

V. Varenyk  
*Candidate of Economic Sciences,  
Associate Professor at the Department of Banking,  
Lviv Academy of Commerce*

## PROBLEMS OF FORMATION OF FINANCIAL SECURITY OF UKRAINIAN BANKS

The mechanism of formation and financial security of the bank cannot exist on its own. Its essence and meaning are derived from the tasks solved by banking institution at each stage of its economic development and functioning. On the one hand, financial security is a separate component of bank security, on the other – it describes the economic aspects of each of the elements of security: protection, regime, research and information provision.

Financial security of commercial banks and their institutions are very important because the erosion of credibility to institutions negatively affects the financial security of the country. Today, the scientific literature offers a number of methods to determine the level of financial security, which can be divided into the following groups.

Since, according to some researchers, the foundation of financial security of bank is its financial stability, there is a possibility of its evaluation using indicators of financial stability. However, the assessment of the bank's financial security by analyzing its financial strength is too narrow, and this is

determined by the fact that it does not cover all areas of its activities and financial security.

The most common is indicator approach manifested in selection of certain indicators characterizing financial security, and comparison of actual values with limiting ones. The structure of indicators, according to author, includes indicators that characterize the different sides of the financial condition and allow assessing its financial results in different directions. Threshold indicators of financial security are understood as their limiting values, incompliance with which leads to the formation of negative trends (the emergence of threats) in the field of financial security and, therefore, disparities in the bank and violation of its development as a whole.

Consequently, financial security of the bank is an important component of economic and national security and therefore, it is a state of banking institution, which is characterized by balance and resistance to external and internal threats, its ability to achieve goals and generate sufficient financial resources for sustainable development.