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ASPECTS OF BANKING RISK MANAGEMENT

Currently, there is still no single approach to the selection of criteria for the classification of banking risks, and therefore there are a large number of different approaches to the classification of banking risks. However, most scientists divide the risk into external and internal. The main types of banking risk are credit risk, liquidity risk, interest rate risk of the banking book, market risk, operational risk and compliance risk. Bank risk management researchers argue that credit risk is the most important for banking institutions, as income from credit operations is the main component of banks' profits.

Liquidity risk refers to the risk that commercial banks will not be able to obtain sufficient funds at a reasonable price in a timely manner to repay outstanding amounts, fulfill other payment obligations and meet other financial needs in the course of normal operations.

The integration of technologies such as artificial intelligence and big data analytics has greatly improved risk assessment and mitigation strategies.

Market volatility remains a significant risk, requiring banks to apply dynamic risk management techniques to adapt to changing economic conditions. Operational risks, including cyber threats and internal fraud, are becoming increasingly important and require comprehensive internal control and monitoring systems. Effective credit risk management remains a key element, especially when assessing borrowers' creditworthiness and managing non-performing loans. Invest in advanced risk monitoring tools to identify and respond to potential risks in real time.

Prioritize current compliance by regularly updating your risk management policy to meet new regulatory standards. Strengthening cybersecurity protocols to protect against data breaches and cyberattacks, including regular security audits and employee training.

It is important to pursue diversification strategies to reduce the risks associated with market volatility and economic consequences. Conduct regular stress tests to assess the bank's resilience to adverse economic scenarios and identify potential vulnerabilities.

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