References

1. National standards of accounting and reporting, "Effect of changes in foreign exchange rates", approved by the Ministry of Finance of the Republic of Belarus of 29.10.2014 No. 69. Available at: http://www.gb.by/izdaniya/glavnyi-bukhgalter/postanovlenie-minfina-rb-ot-29102014-69.
2. ASC 830, Foreign Currency Matters. Available at: http://www.iasplus.com/en-us/standards/fasb/broad-transactions/asc830.
3. IAS 21, The Effects of Changes in Foreign Exchange Rates. Available at: http://www.iasplus.com/en/standards/ias/ias21.
4. IAS 29, Financial Reporting in Hyperinflationary Economies. Available at: http://www.iasplus.com/en/standards/ias/ias29.

UDC 336.7

METHODS OF RUSSIAN AUTHORS FOR ASSESSING THE FINANCIAL STABILITY OF COMMERCIAL BANKS: COMPARATIVE CHARACTERIZATION

A. Elchaninova, assistant lecturer of Commerce Department
Vitebsk State Technological University, Belarus

Key words: financial stability, commercial bank, liquid assets, statutory fund, equity, total liabilities.

Abstract. The article describes the most common methods for assessing the financial stability of commercial banks of the Russian authors. The article provides a comparative description of these methods, as well as indicates their advantages and disadvantages.

The most common methods of assessing the financial stability of commercial banks are as follows:

1. Analysis of the financial stability of a credit institution by the method of V. Kromonov.

The initial information for calculation of stability is held inbalance sheets of banks, which data are grouped into economically homogeneous groups: statutory fund, equity, demand liabilities, total liabilities, the required reserves fund, liquid assets, working assets, capital protection.

On the basis of these parameters the system of coefficients is made and the current index of reliability is calculated.

For the construction of the current index of reliability normalization system is applied to the resulting set of coefficients. Its essence lies in the fact that each bank's coefficients are divided into respective coefficients of a hypothetical bank, called optimally reliable. The term "optimally reliable bank" means a bank, a reliable

enough, but not overly so, having a reasonable allocation of assets and liabilities, including reasonable share of working assets.

Maximum value of the index of reliability is equal to 100. The higher the index, the more reliable and stable the bank is.

Final index of reliability is formed only for banks that have passed through the cutoff system. The point of this system - still at a preliminary stage to weed out the banks which do not represent the public interest (too small or highly specialized), or don't have enough stable balance sheet structure (eg. too young), or are known to the verge of bankruptcy.

The final ranking of the banks in the ranking list is carried out in descending order of values of the indices of banks that have passed cutoff system and not excluded on the grounds arising from subjective information of the preparers of the ranking. [1]

2. Method of assessing the financial stability of the bank of A. Muravyev.

This method provides the calculation of sustainability indicators of commercial bank in groups of criteria: capital base of the bank, liquidity, profitability.

In addition, to evaluate the complex stability of the bank a number of additional parameters are used:

– the rate of stock capitalization of the profits - the ratio of equity capital to the statutory fund - characterizes the efficiency of the bank - the ability to increase equity by the earned income instead of additional issue of shares;

the rate of distribution, which is defined as the ratio of profits paid as dividends to the entire net profit;

– the number of years of presence in the banking market;

– the presence of external ratings, confirming the bank's external recognition as a strong member of the banking market;

– specialization of the bank.

It should be noted that the assessment of the complex stability for the financially unstable banks is not made due to the fact that the situation in these banks can be described as unsatisfactory, and it is a priori difficult for them to resist negative factors accompanying the banking business [2].

3. Method of assessing the financial stability of the bank of banking union "Orgbank" (Russia).

This method consists of three s: a formal, mathematical and expertise. The first phase is the immediate verification of requirements that were set for banks. Orgbank refers to these criteria total balance, amount of capital, the level of profitability, the share of loans in total assets. In addition, banks are grouped in terms of activity. At the same time the banks with statutory fund in the amount not lower than the Central Bank of Russia are analyzed.

On stage the mathematical rating index is calculated. It is calculated on a set of standard parameters that cover almost all aspects of the analyzed bank. All parameters are conventionally divided into six major areas:

– the resulting financial measure;

– an indicator of the dynamics of financial management of bank funds;

− professionalism of employees;
− structure of the bank;
− history;
− image.

At the third stage of the analysis an expert evaluation of the rating index is carried out. As a result of evaluation each bank is assigned to a certain category.

4. Method of assessing the financial stability of the bank of Analytical Center of financial information (Russia).

The analysis estimated the bank's resistance to various fluctuations: economic, political, psychological, environmental, situational, and others. First of all, it is estimated how proficient is the bank, that is, the extent to which he is engaged in banking activities.

According to this method of Analytical Center on the first round the banks are divided into classes depending on the quantitative indicators. Each class is calculated as the sum of the bank's positions in the three lists drawn up in order of decreasing amounts: total bank balance, equity and profit. Bank's position in the worklist defined by decrease of the total amount of points. According to this principle, banks are divided into four classes.

Then, for each class is calculated ratio of the bank's financial stability - the main indicator of the method according to which the final list of banks is based. Depending on the value of this ratio the banks are grouped in four classes of the stability (high, medium, permissible, other).

The final rating of the bank stability is calculated as the sum of the ten indicators, such as financial indicator, expert indicator, the technical indicators, each of which is an interconnected system of influencing factors [3].

Comparative description of methods is presented in table 1.

Table 1 – Comparative description of methods for assessing the financial stability of commercial banks

The name of the method	Advantages of the method	Disadvantages of the method
The method of V. Kromonov	At the preliminary stage it allows to eliminate obviously troubled banks due to the existence of the system of cutoffs	1. Lack of attention to the problem of assessing the quality of bank assets 2. Subjectivism related to optimum coefficient values and their weights 3. Insufficient attention to the factor of bank profitability
The method of A. Muravyev	1. It allows at the preliminary stage to exclude financially unstable banks 2. It takes into account the relationship of stability, reliability and competitiveness of the bank	Includes an analysis, based on expert judgment, so the quality of the final result depends on the professionalism of the experts.

Table 1 – Comparative description of methods for assessing the financial stability of commercial banks: Continues

The method of banking union "Orgbank" (Russia)	It takes into account both quantitative and qualitative indicators of the bank's activities	Stage based on expert judgment is subjective
The method of Analytical Center of financial information (Russia)	It assumes a formalized approach that improves the accuracy of the assessing	It does not take into account quality indicators of the bank's activities: market reputation, professionalism of employees and others

Source: compiled by the author.

Each method of assessing the financial stability of the bank has its advantages and disadvantages. The choice of method depends largely on the available information and the objectives pursued by analysts.

References

1. Бобыль, В. Методика применения показателей системы риск-менеджмента / В. Бобыль // Банковский вестник. - № 6. – 2014. – С. 16-21.
2. Кретова, Н.А., Сысоева, Е.Ф. Оценка устойчивости и надежности коммерческого банка в конкурентной среде / Н. А. Кретова, Е. Ф. Сысоева // Вестник ВГУ. Серия: Экономика и управление. - № 2. – 2011. – С. 219-226.
3. Морозевич, О., Пупликов, С. Методологические основы оценки рейтингов банков / О. Морозевич, С. Пупликов // Банковский вестник. - № 2. – 2003. – С. 39-47.

IMPLEMENTATION AND IMPROVEMENT OF INTERNAL INNOVATIVE IDEAS OF SYSTEMATIC MANAGEMENT OF COMPANY

J. Gladevich, master of Economics, Doctoral student
Daugavpils University, Latvia

Key words: corporate culture, employees' innovative potential, innovation and employee motivation, innovative proposals recognition and rewards system.

Abstract. The company's development is closely linked to the innovative development. In order to develop innovation, the company has set up a proper corporate culture, made up of qualified staff, who is motivated to think and act innovatively. There are analyzed the company's innovative environment and the