

ASSESSMENT OF THE LEVEL OF BANKING SECURITY IN UKRAINE AS THE COMPONENT OF FINANCIAL SECURITY IN UKRAINE

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DOI: 10.32342/2074-5354-2021-2-55-4

Key words: *banking security, financial security, integrated indicator of banking security, standardization of banking security indicators.*

The article is dedicated to the problems of ensuring the banking security in Ukraine. Theoretical and methodological provisions for security assessment of the banking system in Ukraine have been considered, the directions of its development have been substantiated. Banking security is the level of financial stability of the country's banking institutions, which allows to ensure the efficiency of the country's banking system and protection from external and internal destabilizing factors, regardless of the operation conditions. The article analyzes the banking security on the basis of the approach given in the Order № 1277 "On approval of Guidelines for assessment of the economic security level in Ukraine" from 29.10.2013.

The leading safety indicators have been calculated. Owing to the rationing of indicators and the share of each indicator being taken into account, the Integrated Indicator of Banking Security in Ukraine in the dynamics for 2010–2020 has been calculated. Each indicator separately and the integrated indicator of banking security in dynamics have been analyzed. During the analyzed period, the highest level of security of the banking system in Ukraine was observed in 2013, and the lowest – in 2015. During 2014–2015, the level of security in the banking sector decreased twice – from an almost satisfactory level (0.61) to an almost critical level (0.30). The reasons for the negative trends have been presented and ways to enhance the level of security have been suggested. Based on the assessment, the most significant threats have been identified, such as: high level (share) of non-performing loans in the banking system in Ukraine (their share is one of the highest in the world); strengthening of the imbalance of long-term loans and deposits, as a result the deficit of so-called "long resources", which are an important prerequisite for the resumption of economic growth in Ukraine and in the long run a source of income for banks; strengthening of the influence of capital of foreign financial groups: almost critical part of foreign capital in the banking system, which fluctuates between a dangerous level of 40% and a critical level of 60%, with such a trend, there may be a partial or complete loss of independence in the banking sector of Ukraine; return on assets (ROA) shows extremely negative results and is characterized as non-profit; high degree of concentration of the banking system in Ukraine: the share of assets of the five largest banks in 2019–2020 decreased compared to 2018, but still remains more critical: 86 and 74%, respectively, but this decrease is insignificant, it is necessary to continue demonopolization in the banking sector to bring this figure closer to the optimal 30%.

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Одержано 5.08.2021.