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PROBLEMS AND PROSPECTS OF BANKING SYSTEM DEVELOPMENT OF UKRAINE

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Abstract. *There have been reviewed the main problems of functioning and development of banking system of Ukraine considering macroeconomic conditions and world trends. The main indicators of banking system of Ukraine, USA, England and Germany were compared, and recommendations on increasing efficiency and stability of banking system of Ukraine were given. Possible scenarios for the growth of the Ukrainian banking system for future were developed. Modern innovative approaches of banking sphere management in contemporary conditions were offered.*

Keywords: *banking system, prediction, scenarios of development, risks, macroeconomic environment, innovations.*

In the article were researched the main problems of functioning and development of banking system of Ukraine considering macroeconomic conditions and world trends.

Due to difficult macroeconomic and geopolitical situation, ineffective risk-management, incomplete regulation and banks supervision, banking system of Ukraine today appears to be incapable to perform effectively, do its functions, manage assets and liabilities, expenditure and risks, which have caused great losses, including equity losses, so many banks became insolvent.

The purpose of the article. To reveal the actual problems of functioning of the banking system of Ukraine in the conditions of macroeconomic instability and to develop possible scenarios and predictive indicators of the development of the banking system on an innovative basis.

There have been made the comparative analysis of main indicators of development of banking in Ukraine, USA, England and Germany, which stated

that banking system of Ukraine has lower indexes of capitalization, loans in private sector and attracted deposits. Instead, it has bad loan portfolio, high level of overhead costs and as a result, huge losses in conditions of high interest rate.

Stabilization of banking system of Ukraine in post-crisis period mostly depends on development of effective scenarios of banking system development, which means its transition from extensive to intensive development model, characterized by qualitative changes and orientation on long-term effectiveness and systematical stability.

For solving problems and negative factors, which slows down the development of banking system of Ukraine were developed the optimistic scenarios of banking system development till 2020 and 2025 considering internal and external factors. Developed scenarios are based on assumption of loans refreshing, active implementation of innovations in banking and economical growth in conditions of active improvement of digital economy.

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