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DEVELOPMENT OF RETAIL BANKING BUSINESS IN THE CURRENT CONDITIONS OF THE ORGANIZATION OF THE BANKING SYSTEM OF UKRAINE

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Annotation. *The article specifies the features of retail banking business development in the current conditions of the organization of Ukrainian banking system. The analytical estimation of the current state of retail business in banks of Ukraine has been conducted. This scientific work investigates the concentration of retail banking market in Ukraine. It reveals the main problems that restrain the development of retail banking business in Ukraine. The complex of measures to improve the organization of retail banking business has been offered.*

Key words: *retail banking business, banking service, retail banking products, retail banking services, concentration of retail banking market.*

In modern conditions the retail banking business is one of the main factors of the banking sector growth. The relevance of the selected topic is determined by the importance and necessity of specifying the modern aspects of the retail banking development.

The article analyzes the current state of retail banking business in banks of Ukraine and investigates the concentration of the banking sector by means of the CR (concentration ratio) concentration index. The study has revealed that from 2015 to 2017 there was a high concentration of retail banking market. The main leaders of the banks for issued loans and deposits of individuals are “Privatbank”, “Ukrsotsbank” and “Oschadbank”. Traditionally, “PrivatBank” holds the leading position in the market of retail banking business. So, state-owned banks are leaders in raising funds, while private banks have more actively issued loans.

Also the main problems that constrain the development of retail banking business in Ukraine have been identified, such as insufficient marketing research of the retail market; concentration of efforts

only on the narrow range of services that are provided; inappropriate attention to quality improvement of retail services; low demand of services due to high tariffs and lack of the population confidence due to certain stereotypes related to the bankruptcy of financial institutions; imperfection of legislative and regulatory regulation of the implementation of particular retail financial services.

Therefore, the authors note that the strategy in the banking sector should change with the improvement of the organization of retail banking customer service to ensure maximum mobility of customers' money. In this regard, a set of measures to improve the organization of retail banking business has been proposed, in particular: the improvement of the normative base of regulation of the realization processes of retail financial services; integrated approach to lending, raising funds and providing customer settlements; increase of accounts with different functional modes; improvement of alternative forms of customer service; improvement and expansion of cashless payments and distance services.

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