

BANKING PRODUCTS AND THEIR FINANCIAL METHODS OF DIGITALIZATION

Berdiboyev Oltinboy Abdiboqi o'g'li

independent researcher

berdiboyevoltinboy@gmail.com

Currently, financial technologies are becoming an integral part of all types of financial services: lending, payments and transfers, savings, investments, insurance, etc., changing business models and increasing attention to clients. Various fintech solutions are implemented by large financial institutions, such as banks, and highly specialized fintech companies that provide limited services. Such a technological change in the financial market requires a change in the regulator's approach.

Financial innovations and digital technologies have revolutionized banking, changing how banks work, interact with clients, and compete with each other.

The emergence of new financial products and services, such as online banking, mobile payments, and digital currencies, has opened up new opportunities for banks to expand their client base and increase profits. Moreover, the rapid pace of technological change increases risks for banks has led to the development of advanced analytical tools and algorithms that allow for management, operational optimization, and improved customer service.

One of the main factors of financial innovations and digital technologies in the banking system is the growing consumer demand for faster, more convenient, and personalized banking services. With the rise of smartphones and other mobile devices, customers now have access to their banking information and the ability to make transactions on the go, from anywhere, and at any time. Banks that cannot change customer preferences risk losing market share to more flexible and innovative competitors.

Digital innovations have also made it possible to develop new business models that oppose traditional banking models, such as peer-to-peer lending and crowdfunding. These models disrupted traditional lending practices, allowing individuals and businesses to receive funds not through banks, but directly from investors.

The difference between digital banks and traditional banks

Feature	Traditional Banks	Digital Banks
Service location	Branches and offices	Mobile apps and online platforms
Working hours	Selected hours	24/7
Service cost	Relatively high	Cheaper (low operating costs)
Safety	Traditional security measures	Biometrics, AI, blockchain
Credit and investments	Long analysis process	Quick analytics and suggestions with artificial intelligence

Technology development: Modern banking system financial is closely related to technology (fintech), which serves to make banking services fast, reliable, and convenient. Innovative technologies such as artificial intelligence, blockchain, cloud technologies, and Big Data are making a significant contribution to the optimization and development of banking products.

- Individual customer service based on artificial intelligence.
- Conducting secure and transparent transactions using blockchain technology.
- Fast and reliable using cloud technologies data processing.
- Providing personalized services to clients through the analysis of large amounts of data.

Good customer service: Digital banking products facilitate customer services and provide solutions tailored to their needs.

- 24/7 service via the Internet and mobile banking.
- Quickly respond to clients through chatbots and virtual assistants.
- Quick decision-making using online lending systems.
- Personalized financial advice and investment proposals.

Security and privacy: In the process of digitalizing banking services security and confidentiality play an important role. Banks protect customer data by implementing the following technologies:

Account protection using biometric authentication (fingerprint, facial recognition technologies):

- Implementation of two-factor authentication systems.
- Continuous improvement of cybersecurity systems.

- Personal data of clients through data encryption protection.

Optimization of production and financing processes:

Digitalization of banking products helps to effectively manage financial operations and reduce operating costs.

- Execution of fast transactions through automated payment systems.
- Analysis of credit risks and development of rating systems.
- Simplification of banking operations and creation of new opportunities for clients.
- More efficient allocation of financial resources.

Cooperation and integration: Banks and fintech companies are collaborating to develop innovative financial products. This integration serves to create broad opportunities for clients and improve the quality of services.

- Implementation of new financial products in cooperation with fintech companies.

- Facilitating global transactions through integration with international payment systems.

- Collaborate with third-party software through API technologies:

- Creation of new business models based on smart contracts and blockchain.

Conclusion Digitalization of banking products based on financial technologies creates convenience for clients, ensures security, simplifies operational processes, and makes banking services more efficient. In the future, the banking system will develop through more innovative solutions and financial technologies is expected to be harmonized.