

THE FINANCIAL GEARS OF THE BANKS CREDIT-INVESTMENT ACTIVITY INTENSIFICATION IN UKRAINE

The current situation and the development prospects of the credit-investment activity of banking institutions in Ukraine are being analyzed in this article. The statistical and correlation analysis of banks credit-investment activity indicators dynamics influence on the growth rates of the gross domestic product of the country was conducted. It is defined that the major obstacles in the banks' credit-investment operations intensification are the troubled indebtedness and the defaults on debt instruments. The implementation of the banks' credit-investment operations risk-yield management tools is proposed for the efficiency improvement in banks activities within the complex risk-management system for the banking institutions. It is proved that the effective risk-management system in credit-investment operations should be very precise in ranging and classifying the potential investment targets, so that the banking institution could minimize both the exposure to the direct financial losses and the lack of potential revenue. It is stated in the article that the credit-investment activity intensification is the global challenge, that should be solved on the state-policy level, consequently it requires the corresponding financial mechanism development. As to the financial gears of such mechanism it is stated that the credit-investment operations efficiency improvement should become the key tool of the credit-investment activity intensification on the basis of the debt securities risk-yield analysis, estimation and management processes optimization.

It is concluded that the laws and regulations from the state and the banking regulatory institution should be formed aiming to stimulate banks to implement the up-to-date risk-management approaches in their operations. It is also mentioned that the regulatory environment of financial mechanism in the credit-investment activity should be introduced by the state and the regulatory institution in the form of the integral, consistent and logical legislative and regulatory framework for banks credit-investment operations and the accompanying issues. Such framework can be created on the base of the new regulations enactments along with the existing legislation, rules and procedures modification and improvement. Whilst analyzing the financial mechanism of the credit-investment operations of banks we should take into account the existing interrelation between the successful development of banks credit-investment activity and the sustainable growth of the economic system, which means that the sustainable economic growth of the country significantly depends on the effectiveness of its banking system, meanwhile the commercial banks are interested in sustainable and reliable economic environment, which is the important prerequisite of their active credit-investment operations. The solution of the global task of the banks credit-investment activity intensification should provide the sustainable development of not only the financial market, but the economic system in general as well as the improvement of the social-economic situation in Ukraine.

Keywords: credit-investment activity, risk-management, defaults on debt instruments, financial gears, banking institution.

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