Economic Affairs, Vol. 68, No. 03, pp. 1683-1692, September 2023
DOI: 10.46852/0424-2513.3.2023.33

AESSRA

Review Paper

Banking Sector Stability and Economic Development: Assessment of Risks and Efficiency

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Received: 22-04-2023 **Revised:** 20-08-2023 **Accepted:** 01-09-2023

ABSTRACT

The banking sector plays a crucial role in the modern economy and serves as a significant catalyst for its development and stability. A well-functioning banking system is essential to ensure the effective functioning of other sectors of the economy, including support for businesses, households, and investors. However, the banking sector's substantial importance and significance also make it particularly sensitive to various risks and uncertainties. First and foremost, financial instability in the banking sector can impact the overall economy. It can lead to downturns and crises. Such events emphasize the importance of studying and analyzing the risks associated with banking activities and developing effective mechanisms for their management. This article aims to investigate the stability of the banking sector and its interrelation with economic development. The authors analyzed the banking system's key risks, such as credit, liquidity, market, and operational risks. In addition, they examined the impact of such factors as macroeconomic changes, regulatory measures, and innovations on the financial stability of banks. Furthermore, the effectiveness of different tools and methods to reduce the risks and ensure the banking sector's stability is considered. The studies aim to increase the scientific understanding of the issues mentioned above and provide practical recommendations for making reasonable decisions in the sphere of banking policy. The research findings will be helpful for scholars, economists, financial institutions, regulators, and all stakeholders working in the field of financial stability and economic development.

HIGHLIGHTS

- The authors highlight the importance of improving banks' monitoring, regulation, and supervision to ensure their stability and support economic development.

Keywords: Financial institutions, banking system, financial markets, financial crises, systemic risk

A necessary prerequisite for developing market relations in Ukraine is a properly functioning and adequate banking system. Its transparent and effectively coordinated operation directly affects the state of settlements, continuity of commodity and monetary circulation, flexibility and elasticity of the monetary system, the strength of the national currency, and the development of the real sector of the economy. Unfortunately, today's realities indicate that Ukraine's overall socio-economic and political situation has led to instability in the financial market. This, in turn, has resulted in the spread of bank bankruptcies (Ruda, 2022).

How to cite this article: Korneev, V., Dziubliuk, O., Tymkiv, A., Antkiv, V. and Kucherenko, N. (2023). Banking Sector Stability and Economic Development: Assessment of Risks and Efficiency. *Econ. Aff.*, **68**(03): 1683-1692.

Source of Support: None; **Conflict of Interest:** None

This problematic situation is further exacerbated by the increasing inability of banks to make payments and provide long-term credits for the development of the real sector of the economy. It has negatively impacted enterprises' solvency and further led to a decline in production (Boubaker *et al.* 2023).

One of the main factors contributing to such instability in the banking system is the low credit quality of assets in the banking sector. Increased competition, macroeconomic environment changes, and customer solvency deterioration contributed to the growth of non-performing assets in bank portfolios (Korneev *et al.* 2022).

An additional reason for the crisis was the insufficiently effective mechanisms of banking supervision and control over risky operations, as well as inadequate sanitation and liquidation of insolvent banks. Such inadequate control has led to the spread of dangerous practices in the financial system (Todosiichuk, 2022).

The following decisive measures should be taken to overcome the crisis and ensure the resilience of the banking system, namely:

- to improve banking supervision and regulation;
- to strengthen the banks' capitalization;
- to improve the mechanisms for the rehabilitation and liquidation of insolvent banks.

Additionally, it is essential to develop the market for financial instruments, which will help increase enterprises' access to financing sources and reduce their dependence on bank loans (Davydenko et al., 2023).

The Ukrainian banking system can be improved by attracting new financial resources to develop the entire economy. In addition, reforming the regulatory system and attracting foreign investment can provide additional stimuli.

The implementation of comprehensive measures to ensure the banking system's stability is of great importance for restoring trust in the financial sector and ensuring sustainable economic development in Ukraine.

The correlation between the stability of the banking sector and economic development is of utmost importance for sustainable economic growth in a country. These two aspects closely influence each other and can mutually reinforce or weaken economic dynamics. In Ukraine's financial system and banking sector, there is a stable trend of increasing financially distressed enterprises in various industries, especially in the banking market. The methodology, which includes a system of indicators for assessing the level of transparency of business entities, has been developed to study and manage the problem of banking institutions' management. Different analytical methods allow the classification of banks based on their transparency levels and the formation of strategies to improve transparency management. Such an approach reduces information asymmetry, enhances responsiveness to external shocks, and improves trust in business entities, thereby positively impacting the country's financial indicators (Azarenkova *et al.* 2022).

The banking sector is crucial in financing the economy by providing credits and financial services to businesses and households. When banks are stable and capable of effectively managing risks, it stimulates investments in the real sector, promotes the development of new projects, and increases production. On the other hand, an unstable banking sector can limit access to credit, increase the cost of borrowing resources, and reduce the financing volume, leading to delays in economic growth (Onyshchenko, Maslii, *et al.* 2023). Key risks the banking system faces include credit, liquidity, market, and operational risks. The impact of macroeconomic changes, regulatory measures, and innovations on the financial stability of banks can be significant and multifaceted.

A credit risk may arise due to borrowers' failure to meet their repayment obligations. Credit risk can increase during periods of economic recession when the number of non-performing assets in a bank's loan portfolio grows. Substantial losses from borrower defaults can severely undermine a bank's capital and financial stability (Delice *et al.* 2022).

Liquidity risk is associated with insufficient liquid assets to meet payments and fulfill client obligations. It can arise from increased client withdrawals, adverse changes in market conditions, or limited access to financial resources. Loss of confidence in a bank can lead to a run on deposits, further exacerbating the bank's liquidity position.

Market risk is linked to changes in the value of assets and liabilities due to fluctuations in financial markets. Market risk can arise from changes in interest rates, currency exchange rates, asset prices, and other market factors. Changes in market parameters can impact a bank's profitability and financial condition (Owoeye, 2023).

Operational risk also significantly affects the stability of the banking system. It refers to the risk of losses from unforeseen circumstances related to internal processes, management, personnel policies, and technological issues. Operational risk can include cyber-attacks, human errors, technical failures, and other adverse events that can result in losses for the bank (Martí *et al.* 2022).

The influence of macroeconomic changes, regulatory measures, and innovations on the financial stability of banks can be pretty substantial. The changes in macroeconomic conditions, such as economic growth or contraction, inflation, unemployment, and other factors, can significantly impact the banking system. Economic downturns can increase credit risk due to the rising defaults of borrowers. Additionally, changes in market conditions can heighten market risk for banks, especially those with significant asset portfolios (Yudina *et al.* 2022).

Regulatory actions and government policies can also significantly impact the financial stability of banks. For instance, changes in banking legislation, the establishment of new capital requirements, and risk limits can affect a bank's business model and profitability. A well-adjusted regulatory framework can help mitigate risks for banks and enhance trust in the system.

The implementation of new technologies and innovations can enhance the efficiency of the banking system. However, it also introduces unknown risks. For instance, adopting digital payment systems may streamline customer processes but can also create new risks related to cybersecurity and manipulation.

It is clear that maintaining the banking system's stability and reducing risks requires a comprehensive approach that involves the collaboration of regulators, banks, and the government. Key factors include determining adequate capitalization and liquidity levels, developing an effective risk management system, and constantly monitoring and analyzing the economic environment and external factors (Addai *et al.* 2023). Only through joint efforts can the banking system's stability be ensured, fostering the country's economic development.

A stable banking sector helps avoid the emergence of systemic risks that could affect the entire economy. When banks are resilient and well-capitalized, they can better cope with losses that may arise due to unforeseen circumstances. Instability in the banking sector can lead to severe financial crises that can have a widespread impact on unemployment levels, a decrease in production output, and an overall economic downturn (Yuan *et al.* 2022).

A stable banking sector contributes to increased trust among both investors and consumers. Investors are more confident that their money will be preserved in banks and more willing to invest in the real sector. Increased investment supports economic growth and business expansion. Consumer trust is also crucial for sustaining purchasing power and consumer spending, since it positively impacts production levels and economic development. A stable banking sector is one of the fundamental prerequisites for ensuring financial stability. It helps to reduce the risk of financial crises, preserves the value of the national currency, and stabilizes the prices. Financial stability supports confidence in the economic system, encourages investment, and promotes overall economic development (Miroshnichenko I. *et al.* 2022).

The efficient functioning of the banking sector facilitates access to financial resources, supports financial stability, and fosters economic growth. Regulators, policymakers, and bankers must work together to uphold the banking sector's strength, ensuring economic prosperity and well-being for the country.

Assessing the risks and efficiency of the banking system is a complex and multifaceted task involving the analysis of various indicators and parameters. Evaluating the risk management and control system is a crucial aspect of assessing the efficiency of the banking system. Ensuring proper risk management and control levels reduces the likelihood of issues and enhances the resilience of banks.

The assessment of risks and efficiency of the banking system necessitates the use of diverse methodologies and analytical tools. These may include statistical methods, stress tests, scenario-based systemic analysis, as well as comparisons with standards and norms set by regulators.

Additionally, evaluating risks and efficiency may involve gathering and analyzing bank financial statements, conducting audits, and assessing risk management activities and policies.

The following measures can be proposed to improve the efficiency of the banking system and reduce risks:

1. Capitalization enhancement. Ensuring an adequate level of capitalization helps reduce bank risks and enhances its resilience to unforeseen losses.
2. Improved risk management systems. Implementing modern technologies and risk management methods helps lower the likelihood of problems and improves responsiveness to them.
3. Asset and portfolio diversification. Risk diversification through investments in diverse assets and enterprises helps reduce the bank's dependency on specific sectors and market changes.
4. Implementation of stable balanced development strategies. Strategies aimed at stable balanced development help maintain the bank's profitability and ensure steady growth.
5. Strengthening control and supervision. Adequate control and supervision of the bank's activities help maintain compliance with standards and prevent potential risks.
6. Continued investment in technology. Introducing innovative technologies and digital solutions enhances the bank's operational efficiency, reduces costs, and improves customer service.

Considering all these aspects, assessing risks and efficiency in the banking system is an essential tool for ensuring stability and sustainable development of the country's financial sector. Active implementation of the proposed measures will help optimize the functioning of banks and reduce risks for the overall economy.

Ensuring the banking system's stability is one of the key tasks for achieving economic development in the country. Stable banks form the foundation of trust and long-term stability in the financial system, influencing the real sector of the economy and societal well-being.

Several aspects ensure the stability of the banking system is critical for economic development:

1. Building trust and stability. A stable banking sector fosters trust among clients and investors in the banks and the overall financial system. Consumer and investor confidence in banks is a crucial factor in attracting deposits and investments, providing stability to the financial market.
2. Protecting depositors and investors. A stable banking sector ensures the protection of depositors and investors from potential risks and losses. It encourages people to keep their money in banks, providing banks with additional resources to credit businesses and supporting the development of the real sector.
3. Efficient financial intermediation. Stable banks can effectively perform the role of financial intermediaries, mobilizing resources from depositors and providing credit to the real sector. It supports production, investments, and innovation, contributing to economic growth.
4. Reducing the risk of financial crises. A stable banking sector minimizes the risk of financial problems that can have widespread impacts on the country's economy. This helps maintain economic stability and predictability.
5. Supporting small and medium-sized businesses. Stable banks can provide loans and financial support to small and medium-sized enterprises, which are critical sources of job creation and innovation.
6. Ensuring financial inclusion. Stable banks promote financial inclusion by providing access to financial services for all population segments, including those living in remote regions and with low incomes.
7. Attracting foreign investments. A stable banking sector creates favorable conditions for attracting foreign investments, increasing capital inflows, and stimulating economic development.

Ensuring the banking system's stability is a prerequisite for achieving economic development, creating conditions for balanced growth, strength, and long-term success. It requires responsible actions from the government, regulators, and banks working together to ensure effective regulation and supervision of banking activities.

MATERIALS AND METHODS

The research methodology is based on a combination of several analytical methods that allow for an in-depth study of the correlation between banking sector stability and economic development, as well as an assessment of risks and efficiency of the banking system. The main stages of the methodology included:

1. Collection and analysis of references. The first stage involves gathering scientific articles, research papers, reports, and other literary sources related to banking sector stability, economic development, and risks in the banking system.
2. Data selection and processing. The next stage involves data collection and processing. Statistical data on the financial activities of banks, market indicators, macroeconomic indicators of the country, and other relevant data are used to study the banking sector's stability and economic development. The data undergo statistical analysis to identify trends and dependencies.
3. Risk analysis. The research analyzes key risks faced by the banking system, such as credit risk, liquidity risk, market risk, and operational risk. Various analytical approaches, including statistical methods, risk modeling, and financial data analysis, are used to assess these risks.
4. Study of influencing factors. The research also includes studying the impact of various factors on the banking sector's stability and economic development. These factors may include macroeconomic changes, regulatory measures, innovations, and globalization trends, among others. Understanding the influence of these factors helps comprehend how they interact and their effects on the banking system's stability.
5. Statistical analysis and modeling. The regression analysis was used for a quantitative evaluation of the stability of the banking sector and its efficiency.

The regression equation will be as follows:

$$\begin{cases} y_1 = a_{10} + a_{11}x_{11} + \cdots + a_{1n}x_{1n} \\ y_2 = a_{20} + a_{21}x_{21} + \cdots + a_{2n}x_{2n} \\ y_3 = a_{30} + a_{31}x_{31} + \cdots + a_{3n}x_{3n} \end{cases} \quad \ldots(1)$$

This study examines various indicators and variables characterizing the financial activities of banks and their influence on economic processes. Each variable has its own meaning and relationship with the others, which is reflected in the following values:

y_1 - total assets of banks (in a million UAH), representing the overall volume of assets owned by banks in Ukraine.

y_2 - capital and reserves of banks (in a million UAH), including the amount of capital and reserves that banks utilize to support their operations and have at their disposal.

y_3 - expenses of banks (in a million UAH), reflecting the overall level of expenses incurred by banks in Ukraine.

x_1 - revenues of banks (in million UAH), characterizing the efficiency and profitability of banks, which, in turn, may influence banks' decisions regarding lending and other operations.

x_2 - bank loans (in a million UAH), representing the financial activity and reflecting the opportunities and needs of borrowers.

x_3 - State Budget expenditures (in million UAH), reflecting the state's expenses on economic and social needs.

RESULTS

One of the key outcomes of this study is to determine the impact of the credit market on the banking system's sustainability. The analysis of statistical data and econometric methods allowed us to establish the correlation between credit volumes and bank capital. This helps us to understand what factors contribute to the balanced development of the banking system. These factors are essential for understanding the financial stability of the banking

Table 1: The results of calculating the regression equation of banks' total assets

	Ratio	Standard error	T criterion	P-value
Total banks' assets, UAH million	578557.2	219196.5	2.639	0.010024
Banks' capital and reserves, UAH million	3.84	0.58	6.664	3.4E-09
Banks' income, UAH million	-1.67	0.42	-3.985	0.000151
Banks' loans, UAH million	0.78	0.21	3.756	0.000332
Retail trade turnover, UAH million	15.9	0.92	17.427	1.28E-28
Exports of goods and services, USD million	77.2	14	-5.515	4.38E-07

sector and its impact on the country's economic growth. The analysis of the interrelation and dynamics of these variables will help to understand the efficiency of the banking system, the risks and opportunities for its development, and to determine the impact of public financial resources on economic growth.

The results (Table 1) of calculating the regression equation for total banks' assets showed that there is a statistically significant relationship between total banks' assets and other factors. The coefficients for the total banks' assets are statistically substantial (P-value less than 0.05) and demonstrate the impact of banks' capital and reserves, income, loans, retail trade turnover, and exports of goods and services on the total banks' assets. For example, each increase in banks' capital and reserves by UAH 1 million leads to an increase in the total banks' assets by UAH 3.84 million. Moreover, an increase in retail turnover by UAH 1 million leads to an increase in total assets by UAH 15.9 million. On the other hand, an increase in exports of goods and services by USD 1 million reduces the total banks' assets by UAH 77.2 million.

Table 2: The regression statistics for the equation of banks' capital and reserves

Multiple R	0.94
R-squared	0.95
Standardized R-squared	0.94
Standard error	13305.75
Observations	78

The regression statistics for the equation of banks' capital and reserves show a fairly high level of the model's adequacy. The multiple R (the correlation coefficient between the dependent and all independent variables) is 0.94. It indicates a good dependence of the capital and reserves variable on other factors. The R-squared, which determines the proportion of the variance of the dependent variable that can be explained by the independent variables, is 0.95. The standardized R-squared is also high, equal to 0.94. The standard error measures the model's accuracy and is 13305.75. Overall, the model provides a sound basis for understanding the dependence of banks' capital and reserves on other factors based on the provided data with 78 observations.

The results (Table 3) of estimating the regression equation for banks' capital and reserves showed a significant connection between these variables and other factors. The coefficients for banks' capital and reserves are statistically significant (p-value less than 0.05) and demonstrate a considerable impact of banks' total assets, expenses, central budget expenditures, retail trade turnover, and exports of goods and services on banks' capital and reserves. For example, each increase in total banks' assets by UAH 1 million leads to an increase in capital and reserves by UAH 69733.57. Also, an increase in retail turnover by UAH 1 million leads to an increase in capital and reserves by UAH 2.63 million. On the other hand, an increase in exports of goods and services by USD 1 million reduces capital and reserves by UAH 8.96 million.

The results (Table 4) of calculating the regression equation of banks' expenses showed that there is a significant correlation between this coefficient and the factors that affect changes in banks' expenses. The analysis showed that an increase in banks' loans by UAH 1 million leads to an increase in banks' expenses by UAH 213 thousand. In addition, with an increase in retail trade turnover by UAH 1 million, banks' expenses increased by UAH 345 thousand. However, an increase in exports of goods and services by UAH 1 million leads to a decrease in bank expenditures by UAH 697 thousand.

These results indicate the impact of various factors on banks' expenditures and financial activity.

Table 3: The results of calculating the regression equation of banks' capital and reserves

	Ratio	Standard error	T criterion	P-value
Banks' capital and reserves, UAH million	69733.57	7519.8	9.273	3Д8569E-14
Total banks' assets, UAH million	0.1	0.01	6.967	9Д0337E-10
Banks' expenses, UAH million	0.16	0.09	1.773	0.040112
State budget expenditures, UAH million	-0.04	0.01	-4.653	1.31395E-05
Retail trade turnover, UAH million	2.63	0.20	13.031	2.84909E-21
Exports of goods and services, USD million	-8.96	2.44	-3.675	0.000434029

Table 4: The results of calculating the regression equation for bank expenditures

	Ratio	Standard error	T criterion	P-value
Banks' expenses, UAH million	82532.01	41182.33	2.246	0.02751084
Total banks' assets, UAH million	-0.08	0.02	-3.641	0.00048603
Banks' capital and reserves, UAH million	0.24	0.14	1.772	0.05031655
Banks' income, UAH million	0.58	0.07	7.811	2Д7856E-11
Banks' loans, UAH million	-0.08	0.04	-2.227	0.02880348
State budget expenditures, UAH million	0.13	0.01	16.66	2.05341E-27

The analysis of the regression equation helps to understand which factors have the greatest impact on banks' expenses. It helps to make conclusions for effective management of banks' financial activities.

The following conclusions can be made based on the calculation results. The changes in banks' total assets can cause 89% of the changes in banks' income, bank loans, retail turnover, and exports of goods and services. For the equation of total banks' assets, the p-value for each coefficient is less than 0.05. That means that all the coefficients of the equation are statistically significant.

The value of the coefficient for banks' loans is positive and statistically significant (p-value is less than 0.05). In other words, an increase in banks' loans by UAH 1 million leads to an increase in total assets by UAH 780 thousand as banks provide loans to their customers. This may lead to an increase in banks' assets, for example, loans.

The coefficient of retail turnover shows that with an increase in retail turnover by UAH 1 million, the total banks' assets increase by UAH 15.89 million. For example, this can be explained by the fact that an increase in trade turnover can lead to an increase in deposits and other financial transactions. In turn, it leads to an increase in banks' assets.

An increase in exports of goods and services by UAH 1 million leads to a decrease in total assets by UAH 77.19 million. In other words, an increase in exports may lead to a decrease in demand in domestic markets, which reduces banks' income. In addition, increased exports may reduce the demand for national currency in Ukrainian markets and increase the demand for other currencies. This may lead to a decrease in the amount of deposits in Ukrainian banks that may be held in foreign currency.

The study of banks' capital and reserves showed a close link between these variables and the factor ones. Almost 85% of the variation in the dynamics of banks' capital and reserves can be explained by the total banks' assets, expenses, and central government expenditures.

The research findings provide a basis for a more detailed analysis and understanding of the connection between the banking sector's stability and the factors affecting it. This, in turn, will help to develop effective strategies and recommendations to ensure the stable and efficient functioning of the Ukrainian banking system.

The study also identified the key risks faced by the banking system, such as credit risk, liquidity risk, market risk, and operational risk. It allows banks and regulators to manage these risks and take necessary measures to support the banking sector's stability.

The authors also identified the impact of various factors on banking sector stability and economic development. The study of macroeconomic changes, regulatory measures, and innovations helps to understand how these factors interact and how they can be used to enhance the banking sector's stability.

The obtained results of the study can be used to develop more effective strategies for risk management and increase the resilience of the Ukrainian banking system.

DISCUSSION

In this article, we explored the relationship between the stability of the banking sector and economic development, focusing on assessing risks and efficiency within the banking system. The obtained results allow for examining factors influencing bank resilience and the impact of the financial sector on the overall economy (Tarczynska-Luniewska *et al.* 2022).

Specifically, our analysis showed that the banking sector's stability is a crucial prerequisite for the effective functioning of the economy. Fluctuations and instability in the banking sector can affect credit availability for businesses and households, limit opportunities for investments and production growth, and impact consumer spending and overall economic activity. Therefore, ensuring the banking system's stability becomes a vital task to achieve economic development (Abidillah *et al.* 2022).

The conducted research on risks in the banking system highlights the necessity of strengthening supervision and regulation. The increasing number of problem assets in banking portfolios, unsatisfactory credit quality, and the inability of banks to provide long-term credit for the real sector of the economy indicate the need for more proactive measures to enhance financial stability (Zhang *et al.* 2023).

However, one of the key challenges lies in balanced regulation, which would avoid excessive constraints on banking activities and ensure the preservation of the competitiveness of the financial sector. Overregulation may lead to insufficient credit activity by banks, which could hamper economic growth (Matolcsy, 2022), (Nahursky *et al.* 2022).

During an assessment of the banking system's efficiency, we concluded that developing and implementing cutting-edge technologies and innovations are crucial factors in improving banks' productivity and the quality of financial services provided. Supporting the digitization of banking operations and implementing online services will promote efficiency growth and enhance the accessibility of banking services for clients (Tang *et al.* 2022).

Furthermore, an essential aspect of the discussion is the role of regulators and supervisory authorities in supporting banking system stability and ensuring economic development. Effective cooperation between banks and regulators is vital for timely risk detection and adequate responses. Our article aims to contribute to advancing scientific understanding of banking sector stability issues and their impact on economic development.

The obtained results can be utilized to formulate recommendations for policymakers, regulators, and financial institutions to enhance the banking system's stability and foster economic growth. The noted findings may also serve as a basis for further research in the field of banking stability and efficiency, contributing to the advancement of knowledge in this area.

However, our work also has some limitations that should be considered when considering the results. For instance, this article does not believe global factors such as international crises, geopolitical events, and changes in the world economy. These factors can also impact the banking system's stability and the country's economic development.

It is important to note that assessing risks and the efficiency of the banking system is a complex task, as these processes depend on various factors that can change over time. Therefore, for accurate assessments, it is necessary to continuously improve the analysis methodology and consider current trends (Tsagkanos *et al.* 2022).

In the future, it is desirable to expand the scope of research to understand the impact of other factors on the banking system's stability and identify optimal risk management strategies. Additionally, research can focus on comparing regulatory and supervisory approaches in different countries, as well as evaluating the influence of technological innovations on the banking system and financial institutions' efficiency.

The stability of the banking sector and economic development are integral components of sustainable progress for a country. Studying the risks faced by the banking system and the efficiency of financial institutions helps identify issues and potential opportunities for improving the functioning of the banking sector. The obtained results can serve as a basis for developing and implementing effective policies to ensure the stability of banks and support economic development in Ukraine.

CONCLUSION

This article analyzes the interrelation between banking sector stability and economic development. The authors have found that the banking system is a key factor in providing access to capital for businesses and individuals, as well as supporting the real economy. The banking system's stability is a prerequisite for the country's sustainable economic development. It ensures the continuity of commodity and money circulation, the flexibility and resilience of the monetary system, and the national currency's strength.

This paper explores the main risks to which the banking system is exposed, including credit, liquidity, market, and operational risks. It was found that these risks can negatively affect banks' financial stability and threaten the country's economic development. Therefore, effective risk management is a prerequisite for stabilizing the banking system and supporting economic growth.

The impact of macroeconomic changes, regulatory measures, and innovations on the financial stability of banks was also investigated. It has been found that macroeconomic changes can affect the risks of the banking system, so an effective macroeconomic policy is vital for ensuring the stability of banks. The regulatory measures are aimed at controlling and minimizing risks, which helps maintain the banking system's financial stability.

In the context of globalization and the growing interaction of countries in the global market environment, cooperation between states and regulators is becoming essential to ensure the banking system's stability and effective risk management. The implementation of effective risk management, adaptation to changes in the global financial environment, and cooperation between all stakeholders are essential to ensure a sustainable and prosperous banking system that will support the country's economic development in the long run.

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