



METADATA

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Abstract

The book examines the management of risks faced by financial institutions, as well as the supervisory role of regulatory authorities, while also analyzing the actions of financial institutions themselves when they self-regulate through their internal processes. In particular, the book is divided into five parts. The first part attempts an initial approach to the risks faced by financial institutions and the concept of banking supervision. The second part presents in detail how the quantification and measurement of risks is carried out by financial institutions. Among others, the following risks are considered: credit, market risk, liquidity risk, interest rate risk, operational risk, regulatory, IT risk, ESG criteria (environment, society and governance), concentration risk, counterparty risk, residual risk, strategic, reputational

risk, systemic, country risk – sovereign debt, geopolitical, off-balance sheet risk, risk of mathematical models etc. The third part analyzes the risk management instruments and tools through which credit institutions succeed in managing these risks (e.g. Board of Directors, Risk Management Department, Internal Control System, capital adequacy, asset-liability management, deposit guarantee systems, diversification of products and markets, sales of loans and securitizations, financial derivative products (futures, forwards, options, swaps, etc.). The fourth part presents the role and operations of banking supervision at European and national level (e.g. SSM, SRM, SREP, ICAAP, ILAAP, RAF, Recovery Plan). Finally, the fifth part analyzes the challenges and perspectives of risk management and supervision of financial institutions.

