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**The role of the banking system in the national economy in the context  
of financial globalization**

In the market economy the banks, as the important economic institutions, are the most active borrowers and lenders of available financial resources, accumulating and effectively distributing and redistributing them into different spheres of national economy. Therefore, the main function of the banking system are to provide the financial and credit service for enterprises, organizations and people, and also ensuring stability of national currency and regulating the money supply in the country. Nowadays banking sector plays the leading role in the process the monetary providing of social and economic processes. Under these conditions banking system is getting new features during the intensification of world integration processes, so there is the need to explore theoretical and practical issues of functioning and banking system development in the globalized financial world.

The role of the banking system is significantly increasing because of its determining part of the market and state regulation of economy, providing stability and liquidity in the system of market relations.

The globalization of world economic, which cause substantial improvements in the global space and create big changes in the processes of genesis and national banking systems functioning is a determining direction of modern development of international economic relations. Under such circumstances, priority task of a state, which integrates into the word financial sphere, is forming a stable financial and credit sector, including banking sector, as the basic factor of economic growth.

Using a systematic approach for analysing the banking system it is possible to say that it is the part of the credit system, because banking activity is designed to ensure effective monetary economy regulation. Operation of the banking system is subject to the objectives of economic and social state policy because it is the subsystem of higher order - the economic system that develops under market laws. Banks stimulate the development of national economy in the country providing the

economy with the correct amount of money. But it should be understood that not always the aims of banking system coincide with the social and economic priorities of the state. So it's necessary to reconcile bank and national interests.

The process of globalization has an objective and comprehensive character, causing the growth of interconnections and interdependence of national economic systems. The banking system feels the impact of financial globalization first.

The globalization of banking business is an extremely complicated and contentious process because it has both positive and negative manifestations. The acceleration of economic countries development occurs due to attracting foreign direct investments, free and rapid spread of capital flows. However, such transformation conversions in global economic processes have a series of threats, especially for underdeveloped economic system, which are quite sensitive to events that take place on the world market, while the highly developed industrialized countries reinforce their positions of world leaders and impose their own "game rules". Therefore the national banking systems get into dependence on international capital market, which leads to the emergence of systemic banking risks and increases the danger of crisis emergence.

Under the influence of globalization of world finance banking sector is getting an innovative character and new features, including introducing new types of services, making considerable consolidation of the banking capital in the national and international scale.

First of all, one of the most important step in joining national banking system to an integrated banking market is bringing in conformity national banking laws with the international standards.

Thus, the banking system as the part of the credit and economic system is a structured collection of functioning in the country banking institutions of different levels that interact with each other and perform banking activities within the established legal framework. During globalization processes enforcement banking sphere is becoming an important stimulating factor of economic growth, ensuring the effective functioning of the economic system.