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BANKING SECURITY IN THE MARKET OF DERIVATIVE FINANCIAL INSTRUMENTS

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Abstract. *The translation of the theoretical constructs of development and the concept of banking in the practical aspect of financial and economic security management leads to the development of methodological approaches to the banking activity in the market of derivatives. The article reveals the essence and substantiates the key parameters of identification of the most probable threats to the banking security in the market of derivatives, as well as the nature and direction of their action.*

Keywords: *financial and economic security; bank security threats; derivatives; hedging.*

The problem posed in the title of the article in this perspective is due to the need to consider security as a multidimensional phenomenon in the plane of banks in the derivatives market.

With the development of new technologies and financial instruments that are actively being introduced into the practice of domestic banks, the aspect of scientific research regarding the features of the organization and functioning of the bank protection system in the new conditions is important, in particular, ensuring the safety of new activities of banks in the derivatives market.

The purpose of the article is to identify ways to improve the bank's security management process from the perspective of organizational and methodological support in the context of risk hedging operations.

The lack of scientific research to ensure the safety of the mechanisms of banks in the derivatives market confirms the relevance of the purpose of this study.

The development of the market for derivative financial instruments (derivatives) significantly affects the efficiency of the banking business, therefore, economic reliability and security as a result of the practical use of derivative financial instruments and hedging operations based on relevant instruments.

In the process of managing security in the derivatives market, indicators should be used that allow you to evaluate security zones.

In the context of ensuring economic security, the main way to control the risks arising from currency transactions is to hedge using derivatives instruments

(forward and futures contracts, options and swap transactions).

The place and role of banks in the financial system by activity types are determined, destabilizing the factors influencing them and risks. The algorithm of monitoring the security state, the approach of forming the strategy of development and the concept of bank security management are proposed, the system of indicative indicators of the safety assessment of the

derivative market is elaborated and characterized. It is concluded that the derivatives market has not developed properly due to institutional immaturity, and risk management in banks is imperfect. Critical assessment of the main provisions of the draft law on the organizational and legal support of the derivatives market in Ukraine is given.

The development of the derivatives market of Ukraine requires reforms of institutional support and legal regulation.

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