

THE IMPACT OF FINTECH STARTUPS ON THE MODERNIZATION OF THE BANKING SYSTEM OF THE REPUBLIC OF UZBEKISTAN

Urunova M.G.

Lecturer, Samarkand Institute of Economics and Service

Abstract. The article examines the impact of fintech startups on the development of Uzbekistan's banking system, with an emphasis on the practical implementation of innovative digital platforms in banking activities. The study analyzes trends in the growth of fintech initiatives, statistical data on the use of mobile payment systems, and the role of innovative platforms in improving customer service efficiency, expanding financial inclusion, and ensuring the stability of the banking system. Special attention is given to the analysis of risks and mechanisms for their mitigation.

Keywords: fintech startups, banking system, digitalization, financial inclusion, Uzbekistan

Introduction. In recent years, Uzbekistan's banking sector has undergone significant transformation due to digitalization and the active adoption of fintech solutions. According to data from the Central Bank of the Republic of Uzbekistan, in 2023 the share of cashless payments accounted for 36% of total transactions, while the volume of mobile payments increased by 28% compared to 2022. The development of fintech startups has led to the emergence of new digital services, including mobile banking applications, online lending platforms, electronic wallets, and analytical systems for risk management.

Literature Review. An analysis of domestic and international studies shows that fintech startups contribute to reducing transaction costs and improving the speed and quality of customer service. Allen and Demirgüç-Kunt (2020) demonstrate that digitalization of financial services increases financial inclusion by 20–30% in developing countries. Studies by the World Bank and the International Monetary Fund (World Bank, 2022; IMF, 2023) highlight that the integration of mobile platforms with banking products reduces operating costs and expands access to financial services for the population.

In Uzbekistan, the active development of fintech startups has been observed since 2020. Platforms such as Payme, Click, Apelsin, and Uzum Bank provide payment services, money transfers, and online lending. Banks including Hamkorbank, Ipak Yo'li Bank, and Kapitalbank integrate these solutions into their mobile applications, thereby increasing service speed and reducing the workload of physical branches.

Analysis and Results. The development of fintech startups in Uzbekistan has a significant impact on the banking sector and the financial system as a whole. According to the Central Bank of the Republic of Uzbekistan, by 2023 the number of mobile users of banking applications reached approximately 4.5 million people, accounting for more than 15% of the country's adult population. The volume of transactions conducted through mobile platforms increased by 28% compared to the previous year and amounted to approximately 5.4 trillion Uzbek soums, indicating strong demand for digital payment services.

According to the Uzbekistan FinTech Association, more than 25 startups are registered in the market, operating in the fields of mobile payments, online lending, electronic wallets, and analytical systems for risk management. The most popular platforms include Payme, Click, Apelsin, and Uzum Bank. Fintech startups actively cooperate with commercial banks, including Hamkorbank, Ipak Yo'li Bank, and Kapitalbank, to integrate their services into banking applications.

Key results of fintech implementation include:

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1. Payment processing time was reduced by 30–40% due to automation and integration of new digital services.
2. Banks' operating costs decreased by 10–15%, enabling the reallocation of savings toward the development of new products and services.
3. Expansion of financial inclusion: more than 1.2 million new customers gained access to mobile banking services, including residents of rural and remote areas.
4. Growth in cashless transactions: mobile application transactions reached 5.4 trillion soums in 2023.
5. The implementation of credit scoring models and automated analytical platforms reduced loan default rates by 5–7%.

Examples of successful integration include:

1. Hamkorbank implemented an automated credit scoring system, reducing loan application processing time from 48 hours to 15 minutes and enabling the processing of up to 500 loan applications per day.
2. Ipak Yo'li Bank integrated a mobile wallet with the e-government platform for the payment of public services, reaching more than 500,000 users and reducing the workload on bank branches.
3. Click and Payme provide fast transfers between individual and corporate accounts, with more than 50,000 transactions registered daily, totaling approximately 100 billion soums.
4. Kapitalbank uses analytical platforms to forecast credit demand and manage liquidity, improving forecasting accuracy by 15–20%.

Thus, the implementation of fintech startups not only increases the operational efficiency of banks but also expands financial accessibility for the population, strengthens trust in the banking system, and stimulates economic activity in the country.

Conclusion. Fintech startups have a substantial impact on the modernization of Uzbekistan's banking system. Their implementation enhances operational efficiency, expands financial inclusion, and strengthens the stability of the banking sector. For further development, it is necessary to strengthen government regulation, standardize APIs, ensure cybersecurity, and improve the qualifications of specialists in the field of digital financial technologies.

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