

# “Determining the priority sources for attracting deposits in the formation of the financial potential of banks”

Iryna Hubarieva  <https://orcid.org/0000-0002-9002-5564>

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Olesia Lebid

Oleksandra Zuieva

## AUTHORS

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Iryna Hubarieva, Doctor of Economics, Associate Professor, Head of the Energy Security Sector, Department of Industrial Policy and Energy Security, Research Center for Industrial Problems of Development, The National Academy of Sciences of Ukraine, Professor of the Banking Department, Simon Kuznets Kharkiv National University of Economics, Ukraine.

Olesia Lebid, Candidate of Economic Sciences, Associate Professor of the Banking Department, Simon Kuznets Kharkiv National University of Economics, Ukraine.

Oleksandra Zuieva, post-graduate student of the Banking Department, Simon Kuznets Kharkiv National University of Economics, Ukraine.



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Iryna Hubarieva (Ukraine), Olesia Lebid (Ukraine), Oleksandra Zuieva (Ukraine)

# DETERMINING THE PRIORITY SOURCES FOR ATTRACTING DEPOSITS IN THE FORMATION OF THE FINANCIAL POTENTIAL OF BANKS

## Abstract

The attraction of deposits by the banks in Ukraine is the basis for the formation of their resource base, which is an essential component of the banking financial potential. A qualitative formation of the bank's resource base is carried out through proper management of attracting deposits in terms of their selection and giving preferences to specific sources of resource allocation. That is why the determination of priorities in attracting resources by banks and the formation of appropriate tools is an important tactical task in ensuring the stability of the Ukrainian banking system. The problem of new approaches to the management of deposits was especially acute during the crisis and the reduction of confidence of the population of Ukraine in the banking system, which makes actual the topic of the article and determines the importance of solving the tasks set in it. The goal of the paper is to develop tools for determining priorities of the main sources of attracting deposits by banks taking into account the system of criteria as a prerequisite for optimizing deposit portfolios of banks and the basis for the formation of their financial potential. The article proposes a sequence of stages and the corresponding tools that ensure the determination of priorities of different sources for attracting deposit funds of banks taking into account the criteria of time, minimization of costs and risks, balanced state of terms and volumes, equilibrium of costs and risks, ensuring a qualitative formation and effective use of the financial potential of the bank, ensuring a certain level of development of the bank. The use of the proposed approach made it possible to obtain such estimates that reflect priorities according to the criteria of minimization and equilibrium of risks and costs, a balanced state of terms and volumes and ensuring a specified level of the bank's development, making it possible to determine the priorities of the main sources of attraction of financial resources for five banks in Ukraine.

## Keywords

attraction of deposits, priority of deposit sources, financial potential, formation of the bank's financial potential

**JEL Classification** G21

## INTRODUCTION

The events of the last five years in the socio-economic life of Ukraine including crisis-proof reforming of the banking system and liquidation of a significant number of banks caused the outflow of financial resources from banking institutions and a sharp decline in the population's trust towards them. A significant decrease in the volume of financial resources in the banking system is due to a number of factors including volatility of the national currency, sharp drop in Ukraine's exports, decline in the real incomes of the Ukrainian population, which are the causes of the shortage of both short-term and long-term deposits. This, in turn, leads to the restriction of volumes and complication of lending conditions of the Ukrainian economy by banks slowing its development. The deposit deficit and increasing risks of banking activity caused significant limitations on the lending of enterprises, which under these conditions are forced to withdraw resources to support their current operations.

In connection with this, the review and optimization of the process of management of the attraction of financial resources by banks, in particular of deposits as the main component of banks' resource potential, is a prerequisite for the full recovery of the banks' activity and lending to the real sector of the Ukrainian economy, which determines the urgency of the issues highlighted in this article.

In the crisis conditions and with limited possibilities to attract additional resources, the question arises not only about the quantitative increase in the resource base, but also of the quality of its formation given the need to reduce risks and minimize costs. It should be noted that the resource base is initial in relation to the resource potential of the bank, while its quantitative and qualitative characteristics help to identify, measure and evaluate the resource component of the bank's financial potential.

An increase in the bank's resource potential is one of the main components of the process of formation of the bank's financial potential, the basis for its realization and development in the long-term perspective. Thus, the relevance of the study on the processes of managing the attraction of funds from deposit sources and qualitative structural adjustment of the resource base of the Ukrainian banks is particularly relevant in the context of reduction of the volume of available resources and the need to form a stable deposit base for the activation of lending activities and realization of financial potential of both individual banks and the banking system of Ukraine as a whole.

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## 1. LITERATURE REVIEW

Many works of the leading Ukrainian scientists and scientists from other countries are devoted to the study of the problems of formation and management of the resource base of banks. The conducted critical analysis of scientific publications showed that the issue of formation of a deposit (and/or resource) base of banks was investigated by the authors whose works were analyzed without tracing the connection and subsequent influence on the processes of formation and realization of the resource component of the bank's financial potential.

Sinkev (2001, p. 201) notes that an adequate market strategy includes the management of a set of banking products and customer relationships to achieve a planned position on the market. Moreover, the author notes that the management of liabilities should be closely related to asset management, while the emphasis should be made on the optimization of indicators of liquidity and risk (Sinkev, 2001, p. 443).

Buehler et al. (2013) emphasize the need in more systematic and strategic management of the processes of attraction of resources and recognize the importance of liquidity and risk indicators in today's market volatility. For optimization of

deposit activity Peruško and Zenzerović (2011) offer to use a regression optimization model on the basis of indicators of cost and supply of funds on the market.

Song and Thakor (2007) researched the choice of banks among the depository and non-depository sources of funds. Consequently, the works of foreign scholars raise the issues of coordinated management of assets and liabilities as well, as strategic deposit management. In general, the works of foreign researchers are characterized by the widespread use of mathematical methods and models to support the making of managerial decisions.

The attention of Ukrainian scientists is focused on the solution of problems related to the formation and management of the available resources. At the same time, in the process of functioning of the system of financial management of banks and deposit management as an integral part of it, it is important to focus on future conditions and possibilities of attracting resources.

Kovalenko (2015) emphasizes that organization of deposit activity in banks should be aimed at optimizing the resource base and gives a list of tasks the implementation of which should contribute to the achievement of these goals. Avanesova offers

to define an optimal structure of the deposit base as one of the main stages of attracting resources. As optimization methods Avanesova offers price and non-price management methods (Avanesova & Ivashkina, 2016), but the reference points of optimality remain unaddressed.

Volkova (2016) proposes to increase the efficiency of management of deposit resources through the use of logistic approach by banks, but the process of its use or its tools is not disclosed in the work.

Zolotaryova et al. (2015) determines reference points in the formation of a deposit portfolio as one of the main stages in the formation of deposit policy, however, the tools of such determination are not offered in her work.

Dyakonova and Sheluk (2016) note that the goal of deposit management is “optimization of the volume of attracted deposit resources in the context of realization of the general banking strategy according to the criteria of cost, maturity and risk”. Consequently, the issue of the use of these criteria to optimize a bank’s deposit portfolio remains open.

The conducted analysis of scientific works shows that the issue of formation of a deposit portfolio was studied separately from the issue of formation of financial potential of banks, the task of selecting the most appropriate and necessary sources of attraction of deposits from the point of view of deposit policy of banks has not been solved, the toolkit for determining the priority of sources of attraction of deposit funds has not been developed.

The article’s goal is to develop tools for determining the priority of the main sources of attraction of deposit funds by banks taking into account the system of criteria as a prerequisite for optimizing deposit portfolios of banks and the basis for the formation of their financial potential.

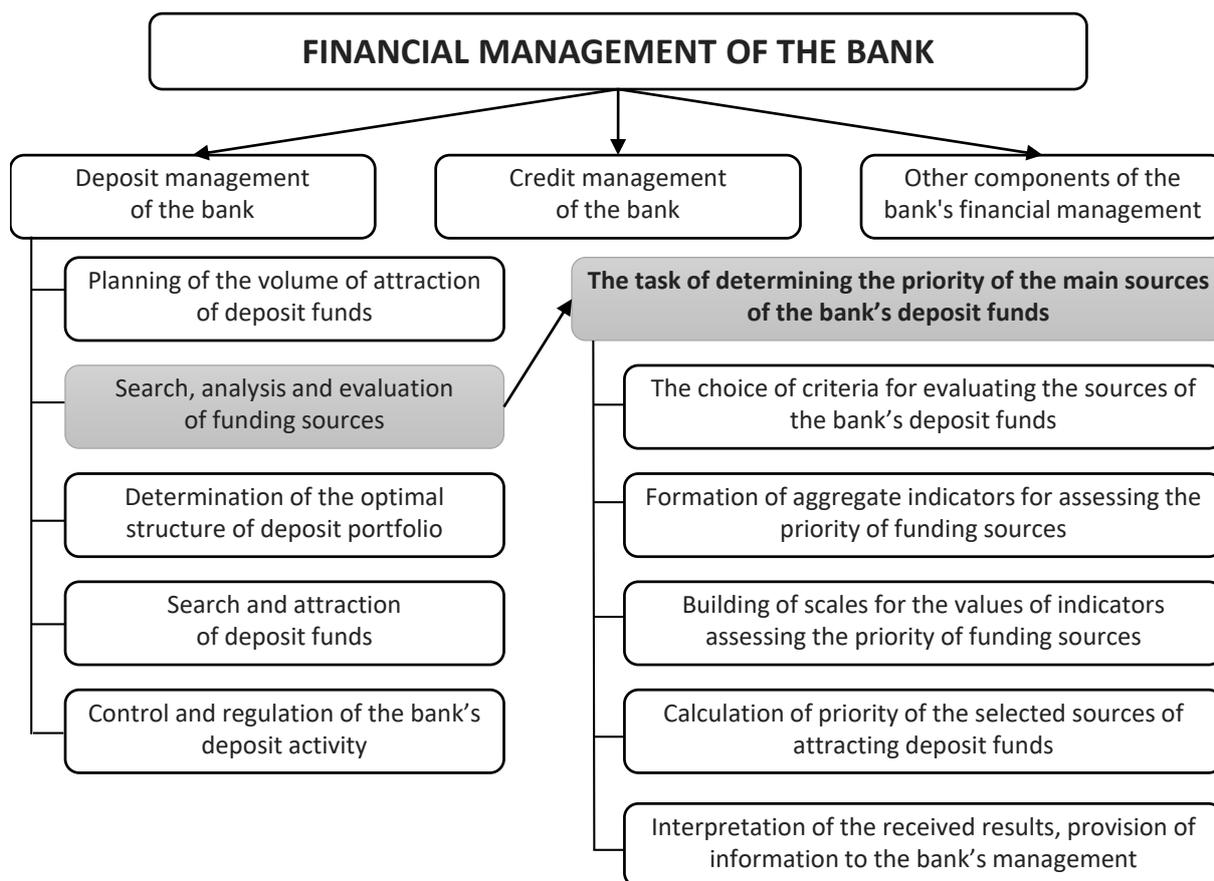
## 2. RESULTS AND DISCUSSION

The making of sound and well-considered management decisions regarding the effective use and maximum realization of the financial po-

tential of banks contributes to the stabilization of the banking system and improvement in the Ukrainian economy. The authors of the previous studies determined that it is appropriate to understand the financial potential of a bank as a system of realized and unrealized opportunities of this bank regarding the maximum effective attraction and allocation of financial resources in the process of economic relations with other entities in order to achieve the bank’s goals and obtain the maximum financial results through an effective system of management taking into account the internal and external conditions of its activities (Lebid & Zuieva, 2013). The components of the bank’s financial potential include the bank’s investment, credit and resource potential (the latter excludes intellectual and human resources). The activity of Ukrainian banks demonstrates that the basis of financial resource potential of a bank is its deposit portfolio, which, in the future, under effective management, makes it possible to carry out the crediting of the Ukrainian economy. Therefore, the deposit portfolio and its management play an important role in forming the financial potential of banks.

It is clear that in order to achieve the maximum result, the structure of the bank’s deposit portfolio should be close to optimal, that is, it should be formed on the basis of the data of the solved optimality task taking into account the relevant criteria and existing restrictions. In the process of management of the bank’s deposit activities, the first stage involves the search, analysis and assessment of various sources of attraction of deposit funds, the second stage – determination of the optimal structure of deposit portfolio and the third stage – actual search and attraction of funds to deposit accounts. Other stages are related to the planning, control and regulation of the deposit activity of the bank.

In assessing various sources of funds’ attraction at the first of the abovementioned stages of management of the bank’s deposit activities, the task is to determine the priority of each available source. The task of determining the priority of the main sources of deposit funds of the bank in the system of the bank’s deposit management and the stages of its solution is presented in Figure 1.



**Figure 1.** The task of determining the priority of the main sources of deposit funds of the bank in the system of the bank's deposit management and the stages of its solution

The solution of the task of determining the priority of sources for attracting the bank's deposit funds involves the choice of criteria to which an optimally formed portfolio should correspond, which is the result of the conducted deposit policy.

### 2.1. The choice of criteria for determining the priority of sources for the bank's deposit funds

Bartosh (2014) believes that the management of deposit operations is determined on the basis of the general goal of the bank – from the standpoint of profitability, liquidity, minimization of risks, optimization of deposit portfolio, etc. The goal of the bank's deposit policy, as a rule, is defined as an attraction of the largest volume of monetary resources at the lowest cost (Hmyria, 2014, p. 103). The realization of deposit policy is an integral part of the bank's financial management. The main goal of the bank's activity is to maximize profits ensuring its

stability and compliance with legal requirements.

Kot believes that the main goal of management of the incoming and outgoing flows of the bank is minimization of risks combined with achieving maximum profitability of operations and providing the necessary level of liquidity and financial stability of the bank (Kot & Gerasimenko, 2014, p. 298). Makarenko believes that under the current conditions, banks should pay particular attention to deposit risks, that is, the risks of the outflow of funds, which, nonetheless, are not specified by the regulator (Makarenko & Sagach, 2016).

Chmutova et al. (2017) emphasize the need to introduce innovative approaches to managing the bank's resource base taking into account the riskiness, profitability and liquidity of the bank, as well as the criteria for making optimal decisions.

Generalized information on the criteria proposed by researchers is presented in Table 1.

**Table 1.** Generalization of the opinions of researchers regarding the criteria for assessing the bank's deposit activity

Criterion	Authors who suggest using the following criteria			
	Bartosh	Kot	Chmutova	Makarenko
Ensuring profitability of deposit activity	+			
Ensuring cost-effectiveness of deposit activity	+			
Ensuring (provision) of the bank's liquidity	+	+		+
Minimization of risks	+	+	+	+
Optimality	+			
Maximization of profitability		+		
Ensuring financial stability of the bank		+		
Innovation activity			+	
Criteria for making optimal decisions			+	

Consequently, based on generalization and critical analysis of the researchers' scientific developments (Table 1), the authors offer to use the following criteria for assessing the sources of attracting deposit funds in particular and formation of a deposit portfolio of the bank in general:

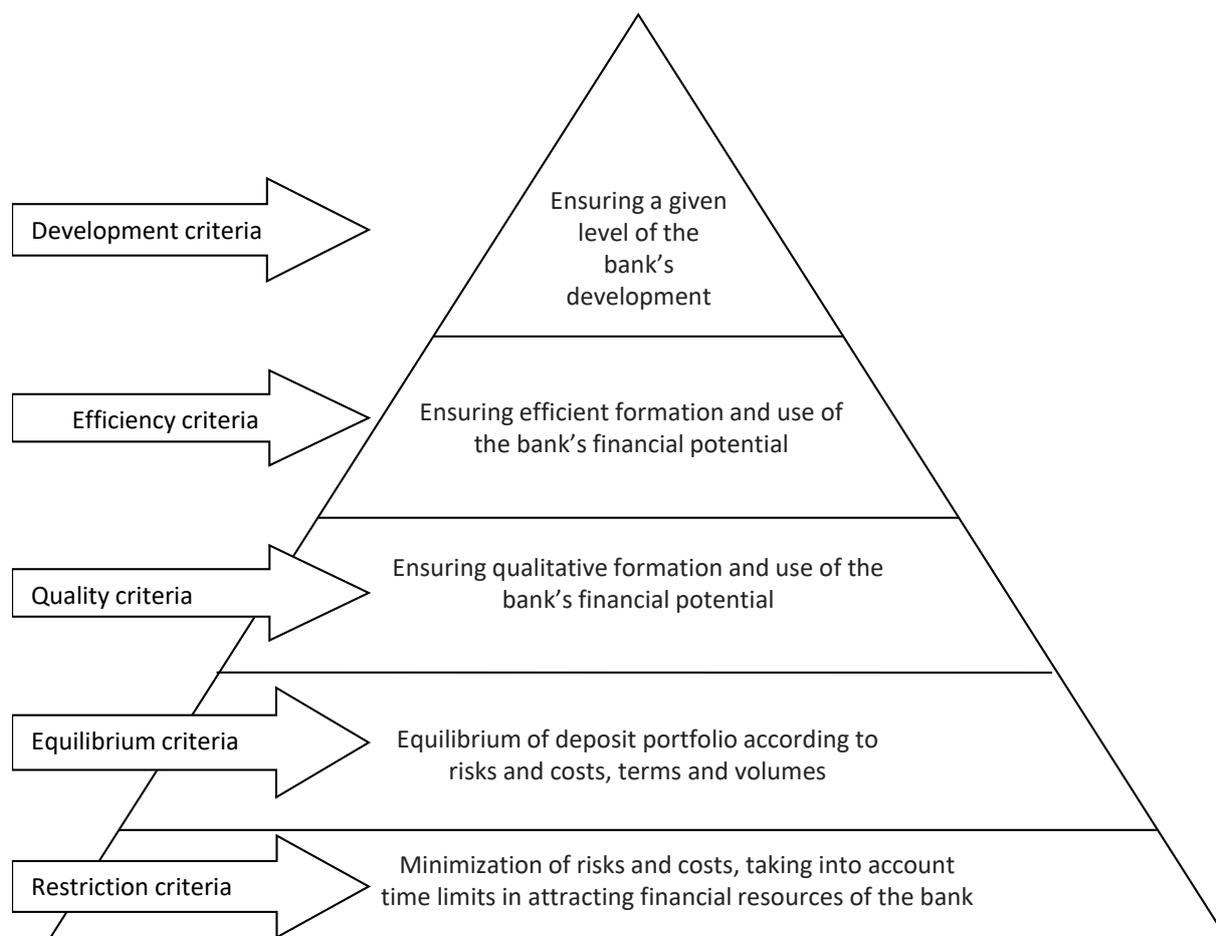
- minimization of costs – resources of the portfolio should have the lowest cost of the possible alternatives, provided that they meet other criteria;
- minimization of risk – the volumes of attracted resources in certain areas should not have significant fluctuations;
- equilibrium of terms (ensuring sufficient liquidity levels) – deposit portfolio should correspond to the credit portfolio of the bank according to the terms;
- equilibrium of risks – the formed deposit portfolio should be diversified and have an optimal cost/risk ratio;
- ensuring the required level of development – the attracted resources should have the potential to increase the volumes and terms of funds raising.

The abovementioned list of criteria is not exhaustive, but it is basic and takes into account the basic parameters of the functioning of a banking institution, namely: time, costs, risks and development needs, which can be seen in Figure 1.

The criteria have a certain hierarchy as shown in Figure 1, where each previous level affects the next one. Thus, the absolute criterion for the functioning and development of any financial institution and, at the same time, the criterion of restriction, is a time criterion. It is also expedient to minimize the risks and costs of attracting deposit funds. The second level of the hierarchy of criteria is equilibrium of activities – the functioning of the bank must be balanced according to the terms and the criteria of the first level – costs and risks. The third and fourth levels of criteria are the criteria of quality and effectiveness of the formation and use of the bank's financial potential. The highest level is the development criteria, because the functioning of the bank always takes place at a certain stage of the life cycle of the bank's development.

The defined set of criteria (Figure 1) makes it possible to select the relevant indicators that meet these criteria. Setting the values for the indicators of attraction of funds for deposits and their observance will ensure the optimal realization of the bank's financial potential. It should be emphasized that directly in the process of attracting funds to deposit accounts it is expedient to take into account the criteria of the first and second level, since all further criteria already concern the financial potential of the bank, not only its resource component.

Therefore, the criteria that will be further used to determine the priority of attracting deposit funds are the criteria for minimizing risks, minimizing costs and the criteria of equilibrium of funds according to the volumes and terms. The charac-



**Figure 2.** The hierarchy of criteria for evaluating the formation of banks' deposit portfolios and determining the priority of sources for attracting deposit funds

teristics that can be used to track the compliance with these criteria are riskiness, costliness and liquidity. We have identified the following indicators reflecting the selected characteristics:

- for costliness – the ratio of interest payments on deposits to average balances of deposit accounts;
- for liquidity – average maturity of financial obligations of the bank for each source of funding;
- for riskiness – the coefficient of variation of the volumes of resources by quarters during the year.

Without their qualitative interpretation, the values of the selected indicators (the ratio of interest payments on deposits to average balances of de-

posit accounts; average maturity of financial obligations of the bank for each source of funding; the coefficient of variation of the volumes of resources by quarters during the year) have no value in making managerial decisions. Consequently, it is necessary to create a scale for assessing the values of these indicators.

## 2.2. Formation of the scale of qualitative assessment for the values of indicators determining the priority of sources of the attracted deposit funds

To determine the priority of sources of attracting financial resources according to the indicators: 1) the ratio of interest payments on deposits to average balances of deposit accounts; 2) average maturity of financial obligations of the bank for each

**Table 2.** The scale for assessing the values of the indicators of costliness, maturity and riskiness of the sources of the attracted bank deposits

Points	Costliness, %	Maturity, months	Riskiness, %
1	More than 19%	Up to 3 months	More than 25%
2	12-19%	3-6 months	17-25%
3	9-12%	6-12 months	10-17%
4	5-9%	1-3 years	3-10%
5	More than 5%	More than 3 years	0-3%

source of funding; 3) the coefficient of variation of the volumes of resources by quarters during the year, it is proposed to use a five-point interval scale.

For the indicator of costliness, which does not have an approved scale of values, we use clusterization that will ensure the highest quality of classification, in particular, the highest excess of the intergroup variance of the indicators' values over the intragroup one. Such clusterization ensures the formation of a scale with uneven intervals, which is the most appropriate for estimating the values that are not distributed under the normal law and with a big spread between the minimum and maximum values. The division of the scale according to the maturity of liabilities corresponds to the division according to the international financial accounting standards. To divide the scale according to the risk of fluctuations in the volumes of deposit resources, we use the most common gradation (Zuieva, 2017) based on the coefficient of variation: up to 10% corresponds to weak fluctuation, 10-25% – moderate fluctuation, more than 25% – strong fluctuation. These values are adapted to a five-point scale.

To confirm the quality of the performed scaling of the indicators' values, we have calculated the criteria for the quality of the intervals' divisions, namely the intergroup and intragroup variance, which is described in detail in work (Zuieva, 2017) and which proves the mathematical adequacy of the developed scale for assessing the values of the indicators of costliness, maturity and riskiness of the sources of the attracted bank deposits (Table 2).

The scale for assessing the values of the indicators (Table 2) is used in the process of assigning points to the actual value of performance indicators of banks – in accordance with the calculated value of

the indicator. The numerical scoring is assigned in the range from 1 to 5 points, where 1 corresponds to the least attractive value of the actual indicator of deposit activity of banks. Based on the assessment, priorities are distributed from 1 to 4.

The assessment of the ways to attract funds according to the determined indicators by using the scale (Table 2) makes it possible not only to determine the priority of each source of attraction of deposit funds, but also to analyze the priority of each source in comparison with other sources of deposit funds for the bank. It should be noted that identification of priorities can be carried out both according to the total estimate (synthetic assessment) and separately according to the estimates of the determined characteristics (analytical assessment) if the bank considers one of them more important.

### 2.3. determination of priorities for the sources of attraction of deposit funds by Ukrainian banks

From the point of view of supporting management decisions regarding maximum realization of the bank's financial potential, the stages of determining the priority of sources for attracting deposit funds can be reduced to the following:

- 1) identification and accumulation of information regarding the average terms, costliness and riskiness of attraction of financial resources from the main sources;
- 2) assessment of the main sources of attraction of financial resources according to the selected criteria by using a five-point scale (Table 2);

**Table 3.** Score assessment of the indicators of costliness, maturity and riskiness according to the sources of attraction of funds of TAScombank PJSC in 2015

Sources of funds	Cost, %	Score	Average period of allocation of funds, months	Score	Riskiness, %	Score	Total score
TDP	11.59	3	5.60	2	0.07	4	9
DDP	2.86	5	0.50	1	0.08	4	10
TDE	7.33	4	13.84	4	0.08	4	12
DDE	5.92	4	0.50	1	0.17	3	8

Note: TDP – term deposits of physical persons; DDP – demand deposits of physical persons; TDE – term deposits of legal entities; DDE – demand deposits of legal entities.

- 3) determination of priorities for the sources of attraction of funds in accordance with the obtained estimates;
- 4) comparison of the obtained priorities with the real structure of the bank's deposit portfolio;
- 5) identification of drawbacks in the formed deposit portfolio and recommendations for their elimination;
- 6) making managerial decisions regarding adjustments in the deposit policy according to the results of the conducted assessment.

In order to assess the priority of deposit sources, the authors used the data of PrivatBank PJSC, Diamantbank PJSC, Megabank PJSC, Bank for investment and savings PJSC, TAScombank PJSC. The choice of banks is explained by the results of a cluster analysis carried out in the previous studies for the indicators of the structure of ways of attraction and allocation of financial resources (Zuieva, 2016).

The chosen banks are representatives of the cluster with the most common approach to the activity specification, that is, the building of a balanced structure – a predominant attraction of time deposits from physical persons with their subsequent use as loans to legal persons. On the basis of the scale (Table 1), the authors assessed the parameters of attracting funds by each bank according to the ways of attraction of funds from physical and legal persons to savings and current accounts.

The use of the developed scale makes it possible to assess the main sources of attraction of finan-

cial resources by banks as shown for TAScombank PJSC (2015) according to the criteria of costliness, maturity and riskiness (Table 3).

Table 3 shows that for TAScombank PJSC in 2015, the biggest priority was the attraction of term deposits from legal entities. This source of attraction of funds has the same high estimates for all characteristics. The second priority source is demand deposits of physical persons, which are the cheapest, but the risk of their outflow is the highest.

Based on the sum of points for the period 2012–2015 for five selected banks determined with the use of the developed scale (Table 2) for each source of financial resources (NBU, 2017), we received the estimates of their priorities, which are presented in Table 4

From Table 4, it is evident that in terms of attraction of financial resources for PrivatBank PJSC and Megabank PJSC, the highest priority belongs to demand deposits of physical persons. Considering the fact that in terms of maturity time deposits are definitely dominant, while riskiness is higher for demand deposits, the obtained result demonstrates the high cost of attracting funds for time accounts of physical persons and legal entities for these banks.

For realization of the financial potential of Diamantbank PJSC, the biggest priority in attracting resources is time deposits of individuals. Determination of the total priority is influenced by the characteristics of maturity and riskiness. The distribution of priority according to the characteristic of costliness is very different from its

**Table 4.** Priorities of the main sources of financial resources of the analyzed banks according to the data of 2012–2015

Indicator	Bank	Sources of attraction of financial resources							
		DDP		TDP		DDE		TDE	
		Sum of points	Priority	Sum of points	Priority	Sum of points	Priority	Sum of points	Priority
<b>Analytical aspect: priorities of sources for attracting financial resources for each criterion separately</b>									
Priority of source according to the criterion of costliness	PrivatBank PJSC	20	1	10	4	17	2	13	3
	Diamantbank PJSC	20	1	8	3	20	1	10	2
	Megabank PJSC	20	1	8	3	20	1	13	2
	Bank for investment and savings PJSC	17	2	11	4	20	1	13	3
	TAScombank PJSC	16	2	12	3	19	1	10	4
Priority of source according to the criterion of maturity	PrivatBank PJSC	4	2	8	1	4	2	8	1
	Diamantbank PJSC	4	3	14	1	4	3	10	2
	Megabank PJSC	4	3	8	2	4	3	11	1
	Bank for investment and savings PJSC	4	2	10	1	4	2	10	1
	TAScombank PJSC	4	3	10	2	4	3	18	1
Priority of source according to the criterion of riskiness	PrivatBank PJSC	15	2	16	1	11	4	13	3
	Diamantbank PJSC	11	3	17	1	12	2	10	4
	Megabank PJSC	16	1	16	1	11	3	12	2
	Bank for investment and savings PJSC	8	3	13	1	6	4	10	W2
	TAScombank PJSC	12	3	16	1	12	3	13	2
<b>Synthetic aspect: priorities of sources of attracting financial resources according to the totality of criteria</b>									
Priority of sources according to the totality of criteria	PrivatBank PJSC	39	1	34	2	33	3	34	2
	Diamantbank PJSC	35	2	39	1	33	3	30	4
	Megabank PJSC	40	1	32	4	35	3	36	2
	Bank for investment and savings PJSC	29	4	34	1	30	3	33	2
	TAScombank PJSC	32	4	38	2	35	3	41	1

distribution according to other characteristics for this bank. Considering the interest of the bank in the costliness of attraction of financial resources, the obtained result indicates the need in quality management of this characteristic. Particular attention should be paid to the attraction of demand deposits from legal entities, because this area occupies the second place according to the total pri-

ority and riskiness and the first place according to costliness.

In the studied period Bank for investment and savings PJSC experienced a change in the priorities of attracting funds from time deposits of legal entities to time deposits of physical persons. The formation of the total priority was significantly influenced by

the riskiness of attracting funds. The results of the assessment showed that the attraction of funds from physical persons to time deposits is more expensive for this bank, but these funds are more stable.

For TAScombank PJSC the most expedient way of attracting funds is time deposits of legal entities. However, if we analyze the dynamics of point assessments of the attraction of funds by TAScombank PJSC, we will see a constant change of priorities indicating the unbalanced management system for attracting financial resources. The least priority direction of attracting financial resources is demand deposits of physical persons, which suggests the need to work in this area, to manage the terms of attraction of funds, the value and volumes of investments and withdrawals of resources in order to fully realize the financial potential.

It should be noted that according to the experts, the Ukrainian population has large volumes of free financial resources mainly in cash and under favorable macroeconomic conditions and the restoration of confidence in the banking system they can become bank deposits. Therefore,

it is important to work in this area of attracting funds (Shevaldina, 2014, p. 287).

## 2.4. Analysis of compliance of deposit portfolios of banks with certain priorities regarding the sources of attracting funds

In accordance with the principles of formation of a credit portfolio and an acceptable risk level for the bank, one forms the structure of the deposit portfolio, the quality of which has an impact on the formation and realization of the financial potential of the bank. We will study the structure of the existing deposit portfolios selected for the study of banks and will analyze whether in the process of formation of a deposit portfolio the management of banks considers the priorities in terms of cost, liquidity or risks according to the estimates shown in Table 4. For our analysis we chose the period 2014–2016 (Table 5).

From Table 5, it is evident that the actual deposit portfolios of the analyzed banks do not fully correspond to the priorities of attraction of financial resources.

**Table 5.** Specific weight of components of deposit portfolios of the analyzed banks and the corresponding priorities for 2014–2016

Year	The way of raising funds	PrivatBank PJSC	Diamantbank PJSC	Megabank PJSC	Bank for investment and savings PJSC	TAScombank PJSC
2014	TDP	61.81	40.61	37.83	36.52	55.82
	Actual priority	1	1	1	2	1
	Recommended priority	2	1	4	1	2
	DDP	14.40	8.88	4.46	3.13	3.76
	Actual priority	2	4	4	4	4
	Recommended priority	1	2	1	4	4
	TDE	11.93	31.50	21.85	53.73	21.17
	Actual priority	3	2	3	1	2
	Recommended priority	2	4	2	2	1
	DDE	11.86	19.01	35.86	6.63	19.25
	Actual priority	4	3	2	3	3
	Recommended priority	3	3	3	3	3
	The funds of customers in the bank's liabilities, %	77.71	70.88	59.56	87.82	88.02

**Table 5 (cont).** Specific weight of components of deposit portfolios of the analyzed banks and the corresponding priorities for 2014–2016

Year	The way of raising funds	PrivatBank PJSC	Diamantbank PJSC	Megabank PJSC	Bank for investment and savings PJSC	TAScombank PJSC
2015	TDP	60.96	32.75	31.07	31.96	41.33
	Actual priority	1	2	2	2	1
	Recommended priority	2	1	4	1	2
	DDP	16.89	6.26	3.77	2.20	3.43
	Actual priority	2	4	4	4	4
	Recommended priority	1	2	1	4	4
	TDE	9.65	35.20	24.42	50.96	34.68
	Actual priority	4	1	3	1	2
	Recommended priority	2	4	2	2	1
	DDE	12.50	25.79	40.74	14.88	20.56
	Actual priority	3	3	1	3	3
	Recommended priority	3	3	3	3	3
	The funds of customers in the bank's liabilities, %	75.03	74.24	67.55	91.13	73.31
	2016	TDP	66.65	40.39	39.25	31.78
Actual priority		1	1	1	2	1
Recommended priority		2	1	4	1	2
DDP		16.83	5.88	4.15	2.50	3.16
Actual priority		2	4	4	4	4
Recommended priority		1	2	1	4	4
TDE		8.15	29.25	35.31	38.58	37.32
Actual priority		4	2	2	1	2
Recommended priority		2	4	2	2	1
DDE		8.39	24.47	21.29	27.14	21.45
Actual priority		3	3	3	3	3
Recommended priority		3	3	3	3	3
The funds of customers in the bank's liabilities, %		87.26	61.54	78.04	87.38	76.70

## CONCLUSION

Determination of the priority sources for attracting deposits by the Ukrainian banks and the comparison of the calculated data with the actual ones made it possible to reveal that according to the results of 2016, PrivatBank PJSC focused on attracting financial resources based on term deposits of physical persons, which corresponds to its marketing credo "The biggest depository bank". At the same time, there commended priority for this source of funds is secondary to demand deposits. Indeed, taking into account the current situation with the transfer of cash flows of physical persons – entrepreneurs to the accounts of physical persons, the bank's deposit policy should be changed considering the peculiarities of functioning of the small business sector and private entrepreneurship. Similar conclusions can be drawn about the deposit portfolio of TAScombank PJSC.

Regarding time deposits of legal entities, according to the results of 2016, this source has a stable third priority. There were no discrepancies found for any of the analyzed banks. For TAScombank PJSC, Megabank PJSC, Diamantbank PJSC, Bank for investment and savings PJSC (Table 5), the priorities of attracting time deposits (both the actual and recommended priorities) coincide, the specific weight of financial resources obtained from this source is stable at the level of 21-25%.

The biggest contradictions in the deposit portfolio relative to the actual and recommended priority of attraction (4 and 2 respectively for PrivatBank PJSC, 2 and 4 respectively for Diamantbank PJSC) are observed for time deposits of legal entities. This can be explained by the low interest to making investments into bank deposits by Ukrainian companies.

Therefore, determination of priorities in attracting financial resources, which is a significant part of the resource component of financial potential regarding its influence on the state of the bank, is an effective tool for managing the deposit portfolio and the resource base of the bank in general. The introduction of methodological approach into the process of deposit management and the use of priorities regarding the sources of attracting funds according to the criteria of maturity, riskiness and costliness is important for increasing the efficiency of decisions and, consequently, the formation and further realization of the bank's financial potential.

The comparison of the calculated priorities with the real structure of deposit portfolios of banks made it possible to identify certain shortcomings – “bottlenecks” and to identify the trends in their structures, which allows to make scientifically sound managerial decisions aimed at the development of banks, as well as to efficiently form the resource base of banking institutions.

A general tendency for the majority of the investigated banks was an increase in the share of time deposits of legal entities in the structure of deposit portfolios. This should be considered a positive trend, as it provides banks with an alternative to the resources of physical persons on time deposits. However, it should be emphasized that the attraction of funds from legal entities is less predictable, which should be taken into account in the process of financial management.

Further research will be aimed at creating an optimal structure of the bank's deposit portfolio, that is, identification of the optimal share of funds attracted for each of the identified areas taking into account their priorities according to the criteria of costliness, maturity and riskiness. The developments regarding the formation of the optimal structure of the resource component of the bank will facilitate expansion and maximum full realization of the bank's financial potential.

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