

## REFINANCING OF BANKS IN CONDITIONS OF FINANCIAL INSTABILITY

**Shmuratko Ya.A.**

Candidate of Economic Sciences,  
Lecturer at Department of Banking,  
Odessa National Economic University

**Stetsura O.S.**

Student,  
Odessa National Economic University

Features of external situation where the banking system functions require from the National Bank of Ukraine to make weighted decisions in order to achieve the main goal assigned to it as the central bank, namely, to promote the stability of the Ukrainian monetary unit and financial stability, including the stability of the banking system.

Refinancing operations occupy the current place in the system of monetary policy instruments of the NBU, and their use is subject to the general objectives and tasks of monetary policy. The above makes it necessary to determine the effectiveness of using NBU refinancing operations through an analysis of quantitative and qualitative indicators of the achievement of the purpose of the monetary policy of the central bank, which should include: ensuring sustainable development of banking business, the ability of the latter to withstand banking crises, ensuring the liquidity of the banking system, its stability and trust to it by preventing systemic risk.

The article studies the theoretical basis of refinancing operations of the National Bank of Ukraine, analyses the dynamics of refinancing operations volumes in the period of 2013–2016. The study of the dynamics and structure of refinancing of domestic banks in the conditions of the financial crisis has led to the conclusion that during the 2014–2016 years the refinancing policy implemented by the NBU was aimed at keeping the banking system from financial collapse. At the same time, it was at this stage where it became clear that refinancing loans were used ineffectively because they were concentrated in the portfolios of banks that were insolvent.

With changes in the environment, emphasis and priorities in the goals and objectives of monetary policy should be shifted. The next step is to introduce a set of measures aimed at revitalizing economic processes and stimulating lending activity of banks, including by improving the mechanism for supporting bank liquidity on the basis of refinancing operations.