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**THE STOCK MARKET INFRASTRUCTURE
DEVELOPMENT IN FORMATION OF THE
INVESTMENT BANK BUSINESS MODEL IN UKRAINE**

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Introduction. Modern trends in the world economy development cause an objective process of increasing stock market role and stimulate forming of investment bank business model in the domestic financial markets.

Aim and tasks. The aim is to determine the role of the stock market infrastructure development in formation of the investment bank business model in Ukraine. It is necessary to perform the following tasks to achieve this goal: to determinate direction of Ukrainian financial market development and to analyze dynamic of the structure of loan and investment bank portfolio in last five years which allow to evaluate forming of the investment bank business model in Ukraine; to estimate the stock market infrastructure development through its participants.

Results. The analysis of the loan and investment bank portfolio structure has shown rising of banks' interest to the operations in the stock market and forming of the investment bank business model in Ukraine. But the structure of the investment portfolio of Ukrainian banks is dominated by domestic government bonds. The main reasons of such investment structure: the low total trading volume in the stock market; the absence of other financial instruments in the stock market; the low level of stock market development through the need to form stock market infrastructure. Studying the stock market infrastructure essence has substantiated the using of institutional approach to identify the level of its development. To the infrastructure participants in the stock market it is carried out organization of trade in financial instruments, clearing institutions, depository system, information, analytical and rating agencies. The infrastructural participants of the stock market in Ukraine has been characterized and analyzed.

Conclusions. The Ukrainian stock market infrastructure is actively developing in the direction of creating conditions that brings it as close as possible to European and world standards. Such situation will make foundation of the investment bank business model forming. But conducted research has shown that it is necessary, on the one side, to stimulate the increase in stock trading volume and, on the other side, to make the stock market more accessible not only to investors, but to individuals too. The development of information technologies as an integral part of the stock market infrastructure in Ukraine has been worked out.

Key words: financial market, stock market, infrastructure, bank, business model.

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РОЗВИТОК ІНФРАСТРУКТУРИ ФОНДОВОГО РИНКУ У ФОРМУВАННІ ІНВЕСТИЦІЙНОЇ БІЗНЕС-МОДЕЛІ БАНКІВ В УКРАЇНІ

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Вступ. Сучасні тенденції розвитку світової економіки зумовлюють об'єктивний процес підвищення ролі фондового ринку в економічному зростанні та стимулюють формування інвестиційної бізнес-моделі банків на внутрішніх фінансових ринках.

Мета і завдання. Метою статті є визначення рівня розвитку інфраструктури фондового ринку у формуванні інвестиційної бізнес-моделі банків в Україні. Для досягнення поставленої мети необхідно виконати наступні завдання: визначити напрям розвитку фінансового ринку України та проаналізувати динаміку структури кредитно-інвестиційного портфеля вітчизняних банків за останні п'ять років; оцінити розвиток інфраструктури фондового ринку через її учасників, як основного фактору формування інвестиційної бізнес-моделі в українських банках.

Результати. Аналіз структури кредитно-інвестиційного портфеля українських банків показав зростання інтересу банків до операцій на фондовому ринку та формування інвестиційної бізнес-моделі. Але в структурі інвестиційного портфеля вітчизняних банків переважають облігації внутрішньої державної позики. Серед основних причин такої ситуації можна виділити: низький обсяг торгів на фондовому ринку; відсутність інших фінансових інструментів на фондовому ринку; низький рівень розвитку фондового ринку через необхідність формування його інфраструктури. Вивчення сутності інфраструктури фондового ринку дозволило обґрунтувати використання інституційного підходу для визначення рівня її розвитку. До інфраструктурних учасників фондового ринку віднесено: організація торгівлі фінансовими інструментами, клірингові установи, депозитарна система, інформаційні, аналітичні та рейтингові агентства. Охарактеризовано та проаналізовано діяльність інфраструктурних учасників фондового ринку в Україні.

Висновки. Інфраструктура фондового ринку України активно розвивається у напрямку створення умов, що максимально наближають її до європейських та світових стандартів. Така ситуація стає основою формування інвестиційної бізнес-моделі банку. Але проведене дослідження показало, що необхідно, з одного боку, стимулювати збільшення обсягів торгів акціями, а з іншого – зробити фондовий ринок більш доступним не лише для інвесторів, а й для приватних осіб.

Ключові слова: фінансовий ринок, фондовий ринок, інфраструктура, банк, бізнес - модель.

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Introduction. During last ten years there have been lots of changes in the financial market structure and its characteristics. This process has been accompanied by different factors, main of which become strengthening of state regulation of banking activity and digital technologies' development. First of all, we have to underline, that after the world financial crises in 2008 the new model of banking supervision has been worked out that brings changes in banking activity and influences on the relationships between banks and their clients.

The overregulation of banking has led to the transfer of financial resources from banking systems to stock markets. As the result, the role of the stock market in countries' economic development starts to grow. Thus, modern trends in the world economy development cause an objective process of increasing stock market role and stimulate forming of investment bank business model in the domestic financial markets.

Secondly, digital technologies' development is able to change the concept not only of financial market functioning, but of its main components, one of which is the stock market. The biggest changes within the stock market take place in the infrastructure block, especially its technological component. As for the stock market infrastructure, it is extremely important to its effective functioning because of increasing the level of ensuring the efficient use of free financial resources and sustainable economic growth.

Today stock market infrastructure can be characterized as a virtual trading platform that provides the wide range of financial services that support financial institutions, companies, governments and investors through coordinated work of such institutions as clearing houses, security depositories, security service firms, information providers, data and analytic companies and technology vendors. In Ukraine, the stock market infrastructure is on the stage of development, on the one hand, there are created the basic infrastructure elements at the legislative level, but, on the other, for today there is no concept of its development.

This situation in the financial market, both globally and nationally, determines the relevance of this study.

Analysis recent research and publications. The theoretical aspects of the bank business model formation are covered in the works of such foreign scientists as: D. Llewellyn [1], M. Martel, A. van Rickstel and E. Gonzalez [2], M. Keller [3]. They underline that the investment business model is a necessary element of the banking system and define it as institution which involves insurance securities' issuing for corporate and government clients, advising on mergers and acquisitions, selling and trading in financial markets and managing assets financed primarily by borrowed resources.

The theoretical and methodological aspects of the stock market infrastructure formation are analyzed by domestic and foreign scientists, such as H. Arnt [4], T. Grishchenko, I. Ivakhnenko [5], Z. Matsuk [6], O. Vasiliev, O. Kaidash [7], H. Schmiedel [8]. In Ukrainian scientific literature the theoretic aspects of stock market infrastructure development have been worked out. Conversely, foreign authors search the stock market infrastructure in terms of institutional structure and using of digital technologies to optimize the stock market functioning[4].

Aim and tasks. The aim is to determine the role of the stock market infrastructure development in formation of the investment bank business model in Ukraine.

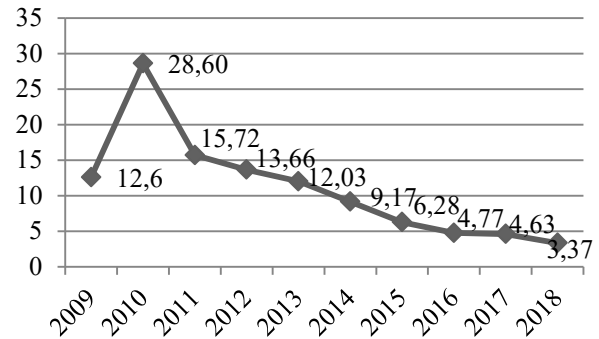
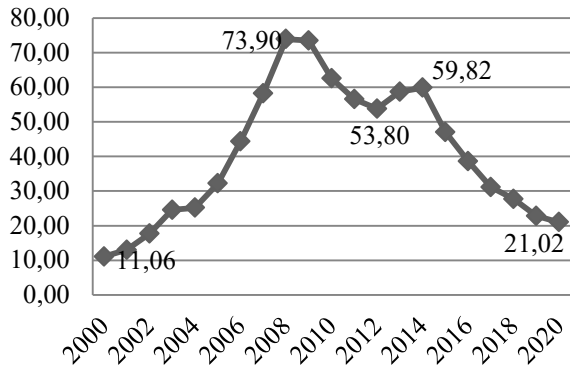
It is necessary to perform the following tasks to achieve this goal: to determinate direction of Ukrainian financial market development and to analyze dynamic of the structure of loan and investment bank portfolio in last five years which allow to evaluate forming of the investment bank business model in Ukraine; to estimate the stock market infrastructure development through its participants as the main factor of the investment business model formation in Ukrainian banks.

Results. The research of financial markets' structure shows that there are two main directions of their development: redistribution of financial resources occurs either through the banking system or through the stock market. The level of the national stock market development can be defined with the ratio of the market capitalization of listed domestic companies to GDP.

The banking system development level in the country can be determined with using of such indicators: the ratio of assets to GDP or the ratio of domestic credit to private sector by banks to GDP. In our paper we will use the ratio of domestic credit to private sector by banks to

GDP, as this indicator allows to analyze using of the credit resources in the country economic development.

The dynamic of financial market development indicators are presented on the Figure 1.



a) Domestic credit to private sector by banks to GDP in 2000-2020, %

b) Market capitalization of listed domestic companies to GDP in 2009-2018, %

Fig. 1. The dynamic of financial market development indicators in Ukraine.

Source: according to the [9].

The Figure 1 shows that the redistribution of financial resources are mainly carried out with banking system, but the volume of financial resources that rotated through banks has significantly decreased, changing of indicator “Domestic credit to private sector by banks to GDP” from 53,80 % in 2014 to 21,02% in 2020 tells about such situation. Also we can see reduction of indicator “Market capitalization of listed domestic companies to GDP” in 2010-2018 and in the end of 2018 it makes up 3,37%. It can

be concluded that today the financial market practically does not play a leading role in the Ukrainian economic development; in our opinion, the main reason is in the reforming of financial sectors of Ukraine.

Due to the fact that the purpose of banks’ activity is not only to stimulate the economic growth, but to make a profit, there are two main types of directions that allow banks to achieve this goal: loan and investment activity, which is confirmed by the data of Figure 2.

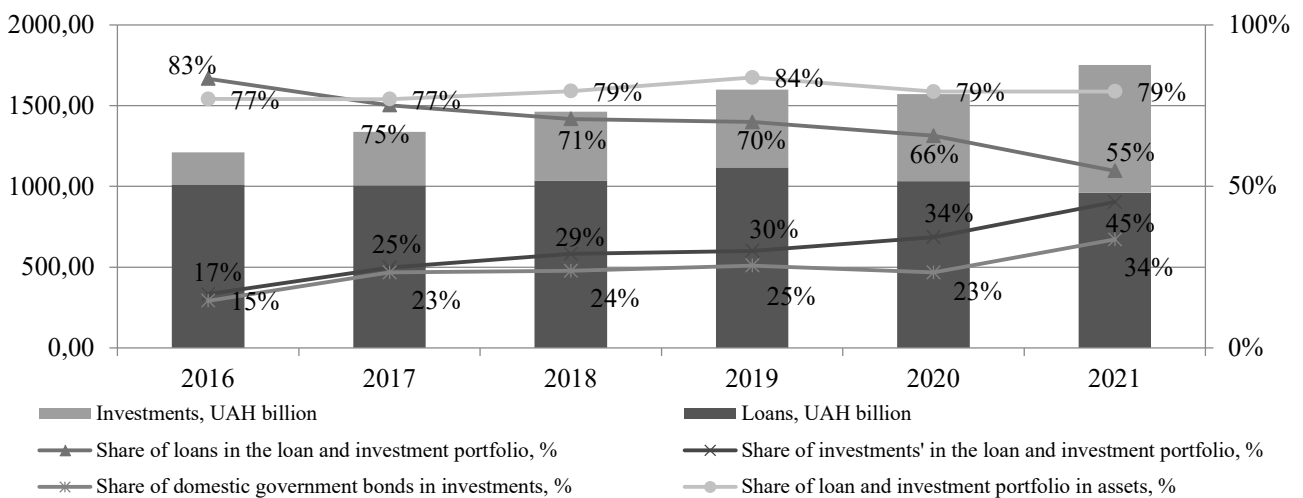


Fig. 2. Dynamic of loan and investment bank portfolio structure in 2015-2020 in Ukraine.

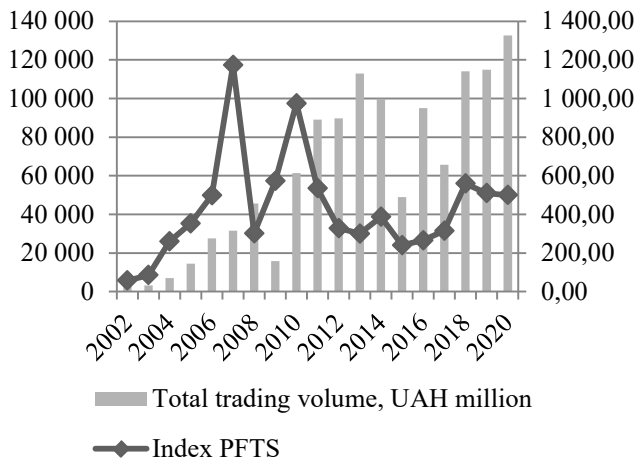
Source: built by the authors based on the data [10].

The loan and investment portfolio occupies the largest share in the assets of Ukrainian banks and is almost 80%. To evaluate forming of the investment bank business model in Ukraine it's necessary to conduct the analyses of dynamics of the loan and investment bank portfolio structure. (Figure 2).

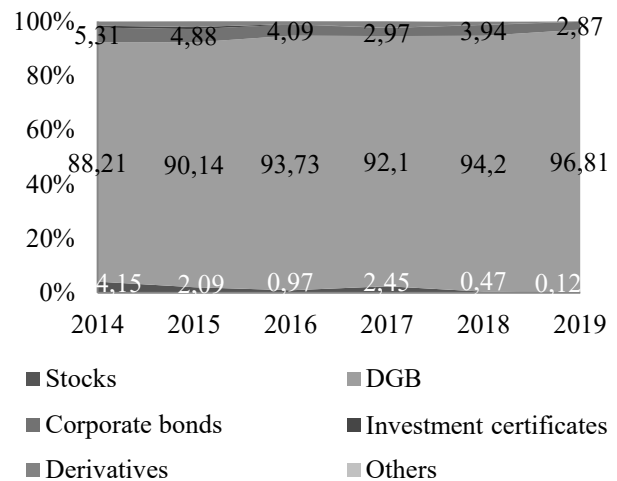
Analysis of the loan and investment bank portfolio structure admits us to draw the following conclusions. Firstly, in the period 2015-2020 the share of loans decreased by practically 30% which was accompanied by simultaneous growth of investment portfolio from 17% in 2015 to 45% in 2020. Such situation can be characterized with rising of banks' interest to the operations in the stock market and forming of the investment bank business model in Ukraine.

Secondly, the structure of the investment portfolio of Ukrainian banks is dominated by domestic government bonds. They make up more than half of the investment portfolio. There can be several reasons of such banks' investment portfolio structure: the low total trading volume in the stock market; the absence of other financial instruments in the stock market; the low level of stock market development through the need to form stock market infrastructure. We propose to study these factors more detailed.

On Figure 3 there are presented the indicators of stock market development in Ukraine: total trading volume, the dynamic of PFTS index and the volume structure of exchange contracts for financial instruments.



a) The dynamic of total trading volume and index PFTS in 2000-2020



b) The dynamic of the volume structure of exchange contracts for financial instruments in 2014-2019, %

Fig. 3. The indicators of stock market development in Ukraine.

Source: built by the authors based on the data [11].

Total trading volume has tendency to grow and reaches UAH 133 billion in 2020. It is positive trend, but in the world scale this indicator is too small to speak about developed stock market in Ukraine. Analyses of the volume structure of exchange contracts for financial instruments in 2014-2019 shows domination of domestic government bonds like in banks' investment portfolios. Unfortunately, the economy of Ukraine needs to build full, effective and efficient domestic stock market, balancing all its segments and infrastructure development.

As example, during research of Ukrainian stock market O. Melnyk and I. Kapitan have

identified four problems of its development: legislative unregulated corporate governance; the problem of stock market organization; imperfection of the depository and clearing infrastructure; information unreliability about the stock market participants' activity [12]. All these problems are conducted with formation and development of stock market infrastructure. Thus, we have to underline that infrastructure development is key step on the way to formation of developed stock market as it ensures its smooth functioning and as result can stimulate the investment bank business model formation.

The conducted analysis has proved the necessity to explore such category essence as stock market infrastructure. On our mind, the stock market infrastructure is complex and broad concept that requires deep research.

The concept of stock market infrastructure is not properly reflected in economics. But in the economic literature concept of market infrastructure has become the most widespread. A. Moroz defines a market infrastructure as a set of institutions, organizations and other entities that provides the necessary conditions for the functioning of a market economy in a given country or region [13]. J. Komarinsky considers the market infrastructure as a system of institutions and

organizations, which ensure the free movement of goods and services in the market [14]. Based on the above definitions, we can distinguish two approaches to the study of infrastructure: through provision of market functioning or through system of institutions. Z. Matsuk agrees with this point of view and considers the stock market infrastructure as a complex system, which distinguishes the individual elements (financial and non-financial institutions) and the sphere of economic relations between them [6].

The theoretical approaches of Ukrainian scientists to forming of provision of stock market functioning has been considered and are given in Table 1.

Table 1. The theoretical approaches of Ukrainian scientists to forming of provision of stock market functioning

Author	Types of infrastructure provision	Essence	Elements
T. Grishchenko, I. Ivakhnenko [5]	regulatory	a system of stock market regulation which includes a system of rules for market participants	self-regulatory organizations; state influence institutions
	mediation	ensures efficient accumulation and distribution of financial resources	traders, banks, asset management companies, institutional investors
	functional	the system of trading platforms, which provides the process of concluding transactions with securities.	stock exchanges, information systems
	technical	a system of calculations for concluding agreements, safekeeping and accounting of securities	depositories, custodians, registrars, clearing system
	informational	includes information system and communication system	electronic information networks, marketing companies, rating agencies, analytical and consulting companies
O. Vasiliev, O. Kaidash [7]	functional	the system of institutions that provide functioning of the market, create the necessary conditions for the circulation of securities on the stock exchange	stock exchanges; specialized institutions, that serve the market; participants; regulators
	regulatory	the only system of methods and techniques that gives the ability to streamline the conclusion of agreements, subject them to certain requirements and rules	self-regulatory organizations; customs and traditions ethics; legislation; state influence institutions
	informational	provides the feedback of the infrastructure with the external environment	electronic information networks, marketing companies, rating agencies
	technical	computer programs that provides fast and accurate processing information	depositories; custodians; registrars; clearing system; trading systems
Z. Matsuk [6]	main	provides the process of concluding and implementing agreements with financial assets on the basis of separation of functions and specialization of activities	institutional investors; professional participants; trade information systems; clearing houses; custodians and depositories
	secondary	the maintenance of basic infrastructure and its effective functioning.	information and rating agencies, state regulatory and supervisory bodies, self-regulatory organizations

According to the Table 1, authors divide infrastructure provisions of stock market in functional (main infrastructure) and regulatory, informational, technical (secondary infrastructure). But there are several disadvantages of this approach to the stock market infrastructure research. First, we can observe differences of authors' opinion on the institutional investors' classification for infrastructure blocks. Second, the main participants of stock market such as issuers without which it can't functionate weren't separated and characterized. These shortcomings confirm the need to use an institutional approach to the stock market infrastructure analysis.

Institutional approach to the stock market infrastructure research provides its study

through system of institutions. The founders of institutional theory considered the economic system as a relationship between institutions under the influence of different factors [15].

According to the Law of Ukraine "On Capital Markets and Organized Commodity Markets" the stock market participants are issuers, collateral providers, investors in financial instruments, administrators, professional participants in capital markets, persons who carry out activities related to capital markets and organized commodity markets, associations of professional participants in capital markets [16].

The interaction between stock market participants is schematically shown in the Figure 4.

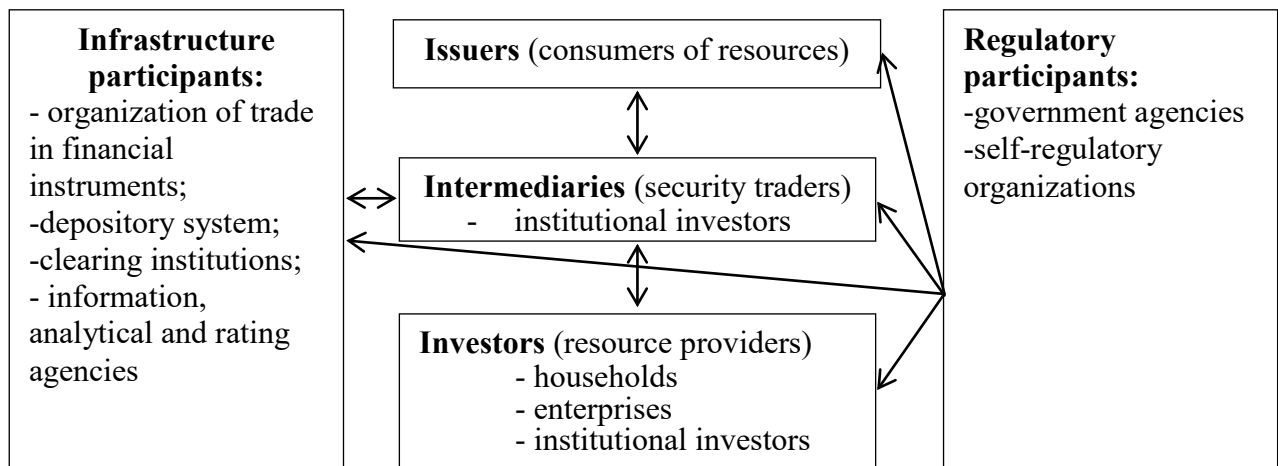


Figure 4 The schematically interaction between stock market participants.

Such distribution of the stock market participants is based on the Law of Ukraine "On Capital Markets and Organized Commodity Markets" according to definition of their basic powers and functions in the stock market. Thus, infrastructural participants of the stock market are institutions that provide communication between issuers, investors and intermediaries. They are called to perform the following functions:

- Execution of agreements with securities and their derivatives with minimal risk;
- Delivery of stock instruments to the buyer or his proxy with registration of property rights within the stipulated time;
- Payment for the delivered securities;
- Appropriate storage and accounting of securities;

- Provision of advisory services on the issue and circulation of securities;
- Development of a rating scale for issuers and various types of securities.

To the infrastructure participants in the stock market it is carried out organization of trade in financial instruments, clearing institutions, depository system, information, analytical and rating agencies. With the goal to determining the level of the stock market infrastructure development we will conduct quantity and quality analyses of infrastructure participants.

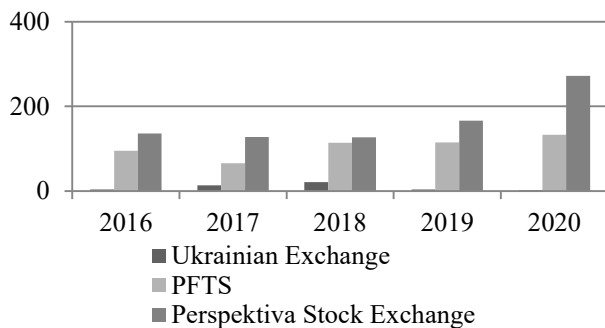
The most important part of the stock market infrastructure is organization of trade in financial instruments.

Professional activity in the organization of trade in financial instruments can include on the regulated stock market the organization of security, stock and bond trading, derivative contract concluding, trade in money market. But to conduct each type of activity the market operator has to receive a separate license.

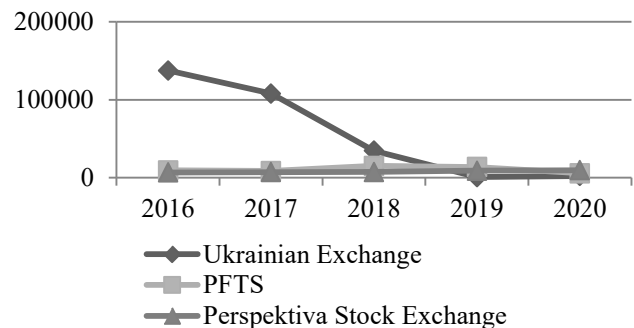
According to the new version of the Law of Ukraine “On Securities and Stock Markets” which has been transformed into the Law of Ukraine “On Capital Markets and Organized Commodity Markets”, the stock exchange is regulated market operator that: develops, ensures approval and registration of its own rules of functioning, which are mandatory for all participants in this market; ensures the creation of organizational, technological, informational, legal and other conditions for the collection and spread information for the offer of assets admitted to trading and for regular trading in such assets; determines the procedure for admission that allows investment firms and other persons to participate in trading, ensures the maintenance and publication of the participants’ list; ensures compliance by the participants of the requirements established by

the rules this market with the application of appropriate measures of influence; establishes the procedure for listing; determines, based on the results of trading, the volumes of purchase and sale of assets admitted to trading, the current price of such assets and their average exchange rate in accordance with the procedure established by the National Securities and Stock Market Commission; creates conditions for ensuring settlements based on the results of trading; creates conditions for resolving disputes between participants; publishes information on trading; carries out advertising [16].

In Ukrainian stock market four stock exchanges are provided organization of trade in 2021: Ukrainian Exchange, PFTS, Perspektiva Stock Exchange, and Ukrainian Stock Exchange [11]. During last five years their quantity decreased in two times, that is positive trend in Ukrainian stock market development that leads to its enlargement and increase concentration of operations with financial instruments. Trading information of the biggest Ukrainian regulated market operators in 2016-2020 is given in Figure 5.



a) Dynamic of trade volume, UAH billion



b) Dynamic of number of trades

Figure 5 Trading information of Ukrainian regulated market operators in 2016-2020.

Source: built by the authors based on the data [11]

The biggest trade volume is on Perspektiva Stock Exchange during analyzed period. There are two features of this stock exchange: it was created in 2006 and started actively develop from 2012 after The National Bank of Ukraine gained access to trading on it with government securities; the stock indexes are not calculated on it.

So the most share of trading volume on this market operator is trade with domestic government bonds. Second in size is stock exchange “PFTS”, but we can observe, that it concedes to Perspektiva Stock Exchange trade volume practically in two times. The number of trades is on the one level on the both stock exchanges.

Unfortunately, the trade volume and number of trades on Ukrainian exchange is reduced. And there are absent statistical information concerning activity on Ukrainian Stock Exchange. Such situation taking into account the requirements of the legislation can lead to their closing.

The National Depository of Ukraine has been established in accordance with the Law "On Depository System" to provide the functioning of unified system of depository accounting. Central Depository ensures the formation and functioning of the system of security depository accounting, may provide services to the issuer to organize and hold general meetings of shareholders. We have to emphasize, that the depository activity is the type of professional activity on the stock market and can be combined with other types of professional activity only by banks and security traders in case of creation of separate department [17]

The influence of digital technologies on the stock market infrastructure has appeared in the improving of depository system. The innovative IT platform of the Central Depository DEPEND Q was integrated into industrial applications, which is designed to ensure qualitative transformations in the activities of the depository system of the domestic stock market. This innovative system includes information on 3 million accounts with a nominal value of

UAH 1.7 trillion. The introduced platform allows depository institutions to independently choose alternative software to serve customers.

The need to form a safe and stable depository system in the stock market is due to the fact that it is a set of information, records about issued securities (kind with identification of type, nominal value and quantity, register of securities codes (international securities identification numbers), circulation restrictions) on accounts in securities of such accountholders; information about issuers; about owners of securities; on restriction of rights to securities; on persons authorized by the owners of securities (managers, mortgagees); about nominal holders; other data that allow to identify the issued securities and the specified persons.

The depository system on the second level consists of depository institutions, institutions which provide: activity on the safekeeping of mutual investment assets, activity on storage of pension fund assets, activity on mortgage coverage management. The analysis of license number for carrying out a separate type of professional activity in the stock market in 2017-2020 shows the tendency to their reducing, but growth rate of license number on the depository activity and activity on the safekeeping of mutual investment assets slowed down last years (Figure 6).

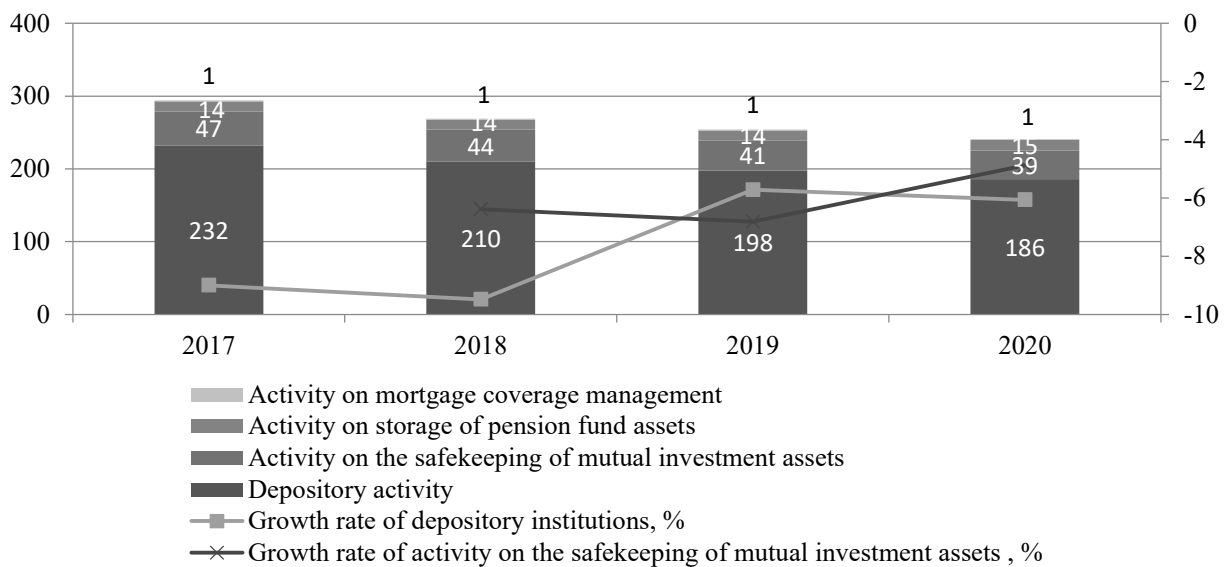


Figure 6. Dynamic of license number for carrying out a separate type of professional activity in the stock market in 2017-2020 in Ukraine.

Source: built by the authors based on the data [11].

According to the [16] clearing activity includes the following activities: clearing activity to determine liabilities and clearing activity of the central counterparty. The essence of clearing activity covers clearing, as well as settlements in the clearing system and organization of settlements, including preparing of documents (information) for settlements and referral to appropriate institutions that conduct settlements. The clearing house must have the appropriate equipment for clearing activity, including computer equipment with appropriate software, communication channels and premises that meet the requirements established by the National Securities and Stock Market Commission [16].

But the clearing system of Ukrainian stock market until August, 2021 was presented with bank “Settlement centre” that acted as settlement centre for contract maintenance and served the trading process through the provision of appropriate clearing and banking services in the stock market. “Settlement centre” was the Central Counterparty, which becomes a buyer for each seller and seller for each buyer.

From the 13th of August, 2021 the bank “Settlement centre” was renamed in “Settlement centre for servicing contracts in the financial markets” which has to become liquidity service centre on the Ukrainian capital market. According to the strategy of “Settlement centre for servicing contracts in the financial markets” development the new clearing institute has to:

- become modern technological non-banking clearing house through active participation in the development of changes to Ukrainian legislation, creating models of Settlement centre transformation in a non-bank clearing institution, transformation into a non-bank financial institution by creation of a new internal regulatory framework, streamlining of staff and organizational structure, streamlining customer relationships, elaboration of new models of interaction with exchanges and depositories;

- guarantee implementation of payments through implementation of modern effective software security (own production or, if available financing, foreign technologies) and proper organization of the internal control system;

- work out package of additional services and operating break-even through increasing revenues through the introduction of such new services: REPO with risk control, service for working with the clearing system on unorganized market, implementation of a joint project with Bloomberg, creation of a single clearing pool of liabilities in the organized and unorganized market, payments in commodity markets; and through the formation of a positive image among customers and professional environment;

- effective structure through proper organization of personnel management system and optimization of economic processes and termination maintenance of non-core activities [18].

No less important are the institutions that ensure the existence of information flows, namely - information, analytical and rating agencies. In 2019, after the entry into force of certain provisions of the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on Simplification of Doing Business and Attracting Investments by Issuers of Securities", the activity of an authorized provider of information services on the stock market has been introduced [19].

The National Securities and Stock Market Commission [11] makes authorization of legal entities that intend to carry out the following types of activity for the provision of information services in the capital markets and organized commodity markets such as:

- Proclamation of regulated information on behalf of participants in capital markets or professional organized commodity markets – the disclosure of such regulated information in the mode as technically close to real time as possible but no later than 15 minutes after its publication, on a commercial basis, in the form of open data;

- Spreading in the mode of continuous updating of consolidated information – the collection of all regulated information, its consolidation into continuous updating electronic flow of information and spreading in the mode as technically close to real time as possible but no later than 15 minutes after its publication, on a commercial basis, in the form of open data;

- Presentation of reporting data to the National Securities and Stock Market Commission – the submission of relevant information as soon as possible, but in any case not later than the end of the working day during which such information arose [16].

Persons that provide activity for the information service provision must have internal rules and relevant procedures which are agreed with the National Securities and Stock Market Commission [11].

Thus, information, analytical and rating agencies provide feedback of stock market and the external environment, which is a prerequisite for its adaptation to the requirements of a market economy at each stage of development [20-23].

Eight rating agencies are officially registered and operating in Ukraine, three of which are international (Table 2).

Table 2. List of rating agencies legalized in Ukraine on 2021.

The rating agency name	The rating agency status	The year of foundation	Decision on recognition with the NSSMC*
Standard and Poor's	International (USA)	1860	№ 198 from 22.02.2006
Moody's Investors Service	International (USA)	1909	
Fitch Ratings	International (GB, USA)	1913	
Credit-rating	National	2001	№ 530 from 10.04.2012
RURIC	National	2004	№ 385 from 7.04.2010
IBI-rating	National	2005	
Expert rating	National	2007	№ 860 from 8.06.2010
Standard-rating	National	2010	№ 529 from 10.04.2012

NSSMC* - the National Securities and Stock Market Commission

Source: built by the authors based on the data [11].

Also there have been created information databases on the stock market: Smida and Stockmarket. In these databases there are information in relation to stock market functioning; electronic system of complex disclosure of information (ESCRIN); database on securities market offenses; information on the owners of significant stockholders (10 percent or more); State Register of Securities Issues, etc.

During the implementation of operations in the stock market there is a need for fast and accurate processing of information, which becomes possible thanks to development of digital technologies [24-25]. Digital technologies allow not only to simplify the investment process, but also in the process of mutual settlements to obtain statistical information on the volume of security sales, costs, financial investments, demand, rating, etc. [26-29].

The development of digital technologies as an integral part of the stock market infrastructure in Ukraine is due to the following basic reasons: 1) provide acceleration of the information exchange process and greater coverage of market participants; 2) reduce production costs, as they provide access to accumulated knowledge at minimal cost; 3) ensure the elimination of time and space barriers, which ultimately creates an instant exchange of information between buyers and sellers; 4) provide a fully valuable implementation of the principle of market transparency.

Conclusions. The conducted study has allowed us to draw the following conclusions. First, the analysis of the loan and investment bank portfolio structure has shown the rising of banks' interest to the operations in the stock market and forming of the investment bank business model in Ukraine.

But the structure of the investment portfolio of Ukrainian banks is dominated by domestic government bonds.

Second, the analysis of the volume structure of exchange contracts for financial instruments has shown domination of domestic government bonds like in banks' investment portfolios that proves the necessity of building full, effective and efficient domestic stock market, balancing all its segments and infrastructure development.

Third, infrastructure development is key step on the way to formation of developed stock market as it ensures its smooth functioning and as result can stimulate the investment bank business model formation.

Forth, the studying of the stock market infrastructure essence has substantiated the using of institutional approach that provides

the identification the level of its development through system of institutions.

To the infrastructure participants in the stock market author carried out stock organization of trade in financial instruments, clearing institutions, depository system, information, analytical and rating agencies. The influence of digital technologies on the development of the stock market infrastructure in Ukraine was grounded.

Fifth, the analyses and characteristic of the Ukrainian market infrastructure has shown that the Ukrainian stock market infrastructure is actively developing in the direction of creating conditions that brings it as close as possible to European and world standards. But low level of trade volume, especially in stocks, slows down as the stock market infrastructure development, so forming of investment business model.

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