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TRENDS OF BANKING SYSTEM DEVELOPMENT IN THE CONTEXT OF THE EFFECT OF FINANCIAL CRISIS

Introduction. In the conditions of the existing transformational changes in the Ukrainian economy, the banking system is the strategic sphere of the national economy, which implements the function of mobilizing financial resources and turning them into capital. However, the banking system of Ukraine in recent years is in a state of crisis, characterized by low level of capitalization, low liquidity, instability of monetary policy and non-transparent actions of the regulator, which negatively affects its development and development of the country's economy as a whole.

As the world practice shows, most countries are making significant efforts to resolve and counteract crises in the banking sector, to ensure the stability and reliability of banking institutions, including increasing the level of customer confidence. Therefore, it is relevant to study the impact of the financial crisis on the development of the banking system of Ukraine, as well as to determine the prospects for its development.

Purpose. The purpose of the paper is to study the theoretical and practical aspects of the development of the banking system in the context of the impact of the financial crisis, as well as to develop measures to prevent future crisis outcomes.

Results. According to the domestic practice, in recent years there has been a serious violation of the important function of the banking system as the main financial intermediary of the domestic economy, which adversely affected the state of the banking system and in general the development of the Ukrainian economy and caused a wide range of existing problems in this area. The main reasons for the low level of implementation of the banking system of

Ukraine are: significant devaluation of hryvnia, decrease of investment activity, production cuts, inflation processes, low level of corporate governance, growth of overdue debts, etc.

Weakness and instability of the banking system of Ukraine are further exacerbated by existing crises in this area.

The essence of the concepts: "banking crisis" and "systemic banking crisis, features and causes of their emergence is presented. It has been founded that under a systemic banking crisis it is necessary to understand the phenomenon or process that occurs at the macroeconomic level and covers the banking system of the country as a whole, thus preventing the normal functioning of all banks, even those that are financially sustainable.

The consequences of crisis influence on the state of the banking system of Ukraine are analyzed. It was revealed that during the period of instability there is a significant reduction of the total number of banks, changes in the ownership structure of assets, loss-making assets and capital, reduction of regulatory capital of banks, volumes of loan portfolio, increase in the proportion of problem loans in their total volume, and the total cost of the crisis, taking into account direct losses in the private sector, which were about 38% of GDP.

Conclusions. The basis for strengthening the Ukrainian banking system is to ensure a high level of capitalization, to increase liquidity, to consolidate the regulator's steady independence in adopting effective management decisions aimed at qualitative reforms in the banking sector, including taking into account and implementing European standards (Basel Committee recommendations - Basel III) in the activity of banking institutions, which will help to prevent their crisis situation.

Keywords: banking system, banking crisis, systemic banking crisis, National Bank of Ukraine, capitalization, liquidity, credit portfolio.

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