

## BUSINESS REPUTATION AND ITS IMPACT ON FINANCIAL STABILITY OF BANKS

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In the article, the author considers the main aspects of the impact of goodwill on the financial stability of banks. It is substantiated that among the numerous threats that lead to financially unstable development of the banking business, a special place should be given to the support of banks' business reputation. The main reasons are the phenomena of financial instability caused not only by the cyclical development of the economy, but also the ability to take into account a certain state in which the financial system is able to: effectively allocate resources, assess and manage financial risks, absorb shocks. It is proved that the relationship between business reputation and financial stability is determined by the characteristics of the conceptual apparatus; the system of risks to which they are exposed in the course of their activities; methodical approaches to assessing their level. The author concludes that the key challenges for the banking business in the context of digital transformation should be considered from the standpoint of customer interests, from the standpoint of investors (owners) of the banking business and from the standpoint of the regulator. In today's realities, when the systemic banking crisis has imposed on a large-scale economic, the decisive factor for success and continued activity in the market is the quality of business reputation. The methods of quantitative assessment of the bank's business reputation include balance-normative, methods of additional and excess profits, methods of royalties and residual value, the method of rating and comprehensive assessment. It is proved that the level of business reputation is related to the life cycle of banks, which includes the stages of formation, growth, maturity and decline. Measures to ensure business reputation depending on the stage of development of the bank are considered. Both the business reputation and financial stability are affected by the established image of the bank. The article states that a positive image is able to maintain the bank in times of financial instability. It is determined that depending on the group of users (non-financial corporations, households, government agencies or social organizations) the image of the bank should be different and meet all requirements. It is determined that a modern bank is not only an institution of the financial market, but also a financial institution for which social role and reputation in social and economic relations become the primary criteria for ensuring their competitive position.

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