FSB FINANCIAL STABILITY BOARD

Sound Practices for Responsible Adoption of Artificial Intelligence (AI): Consultation report

Response to Consultation

Philippine National Bank New York Branch

1. **Do you agree with the benefits and risks of AI adoption by financial institutions described in this report? Are there any substantive benefits or risks not covered?**

   Yes. The report adequately covered the benefits and risk in the AI adoption.

2. **Are the sound practices sufficiently comprehensive and clear to enable financial institutions' responsible AI adoption?**

   Yes. The practices are comprehensive as it addressed concerns on governance and guardrails on the AI life cycle.

3. **Do the sound practices strike an appropriate balance between managing risks relating to all forms of AI, and addressing some of the risks relating to emerging and new complex forms of AI, such as GenAI and agentic AI?**

   Yes. The sound practices are applicable to all forms of AI.

4. **Are the sound practices sufficiently flexible to accommodate and address newer types of AI and responsible adoption over time?**

   Yes. The practices are flexible because they emphasize proportionality and adaptability as AI technologies evolve.

5. **Do the case studies in this report sufficiently highlight how different types of financial institutions can benefit from responsible AI adoption? Are there additional case studies for inclusion in the report? If so, please provide such case studies, particularly for nonbanks.**

   Yes. The case studies in the report are very practical applications that we may adopt.

6. **Do the case studies in this report provide actionable insights for financial institutions in their responsible AI adoption?**

   Yes. The case studies are very helpful on how AI will be applied with the governance, controls, and oversight in managing risks.

7. **Are the definitions in the glossary clear and aligned with industry sound practices, including recent developments in AI?**

   Yes.

8. **Are there any comments you would like to make on this report? Please fill in.**

   None.