American International Journal of Multidisciplinary Scientific Research
Vol. 6, No. 4; 2020
ISSN 2638-1249 E-ISSN 2638-1273
Published by CRIBFB, USA

MITIGATE BANK RISK: SOME REVIEW

Hasan Zaman
Independent Researcher

ABSTRACT

Its goal and intent is to examine the structure of capital adequacy, whether or not regulatory regulation is complied with and how shocks from financial and economic stress can be absorbed by the bank's prescription.

Keywords: Mitigate, Bank Risk.

In 2004, in view of some of the problems not covered by Basel I, the Basel Committee on Banking Supervision submitted a revised framework commonly known as the Basel II Agreement. Three pillars remain in Basel 2.Capital adequacy is the first pillar. Pillar 1's core goal is to capitalize credit institutions well. Banks have 10% of total risk-weighted assets to maintain the minimum capital requirement (MCR).

Capital banks are more than 10%and capitalized banks are also considered.8% indicated undercapitalized and 5% undercapitalized substantially. Column 2 is the firm examination by national authorities of the adequacy of capital and prudential supervision. Pillar 3 is an active application of market discipline to promote reliable financial information. Credit risk, market risks, and operational risk is addressed in Basel 2.In these three areas of risk, the bank must reassure the capital adequacy of each exposure.

It has a distinctive Islamic financial system that must be properly addressed when formulating the Islamic financial organizations' capital guidelines. Leverage cannot be produced significantly in this system, which played an important part in the recent financial crisis. Islamic financial products should be linked to real business activities such as trade, manufacturing etc. These articles cannot be underpinned by another financial contract because Shariah restricts debt trading and unreasonable speculation. As Islamic financial products are asset-based, they are frequently more likely to pose market risk (probability of loss of lower market prices).They also have certain other unique risks such as displaced trade risks (commercial force to pay returns that exceed the rate that has been earned on its assets financed by mudaraba depositors).

REFERENCES

Alam, I., Islam, K. A., & Al-Amin, D. M. (2015). Human Resource Practices & Gender Discrimination in Asian Countries. International Journal of Innovative Research and Creative Technology, 1(3). Retrieved from http://www.ijirct.org/viewPaper.php?paperId=IJIRCT1201057

Alhassan, I., & Islam, K. M. A. (2019). The Impact of Environmental and Social Disclosures on the Financial Performance of Oil and Gas Companies in Nigeria. *The Millennium University Journal* , *4*(1), 33-44. Retrieved from http://www.themillenniumuniversity.edu.bd/journal/index.php/TMUJ/article/view/28

Chowdhury, S., Hasan, K. R., Rahman, M., Islam, K. A., & Mohammad, N. (2020). Causal Relationship among Carbon Dioxide (CO2) Emissions, Renewable Energy, Population and Economic Growth in Bangladesh: An Empirical Study. , Research in World Economy, 11(6). https://doi.org/10.5430/rwe.v11n6p196

Hasan, Z., & Islam, K. M. A. (2020). Academic, Financial and Administrative Issues of Online Teaching During Corona Pandemic: The Scenario of Private Universities in Bangladesh. International Journal of Accounting & Finance Review, 5(1), 116-122. https://doi.org/10.46281/ijafr.v5i1.630

Hossain, S. A., Islam, M. N., Mahmud, M. S., & Islam, K. A. (2017). Evaluation of Financial Performance of Commercial Banks in Bangladesh: Comparative Study Based on CAMEL Approach. The Millennium University Journal, 2(1), 54-77. Retrieved from http://www.themillenniumuniversity.edu.bd/journal/index.php/TMUJ/article/view/22

Hossain, S. A., & Islam, K. M. A. (2017). Impact of Basel II & III Implementation to Mitigate Bank Risk: A Study on Al-Arafah Islami Bank Limited. Indian Journal of Finance and Banking, 1(2), 42-51. https://doi.org/10.46281/ijfb.v1i2.88

Hossain, S. A., & Islam, K. A. (2015). The Relationship of the Macroeconomic Variables with the Growth of Garment Industry in Bangladesh. Global Disclosure of Economics and Business, 4(1), 63-78. https://doi.org/10.18034/gdeb.v4i1.153

Islam, K. A. (2012). Performance Evaluation of the Banking Industry in Bangladesh: A Comparative Analysis. IOSR Journal of Business and Management (IOSRJBM), 3(4),9-19. https://doi.org/10.9790/487X-0340919

Islam, K. M. A., & Zaman, M. (2013). Job satisfaction & bankers’ turnover: a case study on Bangladesh commerce bank limited. International Journal of Business and Management Review, 1(4), 1-14. Retrieved from https://www.eajournals.org/journals/international-journal-of-business-and-management-review-ijbmr/vol-1-issue-4-december-2013/job-satisfaction-bankers-turnover-a-case-study-on-bangladesh-commerce-bank-limited/

Islam, K. A., Hossain, S. A., Zaman, M., & Miajee, M. R. K. (2013). Poverty Alleviation in Bangladesh through Small and Medium Enterprise (SME) Loan: A Case Study on

United Commercial Bank Limited at Gulshan Branch. Bangladesh Research Foundation Journal, 2(3), 29-43.

Islam, K. A. (2013). Examination of Profitability in Private Commercial Banks in Bangladesh: An Empirical Investigation. Bangladesh Research Foundation Journal, 2(2),29,68-83.

Islam, K. A., Alam, I., & Hossain, S. A. (2014). Examination of profitability between Islamic banks and conventional banks in Bangladesh: A comparative study. Research in Business and Management, 1(1), 78-89. https://dx.doi.org/10.5296/rbm.v1i1.4894

Islam, K. A. (2014). Foreign Direct Investment (FDI) in Bangladesh: Prospects and Challenges and Its Impact on Economy. Asian Business Review, 4(1), 24-36. https://doi.org/10.18034/abr.v4i1.70

Islam, K. A., & Salma, U. (2014). Customer satisfaction of Internet banking in Bangladesh: A case study on Citibank NA. Asian Journal of Applied Science and Engineering, 3(1), 51-62. Retrieved from https://www.journals.abc.us.org/index.php/ajase/article/view/51-62

Islam, K. A. (2014). Measurement of Capital Adequacy of AB Bank Limited. International Journal of Novel Research in Marketing Management and Economics, 1(1), 24-39. Retrieved from https://www.noveltyjournals.com/journal/IJNRMME/Issue-1-September-2014-December-2014/0

Islam, K. A. (2015). Throughput accounting: a case study. International Journal of Finance and Banking Research, 1(2), 19-23. https://doi.org/10.11648/j.ijfbr.20150102.11

Islam, K. M., & Hossain, S. (2015). Demutualization of Dhaka Stock Exchange: Opportunities and Challenges. International Journal of Finance and Banking Research, 1(1), 1-11. Retrieved from http://article.sciencepublishinggroup.com/html/10.11648.j.ijfbr.20150101.11.html

Islam, K. A., Alam, I., & Al-Amin, D. M. (2015). Foreign exchange operation of private commercial banks in Bangladesh: A case study on AB Bank Limited. International Journal of Innovative Research and Creative Technology, 1(3). Retrieved from http://www.ijirct.org/viewPaper.php?paperId=IJIRCT1201061

Islam, K. A., & Salma, U. (2016). The role of private universities in higher education of Bangladesh: an empirical investigation. International Journal of Finance and Banking Research, 2(4), 121-128. https://doi.org/10.11648/j.ijfbr.20160204.11

Islam, K. A., & Salma, U. (2016). Mobile Banking Operations and Banking Facilities to Rural People in Bangladesh. International Journal of Finance and Banking Research, 2(4), 147. https://doi.org/10.11648/j.ijfbr.20160204.14

Islam, K. A. (2016). Impact of Micro-Financing on Women Empowerment in Bangladesh. The Millennium University Journal, 1(1), 1-18. Retrieved from http://www.themillenniumuniversity.edu.bd/journal/index.php/TMUJ/article/view/1

Islam, K. A., & Salma, U. (2016). The Renewable Energy and Sustainable Development: A Case Study of Bangladesh. International Journal of Finance and Banking Research, 2(4), 139-146. https://doi.org/10.11648/j.ijfbr.20160204.13

Islam, K. A. (2016). Rural Development Scheme: A Case Study on Islami Bank Bangladesh Limited. International Journal of Finance and Banking Research, 2(4), 129. https://doi.org/10.11648/j.ijfbr.20160204.12

Islam, K. M. A. (2016). Financial Performance Comparison of Top Rated Banking Financial Institutions (BFIs) of Bangladesh. Indian Journal of Science, 23(85),669-697.Retrieved from https://discoveryjournals.org/science/current_issue/2016/A60.pdf

Islam, K. M. A. (2016). Corporate Governance: Conjecture and Modernism, Indian Journal of Science,23(86), 798-817.Retrieved from https://discoveryjournals.org/science/current_issue/2016/A66.pdf

Islam, K. M. A. (2016). Factors Influencing Consumers Purchase Decision: A Case Study of Pantene Shampoo. Indian Journal of Science, 23(88),910-923.Retrieved from https://discoveryjournals.org/science/current_issue/2016/A74.pdf

Islam, K. M. A., & Barghouthi, O. (2017). Human Resource Management: An Islamic Perspective. International Journal of Islamic Business & Management, 1(1), 10-13. https://doi.org/10.46281/ijibm.v1i1.46

Islam, K. M. A., & Barghouthi, O. A. (2017). Corporate Governance: An Islamic Institution Perspective. International Journal of Islamic Banking and Finance Research, 1(1), 29-32. https://doi.org/10.46281/ijibfr.v1i1.36

Islam, K. A. (2017). An Empirical Research on Beximco Knitting Ltd: Ratio, DuPont, Valuation and Pro-Forma Analysis. Indian Journal of Finance and Banking, 1(1), 1-7. https://doi.org/10.46281/ijfb.v1i1.80

Islam, K. M. A. (2017). Finance: An Islamic Perspective. International Journal of Islamic Banking and Finance Research, 1(1), 1-5. https://doi.org/10.46281/ijibfr.v1i1.32

Islam, K. M. A., & Barghouthi, O. A. (2017). An Islamic Perspective of Marketing. International Journal of Islamic Business & Management, 1(1), 17-19. https://doi.org/10.46281/ijibm.v1i1.48

Islam, K. M. A., & Karim Miajee, M. R. (2017). An Islamic Perspective of Leadership. International Journal of Islamic Business & Management, 1(1), 14-16. https://doi.org/10.46281/ijibm.v1i1.47

Islam, K. M. A., & Karim Miajee, M. R. (2017). Business Ethics: An Islamic Perspective. International Journal of Islamic Business & Management, 1(1), 7-9. https://doi.org/10.46281/ijibm.v1i1.45

Islam, K. M. A., & Barghouthi, O. A. (2017). Risk Management of Islamic Banking: An Islamic Perspective. International Journal of Islamic Banking and Finance Research, 1(1), 25-28. https://doi.org/10.46281/ijibfr.v1i1.35

Islam, K. A. (2017). An Empirical Research on Fu-Wang Foods Ltd: Industry, Strategy, Accounting, Ratio, Valuation and Proforma Analysis. American Finance & Banking Review, 1(1), 1-11. https://doi.org/10.46281/amfbr.v1i1.79

Islam, K. M. A. (2017). Predicament and thought of SMEs financing in Bangladesh: an exploratory research. Indian journal of arts, 7(22), 146-151.Retrieved from https://discoveryjournals.org/arts/current_issue/2017/A17.pdf

Islam, K. A., & Miajee, M. R. K. (2018). Small and Medium Enterprises (SMEs) Financing in Bangladesh: A Review of Literature. International Journal of Small and Medium Enterprises, 1(1), 11-15. https://doi.org/10.46281/ijsmes.v1i1.62

Islam, K. M. A., & Karim Miajee, M. R. (2018). Exploring E-Business in SMEs. International Journal of Small and Medium Enterprises, 1(1), 16-18. https://doi.org/10.46281/ijsmes.v1i1.63

Islam, K. M. A., & Barghouthi, O. A. (2018). To What Extent Do the Investment Programs in the Infrastructure Sector Comply with the Determinants of National Competitive Advantage?. International Journal of Small and Medium Enterprises, 1(1), 6-10. https://doi.org/10.46281/ijsmes.v1i1.61

Islam, K. M. A., & Barghouthi, O. A. (2018). To What Extent Do the Investment Programs in the Small and Medium Enterprises Sector Comply with the Determinants of National Competitive Advantage?. International Journal of Small and Medium Enterprises, 1(1), 1-5. https://doi.org/10.46281/ijsmes.v1i1.60

Islam, K. A., & Bhuiyan, A. B. (2019). The Theoretical Linkages between the Shariah Supervisory Board (SSB) and Stakeholder Theory in the Islamic Financial Institutes: An Empirical Review. International Journal of Accounting & Finance Review, 4(2), 43-49. https://doi.org/10.46281/ijafr.v4i2.436

Islam, K. A. (2019). What Do the Customers Think?An Evaluation of New Products & Services of National Bank Limited. Retrieved from https://www.cribfb.com/pdf/Thesis_2017_01.pdf

Nayeen, C. J., Islam, K. A., Chowdhury, F. N., & Zayed, N. M. (2020). Testing Communicative Language Teaching (CLT) through English for Today (EFT) in Bangladesh: Challenges Faced by Tertiary Students Initially. American International Journal of Education and Linguistics Research, 3(2), 19-27.

Kader, S. A., Zayed, N. M., Khan, S., Islam, K. M. A., & Siddiki, M. N. A. (2019). An Analysis of Socio-Economic Condition of Female Readymade Garments′ (RMG) Workers in Dhaka City. The Millennium University Journal , 4(1), 12-20. Retrieved from http://www.themillenniumuniversity.edu.bd/journal/index.php/TMUJ/article/view/26

Hasan, Z., & Islam, K. M. A. (2020). Academic, Financial and Administrative Issues of Online Teaching During Corona Pandemic: The Scenario of Private Universities in Bangladesh. International Journal of Accounting & Finance Review, 5(1), 116-122. https://doi.org/10.46281/ijafr.v5i1.630

Barghouthi, O. A., & Islam, K. M. A. (2020). Financial Stability Implications of Stress Testing for Risk Taking and Credit Growth. American Finance & Banking Review, 5(2), 1-4. https://doi.org/10.46281/amfbr.v5i2.778

Ali, M. C., Islam, K. M. A., Chung, S., Zayed, N. M., & Afrin, M. (2020). A Study of Green Human Resources Management (GHRM) and Green Creativity for Human Resources Professionals. International Journal of Business and Management Future, 4(2), 57-67. https://doi.org/10.46281/ijbmf.v4i2.857

Baqir, M., Hussain, S., Waseem, R., & Islam, K. M. A. (2020). Impact of Reward and Recognition, Supervisor Support on Employee Engagement. American International Journal of Business and Management Studies, 2(3), 8-21. https://doi.org/10.46545/aijbms.v2i3.256

Barghouthi, O. A., Shaheen, A. A., Al-Ghazali, S., Islam, K. M. A., & Barakat, F. S. Q. (2020). IMPEDIMENTS FOR ISSUING SUKUK BONDS FOR IMPROVING ECONOMIC DEVELOPMENT IN PALESTINE. International Journal of Sukuk and Waqf Research, 1(1), 1-24. Retrieved from https://www.cribfb.com/journal/index.php/IJSWR/article/view/855

Barakat, F. S. Q., Perez, M. V. L., Ariza, L. R., Barghouthi, O. A., & Islam, K. M. A. (2020). THE IMPACT CORPORATE GOVERNANCE ON INTERNET FINANCIAL REPORTING: EMPIRICAL EVIDENCE FROM PALESTINE. International Journal of Accounting & Finance Review, 5(4), 1-22. https://doi.org/10.46281/ijafr.v5i4.852

Hussain, S., Baqir, M., Islam, K. M. A., & Asif, S. (2020). HOW SELF-CONTROL IMPACT'S ON HAPPINESS AND SATISFACTION WITH LIFE WITH MODERATING ROLE OF LOCUS OF CONTROL. American Economic & Social Review, 6(2), 13-30. https://doi.org/10.46281/aesr.v6i2.851

Baqir, M., Hussain, S., Islam, K. M. A., & Waseem, R. (2020). Comparison of Financial Performance of Private Commercial Banks in Pakistan. American Finance & Banking Review, 5(2), 5-17. https://doi.org/10.46281/amfbr.v5i2.841

Bhuiyan, A. B., Ali, M. J., Islam, K. M. A., Alam, M. S., & Solaiman, M. (2020). THE ISSUES AND CHALLENGES OF SHARIAH HARMONIZATION OF THE CROSS BORDER TRANSACTIOINS: CONCEPTUAL REVIEW OF ISLAMIC BANKING INDUSTRIES. International Journal of Shari'ah and Corporate Governance Research, 3(2), 1-9. https://doi.org/10.46281/ijscgr.v3i2.838

Bhuiyan, A. B., Ismail, A. G., Islam, K. M. A., Noor, A. H. M., Solaiman, M., & Rahman, M. A. (2020). ISLAMIC BANK SAFETY NET ISSUES: THE REGULATORY CHALLENGES FOR CROSS BORDER ISLAMIC BANKING TRANSACTIONS. International Journal of Islamic Business & Management, 4(2), 20-31. https://doi.org/10.46281/ijibm.v4i2.840

Islam, K. M. A., Khan, M. A. U., Azhar, S., Ahmed, M. R., Khurram, S., Masood, H., & Farooq, L. (2020). COMPARISON OF IN VITRO ACTIVITY OF COLISTIN WITH CEFTOLOZANE/TAZOBACTAM AGAINST MULTI DRUG RESISTANT PSEUDOMONAS AERUGINOSA "A LAST LINE TREATMENT AGAINST MDR". American International Journal of Multidisciplinary Scientific Research, 6(3), 1-7. https://doi.org/10.46281/aijmsr.v6i3.823

Hassan, M. S., Mizanuzzaman, M., & Islam, K. M. A. (2020). The Effects of Training to the Employee Performance and Development: A Study of Fareast Islami Life Insurance

Company Limited, Bangladesh. International Journal of Business and Management Future, 4(2), 17-40. https://doi.org/10.46281/ijbmf.v4i2.785