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**THE BANKING SYSTEM IS IN CONTEXT
OF THE GLOBAL FINANCIAL CRISIS**

The economic crisis is a phenomenon for a market economy, which is repeated with some frequency and depending on the scale. It may apply of a particular state and it is of world importance accompanied by a sharp decline in production and the result is bankruptcy of enterprises, a fall in gross domestic product, a massive increase in unemployment and often depreciation of the national currency (devaluation) [1].

According to a consulting company report McKinsey & Co, more than half of the world's banks are already in a weak position before any possible recession [2].

McKinsey stated in his annual review of the industry, that most of the banks in the world don't have economic viability, because their return on capital doesn't match the costs.

He urged modern firms to take such steps as development of innovative technologies, development of agriculture and increase in the volume of mergers of companies before the beginning of a potential economic downturn. The innovative shifts have been happening for ten years since the global financial crisis. The result was the emergence of new competitors from tech startups to well-known giants, in particular Apple Inc. and Google Alphabet Inc. Banks have considered whether to compete with or purchase these partners. Some well-known firms have sought to partially attract scare talent through rebranding as technology companies.

According to the study, banks spend only 35% of their IT budgets on innovation, while tech companies spend over 70%. Coupled with regulatory factors that lower the barrier to entry – such as open banking and lower startup requirements – the environment is increasingly contributing to that new firms receive share from banks.

Examples are provided in the report Amazon.com Inc. in the US and Ping An in China as examples of technology companies that capture financial services clients. Even worse for the old guard is the new players, who tend to strive for business, which make the most profit in banks, such as credit cards. The lenders can cut costs and find the means to develop technology, giving on outsourcing what is «non-differentiated activity», including some trade and compliance features. Banks «should feel much more comfortable with external partnerships and the ability to attract talent from outside. Another way to release money is to become more. BB&T Corp. and SunTrust Banks Inc. said they announced their decision to unite early in 2019 is the largest merger of US banks since the financial crisis. You can also expect to continue mergers and acquisitions at the end of the cycle» [1].

The monetary policy of the country is another aspect on which banks depend in times of financial crisis. Monetary policy easing is seen as a logical step in the fight against financial crises. Demand for currency is increasing during turbulence, as states- issuer of sustainable currency have the highest credit score. Reducing key bids allows these countries to make financial resources cheaper, while the assets of other countries are becoming «more attractive in terms of investment. The attractiveness of assets is measured by the size of the interest rate on the securities, that ascendant countries and third world countries. So raising rates is a logical step in times of turbulence for Ukraine, Brazil or India» [4].

Based on the above, we can conclude that changes in the banking sector are being driven by changes in the world economy and in particular, such as crises. Consequently the fintech sector of the world has to overcome these difficulties by merging its assets.

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