INTERNATIONAL EXPERIENCE IN RISK MANAGEMENT IN THE BANKING SECTOR IN THE CONTEXT OF ECONOMIC REFORMS

J.L.Saidov
Scientific applicant TSUE

Integration processes in the banking system, the introduction of innovative technologies and the expansion of economic ties inevitably necessitate the improvement of previous and the creation of new ways of regulating banking risks. The events of the crisis in the global banking system developed the control function in central banks and gave a new impetus to the development of international banking standards and the prospects for their application in our country.

Control over the activities of commercial banks in different countries and regulation of banking risks can be carried out using various methods, among which we identify several main ones. For example, the Central Bank (Netherlands, Italy, Russia), a special supervisory authority separate from the National Bank (Canada, Switzerland), central banks together with government agencies (Germany, USA, Japan). At the same time, the verification process in the United States focuses on studying the financial condition of a commercial bank, while in the UK more emphasis is placed on documentary control. Close cooperation between regulatory authorities and audit companies is used to simplify the implementation of remote control.

On the basis of the law, UK audit companies can notify supervisory authorities of the insolvency of commercial banks, and in France and the Netherlands, this function is considered mandatory on the basis of the law.

The main purpose of the risk assessment system is to draw the attention of the supervisory authority to a bank with negative indicators. Each of the checked elements is assigned a certain number of points, on the basis of which the results of banking activities are summarized. Taking into account the

assessment received, the controller draws conclusions about the need to intervene in banking activities, in particular, about the need to prevent bankruptcy and protect the interests of creditors and depositors.

The supervisory authority conducts fewer inspections of banks with higher ratings. The main advantages of this system are a comprehensive assessment of banking activities based on reasonable judgments and ease of understanding. The risk assessment rating system, taking into account additional research, is based on a large scale of regulatory reporting.

For example, the French ORAP system uses information from the databases of the Bank of France and the Banking Commission, information collected by external auditors and commercial banks themselves, information on the results of inspections, as well as materials provided by other European countries under joint agreements.

The statistical model is a pre–recognized realization of risks, that is, the potential financial position of the bank. As part of such a risk assessment, information from supervisory authorities on banking activities is used, and then, using special calculations, commercial banks are divided into banks with a high and low probability of bankruptcy.

Unlike complex ones, rating systems and financial performance systems, when using statistical models, pay special attention to potential banking risks, which in the future may lead to negative trends in banking activities.

In addition, the use of statistical models includes the identification of causal relationships between the bank's indicators and their consequences

in the form of bankruptcy, financial stability or, conversely, instability using quantitative methods. It can be noted that statistical models do not take into account qualitative factors, for example, the assessment of the quality of management and the effectiveness of internal control.

In addition, due to financial irregularities, the risk of fraud and bankruptcy is not taken into account. At that time, the English RATE system, in addition to the factors of the CAMELS system, took into account business factors and a number of qualitative and immeasurable (including reputational, operational and legal) risks.

Early diagnosis models also include SCOR (Statistical CAMELS Off-site Rating), used in the United States, which uses official reporting data and allows a high degree of accuracy to assess the likelihood of a deterioration in the bank's position in the next 4-6 months.

It should be noted that statistical models can be combined with a risk assessment rating system, such as the SEER (System for Examination Ratings Evaluation) system, which uses rating indicators, as well as their components and reporting data.

The use of systems for group analysis and assessment of the bank's financial condition is associated with the analysis of certain coefficients calculated on the basis of certain indicators and information from the bank's financial statements. The analysis determines the comparative performance of groups of similar banks over the past period, and then the critical values of performance indicators are determined for them.

In contrast to the indicators of the previous year, cases of exceeding or approaching financial indicators to pre-established indicators are checked in order to identify commercial banks whose indicator values deviate from the group values.

Based on the results of the analysis, the supervisory authority determines the causes and level of deviations from the performance indicators of banks similar to those studied, and decides whether intervention is necessary.

However, it should be noted that the negative side of the system under consideration is that the indicators selected for analysis may not fully correspond to the overall financial condition of the bank. In addition, the analysis of financial indicators does not take into account the changes taking place at the moment, which may lead to a decrease in the effectiveness of the assessment, and the results of the analysis do not take into account the overall

deterioration of the situation. (the whole group or even the system)

A comprehensive banking risk assessment system is a tool for assessing all risks of a commercial bank or a bank holding company as a whole, taking into account its internal structure and specific features. The similarity of this rating system with the rating system is that, as in the rating system, points are assigned for each criterion, which, after summation, form an assessment of the state of a commercial bank.

The implementation of a comprehensive banking risk assessment system requires the most money and time compared to other assessment systems, but it is this system that provides the most reliable assessment of the financial activities of large and international banks, as well as banking groups.

To account for the existence of risk categories for the entire organization, you can use the English RATE system. The Dutch RAST system uses the method of dividing a bank or group of banks into divisions or functional characteristics. Each department is assigned a rating based on an assessment of all risks, internal structure and control systems for a number of reasons. The individual scores are then summarized to obtain the final score of the bank or group.

An integrated approach is used to assess quantitative and qualitative risk factors. In order to obtain objective information about the state of the bank, mutual cooperation of internal and external control bodies is necessary. The system is used for consolidated and unconsolidated assessment of banking groups and their constituent elements.

Banking verification requires more resources and time, but the system is convenient for evaluating large national and multinational banks and banking groups with diversified businesses, which is especially important in the context of developing geopolitical risks.

The Basel Committee was established in 1974 in order to unify and regulate banking risk management, develop common banking standards, and ensure the stability and sustainability of the banking system at the national and international levels. The first task of the committee was to develop recommendations for G10 central bank governors on banking regulation.

The international recommendations developed by the Banking Risk Management Committee in 1988 were offered to banks regardless of their country of origin, in addition, countries could adjust standards themselves taking into account their own characteristics, but their role is very important as the first international standard in regulating banking activities.

The next decade is characterized by a significant increase in banking risks. This is due to the internationalization of banking, the international provision of banking services, the development of derivative financial instruments, and the opening of new capital markets.

In general, a fairly favorable economic environment stimulated banks to seek profit, while banks increasingly ignored the rules of economic security, the volatility of liquidity risk increased, and the lack of transparency of banks negatively affected the stability of the system itself.

LITERATURES:

1. Воеводская П. О. Зарубежный опыт оценки банковских рисков// Экономические науки. 7 (140), 2016. C.93-96.
2. Норқобилов С., Дадабоева Х., Жўраев Ў. "Халқаро амалиётда банк назорати". ИҚТИСОД-МОЛИЯ .Тошкент-2007 йил 172 бет.
3. Muhammad Asadullah Bilal "Risk Management. A comparative study of regulations and practices in one conventional and one Islamic bank in Pakistan", 2019.;
4. Ignacio Cienfuegos Spikin "Risk Management theory: the integrated perspective and its application in the public sector", Estado, Gobierno, Gestión Pública, ISSN 0717-6759, Nº21 (2013) pp. 89 / 126.;
5. Terje Aven "Risk assessment and risk management: Review of recent advances on their foundation", European Journal of Operational Research, Volume 253, Issue 1, 16 August 2016, Pages 1-13.;