

THE TRANSFORMATION OF UKRAINE'S FINANCIAL MARKET IN THE CONTEXT OF EUROPEAN INTEGRATION

Krylov D. V.

INTRODUCTION

The current stage of Ukraine's economic development is characterized by profound transformational processes driven not only by internal structural changes but also by the intensification of the country's European integration trajectory. The deepening of cooperation with the European Union establishes new requirements for the functioning of the financial market, particularly in terms of ensuring transparency, regulatory efficiency, investor protection, and the implementation of modern financial instruments.

Ukraine's financial market plays a crucial role in the redistribution of financial resources, the support of investment activity, and the stimulation of economic growth. However, its development has long been constrained by institutional weaknesses, insufficient liquidity, a limited range of financial instruments, and a low level of investor confidence. In this context, European integration processes act as a catalyst for structural changes aimed at aligning the national financial market with EU standards.

A significant milestone in this process was the signing of the Association Agreement between Ukraine and the European Union, which established strategic guidelines for the harmonization of Ukrainian legislation with the EU *acquis*, including in the areas of financial services and capital markets. The implementation of relevant EU directives and regulations requires the transformation of the institutional structure of the financial market, the improvement of state regulatory mechanisms, and the development of financial intermediary infrastructure.

The transformation of the financial market becomes particularly important under conditions of martial law, which intensifies the need to ensure financial stability, effective risk management, and the attraction of external investment resources. In such circumstances, integration into the European capital market is considered a key instrument for ensuring macro-financial stability and economic recovery.

1. Legal Framework of the Functioning of Ukraine's Financial Market in the Context of European Integration

The issue of legal support for the functioning of Ukraine's financial market in the context of European integration constitutes a subject of active scholarly inquiry, driven by the need to adapt national legislation to the norms

and standards of the European Union. Contemporary academic literature has developed a comprehensive set of approaches to understanding the mechanisms of legal regulation of the financial market, grounded in the concepts of harmonization, institutional transformation, and the implementation of the EU acquis.

In particular, O. Shevchuk, R. Bereza¹ note that the legal regulation of the financial market in the EU is grounded in the principles of transparency, stability, consumer protection, and the harmonization of rules for financial intermediaries. They further emphasize that a key role is played by EU directives and regulations – particularly MiFID II, MiFIR, and PSD2 – which establish a unified regulatory framework for the functioning of the financial market and ensure its integration within the single European space, thereby creating a methodological basis for the adaptation of Ukrainian legislation.

The issues of transforming the legal regulation of public finances in the context of European integration have been examined by M. I. Pypiak et al., who demonstrate that European integration processes necessitate the modernization of the system of financial control through the implementation of European standards of transparency, accountability, and efficiency in public financial management. This, in turn, directly affects the functioning of the financial market, as it shapes the institutional environment for its development².

I. Doronina and N. Kryshtof substantiate that the key directions of reform include the improvement of the regulatory and legal framework, the implementation of international standards, and the formation of an effective model of state regulation. They further emphasize the expediency of establishing integrated regulatory mechanisms (a mega-regulator) that correspond to the trends of globalization of financial markets.³

An important aspect is the study of monetary and financial integration by O. Sheremetieva, who notes that the legal framework of Ukraine's European integration in the financial sphere is primarily based on the EU–Ukraine Association Agreement and defines the key directions for the harmonization

¹ Шевчук О., Береза Р. Правові засади регулювання ринку фінансових послуг у європейському союзі: концептуальні підходи, нормативно-правові механізми та інституційна структура. *Актуальні проблеми правознавства*. 2025 № 1. <https://doi.org/10.35774/app2025.01.062>

² Пипяк М. І., Костюк Н. П., Слободиська О. А., Хом'яченко С. І. Трансформація правового регулювання державного фінансового контролю у контексті євроінтеграції. *Наукові інновації та передові технології*. 2024. № 9(37). С. 474-483. [https://doi.org/10.52058/2786-5274-2024-9\(37\)-474-483](https://doi.org/10.52058/2786-5274-2024-9(37)-474-483)

³ Дороніна І.І., Криштоф Н.С. Державне регулювання ринку фінансових послуг у контексті європейської інтеграції. *Наукові записки Інституту законодавства Верховної Ради України*. 2019. № 2. С. 106–116. URL: <https://ir.kneu.edu.ua/handle/2010/41095>

of legislation, particularly in the areas of capital movement, currency regulation, and financial supervision.⁴

T. O. Chepulchenko and A. O. Monarshuk establish that the existing problems of legal support for the stock market are associated with the inconsistency of certain provisions with international standards, which constrains Ukraine's integration into global financial markets and confirms the need for further harmonization of legislation⁵.

Contemporary research also emphasizes the digital dimension of the legal regulation of the financial market. In particular, L. M. Kasianenko et al. substantiate the need to develop new legal approaches to the regulation of financial innovations that are aligned with European standards of the digital market⁶. Similar approaches are further developed in studies devoted to the digital transformation of the financial system, which emphasize the role of harmonization with EU norms in the areas of data protection, payment services, and financial technologies⁷.

At the same time, the official position of the National Bank of Ukraine indicates that the implementation of the EU–Ukraine Association Agreement ensures the gradual approximation of the regulatory environment to EU standards, including in the areas of banking supervision, payment systems, consumer protection, and the prevention of financial crimes⁸. This forms the institutional foundation for the integration of Ukraine's financial market into the European space.

1. Therefore, the legal foundations for the functioning of Ukraine's financial market in the context of European integration are shaped by three key factors:

2. The harmonization of national legislation with EU law.
3. The transformation of the institutional structure of regulation.
4. The introduction of modern financial and digital instruments.

⁴ Sheremetieva O.Iu. The peculiarities of the legal regulation of the European integration's processes in the currency and financial sphere in Ukraine. *Міжнародні відносини та міжнародне право в постбіполярній системі міжнародних відносин*. 2023. Р. 164-169.

⁵ Чепульченко Т. О., Монаршук А. О. Правове регулювання фондового ринку в Україні: проблематика та перспективи розвитку. *Право і суспільство*. 2020. № 2. <https://doi.org/10.32842/2078-3736/2020.2-2.42>

⁶ Касьяненко Л.М., Шаркова В.С., Петрук В.П. Правове регулювання штучного інтелекту у фінансовому секторі України. *Ірпінський юридичний часопис*. 2024. № 2(15). С. 144–153. [https://doi.org/10.33244/2617-4154-2\(15\)-2024-144-153](https://doi.org/10.33244/2617-4154-2(15)-2024-144-153)

⁷ Невара Л. М., Зверева К. С. Правове регулювання цифрової трансформації національної фінансової системи в контексті євроінтеграційних процесів. *Науковий вісник Ужгородського національного університету*. 2025. Том 4 № 89. <https://doi.org/10.24144/2307-3322.2025.89.4.26>

⁸ Європейська інтеграція. Національний банк України. URL: <https://bank.gov.ua/ua/about/international/euro-integration>

Thus, the legal framework governing the functioning of Ukraine's financial market under conditions of European integration is formed under the influence of the systematic implementation of the provisions of the EU–Ukraine Association Agreement, as well as the adaptation of national legislation to the *acquis* of the European Union. In this context, the key vectors of transformation include the harmonization of the regulatory and legal framework, the institutional modernization of regulatory authorities, and the implementation of advanced financial and digital instruments.

2. Assessment of Key Indicators of the Development of Ukraine's Financial Market in the Context of European Integration

The effectiveness of the European integration transformation of Ukraine's financial market can be fully assessed only on the basis of a comprehensive analysis of its key quantitative and qualitative indicators. It is precisely the empirical dimension that makes it possible to determine the extent to which the implementation of the norms of the European Union and the fulfillment of the provisions of the EU–Ukraine Association Agreement have contributed to real structural changes in the functioning of the financial market, enhancing its resilience and integration into the European financial space.

Over recent years, Ukraine's financial market has undergone significant transformations under the influence of both internal reforms and external challenges, including macroeconomic instability and wartime risks. Under these conditions, particular importance is attached to analyzing the dynamics of development of its main segments – the banking, stock, and non-banking financial sectors – as well as assessing changes in the structure of financial instruments and the level of financial depth of the economy.

A special role in ensuring the stability of the financial market is played by the National Bank of Ukraine as the primary regulator of the banking sector and the coordinator of macroprudential policy. The introduction of European standards of banking supervision, the improvement of liquidity and capital regulation mechanisms, and the digitalization of financial services have become important factors in enhancing the efficiency of the financial system.

At the same time, assessing the development of the financial market in the context of European integration requires taking into account not only internal indicators but also indicators of external integration, such as the volume of foreign investment, the level of participation of foreign capital in the financial sector, and the degree of harmonization of the regulatory environment with European standards. The combination of these parameters makes it possible to form a holistic understanding of the actual state of Ukraine's integration into the European financial and capital market.

The banking sector of Ukraine in 2021–2025 has been operating under conditions of profound macroeconomic turbulence caused by the full-scale war, structural transformations of the economy, and the strengthening of regulatory requirements by the state and the National Bank of Ukraine. Table 1 presents key quantitative and qualitative indicators of the development of the banking system, enabling an assessment of its resilience, efficiency, lending activity, and risk level.

The analysis covers the dynamics of the number of banks, the structure of banks with foreign capital, the scale of assets relative to GDP, the level of lending to the economy, the share of non-performing loans (NPLs), return on capital, and the overall financial performance of the sector.

Table 1

**Key Indicators of the Development of Ukraine’s Banking Sector
in 2021–2025⁹**

Indicator	2021	2022	2023	2024	2025
Number of banks, units	73	71	67	63	60
Number of banks with foreign capital, units	33	30	27	26	26
Bank assets, UAH billion	2 054	2 354	2 943	3 422	4001
Assets / GDP, %	37.6	45.3	45.0	44.6	44.7
Lending to the economy / GDP, %	19.5	20.0	15.6	14.8	13.6
NPL ratio, %	27.3	38.2	37.4	30.3	13.9
Return on equity, %	35.15	10.91	31.61	29.07	29.98
Net profit of banks, UAH billion	77.4	21.9	83.0	90.9	126.8

During the period 2021–2025, a steady decline in the number of banks is observed – from 73 to 60 institutions – indicating the continued process of banking system clean-up, tightening of capital requirements, and market consolidation.

The number of banks with foreign capital also decreased from 33 to 26, reflecting a partial withdrawal of foreign players or a reduction in their presence due to heightened wartime risks and changes in Ukraine’s investment attractiveness.

Total bank assets demonstrate *устойчиве зростання*: from UAH 2,054 billion in 2021 to UAH 4,001 billion in 2025. This represents more than a doubling of asset volumes, indicating a nominal expansion of the financial system, largely driven by inflationary pressures, depreciation processes, and increased government operations within the banking sector.

⁹ Наглядова статистика. Національний банк України. URL: <https://bank.gov.ua/ua/statistic/supervision-statist#6>

At the same time, the “assets-to-GDP” ratio fluctuates within the range of 37.6–45%, reaching its peak in 2022–2023. This suggests that the banking system grew faster than or in parallel with the economy; however, its relative depth remains moderate and does not demonstrate a structural breakthrough.

The most problematic trend is observed in lending: the share of credit to GDP declines from 19.5% in 2021 to 13.6% in 2025, indicating a reduction in the role of bank lending as a source of financing for economic development.

The main reasons include:

- heightened credit risks during the war;
- a decline in business investment activity;
- limited solvency of borrowers;
- the reorientation of banks toward government securities instead of corporate lending.

Thus, the banking system performs the function of financial stabilization, but does not fully fulfill the function of stimulating economic growth.

The share of non-performing loans (NPLs) demonstrates ambiguous dynamics: a sharp increase to 38.2% in 2022 (the crisis effect of the war), followed by a gradual decline to 13.9% in 2025, which indicates:

- active balance sheet clean-up by banks;
- write-offs of problematic assets;
- restructuring of loan portfolios;
- strengthened supervision by the National Bank of Ukraine.

The reduction of NPLs to a single-digit level is a positive signal of the recovery in the quality of banking assets and the strengthening of the system’s financial resilience.

Return on equity (ROE) exhibits high volatility: a sharp decline in 2022 to 10.91%, followed by a recovery to approximately 30% in 2023–2025, indicating the rapid adaptation of banks to crisis conditions.

Net profit of banks also increases from UAH 77.4 billion in 2021 to UAH 126.8 billion in 2025, representing a historically high level. Such profitability is largely driven by:

- operations with government bonds;
- high interest rates;
- limited credit risk costs (following portfolio clean-up).

The banking sector of Ukraine in 2021–2025 demonstrates a combination of two opposing trends: on the one hand, an increase in financial resilience, profitability, and asset quality improvement; on the other hand, a narrowing of the credit function and a reduction in the number of banking institutions.

As a result, a model of the banking system has emerged that is stable in terms of capital and profitability, yet only partially performs the function of long-term financing of economic development.

Ukraine's stock market in 2021–2024 operated under conditions of significant macroeconomic shocks caused by the full-scale war, structural transformation of the financial system, and changes in investment priorities. Under these conditions, the role of the stock market has been transformed – from an instrument for attracting private capital to a mechanism for financing government needs.

Table 2 presents the key indicators of the functioning of the securities market, including trading volumes, their ratio to GDP, market structure, institutional development, and the role of government instruments.

Table 2

**Key Indicators of the Development of Ukraine's Stock Market
in 2021–2024¹⁰**

Indicator	2021	2022	2023	2024	Growth rate, %
Trading volume on the stock market, UAH billion	1100.2	624.6	1366.9	1784.0	62.1
Trading volume as a percentage of GDP, %	20.2	11.9	20.6	23.3	15.3
Share of trading on the organized market in total volume, %	41.1	25.7	31.9	40.9	-0.5
Number of issuers whose securities are serviced by the Central Depository	10753	10788	10810	10825	0.7
Share of government bonds (OVDP) in total stock market trading volume, %	87.5	89.4	89.7	86.4	-1.3
Number of stock exchanges, units	3	3	3	3	0
Number of collective investment institutions (CIIs), units	1623	1651	1659	1756	8.2
Number of non-state pension funds (NPFs), units	58	58	56	51	-12.1

The volume of trading on the stock market demonstrates an overall increase of 62.1% over the study period – from UAH 1,100.2 billion in 2021 to UAH 1,784.0 billion in 2024. At the same time, the dynamics are uneven: in 2022, there was a sharp decline (to UAH 624.6 billion), which is a direct consequence of the wartime shock, loss of investor confidence, and the suspension of part of market operations. In 2023–2024, the market not only recovered but also exceeded pre-war levels, indicating the adaptability of the financial system.

¹⁰ Звіт про роботу Комісії у 2024 році. Національна комісія з цінних паперів та фондового ринку. URL: <https://www.nssmc.gov.ua/wp-content/uploads/2025/06/zvit-nktsprf-2024-rik-1-1.pdf>

The share of trading volume in GDP increased by 15.3% and reached 23.3% in 2024. This indicates that the stock market has begun to play a more significant role in the redistribution of financial resources. Particularly illustrative is the collapse in 2022 (11.9%), followed by a rapid recovery, pointing to the growing dependence of the economy on the financial market, primarily through government borrowing.

The share of trading on the organized market remained virtually unchanged (-0.5%), staying at around 41%. However, in 2022 it dropped significantly to 25.7%, indicating destabilization of the exchange infrastructure. The subsequent recovery in 2023–2024 suggests a gradual return to more transparent and regulated trading mechanisms.

The number of issuers increased by only 0.7%, indicating stagnation in the corporate segment of the stock market. In fact, despite the overall growth in trading volumes, new companies are not entering the market, reflecting low investment attractiveness and high risks.

The share of domestic government bonds (OVDP) in the trading structure remains critically high – over 86% in 2024, despite a slight decrease of 1.3%. This indicates that Ukraine's stock market has effectively transformed into a mechanism for financing the state budget rather than the corporate sector. Such a structure constrains the development of private investment and reduces the role of the market as a driver of economic growth.

The number of stock exchanges remains unchanged (3 units), indicating the absence of structural changes in exchange infrastructure, which reflects both stability and a certain degree of institutional inertia.

Collective investment institutions (CIIs) increased by 8.2% (to 1,756), indicating the gradual development of collective investment forms even under conditions of instability.

Non-state pension funds (NPFs) decreased by 12.1% (from 58 to 51), pointing to a crisis of long-term investment institutions and a decline in trust in pension savings.

Thus, Ukraine's stock market in 2021-2024 demonstrated adaptability to crisis conditions, as evidenced by the recovery in trading volumes and the increased role of the market in the economy. At the same time, its development exhibits a structurally distorted character: the dominance of government bonds, weak activity of the corporate sector, and a decline in long-term institutional investors. A model of the stock market has emerged that is primarily oriented toward servicing public debt, which limits its potential as an instrument for mobilizing investment into the real sector of the economy.

The non-banking financial sector of Ukraine in 2021–2025 has undergone significant transformations under the influence of wartime risks,

macroeconomic instability, and the tightening of regulatory policy. Changes in the number of financial service providers reflect processes of market clean-up, institutional consolidation, and increased requirements for financial resilience.

Table 3 presents the dynamics of the main categories of non-banking financial institutions, enabling an assessment of structural shifts in the sector and the identification of key development trends.

Table 3

Dynamics of the Number of Financial Service Providers in Ukraine in 2021-2025¹¹

Number of financial service providers	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	Growth rate, %
Insurers	155	128	101	65	57	-63.2
Financial companies	922	760	559	479	411	-55.4
Legal entities-lessors	137	98	76	1	1	*
Credit unions	278	162	133	104	85	-69.4
Pawnshops	261	183	146	109	101	-61.3

All categories of financial service providers demonstrate a sharp decline in the number of institutions, indicating the systemic nature of the transformation of the non-banking financial sector, which is undergoing a phase of deep clean-up and concentration.

The number of insurers decreased from 155 in 2021 to 57 in 2025 (-63.2%). This trend results from:

- stricter solvency and capital requirements;
- the exit of weak and inactive companies from the market;
- reduced demand for certain insurance products under wartime conditions.

As a result, the market is becoming more concentrated, with the dominance of financially stable companies.

The number of financial companies declined from 922 to 411 (-55.4%). As one of the largest groups within the non-banking sector, this reduction has a significant impact on the entire market. The main reasons include:

- tightening of licensing requirements;
- efforts to combat non-transparent financial operations;

¹¹ Огляд небанківського фінансового сектору. Національний банк України. URL: <https://bank.gov.ua/ua/news/all/oglyad-nebankivskogo-finansovogo-sektoru-berezen-2026-roku>

– a decline in consumer lending activity.

This indicates a gradual formalization and “de-shadowing” of the financial market.

The most radical changes occurred in the segment of leasing companies: from 137 in 2021 to effectively 1 in 2024–2025 (-99.3%), which can be explained by changes in the regulatory status of such companies and the transition of their activities to other organizational and legal forms. In effect, this segment has ceased to exist in its traditional form.

The number of credit unions decreased from 278 to 85 (-69.4%), indicating a crisis in the cooperative financial sector. The main factors include:

- limited financial resilience of small institutions;
- declining household incomes;
- increased risks of loan default.

This implies reduced access to financial services for certain population groups, particularly in the regions.

The number of pawnshops declined from 261 to 101 (-61.3%). Despite traditionally high demand for their services during crisis periods, the market has also undergone significant clean-up due to:

- strengthened regulatory oversight;
- increased transparency requirements;
- partial displacement of the informal segment.

Thus, the non-banking financial sector of Ukraine in 2021–2025 has undergone a profound structural transformation, manifested in a sharp reduction in the number of financial institutions across all segments.

On the one hand, this indicates an improvement in regulatory quality, market clean-up, and increased financial resilience of market participants. On the other hand, it reflects reduced competition and a potential narrowing of access to financial services, particularly for households and small businesses. As a result, a more concentrated yet less diversified model of the non-banking financial market is emerging.

The assets of the non-banking financial sector represent an important indicator of the scale and efficiency of the functioning of relevant institutions, as well as their role within the country’s financial system. In 2021–2025, the development of this segment occurred under conditions of a wartime economy, which led to both structural shifts and the redistribution of resources among different types of financial institutions.

The table below presents the dynamics of assets of the main participants in the non-banking financial market—insurers, credit unions, financial companies, and pawnshops—allowing for an assessment of changes in their financial potential.

Table 4

**Dynamics of Assets of the Non-Banking Financial Sector of Ukraine
in 2021–2025¹²**

Financial sector assets, UAH billion	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	Growth rate, %
Insurers	65	70	74	73	94	44.6
Credit unions	2	1	1	1	1	-50.0
Financial companies	216	244	250	311	289	33.8
Pawnshops	4	4	4	4	4	0.0

The non-banking financial sector is characterized by a significant concentration of assets in financial companies and insurers. These two segments constitute the core financial potential of the market, while credit unions and pawnshops operate on a limited scale.

The assets of insurance companies increased from UAH 65 billion in 2021 to UAH 94 billion in 2025 (+44.6%). The dynamics are relatively stable, with a slight decline in 2024 followed by substantial growth, indicating a gradual recovery of the insurance market, accumulation of reserves, and adaptation of companies to new risks. The growth of assets alongside a simultaneous reduction in the number of insurers (as noted earlier) reflects increased market concentration and the enlargement of its participants.

The assets of credit unions decreased from UAH 2 billion to UAH 1 billion (-50.0%) and effectively stabilized at a minimal level, reflecting a loss of financial capacity in this segment, a constrained resource base, and declining public trust. In effect, credit unions are losing their role as a significant financial intermediary.

The assets of financial companies increased from UAH 216 billion to UAH 289 billion (+33.8%), although the dynamics are uneven. After rising to UAH 311 billion in 2024, a certain decline occurred in 2025, indicating active sectoral development in previous years, high sensitivity to macroeconomic changes, and the contraction of certain lines of business (particularly consumer lending). Nevertheless, financial companies remain the key segment of the non-banking market in terms of asset volume.

The assets of pawnshops remained unchanged at UAH 4 billion (0.0%), indicating stagnation in this segment. Despite potentially high demand under crisis conditions, the sector does not exhibit growth, which can be explained

¹² Огляд небанківського фінансового сектору. Національний банк України. URL: <https://bank.gov.ua/ua/news/all/oglyad-nebankivskogo-finansovogo-sektoru-berezen-2026-roku>

by a stricter regulatory environment, limited access to resources, and a low level of capitalization.

In 2021–2025, the non-banking financial sector of Ukraine demonstrates uneven asset dynamics: growth in the segments of insurance and financial companies is combined with contraction or stagnation among other market participants. This indicates a structural transformation of the sector, within which resources are increasingly concentrated in more resilient and well-capitalized institutions. At the same time, the declining role of credit unions and the lack of development in pawnshops point to a reduction in financial inclusion and limited access to financial services for certain segments of the population.

CONCLUSIONS

The conducted analysis of Ukraine's financial market in 2021–2025 makes it possible to form a holistic view of the transformation of the financial system under conditions of a wartime economy and high uncertainty.

First and foremost, Ukraine's financial system demonstrates a high level of adaptability and resilience to shocks, as evidenced by the preservation of the functionality of key institutions, the recovery of financial indicators after the crisis year of 2022, and the maintenance of macro-financial stability. At the same time, this resilience has a specific character and is largely ensured by the public sector.

The banking sector has transformed into a stable and profitable, yet credit-constrained system. On the one hand, there is an increase in assets, a reduction in the share of non-performing loans, and a high level of profitability. On the other hand, there is a persistent decline in lending to the economy, indicating a reduced role of banks as a source of investment financing. Thus, banks are increasingly performing the function of servicing public financial flows rather than stimulating economic development.

The stock market, in turn, demonstrates a recovery in trading volumes and an increase in their share of GDP; however, its structure remains distorted. The dominance of domestic government bonds (OVDP) indicates that the market primarily serves as a mechanism for financing the state budget. The corporate segment remains weak, limiting the capacity to mobilize investment into the real sector of the economy.

The non-banking financial sector has undergone a profound institutional transformation, manifested in a sharp reduction in the number of financial institutions alongside the growth or concentration of assets in specific segments. This reflects market clean-up and increased requirements for participants; however, it simultaneously leads to reduced competition and limited access to financial services, particularly for households and small businesses.

From a structural perspective, Ukraine's financial system is acquiring the features of a state-oriented model characterized by the dominance of public financial instruments, the concentration of resources within the banking sector, a limited role of market-based financing mechanisms, and a declining significance of non-banking institutions in financial intermediation.

The key consequence of these transformations is the emergence of a stabilization-oriented financial system, whose primary function is to ensure macro-financial equilibrium rather than to stimulate economic growth.

At the same time, in the long term, the persistence of such trends may generate structural imbalances, including:

- an insufficient level of lending to the economy;
- weak development of the stock market as an investment instrument;
- limited financial inclusion;
- dependence of the financial system on public borrowing.

Therefore, the further development of Ukraine's financial system should be aimed at restoring the balance between stability and growth. This implies the intensification of lending, the development of the corporate segment of the stock market, support for non-banking financial institutions, and the strengthening of the role of private capital in financing the economy.

SUMMARY

The study provides a comprehensive analysis of the development of Ukraine's financial market in 2021–2025 under conditions of a wartime economy and macroeconomic instability. The dynamics and structural changes of the banking sector, the stock market, and non-banking financial institutions are assessed based on key indicators, including asset volumes, lending to the economy, the share of non-performing loans, profitability, stock market trading volumes, the role of government securities, as well as the number and assets of financial intermediaries.

It is established that the banking sector is characterized by high financial resilience, growth in assets and profitability, and a decline in the level of non-performing loans; however, it demonstrates a contraction in lending to the real sector of the economy. It is found that the stock market has recovered trading volumes after the crisis downturn of 2022, yet remains structurally distorted due to the dominance of government bonds and the weak development of the corporate segment.

It is substantiated that the non-banking financial sector has undergone a significant reduction in the number of institutions alongside the concentration of assets in more financially resilient segments. It is proven that Ukraine's financial market is transforming into a state-oriented stabilization model in which the banking sector and public financial instruments play a key role.

References

1. Шевчук О., Береза Р. Правові засади регулювання ринку фінансових послуг у європейському союзі: концептуальні підходи, нормативно-правові механізми та інституційна структура. *Актуальні проблеми правознавства*. 2025 № 1. <https://doi.org/10.35774/app2025.01.062>
2. Пипяк М.І., Костюк Н.П., Слободиська О.А., Хом'яченко С.І. Трансформація правового регулювання державного фінансового контролю у контексті євроінтеграції. *Наукові інновації та передові технології*. 2024. № 9(37). С.474-483. DOI: [https://doi.org/10.52058/2786-5274-2024-9\(37\)-474-483](https://doi.org/10.52058/2786-5274-2024-9(37)-474-483)
3. Дороніна І.І., Криштоф Н.С. Державне регулювання ринку фінансових послуг у контексті європейської інтеграції. *Наукові записки Інституту законодавства Верховної Ради України*. 2019. № 2. С. 106–116. URL: <https://ir.kneu.edu.ua:443/handle/2010/41095>
4. Sheremetieva O.Iu. The peculiarities of the legal regulation of the European integration's processes in the currency and financial sphere in Ukraine. *Міжнародні відносини та міжнародне право в постбіполярній системі міжнародних відносин*. 2023. Р. 164-169.
5. Чепульченко Т.О., Монаршук А.О. Правове регулювання фондового ринку в Україні: проблематика та перспективи розвитку. *Право і суспільство*. 2020. № 2. <https://doi.org/10.32842/2078-3736/2020.2-2.42>
6. Касьяненко Л. М., Шаркова В. С., Петрук В. П. Правове регулювання штучного інтелекту у фінансовому секторі України. *Ірпінський юридичний часопис*. 2024. № 2(15). С. 144–153. [https://doi.org/10.33244/2617-4154-2\(15\)-2024-144-153](https://doi.org/10.33244/2617-4154-2(15)-2024-144-153)
7. Невара Л.М., Зверева К.С. Правове регулювання цифрової трансформації національної фінансової системи в контексті євроінтеграційних процесів. *Науковий вісник Ужгородського національного університету*. 2025. Том 4 № 89. <https://doi.org/10.24144/2307-3322.2025.89.4.26>
8. Європейська інтеграція. Національний банк України. URL: <https://bank.gov.ua/ua/about/international/euro-integration>
9. Наглядова статистика. Національний банк України. URL: <https://bank.gov.ua/ua/statistic/supervision-statist#6>

10. Звіт про роботу Комісії у 2024 році. Національна комісія з цінних паперів та фондового ринку. URL: <https://www.nssmc.gov.ua/wp-content/uploads/2025/06/zvit-nktspfr-2024-rik-1-1.pdf>

11. Огляд небанківського фінансового сектору. Національний банк України. URL: <https://bank.gov.ua/ua/news/all/oglyad-nebankivskogo-finansovogo-sektoru-berezen-2026-roku>

Information about the author:

Krylov Denys Valeriiovych,

Doctor of Economic Sciences, Associate Professor,

Honored Economist of Ukraine,

Professor at the Department of Finance, Banking and Insurance,

Zaporizhzhia National University,

66, Universytetska St., Zaporizhzhia, 69011, Ukraine