

NEWS RELEASE

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FSF CONCLUDES SECOND FINANCIAL CONGLOMERATE SUPERVISORY COLLEGE

The Financial Sector Forum (FSF) successfully concluded its second inter-agency cross-sectoral Supervisory College as part of the initiatives to enhance supervisory cooperation and coordination among financial sector regulators, and promote sustained stability and soundness of the financial system.

The FSF Chairman and Bangko Sentral ng Pilipinas (BSP) Governor Felipe M. Medalla said that the Supervisory College plays a vital role in conducting a comprehensive analysis of scenarios that may affect the financial conglomerates taking into account their interconnectedness to the Philippine economy. Governor Medalla added that this exercise is part of a broader macro surveillance conducted regularly by the financial sector regulators.

Similar to the pilot run, the second Supervisory College was conducted in accordance with the Memorandum of Understanding signed by FSF member agencies on 25 January 2022. It was actively participated in by representatives of the BSP, the Securities and Exchange Commission (SEC), the Insurance Commission (IC) and the Philippine Deposit Insurance Corporation (PDIC).

With BSP and SEC as lead and co-lead supervisors, member agencies effectively collaborated to further strengthen financial conglomerate supervision. The supervisory authorities performed a holistic risk assessment of a conglomerate, identified supervisory concerns, and developed a coordinated supervisory plan to be implemented under respective Charters of the BSP, the SEC, the IC and the PDIC. Member agencies will continue its offsite supervision of the conglomerate after this initiative.

The results of the second supervisory college were presented to the FSF Principals during its meeting held on 09 March 2023.

The FSF decided to continue this initiative and a third Supervisory College is scheduled to commence in the second half of 2023.