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DIGITAL TRANSFORMATION PROCESS IN COMMERCIAL BANKS AND ITS IMPACT ON THE EFFICIENCY OF BANKING SERVICES

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Abstract. This article analyzes the process of digital transformation in commercial banks and its impact on the efficiency of banking services. The study studied the role of mobile banking, artificial intelligence, Big Data and fintech technologies in banking activities. The introduction of digital technologies has led to a reduction in operating costs, an increase in the speed of transactions and an improvement in the quality of customer service. Also, the development trends and existing problems of digital services in the banking system of Uzbekistan were analyzed. As a result of the study, scientific and practical recommendations were developed to accelerate digital transformation in the banking system.

Keywords: digital transformation, commercial banks, mobile banking, fintech, artificial intelligence, Big Data, operational efficiency, digital services, cybersecurity

Introduction. In recent years, the rapid development of digital technologies in the global economy has led to fundamental changes in the banking sector. The transition of commercial banks from a traditional service model to a digital service system is an important factor in increasing the efficiency of the banking system [4]. In particular, technologies such as mobile banking, internet banking, QR payments, electronic wallets, and remote identification are contributing to the popularization of banking services.

Uzbekistan is also undergoing large-scale reforms to modernize and digitize the banking system. Based on the resolutions of the President of the Republic of Uzbekistan aimed at reforming the banking system, the processes of introducing modern information and communication technologies in commercial banks are accelerating [2]. As a result, the quality of banking services is increasing, operating costs are decreasing, and the speed of customer service is increasing.

Literature analysis and methodology. The issues of digital transformation have been studied by many foreign and domestic economists. In particular, P. Rose and S. Hudgins substantiated the importance of innovative technologies in the modernization of banking services [6]. Reports by McKinsey and KPMG noted that digital technologies are an important tool for increasing the profitability of banks [3;4].

The research used statistical analysis, comparative analysis, and a systematic approach. Statistical bulletins of the Central Bank of the Republic of Uzbekistan, reports of international organizations, and scientific articles were used as a database [1].

According to the Central Bank, as of 2024, the number of bank cards in the country exceeded 48 million, which indicates the widespread popularity of digital banking services [1]. The number of POS terminals and ATMs is also increasing every year.

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Discussion and results. The main directions of digital transformation in commercial banks are the development of mobile banking services, improvement of internet banking systems, introduction of artificial intelligence technologies, segmentation of customers based on Big Data, expansion of cooperation with fintech companies and development of remote banking services [4]. Today, mobile banking services in particular are the most popular type of banking services. Through mobile applications, customers have the opportunity to make money transfers, loan payments, utility payments and other banking operations without visiting a bank branch [5]. This increases the speed and convenience of banking services and saves customers' time and costs. As a result of the development of mobile banking services, banks have the opportunity to be in constant contact with customers. Through mobile applications, it is possible to monitor account balances in real time, analyze expenses, manage deposits, apply for loans and receive individual offers on banking products. At the same time, the introduction of biometric identification, payments via QR code and contactless payment technologies is further expanding the functional capabilities of mobile banking services. As a result, the quality of service for customers is increasing and the competitiveness of banks is being strengthened.

The improvement of Internet banking systems is also one of the important areas of digitalization of banking services. Corporate and retail clients are able to remotely manage financial transactions, generate reports, exchange currencies and execute payment orders through Internet banking platforms. This expands the geography of use of banking services and ensures the continuity of services.

The introduction of artificial intelligence technologies is making it possible to increase efficiency in various areas of banking activities. In particular, chat bots and virtual assistants based on artificial intelligence are creating the opportunity to quickly respond to customer requests, provide advice on banking products and automate technical support services. In addition, artificial intelligence is widely used in assessing credit risks, detecting fraudulent transactions, and analyzing customer financial behavior.

The use of Big Data technologies allows banks to process large amounts of data and conduct in-depth analysis. Based on information about customer transaction activity, purchasing habits, and financial needs, it is possible to segment them and offer individual banking products. This increases the effectiveness of marketing activities and helps to more accurately meet customer needs.

Raq Another important direction of the transformation is the development of cooperation with fintech companies. Such cooperation allows banks to more quickly introduce innovative technologies, create new products and services, and offer modern financial solutions to customers. The development of open banking systems (Open Banking) and API technologies is increasing the integration between banks and fintech companies, paving the way for the formation of new business models in the financial services market. The introduction of digital technologies into the activities of commercial banks is an important factor in increasing operational efficiency. As a result of the automation of banking operations based on modern technologies, service processes are accelerating and operating costs are decreasing [3]. According to McKinsey research, as a result of digital transformation, banks' operating costs can be reduced by up to 15–20 percent [3]. Such results are achieved by optimizing business processes, transferring document management to electronic form, reducing human errors, and using resources more efficiently. Automated systems are significantly accelerating the processes of reviewing loan applications, identifying clients, and assessing risks, and improving the quality of service.

Digital services also have an advantage in terms of operating costs. Maintaining bank branches, increasing the number of employees and working with paper documents increases the costs of traditional banking services. Digital platforms, on the other hand, allow you to reduce operating costs

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by automating many processes. As a result, banks can use resources more efficiently and provide cheaper and higher-quality services to customers.

The speed of transaction execution is also one of the important indicators. In traditional banking services, some operations require a certain amount of time to complete, and in some cases, funds can be transferred over several hours or days. In digital banking services, transactions are carried out in real time, ensuring the rapid movement of funds. This is especially important for entrepreneurs and business representatives.

Conclusion. Digital transformation in commercial banks is an important factor in increasing the efficiency of banking services. As a result of the introduction of digital technologies, banking operations are accelerating, operating costs are decreasing, and the quality of customer service is improving [3].

In the future, the widespread introduction of artificial intelligence, Big Data, and fintech technologies in the banking system, as well as improving the cybersecurity system, will be of great importance. This will serve to increase the competitiveness of the banking sector and ensure the availability of financial services.

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