

competition, market uncertainty and a variety of risks among external conditions causes necessity establishing a system of economic security any enterprise. Economic security is characterized by a set of qualitative and quantitative indicators, the main of which is an assessment of the economic security level. Industrial enterprise should provide maximum efficiency and coherent functioning of the economic security main components for achieving a high level of economic security. The major components of economic security are direction and control, analyze of problem situations, creating tools and organizing activities for promotion and implementation of the software. Managing the economic security requires the construction of these factors into a single system that is based on the general principles and criteria for evaluation the economic state of industrial enterprises.

Economic security depends on various conditions. Some of the most important are: the economic crisis, ineffective management, unfavorable government policy in the economic plane, unexpected changes in market conditions, social tensions. Effective stable existence of the company requires a reliable mechanism for economic security. It must be provided with an appropriate security level on all economic activities enterprise for achievement a certain level of enterprise profitability. This becomes even more important in the further complication of the business relations system, which has developed in the country.

Thus, the essence of the study consists of the analysis economic security as a facility management, that determined in creating a system of methods and measures which are directed at creating favorable conditions for achieving the objectives of industrial enterprises. It is given the economic activities, as well as for leveling of internal and external threats. Conceptual foundations of economic security must comply with organizational structure, strategic, tactical goals and objectives, which formulated by the strategy of industrial enterprise.

Yehorycheva S.B., Doctor of Economics, Professor
*HEE of Ukoopspilka "Poltava University
of Economics and Trade", Poltava, Ukraine*

INNOVATIVE DEVELOPMENT AS A NECESSARY COMPONENT OF THE BANKING SYSTEM OF UKRAINE MODERNIZATION

During the years of independence the banking system of Ukraine passed a difficult path of becoming, being at various times both a powerful catalyst for the development of the national economy and the source of the crisis. Information on key performance indicators of the banking system of Ukraine for the past ten years is given in Table 1.

Table 1

Selected performance indicators of the banking system of Ukraine for 2005 – 2014

Indicators	01.01.2006	01.01.2008	01.01.2010	01.01.2012	01.01.2014	01.01.2015
Number of licensed banks	165	175	182	176	180	163
of which: with foreign capital	23	47	51	53	49	51
Share of foreign capital in the authorized capital of banks, %	19.5	35.0	35.8	41.9	34.0	32.5
Assets of banks, bn. UAH,	213.8	599.4	880.3	1054.3	1278.1	1316.9
including loans granted, bn. UAH	156.4	485.4	747.3	825.3	911.4	1006.4
Share of overdue loans in total loans, %	2.2	1.3	9.4	9.6	7.7	13.5
Equity, bn. UAH	25.4	69.6	115.2	155.5	192.6	148.0
Regulatory capital sufficiency (adequacy), %	14.95	13.92	18.08	18.9	18.26	15.6
Financial results, bn. UAH	2.17	6.62	-38.45	-7.71	1.44	-52.97
Return on equity,%	10.39	12.67	-32.52	-5.27	0.81	-30.46

Source: National Bank of Ukraine [1]

As one can see, the number of banks is still quite large, although 33 banks were declared insolvent and withdrawn from the market in 2014. At the same time the number of banks with foreign capital is growing but the share of foreign capital since 2012 has tended to decrease.

The assets of the banking system were growing stably, with particularly high growth rates observed in the pre-crisis period of "credit boom" and during the financial crisis, due to growth in the value of assets denominated in foreign currencies. Loans constituted the majority of the assets (from 70 to 85% in different years), indicating a lack of their diversification and limited facilities for other kinds of profitable investments.

The capitalization of the banking system was increasing steadily, but actually its highest level was only 13% in relation to GDP, while the average rate in many developed countries exceeded 30%. For 2014 the size of banks' equity decreased substantially due to losses obtained primarily by the need to provisioning. At the same time, throughout the period capital adequacy was high, even much higher than international standards, providing the potential stability of the banking system to external shocks.

Analysis of the domestic banking system indicates that mainly extensive banking model was formed and continues to function in Ukraine. This model is characterized by: a limited range of services, which do not always reflect the true financial needs of the real economy and population; lack of customer service; unreasonably aggressive policy of banks in the markets of assets and liabilities, the low diversification of the latter; high risks' concentration; absence of stabilizing mechanisms in stressful situations.

The existing model impedes solving one of the main problems of the banking system of any country - to increase its efficiency, which is determined by the level of implementation of its economic functions and by the achievement of goals set by society. The quality of services provided by financial institutions and the stability of their business have to become the priorities of their development.

Thus the imperative that is determined by the needs of the current stage of development is the transition Ukrainian banks to predominantly intensive operating model, which, in our opinion, has the following features:

- Client-oriented banking as opposed to existing product-oriented one;
- High banks' responsiveness defined as their organized ability to comprehend and respond to the impacts optimally, increasing integration into the environment and improving relations with it;
- Availability of a wide range of modern services for individuals, small and medium-sized businesses and corporate clients with the tendency to their individualization;
- Establishing a modern banking infrastructure that actively advances the use of information technology;
- High level of capitalization of the banking sector;
- Rationalization of the banking business;
- High level of competitiveness of the market, market discipline and transparency of banks;
- Developed system of corporate governance focused on the best international practice;
- Intra-bank effective risk management and risk-based system of banking regulation and supervision.

Therefore, the modernization of the banking system is needed, which must be understood as a process of transformation of operational quality not as just quantity changes. However, at present the regulator - the National Bank of Ukraine - focuses so far on the gradual withdrawal of weak banks, especially small, from the market targeting consolidation and concentration of the banking.

The modernization of the banking system must pursue two groups of goals. The first is to create conditions for civilized and effective banking. This requires changes both in the banking system, in order to better perform its functions and expand the banking services' consumption, and changes in the banking system environment, to remove barriers and reduce the cost of banking. The second, it is transformation and optimization of banking supervision, which should shift the focus from formal assessment of quantitative indicators to deep professional, high-quality and timely diagnostics.

Based on the findings of scientists, it should be noted that the modernization of social and economic systems is an ongoing process that is activated during periods of social transformation, which coincide generally with crisis times. Its success and pace not least depend on the idea of natural or artificial character of modernization, which in the case of the banking system significantly depends on the level of financial literacy and financial awareness of people.

Unclearness of the processes occurring in the banking sector for the most part of society, even if they are necessary, leads to the situation when modernization is apprehended as destruction and is accompanied by anxiety, panic, leading to a significant outflow of deposits and, consequently, further worsening banking institutions' financial position. Modernization as the improving of customer service, increasing the range and availability of banking products, improving the safety of the banking is seen as development, accompanied by expectations of positive changes, even if due to certain circumstances, some banks are forced to leave the market.

The modernization of Ukraine's banking system should recover its capacity for self-development and qualitative growth on the ground of healthy competition based on the implementation of innovations. Thus, innovative development is a significant feature of intensive model of the banking system and, simultaneously, the way to achieving the objectives of modernization. It involves an active development and

implementation of innovations, which ultimately allows harmonizing the interests of all stakeholders, including society as a whole.

In the most general sense, banking innovation can be defined as the process of creating added value for customers, owners and employees of the bank by making qualitative changes in all spheres of its activities - products, services, processes, business models and strategies resulting from the practical implementation of new ideas, knowledge and outside experience [2, p. 74].

A detailed study of the financial needs of customers based on their profound segmentation, creative borrowing of the best international experience allows banks to offer innovative, but at the same time understandable and accessible products and services, constantly expanding and updating their range. The situation of "innovation monopoly", in which leading banks find themselves for some time, provides more revenue and attracts new customers what in turn stimulates the competition. Improving technology and business processes through the introduction of process innovation leads to a decrease in operating costs, which together with an increase in return creates conditions for the growth of bank capitalization from internal sources. The use of the hybrid instruments, which have considerably spread in foreign financial markets, is a promising way to increase equity due to innovation.

Organizational and managerial innovations, among which the implementation of process approach, outsourcing, logistics, quality management, "lean management", customer relationship management, etc., not only improve the functioning of banks, increasing manageability and transparency, but also create favorable conditions for the realization of other types of innovation, especially in the sphere of products and technologies. Thus, it is a strategic orientation of banks to implement innovation that will determine the prospects of quality modernization of Ukraine's banking system.

References

1. Key performance indicators of banks // National Bank of Ukraine, accessed February 20, 2015, [available at <http://www.bank.gov.ua/control/uk/index>]
2. Єгоричева С.Б. Інноваційна діяльність комерційних банків: стратегічні аспекти : монографія / С.Б. Єгоричева. – Полтава : ТОВ «АСМІ», 2010. – 348 с.

Абакуменко О.В., д.е.н., професор

Чернігівський національний технологічний університет, Чернігів, Україна

ОСОБЛИВОСТІ ГАРАНТУВАННЯ ПРАВ ВКЛАДНИКІВ У БАНКІВСЬКОМУ СЕКТОРІ

Незахищеність інвесторів, особливо домогосподарств, є однією з найбільш актуальних проблем сьогодення. У березні 2013 року на зустрічі Єврогрупи у Брюсселі, у зв'язку з колапсом банківської системи Кіпру, було прийняте рішення про реструктуризацію найбільшого банку країни – Банку Кіпру і ліквідацію Кіпрського народного банку з передачею його застрахованих депозитів до Банку Кіпру. Рекапіталізацію найбільшого банку передбачалося провести за рахунок примусового залучення коштів великих вкладників. В кінцевому підсумку, 37,5% депозитів понад 100 тис. євро були конвертовані в акції, 22,5% було заблоковано для подальшого обміну на цінні папери, 30% - заблоковано, але на них продовжилось нарахування відсотків [1].

Введення режиму bail-in було запропоновано в Державному бюджеті Канади [2]. В Економічному плані дій на 2013 рік зазначено, що великі банки є джерелом стабільності канадської економіки, вони стають дедалі більш успішними на міжнародних ринках та створюють робочі місця в країні. А зважаючи на те, що криза окремого системно важливого банку здатна негативно вплинути на загальну економічну ситуацію в країні, відновлення функціонування даної установи пропонується здійснювати за допомогою механізму bail-in, за рахунок перетворення зобов'язань банку на регулятивний капітал, що зменшує ризик для платників податків. Даний документ був представлений 21 березня 2013, тобто цілком можливо, що використання механізму bail-in в Канаді було заплановано ще до початку кризи на Кіпрі.

Механізм bail-in було впроваджено і в одному з найбезпечніших місць для зберігання коштів – Швейцарії. У випадку, коли банк знаходиться у скрутному становищі та є недостатньо капіталізованим, орган нагляду за фінансовим ринком Швейцарії **Swiss Financial Market Supervisory Authority (FINMA)** може здійснити заходи щодо поліпшення фінансової стійкості банку, а не ліквідувати його. При цьому bail-in виступає в ролі одного з головних інструментів. Це стало можливим у результаті перегляду у 2011 році Закону про банківську діяльність від 8 листопада 1934 р.