

**MODERN TRENDS IN INCREASING THE EFFICIENCY OF BANKING SERVICES IN
THE CONTEXT OF ECONOMIC TRANSFORMATION**

Khasanova Khamida Khaydaraliyevna
Senior Lecturer, Almalyk State Technical Institute

Abstract

This article analyzes the modern trends in increasing the efficiency of banking services in the context of economic transformation. The introduction of digital technologies in the banking sector, the expansion of fintech solutions, and the emergence of a customer-oriented service model are considered the main factors. As a result of the research, priority directions for increasing the efficiency of banking services have been identified. The main objective of this work is to study modern trends in increasing the efficiency of banking services in the context of economic transformation, to analyze their practical significance, and to develop proposals for improvement.

Keywords

banking services, digitalization, economic transformation, efficiency, digital bank, fintech, innovation, risk management

1. Introduction

Today, the fundamental changes taking place in the global economy, the acceleration of digitization processes, and the deepening of market relations are also directly affecting the activities of the banking system. In particular, in the context of economic transformation, new demands and challenges are emerging for banks, requiring them to organize their services in a more efficient, prompt, and customer-oriented manner.

Economic transformation is characterized by the structural renewal of the economy, the development of market mechanisms, and the widespread adoption of innovative technologies. In such a context, banking services become not just a means of conducting financial transactions, but also a key factor driving economic growth.

In the current era, modern trends such as digital technologies, mobile banking services, artificial intelligence, fintech solutions, and an individualized approach to customers play a crucial role in increasing the efficiency of banking services. At the same time, intensifying competition among banks is also driving the need to improve service quality and create new products.

Technological advancements and global market changes are forcing banks to realign processes, from internal management to customer interaction. At the same time, the widespread adoption of FinTech technologies is creating new forms of financial services, intensifying competition, and accelerating banks' digital transformation.

With the growth of the digital economy, banks' traditional operating models are being re-examined, and new business approaches are emerging. Today, banking services are not limited to financial transactions but are expanding into a wide range of tangible and intangible services.

The transition to the "digital bank" concept presents banks with a number of strategic challenges. In particular, improving remote service systems, implementing artificial intelligence-based technologies, and strengthening cybersecurity mechanisms are emerging as key areas of focus for banks. These processes require the reorientation of almost all corporate mechanisms, from internal management to customer relations. The acceleration of technological progress and volatility in the global market are forcing banks to re-evaluate their development strategies. Digital transformation not only modernizes service delivery processes but also raises questions



about how businesses across the entire economy will operate. In such a context, it is crucial for organizations to create new business models or rework existing ones based on digital technologies.

2. Research Methodology

The theoretical and methodological foundations of this research are based on the scientific views of domestic and foreign scholars conducting research on implementing digital transformation processes in the banking sector. The study employed a literature review, a comparison of regional and international experiences, and practical examples from the Uzbek banking system.

The following methods were used in the research:

Analytical analysis – analysis of banks' digital strategies and operational models;

Comparative analysis – studying the experience of foreign banks and adapting it to the conditions of Uzbekistan;

Case studies – the activities of commercial banks in Uzbekistan and the implementation of digital solutions.

3. Literature Review

Research on digital transformation and the banking business has been extensively analyzed by scholars and practitioners:

“Digitalization” first, refers to the impact of digital technologies on an organization, and second, denotes the transition from analog to digital solutions. Digitization is the modernization of an organization using new information and communication technologies¹. According to Matt, digital transformation is a complex process that includes the following: changes in value creation, structural changes, leveraging technology and financial aspects, and aimed at solving the problems banks are currently facing². In their operations, banks have economic relationships with all enterprises, organizations, institutions, the public, other banks, and the government, regardless of ownership form. These relationships manifest in matters such as opening accounts and cash registers, acting as intermediaries in mutual settlements, and granting loans through temporarily idle funds³. Banks attract the public's temporarily idle funds into various types of deposits, first converting them into real income savings, and then into value-adding loans—i.e., capital—across sectors for material goods. Moreover, to raise the population's living standards, banks extend consumer and mortgage loans. Banks temporarily hold idle government funds, ensure the cash execution of the state budget, and, when necessary, provide loans to the government.

Innovative development is the primary opportunity to increase the efficiency of banks' operations. In the world's leading countries, the theory and practice of using digital technologies are significantly impacting the operation of the modern banking system. This represents the use

¹ Hensmans M. How digital fantasy work induces organizational ideal reversal? Long-term conditioning and enactment of digital transformation fantasies at a large alternative bank (1963–2019). *Organization* 2020. – URL: <https://journals.sagepub.com/doi/10.1177/1350508420968185>.

² Matt C., Hess T., Benlian A. Digital Transformation Strategies. *Bus. Inf. Syst. Eng.* 2015, 57, 339–343. URL: <https://link.springer.com/article/10.1007/s12599-015-0401-5>.

³ Банковское дело: Учебное пособие/ У.Азизов, Т.Каралиев, Т.Бобокулов, Ш.Абдуллаева, О.Сатторов, З. Холмахмадов, У. Ортиков, Д. Саидов, И. Куллиев, И. Рахмонов, М.Эгамова, Ш.Давирова, Ш.Азимова; – Т.: «Iqtisod-Moliya», 2018. - 544 с.



of digital technologies to transform the business model and provide new opportunities for generating revenue and creating value; it is the process of transitioning to a digital business⁴. This phenomenon is characteristic of both the G7 countries and developing nations, as confirmed by numerous analytical commentaries and fundamental research by various scholars. In particular, S. Karbo-Valverde and K. Kan, after analyzing the efficiency of payment systems in the United States and Europe, emphasize the role of online banking products and note that they are not threatened by cryptocurrency⁵. Taking into account A. Omar's digital transformation of banking services, it establishes the role of new technological platforms in Mediterranean countries⁶. T. Akhisar and K. Tunay emphasize that the efficiency of electronic banking services is increasing⁷. A study conducted by F. Libana-Kabanillas in Spain shows that interest in this segment among businesses and individuals is growing⁸.

In 2017, the Financial Stability Board (FSB) provided a brief definition of fintech: "technological innovations in financial services," understood as a set of products/services in the form of electronic retail payments, electronic wallets, FinTech credit, digital currencies, and robo-advisors.

Sadigov et al.⁹ showed that the development of fintech contributes to economic growth by increasing the volume of gross value added in the financial sector and indirectly increasing e-commerce turnover and financing for the real sector, particularly for small and medium-sized businesses, showed that the development of fintech contributes to economic growth by increasing the volume of GDP generated in the financial sector, indirectly increasing e-commerce turnover, and creating conditions for financing the real sector, particularly for small and medium-sized businesses, through more convenient lending.

4. Discussion

Integration processes in the operation of the banking system, the introduction of innovative technologies and the expansion of economic relations, integration processes in the operation of the system, The introduction of innovative technologies and the expansion of economic relations inevitably require improving existing approaches and implementing new methods for managing bank risks¹⁰.

Digital transformation is fundamentally changing the traditional value chains of the banking business. Small banks face constraints due to limited resources, while large banks face constraints due to inertia in updating their strategies. Therefore, partnering with fintech startups is an effective solution for large banks.

The digital banking concept has the following characteristics:

- Products and services are primarily created through digital technologies;

⁴ Development of banking technologies: opportunities and challenges 2017 (Moscow: Bank of Russia) 40–42.

⁵ Carbo-Valverde S., Kahn C. M. Payment Systems in the US and Europe: Efficiency, Soundness and Challenges // Financial Stability Journal (Bank of Spain), 2016. Vol. 30. P. 11–33.

⁶ Omarini A. International Journal of Finance, Economics and Trade 1–6.

⁷ Akhisar İ., Tunay K. B. and Tunay N. Interaction Between Internet Banking and Bank Performance: The Case of Europe // Procedia-Social and Behavioral Sciences. Vol. 195. P. 369–375.

⁸ Liebana-Cabanillas F. Information Systems and e-Business Management 14 (1) 141–165.

⁹ Shahin Sadigov, Tetyana Vasilyeva, Pavlo Rubanov. Fintech in economic growth: Cross-country analysis. 55th International Scientific Conference on Economic and Social Development – Baku, 18-19 June, 2020. P. 729-739.

¹⁰ X.Xasanova. BANK FAOLIYATIDA RISKLARNI BAHOLSHNING XALQARO TAJRIBASI. "Moliya bozorini rivojlantirishning ustuvor yo'nalishlari, zamonaviy tendensiyalari va istiqbollari". T.- 2024. B.172-175



- Interactive and remote communication with customers is optimized; An innovative digital culture is formed, and the organization's strategic decision-making process is based on a digital system.

International experience shows that through digital transformation, banks can precisely meet customer needs, increase operational efficiency, and ensure their competitiveness. It should also be noted that traditional business models are now forced to compete not only with each other but also with innovative digital solutions. For this reason, companies must update and improve their technical infrastructure to adapt to market demands. One of the main forces driving the development of the digital economy is the financial sector. The widespread adoption of FinTech technologies has created new forms of financial services, intensified market competition, and is actively driving traditional financial institutions toward transformation. Such technologies are fundamentally changing the principles of collaboration between banks, government agencies, and customers, making interactions more convenient and faster.

However, since the start of the digital transformation process, this approach has changed fundamentally. The IT department is no longer just a support function that provides technical backing for the existing strategy, but is becoming a crucial strategic hub that shapes the bank's overall development direction. As a result, a complete rethinking of business ideas and adapting them to the demands of the modern digital environment has become a primary task for both the IT and management teams. Banks' financial capabilities allow for significant investment in innovation. This allows for the centralization of services and their delivery to customers through a global network.

API (Application Programming Interface). An API is integrated into customer-facing systems and is a collection of ready-made functions, procedures, classes, and structures provided by a software system for use by external applications and services. This allows banks to effectively connect their services with other platforms and interact with customers.

The importance of digital transformation in banks is evident not only in increasing efficiency and financial performance but also in the social metrics of commercial banks ¹¹.

Social networks and mobile communication via a special application – the integration of the banking business with social networks makes it possible to obtain information about customer preferences.

Through new digital tools, P2P consumer and business loans are provided, as well as financing via crowdfunding platforms.

Table - 1

Various models for implementing a digital strategy

Confederate model	General service model	Strategic Competency Centers Model	Digital operating model
This type of operating model is primarily applied to large banks that are gradually implementing digital	This model resembles outsourcing, in which certain functions are performed by an external contractor. The main objectives of this operating model are to improve coordination of internal	This element of the organizational structure enables coordination of the digital strategy's implementation, forecasting of market trends, and	This model can be implemented in banks that are in the final stage of digital transformation; as a rule, the model is intended for network players, i.e., single-

¹¹ Н.А.Иминова, Х.Х.Хасанова, Ш.М.Облокулова. СПОСОБЫ УВЕЛИЧЕНИЯ ЭФФЕКТИВНОСТИ УСЛУГ В БАНКОВСКОМ СЕКТОРЕ В ЦИФРОВОЙ ТРАНСФОРМАЦИИ. Universum: экономика и юриспруденция. 2025. Том 1. № 4 (126). С. 9-12.



transformation across various areas of their operations. It may not apply if they choose not to participate.	bank activities and, by eliminating standard repetitive tasks, to streamline business processes and thereby reduce the costs of individual banking operations.	positioning the bank in this market segment to enhance its competitiveness.	industry organizations. The defining feature of the digital operating model is a digital platform for operations.
--------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------

The effective implementation of a digital strategy depends on the bank's operating model. The banking sector is focusing on developing operating models because as the number of customers grows, service delivery methods also diversify. It is no longer necessary to visit a branch to access banking products and services; customers can meet their needs through digital technologies.

Customers can effectively manage their wealth through robo-advice, financial planning apps, social trading platforms, algorithmic trading, and goal-based savings services. Technologies such as biometric identification, voice authentication, gamification, contactless technologies, and social media integration play a crucial role in making banking services more convenient and user-friendly.

Customers judge their banking experience primarily by the convenience and simplicity of the service. Banks must continuously analyze the customer experience, identify existing shortcomings, and leverage modern technologies. In the past, bank performance was measured more by the volume of product and service sales. However, in a digital economy, banks must focus on adapting to modern customer needs and solving digital problems. These changes are crucial for banks to remain competitive and satisfy their customers.

Overall, the banking sector is focused on developing operational models, as the number of customers is increasing over time, since it is no longer necessary to visit a bank branch to obtain various banking products and services, but one can instead take advantage of the advancements in digital technology. The introduction of digital financial innovations into the banking sector makes it imperative to create a unified space that integrates banking operations and the digital environment.

Today, customers want to open bank accounts in a matter of minutes and have instant access to all of the bank's services. Banks are not limited to just automating existing processes, They are developing automated decision-making to reduce complexity in all customer interactions, shorten response times, and effectively respond to regulatory requirements.

The prospects for the digital development of the banking business are of great importance. Integrated digital banking is increasingly entering daily life as more devices and services become connected to the internet. At the same time, widespread digitization is enabling the emergence of neobanks and high-tech banking platforms. Leading banks, meanwhile, are becoming true digital financial supermarkets by integrating various services. These processes help make the banking sector more efficient and customer-oriented. Including, amendments were made to the Law "On Banks and Banking Activities," establishing a phased increase in the minimum amount of bank charter capital from 100 billion soums to 500 billion soums by January 1, 2025. These measures are aimed at increasing banks' capitalization, aligning prudential norms with international standards, and improving opportunities for attracting foreign investment. For example, amid a reduction in the state's stake in Ipoteka-Bank ATIB and the entry of three new banks into the market, the state's share of assets in the banking sector fell from 78 percent to 68 percent, and its



share of bank capital fell from 78 percent to 65 percent. Additionally, in 2023, Hungary's OTP Bank acquired 75 percent of Ipoteka-bank's shares. These changes are considered important steps aimed at increasing the stability and competitiveness of the banking system. In 2025, banks expanded their cooperation with international and foreign financial institutions. For example, O'zmilliybank attracted billions in funds from Credit Suisse, the China Development Bank, Citibank, and other major financial institutions. Mikrocreditbank JSC received funds from the Islamic Corporation and the International Bank for Reconstruction and Development to develop the private sector. At the same time, international rating agencies improved the ratings of Agrobank, Asakabank, Ipoteka-bank, and Aloqabank. Banks are making extensive use of modern technologies. For example, O'zsanoatqurilishbank JSC launched an online credit monitoring system, and Asakabank JSC digitized employee management, payroll, and other processes through the SAP HCM system.

A biometric identification system was introduced to develop digital services, allowing customers to use remote services without visiting bank branches. At the same time, financing opportunities through environmentally oriented credit products and "green" bonds have been expanded.

Today, the banking system of Uzbekistan includes 32 commercial banks, 861 branches, 356 mini-banks, and 866 service offices, providing remote banking services to legal entities and individuals. Through remote services, banks have introduced consumer loans, money transfers, and income-generating deposits, creating additional conveniences for customers.

5. Conclusion

Research findings indicate that in the context of economic transformation, the efficiency of banking services should be increased in the following areas:

- Transitioning traditional operational models to digital formats;
- Implementing remote services and artificial intelligence technologies;
- Creating innovative solutions to make the customer experience convenient and interactive.

The experience of the Uzbek banking system demonstrates the feasibility of implementing effective digital transformation strategies. At the same time, collaboration with fintech startups and studying global experience are important factors in increasing banks' competitiveness. Overall, digital transformation is one of the key factors ensuring the sustainable development of the banking sector. This process not only increases banks' competitiveness but also has a positive impact on the development of the national economy.

In conclusion, digital transformation is a crucial strategic tool for banks, not only to enhance service quality but also to modernize business models and meet customer needs. At the same time, lessons learned from international experience help to effectively implement digital strategies in the banking system of Uzbekistan.

Foydalanilgan adabiyotlar

1. Hensmans M. How digital fantasy work induces organizational ideal reversal? Long-term conditioning and enactment of digital transformation fantasies at a large alternative bank (1963–2019). *Organization* 2020. – URL: <https://journals.sagepub.com/doi/10.1177/135050842096818>
2. Matt C., Hess T., Benlian A. Digital Transformation Strategies. *Bus. Inf. Syst. Eng.* 2015, 57, 339–343. URL: <https://link.springer.com/article/10.1007/s12599-015-0401-5>.
3. Банковское дело: Учебное пособие/ У.Азизов, Т.Каралиев, Т.Бобокулов, Ш.Абдуллаева, О.Сатторов, З. Холмахмадов, У. Ортиков, Д. Саидов, И. Куллиев, И. Рахмонов, М.Эгамова, Ш.Давирова, Ш.Азимова; – Т.: «Iqtisod-Moliya», 2018. - 544 с.



4. Development of banking technologies: opportunities and challenges 2017 (Moscow: Bank of Russia) 40–42.
5. Carbo-Valverde S., Kahn C. M. Payment Systems in the US and Europe: Efficiency, Soundness and Challenges // *Financial Stability Journal* (Bank of Spain), 2016. Vol. 30. P. 11–33.
6. Omarini A. *International Journal of Finance, Economics and Trade* 1–6.
7. Akhisar İ., Tunay K. B. and Tunay N. Interaction Between Internet Banking and Bank Performance: The Case of Europe // *Procedia-Social and Behavioral Sciences*. Vol. 195. P. 369–377
8. Liebana-Cabanillas F. *Information Systems and e-Business Management* 14 (1) 141–165
9. Shahin Sadigov, Tetyana Vasilyeva, Pavlo Rubanov. Fintech in economic growth: Cross-country analysis. 55th International Scientific Conference on Economic and Social Development – Baku, 18-19 June, 2020. P. 729-739.
10. Р.А.Файзиев, У.Т. Хаитматов, О.Х. Азаматов, Ш.Р. Джуманиязов, Х.Х. Хасанова. Использование теории нечетких множеств в экономическом анализе инвестиционных проектов. *International Journal of Innovative Technologies in Economy*. 2018. Том 2. №5 (17). С. 44-48.
11. Khasanova Kh. DIRECTIONS FOR IMPROVING THE EFFICIENCY OF SERVICES IN THE BANKING SECTOR IN THE CONTEXT OF DIGITAL TRANSFORMATION. *Norwegian Journal of development of the International Science*. №149. 2025. P.14-17.
12. Z.Mamadiyarov, S.Makhmudov, Sh.J.Khamdamov, Kh. Khasanova, R.Nazarova, N.Rajabov, Sh. Usmonov. Proceedings of the 8th International Conference on Future Networks & Distributed Systems. P2024.12.11..214-221. <https://doi.org/10.1145/3726122.3726153>
13. Н.А.Иминова, Х.Х.Хасанова, Ш.М.Облокулова. СПОСОБЫ УВЕЛИЧЕНИЯ ЭФФЕКТИВНОСТИ УСЛУГ В БАНКОВСКОМ СЕКТОРЕ В ЦИФРОВОЙ ТРАНСФОРМАЦИИ. *Universum: экономика и юриспруденция*. 2025. Том 1. № 4 (126). С. 9-12.
14. X.Xasanova. BANK FAOLIYATIDA RISKLARNI BAHOLSHNING XALQARO TAJRIBASI. “Moliya bozorini rivojlantirishning ustuvor yo‘nalishlari, zamonaviy tendensiyalari va istiqbollari” . T.- 2024. B.172-175
15. Abdukhamidovna, V. M. (2024, May). Enhancing Creative Distant Learning in higher Education Institutions in a digital society. In *INTERNATIONAL CONFERENCE ON MODERN DEVELOPMENT OF PEDAGOGY AND LINGUISTICS* (Vol. 1, No. 5, pp. 13-16).
16. Vakhobova M. UNIVERSITIES AS BEACONS OF HOPE IN AN ERA OF CHANGE //Sun'iy Intellekt Nazariyasi va Amaliyoti: Tajribalar, Muammolar va Istiqbollari. – 2024. – С. 347-350.
17. D.B. Sulaymanova. The Importance of Programs in Creating Electronic Textbooks. - *Texas Journal of Multidisciplinary Studies*, 2024. P. 18-21.
18. A.Y Shakhabinovna - Automation of Technological Processes. *European Journal of Humanities and Educational*. 2022. P. 130-131.

