

Раздел 1

УДК 336.71

FINANCIAL AND ECONOMIC SUPPORT OF THE DEVELOPMENT OF THE MODERN INDUSTRIAL SYSTEM OF CHINA

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The article considers the problems of using financial technologies in banking business. Special attention is paid to the issues of application of financial innovations in banking activities, as well as transformation of banking business under the influence of financial technologies.

Keywords: banking business; financial technologies; digital economy; innovations.

ФИНАНСОВЫЕ ТЕХНОЛОГИИ В БАНКОВСКОМ БИЗНЕСЕ

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В статье рассмотрены проблемы использования финансовых технологий в банковском бизнесе. Особое внимание уделено вопросам применения финансовых инноваций в банковской деятельности, а также трансформации банковского бизнеса под влияние финансовых технологий.

Ключевые слова: банковский бизнес; финансовые технологии; цифровая экономика; инновации.

The development of the modern world is impossible without innovations, including those related to the digitalization of the economy. New technologies and processes are the driving force in all spheres. This also applies to banking business, which has undergone tremendous changes and transformations over the last decade.

A modern commercial bank is a multifunctional system that performs a huge number of different operations, which can be divided into 4 main types [1]: - passive operations related to the formation of the financial resource base of the bank; - active operations, which are associated with the placement of the formed financial resource base in various types of assets; - commission and intermediary operations; - other operations.

The presented classification of banking operations is universal, but its content is constantly changing depending on the development of financial technologies. At the present moment the trends in banking innovations are maximum digitalization of all processes, robotization, dynamic implementation of financial technologies. However, at present banks are followers in this process, trying not to lose their competitive positions in relation to companies providing financial and technological services, which are becoming leaders of the banking services market at a significant rate. In the system of providing banking services, competitive financial technologies are gradually taking their place, adjusted to the optimization of processes, growth of the number of operations, instantaneous and fast attraction of users [1, p. 131]. At the same time, financial technologies are based on the constant development and expansion of opportunities of both the banking business and the market of banking services.

The inevitability of the increasing use of financial innovations in banking activity leads to a double effect [3]:

- on the one hand, the activation of new technologies causes modernization of banking services, increasing the availability of banking services and the speed of their provision. This increases the demand for banking services and leads to an increase in the profitability of institutions due to the balancing of margins provided by the reduction of transaction costs;

- on the other hand, the active transfer of operations into the digital field, as well as the threat of reduced cybersecurity, contribute to the increase of risks associated with banking activities. At the same time, the refusal to develop financial technologies in the work of the organization will lead to even more negative consequences.

Undoubtedly, in the modern world financial technologies have taken one of the leading places in the development of banking business and are its driving force. The general transformation of the world's economies, their acceleration and automation, on the one hand, requires significant changes in the structure and organization of banking activities – from the automation of all processes, their digitalization, transfer of all banking products to the online segment to changes in the architecture of business processes of banks and their integration with FinTech companies. On the other hand, society's requirements to banking products are changing, and the number and quality of Internet and mobile device users are growing.

Financial technology companies are developing much faster than banks and are major competitors in such areas as funds transfer, e-wallets, microcredit, which stimulates the banking system to cooperate with FinTech companies.

The transition to an innovative banking service platform will allow a banking organization to achieve the following changes:

- building E2E (end-to-end) processes from and for the client;
- provision of omnichannel client experience for obtaining the necessary banking services in real time and on individual terms;
- the ability to change the bank's business model online without the need to re-engineer it;
- reducing the time of software release and its new functionality;
- reducing the cost of maintenance of the bank's IT systems;
- increase in labor productivity of bank employees;
- linear scalability of banking services in real time.

Trends in the development of financial technologies in the banking business are such directions as further development of banks on the basis of financial technologies and their focus on customer needs, building financial and digital ecosystems, wide use of the "buy now, pay later" approach, further growth of the online lending segment, expansion of the use of biometrics and artificial intelligence. It is also important to further analyze the niche focus on certain categories of customers and build solutions around their needs. Focus on customer values, a new level of service.

In addition, the fast payment system will increase the level of innovation penetration in the financial sector and will contribute to the realization of the strategy of FinTech development in the Republic of Iraq, namely the construction of a full-fledged fintech ecosystem with an integrated financial system.

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