

A. RISK IDENTIFICATION						B. RISK ASSESSMENT													
RISK REFERENCE	RISK	RISK DRIVER (Causes of Risk)	BASEL II RISK EVENT CATEGORIES			RISK ASSESSMENT OF INHERENT LOSS				ASSESSMENT OF CONTROL									
			LEVEL I	LEVEL II	LEVEL III	INHERENT LOSS (Absolute Amount in Peso)	BASIS OF COMPUTATION (e.g., actual loss, penalties/sanctions, cost of recovery, overtime pay/additional manhours, opportunity loss, etc.)	IMPACT		EXISTING CONTROLS	CONTROL ADEQUACY		HISTORICAL FREQUENCY		PROBABILITY (Control Score x Historical Frequency Score)		RISK SCORE (Impact Score x Probability Level)	RISK WEIGHT	POTENTIAL LOSS (Inherent Loss X Risk Weight)
								Level	Score		Description	Score	Frequency of Occurrence	Score	Score	Level			
	People Development and Performance	Inability to develop and enhance employees skills to carry out the assigned duties and responsibilities	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Other task misperformance					<ul style="list-style-type: none"> Constant coaching and close supervision of branch personnel Retool branch personnel thru attendance to seminars/ trainings Monitor personnel thru feedback and 									
	People Development and Performance	Lack of personnel knowledge/ training which could result to: - High incidence of fraud - Frequent occurrence of procedural lapses - Regulatory penalties	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Other task misperformance					<ul style="list-style-type: none"> Continuously send staff to trainings and re-tooling seminars such as AMLA, Branch and Accounting Operations, Bank Fraud and Forgery Detection, Familiarization of 3rd Currencies, among others Closely supervise, coach and counsel staff 									
	People Development and Performance	Delayed transfer of employee to other Units for career advancement due to lack of immediate replacement	Internal Fraud	Unauthorized Activity	Transaction type unauthorized (with monetary loss)					<ul style="list-style-type: none"> Tap reliever/s to perform function of transferring employees 									
	Client Relationship Management	Unmatched volume of transactions vis-à-vis staffing parameters	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Other task misperformance					<ul style="list-style-type: none"> Conduct work volume analysis vis-à-vis staffing parameters Perform regular review of staffing parameters 									
	Recruiting & Retention	Hiring of high risk/incompetent staff	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Delivery failure					<ul style="list-style-type: none"> Perform stringent screening of applicants 									
	Recruiting & Retention	Low employee morale / lack of motivation/ commitment - Work overload - Overstaying in the position ("untog" situation) of performing personnel - Delayed promotion due to insufficient training requirements (non-attendance/postponement due to lack of relievers)	Employment Practices and Workplace Safety	Employee Relations	Compensation benefit termination issues					<ul style="list-style-type: none"> Closely supervise, coach and counsel staff; give recognition to deserving staff Track training needs thru the HRIS/career pathing Conduct Work Volume Analysis; request additional manpower, if warranted Tap reliever/s to perform function of employees sent to trainings 									
	Recruiting & Retention	Health problems caused by work-related stress	Employment Practices and Workplace Safety	Safe Environment	Employee health & safety rules and events					<ul style="list-style-type: none"> Implement Wellness Program to promote health safety and enhance productivity 									
	Succession Planning	Prolonged acting capacity to the position	Employment Practices and Workplace Safety	Employee Relations	Compensation benefit termination issues					<ul style="list-style-type: none"> Update Succession Plans for all levels 									
	Succession Planning	Non-availability of competent person for the position	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Delivery failure					<ul style="list-style-type: none"> Send deserving staff to training programs 									
	Banking regulations	Assignment of contractual employees to sensitive positions	Clients Products and Business Practice	Suitability Disclosure and Fiduciary	Fiduciary breaches or guideline violations					<ul style="list-style-type: none"> Observe existing Policy on GBL positions/BSP Rules & Regulations 									
4. ACCOUNTING AND REPORTING																			
	Banking Regulations Fraud Accounting, Reporting and Disclosure	<ul style="list-style-type: none"> Deviations/nonconformity to bank regulations, policies and guidelines Erroneous/delayed or non-recording of transaction Submission of erroneous / delayed or non-submission of required reports 	Execution Delivery and Process Management	Monitoring and Reporting	Failed mandatory reporting obligation					<ul style="list-style-type: none"> Monitor / check proper accounting and reporting of credit transactions: <ul style="list-style-type: none"> > Legal enforceability > Compliance to standard credit reportorial systems and procedures, e.g., prescribed standard form / format, report deadline, signing and approving authority, required attachments, etc. > Regulatory controls, e.g. AMLA > Accuracy and completeness > Proper documentation and safekeeping of reports 									
5. INFORMATION SECURITY AND CONFIDENTIALITY																			

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	Banking Regulations	<ul style="list-style-type: none"> • Credit files not properly culled and disposed of • Delayed / non-transfer of documents to designated warehouse • Non-maintenance of logbook / transmittal report on transfer / disposal of documents • Non-maintenance of back-up files 	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Missed deadline or responsibility					<ul style="list-style-type: none"> • Conduct regular file maintenance / culling / retention per EO No. 20 s. of 2001 and Credit Manual and the following specific procedures: <ul style="list-style-type: none"> > Maintenance of tracking system to monitor incoming / outgoing documents > Documentation of duly authorized release / access to credit files / records > Documentation of duly authorized transfer / turn-over of files from one personnel to another > Maintenance of back-up files • Stamp documents with their proper classification per established guidelines on document classification 									

SUMMARY	
Total Inherent Loss	Php0.00
Total Potential Loss	Php0.00
Overall Risk Level for Process Risk	Very Low

Prepared by: _____
 Reviewed by: _____