

# Ways of using digital technologies to increase the efficiency of banking activity in the banking system of Uzbekistan.

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**Abstract.** Digital banking technologies and their structure and elements in the banking system of the Republic of Uzbekistan are widely covered in this article. The scientific views of foreign and local scientists on banking technologies were studied, analyzed and author's opinions were expressed. Also, the possibilities of introducing digital technologies and their elements in the banking system on a large scale, their advantages and directions for its improvement are proposed

**Keywords:** commercial bank, digital banks, banking technology, information technology, mobile banking, Big Data, Data basing, Cloud, CRM (customer relationship management)

Enter. The use of digital technologies by commercial banks in Uzbekistan requires the transformation of banks, first of all, the creation of digital banks, and then it allows to increase the efficiency of existing banks, improve the quality of service and reduce banking costs.

Additional measures should be taken to increase the popularity of financial services, expand the penetration of banks into the regions, and ensure the provision of the same type of services in all settlements. It is necessary to take prompt measures to introduce information technologies and financial technologies to the banking system on the basis of modern service solutions, ensure adequate information security, and reduce the influence of the human factor in the provision of financial services.

Also, in digital banks, banking services will be maximally automated and self-management systems will be created for bank customers. The main demand of digital banking today is that as a result of the development of the digital economy, banks need to serve a large number of customers by developing remote banking services, not by increasing the number of branches.

In particular, the President of the Republic of Uzbekistan dated January 28, 2022

Decree No. PF-60 "On the development strategy of New Uzbekistan for the years 2022-2026" requires the formation of a modern banking system in our country, implementation of comprehensive changes in the banking system aimed at increasing the investment attractiveness of banks and introducing new standards of banking services, radical reform of the banking system, the transformation of banks, modern banking practice, management and introduction of new services are noted.

The main part. The main directions of innovative development of the digital bank, which determine the ways of changes in the activity of banks, can be combined into three groups:

First, it determines the globalization of financial markets - the transition to a single market of financial services.

Secondly, the liberalization and deregulation of national financial markets will lead to the emergence of new non-bank competitors (new banking technology providers Open banking, FinTech, Banking-As-A-Service).

Thirdly, the transition to globally integrated technological systems (Internet) will enable the formation of a common global network.

In the activities of banks of developed countries such as the USA, Europe, and Japan, using elements of the modern banking model such as Big Data (big data), Data basing (data base), Cloud (cloud technology), CRM (customer relationship management), APPi Banking, artificial intelligence banks are developing together with the IT sector.

Big Data (big data) technology is a set of methods and instruments for processing large amounts of structured and unstructured data and is an alternative to the traditional database management system.

Big Data technology allows commercial banks to ensure the effectiveness of asset operations and make accurate decisions on risk management. The widespread use of ID cards, which is an element of Big Data,

encourages the exchange of information between banks, the improvement of service quality and the creation of new banking services.

Digital technology widely used in modern banking practice is Data basing (data base) technology. Data basing technology consists of blocks arranged in a certain sequence based on certain rules. There are open and closed networks of data basing, and the participants in the open network are not fully identified, and the network rules manager there will be no upper link. In the closed network of data basing, the membership criteria are defined, and the participant has the opportunity to use the network service only when he meets these criteria.

Cloud technology (cloud technology) is the storage, collection and transfer of computer system resources, in particular data (cloud storage), without direct active control by the user. Generally, this term is used to describe data centers that are available to many users over the Internet. Today, Big clouds often have functions distributed from central servers to multiple locations. If the connection to the user is relatively close, it can be defined as an edge server. Cloud technology can be limited to one organization (Corporate cloud) or it can be open to several organizations (Social cloud). Cloud technology compatibility and based on sharing resources to achieve economies of scale.

Cloud technology enables companies to avoid or minimize IT infrastructure costs, allowing enterprise applications to run faster, which improves management and reduces operational errors with less maintenance, and which enables IT teams to configure and deploy resources more quickly to meet changing and unexpected demand. allows.

CRM (Customer Relationship Management) system is a modern strategy for managing relations between a commercial bank and customers in the modern banking model. This system covers customer acquisition, customer service and customer retention. The CRM system allows you to segment thousands of customer accounts according to their usefulness, and provides conditions for careful study of data that allows you to create a clear picture of the customer's income and expenses.

Small and medium-sized banks, which are in a fierce competition with large commercial banks, will have the opportunity to strengthen their advantages in the financial market by using the CRM system. It is through this system that small and medium-sized banks have the opportunity to communicate directly with customers. As a result, these banks have the opportunity to accurately assess the customer's demand for financial services and the changes in their demand for financial services. Usually, large commercial banks have more developed internal information systems than small and medium-sized banks. Therefore, small and medium-sized banks will have accurate information about their situation by establishing direct communication with customers.

Conclusions and suggestions. In global practice, banks are making a lot of investments in digital technologies. These investments make it easier for banks to effectively use the capabilities of advanced technologies to provide services to customers and employees.

The transformation of banks in our country and the use of digital technologies, as well as the development of the digital economy, the study of the advanced international experience of banking and the introduction of new types of banking services and products are the tasks of the President of the Republic of Uzbekistan No. on" No. PF-5992 of May 12, 2020 "On the strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025", No. PF-6079 of October 5, 2020 Approving the "Digital Uzbekistan-2030" Strategy and making it effective Although it is reflected in the decrees on implementation measures, there are several problems related to the use of innovative and digital technologies:

- customers do not have sufficient knowledge and skills in using the system when using remote banking services and internet banking;
- that the communication infrastructure is not well developed in the remote areas of the regions;
- digital technologies that are widely used in international banking practice - Big data and Data basing technologies have not been introduced into the practice of the banks of our republic;
- failure to form a system of indicators describing the scope and effectiveness of the use of digital technologies in the banking system;
- non-existence of a legal framework regulating the practice of using digital technologies in the banking system. Without a legal framework regulating the practice of using digital technologies in the banking system, the state cannot fully exercise its control function through the Central Bank.

In order to solve the above problems, we should implement the following suggestions and measures:

First, our Republic should introduce Big data and Data basing technologies, which are widely used digital technologies in the banking practices of advanced countries, into the activity of commercial banks. In this:

Big data technology:

- increase the accuracy of assessment of credit worthiness of customers
- enables;
- prevents various types of illegal transactions;
- serves to implement a successful marketing strategy;
- allows to improve the quality of remote banking services.

It is not enough to determine the creditworthiness of individuals by commercial banks based on the scoring model developed by KATM, only based on their income. Because many factors such as age, education, place of residence can affect their ability to repay the loan.

The main advantages of data basing technology:

- security;
- decentralization;
- transparency
- execution without time and costs;
- instant and reliable
- highly appreciated

Secondly, it is necessary to create a separate legislative framework that regulates the practice of using digital technologies in the banking system. This legislative document regulates all operations related to digital assets carried out through the banking system (money transfers, trading of cryptoassets, payments due to obligations under smart contracts, etc.).

Thirdly, it is necessary to form a system of indicators describing the scope and effectiveness of the use of digital technologies in the banking system. This indicator system should include not only quantitative but also qualitative indicators.

Fourthly, small and medium-sized banks of our republic should first fully introduce ID cards to individuals and legal entities and start using the CRM system. This is because the increased financial stability and liquidity levels of large banks will give them a strong competitive advantage in the future. This can lead to a significant reduction in the position of small and medium-sized banks in the financial market.

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