

*Oksana Gyrba, Anna Dziuba, Ivan Manzhula, Masters of Economics,
Maria Aleksanyan, Bachelor of Economics,
SHEI "Ukrainian Academy of Banking of the National Bank of Ukraine"*

PERSPECTIVES FOR THE INVESTMENT BANKING DEVELOPMENT IN UKRAINE

There are two types of investment banks in the world banking system. The first type includes credit and financial institutions dealing only with trading and placement of securities of corporate sector, participating in mergers and acquisitions and restructuring of the bank (the experience of the U. S., Australia, Canada and England). The second type of banks is engaged in long-term lending industry and creating new industries. In Ukraine there are banks of first type.

The purpose of our article is to find the most effective model of investment banking in terms of banks' instruments and financial indicators. For this purpose 9 Ukrainian banks were selected. Among them 3 are domestically-owned banking institutions and other are foreign-owned with different share of foreign capital.

Such financial tools as securities placement, mergers and acquisitions organization, bonds and bills issue and loans were chosen as the inputs to the model of investment. Also financial indicators of equity and shared capital, deposits of individuals and legal entities were taken into account as important factors that can be used to analyze investment activities of banks.

During the process of finding the relationship between investment activity and characteristics of the banking system and its structure in Ukraine several instruments were determined to affect mostly the investment of free cash flow. With a probability of 98.5 % these factors are the placement of securities, the amount of loans and the volume of deposits of individuals. The last two parameters have less influence on the process of investment, although some indirect connection can be traced. Investigation allowed getting the model, based on three indicators, which helps to identify the amount of investment according to the parameters of the national system and the financial capacity of the bank.

Considering separately only banks with domestic capital it was determined that the value of their investment is proportional to amount of instrument such as placement of securities. This is the most important parameter, which should be considered in the investment policy of the domestically-owned bank.

Exploring the banks with foreign capital it was determined that the model should be modified. Other tools should be used more actively. With a probability of 99.94 % it can be concluded that the amount of investment

and cash flow from placing bank funds is mostly affected by the usage of bonds bills issue. In addition for greater accuracy the amount of shared capital and the volume of security placement should also be included in the model. These main instruments and indicators should be used to form investment policy of foreign-owned Ukrainian banks.

Thus, on the basis of analyzed data, securities placement performs a significant impact on the activity and amount of investment of Ukrainian banks. However, there is a difference in the tools used by banks with domestic and foreign capital. This is reflected in different approaches to investing. The resulting model allows determining the impact of each tool and indicator on the investments amount through appropriate values of the coefficients in the relevant formulas.

After analysis of instruments and financial indicators of investment banks, formation of multifactor regression model and the implementation of factor analysis in special software tools and analysis of survey results perspectives for the Investment Banking Development in Ukraine were investigated. Banks should focus on the use of securities placement, bonds and bills issue. They should also pay attention to the amount of loans and deposits of individuals. As a result they may develop more effective investment policy for future periods.

*Larysa Hrytsenko, PhD, Alina Vysochyna,
SHEI "Ukrainian Academy of Banking of the National bank of Ukraine"*

SUSTAINABLE INVESTMENTS AS ONE OF THE DIRECTIONS OF STATE AND PRIVATE SECTOR COOPERATION

Nowadays social partnership and corporate social responsibility, as its integral part, is the basis of sustainable development of the developed countries. This concept proves its efficiency and rationality as a sort of compromise between the interests of business, society and state every year. Harmonization of the interests each of these parties leads to a reduction in social tension, more efficient operation of business (as industrial relations based on bilateral agreements, which increase productivity and, on the other hand, protects workers rights) and allows the state to transfer part of its social function at the micro level for more complete and objective solving of problems.

Corporate social responsibility concept has a lot of different elements and directions, but one of the most intensively developing is sustainable investments (SI). SI were originated in 1960-s, but the key year in the period of its genesis is 1971, when PAX World fund was founded. This fund refused in investments in companies that gained their revenues on unsocial