

ESSENCE AND RULES OF EFFECTIVE RISK MANAGEMENT

Сущность и правила эффективного риск-менеджмента

Risks exist in any type of business, however, in the banking business, risks are initially "built-in" into active operations and are most diverse. That is why the banks are lined up today with predominantly successful ones (banking crises show that they are not absolutely successful). The most important point of such systems is that international criteria-standards have been developed and the concepts of building risk management systems have been fixed in national legislation.

The concept of risk management includes the concepts of risk and management (management). Risk is the probability of an unfavorable outcome for an enterprise, hence risk management is the management of such risks, and in more detail, a system for analyzing, assessing and managing risk, since with many types of risk, a system is needed that dampens risks in a kind of "semi-automatic" mode.

In addition, some publishers refer to risk management a part of enterprise management, that is, "management of financial relations that arise in the course of doing business".

So, risk management is considered both as one of the functions (preventive) and as part of the business.

Reasons for the need for strict financial control in banks:

- 85 % of banks work with borrowed capital, while this borrowed capital is the property of thousands and millions of depositors
- banks operate with large customer cash flows. Bank disruption causes a collapse in the activities of these clients and their clients.
- the high price of a mistake or abuse in a bank.
- Banking legislation is complex and multifaceted.
- within the framework of bank accounting, tens and hundreds of thousands of transactions are made daily

Banks all over the world are subject to strict state supervision, which is due to the fact that its bankruptcy (steady losses) or fraud (and there have been such cases) leads to public unrest, since even not the largest in Europe JSC "ASB Belarusbank" more than 1 million contributors, and since the 1970s. in the world there are risk standards called "Basel-1-2-3".

National regulators, guided by these standards, have developed the so-called. "concepts of safe functioning" for banks, which include a system of mandatory standards and a design for building a corporate risk management system. Banks, on the other hand, develop their own local acts and organizational structures for risk management.

Another reason that banks have built risk management systems is that they carry out many risky active operations subject to different types of risk.

The main risks of a commercial bank are credit risk, liquidity risk, operational risk, currency risk, fraud risk.

Although the basis of risks is credit — this is the risk of non-repayment of a loan, loan, deposit.

The risk management system in a bank includes many elements: intrabank control (preliminary, operational), audit (external, internal), program control using computer technology, risk controls independent of current management, regulatory framework (national and corporate).

For example, banks have risk departments that participate in credit committee meetings, disclosing the risks of a project presented by the credit department.

The main goal of the risk management system is to achieve the reliability of the bank. Its most important element, in addition to those listed above, is the exclusion of a conflict of interest. The bank has a risk department (for assessment) and a Risk Committee (for management).

Thus, the risk management system in banks is currently the most harmonious risk management system in medium and large companies.

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WORLD ECONOMY MODERN TRENDS

Современные тенденции развития мировой экономики

Modern world economy is developing quite rapidly due to the new technological inventions, globalization, as well as information inflow which conquered our world via the Internet. In the world economy one can distinguish subjects of economic activity and economic relations. The above mentioned includes: the state, individuals, multinational companies and corporations; national and international, state and commercial banks. The aim of our research is to analyze modern economic trends predetermining all types of economic activities.

In the 21st century it is believed that the main direction of the world economy development is connected with three main processes: globalization, post-industrialization and liberalization. Globalization is the process of uniting the world economy into a single