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PROSPECTS FOR THE DEVELOPMENT OF VIRTUAL BANKS IN UZBEKISTAN

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ПЕРСПЕКТИВЫ РАЗВИТИЯ ВИРТУАЛЬНЫХ БАНКОВ В УЗБЕКИСТАНЕ

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Abstract. The article discusses the history of the virtual banks, foreign experience of development, opportunities and benefits of these banks, as well as prospects for the development of virtual banks in Uzbekistan.

Аннотация. В статье рассматривается истории создания виртуальных банков, зарубежный опыт их развития, возможности и преимущество этих банков, а также перспективы развития виртуальных банков в Узбекистане.

Keywords: digital bank, software, Central Bank, banking services, digital innovations, virtual bank.

Ключевые слова: цифровой банк, программное обеспечение, ЦБ, банковские услуги, цифровые инновации, виртуальный банк.

Nowadays, the quality and availability of banking services for various segments of the population of Uzbekistan is one of the main criteria for the socio-economic efficiency of the national credit and banking system and a condition for its competitiveness. Retail banking is an important tool for solving many problems of an economic and social nature, moreover, the quality and availability of these services largely depend on effective demand and, therefore, the rate of economic growth, welfare population, and social climate in society [1–4].

In today's global world, achieving sustainable socio-economic development requires constantly expanding the range and improving the quality of services provided by banks to the population, taking into account the needs of various social groups, the specifics conditions in different regions of our country.

The international financial crisis has given rise to a significant number of problems in relationship between the state and the population of economically developed countries with institutions of the banking system, in general, this does not negate the growing the importance of the retail banking sector in ensuring sustainable, dynamic development of modern economies.

The main task of domestic banks is a high-quality client service. Capturing the customer base now days banks provide the introduction and development of new modern services and banking products. At the same time, it should be noted that in the conditions of Uzbekistan, new technologies do not contradict the development of a regional and retail network, but, on the contrary, they allow them to develop more harmoniously [5].

The theoretical and methodological basis of the study are the main provisions on remote banking services used by commercial banks in the Republic of Uzbekistan, as well as practical foreign experience of virtual banks. Methods of economic analysis were applied in the work. In the process of writing an article materials regarding the organization of the activities of virtual banks based on international experience were used.

In the modernization of the economy, the modernization and simplification of the banking system plays an important role in the development of financial services. Today, as in all spheres, information technology is deeply ingrained in the banking system. The development of digital banking in the banking system is one of the key issues for economic growth. Commenting on the banking system, the President of the Republic of Uzbekistan Shavkat Mirziyoyev said, “Unfortunately, the banking system lags behind the modern requirements for the use of digital technology products and software”. In this, we need to recognize digital banking as an issue that needs to be developed.

One of the important issues is the development of virtual banking system, which will increase the confidence of users in the banking system and offer convenient services.

In Uzbekistan, a lot of work is being done on banking services, the introduction of modern and advanced types of banking services, the introduction of new information technologies, increasing the popularity of banking services, its application in the banking market. A number of normative and legal documents have been developed on this. The Action Strategy for the Development of the Republic of Uzbekistan for 2017–2021 identifies the implementation of measures aimed at further development of the banking system, including the activities of commercial banks and the improvement of banking services as one of the priorities [1–4].

Looking ahead, we expect virtual banks to continue to compete with traditional banks on price to attract customers and deposits. Total deposits at virtual banks will likely continue to increase steadily as existing customers add to their savings accounts and prospective customers consider opening new accounts, perhaps as a secondary bank. Interestingly, we believe that target customers will not only include the younger generation, but also the older demographic who in general have more savings and are becoming more accepting of virtual financial services platforms and services. Nonetheless, in the short term we expect deposits at virtual banks as a percent of total balances to be relatively minor.

As it is known, the first virtual bank to appear in Internet in November 1995, became a bank — SFNB. According to legend, the bank was created for Americans who often migrate within the country, and sometimes not at all leaving her. Nobody wanted to lose customers, that’s why it was invented a project where it was possible to use the services of the bank remotely without binding to any geographical object. In addition, in some states had regulations that prevented the opening of branches “foreign” banks from neighboring regions. All these factors have led organizers to create an internet banking system (e-banking, online banking).

As we all know very well, on-line banking has opened up new opportunities for the bank's customers — to receive information about the state of your account, as well as to produce certain transactions are now possible without visiting the bank or its branch. At the same time, SMS messages help to quickly track each account action. Bank customers are less and less likely to use offline services and visit bank offices only when absolutely necessary.

In addition to the abovementioned information, we would like to consider closely that a virtual bank is a bank that operates exclusively through the Internet, which does not have actual representations, for except for the legal address. Virtual bank in its entirety operates on the World Wide Web. Such a system has two categories: passive and active. The first includes all data on the current account, and active allows you to remotely manipulate finances.

Based on this research's findings, it seems that the development of the economic sphere of any country is impossible without an effective payment system with effective payment mechanisms. Payment systems, being the basis for the stability of the financial system of the state, reduce transaction costs in the economy, increase the efficiency of the use of financial and other types of resources, increase the liquidity of the financial market and contribute to the conduct of monetary policy [7].

As international experience in the development of payment systems in different countries shows, the development of payment systems is primarily associated with expanding the list of payment instruments and services, increasing their profitability by reducing operating costs. The widespread use of online payments through bankcards contributes to the reduction in the cost of banking services related to making payments.

In our research, we have found that for the further development of online banking in the country and the full coverage of bankcard holders by all commercial banks, schedules have been developed for the introduction of mobile banking for individuals. At the same time, in order to expand the services of mobile applications with the ability to remotely manage bank accounts, on the basis of the Clearing System of the Central Bank, testing of mechanisms for making payments from card to card, issuing and repaying loans, processing online deposits, online payments in favor of trade entities and service providers. With the introduction of this mechanism, the launch of a single platform is being considered, allowing bank customers to make transactions on their bank accounts in different banks 24×7 without a break for weekends and holidays

For conclusion, in a few words, we can say that Uzbekistan is already in a position to introduce such banking system.

– Firstly, in our republic, not only has it been created, but it is also working reliably telecommunications network not only at the level of individual banks, but in general around the country.

– Secondly, the population of our state, and regardless of age, have become close friends with electronic services. And we think the appearance a virtual bank that can be accessed by almost everyone those who wish, will at first arouse curiosity and interest, which immediately affect the bank's clientele.

– Thirdly, the existing banking infrastructure does not allow to fully covering all settlements in our republic. In the same time, the virtual bank will solve this problem.

– Fourthly, the personnel currently working in the banking system ready to work in a new bank.

–Fifth, the most important incentive when creating a bank is the absence of large costs for the acquisition of buildings, equipment and machinery, their maintenance, depreciation and taxes, and hiring staff [8].

The wide development of effective banking services using mobile Internet banking is not possible without the organization of an appropriate marketing strategy to promote new bank services. In foreign practice, banks using the interactive capabilities of the Internet conduct active advertising campaigns in social networks. And in our country, commercial banks have begun to use social networks as the main tool for marketing promotion of banking products and services [9].

Virtual banks therefore need to continue to evolve and expand their offering to continue to attract customers. This could include the continued provision of competitive interest rates on customer deposits, and the introduction of new products and services such as credit cards, loans and eventually wealth management services. Furthermore, virtual banks can leverage their partnerships

with their key owners and stakeholders to provide value-added benefits and promotion schemes such as shopping discounts and other lifestyle benefits.

However, the rapid growth in the popularity of Internet banking confirms that there is a stable and effective demand for this new type of banking services. The cost of customer service via the Internet is minimal, which arouses the interest of customers. The development of the digital banking industry requires the efforts of every commercial Bank, as well as support from the State Bank. As the Manager of the national banking industry, the State Bank of Uzbekistan should strengthen the legal corridor and create a favorable environment plus supportive policies that facilitate the rapid application of digital technologies.

Uzbekistan's commercial banks must also reorganize their management and strategy to meet the requirements of the new business model. Accordingly, banks must adjust their business culture while developing the appropriate human resources. In addition, commercial banks should also focus on managing communications, social media information, updating information technology platforms, developing network security management schemes, and classifying customers for better management in this digital age.

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