

Banking supervision

Banking supervision seeks to reduce the potential risk of failure and ensures that unsafe and unsound banking practices do not go unchecked. Bank supervision is a supervisory function charged with the responsibility of ensuring the safety and soundness of the banking system as a whole.

Books and affairs of every licensed insured institution are examined as a means of meeting its supervisory mandate. This function is performed through the off-site surveillance and on-site examination of the books and affairs of the banks, which exceptions are reported and recommendations made on how the observed lapses can be corrected, and the implementation of such recommendations is monitored through scheduled post examination visits to the affected banks.

While on the other hand Regulation involves providing input into developing and interpreting legislation and regulations, issuing guidelines, and approving requests from regulated financial institutions. The three main types of supervision are Transaction Based, Consolidated and Risk Based Supervision.

Types of Bank Supervision

Bank supervision is a supervisory function charged with the responsibility of ensuring the safety and soundness of the banking system as a whole. Books and affairs of every licensed insured institution are examined as a means of meeting its supervisory mandate.

This function is performed through the off-site surveillance and on-site examination of the books and affairs of the banks, which exceptions are reported and recommendations made on how the observed lapses can be corrected, and the implementation of such recommendations is monitored through scheduled post examination visits to the affected banks.

While on the other hand Regulation involves providing input into developing and interpreting legislation and regulations, issuing guidelines, and approving requests from regulated financial institutions.