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PRUDENTIAL POLICY OF BANKS IN FINANCING INNOVATIVE ECONOMIC DEVELOPMENT

Abstract. *The article substantiates a scientific approach to banks' prudential policy as an institutional regime that combines the containment of systemic risk with support for high-quality financing of innovative economic development. The relevance of the study is determined by Ukraine's need for recovery, technological modernisation, and the development of energy-efficient and digital projects under conditions of war-related risks, strengthened regulatory requirements, and integration into the European financial area. The relationship between macroprudential policy, microprudential supervision, digital operational resilience, ESG risks, and banks' innovative lending is revealed.*

The regulatory approaches of the BCBS, ESRB, EBA, and the National Bank of Ukraine to financial resilience, digital risks, operational resilience, and ESG-oriented risk management are systematised. An author's model for coordinating prudential instruments in the system of financing innovative development is proposed. The model combines the stability of the banking sector, control of systemic risks, and the expansion of productive lending. Based on NBU data, an indicator-based assessment of the result-oriented block of the model is carried out. This assessment identified signs of high-quality credit recovery in the Ukrainian banking sector in 2024–2025, in particular growth in loans to business entities and SMEs, a decrease in the risk burden, improvement in the quality of the loan portfolio, and preservation of capital resilience.

Keywords: *macroprudential regulation, microprudential supervision, credit potential, financial stability, systemic risk, digital resilience, ESG risks.*

ПРУДЕНЦІЙНА ПОЛІТИКА БАНКІВ У ФІНАНСУВАННІ ІННОВАЦІЙНОГО РОЗВИТКУ ЕКОНОМІКИ

Анотація. *У статті обґрунтовано науковий підхід до пруденційної політики банків як інституційного режиму, що поєднує стримування системного ризику з підтримкою якісного фінансування інноваційного розвитку економіки. Актуальність дослідження зумовлена потребою України у повоєнному відновленні, технологічній модернізації, розвитку енергоефективних і цифрових проєктів, а також поглибленні інтеграції до європейського фінансового простору за умов воєнних ризиків і посилення регуляторних вимог. Розкрито взаємозв'язок макропруденційної політики, мікропруденційного нагляду, цифрової операційної стійкості, ESG-ризиків та участі банків в інноваційно орієнтованому кредитуванні. Систематизовано регуляторні підходи BCBS, ESRB, EBA та Національного банку України до фінансової стабільності, цифрових ризиків, операційної стійкості й ESG-орієнтованого управління ризиками.*

У статті запропоновано авторську модель координації пруденційних інструментів у системі фінансування інноваційного розвитку. Модель поєднує стабільність банківського сектору, контроль системних ризиків, цифровий та ESG-виміри нагляду, а також розширення продуктивного кредитування. Особливу увагу приділено тому, що фінансова стабільність не повинна трактуватися як самодостатній кінцевий результат пруденційної політики, а має розглядатися як передумова формування кредитного потенціалу банків для підтримки технологічних, енергоефективних, цифрових і модернізаційних проєктів.

На основі даних НБУ здійснено індикаторну оцінку результативного блоку моделі. Оцінка



охоплює динаміку показників банківського сектору України у 2018–2025 рр. та додаткові структурні індикатори за 2025 р. Результати показали, що у 2024–2025 рр. банківський сектор України продемонстрував ознаки якіснішого кредитного відновлення. Це проявилось у зростанні кредитів суб'єктам господарювання та МСП, зниженні ризикового навантаження кредитних портфелів, поліпшенні якості активів, швидшому зростанні довгих кредитів, посиленні ринкової складової кредитування та збереженні капітальної стійкості. Водночас у статті наголошено, що отримані результати слід трактувати як індикаторну оцінку моделі, а не як повну економетричну перевірку всіх її пруденційних, цифрових, ESG та координаційних вимірів.

Ключові слова: макропруденційне регулювання, мікропруденційний нагляд, кредитний потенціал, фінансова стабільність, системний ризик, цифрова стійкість, ESG-ризик.

Formulation of the problem. The modern banking system functions under conditions of simultaneous strengthening of regulatory requirements and growing demand for long-term financing of innovative development. After the global financial crisis of 2008–2009, prudential policy became a key instrument for protecting financial stability. At the same time, for countries undergoing structural modernisation, post-crisis or wartime recovery, an excessively narrow interpretation of prudentiality as a system of restrictions may reduce banks' ability to finance technological renewal, energy efficiency, business digitalisation, innovative production and infrastructure projects.

This problem is of particular importance for Ukraine. According to the updated joint assessment by the Government of Ukraine, the World Bank Group, the European Commission and the United Nations, as of 31 December 2025, the total cost of Ukraine's reconstruction and recovery amounts to almost USD 588 billion over the next decade [1]. Such a scale of needs cannot be covered solely by budgetary resources or international assistance. It requires the active mobilisation of private capital, bank lending, guarantee instruments, project finance, green finance and financial technology solutions.

At the same time, the macrofinancial environment remains complex. In April 2026, the National Bank of Ukraine kept the key policy rate at 15%, justifying this by the need to maintain the attractiveness of hryvnia instruments, the stability of the foreign exchange market and the controllability of inflation expectations [2]. In March 2026, inflation accelerated to 7.9% year-on-year, while the GDP growth forecast for 2026 was revised downwards to 1.3% [2]. At the end of April 2026, international reserves amounted to USD 48.2 billion [3]. Therefore, the banking system has to operate between two tasks: preserving resilience under conditions of high uncertainty and ensuring credit support for economic recovery.

This situation actualises the scientific problem of coordinating banks' prudential policy in the system of financing innovative economic development. It is not a matter of mechanically easing regulatory standards for the sake of credit expansion, nor of rigidly restricting banks' risk-taking. The subject of the study is the formation of such an institutional regime under which macroprudential policy, microprudential supervision, digital operational resilience, ESG risks and inter-agency coordination create conditions for high-quality, productive and controlled innovation financing.

Analysis of recent research and publications. The scientific discussion on prudential policy has traditionally focused on financial stability, systemic risk, capital buffers, liquidity and the institutional architecture of supervision. The updated *Core Principles for Effective Banking Supervision* of the Basel Committee define effective banking supervision as a framework of minimum standards that should ensure proper regulation, governance, risk management, early intervention and timely supervisory actions [6]. The 2024 edition directly takes into account macroprudential aspects of supervision, climate-related financial risks, operational resilience and risks related to service providers [6].

The European Systemic Risk Board develops a system-wide approach to macroprudential policy, in which sources of risk are considered not only through individual institutions, but also through activities, market segments, interconnections, concentration and non-bank financial intermediation [7]. This is important for the study of bank financing of innovation, since innovative projects are often associated with technological platforms, fintech intermediaries, climate risks, complex supply chains and dependence on digital infrastructure.

A direct relationship between macroprudential policy and innovative development is emerging in the contemporary empirical literature. Ren, Wei, Zhang and Yang proved, using cross-country panel data for 63 countries for 1990–2021, that macroprudential policy may statistically significantly promote technological innovation through the channel of reducing financial risk [8]. This proposition is of fundamental importance for the topic of the article, since it makes it possible to move from the opposition “stability – innovation” to the interpretation of stability as a prerequisite for long-term financing of innovation.

The issue of the institutional organisation of macroprudential policy is examined by Malovaná, Hodula, Gric and Bajzík. Based on a survey of academic experts, central banks and regulatory institutions, they record

considerable support for an integrated model in which macroprudential policy is concentrated in the central bank rather than in a separate institution [9]. For Ukraine, this has practical significance, since the National Bank combines monetary, macroprudential and supervisory functions, while the Financial Stability Council performs a coordination role among the authorities influencing financial stability [16].

A separate area of research concerns the digital transformation of banks. Branzoli, Rainone and Supino showed that a higher level of banks' technology adoption was associated with stronger growth in corporate lending after the COVID-19 shock [10]. Babina and co-authors, studying open banking, established that data access policies facilitate the entry of fintech companies, consumers' access to financial advice and credit, and the formation of new credit relationships for small and medium-sized enterprises [11]. These results confirm that digital channels already affect banks' capacity to finance innovation.

Operational resilience of banks is becoming an independent regulatory block. The EU Digital Operational Resilience Act transfers the management of digital risks, ICT incidents, testing of digital resilience and third-party risks into the area of mandatory requirements [12; 18]. In turn, the EBA, in its guidelines on ESG risks, forms an approach under which environmental, social and governance factors must be integrated into banks' corporate governance, internal control, risk appetite, business models and disclosure processes [17].

The unresolved part of the general problem remains the insufficient combination, within a single research field, of prudential coordination, innovative lending, digital resilience and ESG risks. Existing studies mostly analyse macroprudential policy, microprudential supervision, fintech or sustainable finance separately. This article proposes an integrated approach within which banks' prudential policy is considered as an institutional basis for financing innovative economic development.

The purpose of the article is to substantiate a scientific approach to banks' prudential policy as an institutional regime that combines the containment of systemic risk with the formation of high-quality credit potential of the banking sector for financing innovative economic development.

Achieving this purpose requires the following tasks:

- to reveal the content of the interaction between macroprudential policy and microprudential supervision;
- to determine the channels through which prudential instruments affect banks' innovative lending;
- to systematise international regulatory approaches to digital operational resilience, ICT risk management, third-party risks and ESG-oriented risk management;
- to analyse the Ukrainian banking context of prudential support for innovative lending on the basis of indicators of credit recovery, asset quality and resilience of the banking sector;
- to propose a model for coordinating prudential instruments in the system of financing innovative economic development;
- to carry out an indicator-based assessment of the result-oriented block of the author's model using open NBU data on the Ukrainian banking sector.

The methodological basis of the study is formed by systemic, institutional, comparative and structural-functional approaches. The source base consists of official documents of the NBU, the World Bank, the EBA, the ESRB, the BIS/BCBS, as well as scientific publications in international journals for 2023–2025. The statistical basis is formed on the basis of NBU reviews, supervisory statistics and EBA data on the EU/EEA banking sector. The empirical part is indicator-based in nature and is aimed not at a full econometric verification of the entire author's model, but at assessing its result-oriented block within the limits of available open data.

The main material presentation. Banks' prudential policy, in its classical understanding, is aimed at limiting risks, ensuring capital adequacy, liquidity, quality of governance and the ability of banks to fulfil their obligations to depositors, creditors and other counterparties. In the modern economy, its functional purpose is expanding: it affects not only the resilience of banks, but also the structure of lending, the availability of financial resources, banks' risk appetite and the conditions for financing innovative and technologically complex projects.

The macroprudential level is aimed at containing systemic risk. It covers the countercyclical capital buffer, buffers for systemically important institutions, LTV/DSTI restrictions, system-wide stress tests, liquidity requirements and communication instruments. The microprudential level focuses on the resilience of a specific bank, in particular capital adequacy, asset quality, internal control, risk management, SREP assessment, supervisory add-ons and enforcement measures. Their interaction may create both synergy and regulatory contradictions.

Synergy arises when macro- and microprudential instruments reinforce each other. For example, system-wide stress tests, if coordinated with individual supervision, make it possible to identify vulnerabilities of individual banks and, at the same time, assess the resilience of the sector as a whole. A regulatory contradiction arises when the macroprudential authority seeks to support lending by easing buffers, while microprudential

supervision simultaneously increases requirements for individual banks because of deteriorating asset quality. In such a case, institutional inconsistency may neutralise the anti-crisis effect.

This problem is particularly sensitive for innovation financing. Innovative projects are characterised by higher uncertainty, a longer payback period, more complex collateral valuation, dependence on intangible assets, technological rights, data, intellectual property and market dynamics. Standard approaches to credit risk assessment may increase the cost of financing such projects or exclude them from bank credit. Therefore, prudential policy should be not only restrictive, but also differentiated.

Bank financing of innovative development is implemented through several main channels: classical enterprise lending, project finance, SME financing, as well as the integration of banks with fintech ecosystems, open banking, data platforms and digital services. Within these channels, prudential policy affects not only the permissible level of risk, but also the quality of credit selection, the stability of funding and banks' capacity to support long-term financing. The generalisation of this relationship is presented in Fig. 1.

The scheme presented in Fig. 1 reflects the indirect nature of the influence of prudential policy on bank financing of innovative economic development. Regulatory requirements for capital, liquidity, risk management, digital resilience and ESG assessment determine the boundaries of acceptable risk, the quality of credit selection and banks' capacity to support the financing of technological modernisation, infrastructure and energy projects, SMEs and digital business models. Under this approach, prudential resilience is not opposed to innovative lending, but ensures its controlled expansion without the accumulation of an unacceptable level of systemic vulnerability.

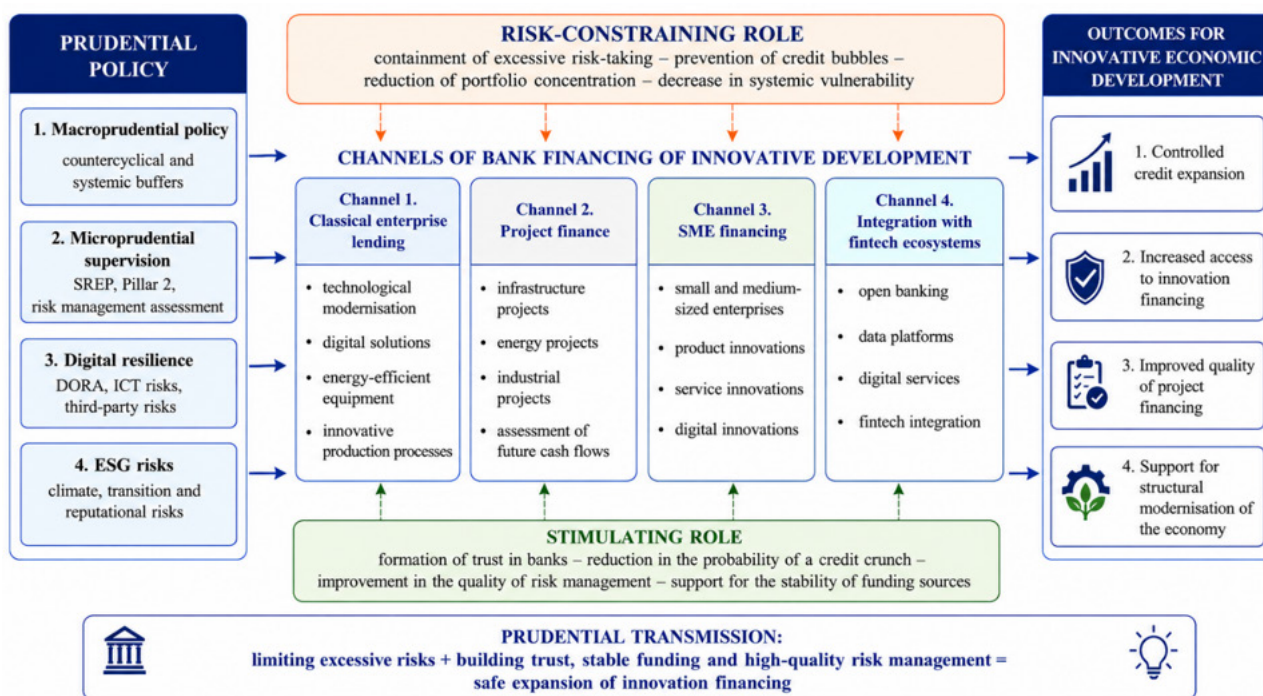


Fig. 1. Channels of bank financing of innovative economic development and the dual role of prudential policy

Source: formed by the author based on [6; 7; 12; 17; 18]

The Ukrainian banking sector in 2022–2025 formed prerequisites for the gradual recovery of credit activity. According to the NBU Banking Sector Review for February 2026, during 2025 customer funds remained the main source of funding for the sector, net hryvnia loans to businesses and households grew by more than one third, and the share of non-performing loans decreased by the largest amount in more than 15 years [4]. In particular, net hryvnia loans to businesses increased by 35.6% year-on-year, SME loans by 34.2%, household loans by 33.9%, while the NPL share at the end of the year amounted to 13.9% [4]. For financing innovative development, such dynamics are of fundamental importance: the growth of assets and customer funding forms the resource base of banks, the recovery of corporate lending reflects the sector's readiness to participate in financing business projects, and the decline in NPLs strengthens the possibilities for long-term lending.

A comparison with the EU/EEA demonstrates a different stage of development of the banking system.

According to EBA data for the third quarter of 2025, the CET1 ratio of EU/EEA banks was 16.3%, LCR was 160.7%, NSFR was 126.8%, the NPL ratio was 1.8%, and ROE was 10.7% [5]. The European banking sector is characterised by a significantly lower share of non-performing loans and a high level of liquidity, whereas Ukraine already has a resource for credit expansion, but needs further balance sheet clean-up, improvement of risk management and reduction of the residual share of problem assets.

Digital and ESG factors require separate attention in the system of prudential support for innovative lending. Their influence is not limited to expanding the instruments of banking services, as they change data sources, channels of interaction with clients, the nature of operational risk, approaches to credit scoring and requirements for managing non-financial risks. The development of open banking, the use of APIs and digital platforms enable banks to expand the information base for assessing borrowers, improve the quality of personalisation of credit products and form new models of SME financing [12; 13]. At the same time, such instruments increase banks' dependence on data quality, the security of information exchange, technological compatibility of market participants and proper control over the client's consent to the use of financial information [12; 13].

The prudential significance of digitalisation lies in the fact that it transfers part of credit risk into the sphere of operational, model and ICT risk. The use of artificial intelligence in credit analysis, monitoring of problem debt, fraud detection and assessment of clients' behavioural characteristics may increase the speed and accuracy of banking decisions [14]. However, the automation of the credit process creates risks of model opacity, bias in input data, incorrect classification of borrowers and excessive standardisation of credit decisions. Therefore, the use of AI in banks' innovative lending should be accompanied by requirements for model explainability, human oversight, regular algorithm testing, data quality control and responsibility of bank governing bodies for the outcomes of automated or algorithmically supported decisions [14].

In this context, the European approach to the digital operational resilience of the financial sector is an important benchmark. DORA forms a comprehensive regulatory regime for the management of ICT risks, incidents, operational resilience testing and third-party risks. This directly concerns innovative lending, since digital platforms, cloud services, scoring solutions, API infrastructure and external technology providers become part of a bank's credit process [12; 18]. Accordingly, the expansion of digital financing channels should be accompanied by strengthened internal control, outsourcing management, continuity of critical services and supervisory assessment of technological dependencies [12; 18].

ESG factors also change the content of prudential assessment of innovative lending. For banks, financing energy efficiency, renewable energy, technological modernisation, decarbonisation of production and sustainable business models creates opportunities for expanding the loan portfolio and improving its strategic quality [15; 17]. At the same time, such projects require an in-depth assessment of physical climate risks, transition risks, regulatory changes, the reliability of borrowers' non-financial reporting, reputational risks and the risk of greenwashing [15; 17]. Therefore, the ESG component should be integrated not only into the bank's product policy, but also into credit analysis, the limit system, portfolio monitoring, stress testing, internal reporting and risk management procedures.

Thus, digital and ESG factors are not an external supplement to banks' prudential policy. They change the risk structure of innovative lending and require a transition from traditional control of regulatory standards to risk-oriented supervision over data quality, digital operational resilience, transparency of algorithmic decisions, climate and transition risks, and managerial responsibility of banks [12; 13; 14; 15; 17; 18].

To systematise the relationship between prudential policy and bank financing of innovative economic development, an author's coordination model is proposed, in which prudential regulation is considered not as a set of separate standards, but as an integrated regime for coordinating systemic, individual, technological, ESG-oriented and institutional parameters of banking activity. The structure of the author's model is presented in Fig. 2.

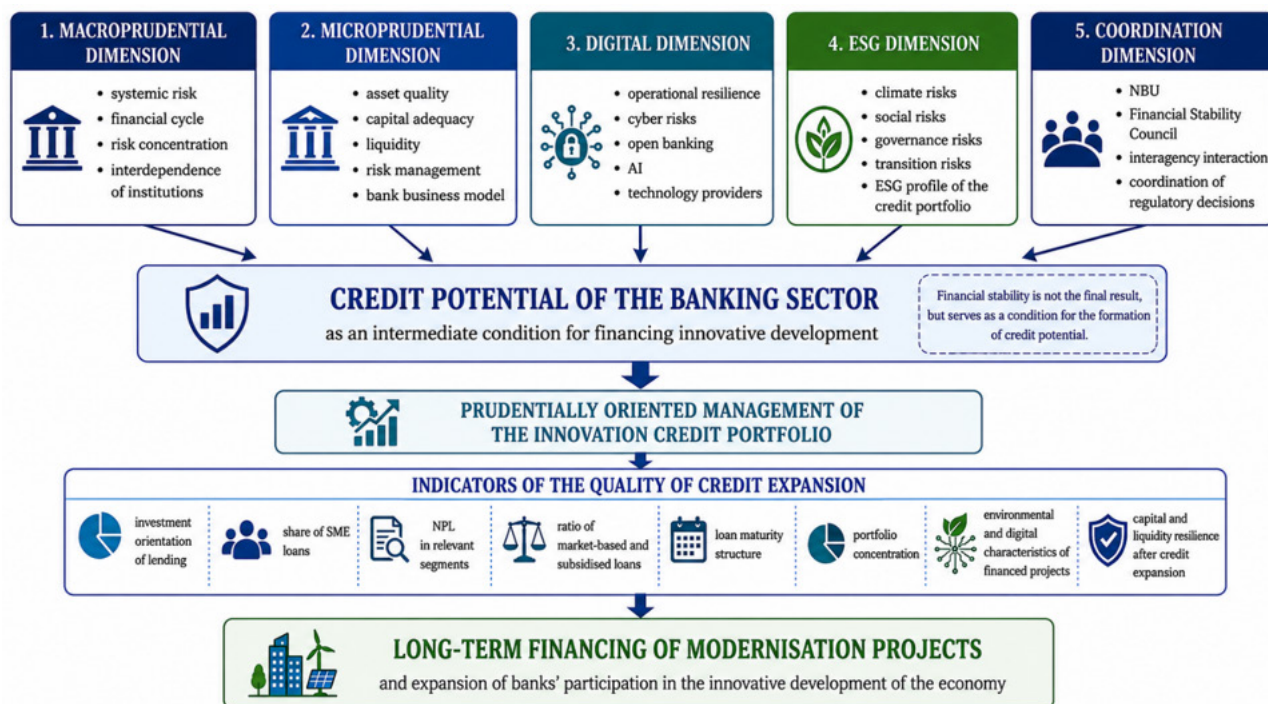


Fig. 2. Model for coordinating banks' prudential policy in the system of financing innovative economic development
Source: developed by the author

The model presented in Fig. 2 emphasises that financial stability should not be considered as a self-sufficient final outcome of prudential policy. In the context of innovative development, it acquires the meaning of an intermediate condition that determines the ability of the banking sector to support the lending of complex, long-term and risky projects without accumulating excessive systemic vulnerability. Accordingly, the result-oriented nature of prudential policy should be assessed not only by the level of compliance with regulatory standards, but also by its impact on the quality of credit potential, the structure of the loan portfolio and banks' capacity to finance modernisation processes.

The practical significance of the model lies in the possibility of its use by banks and the regulator to assess the quality of the innovative loan portfolio, taking into account not only the financial condition of the borrower, but also the technological viability of the project, the quality of the business model, access to markets, ESG profile, digital risks, dependence on state support, the ability to generate cash flows and sensitivity to macrofinancial shocks. For banks, such a model may serve as a basis for prudentially oriented management of innovative lending, while for the regulator it may serve as an instrument for identifying supervisory priorities in the event of expanding credit activity.

The indicator block of the author's model in Fig. 2 is used to assess the result-oriented dimension of prudential policy in the field of bank financing of innovative development. The proposed indicators are not direct indicators of the result-oriented nature of prudential policy in the narrow regulatory sense. They make it possible to assess whether credit expansion is accompanied by structural orientation, acceptable riskiness, sufficient maturity and the preservation of prudential resilience of the banking sector.

By the level of data availability, the model indicators may be applied at three levels. The first level covers open NBU statistics, which make it possible to assess the general dynamics of lending, portfolio quality, the resource base and capital resilience of the banking sector. The second level involves the use of extended supervisory statistics and bank microdata to analyse maturity, portfolio concentration, the sectoral structure of lending, LCR, NSFR and segment risks. The third level is based on banks' internal data and makes it possible to directly identify loans for innovative, digital, green, energy-efficient and modernisation projects. In this article, the assessment is carried out mainly at the first level, with partial involvement of open elements of NBU supervisory statistics.

The assessment was conducted in two stages: first, the annual dynamics of the main indicators of the Ukrainian banking sector for 2018–2025 were analysed; then the assessment was supplemented by structural and prudential indicators for 2025. The initial absolute indicators for the indicator-based assessment are

presented in Table 1.

Table 1

Absolute indicators of the Ukrainian banking sector for assessing the quality of credit expansion
in 2018–2025, UAH billion

Indicator	Years							
	2018	2019	2020	2021	2022	2023	2024	2025
Number of operating banks, units	77	75	73	71	67	63	61	60
Total assets	1,911	1,982	2,206	2,358	2,717	3,311	3,767	4,181
Net assets	1,360	1,493	1,823	2,053	2,352	2,945	3,415	4,001
Gross loans to business entities	919	822	749	796	801	784	851	870
Net loans to business entities	472	415	432	540	529	511	589	774
Gross loans to SMEs	445	432	451	468	455	483	509	457
Net loans to SMEs	339	205	232	263	246	268	306	407
Funds of business entities	430	525	681	800	943	1,322	1,564	1,808
Funds of individuals	508	552	682	727	933	1,084	1,216	1,407
Customer funds, total	938	1,077	1,363	1,527	1,876	2,406	2,780	3,215

Source: formed by the author based on NBU data [4]

Note. The indicator “Customer funds” is formed as the sum of funds of business entities and individuals.

The absolute indicators show the growth of the resource base of the banking sector. In 2018–2025, net assets increased from UAH 1,360 billion to UAH 4,001 billion, while customer funds increased from UAH 938 billion to UAH 3,215 billion. At the same time, the dynamics of net loans to business entities were uneven. In 2022–2023, against the background of growth in assets and funding, corporate lending declined, which confirms that resource resilience alone does not guarantee the expansion of lending under conditions of high credit, war-related and operational risks. On the basis of these data, indicators of the quality of credit expansion were calculated and are presented in Table 2.

The data in Table 2 make it possible to distinguish between the stability of the resource base and actual credit recovery. In 2022–2023, the ratio of customer funds to net assets exceeded 79%; however, net loans to business entities declined.

Table 2

Dynamics of calculated indicators of the quality of credit expansion of the Ukrainian
banking sector in 2018–2025

Year	Customer funds / net assets, %	Growth of net loans to business entities, % y/y	Growth of net loans to SMEs, % y/y	Share of net loans to SMEs in net loans to business entities, %	Net loans to business entities / net assets, %	Risk burden on loans to business entities, %	Risk burden on SME loans, %
2018	69.0	4.7	–	71.8	34.7	48.6	23.8
2019	72.1	-12.1	-39.5	49.4	27.8	49.5	52.5
2020	74.8	4.2	13.2	53.7	23.7	42.3	48.6
2021	74.4	24.8	13.4	48.7	26.3	32.2	43.8
2022	79.8	-1.9	-6.5	46.5	22.5	34.0	45.9
2023	81.7	-3.6	8.9	52.4	17.4	34.8	44.5
2024	81.4	15.3	14.2	51.9	17.2	30.8	39.9
2025	80.4	31.6	33.0	52.6	19.3	11.0	10.9

Source: calculated by the author based on NBU data [4]

Note. The indicator of the risk burden on loans is calculated according to the formula:

$$RBL = \frac{GL - NL}{GL} \times 100,$$

where *RBL* is the risk burden on loans; *GL* is gross loans; *NL* is net loans.

In 2024–2025, the situation changed: the growth of net loans to business entities amounted to 15.3% and 31.6%, respectively, while the growth of net loans to SMEs amounted to 14.2% and 33.0%. At the same time,

the indicator of the risk burden on loans to business entities decreased from 30.8% to 11.0%, and on SME loans from 39.9% to 10.9%. Thus, credit expansion was accompanied by an improvement in portfolio quality rather than by the accumulation of an additional risk burden.

The ratio of customer funds to net assets characterises the stability of the resource base, but it does not replace prudential indicators of capital and liquidity resilience. Therefore, the dynamic assessment was supplemented by structural and prudential indicators for 2025 (Table 3).

Table 3

Additional structural indicators of the quality of credit expansion and prudential resilience of the Ukrainian banking sector in 2025

Indicator of the author's model	Indicator based on NBU data	Value / dynamics	Analytical interpretation
Maturity structure of lending as an approximate indicator of investment orientation	Loans to business entities with a maturity of more than three years; loans with a maturity of up to three years	approximately +50% y/y; +30.9% y/y	Longer-term loans grew faster than shorter-term loans, which indicates a strengthening of the potential for financing investment and modernisation projects
Ratio of market-based and subsidised loans	Loans on market terms; concessional loans under the "5-7-9%" programmes; share of "5-7-9%" loans in the hryvnia portfolio of business entities	more than +40% y/y; approximately +12% y/y; decrease by 5 p.p. to 30%	The faster growth of market-based loans indicates a gradual reduction in the dependence of credit recovery on state support programmes
NPL level in relevant segments	NPL share in the banking sector; NPL share in loans to business entities	13.9%; 17% at the end of 2025	Confirms an improvement in the quality of banking sector assets and the corporate loan portfolio
Environmental and digital characteristics of financed projects	Sectors with the largest growth in lending; growth of net fee and commission income due to an increase in cashless payments	energy, mechanical engineering, defence industry, agriculture, food industry, financial services; +12.5% y/y	The sectoral structure of credit growth is used as an indirect indicator of modernisation, energy-related and production-technological orientation; the growth of cashless payments characterises the digitalisation of banking services
Capital resilience after credit expansion	Regulatory capital adequacy; Tier 1 capital adequacy; growth of regulatory capital; leverage ratio	16.4%; 16.1%; +8.2%; 6.9%	The activation of lending occurred under conditions of preserving the capital buffer and exceeding the minimum resilience requirements

Source: formed by the author based on NBU data [4; 19]

The data in Table 3 specify the qualitative nature of credit recovery in 2025. It combined faster growth of longer-term loans, stronger dynamics of market-based lending compared with concessional lending, a decline in the NPL share and preservation of the capital resilience of the banking sector. This provides grounds to argue that the activation of lending did not occur at the expense of losing basic prudential buffers.

The environmental and digital characteristics of financed projects are assessed indirectly within this assessment. Lending to energy, mechanical engineering, the defence industry, agriculture and the food industry is used as an approximate indicator of the modernisation, energy-related and production-technological orientation of credit growth. At the same time, these indicators are not direct evidence of financing environmental or digital projects. The growth of net fee and commission income associated with an increase in cashless payments may be considered an indirect sign of the digitalisation of banking services, but it does not confirm the direct financing of digital projects.

Thus, the results of the indicator-based assessment indicate the correspondence of certain empirical features to the result-oriented block of the author's model within the limits of available open NBU data. In 2024–2025, the Ukrainian banking sector moved from a predominantly stabilisation regime to a regime of higher-quality credit recovery. This was manifested in the growth of loans to business entities and SMEs, a decline in the risk burden, a reduction in the NPL share, acceleration of longer-term loans, strengthening of the market-based component of lending and preservation of capital resilience.

At the same time, the results should not be interpreted as a full quantitative verification of the entire author's model. The liquidity, digital, ESG and coordination components require a broader set of data, in particular LCR / NSFR, bank microdata, digital resilience indicators, ESG exposures, green lending, loans for digital projects and indicators of regulatory coordination.

Conclusions. The article substantiates that banks' prudential policy under conditions of structural modernisation of the economy should be considered not only as a mechanism for risk minimisation, but also as a component of the institutional support for high-quality bank financing. Its effectiveness depends

on the coordination of macroprudential instruments aimed at containing systemic risk with microprudential supervision focused on the resilience of individual banks, asset quality and risk management.

It is determined that the influence of prudential policy on innovative development is realised through a system of bank financing channels. These include lending to business entities, support for SMEs, project finance, as well as digital forms of interaction between banks and clients, fintech companies and data platforms. Within these channels, prudential requirements perform not only a restraining function, but also an ordering function, since they set the parameters of acceptable risk, the quality of credit analysis and the stability of funding sources.

The systematisation of international regulatory approaches has shown that modern prudential policy is gradually moving beyond the traditional control of capital and liquidity and integrates requirements for digital operational resilience, ICT risk management, third-party risks, ESG factors and climate risks. This increases the importance of prudential coordination for banks involved in financing technologically complex, digital, energy-efficient and sustainable projects.

The proposed model for coordinating banks' prudential policy makes it possible to systematically combine macroprudential, microprudential, digital, ESG and coordination dimensions. Its scientific significance lies in shifting the emphasis from formal compliance with regulatory standards to assessing the ability of the banking sector to transform financial stability into credit potential for modernisation, energy-efficient, digital and innovative projects.

The indicator-based assessment of the result-oriented block of the model identified signs of higher-quality credit recovery in the Ukrainian banking sector in 2024–2025 under conditions of preserving basic prudential buffers. This is confirmed by the growth of net loans to business entities and SMEs, a decrease in the risk burden, a reduction in the share of non-performing loans, an acceleration of longer-term loans, strengthening of the market-based component of lending and preservation of capital resilience. Thus, the recovery of credit activity had not only a quantitative, but also a structurally qualitative nature.

At the same time, the obtained results are indicator-based and do not exhaust a full quantitative verification of the author's model. Further research should be directed towards forming a bank-level panel based on indicators of prudential resilience and innovative lending, calculating the sectoral concentration of the loan portfolio, assessing green and digital lending, and studying the impact of LCR, NSFR, digital operational resilience and ESG exposures on banks' ability to finance innovative economic development.

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