EVALUATION OF BELARUS BANKING SYSTEM SUSTAINABILITY

Larisa N. MARCHENKO
Candidate of Technical Science, Associate Professor of Economic Cybernetics and Probability Theory Department, Educational Institution «Francisk Skorina Gomel State University» (Gomel)

Lyudmila V. FEDOSENKO
Candidate of Science in Economics, Associate Professor of Finance and Credit Department, Educational Institution «Francisk Skorina Gomel State University» (Gomel)

Summary. This article analyzes the Republic of Belarus banks stability. Banks efficiency rating assessment has been given on the basis of the most important data.

Revival of competition in the banking sector of the Republic of Belarus significantly increases the level of risk that the bank assumes interacting with counterparty banks and other non-bank financial institutions. Access to the financial market and credit institutions financial soundness is a necessary condition for the banking system stability. Banks reputation is of great importance today. Rating is the main instrument to measure the reputation and thus the sustainability. Banks rating plays an important role in their development and efficiency, helps to rank the banks, determines the place of each of them in the banking system, determines the attractiveness for investments, for obtaining interbank loans, etc. Banks ratings are an integral part of the information infrastructure which ensures the normal development of the banking business.

Only major banks of Belarus aimed at international markets of capital can afford to use services of international rating agencies. This approach "narrows" information field to analyze the state of the banking sector due to the lack of completeness of coverage of all banks ranging procedure.

In the methods of the international rating agencies (Standard & Poor's, Moody's Investors Service, Fitch Ratings) rating of the bank reduced to one integral indicator of reliability, and the analysis includes a large set of both financial and non-financial information. In this subjective assessment agency experts and surveys of employees (that is not recognized organi-zations) account for a significant share of the comprehensive assessment rating. Many smaller banks are developing their own methodological tool that allows an objective assessment of the counterparty in terms of its financial stability. However, as practice shows, not all banks for various reasons, can "bump" the methodological support of counterparties rated at a high level. Accumulated theory and practice of other banking organizations methodological arsenal also not always be used because of its complexity and high complexity testing. In other words, a full analysis of the financial condition of banks is based on the analysis of a large set of indicators that commercial banks are very challenging.

The research showed that the universal technique (a set of the unified indicators) rating assessment of banks which would allow objectively instead of by "order" to range banks and to define their place in a banking system still isn't developed. By estimates of different agencies banks took different positions in a rating scale, depending on what were used indicators for its assessment. A variety of initial indicators which are "put" in algorithm of this or that technique leads to different results of ranging of banks.

Nevertheless, the Belarusian banking practice presses universal simple algorithm which would allow ranging objectively banks in various economic conditions.

As universal indicators it is offered to use the unified coefficients which are defined by standard leg-

islative base and are banks of Republic of Belarus obligatory for execution.

The technique of an assessment safe functioning of banks in Belarus leans on the following indicators: standard of sufficiency of fixed capital (A1); standard of sufficiency of the standard capital (A2); instant liquidity (A3); current liquidity (A4); short-term liquidity (A5). The choice of these indicators is caused by that they are legislatively regulated, that is are obligatory for performance by all banks, are unified,

easily "give in" to monitoring, position itself as key at an assessment of reliability of the credit organization.

Comparison of the rating results constructed on indicators of safety of functioning and rating of Belorussian banks on assets led considerably different results. It is established that the steadiest bank not necessarily is the leader on assets. Change of positions in a certain degree reflects what banks most successfully worked in the conditions of quickly changing environment.

References

1. Marchenko, L.N., Serapin, N.S., Fedosenko, L.V. (2013). K voprosu rejjtinhovojj otsenki bankov Respubliki Belarus [To the question-rated banks in the Republic of Belarus]. Actual problems of economic development: theory and practice, p. 32–35.

2. Karminsky, A., Peresetsky, A., Petrov, A. (2005). Rejjtinhi v ehkonomike. Metodolohija i praktika [Ratings in the economy. Methodology and Practice]. Moscow: Finance and Statistics.

3. Dmitrieva D. Konkurentsija v hranitsakh sehmentov bankovskoho rynka Respubliki Belarus' [Competition within the boundaries of the segments of the banking market of the Republic of Belarus]. Localized 25. November 2013. Retrieved from http:wwwnbrb/bv/cont.asp?id=9896.

4. Dmitrieva, E. (2012). Metodika vyjavlenija konkurentov v sehmente bankovskoho rynka [Method to identify competitors in the segment of the banking market]. Bank Gazette, Vol. 13, 35–41.

5. Rejjtinh ehffektivnosti belorusskikh bankov po itoham I poluhodija 2013 hoda voz·hlavil Ideja [Bank Belarus banks effectiveness rating for the 1-st half of 2013 was headed by Idea Bank]. Localized 15. December 2013. Retrieved from http://doingbusiness.by/liderom-reitinga-effektivnosti-belorusskih-bankov-za-ii-kvartal-ostalsya-ideya-bank.

6. Kovalev, M., Kolesnic, K. (2012). Obzor pokazatelejj belorusskoho bankovskoho rynka i analiz ehffektivnosti bankov v 2011 hodu [Belarus bank market review and bank effectiveness analysis for 2011]. Review of Belarus banks association, Vol. 7, 15–22.

7. Kovalev M., Kolesnic K. (2011). Konkurentnye pozitsii bankov: itohi 2010 [Banks competitive positions: results of 2010] Review of Belarus banks association, Vol. 8, p. 2–10.

8. Kolesnic K. (2011). Metody analiza konkurentsiji v bankovskom sektore [Competition analysis methods for a banking sector. Review of Belarus banks association]. Vol. 15, p. 15–23.

9. Instruktsija № 137 «O normativakh bezopasnoho funktsionirovanija dlja bankov i nebankovskikh kreditno-finansovykh orhanizatsijj [Instruction №137 «On the norms of safe functioning for banks and non-banking credit and finance organizations»]. Localized 17. December 2013. Retrieved from http://www.nbrb.by/legislation/BankSuperVision/pdf/I_137.pdf.

10. Pchelintsev, A.D., Pchelintsev V.A. (2010, №3). Metody opredelenija sravnitel'noho rejtinha ehkonomicheskoho sostojanija promyshlennykh predprijatijj [Methods to measure comparative rating of industrial enterprises economic state.] Review of Nihzegodsky University after N.I. Lobachevsky, p. 583–593.

11. Rejjtinh bankov Belarusi po aktivam. Period sravnenija: 3-jj kvartal 2013 [Belarus banks actives rating. Period of comparison: 3-d quarter of 2013]. Localized 20. December 2013 Retrieved from http://select.by/content/view/6196/836/.