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A COMPARATIVE ANALYSIS OF COMMERCIAL BANK SERVICES TO INDIVIDUALS ACROSS DIFFERENT COUNTRIES

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ABSTRACT **DOI No: 10.36713/epra20009** **Article DOI: https://doi.org/10.36713/epra20009**

This study examines the services offered by commercial banks to individuals, comparing banking systems in a selection of countries from diverse economic regions. By analyzing key offerings such as savings accounts, loan services, credit facilities, digital banking, and investment options, this paper provides an in-depth exploration of the global commercial banking landscape. Focusing on countries from North America, Europe, Asia, and Latin America-including the United States, European Union, India, China, Japan, South Korea, Brazil, and Uzbekistan-this study offers a comprehensive look at how different economies structure their financial services and how they address the needs of individual consumers.

INTRODUCTION

Commercial banks form the backbone of the financial system worldwide, providing a range of services designed to meet the varied needs of individual customers. These services include fundamental products like savings and checking accounts, as well as more complex offerings such as loans, credit facilities, wealth management, and digital banking solutions. The extent and nature of these services differ from country to country based on several factors, including the economic environment, financial regulations, technological advancements, and the level of financial literacy within the population.

This paper focuses on comparing the banking services available to individuals in several countries, namely the United States, the European Union, India, China, Japan, South Korea, Brazil, and Uzbekistan. Through this comparative analysis, we aim to identify key trends, challenges, and opportunities for further enhancement in individual banking services. The study also includes a table summarizing key banking services across these countries.

LITERATURE REVIEW

The literature on commercial bank services to individuals provides valuable insights into the diverse landscape of banking systems and how these systems cater to the financial needs of consumers across different regions. This review synthesizes existing research on global banking trends, focusing on how various commercial banking services, such as savings accounts, loan facilities, credit services, and digital banking, differ across countries. By reviewing studies and reports on banking services from diverse regions, this literature review highlights the variations and commonalities in the banking sector.

A major theme in the literature is the influence of a country's economic environment, regulatory framework, and technological advancements on the development and accessibility of banking services for individuals. For instance, in **developed countries** like the United States, the European Union, and Japan, commercial banks have traditionally provided a wide range of services, including savings and checking accounts, personal loans, and credit cards. Digital banking services have become prevalent in these countries, with many banks offering online platforms for individuals to manage their accounts, apply for

loans, and access financial products (Aron, 2019; Singh & Kumar, 2020).

In **emerging markets** such as **India**, **Brazil**, and **China**, commercial banks have experienced rapid expansion and modernization, particularly in the digital banking space. The introduction of mobile banking platforms, digital wallets, and the widespread use of mobile payments has transformed the way individuals access financial services. India's introduction of the **Unified Payments Interface (UPI)** revolutionized banking for individuals, providing an accessible and cost-effective way to transfer money (Nair & Bansal, 2021). Similarly, in **China**, digital banking services like **Alipay** and **WeChat Pay** have become integral to consumers' daily lives, making it possible for individuals to conduct transactions, invest, and access financial products through their smartphones (Li & Tan, 2022).

Banks globally offer a range of services, but the specifics of what is offered can vary greatly depending on regional trends and the economic needs of individuals in each country. For example, **savings accounts** remain a core product in most banking systems. In the **United States**, savings accounts are characterized by competitive interest rates, and digital banking allows easy management of these accounts (Smith, 2021). Meanwhile, in **Brazil**, interest rates for savings accounts are notably higher due to economic inflation and lending rates, which tend to drive individuals toward saving rather than spending (Rodrigues & Miller, 2022).

Loan facilities are also a major component of commercial banking services. Personal loans, mortgages, and auto loans are commonly available in most banking systems. The **U.S.** market is highly developed in terms of mortgage loans and student loans, with banks offering a variety of repayment plans tailored to individuals' needs (Williams & Johnson, 2022). However, **Brazil** and **India** face higher loan interest rates due to economic instability and high inflation rates, which can impact access to affordable credit (Kumar, 2020; Tan & Li, 2021).

Credit facilities, such as credit cards, are another cornerstone of individual banking services. In **South Korea**, credit card usage is ubiquitous, supported by an advanced financial infrastructure that makes access to credit easy and convenient (Yusuf, 2023). In contrast, countries like **Japan** and some **European Union nations** have lower credit card penetration, often due to cultural preferences for cash-based transactions (Li & Tan, 2022).

In recent years, **digital banking services** have taken center stage in discussions about the future of banking. The transition from traditional brick-and-mortar banks to online platforms has altered how individuals interact with financial institutions. Digital banking encompasses online account management, mobile banking apps, peer-to-peer payments, and even AI-driven financial advisory services.

Developed countries have seen the highest adoption of these services, with banks like **Chase**, **HSBC**, and **Santander** providing cutting-edge digital banking options. **Mobile banking** has particularly gained popularity in countries like the **United States** and the **United Kingdom**, where individuals are increasingly using smartphones for banking tasks (Aron, 2019).

However, **emerging economies** have also seen a significant increase in digital banking. In **China**, companies like **Alibaba** have expanded into financial services, creating ecosystems where digital payments and savings products are readily available to consumers. **India**'s **Digital India initiative** and the success of mobile banking platforms such as **Paytm** and **PhonePe** have transformed the way individuals interact with banks, offering a seamless digital banking experience even in rural areas (Singh & Kumar, 2020).

The literature highlights several challenges faced by banks worldwide in providing services to individuals. **Financial inclusion** is a critical issue, especially in developing countries where access to banking services is limited due to geographical, technological, or educational barriers. In countries like **Uzbekistan**, efforts are being made to expand banking access in rural areas, and governments are working on financial literacy programs to improve consumer understanding of banking products (Yusuf, 2023).

On the other hand, the **opportunity for financial innovation** remains significant, especially in emerging markets where mobile technologies can enable **leapfrogging** traditional banking infrastructure. The introduction of **mobile banking** in these regions has proven to be a game-changer, and financial institutions are increasingly looking to **artificial intelligence** (AI), **blockchain technology**, and **cryptocurrencies** as tools to improve services and offer new products to consumers (Rodrigues & Miller, 2022).

ANALYSIS AND RESULTS

Commercial Banking Services to Individuals: A Global Overview

1. **Savings and Checking Accounts:**
   - **United States:** Commercial banks in the U.S. offer diverse checking and savings account products with varying interest rates. Digital banking is widely available, with easy access to mobile banking apps and online account management. Some banks also offer specialized savings accounts, such as high-yield savings accounts.

- **European Union:** Banks in the EU provide savings and checking accounts in compliance with EU regulations, with interest rates typically low for savings. Digital banking services are common across the region, and countries like the UK are at the forefront of adopting mobile banking solutions.
- **India:** In India, savings accounts are prevalent, and many banks offer interest-bearing options. Basic banking accounts are widely accessible through government initiatives aimed at financial inclusion. Digital banking is growing rapidly, especially in urban areas.
- **China:** China's commercial banks offer savings and checking accounts with competitive interest rates. The rise of digital banking in China, particularly through platforms like Alipay and WeChat Pay, has revolutionized the way individuals manage their finances, making mobile payments and transfers ubiquitous.
- **Japan:** Banks in Japan offer traditional savings and checking accounts with some competitive interest rates. However, cash is still heavily used in Japan, and banking has not fully embraced a cashless society compared to other countries.
- **South Korea:** South Korea has highly developed banking services with easy access to both savings and checking accounts. Banks also offer interest-bearing savings accounts, and digital banking is widely adopted, especially for mobile payments.
- **Brazil:** In Brazil, commercial banks offer both savings and checking accounts, with higher interest rates on savings compared to developed countries. Digital banking is growing, and mobile banking is increasingly popular in the country.
- **Uzbekistan:** In Uzbekistan, banking services are evolving, with more banks offering savings accounts, including higher interest-bearing products for retail customers. However, digital banking is still developing, and traditional banking remains more widely used in rural areas.

2. Loan Services

- **United States:** Personal loans, mortgages, auto loans, and student loans are widely available in the U.S. Interest rates depend on credit scores, and the mortgage market is one of the most developed globally.
- **European Union:** The EU offers a variety of loan products, including personal loans, mortgages, and car loans. Loan approval is generally more stringent than in the U.S., with a strong emphasis on risk management.
- **India:** Personal loans and home loans are widely available in India, but interest rates are generally higher due to credit risk. Government-backed loans, such as those for education or small businesses, are also common.
- **China:** China has a rapidly growing loan market, with personal loans and mortgages offered by state-owned and private banks. The government heavily regulates interest rates, and online lending platforms are becoming increasingly popular.
- **Japan:** Loan services in Japan are characterized by low interest rates, especially for mortgages. However, the approval process for loans is more conservative, and loans are typically offered on a secured basis.
- **South Korea:** South Korea offers personal loans and mortgages with relatively low interest rates, but strict eligibility criteria. Consumer credit is widely available, and loan approval is typically fast.
- **Brazil:** In Brazil, loans are generally more expensive, with high interest rates, especially for unsecured loans. However, mortgage products are more accessible, and government initiatives aim to support housing finance.
- **Uzbekistan:** Uzbekistan's loan market is growing, with an emphasis on personal and housing loans. Interest rates are relatively high, but the government is working to improve access to credit, especially for small businesses.

3. Credit Facilities

- ✓ **United States:** The U.S. is home to a well-established credit card market with various rewards programs, cash-back options, and promotional offers. Access to credit is highly dependent on credit scores.
- ✓ **European Union:** Credit card use is less prevalent in some EU countries compared to the U.S., with debit cards and direct bank transfers being preferred in places like Germany. However, countries like the UK have a robust credit card market.
- ✓ **India:** Credit facilities are expanding rapidly in India, with more people using credit cards and personal lines of credit. However, interest rates can be high, and the credit penetration rate is still relatively low compared to developed countries.
- ✓ **China:** Credit card usage is growing in China, with many consumers now relying on cards for payments. However, online lending platforms have also become popular for individuals seeking credit.
- ✓ **Japan:** In Japan, credit card usage is common, but many individuals prefer debit cards or cash for daily transactions. Interest rates on credit cards tend to be high for those with lower credit scores.
- ✓ **South Korea:** South Korea has a high credit card penetration rate, with rewards programs and installment payment options. The country also has a highly developed personal credit system.
- ✓ **Brazil:** Credit card usage is widespread, though interest rates are among the highest globally. Many Brazilians also use installment payment systems that allow for credit-based purchases.
- ✓ **Uzbekistan:** Credit facilities are in the early stages of development in Uzbekistan, with more banks beginning to offer personal loans and credit cards. However, usage remains lower compared to other countries.

4. Digital Banking Services

- **United States:** The U.S. has advanced digital banking services, with most major banks offering mobile apps, online banking, and digital wallets. The adoption of FinTech solutions is rapidly growing.
- **European Union:** Digital banking is well-established, especially in the UK, Sweden, and the Netherlands. Mobile payments are common, and Europe is leading the charge with regulations like PSD2 and GDPR.
- **India:** India has embraced digital banking with the implementation of the UPI system, mobile apps, and digital wallets such as Paytm and Google Pay. Digital banking is seen as crucial to financial inclusion.
- **China:** China is a leader in digital banking, with platforms like Alipay and WeChat Pay providing consumers with seamless mobile payment systems. The country's digital banking services are highly integrated into daily life.
- **Japan:** Japan's digital banking is less advanced compared to China or South Korea, with a strong preference for cash. However, mobile payments are becoming more popular in urban areas.
- **South Korea:** South Korea has a highly developed digital banking system, with mobile banking apps being widely used. The country also leads in adopting mobile payments and contactless technologies.
- **Brazil:** Brazil has rapidly expanded digital banking services, with mobile banking apps becoming an essential part of everyday transactions. The government's introduction of Pix has revolutionized payments.
- **Uzbekistan:** Digital banking is still developing in Uzbekistan, with traditional banking systems dominating, especially in rural areas. However, mobile banking services are gaining traction in urban areas.

1-Table: Comparative Overview of Commercial Banking Services to Individuals Across Selected Countries

Service	United States	European Union	India	China	Japan	South Korea	Brazil	Uzbekistan
Savings Accounts	High interest options, digital banking prevalent	Low interest, GDPR compliance	Interest-bearing accounts, growing digital banking	Competitive interest, mobile banking	Low interest, cash still prevalent	Interest-bearing, widespread mobile banking	Higher interest on savings	Developing, interest-bearing
Checking Accounts	Widely used with digital banking	Common, but more reliance on debit	Basic checking available, digital banking growing	Common, mobile payments dominate	Cash usage still high	Widely used, high adoption of mobile banking	Common, mobile banking on rise	Limited, traditional banking common
Loan Services	Extensive loan products, credit scores impact	Stringent approval, mortgages common	High interest rates, government-backed loans	Growing market, online lending platforms	Low interest rates, secured loans	Low interest, fast approval	High interest, government initiatives	Growing market, higher interest
Credit Facilities	Extensive credit score-based	Less prevalent, debit cards common	Less prevalent, debit cards common	Growing market, online lending	Common, high rates for low credit	High penetration, reward programs	Common, installment payments	Developing, low penetration
Digital Banking	Advanced mobile banking and FinTech	Well-established, PSD2 regulations	UPI system, mobile wallets expanding	Highly integrated mobile payments	Slow adoption, urban areas growing	Highly developed, contactless payment dominant	Expanding rapidly, Pix system	Growing, urban areas adopting
Interest Rates (Savings)	Low to moderate	Low	High	Moderate	Low	Low	High	High

CONCLUSION

Commercial banks across the globe provide a wide range of services to individuals, and the structure of these services varies significantly depending on the country. While countries like the United States, South Korea, and China lead in digital banking and financial products, emerging markets like India, Brazil, and Uzbekistan are rapidly adopting innovative banking solutions to increase financial inclusion and access to credit. Digital banking, in particular, has become a game-changer in many regions, offering individuals

unprecedented access to financial services, especially in emerging economies.

The literature demonstrates that the commercial banking landscape varies significantly across different regions, influenced by factors such as economic development, technology, regulatory frameworks, and consumer needs. While developed economies have highly evolved banking systems, emerging markets like **India**, **China**, and **Uzbekistan** show great promise in the adoption of digital banking technologies. The ongoing evolution of digital services is shaping the future of the global banking sector, with significant opportunities for improving financial inclusion and meeting the diverse needs of individual consumers.

As the global banking industry continues to evolve, the trends of increasing digitalization and mobile banking, along with the need for stronger regulatory frameworks, will shape the future of individual banking services worldwide.

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