

THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN

AZERBAIJAN STATE UNIVERSITY OF ECONOMICS

INTERNATIONAL GRADUATE AND DOCTORATE CENTER

MASTER DISSERTATION

ON THE TOPIC

**“USE OF STRATEGIC DECISIONS IN ANTI-CRISIS MANAGEMENT OF
THE FIRM — EVIDENCE FROM INTERNATIONAL BANK OF
AZERBAIJAN (IBAR)”**

Husan Pirmuradov Aydin

BAKI – 2021

**THE MINISTRY OF EDUCATION OF THE REPUBLIC OF
AZERBAIJAN**

AZERBAIJAN STATE UNIVERSITY OF ECONOMICS

INTERNATIONAL GRADUATE AND DOCTORATE CENTER

**Head of the International Center for
Graduated Education**
Assoc. Prof. Dr. Ahmedov Fariz Saleh
_____ signature
“ _____ ” _____ 20__

MASTER DISSERTATION

On the topic

**“USE OF STRATEGIC DECISIONS IN ANTI-CRISIS MANAGEMENT OF THE FIRM —
EVIDENCE FROM INTERNATIONAL BANK OF AZERBAIJAN (IBAR)”**

Code and name of Programme: 060403_Finance

Specialisation: Financial Management

Group: 654

Master’s Student:
Pirmuradov Husan Aydin oglu

_____ signature

Program Manager:
Ph.D in Econ. Valiyev Jabrayil Khalil oglu

_____ signature

Scientific Supervisor:
**PhD in Econ. Mammadov Anar Rauf
oglu**

_____ signature

Head of the Department:
**Dr. of Econ.Prof. Kalbiyev Yashar Atakishi
oglu**

_____ signature

BAKU – 2021

Elm andı

Mən, Hüsən Pirmuradov Aydın oğlu and içirəm ki, “Use of Strategic Decisions in Anti-Crisis Management of the Firm — Evidence from International Bank of Azerbaijan (IBAR)” mövzusunda magistr dissertasiyasını elmi əxlaq normalarına və istinad qaydalarına tam riayət etməklə və istifadə etdiyim bütün mənbələri ədəbiyyat siyahısında əks etdirməklə yazmışam.

FİRMANIN BÖHRANA QARŞI İDARƏETMƏSİNDƏ STRATEJİ QƏRARLARDAN İSTİFADƏ - AZƏRBAYCAN BEYNƏLXALQ BANKINDAN (IBAR) SÜBUTLARLA

XÜLASƏ

Tədqiqatın aktuallığı: Bu iş risklərin müəyyənedicilərini aşkar edir və risklərin idarə edilməsini araşdırır. Müasir dünyada iqtisadiyyatlar çox sürətlə böyüyür və yeni risklər meydana çıxır, bu səbəbdən risklərə qarşı mütəşəkkil olmaq çox vacibdir.

Tədqiqatın məqsədi: Məqalənin əsas məqsədi risklərin idarə edilməsi prosesini araşdırmaq və boşluqları aradan qaldırmaq və bütün mövzuda inkişafa səbəb olmaqdır.

İstifadə olunmuş tədqiqat metodları: Tədqiqat əsasən bu sahədəki məqalələrinin araşdırılması və tanınmış ədəbiyyatdan istifadə olunur. Bu məqalələrin əsas məqsədi risklərin idarə edilməsi prosesi və risklərin meyarlarını müəyyənləşdirilməsidir.

Tədqiqatın informasiya bazası: Tədqiqat risk proseslərini öyrənməyə çalışır. Bunu etmək üçün Azərbaycan Mərkəzi Bankının nəşrlərindən istifadə edir. Həm də burada Oxford Universiteti kimi universitet nəşrləri və risklər haqqında kitablar istifadə olunur.

Tədqiqatın məhdudiyətləri: Araşdırma əlçatan bütün məlumatları istifadə etsə də, qəti qiymətləndirməni müəyyənləşdirmək üçün əskik ola bilər. Tədqiqat məqsədləri üçün məlumatların təbiətini genişləndirən yalnız ikinci dərəcəli məlumatlardan istifadə edilmişdir .

Tədqiqatın elmi yeniliyi və praktiki nəticələri: Bu tədqiqat, kapitalla maraqlı göstərən xaricdəki maliyyə dəstəkçiləri tərəfindən ümumiyyətlə qiymətləndirilən komponentlərin əhəmiyyət səviyyəsinin fərqləndirilməsinə və qiymətləndirilməsinə aydın şəkildə diqqət yetirmək üçün bu sahədə öncül ola bilər .

Nəticələrin istifadə oluna biləcəyi sahələr: Tədqiqatın nəticələri risklərə və birliklərə və ya yeni risk açılışlarına can atan insanlara qarşı gücləndirmə yolu ilə pul inkişafına kömək etmək üçün qərar verilən qurumlar üçün əhəmiyyətli ola bilər.

Açar sözlər: Risk, İdarəetmə, Böhran, Banklar, Firmalar

USE OF STRATEGIC DECISIONS IN ANTI-CRISIS MANAGEMENT OF THE FIRM — EVIDENCE FROM INTERNATIONAL BANK OF AZERBAIJAN (IBAR)

SUMMARY

The actuality of the subject: This work unearths the determinants of risks and examines risk management. In modern world economies grow very fastly and it emerges new risks so it is very important to be well-organized against risks .

Purpose and tasks of the research: Main goal of the paper is to examine risk management process and figure out gaps and cause improvement for whole area.

Used research methods: Research mainly focus of scholar articles in object of area and also well-known literature is used in paper. Main focus is risk management process and determinations of risks.

The information base of the research: The paper try to find out risk processes . In order to do it, it uses Central Bank of Azerbaijan publications . Here is used books about risks and university publications such as Oxford University .

Restrictions of research: Albeit the paper is using accessible all information , it might for sure be deficient to frame definitive assessment. For research purposes just secondary data has been used which expands questions nature of information and it would be colossal benefit for future.

The novelty and practical results of investigation: This examination can be a pioneer in the field to explicitly focus on distinguishing and estimating level of significance of components generally esteemed by abroad financial backers keen on capital.

Scientific-practical significance of results: Results of the exploration can be significant for bodies resolved to help monetary advancement through associations or people keen on new risk openings.

Keywords: Risk, Management, Crisis, Banks, Firms

ABBREVIATIONS

| | |
|--------------|-------------------------------------------|
| IBAR | International Bank of Azerbaijan Republic |
| ETF | Exchanged Trade Fund |
| CFD | Contract for Difference |
| CAPM | Capital Asset Pricing Model |
| OTC | Over the Counter |
| RAROC | Risk Adjusted Rate of Return on Capital |
| VaR | Value at Risk |
| ARM | Acquisition Risk Management |
| US | United States |
| WB | World Bank |
| ALCO | Asset-Liability Committee |
| AC | Audit Committee |

TABLE OF CONTENTS

| | | |
|---------------------|----------------------------------------------------------------------------------|-----------|
| | INTRODUCTION | 8 |
| CHAPTER I. | THEORY AND METHODOLOGY OF ANTI-CRISIS MANAGEMENT..... | 10 |
| 1.1. | Understandings of Risks..... | 10 |
| 1.2. | Understanding anti-crisis management..... | 20 |
| 1.3 | Used methodology for using strategic decisions..... | 24 |
| 1.4 | Key factors of strategic management..... | 28 |
| CHAPTER II. | ANALYZING AND EVALUATING OF ANTI-CRISIS MANAGEMENT DECISIONS..... | 35 |
| 2.1. | How strategic decisions affect to firm's performance: evidence from IBAR..... | 35 |
| 2.2. | How Risk Management Works..... | 48 |
| CHAPTER III. | PERFORMANCE AND FACTORS OF DECISION MAKING OF ANTI-CRISIS MANAGEMENT..... | 54 |
| 3.1 | Performance in decision making of anti-crisis management | 54 |
| 3.2 | Factors of decision making of anti-crisis management | 57 |
| | CONCLUSION AND RECOMENDATIONS..... | 61 |
| | REFERENCES | 68 |
| | List of Graphs | 71 |

INTRODUCTION

Relevance of the research topic: In modern word risk can emerge from every side of buisness so it is very important that firms must be well-prapered against risks especially financial risks in firms, for instance banks. In order to do it this paper tries to indintify new ways . As we said that if topic can not be researched enough ,there can be big dangers and risks to main function of firms

Statement of the problem and learning level: In the relavent field strategic decisions used little and it is significant that learning it and appily new approaches to subject.

Purposes and objectives of the research: The main purpose is to examine available literature and find new approaches to risk management such as best ways in risk management for against dangers(risks) in the functioning of firms

Object and subject of the research: Main object of research is examination of risks which emerges against banks and other firms through their functions. Subject of reasearch is financial strategic decisions which used for against risks in the process of risk management .

Research methods: Paper examination method is to merge secondary data and use and analize it in order to conclude and find new approaches for future reseaches and other bodies who are in the field .

Research database: Research data came from mainly relavent websites and books and other publications such as Oxford university, International Bank of Azerbaijan Republic website, Central Bank publications and website and some economy newspapers

Research limitations: Reseach mainly used secondary data, but in future examinations reseachers can use quationaire and interviews for gathering data and information in order to examine data.

Scientific novelty of the research: in this paper new approaches was used to examine topic such as data of applied of new technology to maintain risk processes and new findings from merging of different side of the topic

Scientific and practical significance of the results: Findings of the exploration might be significant for bodies resolved to help monetary advancement through strenge against riks and associations or people keen on new risk bodies.

CHAPTER 1. THEORY AND METHODOLOGY OF ANTI-CRISIS MANAGEMENT.

1.1 Understandings of Risks.

The goal of entrepreneurship is to obtain maximum income with minimum capital expenditure in a competitive environment. The implementation of this goal requires the commensuration of the amount of capital invested (advanced) in production and trading activities with the financial results of this activity.

At the same time, when carrying out any type of economic activity, there is objectively a danger (risk) of losses, the volume of which is determined by the specifics of a particular business. Risk is the likelihood of losses, shortfalls in planned income and profits. Losses in business can be divided into material, labor, financial.

For a financial manager, risk is the likelihood of an unfavorable outcome. Different investment projects have different degrees of risk, the most profitable option for investing capital may be so risky that, as they say, "the game is not worth the candle."

Risk is an economic category. As an economic category, it represents an event that may or may not happen. In the event of such an event, three economic results are possible: negative (loss, damage,); null; positive (gain, benefit, profit).

The risk can be avoided, i.e., just avoid risk-taking. For an entrepreneur, however, avoiding risk often means giving up potential profits. It says: "He who does not take risks has nothing."

At present, financial risks have begun to play the most significant role in the overall "risk portfolio" of an enterprise.

The financial risk of an enterprise is the likelihood of dangerous financial consequences in the form of losses or capital in the event of uncertainty in the conditions for carrying out its financial activities.

Financial understanding is a risk that arises in the implementation of financial entrepreneurship or financial transactions, based on the fact that in financial entrepreneurship the role of goods is played either by securities or cash or currencies. Currency risk is the likelihood of financial losses as a result of changes in the exchange rate that may occur between the conclusion of the contract and the actual settlement of it (Kallianiotis, J.N. 2013). The exchange rate, set on the basis of the purchasing power of currencies, is highly volatile. Among the main factors influencing the exchange rate, one can single out the state of the balance of payments, the level of inflation, and the cross-sectoral migration of short-term capital. In general, the movement of exchange rates is influenced by the ratio of supply and demand of each currency.

The economic risk for an entrepreneurial firm is. that the value of its assets and liabilities may change up or down (in national currency) due to future changes in the exchange rate (Kallianiotis, J.N,2013). This also applies to investors whose foreign investments - stocks or debt securities - generate income in foreign currency.

Transfer risk is an accounting nature and relates to differences in the accounting for a firm's assets and liabilities in foreign currencies. when a Azerbaijanian company prepares accounting financial statements in accordance with international standards IFRS. In the event that there is a fall in the foreign exchange rate, the value of the organization's assets decreases.

Transaction risk is the likelihood of foreign exchange losses in cash on specific transactions in foreign currencies. The risk of transactions arises from the uncertainty of the value in the national currency of a foreign exchange transaction in the future. This type of risk exists both when concluding trade contracts and

when obtaining or providing loans and consists in the possibility of changes in the number of receipts or payments when converted in national currency.

Credit risk is one of the most important types of risks for an entrepreneurial firm in a market economy. Credit risk is associated with the possibility of non-fulfillment by an entrepreneurial firm of its financial obligations to the investor as a result of using an external loan to finance the activities of the firm. Consequently, credit risk arises in the process of business communication between an enterprise and its creditors:

- bank and other financial institutions;
- counterparties - suppliers and intermediaries;
- shareholders.

Investment risk is associated with the specifics of investing the company's funds in various investment projects. Risk is commonly portrayed similar to a component of the consolidated impacts of perils, the resources or individuals presented to risk and the weakness of those uncovered components. Risk is at last the consequence of choices that we make. We settle on choices about the risks to which we are happy to uncover ourselves, we settle on choices about where to fabricate schools, industrial facilities, dams and dykes and the amount to put resources into sickness reconnaissance and we settle on choices about how our social orders sort out and care for weak individuals and resources.

Most existing ways to deal with understanding risk depend on the biggest and most verifiably manageable dangers for people, instead of on the full geology of risks. Most models draw on authentic information and perceptions, expecting that the past is a sensible manual for the present and what's to come. The sheer number of individuals on earth, the changing atmosphere and the dynamic connectedness of necessitates that we return to presumptions about the connection among past and future danger. Since the planet is an organization of interconnected frameworks, risk is perplexing.

Adapting to chance circumstances can be perplexing and complex. Government, also industry have committed significant assets to creating and applying methods of risk investigation and risk portrayal to improve educated and more dependable choices about dangers to human wellbeing, government assistance, and the environment, yet these techniques frequently neglect to meet assumptions that they can improve dynamic. One explanation lies in deficiencies in the methods accessible for breaking down risks. A second is the major and proceeding with vulnerability in data about chances. Another, less well appreciated, justification the disappointment lies in an essential confusion of risk portrayal.

While most associations comprehend the meaning of hazard and consistence data a couple are truly prepared to utilize the data. The best obstacle they face is data arranging. Any item application or game plan that analyzes data, needs the data to be standardized and suitably planned. Most associations use comprehensively valuable programming like Microsoft Rule to keep hazard and consistence data, which can make a couple of issues for data assessment.

Risk portrayal is frequently imagined as a synopsis or interpretation the aftereffects of specialized examination for the utilization of a leader (James, E. H., Wooten, L. P.,2007). Found in this light, a risk portrayal may fall flat for two reasons: it might depict the logical and specialized data such that prompts an imprudent choice, or it might give logical and specialized data in a manner that isn't valuable for the leader. Albeit such disappointments do happen, a regularly neglected threat to risk dynamic is a major confusion about how risk portrayal ought to identify with the general interaction of appreciating and managing risk.

The perspective on risk portrayal as an interpretation or rundown is genuinely inadequate. What is required for fruitful portrayal of risk should be considered at the earliest reference point of the way toward creating choice pertinent understanding. Risk portrayal ought not be a movement added toward the

end of risk investigation; rather, its requirements ought to generally decide the extension and nature of risk examination.

The point of risk portrayal, and in this way of the scientific deliberative measure on which it is based, is to depict a conceivably dangerous circumstance in as precise, intensive, and choice applicable a way as could be expected, tending to the huge worries of the intrigued and influenced parties, and to make this data justifiable and available to public authorities and to the gatherings.

Despite the fact that risk portrayals are regularly finished for the advantage just of an association's chief, it is imperative to perceive that different other parties use them when they practice their privileges to take an interest in the choice, either previously or after the association acts. These intrigued and influenced parties incorporate administrators, judges, industry gatherings, earthy people, residents' gatherings, furthermore, an assortment of others. Acknowledgment of risk choices by the wide range of the intrigued and influenced parties is generally basic to their execution. Risk portrayal cycles and items ought to give all the choice members with the data they need to settle on educated decisions, in the structure in which they need it. A danger portrayal that neglects to address their questions is probably going to be reprimanded as immaterial or awkward, paying little mind to how cautiously it tends to the inquiries it chooses for consideration.

The proper degree of exertion for a danger portrayal is circumstance explicit. Judgment is basic in deciding the sum, substance, and timing of exertion that are proper for supporting a specific danger portrayal. Two things are basic: cautious finding of the choice circumstance to show up at fundamental decisions and receptiveness to rethinking those decisions as the measure moves along (Cumming and Beverly, 2001). The strategies that oversee risk portrayal ought to leave sufficient adaptability to be extended or rearranged to suit the requirements of the choice. Furthermore, openings, and as such it is fundamental for acceptable danger portrayal. Applicable investigation, in quantitative or subjective structure,

reinforces the information base for consultations: without great examination, deliberative cycles can show up at arrangements that are impulsive or not possible. The central difficulties are to continue by and by scientific rules that are generally acknowledged and to perceive the impediments of examination

Risk is characterized in monetary terms as the opportunity that a result or venture's real acquires will contrast from a normal result or return. Risk incorporates the chance of losing a few or the entirety of a unique speculation.

Quantifiably, risk is normally evaluated by thinking about verifiable practices and results. In money, standard deviation is a typical measurement related with risk. Standard deviation gives a proportion of the unpredictability of resource costs in contrast with their verifiable midpoints in a given time period.

Generally speaking, it is conceivable and reasonable to oversee contributing dangers by understanding the rudiments of risk and how it is estimated. Learning the dangers that can apply to various situations and a portion of the approaches to oversee them comprehensively will help a wide range of financial backers and business directors to stay away from pointless and expensive misfortunes.

Everybody is presented to some sort of risk each day – regardless of whether it's from driving, strolling down the road, contributing, capital arranging, or something different. A financial backer's character, way of life, and age are a portion of the top elements to consider for singular venture the board and risk purposes. Every financial backer has a remarkable danger profile that decides their readiness and capacity to withstand risk. By and large, as speculation chances rise, financial backers anticipate that higher returns should make up for taking those risks.

A principal thought in account is the connection among risk and return. The more noteworthy the measure of risk a financial backer will take, the more prominent the likely return. Dangers can come differently and financial backers should be made up

for facing extra challenge. For instance, a U.S. Depository security is viewed as probably the most secure venture and when contrasted with a corporate security, gives a lower pace of return. A partnership is considerably more liable to fail than the U.S. government. Since the default risk of putting resources into a corporate security is higher, financial backers are offered a higher pace of return.

Quantifiably, risk is normally surveyed by thinking about verifiable practices and results. In account, standard deviation is a typical measurement related with risk. Standard deviation gives a proportion of the instability of a worth in contrast with its authentic normal. An exclusive expectation deviation demonstrates a ton of significant worth unpredictability and along these lines a serious level of risk.

People, monetary guides, and organizations would all be able to create risk the executives methodologies to help oversee chances related with their speculations and business exercises. Scholastically, there are a few hypotheses, measurements, and techniques that have been distinguished to gauge, break down, and oversee risks. A portion of these include: standard deviation, beta, and the Capital Asset Pricing Model (CAPM). Estimating and evaluating risk regularly permits financial backers, dealers, and business administrators to fence a few dangers away by utilizing different procedures including broadening and subordinate positions.

While the facts demonstrate that no speculation is completely liberated from every single imaginable risk, certain protections have so minimal useful danger that they are viewed as risk free or riskless.

Riskless protections regularly structure a benchmark for examining and estimating risk. These sorts of speculations offer a normal pace of get back with next to no or no danger. Frequently, a wide range of financial backers will seek these protections for safeguarding crisis investment funds or for holding resources that should be quickly open.

Instances of riskless speculations and protections incorporate authentications of stores, government currency market records, and U.S. Depository bills. The 30-day U.S. Depository bill is by and large seen as the pattern, risk free security for monetary demonstrating. It is sponsored by the full confidence and credit of the U.S. government, and, given its generally short development date, has negligible loan cost exposure.

Time skyline and liquidity of speculations is regularly a key factor impacting risk appraisal and risk the board. In the event that a financial backer requirements assets to be quickly open, they are more averse to put resources into high danger speculations or ventures that can't be promptly exchanged and bound to put their cash in riskless protections.

Time skylines will likewise be a significant factor for singular venture portfolios. More youthful financial backers with longer time skylines to retirement might put resources into higher danger ventures with higher likely returns. More seasoned financial backers would have an alternate danger resilience since they will require assets to be all the more promptly available.

Morningstar is one of the chief target offices that appends risk appraisals to shared assets and ETF. A financial backer can coordinate with a portfolio's danger profile with their own hunger for risk.

Each saving and venture activity implies various dangers and returns. When all is said in done, monetary hypothesis characterizes speculation chances influencing resource esteems into two classifications: deliberate danger and unsystematic danger. Comprehensively talking, financial backers are presented to both deliberate and unsystematic dangers.

Orderly dangers, otherwise called market chances, are risks that can influence a whole financial market in general or an enormous level of the absolute market. Market risk is the danger of losing speculations because of variables, like political danger and

macroeconomic danger, that influence the presentation of the general market. Market risk can't be handily moderated through portfolio expansion. Other basic sorts of orderly danger can incorporate loan cost risk, swelling risk, money risk, liquidity risk, country risk, and sociopolitical risk.

Unsystematic danger, otherwise called explicit danger or quirky danger, is a class of risk that solitary influences an industry or a specific organization. Unsystematic danger is the danger of losing a venture because of organization or industry-explicit risk. Models remember a change for the executives, an item review, an administrative change that could drive down organization deals, and another rival in the commercial center with the possibility to remove piece of the overall industry from an organization. Financial backers frequently use expansion to oversee unsystematic danger by putting resources into an assortment of resources.

Notwithstanding the wide efficient and unsystematic dangers, there are a few explicit kinds of risk, including:

Business risk alludes to the essential practicality of a business—whether or not an organization will actually want to make adequate deals and produce adequate incomes to cover its operational costs and make money. While monetary danger is worried about the expenses of financing, business risk is worried about the wide range of various costs a business should cover to stay operational and working. These costs incorporate compensations, creation costs, office lease, office, and authoritative costs. The level of an organization's business risk is affected by components like the expense of merchandise, net revenues, rivalry, and the general degree of interest for the items or administrations that it sells.

Credit risk is the danger that a borrower will be not able to pay the legally binding interest or head on its obligation commitments. This kind of risk is especially unsettling to financial backers who hold bonds in their portfolios. Government bonds, particularly

those given by the government, have minimal measure of default risk and, thusly, the least returns. Corporate securities, then again, will in general have the most noteworthy measure of default risk, yet in addition higher loan fees. Securities with a lower possibility of default are viewed as speculation grade, while securities with higher possibilities are viewed as high return or garbage bonds. Financial backers can utilize bond rating offices—like Norm and Poor's, Fitch and Moody's—to figure out which bonds are speculation evaluation and which are junk.

Nation risk alludes to the danger that a nation will not have the option to respect its monetary responsibilities. At the point when a nation defaults on its commitments, it can hurt the exhibition of any remaining monetary instruments around there – just as different nations it has relations with. Nation risk applies to stocks, securities, shared assets, alternatives, and prospects that are given inside a specific country. This sort of risk is frequently seen in developing business sectors or nations that have an extreme shortage.

When putting resources into far off nations, it's critical to consider the way that money trade rates can change the cost of the resource also. Unfamiliar trade risk (or conversion standard danger) applies to all monetary instruments that are in a money other than your homegrown cash. For instance, on the off chance that you live in the U.S. also, put resources into a Canadian stock in Canadian dollars, regardless of whether the offer worth appreciates, you may lose cash if the Canadian dollar devalues comparable to the U.S. dollar.

Loan cost risk is the danger that a speculation's worth will change because of an adjustment of irrefutably the degree of financing costs, the spread between two rates, looking like the yield bend, or in some other loan fee relationship. This sort of risk influences the worth of bonds more straightforwardly than stocks and is a huge danger to all bondholders. As loan fees rise, security costs in the auxiliary market fall—and the other way around.

Political danger is the danger a speculation's profits could endure in view of political shakiness or changes in a country. This sort of risk can come from an adjustment of government, administrative bodies, other international strategy producers, or military control. Otherwise called international danger, the danger turns out to be to a greater degree a factor as a speculation's time skyline gets longer.

Counterparty risk is the probability or likelihood that one of those associated with an exchange may default on its authoritative commitment. Counterparty risk can exist in credit, speculation, and exchanging exchanges, particularly for those happening in OTC markets. Monetary speculation items like stocks, alternatives, bonds, and subsidiaries convey counterparty risk.

Liquidity risk is related with a financial backer's capacity to execute their speculation for cash. Commonly, financial backers will require some premium for illiquid resources which remunerates them for holding protections after some time that can't be effectively sold.

However, riskless securities consistently structure a benchmark for inspecting and assessing hazard. Such hypotheses offer a typical speed of get back with close to no or no threat. Much of the time, a wide scope of monetary supporters will look for these insurances for shielding emergency venture reserves or for holding assets that ought to be immediately open.

1.2 Understanding anti-crisis management.

Anti-crisis management is the management of an enterprise aimed at overcoming or preventing a crisis state, manifested in insolvency, bankruptcy, unprofitability. It also implies forecasting crisis situations and developing strategies for their containment and

anticipation, and in the context of the crisis itself - neutralizing or minimizing its consequences.

Risk the board includes the recognizable proof, investigation, and reaction to chance factors that structure part of the life of a business. Viable risk the board implies endeavoring to control, however much as could be expected, future results by acting proactively as opposed to responsively. Hence, viable risk the executives offers the possibility to lessen both the chance of a risk happening and its expected effect. Risk the executives' structures are customized to accomplish something other than call attention to existing dangers. A decent danger the board structure ought to likewise ascertain the vulnerabilities and anticipate their effect on a business. Thusly, the outcome is a decision between tolerating risks or dismissing them. Acknowledgment or dismissal of dangers is reliant on the resilience levels that a business has just characterized for itself.

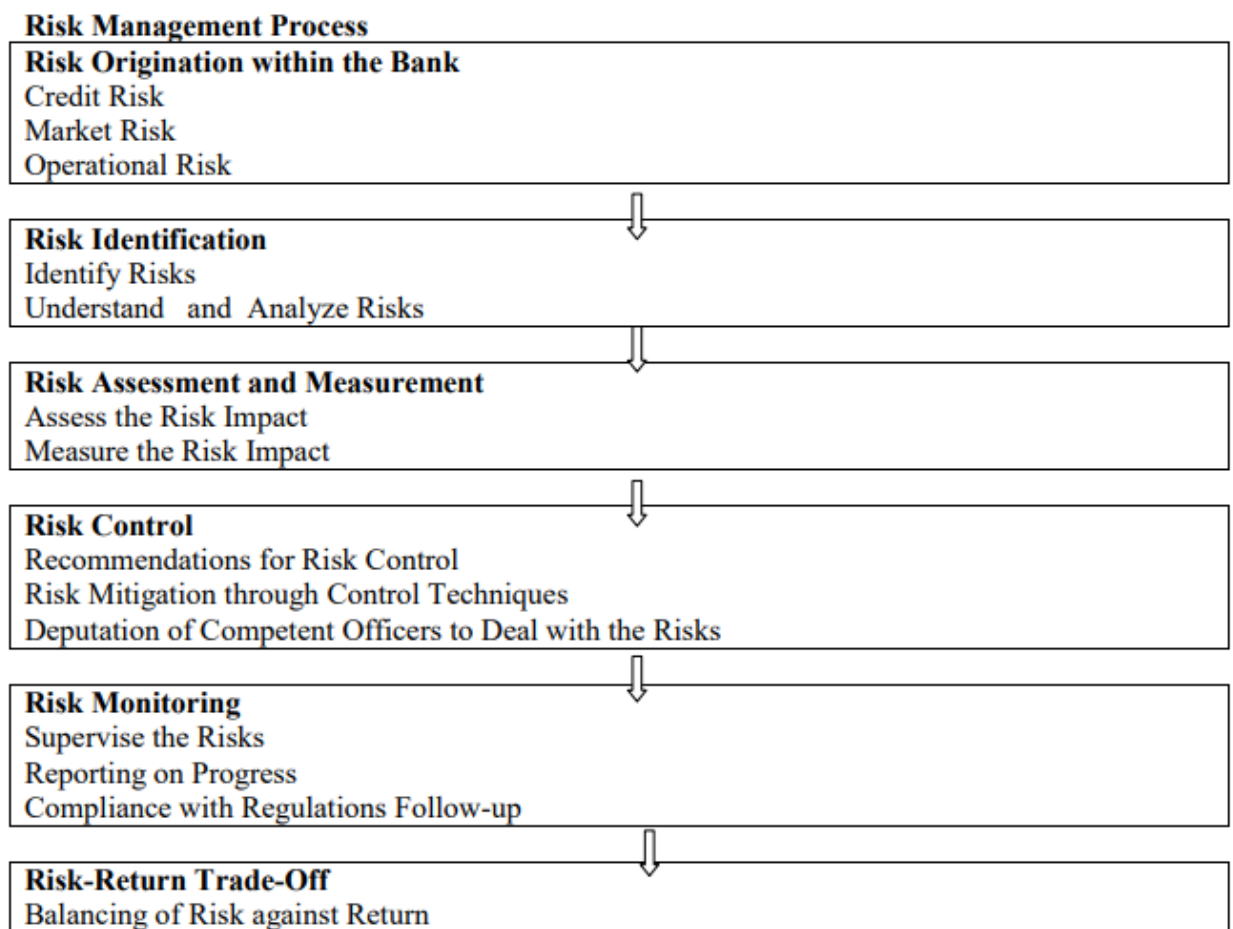
They incorporate arranging, association, cost control, and planning. In such a case, the business won't as a rule experience numerous amazement, in light of the fact that the emphasis is on proactive danger the board.

Risk Management is the utilization of proactive methodology to design, lead, put together, and control the wide assortment of dangers that are raced into the texture of an organization's day by day and long haul working. Like it or not, risk has a say in the accomplishment of our objectives and in the general accomplishment of an association. Present paper is to make an endeavor to recognize the dangers looked by the financial business and the interaction of risk the executives. This paper additionally analyzed the various procedures received by banking industry for risk the board. To accomplish the destinations of the examination information has been gathered from auxiliary sources i.e., from Books, diaries and on the web distributions, distinguished different dangers looked by the banks, built up the interaction of risk the executives and investigated diverse danger the board strategies. Lastly it very well may be finished up that the banks

should face challenge all the more deliberately, expects unfriendly changes and supports in like manner, it turns into a wellspring of upper hand, and proficient administration of the banking industry.

A danger portrayal is important for an interaction that starts with the plan of an issue—the probability of a mischief—and closures with a choice. A danger portrayal can't compensate for insufficiencies in different pieces of the cycle; conversely, if different pieces of the cycle are progressed nicely, all things considered, the danger portrayal will be both clear and valuable. A portion of the logical challenges influencing risk portrayal are well referred to, like the trouble of deciding a fitting numerical model for extrapolating from creature toxicological information to survey the wellbeing outcomes of human openings and of contrasting best gauges of various risks when their vulnerability appropriations contrast fit as a fiddle or in fluctuation (National Research Council, 1994). In this section we center on different troubles, frequently neglected in the broad writing on risk investigation, that are similarly significant for comprehension and adapting to risk. A large number of these troubles result from decisions made at each progression of the measure that can sabotage the nature of risk portrayal and, on the off chance that they are unsuitable to a portion of the intrigued and influenced parties, become lightning poles for struggle. Such challenges will in general emerge when the information and points of view of these gatherings were not satisfactorily consolidated into the interaction that prompted the decisions. A large number of the troubles can be forestalled or diminished in the event that the interaction is perceived from the begin to require both investigation and pondering and in the event that it is coordinated to guarantee that the decisions are educated by proper considerations. For some interested and affected parties in risk decisions, managing environmental risks have become a question of fairness, moral responsibility, and distributional equity (Van de Poel I., Fahlquist J.N. 2012).

To defeat the danger and to make banking capacity well, there is a need to deal with a wide range of risks related with the banking. Risk the executives gets one of the primary elements of any banking administrations risk the executives comprises of distinguishing the danger and controlling them, implies keeping the danger at adequate level. These levels contrast from one establishment to another and country to country. The fundamental target of risk the executives is to partners; esteem by amplifying the benefit and streamlining the capital assets for guaranteeing long haul dissolvability of the banking association.



Source: International Journal of Marketing, Financial Services & Management Research ISSN 2277- 3622 ,Vol.2, No. 2, February (2013)

It is "an interaction, which expects the peril of emergency, completes an investigation of its manifestations, measures restricting the unfortunate results of the

emergency and utilizations its components to proceed with the advancement cycle" (Cumming and Beverly, 2001). Against emergency the board is an interaction comprising of four progressive stages: emergency counteraction, emergency readiness, emergency reaction from the business, furthermore, reproduction (and assessment of the applied enemy of emergency measures).

Emergency anticipation alludes to measures applied to forestall an emergency. A supervisor should peruse the signs that caution against the chance of an arising emergency what's more, make moves to alleviate its first indications. The following stage during the time spent hostile to emergency the executives is groundwork for the emergency. This action is showed in the readiness of against emergency plans, examples of hostile to emergency measures, and the finding of hostile to emergency measures. The subsequent stage in enemy of emergency the board is to execute hostile to emergency activities. At this stage, it is essential to organize and control the applied measures taken in anticipation of the emergency. The last action is to survey the association's response to the emergency. At this stage, the association surveys the applied measures, verify es them, makes determinations, gains from its errors, and gathers procured information. The introduced measures structure a cycle that permits compelling administration in case of the emergency and gives learning openings and planning methodologies to associations for the following emergency (Cumming and Beverly, 2001).

1.3 Used methodology for using strategic decisions.

If the company is already on the verge of "life and death", it needs urgent resuscitation. Here, the only way is to attract anti-crisis management methods, including reducing the number of personnel, reducing costs, using to achieve long-term efficiency, reducing the range, reducing the use of cash flow. In this case, we are not talking about business development, the main thing is to survive, get a profitability of

about zero or slightly higher, start earning working capital not through the sale of property or illiquid assets, but through the main activity.

The survivors need some therapy. As the structure of the market changes, it is necessary to focus on stable or growing segments and, possibly, reorganize the work to serve new segments for the enterprise. In addition, there is a greater likelihood of a shift in demand to lower price segments, with customers demanding a familiar level of quality. In this case, we can talk about the need to improve the efficiency of activities.

The point of this part is to arrange dynamic models and strategies into one reasonable grid, utilizing unpredictability (high to low) and time pressure (high to low) measurements as pertinent tomahawks. Eight case vignettes are utilized to exhibit the attack of four dynamic models and four dynamic strategies inside high-low intricacy and high-low time pressure. The contentions and the vignettes propose that a specific dynamic model or technique turns into a proper instrument for key leaders under changing multifaceted nature and time pressure. The proper model or technique would change when the attributes of the climate change. Dynamic models and strategies can be efficiently evaluated with the proposed system.

a) GAP Analysis

A gap analysis is a strategy for evaluating the distinctions in execution between a business' data frameworks or programming applications to decide if business necessities are being met and, if not, what steps ought to be taken to guarantee they are met effectively. Hole alludes to the space between "where we are" (the current state) and "where we need to be" (the objective state). Gap Analysis may likewise be alluded to as a necessities examination, needs appraisal or need-gap investigation. In data innovation, gap investigation reports are regularly utilized by project chiefs and interaction improvement groups. Independent ventures, specifically, can likewise profit by performing gap investigations when they're currently sorting out some way to

apportion assets. In programming advancement, gap investigation apparatuses can record which administrations and additionally works have been unintentionally forgotten about, which have been purposely dispensed with, which actually should be created. In consistence, a gap examination can analyze what is needed by specific guidelines to what in particular is as of now being done to keep them.

b) Duration-GAP Analysis

It is another measure of interest rate risk and managing net interest income derived by taking into consideration all individual cash inflows and outflows. Duration is value and time weighted measure of maturity of all cash flows and represents the average time needed to recover the invested funds. Duration analysis can be viewed as the elasticity of the market value of an instrument with respect to interest rate. Duration gap (DGAP) reflects the differences in the timing of asset and liability cash flows and given by, $DGAP = DA - u DL$. Where DA is the average duration of the assets, DL is the average duration of liabilities, and u is the liabilities/assets ratio. When interest rate increases by comparable amounts, the market value of assets decreases more than that of liabilities resulting in the decrease in the market value of equities and expected net-interest income and vice versa (Cumming and Beverly, 2001).

c) Value at Risk

VaR is a measurement that actions and evaluates the degree of monetary danger inside a firm, portfolio or position over a particular time span. This measurement is most usually utilized by speculation and business banks to decide the degree and event proportion of expected misfortunes in their institutional portfolios. Risk chiefs use VaR to gauge and control the degree of risk openness. One can apply VaR estimations to explicit positions or entire portfolios or to gauge firm-wide danger openness.

d) Risk Adjusted Rate of Return on Capital (RAROC)

Risk-adjusted return on capital (RAROC) is an adjusted profit from speculation (return for money invested) figure that considers components of risk. In monetary examination, activities and speculations with more serious danger levels should be assessed in an unexpected way; RAROC in this way represents changes in a venture's profile by limiting risky incomes against safer incomes.

e) Securitization

It is a strategy concentrated under the frameworks of organized account or credit connected notes. Securitization of a bank's resources and credits is a gadget for raising new assets and lessening bank's risk openings. The bank pools a gathering of pay acquiring resources (like home loans) and sells protections against these in the open market, consequently changing illiquid resources into tradable resource upheld protections. As the profits from these protections rely upon the incomes of the hidden resources, the weight of reimbursement is moved from the originator to these pooled resources.

f) Sensitivity Analysis

A sensitivity analysis decides what various upsides of an autonomous variable mean for a specific ward variable under a given series of expectations. At the end of the day, sensitivity analysis concentrates how different wellsprings of vulnerability in a numerical model add to the model's general vulnerability. This strategy is utilized inside explicit limits that rely upon at least one information factors. Sensitivity analysis is utilized in the business world and in the field of financial matters. It is normally utilized by monetary investigators and financial experts, and is otherwise called an imagine a scenario were examination.

g) Internal Rating System

An interior rating system assists monetary establishments with overseeing and control credit risks they face through loaning and different activities by gathering and dealing with the credit-value of borrowers and the nature of credit exchanges.

1.4 key factors of strategic management.

To understand what strategic management entails, we must first understand what the term "Strategy" means.

Military administration gave rise to the term "strategy." In the military, strategy usually refers to the 'deployment' of forces, which refers to the maneuvering of troops into position before engaging the enemy.

In company, we can use the term "capital" instead of "troops." Businesspeople use a variety of tools to achieve their goals. A strategy is a long-term plan that connects an organization's strategic advantages to the challenges of the world.

It entails determining the organization's long-term goals and putting plans in place to achieve them. It also entails allocating the resources needed to achieve the goals. When goals are described in this way, they are considered part of the strategy development process.

Strategic management entails the continuous preparation, control, review, and evaluation of all requirements that an entity must fulfill in order to achieve its goals and objectives. Changes in the market climate would necessitate companies reevaluating their performance plans on a regular basis. The strategic management method assists companies in assessing their current situation, developing plans, implementing them, and evaluating the efficacy of their management strategies. Strategic management techniques are divided into five categories, each of which can

be implemented differently depending on the circumstances. On-premise and web systems both benefit from strategic management.

Strategic management is based on an organization's clear view of its purpose, future vision, and principles that will drive its actions. Strategic planning, a branch of business management that includes an organization's ability to set both short- and long-term objectives, is required for the process to work. The preparation of strategic decisions, events, and resource distribution required to achieve those goals is also included in strategic planning.

There are several schools of thought on how to do strategic management, and scholars and managers have built a variety of frameworks to help direct the process. In general, there are five stages to the process: evaluating the organization's current strategic direction; defining and reviewing internal and external strengths and weaknesses; formulating action plans; implementing action plans; and evaluating the effectiveness of action plans and making adjustments when expected outcomes are not achieved.

Strategic management is a sub-discipline of management which includes a variety of methods and disciplines; furthermore, it evolves both quantitative and behavioral sciences that make strategic management art and science (J.A. Parnell, 2013).

In addition to that, the most important objective of the strategic management procedure is to help businesses to be successful by making themselves distinctive in a competitive way from other businesses and by giving them the chance to capitalize on their inner strengths and exterior chances while reducing their inner weaknesses and exterior threats (J.A. Parnell, 2013).

Making and refreshing an essential arrangement is fundamental for mission-driven associations to remain solid, pertinent, and viable, particularly in the present

complex and consistently changing monetary and political atmosphere. Regardless of whether you are building up your vision and defining objectives unexpectedly, or needing an invigorate, it's consistently an astute plan to delay and consider where you need to be later on, and what moves you need to make to arrive.

Indeed, even the best procedure will at last come up short on the off chance that it isn't executed successfully. In our most recent Chief Skylines review, respondents just gave system execution in their organization a normal rating of 5 out of 10. So how would you be able to deal with augment your odds of accomplish me Getting Sufficient Assets and Financial plans

This may sound amazingly self-evident at the same time, as indicated by Kaplan and Norton, 60% of organization spending plans are not straightforwardly connected to system execution and the fundamental monetary, primary, time and HR are not generally allotted at the start (J.A. Parnell, 2013). Much of the time, the genuine expenses are either belittled or essentially not distinguished. it is vital for define reasonable objectives that are completely lined up with the monetary truth of the association and its accessible assets. Figuring long haul and estimating execution will empower you to pass judgment on the viability of the financial plan and utilization of assets.

Doling out sufficient assets and spending plans will likewise show exactly how genuine the organization initiative is about the technique and will propel representatives to achieve their allocated assignments.

The lone steady in our quick world is change. It is along these lines vital to ensure that procedure execution is sufficiently adaptable to adjust to changes in both the inside and outside conditions. Receiving a 'proactively responsive' approach will likewise guarantee that you are more aware of new freedoms and unexpected occasions. "An organization's methodology needs to develop with the market. Key

adaptability requires liquidity for quick reaction time, however more significant is hierarchical construction – how different units work with one another, and the opportunity they need to take choices on their own drive." - Tim Hindle, the financial specialist

Associations that attempt to drive another methodology into an obsolete construction will think that it's difficult to execute their system adequately.

Another procedure implies new needs and new exercises across the association. Methodology execution in this manner includes change and the common human inclination is to oppose it, regardless of how illuminated or moving the business vision. It is thusly fundamental that all representatives know about how they are required to change and what they need to convey. Every individual requirement to comprehend their job inside the general system, the normal results and how they will be estimated.

Extending abilities through preparing, enabling workers in all cases and having clear, open lines of correspondence, will guarantee that change the board issues are less inclined to upset organization technique.

The fundamental explanation that technique execution comes up short is on the grounds that staff and key partners like financial backers, clients and coalition accomplices don't get behind it. On the off chance that individuals don't comprehend the technique they will be not able to interface with it. Obviously imparting the essential arrangement consistently works with worker 'purchase in" and a more extensive comprehension of the association's essential objectives and goals.

It is vital to establish a climate that interfaces workers with the procedure and that rewards achievement. This involves discovering inventive approaches to rouse individuals to put resources into the procedure and setting up certain and unfortunate results for accomplishing or not accomplishing the essential objectives. Getting

workers by and by put resources into the accomplishment of a business system can supercharge the adequacy and achievement of the whole activity. A procedure resembles an ice sheet – 66% of it lies underneath the surface. To succeed it needs support, from the outer climate, yet in addition from each and every individual who has a stake in its execution, transform your vision into a business reality?

Key arranging is tied in with establishing your association in its central goal, vision, and qualities. Set aside the effort to thoroughly consider where it bodes well to center your energy and assets to arrive at expected results a lot, and guarantee all partners are adjusted and pursuing shared objectives.

Strategic Management is all about identifying and describing the tactics that managers should use to improve their organization's success and gain a competitive advantage. If an organization's profitability exceeds that of all other firms in its market, it is considered to have a competitive advantage.

Strategic management may also be described as a set of decisions and actions taken by a manager to determine the outcome of the firm's success. To make the best choices, the manager must have a clear understanding and interpretation of the overall and competitive organizational climate.

Strategic management is nothing more than preparing for both predictable and unforeseeable events. It is applicable to both small and large organizations because even the smallest organizations face competition and can achieve a sustainable competitive advantage by formulating and implementing suitable strategies.

It's a method by which strategists set goals and work toward achieving them. It has to do with making and executing decisions regarding an organization's future path. It aids us in determining the direction in which a company is heading.

Strategic management is a continuous process that evaluates and regulates the market and markets in which a company is involved; evaluates and controls its

competitors and sets targets and objectives to meet both current and future competitors; and then reevaluates strategies on a regular basis to assess how well they have been executed and whether they need to be replaced.

Strategic Management provides workers with a wider viewpoint, allowing them to better understand how their work fits into the overall organizational plan and how it is applied to other members of the company (Uard, S.,1999). It is the art of handling workers in such a way that their desire to achieve business goals is maximized. Employees become more trustworthy, loyal, and fulfilled as they become more adept at relating to of organizational mission. They will use strategic management to consider how environmental trends affect the organization and what the organization's likely response would be. As a result, workers will assess the effects of such changes on their own jobs and prepare to deal with them effectively. Managers and staff must carry out their responsibilities in a professional manner. They need to be both productive and effective.

One of the most important roles of strategic management is to fully integrate the organization's different functional areas, as well as to ensure that these functional areas harmonize and work well together. Another role of strategic management is to keep a constant eye on the organization's priorities and objectives.

Setting business goals, assessing competitor behavior, examining the organization's internal structure, evaluating existing plans, and ensuring that strategies are executed company-wide are all part of strategic management.

Prescriptive or descriptive strategic management is possible. Prescriptive strategic management entails formulating plans in advance of a business issue. Descriptive strategic management entails bringing plans into action when they are needed. Management theory and techniques are used in all types of strategic management.

Consider the strategic management method as a philosophical approach to doing business when defining it (J.A. Parnell,2013). This is a catch-all word for the mechanism by which managers devise and execute an organizational plan that gives their company a competitive advantage. An organization's upper management must use data analytics to think strategically first, then use the strategic management method to bring the strategy into effect.

CHAPTER 2. ANALYZING AND EVALUATING OF ANTI-CRISIS MANAGEMENT DECISIONS.

2.1 How strategic decisions affect to firm's performance: evidence from IBAR.

The IBAR has openness to monetary risks which incorporate credit, liquidity, market and operational hazards. The taking of hazard is indispensable to the Groups business. The Group's risk management function's point is to accomplish a proper harmony among risk and return and to limit potential unfriendly impacts on the Group's monetary execution. The risk management mechanism is centralized and is an important part of the Group's internal control structure. The Group's risk management strategies and approaches are designed to help the company define, analyze, minimize, and handle the risks it faces. This is achieved by determining the acceptable level of risk limits and controls, tracking risk levels and adherence to limits and procedures on a continuous basis, and enforcing them. Risk Management strategies and practices are checked on a regular basis to keep up with changing market dynamics, goods, and services. As part of its risk culture, the Group places a premium on honesty, management, and employee expectations in order to preserve and build upon a high level of performance.

A variety of specialized bodies within the Group are responsible for risk management strategy, evaluation, approval, monitoring, and controls. These bodies are also in charge of the Group's risk management practices and controls. The Group has formed executive bodies, committees, and departments that are in compliance with Azerbaijani law, CBAR regulations, and industry best practices.

Control framework, which oversees key risk management and reviews and approves risk management strategies, as well as several key risk limit approval authorities, such as major broad exposures, economic, and product sector limits.

The Executive Board, the Risk Management Department, the Audit Committee ("AC"), the Internal Audit Department, the Credit Committee, the Asset and Liability Committee ("ALCO"), and the Committee of Information Technology are all established by, appointed by, and reporting directly to the Supervisory Board (IBAR,2013).

The Executive Board is in charge of risk reduction strategies implementation and control, as well as ensuring that the Group works within risk parameters. The member of the Executive Board in charge of risk management, as well as the Risk Management Committee. As an integral part of the Group's internal control structure, the Audit Committee is responsible for managing and controlling the Group's internal control framework, as well as reviewing the adequacy of risk management policies and procedures. The AC members cannot be Group staff or members of the Group's management structure. They make development suggestions to the Executive Board, Risk Management Department, and Supervisory Board. System, as well as their opinions on risk management quality and adherence to existing policies, procedures, and limits. The job of the Internal Audit, which reports directly to the AC, is supervised by the AC. The AC scrutinizes and approves the Internal Auditor's working arrangements, audit schedule, and reports, including non-planned audits. The Executive Board approves implementation plans based on the AC's recommendations, including status reports, which are then submitted to the Executive Board, the Supervisory Board, and the Shareholders' General Meeting.

Credit risk policy is developed by the Risk Management Department and Executive Board in line with the risk profile and strategic plans of the Group. It is

approved by the Supervisory Board.

This policy establishes:

- Procedures for generating, analyzing, reviewing and approving counterparty risk exposures.
- The methodology for the credit assessment of counterparties.
- The methodology for the credit rating of counterparties.
- The methodology for the evaluation and control of collateral.
- Credit documentation requirements.
- Loan administration procedures.
- Procedures for the ongoing monitoring of credit exposures.
- Loan loss provisioning policy (IBAR,2013).

Market risks are a concern for the business. Open positions in interest rates, currencies, and equity products, all of which are subject to general and individual market fluctuations, pose a market danger. Market risk is managed by the Group by policies that restrict exposure to these risks to a minimum. Estimates of the Group's positions on these threats on a regular basis.

The Group's consolidated financial status is affected by fluctuations in the prevailing local/foreign currency exchange rates. Currency risk refers to the possibility that fluctuations in foreign exchange rates may have an effect on the Group's profits or the value of its financial instrument portfolios.

The key feature of the Group's foreign currency risk strategy is that no deliberate attempt is made to take a trading place in any currency. Just a few open vacancies arise as a natural result of company operations. The Group goes to great lengths to ensure that its assets and liabilities are in the same currency.

The Bank's exposure to foreign exchange risk is also restricted by CBAR normative criteria, which impose a 10% capital limit on open positions in any single

foreign currency and a 20% open position limit on all foreign currencies. The Accounting and Control Department is in charge of managing foreign exchange exposures.

The Group accepts risk associated with the impact of market interest rate volatility on its consolidated financial position and consolidated cash flows. Interest margins may rise as a result of these improvements, but they may also decrease or result in losses if anything unforeseen happens. There are movements that occur.

The risk of the Group not being able to meet its financial commitments is known as liquidity risk. It refers to the availability of adequate funds to cover deposit withdrawals and other financial obligations associated with financial instruments and insurance obligations as they arise. Due date When the maturities of assets and liabilities do not match, liquidity risk occurs. The matching and/or managed mismatching of asset and liability maturities and interest rates is critical to financial institution management. As part of the assets/liability's management process, the Group monitors potential anticipated cash flows on clients and banking activities on a regular basis to manage liquidity risk. The Executive Board and Supervisory Board set limits on the minimum amount of maturing funds available to meet deposit withdrawals, as well as the minimum amount of interbank and other borrowing.

There should be services in place to cover withdrawals in both usual and stressful situations. They also create risk diversification requirements for the liability base.

The objectives of management when managing the Group's capital are (i) to comply with the capital requirements set by the CBAR, (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve a capital adequacy ratio based on Basel II of at least 8%, compliance with capital adequacy ratios set by the CBAR is monitored monthly with reports outlining their calculation reviewed and signed by the Head of Audit Committee, Bank's Finance

Director, First Deputy of Chairman of the Board, Head of Internal Audit Department and Head of Accounting and Control Department, the other objectives of capital management are evaluated annually (IBAR.,2013: p.71).

As a part of its management of risk concentrations, management monitors concentrations of credit risk on the basis of the statutory limits set by the CBAR, as follows:

- The aggregate amount of loans, the fair value of the collateral of which is greater than the carrying amount of the loan, may not exceed 20% of the total statutory capital calculated in accordance with the CBAR's guidance.

- The aggregate amount of loans, the fair value of the collateral, calculated as per CBAR guidelines, of which is less than the carrying amount of the loan, may not exceed 7% of the total statutory capital calculated in accordance with the CBAR's guidance.

- The ratio of the aggregate amount of significant loans (loans with a carrying amount of AZN 1 million and above) to the statutory capital calculated in accordance with the CBAR's guidance may not be higher than 8. For IFRS reporting purposes, the Group, monitors concentrations of credit risk by obtaining reports listing exposures to borrowers with aggregated loan balances in excess of 10% of net assets, the Group discloses any such concentrations within the respective notes in its consolidated financial statements (IBAR,2013, p.67).

The Group's liquidity policy is comprised of the following:

- Projecting cash flows and maintaining the level of liquid assets necessary to ensure liquidity in various time-bands.
- Maintaining a funding plan commensurate with the Group's strategic goals.

- Maintaining a diverse range of funding sources thereby increasing the Group's borrowing capacity, domestically as well as from foreign sources.
- Maintaining highly liquid and high-quality assets.
- Adjusting its product base by time bands against available funding sources.
- Daily monitoring of liquidity ratios against regulatory requirements.
- Constant monitoring of asset and liability structures by time-bands.

The Accounting and Control Department within the Group is charged with the following responsibilities:

- Monitoring compliance with the liquidity requirements of the CBAR as well as the liquidity requirements through covenants contained in the agreements with foreign lenders.
- Daily reports to management, including reporting to management on the forecast levels of cash flows in the main currencies (AZN, USD, EUR), cash positions, balance sheet changes.
- Constantly controlling/monitoring the level of liquid assets.
- Monitoring of deposit and other liability concentrations.
- Maintaining a plan for the instant increase of cash to provide liquidity under stressed conditions (IBAR,2013).

The development of the economy directly depends on the state of the banking system, financing and servicing of enterprises by banking institutions. A necessary prerequisite for this is to ensure the stable financial condition of banks, which is the main task of both their owners and the regulator of the banking sector. In transition economies with poorly developed financial markets, in most cases, banks are the only institutions that generate the necessary information for financial intermediation, diversify the allocation of financial resources, reduce the risk of financial activities and promote leading standards of corporate governance. Even in economically developed countries, banks remain centers of financial and economic activity, while occupying a

special place among financial institutions as tools for making credit investments, creating savings and ensuring payments. In addition, stability is extremely important, given the functions of financial intermediation, ensuring the movement of payment flows, meeting customer needs for financial services, efficient allocation of credit resources and maintaining financial discipline among borrowers. In transition economies with poorly developed financial markets, in most cases, banks are the only institutions that generate the necessary information for financial intermediation, diversify the allocation of financial resources, reduce the risk of financial activities and promote leading standards of corporate governance. Even in economically developed countries, banks remain centers of financial and economic activity, while occupying a special place among financial institutions as tools for making credit investments, creating savings and ensuring payments. The article systematizes the areas of improvement of the mechanism of state regulation of anti-crisis management of economic security of banking institutions.

Currently, the Group manages its interest rate exposure by balancing its maturity and/or repricing positions, where possible. In addition, the Group's monthly interest margins are checked on a regular basis in order to reprice its assets as required. Operational procedures define what is and is not permissible.

The interest rate margin is normally set at a minimum of 5%. The margin is regularly monitored by ALCO and the Accounting and Control Department. ALCO is also in charge of producing interest rate forecasts and surveys. At the moment, the Group's balancing strategies for planned repricing and relatively high interest rate spreads achieved in the Group's markets have resulted in relatively high interest rate margins.

Interest rate risk is managed by ALCO and the Accounting and Control Department, risk is controlled by the Risk Management Department, and all guidance and asset/liability repricing reports must be approved by the Executive Board.

The sensitivity tests that follow are focused on the interest rate exposure at the end of the reporting period. The study is prepared for fixed rate liabilities assuming that the balance of the liability remaining at the end of the reporting period was outstanding for the entire year. When reporting interest rate risk to key management staff, a 50-basis point rise or decrease is used. Only unpaid foreign currency denominated monetary products are included in the sensitivity study, which adjustments their conversion at the period's end for a 10% adjustment in foreign currency prices. External loans are included in the sensitivity study. The sensitivity analysis, in management's view, is unrepresentative of the inherent foreign exchange risk because the year-end exposure does not constitute the year-end exposure as well as loans to the Group's international operations where the loan's denomination is in a currency other than the lender's or borrower's usable currency.

The Group's profit and equity for the year ended December 31, 2010 would decrease/increase by AZN 6,425 thousand (December 31, 2009: decrease/increase by AZN 5,923 thousand) if interest rates were 50 basis points higher/lower and all other variables remained stable.

Any insurance contract's risk is the probability of the insured occurrence occurring, as well as the uncertainty of the value of the resulting claim. This risk is random and therefore unpredictable for each individual insurance contract due to the existence of insurance contracts. The principal risk that the Group faces under its insurance contracts is that real claims and benefit payments surpass the carrying value of the insurance liabilities, which is the case with a portfolio of insurance contracts where the principle of probability is applied to pricing and provisioning. This could happen if the frequency or severity of claims and benefits turns out to be higher than anticipated. The Group manages its insurance risk through a set of internal procedures that include underwriting authority levels, pricing policy, a list of licensed reinsurers, and ongoing monitoring.

Loss provisions are estimated using historical data from the Community. The Group's calculation strategies for measuring the approximate cost of unpaid claims (both reported and unreported) include a combination of loss ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of the claim and the total cost of the claim), loss ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of the claim and the total cost of the claim), loss ratio-based estimates where the loss ratio is defined.

Insurance claims and premiums earned in relation to such claims in a given financial year) and an estimation based on actual claims experience using predetermined formulae, with a greater weight given to actual claims experience as time goes on. The initial loss ratio calculation is based on previous years' experience, adjusted for variables such as premium rate shifts, expected industry experience, and historical claims inflation. The current loss ratios were calculated using an initial estimation of the loss ratios.

Premiums obtained in the current and prior years (before reinsurance) are analyzed by form of risk.

Insurance premiums are paid based on the occurrence of the claim. All covered accidents that happened during the contract's duration are the responsibility of the Group. As a result, liability lawsuits are resolved quickly, usually within three months of the conclusion of the case.

Under reinsurance arrangements, a portion of the Group's motor, land, third-party liability, employer liability, and freight portfolios are reinsured with local and international insurance agencies, reducing the Group's possible maximum exposure.

The duration of the contract, the volume and timing of cash flows from insurance contracts is influenced by a number of factors. These primarily concern the inherent

risks of the operations conducted by both corporate and individual contract holders, as well as the risk management policies they implemented.

The principal risk that the Group faces under its insurance contracts is that real claims and benefit payments surpass the carrying value of the insurance liabilities, which is the case with a portfolio of insurance contracts where the principle of probability is applied to pricing and provisioning. This could happen if the frequency or severity of claims and benefits turns out to be higher than anticipated.

As part of the assets/liability's management process, the Group monitors potential anticipated cash flows on clients and banking activities on a regular basis to manage liquidity risk. The minimum proportion of maturing funds is set by the Executive Board and Supervisory Board, available to accommodate deposit withdrawals, as well as the bare minimum of interbank and other borrowing facilities that should be in place to cover withdrawals in both usual and stressful circumstances. They also create risk diversification requirements for the liability base.

By executing a risk, the board plan and considering the different expected risks or occasions before they happen, an association can set aside cash and secure their future (Kindle B., Charles P., Caliber, Robert 2005). This is on the grounds that a vigorous risk the executives plan will assist an organization with building up methodology to dodge possible risks, limit their effect should they happen and adapt to the outcomes. This capacity to comprehend and control risk empowers associations to be more positive about their business choices. Besides, solid corporate administration rules that attention explicitly on risk the executives can help an organization arrive at their objectives.

Other significant advantages of risk the executives include:

- Establishes a free from any risk workplace for all staff and clients.

- Builds the steadiness of business activities while likewise diminishing legitimate obligation.
- Gives assurance from occasions that are unfavorable to both the organization and the climate.
- Shields every single included individual and resources from likely mischief.
- Sets up the association's protection needs to save money on superfluous charges.

The significance of consolidating risk the board with quiet wellbeing has additionally been uncovered. In many clinics and associations, the risk the board and patient security offices are isolated; they fuse diverse authority, objectives and degree. Nonetheless, a few emergency clinics are perceiving that the capacity to give protected, top notch tolerant consideration is important to the assurance of monetary resources and, therefore, ought to be joined with risk the board.

The broader the portfolio of identical insurance contracts, the lower the relative variability about the predicted result would be, according to experience. Furthermore, a more diversified portfolio is less likely to be impacted by a transition in any one of its subsets. The Group's insurance program has progressed.

Underwriting strategy to diversify the types of insurance risks recognized and to achieve a sufficiently large population of risks within each of these categories to minimize the uncertainty of the expected outcome

In 2006, the Virginia Bricklayer Clinical Center in Seattle, Washington incorporated their risk the executives' capacities into their patient security division, at last making the Virginia Artisan Creation Framework the board techniques. The centers around persistently improving the patient wellbeing framework by expanding straightforwardness in risk alleviation, revelation and detailing. Since actualizing this

new framework, Virginia Bricklayer has encountered a huge decrease in emergency clinic proficient charges and a huge expansion in the detailing society.

In order to analyze strategic decisions in anti-crisis management of the firm, we use databases IBAR datasets as an example the website of IBAR. And we match data after and before using of strategic decision in anti-crisis management.

Risk the executives' methodologies and cycles:

- All risk the executives' plans follow the very advances that consolidate to make up the general risk the board interaction:
- Build up setting. Comprehend the conditions where the remainder of the cycle will occur. The models that will be utilized to assess risk ought to likewise be set up and the construction of the investigation ought to be characterized.
- Risk distinguishing proof. The organization distinguishes and characterizes potential risks that may contrarily impact a particular organization cycle or task.
- Risk examination. When explicit sorts of risk are distinguished, the organization at that point decides the chances of them happening, just as their outcomes. The objective of risk investigation is to additionally see every particular case of risk, and how it could impact the organization's activities and targets.
- Risk appraisal and assessment. The risk is then additionally assessed in the wake of deciding the risk's general probability of event joined with its general result. The organization would then be able to settle on choices on whether the risk is adequate and whether the organization will take it on dependent on its risk hunger.
- Risk relief. During this progression, organizations survey their most noteworthy positioned chances and build up an arrangement to mitigate

them utilizing explicit risk controls. These plans incorporate risk moderation measures, risk avoidance strategies and emergency courses of action in the occasion the risk happens as expected.

- Risk observing. A piece of the alleviation plan incorporates circling back to both the risks and the general arrangement to constantly screen and track new and existing risks. The general risk the executive's interaction ought to likewise be explored and refreshed as needs be.
- Convey and counsel. Interior and outer investors ought to be remembered for correspondence and conference at each fitting advance of the risk the board interaction and with respect to the cycle overall.

Risk the board methodologies ought to likewise endeavor to address the accompanying inquiries:

- What can turn out badly? Think about both the working environment in general and individual work.
- What will it mean for the association? Consider the likelihood of the occasion and whether it will have a huge or little effect.
- What should be possible? What steps can be assumed to forestall the misfortune? What should be possible recuperate if a misfortune does happen?
- In the case of something occurs, how might the association pay for it?

After the organization's particular risks are distinguished and the risk the board cycle has been actualized, there are a few unique systems organizations can take as to various kinds of risk:

- Risk shirking. While the total disposal of all risk is infrequently conceivable, a risk shirking methodology is intended to divert however

many risks as could be expected under the circumstances to stay away from the expensive and problematic outcomes of a harming occasion.

- Risk decrease. Organizations are now and then ready to lessen the measure of harm certain risks can have on organization measures. This is accomplished by changing certain parts of a general task plan or organization measure, or by decreasing its degree.
- Risk sharing. Once in a while, the outcomes of a risk are shared, or circulated among a few of the task's members or business divisions. The risk could likewise be imparted to an outsider, for example, a seller or colleague.

2.2 How Risk Management Works.

Risk can be managed, i.e., use various measures that allow, to a certain extent, predict the occurrence of a risk event and take measures to reduce the degree of risk. The effectiveness of the organization of risk management is largely determined by the classification of risk.

Financial risks are speculative risks. An investor, making a venture capital investment, knows in advance that only two types of results are possible for him: income or loss. A feature of financial risk is the likelihood of damage occurring as a result of any operations in the financial and credit and exchange spheres, operations with stock securities, that is, the risk that arises from the nature of these operations. Financial risks include credit risk, interest rate risk, foreign exchange risk, and the risk of foregone financial gain.

Financial risks are associated with the likelihood of loss of financial resources (i.e., cash). Financial risks are understood as the likelihood of unforeseen financial

losses (decrease in profits, income, loss of capital, etc.) in a situation of uncertainty in the conditions of the financial activity of the organization.

In any economic activity, there is always a probability of losses arising from the specifics of certain business operations. The dangers of such losses are business risks. Commercial risk means uncertainty about the possible result, the uncertainty of this activity result. There are two types of risks: pure and speculative.

The risk management cycle is a system for the activities that should be taken. There are five essential advances that are taken to oversee risk (Herman C.H.F.,1963), these means are alluded to as the danger the executive's interaction. It starts with distinguishing chances, proceeds to break down chances, at that point the danger is focused on, an answer is executed, lastly, the danger is checked. In manual frameworks, each progression includes a great deal of documentation and organization.

The initial step is to recognize the risks that the business is presented to in its working climate. There are a wide range of sorts of dangers – lawful dangers, natural dangers, market chances, administrative dangers, and considerably more(Bacon, T. R. ,2006). It is critical to distinguish whatever number of these danger factors as could be expected under the circumstances. In a manual climate, these dangers are noted down physically. On the off chance that the association has a danger the executives arrangement utilized this data is embedded straightforwardly into the framework. The benefit of this methodology is that these dangers are currently apparent to each partner in the association with admittance to the framework. Rather than this essential data being secured away a report which must be mentioned through email, any individual who needs to see which dangers have been distinguished can get to the data in the danger the board framework.

When a risk has been recognized it should be breaking down. The extent of the danger should be resolved. It is additionally critical to comprehend the connection

between the danger and various components inside the association. To decide the seriousness and earnestness of the danger it is important to perceive the number of business works the danger influences (IMF,2000). There are risks that can carry the entire business to a stop whenever realized, while there are chances that may be minor bothers in the examination. In a manual danger the executive's climate, this investigation should be done physically. At the point when a danger the board arrangement is executed quite possibly the main fundamental advances is to plan dangers to various records, approaches, methodology, and business measures. This implies that the framework will as of now have a planned danger structure that will assess dangers and let you realize the extensive impacts of each risk.

Risks should be positioned and focused on. Most danger the board arrangements have various classes of dangers, contingent upon the seriousness of the danger. A danger that may cause some bother is evaluated humble; chances that can bring about cataclysmic misfortune are appraised the most noteworthy. It is critical to rank dangers since it permits the association to acquire a comprehensive perspective on the danger openness of the entire association. The business might be powerless against a few low-level dangers, yet it may not need upper administration mediation. Then again, only one of the greatest appraised risks is sufficient to require quick mediation (IMF,1999).

Each risk should be dispensed with or contained however much as could reasonably be expected. This is finished by associating with the specialists of the field to which the danger has a place. In a manual climate, this involves reaching every single partner and afterward setting up gatherings so everybody can talk and examine the issues. The issue is that the conversation is broken into a wide range of email strings, across various reports and bookkeeping pages, and a wide range of calls. In a danger the executive's arrangement, every one of the applicable partners can be sent warnings from inside the framework. The conversation in regards to the danger and its conceivable arrangement can happen from inside the framework. Upper administration

can likewise watch out for the arrangements being recommended and the advancement being made inside the framework. Rather than everybody reaching each other to get refreshes, everybody can get refreshes straightforwardly from inside the danger the board arrangement.

Not everything dangers can be wiped out – a few dangers are consistently present. Market chances and ecological dangers are only two instances of dangers that consistently should be checked. Under manual frameworks observing occurs through persevering workers. These experts should ensure that they keep a nearby watch on all danger factors. Under an advanced climate, the danger the executive's framework screens the whole danger structure of the association. In the event that any factor or risk transforms, it is promptly apparent to everybody. PCs are additionally much greater at ceaselessly observing dangers than individuals. Checking chances additionally permits your business to guarantee congruity. We can disclose to you How you can make a danger the board intend to screen and survey the danger.

Any business that needs to expand its danger the board effectiveness needs to zero in on risk the executives' assessments. These assessments and appraisals assist organizations with understanding their own capacities, qualities, and weaknesses. More assessments bring about more experiences about where the business needs to improve its danger the board system. It tends to be hard to complete these assessments physically, yet risk the board arrangements and innovation can improve on the assessment and evaluation work process. It is imperative to do an assessment prior to rolling out any significant improvements to the danger the board system.

The crucial clarification that procedure execution misses the mark is because staff and key accomplices like monetary benefactors, customers and alliance associates don't get behind it. In case people don't grasp the procedure, they will be not ready to interface with it. Clearly granting the fundamental course of action reliably works with

specialist "buy in" and a broader cognizance of the affiliation's fundamental destinations and objectives.

Build up an environment that interfaces laborers with the methodology and that rewards accomplishment. This includes finding imaginative ways to deal with stir people to place assets into the method and setting up certain and shocking outcomes for achieving or not achieving the fundamental targets. Getting laborers eventually put assets into the achievement of a business framework can supercharge the amplex and accomplishment of the entire movement. A strategy takes after an ice sheet – 66% of it lies under the surface. To succeed it needs support, from the external environment, yet what's more from every single person who has a stake in its execution, change your vision into a business reality.

Quantitative peril assessment anticipated that you should successfully screen all of the threats that have been perceived, because the reality and the probability of these risks changes reliably. Perils ought to be checked and all movements that happen ought to be associated with the quantitative risk assessment. This makes a live point of view on all risks being looked by the business, which makes the chiefs mindful of any peril improvement they should think about. This proactive philosophy towards chances the board achieves a strong peril the chief's construction.

Assessing chances ought to be done actually, anyway noticing threats genuinely is definitely not a viable collaboration. Bookkeeping pages have confined value and they are absolutely dependent upon human commitment for invigorates. The game plans like the Danger The chiefs Programming automate the whole cycle. At whatever point you have perceived the threat and entered it into the peril the board structure the quantitative risk assessment will be normally done by the system. Checking is also automated – if anything needs your data you will get a notification for it. If you need to

see how a threat the chief's plan can help your relationship by then interface with our gathering.

CHAPTER 3. PERFORMANCE AND FACTORS OF DECISION MAKING OF ANTI-CRISIS MANAGEMENT

3.1 Performance in decision making of anti-crisis management.

While evaluating risks quantitatively is basic in the monetary business, different enterprises fall a long way behind. You would be bewildered at the number of organizations have no danger the board system or observing. Their upper administration knows about the dangers and the dangers are raised in conversations, yet they are not being effectively overseen or observed.

Overseeing chances by measuring them is an enlightening encounter. It permits you to not simply know about the dangers that influence your business, yet to likewise survey the measure of harm those dangers can cause your business. You would then be able to perceive what every choice you make will mean for your danger openness too, which makes the investigation a significant piece of any danger the board plan. In the event that you are considering how to evaluate the dangers of your business and industry, here's the manner by which you can begin.

The initial step of overseeing risks through quantitative danger investigation instruments is to know about every one of the dangers that influence the business. Most organizations inconceivably belittle the dangers that their business is presented to, which can prompt fiasco. The greatest slip-up that organizations make isn't implying all partners during the danger distinguishing proof cycle. The board must know about a couple of dangers – there are much more dangers which just the ground level and bleeding edge workers think about (Greuning H., Bratanovic S.B.,2020).

A decent practice is to convey a companywide email if the organization has under 100 representatives. On the off chance that there are more workers, it is smarter to speak

with the administrator of each group. Ask them which risks they think the business needs to oversee (Overseeing Risk – Both known and obscure). There will be a ton of pointless answers, since not every person will comprehend which endeavor risks matter, but rather there will likewise be a great deal of dangers which the board won't know about. Getting the divisions of each head to partake is additionally vital.

Getting some information about risks isn't generally the correct way. On the off chance that you ask a division which risks it faces, you may find ambiguous solutions. To improve answer, ask each division what occasions can make their advancement delayed down or pause and get some information about all such occasions they have experienced.

When your association has recognized every one of the dangers that influence it the following stage is to measure these dangers. It is a great idea to make a scale to address the seriousness of these dangers. The most un-extreme dangers are the ones that have a little impact on the presentation of your business. The most serious dangers are the ones that can bring about the actual business coming up short. A less serious danger than that would be each risk that can make activities shut down, etc. Quantitative danger examination possibly works in the event that you survey risks appropriately and rank them appropriately too. Whenever you have recognized the seriousness of each risk you will have a simple danger the executives structure set up.

Quantitative danger examination expected you to effectively screen every one of the dangers that have been recognized, on the grounds that the seriousness and the likelihood of these dangers changes consistently. Dangers should be checked and all progressions that happen should be remembered for the quantitative danger examination. This makes a live perspective on all dangers being looked by the business, which makes the executives aware of any danger improvement they should know about. This proactive methodology towards risks the board brings about a solid danger the executive's structure.

Evaluating chances should be done physically, however observing dangers physically is anything but a maintainable interaction. Accounting pages have restricted usefulness and they are totally reliant upon human contribution for refreshes. The arrangements like the Risk The executives Programming mechanize the entire cycle. Whenever you have recognized the danger and entered it into the danger the board framework the quantitative danger examination will be naturally done by the framework. Checking is additionally mechanized – on the off chance that anything needs your information you will get a notice for it. In the event that you need to perceive how a danger the executive's arrangement can help your association at that point connect with our group.

Each business has a thought regarding the degree of risk it can withstand. Banks and different organizations working in the monetary area are specific about their danger hunger (World Bank). Their danger hungers are chosen dependent on inside and out investigation. The danger hunger is then separated into risk measurements and levels. This empowers banks and monetary foundations to precisely follow their present dangers and guarantee that the current danger levels are satisfactory for the picked risk hunger. Occasionally following danger levels and contrasting them and the danger craving is helpful however following the danger hunger progressively can be significantly advantageous for an association.

Most organizations have a decent comprehension of their danger hunger. The issue is that knowing the danger hunger is only the beginning – a business needs to ready to guarantee that it stays inside the cutoff points endorsed by the danger craving. There are two significant deterrents which organizations face with regards to building up a danger craving system that satisfactorily ensures the business:

A business knows its danger hunger and it additionally knows risk drivers – the cycles that expansion or abatement a danger. The issue is that it is practically difficult to interface the two without a legitimate danger craving system set up. Taking a gander

at the current danger can just assist organizations with guaranteeing that they are right now under their operational danger hunger targets. It doesn't reveal insight into whether the business is moving towards a more perilous position, on the grounds that the danger drivers – the cycles, assignments, and representatives – are not being followed.

The second significant obstruction that organizations should manage is that the detailing is intermittent. A business may see its danger craving proclamation consistently or even every quarter. This implies that it is conceivable that a business may arrive at risky danger levels that go past the acknowledged danger hunger yet will just discover once the danger craving proclamation is conveyed to the board toward the month's end or the finish of the quarter. This can make an emergency for the association – expecting them to upset their present tasks so there can be a review to find what is expanding risk levels and how they can be taken back to worthy danger levels.

Risk innovation can empower continuous following of risk measurements and the danger hunger, which has a significant impact on how dangers are seen and moderated inside an association.

3.2 Factors of decision making of anti-crisis management.

These arrangements use risk and consistence information to assist organizations with various significant cycles. They help distinguish arising chances and intently screen risk information. They dissect consistence information to uncover issues and spaces of concern. They limit consistence infringement by distinguishing consistence issues and permitting organizations to take restorative measures before any genuine harms are caused to the association (Federal Reserve).

Risk the board stages track the dangers across the association continuously. This implies that the past deterrent of not having the measurements is not, at this point an issue for organizations. Directors can appoint risk measurements to various undertaking chances for a total image of the current danger levels, yet in addition patterns and forecasts about how the danger measurements will develop over the long haul. Such experiences help a business monitor risk levels as well as all the danger drivers in the association. A business would then be able to make an itemized risk craving explanation separated into a wide range of dangers, each with its own measurements.

Risk the board innovation additionally tackles the issue of there just being intermittent danger evaluations. Since all danger measurements are being followed progressively, venture risk levels can likewise be evaluated continuously. This implies that administration approach a danger hunger explanation that informs them regarding how close the business is to the danger craving. Looking at the amazing risk needing announcement quickly shows the board that there are new opportunities where the bank can tolerate facing more difficulties for a higher prize. Taking a gander at the unimaginable danger aching for declaration rapidly shows the board that there are new freedoms where the bank can endure confronting more challenges for a higher prize. Rather than managing a danger issue that has been causing issues the entire month and was possibly uncovered when a report was introduced toward the month's end, organizations can manage new danger related issues right away. This limits the harm brought about by the danger and furthermore makes it simpler for the business to alleviate the danger rapidly.

Continuous danger craving proclamations empower a business to proactively alleviate chances. Most organizations need to settle on a troublesome decision – do they face more challenge so they can make more benefits, or do they keep chances at the very least however botch the chance for development? Constant danger craving permits a business to extend while additionally expanding the assurance the business has against

risks. Approaching continuous danger measurements implies that the business can rapidly alter bearings. Organizations become spryer and can without much of a stretch explore the numerous dangers that are available in the climate.

Better danger insight, of which risk craving is a fundamental part, assists organizations with becoming as indicated by their essential plans by guaranteeing that all realized dangers are moderated. Any abrupt changes in risk measurements are in a split second featured by the danger the executive's stage.

Continuous danger following assists saves money with seeing how dangers are advancing on the lookout. This features the dangers and the chances accessible, in light of the fact that banks can likewise see which territories are showing the most encouraging turns of events.

Organizations that are following constant danger measurements can find these chances before their opposition that is depending on outer wellsprings of insight alone. This highlights the perils and the odds open, considering the way that banks can similarly see which domains are showing the most reassuring developments.

Taking a gander at the powerful danger craving proclamation rapidly shows the board that there are new freedoms where the bank can bear to face more challenges for a higher prize. Looking at the incredible risk longing for announcement quickly shows the board that there are new opportunities where the bank can tolerate facing more difficulties for a higher prize.

Perhaps the main jobs of vital administration is to completely coordinate the association's distinctive useful regions, just as to guarantee that these useful regions fit and function admirably together. Another job of vital administration is to watch out for the association's needs and targets. Better peril knowledge, of which hazard desiring is a principal part, helps associations with getting as demonstrated by their fundamental

plans by ensuring that all acknowledged risks are directed. Any unexpected changes in hazard estimations are in a brief moment highlighted by the peril the leader's stage.

CONCLUSION AND RECOMMENDATIONS

The aftereffects of the exploration in regards to the taken enemy of emergency estimates show two prevailing sorts of methodologies. In many ventures one of the types of receptive exercises was centered around. This brought about the making of more straightforward methodology and the decrease of comprehensively got costs. It can likewise be said that organizations applied the system of getting sorted out exercises. Taking into account the divisions of the different enemy of emergency methodologies with respect to causes and transformations, an organization makes moves that arise dependent on one factor: solidification. Basically, organizations center around: the item, its redefinition, improving quality administration, data frameworks, and endeavors zeroing in on the center.

Vital administration involves the constant planning, control, survey, and assessment of all prerequisites that an element should satisfy to accomplish its objectives and targets. Changes in the market environment would require organizations reexamining their exhibition anticipates a normal premise. The essential administration strategy helps organizations in surveying their present circumstance, creating plans, executing them, and assessing the viability of their administration techniques. Key administration methods are isolated into five classes, every one of which can be carried out diversely relying upon the conditions. On-reason and web frameworks both advantage from vital administration.

Vital administration depends on an association's unmistakable perspective on its motivation, future vision, and rules that will drive its activities. Key arranging, a part of business the executives that incorporates an association's capacity to set both short- and long-haul goals, is needed for the cycle to work. The readiness of key choices,

occasions, and asset dispersion needed to accomplish those objectives is likewise remembered for vital arranging.

There are a few ways of thinking on the best way to do vital administration, and researchers and directors have fabricated an assortment of structures to help direct the interaction. All in all, there are five phases to the interaction: assessing the association's present key course; characterizing and surveying inner and outside qualities and shortcomings; defining activity plans; carrying out activity designs; and assessing the adequacy of activity plans and making changes when expected results are not accomplished.

These plans use hazard and consistence data to help associations with different critical cycles. They help recognize emerging possibilities and eagerly screen hazard data. They take apart consistence data to uncover issues and spaces of concern. They limit consistence encroachment by recognizing consistence issues and allowing associations to take helpful measures before any certifiable damages are caused to the affiliation.

The taken measures relate not exclusively to adapting to the emergency, yet likewise improvement. Considering the various typologies of against emergency measures, the executed arrangements included both rebuilding just as development.

In spite of the way that hazard depictions are routinely completed for the benefit just of an affiliation's boss, see that diverse different gatherings use them when they practice their advantages to check out the decision, either beforehand or after the affiliation acts. These interested and affected gatherings fuse chairmen, judges, industry get-togethers, gritty individuals, inhabitants' social events, besides, a variety of others. Affirmation of hazard decisions by the wide scope of the interested and affected gatherings is by and large essential to their execution. Hazard depiction cycles and things should give every one of the decision individuals with the information they need

to make tough choices, in the construction wherein they need it. A risk depiction that fails to resolve their inquiries is likely going to be censured as irrelevant or abnormal, paying little psyche to how mindfully it keeps an eye on the requests it decides for thought.

Crisis expectation insinuates measures applied to prevent a crisis. A chief ought to scrutinize the signs that alert against the opportunity of an emerging crisis what's more, take actions to ease its first signs. The accompanying stage during the time spent threatening to crisis the chiefs is foundation for the crisis. This activity is displayed in the availability of against crisis plans, instances of threatening to crisis measures, and the finding of antagonistic to crisis measures. The ensuing stage in adversary of crisis the board is to execute antagonistic to crisis exercises. At this stage, it is fundamental to coordinate and control the applied measures taken fully expecting the crisis. The last activity is to overview the affiliation's reaction to the crisis. At this stage, the affiliation reviews the applied measures, check es them, makes conclusions, gains from its blunders, and accumulates acquired data. The presented measures structure a cycle that grants convincing organization if there should be an occurrence of the crisis and gives learning openings and arranging philosophies to relationship for the accompanying crisis

Risk Management is a significant business practice that helps organizations distinguish, assess, track, and improve the danger relief measure in the business climate. Risk the executives is polished by the matter, all things considered; private ventures do it casually, while undertakings classify it. Organizations need to guarantee dependability as they develop. Dealing with the dangers that are influencing the business is a basic piece of this security. Not thinking about the dangers that can influence the business can bring about misfortunes for the association. Being unconscious of a cutthroat danger can bring about loss of piece of the overall industry, being uninformed of monetary danger can bring about monetary misfortunes,

monitoring a danger can bring about a mishap, etc. Organizations have devoted danger the executives' assets; private ventures may have only one danger supervisor or a little group while endeavors have a danger the board division. Individuals who work in the danger the executive's area screen the association and its current circumstance. They take a gander at the business measures being followed inside the association and they take a gander at the outside factors which can influence the association without a doubt. A business that can foresee a danger will consistently be at a benefit.

A business that can foresee a monetary danger will restrict its speculations and spotlight on fortifying its accounts. A business that can evaluate the effect of a danger can devise a protected method to work which can be a significant upper hand. Assuming we consider the business world a racecourse, the dangers are the potholes which each business on the course should keep away from on the off chance that they need to dominate the race. Risk the board is the way toward distinguishing every one of the potholes, surveying their profundity to see how harming they can be, and afterward setting up a system to stay away from harms. A little pothole may essentially require the business to back off while a significant pothole will require the business to keep away from it totally.

Knowing the seriousness of a danger and the likelihood of risk assists organizations with distributing their assets viably. Assuming organizations comprehend the dangers that influence them, they will realize which dangers need the most consideration and assets and which ones the business can ignore. Risk the executives permits organizations to act proactively in alleviating weaknesses before any significant harm is caused. There are various sorts of risk the board techniques and answers for various kinds of dangers.

We live in a period where information has gotten probably the greatest ware. Probably the greatest organizations on the planet made progress by utilizing information. Any business that needs to get more out of its danger and consistence

endeavors likewise needs to understand the significance of information and how it can help their association.

What makes information so significant?

Information is a particularly significant ware since information can give answers not accessible somewhere else and can permit organizations to abandon the opposition. Organizations have begun to mine their own information to receive more forecasts and experiences in return. This isn't restricted to any one sort of business – information is being utilized to improve the client encounter and anticipate market developments in pretty much every industry on the planet.

Google utilizes gathered area information to enlighten its clients concerning traffic and street terminations. Target utilizes client information to foresee request and to suggest items clients would truly be keen on purchasing – their profiling works so extraordinary that their framework knows whether a client is pregnant and they would then be able to prescribe pregnancy related items to the clients. Information is significant on the grounds that it permits organizations to get top to bottom answers to the inquiries they pose, yet in addition addresses they didn't realize they ought to inquire. Current venture arrangements can recognize risky patterns and ready administration to issues they were unconscious about.

Risk and consistence information

The way that information contains experiences and examination which can reveal issues and foresee future occasions implies that it can have a significant impact on risk and consistence. There are various instances of cycles where information investigation can help risk and consistence. Our consistence and risk arrangements are an incredible model – monitors client objections. Assuming client protests are expanding in a specific area, the framework consequently cautions to the administration and builds its danger rating of that business space.

Rather than getting some answers concerning issues after a review, directors can get some answers concerning issues and concerns when the information proposes that something isn't right.

Why is risk and consistence information not being used?

While most organizations understand the significance of risk and consistence information a couple are really ready to use the information. The greatest snag they face is information planning. Any product application or arrangement that dissects information, needs the information to be normalized and appropriately designed. Most organizations utilize broadly useful programming like Microsoft Dominate to keep risk and consistence information, which can make a few issues for information examination.

The issues incorporate the information being in various organizations and principles. Various offices may have various strategies of putting away information. Another issue is that the information is frequently physically caught, which implies there is an opportunity of there being arranging issues and exactness issues in the information. The issues consolidate the data being in different associations and standards. Finding all the information is another significant issue; the information should be gathered to be dissected. In many organizations the reports might be divided among offices, however the real information is rarely shared.

Getting more out of risk and consistence information expects organizations to reevaluate their information procedure. There should be a brought together framework which assists the business with gathering all the information and afterward investigate it continuously.

While this conveys an expense, the explanation organizations should bear it at any rate is that the advantages of this cycle far exceed the expenses of this interaction. Programming arrangements that work with risk and consistence information are currently simple and reasonable to secure. Our answer is cloud based, which implies

execution costs are insignificant and there are no equipment costs as the arrangement is kept up on the cloud.

REFERENCES

In English:

1. Bacon, T. R. (2006) What People Want: A Manager's Guide to Building Relationships That Work, "Nicholas Brealey", 228 pages.
2. Barton R.M. (1993), The Crisis Management, Oxford Press Publishers, Oxford.
3. Central Bank of Azerbaijan Republic publications.
4. Chapman, C. and Guard, S. (1997) Project Risk Management: Processes, Techniques and Insights. John Utley & Sons.
5. Chrysler Corporation Brands, Subsidiaries, and Related Companies. allpar.com. Retrieved 4 March 2013.
6. Couillard, J. (1995) The role of project risk in determining project management approach. Project Management Journal, 26, 4, 3 – 15.
7. Cumming, Christine and Hirtle, Beverly, The Challenges of Risk Management in Diversified Financial Companies. Economic Policy Review, Vol. 7, No. 1, March 2001, Available at SSRN: <https://ssrn.com/abstract=844215> .
8. Dorofee, A.J., Alker, J.A., Alberts, C.J., Higuera, R.P., Murphy, R.L. and Williams, R.C. (1996) Continuous Risk Management Guidebook. Pittsburgh: Carnegie Mellon University.
9. European Central Bank reports.
10. Federal Reserve reports.
11. Fried, Joseph (2012). Who Really Drove the Economy into the Ditch. New York: Algor Publishing. ISBN 978-0-87586-942-1.
12. Greuning H., Bratanovic S.B., (2020). Analyzing Banking Risk: A Framework for Assessing Corporate Governance and Risk Management, Republic of Korea, 454 pages.
13. Herman C.H.F. (1963), Some Consequences of Crisis Which Limit the Viability of Organizations, "Administrative Science Quarterly", No 8.

14. International Bank of Azerbaijan (2013), Consolidated Financial Statement. Available at https://ibar.az/storage/uploads/files/1596640290_ifrs-2013-2%20aze.pdf.
15. International Journal of Marketing, Financial Services & Management Research ISSN 2277- 3622 , Vol.2, No. 2, February (2013).
16. International Monetary Fund 2000. International Financial Statistics Yearbook Washington D. C.: IMF.
17. James, E. H. and Wooten, L. P. (2007). Leadership as (Un)usual: How to Display Competence in Times of Crisis.
18. John A., Parnell (2013), Strategic Management: Theory and Practice, London, "SAGE Publications", 664 pages.
19. Kallianiotis, J.N. (2013), Exchange Rates and International Financial Economics, New York, "Palgrave Macmillan", 289 pages.
20. Kindle Berger, Charles P. and Caliber, Robert (2005). Manias, Panics, and Crashes: A History of Financial Crises. Palgrave Macmillan, 2005. ISBN 978-1-4039-3651-6
21. Lutz, Robert A. (1998). Guts: The Seven Laws of Business That Made Chrysler the World's Hottest Car Company. Wiley, p. 248
22. National Research Council (1994), Science and Judgment in Risk Assessment, Washington, "National Academy Press", 672 pages.
23. Pauly, J. J. and Hutchison, L. L., "Moral Fables of Public Relations Practice: The Tylenol and Exxon Valdez Cases", Journal of Mass Media Ethics, 2005, vol. 20 (4), p. 231–249.
24. Publications of The Ministry of Finance of Azerbaijan Republic.
25. Raz, T. and Michael, E., "Use and benefits of tools for project risk management", International Journal of Project Management, 2000, vol.19, p.9 – 17.

26. Reinhart, Carmen; Rogoff, Kenneth (2009). This Time is Different: Eight Centuries of Financial Folly. Princeton University Press. p. 496. ISBN 978-0-691-14216-6.
27. State Statistical Committee Publications.
28. Tuuli Koivu, 2002. "Do efficient banking sectors accelerate economic growth in transition countries?", Macroeconomics 0212013, University Library of Munich, Germany.
29. Uard, S. (1999) Requirements for an effective project risk management process. Project Management Journal, 30, 3, 37 – 43.
30. United Nations 2018. United Nations Statistics Yearbook. New York: United Nations.
31. US Department of State, 2015. Azerbaijan Investment Climate.
32. Van de Poel I., Fahlquist J.N. (2012), Risk and Responsibility In: Roeser S., Hillerbrand R., Sandin P., Peterson M. (eds) Handbook of Risk Theory. Springer, Dordrecht. https://doi.org/10.1007/978-94-007-1433-5_35 .
33. Wheelwright, S.C. and Clark, H.B. (1992) Revolutionizing Product Development. New York, NY: The Free Press.
34. Williams, T.M. (1995) A classified bibliography of recent research relating to project risk management. European Journal of Operational Research, 85, 18 – 38.
35. Word Bank publications.

LIST OF GRAPHS

| | |
|----------------------------------------------|----|
| Graph 1: Risk Management Process..... | 23 |
|----------------------------------------------|----|