

RETAIL BANKING SERVICES ARE THE MAIN SOURCE OF INCOME FOR BANK SERVICE CENTERS

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Annotation:

The article analyzes the role and significance of retail banking services in shaping the income of bank service centers. In the modern financial market, as banks strive to diversify their sources of income through digital technologies and customer-oriented services, retail services emerge as the main factor ensuring stable profitability and liquidity.

Keywords: retail banking services, bank service center, source of income, digital banking, financial stability.

At present, in the process of modernizing the economy, ensuring the stable operation of the banking system and improving the quality of financial services are of great importance. In the context of increasing competition in the banking services market, relying solely on traditional sources of income—such as corporate lending and interest-bearing operations—no longer yields effective results. Therefore, retail banking services are emerging as a strategic direction in banking activities. The development of retail banking services provided to customers by banks is considered one of the key factors in expanding the income base of bank branches.

Retail banking services are a set of banking products and operations designed for individuals, including deposits, microloans, payment cards, electronic payments, mobile and internet banking services. These services make it possible to build long-term relationships with customers, increase their trust, and expand the bank's customer base.

In the context of the digital economy, retail services are emerging as a factor that ensures the stability and efficiency of the banking system. By working with the population, banks are able to generate diversified sources of income. Bank branches (bank service centers) are the main network of commercial banks that provide retail banking services such as accepting utility and other

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payments from the population, currency exchange, accepting deposits, and processing cash transfers. They serve individuals, enterprises, and organizations across different regions of the country.

In recent years, the share of retail services in Uzbekistan's banking system has been steadily increasing. For example, income generated from household deposits, consumer loans, payment cards, and online services now accounts for a significant portion of banks' total revenue.

The main advantages of retail services are as follows:

Interest income sources: Retail services provide opportunities to earn interest income through consumer loans, mortgages, microcredits, and microloans.

Non-interest income sources: During the provision of retail services, banks can generate non-interest income from transaction fees, revenues from bank cards, online payments, and foreign exchange operations.

At the same time, the funds held in various deposit accounts of individuals serve as a source of liquidity for the bank and, to some extent, ensure a continuous flow of resources for its operations.

Through these services, bank service centers get closer to customers, expand their operations in local areas, and steadily increase their income.

When establishing a bank service center, a significant amount of capital expenditure is required. Naturally, these costs should be recovered over time. However, in some cases, this does not happen. The main reasons include poor provision of cash and settlement services to customers, ineffective implementation of credit operations, and improper organization of accounting processes, among others. In addition, in some rural areas, the lack or inadequacy of telecommunications infrastructure that meets modern requirements makes data exchange and the execution of bank transfers difficult.

As a result, clients of bank service centers are moving to other banks, and the volume of retail banking services is decreasing. Compared to other types of banking income, revenues from retail banking services are considered less stable. Nevertheless, if bank branches and service centers operate consistently and efficiently, customers will continue to regularly use the retail banking services they provide.

Currently, there are several challenges in providing retail banking services through bank service centers. In particular, the telecommunications

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infrastructure in some centers does not meet modern requirements, which results in accounting transactions not being processed on time and causes customer dissatisfaction. In addition, in certain locations, the lack of necessary technology for the prompt recording of banking operations also leads to lower customer satisfaction.

In our opinion, in order to eliminate the shortcomings mentioned above and further develop banking activities, it is advisable to implement the following measures:

Strengthen human resource policies: Improve methods of personnel training in the banking sector, select young and talented employees, and train or retrain highly qualified specialists through seminars organized under special programs.

Develop banking infrastructure: Expand the network of bank branches (bank service centers) and equip them with the necessary banking equipment, technologies, and software.

Introduce modern retail banking services: Improve the quality of existing banking services, reduce their cost, and regularly review pricing policies to attract new customers and further expand the bank's customer base.

Through retail services, banks not only achieve stable profits but also establish long-term relationships with their customers. Moreover, the development of the retail segment is becoming the main source of income for bank service centers, as it enables banks to increase both interest and non-interest revenues. In conclusion, if bank service centers further enhance the provision of retail banking services, the number of their clients will grow, leading to increased income and profitability.