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GENERAL APPROACH TO THE CONCEPT AND PROCESS OF RISK MANAGEMENT IN BANKING

The study determined that the main task in the direction of establishing effective control and risk management is to ensure the implementation of the current objectives and business plans of the bank in order to achieve strategic objectives by applying appropriate policies, methods, measures of management and control over risks generated by the environment, the structure of assets and liabilities and business processes of the bank. The article shows the principles of the concept of risks in banking, and stresses the need for mandatory determination of the model, which the bank will use: centralized; decentralized; mixed.

The bank may use tactics to avoid the risk of abandoning certain financial transactions, new markets, new services and products and other actions involving risk. It is noted that during the crisis, the vast majority of bank transactions is determined primarily by needs of customers, without which the bank will not be able to exist. Therefore, in the course of risk management process bank has to use techniques to minimize them to the full, improve the known and find the new

approaches to solving problems of riskiness.

The author proves that to ensure the effectiveness of internal control and risk management, the bank must have an adequate organizational structure. At the present stage, the most effective organizational decision is creation of a system of specialized committees, acting with the consent of the bank and the relevant independent risk control units. In the crisis, bank in its activities should seek to improve the management concept that provides a robust process of identification, measurement, control and monitoring of all types of risk and should take into account the mutual influence of different risk categories, and solve the problem of conflict of purposes in enhancing efficiency, income and minimizing risks. Improving the process of risks management in banking is the major problem of domestic financial institutions, and the choice of the optimal method of risk management will improve the reliability, stability and competitiveness of the banking system, helping improve the overall economic situation.