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The article is devoted to the research of theoretical principles of formation of bank investment policy. The essence of the bank's investment policy from the point of view of organizational legal, economic and strategic groups of approaches is investigated. The basic types of bank's investment policy are classified by directions and purpose of investing. The conservative, moderate and aggressive investment policy of the bank are highlighted, as well as the optimal methods of realization of the goals of the investment policy. The article outlines the main areas of investment policy, focusing on which the bank forms an investment policy by establishing the composition of investment objects, sources of income, the level of tolerable risk and approaches to investment analysis. The principles of the bank's investment policy at different stages of its development, as well as the sources of origin of resources for financing the bank's investment activity are investigated.

Keywords: investment, bank investment policy, securities, bank investment activity, bank investments.

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and investing capital, as well as the day-to-day management of the bank’s credit and investment portfolio.

Analysis of recent research and publications. There is no single approach to defining the concept of “bank investment policy”. In particular, a considerable number of publications is presented in which the authors cover different approaches to understanding the essence of the investment policy of the bank, which causes ambiguity in the interpretation of this concept. Issues of disclosure of the content of the investment policy of the bank were dealt with by such domestic specialists as Blank I., Palasevych M.B., Sliusarchyk K.M., Vovchak O.D., Mertens A., Helman O.M., Lutsiv B., Mayorov T., Vaskovich I.M., Moroz A., Neykova L., Peresada A., Pshyk B., Savluk M., Salo I.V., Krykliy O.A. and Russian scientists – Burenin O., Babychev M.Yu., Babycheva Yu.A., Yegorova N., Zhukov Ye., Bocharov V.V., Kasimov Yu.F., Ignolina L., Lavrushyn O., Mirkin J. and others.

Setting objectives. It is possible to formulate the task of the study, which is that commercial banks must clearly work out and formally establish the most important measures related to the organization and management of investment activities. It is a question of developing and implementing sound investment policy of the bank.

The main research material. In the analysis of the works of domestic and foreign scientists, three groups of approaches are distinguished, which interpret the concept of the investment policy of the bank, such as: organizational, legal, economic and strategic.

The first group is an organizational and legal approach based on the fact that the investment policy is a complex of measures, elements and legal bases for achieving effective investment activity of the bank. Representatives of this approach are such scientists as Babychev M.Yu., Zhukov E., Kleba L., Kovalev A.O., Palasevych M.B., Paliga E., Pshyk B.I. [9, p. 91].

For example, one of the representatives of this approach, E. Palig, includes the following organizational and legal elements in the investment policy – the directions of the bank’s investment activity:
- identification of the volume and structure of sources of investment resources;
- evaluation, formation of the bank’s investment portfolio;
- measures for rapid implementation of investment measures;
- formation of separate, consistent with the strategy of development of the bank directions of investment activity;
- accounting and study of conditions of the external investment environment;
- identification of individual objects of investment, evaluation of their compliance with the investment policy of the bank;
- ensuring high return on investment;
- reduction of risks from investment activity;
- ensuring liquidity of investments.

Other scholars, within the organizational and legal approach, argue that a well-developed commercial bank investment policy should contain the following components:
- conditions under which the bank may make investments;
- classification of types of investments in which the bank specializes;
- limits of interest rates on investment transactions and methods of their calculation;
- documentation and description of procedures for making investments;
- information on management structures involved in investment activities, their powers; opportunities for diversification of investment to reduce risks;
- the distribution of functional responsibilities of the management and staff of the bank in terms of responsibilities and powers to develop investment policies and make specific management decisions;
- orientation of the investment activity of the bank on servicing of certain segments of the market taking into account the constant changes occurring in the economic system of the transition period;
- determination of the sequence of actions in the decision-making process regarding investment transactions, the implementation of which determines the course of the investment process in a given bank;
- directions of organization of control over the investment activity of the bank in the sphere of observance of the respective powers by its employees in implementation of the investment policy [4, p. 185].

Thereby, according to the first organizational-legal approach, the bank’s investment policy is a complex of measures for organization and management of the investment activity of the bank aimed at ensuring the optimal size of investment assets, their structure and high volume of profitability at acceptable risk levels.

Therefore, this approach most closely considers the main purpose and essence of the bank’s investment policy. However, on the other hand, it does not take into account the need to align this policy with the main target strategy of the bank. Thus, the first approach to defining the concept reflects the main purpose and composition of the investment policy.

The second group of approaches of scientists who interpret the essence of investment policy is characterized by the fact that its representatives view the investment policy of the bank as an integral part of its overall economic strategy. This definition is given in the Encyclopedia of Banking of Ukraine, and the supporters of this line are Blank I.A., Bocharov V.V., Vaskovich I.M., Krikli O.A., Salo I.V. [5, p. 4]. According to the second approach, the bank’s investment policy is a part of the general economic policy of the bank, which determines the choice of the best means of implementing the most rational ways of updating and increasing the level of self-financing of their own investment activities and the most effective forms of attracting funds from various sources for making investments. In our view, this approach reflects the level of the bank’s investment policy in the overall economic strategy system as an integral part of it.

The third “strategic approach” is based on the fact that within its limits the bank’s investment policy is considered as a system of functional guidelines, goals. That is, this concept includes the purpose and goals of the investment activity of the bank. Representatives of this line are Vovchak O.D., Lutov B., Prasolova S., Sidorenko V.A., Tirkalo R.I. [2, p. 120].

According to the representative of the third approach B.Lutsiv, the investment policy of the bank should determine the following important points:
- forms of investment;
- maximum size of investment investments;
- volume of investments of each type;
- clients who are targeted by the investment activity of the bank;
- circumstances under which bank investments are made [6, p. 27].

Thus, within the third group of approaches, the investment policy of the bank should determine the priority areas of investment, taking into account the
In determining the best methods for the implementation of the objectives of investment policy, it is necessary, first of all, to elaborate the main directions of investment activity and, secondly, to establish the principles of formation of sources of investment financing. Given the above criteria, there are the following areas of investment policy:

- investments, the income of which is the growth of capital that results from the increase in the market value of investment assets;
- investments that generate current income and capital gains.

Focusing on the above directions, the bank shapes the investment policy of the bank by establishing the composition of investment objects, sources of income, the level of acceptable risk and approaches to investment analysis [7, p. 237].

Choosing the first direction of investment policy, the determining factor is the stability of income. Reflecting traditional approaches to investing, this trend is at the heart of a conservative investment policy that involves investing in fixed income assets over a long period of time with minimal risks, high reliability and liquidity of investments. The main purpose of investment analysis is to identify the degree of reliability of investments, the level of risk, the security of income and the ability to risk insurance, the collection and processing of information on interest rate movements, securities returns, ratings of securities issuers are important aspects.

Focusing on capital gains, the bank takes into account, first and foremost, the stability of the growth of the value of the investment assets, and their profitability is considered as a factor that determines the value of the assets. This policy involves investing in assets that are at increased risk due to the possibility of impairment. The increase in the market value of investment objects is the result of short-term fluctua-
tions in the market environment and improvement of their investment qualities.

The role of the speculative component is increasing. The choice of this direction as a priority is characteristic of aggressive investment policy, the main aspects of which are maximization of income, which arises as the difference between the purchase price of the asset and its subsequent value at a limited investment period, as well as maintaining the high efficiency of each investment operation.

These two strands of investment policy can be combined in banking, taking different forms, which can enhance the benefits and counteract the disadvantages. A variant of such combination is a moderate investment policy, the main advantage of which is a sufficient amount of income in the form of capital gains and current payments at moderate risk and not restricted by the rigid framework of the investment period [2, p. 22].

Basic principles of formation of investment policy of banks:

The bank’s investment policy is based on the bank’s economic strategy, so they must be linker. Investment policy should be consistent with other components of the overall strategy of the bank: credit, deposit, bank risk management.

Investment policy should not conflict with the overall strategy:

- at the stage of investment policy development, the state of the country and its development should be taken into account;

- all investment market forecasts should be taken into account in the development of investment policy. When determining the strategic goals of the bank in terms of its investment activity and choosing the main forms of investing, the changes that are expected in the given period in the market as a whole and those segments in which the bank intends to conduct its investment should be taken into account. It is also necessary to constantly study the state of the market to adjust investment policies;

- the bank’s investment policy should be developed and implemented within the legal framework of state regulation of banks’ investment activity. Investment policy must be formed in accordance with the laws, regulations and regulations of the National Bank of Ukraine. The strategic goals of the investment policy and the mechanism of their implementation should not contradict the current rules of state regulation of investment activity;

- the investment potential of the bank and the possibilities of its development should be taken into account in the formation of investment policy. Opportunities for purchase of individual financial instruments, volume of investment activity of the bank, diversification of its directions is determined by the size of its authorized capital, development of material and technical base and innovative technologies, organizational structure of management, qualification of financial managers and other elements that characterize its internal resource potential [1, p. 114];

- banks generally operate on raised and borrowed resources, so they do not risk their clients’ funds by investing in investment activities unless certain guarantees are provided. Therefore, the banks in their activity proceed from the real assessments of economic efficiency, financial attractiveness of investment projects, risk and optimal combination of short, medium and long-term investments.

Thus, the investment policy of commercial banks involves the formation of a system of target investment targets, the choice of the most effective ways to achieve them. From an organizational point of view, it acts as a complex of measures for the organization and management of investment activities aimed at ensuring the optimal volume and structure of investment assets, increasing their profitability at an acceptable level of risk. The most important interrelated elements of the investment policy are the strategic and tactical processes of managing the investment activity of the bank.

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