Annals of the „Constantin Brâncuși” University of Târgu Jiu, Economy Series, Issue 3/2012

RESTRUCTURING OF BANKING - CONSEQUENCE TO THE MODERNIZATION OF THE CHANNEL MANAGEMENT

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Rezumat
Any company, any economic-social system tends to develop and make permanent challenges coming from the environment in which there are and who is in a continuous transformation. For the banking system in Romania, adaptation to market requirements of the Union Europe is a challenge, but especially a necessity of maintaining a high standard of professional development, to meet the competition. Getting a free market, in which "the game" is the competition, banks must consider very good ratio of profits that wish to obtain them and risks assumed, this report's most prestigious efficiency of each banks as single entity or of the entire banking system, as a complex entity.

In the context of the international financial crisis, the Romanian banking system can be characterized by a comfortable level of solvency and liquidity, you noticed a deterioration in the quality of assets and of posting a modest profit as a result of stagnating lending activity.

In the context of the implementation in Romania of prudential principles of the new Capital Accord (Basel II) with regard to the calculation of capital requirements for credit institutions, the adoption of international financial reporting Standards at the consolidated level, as well as of ensuring convergence prudential reporting requirements with those of financial reporting surveillance purposes, is taking over in the national law of standardized financial reporting framework on a consolidated basis (FINREP) issued by the Committee of European banking supervisors (CEBS). It is intended to credit institutions that use accounting standards to IFRS in the preparation of consolidated financial reporting.

Cuvinte cheie: globalization, banking risks, agreements Basel, concentration banking, banking performance

Clasificare JEL: G21, G01

1. Introduction

Reform is not limited to reorganize and restructure the Romanian banking system, an organic component of it constituting a substantial change in Bank management. Bank Management adaptation to market conditions in training has been present in earlier stages of reform, but that objective obtained a first-rank importance after he outlined the new banking organization system. Consolidation of the banking system, in line with the European banking Community and as it creates conditions for profitable participation in the globalization of banking activity, could not take place outside management.

One of the major requirements of the restructuring of the Romanian banking system is the restructuring of the Bank management. A banking company will decide to adopt the management based on the presumption that this will weaken or will resolve the core issues, which influence the quality of performance. Bank management must be reconsidering geared primarily towards building a strong infrastructure, a skilled, towards a methodological system and rennet of financial instruments that will enable it to carry out the activity of financial intermediation.

To enhance bank clientele, must increase domestic and international confidence in the financial sector and throughout the economy. To a certain extent, the development of financial infrastructure, as one of the requirements of rising confidence, it is the banking sector. Bank managers have identified a number of objectives in the short term, medium and long likely to strengthen and develop the financial infrastructure. For example, in the short term, will be introduced new products and banking facilities, will be developed and existing ones. In this category belong to debit cards, credit cards and cash vending machines.

All in the field of financial infrastructure, by mentioning manifested by the National Bank of Romania in the work of supervision, have recorded considerable progress in introducing and using international standards of auditing and accounting. Also, in order to achieve a climate attractive to foreign investors and to protect the interests of Romanian banking, were established favourable conditions for the establishment of banks with foreign capital. Within the infrastructure of the banking system, we must have regard, in addition to the financial infrastructure and territorial network of banks, as well as sufficient, because they contribute to the management of a large number of customers and maintaining a professional level of banking services, as well as the introduction of new banking services.
2. Body text

By targeting the banking management towards improving staff appears a human resources management. Human resources management has an especially important role regarding the formation of a highly trained staff oriented to satisfy customers requirements, in compliance with the rules.

A good relationship with your customers depends primarily on the quality and professionalism of the staff, which plays a major role in the sale of bank products and services. A well prepared, competent personnel, with appropriate behaviour will lead to maximizing results. Be aware of the fact that every employee is responsible for the quality of service, and this in turn depends on (figure no. 1):

![Diagram of important factors in maximizing the results of bank]

In this context, although the trend of evolution towards modern techniques that can be used by banks, reducing the number of personnel, banking specialists say that, the greatest advances in technology, shall be necessary to the human voice, who can persuade, encourage, enlighten, argue. Bank management must consider and modernizing the banking technology, its alignment to those used to the powerful banks developed. Romania's National Bank and commercial banks are concerned to improve the speed and efficiency of the payment system. Thus, the National Bank introduced new procedures to improve the settlement payments and has lined up international standards for the use of payment instruments. The establishment of an interbank clearing houses and computerization of the clearing system was and is an important goal. In practice, the continuous improvement of the system of compensation payments depends, directly, development of infrastructure and telecommunications systems, in particular.

Last but not least, the Bank management is a management of the active and passive operations, which aims to ensure the financial equilibrium of the Bank as economic entity, providing the necessary resources for the activity, as well as placing them in conditions of reduced risk. This is particularly important, because granting loans without discernment and their subsequent transformation into non-performing loans are those which often result in bank failures, which was manifested in the perimeter of the Romanian banking system. Therefore, ensuring correlation between active and passive, maintaining acceptable levels of liquidity and solvency of a Bank are the objectives attention managers.

At the same time, must be the subject of a financial management policy interest, income and expenditure monitoring and finally, Bank profits, as the main source of the increase of own funds. After highlighting the complexity of Bank management content, it can be concluded that it is hard to find a banking management model corresponding to the banking situation in our country, but I think it is useful to be highlighted some aspects that can characterize the new banking organization in Romania, a series of proposals for the management of the crisis situation in the Romanian banking system.

Among the measures that target directly the banks and the banking system can be included:
establishing the criteria, of an economic nature, for the selection of distressed banks that will need to benefit from the support of the National Bank of Romania or of budget and taxation of the concept that not all banks will benefit from it;

the application of constructing a rigorous business, which consists not in inventing new rules and principles, but only the consistent application of principles enshrined;

diversification of operations; appropriate, be provisioned reserve sufficient against the risks inherent in financial and economic system;

finding new ways of working with small and medium enterprises, in order to avoid unwelcome situation in which large enterprises enjoy relatively cheap and large loans, while small and medium enterprises access to credit them is hindered;

the imposition of an appropriate transparency, availability of information, both at the level of the competent organs of control, and at the level of the general public;

reducing the discrepancy between maturities and currency exposures, on the one hand, and the need for liquidity of banks in the various periods of their activity, in particular in order to avoid the situation that these discrepancies and needs to overlap in time, turning it into a veritable crisis system.

All these measures will contribute to the achievement of the premises of a modern banking system, dynamic and effective based on (figure no. 2):

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{modern_banking_system_architecture.png}
\caption{Modern banking system architecture}
\end{figure}

In view of the financial-banking system integration of Romania in the Euro area have been started actions to adapt the legal framework applicable to payments from domain a rigid approach, specifying the system switched to one flexible and appropriate settlement of payment obligations specific diversity of transactions of a free market.

From the point of view of banks, would be held a few changes in the Bank-client relationship, as follows:

\begin{itemize}
\item introduction of the euro will reduce costs for the Romanian firms incurs as a result of currency exchanges. These costs, according to estimates made by the ECB, is about 1-2% of the value of the transaction;
\item it will save you valuable time in the activities of management, Argus need risk analysis and cost-profit ratio for each transaction, carried out by the company;
\item it simplifies the evaluation of the results of the commercial of the enterprise point of view, no longer necessary to take into account the volatility of the currency;
\item more easy access of exporters in markets of any of the Member countries is another advantage that could be utilized after removing monetary barriers within the European Union. In this case it will reduce the number of intermediaries, so that enterprises will increase revenues as a result of direct exports effected and which at the same time will become more competitive in terms of prices offered; transparency of prices. This means that the expression of all prices in euros will help Romanian firms choose their suppliers to ensure the lowest costs and export their products in those countries where can I get the highest revenue.
\end{itemize}

3. Conclusions

A consequence but a necessity, due to the development of the banking system in Romania and his entry into a competitive market much higher and risky, is the implementation of the Basel II Agreement. In the case of Romania, the implementation of Basel II involves a number of important challenges for both the credit institutions (adjustment of risk management and information system, training staff, obtaining databases etc.) and National Bank of Romania (the adaptation process, development of surveillance of the new regulatory framework, staff training etc.).
National Bank of Romania and banking institutions have made and are making efforts to develop safe and healthy the whole lending mechanism of Romania, giving such evidence of maturity in terms of understanding the mechanisms for funding and manage the risk arising from this activity. It was understood that it takes, the change of banking supervision, principles relating to the development and diversification of the lending process in Romania and switching from traditional banking supervision, accounting, verification of compliance of credit institutions with the requirements established by the rules of banking prudence, at one stage, the quality of bank supervision, targeted risk assessment which may expose credit institutions through their specification through their appetite for risk.

In the first six months of the year 2012, the Romanian banking system continued to characterize through adequate capitalization in relation to the volume of assets and the level of risk assumed. Beyond the capital injections of shareholders who had a contribution in maintaining an appropriate level of own funds, a role in preserving a comfortable position of solvency has returned and the share of Government securities (risk-free) in the portfolio of the banks. The introduction of the National Bank of Romania to prudential filters has ensured a smooth transition to IFRS for the purposes of strengthening the capitalization levels recorded before the transition to the new accounting standards, so that the indicator of solvency has remained very close to the level of December 2011 (14.7% to 14.9%).

In the context of the national currency and volatility of financial difficulties faced by companies and households, the quality of the loan portfolio continued to deteriorate and in 2012, the rate of credit risk has increased up to 26.1% from 23.3% in late December 2011; part of the increase of the indicator was explained by the new approach required by IFRS (e.g., recognition in the balance sheet amounts previously recorded in off-balance sheet). Also, the rate of bad loans, calculated according to the situation of classification of credits as share of loans and interest classified in category „loss 2” in total loans and interest classified, recorded an upward trend during the year 2012, at 14.3% to 16.8% provides.

With all that in the first two months of the year profitability indicators were in positive territory under favorable influence to switch to the new accounting rules (by using a different methodology of establishing provisions that led to reduce their volume), in the period following these returned to negative values. The Basel III agreement took shape amid the international financial crisis, because of the frâmântărilor generated by amplitude, depth and geographic expansion of the crisis. They represent the new global regulatory standards for capital adequacy and liquidity of banks, horizon of the commencement of the implementation of the official January 1, 2013.

New standards imposed by BASEL III, require higher capital requirements and better quality for better risk management, the introduction of a leverage ratio meant to scuttle a risk-based requirements, measures concerning capital accumulation during periods of stress and the introduction of two new lichiditate standards.

4. Bibiography: