

DEVELOPMENT OF BANKING AND FINANCIAL SERVICES IN UZBEKISTAN

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ABSTRACT: In this article, we will try to highlight the problems in the further development of the market of banking and financial services in our country, as well as our proposals and comments.

Key words: finance, banking, financial market, banking services, digital economy.

In recent years, as a result of the reforms carried out in the financial market of the Republic of Uzbekistan, including the banking-financial system, the financial-banking system and the market infrastructure corresponding to modern world standards and requirements are being gradually formed. In the context of modernization of the economy, the positive trends of reforming the banking system, its services and the financial market were noticed already in 2016. However, state banks remain the main source of negative results of the national banking system in Uzbekistan. The share of funds received from the government in commercial banks with state assets is still high. In 2018-2020, the number of credit organizations reached 55. As of January 1, 2021, the assets of commercial banks are 366.1 trillion. reached soums and increased by 120% compared to 2017. During this period, the average annual real growth (excluding devaluation) was 24.1 percent. As a result of the liberalization of the currency policy, the level of dollarization in the banking sector decreased significantly. In particular, in 2017, the share of foreign currency assets of banks in total assets was 64 percent, and

in 2020, this indicator decreased to 50.2 percent. Also, during this period, the share of loans in foreign currency decreased from 62.3% to 49.9%, and the share of deposits in foreign currency decreased from 48.4% to 43.1%.

The analyzes presented by experts show that the liquidity of the financial market in Uzbekistan is not at the required level. The current state of the secondary market and the population are slowing down the activity of other securities market participants in the financial market. Deposits of individuals make up only 24% of total deposits in the banking system, which is about 5% of GDP. Today, the provision of services such as stock exchange, leasing, rating, reinsurance, brokerage, property valuation, financial consulting, and reliable management of financial resources, which are widely used in banking and finance experience, does not give the expected results.

The pandemic and the lockdown introduced in Uzbekistan helped the rapid development of remote banking services. In particular, as of January 1, 2021, the number of users of remote services was 14.5 million. this is 30% more than the same period last year. The issuance of a license for the operation of digital banks and branches by the Central Bank also motivated the further digitization of the banking and financial system. A wide way to bring investments through the financial market and stock market has been created.

In conclusion, it can be said that without creating the main elements of modern financial markets, the entry of direct investments, which is one of the main factors of economic growth, cannot be achieved. With the help of the financial market, the movement of funds in the economy is ensured, as well as the continuous formation of financial resources, their effective use and investment. It ensures free movement of investment money between different sectors of the economy, free and rational use of financial resources. In the modernization of our national economy, it is important to turn the potential of the stock market, which is being formed in our country, into a reliable means of attracting domestic and foreign investments.

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