



WAYS TO DEVELOP FINANCIAL SERVICES IN COMMERCIAL BANKS

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Received:	4 th October 2023	The provision of a wide range of services by banks, the work of the bank for the customer is a requirement of today. Therefore, we think it is expedient to organize programs and events that are in the interests of customers and bring income to the bank, to introduce the activities of bank branches, which explain the essence, benefits and harms of each financial service to customers. Providing a wide range of financial services will expand the source of income for banks and bring them to the level of a modern bank.
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INTRODUCTION

Increasing customer demand in commercial banks and non-compliance with these requirements leads to a decrease in the loyalty of bank customers to their bank. As a result, bank customers tend to switch banks or use other banking services. Therefore, banks need to transform their activities in accordance with the requirements of customers, that is, to create new banking services using modern information and communication technologies of banking products and services. Today, the transformation of banks requires, firstly, the establishment of digital banks, and secondly, the change in the activities of existing banking departments and the reduction of banking costs. In digital banks, banking services will be fully automated and selfmanagement systems will be created for bank customers. In particular, today's demand is that as a result of the development of the digital economy, banks need to serve a larger number of customers not by increasing the number of branches, but by developing remote banking services. In particular, the Address of the President of the Republic of Uzbekistan to the Oliy Majlis of January 24, 2020 emphasizes the radical reform of the banking system, the transformation of banks, the introduction of modern banking practices, management and new services [1]. As an important part of the financial industry, commercial banks take the lead in facing the challenges and opportunities brought by FinTech. On the one hand, the development of FinTech by commercial banks has promoted the business innovation of banks and improved the ability of risk prevention and control. On the other hand, the technical risks and operational risks existing in the development of FinTech by commercial banks will also affect credit decisions, which inevitably affect bank credit risk. FinTech promotes financial stability through

artificial intelligence, cloud technology and other channels. Financial institutions should embrace FinTech, develop and create a favorable FinTech ecosystem (Daud et al., 2022). As the main body of traditional financial institutions, commercial banks begin to actively apply FinTech for strategic transformation. How does the development of FinTech of commercial banks affect their credit risk? Can the application of FinTech in the prevention and control of credit risk reduce the credit risk of commercial banks? In the face of the development of FinTech, do different types of commercial banks bear the same credit risk? With the accelerated integration of finance and technology, studying the above issues will help clarify the role of FinTech development in the credit risk of commercial banks, help prevent the occurrence of financial risks, and promote the deep integration of commercial banks and FinTech. The contribution of this paper may lie in: improving the construction method of Fintech index in the past, so that the index can more comprehensively and reasonably measure the development level of individual FinTech of commercial banks; We can explore the impact of the development of FinTech by commercial banks on their credit risk, and explore its mechanism from the perspective of digital risk control; Exploring the impact of FinTech on credit risk of different types of commercial banks has guiding significance for commercial banks to use FinTech to control credit risk according to their own conditions.

LITERATURE REVIEW

FinTech refers to emerging financial products, financial services and financial models with emerging technology attributes that can have a profound impact on traditional financial services and traditional financial markets (FSB, 2016). FinTech has great potential.



FinTech has great potential, through which a wider range of financial services can be provided (Lagna and Ravishankar, 2021), while also having an impact on commercial banks. On the one hand, the development of FinTech of commercial banks may increase credit risk. Philippon (2016), Lee and Shin (2018) have reservations about the rapid development of FinTech, and believe that the use of FinTech will bring hidden worries and gather financial risks. The development of FinTech has led to a decline in the lending rate and net interest margin, changed the structure of the bank's liability side, and increased the bank's asset-side risk appetite (Chen et al., 2022). Wang et al. (2020) believes that FinTech and competition promote the adjustment of bank credit structure. In order to maintain stable or improve business performance, commercial banks may adjust the standards of credit customer access and asset selection, leading to deterioration of asset quality and increase of credit risk. Liao (2018) believes that FinTech has a positive impact on the loan loss reserve ratio, that is, the faster the development of FinTech, the higher the loan loss reserve ratio and the greater the risk. Anagnostopoulos (2018) believes that FinTech leads to technical risks in commercial banks, all-weather services and diversification of participants, and massive data are increasing in power. Once a large amount of customer information data is not properly kept, it will lead to information and data leakage, various types of information are complex, and the risk of technology runaway is increased. On the other hand, the application of FinTech in commercial banks, especially in digital risk control, has reduced credit risk. While the development of FinTech has led to the expansion of bank risk-taking behavior, it has optimized the bank risk-taking structure through financial efficiency, financial innovation and risk management, which is conducive to the virtuous circle of finance and economy, and finally reduced the risk (Li et al., 2022). Li et al. (2022) believes that FinTech brings new opportunities to traditional risk management, enables its transformation and upgrading, and helps improve the efficiency of the financial industry. At the same time, a series of new technologies in the field of FinTech are conducive to improving the coverage of risk management in the financial industry. The application of FinTech in commercial banks can effectively help banks measure the credibility of customers, strengthen information sharing, and reduce the level of bank risk, in order to improve the information asymmetry at the credit level of banks and enterprises, and reduce the risk bearing of commercial banks (Hu et al., 2022; Marcelin et al., 2022; Banna et al., 2022). From the perspective of credit risk control of commercial banks, under the

"Tech+Fin" mode characterized by technology empowerment, data collection, analysis and mining technology embedded in FinTech can help banks obtain multidimensional data information and establish correct market expectations (Gambacorta et al., 2019). The core technologies such as big data, artificial intelligence, cloud computing and blockchain that FinTech relies on have their own advantages in financial risk prevention and control. By integrating multiple information systems of financial institutions, cloud computing can help financial institutions solve massive heterogeneous information processing and provide diverse and complex applications, and achieve business innovation and risk control (Wu et al., 2022). The use of big data technology can form effective credit warning and prevention (Du et al., 2021). Blockchain technology can guarantee the authenticity and traceability of the information flow process, significantly improve the financing efficiency and control the risk (Benoit et al., 2017; Chen et al., 2021). From the perspective of the heterogeneity of banks, the main customers of large banks in the credit market are mainly large enterprises or state-owned enterprises, while small and micro enterprises are constrained by various loan conditions due to their financial conditions and internal information opacity, forming a long tail market of credit. The flexible loan conditions of small and medium-sized banks make it possible to lend to small and micro enterprises, whose main loan customers are small and micro enterprises (Zhang et al., 2019). Due to information asymmetry and other factors, there are greater risks in the loan business. Large banks have perfect credit organization system, prudent credit decision-making behavior and rich experience in credit risk management. There is relatively little room for developing FinTech to improve credit risk. Research on the role of the system of modernization and simplification of banking services in the development of financial services in the country, the conditions and opportunities for the introduction of information technology in the banking system has been widely introduced in our country. Some theoretical and practical aspects of improving the digital platform of commercial banks U.O.Azizov, T.M.Koraliev and Sh.Z.Abdullaeva, in scientific research on the development of digital banking services scientific proposals and practical recommendations have been developed.

ANALYSIS AND DISCUSSION OF RESULTS

The process of transformation of commercial banks and the transition to a digital banking system is a response to the development and active spread of new information technologies around the world, and



digital technologies not only improve the quality of products and services, reduce unnecessary costs. In other words, the development of digital financial services is an important direction in the development of the country's banking and financial system. In order to improve the quality of financial services of the bank, it is necessary to introduce indicators of efficiency of banking services in the activities of banks. Calculating and publishing indicators related to banking activities will help banks achieve their strategic and tactical goals. Because measuring and evaluating the effectiveness of banking services includes the following advantages: - increase the efficiency of the bank's staff; -attract and retain customers; -increasing customer experience and mutual knowledge exchange; -reduction of the cost of banking services. In order to further expand remote banking services in Uzbekistan and create additional convenience for customers, banks need to improve low-cost remote banking services (both for customers and banks), rather than opening a number of branches and mini-banks in the regions and districts of the country. Commercial banks are developing the infrastructure of information systems by boldly applying the achievements of information technology to banking activities on the basis of strong, reliable and highly efficient platforms, creating excellent programs based on them. The introduction of modern information technologies, new banking products and services is creating conditions for the expansion of the banking services market in Uzbekistan. As the market economy develops in Uzbekistan, commercial banks also need to diversify their activities by increasing the range of remote banking services they provide to customers. Remote banking services cannot be imagined without terminals, ATMs and kiosks. These simple-to-use devices today serve as a kind of mini-bankoffice, ending the traditional interaction between the customer and the cashier. At present, it is possible not only to withdraw cash from these external means, but also to make various payments for goods and services. The need for innovative forms of cashless payments is constantly growing. Entrepreneurs and the population are more eager to save money, spend less time and effort, to conduct financial transactions using high information technology, to obtain information. Taking into account this need, commercial banks are taking measures to expand the range of remote banking services, while effectively using the opportunities of the global Internet. It should be noted that this direction has become one of the priorities of the world banking system and the national banking system. At a time when measures are being taken to unify digital banking in commercial banks, there is a shortage of qualified personnel. It should be noted that some

commercial banks do not pay attention to the development of digital banking serv on the traditional service system of attracting deposits, lending, settlement and cash services to customers. The Resolution of the President of the Republic of Uzbekistan dated March 23, 2018 "On additional measures to increase the popularit development of remote banking services, the development of new technologies and products, the study of foreign best practices and the use of foreign banking services. Special attention is paid to the protection of consumer rights, raising the financial literacy of the population to be among the current issues of our time. Therefore, this decision marked a new stage in the development of banking services. In the context of modernization of the economy, digital banking in the banking sector is impossible without comprehensive measures in the field of economic security. Thus, the need to create a financial market in order to increase the level of economic security comes to the fore. The convenience of the digital commercial banks is of great importance to users. The ability of the user to quickly find the necessary actions gives confidence in the banking system, and the recommendation of banking services to other users is observed.

CONCLUSION

The provision of digital banking services in commercial banks of Uzbekistan is underdeveloped in banks of developed countries and is not strongly regulated. The Regulations on the Procedure for Working in Remote Banking Systems also do not reflect the I services. It is necessary to ensure that digital banking becomes an integral part of a commercial bank. This would have prevented data security and unnecessary hassle. It is necessary to fill the gap in the development of th and ensure that personnel are trained abroad in the banking system. So far, the work on obtaining online loans has not been completed. The legal framework and mechanisms for transferring or withdrawing a loan to an account without visiting the bank have not been improved. Establishing this mechanism would have prevented a number of scandals.

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