ABSTRACTS

УДК 336.717 O. Fuksman

LIQUIDITY MANAGEMENT IN BANKS IMPROVEMENT USING FTP MODEL

The article determines that there is great interest in the scientific and practical circles on the system of transfer pricing. At the same time it is found that there are no studies toward the algorithm of liquidity risk premium calculation depending on a number of elaboration factors, which significantly reduces the possibility of transfer pricing usage to manage liquidity in banks. Thus, the problem posed in the article, is to develop such an algorithm.

The methods of transfer pricing that may be used banks are described in the article. The components of transfer price are analyzed and its nominal division into «stable» and «variable» parts is offered.

The «stable» component of transfer price consists of all its constituents except liquidity risk premium. Incentive margin (liquidity risk premium), being the stimulus for business divisions to attract/place funds in the specific time periods, is offered to consider the «variable» part of transfer price.

The formula for incentive margin calculation is presented. The incentive margin consists of such components as: the difference between the «stable» constituent of transfer price and the market rate for respective product; norm ratio and liquidity ratio. The special attention in the article is concentrated on the mechanism of the two last elements calculation. They depend on forecast level of economic liquidity norms (for norm ratio) and forecast level of relative liquidity gap (for liquidity ratio).

The usage of key individual and team performance indicators system for bank's personnel based on the transfer pricing model is offered. The elaboration of such a system in details and also the differentiation of target indicators in liquidity ratio calculation might be considered as prospects for further research.