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SCIENTIFIC AND METHODOLOGICAL APPROACHES TO THE DEFINITION AND SELECTION OF FINANCIAL STABILITY INDICATORS IN BANKING

Artem V. LAZNIA

Postgraduate Student, the University of Banking of the National Bank of Ukraine (Kyiv)

Summary. The article deals with the main stages of financial stability indicators development. The international experience to identify, evaluate and interpret financial stability indicators has been studied. The main positive and negative aspects of using banking stability aggregated indicator have been analyzed. The ways of optimizing the evaluation of risks to financial stability of Ukraine have been described.

The process of monitoring the stability of the banking system has a very long story. Financial stability indicators (FSI) – are indicators used to monitor the general condition and the stability of financial institutions and markets, especially their clients and members.

There are different approaches to defining financial stability indicators. There are several groups of indicators: economic growth, balance of payments, interest rate, foreign exchange market, external factors. The International Monetary Fund focuses on such financial stability indicators, as capital adequacy and asset profitability, liquidity, sensitivity to market risk. However, this list is not exhaustive and may be added if desired.

In our opinion, the most attractive is the system of definition of financial stability of the National Bank of Kazakhstan known as a "map of risk evaluation". It contains 57 financial stability indicators, macro prudential factors and indicators of the probability of financial crises, which are based on the external, banking and real economic sector evaluation

ESCB has worked over the methodology of compiling macro-prudential indicators. It enables to include greater number of indicators that are used to analyze a broader range of factors.

With the use of a number of internationally FSI some countries use their aggregated financial stability indicators. For example, Turkey uses 6 indicators, which are characterized by asset quality, liquidity, currency and interest rate risk, profitability and capital adequacy.

Alternatively, during the formation of an aggregate indicator of financial stability in the world other methods are used, including financial market's data. This approach was used in the development of financial vulnerability indicators by specialists FRS (2005) and the development of financial stress index of the Central Bank of Canada (2003).

Bank of Sweden has designed a "stress index" for the banking sector (2006), which consists of account indicators of bank balances and performance, market indicators, interbank exposure or additional supervisory information.

It should be noted that as a result of world experience analysis a number of quantitative indicators and the combination of different approaches can be used to assess the stability of the financial system and its most important component – banking sector. Among them FSI calculation, stress testing, as well as aggregated view on the development of financial and banking sector on the basis of simple aggregated indicator.

It is important to map risk assessment and appropriate "system of early indicators" for Ukraine. That provides opportunity for different government branches to respond crisis.

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