



PROSPECTS FOR INNOVATIVE DEVELOPMENT OF BANKS IN UZBEKISTAN

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Annotation

The main purpose of the scientific article is to present the result of the improvement of the banking system of the republic, based on international experience, innovative ideas and market-methodological framework. In this scientific plot the theoretical and practical basis for the application of innovative technologies in the banking payment system, the factors influencing it, the practical measures taken by the country's commercial in this direction. There are also proposals and scientific conclusions on the development of digital services in the banking system of the republic with the help of innovative technologies.

Keywords: innovation digital economy, banking system, electronic money, electronic money circulation, payment systems banking, customer, remote service control, regulatory framework, international practice.

1. Introduction

At present, the introduction of digital technologies requires innovative development of the banking system. Therefore, the main focus of the article is on the innovative development of banking in Uzbekistan. Based on this topical task, the article highlights the importance of innovative development of banking, analyzes the theoretical views of domestic and foreign scholars and the current situation on innovative development of the banking system, as well as proposals and conclusions on innovative development of banks. The work reflects the efforts of commercial banks of the republic to develop their activities in an innovative way. It was also noted that the principles of the digital economy should be used to achieve this convenience. Opportunities for innovative development of the banking system with the effective use of digital technologies are highlighted. We all know that today each of us has the opportunity to do most of the work at home, with a single phone or tablet in our hands. It is also possible to open a mobile application or go to the official website of any organization and get the necessary information, place an order, make a payment and even send a complaint. There are programs and devices that allow you to perform these operations in a matter of seconds, because it used to take months, often you had to stand in line all day. All this is the result of innovative development, the digitization of information, the integration of distributed data from paper sources into electronic databases. The rapid penetration of innovations into our lives has sharply intensified the globalization of world economic relations, competition in the market of suppliers of goods and services, including financial services. The banking system also continues to widely introduce information and communication technologies in line with modern requirements, and thus many banking services are being automated. Now almost all banking services can be obtained in an instant using a mobile phone



or special devices. A few years ago, there was no such opportunity. The Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025, approved by President on May 12, 2020 [1], includes the widespread introduction of modern innovative information and communication technologies, automation of business processes of commercial banks and expansion of remote banking services. Priorities have been identified. Digital changes are optimizing the business models of banks, the banking and payment segment - from remote banking services to changes in the field of financial operations. Currently, the mobile applications of banks include all major banking services for individuals, including making payments, blocking (unblocking) a bank card, obtaining a microloan (credit), online deposit operations and online conversion. As a result of the introduction of innovations, commercial banks will continue to diversify their activities by expanding the range of services they provide to customers, especially the development of retail operations. Because the use of modern information technology by banks is a key factor in the emergence of new banking products.

2. Analysis and Discussion of Results

International experience shows that in order for the financial services market to operate effectively, sustainably and fairly, financial institutions must have professional standards and ethics, effective control and regulation of the financial market by regulators, access to financial services and consumer protection and increase financial literacy. such as interrelated factors.

Digital business is the emergence of new business models that combine the physical and digital worlds. Social networks, the smartphone market, broadband Internet access, machine learning technologies and the "explosion" growth of artificial intelligence will change the world in which commercial banks and companies operate. They will either have to fill vacancies in the new market or adapt themselves to changes by changing existing vacancies. It turns out that the digital transformation of organizations is a response to the development of new information technologies and their active spread around the world.

Although digital data is a valuable economic resource, it will only benefit when it becomes digital thinking. With the advent of the digital economy, the challenges of creating digital platforms and monetizing the rapidly growing digital data are emerging. At the same time, it is important to identify ways to create value, the means of overcoming obstacles in these processes. It provides an understanding of the potential for value creation and distribution, forms of value renewal, management, and value acquisition.

To date, more than 75,000 businesses are provided with QR codes (stickers) of the QR-online information system (Figure 1). Launch of this system:

- In addition to the installed POS-terminal (traditional trading terminal) of business entities to make quick payments for purchases and provide quality customer service;
- Allowed organizations operating in areas such as delivery, passenger transportation, as well as self-employed people (freelancers) to reduce operating costs by timely receipt of payments by customers via QR-code without the use of payment terminals.

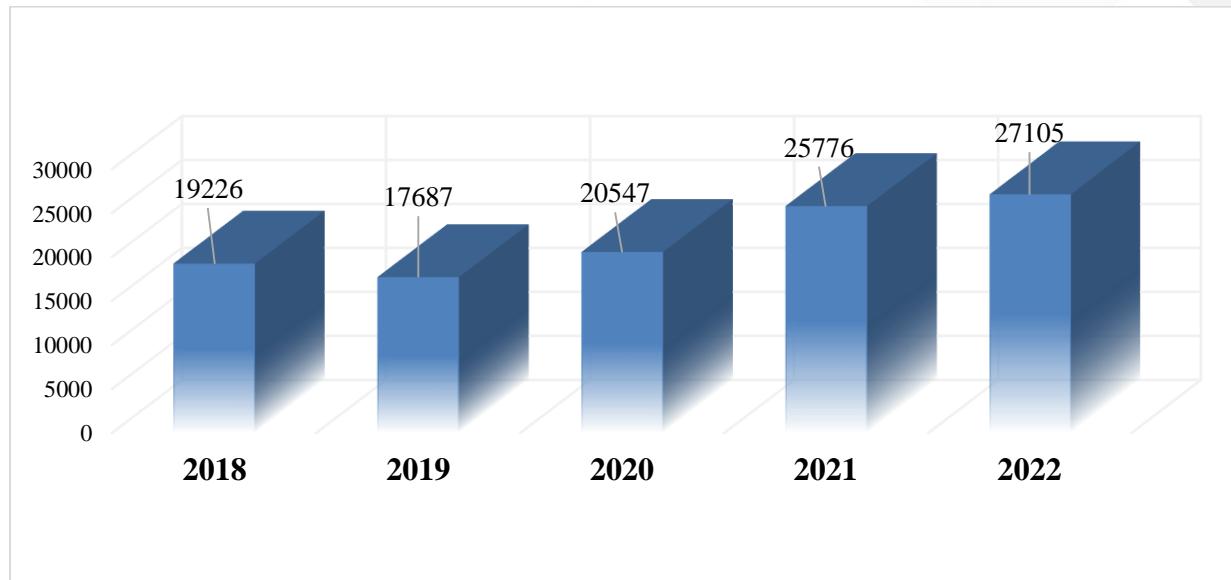


Figure 1. Information on bank plastic cards in circulation as of January 1, 2018-2022 (thousand units) [2]

In our country, the infrastructure of Uzcard and Humo retail payment systems, as well as payment services provided within the payment systems, is developing. As a result of the work on expanding the infrastructure of bank cards, the number of issued bank cards as of July 1 this year amounted to 23.7 million. grains (Figure 1). In the first six months of this year, 95.5 trillion soums were transferred to bank cards. soums, which is 20% more than in the same period last year. The amount of transactions through payment terminals increased by 15% to 49.8 trillion soums. soums, and the amount of transactions through info kiosks amounted to 29.3 trillion soums.

In 2020, the Central Bank also launched a QR-online instant payment information system, which allows you to make payments for goods and services at the expense of funds on the bank card without direct use of the bank card and payment terminal. To use it, trade and service entities apply to commercial banks and receive a QR-code formed on the basis of available bank details, and buyers will be able to pay for goods and services by scanning (“verifying”)

At present, given that the main goal of banking reform is to train commercial banks to work for the client, it is important to build public confidence in the banking system and limit foreign interference in the activities of banks. To this end, through the widespread use of information technology in banks to radically update their software, to continue the process of attracting qualified specialists from leading foreign financial institutions to senior positions for the introduction of modern banking practices, management and services in state banks together with foreign experts. and the need to fully implement the “credit history” information system in lending practice. The role and importance of digital technologies in the development of the world is growing every year. In particular, the widespread introduction of technical transformation processes in the financial sector further increases the



efficiency of banking systems, payment operations, lending and other similar services. This type of technology, which improves and optimizes financial services, is a financial technology called Fintex [3].

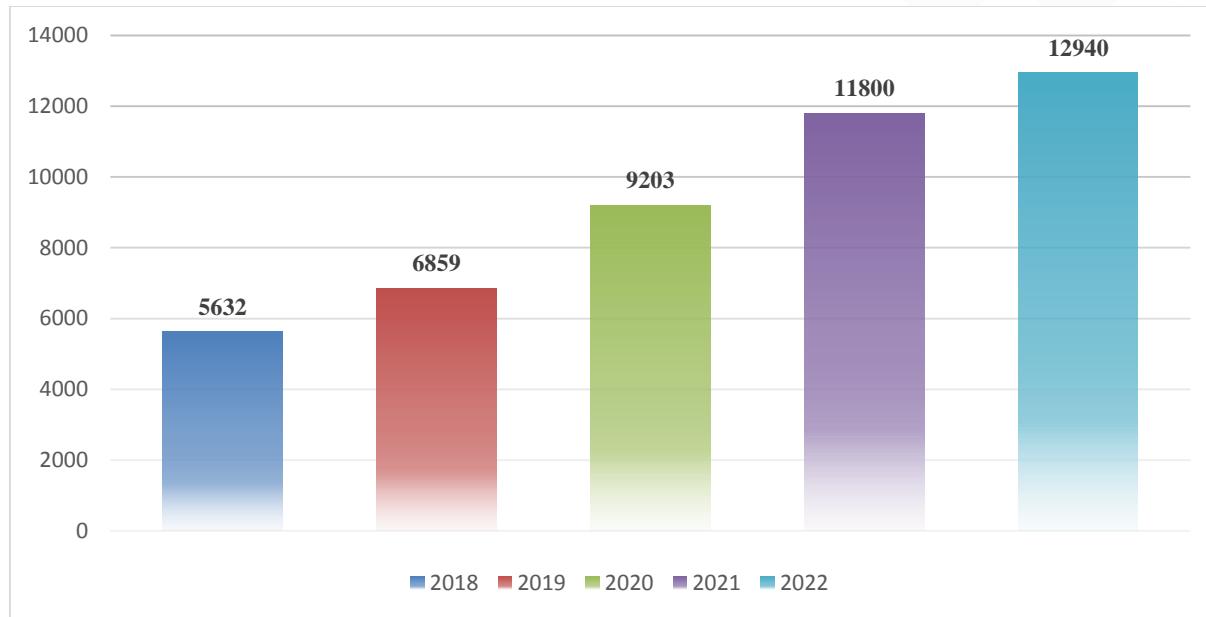


Figure 2. Information on the number of terminals, ATMs and kiosks in circulation as of January 1, 2018-2022 (thousand units) [4]

The number of ATMs and kiosks installed in crowded places increased by 1,194 units compared to the same period last year to 12,298 units, and the number of payment terminals used by businesses increased by 8,375 units, or 438.9 thousand units.

Thanks to the integration of national payment systems with international payment systems Visa and Mastercard, customers began to make transactions with international bank cards at ATMs and terminals located in the territory of the republic. In general, the state of the economy, in particular, the level of customer satisfaction with financial and payment services, is inextricably linked with the quality of banking services, their attractiveness and diversity, as well as the financial capabilities and literacy of customers. Paragraph 2 of the Resolution of the President of the Republic of Uzbekistan dated February 17, 2021 "On measures to create conditions for the accelerated introduction of artificial intelligence technologies" The task of introducing As a result, the coverage of the customer audience will expand, it will spread to remote areas, including the reduction of the cost of service processes due to the reduction of the branch network [5].

3. Conclusions and Suggestions

Financial technology is an industry that consists of intermediaries in the banking and financial services market, i.e. companies that use technology and innovation to compete with traditional financial



institutions. According to Acctnture Consulting, a total of \$ 27.4 billion was spent on fintexstarts around the world in 2017, up 18 percent from 2016. Expected Most Successful Financial Technologies The Forbes Finn Tech 50, which compiles the list of Expected Most Successful Financial Technologies, notes that financial services and market capitalization in the U.S. are a serious competitor to the \$ 8.5 trillion domestic banking sector. It should be noted that financial technologies are able to change not only the individuals and legal entities dealing with financial capital, but also the image of the financial market itself. This type of development allows you to analyze data, monitor the situation on the stock exchange and choose strategies for investment. q they continue to operate. In general, the digital economy is a major ally of corruption and the "black economy". Because numbers seal everything, store it in memory, and provide information quickly when needed. In such circumstances, it is impossible not to hide any information, to make secret transactions, not to give full information about this or that activity, the computer will show it all. The abundance and structure of the data prevents false and misleading work, because it is impossible to deceive the system. As a result, it is impossible to launder "dirty money", steal funds, spend them inefficiently and aimlessly, exaggerate or hide [6]. This will increase the flow of legal funds into the economy, taxes will be paid on time and correctly, budget allocations will be transparent, funds allocated to the social sphere will not be stolen, and funds allocated for schools, hospitals and roads will be fully available. In short, the fact that the state has chosen the path of developing the digital economy opens up new directions in the field of information technology and electronic document management in general.

4. Literatura/Reference

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