

Improving the Practice of Commercial Banks Introducing New Types of Banking Services

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Abstract

The article describes the practice of introducing new banking services of commercial banks. He urges us to continuously continue the work aimed at strengthening the environment of healthy competition among the banks of our country, improving the quality of traditional banking services, and introducing new services. The author analyzed the number of remote bank users in Uzbekistan, services provided by commercial banks, and internet banking services.

Keywords: *Bank, bank-client, internet-banking, mobile-banking, sms-banking, bank cards, banking services, information technologies, expenses.*

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Introduction

Wide application of innovative information technologies in the banking system created an opportunity to form a national payment system in a short period of time in our country. This system, which performs real-time calculations between economic entities, ensures the stability of the financial market of our country. In addition, our state has a significant impact on the effective management of monetary and credit policy, timely implementation of national and international payments, and management of cash flows.

Currently, on the basis of the national payment system, the unified interbank payment system of the Central Bank, the internal payment systems of 33 commercial banks, as well as the Uzcard interbank retail payment system, which covers all commercial banks by bank cards, "SMS-TO'LOV" retail payment systems are operating in the "Uz-Paynet" payment agency network for accepting mobile service, utility and other payments. Commercial banks boldly apply the achievements of information technologies to banking activities based on strong, reliable and highly efficient platforms, create excellent programs based on them, and develop the infrastructure of information systems. This, in turn, encourages us to continuously continue the work aimed at strengthening the environment of healthy competition among the banks of our country, improving the quality of traditional banking services, and introducing new services. At the moment, all commercial banks have opened their websites on the Internet, and they are regularly enriched with information about banking activities, new types of services and conditions, and information relevant to the interests of customers. Through the website of the Central Bank, interactive state services have been launched.

Literature review

Among the foreign scientists who have conducted scientific research on commercial banks, let us take as an example Chinese scientists such as Wang et al.

Scholars such as Browers and others (2014) conducted scientific research on balance and profitability in commercial banks and presented their opinions in their works.

Scientists such as Purmananandam (2007), Perignon, Smith (2010) have conducted research on bank risks, reducing them and increasing the efficiency of commercial banks.

Polfreman (2006) in his book "Fundamentals of Banking" has provided extensive information on banking, areas in banking, its importance, business procedure, benefits and risks.

As an example of Uzbek scientists, Vakhobov, Ortikovlar (2006) talked about banking services, their importance and quality, and the factors affecting it. In this process, they studied the banks in Uzbekistan in their research, at the same time they compared the banks of the world with the banks in Uzbekistan and analyzed the differences between the achievements and shortcomings.

Research methodology

In this study, the methods of analysis, synthesis, comparative analysis and modeling were used to determine the real definition of the bank today, to expand the types of services and to develop the strategies of the banks in this way.

Analysis and discussion of results

Currently, retail banking services in Uzbekistan are provided directly with the client through branch networks, mini-banks, savings banks and special cash registers of commercial banks. The

number of bank branches per 100,000 adult population in Uzbekistan is 49.7. This indicates that the level of the population's use of banking services is high by world standards (for comparison, in Russia - 37.09, in Ukraine - 1.6, in Kazakhstan - 3.38).

Currently, the main retail banking services provided to the population in Uzbekistan are: deposits (demand deposits, fixed deposits, savings deposits), mortgage loans, consumer loans, bank plastic cards, utility and other payments to do.

The market of new financial services of commercial banks of Uzbekistan is at the initial stage of development, and the features typical for it, i.e., the strengthening of interbank competition, the development of information technologies, and the increase in the demand for banking services, have led to new banking services on a large scale. making the implementation necessary. At the stage of modernization of the economy, banks in our country provide customers with about 170 types of financial services, covering all strategic banking products.

At the same time, there are significant differences in the level and quality of services to the population in the regions of the country, the system of providing services to the rural population is not fully utilized. that they do not meet the growing requirements and to solve other problems, the "Program of priorities for further reforming and increasing the stability of the financial and banking system of the republic in 2022-2026 and achieving high international rating indicators" developed in our republic, financial to further increase the level of development of the service sector, to provide the population with new modern and high-quality financial services, to ensure economic growth and to strengthen the role of the service sector in solving the issue of employment for the population, primarily in rural areas .

Table 1. The number of users of systems providing remote banking services as of 2022 ¹

№	Bank	Legal entities and individual entrepreneurs	Individuals	Total
1	TIF National Bank	19 565	891 712	911 277
2	JSC "Industrial Construction Bank of Uzbekistan"	65 491	108 263	911 277
3	ATB "Agrobank".	78 981	1 814 016	1 892 997
4	"Ipoteka-bank" ATIB	28 786	110 985	139 771
5	"Microkreditbank" ATB	10 847	182 085	192 932
6	AT People's Bank	28 942	2 641 778	2 670 720
7	ATB "Kishlok Construction Bank"	3 600	194 784	198 384
8	ATB "Turonbank".	6 242	6 884	13 126
9	Head abroad. work "Hamkorbank" ATB	56 115	289 755	345 870
10	"Asaka" ATB	7 959	626 322	634 281
11	AITB "Silk Road".	6 157	135 708	141 865
12	JSC "Trustbank".	5 197	92 981	98 178
13	AT "Alokabank"	5 882	251 017	256 899
14	ATB "Kapitalbank".	6 957	106 849	113 806
15	"Invest Finance Bank" ATB	5 939	40 379	46 318
16	"Asia Alliance Bank" ATB	4 108	12 542	16 650
	Total	359 770	7 599 337	7 959 107

¹ www.cbu.uz Information from the official website of the Central Bank of the Republic of Uzbekistan

It can be seen from the data of the table that the practice of providing remote banking services in banking practice in our country is at the stage of development. In 2022, the banks of our country provided remote banking services to a total of 4,453,240 subjects. 227879 of them are legal entities, 4225361 are individuals. The analysis of the advanced foreign experience in the development of payment systems, the expansion of the provision of remote banking services with the wide use of information and communication technologies, the increase in the level of coverage of the population with banking services, the increase in the level of banking services related to the transfer of payments shows that it serves to increase transparency and efficiency. In this regard, an annual target indicator plan has been developed to accelerate the widespread implementation of remote bank account management systems (bank-client, internet-banking, mobile-banking, SMS-banking, etc.) by commercial banks operating in our country. these systems are being developed step by step.

In the Address of the President of the Republic of Uzbekistan to the Oliy Majlis, the radical reform of the banking system, transformation of banks, modern banking practice, management and introduction of new services were specially noted. In the context of the COVID-19 pandemic, bank customers will evaluate the experience of the bank, as a result, their loyalty to the bank will increase, they will use remote banking services more, and service costs will be reduced. In the context of the COVID-19 pandemic, bank customers will have more skills to implement services through accuracy, transparency, fast and online digital tools. In recent years, the number of users of new banking services in the banking practice of our country is increasing.

Currently, the systems of making payments through mobile phones are rapidly developing in our republic, especially in the wide implementation of remote bank account management systems. Payments for the services of mobile operators, internet providers, as well as taxes and other mandatory payments, natural gas, electricity and other utility payments are mainly made through these systems.

By 2022, the number of users of remote bank account management systems will increase by almost 2.2 times compared to 2019 and reach 4.5 million. Reached. Out of this, the number of individuals using bank account remote management systems for bank plastic cards and bank deposit accounts was over 4.2 million, and the number of legal entities and individual entrepreneurs using remote bank account management systems was 228,000.

In addition, when using this type of service, legal entities and individuals do not need to connect to the Internet, on the contrary, it is enough if the company's communication network works. Payments are made through the USSD service. Customers can use their phones to make payments at sales and toll service stations through this type of service.

Table 2. Rating of commercial banks according to the number of legal entities and ITTs using remote banking services 2

№	Name of the bank	01.01.2022		01.01.2021		Change		
		Number	Share (%)	Number	Share (%)	Growth (%) (+/-)	Share (+/-)	Place (+/-)
1	"Ipoteka-bank" ATIB	98 400	14,2%	28 786	8,0%	241,8%	6,2%	+4
2	"Agrobank" ATB	96 250	13,9%	78 981	22,0%	21,9%	-8,0%	-1
3	AT People's Bank	91 332	13,2%	28 942	8,0%	215,6%	5,2%	+1

² www.cbu.uz Information from the official website of the Central Bank of the Republic of Uzbekistan

4	CHECK "Hamkorbank" JSC	69 714	10,1%	56 115	15,6%	24,2%	5,5%	-1
5	TIF National Bank	52 969	7,7%	19 565	5,4%	170,7%	2,2%	+1
6	"Microkreditbank" ATB	48 152	7,0%	10 847	3,0%	343,9%	4,0%	-1
7	ATB "Sanoatkurilishbank i".	31 464	4,6%	65 491	18,2%	-52,0%	-13,7%	-5
8	ATB "Kapitalbank".	21 519	3,1%	6 957	1,9%	209,3%	1,2%	+1
9	JSC "Trustbank".	19 871	2,9%	5 197	1,4%	282,4%	1,4%	+6
10	"Asaka" JSC	19 546	2,8%	7 959	2,2%	145,6%	0,6%	-2
11	AITB "Silk Road".	18 783	2,7%	6 157	1,7%	205,1%	1,0%	0
12	"Kishloq Kirilish Bank" ATB	18 499	2,7%	3 600	1,0%	413,9%	1,7%	+6
13	"Davrbank" JSC	17 772	2,6%	5 452	1,5%	226,0%	1,1%	-1
14	"Invest Finance Bank" ATB	16 601	2,4%	5 939	1,7%	179,5%	0,8%	-2
15	"Turonbank" ATB	15 783	2,3%	6 242	1,7%	152,9%	0,5%	-5
16	AT "Alokabank"	14 739	2,1%	5 882	1,6%	150,6%	0,5%	-3
17	"Asia Alliance Bank" ATB	9 551	1,4%	4 108	1,1%	132,5%	0,2%	+1
18	"Turonbank" ATB	2 805	0,4%	1 135	0,3%	147,1%	0,1%	+1
Total by banking system:		691008	100,0	359 770	100,0	92,1		

During the COVID-19 pandemic, announcements, news, manuals and videos on the provision of remote banking services should be provided on various platforms. It is necessary to strengthen efforts to connect to the system of remote banking services and to simplify the systems of providing remote banking services. For example, China carried out clarification work on the provision of banking services in the context of the COVID-19 pandemic through a new online platform. It provided all kinds of instructions to its customers through these portals. In bank branches, it is necessary to reduce the number of employees and increase security in the implementation of services by organizing banking services remotely through digital services.

Although there are many benefits of remote banking services, this new technological service creates some risks related to confidential information, personal information of customers and transactions (Shah, M.H., Peikari, H.R., Yasin, N.M., 2014). Therefore, security and risk awareness is considered a key aspect in the electronic payment system (Ashrafi, M., Ng, S., 2008). For the success of such technologies and the adoption of new payment system platforms, security must be monitored (Schierz, P.G., Schilke, O., Wirtz, B.W., 2010). In the context of the COVID-19 pandemic, the priorities for bank customers will also change. That is, the health of his family and himself, as well as the provision of food for his family, are of great importance. Banks can play an important role in overcoming these difficulties. In the US, COVID-19 has caused almost half of bank customers to lose their jobs or worry about it (McKinsey Financial Decision-maker Consumer Pulse Survey, 2020).

Many bank clients who did not save financially before the pandemic have problems with work. For example, in 2018, 39 percent of the population of the United States said that they could not afford \$400 in additional expenses in addition to their primary expenses (Report, 2019). In 2016, a study conducted in the USA showed that on average, small businesses have enough to cover 27

days of operations (JPMorgan Chase Institute, 2016). The current financial fragility and the stresses of COVID-19 make it difficult for bank customers to manage complexity and make informed decisions. Research also shows that financial scarcity leads to serious psychological difficulties and leads to making more irrational decisions (Sendhil Mullainathan and Eldar Shafir, 2013).

The bank introduced a modern innovative service type "Agrobankmobile" for individuals. The purpose of this type of service is to further improve the system of providing high-quality, fast and reliable service to the population of trade and toll service stations in our cities and villages. The new type of service is offered to all clients using bank plastic cards. It is possible to make payments for about 100 types of services through this mobile application.

For example, it is possible to make payments for taxes and customs, utilities, mobile and landline telephones, Internet, websites and television services, budget and pre-school educational institutions, insurance services and other payments.

In addition, through this type of service, customers (individuals) can transfer money from one plastic card to another plastic card, view the remaining funds on the plastic card account, ask for the loan principal and calculated percentage from these remaining funds. making payments regardless of which bank the payee's account is in our country, receiving information about deposits, remotely blocking a plastic card when the plastic card is lost, and other such new opportunities have been created. The number of customers connected to this mobile application was 26,800 people. Agrobank has introduced the mobile application "Agrobankmobile-Business" for legal entities and individual entrepreneurs, through this mobile application it is possible to manage (manage) funds in customer accounts, transfer payments for goods and services, real over time, they had the ability to monitor the processing of payment documents, receive statements from account numbers for any period, generate various reports and other opportunities. Currently, the number of customers connected to this mobile application is about 4128 people.

The development of the Internet in developed countries has led to the high development of remote services of commercial banks. Electronic payment systems on the Internet make it possible to make calculations between a large number of users in a fast and secure mode.

Table 3. Internet banking in developed countries³, 2022. to the situation

State	The number of banks providing Internet services	Number of banks in the country	Share of Internet service banks	Share of Internet banking users
Germany	285	1042	37,6%	50,5%
Austria	97	965	10,05%	35%
Great Britain	n/d	679	27,35%	45%
Sweden	45	122	36,89%	57,2%
Denmark	15	207	7,25%	44,8%
Luxembourg	152	280	54,29%	38,3%
France	143	609	23,48%	42,4%
Italy	32	633	5,06%	30,5%

³ Analiticheskaya kompaniya ForresterResearch. <http://www.forrester.com>, <http://www.forrester.com/online-banking/europe.html>

Spain	29	339	8,55%	37,9%
USA	1532	7800	19,6%	35%

It can be seen from the table that the level of Internet banking service provision is very high in developed countries. The level of this indicator is especially high in Luxembourg, Germany, Sweden, France and the USA. In Europe, there are "pure" Internet banks established by mortgage banks and various deposit institutions, for example, Egg, Smile, Firste, Abbey National banks, while traditional banks with a strong competitive position in Internet services include Barclays, HSBC, Lloyds TSB banks can be specified. According to Deutsche Bank analysts, by 2020, 50-60 percent of residents of the European continent will make online payments. Today, Sweden, Denmark and a number of other European countries have already approached these indicators. New banking services have been introduced to facilitate the implementation of currency exchange operations for the population, and conditions have been created for the purchase of foreign currency by individual entrepreneurs.

Conclusions and suggestions

A number of problems and shortcomings are observed in the observance of the rights and legal interests of consumers of banking services, especially in the regions, and in the expansion of financial openness, as well as in the service culture and further increase of trust in the banking system. In particular:

- firstly, the excessive centralization of powers in making decisions on the allocation of loans prevents a clear delimitation of responsibility between the main banks and their branches;
- secondly, the complicated mechanisms of review of loan orders limit the possibility of obtaining loans quickly;
- thirdly, the lack of possibility to allocate microloans by commercial banks does not allow to increase the level of obtaining microloans, high interest rates on the services of microcredit organizations and pawnshops in most cases lead to the deterioration of the financial situation of consumers;
- fourthly, the low level of development of the market of retail banking services and the lack of modern approaches to establishing cooperative relations with customers creates the ground for excessive bureaucracy and censorship;
- fifthly, the lack of a state processing organization for the implementation of cashless payments based on bank cards affects the level of security, continuity and reliability of retail payment systems, as well as the implementation of innovative projects open to a wide range of the population. hinders the promotion of modern technological solutions in development;
- sixthly, the collection of service fees and other fees for reviewing and allocating loans (microloans) leads to an increase in the real value of the debt;
- seventhly, the inclusion of conditions in contracts that provide for the right to unilaterally change service tariffs, allocated loans and interest on attracted deposits, as well as the provision of one service on the condition of using an additional service violates the rights of

consumers of banking services;

eighthly, the presence of restrictions on the withdrawal of foreign currency from bank payment cards and the insufficient number of ATMs do not allow providing services at the level of demand in performing currency exchange operations.

In order to eliminate these problems, to further improve the mechanisms for ensuring the protection of the rights of consumers of banking services, and to increase the level of financial openness, taking into account the trends of innovative development, commercial banks are obliged to:

- study of advanced international experience of banking activities and introduction of new types of banking services and products;
- expanding the network of bank branches and mini-banks, taking into account the coverage of bank branches and mini-banks and the needs for banking services;
- it was possible to expand the rights of branches to make independent decisions without additional agreement with the main banks in granting loans.

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