



FINANCIAL TECHNOLOGIES AND THE IMPORTANCE OF USING THEM IN BANKING SERVICES

Azimova Nasiba

Tashkent University of Information Technologies named after Al-Khwarizmi

ORCID: 0009-0001-8808-2615

nasibaazimova0705@gmail.com

Abstract. *Fintech refers to financial technologies used in banking and financial services, including mobile payments, money transfers, loans, and asset management. Fintech startups offer fast, innovative, and convenient services that either compete with or collaborate with traditional banks. In recent years, investments in Fintech have grown rapidly due to its wide applicability. These technologies improve service quality, enhance customer experience, and transform traditional financial systems. Fintech plays a vital role in modern banking by offering digital solutions for both individuals and businesses. This article explores the significance of Fintech and the mutual benefits of bank-Fintech cooperation.*

Keywords: *banks, financial technologies, financial services, information systems.*

MOLIYAVIY TEXNOLOGIYALAR VA ULARDAN BANK XIZMATLARIDA FOYDALANISHNING AHAMIYATI

Azimova Nasiba

Al-Xorazmiy nomidagi Toshkent axborot texnologiyalari universiteti

Annotatsiya. *Fintech bank va moliyaviy xizmatlarda, jumladan, mobil to'lovlar, pul o'tkazmalari, kreditlar va aktivlarni boshqarishda qo'llaniladigan moliyaviy texnologiyalarni nazarda tutadi. Fintech startaplari an'anaviy banklar bilan raqobatlashadigan yoki ular bilan hamkorlik qiladigan tezkor, innovatsion va qulay xizmatlarni taklif qiladi. So'nggi yillarda Fintechga investitsiyalar uning keng qo'llanilishi tufayli tez o'sdi. Ushbu texnologiyalar xizmat sifatini yaxshilaydi, mijozlar tajribasini oshiradi va an'anaviy moliyaviy tizimlarni o'zgartiradi. Fintech jismoniy shaxslar va biznes uchun raqamli yechimlarni taklif qilish orqali zamonaviy bank ishida muhim rol o'ynaydi. Ushbu maqola Fintechning ahamiyatini va bank-Fintech hamkorligining o'zaro manfaatlarini o'rganadi.*

Kalit so'zlar: *banklar, moliyaviy texnologiyalar, moliyaviy xizmatlar, axborot tizimlari.*

ФИНАНСОВЫЕ ТЕХНОЛОГИИ И ВАЖНОСТЬ ИХ ИСПОЛЬЗОВАНИЯ В БАНКОВСКИХ УСЛУГАХ

Азимова Насиба

Ташкентский университет информационных технологий имени Аль-Хорезми

Аннотация. *Fintech* относится к финансовым технологиям, используемым в банковском деле и финансовых услугах, включая мобильные платежи, денежные переводы, кредиты и управление активами. *Fintech*-стартапы предлагают быстрые, инновационные и удобные услуги, которые либо конкурируют с традиционными банками, либо сотрудничают с ними. В последние годы инвестиции в *Fintech* быстро росли из-за его широкой применимости. Эти технологии улучшают качество обслуживания, улучшают качество обслуживания клиентов и трансформируют традиционные финансовые системы. *Fintech* играет жизненно важную роль в современном банкинге, предлагая цифровые решения как для частных лиц, так и для предприятий. В этой статье исследуется значение *Fintech* и взаимные выгоды сотрудничества банков и *Fintech*.

Ключевые слова: банки, финансовые технологии, финансовые услуги, информационные системы.

Introduction.

This is a critical time for those working in the financial services industry. The unprecedented growth of technological innovation has fundamentally changed the way businesses do business, transfer money, and conduct everyday financial transactions. The financial technology sector has become one of the most supported sectors by decision-makers around the world today. With this important sector having the potential to drive technological revolution, driving prosperity and growth through innovation and efficiency, investment in the sector is expected to reach \$15 billion by 2022. Creating more advanced financial technologies to meet the evolving needs of customers remains a pressing issue.

Any country must create an environment that supports startups and entrepreneurship to enable the growth and development of new industries. Because properly organized business systems help create global hubs for technology startups.

One of the key components of creating a positive environment is to build an ecosystem and develop a regulatory framework that simplifies the process of doing business in a country or region. In this regard, some countries are taking the lead in encouraging the development of Fintech startups.

Literature review.

This section reviews the current literature on the transformation of Fintech and banking services and their interaction. Research shows that the term “Fintech” refers to solutions that combine traditional financial services and modern innovative technologies (Dorfleitner, Hornuf, & 2017; Yusuf, 2021). Fintech companies, usually organized in the form of startups and focused on providing customers with fast, convenient and affordable services, serve to increase competitiveness against traditional players in the banking sector (Gomber, Peter, 2018). At the same time, banks are focusing on Fintech investments to compete with new technologies and competitors (Claessens, 2009). The literature also extensively discusses the impact of economic intelligence and information management systems on organizational performance. They argue that organizations need to rely on effective information sharing and management systems to increase competitiveness in an information and knowledge-based economy (Ferrini, Caterina 2018). Based on this literature, the role of Fintech in banking reform, customer-centric innovation, and the importance of the regulatory environment are highlighted.

Methodology.

This study uses a qualitative analysis approach and examines the transformation of Fintech and banking services through secondary data analysis. The study consists of the following stages:

Source Selection – Materials were collected based on secondary data from academic journals, research articles, editorials, official documents, and websites. These sources include those mentioned in the literature review above.

Data Analysis – The collected data was analyzed in terms of key concepts, methods, and best practices related to the topic. The study focused on banking services, innovative approaches of Fintech companies, customer behavior, and the role of the regulatory environment.

Comparison and Synthesis – Data synthesis was performed to compare Fintech solutions with traditional banking services, determine their effectiveness and competitiveness in the market.

Development of recommendations – Based on the results of the study, recommendations were developed to strengthen cooperation between banks and Fintech companies and reform the system.

Through this methodological approach, the study aims to reach complete and thorough conclusions about the transformation of banking services and the role of Fintech in improving their quality.

Analysis and results.

The term “Fintech” refers to companies or individuals that combine financial services (Dorfleitner, Hornuf, 2017) and modern innovative technologies. Financial technology is closely related to information and communication technology, and organizations in this field use information and communication technology to provide financial services more efficiently and at lower costs.

The term Fintech refers to any institution operating in this field that aims to advance financial services by offering innovative technological solutions to its customers. Typically, this field is developed by startup companies, which try to capture market share from traditional players in the financial services industry (Gomber, Peter, et al. 2018) investing in Fintech to compete with new entrants – that is, companies that are not primarily from the banking and financial sector. In this context, the main objectives of the economic intelligence process can be discussed. Economic intelligence is the process of exchanging information between organizations, based mainly on information technology. However, there are some sectors where, due to the lower level of competition and commercial risk, the economic intelligence process is not limited to studying competitors or over-protecting information systems.

Therefore, the main objectives of economic intelligence should also extend to the management system. Organizations today are developing in an information and knowledge-based economy, and their success depends on their ability to disseminate the information they collect and produce through formal and informal channels. Therefore, the economic efficiency of organizations depends on the methods by which they manage information (Ferrini, 2018).

How FinTech Institutions Work

Financial technology institutions operate through the following key aspects:

Using innovative technologies, in particular through mobile phones, computers or digital devices connected to the Internet and other communication networks, to provide end customers with richer or cheaper products and services than traditional operators;

Changes in customer behavior (mobile communications, geotagging in social networks), as well as the creation of an appropriate legal and regulatory environment;

Building good cooperation and relationships with banks;

Introducing new innovations in the field of (Leong, and other, 2018) financial and banking services.

As pointed out by Shu Zhang (2020), financial technology companies have the following characteristics:

Accessibility to all users – In traditional financial services, customers are mainly judged based on whether they have large assets or high income. Therefore, these services are only targeted at certain social groups. Fintech companies, on the other hand, are reaching all social groups and expanding their capabilities through product redesign or collaboration for low-income customers.

Flexibility and convenience – Fintech startups offer a variety of payment plans to suit customers' needs, including the ability to make daily, weekly, or monthly payments for clean energy and other products.

Speed – The ability to analyze large amounts of data allows fintech companies to provide fast service. Using big data, algorithms, and machine learning technologies, transactions can be completed in minutes. In contrast, traditional insurance companies and lending institutions can take days to approve an insurance policy or issue a loan (Agarwal, and other, 2020).

This approach allows for improvements in products and services and the provision of personalized services to customers. Powerful analytics tools enable business owners to make better decisions and seize new opportunities.

- Promoting financial inclusion – contributing to economic growth and diversification of economic activity through innovations that help provide financial services to segments of the population that do not interact with the banking system.

Expanding alternative sources of financing for small and medium-sized businesses - financial technologies allow businesses with limited access to traditional bank loans to provide new financial instruments.

Ensuring financial stability - serves to strengthen regulatory requirements and risk management systems through the use of technology.

Facilitating foreign trade and remittances – by providing mechanisms for fast, efficient, and affordable cross-border remittances.

- The use of electronic payment systems - helps to increase the efficiency of government operations. At the same time, it requires additional reforms to address gaps in appropriate regulation, consumer protection (Zamar, González, 2020), and information security.

Global investment in fintech has grown rapidly over the past five years and is expected to continue to grow significantly in the future. Between 2012 and 2015, fintech investment increased more than tenfold. However, global investment declined in 2016 due to mergers and acquisitions of fintech companies in the United States. However, growth continued in other regions, including the Middle East and North Africa, and investment rebounded significantly in the first half of 2017.

The results of the study show that Fintech is a sector that brings significant innovative solutions to the traditional financial services sector, which plays a significant role in ensuring the transformation of banking services. Fintech companies offer customer-oriented, fast and convenient products and services, which help to increase the competitiveness of banks. At the same time, the rapid growth of Fintech investments, the introduction of innovative technologies and the improvement of the regulatory environment strengthen the future prospects for cooperation between banks and Fintech companies. Banks are expected to effectively use Fintech solutions to fight against new competitors, contribute to financial inclusion and economic growth. The study emphasizes that innovations in the field of financial technologies are one of the key factors in modernizing banking services and providing quality services to customers.

Conclusion.

The transformation of banking services and the development of financial technologies are becoming an integral part of the modern financial system. The rapid development of Fintech technologies is having a strong impact on traditional banking systems, forcing them to reshape their operations based on innovative approaches. This process allows banks to improve the quality of service, carry out fast and convenient financial transactions, and provide customized services to customers.

The results of the study show that cooperation between Fintech companies and banks is beneficial for both parties, increasing competitiveness and further popularizing financial services. Traditional banking systems will be able to quickly meet the demands and needs of customers by adapting to new technologies. At the same time, Fintech startups can cover different segments of the financial market and increase the level of service through innovative products.

The study also confirms that the development of Fintech depends on the legal and regulatory environment. Support for financial technologies by states and strengthening their legal framework will have a positive impact on the sustainable development of the industry.

In the future, Fintech technologies are expected to develop further, leading to the growth of areas such as digital payments, blockchain, artificial intelligence and big data analytics. One of the most important tasks for banks and Fintech companies will be to introduce innovative solutions, meet customer demand and increase the inclusiveness of financial services.

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