

ACTIVITIES OF FINANCIAL CONGLOMERATES AND THEIR IMPACT ON THE STABILITY OF THE FINANCIAL SECTOR IN UKRAINE

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The article analyses the activity of financial conglomerates in the domestic and international financial markets, examines the theoretical aspects of the essence of the definition "financial conglomerate", considers the scale of the activities of financial conglomerates in the world and the Ukrainian financial market, and estimates the impact of international financial conglomerates on the financial sector in Ukraine.

In accordance with European law, a financial conglomerate is a group of financial intermediaries, which must include two of the three types of financial intermediaries – a bank, an insurance company and an investment company.

According to the analysis, in 2016 the largest number of financial conglomerates was observed in the following countries: Great Britain, France, the Netherlands, Germany, Norway and Sweden. Most often, one financial conglomerate comes from one country: such countries in 2012 – 8, in 2013 – 9, in 2014 and 2015 – 10, in 2016 – 8. Among the 500 companies included in ranking Global 500, 93 companies belong to the financial sector. The rating of the largest companies in the world, "Global 500"-2016 shows that "AXA", "Allianz" and "BNP Paribas" have the largest net income from the services.

In 2016, there are 5 financial conglomerates from France, Italy, Sweden and the UK operating in the banking market of Ukraine –

"Credit Agricole", "Intesa Sanpaolo", "SEB", "BNP Paribas", "UniCredit SpA". In the Ukrainian insurance market some insurance companies belong to the following financial conglomerates: "RZB-UNIQA", "BNP Paribas", "AXA" and "AIG".

International financial conglomerates have taken control at least 7,7% of the assets of insurance companies in Ukraine, it is at least 0,2% of GDP. The ratio of bank assets belonging to the international financial conglomerates to GDP is about 5%.

The total assets of international financial conglomerates are 48,856 times higher than the international reserves of Ukraine. It leads to the question whether the National bank of Ukraine can regulate and prevent crisis situations. The total assets of financial conglomerates are 16,431 times higher than the total assets of banks in Ukraine. It is thought that it is a very large size of international financial conglomerates relative to the Ukrainian banking market.

Thus, the financial conglomerates that are acting in Ukraine are super-powerful financial intermediaries in the domestic financial market. In the future, the results of this paper can be used to justify the improvement of supervision of financial groups and financial conglomerates in Ukraine, the development of interaction between supervisors in the financial sector in order to increase the transparency of the activities of financial conglomerates.