

JEL Classification: G21, G24

**Ludmila Prostebi**, Candidate of Economic Sciences,  
Associate Professor,  
<https://orcid.org/0000-0002-9344-4326>  
Chernivtsi Institute of Trade and Economics of KNUTE,  
Chernivtsi

## **MONITORING OF PERFORMANCE INDICATORS OF THE BANKING SECTOR OF UKRAINE IN MODERN CONDITIONS**

### *Summary*

The activities of banking institutions play an important role in the processes of financing the development of the economy, providing business entities and individuals with sufficient financial resources. Over the past few years, the banking sector has undergone a series of crisis shocks. In the context of the unstable development of the Ukrainian economy, monitoring the performance of banks requires constant consideration to prevent possible crisis shocks, and in general to determine the prospects for the development of the domestic banking sector. Therefore, the research topic is undoubtedly relevant.

The purpose of the scientific article: to analyze the main indicators of the activities of banking institutions in modern conditions and to determine the prospects for the development of the domestic banking sector. The article uses general scientific methods: analysis, synthesis, induction, deduction, concretization - for the collection, systematization and processing of information for the purpose of carrying out the reporting; graphical method - for visual presentation of analytical material on the research topic; abstract-logical method - for the implementation of theoretical generalizations and conclusions regarding the current state and prospects for the development of the banking sector in Ukraine.

The scientific article monitors the performance indicators of the banking sector of Ukraine in modern conditions. The values of economic standards in general for the system of banks and economic standards of systemically important banks in Ukraine are investigated. It was determined that the banking system of Ukraine has a high level of capitalization and liquidity, which exceeds the standard values, that is, a sufficient margin of safety for sustainable development. The main prospects for the development of the banking sector in Ukraine have been determined.

The main prospects for the development of banking sector of Ukraine have been determined: improvement of legislative acts regulating banking activities; development of incentive banking regulation mechanisms; improvement and development of remote banking services (with the strengthening of quarantine measures, a large number of customers preferred exactly remote banking); development and implementation of the latest digital technologies in the activities of banks and the creation of digital banks (example: the successful Monobank project from Universalbank); introduction of innovative banking services and products; strengthening measures to counter cyber fraud; promoting the development of interaction between the banking sector and businesses that have a high level of compliance; improvement of corporate governance systems in banking institutions. The greatest relevance, in our opinion, will be further research aimed at identifying problematic aspects of the banking sector and finding ways to solve them.

*Keywords:* banking sector, profit, loans, deposits, liquidity, capitalization, economic standards.

### **References:**

1. Rodionova, T.A., Pyatkov, A.M. (2020). Analysis of the efficiency of state, private and foreign banks of Ukraine. *Visnyk KhNU imeni V. N. Karazina. Seriya "Mizhnarodni vidnosyny. Ekonomika. Kraieznavstvo. Turyzm" [Bulletin of V.N.Karazin Kharkiv National University. Series "International relations. Economics. Local history. Tourism"]*, vol. 12, pp. 171–182 (in Ukr.).
2. Kovalenko, V. (2020). Scientific and methodological approaches to diagnosing the financial condition of banks. *Elektronne naukove fakhove vydannia "Efektyvna ekonomika" [Electronic scientific professional publication "Effective Economics"]*, vol. 8. URL: <http://ojs.dsau.dp.ua/index.php/efektyvna-ekonomika/article/view/2412>

(Accessed 10 Feb 2021) (in Ukr.).

3. Pogorelenko, N.P., Lutyi, M.M. (2019). Diagnosis of the conditions of functioning of the banking system of Ukraine. *Naukovyj visnyk Khersons'koho derzhavnoho universytetu [Scientific Bulletin of Kherson State University]*, vol. 33, pp. 198–204 (in Ukr.).

4. Tsiganyuk, D.L., Rudnyak, A.D. (2020). Analysis of the financial condition of the banking sector of Ukraine. *Visnyk SumDU. Serii "Ekonomika" [Bulletin of SSU. Economics Series]*, vol. 1, pp. 155–162 (in Ukr.).

5. Serotyuk, B.V. (2017). Current state and prospects of development of the domestic banking sector. *Naukovyj visnyk Poltavs'koho universytetu ekonomiky i torhivli [Scientific Bulletin of Poltava University of Economics and Trade]*, vol. 5 (84), pp. 214–221 (in Ukr.).

6. Prostebi, L.I. (2019). The state of credit activity of commercial banks at the present stage of development. *Infrastruktura rynku [Market infrastructure]*, vol. 31. URL: [http://market-infr.od.ua/journals/2019/31\\_2019\\_ukr/103.pdf](http://market-infr.od.ua/journals/2019/31_2019_ukr/103.pdf) (Accessed 10 Feb 2021) (in Ukr.).

7. Official statistics of the NBU. URL: <https://bank.gov.ua> (Accessed 10 Feb 2021) (in Ukr.).

8. The coronary crisis had a moderate impact on banks' incomes: the banking system's profit in 2020 amounted to UAH 41 billion. URL: <https://bank.gov.ua/ua/news/all/koronakriza-pomirno-vplinula-nadohodi-bankiv-pributok-bankivskoyi-sistemi-u-2020-rotsi-ctanoviv-41-mlrd-grn> (Accessed 11 Feb 2021) (in Ukr.).

9. The share of non-performing loans (NPLs) is high, but is gradually declining. URL: <https://bank.gov.ua/ua/stability/npl>. (Accessed 10 Feb 2021) (in Ukr.).