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DIRECTIONS OF IMPROVEMENT OF THE BANKING SYSTEM OF UKRAINE

Karina V. DALGIC

*Postgraduate Student, State higher educational institution
"University of Banking»*

Summary. The article describes and analyzes the current state and prospects of development of the banking system of Ukraine, highlighted the key issues and risks in the activity of the modern banking

system, the basic ways of restructuring the banking system and improving banking supervision based on international experience.

Key words: banks, banking system, restructuring, banking supervision.

The main purpose of the study is to find out the theoretical principles about the problem of the banking system of Ukraine and to research the practical implementation of the international experience in question of improving the efficiency of the banking sector during the financial crisis.

The research in this study made it possible to receive the following results:

- in 2014 the growth rate of total assets, liabilities and equity declined significantly. Adequacy of regulatory capital and rate of return on capital indicate undercapitalised banking system;
- the level of dollarization of the loans is still high. There was also growth in distressed assets of the banking system;
- there was a massive outflow of deposits from bank accounts in recent years;
- there are structural gaps in the banking system of Ukraine between of the growth rates of increasing customer deposits and loans;
- the French authorities pointed out excessive risk taking as well as reliance on short term funding, not matched with adequate capital protection;
- Turkey during the crisis in 2001 has implemented a program of restructuring the banking sector.

The results of the study can be used in the process of restructuring of the banking system of Ukraine and in improving its further development.

Scientific innovation of the results lies in proposals about output path of the banking system of Ukraine from the financial crisis and recommendations for its further development:

- increasing banks' capitalization level;
- developing and improving the risk management in banks;
- improving banking regulation and supervision;
- returning customers' confidence to the banking sector of Ukraine and increasing their financial knowledge;
- ensuring the participation of the state in financing of the restructuring and modernization of the banking system according to examples of the USA and the Republic of Turkey and to encourage bank mergers, faced with financial problems, with more successful banks.

Thus, in the study it was analyzed the current state of the banking system, was found its development problems and outlined the main successful crisis and restructuring measures in other countries that could be applied to the banking system of Ukraine.

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