



Corporate Governance

*Rural Banks Association of the Philippines
69th Annual National Convention and
General Membership Meeting*

26-27 May 2022

Corporate governance reforms



**Fit and Proper
Requirements**



**Risk Governance
and
Risk Management**



**Control and Self-
Assessment**

Principle of Proportionality



Corporate Governance Pillar



**Fit and Proper
Requirements**

Individual and collective assessment

Balanced-mix of a pool of experts

**Training needs assessment at the
board level**

**Capability to make critical decisions
in times of crisis**

Principle of Proportionality



Corporate Governance Pillar



**Risk Governance
and
Risk Management**

Risk-focused assessment

**Same headline risks but different
triggers**

**Banking trends shaping risk
governance and risk management**

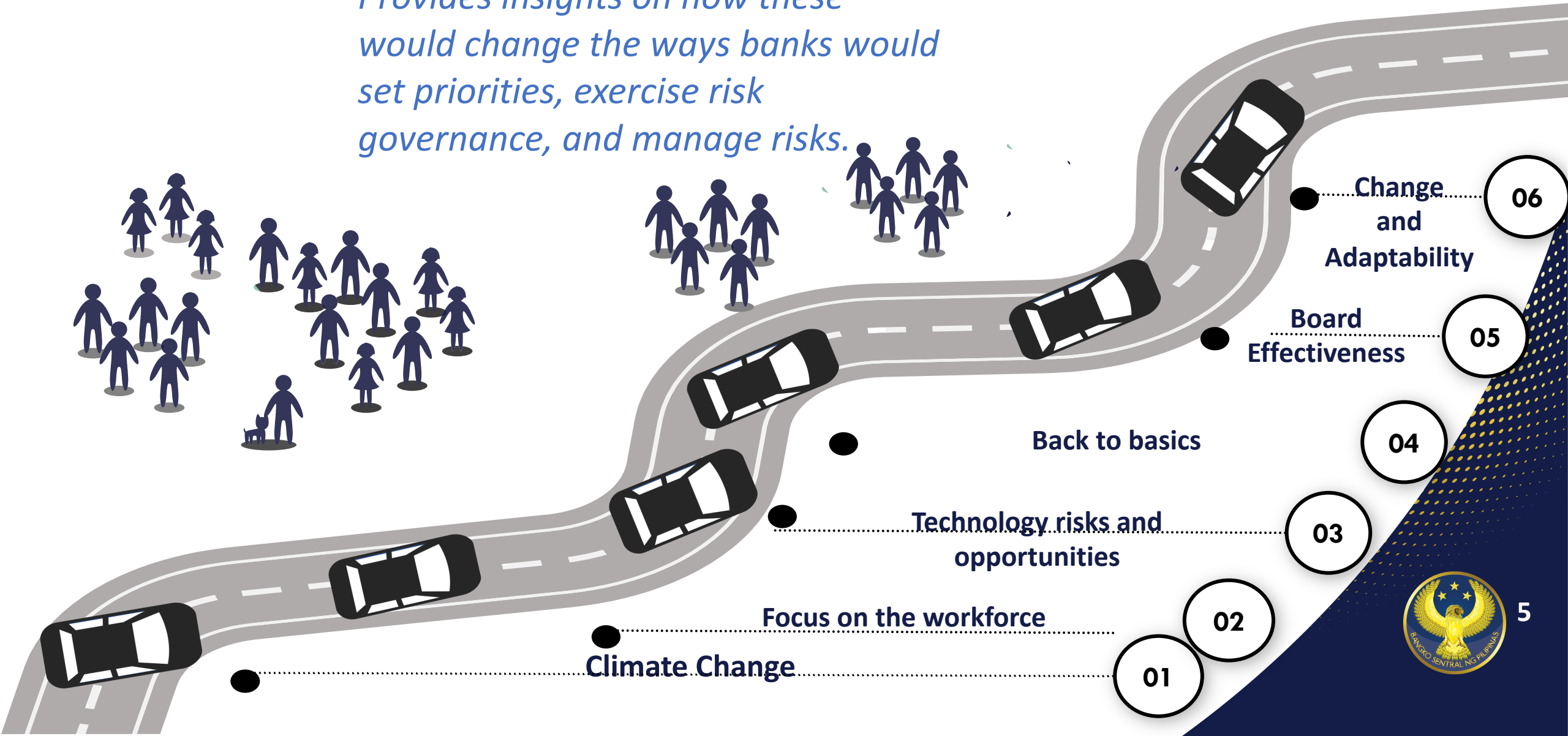
Principle of Proportionality



Banking Trends for 2022

(Deloitte)

Provides insights on how these would change the ways banks would set priorities, exercise risk governance, and manage risks.



Corporate Governance Pillar



**Control and Self-
Assessment**

Expectations from the self-assessment
functions

Control environment : Governance
systems and controls

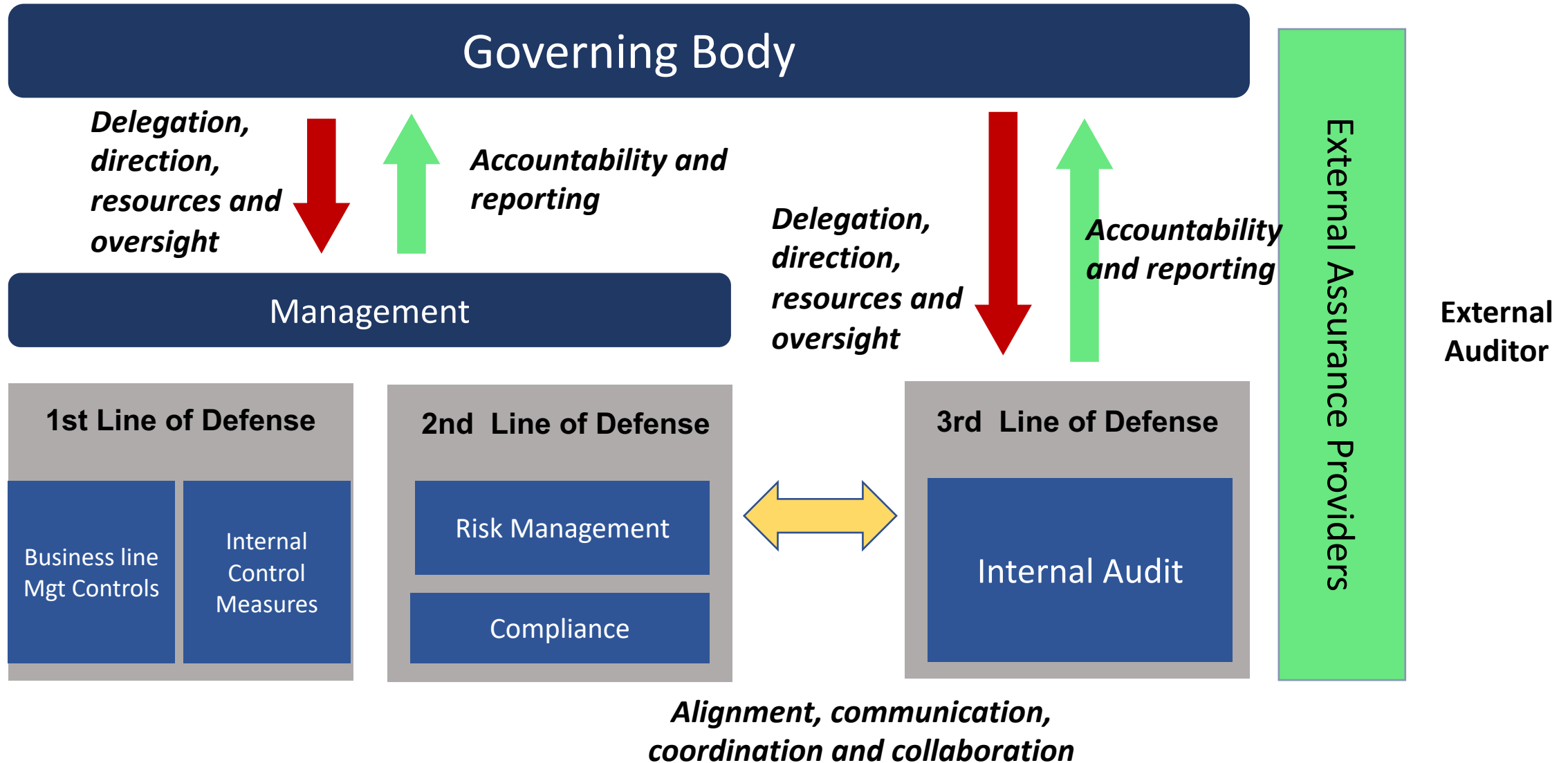
Three Lines of Defense
(Institute of Internal Auditors)

Principle of Proportionality



Three Lines of Defense

(Institute of Internal Auditors)



Key Takeaways

01

Fitness and propriety assessment should be done on the individual members of the board and on the board of the directors as a body.

02

Developments in the business environment does not necessarily introduce new risks but present new triggers that magnify the traditional headline risk exposures.

03

The board of directors, officers, and personnel of the bank have a shared accountability in promoting good corporate governance





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