FINANCIAL AND ECONOMIC SECURITY OF UKRAINE'S COMMERCIAL BANKS: THREATS AND PREVENTION MEASURES

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Being the "blood artery" of any country’s national economy, the banking system, as an aggregate of various types of national banks and credit institutions operating under the general monetary mechanism, is constantly threatened by the negative effects of a number of factors, both external and internal origin. Banking customers, competitors, the state, criminal groups, foreign structures and entities, as well as the legal, general economic, socio-political, scientific and technical and natural environment, have an external influence. The sources of banking system threats are also internal systemic factors, including the imperfection of banking supervision and regulation, the application of methods of unfair competition of competing banks, the development of mergers and acquisitions of banks, as well as the falsity, irrationality, imperfection of the internal environment.

The essence of the concepts of "economic security of a commercial bank" and "financial security of a commercial bank" are considered and the author's vision of understanding the essence of the concept of "financial and economic security of a commercial bank" is proposed. Special attention is paid to the differentiation of financial and economic security threats to which commercial banks are exposed, performing their specific functions and acting as direct subjects of economic and financial relations. The dynamics of actual and characteristic values of indicators, which are the main indicators of financial and economic security of commercial banks, are demonstrated. On this basis, a set of priority measures aimed at preventing internal and external threats to the investigated security of Ukrainian commercial banks is proposed.

The results of the conducted research prove the urgency of the problem of ensuring the financial and economic security of commercial banks, that is, preventing the probable or overcoming existing threats, both external and internal. The success of overcoming this problem depends to a large extent on the correct understanding of the concept of "financial and economic security of the bank" and the specific features of banking activities, which, in fact, create an extremely wide range of threats.

Vulnerable to the negative impact of various events and phenomena inherent in both the world and domestic economies, commercial banks of Ukraine need a comprehensive solution to the issue of protection against threats to their security in general and financial and economic, in particular. The proposed set of identified measures requires a well-thought-out approach to their implementation through a well-formed mechanism, which is the object of further scientific exploration.
FORMULATION OF THE PROBLEM IN GENERALLY AND RELATED ISSUES, WHICH ARE IMPORTANT IN SCIENTIFIC AND PRACTICAL TASKS
Being the "blood artery" of any country's national economy, the banking system, as an aggregate of various types of national banks and credit institutions operating under the general monetary mechanism, is constantly threatened by the negative effects of a number of factors, both external and internal origin. Banking customers, competitors, the state, criminal groups, foreign structures and entities, as well as the legal, general economic, socio-political, scientific and technical and natural environment, have an external influence. The sources of banking system threats are also internal systemic factors, including the imperfection of banking supervision and regulation, the application of methods of unfair competition of competing banks, the development of mergers and acquisitions of banks, as well as the falsity, irrationality, imperfection of the internal environment.
These threats are extremely acute in the banking system of Ukraine, which today operates in conditions of uncertainty and increased riskiness of activity. The volatility of the situation on the foreign exchange market, hostilities in the East of the country, annexation of the Crimea and other destabilizing factors have negatively affected the performance of commercial banks, and have created additional threats to their financial and economic security. In such circumstances, the issue of timely warning of danger, ensuring the stability and independence of commercial banks by continuously assessing the level of threats to the banking system is extremely pressing on the agenda. The globalization of the financial markets and the intensification of international competition to Ukrainian commercial banks have made the problem of ensuring their financial and economic security relevant.

ANALYSIS OF THE RECENT STUDIES AND PUBLICATIONS THAT HAVE INITIATED THE SOLUTION OF THIS PROBLEM, DEFINITION OF THE UNRESEARCHED PART OF THE PAPER'S GENERAL PROBLEM
Scientists such as M. Baryliuk [5], O. Vaslychysyn, Y. Harust, O. Dmytrova, N. Dudchenko [8], A. Yepifanov [6], N. Zhurybida [7], A. Lisniak [4], S. Melnyk, S. Mikhno, T. Novikova [1], T. Sak [2], M. Slavkina, V. Furman, Shcherbatykh D. [3] and others devoted their works to the study of theoretical and applied principles of economic and financial security of commercial banks. Paying tribute to the scientific achievements of scientists, we note that an integrated approach to the study of various aspects of the financial and economic security of commercial banks has not been sufficiently investigated, and therefore needs further exploration.

THE FORMULATION OF THE PAPER'S OBJECTIVE
The purpose of the article is to study the theoretical principles of economic and financial security of commercial banks and formulate on this basis their own understanding of the concept of "financial and economic security of a commercial bank"; differentiation of threats to financial and economic security of commercial banks into internal and external sources of their origin; development of a set of measures aimed at preventing and overcoming the identified threats by commercial banks of Ukraine.

PRESENTATION OF THE BASIC MATERIAL OF THE STUDY WITH JUSTIFICATION OF THE OBTAINED SCIENTIFIC RESULTS
The study of scientific developments has shown a wide variety of interpretations of the concepts of "economic security" and "financial security". It is obvious that there are some differences between these concepts. But when we speak about safety of a commercial bank, as a complex economic entity in terms of the set of functions performed, it is necessary to follow a comprehensive approach, that is, focus on the study of financial and economic security.

Using conventional definitions of the concepts of "economy", "finance", "bank" and "security", we will prove our position. As we know, economics is the art of managing the economy, as well as the relationships that arise in the process of production, distribution, exchange and consumption of goods. Finance, in turn, means the totality of economic relations associated with the formation, distribution and use...
of funds. A commercial bank is a financial institution that acts as a universal monetary intermediary, performing in its aggregate four main functions, namely: credit intermediation, payment intermediation, securities market and credit issuance, and risk management and information processing and monitoring of clients within the applicable legal framework.

As a subject of financial relations and providing conditions for the best possible conduct of business activities of other entities, banks are exposed to a number of threats to their security, i.e., stable dynamic equilibrium, the purpose of which is to preserve the main characteristics and parameters of development and functioning.

Among a huge number of threats to commercial bank security, it is difficult to single out those which are purely economic in nature and purely financial in nature. It is also difficult to unite them under the general name of "threats to financial and economic security", dividing them into external and internal threats (fig. 1).

Given the above arguments, it will be quite fair to generalize the views of scholars on the concept of "financial security of the bank" [5; 6] and "economic security of the bank" [7; 8] and to propose your own vision of the meaning of the term "financial and economic security of the bank".

We believe that under the financial and economic security of a commercial bank should be understood such conditions of its operation, under which it is able to perform smoothly, financially and economically efficiently according to its goals, while striving to prevent and counter threats from external origin and intrasystem.

An extremely important issue, the solution of which protects commercial banks from threats to their financial and economic security, is the question of systematic assessment of its level.

In our study, in order to reflect the real state of financial and economic security of a set of commercial banks of Ukraine, we use the calculation of characteristic evaluation of the indicators included in the Methodological recommendations for the calculation of the level of economic security of Ukraine [9] (Table 1).

The obtained values of the majority of indicators and their change during the analyzed period convincingly prove the negative consequences of both external and internal threats to the financial and economic security of Ukrainian commercial banks, which requires the development of a set of measures to prevent the identified threats. Among the priority measures to prevent internal threats to the financial and economic security of Ukrainian commercial banks should be those aimed at:

1) increasing the level of investment capacity;
2) elimination of contradictions of National Bank of Ukraine activity;
3) prevention of violation of banking legislation;
4) combating theft of funds;
5) improving the solvency of banks;
6) controllability of interest rates;
7) regulation of the level of liquidity;
8) reduction of accounts payable;
9) minimizing the level of disclosure of confidential information;
10) improvement of the deposit insurance system;
11) improving the quality of banks' capital.

The prevention of external threats to the financial and economic security of Ukrainian commercial banks should be implemented through a set of measures aimed at:

1) stabilizing the development of the country's financial system; creating a single tax system, an effective legal framework; removing banks and businesses from the shadows;
2) minimizing the impact of global financial crises and the negative impact of participants in international financial systems; creating a strong financial base to reduce the impact of international crises;

### Table 1. Financial and Economic Security Indicators of Commercial Banks of Ukraine as of January 01

| Indicator | 2018 | 2019 | 2020 |
|-----------|------|------|------|
| The share of overdue debt on loans in the total amount of loans granted to banks by residents of Ukraine, % | 22.65 | 24.44 | 25.58 |
| Ratio of bank loans and deposits in foreign currency, % | 109.36 | 117.04 | 80.38 |
| Share of foreign capital in the authorized capital of banks, % | 32.82 | 28.01 | 28.67 |
| Ratio of long-term (over 1 year) loans and deposits times, % | 3.28 | 3.76 | 3.67 |
| Return on assets, % | 1.93 | 1.69 | 4.35 |
| Ratio of liquid assets to short-term liabilities, % | 98.37 | 93.52 | 94.35 |
| Share of assets of the five largest banks in total assets of the banking system, % | 62.46 | 63.28 | 65.17 |

Compiled according to the Official Website of the National Bank of Ukraine. [10].
3) Prevention of criminalization of the banking sector and transition to the shadow economy: improvement of monetary policy; strengthening the control of the budgetary sphere, namely — increasing the transparency of public procurement, reforming the tax system, implementing effective anti-corruption measures;

4) Stabilization of the foreign exchange market: reduction of dependence on external financing; stopping the unthoughtful withdrawal of insolvent banks from the market; reduction of speculative actions in the foreign exchange market; reduction of public debt; creating a positive balance of payments; maintaining low inflation;

5) Increasing confidence in banking institutions: promoting openness of information from the National Bank of Ukraine to both commercial banks and the public;

6) Mitigating the threat of an increase in the share of foreign capital: creating favorable conditions for attracting domestic investors; setting limits on the share of foreign capital in the banking sector of Ukraine;

7) Elimination of unfair competition: strengthening of control over activity of banks; adoption of legislation on regulation of banking competition; imposing severe penalties for failure to comply with these laws.

THE FINDINGS OF THE STUDY AND THE PROSPECTS FOR FURTHER RESEARCHES

The results of the conducted research prove the urgency of the problem of ensuring the financial and economic security of commercial banks, that is, preventing the probable or overcoming existing threats, both external and internal. The success of overcoming this problem depends to a large extent on the correct understanding of the concept of "financial and economic security of the bank" and the specific features of banking activities, which, in fact, create an extremely wide range of threats.

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