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## **DIGITAL CHANGE IN FINANCE: CHALLENGES AND OPPORTUNITIES**

### **Цифровое изменение финансовой сферы: вызовы и возможности**

Today, information technology permeates all spheres of life, and the financial sphere is no exception. Digitalization is revolutionizing, creating new opportunities and challenges. In recent years, the financial industry has undergone significant changes due to the rapid development of digital technologies. The purpose of this report is to examine the challenges and opportunities posed by these digital changes in the financial sphere.

Digitalization allows financial institutions to offer personalized services tailored to individual customer needs. In turn, customers get more convenient and faster services such as access to internet banking, mobile apps and electronic wallets. This allows them to conduct real-time transactions, receive personalized offers and simplify the process of personal financial management. Through data analytics and artificial intelligence, banks can gain insight into customers' behaviors, preferences and financial goals, as well as predict trends for future periods and make effective decisions based on them. There is also an increase in efficiency and speed of data processing due to the use of digital tools, able to process large amounts of data in real time, reducing the time for decision-making. Thus, process automation reduces transaction costs, such as credit history or payment processing, and automated risk management systems help minimize losses and ensure more reliable financial management.

One of the main challenges of digitalization in the financial sphere is ensuring information security and protection from cyberattacks. The transition to digital technology increases the risk of hacking and theft of customers' personal information. However, advances in technology also offer solutions to enhance cybersecurity, such as multi-factor authentication, data encryption, and customer behavior analysis to detect suspicious activity, use of blockchain technologies by financial companies to reduce fraud risk and maintain data integrity.

Digitalization has brought many financial challenges related to cybersecurity and competition in the fintech industry. However, it also offers financial organizations many opportunities to improve operations and client experience. To meet the challenges of digitalization successfully, it is necessary to actively participate in the development of technology, enhance cybersecurity and adapt to a rapidly changing environment. This will enable financial institutions not only to survive, but to thrive in the digital age.