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CREDIT AS A SPECIAL FORM OF VALUE RELATIONS IN A COMPETITIVE CONDITIONS

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Abstract

The article raises the issue of using credit in a competitive environment.

Keywords: credit, competitive environment, technology, overdraft, management.

Formulation of the problem Market conditions interpret that the credit market of Ukraine is an important component of the financial market, which is designed to quickly mobilize the financial resources of economic entities. The existence of a developed credit market that functions effectively affects business and economic development throughout Ukraine. Given the socio-economic situation today, in particular the state budget deficit, inflation, declining purchasing power of the population and the instability of the currency determines the relevance of the chosen topic and the feasibility of the study outlined in this scientific article.

Presenting main material In the domestic and foreign scientific literature in recent years, a significant number of professional studies of financial scientists, studying the issue of credit, which allows to significantly expand the range of knowledge about it. However, to date in modern economics there is no unanimity among scholars on the interpretation of the concept of "credit". This issue has been studied by scientists L. Vdovenko, O. Dzyublyuk, N. Davydenko, G. Kaletnyk, A. Prylutsky, O. Ruda, O. Polova and other scientists in the field of economic relations. The need for further study of the nature and necessity of credit in modern business conditions is associated with the assessment of the credit market and the further development of credit relations in Ukraine.

The immediate reasons for the existence of credit are due to the laws of value movement in the reproductive process of commodity production, which is embodied primarily in the circulation and turnover of capital (fixed and working capital) of economic entities. Capital in the process of reproduction simultaneously exists in different functional forms, and the movement of capital is its successive transition from one functional form to another (for example, from commodity to money, and vice versa).

Thus, to resume the production process, the manufactured product must be sold, and the funds received must be used to replenish the depreciation fund, purchase raw materials, pay salaries to employees, and so on.

A necessary condition for the implementation of commodity production is its continuity. However, the change from one functional form of a product to another often encounters obstacles of an objective nature that complicate the exchange. As a result, there are gaps in time between acts of purchase and sale of goods and services, which force sellers and buyers to enter into credit relations [6].

Thus, credit arises in the field of exchange, and the economic basis of its operation is the movement of value in the reproduction process. The circulation and

turnover of capital in commodity production are characterized by certain patterns that create the possibility of credit relations. Such regularities include the uneven movement of fixed and current assets of economic entities, which is due to the peculiarities of the organization of a developed commodity economy.

Issues related to forms of credit are quite debatable. The classifications of the vast majority of authors differ from their colleagues both in the number of loan forms and their content, ie the name, interpretation of the content, meaning, position. For example, there is a widespread opinion among domestic experts that there can be two forms of credit - commodity and money, they determine only the general contours of the loan and do not affect its internal structure.

Scholars [1,2,5,6,7] classify forms of credit, first of all, distinguishing also monetary and property (commodity) forms, but divide the monetary form into promissory note, bond, overdraft.

This approach assumes that loan forms are usually closely related to a particular lender, which allows us to formulate two classifications of loan forms.

According to the first classification, a loan can take seven forms: usurious; commercial; banking; state; consumer; mortgage; international. According to the second classification, there are two main forms: commercial; banking. The same is the view that emphasizes that there are two main forms of credit: bank; commercial, which differ: the composition of participants, the dynamics of movement, the size of interest, the scope of operation.

In modern business conditions, there are different approaches to the classification of types of credit (Table 1.).

Table 1.

Classification of types of credit

№s/ n	Classification feature	Types of credit
1	2	3
1	Depending on the subject composition of credit relations are divided	bank credit public credit commercial loan international credit personal (private) loan
2	Depending on the sphere of the economy, where the borrowed value goes	production credit; consumer credit;
3	For the period for which the lender transfers the free value for use to the borrower	short-term (up to 1 year); medium-term (up to 5 years); long-term (over 5 years) loans.
4	Depending on the purpose	credit to ensure the formation of inventories (raw materials, materials, fuels and lubricants, containers, etc.); credit for use in production costs (seasonal costs in crop production and animal husbandry in agriculture; seasonal costs for peat production, logging, repair work; for the production of products with a long production cycle - houses, aircraft, ships, etc.) ; credit for the creation of stocks of finished products (balances in warehouses of industrial enterprises, stocks in warehouses of trade organizations, etc.); loans related to the occurrence of temporary gaps in payments, if economic entities have to make payments, and the funds allocated for this purpose have not arrived or have arrived in insufficient quantities (payment of wages, payments to suppliers, the budget, etc.) .

Credit plays an important role in the development of the state's economy. With its help, temporarily free funds are quickly transferred between economic entities, sectors of the economy, regions of the state and between states. This makes it possible in a short time to reorient production, helps to increase production, ensure uninterrupted circulation of fixed and working capital, avoid crises and improve the economy.

With the help of credit actively affect the volume and structure of money supply, payment turnover, the velocity of money in the state

By creating various forms of non-cash money, credit provides the formation of a base for accelerating non-cash payments, in particular in connection with the use of modern information technology. This reduces the amount of cash in circulation, reduces society's costs for the manufacture, circulation, transportation, accounting and storage of banknotes.

The credit market is a mechanism by which relationships are established between businesses and individuals in need of funds and organizations and individuals who can provide (borrow) them under certain conditions.

The set of credit relations, financial and credit institutions and established organizational and legal norms, which in their interaction provide the possibility of movement of loan capital in various forms between economic entities at the national and international levels, forms the credit market. The credit market of Ukraine is the main component of the financial market, which allows businesses to quickly mobilize financial resources [4].

The main problems in the development of the credit market are related to the uncertain institutional organization of the market, the shortage of credit resources, increased credit risk, distrust of counterparties.

Access to relatively cheap external resources, the rapid growth of lending, including in foreign currency,

and the desire of banks to increase their market share have led to additional risks and imbalances.

The credit market on the basis of segmental affiliation of the borrower can be divided into the market of corporate lending and the retail lending market, which is often also called the consumer lending market, because the concept of consumption is characterized mainly by individuals who are borrowers during retail lending (Table 2.) .

The analysis of the distribution of loans granted by banking institutions in terms of individuals and legal entities allows us to conclude that during 2014-2019, both the total amount of loans granted and the volume of loans granted by banking institutions to individuals and legal entities increased. During the analyzed period, the largest share in the structure of loans was occupied by loans to legal entities (about 80%), loans to individuals, respectively, occupied a much smaller share - about 20%.

Table 2.

Dynamics of loans granted to legal entities and individuals, 2014-01.03.2020, UAH million

Indicators	2014	2015	2016	2017	2018	2019	01.03.2020
Loans provided, in total, UAH million.	1006358	1009768	988686	1007132	1144904	1061873	1032703
Loans to individuals, UAH million	211215	174859	157378	157287	203321	212133	211688
Share in the total amount of loans granted, %	21,0	17,3	15,9	15,6	17,8	20,0	20,5
Loans to legal entities, UAH million	809452	806758	829774	848818	939037	845637	816528
Share in the total amount of loans granted, %	80,4	79,9	83,9	84,3	82,0	79,6	79,1

The decrease in the amount of loans granted to individuals was due to a reduction in the deposit base of banks, a deterioration in the solvency of creditors and changes in the exchange rate. At this time, there were difficulties in servicing loans by banking institutions, especially in foreign currency, due to the change in the exchange rate of hryvnia to foreign currencies, declining real wages and migration. Unlike loans to individuals, the amount of loans to businesses tends to increase (Table 3), but their growth is small and is 2-3.5%. The largest increase in such loans during the study period

was in 2014 compared to last year and amounted to 14.9% .

The main indicators that characterize the profitability of banking are return on assets (ROA) and return on capital (ROE). The return on bank assets (ROA) shows the greatest influence of economic factors on bank lending, which is used to assess the activities of the bank's management, because it characterizes the ability of management to effectively manage the bank's assets. The optimal value of the coefficient should be more than 1% (Table 3) [8].

Table 3

Relative indicators of credit activity of banks, 2013-2020

Years / Indicators	Return on assets of Ukrainian banks (ROA),%	Return on capital of Ukrainian banks (ROE),%
01.01.2013 p.	0,45	3,03
01.01.2014 p.	0,12	0,81
01.01.2015 p.	-4,07	-30,46
01.01.2016 p.	-5,46	-51,91
01.01.2017 p.	-12,6	-116,74
01.01.2018 p.	-1,94	-15,96
01.01. 2019 p.	1,69	14,67
01.01.2020 p.	4,35	34,18

The data in table. 3 indicates negative changes in the financial condition of bank assets, as the return on

assets has a negative value until the beginning of 2019, but from 01.01.2019 there is a tendency to increase this

indicator. The rate of return on capital (ROE) has a tendency to decrease until January 1, 2019, starting from 2019, similarly to the previous one, the value of the indicator is growing.

The decrease in profitability indicators during 2013-2018 (Fig. 1) indicates a general deterioration in the financial condition of the banking system, which in turn leads to an increase in credit risks and a decrease in the quality of the loan portfolio. However, in 2019-2020 there is a tendency to improve the financial condition of the credit market and the banking system.

The development of lending at the present stage of economic development in our country is declining. The number of banking institutions is decreasing and interest rates on loans are rising.

The volume of banks' loan portfolio relative to assets is increasing, while its real value is declining, which is due to a decrease in the quality of the loan portfolio, which in turn leads to a decrease in the profitability of banks' lending operations and an increase in credit risk. To solve this problem, banks should pay more attention to improving the quality and efficiency of loan portfolio management. Bank lending for development requires the achievement of conditions of macroeconomic stability, so to improve the situation in lending requires stabilization of economic, political, social conditions and state support of the entire banking sector.

Consumer credit - the most popular today, it accounts for about 80% of all requests. Consumer lending has been growing rapidly for more than two years. After a jerk from a low base, the rate decreased, but still exceeds 30% y / y. Current loans dominate the portfolios of a number of banks. The ratio of gross consumer credit to GDP is the lowest in the region - only 5.7%. Debt burden on households is moderate - only 8.7% of

annual disposable income. However, the lowest-income households are much larger than the credited ones [4].

Loans for current needs account for 70% of the retail portfolio (another 20% - for the purchase of real estate, 7% - car loans and 3% - for other purposes).

Immediately after the crisis, credit growth was largely due to delayed consumer demand. At present, this factor is not so significant. High consumer sentiment and brisk income growth are decisive. The former encourage the population to spend future income to meet current needs. Others create confidence that the loan will not burden the family budget. High demand for credit allows banks to maintain high lending rates [3].

Competition for borrowers is intensifying. Banks and non-bank financial institutions focus on different groups of debtors, which almost do not intersect with each other. Non-bank financial institutions attract customers with higher availability of services, low requirements, fast processing of loan applications. The downside is the high cost of loans. It is the clients of non-bank financial institutions who often apply for more than one loan, in particular to repay previously obtained loans.

In the table. 4 shows the amount of loans granted to individuals of Ukraine for 2013-2018.

In 2013-2014, only the segment of small loans was actively developing in the consumer credit market, namely cash loans, credit cards and consumer goods loans. They ensured the revival of this segment, as evidenced by some growth (about 10%), but the resumption of pre-crisis lending was hampered by political and economic instability in the country, and in 2014-2015 there was a reduction in its volume by 22.4%, or UAH million

Table 4

Volumes of lending to individuals in Ukraine in 2013-2018, UAH million

Indicators	2013 p.	2014 p.	2015 p.	2016 p.	2017 p.	2018 p.
Consumer loans	137346	135094	104879	101528	122066	151625
For the purchase, construction and reconstruction of real estate	51447	71803	66169	58549	48268	44458
Other loans	4736	4318	3821	3255	3848	5019

Against the background of economic instability in the country, many banks due to the increased risks of this type of lending in general have curtailed it. Thus, in 2016, the share of consumer loans amounted to 62.2% of the total volume of loans provided by banking institutions. In 2017, the share of consumer lending was 70.0%, and in 2018 - 75.4%, loans for the purchase, construction and reconstruction of real estate - 22.1%, other loans - 2.5%.

In 2018, retail lending maintained a high growth rate - 34.1% per year in hryvnia less reserves.

The highest growth rates were recorded in private (54.2% yoy) and state-owned banks (49% yoy). First of

all, loans for current needs increased, especially from banks that are constantly and systematically engaged in this type of lending. Mortgage loans in 2018 for the first time since the beginning of the crisis increased significantly - by about 6% per year, but their volumes are still insignificant. At the same time, retail lending today remains the most profitable segment for banks, which has a dynamic effective demand - in the structure of assets, their share increased by 1.5 percentage points. - up to 8.4% .

For clarity, we will build a schedule, as well as forecast lending volumes in the coming years.

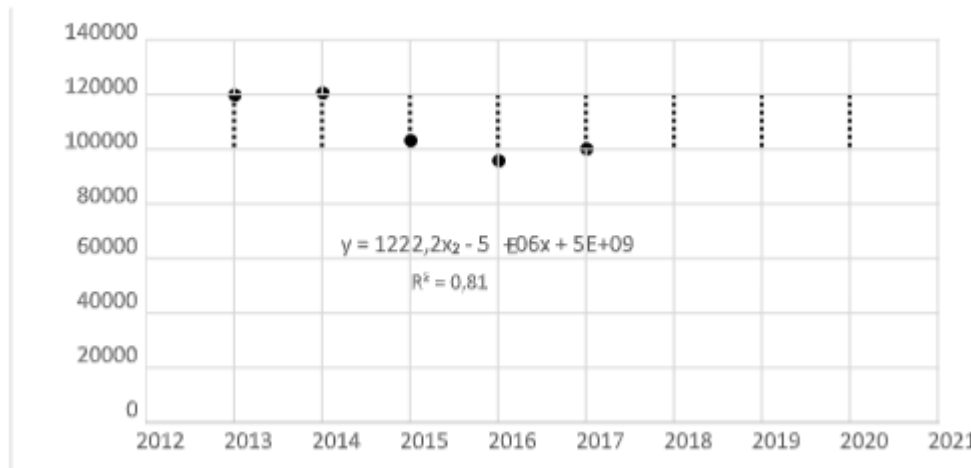


Fig. 1. Forecast of lending volumes

Banking institutions need to work more effectively with borrowers at all stages of the credit process, in particular on the development and use of methods for analyzing the creditworthiness of borrowers - individuals. To prevent the emergence of bad debts, banking institutions need to abandon the aggressive credit policy, and pursue a traditional type of credit policy when providing consumer loans. This can be a detailed examination of the income of borrowers, in particular to offer different types of consumer loans.

This can be a detailed examination of the income of borrowers, in particular to offer different types of consumer loans to those individuals whose income significantly exceeds their expenses and savings are formed. This will help ensure the interests of both banking institutions and borrowers - individuals in the current financial and economic crisis.

The activities of modern commercial banks are not limited to traditional banking operations, but cover a wide range of banking services according to the needs of their customers.

The development of non-traditional banking operations and services contributes to the diversification of risks, profit from other sources, improving the structure of the bank's balance sheet, its liquidity.

In 2018, for the first time in the last 5 years, the banking sector ended with a profit of almost UAH 22 billion, according to preliminary NBU estimates. The growth of purchasing power of the population and the restoration of confidence in the banking system after a period of systemic cleansing and low volatility of the exchange rate gave a significant impetus to the development of consumer lending (its growth rate exceeded 30% year on year) and increased savings in national currency %).

The portfolio of loans and deposits of legal entities in hryvnia grew at a slower pace, amounting to less than 3% and 6% change for the year, respectively. The reason is the decision of the NBU to increase the discount rate to 18%, which through the transmission mechanism has led to a significant increase in interest rates, primarily on short-term working capital loans.

Consider in more detail the lending activities of a commercial bank on the example of "OTP Bank"

(based on the combined financial statements for 2015-2017). In terms of assets, the bank entered the top 10 largest banks in Ukraine in 2018. OTP Bank's loan portfolio in 2017 amounted to UAH 23.5 billion, having decreased by 7% compared to 2016 (UAH 25.1 billion)

By the end of 2018, OTC Bank ATC's prudent loan portfolio grew by 28%, reaching UAH 20.5 billion. Such a significant increase in value is envisaged for the sale of resident loans and an active loan to foreign business in foreign currencies.

The stagnation of bank lending with remaining rocks is signified by low officials, middle-aged [8] follow the rules of the economy and the crisis of the export structure of the national government, low competitiveness; weak rivine to the rights of creditors that posichalnikiv, superhappy rishennya judiv completely unscrupulous posichalnikiv; zbilshennya osyagiv problem loans and reserves for repayment of loans for such loans (having stood at Kinets 2017, the rate of non-reputable loans from major gross loans was 56.4%); lack of power supply; specially designed for robot with problem assets; Deficit of pre-term resources at the bank system and non-repayment of lines, on which deposits are received, and the need for pre-term loans; lower consumption for loans through a small pace of financial settlement of the financial institution for the benefit of recession in the economy of 2014-2015; rock-v; a peniless penny and credit policy, yak the National Bank of Conduct of Promotions to carry out within the framework of the targeting and inflation regime.

The segment of services has a guarantee of guarantee transactions, guarantee payments, guarantee payments, guarantee payments, guarantee payments, guarantee payments, guarantee payments, guarantee payments, guarantee payments, guarantee payments a guarantee for paying mitnous payments for the wickedness of the State Fiscal Service of Ukraine is guaranteed by the Code of Ukraine (mitny guarantees) [4].

The program is fragmented within the framework of the priority for the bank directly on the basis of energy-efficient and environmental projects. For minds, legal entities and legal entities, they can be put into leasing with a line of up to 3 electric vehicles, all of them are viral.

For shortened servicing of payment cards of PJSC JSB "Ukrigasbank" there is always a different extension of the infrastructure of the terminal availability of services, which can be expressed through a measure.

In 2016, the Ukrainian Patent Bank Ukrigasbank has decided to partner with the bank by submitting an application to the NBU "Rules for Electronic Pennies", which, in the fake one, should give the bank a loan to deny the NBU access for electronic pennies. Such a request is made possible by the PAT Ukrigasbank JSB to allow electronic pennies, and to the corridors to allow the payment of the credit card and the credit card to the public without any payment.

In 2016, there are rosti for professional education and services servicing Premier Banking Bulletin 13 Premier zones at the directorates of PAT AB n addition to the classic banking services and asset management of the client, additional services are provided for consulting, financial planning, legal advice, selection of programs for study abroad, registration of insurance products and more In 2018, a new offer for Premier Banking clients, the VOYAGE DRIVE service package, was introduced, which envisages the opening of two premium cards MasterCard World and Visa Infinite for the client .

The most popular banking products in 2018 for Premier Banking customers were: premium payment cards of Platinum, Visa Infinite and MasterCard World Elite, as well as deposits and certificates of deposit, rent of individual bank safes, lending programs, credit cards and overdrafts [8].

In 2017. Balances on customers' card accounts increased by 42% and exceeded UAH 2 billion, which allowed Ukreximbank JSC to be one of the leaders among Ukrainian banks in terms of balances per one card issued.

In 2018, Ukreximbank JSC started connecting Visa PayWave card issuing services to affiliate banks, changing the PIN code for cards in ATMs of affiliate banks, My Savings services (customer savings service on the card sub-account, forin 2017. Balances on customers' card accounts increased by 42% and exceeded UAH 2 billion, which allowed Ukreximbank JSC to be one of the leaders among Ukrainian banks in terms of balances per one card issued.

In 2018, Ukreximbank JSC started connecting Visa PayWave card issuing services to affiliate banks, changing the PIN code for cards in ATMs of affiliate banks, My Savings services (customer savings service on the card sub-account, for During 2018, JSC Ukreximbank provided factoring services to customers and maintained a leading position in the domestic factoring market. According to the results of work in 2018, the amount of repayment exceeded the amount of financing of factoring operations in the national currency. The factoring portfolio as of December 31, 2018 amounted to UAH 561.9 million. In 2018, 31.3 thousand deliveries worth UAH 3 billion were accepted for service. [8].

That is, PJSC JSB "Ukrigasbank" and JSC "Ukreximbank" provide customers with a wide range of competitive, high-tech banking services.

In modern conditions, state and commercial banks of Ukraine are looking for effective ways to develop

banking activities, use significant opportunities to generate demand for banking products, services, attract investment, create new conditions for cooperation with various customers and maximize profits.

In practice, banks often use a variety of banking technologies to achieve maximum effect, with minimal costs and maximum increase in profits.

The spread of new innovative technologies and their rapid development encourages significant changes in the banking system at the global level. Innovative banking technologies are becoming an important stimulus for the development of the world banking system. They are one of the most significant factors that ensure the functioning of the banking system, promote the sale of banking products and improve customer service.

Intensive introduction of innovative technologies in banking in the late XX - early XXI centuries had a significant impact on the efficiency of the banking business.

The consequence of the development of banking is the introduction of remote customer service, which is a necessary condition for the competitiveness of the bank. The result of the implementation is to reduce the cost of banking services by reducing the cost of staff, workplace equipment, office maintenance, as well as improving the quality of service.

The most common and understandable system is "online banking". It is implemented using the Internet - Internet banking (Internet banking); telephone - telebanking; portable devices - mobile banking; personal computer - e-banking (ebanking).

In 2018, due to intensive lending to the population share.

Privatbank and private banks in net assets increased by 1.3 percentage points. and 0.9 pp up to 20.7% and 14.8% respectively. The degree of concentration in the sector has not changed over the past two years: at the end of 2018, 20 banks accounted for 91% of net assets.

Following the results of 2017, net assets of the banking system of Ukraine increased. Their volume as of January 1, 2018 corresponded to UAH 1.336 billion. against UAH 1.256 billion. at the beginning of the year (+ 6.4%).

The key factors of fluctuations in the volume of assets of the banking system in the study period. Speakers: the dynamics of the national currency, increasing investments in IGLBs, increasing the loan portfolio of banks, as well as the withdrawal of some commercial banks from the market. The significant impact of exchange rate fluctuations on the total volume of assets is explained by the fact that as of 01.01.2018 the share of foreign exchange assets of the banking system of Ukraine corresponds to 37.9% (41.3% as of 01.01.2017). There is a tendency to increase the share of IGLBs in the securities portfolio, as of 01.01.2018 they are 84.7% (76.8% on 01.01.2017).

Today there are gradual changes in the lending activities of commercial banks in Ukraine. According to NBU experts, banks continued to lend intensively to the population. During the second quarter of 2018, net hryvnia loans to individuals increased by 7.4%, or by 39.2% year on year (y / y). Due to this, the quality of

the loan portfolio improved statistically, the share of non-performing loans at the end of June 2018 was 55.7 against 56.4% at the beginning of April. According to the NBU, the share of loans to individuals in total bank loans since the beginning of this year increased by 1 century. n. - up to 17.7%.

However, the structure of lending to the population of Ukraine is still dominated by short-term loans. In particular, during the second quarter of this year, the share of consumer loans for current purposes in total loans to households increased by 1.2 percent. item - up to 68.1%. As for long-term, especially mortgage lending, which is one of the important components and at the same time a clear sign of sustainable development of the national economy in general, it is still very far from restoring its position in Ukraine during its heyday.

At the same time, Ukrainian banks are gradually increasing lending to domestic businesses. According to preliminary data of the NBU, the loan portfolio of resident banks of Ukraine in the national currency in August 2018 increased by 2.3% to UAH 607.8 billion. It is noted that, "as in previous months, banks actively worked with the population - the volume of hryvnia loans to the population increased by 4% - to 126.2 billion UAH. The volume of hryvnia business loans in August increased by 1.8% to UAH 480.3 billion, foreign currency loans - almost unchanged and amounted to USD 14.5 billion. USA".

The current situation in the market of lending and investing promotes the development of companies in the field of alternative finance. Hryvnia exchange rate fluctuations and inflation slow down economic growth, thereby inhibiting classic bank lending, and thus the possibility of expanding soft loans. In particular, since 2014, the number of non-performing loans on banks' balance sheets has been growing, reaching 57% in 2017. Moreover, banking institutions are reluctant to lend money even to relatively reliable borrowers.

In these circumstances, the state may use other measures to stimulate and support the competitive environment of producers. Thus, a new instrument of financial security can be a segment of P2P (person-to-person), which provides the speed of the transaction and receipt of funds, as well as the fact that loans are issued without collateral, but only on the basis of information provided on the platform [2]. Given the actual absence of intermediaries, interest rates on loans are relatively low and lenders' profits are quite high. A positive feature is the absence of intermediaries, which has a positive impact on interest rates and profits of creditors, as well as the fact that the minimum loan amount is not limited, obtaining credit is available at any time of day.

The modern P2P model allows the maximum use of technology growth (including the Internet) to minimize costs and ensure transparency. It is worth paying attention to the key components in the P2P market:

- an online platform that requires mandatory registration of participants and allows you to automate the process of finding and selecting borrowers and lenders, reducing costs. Most often, an analog of a credit rating is calculated for all participants, which determines the size of the interest rate and other conditions;

- a classic intermediary that provides legal support for direct lending agreements and with an emphasis on collateral as a means of minimizing risk, as well as conduct property inspections, expert real estate appraisals and real-time investor and borrower consolidation with minimal costs.

Reliable platform for agricultural enterprises is the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on simplification of the business environment (deregulation)," which was adopted 02.02.2015. [8]. It aims to simplify the establishment and conduct of business, reduction of licensing and conciliation procedures, reduce the impact of the activities of public entities. A separate unit in the law written questions to stimulate the development of agrarian business process improvement of agricultural land farms. Land granted to citizens of Ukraine for subsidiary farming, now officially can be leased for commercial agriculture, farming, personal farm. Also, it will encourage investment in the agricultural sector. Conclusions and further researches directions. We support the opinion of scholars that market economy characterized by the acquisition of financial resources radically different role and importance due to the isolation of the movement of material and the material play a weak market innovative technologies of development, lack of close international ties. The conducted monitoring methods of raising funds in the agricultural sector makes it possible to form definite conclusions as imperfect legal framework, it is not a favorable investment climate and the specificity of certain agricultural production causing difficulties in selecting financing instruments. Military actions and financial crisis slow down the process efficient operation of agricultural enterprises. Along with the obvious influence of political and macroeconomic impact also offers permanent Finance to revise the tax system in agriculture, decisions on the reform of special tax regimes for the agricultural sector. In order to ensure effective management of financial resources in the agricultural enterprises should be developed normally special financial policy, which is aimed at attracting financial resources from all sources according to the needs of development in future period. It should be guided by the basic principles that are as rigid centralization of financial resources; financial planning; the formation of large financial reserves; unconditional fulfillment of financial obligations.

Effective development of banking products makes it possible to address food security issues, create a reliable source of budget revenues and a strong production and economic potential for rural development. Further needs qualitative transformations, necessitates search of new financing tools. This task is related to the definition of strategic directions and ensuring the effective functioning of market mechanisms, integration of the country's economy into the world economic system, so there is no doubt about the relevance and timeliness of the functioning of enterprises in today's economic environment, which require theoretical study and further practical improvement. Innovations of the National Bank of Ukraine in the field of credit market regulation are aimed primarily at assessing the real state of the creditor and reducing the number of bad debts in banks.

In turn, the modern banking institution in connection with the constant progress is now becoming a bank that not only performs standard credit, deposit or settlement cash operations, it is forced to seek new activities or create symbioses of existing banking products. products and services that will allow you to gain a competitive advantage among other participants, taking into account the fact that competitors may be credit institutions.

Conclusions and prospects for further research Banking institutions need to work more effectively with borrowers at all stages of the credit process, in particular on the development and use of methods for analyzing the creditworthiness of borrowers - individuals. To prevent the emergence of bad debts, banking institutions need to abandon the aggressive credit policy, and pursue a traditional type of credit policy when providing consumer loans. This can be a detailed examination of the income of borrowers, in particular to offer different types of consumer loans to those individuals whose income significantly exceeds their expenses and savings are formed. This will help ensure the interests of both banking institutions and borrowers - individuals in the current financial and economic crisis.

The banking system of Ukraine is going through difficult times, responding to changes in the economic and social environment by reducing the number of banks operating in it, reducing the volume of their regulatory capital. The annual increase in liquidity reserves by Ukrainian banks, which results in a decrease in profitability, with a simultaneous increase in costs has led to a significant decrease in profits and even to the occurrence of permanent losses in the banking system of Ukraine.

Promising for banks is the combination of digital and banking technologies, the creation of financial incubators. Innovative models of branches of the future take different forms: "shops",

"Service and shopping centers", "cafes", outlets, automated offices and service centers.

The strategic goal of economic policy should be to bring Ukraine into the high-tech industrial leaders of Europe and a significant increase in the standard of living of the whole society on a stable quality basis.

The main goal of the Strategy for the Development of the Banking System of Ukraine is to build a financially strong, profitable and stable banking system, which effectively performs its main function - optimal redistribution of capital in the economy to finance intensive sustainable economic growth based on high-tech industrialization, infrastructure, science, education and prosperity population as a whole.

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