THEORETICAL ASPECTS OF FINANCIAL CONDITION ANALYSIS OF COMMERCIAL BANKS

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Successful development of bank system liquidity and reliability at the condition of market economy in many respects depend on analytical work statement in the banks, allowing to give real and all a third-party assessment to the reached results of banks activity, to reveal, define concrete solutions of arising problems. The analysis of activity of bank is a basis effective management since forms initial base for adoption of administrative decisions at all levels of management of bank.

The analysis accompanies performance of majority bank operations, and it helps to provide bank profitability and liquidity which allows sustaining the competition and gaining trust of investors.

The analysis of financial condition of commercial bank represents a multidimensional task at which decision is necessary to carry out the analysis of various aspects of activity of bank. The Kazakhstan banks, compelled to work in the conditions of the increased risks and more often than their foreign partners, appear in crisis situations.

The conducted research of references allowed submitting the conceptual scheme of carrying out the financial analysis of the public reporting of commercial banks. At the first stage the analysis of dynamics and structure of sources of financial resources as the system factor determining the possible size of financial turn of bank and forming the main component of its expenses is made. At the second stage the analysis of dynamics and structure of placement of financial resources as the system factor influencing formation of the income in bank activity is carried out. At the third stage the analysis of dynamics and structure of the income and expenses and their influence on profit as on the end result of activity of bank is made. In the conclusion calculation of indicators of economic efficiency on

the basis of which the complex assessment of productivity of activity of bank and development of ways of its increase in the future is given is carried out.

Traditionally the assessment of financial condition of bank assumes use of a certain set of indicators which in our case can be grouped as follows:
1. Indicators of capital sufficiency;
2. Liquidity indicators;
3. The indicators characterizing quality of liabilities;
4. The indicators characterizing quality of assets;
5. Indicators of profitability.

For an assessment of these indicators rather large number of coefficients is put into practice. The choice of coefficients has to rely not on subjective judgments f analysts, and on establishment of strict dependence on these factors of a financial condition of banks. Therefore, without trying to invent new coefficients for an assessment of liquidity, profitability, sufficiency of the capital, quality of assets and liabilities, in work research of coefficients most often meeting in various techniques on the chosen indicators of stability of banks is conducted.

The unilaterality and limited value of each of coefficients testifies to expediency of use for an assessment of stability set of such coefficients (Table 1).

The table 1-System of Indicators, used at assessment of financial condition of commercial banks

/	Stability indicators	Coefficients, standards	Procedure of payments of coefficients, the standards characterizing indicators of stability	Recommended value coefficients standards
1	Sufficiency of the capital	1.1. Coefficient sufficiency capital	(The capitals / Assets weighed taking into account risk) * of 100%	10%
2	Quality of liabilities	2.1. Coefficient client base 2.2. Coefficient stability resource base	((Deposits of citizens + Means of legal entities) / the total amount of the raised funds) * 100% ((Total obligations - Obligations poste restante) / total obligations) * 100%	80% 70%
3	Quality of liabilities	3.1. Coefficient efficiency uses assets 3.2. Coefficient aggressions credit policy 3.3. Coefficient qualities of the loan debts	(The assets bringing the income / total assets) of *100% (Loan debt / the attracted resources of bank) *100% ((Loan debt - settlement RVPS) / loan debt) * 100%	65% 65% 99%
4	Liquidity	4.1. Standard the instant liquidities 4.2. Standard the current liquidities 4.3. Standardgeneral liquidity	(Highly liquid assets/obligations poste restante) *100% (Liquid assets / obligations poste restante and for a period of up to 30 days) *100% (Liquid assets / (total amount of assets - obligatory reserves)) * 100%	20% 70% 20%
5	Profotadility	5.1. Coefficient profitability assets 5.2. Coefficient profitability capital	(Profit / total assets) * 100% (Profit / the capital) * 100%	5% 10%

The capital is one of the most important integrated characteristics of commercial bank. The assessment of sufficiency of the capital can be made either on the basis of absolute, or on the basis of relative indicators. The funds is one of the most important integral characteristic of commercial bank. Sufficient capital estimates can be made either on the basis of absolute, or on the basis of comparative figures.

At determination of size of the capital in absolute expression it is difficult to judge, whether this size for performance by bank of its main functions suffices or not. Use of system of relative indicators expands possibilities of studying and an assessment of a financial condition of commercial banks, in particular, an indicator of their own capital.

The analysis of quality of assets traditionally begins with consideration of effectiveness ratio of use of assets which shows, what share in total assets is occupied by the assets which are bringing in the income. The size of profitable assets has to be sufficient for profitable work of bank. Normal it is considered if the share of profitable assets makes not less than 65%, or below but provided that the income of bank exceeds its expenses.

The important indicator of profitability is coefficient of profitability of the assets, representing the profit got by bank, to the size of its total assets (table 1). Growth of this

coefficient has to be estimated positively as it testifies to increase of efficiency of use by bank of available assets, but thus it must be kept in mind that too its high value can signal about the raised degree of the risks interfaced to placement by bank its assets. The low rate of return of assets of commercial banks testifies to conservative credit policy and excessive operating expenses.

Other indicator of efficiency of activity of bank is the coefficient of profitability of the capital which is estimated as the relation of profit of bank to its own capital. This coefficient testifies to extent of return of the capital of bank.

Thus, use of system of the coefficients offered by a technique, would allow to estimate financial stability of commercial banks rather fully. Approaches offered by the real technique are based on an assessment of set of criteria of stability of banks and are aimed at carrying out the express analysis of a financial condition of bank.