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## THE IMPACT OF THE WORLD FINANCIAL CRISIS ON THE BANKING SYSTEM OF UKRAINE

The analysis of financial crisis presently is very actual and will be the same for a long time, and, can be, always, because it is the next to impossible that in the nearest future the economists can smooth out cycles to minimum amplitude of vibrations. The basic and unique reason for collapse crisis of the world economy is an overproduction of basic world currency dollar of the USA. Now Ukraine is in the state of deep financial-economic crisis that began in the third quarter of 2008. The Ukrainian banks appeared unable to refund credits. It is possible to list external and internal factors influencing the depth of crisis in Ukraine. External factors, negatively affecting domestic economy – it is a collapse of demand and prices in the world metallurgical market, that resulted in currency hunger in Ukraine, and information about a crash financial-credit establishments abroad, that caused the distrust of population to the Ukrainian banks. Internal factors: the protracted fixing of currency national exchange rate during the last five years, when grivna absorbed actually a hundred-per-cent price advance at the internal market, though remained outwardly stable; the insufficiently considered imported policy; the population of Ukraine lately began to live “on credit”; the acquisition by banks “problem” credits in great numbers; the unbalancing of the banking system, the increase of credit rates and re-gistration rate of NBU from 10 to 12 % annual; the unprecedented high percents at the interbank market, the low liquidity of the banks, a hard monetary policy, sharply intensification fight for depositors – banks offer too high, economic unjustified interest rates on deposits.

Present “part crediting” of economy can bring to the second wave of crisis. The clients of banks haven’t money, a lot of manufacturing will stop, and as a result they will have nothing to pay off the already attracted credits. The Ukrainian economy can become simply insolvent. In addition to the deficit of credit facilities, there was an active satiation of internal market by the imported commodities, as a result of entering our country in WTO and using by government the import as an instrument of suppression of inflation. So, a national producer was forced out by importers from his sale markets. Therefore the deficit of payments balance is expected to start next year.

It is necessary to undertake measures to overcome the consequences of crisis, and then finally to go out of it. The bringing in foreign countries credits which maximally guarantee the prospects of the complete and direct returning; the grant of saving capital on the government side; the government must not acquire “toxic” or problem assets at price higher than market prices; every bank the board of directors must hire, motivate and provide independent administration, not civil servants, to work in a bank; there must be a clear and invariable time-limit for

banks on an appeal after the governmental saving financing; the temporal freezing of forfeiting right of buying the stopped up property back; the co-ordination of lowering registration rates at the global, world level.

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