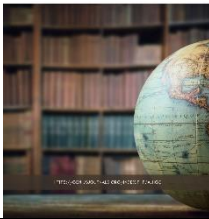


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The Development of Uzbek Banks and Their Place in A Market Economy

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ABSTRACT

This article provides an overview of the nature of banks, their origins and their role in a market economy.

Keywords:

Modernization, investors, infrastructure, negative impact, investment practices.

Introduction: A bank is an institution that collects, stores, conducts credit and other intermediation operations.

The basis for the emergence of banks is the development of commodity-money relations. The existence and development of commodity-money relations requires the presence of banks in all socio-economic systems. then the moneylenders gave them to the subjects who needed funds for their temporary use in order to profit from their less expensive funds. This led to money changers becoming bankers.

The word bank is derived from the Italian word "bank", which means "table", "paid table", because in the Middle Ages, Italian moneylenders counted the coins in their wallets and containers on the table.

Main Part: In a market economy, banks are an important player in the effective management of the economy. Banks, unlike other subjects of market relations, are institutions that work with money, collect temporarily suspended funds, provide them for temporary use to entities that need it, and operate on the basis of efficient use of funds Banks are the driving force of the economy in a market economy, as a mediator in the organization and conduct of

material production, ensuring the continuity of capital turnover, the development of society, the development of the economy, society creates the basis for the well-being of its members. The large-scale development of commodity-money relations in a market economy will allow banks to carry out new operations. Therefore, there is a need to create a modern banking system in the country that meets the requirements of a market economy. According to Article 3 of the Law of the Republic of Uzbekistan "On Bank Secrecy", the following are bank secrets:

- Information on transactions, accounts, and deposits of minor customers (representatives)
- information about the client (representative) received by the bank in connection with the provision of banking services to the client (representative)
- Information on the client's (representative's) property kept in bank safes and premises, its nature and value
- Information on interbank operations and transactions carried out on behalf of the client (representative) or for his benefit
- information about the client (representative) of another bank, which became known as a

result of the circulation of information constituting a bank secret between banks.

There is a criminal case against the client (representative), the authorized representatives, as well as the Chamber of Accounts (which is his duty), the investigation, prosecution and inquiry bodies (based on the decision of the investigator and the inquiry officer) when is provided banking system and its stages of development:

At present, the generally accepted banking system in the world is a two-tier banking system, which includes a network of central banks and commercial banks.

Restructuring of the banking system based on the requirements of a market economy is based on the following principles:

- Achieving the stability of the banking and financial system in order to gain the trust of foreign and domestic investors
- Reform of the banking system with the implementation of general economic reforms
- Bringing the banking and financial system closer to the World Bank system through gradual improvement
- taking into account the domestic needs of the country and the nature of its economy in conducting monetary policy
- Putting the interests of customers first in the activities of banks, etc.

Today, the banking system is one of the fastest growing segments of the economy of the Republic, as evidenced by the growth of key indicators in the sector, such as assets, capital, credit and investment operations.

Particular attention is paid to strengthening and improving the quality of the banking and financial system in the country, as well as the emergence of commercial banks as a driving force of the economy and their transformation into large investment institutions. Because the financial and economic stability of our country largely depends on the effective functioning of the banking and financial system.

Consistent and targeted reforms in the banking system of Uzbekistan will not only ensure its reliable protection from the negative effects and consequences of the global financial crisis, but also achieve significant and qualitative changes in the activities of banks, leading to the

real sector of the economy and radically improve the level of banking and financial services.

The stable and reliable functioning of the banking system of our country, its growing prestige in the global financial market, as well as our bold steps to modernize our country are recognized by the world community, as well as a number of influential international financial institutions. At a time when the trend of declining lending to the real sector in many developed and developing countries continues, the volume of loans directed by commercial banks to the real sector of the economy is growing from year to year. January 1, 2014 The volume of loans to the real sector amounted to 26.5 trillion soums. 79.3% of the allocated loans were long-term loans for investment purposes.

As part of the credit policy in 2013, 7.2 trillion soums were allocated for modernization, technical and technological re-equipment of priority sectors. soums were allocated for investment loans. over the past 13 years, the volume of investment loans has increased more than 60 times. This indicates that the banking system of Uzbekistan makes an important contribution to the development of the country's economy.

In recent years, under the leadership of President Islam Karimov, the country has taken steps to improve the welfare and living standards of the population, in particular, to radically change the appearance of rural settlements, build new housing on the basis of standard projects, develop rural infrastructure. The active participation of commercial banks in the implementation of comprehensive reforms is being ensured.

In particular, over the past 5 years, more than 900 new housing estates have been built in 159 rural districts of the country on the basis of standard projects, more than 33,500 individual houses with a total area of 4.5 million square meters have been commissioned.

It is noteworthy that for several years, the international rating agency Moody's has given only the banking system of Uzbekistan a "stable" rating among the CIS countries. This, in

turn, is closely linked to the assessment of our entire economy.

According to the results of 2011, 13 commercial banks in Uzbekistan received positive ratings from international rating agencies such as Moody's, Fitch Ratings and Standard & Poor's, while all commercial banks operating in the country are positively priced. CONCLUSION. It should be noted that the special attention paid by the President to the development of the banking system of the country and the creation of favorable macroeconomic conditions in the country are reflected in the development and reform of the banking system positive results were achieved.

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