

FROM THE EDITOR

The safety of banking systems and individual banks is determined by many factors – both internal and external. Risk managers, regulators and academics are seeking tools to better diagnose risk and control it. The analyses mainly concern different risk sources, their interdependence, bank's vulnerability to them, effective risk mitigation tools, prudential regulation and effective oversight. The research areas are very broad and their outcome is impressive. Yet, the current knowledge about the risk and the conditions necessary for the safe operation of banks is still insufficient. One obvious reason for this is the changing environment in which banks operate, the second – the sophisticated nature of risk itself. Thus, there will always be a need for ongoing research into risk – its nature, measurement techniques, impact of external factors, etc. The outcome can help to improve risk management processes in banks and may lead to the adoption of better regulation and design of more efficient supervisory architecture.

This issue of "Safe Bank" consists of articles concerning many of the issues mentioned above. We begin with an article by Anna Matuszyk and Aneta Ptak-Chmielewska who present the tools for identifying potentially fraudulent loan transactions. As loan fraud is a significant credit risk factor, proper data analysis and designing an early warning system might be a crucial element of bank's credit risk management system. The next paper concerns the second kind of bank risk – liquidity risk. Although it is a very important kind of risk and history has proved it was a direct reason for the bankruptcy of many banks (and troubles for whole banking systems), regulations relating to liquidity (including establishing prudential norms and standards) arose relatively recently. Basel III finally included not only capital requirements, but also liquidity norms. Karolina Patora analyses European Union regulations (CRDIV/CRR package) concerning one of those norms – liquidity coverage requirement – and compares it with Basel rules. The author then assesses on this basis whether the EU regulation would enable a prudential objective of the liquidity coverage requirement to be reached.

The next three papers present the results of research concerning sectoral aspects of banking risk. Aneta Hryckiewicz-Gontarczyk and Joanna Wierusz-Wróbel assess

the impact of foreign banks' withdrawals on banking sector concentration. Both issues – foreign banks' activity on local markets and banking sector concentration – have an influence on financial stability, thus conclusions drawn from this research might be yet little – explored area of cooperative banks – her paper presents the analysis of the vulnerability of Polish cooperative banks to changes in macroeconomic environments within the poviats(counties) in which these banks operate. The conclusions drawn are important for designing proper further analysis and potential actions concerning those local banks. There are some important findings for the analysis of the stability of the financial system in Milda Burzała's paper. The author analyses the US financial market to check whether the crisis in the interbank market ran parallel to the crisis in the capital market.

The last paper presented in this issue – by Jerzy Pruski and Jakub Kerlin – characterizes the deposit insurance research present in papers published from 1930 till 2012. The analysis of the research fields presents how approaches to deposit insurance varied over time and therefore how the deposit insurance systems changed. As the authors point out that deposit insurers seem to be the least scientifically examined financial safety net participants, they indicate some gaps in research and suggest areas of desirable new analysis, given the new regulations and whole “post- crisis reality”.

This issue of “Safe Bank” closes with Piotr Masiukiewicz's review of the book “Shadow Banking” by J.K. Solarz. As shadow banking may strongly influence the stability of the financial system, there is a need to analyze this phenomenon more closely.

I am convinced that the ideas, analysis and conclusions presented in this issue will be interesting for researchers and practitioners. At the same time I hope they will inspire subsequent authors and will trigger further discussions and studies – of both a theoretical and empirical nature. We encourage you to publish their outcome in our “Safe Bank”.

Monika Marcinkowska