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THE DEVELOPMENT OF INNOVATIONS IN BANKING SYSTEM

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Summary. The article deals with modern trends in the development of banking innovations and their value in the market of financial services.

Key words: *banking innovation, Internet-banking.*

Science has immediately become the productive force due to the innovations while knowledge, at the same time, has become the main capital of economic development in the sense of non-material assets. Speaking about the innovations in the bank sphere, one should be aware, that unlike industrial enterprises, banks are in fact quite conservative organizations.

The purpose of the majority of innovations is the transition to the personal servicing of clients. A lot of innovative banks and finance companies that use modern technologies are oriented towards young people who are interested in new media projects. That's why together with the development of the Internet and spreading of new technologies, many leading finance structures have not only the official website, which has precise information about services and products, but also their own web-page in social networks using which the bank tries to become more closer and perspicuous to the clients.

The innovative process in the banks has turned to a necessity, but not luxury owing to the rapid development of technologies and the bank market in the whole world as well as in Ukraine. The development strategy of the Ukrainian bank sector expects active usage of information and bank innovations as well as the presence of the well-developed infrastructure. It should become a starting point for having modern bank services for the population and enterprises with a high competitiveness and market discipline of the members and also with the well-developed systems of corporate and risk management.

Unique dynamic passwords for the Internet-banking were firstly introduced on the Ukrainian market

of bank services in 2000. It was realized with the help of the credit card attached to the phone number. Every Internet transaction is confirmed with the help of the unique dynamic password which is sent via the SMS-message to the client's cell phone. Such combination is the best way to make the payments safe. The usage of such unique dynamic passwords gives an opportunity to avoid any cheating operations in the Internet-banking and today many financial structures are successfully using this technology. In 2005-2006 banks started to practice rebranding. Some of them were doing it with the purpose of selling themselves by a bigger price while others, especially those, which already have a foreign owner, with the purpose of standardization of their affiliated networks in different countries. In any case, it gave birth to a new era in the Ukrainian bank world. This era is transparent and oriented on mass consumers. It should be noticed that banks nowadays are frank and friendly with simple and perspicuous communication. Such changes contributed to the increasing of the penetration level of bank services on the consumer markets. The bank system of Ukraine is on the stage of its development now. Though being very slow, it still introduces different innovative products into its activity. We should take into account, that if it continues to develop in the same way, then Ukrainian banks can become competitive on the international market of bank services. Moreover, the quality and speed of servicing will also increase and every service will be differentiated according to the clients' needs. It will positively influence not only the bank system, but also the country as a whole.

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