

evolving banking regulations on capital adequacy standards, the perspective of the regulators performing the SRP off-site or on-site, the essential aspects of the BSP-and-Bank Dialogue regarding the ICAAP, as well as the highlights of the Philippine Banking Industry under the supervision of the BSP. The next module will cover the practical aspects of regulatory capital adequacy calculations derived from the financial projections for the bank's strategic planning horizon, which are used for the bank's ICAAP. This module will also discuss the Board's and Senior Management's effective challenge of the bank's ICAAP, the bank's embedding and integration of ICAAP into its decisions, key functions, processes, and the bank's system, the key components of the ICAAP Methodology, as well as the internal auditor's overall considerations for an engagement to conduct the

Independent Validation Audit (IVA) of ICAAP in banks. The third module would concentrate on the validation and evaluation of the management's strategic direction and the translation thereof into the financial projections for the bank's strategic planning horizon, and the underlying assumptions, the projected internal capital, the internal CAR, as well as the

bank's capital plan, dividend plan, capital recovery plan, or capital contingency plan. The fourth module would focus on validating and evaluating the bank's stress scenarios and stress tests for strategic risk exposure, legal risk exposure, and any ensuing capital charges. While the next would concentrate more on the validation of management's stress scenarios and stress tests for contingency risk exposure, compliance risk exposure, credit concentration risk exposure, reputational risk exposure, and any other material risks that had not been captured in the BSP-prescribed Risk-Based Capital Adequacy Framework, and any additional internal capital charge. And the last module would discuss the auditor's overall assessment of the bank's ICAAP and the ICAAP document that the institution submitted. It would include a discussion of the nature of the auditor's value-add, or "AVA," in the bank's ICAAP.

In May 2023, the first national assessment will be administered, and the first group of CIVA-ICAAP holders will be evaluated and identified. We invite you to join the Bankers Institute of the Philippines, Inc., in celebrating this momentous occasion. We hope you continue to support our other strategic certifications, which are set to launch in 2024. 

