There is a strong connection between confirmation and overconfidence biases. Both of these fallacies seem to be typical for the majority of cryptocurrency traders. Moreover, their judgments also depend on an "original point". The first experience that we receive to make a decision has an overly strong effect on our decision-making. The phenomena of our evaluation adjustment is known as anchoring bias. Important to note is that anchoring bias seems to have its strongest effect when we have no real idea of what the right decision is (for example for novice investors, the concept of crypto-currency can be something abstract with unpredictable behavior).

At the same time, anchoring effect could explain us difference in investor behavior depending on the time of entering the Bitcoin market. For instance at the beginning of 2013 Bitcoin price was around 50$ per coin and at the end of 2017 (before the significant crush) the price was up to 19.000$. [4] It is quite logical that the forecast of the prices and overall forecast of investors that started trading Bitcoin at 2013 and at 2017 will defer. This bias occurs due to the difference of the initial value with which further changes are compared. Furthermore, it is hard to imagine for an investor who bought bitcoin for 25$ that there is a probability that this asset will ten times increase in price.

To conclude, cognitive biases such as confirmation bias and anchoring bias create limits for objective analysis and rational decision-making process. Cryptocurrency market is booming and attractive investment opportunity which at the same time characterized by unpredictable behavior and many speculations on that trendy issue. Due to the huge number of pseudoscientific articles and forecasts, individuals are faced with biased decision-making environment.

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IMPACT OF SOLVENCY II REGULATIONS ON CAPITAL FORMATION IN THE INSURANCE INDUSTRY

Insurance plays essential, extensive role in economic development and has considerable influence on the society. With a 32% share of the global market, the European insurance industry is the largest in the world, followed by North America (31%) and Asia (30%).

Directive 2009/138/EC of The European Parliament And of the Council of 25 November 2009 On the Taking-up and Pursuit of the Business of Insurance and Reinsurance (Solvency II) is a Directive in European Union law that codifies and harmonizes the EU insurance regulation. First of all this concerns the amount of capital that EU insurance companies must hold to reduce the risk of insolvency.

Initial Solvency I Directive 73/239/EEC was adopted in 1973. The third generation of life (92/96/EEC) and non-life (92/49/EEC) Insurance Directives were adopted in the mid-1990s in order to unify regulations, enhance consumer protection and establish the single market for insurance. They provided an "EU passport" for insurers to operate in all member states if they fulfilled EU conditions. The system of legislation, created in Europe, implies mutual recognition of the supervision exercised by different national authorities according to rules harmonized at the EU level. The requirement for adequate solvency margin establishing for insurance companies has become one of the most important common prudential rules.

Solvency II came into effect on 1 January 2016, following an EU Parliament vote on the Omnibus II Directive on 11 March 2014.

Along with endowment funds, commercial banks, mutual funds, hedge funds, pension funds insurance companies belong to institutional investment community. Institutional investors are the organizations that invest on behalf of its members.

Insurance companies are the largest institutional investor in Europe and serve as an important provider of the investment needed for economic development and growth. Premiums paid to insurers are invested in different assets until liabilities' maturity. Since most of their assets back long-term liabilities, insurers invest long-term. How their investment portfolio evolves is therefore closely linked to a range of macroeconomic factors and developments in financial markets? Macroeconomic developments and a range of other factors such as monetary policy rates can affect the levels of premiums insurers receive to invest, while developments in financial markets directly affect the performance of their long-term assets.

The total investment portfolio managed by Insurance Europe's member companies in 2015 grew by 2.8% to €9 897bn. Average asset allocations of insurance companies is presented in Table 1. As shown in Table 1, more than 70 % of European insurers' portfolio was made up of bonds during the analyzed period. In general insurers' allocations to debtlike products are generally significantly higher than to equity. Long duration of these debt investments (particularly in the case of life insurers), changes in yield and spread levels have the biggest impact on overall investment performance.

Table 1. **Average Asset Allocations**

Assets	Year					
	2010	2011	2012	2013	2014	2015
Bonds	73.8%	74.8%	74.1 %	73.9%	74.1%	73.6%
Equities	5.9%	5.0%	5.1%	6.0%	5.8%	5.9%
Private equity	0.6%	0.6%	0.6%	0.6%	0.7%	0.6%
Hedge funds	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%
Property	5.8%	5.8%	5.9%	5.9%	5.5%	5.7%
Mortgage loans	2.8%	2.7%	2.7%	3.2%	3.0%	3.3%
Other loans	0.6%	0.5%	0.6%	0.8%	1.2%	1.3%
Bank deposits	7.2%	7.5%	7.8%	6.8%	6.7%	6.8%
Other assets	2.9%	2.8%	2.9%	2.5%	2.7%	2.6%

Source: Standard & Poor's (S&P)

External challenges, increased competition, financial volatility, as well as regulatory, political and economic changes have substantial impact on income streams and consumer demand and force insurance companies to review their business models, strategies, products on order to become relevant to the new environment.

In European insurance outlook 2017, presented by EY, it is underlined that regulatory changes that reduce risk charges for equity investments into higher-quality infrastructure corporates will make them more attractive. Shifts into infrastructure and other "socially useful" asset classes are likely to continue to receive both political impetus and support from shareholders.

Negative government and corporate bond yields in many markets are acting as a catalyst for change. Insurers forced to abandon traditional instruments in favor of solutions-driven classes in order to generate satisfactory returns in a risk-managed way. According to the experts from Standard Life Investments areas of particular interest for insurance companies at present include:

- designing Solvency II-optimized investment grade corporate bond portfolios to replace sovereign bond portfolios, to enhance yields in a Solvency II capital-efficient manner;
- using derivative overlay strategies to reduce the capital requirements of equity portfolios, thereby allowing insurers to de-risk without divesting from the equity portfolio.

Competitive, reliable and trusted insurance industry is an essential condition for the prosperity and development of the economy. In current environment of economic, political and social ambiguity and instability private and legal entities require protection against losses and long-term savings products more than ever; as well as counties' economies require investment.

Nowadays insurance companies in the conditions of Solvency II Directive requirement, probably the most sophisticated and comprehensive risk-based regime in the world, while preparing for wider regulatory change. Companies are forced to introduce changes in investment strategies in order to generate returns in a risk-efficient manner, adjust their business processes and strategies to the new reality.

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ФІНАНСОВІ ІННОВАЦІЇ НА СУЧАСНОМУ ЕТАПІ РОЗВИТКУ ЕКОНОМІКИ

За останні декілька десятиліть фінансові сектори економік більшості країн світу зазнали величезних змін. Виникнення та поширення різних фінансових продуктів, видів діяльності та організаційних форм розпочалися у 1980-1990-х роках і продовжують тривати нині. Під фінансовою інновацією розуміється поява нових фінансових продуктів, технологій або організаційних форм бізнесу, що дозволяють знизити витрати і (або) ризики економічних агентів [1]. Традиційно на світових ринках прийнято розрізняти такі типи фінансових інновацій, як:

- інновації фінансових продуктів та інструментів;
- інновації фінансових процесів.

До інновацій фінансових продуктів та інструментів відносять інструменти фінансування (наприклад, плаваючі чи від'ємні процентні ставки), інструменти хеджування (фінансові ф'ючерси, опціони, свопи, форвардні угоди) і спеціальні фінансові послуги (злиття і поглинання, проектне фінансування, портфельний менеджмент). До інновацій фінансових процесів відносять інновації, обумовлені вдосконаленням технологій (електронний банкінг, електронні гроші) та інновації в засобах фінансування та виконання (сек'юритизація активів, неттинг, створення пулів). [2]

Згідно з конкурсом The 2017 Financial Innovation Awards, було обрано та нагороджено 28 переможців у сфері фінансових інновацій, спільно з Лондонським інститутом банківського та фінансового права. Більшість проектів стосувалися спрощення і водночас посилення системи доступу до цифрового банкінгу через смартфони, створення хмарних платформ для надання можливості кооперативним банкам надавати свої послуги користувачам, підвищення зацікавленості споживачів за допомогою цифрових інновацій, автоматизація процесів праці [3-4]. Тобто, такі інновації спрямовані на маркетингову складову і створюються для "полегшення життя" клієнтів через простоту та надійність використання послуг.

Відповідно до квартальної статистики KPMG International, глобальні інвестиції у фінансові технології зменшились в об'ємах в першому кварталі 2017 року, із загальною сумою інвестицій по всьому світу у 3,2 млрд доларів, в порівнянні з 4,15 млрд доларів у четвертому кварталі 2016 року. Фінансування венчурного капіталу для фінансових