

CURRENT STATE OF THE BANKING SYSTEM OF UKRAINE

Ksondz S.M.

Candidate of Economic Sciences,
Senior Lecturer at Department of Finance,
Banking and Insurance,
Khmelnyskyi National University

Stepanyshena A.P.

Master, Department of Finance, Banking and Insurance,
Khmelnyskyi National University

Today banks operate in Ukraine in the conditions of increased riskiness of the market environment, which puts high demands on security and maintenance of their financial stability, rational choice of option of financial resources allocation, assessment and control of risks. The banking system today does not fulfil its main task as it not finances or credits the real economy. In recent years the banking system of Ukraine is characterized by constant changes that are reflected in fluctuations in its main financial indicators. Despite the considerable amount of research status and main trends of the banking system, some issues related to a complex research of key financial indicators of the banking system of Ukraine remain unsolved. So important is the study of modern problems of the banking system of Ukraine.

The article discusses the problems and specific functioning of domestic banks. Generalized problems of the banking system of Ukraine. The analysis of the current state of the banking system in modern conditions of development is conducted. Detailed the features of the structure and prospects of the domestic banking system at present.

The banking system of Ukraine developed very rapidly and was oriented to ensure the smooth circulation of money capital, providing the necessary funding opportunities for businesses, government, individuals, creat-

ing favourable conditions for investment for the purpose of accumulating savings in the national economy.

During the years 2014-2015 domestic banks faced the worst crisis that caused a huge damage to the credibility of the banking system and its regulator, as well as refinancing loans is virtually the only source for banks to balance their liquidity and fulfil commitments to customers, because in times of crisis a trust market interbank lending in Ukraine is practically useless.

It is noted that the decline in refinancing in 2015 helped stabilize the foreign exchange market and forced banks to better manage deposits attracted by banks and stimulated the development of new deposit products.

The main reasons reducing liquidity in the banking system of Ukraine during the period are: massive outflow of deposits, inefficient administrative decisions, growing distrust in the banking system, devaluation of the national currency, increase in problem loans and inefficient management of assets and liabilities of certain banks.

In general, the liquidity of the banking system of Ukraine in 2015 tends to increase and stabilize, indicating a gradual withdrawal of a systemic liquidity crisis. A continuation of the practice of the National Bank of Ukraine on withdrawal from the market of insolvent banks will contribute to the improvement of the banking system of Ukraine.