

Yu. Rebryk

*Candidate of Economic Sciences,
Senior Lecturer at the Department of Finance and Credit,
Cherkasy Institute of Banking, University of Banking
of the National Bank of Ukraine*

MODERN PARADIGM OF BANK CRISIS MANAGEMENT IN CONDITIONS OF SYSTEMIC FINANCIAL CRISIS ESCALATION

The article deals with bank crisis management system, based on an integrated approach to managing of operational liquidity and counterbalancing liquidity potential of a bank.

Operating liquidity is the cash, which is generated due to fulfillment of customers' and counterparties' contractual obligations and used for repayment of bank's own obligations as a financial intermediary and as a business entity. Operating liquidity of a bank has contractual nature and is considered in the article as a primary object of liquidity management.

In turn, counterbalancing liquidity potential of a bank is the funds that are involved in order to cover the operating deficit of liquidity during the specified period of time. It was determined that, unlike operating liquidity, counterbalancing liquidity potential of a bank depends on the operating conditions and the necessity of funding. The counterbalance liquidity potential of a bank is formed by the expense of buffer liquidity mobilization, borrowed funds and resources of owners.

The structure of the crisis management organizational subsystem,

the roles of the main departments, relationships of coordination and subordination are examined. The basic principles of bank liquidity crisis management are defined, based on international experience of banking regulation, in particular the recommendations of the Basel Committee on Banking Supervision, the Institute of International Finance, Department of Islamic Financial Services. The necessity of forming a functional system as a set of procedures for crisis monitoring, crisis planning, crisis management and control is substantiated.

The response plan for the bank's liquidity crisis is proposed and its components are specified: organizational (including a list of subjects of crisis management, their roles and relationships of coordination and subordination), managerial (includes an action plan for management of assets, liabilities, information and optimization expenses), financial (includes calculation of the required funding and adequacy of bank's counterbalancing liquidity potential), informational (includes the reporting procedures).