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THE BANKING SYSTEM OF UKRAINE: THREATS AND CHALLENGES UNDER MARTIAL LAW CONDITIONS

Summary

Relevance. Problem statement. The war creates significant challenges for Ukraine's banking system, mainly: liquidity risks, increased client insolvency, banking infrastructure destruction, heightened cyber threats, and the need to adapt regulatory policies. Under these conditions, the banking sector must ensure financial stability and support the economy despite macroeconomic uncertainty. The problem lies in identifying key threats and challenges, assessing their impact on the banking system, and developing effective measures to minimize risks.

Therefore, **the purpose of this article** is to comprehensively and thoroughly investigate the main threats and challenges facing Ukraine's banking system during martial law, assess their impact on the country's financial stability, and develop recommendations to enhance the banking sector resilience. **Methodology.** The study implements methods of analysis and synthesis to systematize threats, statistical analysis to evaluate banks financial indicators, comparative analysis to study international experience, and predictive approach to examine future risks. This ensures a comprehensive approach to the problem solving. **Results.** Conducted scientific research has made it possible to corroborate thoroughly and in detail that Ukraine's banking system faces key threats such as liquidity risks, borrower insolvency, infrastructure destruction, cyber threats, and regulatory challenges under martial law conditions. It was found that operational measures of the National Bank of Ukraine like liquidity support for banks, regulatory policy adaptation, and the introduction of new risk management mechanisms, contribute to the banking sector stability. At the same time, ensuring further resilience requires the integration of modern technologies and international experience to implement policies for sustainable development in the banking system.

Practical significance. The present study results can be used to develop strategies for stabilizing Ukraine's banking system under martial law conditions. The proposed recommendations aim to enhance banks' financial resilience, effective risk management as well as regulatory policies adaptation in the context of sustainable financing. This will help maintain confidence in the banking sector and ensure its functioning even under challenging conditions. **Prospects for further research.** Future research will focus on a detailed analysis of the specific wartime factors impact (infrastructure destruction, changes in the economic environment, population displacement, etc.) on the banking system; exploring aspects of sustainable financing development policies through active ESG criteria implementation in financial services; and studying the integration of the EU Cohesion Policy (including key investment policies) into the overall economic development strategy in the context of the Mario Draghi Report.

Keywords: banking system, liquidity, credit risks, infrastructure destruction, cyber threats, financial stability, strategic management.

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