

Innovative development perspectives in the banking system of Ukraine

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The problems that arise in the social and economic life directly effect on the status of the banking system and contribute to the emergence of problems in the field of formation and using of resources. The task that arises in the banking system of Ukraine is the formation, development and functioning of the system, which may occur in conditions of uncertainty and instability of the economy. This can contribute to innovations that can improve the health of the banking system as a whole.

Today, banks in developed countries have virtually exhausted the opportunities for growth both organic, that is due to the usual internal sources and through mergers and acquisitions. Thus, to ensure the survival and development in the banking institutions objectively need exits in the formation of a new, innovative thinking. The origin of banking innovation caused by the continuous movement of entrepreneurial ideas, the desire to beat the competition, the information received about bank innovations of foreign countries, as well as periodically arising crises in the banking sector (general or private) that is an incentive to increased activity in the field of innovation, aimed at improving the bank's financial stability. Innovation in the

banking sector – is the end result of innovative activity of the bank, which was realized in the form of new or improved banking product or service implemented in the practice.

In Ukraine, the innovation potential is high enough, but currently is not implemented in full volume. According to the general laws of economics between financial stability, efficiency, competitiveness and innovation potential of the bank, there is a stable relationship, therefore financial innovation play an important role in their maintenance. Unfortunately, in Ukraine the practice of financial innovation, implemented by state banks, is negligible. At the same time, a significant share of innovation initiatives exists in the commercial banks sector. Ukrainian banks, as a rule, attract the experience of their Western partners, which makes it impossible to acquire their own experience and their own unique developments, but reduces the cost of new product development, testing and validation.

Relevance of state support in innovation policy of the banking market requires, as the first step in this direction, design of development strategy of the banking system in the future as an integral part of the financial market in general.