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## INFLUENCE OF GEOPOLITICAL RISKS ON INVESTMENT ACTIVITIES OF BANKS WITH FOREIGN CAPITAL IN UKRAINE

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**Abstract.** *The article determined that in 2021-2023, investment activity took a leading role among the active operations of banks with foreign capital in Ukraine. The growth of the investment portfolio of banks due to the increase in the volume of transactions with securities has been established. A conclusion was made about the imperfection of the domestic stock market and the need to form a balanced state investment policy.*

**Key words:** *geopolitical risks, investment activity, investment portfolio, investment securities, banks with foreign capital.*

The article states that banks with foreign capital are active participants in investment processes and have a significant impact on the financial and investment security of Ukraine. The need to determine the level of investment activity of banks with foreign capital in Ukraine in order to form directions for restoring the pace of innovation and investment growth of the national economy in conditions of geopolitical instability has been updated. Based on the analysis of the structure of total assets and the volume of the investment portfolio, it was determined that in 2021-2023, investment activity assumed a leading role among the active operations of banks with foreign capital in Ukraine. Based on the analysis of the elemental composition,

it was established that the growth of the investment portfolio occurred due to an increase in the volume of transactions with securities (depreciated value) as a result of increased interest of banks with foreign capital in transactions on the stock market of Ukraine and the expansion of their investment activities in this direction. It is emphasized that the predominance of government securities in the investment portfolio is due to their attractiveness in terms of profitability and risk. It was determined that the increase in income from transactions with securities provided a general increase in the interest income of banks with foreign capital. At the same time, a conclusion was made about the

imperfection of the domestic stock market based on a comparison of the level of income of banks with foreign capital from lending and the profitability of operations with securities. It is noted about the possibilities of banks in activating the market of corporate bonds as intermediaries in operations with bonds of venture and innovative enterprises and as guarantors of the reliability of bond issuers. In conditions of geopolitical uncertainty, an important role is given to the formation of a balanced state investment policy in terms of promoting the growth of the investment potential of banks and creating incentives for its direction into the development of the domestic real sector of the economy.

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