

**THE MAIN DIRECTIONS OF FURTHER IMPROVEMENT OF THE PROCESS OF
DIGITALIZATION OF THE BANKING SYSTEM IN UZBEKISTAN**

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Annotation. *The sustainable development of the activities of business entities that are active structural subjects of the socio-economic development of the country is inextricably linked with the banking system, in which the innovative complex of banking services provided to them by commercial banks, including innovative lending, requires the introduction of new digitized quality indicators. This work is devoted to these issues and contains practical suggestions and recommendations for further improving the process of digitalization of the banking system in our country.*

Keywords: *commercial banks, banking system, financial assets, digitalization, international standards, digital technologies*

**ОСНОВНЫЕ НАПРАВЛЕНИЯ ДАЛЬНЕЙШЕГО СОВЕРШЕНСТВОВАНИЯ ПРОЦЕССА
ЦИФРОВИЗАЦИИ БАНКОВСКОЙ СИСТЕМЫ В УЗБЕКИСТАНЕ**

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Аннотация. *Устойчивое развитие деятельности субъектов предпринимательства, являющихся активными структурными субъектами социально-экономического развития страны, неразрывно связано с банковской системой, в которой предоставляемый им коммерческими банками инновационный комплекс банковских услуг, в том числе инновационного кредитования, требует вывода на новые оцифрованные показатели качества. Данная работа посвящена именно этим вопросам и содержит практические предложения и рекомендации по дальнейшему совершенствованию процесса цифровизации банковской системы в нашей стране.*

Ключевые слова: *коммерческие банки, банковская система, финансовые активы, цифровизация, международные стандарты, цифровые технологии*

**O‘ZBEKISTONDA BANK TIZIMINI RAQAMLASHTIRISH JARAYONINI YANADA
TAKOMILLASHTIRISH YO‘LLARI**

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Annotatsiya. *Mamlakat ijtimoiy-iqtisodiy rivojlanishining faol tarkibiy sub`yekti hisoblangan tadbirkorlik sub`yektlari faoliyatining barqaror rivojlanishi bank tizimi bilan uzviy bog`liq bo`lib, unda tijorat banklari tomonidan ularga ko`rsatilayotgan innovatsion kompleks bank xizmatlari, shu jumladan, innovatsion kreditlash xizmatlarini yangi raqamlashtirilgan sifat ko`rsatkichlariga olib chiqishni taqozo etadi. Mazkur ish aynan shu kabi masalalarga bag`ishlangan bo`lib, unda mamlakatimizda bank tizimini raqamlashtirish jarayonini yanada takomillashtirish yuzasidan amaliy taklif va tavsiyalar berilgan.*

Kalit so`zlar: *tijorat banklari, bank tizimi, moliyaviy aktivlar, raqamlashtirish, xalqaro standartlar, raqamli texnologiyalar*

INTRODUCTION

Commercial banks are the main link in the economy that supports economic growth by taking financial assets from one entity and placing them in another. The population's need for remote access to modern banking services is growing day by day, which encourages banks to widely use digital technologies, integrate their database with databases of government agencies and other organizations. This has become a key condition for banks to be able to work stably in the financial market for a long time and ensure their profitability.

Banks in Uzbekistan, developing cooperation with international financial institutions, focus on the widespread use of advanced digital technologies in the transformation of their activities using foreign experience and standards [12]. Therefore, in the thesis of the President of the Republic of Uzbekistan Sh. Mirziyoyev "The Strategy of the new Uzbekistan" notes: "For the development of the economy, it is necessary to have a comprehensive and balanced socio-economic development of regions, districts and cities, effective and optimal use of their potential" [2]. After all, having not reached the indicators of sustainable development in the regions, it is logically meaningless to express an opinion on the rise of our national economy and ensuring its level of competitiveness. Therefore, in the current developing period and against the background of deep reforms, a detailed analysis of the socio-economic development of the regions of our republic is more relevant than ever for making important and rational economic decisions.

MATERIAL AND METHODS

It should be particularly noted that in the development of the digital economy, the supportive policy of the state is of particular importance. To achieve progress, we need and need to master digital knowledge and modern information technologies. This gives us the opportunity to take the shortest path of ascent. After all, today information technologies penetrate deeply into all spheres of the world. To this end, the Decree of the President of the Republic of Uzbekistan dated October 5, 2020 No. UP-6079 "On the approval of the strategy "Digital Uzbekistan - 2030" and measures for its effective implementation approved the "Strategy of Digital Uzbekistan-2030". In order to develop e-commerce and electronic payment systems:

-development of remote banking services through the introduction of information and communication technologies, including remote customer identification systems;

- development of digital infrastructure, expansion of opportunities and scales of connection to e-commerce platforms with personal digital equipment by further increasing the coverage and speed of the worldwide information network of mobile and wired Internet;

- further development of e-commerce and electronic payment systems, as well as improving the information infrastructure in the economy and finance, taking into account the possibilities of accepting and processing payments when providing e-government services;

- creation of a business model of financial supermarkets focused on providing a wide range of banking and non-banking financial services (securities transactions, insurance, etc.) On the same trading platform;

-commercial banks have identified such areas as increasing the volume and quality of customer service through remote banking services (Internet banking, client banking, SMS banking, etc.), including through mobile applications.

At the same time, the Decree of the President of the Republic of Uzbekistan dated May 12, 2020 No. PF-5992 approved the "Strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025". This strategy considers as one of the priority directions of reforming the banking system the complex transformation of commercial banks with a state share, the introduction of modern banking standards, information technologies and software products, the sale of state-owned stakes in banks to investors with the necessary experience and knowledge on the basis of competitive bidding, as well as the development of commercial banks and enterprises with a state share. at the same time, it was planned to reduce the state's share in the banking sector through reforms.

Results. Among the Russian scientists who have made a great significant contribution to the development of modern theory and practice of economic development, we can name such as R.Ayupov, D.Rasulova, D.Rasulev, Z.Mamadiyarov [8]. The characteristic indicators of the digital economy include new production methods, mass cooperation, mass ownership of intellectual property, changing consumption patterns and an open labor market. However, at present, the contribution of the digital economy (Internet commerce, Internet services, content, electronic payments, etc.) to the gross national income of the Republic of Uzbekistan does not exceed 1%. But the development trends of our country show that the aforementioned markets will develop rapidly in the future. Life trends clearly show that other services of the digital economy, including big data, artificial intelligence, machine learning, crowdsourcing, crowdfunding, blockchain and cloud technologies, will also be crucial for the economy of the future and corporate governance.

Discussion. Digitalization of the financial sector is an integral feature of the development of the modern world economy. In order for financial market entities to be successful and competitive, it is necessary to follow global trends and be "digital" when

introducing advanced technologies. The fulfillment of this task will lead to a change in the traditional global business models in accordance with the problems of the modern world. Digitalization of the banking sector is a complex and multifaceted process. But its ultimate goal is clear and simple, that is, it is to save resources (time and money) for customers and the banks themselves.

Analyzing the digitalization of the financial sphere as an evolutionary stage in the development of modern society, it is necessary to consider the main stages of its formation. It should be noted that the basis of this process is the active introduction of achievements in the field of financial relations in the field of financial technologies.

The introduction of digital technologies requires a radical change in the business strategy of all sectors of the economy. The high efficiency of the application of innovative solutions forces the financial sector to make changes both in order to strengthen its position in the market and in order to increase the level of interaction with customers and market participants. Credit organizations strive to become financial high-tech corporations that meet the following requirements:

- providing clients with a comprehensive set of services within the financial technology ecosystem;
- increasing information transparency, facilitating the elimination of intermediation in the financial market;
- continuous improvement of digital solutions implemented to ensure real-time performance and security, etc.

The change in the traditional business model is due to the change of a significant part of the information technologies that unite all areas of the bank's activities. This process includes:

1. Considering the need for constant adjustments, doing business and developing a digital strategy based on its mission (high speed of the emergence of digital innovations, legislative changes, etc.).
2. Creating IT-systems or IT-landscape architecture. This stage includes the development of software, computing and telecommunication toolsets built in a specific configuration and ensuring the functioning of operational processes for business units;
3. Development of IT solutions and their implementation.

The development of the bank's digital strategy is based on the identification of key segments of sustainable development: the creation of a digital product, including personalized banking services; ensuring transparent interaction with customers, regulators and partners; the development of the financial ecosystem of partners, the creation of business incubators, etc. (table).

Table
Key segments of the bank's digital strategy [13]

Direction	Description
Creating a digital product	The need to meet the requirements and desires of customers increases the customer base and the number of products available to the buyer.
Implementation of direct interaction with the client	The use of remote banking services, including the offer of personalized products and services in real time, activates the customer base and increases the level of customer retention
Development of the partners' financial ecosystem	Creating opportunities for marketing banking products through partner platforms, which allows you to increase the level of the customer base and increase the number of products suitable for each client.
Remote operation with the controller	Automation of internal processes and the absence of unnecessary formalities reduces transaction costs, time and operational risks.
Support for business incubators	The development of an ecosystem of ideas and resources helps to make and implement quick decisions, reducing process costs and increasing customer satisfaction.

The creation of a roadmap for the implementation of a digital strategy using the digital landscape involves the allocation of separate business areas: multi-channel distribution and marketing, integration of services and processes, processing operations, support, data processing, strategy and management. In order to effectively develop these areas of business, banks need to implement a single multi-channel digital platform that will allow them to manage multi-channel services.

To ensure effective integration of services and processes, the API (application programming interface), built on technology, should be used to provide participants with an open data collaboration scheme on mobile devices. In the field of transaction processing, including the functions of inter-product activities (contract transaction management, payments, limits, borrower assessment, regulatory compliance, etc.), as well as all operations related to banking products (current accounts and deposits, lending, stock market transactions, interbank transactions, etc.), processes and it is desirable to strengthen automation in practice.

Collecting, storing and managing customer transaction information is an important part of the banking business. To increase its efficiency, it is necessary to strengthen automation, including determining the volume of basic data in the systems of the landscape, in order to prevent duplication of processes for business units and reduce costs.

It is also advisable to use analytical tools to assess the level of customer satisfaction with services, identifying micro-segments and models of their behavior.

As for the strategy and management of the credit institution as a whole, it is necessary to introduce automated systems that support common corporate functions (strategic planning, mergers and acquisitions management, business process management, methodological support), as well as cross-functionality of innovation management, crowdsourcing and electronic document management. It is important to ensure the possibility of exchanging documents with clients not only with respect to legal entities, but also individuals using electronic digital signatures, as well as the availability of a single repository of documents (contracts, customer documents) printed in digital form.

Technology services are a tool and a driving force for changing business strategy and achieving positive financial results. The activity of a credit institution in this direction reaches a qualitatively new level, allowing it to be made more attractive to the client, and inaction can lead to the displacement of a participant from the market.

Conclusion. The importance of commercial banks in the processes of credit provision of all branches and branches of the economy, as well as money management is very great. The level of economic development will largely depend on how well commercial banks cope with the tasks assigned to them. The President of the country Sh .Mirziyoyev emphasized that there are still a lot of problems that need to be solved in this matter. In particular, "due to the inflow of private and foreign capital into the banking system, we will gradually reduce the share of state-owned banks. This will contribute to improving the competitive environment in the industry, comprehensively improving the activities of commercial banks, the quality and culture of lending."

It is necessary to further expand the sphere of banking services through the introduction of new financial instruments and the issuance of bonds, the development of the banking system based on advanced information technologies [1].

At a time when digital and innovative technologies are rapidly being introduced into banking practice, commercial banks should conduct extensive training and appropriate measures to perform the above tasks at the proper level. The result of the activities carried out is closely related to how efficiently and effectively the activities of commercial banks are organized. For the same reason, there is a need to assess the effectiveness of commercial banks. Thus, the assessment of the effectiveness of commercial banks in the new economic conditions and its improvement in the conditions of interbank competition are among the issues of great scientific and practical importance [14].

The process of ensuring that the results of the economic reforms carried out in our country are at the level of demand requires the creation of a system of objective assessment of the effectiveness of commercial banks. The purpose of the new approach to the study of the issues of assessing the effectiveness of commercial banks and its improvement in the context of the development of interbank transactions is to develop proposals and practical recommendations aimed at assessing the effectiveness of

commercial banks and its improvement in the context of interbank competition. To achieve this goal, the following tasks must be implemented:

- research of theoretical ideas about the evaluation of the effectiveness of commercial banks and its improvement in the conditions of interbank competition and the provision of relevant scientific and theoretical conclusions;

- research of methodological bases for assessing the effectiveness of commercial banks and its improvement in the conditions of interbank competition, as well as the formation of scientific conclusions;

- analysis of the current state of evaluation of the efficiency of commercial banks and identification of existing trends;

- analysis of the features of assessing the effectiveness of commercial banks based on advanced foreign experience and development of proposals and recommendations for their application in the banking practice of Uzbekistan;

- assessment of the direction and leverage of factors influencing the assessment of the effectiveness of commercial banks, analysis and development of scientific proposals and practical recommendations aimed at improving the efficiency of commercial banks in the country, etc.

An important practical importance in the sustainable development of commercial banks in the conditions of strengthening healthy interbank competition is acquired by the system of evaluating the effectiveness of their activities. A new approach to the study of the issues of evaluating the effectiveness of commercial banks and its improvement based on the new requirements of interbank competition allows:

- the theoretical views on the essence and significance of the effectiveness of a commercial bank in the conditions of interbank competition are summarized, the definition of the effectiveness of a commercial bank is given - in the form of “competitive results of activity expressing the improvement of the welfare of business owners, the creation and increase of bank value in compliance with banking legislation and prudential regulations”, on the basis of which the scientific apparatus of this concepts and is given expanding;

- a comprehensive classification of commercial banks is proposed, taking into account the allocation of the “efficiency of activity” parameter, which is of practical importance in the regulatory activities of the Central Bank of the Republic of Uzbekistan, as well as from the point of view of owners and investors, in the process of timely taking appropriate measures to prevent the bankruptcy of a commercial bank;

- on the basis of a comprehensive analysis of the results of the activities of commercial banks of the Republic of Uzbekistan in the conditions of interbank competition, trends in the efficiency of commercial banks are determined;

- as a result of the analysis of the advantages and disadvantages of the current methods of assessing the economic condition of a commercial bank, the main indicators

assessing the effectiveness of a commercial bank are selected and scientific and methodological recommendations for their use are developed;

- on the basis of integral indicators, a methodology for evaluating the effectiveness of a commercial bank is being developed, including the calculation of the effectiveness of commercial banks.

In the course of the study, the following conclusions were formulated regarding the prospects for the development of commercial banks' operations in business:

1. The expediency of improving the efficiency of the bank's credit practice by applying to the activities of commercial banks the indicator of satisfaction of business entities with the practice of bank lending and the indicator of their shortcomings in the practice of bank lending is explained:

- by measuring and evaluating the effectiveness of the bank's lending, the activities of the employees of the credit department are evaluated, the degree of involvement and retention of business entities is measured;

- an increase in the experience of business entities and mutual exchange of knowledge is achieved, which leads to an increase in the number of bank customers. As a result, it is possible to increase the bank's income.

2. The results of the study and generalization of advanced foreign experience in improving the practice of crediting business entities by commercial banks have shown:

The existing experience of providing guarantees by commercial banks in the United States in the practice of crediting business entities indicates an improvement in their credit practices; The practice of lending in Bangladesh state-owned banks has been improved by dividing customers into groups with the same opportunities for providing separate banking services and lending; The introduction of Islamic banking, financial and credit practices in the country shows business entities the opportunity to carry out their activities not only within the framework of current legislation, but also in accordance with the requirements of their religion - in honest ways.

3. It is necessary to reduce the weight of banks that have a state share in credit investments allocated by commercial banks. To do this, we offer the following experience in the practice of lending to the Japanese state: firstly, the creation of a special state commercial bank for the implementation of state programs; secondly, the state's share in existing commercial banks should be sharply reduced and completely sold.

4. It is necessary to introduce innovative online lending services into the banking practice of Uzbekistan.

Online lending is widely used in the banking practice of developed countries. Improving this type of services, it is necessary to improve the speed and quality of the Internet, increase the computer literacy of business entities. Because innovative online lending can be expressed in meeting the needs of business entities in the practice of lending without much effort and time.

5. The expediency of increasing the efficiency of lending to business entities by commercial banks is explained by: funds provided to business entities by opening a credit line should be formed on the basis of supply and demand; the total amount of the loan should include expenses related to the registration of a pledge of a business entity; the business plan should be drawn up based on the activities of the business entity; when the Central Bank sets the credit limit, commercial bank branches need to liberalize the loan amount; it is important to take into account the ratio between the repayment of the loan in foreign currency and the loan term.

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