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THE FINTECH ECOSYSTEM IN THE CONTEXT OF FINANCIAL MARKET TRANSFORMATION

This article examines the theoretical and practical aspects of the development of fintech ecosystems in the context of financial market transformation. It is established that digital technologies act as a key driver of change in the financial sector, leading to a rethinking of traditional business models, changes in market structure, and the emergence of new approaches to the provision of financial services. International experience in fintech development is analysed, and it is established that models of financial technology operation depend on the institutional and economic conditions of individual countries. Particular attention is paid to analysing the activities of SoFi Technologies as an example of the successful integration of financial and technological solutions within a single digital platform. The current state of Ukraine's financial market is assessed, revealing both the potential for the development of fintech ecosystems and existing constraints linked to institutional, investment and technological factors. The necessity of adapting international experience, developing integrated financial platforms and implementing modern digital technologies is substantiated.

Keywords: *fintech, fintech ecosystem, digitalisation, financial innovation, financial market, digital platforms.*

JEL classification: G20, G23, O31, O33

Statement of the problem. One of the key drivers of large-scale transformation in the modern economy is the growing role of digital technologies, both in the financial services sector and within the social, public and corporate spheres. The financial sector, as a system-forming industry and one of the most significant segments for consumers, is becoming a hub for innovation. It is within the development of financial products that both highly specialised solutions in the field of financial technology and fundamental technological breakthroughs, such as distributed ledgers and digital identification systems, are emerging.

At the same time, technologies emerging outside the financial sector, in particular quantum computing and certain areas of robotics, are having a significant impact on the transformation of the financial industry. Their integration into the financial sector is fundamentally changing the nature of market operations and driving a rethinking of traditional approaches to business organisation.

These processes are driving a profound digital transformation among financial services market participants, manifesting itself in changes to business models and business processes. At the same time, the institutional characteristics of individual countries determine different trajectories for the digitalisation of the financial sector. For instance, in China, technology corporations play a dominant role; in Ukraine, traditional financial intermediaries, primarily universal banks, retain

key positions; in European countries, the development of regulatory innovations has facilitated the spread of open banking and the growth of fintech start-ups, shaping new models of market interaction.

Digital technologies are transforming the economic landscape both by creating fundamentally new products and sectors, and by modernising existing business models and operational processes. As a result, the modern financial market is characterised by dynamic transformational changes driven by the development of financial technologies. The implementation of digital solutions contributes to the reorientation of financial institutions' activities and the formation of innovative approaches to service provision.

In this context, the analysis of the activities of international fintech companies, which demonstrate effective models of digital integration and can serve as a benchmark for the further development of financial systems, takes on particular significance.

Analysis of recent research and publications. In contemporary academic literature, the fintech ecosystem is regarded as a comprehensive, integrated environment of digital platforms that facilitate the provision of a wide range of financial services using innovative technologies [8]. This approach reflects the gradual transformation of the financial sector from fragmented specialized services to holistic, multifunctional digital systems.



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Among foreign researchers, P. Shufel has made a significant contribution to the development of the theoretical foundations of FinTech, particularly in clarifying the essence and content of this concept. The works of D. Filippov, devoted to the peculiarities of financial technology development in countries with emerging markets, are also of considerable academic interest. At the same time, T. Filippov's research demonstrates that the introduction of financial innovations contributes to improving market efficiency, reducing transaction costs and expanding access to financial resources for economic agents [8].

Alongside the positive effects, academic studies highlight a number of associated challenges linked to the development of the fintech sector, particularly in the areas of regulatory framework, cybersecurity and technology risk management. In particular, D. Zetsche, R. Buckley, D. Arner and J. Barberis emphasise that fintech companies act as drivers of structural change in the financial system, intensifying the competitive environment and stimulating the development of open banking [11].

The functioning and development of financial technologies are also being actively researched by domestic scholars. In particular, the works of V. Kovalenko [1] and N. Davydenko N [5] examine trends in the transformation of Ukraine's financial market, justify the need to introduce modern digital solutions into the operations of banking institutions, and analyse the influence of institutional and behavioural factors, particularly corporate culture, on the formation of a sustainable fintech environment [2; 6].

At the same time, despite the significant number of academic works devoted to the development of financial technologies, a number of aspects remain insufficiently explored. In particular, further research is needed into the formation and functioning of fintech ecosystems as holistic, integrated environments, their role in the transformation of the financial market, and the possibilities for adapting successful international experience to the conditions of the national economy [3]. Particular attention should be paid to analysing the mechanisms for integrating financial services within unified digital platforms and their impact on changes in the competitive environment.

In view of the above, there is a growing need for in-depth research into the development of fintech ecosystems and their impact on transformational processes in the financial sector.

The purpose of this article is to examine the theoretical foundations and practical aspects of the development of fintech ecosystems in the context of the transformation of the financial market, taking into account international experience and the potential for adapting this model to the conditions in Ukraine.

Summary of the main research material. The development of modern technologies in the financial sector should be viewed through the prism of two interrelated areas. The first relates to the development and dissemination of fundamental cross-cutting technologies, which are universally applicable and can be integrated into various spheres of economic activity [7]. The second area encompasses the creation of specialised technological solutions tailored to the needs of specific sectors, among which financial technologies occupy a special place.

In this context, FinTech acts not merely as a collection of digital tools, but as an instrument of profound transformation of the financial market, changing approaches to the creation, promotion and consumption of financial services. Despite the lack of a unified definition of the concept of FinTech, a synthesis of academic approaches allows us to identify its key characteristics.

Firstly, financial technologies are transforming traditional value chains in the financial sector, altering the role of traditional intermediaries and redistributing functions among market participants [3]. Secondly, they help to simplify financial products and services, making them more accessible to various categories of users – both individual and corporate. Thirdly, the implementation of FinTech solutions improves economic efficiency by reducing costs and optimising operational processes.

At the same time, fintech innovations are not limited to the activities of individual start-ups, but take shape within broader ecosystems comprising new technology companies, traditional financial institutions and large digital corporations. It is precisely this integration of various market participants that creates the conditions for the formation of fully-fledged fintech ecosystems, which define current trends in the transformation of the financial market.

Global experience shows that the development of financial technologies is uneven and depends to a large extent on institutional, economic and regulatory conditions. For instance, the USA and China demonstrate a high level of fintech adoption, acting as global leaders in this field. At the same time, European countries, despite a significant number of fintech start-ups, are characterized by different development models, where regulatory mechanisms and the level of financial services penetration play a key role.

The formation and development of fintech ecosystems is a key driver of financial market transformation, bringing about changes to its structure, improving operational efficiency and expanding opportunities for economic actors.

Given that the fintech ecosystem emerges as a result of the interaction between various groups of participants, technologies and institutional conditions, it is appropriate to view it as a multi-level system within which financial services are created, exchanged and consumed. This approach allows not only for a deeper understanding of the mechanisms governing the financial market, but also for identifying the key elements of its transformation under the influence of digital technologies.

In this context, there is a need to structure the fintech ecosystem as a cohesive phenomenon that combines technological, institutional and behavioural components.

The fintech ecosystem comprises a set of interrelated elements that enable the creation and operation of digital financial services. Its key components include:

Market participants. This group comprises fintech companies, traditional financial institutions (banks, insurance companies), technology corporations, investors and end users of financial services. Interaction between these entities forms the basis for the ecosystem's functioning.

Technological infrastructure. This encompasses digital platforms, cloud services, big data, artificial intelligence, blockchain and other innovative solutions that enable the creation and scaling of financial products.

Regulatory environment. This includes the regulatory framework, financial supervision mechanisms, security standards and open banking policies, which define the rules governing the market's operation.

Financial instruments and services. Represented by digital payment systems, credit platforms, investment services, insurance (InsurTech) and other products that meet user needs.

Institutional and innovation environment. This encompasses start-up ecosystems, accelerators, research centres and venture capital funds, which facilitate the development and scaling of fintech solutions.

The interaction of these elements forms a cohesive fintech ecosystem, which acts as a catalyst for the transformation of the financial market, changing the nature of competition, the structure of services and the behaviour patterns of market participants (Fig. 1).

The proposed framework enables us to move on to an analysis of practical models for the functioning of fintech ecosystems, in particular using the example of leading international companies that demonstrate the effective integration of financial and technological solutions.

SoFi Technologies, founded in 2011, has evolved from a niche fintech start-up into a comprehensive financial platform. Initially, its activities focused on student loan refinancing, but over time its functionality expanded significantly through the integration of credit products, investment services, banking services and other financial instruments.

A defining feature of SoFi's development is the implementation of a vertically integrated business model, which enables the company to control the entire customer interaction cycle. This approach enhances operational efficiency and helps build a loyal customer base. Financial indicators confirm the effectiveness of the chosen strategy: in particular, in 2026, the company's quarterly revenue exceeded US\$1 billion, and stable profitability was observed over several reporting periods [9]. Analytical assessments further confirm the company's positive growth trajectory and its ability to respond effectively to changes in the market environment [10].

Ukraine's financial sector is currently characterised by the intensive implementation of digital solutions, which highlights the need to modernise traditional financial

institutions. Research by domestic scholars indicates that digitalisation is one of the key factors in improving the performance and competitive position of the financial system. In particular, A. Semenog, emphasises the importance of innovative technologies as a prerequisite for ensuring the sustainable development of the financial market [2].

At the same time, the development of the fintech sector in Ukraine is hampered by a number of constraints, the key ones being a lack of investment resources, the need to improve the regulatory framework, and the necessity to strengthen technological security. In such circumstances, adapting and utilising international experience to develop effective development models takes on particular importance [7].

An analysis of SoFi Technologies' operations demonstrates the benefits of implementing comprehensive financial platforms that integrate various types of services within a single digital environment. Adopting such an approach can ensure broader access to financial services, reduce operational costs and increase user confidence.

Furthermore, the active application of modern technologies, particularly big data processing tools and business process automation, is a promising direction that will contribute to the growth in the efficiency of financial institutions. At the same time, the creation of a balanced regulatory environment capable of combining the promotion of innovation with the assurance of financial stability remains a key prerequisite [4].

An analysis of SoFi Technologies' operations has identified the key determinants of its successful development, the most significant of which are the vertical integration of financial services, the prioritisation of digital channels for customer engagement, and the systematic implementation of innovative solutions. It has been demonstrated that the company's evolution from a niche product to a comprehensive financial platform was the result of a combination of technological adaptability, effective strategic management and a focus on customer needs. The achievement of stable financial results and the positive trend in key indicators confirm the effectiveness of the chosen business model and its ability to withstand the impact of external market factors.

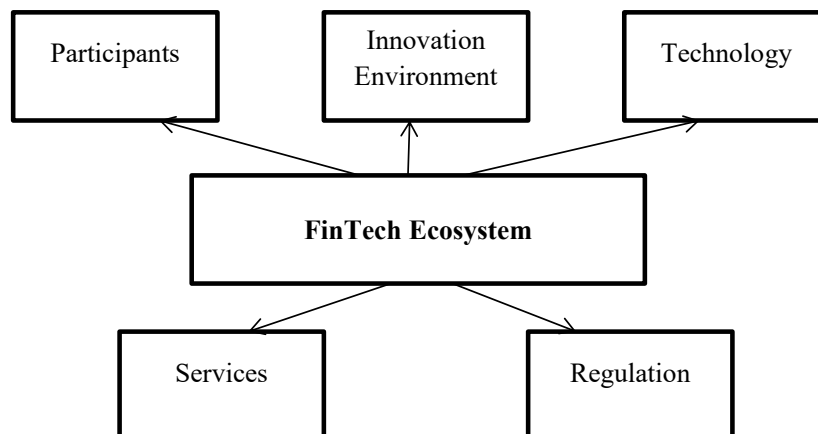


Figure 1 – Structure of the fintech ecosystem and the interrelationships between its key elements

Source: compiled by the authors

A study of the current state of Ukraine's financial market has revealed significant potential for the development of the fintech sector, whilst also identifying a number of systemic constraints. These include, in particular, limited investment resources, the need to improve the regulatory framework, and the necessity to enhance the technological security of financial institutions' operations.

Conclusions. The study found that the digitalisation of the financial sector is a key driver of the transformation of the modern financial market, shaping new models of interaction between its participants and changing traditional approaches to the provision of financial services.

The study justifies the need to consider the development of financial technologies in two complementary dimensions: as a process of disseminating universal cross-cutting technologies and as the formation of specialised financial solutions tailored to the needs of specific sectors of the economy. It is established that fintech acts not only as a tool for digitalisation but also as a catalyst for structural changes in the financial system.

It is established that the modern development of the financial market takes place within the framework of the formation of fintech ecosystems, which bring together financial institutions, technology companies, investors and consumers on the basis of a single digital

infrastructure. A framework for the fintech ecosystem is proposed, comprising the following key elements: market participants, technological infrastructure, the regulatory environment, financial instruments, and the institutional and innovation environment.

An analysis of SoFi Technologies' operations has identified the key factors underpinning the effective functioning of fintech companies, including vertical integration of services, a focus on digital channels, an innovative business model, and a customer-centric approach. It has been demonstrated that the transformation of a fintech start-up into a multifunctional financial platform leads to improved operational efficiency and financial stability.

An assessment of the current state of Ukraine's financial market has confirmed the potential for the development of fintech ecosystems, whilst also identifying a number of systemic constraints, the key ones being insufficient investment support, imperfect regulatory and legal frameworks, and heightened requirements for technological security.

It has been argued that the further development of Ukraine's financial market requires the active implementation of integrated digital platforms, the use of modern technologies (Big Data, process automation) and the creation of a balanced regulatory environment.

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ФІНТЕХ ЕКОСИСТЕМА У СИСТЕМІ ТРАНСФОРМАЦІЇ ФІНАНСОВОГО РИНКУ

У статті досліджено теоретичні та практичні аспекти формування фінтех-екосистем у контексті трансформації фінансового ринку. Визначено, що цифрові технології виступають ключовим драйвером змін у фінансовому секторі, зумовлюючи переосмислення традиційних бізнес-моделей, зміну структури ринку та формування нових підходів до надання фінансових послуг. Обґрунтовано, що розвиток фінансових технологій доцільно розглядати через поєднання двох напрямів: універсальних технологічних рішень та спеціалізованих фінансових інструментів. Визначено сутнісні характеристики фінтеху як явища, що трансформує ланцюги створення вартості, підвищує доступність фінансових послуг і забезпечує зниження транзакційних витрат. Досліджено підходи до трактування фінтех-екосистеми як комплексного середовища, що об'єднує різні групи учасників, технологічну інфраструктуру, регуляторні механізми та інноваційні інституції. Запропоновано авторську структуру фінтех-екосистеми, яка дозволяє системно охарактеризувати її складові та взаємозв'язки між ними. Проаналізовано міжнародний досвід розвитку фінтеху та встановлено, що моделі функціонування фінансових технологій залежать від інституційних та економічних умов окремих країн. Особливу увагу приділено аналізу діяльності компанії SoFi Technologies як прикладу успішної інтеграції фінансових і технологічних рішень у межах єдиної цифрової платформи. Визначено, що ключовими чинниками її розвитку є вертикальна інтеграція, інноваційність, цифрова орієнтація та клієнтоцентричність. Оцінено сучасний стан фінансового ринку України та виявлено як потенціал для розвитку фінтех-екосистем, так і наявні обмеження, пов'язані з інституційними, інвестиційними та технологічними чинниками. Обґрунтовано необхідність адаптації міжнародного досвіду, розвитку інтегрованих фінансових платформ та впровадження сучасних цифрових технологій. Зроблено висновок, що формування фінтех-екосистем є важливим напрямом трансформації фінансового ринку, який сприяє підвищенню ефективності функціонування фінансових установ, розширенню доступу до фінансових послуг та зміцненню конкурентоспроможності національної фінансової системи.

Ключові слова: фінтех, фінтех-екосистема, цифровізація, фінансові інновації, фінансовий ринок, цифрові платформи.

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