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## **Noninterest income and financial stability in commercial banks**

The study was inspired by the rapid development of conglomerate banking stimulated by the synergy between traditional and parallel investment activity of banks before the 2007–2008 financial crisis. The scale of such banking is evidenced by the growth in the share of non-interest income in banking operations. A specific objective is to verify the importance of non-traditional banking activity for the financial stability of the banking sector, using a sample of commercial banks on a global scale. In particular, it verifies the fluctuations of the stability of commercial banks. The study results have shown that the diversification of commercial banks' income into non-traditional activities adversely affects their stability, with varying intensity for the different groups of asset volume. The study contributes to the ongoing discussion on the separation of retail and investment banks with a view to enhancing their resilience to losses and bankruptcy risk.