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DETERMINANTS AND THREATS TO FINANCIAL SECURITY OF THE BANKING SECTOR

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Abstract: *The article identifies the need for and importance of increased attention to clarifying the determinants and threats to the financial security of the banking sector (FSBS) of the national economy. The level of coverage of this issue in the economic literature is analyzed. Based on a critical analysis of the existing views of researchers, the author identified the lack of unambiguous interpretation of the essence of determinants and threats to FSBS and their varieties in the economic literature, their incomplete list and insufficiently substantiated interpretation, which complicates the development of effective approaches to development of the system of FSBS. The author's clarification of the lists of determinants and threats to FSBS is offered.*

Keywords: *banking sector, security, danger, financial security of the banking sector, determinants, threats.*

Ensuring the financial security of the banking sector (FSBS) of the national economy is of paramount importance, as its level depends not only on the functioning of the banking sector (BS), but also on the nature of socio-economic development of the country.

The level of FSBS is determined by numerous determinants that affect it in different ways, increasing or decreasing it. At the same time, FSBS is exposed to internal and external challenges, threats, and risks.

The development of an effective system of FSBS requires a comprehensive definition of the above determinants and threats, as it will largely depend on the adoption of sound management decisions to ensure various aspects of the functioning of both BS in general and individual commercial banks (CB) in particular.

The purpose of the article is to clarify the list of determinants and threats to FSBS, which will improve the justification behind the development of the system of its provision.

The article identifies the need for and importance of increased attention to clarifying the determinants and FSBS threats of the national economy. The level of coverage of this issue in the economic literature is analyzed. Based on a critical analysis of the existing views of researchers, the author identified the lack of unambiguous interpretation of the essence of determinants and threats to FSBS and their varieties in the economic literature, their incomplete list and insufficiently substantiated interpretation, which complicates the development of effective approaches to development of the system of FSBS. The author's

clarification of the lists of determinants and threats to FSBS is offered.

The author further developed the definition of the list of determinants of FBBS considering, along with the well-known ones, such as: mixed organization of money circulation in the country; coordination / lack of financial and monetary instruments; prevalence of certain business models of the CB in the BS; significant amounts of money exports from the country; cryptocurrency market; devaluation of CB balance sheets; blockchain; losses of CB clients due to crisis / various pandemics. The author completed the list of FSBS threats by distinguishing such as: lack of clear

definition of long-term prospects for the development of the banking business; increase in the number and volume of unauthorized transactions using payment cards and cyber attacks; the ability to use a cryptocurrency to have a payment system outside the BS, which increases the scale of the shadow economy; destructive social engineering.

A clear definition of the determinants and FSBS threats allows a reasoned approach to the development and implementation of effective management decisions for the formation and operation of an effective system for providing FSBS.

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