

DEVELOPMENT OF THE BANKING SECTOR BY IMPROVING DIGITAL TRANSFORMATION

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Abstract. Currently, digital transformation is seen as an integral element of keeping banks competitive, and on average, one-third of banks' banking operations are already carried out using digital technologies. The introduction of widespread digital technologies in the current stage of innovation, development related to the needs of society, combines all the advantages achieved through the use of technology in the banking sector. It is known that the process of digital transformation should be based on a digital strategy developed taking into account the characteristics and needs of a particular bank. A rationally implemented transformation strategy allows individual banks, and then the entire banking sector and financial institutions, to increase business efficiency and move to a new stage of economic development.

Keywords: Digital transformation, banking sector, digitization, financial and credit organizations, modern banking services, digital economy, digital technologies, strategy, banking operations.

РАЗВИТИЕ БАНКОВСКОГО СЕКТОРА ПУТЕМ СОВЕРШЕНСТВОВАНИЯ ЦИФРОВОЙ ТРАНСФОРМАЦИИ

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Абстрактный. В настоящее время цифровая трансформация рассматривается как неотъемлемый элемент поддержания конкурентоспособности банков, и в среднем треть банковских операций банков уже осуществляется с использованием цифровых технологий. Внедрение широкомасштабных цифровых технологий на современном этапе инновационного развития, связанного с потребностями общества, сочетает в себе все преимущества, достигаемые за счет использования технологий в банковской сфере.

Известно, что процесс цифровой трансформации должен основываться на цифровой стратегии, разработанной с учетом особенностей и потребностей конкретного банка. Рационально реализованная стратегия трансформации позволяет отдельным банкам, а затем и всему банковскому сектору и финансово-кредитным организациям повысить эффективность бизнеса и перейти на новый этап экономического развития.

Ключевые слова: Цифровая трансформация, банковский сектор, цифровизация, финансово-кредитные организации, современные банковские услуги, цифровая экономика, цифровые технологии, стратегия, банковские операции.

RAQAMLI TRANSFORMATSIYANI TAKOMILLASHTIRISH ORQALI BANK SEKTORINI RIVOJLANTIRISH

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Annotatsiya. Hozirgi vaqtda raqamli transformatsiya banklar raqobatbardoshligini saqlashning ajralmas elementi sifatida qaralmoqda hamda banklar o'rtacha hisobda bank operatsiyalarining uchdan bir qismi allaqachon raqamli texnologiyalar yordamida amalga oshirilmogda. Keng tarqalgan raqamli texnologiyalarni joriy etish innovatsiyalarning hozirgi bosqichida jamiyat ehtiyojlari bilan bog'liq taraqqiyot bank sohasida texnologiyalardan foydalanish orqali erishilgan barcha afzalliklarni o'zida jamlamoqda. Ma'lumki, raqamli transformatsiya jarayoni muayyan bankning xususiyatlari va ehtiyojlarini hisobga olgan holda ishlab chiqilgan raqamli strategiyaga asoslanishi kerak. Ratsional tarzda amalga oshirilgan transformatsiya strategiyasi alohida banklarga, keyinchalik butun bank sektoriga va moliya-kredit tashkilotlariga biznes samaradorligini oshirish va iqtisodiyot rivojlanishining yangi bosqichiga o'tish imkonini beradi.

Kalit so'zlar: Raqamli transformatsiya, bank sektori, raqamlashtirish, moliya-kredit tashkilotlari, zamonaviy bank xizmatlari, raqamli iqtisodiyot, raqamli texnologiyalar, strategiya, bank operatsiyalari.

Introduction. Due to the digital transformation, business models and development concepts of the banking sector are being improved. Innovative development is the main opportunity for stable and long-term growth of banks' activity efficiency. In recent decades, the development of the digital sector of finance has accelerated, and the smart application of digital transformation in the banking sector has also grown significantly and become a means of gaining an indispensable advantage in the competitive environment. The main goal of digital transformation processes is to improve existing business models, as well as increase the efficiency of using digital technologies for business development. This process involves the continuous introduction of innovative technologies, which will lead to a complete digital transformation of the entire economy.

Research methodology and empirical analysis. Analytical comparison, grouping methods, logical and comparative analysis, as well as research works of foreign and local scientists on the subject were widely used in this research work.

Analysis and results. The use of digital technologies is manifested on the basis of improving the methods of interaction between banks, the state and potential customers.

The main part. Digital transformation implies the widespread introduction of modern methods in the provision of banking services. As a result, the number of bank branches is reduced, many services are transferred to online services, especially when it comes to lending or investing funds. Of course, the process of digital development of the banking sector has its own drawbacks, the older generation may not be able to keep up with such accelerations. Therefore, while it is beneficial for banks to go fully online, and there are already banks that operate only on mobile digital platforms, it is also a good decision to completely abandon the traditional ways of doing business. no, the changes should be implemented step by step while accustoming the customers. For example, "Atom Bank" in the UK does not have physical offices to work with customers, and all banking services (from opening a current account to issuance) are performed using a mobile application. The application of digital technology advances is expanding the customer base due to the universal and round-the-clock availability of banking services. The process of digital transformation of the banking sector includes the following elements:

- customer experience analysis
- Digitization of offered products and services
- change the internal processes of the organization.

Digital transformation is driven by in-depth research and analysis of customer experience and identifying both existing and new needs. Consumers of banking services are the driving force of innovative development of banks, as they form requirements for modern banking products and services by expressing their needs. Customers evaluate the experiences of banks depending on how easy and convenient it was to work with banks, to get a certain thing for them, the quality of service, therefore, the banking sector should constantly study the experience of customers, identify the shortcomings of the bank, because new customers demand the use of more modern technologies. Bank performance has been judged by how it delivers products and services to customers, but in the era of the digital economy, banks must reckon with modern digital challenges. Billions of potential customers can be served through the use of a mobile phone connected to the Internet, forcing banks to constantly improve their digital technologies to maintain a competitive edge. Barclays Bank was one of the first to implement a fully online banking system, and according to their accounts, customers now visit bank branches on average twice a month, and use mobile banking services up to 18 times a month.[1]

Changing the internal processes of banks is also an important condition for the development of the digital banking sector. Alongside the introduction of digital, customer-centric technologies, there is a need to improve approaches to management, leadership and control. The main obstacle to the complete digital transformation of banks can be the lack of necessary skills, and the use of opportunities in the digital economy, technologies of temporal data analysis through customer relationship management systems are one of the elements of the digital transformation of banks. Digital transformation of banks requires a comprehensive development-based approach and the application of a digital strategy. Digital transformation covers all aspects of economic and financial activities, including bank management mechanisms, credit activities. To achieve maximum business efficiency, digital transformation should be coordinated with other development strategies in the banking sector to develop solutions to problems. Successful implementation of digital strategy requires coordination of development directions. This largely depends on the bank's operating model. The bank's new digital products combine business, IT and marketing competencies. Most large banks tend to drive the digital experience in-house, focusing on traditional IT departments and proprietary solutions. The bigger banks get, the harder it is for them to innovate and the more ways they need to accelerate.

A digital bank provides most of its products and services remotely using digital channels. The infrastructure of such a bank will quickly adopt technology changes and be optimized for digital communication. The activities of such digital banks are developing all over the world

The world's leading digital banks by number of customers [2]

Table 1

No	Bank	Founder	State	Number of customers (million)
1	ING Diba	ING Group	Germany	8.5
2	Capital One 360	Capital One Financial	USA	7.8
3	USAA Bank	USAA	USA	7
4	FNBO Direct	First National of Nebraska	USA	6
5	Rakuten Bank	Rakuten	Japan	5
6	Tinkoff Bank	-	Russia	5
7	TIAA Direct	TIAA-CREF Trust Company	USA	3.9
8	Discover Bank	Discover Financial Services	USA	3.5
9	Alior Bank	-	Poland	3
10	DKB AG	-	Germany	3

From the data in the table above, we can see that the USA is one of the leading countries in terms of the number and weight of digital banks. Most banks state that they cannot find a suitable solution for entering the market, and therefore they analyze the foreign platforms as well. Major banks are interested in increasing their competitive advantage through digitization.

Digital banking is a modern stage of development of the relationship between the bank and its customers, which includes innovations in the financial services market and digital, multi-information (big data) and technological strategies in this sector. As a result of the research conducted, 70% of financial institutions worldwide considered digital banking as one of their strategic priorities.

Analyzing the modern developments in digital banks, we can show the main directions in this field:

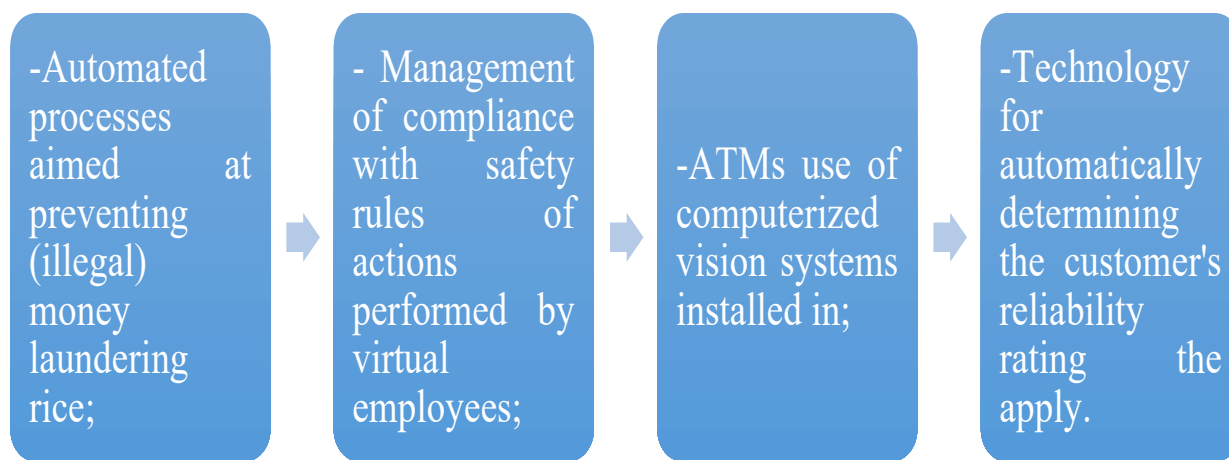


Figure 1. The main areas of digital banking[3]

Money relations, banking services for everyone of life almost all also available in the fields . Today's to the day come , bank and of the client mutual " relationships " completely new - interactive color enter , digital thinking the concept also appeared it has been that is , now, when performing operations related to money, the client and bank employees do not have to wait in lines and perform operations.

Digital transformation will develop the financial sector and improve financial performance by creating a new digitized work environment. Today, the number of users of systems providing remote banking services is increasing due to the needs of the times.

**Remote banking services showing of users of the systems
number as of January 1, 2024 [4]**

No	Bank	Legal persons and alone in order entrepreneurs	Physical persons	Total
1	National Bank	97 411	2 001 214	2 098 625
2	Uzbekistan industrial construction bank	73 177	6 296 325	6,369,502
3	Agrobank	201 760	5 878 174	6,079,934
4	Mortgage - bank	167 567	3 220 676	3 388 243
5	Microcredit bank	69 672	1 232 520	1 302 192
6	People bank	120 118	4,587,680	4,707,798
7	Guarantee bank	6 853	119 728	126 581
8	Business development bank	27,085	401 985	429 070
9	Turonbank	48 473	530 093	578 566

10	Partner bank	126,047	1 741 682	1 867 729
11	Asaka Bank	36 586	1 073 040	1 109 626
12	Silk The way bank	61 938	2 353 516	2 415 454
13	Ziraat Bank Uzbekistan	4 552	63 298	67,850
14	Trustbank	49 454	218 287	267 741
15	Aloqabank	64 685	1 604 832	1 669 517
16	KDB Bank Uzbekistan	1 317	48,065	49 382
17	Soderot Bank Tashkent	366	2 676	3 042
18	Universal Bank	12,749	158,810	171 559
19	Kapitalbank	35 323	1 296 654	1 331 977
20	Octobank	2 703	67 753	70 456
21	Period - bank	26,088	228 620	254 708
22	Invest Finance bank	17 731	416 290	434 021
23	Asia Alliance Bank	26 743	614 157	640,900
24	Orient Finance Bank	30 366	577 648	608 014
25	Madad Invest Bank	1 106	3 359	4 465
26	AVO bank	109	564	673
27	Capital Bank	1 114	11 223	12 337
28	Tenge Bank	2 592	660 435	663 027
29	TBC bank	-	2,051,728	2,051,728
30	ANOR bank	25,924	3,827,971	3,853,895
31	UZUM bank	-	1 470 988	1 470 988
Total		1 339 609	42,759,991	44,099,600

Above table as we can see from the data possible , remote banking services the number of users of reporting systems as of January 1, 2024 "National Bank", " Industry construction bank" and " Agrobank". the most high indicators organize reached

Summary. Digital banking is a set of software that provides a user-friendly interface and enables everyone to use banking services and products remotely. As a result of the digital transformation of banks, the emergence of modern banking services and new payment methods, as well as the appearance of different ways of communicating with the bank, will especially speed up the relationship between the bank and the client.

Such innovations in the banking system may cause several major changes in the activities of other financial organizations, in their relationship with customers and in ensuring their economic security. In order to ensure their economic security in the conditions of digitization of banks, it is advisable to implement the following:

1. Centralization of the database;
2. Constant monitoring and updating of software products;

3. Full and accurate implementation of legal and regulatory frameworks to ensure economic security; [5]

Digital modernization of the economy is one of the most popular issues today. In the context of the development of world economic relations, the integration of the economy of individual countries and the development of payment systems , in particular , cashless payment forms of banks digital the direction of development of types of services is being observed. As a result of the ongoing reforms, market mechanisms of service provision are being introduced in the banking system, their types expanding , entrepreneurs and population financial openness is increasing.

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