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In 2004 the Basel committee on banking supervision published the new Advisory document “International Convergence of Capital Measurement and Capital Standards” (Basel-II).

The purpose of recommendations is to strengthen reliability and stability of the international banking system on the basis of transition to qualitatively new level of risk-management of banking activity [1].

Risk-management of banking activity is a part of professional bank management work. In any professional work there are terms which behind frameworks of professional (sometimes highly tailored) communities are not clear.

Talking about terminology we should pay our attention to the following ideas:

- creation of the general understanding of Basel-II recommendations by all participants interested in its introduction. We mean an adequate translation of the document on the basis of development of risk-management professional terminology and practice of the developed financial market;
- regulation of application (use) of new financial terminology, i.e. creation/actualization legislative (in case of need) and/or the standard base opening the relations and/or actions and/or requirements and obligations, arising according to the concepts defined by these financial terms.

Let us draw some examples of terms of the Basel-II which do not have definitive translation and are not reflected in standard documents:

1. Exposure At Default (EAD)
2. Expected Loss ($EL = PD \times LGD \times EAD$)
3. Risk Weighted Assets (RWA)
4. Advanced Measurement Approaches (AMA) for operational risk
5. Rating system
6. Regulatory Capital and Economic Risk Capital
7. Credit conversion factors (CCF)
8. Volatility and Value at Risk (VAR) [3].

Translation problem solving depends on the given document orientation (i.e. who is a “user”):

- for experts in risk-management - an adequate translation of the document from the professional English language into the professional Russian language;
- for more wide circle of users (even bankers) - an adequate translation of the document using an explanatory dictionary (translation is not the explanatory dictionary);
- for a public statement of the basic recommendations - adequate translation of the sense and value of these recommendations for the given circle of users.

The experts of Association of the regional bank “Russia” offered the following approach to the translation problem of the loan foreign terms:

- to follow the standard (rule, algorithm) - on the basis of priority: Russian transcription of terms either a transliteration, or direct translation;
- adequate economic (special) interpretation of terms (the correlation of the financial term with an economic reality plus clear division of concepts, consistency of terms) in the form of the explanatory dictionary;
- legislative or standard registration (regulation) of terms according to their economic essence [5].

Advantages and disadvantages of the offered approach:

- standard algorithm of the translation from English into Russian of terms which are absent now in Russian;
- univocacy (adequacy, i.e. accurate conformity of an economic reality is reached) understanding (the elimination of polysemy, antipathy, exclusion of translation mistakes, i.e. wrong translation of the sense of terms into Russian);
- easiness of back translation (from Russian into English in the conditions of internationalisation of the financial markets).

But here we should speak about difficulties of understanding (mastering professional terminology and new level of knowledge, its accompanied use, always cause some difficulties).

Taking the offered approach into account let us consider the term “Value at Risk (VAR) ”:

1. Перевод (не устоялся) - «значение риска», «сумма [стоимость] под риском», «рисковая сумма [стоимость]».

2. См.: Earnings-at-risk , Value-at-Risk model , Analytical Value-at-Risk , Simulation Value-at-Risk , Historical Value-at-Risk, Equity Value-at-Risk.

3. Экономическая интерпретация - четкость отсутствует. Между тем, определение «значение риска» - показатель меры риска, получаемый с помощью методологии Value-at-Risk. Здесь имеется в виду как один из методов оценки риска. Его величина указывает на максимальный убыток, который может возникнуть на протяжении известного периода времени при определенной вероятности. Математически: альфа-квантиль функции распределения изменения стоимости портфеля в негативную сторону; определения «сумма [стоимость] под риском», «рисковая сумма [стоимость]» - максимально возможная сумма потерь инвестора, оцененная за некоторый промежуток и с определенной вероятностью (напр., если оцененная рисковая сумма составляет 100 млн. за 10 дней с вероятностью (доверительным интервалом) 95%, это значит, что вероятность превышения убытков за 10 дней суммы в 100 млн. составляет лишь 5%).

4. Нормативное оформление - не отрегулировано [5].

To conclude we would like to stress the idea that when loaning foreign terms it is necessary to standardize as much as possible the procedure of their translation for the purpose of monosemantic understanding and simplification of professional dialogue, especially international.

Literature references

1. Bank for International Settlement - Basel Committee on Banking Supervision “International Convergence of Capital Measurement and Capital Standards” - a Revised Framework - June 2004;
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3. ISO/IEC Guide 51:1999 Safety aspects - Guidelines for their inclusion in standards.
4. A Risk Management Standard, AIRMIC, ALARM, IRM: 2002.
5. Государственный стандарт РФ ГОСТ Р 51897-2002 «Менеджмент риска. Термины и определения» (принят постановлением Госстандарта РФ от 30 мая 2002 г. N 223-ст).