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**Melnyk O.**, Candidate of Economics, Associate Professor of the Department of Finance, Banking and Insurance, Mykolayiv national agrarian university, Mykolayiv, Ukraine

**Bodnar O.**, Assistant Professor of the Department of Finance, Banking and Insurance, Mykolayiv National Agrarian University, Mykolayiv, Ukraine

## **IMPLEMENTATION OF FINANCIAL INNOVATIONS IN DOMESTIC BANKING PRACTICE**

**Introduction.** Innovative policies of banks should include the acceptable level of risk and maximum profitability. That substantiates the relevance of the study.

**Purpose.** The purpose of the article is to analyze the current state of introduction of world innovations in the banking system of Ukraine, substantiation of proposals for evaluating the effectiveness of introducing financial innovations on the example of biometric authentication.

**Results.** It is noted that innovative activity in the banking system has its own characteristics, because it is directly related to the formation and development of the domestic banking system.

It has been proved that during the development and establishment of the banking system of Ukraine, the introduction of innovations was of a deterrent nature due to a number of negative factors such as the crisis in the national economy, lack of financial stability, low confidence in the banking system, lack of regulated current legislation, ineffective supervision, insufficient level of capitalization, banks in financing, which restricts the inclusion of innovation activities in a range of priority tasks and effectively implements it. In addition, financial innovation is negatively affected by the low level of financial literacy of the population, as well as corporate culture, the lack of qualified,

with the competence of innovation, creative banking professionals for the generation and implementation of innovative ideas, new technological processes of banking activities in the formation of the information society.

There are also stimulating factors, such as growth of consumers' needs in banking services, banking competition, which is amplified by globalization and integration processes of the financial market.

**Conclusions.** It is established that among modern world trends that are promising for introduction in Ukraine are: geomarketing, technologies of machine training of employees; mobilization of channels of remote banking services; blockade and biometrics.

It is grounded that the domestic banking system does not stand aside from the global innovation process in the banking sector and has sufficient innovative potential for active introduction of financial innovations. Based on the survey, we can state that customers are ready for further innovation. We are suggesting the bank's willingness to innovate on the basis of calculations to assess the feasibility and effectiveness of the use of innovation using the concept of BSC. To assess the effectiveness of financial innovation, it is necessary to form a system of possible effects, their indicators and indicators.

**Keywords:** *financial innovation, banking innovation, banking, IT sector, mobile banking, internet banking, biometrics, biometric authentication.*

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