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CORPORATE GOVERNANCE AND MARKET POSITIONS OF EUROPEAN BANK HOLDING COMPANIES

Corporate governance issues in banks became the subject of extensive discussion of academics and experts not so long ago. Previously dominant role in specific for the banking business conflict situations belonged to the state, in particular to the system of banking regulation and supervision. Nowadays, when significant attention of international institutions is paid to macroprudential regulation in order to minimize systemic risk, research of organizational features of corporate governance in the bank is particularly important, especially in conditions of growing threat of external shocks in the system of financial intermediation.

Corporate governance effectiveness of individual bank depends on the corporate governance model, which is formed mainly under the influence of regional peculiarities as well as by the organization of corporate governance in the bank, which is defined the model and the Board of Directors and determines the hierarchical relationship regard to the subordination of individuals. In view of the fact that the corporate governance model largely depends on the bank's home country and is not flexible to changes in the short term it is important to consider the fundamental models of the Board of Directors implemented in banks. This study seeks to identify the most effective variant of governance model for biggest banks which would meet the principle of adaptability in the face of volatility growth in the external conditions. We review the main features of Unitary and Two-tier models of the Board of Directors and describe the main peculiarities both of these models.

Using such indexes as ROE, P/B, ROATA, CT1 to calculate key performance index for 30 biggest European banks, we found that banks with Unitary Board were better performed in 2011 because of absence of informational asymmetry and rapidity of taking the decisions. The interconnect-edness between performance and some factors which describes corporate governance model was revealed.

Corporate governance largely determines and impacts on all areas of banking activity, including the efficiency of their operations. The results

indicate that banks, whose corporate governance is organized qualitatively, takes better market positions. However, geographical factors also play the important role, because in many cases they determine the strategy of doing business in the financial sector, which occurred under the process of financial intermediation evolution in the country.

Geographical factors determine the choice of the bank's business model, affecting the development strategy of the branch network, so the Swedish banks, which have a smaller number of branches abroad compared to Spanish, Italian, and other banks, are resilient to the reduction of foreign subsidiaries under crisis conditions, while banks, whose majority of assets are concentrated from outside of the country, have to support foreign branches and subsidiaries.

The process of increasing the attention of regulators and the banks themselves to corporate governance, including risk governance issues, leads to a shift the strategy in favor of a conservative approach to ensure financial stability, but most of "too big to fail" banks included in the sample can't change their policy radically in the short term due to sub-optimal asset structure; existence of a large number of foreign branches, which leads to the necessity of taking into account the national circumstances of recipient countries; legal constraints on the Board of Directors model choice. The gradual elimination of these threats by improving corporate governance quality is the optimal vector of development for banks as at the micro level – to ensure the effectiveness of their activity, and at the macro level – to minimize systemic risk.

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USING GOOGLE TRENDS FOR BETTER MONETARY POLICY IN EMERGING ECONOMIES

Timely economic statistics is crucial for effective decision making, but it is released with a lag by national statistical services. Finding data that contains information regarding the current economic situation is especially valuable for emerging economies, which generally experience bigger delays in term of official statistics availability. We looked at using Google search query data for nowcasting unemployment rate in Ukraine and found strong correlation between keyword searches related to labor market and unemployment rates. Google data is especially useful for predicting the turning points of a time series.

There are several benefits from using search queries data for improving economic forecasts: 1) They are derived directly from households;