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STRENGTHENING FINANCIAL SECURITY THROUGH RENEWAL OF INSTITUTIONAL PROTECTION OF BUDGETARY AND BANKING COMPONENTS

Abstract. *The article examines the theoretical foundations of strengthening the financial security of the state through the renewal of institutional support of the budget and banking components in order to ensure macro-financial stability. Attention is focused on the need to modernize the institutional framework for ensuring financial security due to the imperfection of regulatory and legal regulation, fragmented coordination between financial and state institutions, low level of adaptation to risks associated with external economic threats and internal imbalance of the financial system in conditions of martial law. It is emphasized that the institutional provision of financial security of the state comprehensively includes a system of state bodies, regulatory and legal mechanisms and procedures aimed at creating, preserving and protecting the financial and banking system of Ukraine from both internal and external threats. The impact of new challenges and threats to the macro-financial stability of Ukraine on changing the list of components of financial security, indicators of their measurement and threshold values is revealed. The main elements and tasks of institutional ensuring the financial security of the state are defined. The institutional provision of budget security is analyzed, approaches to its elemental renewal are proposed, and the advantages of introducing innovations to strengthen the financial security of the state are determined. Key functions and main current challenges for banking security in 2025 are identified. It has been proven that new challenges and threats to banking security contributed to the renewal of institutional provision of financial security. It is proposed to strengthen such an element as specialized structures to overcome market failures, due to the creation of a new financial institution – development bank. It is emphasized that development banks do not aim to maximize profits and are not obliged to pay dividends to private shareholders, which allows them to finance activities that bring long-term benefits to communities and*



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the environment at favorable rates and in a financially justified manner. The system of state development banks of the EU is analyzed, the successful experience of their functioning in Germany and the countries of Central and Eastern Europe is given. It is substantiated that the systematic renewal of the institutional structure of the financial sector with an emphasis on synergy and balanced interaction of the budget and banking components is the key to increasing the financial security of Ukraine in the medium and long term.

Keywords: financial security, fiscal relations, fiscal rules, de-shadowing, budgetary security, development bank, banking security.

JEL Classification: G 28, H 26, H 32, H 60.

Absztrakt. A tanulmány a pénzügyi biztonság állami megerősítésének elméleti alapjait vizsgálja a költségvetési és banki összetevők intézményi háttérének megújításán keresztül a makropénzügyi stabilitás biztosítása érdekében. Kiemelésre kerül a pénzügyi biztonság intézményi bázisának modernizálási szükségessége a jogszabályi szabályozás hiányosságai, a pénzügyi és állami intézmények közötti koordináció töredezettsége, valamint az alacsony alkalmazkodóképesség miatt, amely a külső gazdasági fenyegetésekkel és a belső pénzügyi egyensúlytalanságokkal függ össze hadiállapot körülményei között. Rámutatunk, hogy az állam pénzügyi biztonságának intézményi biztosítása átfogóan magában foglalja az állami szervek rendszerét, a jogi-szabályozási mechanizmusokat és eljárásokat, amelyek célja Ukrajna pénzügyi-bankrendszerének létrehozása, megőrzése és védelme mind belső, mind külső fenyegetésekkel szemben. Feltárásra kerülnek az Ukrajna makropénzügyi stabilitására leselkedő új kihívások és fenyegetések, valamint azok hatása a pénzügyi biztonság összetevőinek, mérési indikátorainak és küszöbértékeinek változására. Meghatározásra kerülnek az állam pénzügyi biztonságának intézményi biztosításának fő elemei és feladatai. Elemzésre kerül a költségvetési biztonság intézményi biztosítása, javaslatok születnek annak elemenkénti megújítására, továbbá meghatározásra kerülnek az innovációk bevezetésének előnyei az állam pénzügyi biztonságának erősítése érdekében. Azonosításra kerülnek a bankbiztonság kulcsfunkciói és fő aktuális kihívásai 2025-ben. Bebizonyosodott, hogy az új kihívások és fenyegetések a bankbiztonság területén hozzájárultak a pénzügyi biztonság intézményi biztosításának megújulásához. Javasoltuk a piac kudarcainak kezelésére szolgáló speciális struktúrák megerősítését egy új pénzügyi intézmény – fejlesztési bank – létrehozásával. Kiemelésre került, hogy a fejlesztési bankok nem a profitmaximalizálásra törekzenek, és nem kötelesek osztalékot fizetni a magánrészvényeseknek, ami lehetővé teszi számukra olyan tevékenységek finanszírozását, amelyek hosszú távú előnyöket hoznak a közösségeknek és a környezetnek kedvező feltételek mellett és pénzügyileg megalapozott módon. Elemzésre került az EU állami fejlesztési bankjainak rendszere, valamint sikeres működésük tapasztalatai Németországban és Közép- és Kelet-Európa országaiban. Megalapozást nyert, hogy Ukrajnában a pénzügyi biztonság növelésének záloga közép- és hosszú távon a pénzügyi szektor intézményi struktúrájának rendszerszintű megújítása, a költségvetési és banki összetevők szinergiájára és kiegyensúlyozott kölcsönhatására helyezve a hangsúlyt.

Kulcsszavak: pénzügyi biztonság, költségvetési-adózási kapcsolatok, fiskális szabályok, gazdaság kifehérítése, költségvetési biztonság, fejlesztési bank, bankbiztonság.

Анотація. У статті досліджено теоретичні засади зміцнення фінансової безпеки держави через оновлення інституційного забезпечення бюджетної та банківської складових задля забезпечення макрофінансової стабільності. Акцентовано увагу на необхідності модернізації інституційної бази забезпечення фінансової безпеки через недосконалість нормативно-правового регулювання, фрагментарність координації між фінансовими та державними інституціями, низький рівень адаптації до ризиків, пов'язаних із зовнішніми економічними загрозами та внутрішнім розбалансуванням фінансової системи в умовах воєнного стану. Наголошено, що інституційне забезпечення фінансової безпеки держави комплексно включає систему державних органів, нормативно-правових механізмів і процедур,



що спрямовані на створення, збереження та захист фінансово-банківської системи України як від загроз внутрішнього, так і зовнішнього характеру. Розкрито вплив нових викликів та загроз для макрофінансової стабільності України на зміну переліку складових фінансової безпеки, індикаторів їх вимірювання та порогових значень. Визначено основні елементи та завдання інституційного забезпечення фінансової безпеки держави. Проаналізовано інституційне забезпечення бюджетної безпеки, запропоновано підходи до її по-елементного оновлення, визначено переваги від запровадження новацій для зміцнення фінансової безпеки держави. Визначено ключові функції та основні поточні виклики для банківської безпеки у 2025 році. Доведено, що нові виклики та загрози банківській безпеці сприяли оновленню інституційного забезпечення фінансової безпеки. Запропоновано посилення такого елементу як спеціалізовані структури для подолання провалів ринку, за рахунок створення нової фінансової інституції – банку розвитку. Наголошено, що банки розвитку не мають на меті максимізацію прибутку і не зобов'язані виплачувати дивіденди приватним акціонерам, що дозволяє їм фінансувати діяльність, яка приносить довгострокові вигоди для громад та доквілля за вигідними ставками та у фінансово обґрунтований спосіб. Проаналізовано систему державних банків розвитку ЄС, наведено успішний досвід їх функціонування у ФРН та країнах Центральної та Східної Європи. Обґрунтовано, що системне оновлення інституційної структури фінансового сектору з акцентом на синергію та збалансовану взаємодію бюджетної та банківської складових є запорукою підвищення фінансової безпеки України в середньо- та довгостроковій перспективі.

Ключові слова: фінансова безпека, бюджетно-податкові відносини, фіскальні правила, детінізація, бюджетна безпека, банк розвитку, банківська безпека.

Problem statement. In the current conditions of medium-term aggravation of external and internal structural economic challenges, the issue of strengthening the financial security of the State, as an institution, is becoming particularly relevant. One of the main principles of ensuring macro-financial stability is the improvement of institutional support for the budgetary and banking components, which serve as the foundation for the sustainable functioning of the financial system.

The imperfection of regulatory and legal regulation, the fragmentation of coordination between financial and state institutions, the low level of adaptation to risks associated with external economic threats and internal imbalances in the financial system indicate an urgent need to update the institutional framework. This is especially relevant in the current conditions of martial law, problems with the growing budget deficit, the threat of inflationary processes and the need for state institutional support for the stability of the banking sector. Therefore, the relevance of the topic is due to the need to form effective mechanisms for managing the budget and banking systems through improving institutional approaches, which will allow not only to minimize financial risks, but also to increase the overall level of economic security of Ukraine.

Analysis of recent research and publications. The issue of the financial security of the state, the definition of threats, measurement criteria, mechanisms for its strengthening - is the subject of discussions and discussions of many domestic scientists. A review of scientific publications in Ukraine for 2022-2025 demonstrates the growing interest of researchers in this issue, especially given the need to ensure financial security in conditions of ongoing armed aggression. Thus, Academician Belarus O. showed that states must perform a special - protective function to ensure

the survival of the relevant peoples, nations and countries [1, p. 9]. The well-known Ukrainian scientist Varnalii Z. notes that "threats to the financial security of Ukraine are a set of real or potentially possible phenomena and factors that create a danger to the realization of national interests in the financial sphere" [2, p. 125]. Professor Desyatniuk O. emphasizes that in conditions of transformational changes, achieving the goals of financial security "requires flexibility in risk management, constant improvement of technological and legal instruments, as well as rapid response to changes in the external environment" [3, p. 243]. Professor Sytnyk N. emphasizes that "an important characteristic of financial security is its ability to ensure the effective functioning of the national economic system and stable economic growth" [4, p. 182].

Institutional aspects of national security, and financial security in particular, were studied by Academician V. Gorbulin, Secretary of the National Security and Defense Council, who systematized theoretical and organizational approaches to the formation of institutional support for national security [5]. Researcher Andrusiv U. understands institutional support for financial and economic security as "a complex multi-component system of interconnected formal and informal institutions, regulatory legal acts, organizational structures and mechanisms that together create a holistic architecture for protecting the financial and economic interests of the state, society and the individual from internal and external threats" [6, p. 182]. Scientist I. Dotsyak believes that "in wartime, the key elements of the state's financial security are the protection of financial institutions, effective management of the budget deficit, support for the national currency, attraction of external resources, as well as ensuring transparency and accountability in the use of financial resources" [7, p. 136].

Identification of previously unresolved parts of the overall problem. Despite significant achievements in the field of financial security, the issues of institutional support for its components, especially in the context of global economic and political changes and armed aggression, require additional research. There is an urgent need to conduct a more in-depth analysis of the factors of influence and to reveal new approaches to modernizing the elements of the institutional basis of the state's financial security. For Ukraine, further theoretical substantiation and generalization of foreign experience in the practical use of modern approaches to strengthening financial security through the synergy of its components is relevant.

Objective. The purpose of the article is to develop theoretical foundations for strengthening the financial security of the state through deepening and updating the institutional support of the budgetary and banking components in order to ensure macro-financial stability.

Presentation of the main research material. Achieving an appropriate level of financial security is achieved through the use of organizational, institutional and legal instruments and measures aimed at the preventive identification, prevention, elimination and overcoming of threats that may harm the macro-financial stability of the state. In practice, the security mechanism in the field of finance is based on an appropriate strategy, which includes the development of an effective financial policy (with coordination of fiscal and monetary policy priorities), the definition of key



objects of protection, the presence of the necessary institutions (security subjects), a clear definition of national interests, the systematization of potential threats, as well as the use of appropriate means, methods and approaches to maintaining financial security indicators at a safe level.

Given the dynamic, rather than static, nature of financial security, which changes depending on the specific socio-economic situation and political environment, the complex of its provision involves a number of key components:

- conducting objective and comprehensive monitoring of the economic and financial spheres in order to identify and predict potential threats to financial security entities both from within and from without;
- determining threshold values of financial and socio-economic indicators, the excess of which significantly destabilizes the financial (especially banking) system or causes a financial crisis;
- implementing state measures aimed at the timely identification and neutralization of threats that may violate financial security.

Changes in the environment have caused new challenges for the macro-financial stability of the state, which was reflected in the definition of the list of components of financial security, the corresponding indicators of their measurement and threshold values. Thus, according to the Methodology for calculating the level of economic security of Ukraine, approved in 2007, financial security included the following components: budget security, currency security, monetary security, debt security, insurance market security and stock market security [8]. In 2013, the Methodological Recommendations for calculating the level of economic security of Ukraine specified the list of components of financial security and measurement indicators, their threshold values, and the algorithm for calculating the integral index (Fig. 1) [9].

The financialization of the economy and the transfer of a significant part of the threats to financial security to the banking sector led to the need to separate a separate component – banking security, and combine the components – insurance market security and stock market security into a single multi-component component – the security of the non-banking financial sector.

The hierarchy of the location of the components, in accordance with regulatory legal acts, also confirmed the ranking of existing and potential threats to the financial security of the state depending on the level of their significance in a specific historical period of time. That is, the institutional support for financial security was updated in accordance with new challenges and taking into account the necessary response and minimization mechanisms.

At the same time, the institutional support for the financial security of the state comprehensively includes a system of state bodies, regulatory and legal mechanisms and procedures aimed at creating, preserving and protecting the financial and banking system of Ukraine from both internal and external threats. The main elements of the institutional support for financial security are shown in Fig. 2.

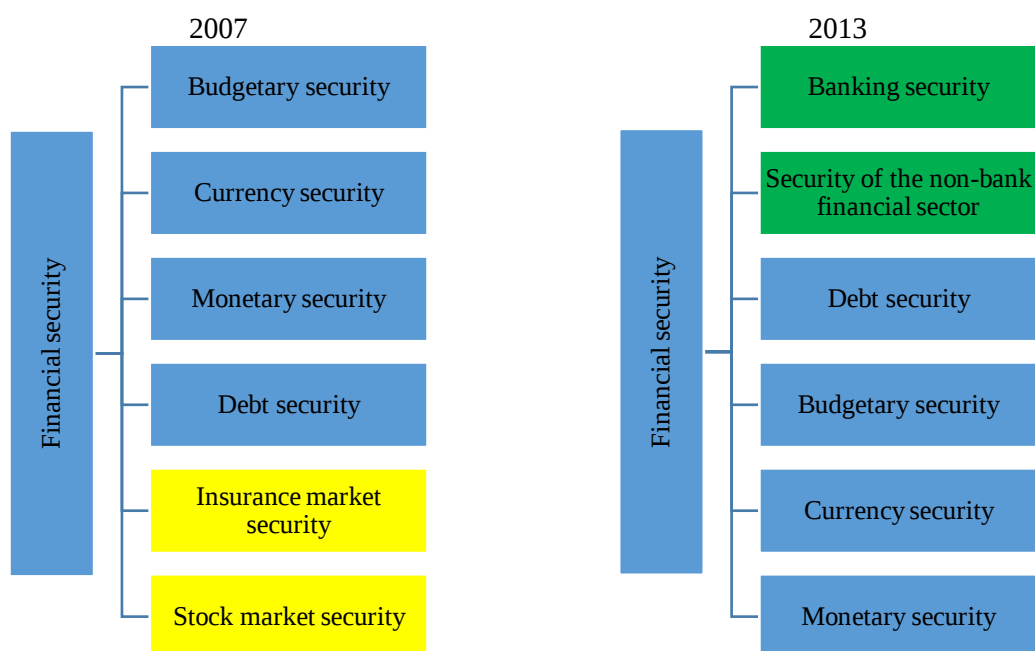


Figure 1. Components of financial security

*Compiled by [8; 9].

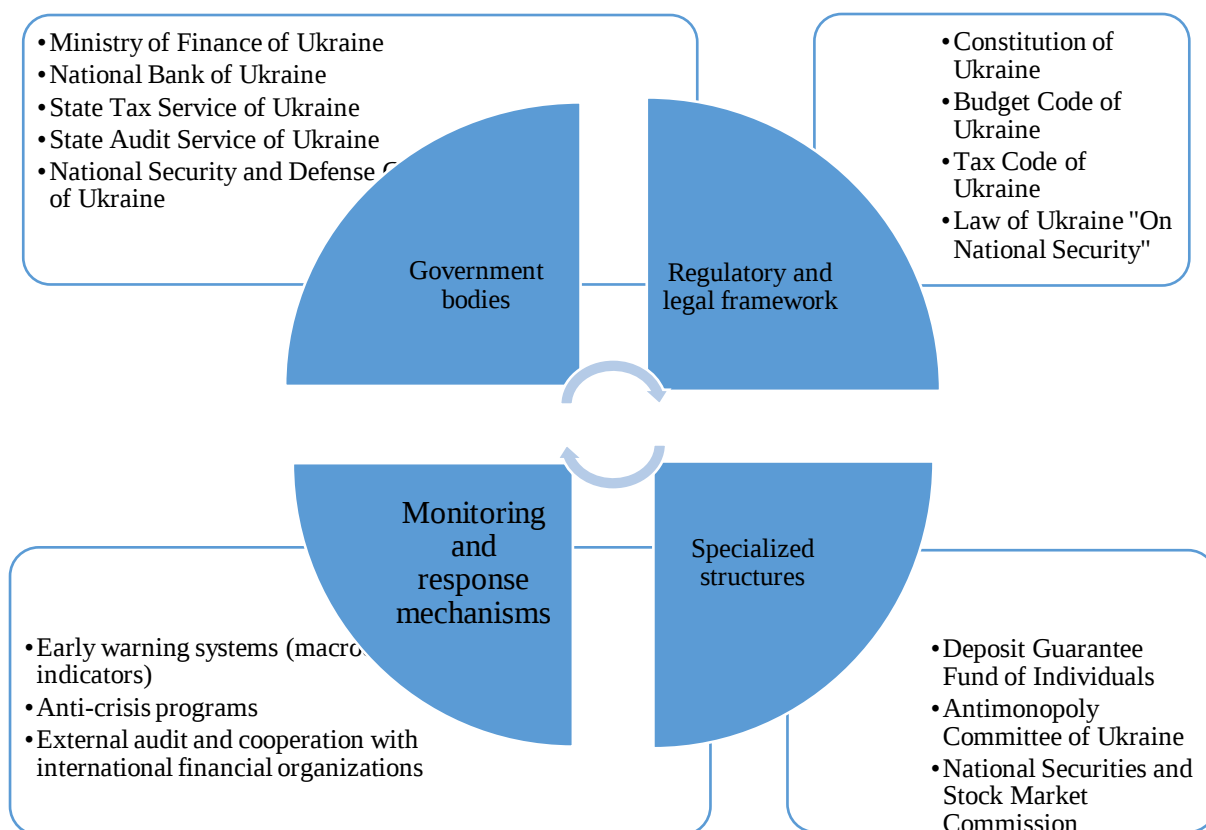


Figure 2. Key elements of institutional support for financial security

*Compiled by [8; 9].



As for the main tasks of institutional support for financial security, they are as follows:

- guaranteeing the stable performance of functions by the financial system;
- combating manifestations of the shadow economy;
- exercising effective control over the level of public debt;
- ensuring openness and accountability in the use of budgetary resources;
- preventing financial crisis phenomena.

In the conditions of martial law and ongoing armed aggression against Ukraine, new challenges and threats to financial security have emerged. Therefore, it is necessary to constantly update the elements of institutional support for financial security in order to respond to challenges in a timely manner and eliminate or minimize the negative consequences for macro-financial stability from threats.

The main priority in modern conditions for guaranteeing the security of the state is budgetary security. Since ensuring the country's defense capability and providing the legally defined volume of public goods and services to the population is carried out at the expense of budgetary financing. Attracting grants and credit resources to cover the budget deficit is also an object of monitoring indicators of budget security [10, p. 269].

Budget security has a fundamental basis for the financial security of the state. Among all the instruments of the state's financial influence on macroeconomic processes, it is budget and tax relations that are the most comprehensive, effective and large-scale. They ensure the management of centralized financial flows in accordance with the strategic directions and priorities of the state's economic policy.

It is noteworthy that the list of components of financial security does not include a component - tax security and there are no indicators for its measurement. This is explained by the fact that tax policy is a component of budget policy, it is also called budget-tax or fiscal policy. Poyda-Nosyk N. and Loskorich G. (2025) consider tax security to be an important component of the economic security of the state, which “covers not only tax policy, but also financial stability, population culture and tax risk management” [11, p.121]. Therefore, budget security, in addition to the efficiency of using budget funds and achieving budget balance, must also ensure counteraction to the shadow economy and accumulation of a sufficient amount of revenue to the budget. Unfortunately, the list of indicators for its measurement does not contain the corresponding indicators. The implementation of these tasks is carried out at the expense of institutional support for financial security, in particular, state administration bodies and specialized structures that are legally entrusted with the performance of relevant functions.

The list of state administration bodies and the scope of tasks assigned to them in the field of ensuring financial security, and budget security in particular, is not constant. New challenges generate an adequate response from the state to neutralize them. Therefore, in the context of the ongoing decentralization reform in Ukraine, part of the power was transferred through institutional transfer from central government

bodies to the level of local territorial communities, which was also reflected in the field of tax administration. Thus, the National Revenue Strategy until 2030 provides for “granting additional powers to local government bodies in terms of administering local taxes and fees, as well as conducting inspections by supervisory bodies based on information collected by local government bodies about owners or users of real estate that has not been taxed properly” [12]. That is, executive bodies of local self-government become participants in the process of de-shadowing budget and tax relations and a subject of ensuring the financial security of the state.

Blikhar V. et al. (2022) conclude that the strategic priorities of de-shadowing the economy of Ukraine in the national financial security system should include an appropriate set of measures to control the shadow economy [13, p.73].

As for the next element of institutional support for financial security – monitoring and response mechanisms, in particular early warning systems, there has been a long-standing discussion in academic circles about the need to use fiscal rules as a tool to increase fiscal discipline.

IMF experts consider fiscal rules as long-term (more than three years) restrictions on fiscal policy by setting thresholds for budget aggregates [14, p. 6]. Such rules play a key role in ensuring budgetary and debt security, since their implementation is aimed at preventing threats to financial security.

In international practice, various restrictions in the field of fiscal policy are used to ensure budgetary security. They are conventionally divided into two types: procedural and organizational, which cover the qualitative aspects of the budget process and the interaction between its participants, and quantitative guidelines, which provide for the establishment of standards for the budget deficit, the level of government borrowing, or the volume of expenditures.

The available international scientific research has reviewed a fairly wide range of fiscal rules, but one of the basic classifications in this area is the work of IMF experts (Shekhter A. et al.) [14]. It identifies the main types of fiscal rules:

- debt rules (*DR*);
- budget balance rules (Budget balance rule, *BBR*), which include structural and cyclical balance rules (Structural budget balance rule, *SBBR*);
- expenditure restriction rules (*ER*);
- revenue restriction rules (Revenue rule, *RR*).

The introduction of fiscal rules into the system of ensuring the state's budgetary security provides a number of advantages. Among them are increased government responsibility, stability and timeliness in making decisions on public borrowing, an increase in the level of formalization of response to fiscal shocks, as well as promoting greater transparency and soundness of the budget process and fiscal policy [15, p. 243].

The use of several types of fiscal rules or their combinations allows to strengthen budgetary discipline and achieve several fiscal goals simultaneously. At the same time, an excessive number of such rules can complicate early warning systems, their



interpretation and monitoring. In addition, in some cases, political difficulties arise associated with the abolition of existing rules and the introduction of new ones.

The implementation of the studied innovations is possible by making changes to the regulatory framework – the next element of the institutional support of financial security. Thus, all the constituent elements of the institutional support have already undergone or require updating in order to identify and eliminate new threats to the macro-financial stability of the state, which are generated by internal and external factors.

As for the next component of financial security – banking security, it directly concerns the protection of the interests of the bank, its clients and employees from various threats, that is, it characterizes the micro level. Along with this, the banking system performs a number of key functions necessary for the stable functioning of the state economy, namely:

- financial intermediation;
- ensuring payment circulation;
- lending to the economy;
- stabilizing the financial system;
- forming monetary policy;
- protecting savings.

Therefore, the reliable and stable operation of banking institutions is an indicator of the financial security of the state. Representatives of large and systemically important banks note the following main challenges that leading banks will face in 2025 [16]. First, uncertainty about the course of hostilities. Second, demographic problems that have led to a decrease in the client base and difficulties in finding new employees. Third, increased competition with banks from non-bank financial institutions. Fourth, increased risks of cyberattacks and cyberfraud. In addition, the so-called market failures are also extremely dangerous for banking security. They can be a consequence of asymmetric information, externalities and market power (weak competition) and affect both the demand and supply sides of investments. Typical examples of such market failures are, according to the EU (2015) regulatory document [17]:

- credit rationing and high profitability requirements due to high operating costs of banks to identify viable investment projects (e.g. in the SME sector);
- insufficient investment in areas such as research and development, infrastructure, education and environmental projects, where the benefits of investments can also be received by competitors;
- insufficient supply of financial services, which is a consequence of market concentration due to mergers, exits of competitors or other obstacles to effective competition.

A specific external factor for Ukraine's financial security is the strengthening of market integration, which is facilitated by cross-border projects in the context of accession to the EU.

New challenges and threats to banking security have contributed to the renewal of the institutional support for financial security, in particular such an element as specialized structures. In modern conditions, there is a need to create a new institution - a development bank. Development banks, by correcting market failures, can play an important role in increasing the welfare of the population, but it is necessary to introduce an appropriate policy in order to prevent possible negative side effects of their activities. In the EU, such negative consequences are considered to be:

- losses of the governments of the guarantor countries from poor-quality underwriting;
- incorrect distribution of investments due to political interference;
- support for inefficient market structures, sectors with excess capacity or support for enterprises in difficult situations;
- crowding out private financiers, which hinders the development of the financial sector.

The European system of development banks has horizontal and vertical institutional levels. Vertically, there are development banks at the European, national and subnational (state or provincial) levels. As Prozorov Y. et al. (2025) have shown, different levels and development institutions are interconnected (e.g., the *KfW Group*) [18]. Both new (Hungary, Poland, Czech Republic) and so-called “old EU members” have adopted the successful experience of the German Institution for Reconstruction – the national development bank *KfW*. EU governments have sought to increase the volume of countercyclical financing for SMEs and the private sector to ensure financial security. *KfW* has played an important fundamental advisory role in the creation of other development institutions, such as the Strategic Banking Corporation of Ireland (*SBCI*), the Portuguese Development Finance Institution (*PDFI*) and the *Green Investment Bank* in the United Kingdom. A feature of *KfW* is also cross-level cooperation with the European Investment Bank (*EIB*) to develop and promote new development financing schemes in the EU.

As a development bank, *KfW* does not seek to maximize profits, but rather seeks to maintain an overall level of profitability that allows it to strengthen its own capital to support its development activities. According to the *KfW Act*, it is not allowed to distribute profits, which are instead allocated to mandatory reserves and reserves subject to separate reporting. The *KfW Act* also prohibits *KfW* from accepting deposits or engaging in financial commission activities. *KfW* is designed to implement the political goals of the German government. To this end, *KfW* receives full financial support from the Federal Government, which allows it to borrow long-term funds cheaply on the capital markets and to pursue social, economic and environmental goals in its activities, rather than purely commercial ones. In this way, *KfW* can eliminate existing and projected “market failures” and compensate for the insufficient supply of private capital in priority industrial sectors.

At the same time, *KfW*'s activities are largely carried out in accordance with market principles: *KfW* creates a wide range of investment support instruments, benefits from easy access to the capital market and actively cooperates with



commercial banks. According to German administrative law *Anstaltslast*, the Federal Republic of Germany, as the founder of KfW, is obliged to protect its economic basis and must support KfW's ability to continue its activities and, in the event of financial difficulties, enable it to meet its obligations within the established deadlines by allocating funds or in another appropriate manner. Such *Anstaltslast* as a legal institute doesn't constitute a formal guarantee of KfW's obligations by the Federal Republic of Germany, and KfW's creditors have no direct claims on the Federal Republic of Germany. However, the consequence of this legal principle is that KfW's obligations and its guarantees are fully secured by the credit of the Federal Republic of Germany (SEC, 2024) [19] and have the highest credit ratings at sovereign level (KfW, 2025) [20].

Development banks do not have a profit-maximizing objective and are not required to pay dividends to private shareholders, which allows them to finance activities that bring long-term benefits to communities and the environment at favorable rates and in a financially sound manner. Their activities are quite diverse, ranging from financing public sector organizations and companies and promoting sustainable economic development to financing social housing, health care, education and public infrastructure at the national, regional and local levels. Unlike commercial banks, which may focus on areas with high returns in the short term, development banks make long-term investments in projects that contribute to continuous, sustainable economic growth.

As Prozorov Y. et al. have shown (2025) a high degree of state participation in decision-making regarding the activities of development banks is observed in the countries of Central and Eastern Europe, where the government/ministry determines the strategy, and also oversees the creation of new products, controls the Supervisory Board (indirectly) and determines the framework conditions through the Supervisory Board, such as in Hungary in *Magyar Fejlesztési Bank* (MFB), Poland – *Bank Gospodarstwa Krajowego* (BGK), the Czech Republic – *Czech-Moravian Guarantee and Development Bank* (CMZRB) and Slovakia – *Slovenská záručná a rozvojová banka* (SZRB) [18, p. 87].

The low degree of government involvement in decision-making is typical for "old EU countries" where development banks develop their own business plan and define their strategy, and the government only approves it, for example, in the UK – *British Business Bank*. In other cases, the strategy and key areas of activity are determined by the Board of Directors and then discussed with the government, as is the case with the Finnish state financial institution *FINNVERA*, which also serves as the Finnish Export Credit Agency.

Thus, development banks can be viewed as a kind of "hedge fund" for the banking system. They do not try to compete with commercial banks for profitability, but focus on financing priority sustainable development infrastructure projects with long-term payback. *De-facto*, by taking on the financing of certain social functions of the state on the basis of public-private partnerships, they leave the more profitable but also the riskiest segments of the credit market to other banks. At the same time, the

state benefits both by relieving the costs of State budget for financing social expenditures (health care, education, social security) and transfers for the development of local communities, and by receiving additional budget revenues from taxes paid by banking institutions.

Banks in Ukraine (both private and state-owned) during the war, when performing their functions, are closely related to the issues of maintaining financial stability and budgetary security, since they:

- pay taxes to the budget at increased rates (corporate income tax: for 2023 – 50%, and for 2024 and subsequent years – 25%, instead of the current base rate of 18%) [21];
- purchase huge amounts of government bonds to finance the budget deficit;
- ensure the timely transfer of taxes and military levies from clients' current accounts to the accounts of the State Treasury accounts through the NBU's Electronic Payment System.

We believe that it is through the synergy of managing the budgetary and banking components of financial security that the threat of uncontrolled growth of the shadow economy after the war can be eliminated. And this emphasizes the direct and mutually reinforcing synergistic connection of the banking component with ensuring the budgetary component of financial security.

Conclusions and Prospects for Further Research. The study found that the key condition for strengthening Ukraine's financial security is the renewal of institutional support, in particular, the qualitative strengthening of the budgetary and banking components. The synergy between these components allows for the formation of a more stable financial architecture capable of actively and promptly responding to internal challenges and emerging external threats. Based on the analysis of the current state of the institutional environment, key problems were identified: fragmentation of mechanisms for interaction between fiscal and banking institutions, imperfect regulatory framework, and insufficient level of transparency and accountability. Strategic planning and coordination of actions between the Ministry of Finance of Ukraine, the National Bank of Ukraine, and other financial sector regulators need to be improved. The post-war renewal of security institutions, which involves strengthening inter-level interaction, transparency, and innovation in state management of the fiscal and banking systems, is a key vector for the formation of a high level of financial security in Ukraine.

Thus, a systematic update of the institutional structure of the financial sector with an emphasis on the balanced interaction of the budgetary and banking components is a guarantee of increasing the financial security of Ukraine in the medium and long term. Since the effectiveness of the financial security system is determined by the quality of its institutional support. Prospects for further research include:

- a deeper analysis of the relationships between fiscal policy and banking regulation in the formation of financial security;
- building a system of indicators for assessing the effectiveness of institutional support;



- assessing the effectiveness of institutional reforms in the financial sector in the context of post-war recovery;
- modeling scenarios of the impact of institutional changes on the stability of the financial system in the long term.

The proposed modernization of the institutional framework of inner institutional components of financial security creates condition for improving its overall level. Ensuring budgetary and banking security through their synergy and interaction in process of de-shadowing of the economy reduce the challenges and threats to each of them, thereby strengthening macro-financial stability in the country.

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