIs, the BSP has instituted various strategic policy reforms. These reforms aim to seam the gap with international standards and to provide overarching principles and expectations. A number of initiatives were implemented that raised the bar on risk management, particularly in the areas of liquidity, information technology and cyber security.

Furthermore, a number of regulatory reforms are in the pipeline to enhance risk management systems. These include:

- *Corporate Governance*
  In order to further strengthen corporate governance standards, the guidelines on the disqualification/watchlisting of directors and officers are being enhanced wherein such action shall primarily be based on the offenses committed by erring directors and officers.

- *Market Risk Management*
  The Market Risk Management Guidelines which was first issued in 2006 will be amended considering recent developments in international standards and supervisory experience. The enhancements will include, among others, an expanded treatment of interest rate risk in the banking book (IRRBB) and expectations on risk measurement tools.

- *Credit Concentration Risk Management*
  The guidelines governing credit concentration risk such as the Large Exposures and Single Borrower's Limit (SBL) will be amended to align with the provisions of the Basel Core Principles (BCP) on Effective Banking Supervision and the BCBS Framework on Large Exposures.

- *Risk-Based Pricing*
  A risk-based approach to pricing can ensure that the exposure of BSFIs to the risks associated with lending/financing activities is adequately compensated. Hence, the adoption of risk-based pricing framework, particularly for consumer loans, would help differentiate risks among bank borrowers, allowing those with good credit quality/standing to enjoy lower interest rate.

- *Model Risk Management*
  The BSP expects a financial institution to adopt or develop a model risk management framework that is commensurate with its size, nature, complexity, sophistication and risk exposure.

- *Bank Security Management*
  The regulations on bank protection, including the minimum security measures are being reviewed to align with best practices and to be responsive to the changing business models of banks brought by digital transformation.

- *Reputational Risk Management*
  Reputation plays a crucial role in maintaining soundness and sustainability of the banking business. The policy proposal will set out the supervisory expectations on banks to effectively manage reputation risk. Banks are expected to take a holistic approach in managing reputation risk in relation to other risk areas. Moreover, banks should properly identify and assess sources of potential threats that could damage their reputation.

Annex A

BANGKO SENTRAL NG PILIPINAS

OFFICE OF SUPERVISORY POLICY DEVELOPMENT

BANKING SECTOR OUTLOOK SURVEY
For the Semester Ended _______________

Respondent Details

Name of Bank ____________________
Type of Bank ____________________
Respondent ____________________
Designation/Title ____________________
Telephone Number ____________________
Email Address ____________________

Instructions:

1. Kindly accomplish the following survey questionnaire to the best of your knowledge.
2. Please provide the required response by either providing the figures/statements or checking (✓) the appropriate space.

I. Growth Outlook

1. What is your forecast average GDP growth for the next 2 years? ________________

2. What is your overall outlook for the Philippine banking system for the next 2 years?
______ Stronger ________ Stable ________ Weaker

3. What is the Bank's forecast growth/level for the following indicators for the next 2 years?
Percentage growth of assets ____________
Percentage growth of loan portfolio ____________
Percentage growth of deposit liabilities ____________
Net income growth ____________
Net Interest Margin ____________
Return on Equity ____________
Non-Performing Loans to total loans in percent ____________
Capital Adequacy Ratio ____________
Leverage Ratio ____________
Liquidity Coverage Ratio ____________

4. What products/services will be the focus of the Bank for the next 2 years? Kindly check all applicable answers.
______ Corporate banking
________ MSME lending ________ Real estate lending
________ Green technology ________ Other corporate loans
________ Project financing
________ Payment and settlement services, e.g., cash transfers, NRPS, please specify
______ Retail banking
________ Motor vehicle loans ________ Salary loans
________ Real estate loans ________ Credit cards
________ Other retail loans, please state ________________
________ Payment and settlement services, e.g., e-money, NRPS, please specify
______ Investment banking
______ Private banking
______ Trade financing
______ Trust products
______ Cross-selling

______
______ Treasury operations
______ Others. Please state ____

5. What are the top 3 industries that will be the focus of the Bank's lending in the next 2 years?

______ Agriculture, Forestry and Fishing	________ Transportation and Storage
______ Mining and Quarrying	________ Real Estate Activities
______ Manufacturing	________ Consumer Loans
______ Information and Communication	________ Construction

______ Financial and Insurance Activities
______ Electricity, Gas, Steam and Air-Conditioning Supply
______ Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles
______ Accommodation and Food Service Activities
______ Others. Please state ____

II. Business Strategy

6. What are the top 2 strategic priorities of the Bank for the next 2 years?

______ **Reshape** the bank, i.e., restructure operations, develop partnerships with FinTech companies/other financial organizations
______ **Reinforce** the bank, i.e., meet compliance requirements - regulatory, reporting, tax, risk management
______ **Protect** the bank, i.e., manage reputational and operational risks, uphold consumer protection, enhance data/cybersecurity, boost capital, liquidity and leverage ratios
______ **Optimize** the bank, i.e., digitize operations and customer service, leverage on technology for strategic efficiency
______ **Grow** the bank, i.e., recruit/retain talents, invest in technology, develop new products, expand client base, pursue financial inclusion initiatives
______ Others. Please state ____

Kindly state the specific strategic priorities (e.g., Reshape – restructure operations; and Optimize – digitize operations) ______________________________

7. What is the Bank's strategic business direction in the next 2 years?

______ Domestic bank engaged in target retail and business customers
______ Regional champion specializing in the Philippine market
______ Global bank providing specialized products and services to global clients
______ Global super bank providing a full range of products and services to global clients
______ Others. Please state ____

Kindly state the specific strategic business direction (e.g., Domestic bank catering to the community, or Global bank champion of digital financial services or treasury products)

____

8. In 2 years, what percent of the total volume of your Bank's transactions will be conducted over the internet, mobile phones or other electronic means? ________________

III. Operational Performance

9. How do you maintain growth in an era of intense market competition, heightened customer expectation and non-traditional market entrants? Kindly check all applicable answers.

______ Developing new capabilities for products/services
______ Cross-selling
______ Charging fees for innovative and valuable products (mobile banking, etc.)
______ Increasing fees on existing products
______ Expanding market reach, digitally or through new products/services

______
______ Expanding geographic market -

- ________ Other areas in the country
- ________ ASEAN and Oceania
- ________ North East Asia
- ________ South Asia and Middle East
- ________ Europe
- ________ Americas

______ Leveraging on close client relationships to grow products/services
______ Others. Please state ____

10. Do you use technology and operating models* to address the following?

	Yes	No
Margin pressure	________	________
Operational performance	________	________
Customer experience	________	________
Expansion of client base	________	________
Brand management	________	________
Compliance	________	________
Risk management	________	________
Internal controls	________	________
Business continuity	________	________
Others. Please list.		

* How the bank runs its operations (e.g., decentralizing operations or introducing more cost efficient processes and technologies) or delivers value to customers (e.g., moving low-value transactions to self-service channels such as ATMs and online and/or mobile banking).

11. How do you maintain profitability amid regulatory and market pressures? Kindly check all applicable answers.

______ Restructuring internal organization, including outsourcing non-core business activities
______ Pursuing organic growth
______ Pursuing merger and acquisition (M&A) strategies
______ Hiring/retaining key talents
______ Maintaining efficient operations
______ Leveraging on technology to cut costs
______ Others. Please state ____

IV. Impact of Supervision/Regulation to the Bank

12. Among the BSP regulations, what are five areas that present the most challenge in terms of compliance? Please select and describe the concern. Use additional sheet if necessary

______ Basel III capital requirements
______ Basel III liquidity requirements
______ Internal Capital Adequacy Assessment Process
______ Corporate governance requirements
______ Related party transaction requirements
______ DOSRI requirements and limits
______ Single Borrowers' Limit
______ Mandatory credits to agri-agra and MSME
______ Credit risk management
______ Operational risk management
______ IT risk management
______ Liquidity risk management
______ Other areas of risk management (e.g., stress testing, risk governance)
______ Anti-money laundering and combating the financing of terrorism requirements
______ Licensing requirements for electronic banking services and operations
______ Licensing requirements for trust and other fiduciary business activities/products
______ Licensing requirements for derivatives transactions
______ Licensing requirements for cross-selling
______ Foreign exchange transactions requirements and limits
______ Philippine Financial Reporting Standards 9
______

______

______ Reportorial requirements

______ Financial Consumer Protection Framework

______ Others. Please state ____

13. What area/s of regulation/supervision should the BSP strengthen to promote the sustained stability of the banking system?

____

____

V. Risk Assessment

14. What are the top 5 risks to the Bank's operations?

______ Global risks, e.g., global growth, sovereign risk/contagion, external funding, others

______ Macroeconomic risks, e.g., domestic growth, inflation, fiscal deficit, etc.

______ Global and/or domestic geopolitical risks

______ Possible downturn in the real estate market

______ Over-regulation

______ Technology risk

______ Financial market risks, specify:

________ Interest rate risk ________ Liquidity risk

________ FX risk ________ Hot money flows

______ Institutional risks, specify:

________ Asset quality/Credit risk ________ Market competition

________ Money laundering risk ________ Hiring/retention of talents

________ Regulatory / compliance risk ________ Cybersecurity threats

________ Reputational risk

______ General risks, i.e., terrorism, climate change

______ Others. Please state ____

15. Are you satisfied with the level and maturity of "risk culture", as well as the strength of risk governance standards in your Bank?

______ Highly dissatisfied ________ Not satisfied ________ Neutral

______ Satisfied ________ Highly satisfied

16. What are the top 3 strengths of the Bank's risk governance framework?

______ Board of director and senior management oversight

______ Fitness and propriety of directors and officers

______ Comprehensive risk management policies

______ Strong risk culture and values within the Bank

______ Highly effective control functions - risk management, compliance and internal audit

______ Highly effective models/system for risk management, risk data aggregation and risk reporting

______ Highly effective policies and procedures on whistleblowing

______ Appropriate risk appetite for the Bank's business, resources, and capital

______ Appropriate group structure that promotes checks and balances, as well as consistency of policies, practices and strategies

______ Transparency of internal procedures, i.e., hiring, performance evaluation, compensation and promotion of personnel, related party transactions, etc.

______ Others. Please describe. ____

17. Among the factors cited in item 16, kindly list 3 areas that the Bank would need to strengthen for the next 2 years?

a. ____

b. ____

c. ____

18. How do you strengthen the Bank against external headwinds?

______ Increase capitalization ________ Upgrade personnel capabilities

______ Keep a high level of liquid assets
______ Strengthen client relationships
______ Enhance risk management systems
______ Pursue M&A activities
______ Others. Please state ____

Forecast growth/level of selected indicators

A. Asset Growth

	Number of Banks						Percent Share					
	All	**UKBs**		**TBs**		**RCBs**	**All**	**UKBs**		**TBs**		**RCBs**
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	23	4	5	1	9	4	20.2%	21.1%	21.7%	7.1%	23.7%	20.0%
10 to 20 percent	54	11	8	10	14	11	46.5%	57.9%	34.8%	71.4%	36.8%	55.0%
>20 to 30 percent	16	2	4	2	6	2	14.0%	10.5%	17.4%	14.3%	15.8%	10.0%
>30 percent to 100 percent	11	1	3	1	4	2	9.6%	5.3%	13.0%	7.1%	10.5%	10.0%
greater than 100 percent	7	0	3	0	4	0	6.1%	0.0%	13.0%	0.0%	10.5%	0.0%
NR*	3	1	0	0	1	1	3.5%	5.3%	0.0%	0.0%	2.6%	5.0%
Total Number of Banks	114	19	23	14	38	20	100%	100%	100%	100%	100%	100%

*No Response/Zero

B. Growth in Loan Portfolio

	Number of Banks						Percent Share					
	All	**UKBs**		**TBs**		**RCBs**	**All**	**UKBs**		**TBs**		**RCBs**
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	17	5	3	2	5	2	14.9%	26.3%	13.0%	14.3%	13.2%	10.0%
10 to 20 percent	54	9	5	8	20	12	48.2%	47.4%	21.7%	57.1%	52.6%	60.0%
>20 to 30 percent	15	2	7	1	3	2	13.2%	10.5%	30.4%	7.1%	7.9%	10.0%
>30 percent to 100 percent	16	2	3	3	5	3	14.0%	10.5%	13.0%	21.4%	13.2%	15.0%
greater than 100 percent	8	0	4	0	4	0	6.1%	0.0%	17.4%	0.0%	10.5%	0.0%
NR*	4	1	1	0	1	1	3.5%	5.3%	4.3%	0.0%	2.6%	5.0%
Total Number of Banks	114	19	23	14	38	20	100%	100%	100%	100%	100%	100%

*No Response/Zero

C. Growth in Deposits

	Number of Banks						Percent Share					
	All	**UKBs**		**TBs**		**RCBs**	**All**	**UKBs**		**TBs**		**RCBs**
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	19	4	4	2	5	4	16.7%	21.1%	17.4%	14.3%	13.2%	20.0%
10 to 20 percent	53	9	8	9	17	11	46.5%	47.4%	34.8%	64.3%	44.7%	55.0%
>20 to 30 percent	19	3	5	1	7	2	16.7%	15.8%	21.7%	7.1%	18.4%	10.0%
>30 percent to 100 percent	15	2	4	2	5	2	13.2%	10.5%	17.4%	14.3%	13.2%	10.0%
greater than 100 percent	5	0	2	0	3	0	4.4%	0.0%	8.7%	0.0%	7.9%	0.0%
NR*	3	1	0	0	1	1	2.6%	5.3%	0.0%	0.0%	2.6%	5.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

D. Net Income Growth

	Number of Banks						Percent Share					
	All	**UKBs**		**TBs**		**RCBs**	**All**	**UKBs**		**TBs**		**RCBs**
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	20	3	5	2	8	3	17.5%	16%	22%	14%	21%	15.0%
10 to 20 percent	48	10	5	6	15	11	42.1%	53%	22%	43%	39%	55.0%
>20 to 30 percent	8	2	1	2	2	1	7.0%	11%	4%	14%	5%	5.0%
>30 percent to 100 percent	22	1	9	3	7	2	19.3%	5%	39%	21%	18%	10.0%
greater than 100 percent	11	1	3	1	4	2	9.6%	5%	13%	7%	11%	10.0%
NR*	5	2	0	0	2	1	4.4%	11%	0%	0%	5%	5.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

E. Net Interest Margin

	Number of Banks						Percent Share					
	All	**UKBs**		**TBs**		**RCBs**	**All**	**UKBs**		**TBs**		**RCBs**
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	64	15	14	10	19	6	56.1%	78.9%	60.9%	71.4%	50.0%	30.0%
10 to 20 percent	26	1	3	3	11	8	22.8%	5.3%	13.0%	21.4%	28.9%	40.0%
>20 to 30 percent	7	0	2	1	2	2	6.1%	0.0%	8.7%	7.1%	5.3%	10.0%
>30 percent to 100 percent	3	1	0	0	2	0	2.6%	5.3%	0.0%	0.0%	5.3%	0.0%
greater than 100 percent	3	0	2	0	1	0	2.6%	0.0%	8.7%	0.0%	2.6%	0.0%
NR*	11	2	2	0	3	4	9.6%	10.5%	8.7%	0.0%	7.9%	20.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

F. ROE

	Number of Banks						Percent Share					
	All	UKBs		TBs		RCBs	All	UKBs		TBs		RCBs
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	59	7	16	6	22	7	51.8%	36.8%	69.6%	42.9%	57.9%	35.0%
10 to 20 percent	40	10	5	7	11	8	35.1%	52.6%	21.7%	50.0%	28.9%	40.0%
>20 to 30 percent	4	0	1	1	1	1	3.5%	0.0%	4.3%	7.1%	2.6%	5.0%
>30 percent to 100 percent	3	0	0	0	1	2	2.6%	0.0%	0.0%	0.0%	2.6%	10.0%
greater than 100 percent	2	0	0	0	2	0	1.8%	0.0%	0.0%	0.0%	5.3%	0.0%
NR*	6	2	1	0	1	2	5.3%	10.5%	4.3%	0.0%	2.6%	10.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

G. NPL Ratio

	Number of Banks						Percent Share					
	All	UKBs		TBs		RCBs	All	UKBs		TBs		RCBs
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	71	16	5	8	28	15	62.3%	84.2%	21.7%	57.1%	73.7%	75.0%
10 to 20 percent	16	0	1	3	8	3	14.0%	0.0%	4.3%	21.4%	21.1%	15.0%
>20 to 30 percent	3	0	0	2	0	1	2.6%	0.0%	0.0%	14.3%	0.0%	5.0%
>30 percent to 100 percent	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
greater than 100 percent	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NR*	24	3	17	1	2	1	21.1%	15.8%	73.9%	7.1%	5.3%	5.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

H. CAR

	Number of Banks						Percent Share					
	All	UKBs		TBs		RCBs	All	UKBs		TBs		RCBs
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	5	1	2	0	2	0	4.4%	5.3%	8.7%	0.0%	5.3%	0.0%
10 to 20 percent	67	15	11	11	15	15	58.8%	78.9%	47.8%	78.6%	39.5%	75.0%
>20 to 30 percent	17	0	4	2	7	4	14.9%	0.0%	17.4%	14.3%	18.4%	20.0%
>30 percent to 100 percent	18	2	3	1	12	0	15.8%	10.5%	13.0%	7.1%	31.6%	0.0%
greater than 100 percent	1	0	0	0	1	0	0.9%	0.0%	0.0%	0.0%	2.6%	0.0%
NR*	6	1	3	0	1	1	5.3%	5.3%	13.0%	0.0%	2.6%	5.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

I. Leverage Ratio

	Number of Banks						Percent Share					
	All	UKBs		TBs		RCBs	All	UKBs		TBs		RCBs
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	45	12	9	9	10	5	39.5%	63.2%	39.1%	64.3%	26.3%	25.0%
10 to 20 percent	20	3	6	3	5	3	17.5%	15.8%	26.1%	21.4%	13.2%	15.0%
>20 to 30 percent	6	0	2	0	3	1	5.3%	0.0%	8.7%	0.0%	7.9%	5.0%
>30 percent to 100 percent	9	0	1	0	6	2	7.9%	0.0%	4.3%	0.0%	15.8%	10.0%
greater than 100 percent	8	0	0	1	4	3	7.0%	0.0%	0.0%	7.1%	10.5%	15.0%
NR*	26	4	5	1	10	6	22.8%	21.1%	21.7%	7.1%	26.3%	30.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

J. Liquidity Coverage Ratio

	Number of Banks						Percent Share					
	All	UKBs		TBs		RCBs	All	UKBs		TBs		RCBs
		Domestic	Foreign	Subsidiaries	Stand-Alone			Domestic	Foreign	Subsidiaries	Stand-Alone	
less than 10 percent	3	1	1	0	2	0	2.6%	5.3%	4.3%	0.0%	5.3%	0.0%
10 to 20 percent	7	0	1	0	4	2	6.1%	0.0%	4.3%	0.0%	10.5%	10.0%
>20 to 30 percent	16	0	0	0	8	7	14.0%	0.0%	0.0%	0.0%	21.1%	35.0%
>30 percent to 100 percent	33	4	2	7	13	8	28.9%	21.1%	8.7%	50.0%	34.2%	40.0%
greater than 100 percent	40	11	15	5	6	1	35.1%	57.9%	65.2%	35.7%	15.8%	5.0%
NR*	15	3	4	2	5	2	13.2%	15.8%	17.4%	14.3%	13.2%	10.0%
Total Number of Banks	114	19	23	14	38	20	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*No Response/Zero

List of Regulations that the BSP should strengthen

Domestic UKBs

1 A more directional role in terms of regulatory setting and operational set-up of FI which will enable faster alignment with global practice in the industry
2 Cyber resilience of the banking system; Cyber Security and AMLA (consistency in approach during examination)
3 Reserve requirement; Mandatory requirement
4 Cybersecurity and to allow use of internal models for risk management
5 Educate the public
6 Fintech and Non-bank disruptors of banking services
7 Governance; Governance on blockchain and token economy
8 Guidance and clarity- principle based regulations are ok but some could be improved by adding specific guidance
9 Islamic Banking Framework
10 IT Risk Management
11 Maintain an open line of communication between BSP and banks
12 Regulations covering operations FinTech Companies, Money Service Banks, and cryptocurrencies are needed as these are not covered by banking regulations.

Foreign U/KBs

1 Advancement in cybersecurity capabilities
2 Agri-agra and MSME requirements
3 Align with international best practice on the independence of the Trustee from the Fund Manager
4 Anti-money laundering and combating the financing of terrorism; Revisit AML requirements
5 Consider accepting electronic documents instead of requiring documents/certifications with wet signature
6 Constant refresh of relevant guidance/regulation vs evolving market – e.g. mandatory sectoral lending
7 Fintech/Cybersecurity; Monitoring Technology Risk; Anti-Fraud Regulations; IT risk management
8 For FBB, making reference to parent bank position and soundness in terms of monitoring with local prudential ratios i.e. SBL, CAR etc.
9 Further digitize regulatory processes
10 FX detailed resports or reportable transactions in line with the liberalization of FX transactions
11 FX regulations; FCDU regulations and relevance and linkages of ratios and ceiling requirements
12 Adopt a more liberal approach to the foreign exchange market and allow two way trading in the fixed income market to allow for true price discovery
13 Liquidity and capital adequacy management
14 Liquidity risk management
15 More regulations that prevent concentration of assets in a few players such as additional capital charge for D-SIBS to promote more competition outside of the top 5 banks
16 Operational Risk Management
17 Review the practicality of the split of banking books (RBU and FCDU) given market developments (e.g. FX liberalization, BASEL leverage ratio, etc.)
18 Review the prohibition of non-resident funds from placement in the ODF/TDF.
19 Risk-based monitoring system; less sanctions/penalties
20 Simplification of AML KYC requirements including the creation of a market KYC utility
21 Specific provisions for handling sanctions (eg. UN Security Council)
22 The BSP should continue monitor real estate exposures to avoid bubble with the increasing interest rates
23 The BSP should transition from a rule based to a risk-based approach in their audit.
24 Update the derivatives regulations.
25 Market-wide engagement to address market inefficiencies and therefore drive cost reduction

Subsidiary TBs

1 Review the prohibition of non-resident funds from placement in the ODF/TDF
2 Ability to adopt or respond to emerging technologies
3 Availability of shared credit information across BSP-supervised institutions
4 Constant refresh of relevant guidance/regulation vs evolving market – e.g. mandatory sectoral lending

5 Corporate Governance Standards
6 Deregulate agri agra law and MSME requirement
7 Financial institution supervision; policy supervision
8 Maintain strong monetary policy
9 Payments - limited regulation of non-FI's vs. FI's
10 Public confidence
11 Refinements to Sound Credit Risk System (C855 and C941) - requiring submission of ITR now that there are credit bureaus in place
12 Review the practicality of the split of banking books (RBU and FCDU) given market developments (e.g. FX liberalization, BASEL leverage ratio, etc.) since this may no longer be appropriate given developments in the local and global economy (e.g. smaller hot money flows into the local system, developed economies ending accommodative monetary policy, etc.)
13 Sound risk management; Compliance with AMLA;
14 Supervision of operational and technology risks, emerging digital landscape - financial innovation

Stand-alone TBs

1 AMLA requirements
2 BASEL III Capital requirements
3 BSP should supervise large financial lenders who operate under shadow banking
4 Capital Adequacy and Liquidity Risk Management
5 Credit risk management and operational risk management
6 Cybersecurity
7 Deposits and Credit Risk Management
8 DOSRI and related party transactions
9 Financial inclusion awareness to encourage all Filipinos to use services and products offered by banks
10 Good governance
11 Internal Capital Adequacy Assessment Process; corporate governance requirements
12 Regulations on liquidity
13 Regulatory compliance
14 Relaxation of imposition of penalty for non-compliance with the RA10000 (Agr-agra)
15 Reportorial requirements
16 Risk culture and values within the bank
17 Risk Management
18 Timely validation on the submitted reports

R/CBs

1 The BSP should toughen its stance against Private Lending Institution (PLIs) who flagrantly defy regulations governing lending processes.
2 Corporate Governance requirement
3 The BSP should consider the readiness of the Rural banking industry in terms of strategies and systems related to financial inclusion (e.g. NRPS)
4 IT Risk Management
5 Liquidity risk management and corporate governance
6 Financial inclusion
7 Liquidity risk management
8 Aside from financial consideration, integration of environmental and social consideration into the bank's core businesses and corporate governance
9 Have different levels of supervision according to the type of bank
10 Capital adequacy requirements and credit risk management
11 There should be proportionality when BSP gives regulations and examination especially when dealing with RBs

12 Credit Risk Management

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