COVID-19 IMPACT ON THE BANKING SECTOR

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Introduction

Since its emergence in 2019, the COVID-19 infection has immediately turned into a worldwide pandemic, presenting the world to numerous financial and wellbeing challenges. Accordingly the episode had financial markets around Wuhan, China and the globe erratically decrease. Specifically the banking sector has suffered from numerous issues.

Research Objectives

This study is to examine how the COVID-19 pandemic affected modern-day financial system specifically in the banking sector.

Keywords

Banking Sector, E-banking, unemployment, decrease, Covid-19.

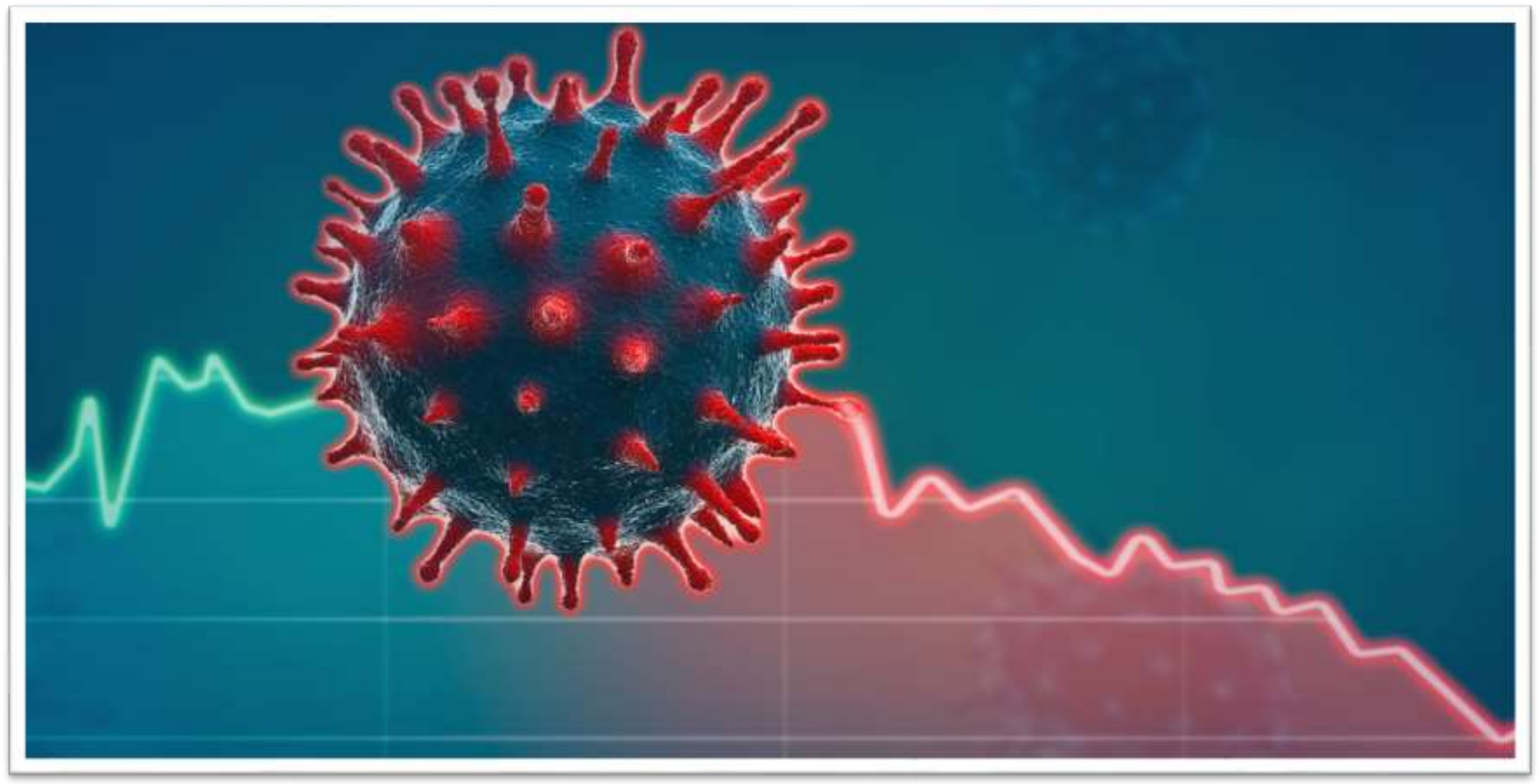
Literature Reviewed / Theoretical Part of the Research

An obvious way that pandemics can impact financial systems is through their enormous economic costs. There have been a number of articles that address the costs of pandemics, both in terms of the costs of past pandemics such as the HIV/AIDS crisis or estimates of the cost of future pandemics. Articles on these costs often regard ex post the costs of pandemics and epidemics. For instance, **Haacker (2004).** Banks of course by their nature are vulnerable in times of economic downturns and pandemics, because of the likelihood of nonperforming loans and the possibility in extreme cases of bank runs **Leoni (2013)**

Methodology and Data Collection

Using the dataset of the daily prices and returns of MSCI indices for the top nine countries affected by COVID-19 Pandemic.

Financial data, stock price quotes, and buy-and-hold returns from frequently used data sources.



Results

- The COVID-19 pandemic is causing a direct worldwide damaging monetary effect that is currently present in each zone of the globe.
- The pandemic influenced U.S. work levels and the estimation of significant resources, for example, stocks, bonds, items, and monetary forms.
- Reductions in the organizations service value, for example customers avoid using direct payment method.

Conclusion

Financial markets have encountered dramatical developments on a phenomenal scale. Current outcomes show that worldwide monetary market risks have expanded considerably in light of the pandemic. While individual financial exchange responses are plainly connected to the seriousness of the flare-up in every nation. Furthermore the unpredictability of the pandemic and its related financial losses has made business sectors precisely the banking sector become profoundly unstable and unusual. Moreover the pandemic set off uncommon changes in U.S. employment rates in banks and the estimations of bonds, and monetary standards.

Recommendations

A safe and reliable way is for banks to switch to an E-banking system. Not only is it less costly and more efficient, it is also a safe way for conducting business during pandemics as it lowers the risk on many levels.

References

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