EUROPEAN BANKS IN UKRAINE: MODELLING RISKS, REWARDS AND MAKING FORECASTS

Helen Kostyuk*, Alex Kostyuk*, Yaroslav Mozghovyi*

Abstract

The new model for banking control and regulation, suggested by Basel III, together with high dividend expectations of shareholders have fostered the transformation of the business model in European banking. The scale of market shares no longer plays an important role in banking business. The emphasis is now laid on its efficiency. It is determined by ROE indicators, the positive dynamics of which serves as: a good indicator for ensuring a proper level of capital adequacy of the bank and reducing systemic risks; a precondition for meeting the dividend expectations of shareholders; evidence of effective management of capital assets and bank costs. Thus, assessing and preventing the outflow of foreign capital from the national banking sector, the national market regulators should clearly understand the motivation behind it and take into account the business strategies of parent European banks, which include the following points: low liquidity of the stock market of the Eurozone, which significantly complicates the process of capitalization of European banking institutions, and inability to attract capital in sufficient amounts; potential opportunity for capitalization of banks (to meet the requirements of Basel III) in the context of bank management and shareholders relations (improvement of profit management policy and dividend policy); optimization of asset management policy in order to reduce RWA assets in the assets of both parent and subsidiary banks.

Keywords: Banks, Risks, ROE, Basel III, RWA, Shareholders, Dividend Policy

** Ukrainian Academy of Banking of the National Bank of Ukraine*

1 Introduction

The long-term presence of foreign capital on the national banking market provokes heated debates about the character of its influence on the national economy among Ukrainian researches. Analysing the main motive and risk of foreign capital presence in the banking sector of Ukraine some researchers (V. Gaiets',O. Dzyublyuk, A. Shapovalova and others) highlight the positive impact foreign banks have on the process of enhancing the capitalization of the national banking system in the period of economic growth. At the same time they also emphasize the great risk of foreign capital outflow in the periods of financial turmoil and crisis. However, the fact that Ukraine's economy is integrated into the global economy in a special way resulted in the following phenomenon in 2008-2010 when the world financial crisis deepened: foreign capital did not flow out; on the contrary it remained in Ukraine's banking system and, using its competitive advantages, secured the financial stability of Ukraine's banking system owing to the ongoing inflow of deficient capital and loan funds. Although it should be pointed out that it is the peculiarities of the domestic market that motivated foreign banks to join Ukraine's market even in the period of crisis, namely: insufficient scale of the banking market (including the retail sector); the prospects of forming a profitable loan portfolio at high interest rates in Ukraine in comparison with the EU; a small part of the population covered by the loan services; risks are minimal in the context of monetary policy of the National Bank of Ukraine.

2 Recent trends in foreign banks' capital in Ukraine

At the beginning of 2014 there operated 49 foreign banks in Ukraine. Under the complete ownership (100% of the share capital) of foreign investors were 10.6% (19 banks) of the total number of banks licensed by the NBU. On the whole, the foreign capital share decreased to 34%, going back to its initial level in 2008.

Several international banks have left the Ukrainian market in the course of recent years, some of them are: Bayerische Landesbank (Germany), Credit Europe Bank (the Netherlands), Volksbank (Austria), SEB Bank (Sweden), Bank Forum (Germany), Societe Generale (France), Erste Bank (Austria), Astra Bank (Greece), ING Bank (the Netherlands), Home Credit Bank (the Check Republic), Dresdner Bank(Germany), Pekao (Poland), Pravex-Bank (Intesa Sanpaolo, Italy) and others. European banks leaving not only by method of sale, but also by the closure or reduction market of risk position sot through withdrawal as a debt repayment to the parent bank. The debts of Ukrainian banks to

the European ones declined by 9,4 billion UAH to 19 billion USD in 9 months in 2013 (table 1). This has become possible owing to the transformation of the business model of the banks according to Basel III guidlines and optimization of their presence in the main markets of Central and Easter Europe, which can be considered risky, forcing European banks to reduce the portfolio of assets and reduce capital by the amount of investments in certain territories.

Table 1. Banks-leaders in capital outflow for the sake of paying off the debt to the parent banks

Bank	On 01.01.2013, bln. UAH	On 01.10.2013, bln. UAH	Changes, bln. UAH
VTB Bank	12,1	7,8	-4,3
Raiffeisen Bank Aval	9,0	5,0	-4,0
OTP Bank	5,7	3,2	-2,5
FKB Bank	2,3	0,0	-2,3
Ukrsocbank	10,2	8,1	-2,1
Ing Bank Ukraine	4,7	2,6	-2,1
Omega Bank	1,7	0,0	-1,7
Kreditprombank	0,9	0,2	-0,7
Universal Bank	0,5	0,0	-0,4
Prominvest Bank	15,9	15,6	-0,3
Total for banking system	113,1	103,8	-9,4

Analysing the terms of entering and leaving the market of Ukraine by certain banks (table 2), there can be drown a conclusion that the prospects of their further presence in the national banking sector was based on the motives of integration to the Ukrainian market, i.e.:

1) further expansion and formation of East-European regional subsidiary structure, which fit into the country’s integration scenario;

2) prospects for an increase in retail lending through the support of parent companies in terms of profit rates and minimum currency risk based on insufficient depth of the banking market under imperfect competition.

The predominance of the second motive in certain foreign banks and subsequent changes in market conditions and trends led to a massive outflow of capital from the banking system of Ukraine, followed by rotation of bank owners.

The tendencies of foreign banks to rollback their activity in the banking sector of Ukraine are reinforced by a number of factors (both subjective and objective): lack of near-term essential prerequisite to improve the business climate in Ukraine (negative trends in economic growth, expectations of devaluation of the national currency); the introduction of legislative changes to ban foreign currency crediting of citizens; low-quality loan portfolio: traditionally high share of adversely classified assets in the national banking market and non-transparent system of monitoring and identification (according to Fitch and Standard & Poor's the share of adversely classified assets in the balance sheets of Ukrainian banks is significantly understated); opaque judicial system and lack of institutions for creditors' rights protection; difficult post-crisis situation in the Eurozone and the introduction of higher capital adequacy requirements for European banking groups under the provisions of Basel III; gradual transformation of the business models of European banks in the context of optimization (reduction) of their geographical presence in some regions of Eastern, Central and Southeastern Europe and more balanced policy on investing in selected base markets.

The influence of the latter two factors is of special interest since it defines the prospects for the presence of subsidiaries of European banks in the national banking system and distinguishes their role in the transformation of the business model of European banks.

3 Provisions of Basel III and European banks’ capital in Ukraine

In this context, it should be noted that in 2014 there has formally begun a new stage of implementation of the recommendations of the Basel Committee on Banking Supervision[20]. According to the new requirements, the need for the capital should increase by western banks (at least up to 354 billion Euro to meet the requirements of Basel III, [8]). Same situation with risky assets reserves. This applies, in the first place, to the global systemically important banks (as defined by the Financial Stability Board, FSB), the bankruptcy of which could threaten the global economy (Table 3). These banks face particularly severe requirements on capital adequacy: the standard for all financial institutions is 7 % whereas the allowance for the aforementioned banks ranges from 1 to 3.5 percentage points depending on the importance of the bank for the global economy [13].

[20] Postponement on January 1, 2014 of the full implementation of the Basel III and stress testing of banks 124 of EU is a temporary measure based on the complexity of market capitalization of banks across the Eurozone stock markets stagnate.

Table 2. Terms of entering and leaving the market of Ukraine by certain banks

№	Bank/ Country of the parent company	Year of purchase	Year of sale	Assets under control	Price of purchase	Price of sale	Multiplier	Assets bought	
							purchase	sale	
1.	Raiffeisen Int., (Austria)	2005	-	Bank Aval (93%)	$1 bln + $28 mln	-	3,7	-	-
2.	BNP Paribas (France)	2005	-	Ukrsybbank (81%)	$347 mln	-	3,5	-	-
3.	Credit Agricole S.A (France)	2006	-	Index Bank (100%)	$260 mln	-	6,5	-	-
4.	UniCredit, (Italy)	2008	-	Ukrsocbank (95,48%)	$2,07 mln	-	5,36	-	-
5.	SEB, (Sweden)	2005 2007 2011	2012	Bank Agio (94%) Bank Factorial (100%) Accept (100%)	$27,5 mln + $120 mln	$20-30 mln	1,5 4,5	0,2 - 0,3	Fidobank
6.	Home Credit Group (Czech Republic)	2006	2009, 2013	Agrobank (100%)	$40-65 mln	$43 mln + $20 mln	3-4	1,3-1,5	Platinum Bank
7.	Commerzbank (Germany)	2007 2010	2012	Forum (60%) + Forum (20%)	$600 mln + $1 bln for development	$80-150 mln	4,91	0,5	Smart Holding
8.	Volksbank, (Austria)	2007	2012	Bank Electron (98%)	57 mln Euro	н/д	3,8	н/д	Sberbank of Russia
9.	Societe Generale (France)	2006	2012	Ikar Bank (100%), renamed into Profin Bank	$25-35 mln	$25-30 mln	2-3	н/д	Alfa Bank (Cyprus Russia)
10.	Erste Group (Austria)	2006 2007	2012	Bank Prestige (50,5%) + (49,5%)	$35,3 mln + $104 mln	$83 mln	1,75	0,39	Fidobank
11.	Swedbank / (Sweden)	2007-2008	2013	TAS Komerzbank TAs Investobank	$735 mln	$175 mln	4,6	0,44	Alfa Bank (Cyprus Russia)
12.	Intesa Sanpaolo (Italy)	2008	2013	Praveks Bank (100%)	$750 mln	$74 mln	6,5	0,85	Group DF

Table 3. The list of Global Systemically Important Banks and FSB requirements on additional capital [12]

Capital Increase Requirement	Systemically Important Banks Worldwide
5 (3,5%)	-
4 (2,5%)	HSBC JP Morgan Chase
3 (2,0%)	Barclays BNP Paribas Citigroup Deutsche Bank
2 (1,5%)	Bank of America Credit Suisse Goldman Sachs Group Crédit Agricole Mitsubishi UFJ FG Morgan Stanley Royal Bank of Scotland UBS
1 (1,0%) 1 (1,0%)	Bank of China Bank of New York Mellon BBVA Groupe BPCE Industrial and Commercial Bank of China Limited ING Bank Mizuho FG Nordea Santander Société Générale Standard Chartered State Street Sumitomo Mitsui FG Unicredit Group Wells Fargo

In 2013 similar attempts were made to create the list of systemically important banks in Europe based on criteria used to define the global systemically important banks. The research team led by Liikanena (Liikanen, Erkki) proposed a list of 29 systemic banks in Europe [8], which included: Deutsche Bank, HSBC, BNP Paribas, Crédit Agricole Group, Barclays, RBS, Santander, Société Générale, Lloyds Banking Group , Groupe BPCE, ING, Unicredit, Rabobank Group, Nordea, Commerzbank, Intesa, BBVA, Standard Chartered, Danske Bank, DZ Bank AG, Landesbank Baden-W, KBC, Handelsbanken, SEB, Banca Monte dei PS, Erste Bank, Swedbank, RZB AG, UBI[21].

According to Liikanena's report, viewed as a recommendation on the development of EU Directives, in 2015 the share of assets weighted by risk (RWA) should decrease by 17% (about 5 trillion Euro) by 2015 and the annual reduction in operating costs should occur at a 6% level to achieve the pre-crisis level of recoupment of equity to 12 % [8]. At the same time, these requirements turned out to be stricter for European banks because, according to the data gathered by McKinsey, the banks of Japan have to cut operating costs by 14%, U.S. banks – 20 %, and banks in Europe – 26 % during 2011-2015 [6]. Thus, there can be predicted the gradual transformation of existing business models of European banks starting with large-scale diversified expansion and development of subsidiaries and representative network to optimization of their presence in Central and Eastern Europe. Besides there can be forecast a reduction in additional investment to the selected base markets. The fact that Ukraine belongs to the countries with low sovereign rating is also taken into account. It lets us conclude that the mere presence of a subsidiary bank in Ukraine may increase the capital requirements of the parent bank and lead to the capital increase. It may have negative consequences for banking systems in these regions. As far as Ukraine is concerned, there were 11 subsidiaries of European banks listed in «G29» (BNP Paribas; Crédit Agricole Group; Société Générale; ING; Unicredit; Commerzbank; Intesa; SEB; Erste Bank; Swedbank; RZB AG) in Ukraine in 2011, which collectively own the assets of 19.4% of the banking system of Ukraine and influence the formation of trends in the individual segments of the banking market of Ukraine significantly (UkrSibbank – a market for investment

[21] Banks at any given time worked in Ukraine are in italics; italics - those that are currently still working in the banking system of Ukraine.

banking[22], Ukrsocbank (Unicredit) – a factoring market[23]). There has left six out of eleven mentioned systemic European banks in Ukraine at the beginning of 2014.

It may be expected that a decision on further development of system European banks subsidiaries on the territory of Ukraine will affect the current state and prospects of the national banking system as a whole and will depend not only on the trends in banking services market of Ukraine (the contributions of foreign banks subsidiaries in the overall financial results of a parent bank were less than 4% even before the crisis), but primarily on changes in the banking development strategy concerning its main components – equity capital management policy, asset management and transaction costs for implementation of Basel III regulations.

At present, European banks show a clearly defined intermediate plans to implement the abovementioned policies, given their current financial situation. It should help optimize the balance and lead to providing an attractive return on equity at the level of 10-13 %. An example of such a strategy was presented to ING Bank in 2012 as a series of measures to optimize the balance sheet in the context of the Basel III rules.

4 The new business model of European banks

The new business model of European banks involves targeting cost income ratio (CIR), capital adequacy ratio (CAR) and return on equity ratio (ROE), adhering to the previously established indicators of leverage and the proportion of risk-weighted assets (RWA) in the bank balance sheet.

Within the perspective of capital management there arises the issue of increasing the quality of capital, the structure of which can ensure immediate and complete access to funds and which can be used to absorb losses, to protect bank from the crisis. By suggesting stricter requirements for minimum capital adequacy and quality (due to common shares, share premium, retained earnings and ordinary shares issued by subsidiaries owned by the third party), Basel III effectively identified the main sources and destinations of banks' capitalization: share emissions and profits of banks (which may also serve as a motivating factor for potential investors).

The realization of the outlined tasks by the European banks is impeded in part by the lack of diversified sources of capitalization of banks and their dividend policy. In 2009, the percentage of the capital that was attracted by European banks in the stock markets amounted to more than 80 % of the total amount of annual capital increase (84.942 billion Euro). In 2011, the above-mentioned figure dropped down to 10% (3.299 billion Euro), which indicates the difficulty of using the potential of the stock market in the capitalization of banks [6]. Moreover, the amount of dividends paid to shareholders of the banks in Europe to their shareholders increased from 12.414 to 18.489 billion Euro during 2009-2011, accompanied by the near absence of increase in bank profits.

In recent years, the average Tier 1 capital ratio (Tier 1) of European banks increased by 1.2%, from 9% in December 2010 to 10.7 % in June 2013. At the same time, we can already claim that the depth of the problem of capitalization differed significantly from country to country: the need for capital by Scandinavian banks amounted to 0.4 billion Euro in late 2011, 25.6 billion Euro – by French banks, 33.5 billion Euro – by Spanish banks, 36.1 billion – by Italian banks, 55.5 billion – by German banks [6]. These trends could not but influence the decision of some European banks to leave the national market, namely: Commerzbank AG, Societe Generale, Erste Bank. It is the unprofitability of Ukrainian subsidiaries and extreme lack of capitalization by parent companies have contributed to the fact that European banks have left the market of banking services in Ukraine in all the cases. Commenting on its withdrawal from Ukraine, Erste Group announced its intention to reduce their banking business to the limits of the EU borders, transforming the banking business model into a regional- European one.

The second component of the balance sheet optimization strategy was considered asset management policy, which quality, estimated by RWA indicator (risk-weighted assets), affects the parameters of adequacy (sufficiency) of capital. During 2010-2013 the share of RWA in the assets of European banks had a tendency to drop. For example, according to the data provided by EBA (European Banking Authority), the increase in the capital adequacy of European banks was achieved not due to the accumulation of capital, but owing to reduction of RWA, with a third of the reduction achieved by "recalibration" of banks' models of RWA evaluation. In other words bankers adjusted their methods of risk measurement to fit the criteria of tier 1 capital ratio [16]. A considerable share of non-performing loans (NPLs) remains one of the major problems of EU banks (figure 1).

However, some European banks that have subsidiaries in Ukraine (BNP Paribas, UniCredit, ING) did not show the decline in the share of RWA during the 2010-2012 that result in stricter requirements for their subsidiary banks in Ukraine. The share of non-performing loans of Ukrsocbank Bank (a subsidiary bank of UniCredit) constituted 37.8% by 01.o4.2013, Raiffeisen Bank Aval – 22.65 %, placing these banks among seven banks of Ukraine with the highest proportion of non-performing loans (NPL). Parent companies of these banks also showed a higher tolerance for risk (figure 2).

[22] According to CBonds Awards 2012.
[23] In 2009, "Ukrsotsbank" was selected to a renowned international rating organizations factoring FCI, which is the only financial institution that represented the Ukraine.

Figure 1. Non-performing loans in the banks of Europe and the USA

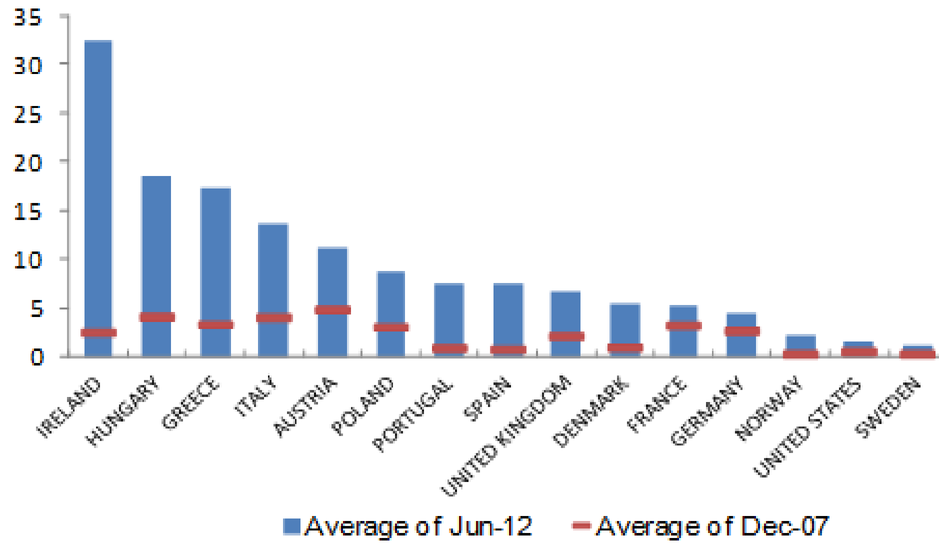
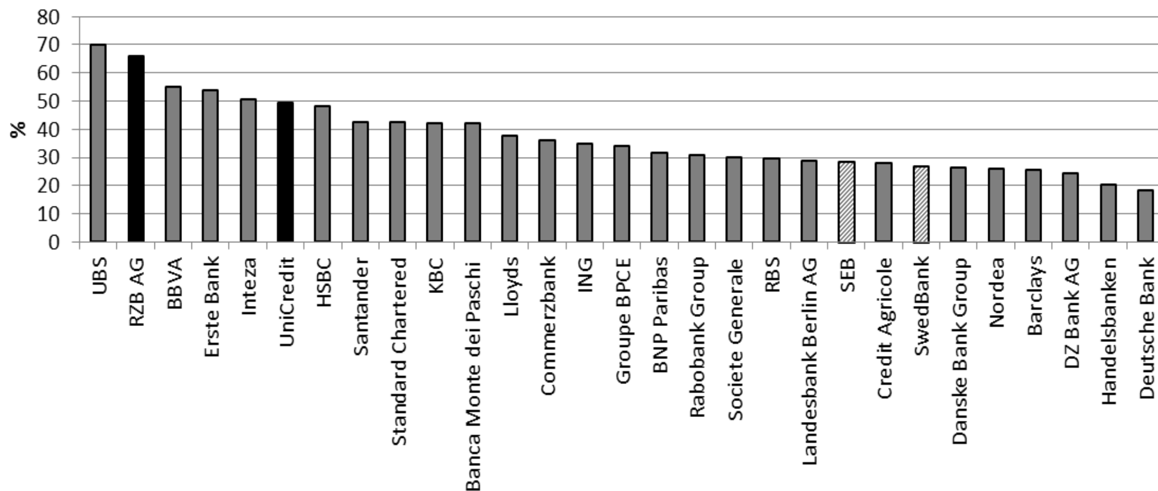


Figure 2. The correlation between RWA and cumulative assets of systemically important banks of Europe (2011)



Source: designed by the authors based on data

It should be pointed out that there are differences in the results of the National Bank of Ukraine evaluation of the quality of the Ukrainian banking system assets and those of international rating agencies. According to the NBU classification NPL assets are those ones 50 % of which are in default for more than 90 days. At the beginning of 2014 the amount of these assets has been less than 14 % of the total loan debt, which is quite acceptable. According to Moody's there are about 40% of NPL in the banking system of Ukraine, since the assets under restructuring are also considered NLP by the agency. This discrepancy creates conditions for the development of reputation risks and a high rate of bad debts is a major reason for foreign banking groups to leave the Ukrainian market.

Obviously the effectiveness of internal corporate control and the ability of the parent bank to get objective information about the activities of subsidiaries in Ukraine in time and in the proper amount will provide an opportunity to make objective decisions and come up with effective proposals for the further development of European bank units abroad, including Ukraine.

An important component of the balance sheets optimization strategy is the policy of cost management. The desire of shareholders to receive dividends, notwithstanding the negative effects of the financial crisis creates strong incentives for the management of European banks to work on the large-scale reduction of operating expenses. According to the results of 2011, almost all European banks belonging to the «G29» group showed poor results in managing operating costs, which in most cases exceeded the optimal level of 50 % (table 4).

Table 4. Performance Indicators of the systemically important banks of Europe, [8]

Bank	Return on Assets (ROA)		Return on Equity (ROE)		CIR (2011)
	2011	2007	2011	2007	
Banca Monte dei P.S.	-1,95	0,91	-28,42	17,35	76,08
Barclays	0,23	0,39	6,20	17,02	62,34
BBVA	0,61	1,39	9,04	25,53	50,86
BNP Paribas	0,35	0,53	8,05	14,55	61,46
Groupe BPCE	0,28	-	6,04	-	66,67
Commerzbank	0,11	0,31	2,76	12,27	80,64
Crédit Agricole	0,06	0,44	1,46	9,79	55,57
Danske Bank	0,05	0,49	1,46	14,91	58,89
Deutsche Bank	0,21	0,37	8,28	17,89	75,50
DZ Bank AG	0,15	0,21	5,66	8,21	72,63
Erste Bank	-0,26	0,81	-3,44	13,90	54,26
Handelsbanken	0,53	0,85	13,78	22,04	47,13
HSBC	0,65	0,97	10,98	16,34	54,28
ING	0,43	0,39	11,82	14,89	58,13
Intesa	-1,25	1,70	-14,43	20,61	65,97
KBC	0,02	1,00	0,26	18,42	59,90
Landesbank Baden-W	0,02	0,08	0,89	3,14	51,63
Lloyds Bank	-0,28	0,94	-5,94	27,75	67,43
Nordea	0,43	0,85	10,61	19,27	54,91
Rabobank	0,38	0,48	6,13	8,87	64,07
Raiffeisen Bank	0,69	1,51	9,24	17,36	60,77
RBS	-0,13	0,69	-2,56	11,27	69,73
Santander	0,50	1,10	7,68	18,42	51,02
SEB	0,50	0,64	10,81	18,95	60,52
Société Générale	0,24	0,16	5,37	4,96	65,47
Standard Chartered	0,87	0,98	12,30	15,39	56,16
Swedbank	0,66	0,80	12,20	18,87	55,35
UBI	-1,41	1,00	-15,43	10,71	71,58
Unicredit	-0,95	0,72	-13,97	12,59	67,36

Transaction costs indicators are usually above average in the banks of France, Italy, Germany and Austria, below average- in the Swedish banks. Being aware of this problem European banks have to reduce the staff. Thus the labour market for bank employees increased by 12.3% in Europe in 2000-2007. The financial crisis and massive retrenchment in 2008-2012 resulted in downsizing of the EU banks by 6 % on average [11].

The tendencies of Ukrainian subsidiaries of European financial institutions to reduce transaction costs are fully consistent with the strategic plans of the parent banks. For example, the Italian UniCredit Bank has announced the plans to reduce the bank staff by 6150 employees, reducing the office space by 15%, and organizing asset sales in the countries that do not belong to the strategic ones in terms of generating profits by the end of 2015.

The largest European banks plan to reduce transaction costs by 10% (around 40 billion Euro) in order to reach the CIR rate of 55% by 2016. Half of the costs is to be reduced by cutting down the staff and the expenses on its maintenance.

5 Conclusions

The new model for banking control and regulation, suggested by Basel III, together with high dividend expectations of shareholders have fostered the transformation of the business model in European banking. The scale of market shares no longer plays an important role in banking business. The emphasis is now laid on its efficiency. It is determined by ROE indicators, the positive dynamics of which serves as: a good indicator for ensuring a proper level of capital adequacy of the bank and reducing systemic risks; a precondition for meeting the dividend expectations of shareholders; evidence of effective management of capital assets and bank costs. For Ukraine, the outlined situation in the European banking sector means increasing demands of parent banks to their subsidiaries, continued stagnation of lending by Western banks, and closure of financially unstable banks, the parent companies of which suffer from the high number of non-performing loans (NPLs) and tend to reduce RWA by selling bad assets of foreign subsidiaries.

Thus, assessing and preventing the outflow of foreign capital from the national banking sector, the national market regulators should clearly understand the motivation behind it and take into account the business strategies of parent European banks, which include the following points: low liquidity of the stock market of the Eurozone, which significantly complicates the process of capitalization of European banking institutions, and inability to attract capital in sufficient amounts; potential opportunity for capitalization of banks (to meet the requirements of Basel III) in the context of bank management and shareholders relations (improvement of profit management policy and dividend policy); optimization of asset management policy in order to reduce RWA assets in the assets of both parent and subsidiary banks. In this regard, the national market has witnessed the structuring of the subsidiaries of European banks according to the degree of risk tolerance as demanded by the business strategies of parent banks. As a result certain parent banks have made a decision to sell assets in Ukraine.

References

1. 2013 update of group of global systemically important banks (G-SIBs). – Access mode: http://www.financialstabilityboard.org/publications/ r_131111.htm.
2. Analytical review of the banking system of Ukraine for 9 months of 2013 [electronic resource] // National Rating Agency "Rurik". - 2013.-51C. - Mode of access: http://rurik.com.ua/documents/research/bank_system_ 3_kv_2013_ review.
3. Bank for International Settlements. Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement /Bank for International Settlements // BIS. - July 2013.
4. Blanchard, Frederic. Credit Strategies of European Banks // A Kurt Salmon Associates report. – 2012. – 28 pp.
5. Financial Institutions Group. The triple transformation: Achieving a sustainable business model // 2nd McKinsey Annual Review on the banking industry. – October 2012. – 51 pp.
6. Focus on Transparency – Financial reporting of European banks in 2011. – Режим доступу:http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/focus-on-transparency/Pages/financial-reporting-european-banks-2011.aspx.
7. Kornylyuk, R., Sikorski, E. E. Foreign banks in Ukraine: access European investors / RV Kornylyuk, E.E. Sikorskiy // Finance, Accounting and Auditing: Coll. of scientific papers - MBK, 2013. - № 2 (22). - P.68-76.
8. Kostyuk, A. Corporate governance and performance: stakes on ownership? Empirical research of the Ukrainian banks [Text / A. Kostyuk, D. Govorun, O. Neselevska // Corporate Ownership and Control. – Sumy : Virtus Interpress. – 2011. –Vol. 8. Is. 4. - P. 532-550.
9. Kostyuk, A. Corporate Social Responsibility Index For Ukrainian Banks: The Essentials For Implementation [Text] / Kostyuk A., Kostyuk O., Mozghovyi Y., Kravchenko Y. // Corporate Ownership & Control / Volume 10, Issue 4, Continued 4, 2013. – Sumy, Virtus Interpress. – P. 434 – 445.
10. Kostyuk, A. Key issues of British reforms of corporate governance in financial crisis: the board issue [Text] / A. Kostyuk, M. Oleschuk, O. Ruban // Corporate Ownership and Control. – Special Conference issue The First Annual Online International Conference on Corporate Governance and Regulation in Banks, Sumy, Ukraine, May 27- June 2, 2010. - P. 6-16.
11. Kostyuk, A. The board committee members: theory and advanced practices for banks [Text] / A. Kostyuk, D. Govorun // Corporate Ownership and Control. – Vol. 7. Is. 4. – Sumy : Virtus Interpress. – 2010. – P. 72-82.
12. Kostyuk, O. M. Outlining of investment banking in the post crisis epoch [Текст] / O. M. Kostyuk, Yu. H. Lapina, A. Yu. Polevikova // Вісник Української академії банківської справи. — 2012. — № 1(32). — С. 58-64.
13. Lewis, Steven. Time for bold action: Global banking outlook 2013 // Ernst & Young Report – 2012. – 40 pp.
14. Liikanen, Erkki. High-level Expert Group on reforming the structure of the EU banking sector // Report, Bank of Finland. – 2012. – 139 pp.
15. Nadege Jassaud, Heiko Hesse, Balance-sheet repairs in European banks. – Access mode: http://www.voxeu.org/article/balance-sheet-repairs-european-banks.
16. Official web page of the National Bank of Ukraine. – Access mode: http://www.bank.gov.ua.
17. Podchesova, V. Foreign capital in the banking market of Ukraine / V. Podchesova, Y. Sidorenko // Socio-economic problems and the state. - 2012. - Vol. 2 (7). - S.257-263.
18. Soriano, Carlos Vacas. Recession and social dialogue in the banking sector: a global perspective // Report for European Foundation for the Improvement of Living and Working Conditions, 2012, 60 pp.
19. The Boston Consulting Group. Facing new realities in global banking // The Risk report. – 2011. – 30 pp.
20. Timmermans, Koos. Balance sheet optimisation under Basel III / Amsterdam. –13 January 2012. – Режим доступу: https://www.ing.com.
21. Tondi, Francesca. European Banks: 2012 Outlook – Deleveraging remains the key theme // Morgan Stanley outlook – 2011. – 132 pp.
22. Костюк, О. М. Вплив корпоративного управління на ринкові позиції європейських банківських холдингів [Текст] / О. М. Костюк, Д. О. Рябіченко // Вісник Національного банку України. – 2013. – № 1. – С. 30–36.