

## THE ROLE OF DIGITALIZATION IN THE ADVANCEMENT OF DEPOSIT ACTIVITIES IN COMMERCIAL BANKS OF THE REPUBLIC OF UZBEKISTAN

**Elbek Bakhtiyorovich Kholmiraev**

*Assistant Trainee of the Department of Banking  
Samarkand Institute of Economics and Service*

**Abstract:** *this article investigates the influence of digitalization on the modernization of deposit operations in commercial banks of the Republic of Uzbekistan. It focuses on contemporary digital solutions utilized in the attraction and management of deposits and evaluates their impact on the efficiency and sustainability of the banking system. The study provides statistical evidence reflecting trends in the expansion of online deposit services, remote banking channels, and digital banking platforms. Furthermore, the paper identifies key challenges as well as promising avenues for the continued digital transformation of banking operations.*

**Keywords:** *digitalization, deposit services, internet banking, mobile banking applications, commercial banks, financial technologies, innovation.*

### INTRODUCTION

The development of digital technologies in recent years has become one of the key factors determining the competitiveness and sustainability of the banking system. The digitalization of financial processes not only accelerates customer service but also fundamentally transforms the structure and forms of deposit operations.

For commercial banks in Uzbekistan, the transition to digital formats has become a priority area of strategic development. The active implementation of online services, mobile applications, and remote deposit servicing has enhanced the convenience of customer interactions and stimulated the growth of deposit mobilization.

At the same time, digital transformation imposes new requirements on security, technological infrastructure, and the quality of the customer experience. The study of the impact of digitalization on banks' deposit activities has become a relevant issue in contemporary financial research, as it addresses matters of sustainability, liquidity, and customer trust in the banking sector.

### MAIN PART

The digitalization of banking processes in Uzbekistan is developing rapidly. The majority of commercial banks are actively implementing remote service channels, online deposit products, and automated platforms for account

management. This has contributed to a reduction in operational costs and an increase in customer activity.

It is particularly important that the implementation of digital solutions has enabled banks to enhance the level of financial inclusion. In regions where traditional banking infrastructure is insufficiently developed, remote services have become the primary means of providing the population with access to deposit products. According to data from the Central Bank, more than 35% of all new deposits were opened via mobile applications in 2024, which confirms sustained customer interest in digital service formats.

According to statistics from the Central Bank, by 2024 the share of deposits opened through online channels exceeded 35% of the total volume of household deposits. The number of users of mobile banking applications increased by more than three times compared to 2019 (Table 1).

**Table 1**

**Key Indicators of the Digitalization of Deposit Operations in Commercial Banks of Uzbekistan**

Indicator	2019	2022	2024
	Share of online deposits, %	28.2	32.6
Number of mobile application users, million people	1.1	1.4	1.7
Average volume of online deposits, trillion UZS	2.4	3.8	5.8

As shown in Table 1, the growth rates of digital deposits demonstrate a steady acceleration. The average annual increase in online deposits over the period 2019–2024 exceeded 40%, indicating a high level of public adaptation to digital instruments. At the same time, a gradual decline in the share of cash transactions is observed, reflecting the development of a cashless economy and the strengthening of financial discipline.

The growth of online deposits is driven by improvements in the quality of digital services and the expansion of mobile application functionality. For instance, Hamkorbank has introduced the “MyHamkor” system, which enables customers to manage deposits entirely online—from account opening to automatic renewal and the transfer of interest income to payment cards. Similarly, TBC Bank Uzbekistan has implemented a fully remote service model that eliminates the need for branch visits, a solution that is particularly popular among young customers and self-employed individuals.

In addition, in recent years, banks such as Kapitalbank and Agrobank have pursued active digital strategies by developing proprietary mobile ecosystems that encompass not only deposit services but also credit, insurance, and investment products. This approach enables customers to manage all financial transactions within a unified interface and integrates banking applications into everyday financial activities.

Digitalization has also transformed the very model of competition in the banking sector. Customers now make their choices not only based on interest rates and reliability, but also on the convenience, speed, and functionality of digital services. Increasingly, users evaluate banks according to UX design, application stability, and the degree of personalization of offerings. This has encouraged financial institutions to intensify investments in innovation, engage in cooperation with fintech companies, and implement artificial intelligence-based solutions, such as customer churn prediction systems and automated selection of deposit programs.

Thus, the modern banking market of Uzbekistan is gradually transforming into a digital environment in which technological capabilities and user experience become key determinants of competitiveness (Table 2).

**Table 2**

**Share of Remote Deposit Operations in the Structure of Household Deposits  
(as a Percentage of Total Volume)**

Year	Online Deposits	Traditional Deposits
2020	18.4	81.6
2022	28.9	71.1
2024	36.5	63.5

As shown in Table 2, the share of online deposits is steadily increasing. This trend reflects not only technological progress but also changes in customer behavior, as clients increasingly prefer mobile applications as a secure and convenient tool for managing their finances.

According to forecasts by the Association of Banks of Uzbekistan, the share of online deposits may reach 55–60% by 2027. This indicates that digital channels will gradually become the primary instrument for deposit mobilization, while traditional branch-based operations will assume a secondary role.

At the same time, digitalization intensifies requirements for cybersecurity and the protection of customer data. Commercial banks are compelled to invest in encryption technologies, biometric identification, and multi-factor authentication in order to mitigate the risks of fraud and information leakage.

Special attention is also given to workforce development. Demand has emerged for specialists in digital products and big data analytics. This requires not only the

modernization of internal processes but also a reconsideration of approaches to human resource management in the banking sector.

The conducted analysis demonstrates that digitalization has become a key driver of the development of deposit operations in commercial banks of Uzbekistan. The active implementation of remote services, online deposit products, and mobile applications has significantly enhanced customer trust and accelerated service processes. A stable upward trend in deposits attracted through digital channels is observed, contributing to improved liquidity and greater financial stability of the banking sector.

However, certain challenges remain that require careful attention. These include the need to improve the legal regulation of digital products, ensure cybersecurity, and enhance the level of digital literacy among the population. These issues become particularly relevant in the context of the accelerated transformation of the financial market.

Based on the conducted analysis, the following directions for further improvement of deposit operations in the context of digitalization can be proposed:

1. Accelerate the integration of digital solutions into deposit activities by ensuring unified standards for online deposit products.
2. Develop a national program aimed at enhancing the population's digital literacy.
3. Strengthen cybersecurity measures by implementing a multi-layered system for the protection of customer data.
4. Expand the range of innovative deposit products, including hybrid and ESG-oriented offerings.
5. Encourage private banks to actively adopt fintech innovations through government grants and tax incentives.
6. Continue the development of a digital trust framework between banks and customers based on transparency and service personalization.

The implementation of these measures will make it possible to establish a resilient, innovative, and competitive banking system in which digital technologies will serve not merely as a tool, but as the foundation for long-term interaction between banks and customers.