

## **STRUCTURAL IMBALANCES OF THE BANKING SYSTEM OF UKRAINE**

**Sokolovska I.P.**

Candidate of Economic Sciences, Associate Professor,  
Senior Lecturer at Department of Economic Theory  
and Competition Policy,  
Kyiv National Trade and Economic University, Kyiv

The reasons for the structural deterioration of the banking system of Ukraine are considered in the article. The main changes in the structure of Ukraine's banking system are analysed based on the assessment of dynamics of bank's current indicators in Ukraine during last years. The negative consequences of intensive crowding out private banks with Ukrainian capital and the monopolization of the national banking system by state and foreign banking institutions are identified in the article. These trends not only created systemic risks in the banking system but led to significant negative macroeconomic consequences for the whole economy. The statistical data on structural features of banking systems of different countries is analysed. The study of the structural features of the banking systems of different countries denies the existence of a stable connection between the number

or size of banks and their reliability indicators. Their research convinces in the lack of connection between the number or scale of activities of banks and their stability. It is determined that the structure of the banking sector should reflect the structure, scale, and level of development of the economy that it serves. The establishment of adequate requirements for the minimum level of capital of financial institutions in European countries has created conditions for the stable development of small banks, which successfully work in certain segments of the business, especially in retail. It is advisable to introduce differentiated requirements for the capital of specialized banks depending on the specifics and risks of their activities. Directions of overcoming structural imbalances by creating conditions for the functioning of competitive small- and medium-sized banks with Ukrainian capital are determined.