



PROSPECTS FOR THE DEVELOPMENT OF INNOVATIVE ACTIVITIES OF COMMERCIAL BANKS

Kurbonboev Sherzodbek Shavkat ugli

Academic Lyceum of Westminster International University in Tashkent

A B S T R A C T	KEY WORDS
The main purpose of the scientific article is to present the results of improving the banking system of the republic based on international experience, innovative ideas and market-methodological foundations. This scientific article discusses the theoretical and practical foundations of the use of innovative technologies in the banking payment system, the factors influencing it, and the practical measures taken by the commercial sector of our country in this direction. Tera also expressed his proposals and scientific conclusions on the development of digital services using innovative technologies in the banking system of the republic.	Innovative digital economy, banking system, electronic money, electronic money circulation, payment systems, bank, client, remote service control, regulatory framework, international practice.

Introduction

Currently, 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 urgent task, the article highlights the importance of innovative development of banking, analyzes the theoretical views of domestic and foreign scientists and the current situation on the innovative development of the banking system, and also presents proposals and conclusions on the innovative development of banks. The work reflects the efforts of commercial banks of the republic to develop their activities in an innovative way [1]. It also notes the need to use the principles of the digital economy to achieve this convenience. The possibilities of innovative development of the banking system through the effective use of digital technologies are highlighted. As we all know, today each of us has the opportunity to do most of our 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 to obtain 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 before it took months, often you had to stand in line all day. All this is the result of innovative development, digitization of information, integration of information distributed from paper sources into electronic databases. The rapid penetration of innovations into our lives has sharply increased the globalization of world economic relations, competition among suppliers of goods and services, including in the financial services market. The banking system also continues to widely introduce information and communication technologies based on the requirements of the time, and as a result,

many banking services are being automated. Now almost all banking services can be obtained instantly using a mobile phone or special devices. A few years ago, such an opportunity did not exist. The Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025, approved by the Head of State on May 12, 2020 [2], provides for the widespread introduction of modern innovative information and communication technologies, automation of business processes and expansion of the activities of commercial banks. remote banking services. priority tasks were 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 transactions.

2. Analysis and discussion of results.

International experience shows that for the financial services market to function effectively, sustainably and fairly, it is necessary to have professional standards and codes of conduct in financial institutions, effective supervision and regulation of the financial market by regulators, protection of the rights of consumers and the use of financial services, as well as increasing financial literacy. as interrelated factors.

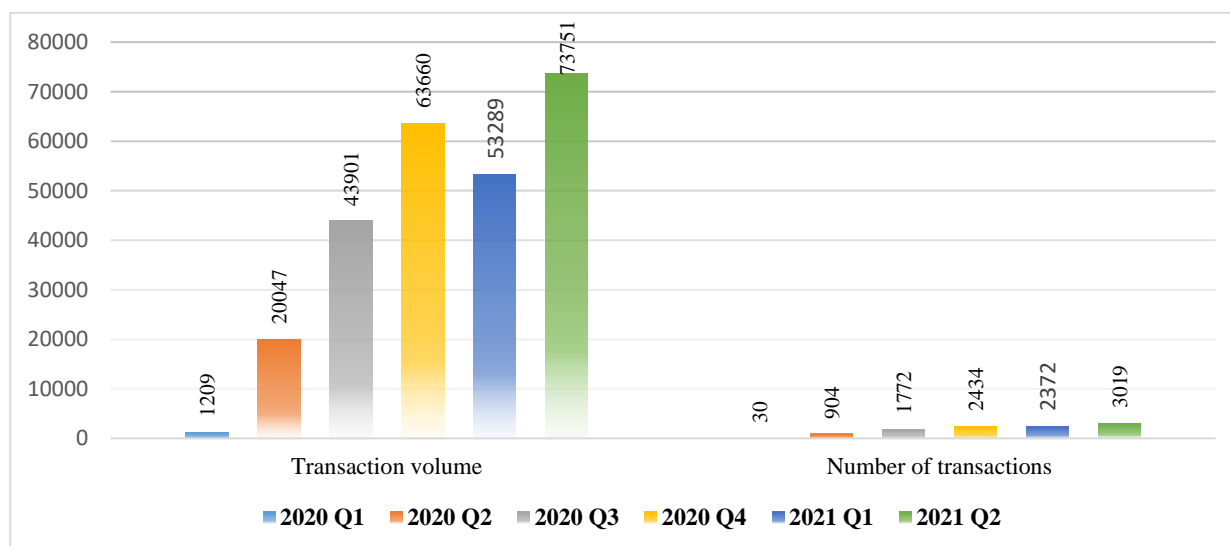


Figure 1. Analytical information for 2020-2021 on payment documents used in settlements made through the interbank payment system of the Central Bank [3]

In 2020, the launch of another interbank payment system - the Central Bank's "Instant Payment System" - made it possible to make payments 24/7 through remote services to legal entities and individual entrepreneurs who are customers of commercial banks. In September last year, the "Instant Payment System" made it possible to transfer budget and tax payments to the treasury of the Ministry of Finance, as well as to make payments on credit 24/7. As a result, in the first half of this year through the "Instant Payment System" 127.0 trillion. 5.4 million soums worth of transactions, including 4.3 trillion soums to the budget. More than 724,000 soums were paid.

Digital business is the emergence of new business models that combine the physical and digital worlds. The "explosive" growth of social networks, the smartphone market, broadband Internet access, machine learning technologies and artificial intelligence is changing the world in which commercial banks and companies operate. They need to fill vacancies in the new market or adapt to changes by

changing existing vacancies. As it turns out, the digital transformation of organizations is a response to the development of new information technologies and their active spread around the world [4]. We can also see a significant increase in the number of terminals installed and terminal services compared to the last three years. This will create favorable conditions for the population and entrepreneurs using banking and financial services, as well as facilitate faster cash flow (Table 2).

Table 1 Information on current terminals and installed terminals of 10 largest banks operating in the Republic of Uzbekistan as of March 1, 2022 [3]

№	Commercial banks	Integrated payment terminals	Number of terminals and infokiosks installed
1.	“National Bank”	40 346	655
2.	“Own industrial construction” bank	33 472	470
3.	“Agrobank”	43 392	1 971
4.	“Microcreditbank”	23 402	252
5.	“Xalq banks”	51 462	1 373
6.	“Partnerbank”	31 742	785
7.	“Asaka bank”	15 382	257
8.	“Silk Road Bank”	24 047	537
9.	“Contact bank”	12 897	275
10.	“Ipoteka-bank”	42 094	634

As can be seen in the table above, the Xalq Bank leads with 51,462 installed terminals, while Agro Bank leads with 1,971 in the number of kiosks. This, in turn, increases the demand for banking services, as well as the improvement of remote service mechanisms.

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.

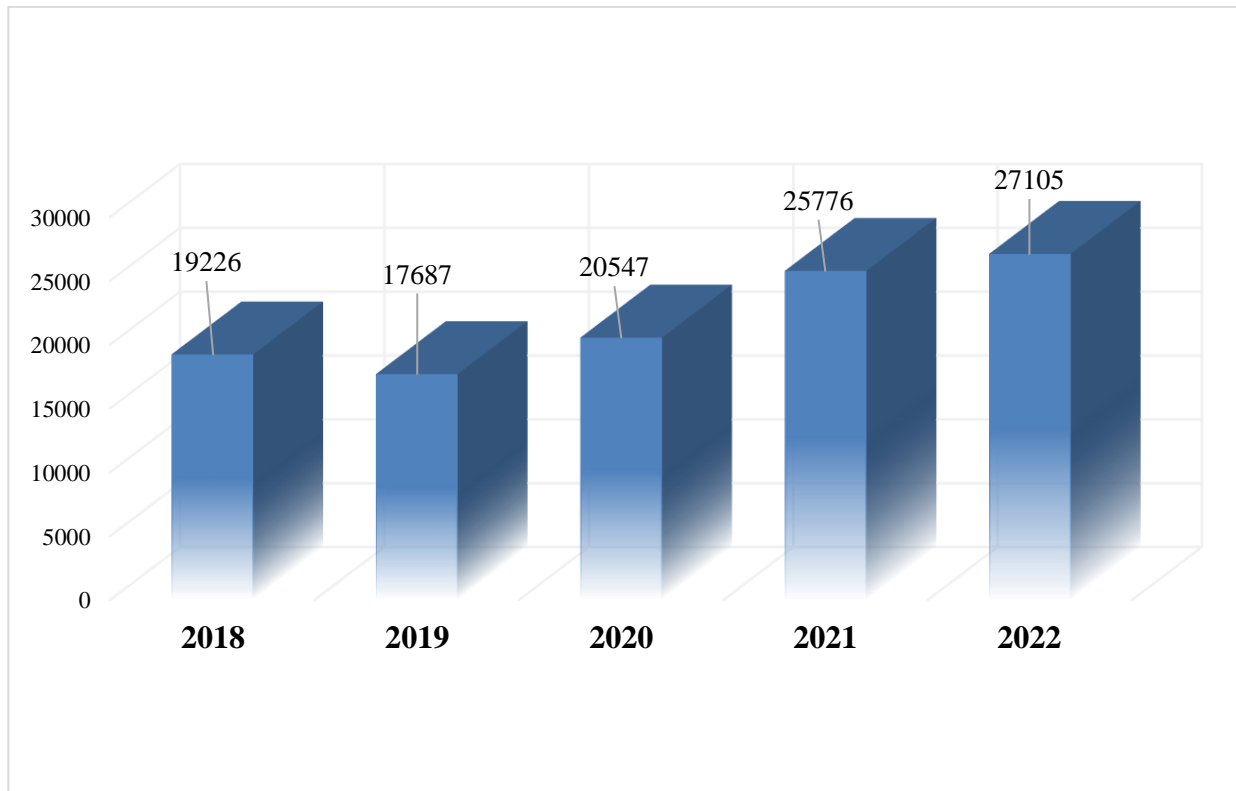


Figure 2. Information on bank plastic cards in circulation as of January 1, 2018-2022 (thousand units) [3]

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 2). 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”)

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 Fintech [3].

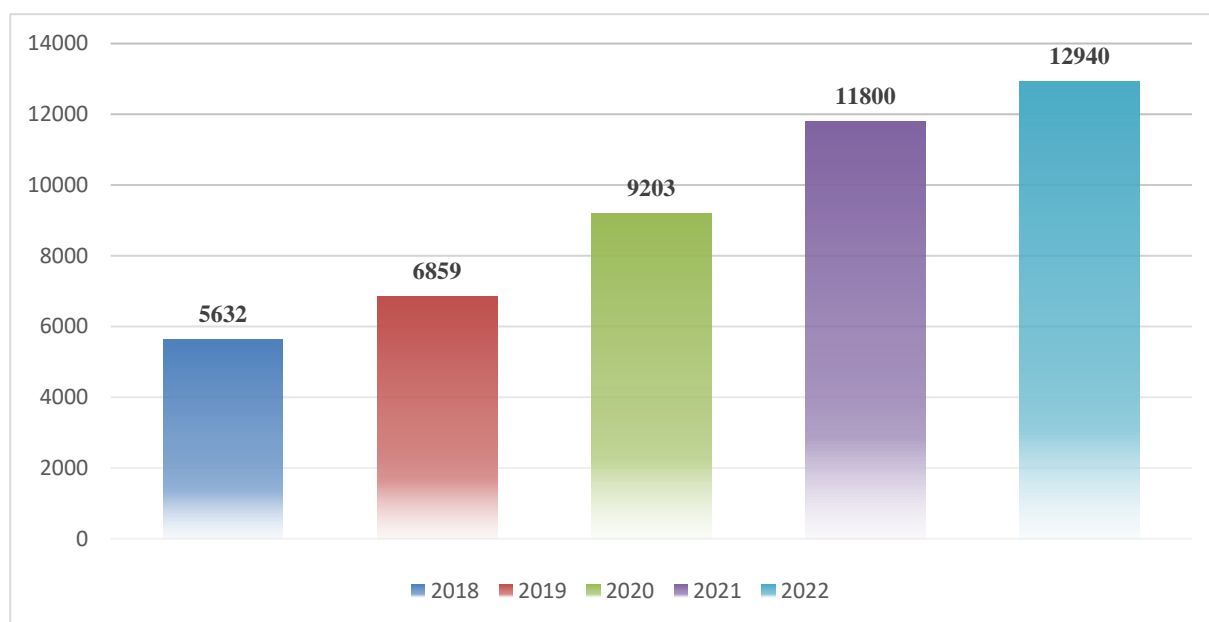


Figure 3. Information on the number of terminals, ATMs and kiosks in circulation as of January 1, 2018-2022 (thousand units) [3]

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.

3. Conclusions and Suggestion

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 fintechstarts 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 [5]. 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.

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