

The impact of transformation processes on the activity of commercial banks

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ABSTRACT

The article discusses the current state and problems of the transformation of commercial banks and the conclusions, recommendations and suggestions, which are changing with the times.

1. Introduction:

We are pleased to inform you that the Decree of the President of Uzbekistan on the strategy of reforming the banking system of the Republic of Uzbekistan for the period of 2020-2025 has been adopted.

The development of bank and non-bank credit organizations' infrastructure and digital financial services is important in increasing the popularity of financial services.

Therefore, in 2020, as part of the measures to improve the competitive environment in the banking system and expand the participation of foreign investors, Anor Bank joint stock company, which provides digital banking services, started its activities. Currently, there are 6 digital banks.

Also, 20 organizations were given licenses to carry out the activities of the toll organization.

In 2020, commercial banks established 409 new bank service offices providing basic banking services, their number reached 866.

Banks have established 691 24/7 bank service centers, of which 1,452 have been established.

Today's idea of bank transformation was developed by the well-known American professor B. King. In his scientific works, he noted the almost unlimited possibilities of modern technologies for the production and marketing of innovative financial services and products, not only by banks, but also by non-bank organizations. In particular, B.King's work entitled "Bank 4.0. Banking is not

only in banks, but everywhere" is based on the principle of complete reorganization of banks in the global unstable environment, introduction of consumers into digital life, operation of multi-channel services and single-channel services. It is emphasized that the organization is a necessary process.

Evolution of processes of transformation of banking activity:

	Conception	Periods	Main technological drivers	Innovative bank services
	1 Bank 1.0	1970-1980 y	ATMs	- withdrawing cash through ATMs and performing standard operations - provision of banking services through automated systems
	2 Bank 2.0	1990 years	Emergence of the possibility of using accounts remotely from the Internet;	- emergence of the possibility of using account sheets from a distance; - creation of reliable and convenient interfaces
	Bank 3.0	2000 y – x/v	Smartphones compatible with bank transactions. Cloud technologies, Big data, Internet of things	- creation of applications for payments, cancellations and account usage; - open an account and work with it remotely; - applications act as ATMs; - that it is not necessary to come to bank branches to receive banking services
	Bank 4.0	The near future	Artificial intelligence, virtual reality	-with the help of artificial intelligence, banks become financial advisors and assistants for their clients; - application of virtual reality technologies in banking activities

In the commercial banks operating in our territory, the work on Concept and Main technological drivers has become somewhat visible. For the purpose of the strategy of reforming the banking system of the Republic of Uzbekistan, it is envisaged to ensure the implementation of the transformation tasks of the following banks by 2025:

- increase the share of assets of banks without a state share in the total volume of assets of the banking system from the current 15 percent to 60 percent by 2025;
- increase the share of liabilities to the private sector in the total volume of banks' liabilities from the current 28 percent to 70 percent by the end of 2025;

By 2025, attracting at least three strategic foreign investors with the necessary experience, knowledge and influence to the capital of at least three banks with a state stake;

It is envisaged to increase the share of non-bank credit organizations in the total lending volume from the current 0.35 percent to 4 percent by 2025.

On the other hand, the created opportunities and amenities do not allow the population to use the services at the same time

Due to the lack of competition in the system of providing financial services to consumers, that is, the activity of other financial organizations, banks remain the only institution in the competition.

Transformation in banks is an inevitable process in which financial services begin to adapt to the new conditions and advantages of the digital economy society. Therefore, by introducing digital technology in banks, it is a tool that serves to improve people's living standards, create conveniences, improve the quality of financial services, and ensure data security.

Despite the availability of mobile phones and Internet access, the efficiency of financial services remains low.

One of the main tasks aimed at increasing the popularity of banking services can be expanded.

- expansion of low-cost banking service networks;
- Setting up a remote identification system using financial technology solutions;
- strengthening the confidentiality system of customer information;
- introduction of financial education programs in educational institutions based on (interactive) technology, leaving financial education alone will serve to expand the skills of using banking services.

By creating equal competitive conditions in the credit market, lending only based on market requirements, reducing the dependence of banks on state resources, modernizing banking services, creating an efficient infrastructure and automating the activities of banks, as well as by gradually canceling the functions of banks that are not related to the main type of activity. increase the quality of services by introducing effective new types of services in the system;

- comprehensive transformation of commercial banks with a state share, introduction of modern banking standards, information technologies and software products, sale of the package of state shares in banks to investors with the necessary experience and knowledge on the basis of tenders, as well as integration of commercial banks and enterprises with a state share reduce the share of the state in the banking sector through timely reform;
- increasing state participation and implementation of targeted measures in insufficiently served and vulnerable groups, wide introduction of remote services for the population and small businesses, development of a network of low-cost service points, as well as the formation of non-bank credit organizations as a reciprocal part of the unified financial system of the republic and it is desirable to increase the popularity and quality of financial services by creating favorable conditions for their development.

It is natural that the quality and improvement of services in the world banking system will serve to reduce the usual risks associated with banking activities and increase the quality of services.

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