UDC 326.73

DRAGAN O.O., PhD in Economics
Bila Tserkva National Agrarian University

CURRENT TRENDS OF THE BANKING SECTOR IN UKRAINE

The current trends of the banking sector of Ukraine and ways of enhancing the image of banking institutions are considered.

Keywords: banking, bank, banking system, banking service, financial resources, intermediaries.

The current stage of development of Ukraine is characterized by the urgent need to create a comprehensive program of socio-economic development of society, as well as providing the necessary conditions for real transformations of financial, credit and monetary systems, adapting them to the specifics of market relations. At the same time, in the sphere of financial support for economic reform, further improvement is needed in banking activities.

The banking market is one of the important and integral components of the modern market economy. Therefore, there is growing interest in various aspects of banks' activities and methods of managing them. Banks have gradually become the main intermediaries in the redistribution of capital, in ensuring the continuity of the economic recovery process.

The current development of the banking system is characterized by a rapid increase in the number of banks, leaving the latter to seek new ways to attract customers.

The theory and practice of analyzing the performance of a bank provides a broad toolkit for assessing it, but the use of existing techniques as a management element does not clearly determine the profitability of a particular service, customer, structural unit of the bank, as these techniques are aimed at assessing the activities of the banking institution as a whole. Attempts by practitioners to distribute revenues and expenses between structural units do not allow to properly evaluate the effectiveness of a certain type of services, since in many cases they are aimed at determining the operating income of the unit (service) without taking into account non-operating or determining the profitability of the unit without taking into account the profitability of services [1, c. 763].

Against the background of the growth of the banking sector of the economy, in the conditions of aggravation of competition in the market of banking services, which is exacerbated by the probable expansion of foreign banks into the domestic market, conditions are created that require increasing the efficiency of the bank's activity not by intensification but by the intensification of its activity. One such way is to improve the quality of bank management by introducing an effective financial planning system.

Considering the need to increase the level of reliability, financial stability of banks in the domestic and international markets, the following measures should be

taken: - to increase the possibilities of maintaining the liquidity of banks through financial rehabilitation programs, - to increase the provisioning standards for credit operations on loans not covered by credit - optimize the structure of capital, assets and liabilities, based on the tasks of ensuring the financial stability of banks and their positive impact on the development of real the economic sector;

- strengthen the transparency requirements for corporate governance of banks, in particular the identification of real bank owners and their responsibility for maintaining the financial stability of banks; - ensure proportional growth of regulatory capital and its components of active and passive operations; - increase the efficiency of managing assets and liabilities in order to prevent unjustified increase of deductions from regulatory capital, in particular related to accrued but not paid income; - to develop strategic goals depending on the situation in the country and abroad; - to apply more actively the procedure of reorganization of banks by way of merger or merger, as well as restructuring of banks by closing of unprofitable branches.

Among the many factors that determine the effectiveness of banking (economic, legal, organizational, human resources, etc.), an important factor is the psychological factor of public confidence. It has two components: public trust in national money - hryvnia and trust in banks [2, p. 84].

Increasing trust in banks is an urgent task of nationwide importance. Delaying it may in the near future significantly slow down the economic development of the country. It is therefore necessary to take immediate action. First and foremost, the banks themselves must act.

In the conditions of rapid aggravation of the competition those who win the highest trust of the population will survive.

To build trust in banks, it is necessary to create a socially positive image around banks. Today, unfortunately, no one cares about this image, not even the bankers themselves.

The general economic effect of increasing public confidence in banks can be realized in the following directions: - by increasing the resource base of banks due to a more intensive inflow of deposits, increasing credit and investment contributions to the economy, which in turn improves the provision of financial resources of economic entities, and, in turn, increases the financial status of the latter; - by reducing the cost of banking resources, and hence, of loans, because trusting banks will increase deposits even if interest payments on them decrease.

Mitigating political risks in their operations is essential to building confidence in banks from the most competent part of the population. The fact is that political risks are most obvious to bank customers and may not be the first to warn them against investing in banks.

Improvement of organizational structure and quality of personnel. A high level of human resources management will provide the following areas: formation of corporate culture and improvement of the quality of personnel (level of education, competence, skills and professionalism); programs of work motivation and personnel management.

An important task for Ukrainian banks is to ensure their stable development in order to achieve the highest financial results, as well as to increase competitiveness in the domestic and foreign financial markets, and to strengthen the interaction of banks with the real sector of the Ukrainian economy. Further research requires the universalization of the bank, improving the quality of service, as the development of all traditional types of banking services, as well as the development of their own, taking into account the specifics of work in Ukraine and customer requirements, improving the quality of operations and services provided.

REFERENCES

1. Xiondz S.M. The current state of the banking system of Ukraine [Text] / S.M. Xiondz, A.P. Stepanyshena // Economy and Society. - 2016. - № 7. - P. 761-766.

2. Tarasova O.V. State and tendencies of development of the banking system of Ukraine [Text] / O.V. Tarasova, Yu.O. Panova // Economics of the food industry. - 2014. - No. 3 (23). - P. 79-86.

UDC 336.77:332.2:005.334

HERASYMENKO I.O., PhD in Economics
Bila Tserkva National Agrarian University

RISKS OF MORTGAGE LENDING UNDER THE GUARANTEE OF AGRICULTURAL LAND

The article substantiates the role and importance of land-mortgage lending for agricultural enterprises. It has been established that a land loan is one of the safest and safest ways to obtain long-term investment. The risks of the credit and financial system in the functioning of the mortgage lending mechanism and in the provision of agricultural land are systematized.

Keywords: mortgage lending, agricultural land mortgage, pledge, land, land market.

An important condition for ensuring the sustainable development of agricultural enterprises is to improve the financing of investment activities through the development of a system of investment and mortgage lending. Land mortgage lending is a widely used investment tool in most developed countries. Domestic and international experience proves that the territorial basis of mortgage lending secured by land must be land, which is privately owned or long-term lease, and have been registered in accordance with the law [1]. At the initial stage of the formation of a mortgage lending institute, there may be risks that the credit and financial system faces when engaging in a mortgage lending mechanism related to such collateral as agricultural land [2].

The first is the group of risks associated with the absence of the agricultural land market as real estate. If the borrower is unable to pay for the bank loan, there are difficulties for the credit institution in the implementation of such collateral. On the one hand, there is no clear procedure for the sale of land plots from agricultural land, and on the other - there is a high probability of repayment by the bank of granted credit and interest on it. Therefore, it is obvious that at the initial stage of formation of the system of land-mortgage lending to potential clients of credit institutions in the field of land-