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## DEVELOPMENT OF BANK RATING IN UKRAINE

The article is devoted to the theoretical foundations of bank rating in Ukraine. The author has identified five stages of development of bank rating, such as: germination of bank rating, formation of institutional and legal preconditions of rating agencies activity, demonopolization of rating services market, loss of reputation of international rating agencies, nascence of new authorized rating agencies.

At the first stage, Ukrainian Financial Group was the first in Ukraine to introduce an integrated rating of 20 leading banks. Informational and analytical firm Kalina and the Association of Ukrainian Banks conducted bank rating as well. There were rather bank rankings, since they were based on banks' absolute measures only. The second stage of development of bank rating is characterized by the adoption of legal acts regulating the activities of rating agencies. The basic requirements for national rating agencies were fixed in legislation. Then only one rating agency – Credit Rating – complied with these requirements.

The third stage – demonopolization of rating services market is characterized by the arrival of three international rating agencies: Standard&Poor's, Moody's and Fitch to the rating services market of Ukraine. The services of international rating agencies were used by big banks only. Small banks are oriented to the domestic capital market, so there are enough rating assessments of national rating agencies.

The decrease of reputation of international rating agencies was at the fourth stage. In view of the global financial and economic crisis, Standard & Poor's published a negative forecast about Ukrainian banking system. Moody's lowered the rating of most domestic banks. Thus, many Ukrainian banks refused to use the services of international rating agencies.

The germination of new authorized rating agencies occurred at the fifth stage. There are 6 authorized rating agencies in Ukraine: IBI-Rating, Rurik, Expert-Rating, Credit-Rating, Standart-Rating, Ukrainian Credit Rating Agency.