

141 SUPERVISION BY RISK

The guidelines on supervision by risk to provide guidance on how many banks should identify, measure, monitor and control risks are shown in *Appendix 69*.

The guidelines set forth the expectations of the Bangko Sentral with respect to the management of risks and are intended to provide more consistency in how the risk-focused supervision function is applied to these risks. The Bangko Sentral will review the risks to ensure that a bank's internal risk management processes are integrated and comprehensive. All banks should follow the guidelines in their risk management efforts.

Applicability to branches of foreign banks. Branches of foreign banks shall comply with the governance policies, practices and systems of the head office as well as meet the applicable standards, principles and requirements set forth under Secs. 132 and 142, except the reportorial requirements under Sec. 132 (*Specific duties and responsibilities of the board of directors*) on group structures.

Reports of assessment of the risk management, compliance function and internal audit group of branches of foreign banks shall be made available to the Bangko Sentral, during on-site examination or any time upon request.

(Circular No. 969 dated 22 August 2017)