

A. Ya. Bystryakov
Ok. V. Savchina

FINANCIAL STABILITY OF SBERBANK OF RUSSIA AND BANK FOR FOREIGN TRADE (VTB) ACTIVITY IN CONDITIONS OF THE WORLD CRISIS

***Abstract:** The stability analysis of Sberbank of Russia and the Bank for Foreign Trade (VTB) activity is carried out on the basis of consolidated financial statement relative to key activity figures. Main destabilizing factors acting on the Russian banking system during 2007-2008 are revealed and evaluated. The influence of these factors on liquidity, profitability, asset quality and state of capital of the adopted targets of research is also determined in the paper.*

***Keywords:** financial crisis, stability, liquidity, profitability, capital*

JEL: E 44, E 5

Introduction

There are two main characteristics that are common to the banking system of today's Russia – instability and sharp structural changes under conditions of the world financial crisis. At the moment banks suffer from the lack of proper economic risk protection. In its turn, it is one of the main reasons for bankruptcy and activity discontinuation of a number of these banks.

Because of the existence of the inverse link, damage caused by a bankruptcy of any bank can have an impact on the whole banking community and on an economic system of a country as a whole. That is why the main task of the stability analysis research is of great concern.

The concept of stability is one of the fundamental in science. Its definition depends on a subject being analyzed. In economics stability problems were considered in particular by V. V. Leontev, Nobel Laureate. Basics of mathematical theory of stability were worked out by A. M. Lyapunov over a century ago. [1] Ever since thanks to efforts of a number of scientists there are carried out numerous researches in the sphere of amplification of its theory and its application to different problems.

This research paper contains the analysis of the stability of Sberbank of Russia and Bank for Foreign Trade (VTB) activity under conditions of the world financial crisis relative to the main key figures of their activity, namely: profitability, liquidity,