

“NEW STAGES OF REMOTE BANKING SYSTEM REFORM IN COMMERCIAL BANKS”

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Abstract

This article highlights the proposals for further reform, stabilization and popularization of the system of remote services of commercial banks in Uzbekistan in recent years.

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Introduction

In recent years, constructive measures have been taken in the country to develop the banking system, in particular, the widespread introduction of modern IT technologies in the industry, the acceleration of the digitization process. The process has been accelerated since this year. This is not in vain. As the head of our state noted in his Address to the OliyMajlis, “Unfortunately, the banking system lags behind modern requirements in the use of digital technologies, introduction of new banking products and software for 10-15 years. From 2020, each bank will have a large-scale transformation program. In this regard, we will focus on increasing the capital, resource base and income of our banks.” [1]

In particular, last year the banking system paid special attention to the establishment of a “project factory” to support entrepreneurs. In turn, the National Bank and Ipoteka Bank are working to issue cheap and long-term resources to banks in international financial markets, for example, by issuing their own Eurobonds. As the president of our state said, “the main goal of banking reform is to train commercial banks to work for customers.” In this regard, concrete measures are being taken to radically update the software of banks through the widespread use of information technology, to fully implement the “credit history” information system.

Methodology

During the preparation of the scientific article, a comparative analysis of data on the provision of remote banking services over the years on the basis of tables, data grouping, forecasting the future development of remote banking services, analysis of advantages and problems of remote banking services. their perfection. Statistical data of commercial banks and the Central Bank of the Republic of Uzbekistan were used.

Today we can see specialists conducting research and innovations in the remote banking system. For a case in point, UtkirNorboyev, Republic of Uzbekistan Student of the Banking and Finance Academy said that, using the “Corporate Internet Banking” service, customers can have the following opportunities:

Make payments remotely, from home or office, without visiting a banking institution;

Production and publication of daily, monthly and annual reports required by the client;

Online tracking of frequently used data, dates, exchange rates and banking day and system information;

Prompt payment using stored ready-made payment order templates;

At the same time, “Bank-client”, “Internet-banking”, “Mobile-banking” and “SMS-banking” services have shown high growth, increasing 95 times since 2011 and as of January 1, 2017. The number of users of “Bank-client”, “Internet-banking” services is 135,629 thousand. In 2011, the figure was 1,424,000. Tariffs for the “SMS-notification” service for legal entities are divided into such types as “Full service”, “Balance service”, and the monthly subscription fee is set at 15, 10 and 5 percent of the minimum wage, respectively. [2]

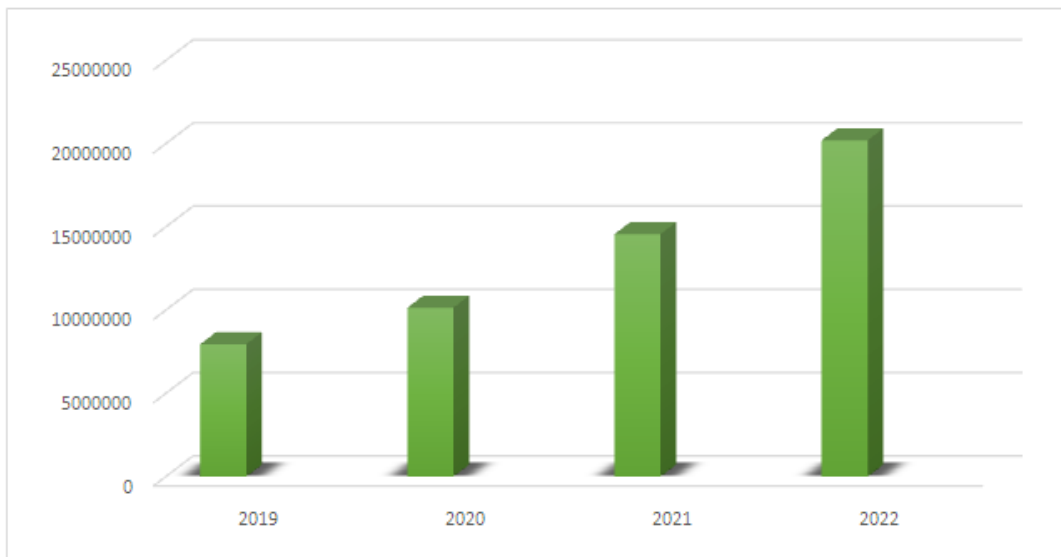
In addition, payment systems such as “Bank-client”, “Internet-banking”, “Mobile-banking” and “SMS-banking” have been established, with the help of which to make payments for services of mobile operators, utilities, Internet providers, Transfers of funds to trade and service enterprises allows to make online purchases directly from the bank account in online stores and to transfer funds from card to card. [3]

In order to attract free funds of the population and businesses to the banking sector and increase the profitability of the bank and increase the range of services in the banks of the country “Internet-banking”, “Bank client”, “SMS-Banking” and “Mobile-banking”, “MBANK”, “UzCard”, “UPAY”, “Payme” applications are being further developed. All this is important not only for the bank, but also for the bank to provide its customers remotely. The most important task is to bring our people closer and lighten their burdens. [4]

Results and analysis

If we look at the numbers and statistics, we can see that in Uzbekistan today there is a growing number of remote services in commercial banks. In particular, through the following diagram we can consider the number of users of remote banking systems in the last 4 years as of January 1. [5]

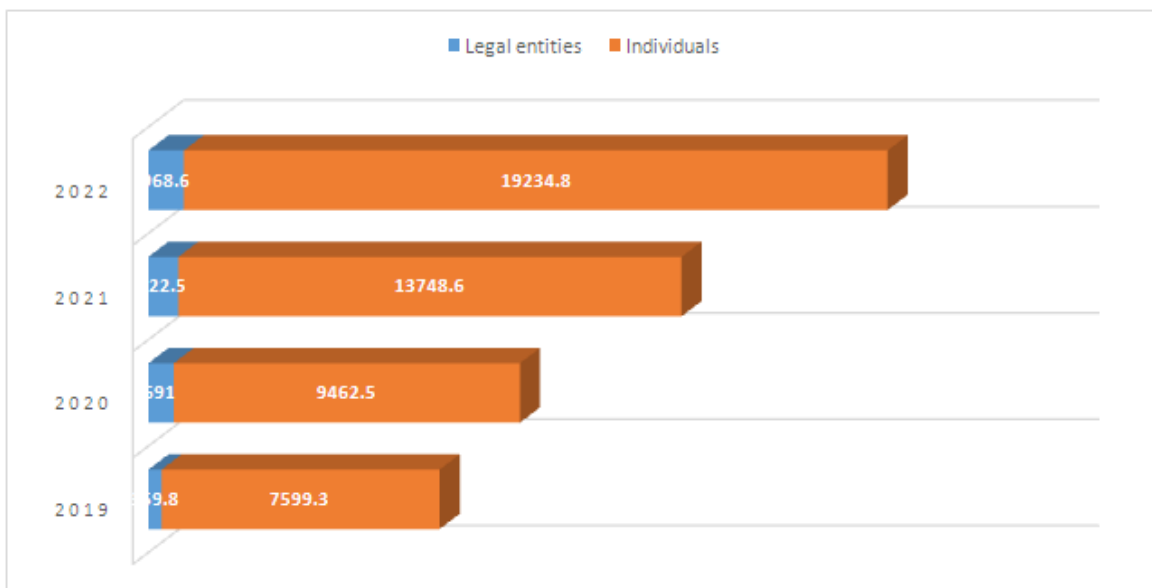
In other words, in 2019, the number of users of remote banking services in Uzbekistan amounted to 7,957,107 people, while in 2020 this figure was 10,153,458 users. This figure has increased by 4,417,636 users by 2021 compared to 2020. In 2022, it had 20,203,384 users. From these figures, we can conclude that the use of remote banking services in Uzbekistan is growing from year to year. This will not only stabilize the banking system, but also reform the country’s economy.



Picture 1. Number of users of remote banking systems (as January 1).¹

The following graph describes the number of users of the remote banking system by type, and this data covers the period from 2019 to 2020. The graph shows that in 2019, the number of individuals using remote banking services was 7599.3, while for legal entities it was 359.8. This tendency was growing year by year from 2019 to 2022 and reach a pick in 2022. Namely according to legal entities this ratio was 986.6 and according to individuals 19234.8.

If banks want growth the number of users, banks should do work better and create the new apps or new net sites or new online services which is better for the users. After that, the number of users of remote banking systems is rising by the both of the type such as individuals and legal entities.



Picture 2. Number of users of remote banking systems (by type).²

¹<https://xs.uz/uz/post/tizhorat-banklarining-masofavij-bank-khizmatlarini-rivozhlantirish-davr-talabi>

²<https://xs.uz/uz/post/tizhorat-banklarining-masofavij-bank-khizmatlarini-rivozhlantirish-davr-talabi>

Discussion

With high competition and the financial crisis in a global environment, many banks are focusing on the need to improve the quality of customer service while reducing costs. It is known that the main factor in the success of the modern banking system is to increase the efficiency of operations, while increasing customer satisfaction with banking services.

One of the most promising areas for the development of the banking sector in modern conditions is the development of activities such as the provision of remote banking services. This is due to a number of reasons. First, the provision of such services will allow creating a completely new level of service for large corporate clients. Second, high-quality remote services are increasingly understood as a competitive advantage in the provision of services to individual entrepreneurs, small and medium-sized businesses. Third, the rapid development of the retail network requires the creation of cheap and effective mechanisms of interaction between the bank and retail customers. For the client, this means maximum convenience and lack of time and financial costs in all stages of working with the bank: obtaining information about services and products, filling out the necessary questionnaires and forms, obtaining a banking product, as well as its use. Control it. For the bank - the opportunity to increase its performance, reduce costs and significantly increase the customer base without compromising the quality of service. It should be noted that the remote banking system has legal entities almost all banks, without exception.

Conclusion

In short, remote banking services among the population Dissemination of information about, electronic communication of customers building confidence in the tools and their reliability from remote banking services through the application of measures efforts should be made to increase the number of users as well as commercial develop software for remote service types of banks contacts with foreign companies specializing in exit develop and establish partnerships. To popularize remote banking services, do the following

- Quality of Internet services in all regions of the country ensure performance and increase internet speed;
- “Mobile-banking” and “SMS-banking” for individuals to see the possibility of connecting services not only through bank plastic cards, but also directly to deposit accounts in the bank;
- Provision of external services in the country low level, such as bank cards in the regions and their service the number of equipment (payment terminal, kiosk and ATMs) should be sharply increased;
- Wide introduction of modern information and communication technologies in the relationship between the bank and the customer, including digital technology-based remote banking services expansion;
- Banking services in commercial banks, in particular remote banking services delivery of the types to a wide audience and customers from these services organization of marketing departments to ensure awareness;
- Through remote banking system increase the number of services that can be performed, in particular, conversion, automatic for loan repayments, microloans, regular payments payment practices and other services should be introduced.

As a result, through the widespread use of information and communication technologies further improve the quality of remote services of commercial banks take measures to upgrade and expand the scope increase, including digital banking in the banking system of the republic development, the spread of banking services to remote areas providing and providing banking services to digital platforms of banks should be integrated.

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