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Ukraine FinTech Outlook: A Digital Market on the Rise

JULY 2026



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DataDriven is a generalist consulting firm...

Research

Leveraging our long experience in collecting, analysing, and interpreting data, alongside creating tangible and data-based recommendations for public and private actors.

Consulting

Applying deep knowledge of Ukrainian politics and business to benefit our clients. Paving out a way for the world to deal with Ukraine and Ukrainian enterprises to open the world.



...with expertise in the **private and public sector...**

Our public projects:

- **Research 'The Code Economy'**



- **Architecture of Business Financing: role of IFIs & DFIs in Ukraine.**



- **Ukrainian Deal Book**



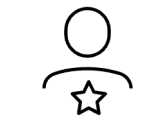
...and works with a wide range of clients:



Business / Private Sector
(market entry, partnership facilitation, risk assessment, due diligence, M&As)



Investment Funds & Banks
(due diligence, market insights, portfolio support)

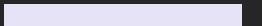


FinTech
(expansion, technology validation, access to finance, invest-memos)



ECAs, IFIs & DFIs
(supply of bankable projects, validation, due diligence)

1. Introduction



Our perspective on fintech in Ukraine: between constraints and potential

Ukraine's fintech sector saw a turning point in 2025: **\$498M in tech investments** (+8% YoY), first fintech unicorn (monobank), and Open Banking live since August. Currency controls persist, but recovery is underway.

Structural Realignment Toward Regulated, B2B-Oriented Growth

B2B fintech momentum

Over 50% of EU fintech deals are now B2B. Ukraine mirrors this through monobank, NovaPay, and Flyer One Ventures' €50M fund.

Lagging but advancing regulation

Open Banking launched in August 2025, while Draft Law №10225-d on virtual assets advanced in parliament. Non-bank profits grew in 2025, with 82% of institutions remaining profitable.

Digital rails

SEP processed 595M payments in 2025 (+23% YoY), totaling UAH 273,6T. Diia continues expanding digital onboarding and payment infrastructure despite identity fragmentation.

Institutional Anchoring and Public-Sector Leverage

FIBs

The FIB law adopted in June 2025 introduced regulated actors aimed at expanding financial access in underserved rural and frontline regions.

Public capital

Ukraine still provides limited fintech support compared to EU markets, although tech investment reached \$498M in 2025 amid gradual macroeconomic stabilization.

Service integration

Diia continues scaling identity, payments, and service integration layers, helping reduce backend friction for fintech operators and regulated institutions.

Strategic Gaps and Dependencies

KYC bottlenecks

Ukraine hosts 257 fintechs, but fragmented identity systems and rising ML/KYC requirements continue slowing seamless scaling and onboarding.

Geographic inequality

Around 30% of Ukrainians remain unbanked, mainly in rural and frontline areas, highlighting persistent structural access gaps.

Compliance burden

In October 2025, the NBU imposed UAH 205,8M in fines on 7 banks and 4 non-banks, signaling stricter compliance and cybersecurity enforcement.

Ukrainian FinTech exhibits self-funded resilience but scaling demands navigating capital constraints, leveraging EU integration

| | | |
|---|-----------------------------------|---|
| 1 | Global VC & investment | Global fintech investment rebounded to \$116B in 2025 . The market is shifting towards fewer, larger, and more selective bets, with primary growth driven by the high-impact convergence of Payments and AI. |
| 2 | European regulation | Implementation of MiCA and DORA frameworks provides stability and drives institutional adoption across the EU. B2B fintech continues to dominate, accounting for roughly 70% of total deal value in key hubs. However, persistent national legal barriers continue to constrain cross-border growth, leaving approximately €250B in trapped liquidity across European markets. |
| 3 | Ukraine market stability | The Ukrainian sector shows extreme resilience: 84% of companies are now entirely self-funded, and 76% have reached their break-even point , overcoming significant infrastructure and geopolitical challenges. |
| 4 | Macro Constraints | Despite exceptional ecosystem adaptability, further scaling in Ukraine remains constrained by persistent capital shortages and high costs of risk driven by elevated interest rates. |

MiCA and Open Banking validate Ukraine's digital ecosystem, shifting from compliance to monetization and financial inclusion

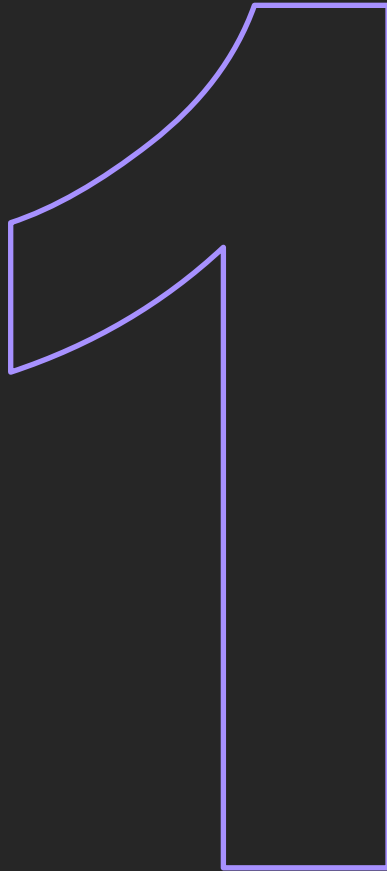
| | | |
|---|---|--|
| 1 | MiCA & institutional entry | The growing maturity of the EU's MiCA framework has significantly validated the digital assets sector, propelling "Banking & Crypto" to become the best-funded vertical in Europe. |
| 2 | PSD3 & Open Banking | Mandatory API standards in Ukraine started in August 2025 . This rollout, alongside ISO 20022 implementation, shifts the strategic focus from basic compliance to active API monetization and open finance ecosystems. |
| 3 | Tokenization & E-hryvnia | Tokenization of real-world assets is rapidly transitioning to live market infrastructure. Concurrently, the NBU continues pilot preparation for the e-hryvnia , though full-scale launch depends on securing a technology partner. |
| 4 | Inclusion & SEPA Integration | Regulatory sandboxes are fostering MiCA localization and SEPA preparation. Additionally, Law No. 4465-IX expands financial inclusion through restricted banking licenses and mobile branches in frontline zones. |

AI & tech innovations secure infrastructure and optimize operations, while embedded finance remains the primary engine for scaling

| | | |
|---|-------------------------------|--|
| 1 | AI threat detection | AI adoption has become a critical tool for real-time threat detection and adaptive defense to counter the escalated cyber warfare environment, which is a major priority in the Ukrainian market. |
| 2 | Operational efficiency | Beyond cybersecurity, AI serves as a primary operational anchor to offset severe talent shortages and engineering drain, driving core business efficiency rather than just fueling R&D expansion. |
| 3 | Quantum Technology | Quantum computing offers significant long-term fintech potential, with BCG estimating \$450–850 billion in global value by 2040. Key applications include portfolio optimization, fraud detection, and risk management. In Europe, AI-led fintechs captured over 20% of all deals in H1 2025, demonstrating strong long-term investor trust in AI-driven models. |
| 4 | Embedded finance | Infrastructure provider models continue to dominate with a 28% market share in Ukraine, seamlessly enabling non-financial businesses to integrate contextual lending and scalable payments. |

Content

- 1 Introduction
- 2 **Market Overview: Global & European Dimension**
- 3 **Market Overview: Ukraine**
- 4 **Technology & Trends**
- 5 **Regulatory**
- 6 Methodology

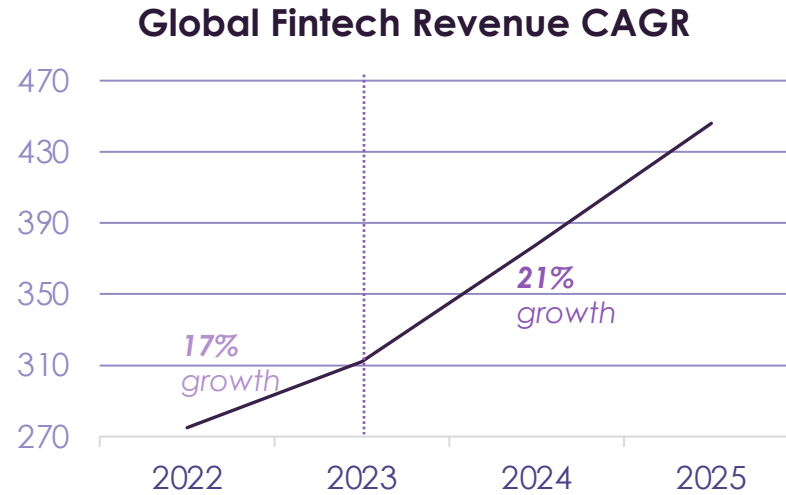
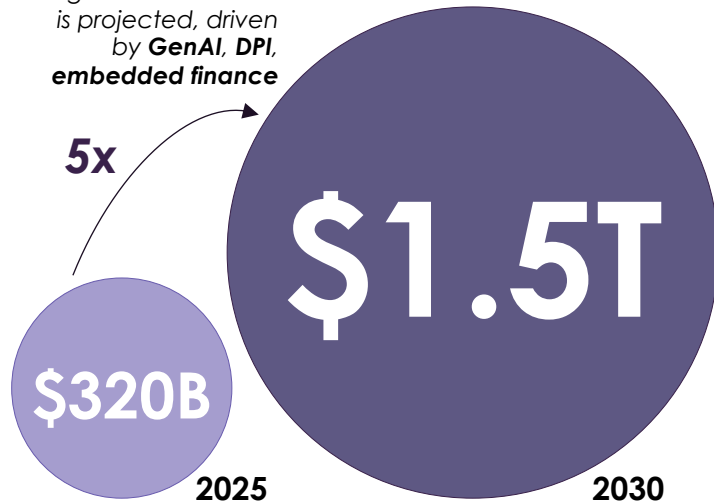


Market Overview: Global & European Dimension

Fintech will continue to grow but under new rules of capital discipline and geopolitical volatility

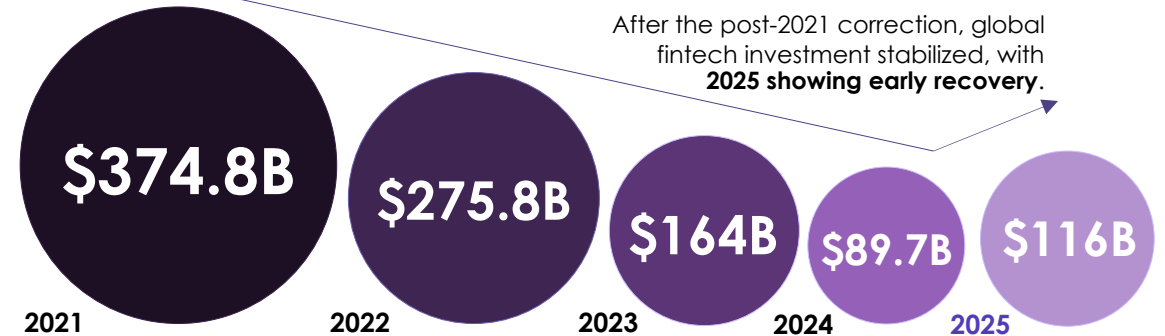
Fintech is entering a more **disciplined growth cycle**, driven by **AI integration**, infrastructure consolidation, and a renewed focus on **profitability** and scalable business models.

5x growth in revenue is projected, driven by **GenAI, DPI, embedded finance**

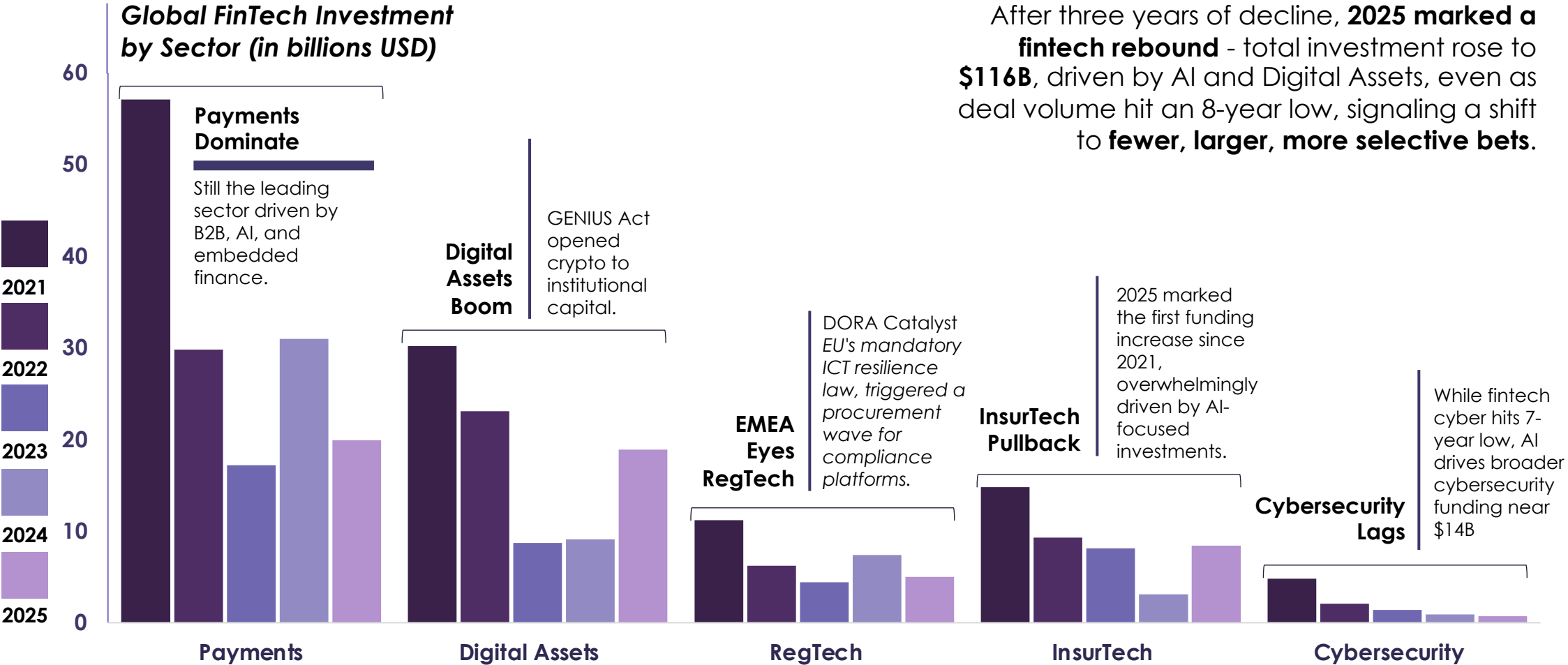


Core fintech revenue maintained a projected **21% CAGR** through 2025, proving the sector's shift toward sustainable, revenue-generating business models.

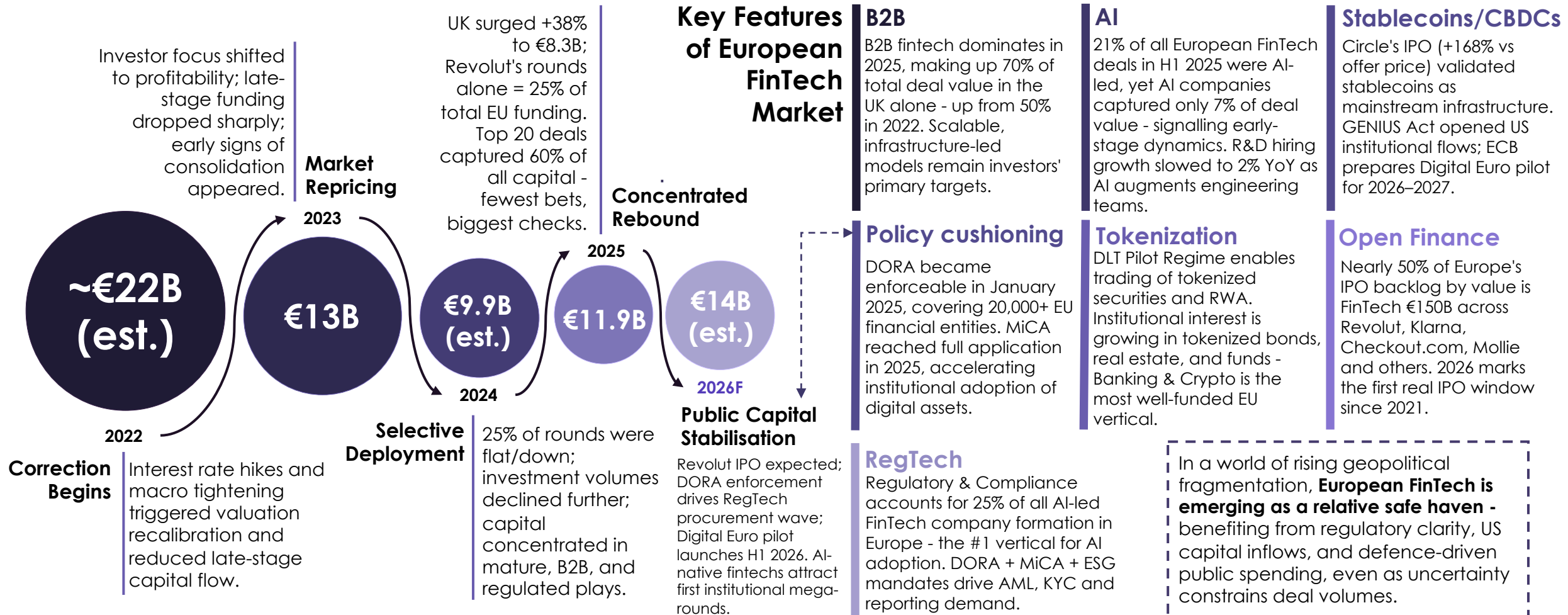
Global fintech investment fell from \$374.8B in 2021 to ~\$95.5B in 2024, before recovering to **\$116B in 2025**. Deal volume declined from 16,000+ in 2021 to **4,719 in 2025**, marking a shift toward capital discipline and profitability. Late-stage funding dropped sharply (81% to -89% from peak), while average deal sizes increased, reflecting greater selectivity and focus on mature, AI-driven platforms.



From peak to precision: fintech investment evolution by sector for 2021-2025



Clear regulations and a flight to quality renew European FinTech appeal in 2025 and fuel steady growth expectations for 2026



Eu fintech regulation: advancing with market needs, yet fragmented by national legal barriers

€250B

In trapped liquidity could be unlocked by completing the Capital Markets and Banking Unions, enabling easier cross-border funding for FinTechs and accelerating scale-ups, IPOs, and investment across the EU.

Key Regulatory Packages

M
I
C
A

Introduces the EU's first comprehensive crypto framework, regulating stablecoins, crypto exchanges, and wallet providers to ensure market integrity and consumer protection.

D
O
R
A

Establishes mandatory cybersecurity and ICT risk management requirements for financial entities, including oversight of third-party service providers.

F
I
D
A

Transitions Open Banking to Open Finance across investments and insurance. Final EU negotiations prioritize data governance and reduced compliance burdens.

A
I
A
C
T

Applies risk-based regulation to AI systems used in finance, with direct impact on credit scoring, robo-advisors, and compliance automation tools.

E
S
G

SFDR, CSRD, and Taxonomy mandate detailed sustainability disclosures, but its complexity presents challenges for small and mid-sized FinTechs

P
S
D
3

Nov 2025 agreement introduces mandatory IBAN-name verification, shifts liability for impersonation fraud to PSPs and tech platforms, and mandates user permission dashboards.

Key regulatory actors



European Commission

EC designs and proposes legislation shaping the EU's **Digital Finance Strategy** and **Capital Markets Union**.



European Central Bank

ECB maintains monetary stability and contributes to policies on the **digital euro** and the **Banking Union**.



EBA

EBA sets prudential standards and conducts stress tests for **digital banks** and **payment institutions**.



ESMA

ESMA oversees financial markets, **crypto regulation** under **MiCA**, and frameworks for tokenized assets.



EIOPA

EIOPA regulates **InsurTech** and enforces **ESG-related** risk and disclosure **standards** in insurance.

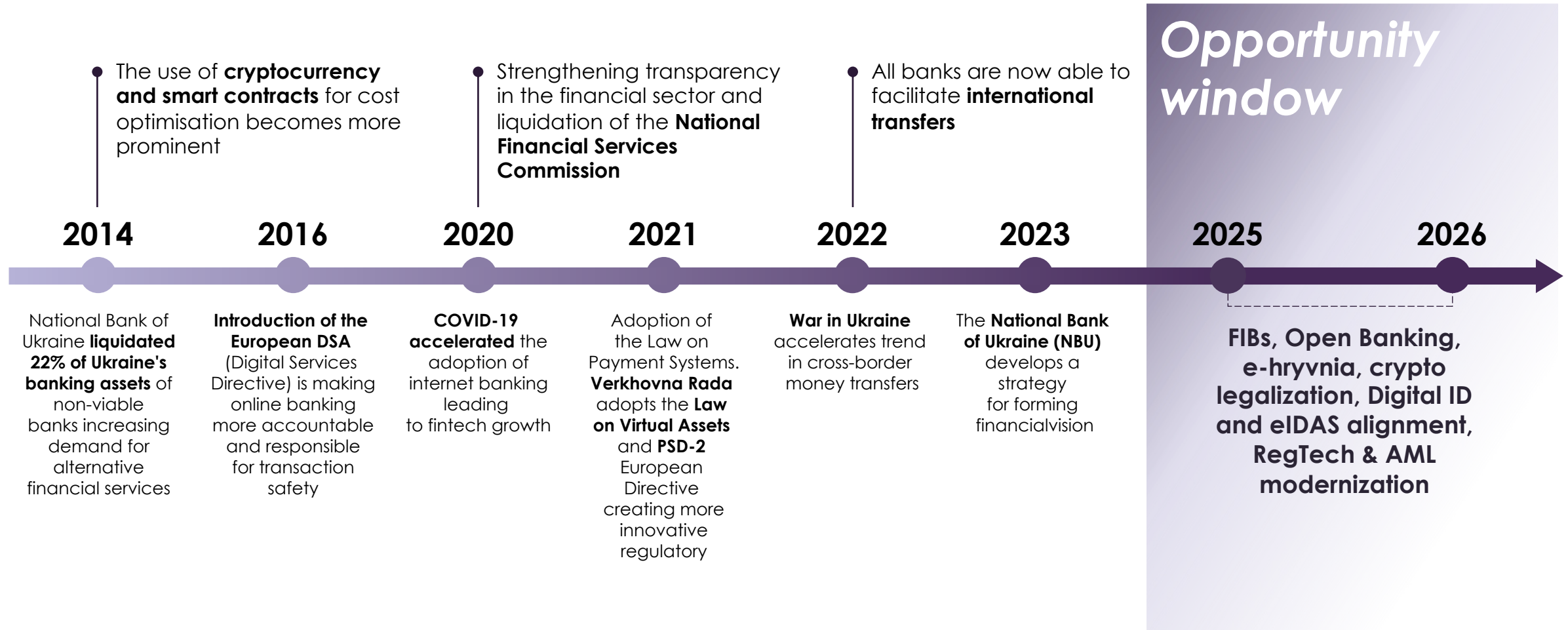
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2

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Market Overview: Ukraine

Due to European integration the fintech market in Ukraine has been developing since 2014



Regulatory mandates and extreme market resilience transition the Ukrainian FinTech sector into an execution-driven growth phase



Infrastructure resilience is in high demand due to wartime disruptions and digitalization needs.

The shift towards embedded finance and the massive growth of A2A direct payments.

The market shows extreme resilience, with **84% of FinTechs** now operating entirely self-funded.

Companies prioritize operational efficiency, leading **76% of firms** to successfully reach break-even points.

The rollout of **Open Banking APIs** and **AI tools** creates scalable new business models.

Crypto adoption matures as domestic legislation actively aligns with the **EU's MiCA framework**.

The strong IT talent pool drives **RegTech expansion**, optimizing compliance through AI automation.



August 2025 API mandates transition the market to execution, scaling new PISP/AISP business models throughout 2026.

Sustained e-commerce growth drives merchant demand for direct A2A payment solutions, reshaping the 2026 landscape.

High operational profitability drives organic M&A and strategic consolidation among self-funded FinTechs entering 2026.

Strict AML requirements and growing AI adoption trigger a massive RegTech expansion to automate compliance.



Active alignment with EU frameworks combined with aggressive anti-fraud and AML enforcement establishes a predictable dual-track environment, offering structural protection for compliant operators.

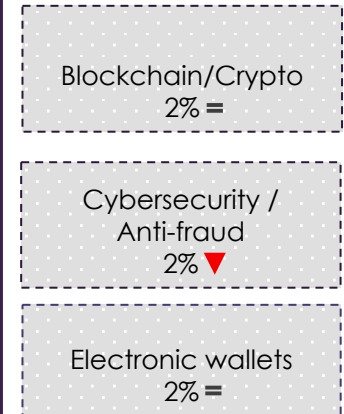
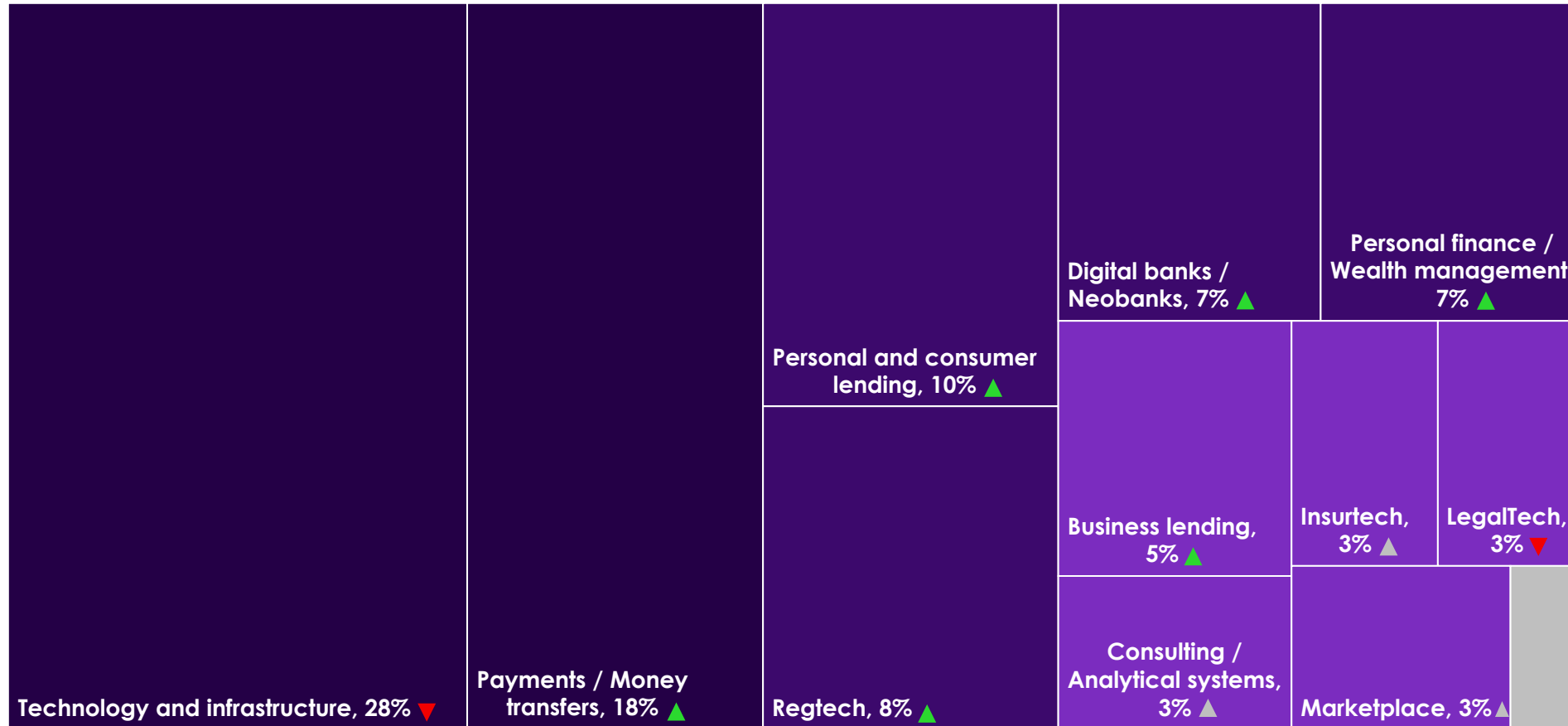
Intensified regulatory alignment directly addresses legacy friction, accelerating technical preparations for SEPA integration in 2026.



The 2025 Financial Inclusion Act establishes the legal framework to launch operational FIBs in 2026.

Fintech sector rebalancing toward consumer-facing services signals Ukrainian fintech market maturation

Sectoral distribution of Ukrainian fintech companies in 2025:
Market share, % & Annual Changes



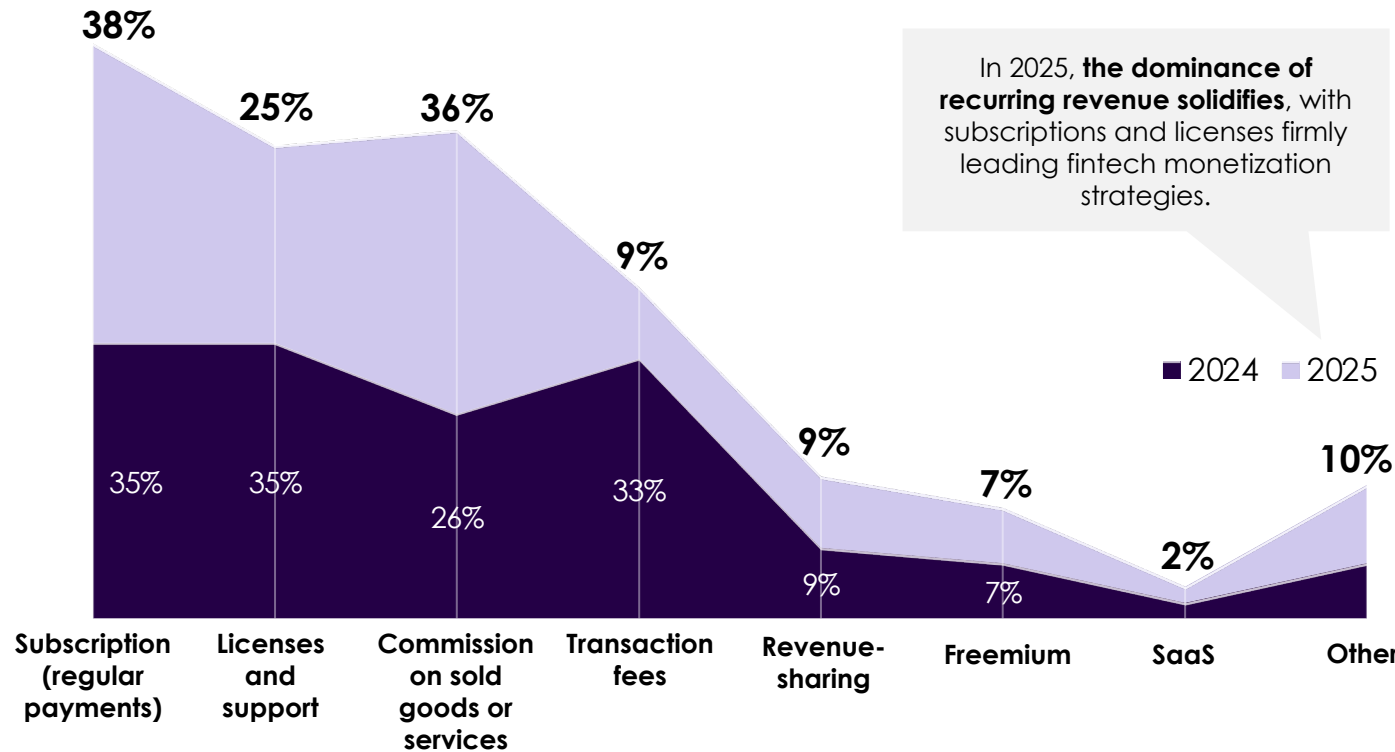
Consumer scaling phase.
The market is shifting towards consumer services.

Lending, neobanks and wealth management all gained share as technology infrastructure consolidated to 28%.

Ukrainian FinTech proves the high efficiency of its self-funded, export-oriented business models

Ukrainian fintech companies business models

Type of models used in 2024-2025, % change

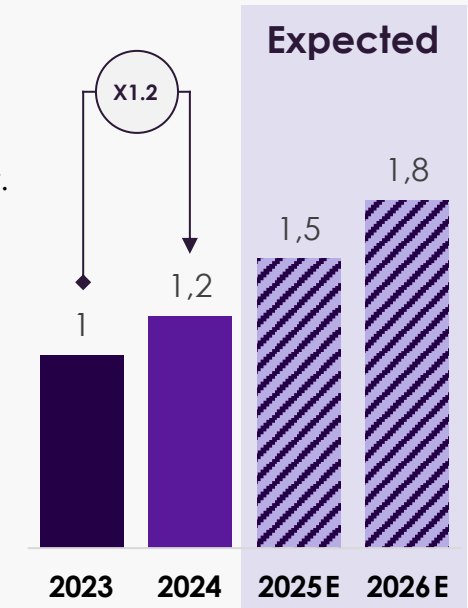


The future growth is likely to be spurred by: (1) Accelerated global expansion of local companies; (2) Shift towards highly profitable, recurring revenue models.

Size of the Ukrainian fintech market 2023-2026E

Market size in bn USD

- 38% of Ukrainian FinTechs successfully operate internationally.
- Despite ongoing challenges, the sector demonstrates adaptability.
- 70% of fintech companies reported an increase in business volume, with 76% having already passed the break-even point.



Ukraine has the digital rails for FinTech growth, but capital, risk, and talent constraints limit scaling

STRENGTHS



Mobile Banking & Cashless Dominance:

- Ukraine boasts one of the highest mobile banking adoption rates in Europe, with cashless operations thoroughly dominating the market. This reflects an exceptional consumer readiness for digital-first financial solutions and neo-banking products.



Ecosystem Resilience & Tech Adaptability:

- The sector has demonstrated unprecedented resilience, maintaining uninterrupted operations through widespread cloud migration and the "Power Banking" network, proving the high adaptability of local fintech infrastructure under extreme wartime conditions.



Progressive Regulatory Environment:

- The NBU's systematic implementation of Open Banking (aligned with EU PSD2) and the favorable tax/legal framework of Diia City create a highly supportive ecosystem that creates a relatively supportive baseline for fintech operations, though full implementation of Open Banking APIs remains in early stages and licensing processes still require significant time and resources.



Global Leadership in Crypto Adoption:

- Ukraine consistently ranks among the top countries globally for cryptocurrency use. The integration of blockchain into mainstream finance, coupled with ongoing legislative efforts to harmonize with EU MiCA standards, opens vast avenues for DeFi and hybrid banking solutions.

WEAKNESSES



Capital Constraints & Depressed M&A Activity:

- Foreign Direct Investment (FDI) and venture funding remain severely constrained by wartime risk premiums. This limits the available capital for scaling new ventures and keeps local M&A activity well below pre-war levels.



High Cost of Risk & Credit Crunch:

- Elevated interest rates and persistent macro-level uncertainties drive up the cost of borrowing. This restricts SMEs' access to affordable financing, creating a challenging environment for fintech lending platforms looking to expand their loan portfolios.



Talent Drain & Workforce Shortages:

- Wartime emigration and mobilization have created a critical shortage of highly skilled IT, data analysis, and financial professionals, which inevitably drives up local talent costs and complicates rapid team scaling.



Cyber Threats & Infrastructure Vulnerabilities:

- The continuous threat of state-sponsored cyberattacks and physical risks to the energy grid forces financial institutions to allocate disproportionately large budgets toward cybersecurity, cloud redundancy, and backup infrastructure.



Underdeveloped API Infrastructure

- Despite Open Banking legislation, real-world API standardization between institutions remains nascent, limiting third-party fintech integration at scale.

SME lending, open banking, and embedded finance are the strongest opportunities, yet regulatory and macro risks remain material

OPPORTUNITIES



Underserved SME & Retail Credit Markets:

- While basic mobile banking is saturated, affordable lending remains a massive pain point. Utilizing alternative data scoring and open banking APIs presents a major opportunity to capture the underserved SME segment and offer tailored, flexible micro-credit solutions to retail clients.



Open Banking Monetization:

- As Open Banking legislation matures and API infrastructure develops over the next 2-3 years, new market entrants will be positioned to act as financial aggregators. This allows a digital-first bank to build comprehensive Personal Finance Management (PFM) tools and consolidate user accounts, dramatically lowering customer acquisition costs.



EU Integration & Cross-Border Expansion:

- The ongoing harmonization of Ukrainian financial legislation with EU directives (such as PSD2 and MiCA) creates a medium-term pathway (3-5 year horizon) for local fintechs to scale cross-border, contingent on war resolution and formal EU accession progress, attract European venture capital, and serve the large Ukrainian diaspora abroad.



Embedded Finance & Niche Ecosystems:

- High growth potential exists in embedding financial services into non-financial platforms (e-commerce, logistics, gig-economy). B2B2C payment and lending infrastructure can secure a loyal user base outside traditional banking channels.

THREATS



Fierce Competition & Monopolized Loyalty:

- The retail digital banking market is heavily consolidated around a few dominant players (e.g., Privat24, Monobank). Breaking user habits and overcoming this oligopoly requires massive marketing capital and an exceptionally differentiated product value proposition.



Macroeconomic Volatility & High NPL Risks:

- Ongoing geopolitical instability, currency fluctuation, and inflation create an inherently risky lending environment. There is a continuous threat of rising Non-Performing Loans (NPLs), particularly if SME businesses face sudden disruptions or retail clients lose income.



Intense Regulatory & Compliance Burden:

- Rapidly evolving NBU requirements on AML/KYC and capital adequacy create disproportionate compliance costs for early-stage digital banks, potentially crowding out smaller players in favor of established institutions.



Big Tech & Non-Bank Competitors:

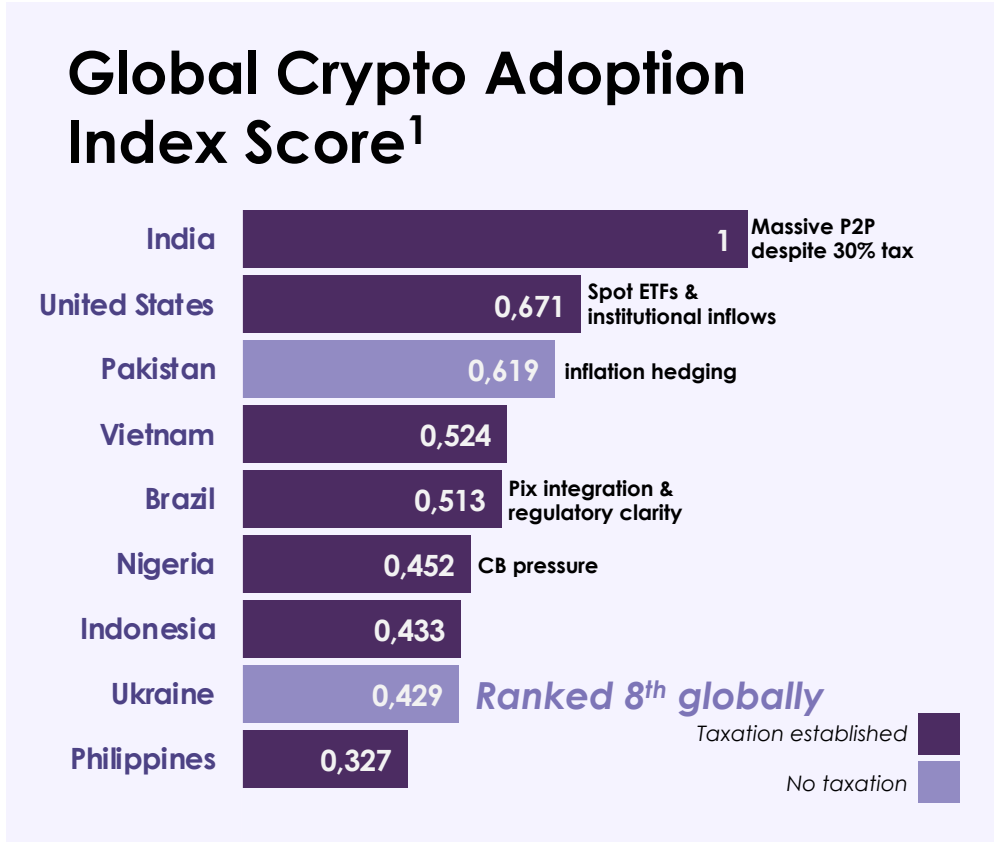
- The entry or expansion of global tech giants (like Apple Pay expanding its credit features) and local telecom operators into the financial services sector threatens to capture the payment layer, squeezing the margins of traditional and neo-banks alike.



Technology & Trends

Despite high technological adoption, unclear taxation is draining institutional capital from Ukraine's crypto ecosystem

Blockchain - shared, immutable ledger that facilitates the process of recording transactions and tracking assets in a business network. It is used in the fintech market due to its transparency, safety and efficiency.



The Ukrainian market is now aggressively **transitioning** from a grey-zone P2P economy towards strict alignment with the EU's MiCA framework to **restore** institutional trust and **prevent** further capital flight.

“ Despite regulatory bottlenecks, 47% of Ukrainian fintechs identify Blockchain and Crypto as **the most promising technological vector** for future scaling and international expansion in 2026.

12% of Ukrainian fintech companies work with blockchain technology

Blockchain is currently underutilized by Ukraine's FinTech sector, but actively exploited in the grey economy

Blockchain application take-aways

- Adoption is limited to surface-level gateways
- Public sector leads use (auctions, e-Hryvnia, digital identity)
- FinTechs see blockchain as too costly, legally unclear, and commercially weak
- E-Hryvnia pilot has been significantly delayed due to high implementation costs amid wartime budget constraints.

Blockchain practical application

- Policy Draft** ● **Legislative Alignment with MiCA**
Adapting national crypto legislation to MiCA - a mandatory requirement for EU single market integration.
- Pilot** ● **e-Hryvnia**
Blockchain ensures transparent bidding in auctions of confiscated property, preventing tampering.
- One-off** ● **NFT Cultural Registry**
Initiative tokenizing cultural assets to track provenance and prevent illicit wartime trade.
- Pilot** ● **Refugee Credentialing (EBSI)**
EU-backed pilot for cross-border digital verification of refugee identity and credentials.
- Warning** ● **Grey FinTech Flows**
Fintech tools like payment services, e-wallets, and crypto platforms used to move funds outside regulatory oversight.

Illegal Gambling Payments

Cryptocurrency is used to fund bets and withdraw winnings on unlicensed platforms, evading tax and AML controls.

P2P "Drop" Networks & Miscoding

Exploitation of retail P2P accounts and manipulated merchant codes to disguise illegal gambling flows and evade NBU limits.

Crypto Laundering via Terminals

Cash is inserted into kiosks and falsely labeled as legitimate payments, then converted to crypto anonymously.

Offshore Remittance Loops

Users transfer crypto domestically and collect equivalent fiat abroad via unregulated exchangers.

Unlicensed Exchanges

Crypto platforms without licenses or KYC rules enable anonymous trading and laundering at scale.



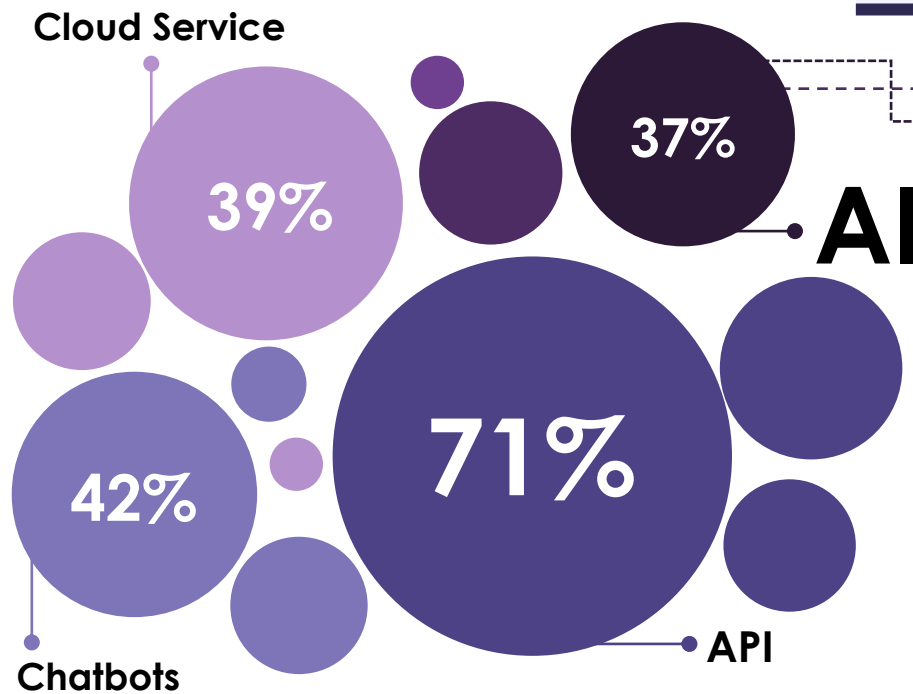
You could send BTC in Kyiv and get cash in a New York funeral home. That's how refined some laundering networks became."

Without clear regulation, economic incentives, and trust-building, **blockchain will remain an innovation on paper - and a tool for shadow finance in practice.**

AI is already among the key technologies deployed by Ukrainian fintech companies

Artificial Intelligence (AI) - is a technology that enables computers and machines to simulate human activities. The use of ML and GenAI models is the biggest focus for the fintech market at the moment.

Share of Deployment-Type Technologies Among Ukrainian FinTech Companies



\$185k

AI INVESTMENTS
2025

90%

of Ukrainian fintech companies believe that AI is a promising technology for the market transformation.

Innovations

Upgrades

- AI Assistants & Chatbots
- Personalised Experience
- AI-Based Contract Deployment
- Contextual Finance for E-commerce
- Scoring Systems
- Predictive Analytics
- Anti-Fraud & KYC Automation

Examples



Ministry of Digital Transformation of Ukraine

Ministry of Digital Transformation launches **Sandbox** – a tool for supporting projects that utilise either AI or blockchain technologies. The ministry also established the **WINWIN AI Center of Excellence** to drive systemic AI integration across key sectors.

Ukrainian fintech chases a \$1.5B market by 2030 by betting on proven ML instead of risky and costly GenAI

- Mature and widely adopted across Ukrainian fintech
- Used for fraud detection, scoring, compliance, forecasting
- More predictable and cheaper to deploy
- Preferred for mission-critical financial operations

Machine Learning

Ukraine ranks **among the global AI leaders**, with around **350,000 tech professionals** supporting rapid AI adoption across fintech and enterprise sectors.

Around 37% of Ukrainian fintech companies already use AI in production, while most still prioritise ML due to the higher cost of GenAI deployment.



The EU AI Act will accelerate Ukrainian rules on transparency, explainability, and data protection

Ukraine's AI market is projected to reach **\$1,545B by 2030**, with an expected CAGR of **18,28%** between 2024-2030.

Main risks of deployment of GenAI

1. Data privacy and leakage risks
2. Embedded bias in model outputs
3. Hallucinations and factual inaccuracies
4. Limited explainability
5. Algorithmic brittleness outside training data

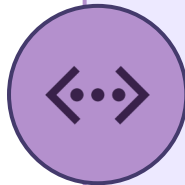
GenAI

- Rapidly growing but still operationally risky
- Used for customer support, copilots, and personalization
- Higher infrastructure and governance costs
- Limited adoption in highly regulated financial services



Ukrainian banks actively use AI for fraud detection, scoring, and customer support.

As Quantum computing gains momentum finance moves from early pilots to a \$622B transformation opportunity



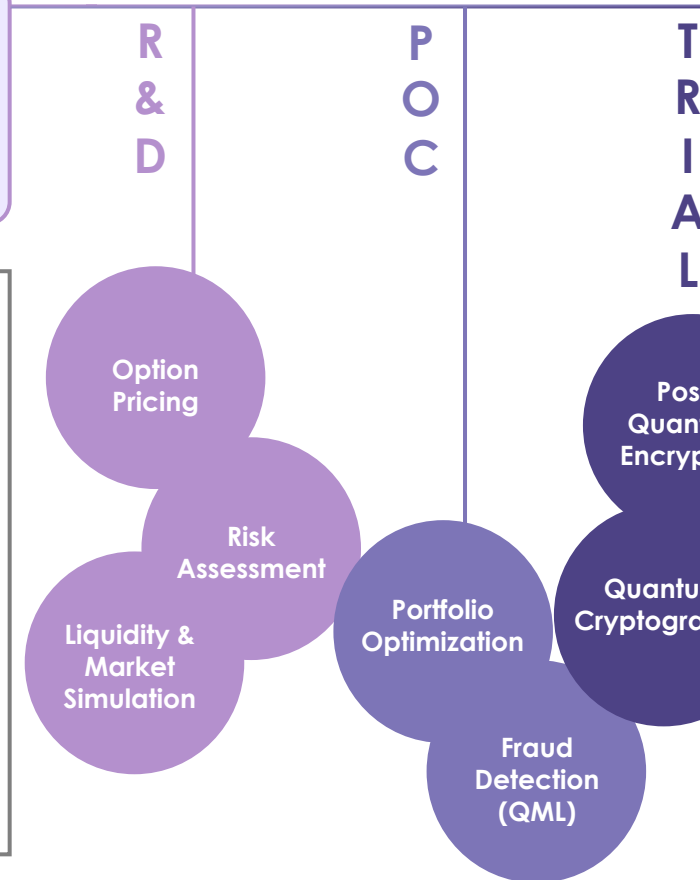
Quantum computing is an emerging technology that could significantly enhance financial modelling, optimisation, cybersecurity, and risk analysis through exponentially faster data processing.

Up to \$198_b Expected quantum technology market size by 2040

Finance, life sciences, chemicals, and mobility are expected to be among the first sectors significantly impacted by quantum technologies.

\$622_b Potential economic value quantum technologies could unlock in finance by 2035

Potential Use Cases of Quantum Computing in FinTech



Outlook

R&D pilots in pricing, fraud detection, and portfolio optimisation **2025-2027**

First live deployments and quantum-readiness initiatives across banking infrastructure **2026-2028**

Post-quantum cryptography (PQC) and quantum security integration in core banking **2029-2031**

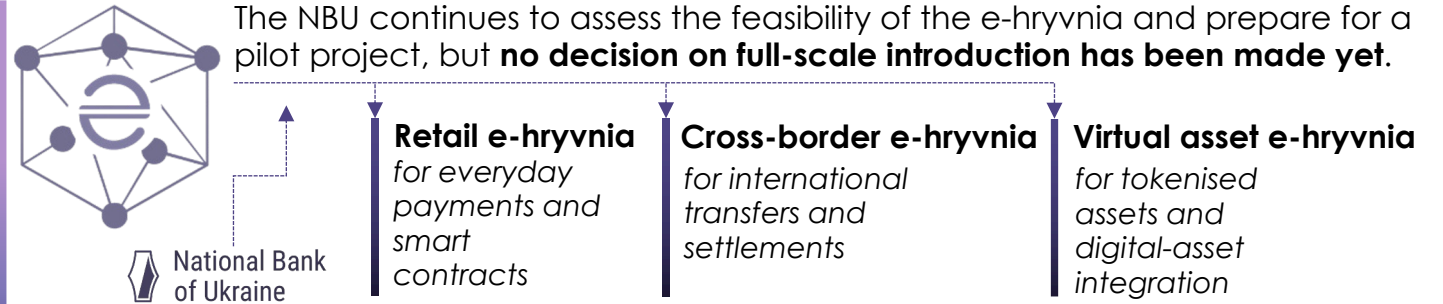
Fault-tolerant quantum systems enable advanced trading, simulation, and risk optimisation **2030s +**

E-hryvnia gains momentum as Ukraine joins 146 countries digitizing national currencies

CBDC (eng. - central bank digital currency) - is a digital form of national currency issued by a central bank and backed by the state, unlike decentralised cryptocurrencies.

CBDCs Worldwide

- CBDCs can help overcome difficulties in **cross-border payments**
- 146 countries and currency unions**, representing **over 98% of global GDP**, are exploring a CBDC.
- 72 countries** are now in the advanced phase of exploration, including development, pilot, or launch.

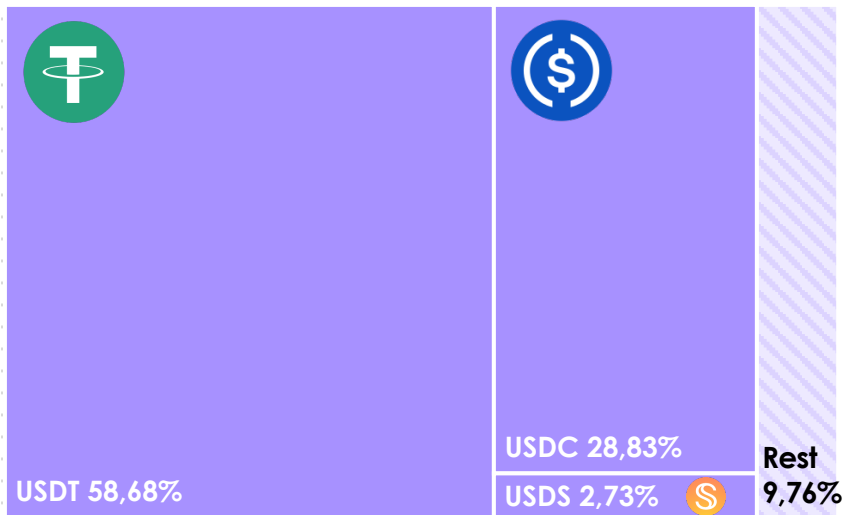


| Development & Research Stage (72) | Testing & Piloting Stage (49) | Launched Stage (3) |
|-----------------------------------|-------------------------------|--------------------|
| | | |



Trillion-dollar stablecoin and RWA markets create new strategic imperatives for Ukraine's fintech

Distribution of top stablecoins



- **Stablecoin** - privately issued **digital token pegged to a stable asset**.
- Unlike CBDC (state-issued, central-bank regulated), stablecoins emerge from the private sector and operate on public blockchains.
- 97% of fiat-backed stablecoins are pegged to the US dollar.

Tokenization

Tokenization is the process of converting rights to **real assets into digital tokens** based on the blockchain. This provides instant settlements, eliminates intermediaries, and allows for the fragmentation of large assets to attract a wider range of investors.

\$30B+ The tokenized real-world asset market **demonstrates monumental expansion** from its \$5.8 billion baseline at the start of 2025

\$2-16T The **projected valuation** the tokenized asset market will reach **by 2030**

Ukrainian regulatory context

Ukraine is currently adapting its legal framework to European MiCA standards. Despite tax-related legislative pauses, the NBU is actively piloting the e-Hryvnia (CBDC), paving the way for fintech integration of legal crypto-gateways and real-world asset tokenization.

\$320B Total stablecoins market cap

17th Tether's rank among global US Treasury holders

\$35T Annual transaction volume of stablecoins

\$2-4T Real payment usage is still \$390B (30x in 5Y) in 2025 and is **projected to scale** toward by 2030

**Including trading on exchanges, arbitrage, smart contract mechanisms and internal transfers.*

A 24M+ user ecosystem pushes Ukraine deeper into the age of Open Banking and Superapps

Superapp - multifunctional digital platform that integrates various services (e.g. payments, banking, mobility, shopping, messaging) in one mobile app - creating an ecosystem where users can perform daily tasks without switching apps.

Global Fintech Superapps



WeChat



Alipay



Grab/Gojek



Tata Neu



KakaoTalk



Nubank



Kaspi

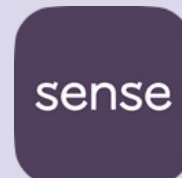
Ukrainian Superapps



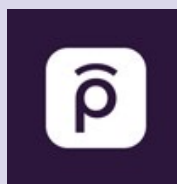
Monobank



Privat24



Sense



Whitepay



Diia



Corezoid



izibank

Superapps Technologies Stack

Open Banking APIs for data & service integration.

Embedded Finance for lending, insurance, payments inside non-financial platforms.

Digital ID & e-signatures simplify onboarding and verification.

Cloud-native + microservices for scalability and modular integration.

AI/Personalization for smarter recommendations and UI.

Opportunities

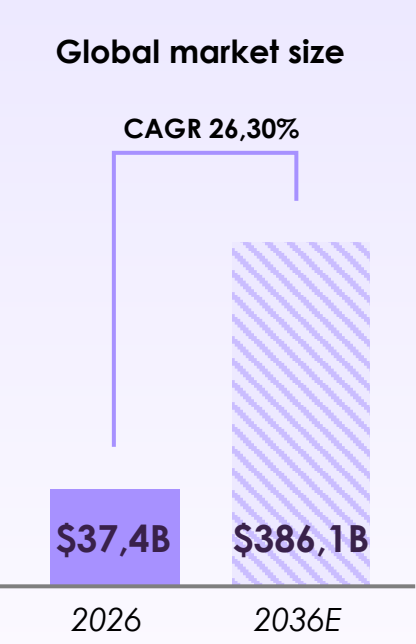
- 24M+ Diia users
- High mobile banking adoption
- Strong developer ecosystem
- Open Banking launched (2025)
- SEPA & BankID integration

Challenges

- Limited miniapp ecosystem
- Security & fraud risks
- Economic pressure
- Integration complexity

Implementing simplified licensing is the final step to transform Ukraine's closed neobank model into a functional BaaS ecosystem

Embedded finance - financial services (payments, credit, insurance) built into non-financial products: user doesn't visit a bank, the bank comes to them. **BaaS** - infrastructure layer: a licensed bank rents out its license, compliance, and payment rails via API to non-banking companies.



| Global BaaS leaders | Ukrainian BaaS leaders |
|---|--------------------------------------|
| Treezor Stripe Treasury SolarisBank Unit | Monobank Izibank O.Bank BVR |

Ukrainian framework

Due to the lack of simplified fintech licenses, the BaaS market in Ukraine is de jure absent. Neobanks operate only as IT shells based on traditional banks, which blocks the exit of global players and reduces the market to a closed model of exclusive partnerships.

International practices

Lithuania introduced simplified EMI licensing in 2016 - Revolut and Stripe settled as their EU base within 2 years.
Estonia built open API infrastructure by 2018, turning LHV and Wise into regional BaaS backbones.
Poland followed with KNF fintech reform in 2019 - BaaS partnerships went live within 18 months.

Ukraine already has Open Banking, NBU payment licensing in ~1 month, and FIB infrastructure in place. The only missing piece: a simplified fintech license - the same trigger that unlocked BaaS across CEE¹.



4

Regulatory

Three regulatory pillars govern Ukraine's fintech and all three are actively enforced as of 2025

CONSUMER RIGHTS PROTECTION

- **Law on Financial Services Consumer Protection**

Signed into law; NBU dedicated supervisory unit established. Financial institutions must disclose **full cost of services** in ads and on websites.

- **NBU Resolution No. 75 - Aug 2025**

Extended NBU **consumer protection** supervision to non-financial payment services providers. **Uniform rules** for banks and non-banks.

- **Law on Financial Services & Finance Companies - Jan 2024**

New framework for non-bank fintechs: licensing, capital, governance and consumer transparency requirements.

COMPETITION DEVELOPMENT

- **Law on Payment Services (2022) + NBU licensing**

Non-bank fintechs can obtain NBU payment licenses within ~1 month. Creates level playing field monobank and others already licensed under the new framework.

- **Fintech market growth – 2024-2025**

Payment platforms (LiqPay, Portmone) processed **\$6.77B in 2025 = +17%** vs 2024. Digital banking leaders monobank & izibank serve 12M+ active users.

- **Financial Sector Strategy update - Jun 2025**

Updated by Financial Stability Council Jun 2025. EU integration and fintech competition growth confirmed as strategic priorities to **2030**.

FINANCIAL SYSTEM STABILITY

- **Banking sector stress tests - 2025**

NBU stress-tested 21 largest banks in 2025. Banking system remained profitable: UAH 100 bn pre-tax profit in H1 2025 despite wartime conditions

- **Cybersecurity Regulation for Fintechs - 2025**

NBU approved Regulation on Information Security & Cybersecurity for Financial Service Providers. Cloud-computing regulation also adopted.

- **EU-aligned prudential standards**

Capital buffers, SREP2, countercyclical and systemic risk buffers all in place. 16 systemically important banks identified as of June 2025.

- **Martial Law Capital Controls**

Under NBU Resolution No. 18, strict capital controls remain in effect. Cross-border payments from Ukraine for Virtual Asset (VA) settlements are restricted.

Ukraine operates on EU technical standards today, full regulatory compliance and SEPA accession by 2027

Institutional convergence and technical readiness position Ukraine for deeper EU market integration

KEY INTEGRATION MILESTONES

Apr 2023

ISO 20022 & SEP 4.0

NBU migrated entire interbank payment system to ISO 20022 standard - the EU norm for financial messaging. SEP 4.0 operates 24/7, aligned with SEPA technical requirements.

Dec 2025

SEPA legislative package

Cabinet approved SEPA draft laws on 17 Dec 2025. AML/CFT rules aligned with FATF¹/EU standards. Estimated €70-100M annual savings on euro transfers once Verkhovna Rada passes bills.

Aug 2025

Open Banking live

NBU Regulation No. 80 launched open banking on 1 Aug 2025. Standardised APIs for third-party providers, mirroring EU PSD2. Fintechs & international players can now access bank data.

Nov 2025

EU Enlargement Report

EU Commission (4 Nov 2025) recognised Ukraine's 'remarkable resilience' in reforms. Capital markets roadmap approved by NSSMC (Sep 2025) aligning with MiCA, UCITS², AIFMD³.

Integration Progress

75-77%

of EU regulations already implemented by the NBU. Target: 100% compliance by 2027.

€50B

EU Ukraine Facility (2024–2027) conditional on financial sector reforms & EU acquis alignment.

€100M

Estimated annual savings for Ukraine once SEPA membership is complete (2027–2028).

SEPA accession timeline



Since 2020, one regulator controls the entire Ukrainian financial market: banks, fintechs and non-banks alike



National Bank
of Ukraine

NBU BY NUMBERS

60 banks operating in Ukraine as of 2025

16 systemically important banks (Jun 2025)

UAH banking sector pre-tax profit H1 2025

100B

SUPERVISORY APPROACH

- Risk-based & preventive: early intervention before harm occurs
- Proportionality: supervision intensity matches institution size & risk

▶ SUPERVISION SCOPE

Mega-regulator since Jul 2020

NBU supervises all banks and non-bank financial institutions: insurance, leasing, factoring, credit unions, pawnshops, payment services, and fintech companies. Replaced the former split-regulator model.

▶ REGULATORY SANDBOX

Launched Apr 2023 (Resolution No. 39)

Fintechs with existing NBU authorisation can test innovative payment products in live market conditions under regulator supervision.
Goal: accelerate fintech innovation while managing risk.

▶ NBU BankID SYSTEM

109.4M identifications in 2025 (+24.7%)

NBU BankID is Ukraine's national digital identity infrastructure. As of early 2026: 39 identifier banks + 112 service subscribers. Powers Diia, government portals, Reserve+ system and private fintechs.

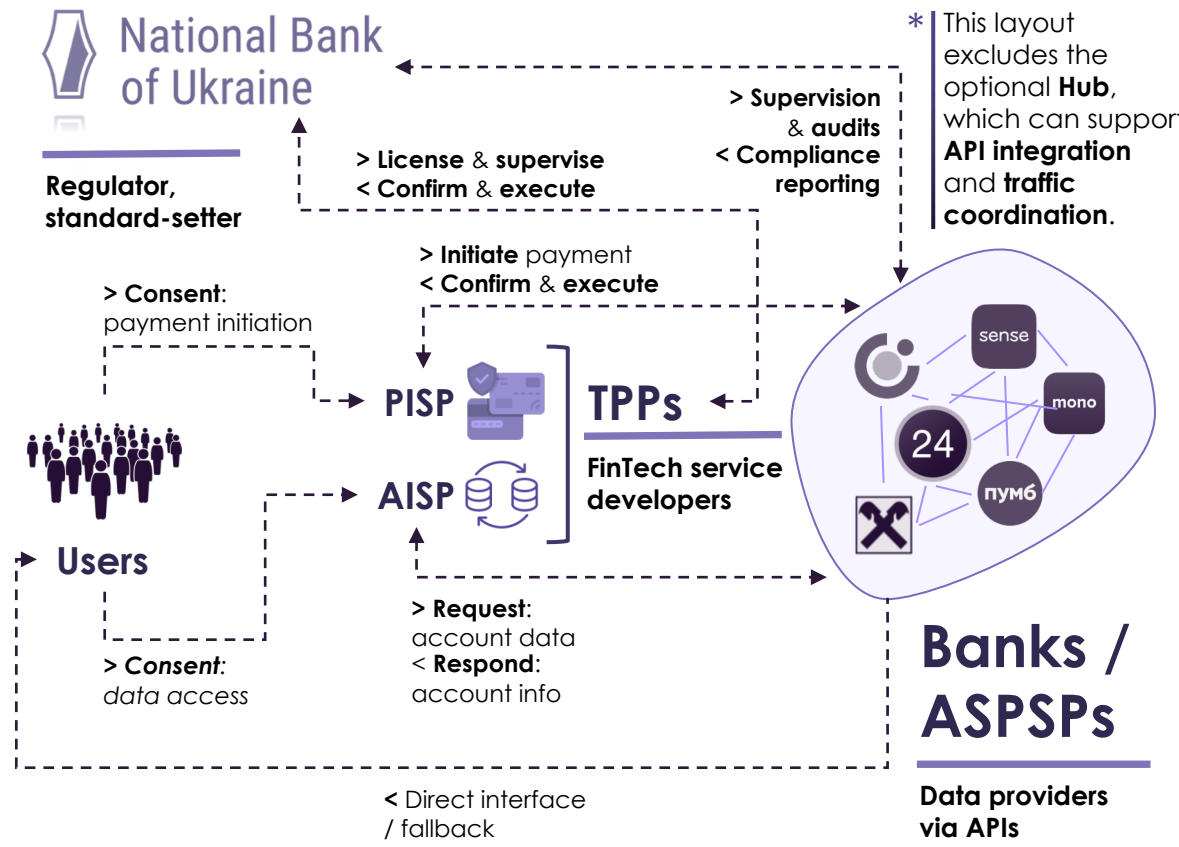
▶ PAYMENT INFRASTRUCTURE

SEP 4.0 + NPS PROSTIR oversight

NBU oversees all payment systems: operators, participants, settlement banks, payment service providers and e-money issuers. Systemically important systems face 2-hour recovery requirements and BIS^[1]/ECB standards.

Open banking went live on 1 August 2025 - EU fintechs can now enter Ukraine without a banking licence

Open Banking - a model of **secure data exchange** via open APIs between banks & third-party providers, which enables **multi-bank access**, **personalized financial services**, and **real-time payments**.



Legal & Strategic Framework

Law on Payment Services (2022) - EU PSD2 aligned, Berlin Group API standard NBU Resolutions No. 80-82 (25 Jul 2025) - live **1 Aug 2025**
Prerequisite for **SEPA accession**

Challenges

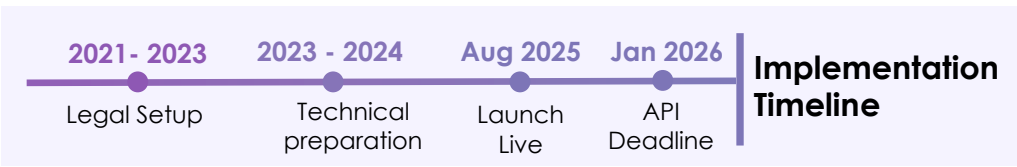
- No authorised AIS^[1]/PIS^[2] providers yet - **first expected H1 2026**
- Uneven IT readiness & heavy compliance burden
- Low consumer awareness of data-sharing rights

Benefits for Market/Economy

- EU/UK fintechs enter **without a banking licence**
- Breaks banks' **data monopoly** - increased competition
- New revenue for banks via **commercial APIs**
- Key step toward **SEPA accession**

Benefits for customers

- One app** for all bank accounts
- Personalised credit** from real spending data
- Instant consent control** - revoke anytime
- Account-to-account** payments - no card needed



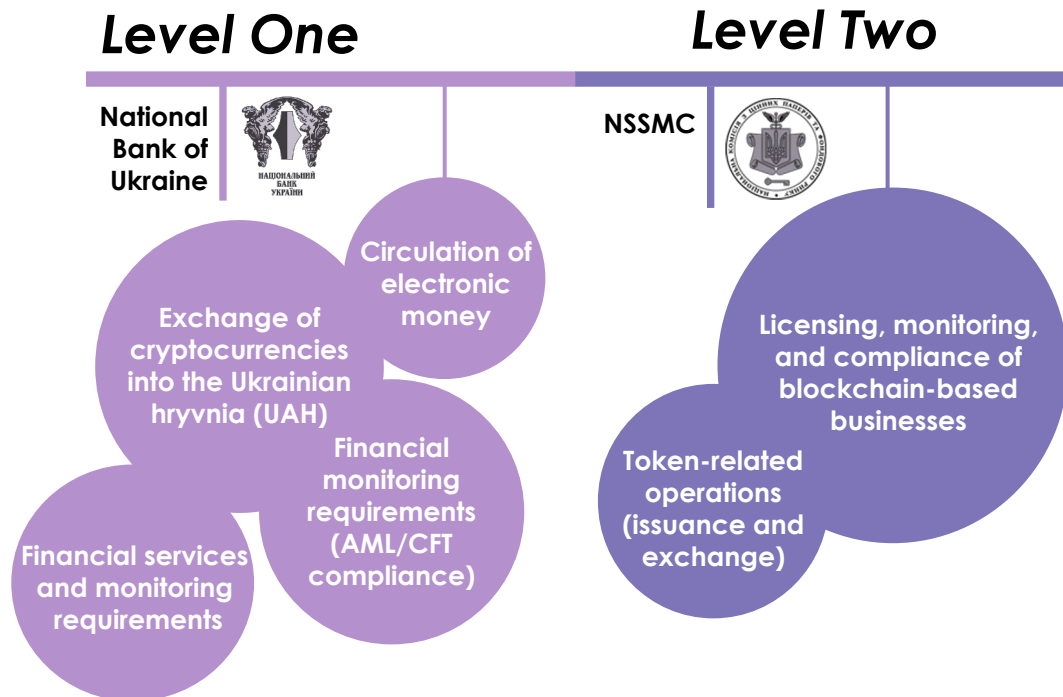
Ukraine's fintech market hit \$1.5B in 2025 but regulation is racing to catch up with AI, lending and embedded finance

| BNPL & EMBEDDED FINANCE NO FRAMEWORK | DIGITAL LENDING FRAGMENTED OVERSIGHT | AI IN FINANCE NO REGULATION YET | GLOBAL FINTECHS OPERATING WITHOUT LICENCE |
|--|---|--|--|
| <p>BNPL and embedded finance are among Ukraine's fastest-growing segments - yet no dedicated regulation exists.</p> <p>EU adopted CCD2² (Nov 2026) to regulate BNPL. Ukraine has no equivalent yet - creating consumer risk and legal uncertainty.</p> <p>~90%</p> <p>of all purchases on top banking marketplaces (e.g., mono market) use BNPL</p> | <p>Ukraine's online lending market reached \$1.5B. While the NBU has strengthened oversight of non-bank lenders, market fragmentation persists - some operators continue to function in less regulated segments.</p> <p>Finance.ua 2025-2026 report expects increased enforcement against unlicensed lenders - but the gap exists today.</p> <p>257</p> <p>fintech companies in Ukraine</p> | <p>37% of Ukrainian fintechs already use AI; Yet there are no Ukrainian rules for AI in credit scoring, fraud detection or lending decisions.</p> <p>EU AI Act enforcement on high-risk financial AI starts Aug 2026. Ukraine has no equivalent timeline.</p> <p>90%</p> <p>of fintechs say AI is the #1 priority technology for 2025</p> | <p>Revolut case - Apr 2025: Revolut was serving Ukrainian users via its Lithuanian entity without an NBU licence. In Apr 2025, NBU enforced compliance due to direct marketing activities - Revolut suspended new Ukrainian registrations and began closing accounts. Many global platforms test regulatory boundaries before local licensing frameworks are ready.</p> <p>71%</p> <p>use APIs as core infrastructure</p> |

Ukraine is Europe's 3rd largest crypto market by volume and MiCA-aligned regulation is one Rada vote away

“ **Bill No. 10225-d** passed first reading 3 Sep 2025. Second reading expected **mid-2026**. Until then - general civil law applies, subject to financial services and capital market laws in certain cases. Anti-money laundering obligations from 2020 already in force.

Two-Level Regulatory Model



New Business Requirements

Obtain **official licence** from National Securities & Stock Market Commission

Register with tax authorities within 60 days of serving Ukrainian residents

Publish **white paper** for any token issuance

Implement **Know Your Customer & anti-money laundering** systems

No simplified tax regime for crypto service providers

Tax Rules - effective from 2026

Transitional 2026: preferential 10% total tax rate on pre-law assets

From 2027: standard 23% total tax rate on crypto profits

Crypto-to-crypto exchanges - **tax exempt**

Small sales under UAH 8,000 (~\$200) - **exempt**

Declare profits annually via Electronic Cabinet by 1 May

What Changes for Users

Officially **declare digital assets** as legal property

Legally **transfer crypto as inheritance** and use in civil agreements

Crypto-to-hryvnia exchanges only via **licensed platforms**

Unverified peer-to-peer transactions may face restrictions

Crypto advertising regulated - pyramid schemes prohibited

Financial inclusion banks (FIBs) is a new tool for bridging financial access gaps

▶ THE PROBLEM

- **War wiped out banking access in frontline regions**

Since Feb 2022, branches of most banks closed near the frontline and in de-occupied territories. Residents lost access to deposits, transfers, loans and basic payment services.

- **Traditional banks cannot fill the gap**

Full banking licences require heavy capital, IT infrastructure and compliance costs - unviable for marginal or war-affected regions. 60 banks operating nationally, but coverage is deeply uneven.

- **Vulnerable groups cut off**

IDPs, veterans, people with disabilities, elderly in small towns and pensioners in frontline regions are disproportionately excluded from financial services.

▶ How FIBs Work

- **Restricted (limited) banking licence**

Lower capital and compliance requirements than a full banking licence. Separate legal entity (joint-stock company) required. NBU sets all prudential standards - same financial stability rules as regular banks.

- **Focus: individuals & micro-enterprises**

FIBs are restricted from large corporate and capital markets operations. Single-borrower credit limits apply. Designed purely for retail and micro-SME financial services.

- **First FIB: Ukrposhta**

Government transferred shares of First Investment Bank to Ukrposhta. Ukraine's national postal network - with branches across all regions including frontline - to become the first FIB. Investment budget: >UAH 1B.

▶ Strategic Implications for Ukraine

Law No. 4465-IX - in force as of Dec 2025

Signed by President Zelensky Dec 2025. NBU now setting regulatory requirements for FIBs.

Who else can apply for FIB licence?

Large retail chains, pharmacy chains, gas station networks, postal operators - any company with existing mass client base and branch network near frontline.

BROADER INCLUSION ECOSYSTEM

- 38 major banks signed Charter on Financial Inclusion & Veterans Reintegration
- 50% of bank premises must be physically accessible for people with disabilities (from Jan 2025)
- IFC + NBU partnership (Oct 2024): digital financial services advisory for SME access
- eOselya mortgage programme: 3-7% fixed rate for veterans, teachers, doctors, first-home buyers

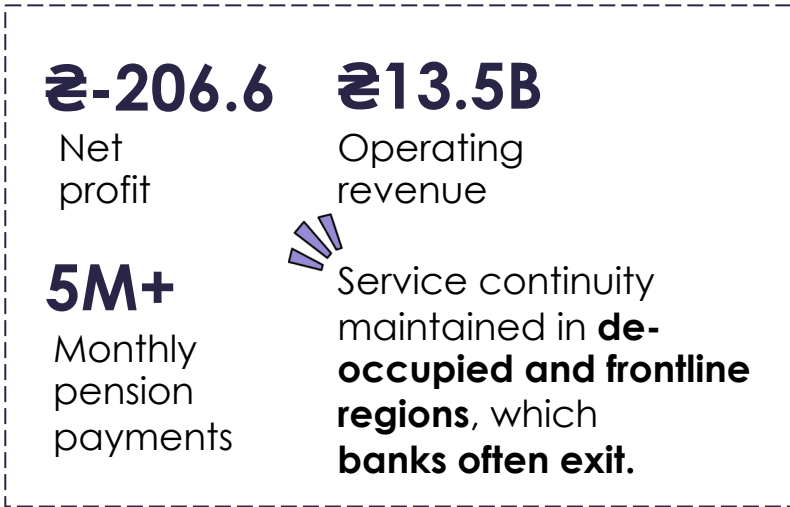
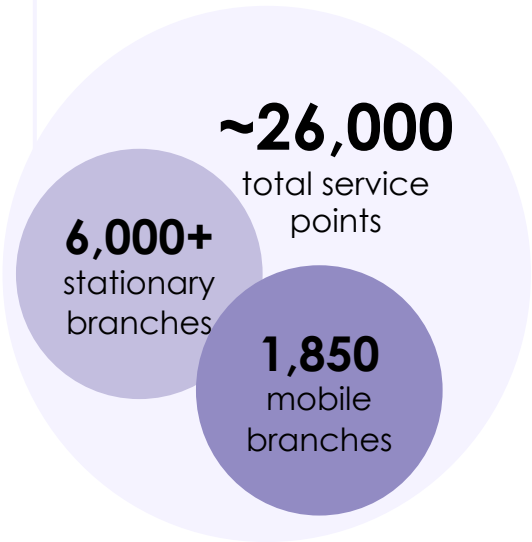
Ukrposhta advances financial inclusion amid institutional friction



As of May 2026, Ukrposhta became **the first institution to enable card payments in 100% of Ukrainian settlements**. The Financial Inclusion Bank law was signed in December 2025, but NBU has not yet developed a licensing procedure, citing Ukrposhta's negative capital and management concerns. **The banking licence remains pending.**

Ukrposhta delivers unmatched **territorial coverage**, including **100% of Ukraine's hromadas**.

Ukrposhta combines financial stability with extensive experience in delivering essential financial services to underserved populations.



If properly implemented, this initiative could **reduce financial exclusion, foster digital transactions, and reinforce government payment delivery** in crisis-prone zones.

Total Capital Expenditures allocated to deep institutional and technological transformation. This includes integrated **IT infrastructure**, automated sorting lines, and digital core upgrades, directly laying the groundwork for scalable logistics and **FIB integration**.

AI regulation in Ukrainian fintech shifts from voluntary alignment to EU AI Act compliance by 2026-2028



Ukraine's "bottom-up" approach builds on the 2023 Roadmap and 2024 White Paper. Stage Two binding legislation is now expected in 2026, while EU AI Act high-risk rules directly affect core fintech use cases like credit scoring, fraud detection, and KYC.

▶ Stage One: Bottom-Up Framework (2023-2026)

- **2023 Roadmap** and **2024 White Paper** by Ministry of Digital Transformation set voluntary, EU-aligned framework.
- Soft-law instruments live: **Regulatory Sandbox**, **HUDERIA methodology workshops**, **Code of Conduct**, sectoral guidelines (media, advertising).

\$302M

Raised by AI-focused Ukrainian startups in 2025 - **3x more** than non-AI peers, signaling sector maturity before binding rules apply.

▶ EU AI Act Timeline

Compliance milestones for Ukrainian fintechs operating in EU:

- **Feb 2025** Prohibited AI practices ban + AI literacy requirement enters into force.
- **Aug 2025** General-purpose AI model obligations apply.
- **Aug 2026 High-risk systems compliance** - credit scoring, fraud detection, biometric KYC, profiling.
- **2027** Full operation of EU AI Act across all categories.

Extraterritorial reach any Ukrainian fintech whose AI output is used in EU must comply, regardless of HQ location.

▶ Strategic Implications for Ukraine

High-risk fintech use cases

- Credit scoring & KYC onboarding.
- Fraud detection in payments.
- Risk-based customer profiling.

Stage two ahead

- 1 Verkhovna Rada submission expected 2026
- 2 Safe-harbor for sandbox participants
- 3 Permanent AI oversight authority, tiered penalties

Parallel NBU initiatives: Cloud Services Resolution for fintech AI infrastructure, and the Council of Europe AI Convention, pending implementation.



5

Methodology

Methodological approach focused on two main stages

To deliver a comprehensive, evidence-based overview of Ukraine's fintech market, we **first mapped** the landscape through desk research and stakeholder interviews, **then synthesised** the findings into structured, sector-specific analytical outputs.



Stage I

Market Intelligence & Data Collection

- I. **Open-source desk research** of industry reports, regulatory filings, market databases (NBU, UAFIC, World Bank, KPMG, Finch Capital).
- II. **Legal & regulatory mapping:** Payment Services Law, Virtual Assets legislation, Open Banking Concept, MiCA alignment.
- III. **Comparative analysis** benchmarking Ukraine against EU and global fintech trends across investment, regulation, and verticals.
- IV. **In-depth stakeholder interviews (KIIs)** comprising ~15 interviews with fintech founders, investors, regulators, and ecosystem enablers.



Stage II

Analytical Synthesis & Report Development

- I. **Integration of findings** covering desk research, regulatory mapping, and KII inputs synthesised into analytical framework.
- II. **Trend identification** across key market dynamics, structural gaps, emerging verticals across payments, insurtech, crypto, AI.
- III. **Forward-looking scenarios** including strategic observations and market outlook for 2025–2026.
- IV. **Structured report output** comprising sector-specific sections covering regulation, technology trends, and investment landscape.

Data
collection
sources



The data collection process involved a review of **open-source industry documents** (e.g., KPMG Pulse of Fintech 2024, Finch Capital State of European FinTech, World Bank Global Findex 2025), **regulatory and legal texts** (NBU frameworks, Payment Services Law, Virtual Assets Law, Open Banking Concept), **proprietary databases** (UAFIC Ukrainian FinTech Catalog 2024/2025, Statista), and **Key Informant Interviews (KIIs)** with fintech professionals, investors, and regulators operating in Ukraine.

Vocabulary & Definitions

| AISP | API | CAGR | DeFi | DLT |
|--|---|---|--|---|
| A TPP that aggregates user account information from multiple banks to provide financial insights or data services. | Application Programming Interface, allows different software systems to communicate and share data with each other. | Compound Annual Growth Rate at which an investment or market grows annually over a specific period, assuming profits are reinvested each year | Decentralized Finance is a blockchain-based system enabling financial services without intermediaries through smart contracts. | A decentralized technology that records transactions across a distributed network, commonly used in blockchain systems. |
| EBA | EBRD | eIDAS | EIOPA | EMEA |
| The EU agency that regulates and supervises the European banking sector to ensure financial stability and consumer protection. | European Bank for Reconstruction and Development, provides financing to support private sector development and economic transition in emerging markets. | An EU regulation that ensures secure electronic identification and trust services across member states, enabling cross-border digital transactions. | The EU body responsible for regulating insurance and pension markets, ensuring fair treatment and financial resilience. | A regional designation referring to Europe, the Middle East, and Africa, used for market and regulatory segmentation. |

Vocabulary & Definitions

| ESMA | IFC | Neobank | Open Banking | P2P |
|--|---|---|--|--|
| The EU authority overseeing securities markets, aiming to safeguard investors and promote stable, transparent markets. | International Finance Corporation is a member of the World Bank Group, IFC focuses on private sector development in emerging markets. | A type of digital bank that operates exclusively online without traditional physical branch networks. | A system that provides third-party financial service providers access to consumer banking, transaction, and other financial data through APIs. | Peer-to-Peer Lending is a method of debt financing that enables individuals to borrow and lend money without the use of an official financial institution. |
| PISP | PSD2 | Robo-Advisory | SME | TPP |
| A TPP that initiates payments on behalf of users directly from their bank accounts using secure APIs. | Revised Payment Services Directive is a EU regulation aimed at improving innovation, strengthening consumer protection, and enhancing the security of payments in the EU. | Automated, algorithm-driven financial planning services with little to no human supervision. | Small and Medium-sized Enterprises are businesses with a limited number of employees and revenue, varying by country and industry. | A third-party firm authorized to access bank customers' data or initiate payments with user consent under open banking. |

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