

**WAYS TO INCREASE THE INNOVATIVE ACTIVITY OF COMMERCIAL BANKS IN THE CONDITIONS OF DIGITALIZATION****Ergasheva Farog'at Baxriddin qizi,**

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**Annotation**

This article discusses the issues of increasing the innovative activity of commercial banks in the conditions of digitalization. It is substantiated that digital transformation processes are an important factor in improving the quality of banking services, providing convenient and fast service to customers, and reducing operating costs. It also analyzes ways to increase the competitiveness of banks through the introduction of remote banking services, mobile applications, artificial intelligence technologies, "Big data" analysis, and fintech solutions. The article develops practical proposals for stimulating innovative activity, improving the risk management system, and developing digital infrastructure.

**Key words:**

digitalization, commercial banks, innovative activity, digital transformation, fintech, mobile banking services, artificial intelligence, banking risks.

**RAQAMLASHTIRISH SHAROITIDA TIJORAT BANKLARINING INNOVATSION FAOLLIGINI OSHIRISH YO‘LLARI****Annotatsiya**

Mazkur maqolada raqamlashtirish sharoitida tijorat banklarining innovatsion faolligini oshirish masalalari yoritilgan. Raqamli transformatsiya jarayonlari bank xizmatlari sifatini yaxshilash, mijozlarga qulay va tezkor xizmat ko'rsatish hamda operatsion xarajatlarni kamaytirishda muhim omil ekani asoslab berilgan. Shuningdek, masofaviy bank xizmatlari, mobil ilovalar, sun'iy intellekt texnologiyalari, "Big data" tahlili va fintex yechimlarini joriy etish orqali banklar raqobatbardoshligini oshirish yo'llari tahlil qilingan. Maqolada innovatsion faoliyatni rag'batlantirish, risklarni boshqarish tizimini takomillashtirish va raqamli infratuzilmani rivojlantirish bo'yicha amaliy takliflar ishlab chiqilgan.

**Kalit so'zlar:**

raqamlashtirish, tijorat banklari, innovatsion faollik, raqamli transformatsiya, fintex, mobil bank xizmatlari, sun'iy intellekt, bank risklari.

**Introduction.** The financial sector constitutes the central pillar of the modern economic system. The modernization and improvement of financial institutions play a crucial role in ensuring the stable functioning of the global economy. As an integral component of the financial system, the commercial banking sector plays a significant role in deepening financial reforms and accelerating economic development.

In the information society shaped by information and communication technologies (ICT), digital technologies are exerting a substantial impact on economic and social processes worldwide, becoming a new driver of development. Today, through the implementation of digital solutions, banks are able to manage their financial operations more efficiently, develop new types of services, and utilize resources more rationally. [1]

Commercial banks, like other economic entities, must possess a sufficient amount of financial resources to ensure the stable conduct of their operations. This is because their core

activities consist primarily of transactions involving monetary funds. Bank resources occupy an important place within the system of macroeconomic indicators and directly influence a bank's liquidity and profitability.

A bank's profit largely depends on how its resources are formed and under what conditions they are attracted. For this reason, there exists a strong competitive environment among banks in attracting funds. Commercial banks function as financial institutions that accept deposits from individuals and legal entities and channel these funds into lending and investment activities. In addition, they provide settlement services, savings accounts, credit cards, and various loan products. [2]

**Literature Review and Methodology.** As a result of the rapid development of information technologies, the concept of the "digital economy" has emerged worldwide. This term was first introduced by the Canadian scholar Don Tapscott in his 1995 book *The Digital Economy: Promise and Peril in the Age of Networked Intelligence*. According to the author, the key factor in the digital transformation of market participants' activities is the formation and development of digital culture.

The classical approach to the concept of innovation was explained by Peter Drucker and Benedetto Santo, who interpret innovation as a tool that enables entrepreneurs to establish new businesses or services.

I. Balabanov, in turn, evaluates banking innovation as a process characterized by specific features, emphasizing that it manifests itself either in the form of a new banking product or a new operational format.

In academic literature, the modern concept of the "New Digital Economy" is expressed under various terms. For instance, Daniel Bell referred to it as the "Post-Industrial Economy," while Alvin Toffler introduced the concept of the "Information Economy." Viktor Kuvadin used the term "Mega-Economy," Ilkka Niiniluoto described it as the "Information and Communication-Based Economy," Bill Gates employed the term "Techno-Economy" or "Digital Economy," and Don Tapscott referred to it as the "Knowledge-Based Economy."

The common feature uniting all these approaches is the leading role of information technologies in the globalization of economic processes.

Various definitions of the concept of the digital economy have been proposed by both domestic and foreign scholars. In the scientific electronic journal "*Iqtisodiyot va innovatsion texnologiyalar*", F.U. Dodiyev and D.R. Yusupova note that although commercial banks in our republic strive for innovative development, the level of financial service provision based on financial technologies remains insufficient, and existing IT platforms have not yet been transformed into fully functional financial service ecosystems.

O. Melikov, in turn, defines banking technologies as a set of modern approaches, methods, and tools aimed at implementing and supporting banking activities.

Within the framework of the research methodology, the scientific works of foreign and domestic economists devoted to banking innovations and their impact on the development of the digital economy were examined.

The study employed methods of comparative analysis, logical and structural analysis, grouping, and benchmarking.

**Discussion and Results.** The long-term sustainability of commercial banks largely depends on their resource base. The formation of a resource base implies not only attracting new customers but also ensuring the efficient management of passive operations in order to allocate assets rationally.

For this purpose, it is essential to implement a well-designed deposit policy and comply with liquidity requirements. A strong resource base enables banks to withstand economic crises, gain a competitive advantage in the market, and meet regulatory requirements. [3]

The strength of the resource base ensures a number of advantages. First and foremost, it enhances financial stability and expands access to additional financial sources. It also creates

opportunities to broaden the scope of operations, invest in new technologies, and improve overall efficiency.

Diversification of resources reduces risks and ensures greater resilience to economic fluctuations. [4]

The resource base of commercial banks is influenced by factors such as the volume of deposits, interest rates, the overall economic environment, market competition, and the regulatory framework. Changes in interest rates by the central bank affect the financial capacity of banks, while economic crises may lead to a decline in deposit volumes.

Moreover, competition with other financial institutions also determines banks' ability to attract funds.

To strengthen their resource base, banks may implement strategies such as expanding the range of deposit products, developing cooperation with other financial institutions, entering new markets, and introducing digital services.

In addition, raising capital through the issuance of securities is also considered one of the effective instruments.

In the context of globalization, the rapid development of the digital economy has led the banking system into a stage of fundamental transformation. Products and services created on the basis of modern technologies and innovative approaches have elevated banking activities to a qualitatively new level.

As a result of the use of digital platforms, mobile applications, and artificial intelligence, the quality of services provided to customers has improved, transaction costs have decreased, and the speed of operations has significantly increased.

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The digitalization process in the banking system involves converting data flows into electronic form, automating them, and managing them through modern analytical models. Therefore, the primary focus of commercial banks today is the development of innovative products, simplification of service delivery processes, and provision of maximum convenience to customers. In particular, the "Digital Bank" program being implemented in 2024–2025 by the O'zbekiston Respublikasi Markaziy banki is aimed at automating banking operations, expanding financial inclusion, and developing remote banking services. [5]

In the process of introducing innovative technologies, commercial banks are implementing blockchain-based transactions, open banking systems, AI-driven risk management systems, and API integration to facilitate information exchange with various service providers.

On the one hand, this process enhances operational efficiency; on the other hand, it contributes to the formation of a unified and convenient digital ecosystem for customers.

In recent years, the introduction of corporate governance principles in the national banking system, as well as the establishment of bank boards with the participation of international experts, has strengthened innovative management practices.

Each bank's digital transformation strategy, customer segmentation approach, and development of modern business models have become key factors determining competitive advantage.

One of the key factors intensifying competition among banks is the ability to bring services to market rapidly. For this reason, banks are developing strategic partnerships with IT companies and frequently introducing new products through technological solutions created on an outsourcing basis.

Such an approach enables cost reduction, process optimization, and improvement of the user experience. [6]

As the scope of innovative services expands, issues of customer trust, information security, and transparency are becoming increasingly significant. Therefore, commercial banks are automating “KYC” (Know Your Customer) and “AML” (Anti-Money Laundering) systems based on artificial intelligence in order to strengthen transaction security and enhance the protection of customer data.

Analyses indicate that positive changes have been observed as a result of digital transformation implemented in commercial banks of Uzbekistan. In particular, the share of transactions carried out through digital channels increased from 25 percent in 2020 to 63 percent in 2024.

Although the number of traditional branches has been decreasing, the volume of online services has doubled. Customer service costs have declined by 40–60 percent, while trust in digital payment systems has increased, with the repeat usage rate exceeding 70 percent.

**Table 1.**  
**Main Directions of the Digital Transformation Process in Commercial Banks of Uzbekistan and Their Economic Impact [7]**

No	Direction	Implemented Technology	Main Objective	Economic Efficiency Indicator	Implementation Period	Notes
1	Remote Banking Services	Mobile banking, Internet banking	Enhancing customer convenience	Service costs reduced by 45%	2021–2024	24/7 service availability
2	AI-Based Analytics	AI chatbots, credit scoring system	Accelerating decision-making	Loan portfolio quality improved by 30%	2022–2024	Risk assessment automated
3	Blockchain Technology	Smart contracts	Ensuring security and transparency	Fraud cases reduced by 20%	2023–2025	Being implemented at pilot stage
4	Open Banking System	API integration	Integration with partner companies	Customer base increased by 18%	2022–2025	Cooperation with fintech companies
5	Outsourcing and IT Partnership	Contracts with external technoparks	Development of innovative solutions	Speed of new service development doubled	2021–2024	IT infrastructure modernized
6	Cybersecurity Systems	AML, KYC, biometric authentication	Strengthening data security	Security breach incidents reduced by 25%	2020–2024	Aligned with global standards
7	Digital Marketing and CRM Systems	Big Data, Machine Learning	Customer segmentation and analytics	Customer retention rate reached 75%	2022–2025	Digital customer experience developed

**Conclusion.** In conclusion, enhancing the innovative activity of commercial banks in the context of digitalization is a key factor in strengthening the efficiency and competitiveness of the financial sector. Digital technologies, artificial intelligence, blockchain, open banking, and mobile platforms contribute to simplifying and accelerating banking services while creating greater convenience for customers.

At the same time, special attention should be paid to issues such as security, data protection, and the improvement of personnel qualifications during the process of digital transformation

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