The Importance And Development Of Remote Banking In Uzbekistan

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ABSTRACT
In the implementation of remote control systems of the bank account used in the banking practice of the Republic of Uzbekistan, information flows are rapidly moving, the current state of remote banking services in the banking system of Uzbekistan, as well as measures for their wide use are being taken.

The article discusses the issues of improvement of remote banking services, the problems in it and the author's relationship on the development of remote banking services in commercial banks.

Keywords: Internet banking, telephone banking, mobile banking, mobile app, SMS banking, mobile phone, mobile internet, fixed broadband internet.

1. Introduction
In recent years, there have been major changes in the provision and use of financial services. Technological development has led to changes in the banking sector as a whole. As a result of the application and use of the capabilities of internet and mobile technologies in the banking sector, the banking services market has undergone unprecedented changes. The development of electronic banking services through a large number of electronic channels made it possible to provide additional convenience to customers.

The introduction of information and communication technologies (ICT) and their application in the economy has a major impact on the economic growth of the country. Studies show that reducing the use of technology negatively affects per capita income and productivity (Szajna, 1996; Ramayah, 2005).

The development of banking services is a major factor in the impact of Technology Innovation. Initially, in the 70-ies, banks began to introduce as communication channels, then in the 1980-ies, telephone communication began to change with internet banking in the 1990-ies and mobile banking service (Devlin, 2000; Shi Yu, 1995).

In particular, commercial banks of the Republic of Uzbekistan are currently expanding their customer service through their remote banking services. At the same time, Joint-Stock Commercial Bank "Hamkorbank" with foreign capital offered the application "Hamkor mobile" for bank customers in January 2018 to register online deposit. To use "Hamkor mobile" service it is required to obtain a Hamkorbank national currency plastic card. With the help of the mobile app, customers will be able to look at the status of your online deposits and real-time
monitoring of interest rates (Mamadiyarov, May 2018).

They rely more on the use of modern technology in the rapid development and transformation of technology, improving the standard of living in people and developing the economic system (Changchit and Chuchuen, 2016).

In the decree of the president of the Republic of Uzbekistan “on measures to radically improve the activities of the Central Bank of the Republic of Uzbekistan” dated 9 January 2018, the establishment of an effective information exchange system of commercial banks with the provision of remote banking services that allow for the further development of the payment system, including the rapid. This will create ample opportunities to improve the quality of remote services provided by commercial banks and introduce new modern services.

2. Literature review

Today, in the conditions of the market economy, financial services should be a dynamic increase in the number of consumers, centralization of a wide range of consumers and compliance with the mobile lifestyle of consumers (Laukkanen and Lauren, 2005; Aderonke and Charles, 2010; Atulkar and Kesar, 2017). Also, mobile devices allow users to connect to the server, authenticate, authorize, make mobile payments and confirm transactions (Kim and Mirosmo, 2010). Banks will have a competitive advantage over other banks by providing a mobile banking service to customers and popularizing it to consumers (Dineshwar and Steven, 2013). As a result, banks will have to try to provide consumers with modern services (Kim, G., Shin, B., Lee, H.G., 2009). Especially in developing countries, mobile communication is the economic development of banks and financial services in the application of basic communication channel (Agwu and Carter, 2014). Although now in the financial market there are internet banking, telephone banking, mobile banking, as well as other types of service delivery channels (Lee, S.- The C., Im, K.H., 2015). In the banking system of Uzbekistan, too, remote banking services such as internet banking, SMS-banking, mobile banking and “bank-client” are widely used (Mamadiyarov, Z. 2018 February). Mobile banking can compete with such existing channels, and its various other amenities, such as its availability anywhere and at any time, give consumers a huge advantage (Govindarajan et al., 2014).

One of the topical issues of the present day is the promotion of initiatives for the implementation of modern and advanced types of banking services in the Republic of Uzbekistan, the introduction of new information technologies, the identification of new types and products of banking services and their subsequent introduction in the Republican banks, the study of advanced foreign banking activities.

This decision is the beginning of a new stage in the development of banking services. In order to create favorable conditions for the population, the Bank has set a number of key tasks for enhancing public access to banking services, enhancing public awareness on consumer services, increasing the level of financial literacy of the population, and enhancing the skills of using new banking technologies and expanding the range of distance services (Decree, 2018).
In fact, the urgency, quality and transparency of all services rendered by commercial banks using information technology is today's demand. It is no secret to anyone that different views of modern remote banking services, which now completely replace traditional banking services, provide exactly the same speed, quality and reliability. Modern banking services provide customers with greater convenience and increase their opportunities.

**Results**

It is worth noting that the program “bank-client” and the service of internet banking in our country came into existence in order to carry out the tasks set out by the Cabinet of Ministers of the Republic of Uzbekistan on June 12, 2007 in the resolution “on measures for further improvement of payments in the implementation of electronic commerce”. Initially, the internet banking service appeared in 2007 as a service only for corporate customers, and the next stage of its development was introduced for individuals as well. [http://bank.uz](http://bank.uz). Since 2008, the “bank-client” program has also been used in the activities of commercial banks.

Internet banking in the banking system of our country was one of the first to be implemented by AITB “Ipek yolu” bank on March 1, 2007. That is, by accessing the” Silk Road online " system, customers were able to carry out several types of banking operations on their respective deposit accounts. Initially, this service was used only by customers in the status of a legal entity, to date, this type of Service is widely used by individuals in this bank. For example, at the beginning of the year 2007, the number of customers using the internet banking service of the bank was around 60, reaching 550 people by the end of the year. By January 1, 2019, 141865 customers ([http://cbu.uz](http://cbu.uz)) can be noted that they are actively using this type of Service.

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Then, KDB Bank Uzbekistan, having offered a new service to its customers, posted it on its website, and soon the People's Bank of the Republic of Uzbekistan also offered remote banking services to its customers. This was evidenced by the increased demand for such services in this period.

Later on, banking banking services were gradually developing between commercial banks of the republic, and one after another, “HAMKORBANK”, “ATB”, “Microcreditbank” and other banks with foreign capital began to offer this service to customers.

In the banking system of Uzbekistan, the Internet banking service for individuals was originally proposed by the former "Samarkand" ATB. In May 2009, this bank introduced a new service on the Internet called sam.online. Its clients could get information on remote, mobile and fixed telephony services,
internet service providers, utility bills, Internet-shops, transfer funds to legal entities and individuals, transfer financial records to the bank, and transfer funds to their accounts. Clients of the bank have also been able to remotely select bank deposits and deposit funds. Particularly, former Samarkand ATB was one of the first to introduce Mobile Banking services to its customers. According to him, the clients of the bank could pay for mobile and internet service providers using mobile phones (http://www.finance.uz).

The second internet banking service for individuals was provided to “Aloqabank " ATB customers. Later, remote banking services (internet banking, mobile banking and SMS banking) for individuals began to be introduced and developed in other commercial banks of our country.

The increasing use of mobile phones among the population requires banks to establish mobile banking (WAP-banking), SMS-banking and other mobile banking services with the broad use of mobile phone capabilities. Taking into account the fact that the banks are expanding their customers in terms of territory, the systematic implementation of work on the continuous improvement of remote banking services at the Republican level on the one hand testifies to the development trends of the national banking system, on the other hand, creates conditions for the further strengthening of the market forces.

1-table

Number of users of remote banking services in Uzbekistan (December 31, 2016)

<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Number of customers</td>
<td>1159890</td>
<td>1432849</td>
<td>1515004</td>
<td>1638673</td>
<td>1755492</td>
<td>1880634</td>
<td>1,62</td>
</tr>
<tr>
<td>2.</td>
<td>Number of issued bank cards (thousand pieces)</td>
<td>7909</td>
<td>15215</td>
<td>16316</td>
<td>19523</td>
<td>19226</td>
<td>17686</td>
<td>2,2</td>
</tr>
<tr>
<td>3.</td>
<td>Users of remote banking services number</td>
<td>24545</td>
<td>534800</td>
<td>1061022</td>
<td>2042111</td>
<td>4453240</td>
<td>7959107</td>
<td>324,3</td>
</tr>
<tr>
<td>3.1.</td>
<td>Legal Entities and Business Owners number</td>
<td>14241</td>
<td>62227</td>
<td>81492</td>
<td>135629</td>
<td>227879</td>
<td>359770</td>
<td>25,3</td>
</tr>
<tr>
<td></td>
<td>Percentage of depositors</td>
<td>1,2</td>
<td>4,3</td>
<td>5,4</td>
<td>8,3</td>
<td>13,0</td>
<td>19,1</td>
<td></td>
</tr>
<tr>
<td>3.2.</td>
<td>Individuals number</td>
<td>10304</td>
<td>472573</td>
<td>978530</td>
<td>1906482</td>
<td>4225361</td>
<td>7599337</td>
<td>737,5</td>
</tr>
<tr>
<td></td>
<td>Percentage of depositors</td>
<td>0,1</td>
<td>3,1</td>
<td>6,0</td>
<td>9,8</td>
<td>22,0</td>
<td>43,0</td>
<td></td>
</tr>
</tbody>
</table>

* The number of registered bank depositors in the national database
The number of bank plastic cards to December 31, 2011 amounted to 7 million. If it amounted to 909 thousand, then in the same period of 2016 year it amounted to 19 million. It reached 523 thousand. The number of plastic cards of the bank in 2017 amounted to 19 million. It amounted to 226 thousand. In 2018, the number of plastic cards of the bank in 2018 amounted to 17 million rubles, since the transfer of money from 1 janvar to duet cards was suspended. Decreased to 686 thousand. In general, the number of plastic cards of the bank increased by 2.2 times in 2018 compared to 2011.

The number of customers registered in the National Information base of bankers amounted to 1159890 units in 2011, reached 1880634 units in January 1, 2019. That is, the number of depositors in this period increased by 1.62 times. The number of customer accounts registered in the National Information base of the bank accounts was 3926356 units in 2011 and each customer accounted for 3.4 units, in 2018 the number of accounts 7263621 units and each customer accounted for 3.9 units. In 2018, compared to 2011, the number of customer accounts registered in the National Information base of bankers increased by 1.85 times.

The number of remote banking service users reached 24545 in 2011 and reached 7959107 as of December 31, 2018. The number of users of remote banking services in 2018 has increased by 324.3 times compared to 2011. The sharp increase in the number of remote banking services is driven by the fact that the number of individuals using the services of remote banking services has increased to 14,241 in 2011, The number of individual users in these services increased by 3 times in 2011 to 10,304, up to 759,337 as of December 31, 2018, and by 2018 it was 737.5 times more than in 2011 (Table 1).

The number of registered clients of the National Bank of the Republic of Uzbekistan in the national database in 2011 was 1159890, from them 14241 - legal entities and individual entrepreneurs using banking services - 1.2%, as of December 31, 2018 the number of bank depositors registered in the national database is 1880634 of which 359770 were legal entities and ICTs using remote banking services.

If the number of bank cards issued into circulation in 2011 amounted to 7909 thousand units, of which 10304 were physical persons, that is, 0.1 percent were users of remote banking services, and in the case of December 31, 2018 the number of bank cards issued into circulation reached 17686 thousand units, of which 7599337 were physical persons, that is, 43 That is, the importance of mobile applications in the management of personal plastic cards among individuals is evidenced by the fact that they are increasing day by day.

Alternatively, the number of mobile users worldwide reached 2.9 billion in 2016, 3.3 billion in 2017, 3.7 billion in 2018 and 4.4 billion by 2022 should be recognized separately (https://www.strategyanalytics.com).

In our country, too, according to the state of January 1, 2013, the total number of internet users amounted to about 6070,1 thousand units, and in 2017 Year 1
went to April 14756.9 thousand units, by June 30, 2018 15453.2 thousand units by 2019 Year 1 janvar 20000.0 thousand units should be noted. At the same time, one of the new technologies that is convenient for users is the use of the internet system through this mobile phone. In particular, the number of mobile abonents in the Republic of Uzbekistan has reached 22.8 million by 1 January 2019, of which the number of mobile internet users is more than 15 million, which in turn indicates the greater use of mobile phones in Internet access. All users of the internet and mobile communication are prospective customers for banks and show the convenient aspects of remote services: attracting these potential customers to the bank through it depends only on the behavior of this bank. Because a natural person who has deposited his funds in a bank can not only receive information about his account through remote banking services, but also make payments for the use of mobile communication, internet, television, utility services and many other services (Figure 1).

1-picture. Dynamics of the number of mobile abonents in Uzbekistan (mln.also)
Source:http://ccitt.uz/uz/ - Information on the official website of the ministry for development of Information Technologies and communications of the Republic of Uzbekistan

However, further development of remote banking services has a number of factors. One of them is low internet speed. In particular, in Uzbekistan, the speed of mobile internet is 8,80 Mbps and fiber-optic Internet speed - 11,31 Mbit / sec. This indicates a low internet speed in the use of mobile banking and Internet banking. Indeed, according to estimates from the end of 2017, Uzbekistan was among the worst in the world with internet speeds. The speed of the mobile Internet was 6.47 Mbit / sec, and fiber-optic Internet - 5.81 Mbit / sec. Figure 2 shows that in January 2019, Iceland's top mobile internet rating ranges from 73.93 megabits per second to the highest rate of Internet access over mobile devices. Norway is the second with a figure of 70.29 Mbit / sec, with the top three with a 65.68 Mbit / second Canadian coverage.
2-picture. Mobile internet speed in the world rating of countries and Uzbekistan

Source: Based on Ookla's Speedtest Global Index statistical data.

The second place in the Qatar state is 59.05 Mbps, the Netherlands - 56.87 Mbps, the Australian state - 56.70 Mbps, Singapore - 54.96 Mbit / sec, while in Korea - 52.53 Mbps with a 50.12 Mbit / sec rate in Denmark and 49.99 Mbps in Belgium, with the world's fastest mobile internet speed. At the same time, Uzbekistan ranks second with a rating of mobile Internet speeds of 129 and 8.80 Mbit / s.

3-picture. Ranking of the leading countries in the world in terms of optical fiber internet speed and Uzbekistan

Source: Based on Ookla's Speedtest Global Index statistical data.

As of January 2019, the Singapore state took the lead in the optical fiber...
internet speed and its speed was 194.04 Mbps. At the same time, the state supports the introduction of large-scale and broadband technologies, with higher population density than in other countries and about 90% of the population in the country have access to the Internet. Hong Kong has 169.40 Mbit / sec, Iceland 159.30 Mbit / sec, Monaco 152.02 Mbit / sec, Romania 129.82 Mbit / sec, South Korea 129.20 Mbps, Hungary 116.09 Mbit / sec, United States 111.65 Mbit / sec, Sweden 111.48 Mbit / s and Switzerland 108.85 Mbit / s. Uzbekistan is one of the lowest in terms of fiber-optic internet speeds with 131 points and 11.31 Mbit / sec. (Fig. 3).

Conclusions
Commercial banks should explore systems that provide financial institutions with data through the use of advanced technologies, practical software interfaces (API), or the possibilities of a new payment system. Because in the future, all banking operations solutions are firmly based on accurate data and advanced analysis. Consumers, however, expect banks to make experiments by conducting research on this. And the fact that the result is beneficial to both sides, suggests that these studies are relevant.

Today, we have made sure that there are some problems that hinder the creation of innovative types of remote banking services in commercial banks operating in the national banking system of our country, their introduction into practice, the level of quality of existing types of banking services and the development of marketing activities in them. This is due to the lack of experience in the segmentation of the remote banking services market in commercial banks, the communication between commercial banks and customers, the quality of internet and communication has not been uniformly well established across the country, and in some remote areas they are not available, lack of the necessary infrastructure to develop and implement modern banking services, as long as the staff of commercial banks do not correct such cases as lack of highly qualified specialists in the marketing field and inadequate advertising and explanatory work of remote banking services among the population, population growth will continue to be one of the difficult issues to popularize the traditional banking services.

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