



THE PENETRATION OF DIGITAL TECHNOLOGIES IN THE BANKING SYSTEM OF UZBEKISTAN

Yuldashev Bilolkhon Saminjon o'g'li

Tashkent Financial Institute

Direction of banking and audit 2 stage student

bilolxony15@gmail.com

+998998109919

Annotation: This article will focus on one of the main directions in the socio-economic development of the country - the penetration of digital banks into Uzbekistan in the conditions of the transition of the economy to the digital stage, the differences in digital and ordinary systems in banking services and how the prospects for their further development are established. Feedback and feedback will be made on the penetration of digital technologies in the banking system of Uzbekistan.

Keywords: digital bank, electronic circulation, mobile communications, internet, Commercial Bank, retail bank, traditional bank, online credit, technology.

Humanity is able to receive a large amount of information in different ways every day. This is largely due to the growing technical capabilities of mobile phones, the internet, smartphones, the sharp increase in the involvement of people in social networks and the growing speed of the internet. Serious changes in the world financial system, as well as measures implemented in the country for large-scale reform of the national economy, dictate the use of new approaches and principles in the formation, implementation of monetary policy and further development of the banking system.

The rise of the digital economy is one of the peculiarities of the 21st century. Of course it is difficult to imagine today without digital technologies of course. It is the wing of intelligence and science development. The peak of modern science is visible in high technologies, in the digital world. The Fourth Industrial Revolution represented the beginning of a new vision of progress - the "digital economy". Today we have huge goals that we want to achieve in the near future. To do this, we definitely need mature personnel, specialists. Digital technologies affect society and the economy in many ways, including through new communication and collaboration tools; new products with a strong component of service delivery; the role of data as an economic growth factor; automation of tasks using artificial intellect (AI); and the emergence of new business models such as platforms. Therefore, digitization radically changes our life and the way we work together. This means the development and prosperity of the whole state.

Of course, today we can also observe fundamental changes in the field of society, government, economy, business, trade and banking on the basis of a significant change in the information system. Also, over the past 20 years, technology has brought



changes to the banking industry in such a way that it is impossible to associate it all over the world. Internet and mobile communication have reached the most remote corners that connect people and organizations around the world. This changed the expectations of customers on long shifts and the principles of organization Operation. And with the help of mobile communications and related infrastructures, fintech2 technology (financial technology) has entered the banking sector and launched a wide variety of products that are customer-friendly.

The pandemic observed in the world community in recent years has given money in the market economy. Spurred a drastic change in operations. In doing so, banks made it necessary to digitize the customer service process so that their customers could be saved and not hurt. This led to an increase in demand for automated ATMs, the beginning of the digital bank. The next stage began to require reforming the process of waiting for customers in long queues. This prompted banks to come up with better innovations, products and types of services. Today, customers can use the services of banking institutions at any time, at their own discretion, without attracting bank employees. With a digital bank, all records are stored in digital form, the data is interpreted into useful information through the use of analytical methods, good communication with customers is established, and more business appears as a result of interaction with customers. All this leads to an increase in the efficiency of work and an improvement in the bank's income.

Digital bank is a bank that does not have networks, whose activities are based on electronic circulation. For the first time, the term "digital bank" was detailed in Chris Skinner's book "Digital bank", published in the United States in 2014. The 1989 UK-based First Direct bank began providing customers with telephone service for the first time, and an interesting fact is that 1,000 calls were received on the first day. During the period 2015-2020, the concept of "digital banking" has developed rapidly in European countries.

Digital banks have switched to the principles of using modern digital innovation extensively to provide their customers with more convenient and profitable services. Together with this concept, digital banks began to enter Uzbekistan in the coming years. For the first time, the concept of a digital bank was published in the draft of the central bank "regulation on the procedure for registering banks and licensing their activities", and the term digital bank entered into the legislation.

According to him, a digital bank is a bank or its structural unit that provides remote banking services using innovative banking technologies (without providing cash service). Remote provision of banking services by digital banks is carried out taking into account the requirements of legislation based on the rules of internal banking order. It will take some time to completely replace the physical store with a digital bank. Customers prefer the interaction of people when making important decisions, such as borrowing or discussing its terms. However, digital banking services prove to be convenient for recurring banking functions.



The basis of the development strategy of digital banks is customer orientation. That is, the bank provides services only for customers without excessive hassle.

In conclusion, digital banking is the automation of traditional banking services. This is the key to attracting customers, increasing profitability and controlling. It improves banking again by replacing the availability of services in banks with the availability of the Internet and eliminating the customer's need to visit the branch. Digital banking allows customers to conduct transactions through a variety of secure digital channels while the bank dominates data security. In doing so, combining online and mobile banking services with the latest digital technologies such as analytics, social media, innovative payment solutions, and mobile technologies will lead to an increase in convenience as customers expect.

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