

THE IMPACT OF DIGITIZATION ON THE FINANCIAL STABILITY OF THE BANKING SYSTEM AND THE ECONOMIC SECURITY OF THE STATE

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Abstract. *The article examines the impact of digitalization on the financial stability of the banking system and the economic security of the state. The current trends in the digital transformation of the banking sector of Ukraine through the development of fintech services, electronic payments, remote service channels and the e-hryvnia project are analyzed. The key risks associated with digitalization (technological, operational and cyber risks) are identified. Scientifically based approaches to increasing the financial stability of the banking sector in the context of digital transformation are proposed.*

Keywords: *banking system, economic security of the state, monetary policy, financial stability, risk management, fintech, central bank, digital transformation.*

The article is devoted to highlighting the theoretical and methodological principles of the impact of digitalization on the financial stability of the banking system and determining its role in ensuring the economic security of the state in the face of increasing technological, cybernetic, and macroeconomic risks.

The article analyzes current trends in the digital transformation of the banking sector of Ukraine, including the development of fintech services, electronic payments, remote service channels and the e-hryvnia project, and identifies key risks associated with digitalization, including technological, operational and cyber risks. Scientifically sound approaches and practical recommendations are proposed to increase the financial stability of the banking sector in the context of digital transformation, including improving risk management systems, increasing cyber resilience and integrating modern information technologies into banking processes. It is concluded that the digitalization of the banking system is a key factor in increasing the efficiency of the financial sector and strengthening the economic security of the state, ensuring the transparency of financial flows, increasing the competitiveness of banks and contributing to the formation of a stable and safe economic environment.

The need for comprehensive risk management and improvement of regulatory mechanisms that ensure the financial stability of banks and the economic security of the state in conditions of high digitalization is substantiated. Recommendations are proposed to increase the financial stability of the banking sector, including the modernization of information systems, the integration of analytical tools for risk management, increasing the cyber resilience of banks, improving internal control procedures and developing strategies for adapting to new digital technologies.

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