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## THE URGENCY OF ATTRACTING INVESTMENT TO BANKS

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### ABSTRACT

*The article discusses the importance, significance and goals of introducing domestic and foreign capital into the banking system. In general, attracting foreign investment plays an important role in the introduction of new technologies, increasing the country's economic potential, strengthening its competitiveness in the world market and the introduction of advanced management methods. The effectiveness of this financial institution, which is engaged in raising and managing funds at the state level, depends on how much investment will be attracted. It is expedient to approach the issue of attracting investments to banks from two perspectives. Banks are also creating additional convenience. For example, TBC Bank has no restrictions on the minimum amount of the deposit, nor on how to replenish the deposit or withdraw money from the account. It is also possible to capitalize interest in the bank.*

**KEYWORDS:** *Depositor-Investor, Online Services, Online Deposit, Foreign Investments, Subsidiary Bank Of A Foreign Bank.*

### INTRODUCTION

When analyzing a country's financial sector, special attention is paid to its budgetary and tax system, as well as monetary policy. Currently, the activities of banks play a significant role in the monetary system. The effectiveness of this financial institution, which is engaged in raising and managing funds at the state level, depends on how much investment will be attracted. It is expedient to approach the issue of attracting investments to banks from two perspectives. From the first point of view, investing in banks' savings accounts is a form of attracting investment in the banking sector, ie the depositor is represented as an investor. However, not all depositors consider themselves investors. However, not only personal interests, but also the interests of the

bank are reflected in the deposit. There are a number of advantages to making such an investment in the banking sector:

- Simplicity of the procedure for registration of documents;
- Ability to deposit a small amount;
- Reliability;
- Availability of deposit guarantee.

The only downside is the low rate of return compared to other sources of mobilization. Nevertheless, depositing money in banks is the most reliable and alternative form of investment.

### The Main Findings and Results

In turn, the banks are working to attract depositors and investors. An example of this is the introduction of various forms of deposits. Especially in the digital economy, the introduction of online forms of banking services is attracting the attention of many customers. Among the online services, online deposits are convenient in terms of time and security, allowing you to save time by visiting a bank branch, waiting in line, signing a number of documents. In addition, you do not have to visit the bank again to extend the term of the deposit, receive interest or replenish the account. With an online deposit, all of this can be done over the phone in minutes.

Currently, 21 out of 32 banks operating in Uzbekistan have the opportunity to open an online deposit.

Bank name	Interest rate	Term	The minimum amount	Opportunity to replenish and withdraw the deposit account
“Ipak yo‘li bank”	20%	12 month	1 mln.	Just fill up
<u>HamkorBank</u>	18%	13 month	1 mln.	Just fill up
“ <u>Universalbank</u> ”	18%	18 month	100 thousand.	–
“Agrobank”	17%	13 month	500 thousand.	Filling / removing
<u>Asia Alliance Bank</u>	17%	13 month	500 thousand.	–
“ <u>Aloqabank</u> ”	17%	24 month	50 thousand.	Filling / removing
“ <u>Asaka</u> ”	17%	13 month	3 thousand.	Filling / removing
<u>InFinBank</u>	17%	15 month	1 mln.	Just fill up
“ <u>Ipoteka-bank</u> ”	17%	12 month	1 mln.	–

<u>“Kapitalbank”</u>	17%	24 month	500 thousand.	Filling / removing
<u>“Trastbank”</u>	17%	24 month	500 thousand.	Just fill up
<u>“Turonbank”</u>	17%	18 month	1 mln.	Filling / removing
<u>TBC Bank</u>	17%	–	–	Filling / removing
<u>“Narodniy bank”</u>	17%	18 month	100 thousand.	–
<u>“Mikrokreditbank”</u>	17%	12 month	500 thousand.	Just fill up
NBU	17%	18 month	100 thousand.	Just fill up
<u>“Uzpromstroybank”</u>	17%	12 month	3 mln.	Filling / removing
<u>“Poytaxt” bank</u>	17%	36 month	5 mln.	Filling / removing
<u>“Savdogarbank”</u>	17%	6 month	500 thousand.	Just fill up
<u>“Savdogarbank”</u>	16%	300 day	10 mln.	–
<u>Ravnaq Bank</u>	17–14 %	36 month.	500 thousand.	Just fill up

As can be seen from the table, one of the advantages of online deposit is the high interest rate. If the maximum rate of ordinary deposits is 18%, online annual rates can be as high as 20%. At present, “Ipak Yuli Bank” has deposits at a rate of 20%. The remaining cases are standard contracts with a term of six months to two years, at 17% per annum. The money can be placed on the deposit based on the minimum amount set by the bank. This demand varies from 100,000 to 1 million soums.

Now it is possible not only to replenish the deposit, but also to withdraw funds at any time. The opportunity to replenish the deposit online is available in 16 banks.

Banks are also creating additional convenience. For example, TBC Bank has no restrictions on the minimum amount of the deposit, nor on how to replenish the deposit or withdraw money from the account. It is also possible to capitalize interest in the bank. Each month, the principal amount of the deposit is multiplied by the interest rate and the rate for the following month is determined by the amount formed. However, refunds can only be made using a TBC card.

Many banks require a debit card to withdraw the deposit amount. However, based on the tendency to turn the bank into a universal product for the consumer, some banks are creating the opportunity to use any card.

Such opportunities are aimed at attracting depositors to banks, and at the same time are bearing fruit. Although the money deposited in savings accounts is not large, it is expedient to consider it as an important source of money, as they say, “Drop by drop will be a lake.”

Analyzing from the second point of view, any organization can carry out its activities at the expense of both internal and external sources. The external source is, therefore, foreign capital, intended to attract foreign investors. While the conditions of a particular bank are taken into account when attracting depositors and investors, the conditions at the national level are taken into account when attracting foreign investors, ie the existence of a favorable investment climate, political, social and financial stability in the country. Therefore, it is more important to attract foreign investors than to attract depositors. In general, attracting foreign investment plays an important role in the introduction of new technologies, increasing the country's economic potential, strengthening its competitiveness in the world market and the introduction of advanced management methods.

Currently, foreign investors rely on the rating of commercial banks when choosing one or another solution for investing capital, which is a very important indicator today. The positive assessment of the activities of all commercial banks in the country by international rating agencies serves as the basis for attracting foreign investment in the amount necessary for economic growth.

Foreign investment in the banking system can be attracted for the following purposes:

- authorized capital of banks in order to strengthen the resource base and expand lending opportunities;
- opening of credit lines;
- investments in the form of funds of joint ventures;
- Establishment of representative relations with foreign banks to expand banking services.

Currently, many banks with foreign capital are operating in Uzbekistan. A bank with foreign capital is a bank in which the participation of foreign investors is at least thirty percent of the total authorized capital. In this case, one of the foreign investors will be a legal entity. To these banks:

- Hamkorbank (Holland)
- Savdogarbank (Germany)
- KDB Bank Uzbekistan (South Korea)
- UT bank (Turkey)
- Invest Finance Bank
- Ziraat bank Uzbekistan (You can add turkeys).

In addition, a bank registered in the territory of a foreign state is a non-resident bank, and a bank formed by a non-resident bank with full charter capital is a subsidiary bank of a foreign bank. The subsidiary bank of "Soderot" Bank of Iran in Tashkent, the Republic of Uzbekistan, is a subsidiary bank of a foreign bank, the charter capital of which is formed entirely by a non-resident bank.

## CONCLUSION

In short, despite the large inflow of foreign investment in the banking sector, the increase in its assets, the achievement of a high level of business culture, the introduction of new technologies and the creation of the necessary infrastructure, their participation in the financial market will also increase domestic investment.

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