

СЕКЦІЯ 4. ІННОВАЦІЙНІ ВЕКТОРИ РОЗВИТКУ БАНКІВСЬКОЇ СИСТЕМИ

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DIGITAL TRANSFORMATION IN BANKING SYSTEM OF UKRAINE

Introduction. In recent years banking system of Ukraine has undergone significant changes, driven by rapid technological progress, regulatory reforms and the growing demand for innovative digital financial services, including digital services. This evolution enhanced operational efficiency and significantly strengthened the competitiveness and stability of the financial sector. Today the digital transformation of banking system of Ukraine is primarily manifested in the integration of financial technologies, blockchain innovations, the development of open banking and digital currencies. Despite the challenges posed by martial law and the mass migration of Ukrainians abroad, the country continues to actively develop its digital banking infrastructure. This study highlights the key technologies driving the transformation, the regulatory mechanisms overseeing them and outlines prospects for further development, with particular emphasis on the importance of cybersecurity and infrastructure modernization.

The aim of the article is to explore current innovations in banking system of Ukraine, to analyze their impact on economic growth and financial inclusion, and to identify prospects for the sector's further development.

The main part of the article. Today the digitalization of the banking sector represents a transformation process influenced by modern information and communication technologies, which are reshaping methods and approaches to providing financial services. It fundamentally transforms bank business models, technologies, the content of financial products and modes of customer communication. The Ukrainian banking sector not only successfully adopts international best practices, but also ranks among global leaders in digitalization. For clarity, table 1 presents a comparison between traditional and digital banks.

Table 1 – Comparative characteristics of traditional and digital banks [1]

Feature	Traditional bank	Digital bank
Clients	Different categories: individuals and legal entities	Youth, freelancers, SMEs, tech-savvy users
Customer Service	In-person service at branches, hotlines	24/7 support through chatbots, mobile applications, online consultations
Competitive Advantages	Reliability, strong reputation, extensive physical branch network	Transparency, 24/7 access, personalized services, speed and convenience
Sources of Income	Loan interests, account maintenance fees, agency commissions	Premium service fees, transfer commissions, subscription to additional services
Main Expense Directions	Infrastructure maintenance, administrative expenses, staff salaries	Investments in technology, cybersecurity, marketing, and service development

Feature	Traditional bank	Digital bank
Technological Capabilities	Limited automation, minimal digital integration	Blockchain, biometrics, AI, API integration
Distribution Channels	Branches, ATMs, postal services	Online platforms, mobile applications, social media, chatbots
Flexibility	Limited due to bureaucratic processes	High flexibility through digital technologies and adaptive business models

According to the author, the main current innovations in banking sector of Ukraine include the implementation of remote financial technologies, open banking initiatives, cryptocurrencies and blockchain technology. Today the active adoption of financial technologies has significantly reshaped banking landscape of Ukraine. Banking institutions such as Monobank and PrivatBank became the first in customer-centric financial services. According to the National Bank of Ukraine, the usage of online banking services is growing by more than 30 % annually, indicating a robust shift toward digital channels [2]. The integration of fintech solutions has contributed to reducing operational costs, expanding access to financial services and improving financial inclusion, particularly among young people and small businesses.

Blockchain technologies and cryptocurrencies have become important areas of financial innovation in Ukraine. In 2022 Verkhovna Rada of Ukraine adopted the Law on Virtual Assets, creating a legal framework for the use and regulation of crypto-assets. This initiative has increased transparency, enhanced transaction security and attracted international investments [3]. Furthermore, the National Bank of Ukraine plans to conduct open testing of the national digital currency – the e-hryvnia in 2025. If the initiative will be successful, a full transition to the e-hryvnia could occur by 2026, providing a state-controlled alternative to private cryptocurrencies with a stable exchange rate and reduced international payment costs [3].

The introduction of open banking has enabled third-party financial service providers to access customer data through open APIs, with client consent. This fosters innovation, supports the development of new financial products and enhances competition. Ukraine’s efforts to harmonize legislation with the European Union’s PSD2 Directive underline the country’s commitment to modernizing the financial sector and strengthening integration into the global financial system.

Despite notable successes, banking sector of Ukraine faces several challenges. The rapid pace of digitalization increases vulnerability to cyber threats. Additionally, outdated infrastructure and fragmented regulatory frameworks may slow the full realization of innovation potential. To mitigate these risks, continuous investments in cybersecurity, staff training and international cooperation are essential.

In the coming years Ukraine is expected to actively implement artificial intelligence (AI) and machine learning (ML) technologies into the banking sector. These technologies will improve customer interaction, attract new users, optimize risk management and enhance the efficiency of internal processes. The popularity of electronic wallets is also expected to grow significantly: by 2026 the number of users may double and by 2028 the transaction volume is projected to increase by 77 %. Together with the introduction of the e-hryvnia, these factors will strengthen Ukraine’s leadership position in digital finance in Eastern Europe.

Conclusion. Digital transformation has become the main driver of modernization in banking system of Ukraine. The integration of financial technologies, blockchain innovations, open banking and digital currencies has significantly improved access to financial services, enhanced operational efficiency and increased sector competitiveness.

Despite the ongoing challenges associated with cybersecurity and regulatory adaptation, Ukraine's proactive strategy positions makes it a leader in the region's financial technology sector. Continued investments, infrastructure development and public-private partnerships will be the key factors in ensuring sustainable growth of the banking sector.

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МОНЕТАРНІ ІНСТРУМЕНТИ СТАБІЛІЗАЦІЇ ЕКОНОМІКИ В УМОВАХ ВОЄННИХ ВИКЛИКІВ НА ОСНОВІ УКРАЇНСЬКОГО ТА ЗАРУБІЖНОГО ДОСВІДУ

Вступ. Умови воєнного часу істотно ускладнюють функціонування національної економіки, водночас посилюючи роль монетарної політики як ключового інструменту стабілізації макрофінансового середовища. Під впливом зовнішніх факторів, ризиків втрати контролю над інфляцією, девальваційного тиску та падіння довіри до фінансової системи центральний банк стикається з необхідністю забезпечити баланс між ціновою стабільністю, підтримкою економічної активності та збереженням довіри до національної валюти. Особливо актуальним це завдання стало в умовах повномасштабної війни в Україні, де обмежений часовий ресурс, зруйновані канали виробництва та логістики, а також масивні бюджетні потреби створили безпрецедентне навантаження на грошово-кредитну систему.