

Impact of artificial intelligence on finance in Ukraine

A lot of countries, including Ukraine, are experiencing a technological revolution caused by artificial intelligence (AI), and if until recently the financial sector has been a traditionally conservative area for centuries, then today's rapid growth in the use of digitalization processes in the financial industry shows how quickly the business environment is changing. Especially in the financial services industry, AI has begun to change the way we live, from banking and stock investing to insurance and credit services (Fig. 1). AI algorithms allow companies and investors to more accurately predict market trends, fight fraud more successfully, manage risks more effectively and solve many other important tasks. In financial services, AI can help financial institutions process large amounts of data, make faster and more accurate decisions, provide a constant customer service, and predict and manage risk.

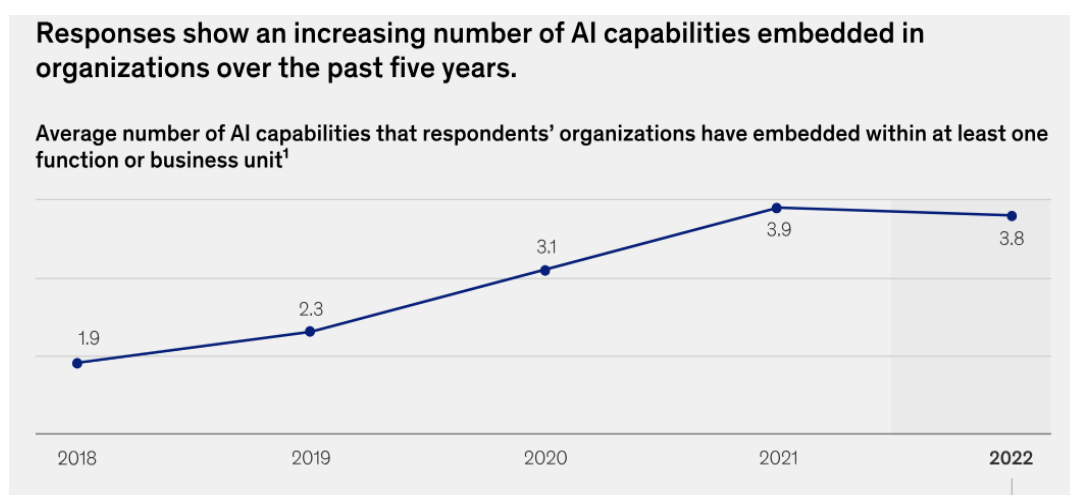


Figure 1. Average number of AI capabilities that respondents' organizations have embedded within at least one function or business unit

**Compiled by the authors based on the source [1]*

And this, in turn, affects the market value of artificial intelligence in finance — if in 2020 the volume of this market was estimated at 7.91 billion dollars, then by 2030 it will reach 26.67 billion, with an average annual growth rate of 23.17% [1].

There are many real-life examples of how AI-based products and platforms are transforming the financial ecosystem. Propose to consider the international experience of using artificial intelligence in the financial sphere.

In Switzerland it is MoneyPark, independent financial advice platform for mortgage and insurance products, providing comprehensive analysis of financial services to find those that best suit the client's needs [2].

In UK it is Revolut Ltd., fintech company offering banking services including GBP and EUR bank accounts, pre-paid debit card, commission-free currency exchange, stock trading, cryptocurrency-to-currency exchange and peer-to-peer payments. Revolut was recognized as the best fintech startup in the UK in February 2020 [3, 4].

In US it is Robinhood, mobile app and website that provides investing in stocks, Exchange Traded Funds (ETFs) and options through Robinhood Financial and crypto trading through Robinhood Crypto. Investors view Robinhood as the primary mobile finance tool that the next generation will rely on. In December 2019, Robinhood Financial announced 10 million active accounts in the system [5, 6].

Due to the state of war and difficult financial situation, Ukraine cannot boast of a variety of financial management applications. But taking into account the rather active development of domestic fintech, we have hope for positive changes in the near future. Currently, a large part of the personal finance market is occupied by chatbots that act as advisors and provide users with automated financial planning solutions.

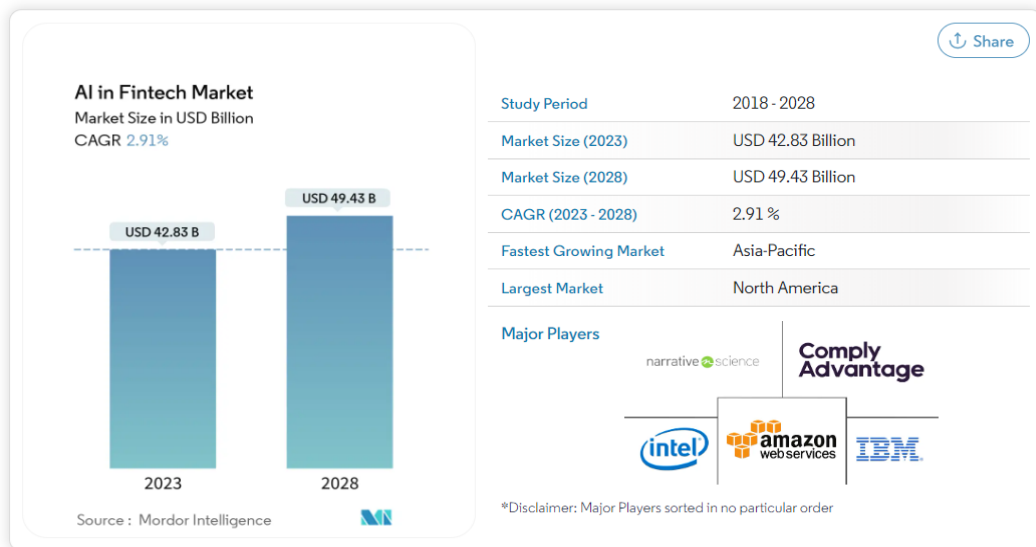


Figure 2. Market Size of AI in Fintech Industry

**Compiled by the authors based on the source [2]*

For example, PrivatBank is an automated bot consultant available to Ukrainians 24/7. Acting as a virtual financial advisor, he provides answers to questions about personal finances and budget. With its help, you can find out about the following topical issues: exchange rates, actions in case of fraud, card blocking and many other requests.

Therefore, as we have seen in practical examples, the development of AI in the field of finance will only gain momentum in its application to analyze current trends and predict new ones. In different countries, there are different trends in the development and pace of implementation of artificial intelligence technologies. In Ukraine, because of the difficult political situation, the relevant platforms are only taking the first steps in the development of this direction, which opens up prospects for a radical change of business models in the financial sector on the world economic stage.

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