



THEORETICAL ASPECTS OF THE BANKING SERVICES MARKET IN MODERN CONDITIONS

Nozimov Eldor Anvarovich

Assistant of Samarkand Institute of Economics and Service

Email: eldornozimov@gmail.com

+998979113663

Article history:	Abstract:
Received: 1 st December 2021 Accepted: 5 th January 2022 Published: 15 th February 2022	This article discusses the theoretical foundations of banking services and analyzes banking services and operations. The article develops scientific and practical recommendations based on analysis.
Keywords: commercial banks, banking services, operations, payments, credit, deposit, efficiency.	

INTRODUCTION

In recent years, the banking system of Uzbekistan has done a lot to improve the quality and scope of banking services. However, changes in the world, the process of globalization, the overdevelopment of competitiveness, the need to further intensify the process of transformation of commercial banks, the need to take banking services to a new level.

In this process, the main goal of the reforms in the banking system is to train commercial banks to work for the customer. In this regard, the implementation of reforms to transform the banking system depends on modern, educated personnel, and the main factor is that the representatives of the banking sector have mastered the effectiveness and content of the ongoing reforms in the banking system..

Paragraph 71 of the Action Strategy pays special attention to the implementation of digital transformation in all service areas. Measures have been taken to implement the "road map" for the transformation of state-owned banks from June 1, 2020, including improving the quality of banking services provided to the population and businesses, as well as increasing the range of modern retail banking services.

To this end, this year the implementation of the tasks set for the broad transformation of the banking system, as well as the introduction of modern models of banking requires the use of practical and effective forms of cooperation between the Central Bank and commercial banks. This approach serves to build and increase public confidence in the banking system in a pandemic.

The range of banking services is expanding every year, new types of products and services are constantly emerging in the market. This factor serves to increase competition for each customer between

credit institutions. Therefore, each bank builds its relationship with the customer based on the principles of partnership. Thus, credit institutions must not only constantly protect the funds of their customers, but also think about how to contribute to the development of entrepreneurial activity of the population by offering new banking products and services. Under the influence of many economic and social factors, the evolution of banking products and services is taking place.

ANALYSIS OF THE RELEVANT LITERATURE

The study of customer needs and their satisfaction in the banking services market, as well as issues such as banking services, Russian scientists E.F. Zhukov, O.I. Lavrushin, T.N. Nesterova, A.N. Ivanov, and French economist S. This is reflected in the scientific research of De Kusser. Peter S. Rose [7] says of the services provided by banks to the public, in particular banks: "A bank is a firm that provides financial services, manages the society's funds professionally, and performs many functions in the economy." In addition, Peter S. Rose's textbook covers currency exchange, commercial promissory notes and corporate lending, savings deposits, safekeeping, government credit support, checking accounts (demand deposits), trust services, and consumer loans that have grown in recent years. , conducted research on banking services such as selling insurance services, selling pension plans, offering brokerage services for securities transactions.

According to the economist, the transformation of the banking system will take place through a number of key trends: increasing the number of services, increasing competition, deregulation, rising financing costs, interest-bearing funds, technological revolution, consolidation and geographical expansion, globalization of banking, increasing bankruptcy risk.



and the weakening of the state deposit insurance system.

Russian scientist E.F. In his textbook, Zhukov [3] commented on banking and banking operations: "When the bank is considered as an institution that collects funds and places them on a repayable basis, it is possible to distinguish between active and passive operations in its activities."

This manual focuses on services such as accepting deposits in the bank's passive operations, opening and maintaining accounts for clients, including correspondent banks. The Active Operations section provides loans to customers, cashier services, and more. However, E.F. Leasing, factoring, forfeiting, trust operations, which are part of the financial services of Zhukov commercial banks; from other categories of services, such as cash settlement services, services to legal entities, conducted research on banking services.

Well-known Russian scientist O.I. Lavrushin [5] noted that the nature of the bank is determined by the essence of its activities, and the result of this activity is the creation of a banking product.

RESEARCH METHODOLOGY

Methods such as analytical comparison of tables, grouping of logical and comparative analysis data of the research, statistical processing method by comparing them with each other, calculation of quantitative and qualitative indicators were used in conducting scientific research..

ANALYSIS AND RESULTS

In the process of transformation of banks, an increase in customer demand is inevitable, and as a result of poor quality of advanced innovative banking services in this regard may lead to a decrease in bank customers' confidence in their bank. As a result, bank customers tend to switch banks or use other banking services. Therefore, the transformation of banks' activities in accordance with the requirements of customers, ie the creation of new banking services using modern information and communication technologies of banking products and services.

The bank's products are:

- creation of payment funds;
- provision of services.

The creation of payment funds is taken at the level of the whole economy (or in other words at the macro level). We know that the exchange of labor products takes place not in the form of substitution of one product for another, but in the form of purchase

and sale. The manufacturer offers his product to the market. In turn, the buyer will be able to buy the product he needs if he sells his goods. In a market economy, money in the form of total payments will be needed to carry out the buying and selling process. Without payment, there will be no possibility of exchanging labor products between producers. The central bank issues the funds necessary for the circulation, use and consumption of material resources, as well as for the continuation of the production process.

Banking services, which are the second component of banking products, can be classified in the following order (Table 1):

Table 1
Classification of banking services, which is the second component of banking products

Classification criteria	Type of services provided
Depending on the nature of the bank's activities	Unique services Non-specific services
Depending on the entities being serviced	Legal entities Individuals
Depending on the method of attracting and allocating bank resources	Active operations Passive operations
Depending on the payment for the services provided	Paid services Free services

As can be seen from the data in the table, banking services can be divided into specific and non-specific types. Specific services may include three operations performed by the bank: 1) deposit operations; 2) credit operations; 3) settlement operations.

Deposit operations are the transfer of customers' funds to bank deposits. Customers receive interest payments for the money they deposit in the bank.

Credit operations are the main operations of the bank. Because banks receive the bulk of their interest income from the lending process. However, in some countries (mainly in countries with economic crisis and high inflation) to avoid high risk, commercial banks prefer to conduct low-risk banking operations (eg, foreign exchange transactions, etc.) rather than lending..

Settlement operations are carried out by banks in cash and non-cash. On behalf of the client, banks open various accounts for them to make payments related to the sale or purchase of goods, payment of wages, taxes, fees and other necessary



payments. In this process, commercial banks act as intermediaries and receive their own services for their services.

Also, in order to further improve the system of cashless payments in the banking system, as a result of the widespread introduction of plastic cards as a modern and innovative form of payment in the country in 2010-2020, commercial banks issued about 988.4 thousand plastic cards in 2005. number to reach 20 million by early 2020 exceeded one.

As of March 1, 2020, the volume of transactions with plastic cards amounted to 69.9 trillion soums. The number of payment terminals installed at retail and service facilities exceeded 414.5 thousand.

As of March 1, 2020, the number of users of remote management of bank accounts exceeded 10.4 million people, including more than 699 thousand users of Internet-banking software, Mobile-banking and SMS-banking. The number of users of its services amounted to more than 9.68 million people, which is almost 40 times more than in 2014.

As of March 1, 2020, the number of users of remote management of bank accounts exceeded 10.4 million people, including more than 699 thousand users of Internet-banking software, Mobile-banking and SMS-banking. The number of users of its services amounted to more than 9.68 million people, which is almost 40 times more than in 2014.

In the years under review, the total number of plastic cards per 100,000 people increased from 22,022 to 97,939. The introduction of Humo cards and Conversion cards in 2019 has had an impact on this. However, in our opinion, such an increase will not fully meet the demand of the population for plastic cards. So, it is necessary to increase the effective use of plastic cards in our country.

In addition, banks have non-traditional types of services, which include all other banking services. The number of non-traditional banking services is large, and here are some of their manifestations:

- brokerage services;
- services for the development of the enterprise (ie listing, placement of shares, legal services, information services, etc.);
 - provision of guarantees and sureties;
 - trust operations (including consulting and assistance in managing the client's property on behalf of the client);
 - providing accounting assistance to enterprises;
 - representing the client's interests in court;

- safe delivery services;
- tourist services, etc.

Banking services considered on the basis of the above classification are provided for both clients with legal entity status and individuals. In banking practice, the above set of banking services may be the same in banks, only their scope will be different.

From the point of view of the availability of paid banking services and the bank's income, the following criteria can be added to help add clarity: income-generating and non-revenue-generating services; expensive and cheap services. Many of the bank's active operations allow the bank to earn income, and conversely, passive operations that require the payment of interest on deposits bring costs to the bank. Some banking services are labor intensive, so their cost will be expensive. For example, the service of registration and execution of a letter of credit is more expensive for the bank than the service of transferring money from the client on the basis of a payment order..

As mentioned above, depending on the movement of material goods, banking services are divided into two types: services related to the movement of material goods and pure services. Banks, through their cash operations, mainly provide services for the movement of tangible goods, the bulk of which belongs to the first type. These services of the bank, which facilitate the movement of goods (for example, transport services to enterprises, communications, trade), bring a new additional cost. The Bank provides pure services to enterprises directly involved in material production, as well as to certain categories of citizens to meet personal needs.

As we have already mentioned, banking products are a variety of services. Unlike the services of manufacturing enterprises, banking services do not have a tangible appearance. Therefore, unlike the material-producing industries, where the product of labor takes the form of an object, it is impossible to store banking services in warehouses, to produce them in the form of reserves.

One of the important features of banking services is their production nature. Even the simple-looking practice of attracting funds from citizens and businesses to bank deposits makes high production sense. At the same time, the bank not only collects money, but also puts "non-working" funds into working condition. Thus, banking operations lead to the development and acceleration of production through customer service.



Another feature of banking services is that a large amount of money moves from one account to another, from one region to another, that is, there is a monetary movement of capital. Take, for example, a banking transaction related to lending. It is known that the loan must be repaid to the bank within a specified period, along with interest payments. This means that the borrower must use the loan in such a way that the borrower at least benefits from paying the bank interest. Under the loan agreement, the client is forced to use the loan funds in the form of capital, not for "consumption" (consumer purposes).

It should be noted that the operations carried out by banks can be increased by other enterprises and organizations, ie they are not considered a banking monopoly. For example, private businesses and agencies can provide accounting assistance, rent safes, and other types of services. Therefore, it should be noted that banks will also be able to conduct non-bank operations. This is due to the fact that in a market economy, complex competition limits the ability to expand high-yield operations, and banks, in turn, are forced to look for new sources of income.

This means that we can distinguish the characteristics of banking services in the following order:

- production as a reserve;
- have a production character;
- capital serves as an object of banking services;
- covers active and passive operations;
- is not a monopoly of the bank;
- also apply to non-bank operations.

The evolution of the standard set of banking services is that under the influence of many factors (not only competition, but also the adoption of new technologies, the creation of new banking products, etc.) in the services market, their scope is expanding. This situation can be observed in the practice of commercial banks in the country. A few years ago, commercial banks of our country did not work with certificates, promissory notes, credit cards; Factoring, leasing, overdraft, option, ATM and other concepts are not used in the lexicon of bank employees. The main reason for this situation was that the banks operated in a centralized system and there was no need for certain banking services in such a system. The market economy has placed new demands on banks: banks have been forced to adopt new operations that meet the interests of their customers. Unfortunately, banks are not able to master all of these operations at once, because although a certain amount of time has

passed, banks have not yet had enough experience. Some operations have not developed due to high inflation and insufficient modern means of communication. In addition, most commercial banks do not have a sufficient understanding of new banking services, in which case banks should train their employees on the essence of new services and the practice of providing them to customers..

T.N. Nesterova [6] elaborated on this in her textbook on banking services in the field of foreign economic activity. In this textbook, the scientist reviewed the directions of foreign economic activity of banks in accordance with international standards. T.N. According to Nesterova, foreign economic activity and banking services related to conducting operations in the money and foreign exchange market is a specific and complex practice associated with a certain degree of risk. He believes that foreign currency transactions can be carried out only by a high-level specialist who knows the rules of international accounting, can make deals in the money and foreign exchange markets, analyze the situation in the foreign exchange market, as well as the legal framework governing foreign exchange transactions in his country. . In addition, T.N. In her textbook, Nesterova organizes foreign exchange transactions, attracts foreign exchange, operations on international settlements for goods and services, bank transfers, collection, letters of credit, lending to foreign economic activity in national and foreign currencies, forfeiting, foreign exchange sales, currency risks. conducted his own research in areas such as insurance.

CONCLUSIONS AND SUGGESTIONS

Ўзбекистонда тижорат банклари томонидан дастур яратувчилар билан бирга жорий этилган мобил илова дастурлари орқали миждозларга реал вақт режимида банк операцияларини бажариш имконини берувчи қуйидаги:

- card-to-card money transfer (P2P) operations;
- make taxes, budgets, utilities and many other payments;
- blocking (unblocking) a bank card at the request of the customer;
- micro-borrowing and repayment of loans for individuals;
- registration of online deposits, remote opening of deposit and loan (credit) accounts (for customers who have opened bank accounts in the prescribed manner);



- make payments from an international bank card account
- and monitoring, online conversion services;
- obtaining information on the location of banking infrastructure (branches, exchange offices, ATMs and kiosks);
- Services such as depositing funds received through the international money transfer system into a bank account (deposit) or bank card at the customer's request.

In short, today the banking system should pay special attention to the following issues in accelerating the integration into the global financial markets:

1. Changing the way banks work, developing their own customer-oriented strategy;
2. Critical study of problem loans during the pandemic, analysis of the financial condition of the bank's customers in remote areas, an individual approach to each client;
3. Introduction of innovative new types of online delivery of quality banking services to the population with the development of information technology and communication;
4. Saving time and costs in the implementation of digital banking financial services through mobile and online platforms, ensuring the security of personal data, improving the speed and quality of services;

REFERENCES

1. Decree of the President of the Republic of Uzbekistan No. PF-5992 of May 12, 2020. On the strategy of reforming the banking system of the Republic of Uzbekistan for 2020-2025 // Collection of Legislation of the Republic of Uzbekistan. - Tashkent, 2020. - № 6 (766). - 32-b
2. Ниёзов, З. Д., & Давронов, Ш. З. (2020). Обязательное медицинское страхование: сущность и вопросы внедрения в Узбекистане. *Архивариус*, (2 (47)), 124-127.
3. Anvarovich, N. E. (2020). Banks' loans to reduce the risk of leasing lines. *Indonesian Journal of Innovation Studies*, 9, 1-4.
4. Mahommadrezaevna, K. A. (2020). Sources of financing and factors hindering the development of innovative activities of the sphere of tourism. *Indonesian Journal of Innovation Studies*, 9.
5. Anvarovich, N. E. (2022). Transformation of the Banking Sector in Uzbekistan in the Context of Covid-19 Corona virus

- Pandemia. *Academic Journal of Digital Economics and Stability*, 13, 76-85.
6. Karimova, A. M. (2020). Role of marketing services in innovative development of tourism activities. *American Journal of Economics and Business Management*, 3(1), 24-32.
 7. Anvarovich, Nozimov Eldor. "SOME PROBLEMS IN DETERMINING CREDITWORTHINESS INDIVIDUALS AND WAYS TO SOLVE THEM." *Innovative Technologica: Methodical Research Journal* 3.01 (2022): 28-33.
 8. Каримова, А. М. (2021). Необходимость совершенствования кредитной поддержки инновационного развития предприятий сферы туризма. *Журнал Инновации в Экономике*, 4(1).
 9. Ниёзов, З. (1994). Организация и оплата труда в виноградарстве и их совершенствование (на материалах специализированных предприятий Самаркандского Узлдооовощвинпром концерна).
 10. Bekmurodov, A. (2021, October). THE IMPACT OF TRANSFORMATION PROCESSES ON THE ACTIVITIES OF COMMERCIAL BANKS. In *Archive of Conferences* (pp. 52-54).
 11. Anvarovich, N. E. (2020). Theoretical fundamentals of financial health of the enterprise. *Indonesian Journal of Innovation Studies*, 9, 1-4.
 12. Anvarovich, N. E. (2021). RESEARCH PARK.
 13. www.cbu.uz.