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ACTIVATION OF BANKING INSTITUTIONS ACTIVITY ON RETAIL BANKING SERVICES MARKET

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Summary. Features of crediting activation, optimization of banks' activity concerning deposit operations and application of modern technologies in calculation bank transactions are studied in the article. Volumes of credits, deposits and cashless

operations of banks are analyzed. The necessity of complex approach towards optimization of bank activity by the improvement of credit-calculation service of customers is grounded.

Key words: *customers' savings service, customers' credit-calculation service, optimization of bank activity, retail market of bank services.*

In terms of transformational changes in Ukraine's banking sector, which is associated with changes in the global banking market through the crisis of 2008 year, optimization processes of bank activity, doing deposit, credit and settlement operations, becomes an important factor for the further functioning of the banking system as in their practical work banks should ensure stable and effective policies that provide durability and flexibility in case of economic crisis occurrence in the state and the world market.

The consequences of the crisis in Ukraine as a decline in all economic sectors, including the banking sector did not pass small and medium enterprises, the development of which is a prerequisite for revitalization of economic activity. To restore the effective functioning of small and medium-sized businesses and satisfy their current needs, a necessary condition is the availability of bank loans and lower interest rates on them. In turn, providing economic sectors with credit resources is impossible without effective deposit policy, which determines the profitability and liquidity of the entire banking system.

Based on the transformation processes taking place in the economy of Ukraine, the banking system, influenced by different technologies, must endure process of reconstruction, where the basic processes, means of making payments will function in a new way, which will develop new mechanisms of control.

Therefore, one of the main objectives of implementing economic reforms in Ukraine, aimed at overcoming the crisis in the real economy, is creation by banking system needed monetary incentives for economic growth and development of small and medium sized businesses.

Thus, the problem of banks optimization to improve savings, credit and settlement services is urgent and needs further researches.

Question of optimization the activity of banks in Ukraine in the basic areas of retail businesses was studied in the works of leading national scholars. Analysis of scientific papers in this area gave an opportunity to formulate key areas which have been the subject of research, namely:

- Intensification of lending to small and medium enterprises in optimization of banking system;
- Use of modern technologies in the settlement operations of the bank;
- Optimization of banking institutions in organization of deposit operations.

It is important to include identifying the peculiarities of client servicing process of banking institutions in current environment due to the necessity of integrated approach for its organization, namely, the reasoning of developing a set of measures for the improvement of customer service in the retail market in basic areas such as credit, savings and payment services.

The aim of studying the banks optimization in the retail market is determining the expediency of an integrated approach to improving savings, credit and payment services for clients and justifies its prospects in use.

Rapid economic development in Ukraine and direct performance of the bank depends on sufficient levels of investment resources. This defines the special role of banks in the augmentation of investment capital as the major financial intermediaries of money market, which accumulate and redistribute temporarily free funds of the economy, providing payments between them.

In modern conditions of banking system functioning, the development of new competitive loan products and improving quality characteristics of credit and payment services for banks customers is possible, first of all, by the formation of long-term resources through fundraising on deposit accounts, which are outside the bank and represent a significant portion of the money supply.

According to the survey of bank lending market, the largest volume of lending occurred in the period from early 2006 to mid-2008. During this time, the volume of loans according to the calculations specialists has increased eight-fold, from 33.16 billion UAH on 01.01.2006 to 268 86 billion on 01.01.2009.

Today, the priority for banks, despite the gradual recovery from the crisis of the banking system, remains at risk minimization principle, as responsible borrowers have to pay for those who do not have the financial ability or do not want to carry out their obligations to banks.

Implementation of the latest competitive loan products and improvement of credit quality and payment services to the population with is possible due to long-term resources such as time deposits and deposits on demand. This is possible by raising funds from the individuals who make up the majority of cash in the market.

It should be noted that, in the absence of trust, savings of entities are stored in the form of cash or channeled into the shadow sector, which causes few-

er opportunities for banks to form targeted resources to fund this particular segment of customers.

So modern banking system requires significant changes from its members, aimed at implementing paperless, lower priced technologies for mass customer service. Therefore, the immediate task is the development of banking systems in which bank customers can manage their accounts (current, card, credit) from any place in the world and perform operations on them.

It is important to emphasize that during process last three years the rate of non-cash payments have increased five-fold by the development of e-banking, payment cards market, increasing the number of payment terminals. If in 2012 their volumes were 92 billion, in the first half of 2013 they were 72 billion.

The increase in non-cash payments is also caused by some of the actions of the NBU. Namely, September 1 2013, NBU Board Resolution 06.06.2013 № 210 "On limiting the amount of cash payments" have come into force. In accordance with the requirements of the amount of cash payments between individuals and company (employer) for goods (works, services) should not exceed 150 thousand. This limitation also applies to individuals at the conclusion of contracts of sale to be notarized.

Analyzing the current state of the banking system on credit, deposit and settlement market we see that essential to its growth and development of the retail services in Ukraine is to improve public service by three interrelated components, such as, credit, deposit and settlement.

The proposed package of measures for the improvement of customer service in the retail market in the basic areas is a necessary basis for further development of a retail sector services and generally provide a platform to increase the efficiency of banks in post-crisis transformation period.

Under conditions of unstable economy and economic policy it is extremely dangerous for banks to focus their efforts only on a narrow range of services provided. Therefore, banks should offer their customers banking operations and services in the form of complex banking product.

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