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## **MODERN DIGITAL TECHNOLOGIES OF THE BANKING SYSTEM**

*Abstract.* The necessity of using digital technologies in banking activity, which consists in the general improvement of customer service, is substantiated; reducing the bank's operating costs, speeding up banking operations and increasing the bank's competitiveness. Areas of introduction of information technology in banking are systematized on several grounds, namely: the creation of corporate computer systems; sale of banking services on the Internet; development of intrabank management system and their automation.

*Key words:* DIGITAL TECHNOLOGIES, BANKS, BANKING ACTIVITY, DIGITALIZATION, INTERNET BANKING.

The main factors influencing the process of digital transformation (digitalization) are the following [1]:

1. Formation of the concept. At the beginning of the transformation it is necessary to determine the main directions of one's own development. First of all, you need to build a strategy, define goals, resources and processes that need to be changed in the first place. In order to hastily implement the plan, it is necessary to work out each step in sufficient detail and consider all business processes in order to effectively modernize them.

2. Staff. According to sociologists, in Ukraine only 4% of workers are ready for digital transformations and experiments, and 88% want to leave everything unchanged, following the years of established models. Therefore, we see that most of the staff resists change, trying to fail innovations. In order for this not to happen and the digital transformation to be successful, it is necessary to gradually prepare employees for digitalization, to teach new technologies and processes, so that they are the initiators of change with creative and fresh ideas.

3. Outdated technologies. In the conditions of digitalization, enterprises should abandon old technologies, which take time and resources, and gradually switch to newer methods of doing so. We need to join forces for the digital transformation of our own business processes and to follow the leading companies that have already managed to achieve significant results through digitalization.

The banking system of any country consists of banks, institutions, complex relations between them, complemented by relations with the global financial market and the world economy. As intermediaries in the redistribution of financial resources through the transformation of temporarily free funds into investments, banks

significantly increase the overall efficiency of production, contribute to the mobilization of sufficient financial resources, income, etc. [1].

Today, the need to use digital technologies in banking is due to the following factors:

1. Improving customer service, providing a wide range of banking services, as well as attracting new customers;
2. Reducing the bank's operating costs and speeding up banking operations;
3. Increasing the competitiveness of the bank and improving the management of the bank;
4. Increasing the banking market segment and expanding the bank.

Digital banking, overcoming the spatial and temporal obstacles to economic activity, provides online access to financial services and the realization of the growing financial needs of the client without the actual physical access to the banking institution through remote identification.

For maximization the profits of a banking institution, it is necessary to rationally manage the bank's expenses, aimed at reducing them.

Thanks to modern digital technologies, each bank has real reserves to reduce administrative and other operating costs.

These include: staff costs, as well as related costs of taxes, fees and charges, maintenance costs of intangible assets, telecommunications and other operating services, as well as related costs of amortization of intangible assets, other costs. The largest share in administrative costs are staff costs. The main measures to optimize the cost of staff of the financial institution can be considered automation and optimization of business processes, which will restructure the organizational structure of the bank taking into account the priority goals and objectives of the business with a corresponding reduction of its redundant staff.

To increase the speed of operations, each bank must develop Internet technologies. The development of such technologies will help the bank to attract new customers, speed up operations, as well as improve the quality of customer service.

Due to the constant increase in competition in the banking sector and the aggressive growth of competition, each bank must look for new, more promising ways to increase the density and quality of interaction with customers.

The use of advanced technologies in customer service will allow the bank to rationally allocate its resources, minimize costs, improve customer service and improve the quality of services.

With the transition to electronic data processing and electronic payments, customers' interest in various forms of electronic banking is increasing.

In 2021, Internet banking is a common thing for every average Ukrainian. Let's turn to the history of its appearance in Ukraine and make a brief retrospective analysis of this service. When Internet banking for individuals appeared in Ukraine, few people knew what it was. Privatbank was the first to offer this system to explain to customers the equivalence with the service at the bank, and only the method of payment - via the Internet: payment for utilities, telephone and Internet is possible without going to the bank on the customer's website from his card accounts, and

possible transfer of funds to friends and relatives. But the population was not immediately interested in the innovative service, so it was used by either VIP-clients or Ukrainians who are actively working on the World Wide Web. But for them it remained more exotic than a real tool for everyday use. In addition, they did not use them for long. Banking users were first "scared" in 2005-2006. disappearance of funds from their accounts. It turns out that hackers can easily break into banking security systems, and financiers have to invest millions to save customers' money.

The use of the Internet banking system provides a number of advantages, namely, significant time savings by eliminating the need to visit the banking institution in person; the client has the opportunity to control their own accounts around the clock and, accordingly, when the situation in the financial market changes, to react immediately to these changes (for example, close a bank deposit, buy or sell currency, etc.).

With the growing impact of digitalization technologies on the development of banking, it is inevitable to reduce the staff of banks, change their professional composition, new modern requirements for their knowledge, skills and abilities. The analysis of statistical data on the dynamics of the employed population, which in his article on the impact of digitalization on human resources, provides scientist IV Zastrozhnikova shows that the number of people employed in financial and insurance activities in Ukraine is declining from year to year. However, as the scientist notes, it is too early to talk about the significant impact of digitalization on the number of people employed in the Ukrainian economy. After all, this trend is observed in other types of economic activity, in particular, in education, art and public administration, where there is also a decrease in the number of employees. Therefore, we can conclude about the general trend of declining employment, which is associated, in particular, with migration processes and the demographic crisis [2].

Modern digital technologies play a decisive role in the development of the banking system of Ukraine. With their use, banks are able to provide customers with new modern products and services. Digitalization of banking institutions has a significant correlation with research and development in the field of IT. The availability of qualified personnel has a significant impact on the development of bank digitalization. Currently, digitalization is most actively implemented in Ukraine by Privatbank, Raiffeisen Bank Aval and OTP Bank. Prospects for further research on the digitalization of banking are, in our opinion, the development of theoretical and practical recommendations for the use of digital technologies in order to introduce modern innovative products and services and increase competitiveness.

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