

JEL CLASSIFICATION: C14, G01

THEORETICAL APPROACHES TO STATISTICAL EVALUATION OF THE FINANCIAL STABILITY OF THE STATE

Liudmyla Ye. MOMOTIUK

Doctor of Economics, professor Department of Finance, Nhe National Academy of statistics, accounting and audit

Summary. The paper summarizes the foreign experience of studying of indicators that are able to signal in advance of the approaching financial crises,

and defined the most promising method of signal approach to forecasting of financial instability in Ukraine.

Key words: *financial stability, the financial crisis, indicators, signal approach.*

The article summarizes the study of foreign experience indicators that are able to advance to warn about financial crises beginning.

Indicators of financial stability are considered to be a financial performance, reflecting and describing the current financial condition and stability of financial institutions and their counterparties. Investigating financial stability, statistics involves, primarily, analysis and development of appropriate indicators and indicators of financial instability risks.

Financial instability is reflected in the specific detection of disequilibrium in the financial and banking sectors, in the foreign exchange and financial markets and in the financial and economic crises, which sometimes are great and they have a negative impact on the economy of separate country and the global economy. In this regard, recent studies acquire special urgency associated with the identification of the factors and indicators that are able to warn about the financial instability beginning as a crisis.

The main content of these researches is to substantiate and develop such economic and financial indicators that are most likely to provide an opportunity to evaluate and prevent the onset of financial instability and convergence of the financial crisis using statistical indicators. The performed analysis of foreign experience due to studying indicators being able to announce about financial crises beforehand makes it possible to draw up a list of indicators for the Ukrainian financial market. For the monitoring and forecasting of financial instability a non-parametric estimate method is suggested to be the best in use as econometric modeling method has sufficient reasons limiting its use.

Thus, the most promising aspect is nonparametric methods using as well as signal approach. The basic idea of signal approach involves signals fixing made by warning indicators over the “alarm window”, that is determination of time period before the crisis.

References

1. Baranovskyi O. I. (2007) “The stability of the banking system of Ukraine”, *Finansy Ukrainy*, vol. 9, pp. 75–87.
2. Lakshina O. A. (2006) “Topical issues of financial stability”, *Bankovskoe delo*, vol. 8, pp. 20–24.
3. Naumenkova S. V. (2009) *Rozvytok finansovoho sektoru Ukrainy v umovakh formuvannia novoi finansovoi arkhitektury* [Financial Sector Development Ukraine in the formation of a new financial architecture], *Universytet bankivskoi*

spravy, Tsentr naukovykh doslidzhen NBU, Kyiv, Ukraine.

4. Sablina E. A. (2009) “Application of modern approaches to statistical estimation and forecasting of stability of the financial system in Russia”, *Voprosy statistiki*, vol. 7, pp. 54–62.

5. Eichengreen B., Rose A. and Wyplosz C. (1995), “Exchange market mayhem. The antecedents and aftermath of speculative attacks”. Retrieved from <http://www.jstor.org/stable/1344591>.

6. Kaminsky G., Lizondo S. and Reinhart C. (1852) "Leading Indicators of Currency Crises". Retrieved from <http://home.gwu.edu/~graciela/HOME-PAGE/RESEARCH-WORK/WORKING-PAPERS/leading-indicators.pdf>.

7. The official site of International Monetary Fund (2011), "Financial Soundness Indicators". Retrieved from <http://www.twirpx.com/file/1113628>.

8. The official site of International Monetary Fund (1998), "Financial crises: characteristics and indicators of vulnerability". Retrieved from <http://www.imf.org/external/pubs/ft/weo/weo0598>.

9. Kaminsky G. and Reinhart C. (1999), "The Twin Crises: The Causes of Banking and Balance-of-Payments Problems". Retrieved from <http://home.gwu.edu/~graciela/HOME-PAGE/RESEARCH-WORK/WORKING-PAPERS/twin-crises.pdf>.

10. Struchenevskij A. A. (1998), "Empirical analysis of the financial crises in Russia", *Jekonomicheskij zhurnal VShJe*. Retrieved from <http://www.hse.ru/mag/economics/1998-2-2/26549722.html>.

11. Edison H. (2000) "Do indicators of financial crises work? An evaluation of an early warning system" Retrieved from <http://www.federalreserve.gov/pubs/ifdp/2000/675/ifdp675.pdf>.

12. Trunin P. V. and Kamenskih M. V. (2007) *Monitoring finansovoi stabilnosti v razvivaiushhihsia jekonomkah (na primere Rossii)* [Monitoring financial stability in developing housekeeper (for example, Russia)]. IJePP, Moskva, Rossija.