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Investment activities of non-bank financial institutions: current and future development trajectory

Abstract. In light of Ukraine's significant financial needs for recovery, the investment flows from the traditional banking system are insufficient. Non-bank financial institutions (NBFIs) are becoming critically important for mobilizing long-term capital and specialized financing, transforming into essential pillars of the national reconstruction strategy.

Problem statement. NBFIs, with their diverse structures, have the potential for specialized financing. Their ability to accumulate long-term capital is crucial for rebuilding the national economy.

Unresolved aspects of the problem. It has been established that NBFIs account for 20% of Ukraine's financial assets but face risks from the state of war, low trust, limited access to long-term financing, and regulatory gaps.

Purpose of the article. The purpose of this article is to investigate the current and future development trajectory of NBFI investment activities in Ukraine and to formulate strategic recommendations for enhancing their contribution to economic recovery.

Presentation of the main material. To achieve this goal, analytical, systemic, and comparative approaches were used to assess current challenges, analyze legislative harmonization with the EU, optimize risks, and implement innovative financial instruments. It has been established that NBFIs account for 20% of Ukraine's financial assets but face risks from the state of war, low trust, limited access to long-term financing, and regulatory gaps. The study revealed that harmonization with EU legislation (MiFID II, Solvency II, IORP II, AMLD), optimization of investment portfolios considering dynamic risks (including ESG factors), and the introduction of innovative financial instruments (crowdfunding, green bonds, tokenization) and FinTech solutions are key determinants of their development.

Conclusions. The practical significance of the obtained results lies in the fact that the proposed recommendations will contribute to strengthening Ukraine's financial system, attracting international capital, increasing investor confidence, and ensuring sustainable economic recovery through the expansion of NBFI investment activities. The article substantiates the role of NBFIs as key drivers of Ukraine's post-war recovery and European integration, providing a comprehensive analysis of the interplay between regulatory, risk, and innovative aspects of their investment activities amid unprecedented challenges. Further research should focus on developing a nationwide strategy for the NBFI sector, including product diversification, prioritizing digital transformation, fostering strategic partnerships, investing in human capital, focusing on sustainable sectors, and blended finance mechanisms.

Keywords: *non-bank financial institutions, investment activity, economic recovery, European integration, risk management, ESG, crowdfunding, FinTech*

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JEL Classification: G23; G28 E22

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Introduction. Given the unprecedented scale of financial needs for the recovery of the national economy – estimated at USD 486 billion [1] – reliance solely on the traditional banking system, which itself faces considerable challenges in the context of a wartime economy, is insufficient. Non-bank financial institutions (NBFIs), with their diverse structures such as insurance companies, pension funds, and credit unions, possess significant potential for specialised financing. Their capacity to accumulate long-term capital (for example, from pension funds) and to serve underbanked segments (for instance, through credit unions) is crucial. This situation elevates the role of NBFIs from being merely "alternative" or auxiliary financial providers to becoming "essential pillars" of the national economic recovery strategy. Their stable development and integration are not merely beneficial, but critically important for unlocking diverse sources of funding and ensuring a comprehensive approach to reconstruction. Therefore, policies and investment strategies should prioritise strengthening the capacity of NBFIs in order to maximise their contribution.

Literature Review. In recent years, both regulators and the international and domestic academic communities have paid considerable attention to the development of the non-bank financial institutions (NBFI) sector.

Turning to the work of foreign scholars, particular attention should be given to the study by S. Aramonte and co-authors [2], who demonstrated that the growth of NBFIs is associated with low asset price volatility. Low interest rates fuelled the search for yield, which positioned NBFIs as attractive alternatives to traditional players in the financial market. Specifically, investors reinvested their capital gains and redirected new funds into the sector – mainly into firms investing in corporate and other securities offering promises of high returns.

Globally, the expansion of NBFIs reflects a contraction in banking institutions and comparatively stricter banking regulation. While certain securities market reforms have generally tightened controls more for banks than for NBFIs (for instance, market-making has become less viable), further financial liberalisation and globalisation have enabled investors to conduct transactions more freely and allowed intermediaries to operate more easily both domestically and internationally – thus fuelling the growth of NBFIs. Increased demand for collateral – partly driven by the official desire to move derivatives trading onto organised exchanges, as well as the emergence of safer forms of (interbank) trading – has further stimulated demand for claims issued by NBFIs [3].

A substantial cohort of researchers has focused on identifying the risks faced by NBFIs and improving regulatory frameworks for their operations, including leverage, liquidity, procyclicality, and capital requirements. Notable contributions in this field include those by S. Claessens [4], P. Bednarek and colleagues [5], and S. Aramonte and co-authors [6].

The modern concept of sustainable development has permeated the global financial landscape. Consequently, the research of Eduardo C. Garrido-Merchán and co-authors [7], and B. Lannone and colleagues [8], has centred on green investing and approaches to constructing ESG portfolios within NBFIs.

The Ukrainian academic community has likewise been actively engaged in research on the investment activities of NBFIs. Significant domestic contributions include the works of H. Faraponov [9] and H. Buha [10], who have explored regulatory support and the security-related functions of NBFIs. Research on investment strategy development and ESG portfolio formation within Ukrainian NBFIs includes studies by S. Bessonova [11], Yu. Derevko [12], S. Kropelnytska and colleagues [13], M. Zhyttar [14].

Based on the analysis of the current state of investment activity among NBFIs in Ukraine, several unresolved issues can be identified that hinder the full realisation of their potential and warrant further research: - risks associated with martial law; - low public trust in the NBFI sector; - limited access to long-term financing by domestic NBFIs; - regulatory gaps; - insufficient adaptation to dynamic risks; - underutilisation of innovative financial instruments and digital transformation.

Purpose, objectives and research methods. The purpose of this study is to conduct a comprehensive analysis of the current investment activities of non-bank financial institutions (NBFIs) in Ukraine, to identify the key determinants of their development, and to formulate strategic recommendations for ensuring their future growth trajectory in the context of post-war recovery and European integration.

To achieve this aim, the following objectives must be addressed:

- to analyse the impact of European integration processes on the investment activities of NBFIs in Ukraine, including the harmonisation of legislation and facilitation of access to European financial markets;
- to explore the optimisation of NBFI investment portfolios under dynamic risk conditions, including the development of quantitative models for managing wartime and post-war risks, as well as the integration of ESG criteria;
- to assess the potential of innovative financial instruments (such as crowdfunding platforms, green bonds, and tokenised assets) for attracting investment under conditions of limited access to traditional sources of finance;
- to determine the impact of digital transformation and fintech solutions on the operational models and investment opportunities of NBFIs;
- to formulate strategic policy and regulatory recommendations, as well as investment strategy proposals, aimed at strengthening the role of NBFIs in Ukraine’s reconstruction and sustainable development.

To accomplish these goals, an in-depth analysis was carried out on the factors influencing the development of the domestic NBFI sector, with a focus on those areas that affect the investment process. A systems-based approach was applied to consider NBFI investment activity in a comprehensive manner, including its interrelations with the macroeconomic environment and European integration processes. Methods of generalisation and systematisation were used to synthesise the scientific contributions of domestic and foreign researchers, as well as to present information in tabular format. Statistical methods were employed to assess trends in the dynamics of assets and the number of NBFIs and banks. Methods of analysis and synthesis were used to identify problems, determine development determinants, and formulate recommendations.

Research results. Non-bank financial institutions (NBFIs) play a significant role in Ukraine’s financial system, accounting for approximately 20% of the country’s total financial assets. This share highlights both their current importance and their potential for further growth within the broader financial landscape.

However, Ukrainian NBFIs face a range of serious challenges that currently hinder the realisation of their full potential. These include:

Risks associated with martial law. Direct consequences such as asset destruction, supply chain disruptions, high inflation, and capital outflows significantly affect operational stability and the investment climate. These factors create an unprecedented level of uncertainty for investment decision-making [13, p. 257; 15].

Low public trust. This long-standing issue within the Ukrainian financial sector has been exacerbated by ongoing instability, limiting the mobilisation of domestic capital [11, p. 62].

Limited access to long-term financing. This poses a critical barrier for NBFIs, preventing them from undertaking large-scale, strategic investments essential for reconstruction.

Regulatory gaps. Inconsistencies or underdeveloped legal and regulatory frameworks impede sector growth and its alignment with international standards [9; 13].

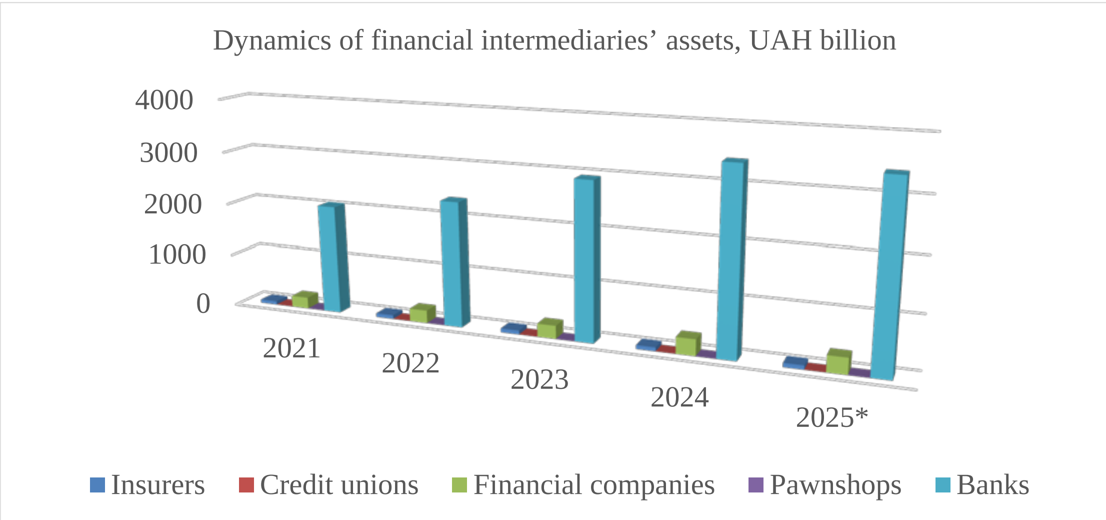
An analysis of NBFIs by asset size and number, as regulated by the National Bank of Ukraine (Figure 1), reveals that banks remain the dominant players in the financial services market, despite their gradual exit from the sector.

It is worth noting that the total volume of NBFI assets in Q1 2025 increased by 4.6% year-on-year. This growth reflects the overall resilience of the sector, despite the ongoing challenges associated with martial law in Ukraine. The share of NBFI assets under the supervision of the National Bank of Ukraine (NBU) in the total financial sector reached 10.3% in Q1 2025. The rising proportion of NBFI assets within the financial sector highlights their growing role and influence, which, in turn, underscores the need for more rigorous regulatory oversight to safeguard financial stability.

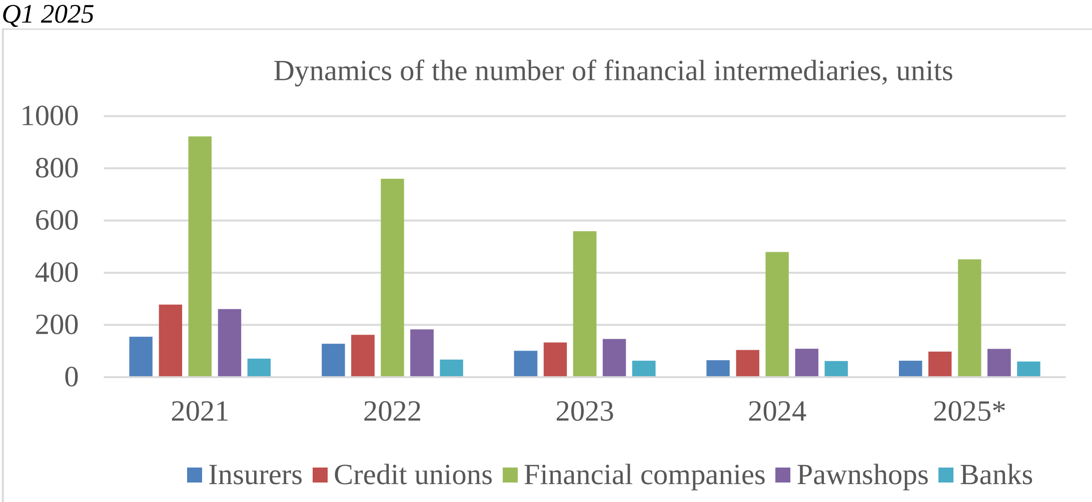
Based on the objectives outlined in this research, the following section considers the key determinants for further improving the investment activity of NBFIs.

Firstly, there is the issue of assessing the impact of European integration on the investment activity of NBFIs. For Ukraine, aligning its financial legislation with key EU directives is imperative as part of the accession process. This harmonisation is a fundamental prerequisite for deeper economic integration. In particular, it involves the adoption of the following EU directives [17; 18]:

- MiFID II (Markets in Financial Instruments Directive). This directive focuses on investor protection, market transparency, and fair-trading practices. Its implementation will require significant improvements in operational transparency and client protection measures for Ukrainian NBFIs [https://surl.li/mqmigi].



2025 – Q1 2025



*2025 – Q1 2025

Figure 1 – Dynamics of assets and number of NFIs and banks for 2021-2025
Source: compiled by the author based on [13]

- Solvency II (Capital Requirements for Insurance Companies). This directive sets out stringent requirements for capital adequacy and risk management for insurers, which make up a substantial part of Ukraine's non-bank financial sector. Its adoption will enhance the financial stability of insurance companies [https://surl.lt/flnqmd].
- IORP II (Institutions for Occupational Retirement Provision). This directive addresses the governance and risk management of pension funds, which is critically important for the long-term stability and growth of Ukraine's pension system [https://surli.cc/umhwgo].

The National Bank of Ukraine is playing a proactive role in implementing reforms, including the adoption of risk-based supervision, the improvement of corporate governance, and the strengthening of consumer protection. These reforms are essential preparatory steps that lay the groundwork for effective EU integration.

It should also be emphasised that legal harmonisation directly facilitates broader access for Ukrainian NBFIs to European financial markets. This includes attracting both direct foreign investment and portfolio investment from EU institutions and investors. Enhanced regulatory predictability and transparency substantially reduce perceived risks for international investors, thereby making Ukrainian NBFIs more attractive compared to those operating in less regulated environments. Such expanded access could directly address the current challenge of limited long-term financing for NBFIs in Ukraine, providing much-needed capital for long-term development and national economic recovery projects.

The adoption of stringent EU standards – such as MiFID II, aimed at investor protection and market transparency, and Solvency II, which sets robust capital requirements in the insurance sector – inevitably compels Ukrainian NBFIs to professionalise their operations, governance structures, and risk management practices. This enforced professionalisation and enhanced transparency directly address the issue of low public trust, by demonstrating adherence to internationally recognised best practices, thereby strengthening confidence among both domestic and international investors.

Moreover, the National Bank of Ukraine's proactive reforms are not isolated measures – they serve as a foundational framework for creating a more reliable domestic regulatory environment. This, in turn, facilitates smoother and more effective EU integration, particularly in terms of attracting and retaining foreign capital. It signals a clear commitment to a stable and predictable financial ecosystem.

Thus, harmonisation with the EU should not be viewed merely as a regulatory burden – it is a strategic instrument for systemic strengthening and a powerful indication of Ukraine's dedication to market integrity and investor protection. This commitment is essential for unlocking the capital required for long-term recovery and development, as it directly reduces perceived governance and transparency risks that often deter foreign investors in emerging markets. Ultimately, it transforms Ukraine's NBFI sector into a more reliable and attractive destination for global capital.

The key characteristics of the harmonisation of national legislation with EU requirements are presented in Table 1.

Secondly, the optimisation of NBFI investment portfolios in an environment of dynamic risks is a pressing issue. There is currently a critical need for advanced quantitative models capable of managing the unique and highly volatile risks facing NBFIs. Traditional risk assessment models often prove inadequate under such extreme uncertainty. These models must integrate specific risks associated with martial law [12; 13; 15; 19], namely:

– *Asset destruction* – direct physical damage to assets and infrastructure, affecting collateral value and the viability of investments.
– *Supply chain disruptions* – impacting business operations and contributing to a rise in non-performing loans (NPLs).
– *High inflation* – eroding purchasing power and the real value of investments and returns.

– *Capital outflows* – reducing liquidity and investment capacity in the domestic market.
– *Rising NPLs* – a direct consequence of economic shocks and bankruptcies among economic actors.

Table 1. Key stages and gaps in Ukraine's legislative harmonization with EU directives

EU Directive / Regulation	Key Provisions / Requirements	Current Status of Ukrainian Legislation	Direct Impact on Ukrainian NBFIs	Opportunities / Challenges
MiFID II (Markets in Financial Instruments Directive)	Investor protection, market transparency, fair trading practices	Partially adopted / Draft stage	Higher requirements for operational transparency, client protection, and reporting	Opportunity to enhance investor confidence; challenge of high compliance costs
Solvency II (Insurance Capital Requirements)	Capital adequacy and risk management requirements for insurers	Partially adopted / Draft stage	Stricter capital and risk management requirements for insurers	Opportunity for improved financial stability; challenge for smaller market players
IORP II (Institutions for Occupational Retirement Provision)	Governance and risk management for pension funds	Under review	Enhanced governance and risk management standards for pension funds	Opportunity for long-term pension system stability; challenge of adaptation
AMLD (Anti-Money Laundering Directive)	Prevention of money laundering and terrorist financing	Largely adopted	Strengthened control and reporting over financial operations	Opportunity to boost international trust; challenge of increased operational costs

Source: compiled by the author based on [9, p. 204; 17; 18]

In addition, the post-war period is marked by persistent challenges requiring continuous risk assessment, such as slow economic recovery, potential political instability, and the outflow of human capital. These long-term structural risks call for adaptive and flexible investment strategies. The development of robust stress-testing scenarios that explicitly incorporate geopolitical and macroeconomic variables is essential. This includes scenario analysis for varying durations and intensities of conflict, different recovery trajectories, and their effects on asset classes, liquidity, and solvency [20].

Alongside this, it is important to highlight the growing global importance of environmental, social, and governance (ESG) factors in investment decisions. This shift is driven by investor demand, regulatory pressure, and a growing recognition of the need to generate long-term value. For Ukraine, ESG integration is not merely a global trend or compliance exercise – it is a strategic imperative for attracting international finance for reconstruction. A significant number of international donors, development finance institutions, and impact-oriented investors prioritise ESG alignment and sustainable investing [21; 22].

The adoption of ESG criteria can enhance the resilience of NBFIs, improve their public image, and align them with European values and international best practices. This, in turn, facilitates access to a broader and more patient pool of sustainable and responsible capital. Specific ESG considerations that are especially relevant to Ukraine's context include investment in green recovery initiatives (e.g., renewable energy, sustainable infrastructure), support for social housing and healthcare projects, and the establishment of transparent and accountable governance structures for all post-war investments.

It should also be emphasised that the scale of Ukraine's reconstruction requires long-term, impact-oriented investment – capital that is less sensitive to immediate market volatility and more focused on sustainable development. Traditional financial investors may respond negatively to high wartime and post-war risk. However, a significant and growing portion of global capital –

particularly from development finance institutions, sovereign wealth funds, and major asset managers – is increasingly mandated to invest in accordance with strong ESG principles.

By rigorously integrating ESG into their investment frameworks, Ukrainian NBFIs can signal alignment with international development goals, responsible governance, and environmental sustainability. This directly addresses the issue of limited access to long-term finance by attracting a specific, substantial, and expanding pool of capital that prioritises impact alongside financial returns.

Thus, ESG becomes a strategic differentiator and a key enabler in attracting precisely the type of capital – long-term, sustainable, impact-driven – best suited to financing large-scale, complex reconstruction projects. It transforms ESG from a mere compliance obligation into a powerful competitive advantage, positioning Ukrainian NBFIs as responsible, resilient, and attractive partners in global recovery efforts, thereby accelerating national renewal and sustainable development (Table 2).

Table 2. Quantitative risk factors and mitigation strategies for NFI portfolios (war/post-war scenarios)

Risk Category	**Specific Risk Factor**	**Quantitative Impact Indicator**	**Mitigation Strategies for NBFIs**	**Relevant ESG Criteria**
Geopolitical	Asset destruction	Percentage loss of asset value	Geographic/sectoral diversification, insurance mechanisms	Social impact assessment, investment resilience to external shocks
Macroeconomic	High inflation	Impact of inflation rate on real returns	Hedging strategies, investment in inflation-protected assets	Governance transparency, economic resilience of projects
Microeconomic	Capital outflow	Currency devaluation, reduced liquidity	Attraction of foreign investment, stimulation of domestic savings	Social responsibility, support for the local economy
Credit	Increase in NPLs	Non-performing loan (NPL) ratio	Scenario analysis and stress testing, enhanced credit scoring	Corporate governance, responsible lending
Operational	Supply chain disruption	Reduced operating profit, project delays	Contingency planning, supplier diversification	Environmental sustainability of supply chains, labour standards
Social	Human capital outflow	Shortage of skilled labour	Talent retention programmes, investment in education	Social impact on communities, fair working conditions
Political	Political instability	Impact on GDP, regulatory uncertainty	Portfolio diversification, advocacy for a stable regulatory environment	Governance transparency, anti-corruption measures

Source: compiled by the author based on [4, p.279; 13, p. 260; 14, p. 35; 19; 22]

Thirdly, the use of innovative financial instruments and digital transformation is of increasing importance. One such innovative instrument that NBFIs can utilise to attract investment is the potential of crowdfunding platforms.

Crowdfunding platforms play a significant role in mobilising smaller, often decentralised investments – particularly for small and medium-sized enterprises (SMEs) and start-ups. These entities are critical for rebuilding the economy at the grassroots level, generating employment, and fostering innovation. Crowdfunding can effectively bypass traditional financing barriers, especially for businesses with limited collateral, no established credit history, or those located in regions underserved by conventional banks. This directly addresses the issue of limited access to traditional sources of financing for NBFIs and their prospective investees [23, p. 67; 24, p. 83].

Beyond crowdfunding, there are several other innovative financial instruments relevant to NBFIs for broader capital mobilisation:

- Green bonds – used to finance environmentally sustainable reconstruction projects (e.g. renewable energy, green infrastructure) [21, p. 42; 25].
- Social impact bonds – designed to fund social infrastructure projects (e.g. healthcare, education, housing) with clearly measurable social outcomes.
- Tokenised assets – leveraging blockchain technology to enable fractional ownership and improve liquidity in real estate or infrastructure projects, potentially attracting a wider base of investors, including members of the diaspora [23, p. 68].

Therefore, it can be concluded that NBFIs have the potential to act as intermediaries, facilitators, or even direct participants in these platforms and instruments. By doing so, they can expand their investment capabilities, diversify their portfolios, and extend their market reach.

Regarding digital transformation and the adoption of advanced fintech solutions (such as artificial intelligence, blockchain, and big data analytics), these developments have the potential to fundamentally reshape the operational models of NBFIs. They offer a wide range of benefits, including:

- enhanced efficiency through process optimisation, reduced human error, and faster transaction speeds;
- cost reduction via automation and the use of digital channels, which significantly lower overheads;
- improved data analytics enabling deeper insights into credit risk, fraud detection, and market trends;
- the ability to design highly personalised and flexible financial products and services [26-27].

Clear examples of fintech applications in NBFI investment activities include: - AI-driven credit scoring for micro-enterprises; - blockchain for transparent and immutable record-keeping in insurance claims and pension management; - mobile payment solutions that enhance financial inclusion [23; 27].

In a country undergoing reconstruction, the traditional financial infrastructure – such as physical bank branches, secure data centres, and extensive ATM networks – may be damaged, underdeveloped, or costly to rebuild. Conventional financial models often rely heavily on this physical presence.

In contrast, digitalisation, through mobile-first strategies, cloud computing, and decentralised ledger technologies (e.g. blockchain), allows NBFIs to overcome such physical constraints. By greatly reducing the need for physical infrastructure and automating core processes, fintech significantly lowers the cost of servicing remote or underserved populations. This directly addresses the issue of limited access to traditional sources of finance, by creating new, accessible, and cost-effective channels both for investors (e.g. diaspora communities via crowdfunding) and for recipients (e.g. SMEs in war-affected regions).

Thus, digital transformation is not merely a set of incremental operational improvements for NBFIs – it represents a fundamental shift that can democratise finance across Ukraine. It enables the development of a more resilient, inclusive, and adaptable financial ecosystem, less vulnerable to physical disruption and more capable of mobilising capital from a diverse range of sources, including individuals, the diaspora, and international retail investors. This is crucial for bottom-up reconstruction and for fostering broad-based economic participation [23; 26-27] (Table 3).

Table 3. Overview of crowdfunding models and innovative financial instruments applicable to Ukrainian NFIs

Type of Instrument / Platform	Description / Mechanism	Potential Application for Ukrainian NBFIs	Advantages for Ukraine	Challenges / Risks
Equity Crowdfunding	Investment in start-ups / SMEs in exchange for ownership equity	Financing SME recovery and innovative projects	Democratised access to finance, diversified funding sources	Regulatory transparency, investor protection
Debt Crowdfunding / P2P Lending	Providing loans to individuals / businesses via online platforms	Providing working capital for businesses, SME financing	Rapid capital mobilisation, reaching underserved segments	Default risks, scalability
Social Impact Bonds	Financing social projects with measurable outcomes	Supporting healthcare, education, and social housing projects	Addressing social challenges, attracting catalytic capital	Complexity in measuring impact, need for partnerships
Green Bonds	Financing projects with positive environmental impact	Financing renewable energy and sustainable infrastructure projects	Alignment with ESG goals, attracting “green” capital	Need for project verification, market liquidity
Real Estate Tokenisation	Representing property shares through digital tokens	Facilitating property development, attracting investment from the diaspora	Enhanced liquidity, broader investor base	Regulatory uncertainty, cybersecurity risks
Supply Chain Finance Platforms	Providing financing to suppliers based on accounts receivable	Supporting business continuity, reducing risks for SMEs	Improved cash flows, reduced buyer risk	Operational risks, reliance on technology

Source: compiled by the author based on [7-8; 12, p. 50;21-25]

Discussion. Based on the research conducted, it can be concluded that current trends in the investment activity of Ukrainian non-bank financial institutions (NBFIs) are shaped by the resolution of several key challenges: the alignment of domestic legislation with EU regulatory requirements; the identification and selection of models for optimising NBFI investment portfolios under dynamic risk conditions; and the adoption of best practices in implementing digital financial instruments within NBFI operations.

The comprehensive analysis – covering the influence of European integration, risk management, and innovative financial tools – provides a foundation for formulating the following strategic recommendations for various stakeholders.

Drawing on the studies of S. Claessens [4], P. Bednarek and colleagues [5], S. Aramonte et al. [6], H. Faraponov [9], H. Buha [10], O. Zamkovyi and T. Kotenko [27], the following policy and regulatory recommendations are proposed:

- prioritising the full adoption and robust implementation of key EU financial directives (MiFID II, Solvency II, IORP II, AMLD) to enhance transparency, strengthen investor confidence, and facilitate seamless integration with EU financial markets;
- investing in the supervisory capabilities of the National Bank of Ukraine (NBU), particularly in risk-based supervision, oversight of corporate governance, and regulation of digital finance in the NBFI sector;
- establishing a supportive yet prudential regulatory *sandbox* and clear legal frameworks for emerging financial instruments (such as crowdfunding and tokenised assets), to encourage innovation while safeguarding investor protection and market integrity.

At present, one of the most prominent directions in NBFI investment activity is green investing. The scholarly contributions of Eduardo C. Garrido-Merchán and colleagues [7], B. Lannone et al. [8], D. Diakovskyi [21], and N. Prykaziuk [22] provide well-substantiated approaches to the formation of ESG-aligned investment portfolios within the NBFI sector.

Summarising the academic evidence, it is considered appropriate, in the Ukrainian context, to introduce targeted incentives (such as tax benefits or priority access to state reconstruction funds) for NBFIs that rigorously implement and report according to ESG criteria. This would align national practice with international sustainable finance trends and attract catalytic capital. Integrating ESG principles into all recovery-related investments should aim to preserve the prioritisation of projects that promote sustainable development, social equity, and resilient infrastructure.

In this context, attention should be given to the economic-mathematical model developed by M. Zhytar [14, p. 39], which facilitates the integration of ESG factors into company business models. This model enables the evaluation of ESG portfolio performance and could serve as a foundation for developing an NBFI's investment strategy [14, p. 39].

An analysis of the experiences of Central and Eastern European (CEE) countries – such as Poland, the Czech Republic, and Romania – which underwent similar post-Soviet transformations and EU accession processes, provides highly relevant historical precedents.

There are direct and actionable parallels between the CEE experience and the current situation in Ukraine, offering valuable lessons that can be transformed into forward-looking strategies. Of particular importance is the phased and well-regulated liberalisation of the market, which ensures robust regulatory oversight and prevents the recurrence of asset quality issues and governance gaps observed in some CEE countries.

Ukrainian NBFIs must proactively diversify their offerings and aggressively pursue digital transformation, learning from the successful technological integration strategies of their CEE counterparts. Additionally, policy should advocate for a level playing field between NBFIs and banks, encouraging healthy competition while ensuring financial stability and consumer protection. This includes the development of tailored regulatory frameworks that support the growth of NBFIs without compromising prudential standards.

At present, active discussions are ongoing regarding the future development trends of the NBFI sector, particularly in relation to risk management systems. In this context, the proposals of S. Kropelnytska and colleagues [13], as well as L. Borysova [15], are especially pertinent. They emphasise the need to design and integrate sophisticated quantitative risk models that incorporate geopolitical, macroeconomic, and social risks – risks that are specific to wartime and post-war scenarios. Such models enable dynamic investment portfolio optimisation and enhance the overall resilience of NBFIs.

The main directions for the further transformation of NBFI investment activity can be outlined as follows:

– Vector One – Encouraging product diversification. Promote the development of a broader range of NBFI products and services tailored to Ukraine's post-war needs, such as specialised microfinance for SMEs, long-term pension products, and innovative insurance solutions for reconstruction-related risks.
– Vector Two – Prioritising digital transformation. Encourage significant investment in fintech solutions and digital infrastructure to boost operational efficiency, reduce costs, improve risk management, and expand access to financial services for underserved populations.
– Vector Three – Promoting strategic partnerships. Support collaboration between traditional NBFIs, agile fintech firms, and international development organisations to leverage expertise, technology, and capital for large-scale investment projects.

– Vector Four – Investing in human capital. Develop targeted training and education programmes within the NBFI sector, focused on advanced risk management, digital finance, ESG integration, and international financial standards.
– Vector Five – Focusing on resilient and high-growth sectors. Direct NBFI investments towards sectors with inherent resilience and high growth potential in the Ukrainian context, such as renewable energy, information technology, agri-food processing, and critical infrastructure.
– Vector Six – Exploring blended finance mechanisms. Encourage and engage in blended finance structures that combine public, private, and philanthropic capital to de-risk investments and mobilise larger pools of funding for critical reconstruction projects.

The outlined challenges in the development of investment activity among domestic NBFIs form a foundation for further research and the shaping of a comprehensive national strategy for the future of the NBFI sector in Ukraine.

Conclusions. Ukrainian non-bank financial institutions (NBFIs) are not merely participants but key driving forces behind the country's post-war recovery and successful European integration. Their potential for growth, innovation, and positive social impact is immense – provided the sector proactively embraces strategic reforms, technological advancement, and international best practices.

Through alignment with European legislation, the adoption of advanced risk management techniques, the integration of ESG criteria, the use of innovative financial instruments, and the full digitalisation of their operations, NBFIs can significantly enhance their contribution to capital mobilisation and financial stability.

The experience of Central and Eastern European countries offers a valuable roadmap, highlighting the importance of measured liberalisation, product diversification, and technological leadership. If these lessons are internalised and the recommendations implemented, Ukraine's NBFI sector can become an integral part of the country's sustainable and prosperous economic future, delivering essential financing for reconstruction and long-term development.

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Інвестиційна діяльність небанківських фінансових установ: сучасна та майбутня траєкторія розвитку

Анотація. В умовах значних фінансових потреб для відновлення України інвестиційні потоки традиційної банківська система є недостатніми. Небанківські фінансові установи (НФУ) стають критично важливими для мобілізації довгострокового капіталу та спеціалізованого фінансування, перетворюючись на необхідні стовпи національної стратегії відбудови.

Постановка проблеми. НФУ, з їхніми різноманітними структурами, мають потенціал для спеціалізованого фінансування. Їхня здатність акумулювати довгостроковий капітал є вирішальною для відбудови національної економіки.

Нерозв'язані аспекти. НФУ становлять 20% фінансових активів України, але стикаються з ризиками воєнного стану, низькою довірою, обмеженим доступом до довгострокового фінансування та регуляторними прогалинами.

Мета статті. Метою даної статті є дослідження сучасної та майбутньої траєкторії розвитку інвестиційної діяльності НФУ в Україні та сформулювати стратегічні рекомендації для посилення їхнього внеску у відновлення економіки.

Основний матеріал. Для досягнення поставленої цілі використано аналітичний, системний та порівняльний підходи для оцінки поточних викликів, аналізу гармонізації законодавства з ЄС, оптимізації ризиків та впровадження інноваційних фінансових інструментів. У ході дослідження виявлено, що гармонізація з ЄС (MiFID II, Solvency II, IORP II, AMLD), оптимізація інвестиційних портфелів з урахуванням динамічних ризиків (включаючи ESG-фактори) та впровадження інноваційних фінансових інструментів (краудфандинг, зелені облігації, токенізація) та фінтех-рішень є ключовими детермінантами їхнього розвитку.

Висновки. Практична значимість отриманих результатів полягає у тому, що запропоновані рекомендації сприятимуть зміцненню фінансової системи України, залученню міжнародного капіталу, підвищенню довіри інвесторів та забезпеченню сталого економічного відновлення через розширення інвестиційної діяльності НФУ. Обґрунтовано роль НФУ як ключових рушійних сил післявоєнного відновлення та європейської інтеграції України, надано комплексний аналіз взаємозв'язку регуляторних, ризикових та інноваційних аспектів їхньої інвестиційної діяльності в умовах безпрецедентних викликів. Подальші дослідження мають бути зосереджені на розробці загальнонаціональної стратегії розвитку сектору НФУ, включаючи диверсифікацію продуктів, пріоритет цифровій трансформації, сприяння стратегічним партнерствам, інвестиції в людський капітал, орієнтацію на стійкі сектори та механізми змішаного фінансування.

Ключові слова: *небанківські фінансові установи, інвестиційна діяльність, відновлення економіки, європейська інтеграція, управління ризиками, ESG, краудфандинг, фінтех.*

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