

DOI: 10.32999/ksu2307-8030/2020-37-15

UDC 336.714:330.322

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THEORETICAL AND ORGANIZATIONAL FUNDAMENTALS OF FORMATION AND IMPLEMENTATION OF THE INVESTMENT POLICY OF THE BANK

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.

Сидоренко В.А. ТЕОРЕТИЧНІ ТА ОРГАНІЗАЦІЙНІ ЗАСАДИ ФОРМУВАННЯ ТА РЕАЛІЗАЦІЇ ІНВЕСТИЦІЙНОЇ ПОЛІТИКИ БАНКУ

Стаття присвячена дослідженню теоретико-методологічних засад формування інвестиційної політики банку. Досліджено сутність інвестиційної політики банку з точки зору організаційно-правових, економічних та стратегічних груп підходів вітчизняних і зарубіжних праць вчених. Розроблена інвестиційна політика банку, в межах організаційно-правового підходу, повинна містити умови та види інвестицій, ставки доходу за інвестиційними операціями, розподіл функціональних обов'язків керівництва і персоналу банку щодо реалізації інвестиційної політики, а також контролю за її реалізацією. Доведено, в межах економічного підходу, що інвестиційна політика банків є частиною загальної економічної політики, яка окреслює вибір найрезультативніших засобів реалізації і збільшення рівня самокупності власної інвестиційної діяльності та найефективніших форм залучення ресурсів з різноманітних джерел для здійснення інвестицій. Виділено, в межах стратегічної групи підходів, інвестиційна політика банку повинна визначатися загальною стратегією інвестування, враховуючи оптимальний рівень між дохідністю і ризиковістю й основі цих методів здійснювати вибір певних інвестиційних рішень, а також загального обсягу довгострокових інвестицій банку, враховуючи рівень кредитно-інвестиційного портфеля банку; максимального рівня інвестицій на одного позичальника; механізму формування та реалізації інвестицій; методів аналізу та контролю інвестиційного портфеля банку. Охарактеризовано основні види інвестиційної політики банків, які класифікують за напрямками та метою інвестування. Виділено консервативну, помірковану та агресивну інвестиційну політику банку, а також визначено оптимальні методи реалізації цілей інвестиційної політики. В статті виокремлено основні напрямки інвестиційної політики, орієнтуючись на які, банк формує інвестиційну політику через встановлення складу об'єктів інвестування, джерел отримання доходів, рівня допустимого ризику та підходів до аналізу інвестицій. Досліджено принципи інвестиційної політики банку на різних етапах її розробки, а також джерела походження ресурсів для фінансування інвестиційної діяльності банку.

Ключові слова: інвестування, інвестиційна політика банку, цінні папери, інвестиційна діяльність банку, банківські інвестиції.

Сидоренко В.А. ТЕОРЕТИЧЕСКИЕ И ОРГАНИЗАЦИОННЫЕ ОСНОВЫ ФОРМИРОВАНИЯ И РЕАЛИЗАЦИИ ИНВЕСТИЦИОННОЙ ПОЛИТИКИ БАНКА

Статья посвящена исследованию теоретических основ формирования инвестиционной политики банка. Исследована сущность инвестиционной политики банка с точки зрения организационно-правовых, экономических и стратегических групп подходов. Охарактеризованы основные виды инвестиционной политики банков, которые классифицируют по направлениям и целью инвестирования. Выделено консервативную, умеренную и агрессивную инвестиционную политику банка, а также определены оптимальные методы реализации целей инвестиционной политики. В статье выделены основные направления инвестиционной политики, ориентируясь на которые, банк формирует инвестиционную политику путем установления состава объектов инвестирования, источников получения доходов, уровня допустимого риска и подходов к анализу инвестиций. Исследованы принципы инвестиционной политики банка на разных этапах ее разработки, а также источники происхождения ресурсов для финансирования инвестиционной деятельности банка.

Ключевые слова: инвестирование, инвестиционная политика банка, ценные бумаги, инвестиционная деятельность банка, банковские инвестиции.

Formulation of the problem. With the development of market relations, financial markets and financial services, the role of investment operations of commercial banks has increased significantly. In pursuing investment operations, banks pursue different goals: diversify assets, expand sources of income and maintain the required level of liquidity. Such wide activity of banks entails an increase in risks, which leads to the development of the legislative framework in this field and the improvement of investment policy, which in recent years is quite difficult to put into practice.

Commercial banks should always proceed from realistic risk assessments, cost-effectiveness, financial attractiveness of investment projects, optimal combination of short-, medium- and long-term investments in the implementation of investment policy. At the same time, the existing investment system is not only an internal matter of the bank itself. In accordance with the basic principles of banking regulation, an independent part of any supervisory system is an independent review of the policy, operational activities of the bank and the procedures involved in granting loans

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., Slyusarchyk K.M., Vovchak O.D., Mertens A., Hetman 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., Igonina 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 area 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

strategic level of expected income and risks, and on that basis make a choice of certain investment projects; total long-term investments, including the total assets of the bank; marginal value of investments per borrower; mechanism of realization of investments; methods of control over the mechanism of implementation of the bank's investment policy.

The Bank's investment policy combines elements of the considered approaches of foreign and domestic scientists to the study of the essence of the concept of "bank investment policy". Let's distinguish its main features:

- the investment policy of the bank is perceived as a documented set of rules governing the investment process and aimed at achieving the strategic goal of the bank;

- the investment policy of the bank should follow from the general business policy of the bank and interrelate with the deposit, credit, personnel, communication, interest and other policies of the bank;

- the bank's investment policy is determined by the priorities in the choice of clients and investment instruments; rules and regulations that regulate the practical activity of banking staff [10, p. 51].

So we can conclude that the bank's investment policy is a part of the overall economic strategy of the bank and is a system of legally approved rules, principles and procedures that determine the priority areas of investment activities of the bank, regulate the processes of implementation of investment operations and services by banks and aimed at rational use of financial resources by the bank, formation of an effective investment portfolio to achieve the strategic goals that result from the bank common business policy.

Developing an investment policy, banks rely on traditional criteria: profitability, liquidity, the size of bank interest rates, and riskiness. Therefore, it is accepted to distinguish the following main types of investment policy of banks (Figure 1):

- conservative, where the priority is to minimize investment risk. Investments in bonds and other short-term debt securities predominate, thereby minimizing risks, increasing liquidity, but at the same time reducing yields;

- moderate (compromise), aimed at the choice of such investment objects at which the level of current profitability, rates of investment and level of risk are most close to the average market. The investor does not seek to maximize his investment income, avoids investing in high-risk investment objects;

- aggressive investment policy maximizes current investment return in the shortest possible time. Preference is given to securities that are high risk but at the same time high yield (stocks). Such a policy is risky, carries the risk of financial losses, requires the investor a thorough knowledge of the risk, the ability to predict the development and changes in the environment [3, p. 141].

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 main purpose of which is to receive income in the form of dividends, interest, payments from profit

- 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-

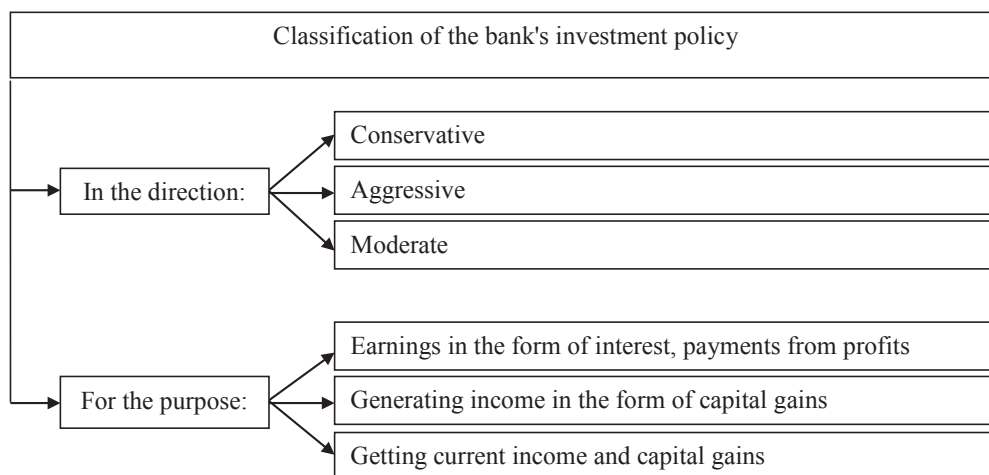


Figure 1. Classification of the Bank's investment policy [3, p. 142]

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 linked. 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 manag-

ers 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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Стаття надійшла до редакції 27.01.2020.
The article was received 27 January 2020.