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FEATURES OF ENSURING THE ECONOMIC SECURITY SYSTEM OF THE BANKING INSTITUTION

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It has been established that the essence and content of the economic security of a banking institution derive from the tasks that the bank solves at each of the stages of its formation and development and are determined by a number of factors of both an external and internal nature. Theoretical approaches to the essence and content of the economic security of a banking institution have been studied. Attention is focused on the fact that the primary task for ensuring the sustainable development of the banking sector of Ukraine is to assure the economic security of the banking system and assess its level, which will make it possible to define the actual state of financial security of the banking system of Ukraine, the influence of certain factors and threats on the stability of the functioning of banks and to determine the vector of actions to prevent their negative impact, and effective implementation of preservative measures to increase the level of security of the banking system. The prerequisites and results of the banking institution activity have been investigated, which are a necessary condition for solving the tasks of ensuring the economic security of the bank. It is revealed that in the theoretical aspect, several approaches are used to determine the quantitative level of economic security: indicator (threshold), resource-functional, program-target (complex), approach based on the theory of economic risks. The stages of ensuring the economic security of banking institutions are disclosed. A set of measures to increase the economic security of the bank is provided and analyzed. Existing threats to the banking system of Ukraine are highlighted.

ОСОБЛИВОСТІ ЗАБЕЗПЕЧЕННЯ СИСТЕМИ ЕКОНОМІЧНОЇ БЕЗПЕКИ БАНКІВСЬКОЇ УСТАНОВИ

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економічна безпека,
банківська установа,
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підхід, контроль

Встановлено, що на сутність і зміст економічної безпеки банківської установи впливають із завдань, що їх вирішує банк на кожному з етапів свого становлення й розвитку та зумовлюється низкою чинників як зовнішнього, так і внутрішнього характеру. Досліджено теоретичні походи до суті та змісту економічної безпеки банківської установи. Зосереджена увага на тому, що першочерговим завданням для забезпечення сталого розвитку банківського сектору України є забезпечення економічної безпеки банківської системи та оцінка її рівня, яка дасть можливість визначити фактичний стан фінансової безпеки банківської системи України, вплив тих чи інших чинників та загроз на стабільність функціонування банків та визначити вектор дій щодо запобігання їх негативного впливу, і ефективної реалізації превентивних заходів для підвищення рівня безпеки банківської системи. Досліджено передумови та результати діяльності банківської установи, які є необхідною умовою вирішення завдань щодо забезпечення економічної безпеки банку.

Розкрито, що в теоретичному аспекті для визначення кількісного рівня економічної безпеки використовується декілька підходів: індикаторний (пороговий), ресурсно-функціональний, програмно-цільовий (комплексний), підхід на основі теорії економічних ризиків. Розкриті етапи забезпечення економічної безпеки банківських установ. Наданий та проаналізований комплекс заходів щодо підвищення економічної безпеки банку. Виділено наявні загрози банківській системі України.

Formulation of the problem

The formation of the security system of banking institutions has acquired special significance in the conditions of the post-crisis period at the macro and micro levels. Its nature and content originate from the tasks that the bank solves at each of the stages of its formation and development and are determined by a number of factors of both external and internal character. Firstly, the necessity and importance of security arises from the existing variety of interests of banking services market subjects. Secondly, the limited financial resources of banks and their sources of attraction require the development of effective technologies for providing banking products and services, the use of economic tools to maintain the liquidity and competitiveness of institutions at the required level, and the quality use of their resource base. Thirdly, the unstable economic situation, its unexpected and sudden changes, make it necessary to take into account crisis phenomena and threats in conditions of high market and financial risks, sometimes on the verge of losing liquidity. Fourthly, the growth of economic crime, primarily in the credit and financial sphere, places banking activity in a high-risk group and causes increased responsibility of banks to their customers, depositors and shareholders. Therefore, the issue of forming the security system of banking institutions is relevant and timely in scientific and applied aspects.

Analysis of recent researches and publications

The issue of assessing the economic security of a banking institution combines the views of various scientists regarding the methods of analysis in this area. Thus, O.M. Kolodizev and O.M. Shtayer in their work offer an improved methodology for assessing the level of economic security of a bank, which consists in the formation of an integral indicator with the possibility for banks to choose independently the indicators for each component. Accordingly, I.O. Hubarieva gives preference to the most common areas of analysis of commercial bank activity, such as analysis of compliance with mandatory economic standards and ratio analysis. This analysis is quite simple, accessible and easily implemented. L.R. Demus singles out the evaluation of the borrower's credit standing using the CENSOR creditworthiness assessment system as one of the methods of ensuring the bank economic security. It contributes to the preparation of high-quality investment proposals and the improvement of business plans with the enhancement of their evaluation. In turn, I.P. Moiseienko and O.A. Martyniuk researched the scoring methodology, which is formed on the calculation of the number of points formed on the basis of the assessment of financial coefficients and indicators. This methodology provides

for the use of threshold values that will more accurately characterize the destabilizing factors affecting the bank economic security. But the problem of determining the influence of individual indicators on the resulting one needs further research in order to develop an effective system for ensuring the economic security of a banking institution.

Formulation of the goals of the article

The purpose of this article is to define the features of ensuring the economic security of a banking institution and justify the complex of its measures.

Presentation of the main research material

The development of the economy of any country is impossible without assuring an effective and reliable banking system, which represents a tool for the accumulation and redistribution of economic resources. The banking sector of Ukraine at this stage of development is going through difficult times, because of the worsening of the economic crisis, increased level of competition, high distrust of the population and other external and internal threats that negatively affect the stable and efficient functioning of commercial banks. The primary task for ensuring the sustainable development of the banking sector of Ukraine is to provide the economic security of the banking system and assess its level, which will permit to determine the actual state of financial security of the banking system of Ukraine, the influence of certain factors and threats on the stability of the operation of banks, and to define the vector of actions to prevent their negative impact, and effective implementation of preventive measures to increase the level of safety of the banking system [1; 3]. Researching the prerequisites and results of the banking institution activity is a necessary condition for solving the tasks of ensuring the bank economic security. The main goal of this analysis is to identify the methodical toolkit for diagnosing the bank economic safety, which will allow to adequately assess the state, specifics of the institution activity and determine a set of measures to increase or stabilize economic security, taking into account the effects of all negative influencing factors [6; 9].

The safety of banking institutions defines the financial security of the country, since the banking system is the most important component of the financial and credit sphere of the state. Thus, the state of the banking sector determines the level of financial and credit security, and, therefore, the level of financial security of the state [7].

Issues of economic safety begin with the creation of a banking institution, where a management (department, service) of economic security must be created, the activities of which are managed by its head, who in turn reports to the head of the bank.

All the methods and tools used to ensure the economic security of the bank can be divided into two large groups: internal and external. This distribution is based on two prerequisites. On the one hand, the bank, like any other business entity, has economic freedom and can independently take certain measures aimed at achieving economic security. On the other hand, its activities are subject to intervention by the state, which has tools to influence the activities of banking institutions [10].

Ensuring economic security is the responsibility of not only employees of economic services, but also technical departments. The bank economic services plan business activities, supply and sell products and services, organize work, financial work, accounting and control of business activities. The most comprehensive study of the problem and finding the most optimal version of its solution is possible only with the joint efforts of economists, technicians, managers of various departments, who have a variety of knowledge regarding the researched issue.

Internal analysis of the bank economic security is carried out by employees of the banking institution, and external analysis is performed by the bank marketing and economic intelligence services. Analytical departments of the bank should execute both external and internal analysis of its economic security as a whole.

In the theoretical aspect, several approaches are used to determine the quantitative level of economic security: indicator (threshold), resource-functional, program-target (complex), approach based on the theory of economic risks.

The indicator approach consists in establishing the level of economic security as a result of comparing actual indicators of activity with indicators that act as threshold values of these indicators and correspond to a certain level of security. This approach allows you to define the categories: safe or dangerous; crisis, critical, pre-crisis normal state of economic security. The main disadvantage of this approach is that if the indicator values are incorrectly determined, the level of economic security will be improperly established. The resource-functional approach involves determining the level of economic security by evaluating the efficiency

of resource use. The business entity develops a set of measures to protect against threats and the economic effect is assessed for each direction. When applying this approach, values are most often calculated by functional components. Taking this into account, the level of economic security under this approach can only be defined by comparing it with the same levels over several periods, that is, in dynamics. The programmatic approach is based on the integration of indicators that determine the level of economic security. Sometimes, this approach is called complex. When using it, considerable attention should be paid to the selection of indicators and the definition of methods of their integration. Difficulties also arise when establishing significance coefficients based on expert assessment methods. The essence of the approach based on the theory of economic risks is to identify various threats and calculate the loss, which is compared with the amount of profit, income and property [2; 4; 8].

The process of ensuring the economic security of banking institutions should include the following stages (Fig. 1).

Thus, in order to achieve a high level of economic security, a banking institution must assure the structural balance of the main functional components (Table 1).

The development of methodical approaches to the assessment of the security system of the banking sector of the national economy will contribute to the improvement of the level of security of banking institutions. Maximization of profit and optimization of its quality, as well as maximization of the market value of domestic commercial banks should be considered the main criteria for the effectiveness of the security system of banking institutions [5; 7].

The implementation of a set of measures to maintain a sufficient level of economic security and further increase it will allow in the medium term to keep the stability and viability of the bank, which ensures the realization of its goal (making a profit), principal interests (increasing its rating on the market of banking services) and protection from internal and external destabilizing factors regardless of the operating conditions (assuring the safe operation of the bank in the future). Carrying out these measures requires

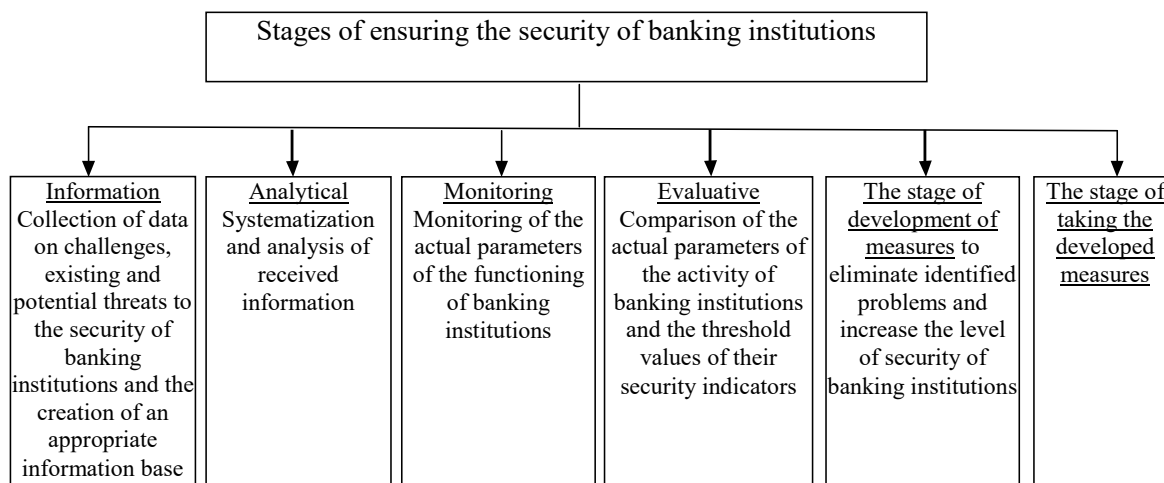


Fig. 1 – Stages of ensuring the economic security of banking institutions [7]

Table 1 – A set of measures to increase the bank economic security

Indicator	Set of measures to increase economic security bank, taking into account the relationship between indicators
Bank efficiency	- rational and effective allocation of the bank funds to ensure its financial stability. Fulfillment of this condition will make it possible to get rid of contradictions between liquidity, reliability and profitability of the bank.
Efficiency of commission activity	- increasing the economic efficiency of non-traditional operations.
Return on assets	- optimization of the structure of assets, due to the improvement of quality and raise of the specific weight of working assets in their total value; - increasing the efficiency of cash management, that is, it is necessary to plan inflows and outflows of cash and develop payment schedules; - the use of financial planning as one of the reserves for growing profit and its rational use. Banks bear significant costs as a result of uncoordinated actions of various divisions among themselves. The financial plan allows you to forecast the income, expenses and profit of the bank for the year. And although in the conditions that have developed in our country, because of instability and inflation, the real data may differ significantly from the planned ones, but the proportions remain practically unchanged. A banking institution should realistically see its development prospects and goals for the current year.
Liquidity (instant)	- balancing the bank assets and liabilities according to their maturity and size, which will lead to a significant improvement in the bank liquidity standards; - expanding the share of highly liquid and liquid assets of the bank, at the expense of reducing the share of illiquid ones.
The level of problem loans	- carrying out work on reducing the risk of active operations. At the same time, it is necessary to remember that urgent measures implemented by credit institutions to maintain their liquidity and solvency are, as a rule, associated with an increase in bank expenses and a decrease in their profit.
Credit risk coefficient	- systematic and comprehensive study of credit risks, taking measures to diminish them and improving the level of professionalism of employees.
Loans and liabilities ratio	- control of the placement of credit investments according to the degree of risk, forms of guaranteeing the return of loans, the level of profitability, limitation of the size of the loan granted to one borrower with part of one's own funds; - formation of sufficient insurance reserves and reserve funds. Since the main cause of bank bankruptcies is the non-return of previously issued loans, the formation of these funds will contribute to strengthening the reliability and stability of the bank, and therefore the banking system of Ukraine, to decreasing possible financial risks in credit activities. The creation of these reserves will guarantee the coverage of miscalculations in the bank activities, will help maintain its liquidity at the required level.
The capital adequacy ratio	- increase in the bank own funds, which will promote to the growth of the bank resource base and, accordingly, its investment potential, will be one of the prerequisites for attracting foreign investments, and will stimulate integration processes, will ensure the independence of the bank and create conditions for the survival of the banking system of Ukraine in the period of increased competition from foreign banks.

the activation of the forces of the entire banking institution and the effective selection of the necessary security tools and technologies at all levels of the bank security system.

Conclusions

Thus, the formation of the security system of banking institutions is a complex and very difficult problem, the solution of which requires a systematic approach in this area, the definition of a hierarchy of goals, approaches to their provision with the development of a clear implementation mechanism, the organization of proper coordination of the efforts of all participants in the domestic market of banking services to comply and increasing the security level of the country banking sector.

It is worth highlighting the existing threats to the banking system of Ukraine. First of all, this is the share of non-performing loans, this indicator was critically high for the period under study (more than 50%), which indicates the low quality of banks loan portfolios and the imperfect methodology of assessing the level of borrowers' solvency, the next threat is the ratio of long-

term loans and deposits, as is known it is long-term loans that are the driving force of the bank economic growth and the guarantee of their income in the future, however, because of economic imbalances, unstable interest rates and a decrease in trust in banks on the part of depositors, the level of this indicator is not sufficient for the effective development of Ukrainian banks. Another important factor is the predominance of the assets of the five largest banks in the total assets of the banking system, such concentration indicates the capture of the banking market, which leads to monopolization.

It should also be noted that when studying the issue of the system of economic security of banking institutions, the following aspects can be distinguished: the selection of a set of methodical approaches to the quantitative assessment of the level of economic security and the verification of the adequacy of these approaches; segregation of criteria and indicators of the level of economic security and sorting of individual indicators according to their significance; search for absolute characteristics of the level of economic security, including integral ones.

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