

УДК 001.8:336.7

Федоришина Л.І.
кандидат історичних наук,
доцент кафедри аналізу та статистики,
Вінницького національного аграрного університету

ANALYSIS OF HISTORY OF DEVELOPMENT OF BANKING BUSINESS

АНАЛІЗ ІСТОРІЇ РОЗВИТКУ БАНКІВСЬКОГО БІЗНЕСУ

ANNOTATION

The history of banking development in the world is explored. The emergence of monetary circulation in the world. Its history is analyzed on the territory of Ukraine. The stages of its development in the post-Soviet period and to the present are shown. It is proved that today the banking system of Ukraine is a key part of the financial system of the country, an important element of the state-of-the-art mechanism.

Keywords: banking, history, analysis, Ukraine, banks, money circulation.

АНОТАЦІЯ

Досліджено історію розвитку банківської справи у світі. Розкрито зародження грошового обігу у світі. Проаналізовано її історію на території України. Показано етапи її розвитку у післярадянський період і дотепер. Доведено, що на сьогодні банківська система України є ключовою частиною фінансової системи країни, важливим елементом господарського механізму.

Ключові слова: банківська справа, історія, аналіз, Україна, банки, грошовий обіг.

АННОТАЦИЯ

Исследована история развития банковского дела в мире. Раскрыто зарождение денежного обращения в мире. Проанализирована его история на территории Украины. Показаны этапы его развития в постсоветский период и до настоящего времени. Доказано, что сегодня банковская система Украины является ключевой частью финансовой системы страны, важным элементом хозяйственного механизма.

Ключевые слова: банковское дело, история, анализ, Украина, банки, денежное обращение.

Formulation of the problem. The history of banking development is closely linked to the history of banks and the emergence of money. Unfortunately, there is no reliable information on the emergence of the first lending institutions and the nature of their lending operations, especially in the territory of modern Ukraine. However, historical evidence suggests that the first banking transactions in the exchange of money existed for two thousand years BC in Ancient Greece (IV century BC), in ancient Babylon (VI century BC), in ancient Egypt and Rome.

Analysis of recent research and publications. Problems of banking development at different times were dealt with by such prominent scholars – financiers Aleskerova Y. [2], Bazilevich V. [3], Kovtun N. [4], Lanovik B. [5], Fedorishina L. [6] and other.

Selection of previously unsettled parts of the general problem. Currently little attention is paid, namely the development of banking in the territory of Ukraine. Unfinished analysis of the history of banking development in Ukraine. Therefore, the purpose of the article is to study the history of banking development in Ukraine.

Presentation of the main research material. Some interest is the etymology of the word “bank”. The term “bank” comes from the Italian “banco” and means “office”, “table” which was exchanged for money. The French word “bangué” means “chest”, that is indicates the function of preserving something valuable.

In many languages the word “bank” due to its only roots has the same meaning: bank (English, German), banco (Italian, Spanish), bangué (French). In the Ukrainian language this word began to be used for a long time through the French language.

According to historians the first lending operations were carried out in Ancient Babylon where not only exchanged money of one state for another money, but also the practice of accepting deposits and publishing them on certain percentages. Born and further development of banking was acquired in Ancient Greece (Hellas) where the organization of banking was laid more than two and a half thousand years ago in ancient Greek cities on the coasts of the Mediterranean, Aegean and Black Seas. Since VI century BC several hundreds of Greek cities and their colonies were killing their own coins, trading lively and developing monetary and credit relations.

However, intensive trade conducted with the use of various coins which were fired both by the states and the cities, led to the emergence of such participants in trading operations that would be handled in coins that were in circulation. Under these conditions there was a profession such as person – money changers, who spread out coins on a special table (from the Greek “trapeza” – a trapezoid) and checked their quality. Hence the Greek name – person – money changer – trapezites. Originally the trapezitores engaged in the exchange of money from one coin-weighted system to another and checked their quality and later carried out other monetary transactions. A short or long-term contribution could be made to the trapezoid. Trapezitum made money transfers to other cities, borrowed money at interest rates, stored value and documents for a certain fee, entered into various contracts on behalf of its client. At the end of V century B.C. the trapeze – a shop person – money changers where several people worked turned into a prototype of a modern bank.

According to some sources the inventors of the first banking operations were not only individuals

(MONEY TRANSFER) but also some church institutions which accumulated considerable funds. A reliable place to store values was the temples. Thieves treated the altars with respect and did not rob them. With its contributions the inviolability of which was guaranteed by a respectful attitude to religion the Greek temples (Delphic, Deolsky, Samos and Ephesus) turned into peculiar banking institutions.

The money circulation of the ancient world, trade agreements between the policies of Greece and the Bosphorus, the activity of trapezes and trapezids extended to the southern lands of modern Ukraine thanks to the lively trade of Athens with the Bosphorus kingdom which settled on the Kerch and Taman Peninsulas (Northern Black Sea Coast).

The history of the banking business of the New Age is associated with the development of industrial and trade relations and was initiated in the Mediterranean, especially in the north of Italy. The birth of the activities of bankers and accordingly banking activity began in the XII century. The development of banking in Italy and the emergence of the first bankers due to the fact that this territory was at the crossroads of trade routes through which the European states had the opportunity to maintain contact with different parts of the world and this contributed to the development of trade in money circulation. At that time the renaissance of the person – money changers profession, which was engaged in the sale and sale of various coins and carried out other monetary transactions.

Later, the banking business spread to Northern Europe. In the XIII century several Italian person – money changers (from Lombardy) settled in London and began to offer their services to traders.

In Europe the emergence of banking and the appearance of the first moneylenders associated with the princely courtyards and trading houses of the late Middle Ages. The maintenance of princely courts in luxury, extravagance, the need to have a regular army led to an ever-increasing need for finance. The princes were ready to get into debt but a “canonical ban on the recovery of interest” was in effect for Christians. The money was considered “not yielding” and accrual of interest was usury and for that there were imposed big fines. This niche was filled by Jews for whom in many countries there were restrictions on the occupation of crafts. The Jews became mediators in the courts, getting the necessary money for the princes. Hence the appearance of the first private bankers' houses, often owned by Jews.

In addition large-scale and foreign traders became traders in the banking industry in Europe, which as trade banks also applied for exchange transactions and entered into banking agreements to supplement their trade agreements. Subsequently the banking operations of traders became their main business.

In the XVI century There were first banking houses – the Medici in Italy, merchant guilds Amsterdam, Venice, Genoa, Milan who have created even specialized banks – “giro-bank” that carried out non-cash payment transactions between merchants.

Banking in modern terms was born in the period of the manufacturing stage of capitalism, when there were bank houses that provided loans to industrial and commercial capitalists at a moderate percentage. Banknames known at that time were: Seylde in England, Rothschild in France, Fugger in Germany. Initially banks were in private ownership. In 1694 the first central stock bank, the Bank of England was established which provided commercial loans and also had the right to issue bank and securities for payment of government debt.

The first attempt to create banks in was made in the XVII century. In 1665 Pskov voivod Afanasius Ordin-Nashchoki decided to establish a commercial bank but this idea was not approved by the central government and the bank never started its activities. The appearance of the first Russian bank dates back to 1733 when the decree established a state lending bank that largely played the role of state-owned scrap bonding.

In 1754 two banks – the State Bank for the nobility in Moscow and St. Petersburg – were established to lend to the merchants but these banks quickly ceased their operations, faced with the problem of repayment of credit. In 1772 along with banks there appeared specialized lending institutions that received deposits on demand and issued loans or mortgages (security guards) or secured by precious metals (cash loans). In 1769 the Bank of Assignment was founded in St. Petersburg and Moscow and in 1786 the State Land Bank began to appear institutes of long-term mortgage lending. So in this period in Russia the formation of the banking system begins.

In Ukraine the beginning of banking was laid in the middle of the XVIII century. It developed together with the formation of the banking system of Russia. In those days trade was conducted for cash and the industry developed mainly at the expense of the state. In Ukraine the spread of commercial loans was significantly delayed compared with Western Europe. The first borrowers were the government and landowners, and in the role of lenders were single lenders. Under conditions of a natural landowner's economy such activity allowed to uncontrollably raise the interest on the loan. In addition during 1769–1774 Russia issued 20 million rubles in circulation of paper money-notes. All this contributed to the creation of state-owned banks and bank offices in the province which intended to improve the money circulation in the empire and provided loans.

The credit system in Ukraine was launched in 1781 when the Russian Assignment Bank opened its banking offices in Kyiv, Nizhyn, Kharkiv and in 1782 – in Kherson. In 1839, a local office of

the State Commercial Bank was established in Kyiv. By a decree of May 31, 1860, the State Bank of Russia was created which was engaged in the issue of credit bills and carried out a number of commercial transactions and in Ukraine, its offices (in Kiev, Kharkiv and Odessa) operated. In addition large commercial banks (Dvoryanskiy, Selyanskiy) began to function in this period and a network of savings institutions accumulating savings was established.

After the reform of 1861 a number of local banks were created in Ukraine: May 20, 1864 – Kherson Zemskiy Bank acting on the principle of mutual crediting for granting long-term loans under the mortgage of landed property, May 4, 1871 – Kharkiv Land Bank which issued loans secured by real estate in the Ukrainian and Russian provinces. In 1868 the Kiev private commercial bank began operations.

A little later the Kyiv Industrial Bank and Katerynoslavsky Commercial Bank were founded and in Bessarabian-Tavrian Land Bank was formed in Odessa, and in 1879 the Odessa account bank which registered bills of exchange was opened. This situation contributed to the development of commodity-money relations and the emergence of industrial capital in Ukraine.

The rapid development of the economy and the accumulation of capital in the country at the end of XIX century provided conditions for the development of the banking system of Russia in general and in particular in Ukraine.

At the beginning of the XX century in fact there were three offices of the State Bank of Russia and 19 of its branches operating in Ukraine, there was an extensive system of joint-stock banks, a considerable expansion of mutual funds loans (26), municipal public banks (38), peasant banks (148), treasuries (112), loan cash desks (66). In addition there were private bank offices operating a significant number of purely banking operations.

The development of the banking system in Ukraine during the First World War is going through a serious crisis. As a result of the fall in production and overall economic disruption economic activity has declined, banking operations are dwindling and the money market has been extremely disrupted. Nevertheless on the eve of the October Revolution in Russia an extensive network of banking institutions was established on the territory of Ukraine based on a multi-level structure adapted to serve market relations which ensured the normal movement of goods, money and credit resources.

During the insignificant period of existence of an independent state of Ukraine, certain measures were taken to form a national credit system by creating an appropriate banking network.

The experience of building a banking system of Ukraine in the period of statehood (1917–1919) is of certain interest. After the proclamation of the formation of the Ukrainian People's Republic on November 20, 1917 an important task of the Cen-

tral Council was the reorganization of the banking system and the formation of the national monetary system. December 22, 1917 the Central Rada adopted a law on the formation of the Ukrainian State Bank. By the same law in the territory of Ukraine the activities of the branches of the Russian State Noble Land Bank and the Peasant Land Bank were discontinued August 10, 1918.

The Council of Ministers approved the statute of the Ukrainian State Bank which defined its purpose: "The Ukrainian State Bank aims at facilitating money circulation, assistance through short-term loans to state bargaining, industry and agriculture in Ukraine and the provision of a monetary system". In order to meet the needs of landowners in providing loans, the State Land Bank was founded on August 23, 1918 whose purpose was to promote the strengthening of small-scale farming and improvement of agricultural affairs. Due to the measures taken by the UNR to a certain extent, during this period, it was possible to stabilize the financial and monetary system of Ukraine, to achieve satisfactory servicing of the state and economic needs of the country.

In the Soviet period the legal status of banks changed in a number of ways. Decrees of the Central Executive Committee of December 14, 1917 and the Provisional Workers' Peasant Government of Ukraine of January 22, 1919 all banks and private lending institutions were nationalized and the banking business was proclaimed a state monopoly. In 1920 Ukraine remained without its own monetary unit and without a banking system. However in connection with the transition to the NEP and the revival of commodity-money relations, there was a need for the restoration of the banking system for the organization of trade and financing of national economy.

After the establishment in Kharkiv of the All-Ukrainian Office of the State Bank (October 1921) offices and branches of other banks (cooperative, commercial, industrial, agricultural, communal) were created in Ukraine.

In 1927 the Kyiv branch of the All-Russian Commercial Bank for Foreign Trade and the Kyiv Local Bank were opened.

In the period of the NEP there is a certain revival of the market, the economy begins to gain market character, a relatively branched lending system operates, government bonds and shares are issued in the system of permissible private sector, foreign capital is used but this period did not last long.

Serious changes in the legal status of banks occurred as a result of the credit reform of 1930–1932. Banks based on a non-state form of ownership were liquidated. The banking system was rebuilt on a functional basis and consisted of the State Bank of the USSR which became the only settlement center and concentrated on short-term lending and payment circulation, and four specialized banks (Prombank, Silgospbank, Torgbank, Cekombank). In addition the Foreign Trade

Bank which had a wide network of correspondent relations with foreign banks and a system of savings banks became a single state-owned institution that served the general public with the attraction of free funds, payment for services, placement of bonds of state loans.

In the years of the Second World War centralized state management of the credit system and all its links remained and until the second half of the 60-ies Ukraine did not have an autonomous credit and banking system. There were branches of the State Bank, Budbank, branches of the Foreign Economic Bank, state savings banks, credit cooperatives and state pawnshops. Thus for a long time in the former USSR, the banking system was subordinated to the administrative system was too limited and ineffective. There was a state monopoly on bank money transactions, there was no financial-commerce business, there was no securities market, which was realized on the existence of a banking system that was unable to pay and mobilize large amounts of money. The existence of a mono-banking system in a socialist state led to the creation of a high level of monopoly position of the State Bank of the country. In addition the State Bank of the USSR, acting as a government body was dependent on it, which led to the creation of an uncontrolled financial and banking oligarchy that kept secret the data on the country's gold reserves, the state of issue of money in circulation, distribution and use of state debt and so on.

In 1987 in the USSR, in order to reorganize the banking system a banking reform was carried out: six banks were created (the USSR State Bank, specialized banks, the Agricultural Bank of the USSR, the Prombudbank of the USSR, the Zhilosotsbank of the USSR, the Savings Bank of the USSR, the Foreign Economic Bank of the USSR) were subordinated to the Council of Ministers of the USSR and simultaneously acted as organs of state administration and legal entities, engaged in economic activity.

After the banking reform the legal status of banks did not change significantly, the reorganization did not affect the economic relations, the state monopoly remained in the banking system. Banks continued to exercise administrative and control powers. However, due to the reorganization of the banking system the role of banks has increased in the mechanism of crediting the development of various sectors of the economy.

In Ukraine during this period there was a wide network of institutions of the State Bank and Budbank, labor savings banks.

The foundation of the new banking system in Ukraine was laid by the creation of the first cooperative commercial banks on the basis of the Law of the USSR "On Cooperation" (1988). The first cooperative bank "Tavria" was registered in November 1988 and the first commercial bank – the Ukrainian Innovation Bank was founded in January 1989 in Kyiv.

The formation of a new banking system in Ukraine began with the construction of an independent sovereign state and the adoption of the Declaration on State Sovereignty of Ukraine (July 16, 1990) and the Law of Ukraine "On Economic Independence of Ukraine" (August 3, 1990) which stated that Ukraine independently organizes its banking business and money circulation and creates a banking system.

The banking system operating in the country arose on the basis of the March 20, 1991 Law of Ukraine "On Banks and Banking" adopted by the Verkhovna Rada of Ukraine.

The process of formation of the banking system Ukraine in the new history covers several periods.

The first period (1989–1991). During this period Ukrainians (banks registered in Moscow on such a principle.

First ministry or branch banks (more than 15 banks) were created: on the basis of the Ministry of Construction of the USSR – Mounting Special Bank; State Supply Department of USSR – Ukrpostachbank (successor-bank "Agio"); Ministry of Construction – Ukrbudbank (legal successor – Bank "Vidrodzenya"); Minleggoprom – Leg-bank; Minliscopel -Lisbank; Minshelibudu-Shlyakhbank (successor to Transbank), etc.

Secondly more than 20 banks were based on mixed oil; various state and cooperative institutions. These are Ukrinbank, Gradobank, Percombank, Narodniy Bank, Ukrainian financial group, Privatbank and others like that.

Thirdly the branches of Moscow banks with the "Moscow capital" were reorganized – Incombank, Shidinvestbank and others like that.

Fourthly banks with state-owned status continued to operate: Prominvestbank, Agroprombank "Ukraine", Ukrsotsbank, Oschadbank and Ukreximbank.

Second period (1991–1992). Beginning in October 1991 the National Bank of the Republic of Kazakhstan has re-registered commercial banks. In commercial banks there are changes in the composition of the founders (in accordance with the resolution of the Cabinet of Ministers of Ukraine "On the transfer of ministerial shares of shares to the Ministry of Finance of Ukraine", among the founders are ministries) and state banks (Prominvestbank, Agroprombank "Ukraine", Ukrsotsbank) are jointly owned by the staff of banks as well as by individual customers of these banks. For individual banks there are large industrial complexes, the incomes of which formed the basis of bank capital.

The third period (1992–1993) is characterized by the creation of banks of a "new wave" with the attraction of significant private capital. At this time further development of small rural enterprises, joint-stock companies, attraction of funds of newly created state budget and extra-budgetary funds, there is a unification of liabilities in existing banks. These include: Aval, Inco, Transbank.

During hyperinflation there is a mass formation of small “pocket” banks (more than 100 banking institutions).

Fourth period (1994–1996). For this stage the characteristic suspension of inflationary processes, the activation of the NBU's activity in regulating the activities of commercial banks and the reduction of the level of banking management, all of which led to a banking crisis and the bankruptcy of individual banks. In 1994 12 banks went bankrupt, in 1995 – 20, in 1996 – 45 banks, and another 60 were in a state of hidden bankruptcy. During this period the banking system of Ukraine was in a state of stagnation: there is a reduction in the size of assets of some banks, there is a large divergence in the concentration of bank capital, one third of registered banks did not have the necessary paid statutory fund.

The fifth period (1996–2000) is characterized by the active work of the NBU in overcoming inflation processes, creating favorable conditions for the implementation of monetary reform and introduction into circulation of the national currency – the hryvnia. There are positive tendencies in the banking system, it acquires a market type, foreign banks and their representations are registered in the state (total 14 were registered) there is a change of shareholders in the sale and resale of banks (70) and also registration of new banks (5).

Conclusions. Today, the Ukrainian banking system is a key part of the financial system of the country, an important element of the national mechanism where reform has begun earlier than in other sectors of the economy. In 2017 the

market went 14 banks, which at the beginning of the year accounted for 1.7% of net assets of the entire banking system in Ukraine. It is the banking system that plays an important role in creating the optimal environment for the mobilization and free transfer of capital, accumulation of funds for structural adjustment of the economy, privatization and development of entrepreneurship during the period of Ukraine's accession to the European Union.

REFERENCES:

1. Закон України «Про банки і банківську діяльність» від 7 грудня 2000 р.// Законодавчі і нормативні акти з банківської діяльності. 2001. Закон України «Про Національний банк України» від 27.02.2004.
2. Алескерова Ю.В. Кредитно-інвестиційна діяльність банків України / Ю.В. Алескерова // Глобальні та національні проблеми економіки. Випуск 18. 2017. С. 436–438. <http://global-national.in.ua/archive/18-2017/82.pdf>
3. Історія економічних учень: Підручник: У2 ч. / За ред. В.Д. Базилевича. К.: Знання, 2006. 1157 с.
4. Ковтун Н.В. Теорія статистики: Курс лекцій, практикум. К.: Імекс-ЛТД, 2007. 276 с.
5. Лановик Б.Д., Матисякевич З.М., Матейко Р.М. Економічна історія України і світу: Підручник / За ред. Б.Д. Лановика. К.: Вікар, 2006. 495 с.
6. Федоришина Л.І. Витоки розвитку економічного аналізу / Л.І. Федоришина // Причорноморські економічні студії. Випуск 11. 2016. С. 234–238. URL: http://www.irbis-nbu.gov.ua/cgi-bin/irbis_nbu/cgiiirbis_64.exe?I21DBN=LINK&P21DBN=UJRN&Z21ID=&S21REF=10&S21CNR=20&S21STN=1&S21FMT=ASP_meta&C21COM=S&S21P03=FILA=&S21STR=bses_2016_11_52