

THE TREND OF DIGITALIZATION OF THE BANKING INDUSTRY

The article discusses the trend of digitalization of the banking industry in modern conditions, describing the key elements for conducting banking operations.

The modern financial system is experiencing a real boom in digital technologies, every day is marked by information about the emergence of new types of electronic money and ways of making payments between them. Cryptocurrency, its mining, blockchain technology, contactless payment, digital signature, the Internet of Things and their software, supercomputers, cyberspace and cybersecurity have firmly entered the everyday life of scientists, practitioners, experts, politicians and media representatives.

The use of digital technologies optimizes the possibility of mutual action of banks, the state and customers. It includes the widespread introduction of the latest methods of providing banking services. Bank branches are shrinking, most services are moving into the field of online services, especially when issuing loans or investing resources [1].

The use of the advantages of digital technologies contributes to the expansion of the customer base through the ubiquitous and round-the-clock availability of banking services. The procedure of digital changes of the banking segment itself contains such elements as: studying the experience of working with visitors, digital banking products and services, as well as changes in the internal processes of the enterprise [2] (see Figure 1):

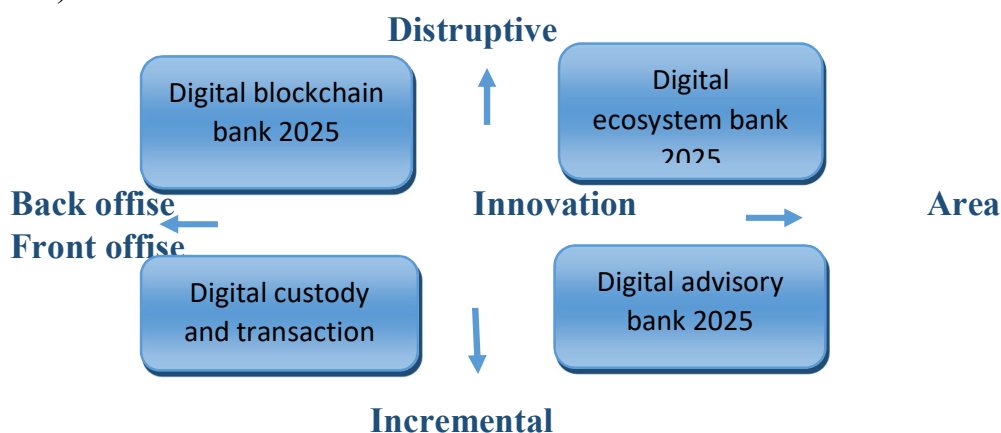


Figure 1: Digital Banking Models 2025 [3]

Banks that manage to implement all of the above areas of adaptation to the realities of the digital economy, rather than trying to act selectively, bypassing the inevitable difficulties, will create the most stable platform for their business, in which there will be no weaknesses [4].

This allows modern banks, despite significant innovation costs, to increase the growth rate of virtual business, expand the range of digital services for customers and

maintain the necessary distance from competitors, controlling the market situation in their favor.

According to the level of Internet banking service, the composition of commercial banks is heterogeneous and includes three typical categories: outsiders who are content with a minimum set of electronic services (information about the amount of funds and their movement in bank accounts); middle-class people who enable customers to make payments. Internet service providers online; and leaders who have created the necessary software products for paying off loans and taxes by customers, managing personal finances based on the expense categorization module, creating functionality for setting limits on card transactions, convenient money transfers between cards by phone number, social media account, e-mail. The latter are the future, because such credit institutions have already passed the period of "digitization" of traditional banking operations and are working closely on creating a comprehensive virtual banking terminal that will be controlled by artificial intelligence.

Thus, in the monetary sphere, an extensive structure of the exchange of values is beginning to form, within which banks use both self-developed and created by specialized IT companies constantly improving financial technologies, immanent to the conditions of the digital economy, and themselves acquire an important status of its coordinator, which is an order of magnitude higher than the rank of a monetary intermediary characteristic of credit institutions in models of the traditional market structure. The use of the latest technologies for studying data using the system of coordination of mutual relations with consumers is considered the most important element of digital banking transformation. Digital banking transformation requires an integrated approach that is based on the creation and use of a digital strategy. It involves all the elements of conducting financial and credit activities, for this reason it is necessary that the digital optimization of the banking sector be coordinated with other development strategies in order to develop solutions that help maximize the effectiveness of activities. Thus, it is necessary that the digital strategy should be aimed at solving the following tasks, namely: the introduction of digital technologies, changing the pricing process of services, improving the financial segment of digitalization and optimizing the organizational structure.

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