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RESTORING CONFIDENCE IN BANKING SYSTEM: MYTH OR REALITY

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Summary. The article describes basic theories and concepts of confidence in banks and the whole banking system, to prove their relevance. The evaluation of the level of confidence in banks and the

banking system at the present stage was researched. Identify measures to maintain a sufficient level of confidence and the resumption of it in times of financial uncertainty.

Key words: *confidence in banks, a crisis of confidence, public opinion polls, deposits, financial literacy.*

The dynamic discussion of domestic and foreign scientists about the problem of confidence in banking system is quite natural, due to the current situation in the world, namely in Ukraine. The issues of the essence of banking confidence and its role in the banking sector have been studied by scientists, such as M. Savluk, O. Petryk, B. Bernanke, G. Akerlof, O. Kuz'min, O. Drugov. The problem of etymology of the concept "confidence" and its role in bank resources formation has taken its place in the papers of the abovementioned authors. But, in our opinion, the research of the factors influencing the level of the renewal and growth of confidence in banks has not been done properly.

The purpose of article is to determine the factors influencing the process of the restoring of confidence in both domestic banking sector, and banking system as a whole, as well as the possibility of its growth.

The essence of the concept "confidence" and its role in banking system have been defined in the article. It has been proved that the confidence in banking system is a reciprocal arrangement (clients have to trust banks, and banks, in their turn, have to trust

their customers). Furthermore, the state and dynamics of deposits have been studied; the main factors influencing the level of confidence in banks and the methods of its increase have been determined.

The research enables us to make some conclusions. The confidence in banking system as an institute of market economy, can be determined, on one hand, by the level of the general confidence in a society, and on the other, it is influenced by the level of personified trust of economic agents to certain credit institutions. In the research some aspects to characterize the level of confidence in banks and banking system have been considered. Thus, the guarantee for restoring of confidence in banks can be: the stabilization of a political situation in the country; the development of economic legislation and control by governing bodies; the growth of public morality, the development of business ethics, and the creation of "Code of honor of the banker"; close cooperation of the banking sector with individuals, enterprises and organizations; the development of new methods to ensure the stability of the financial system, etc.

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