

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Information Technologies**



**Bachelor Thesis**

**E-banking services in the Republic of Kazakhstan**

**Author:** Assel ZHAMBYLOVA

**Supervisor:** Ing. Miloš Ulman, Ph.D.

**© 2019 CULS Prague**

## BACHELOR THESIS ASSIGNMENT

Assel Zhambylova

Economics and Management

Thesis title

**E-banking services in the Republic of Kazakhstan**

---

### Objectives of thesis

This thesis investigates current state of the art of e-banking services in the Republic of Kazakhstan, as there is intensive Internet users growth. The main objective of the thesis is to evaluate on-line banking services development in Kazakhstan.

The partial goals of the thesis are such as:

- to create a comprehensive overview of the e-banking services in the Republic of Kazakhstan,
- to make a comparative analysis of e-banking services between two different banks,
- to identify barriers and opportunities of e-banking services development and suggest recommendations.

### Methodology

The literature review will be based on the examination of the current literature on e-banking, its adoption and trends globally and in Kazakhstan. The practical part will consist of a comparative study using quantitative survey and analytical methods such as SWOT and PESTLE. Based on the outcomes of the literature review and the practical part, recommendations and final conclusion will be elaborated.

## **The proposed extent of the thesis**

30 – 40 pages

## **Keywords**

E-banking, adoption, services, Kazakhstan, SWOT, PESTLE,

---

## **Recommended information sources**

E-Banking and Emerging Multidisciplinary Processes: Social, Economical and Organizational Models: Social, Economical and Organizational Models; Idea Group Inc (IGI), 2010; ISBN: 1615206361

E-Banking Management: Issues, Solutions, and Strategies: Issues, Solutions, and Strategies ;IGI Global, 2009 ;ISBN: 1605662534;

National Bank of Kazakhstan. [online]. Available at: <http://www.nationalbank.kz/>

World Bank, 2017. Ease of Doing Business in Kazakhstan. [online] Available at: <http://www.doingbusiness.org/data/exploreeconomies/kazakhstan>

---

## **Expected date of thesis defence**

2018/19 SS – FEM

## **The Bachelor Thesis Supervisor**

Ing. Miloš Ulman, Ph.D.

## **Supervising department**

Department of Information Technologies

Electronic approval: 7. 11. 2017

**Ing. Jiří Vaněk, Ph.D.**

Head of department

Electronic approval: 8. 11. 2017

**Ing. Martin Pelikán, Ph.D.**

Dean

Prague on 14. 03. 2019

**Declaration**

I declare that I have worked on my bachelor thesis titled "E-banking services in the Republic of Kazakhstan" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

**In Prague** .....

.....

**Assel Zhambylova**

## **Acknowledgement**

I would like to thank my Mother and Father, especially my aunt for giving me the opportunity to study abroad and supporting me during my studies.

And I would like to thank Ing. Miloš Ulman, Ph.D. for his professional approach and support as a supervisor.

Also, I would like to thank my friends, Sergazy Dinaliyev, Ramizkhon Rovshanov, Zokhida Shosalimova, Olga Gorbunova for their useful advices.

## **E-banking services in the Republic of Kazakhstan**

---

### **Summary:**

The purpose of this thesis is to investigate current state of the art of e-banking services in the Republic of Kazakhstan, as there is intensive Internet user's growth. Explains what the e-banking is, how it works and overall development of e-banking in two different countries. It is divided into two parts, which complement each other as a source of information. The first part deals with the theoretical foundations of e-banking: types, benefits, scope in modern business. For the analysis in the second part, one of the most popular modern systems of remote banking services was chosen - Halyk Bank of Kazakhstan and SB "Sberbank Online" JSC. The practical part consists of a comparative study using quantitative survey and analytical methods such as SWOT and PESTLE. They can be used in isolation, however become significantly more effective when used in combination. The PESTLE analysis has been undertaken for the understanding of the external and internal environment. SWOT analysis has been used evaluate the strategic situation in the competitive banking industry. This will underline an online bank's strengths, weaknesses, opportunities and threats.

**Keywords:** e-banking, Kazakhstan, analysis, development, Halyk Bank, SB Sberbank JSC, prospects.

## **Služby elektronického bankovníctví v Republice Kazachstán**

---

### **Souhrn:**

Cílem této práce je prozkoumat současný stav služeb elektronického bankovníctví v Republice Kazachstán, neboť dochází k intenzivnímu růstu uživatelů internetu. Vysvětluje, co je to e-bankovníctví, jak funguje a celkový vývoj elektronického bankovníctví ve dvou různých zemích. Je rozdělena do dvou částí, které se doplňují jako zdroj informací. První část se zabývá teoretickými základy e-bankovníctví: typy, výhody, rozsah v moderním podnikání. Pro analýzu ve druhé části byl vybrán jeden z nejpopulárnějších moderních systémů vzdálených bankovních služeb - Halyk Bank of Kazakhstan a SB "Sberbank Online" JSC. Praktická část se skládá z komparativní studie s využitím kvantitativního průzkumu a analytických metod jako SWOT a PESTLE. Mohou být použity v izolaci, avšak při použití v kombinaci se stávají významně účinnějšími. Analýza PESTLE byla provedena za účelem pochopení vnějšího a vnitřního prostředí. Byla použita SWOT analýza, která hodnotí strategickou situaci v konkurenčním bankovním sektoru. To podtrhne silné, slabé stránky, příležitosti a hrozby online banky.

**Klíčová slova:** e-bankovníctví, Kazachstán, analýza, rozvoj, Halyk Bank, SB Sberbank JSC, vyhlídky.

## Table of content

1	Introduction .....	10
2	Objectives and Methodology.....	11
2.1	Objectives .....	11
2.2	Methodology.....	11
3	Literature Review .....	12
3.1	E-banking: concept, types, development. ....	12
3.1.1	Types of e-banking, development.....	13
3.1.2	Mobile banking .....	17
3.2	Analysis of the advantages of e-banking .....	19
3.2.1	The main characteristics of an effective e-banking system .....	19
3.2.2	The advantages of e-banking for credit institutions.....	21
3.2.3	Advantages of using e-banking for a client .....	21
3.3	Analysis of e-banking in Kazakhstan .....	23
3.3.1	Analysis of banks offers in the e-banking field .....	24
4	Practical Part.....	32
4.	1 Comparative analysis of Halyk Bank of Kazakhstan and SB „Sberbank“ JSC .....	32
4.1.1	Description of e-banking of Halyk Bank of Kazakhstan.....	32
4.1.2	Description of e-banking SB “Sberbank” JSC .....	34
4.1.3	SWOT analysis of Halyk Bank of Kazakhstan.....	38
4.1.4	SWOT analysis of SB “Sberbank” JSC .....	40
4.1.5	PESTLE analysis of Halyk Bank of Kazakhstan.....	41
4.1.6	PESTLE analysis of SB “Sberbank” JSC .....	44
4.2	Comparison analysis of the functioning of e-banking between Halyk Bank of Kazakhstan and Sberbank of Russia .....	46
5	Result and Discussion .....	49
5.1	Barriers and development opportunities for e-banking services at the Halyk Bank of Kazakhstan.....	49
5.1.1	Prospects for the development of e-banking in the Halyk Bank .....	50
6	CONCLUSION .....	52
7	References .....	53



## List of tables

Table 1 - System features and disadvantages of E-banking HomeBank .....	33
Table 2 - Financial indicators of the Halyk Bank of Kazakhstan for 2018 .....	34
Table 3- Functions SB “Sberbank” JSC and the number of users.....	35
Table 4 - Number of accounts with remote access opened in SB “Sberbank” JSC. ....	36
Table 5 - Financial performance of SB „Sberbank“ JSC on for 2018.....	37
Table 6 - SWOT-analysis of Halyk Bank JSC .....	38
Table 7 - SWOT analysis of SB “Sberbank” JSC .....	40
Table 8 - PEST-analysis of Halyk Bank of Kazakhstan.....	41
Table 9 - PESTLE analysis of SB “Sberbank” JSC.....	44
Table 10 - Results of the questionnaire survey.....	47

# 1 Introduction

Currently, remote banking services are widely distributed in the CIS countries. Cashless settlement via Online systems is becoming popular in Kazakhstan. An increasing number of consumers choose this method of payment due to clear advantages. Most banks operating in the country already offer this service, taking the idea of transferring non-cash payments to the online mode and reducing the waiting time a step forward.

A few years ago, analysts predicted that the main competition for banks would be made up of Internet resources, due to which transaction processing is carried out many times faster. Due to this, the financial structures prepared in advance for the opening of such systems and provided consumers with such services, adopted the ideas of the advanced structures. The same applies to organizations operating in the country. All modern banks offer Kazakhstan customers quite comfortable and profitable terms. Often, the transition to e-banking is also due to the fact that you can save on commission, which must be paid for certain transactions. Online transactions are not only cheaper, but also safer, because the client does not risk losing the card or encountering intruders personally. The probability of loss of funds in the implementation of payments and other online procedures is extremely small.

The work consists of two parts (theoretical and practical), introduction, conclusion and list of bibliography. The first part deals with the theoretical foundations of e-banking: types, benefits, scope in modern business. For the analysis in the second part, one of the most popular modern systems of remote banking services was chosen - Halyk Bank of Kazakhstan and SB "Sberbank Online" JSC. The second part provides an analysis of two e-banking systems and analyzes the development prospects of the National Bank of Kazakhstan.

## **2 Objectives and Methodology**

### **2.1 Objectives**

This thesis investigates current state of the art of e-banking services in the Republic of Kazakhstan, as there is intensive Internet user's growth. The main objective of the thesis is to evaluate online banking services development in Kazakhstan. Explore the market of e-banking for individuals, identify the main problems and develop recommendations for their solution on the example of the bank Halyk Bank.

To achieve the goal, the following tasks are highlighted:

- to create a comprehensive overview of the e-banking services in the Republic of Kazakhstan,
- to make a comparative analysis of e-banking services between Halyk Bank and SB Sberbank JSC,
- to identify the advantages and disadvantages of e-banking.

### **2.2 Methodology**

The literature review will be based on examination of the current literature on e-banking, its adoption and trends globally and in Kazakhstan. The practical part will consist of a comparative study using quantitative survey and analytical methods such as SWOT and PESTLE. They can be used in isolation, however become significantly more effective when used in combination. The PESTLE analysis has been undertaken for the understanding of the external and internal environment. SWOT analysis has been used evaluate the strategic situation in the competitive banking industry. This will underline an online bank's strengths, weaknesses, opportunities and threats.

## 3 Literature Review

### 3.1 E-banking: concept, types, development.

E-banking is the generic name for remote banking technologies, as well as access to accounts and transactions (on them), provided at any time and from any device with Internet access. The browser is used to perform operations, that is, there is no need to install the client part of the system software<sup>1</sup>.

E-banking is often available through a bank-client system, using technology and a thin client. As a rule, e-banking services include<sup>2</sup>:

- account statements;
- providing information on banking products (deposits, loans, mutual funds, etc.);
- applications for opening deposits, obtaining loans, bank cards, etc.;
- internal transfers to a bank card;
- transfers to accounts in other banks;
- conversion of funds;
- personal account for managing services;

Modern banks are mastering a new promising direction for the development of brokerage services, which is to provide individuals with a method of access to international currency and stock markets (Internet trading).

The rapid growths of scientific and technological progress and new information technologies have a significant impact on the overall assessment of the attractiveness of the bank. The development of the technological process allows not only to increase the speed of processing documents and conducting cash operations, but also to expand the clientele. Due to the Internet, the client-bank relationship becomes more operational, which also allows you to work differentially with the customer, depending on individual preferences, risk appetite and client portfolio formation, and the development of information technologies allows to significantly reduce the distance between the producer and the consumer of banking services, significantly aggravates interbank competition, and, consequently, contributes to the development of banking services, both in quantitative and qualitative aspects.

---

<sup>1</sup>Retrieved from: 21 Polyak, Yu. E. On the way to the bank of the XXI century / Yu. E. Polyak // Information resources of Russia: IRR. - 2018. - № 3. - p. 23-29.

<sup>2</sup>Retrieved from: Polyak, Yu. E. On the way to the bank of the XXI century / Yu. E. Polyak // Information Resources of Russia: IRR. - 2018. - № 3. - p. 23-29.

The system of e-banking takes its beginning after the 1980s, when HomeBanking was created in the USA. This system allowed depositors to check their accounts by connecting to the bank's computer via the telephone. In the future, as the Internet and Internet technologies develop, banks begin to introduce systems that allow investors to receive information about their accounts via the Internet. For the first time, the service of transferring funds from accounts was introduced in the qualities of 1994 in the US by the Stanford Federal Credit Union, and already in 1995, the first virtual bank, Security FirstNetworkBank, was created. But, to the disappointment of the qualities of the founders of the project, he suffered a fiasco because of the strong mistrust on the part of potential clients who, at that time, did not really trust the qualities of such an innovation. The first bank to achieve success in the quality of e-banking, became Bank of America. By 2001, he became the first among all banks providing the e-banking service, whose user base of this service exceeded 2 million customers. At that time, this figure was about 20% of all bank customers. And in October, all the same in 2001 and still the same Bank of America took the bar in 3 million money transfers made using the e-banking service for a total amount of more than 1 billion. \$ USA. At present, in Western Europe and America more than 50% of the total adult population use e-banking services, among adult internet users this figure reaches 90%.

An important feature of e-banking security is the confirmation of transactions using one-time passwords (so that the interception of traffic does not allow an attacker to gain access to finance). Although the theoretical possibility of substitution of the server still remains, however, the implementation of such fraud is quite problematic (especially if you use an SSL connection with a certificate signed by a third party<sup>3</sup>).

### **3.1.1 Types of e-banking, development**

The Internet entered the business when the first pages of WorldWideWeb appeared. Of course, initially it was an advertising business. Then they began to create the simplest sites, the so-called corporate business cards. Then, in order to strengthen the reputation of a reliable business partner and increase business transparency, companies began to actively practice publishing on the Internet annual and then monthly financial reports. Everyone is interested in investors, so that shareholders can easily get the information they need. This

---

<sup>3</sup>Retrieved from: Modern telecommunications // A sectoral information and analytical journal. Expertise. Trends of society. - 2018 - April 14.

was the beginning of the arrival of the business on the Internet, when serious banks and companies began to use Internet technology.

E-banking is after a special case then a remote customer service method. The computer qualities of the Internet are then one of the possible new channels for transferring the quality of information, the qualities used in remote new customer service works along with telephone, telegraph, new fax, and mail.

Remote maintenance is possible except using<sup>4</sup>:

- personal computers, the qualities of both connected methods to closed new networks (remote except terminals), and after switching works on open qualities of (public) networks;
- telephone channels, then including mobile;
- wireless channel access method;
- other channels, except for example the connection of works with banking new terminals.

As noted then in the previous chapter after this new edition, the introduction of the qualities of Internet technologies in new banking business, except the emergence of the work of the direction of e-banking, then began to develop new in the US. The first commercial after the bank, which also began to serve the method of its customers except via the Internet, except was the SecurityFrom FirstNetwork Bank Quality. The emergence of the e-banking method was mainly due to the limitations of the existing state of the state except for the United States. With a small investment of funds and a small staff of banks, they were able to serve large areas, and since the bank experienced cost savings, the virtual bank could pay a higher interest rate on deposits than a conventional bank.

The concept of e-banking refers to systems that allow customers to access accounts and general information on banking services and maintenance, using a personal computer or other “smart” device.

E-banking services and maintenance may include wholesale services for corporate customers and retail and fiduciary services for customers. In the limit, services and services via e-banking may coincide with services and services provided through other channels used by banks.

---

<sup>4</sup>Retrieved from: Modern telecommunications // A sectoral information and analytical journal. Expertise. Trends of society. - 2018 - April 14.

Some examples of wholesale services and maintenance include<sup>5</sup>:

- cash management;
- electronic transfers;
- automatic clearing operations;
- presentation of invoices for payment.

Retail and fiduciary services include:

- balance request;
- money transaction;
- to request information about transactions;
- presenting invoices for payment;
- requests for loans;
- investment activities;
- other income-generating services.

Other e-banking service options may include the provision of Internet access as an Internet Service Provider (ISP - Internet Service Provider). Subsidiaries of national banks can provide home banking services through Internet connections with the home banking system of a particular bank and, as a supplement to such services, can also provide access to the Internet to bank customers. Historically, banks have used information system technology for processing checks (processing claims), managing ATMs (processing transactions), and preparing reports (management information systems). In the past, computer systems that formed the functional basis of information systems almost did not attract the attention of customers. Today, websites, e-mail and electronic invoicing (payment) systems are important means for banks to work with their clients.

National banks have experimented with various forms of online remote banking for many years. Some of the original experiments were conducted with closed systems in which customers accessed the bank through telephone dialing or cable television connections. These systems limited the potential client base of the bank, since access to the bank required that customers outside the region had to either pay telephone bills for remote connections or become subscribers to a specific cable television system. With the general growth of the Internet, customers can take advantage of this technology anywhere in the world in order to

---

<sup>5</sup>Retrieved from: Modern telecommunications // A sectoral information and analytical journal. Expertise. Trends of society. - 2018 - April 14.

gain access to the communications network of a bank. The Internet, as a technology provider, has made banking services and maintenance accessible to a large number of customers and has removed barriers due to geographic factors and system ownership rights. If there is an expanded market, banks may have opportunities to distribute or modify their services and maintenance offerings.

The incentive of banks to revise their strategies in terms of e-commerce and online banking are competitive costs, customer service and demographic conditions. The challenge for banks is to make sure that the benefits of using e-banking exceed the losses due to the costs and risks associated with doing business in cyberspace. Strategies vary as national banks seek to expand their markets and use cheaper channels to bring services.

Among the market factors that can determine the strategy of a bank include the following<sup>6</sup>:

1. Competition - competitive pressure is the driving force behind the use of Internet banking. The other two factors, the second and third most important ones, are cost reduction and profitability increase. Banks consider e-banking as a way to preserve the existing clientele and attract new customers to the bank.
2. Cost Effectiveness - National banks can provide e-banking services with transaction costs much lower than traditional fixed bank offices. The real cost of conducting transactions varies depending on the channel used to bring the service.
3. Geographical coverage – e-banking provides enhanced contact with customers by increasing geographic coverage and reducing the cost of service delivery channels. In fact, some banks operate exclusively through the Internet - they do not have traditional banking offices and they work with their customers only online. Other financial institutions use the Internet as an alternative channel to interact with existing customers and attract new ones.
4. Brand - relationship formation is a strategic priority for many national banks. E-banking technology and services give national banks the means to create and maintain continuous customer relationships by providing easy access to a wide range of services and services. Promotion of its brand and provision of a wide range of financial services contribute to the conquest of customer loyalty, the implementation of cross-selling services and increase the appeal ability of additional services.

---

<sup>6</sup>Retrieved from: Bogdanov S. Business model for business // Financier. - 2017. - No. 2. - P.45.



5. Demographics of clientele – e-banking allows national banks to offer a wide range of options to their banking customers. Some customers will apply in the implementation of their banking activities to traditional offices. For many, this is the most convenient way to perform banking transactions. Such clients prefer interpersonal contacts. Other customers are those who have early embraced new technologies emerging in the markets. These customers were the first to purchase personal computers, and the first to use them for banking transactions. The demographics of the banking clientele will continue to change. The challenge for national banks is to understand their customer base and find the right combination of service channels and services in different segments of their market to get benefits.

Currently, the markets use three main options for e-banking: information, communication and operational.

### **3.1.2 Mobile banking**

“Mobile Bank” is a package of services and a convenient SMS-service that allows to perform various operations with plastic cards, allows to receive information about all card transactions, as well as make payments, transfers and other operations using a mobile phone at any time of the day and anywhere on earth.<sup>7</sup>

Options for private clients:

1. replenish the mobile phone account of both your own and close people
2. receive instant messages on all card transactions
3. receive passwords to enter the "bank
4. transfer funds between cards
5. repay loans
6. pay utility bills
7. manage the Mobile Bank service
8. instantly block the card (in case of loss)
9. buy tickets for Aeroexpress, to the theater, exhibitions via SMS and much more

For corporate clients:

---

<sup>7</sup>Retrieved from:BBVA. Mobile Banking. Centro de Innovación BBVA. p. 22.  
[https://books.google.com.ph/books?id=pB\\_6qEL5ppkC&pg=PA22&dq=history+%22mobile+banking%22&hl=en&sa=X&ved=0ahUKEwjXzdK18ejdAhUO2o8KHAFsBZ8Q6AEILTAB#v=onepage&q=history%20%22mobile%20banking%22&f=false](https://books.google.com.ph/books?id=pB_6qEL5ppkC&pg=PA22&dq=history+%22mobile+banking%22&hl=en&sa=X&ved=0ahUKEwjXzdK18ejdAhUO2o8KHAFsBZ8Q6AEILTAB#v=onepage&q=history%20%22mobile%20banking%22&f=false)

- a. making payments in Kazakhstan and foreign currencies;
- b. execution of internal and interbranch payments online;
- c. view the status of sent payments;
- d. batch signing of payment orders;
- e. registration of payments in one package;
- f. obtaining statements on the movement of funds on the account (including in Excel and 1C);
- g. view balances and movements in the accounts;
- h. view incoming payments;
- i. the possibility of sending to the bank documents signed with an electronic signature (loan applications, letters of change in details of payments, requests for certificates, payroll, cash applications);
- j. Provision of statements and applications in electronic form with all regulated marks / stamps of the bank;
- k. creation of own templates of payment documents, including on the basis of the payments made;
- l. create a list of payees;
- m. the ability to make non-cash purchase / sale of foreign currency in accordance with the rates of the bank, as well as with rates different from those of the bank;
- n. transfer of currency control documents in electronic form;

Ways to connect a mobile bank:

1. Through self-service devices (ATMs and payment terminals)
2. In the Bank;
3. By phone.

### **Modern means of protection**

Banks seek to protect their customers' funds from dangers of any kind, including digital fraud. Therefore, when developing its own mobile application, every bank that respects itself and its customers strives to fulfill all basic security standards requirements. First of all, this is provided by modern means of digital protection: the so-called data encryption and the use of secure channels (SSL) for their transmission. This means that all the data that you transmit to the bank, as well as those that are stored in the application, are encrypted in a special way,

and then transmitted by a special “virtual transport”: the so-called protocols. Thus, they become inaccessible to outsiders.

#### Mobile app security features

In addition to common security standards, your mobile app also protects your data. As a rule, the more substantial the bank, the more serious the demands it places on the availability of various means of protection from its mobile banking. As such additional security functions, one-time passwords in SMS, automatic session termination after a certain period of time, application blocking after entering a wrong user name or password, and others can be used.

## **3.2 Analysis of the advantages of e-banking**

### **3.2.1 The main characteristics of an effective e-banking system**

E-banking has several characteristics that determine its effectiveness. The main ones are: speed, user-friendly interface, multi-channel. The speed of such systems depends on the degree of their integration into the software “shell” already used by the bank. How accurately the link between the e-banking module and the core of the ABS will be built, how the gateways from the operational day database will be configured, how harmoniously this module will interact with kart processing, etc. - all these bundles are crucial for the efficiency of online payments.<sup>8</sup>

At the same time, a number of developers claim that the best interaction will be achieved if the bank uses the software of the same developer as the ABS in e-banking.

Another point related to the security of calculations, how the client will confirm their right to conduct transactions. In addition to the traditional password and login in various systems, session keys / passwords, a digital signature on a USB key, a password certificate with a variable code card, a special “token” device, etc. are used for this purpose.

When choosing e-banking, you should pay attention to the flexibility of the system and the ability to add new options to it. For example, if Russian banks do not dare to issue loans online, then it is quite possible that in a couple of years this service will become popular. One of the ways to improve the efficiency of e-banking systems is to maximize its harmonization with other forms of remote banking services: call centers, wap and SMS banking, as well as plastic cards. Or, more simply, multi-channel. Thus, the client is not

---

<sup>8</sup>Retrieved from: Bogdanov S. Business model for business // Financier. - 2017. - No. 2. - P.45.

rigidly tied to one form of work with the bank but is free to choose the most convenient way of communication for him at the moment. The most striking example of the complementarity of e-banking and other remote banking service systems is SMS banking. Banks set up the execution of online transactions so that after they are completed, the corresponding message arrives on the client's mobile phone. This confirms the operation and, in addition, introduces an additional level of security.

One of the main accents in the online banking system is to ensure that the client has the opportunity to make a non-cash form, and online, the largest possible number of payments that are usually paid in cash. If most e-banking systems allow you to replenish your mobile phone account and pay for the Internet, utility bills, then, for example, in the Tele-Bank system you can pay for the services of dozens of third-party companies. So, through the "Tele-Bank" the client has the opportunity to transfer the subscription fee for satellite television or work with the mutual fund. In this case, the bank is fully responsible for making the payment, and for e-banking users this can be a very attractive "bonus" in favor of choosing one or another bank.

Building such a developed system of contractual relations with third-party companies is possible only if there is a large client base, a good retail payment system and a clear understanding of the purpose of these operations.

Banks that provide services via the Internet, as a rule, buy the necessary software from domestic development firms or develop it on their own. Typical designs usually cost from 10 thousand dollars, but their price increases sharply with an increase in the number of customers.

Non-recurring costs are quite large<sup>9</sup>:

- first, we need a banking system capable of supporting such a service (its cost can be estimated at millions of dollars);
- secondly, equipment and software that allow using the Internet bank to those who are currently unavailable personal computer (cost of a few thousand dollars). However, such systems pay offing 1–5 years.

---

<sup>9</sup>Retrieved from: Bogdanov S. Business model for business // Financier. - 2017. - No. 2. - P.45.

### **3.2.2 The advantages of e-banking for credit institutions**

For banks, mastering the virtual space provides many advantages. First of all, remote maintenance can significantly reduce the cost of rental and maintenance of premises. Since the clients manage their own accounts in fact, the banks have the opportunity to significantly reduce the number of staff, and, accordingly, their salary costs. Due to economical online services, the bank can offer more favorable conditions, which helps to attract new customers. As a result, the business model of the financial organization as a whole is improving.

“E-banking allows you to use staff more economically and simplify many processes. Cheaper prices are due to the exclusion from the process of servicing an employee of a bank, an operations officer, in connection with the automation of work with a client and the creation of favourable opportunities to attract new customers.

When working with legal entities through the Internet, banks also benefit compared to the traditional Bank-Client system: in the online service system, all operations are performed on the bank’s server, there is no need to maintain a whole service that will monitor the client’s software, work away. etc. In the “Internet Bank” system, any client of a bank can perform all the necessary operations without having special equipment.

A study by Western banks conducted by BCG showed that due to the lower cost of customer retention (4%), higher sales of services (8%) and lower customer service costs (14%), the online banking client is 26% more profitable for the bank than offline”<sup>10</sup>.

For Kazakhstan, this figure, however, may be less, because the volume of online operations is still relatively small, which means less economies of scale. In addition, the salaries of bank service personnel in the West are higher than in Kazakhstan, although the cost of developing an e-banking system is lower: Kazakh programmers create the product fairly cheaply.

### **3.2.3 Advantages of using e-banking for a client**

The benefit of using Internet systems for the bank and for the client turns out to be mutual. For legal entities that have previously had the opportunity to work remotely with the bank using the “Bank - New Client” system, e-banking adds mobility: after all, operations can be performed from any computer without installing additional software. As for companies with

---

<sup>10</sup>Retrieved from: Pikuleva M.N. Report: "The market of electronic money. Key players". 2012, RIF-CIB Conference.

an extensive network of subsidiaries, each of the regional divisions has an account in their bank, so the control over their financial flows from the head office is carried out after the fact. In the “Internet Bank” system, control is performed in real time. Branches of companies can carry out payment and settlement activities through the Internet, subject to another authorization by the financial director.

“The development of services for individuals through the Internet is considered to be a more promising area: here the customer’s benefit is to save time on going to the bank and filling out standard documents, as well as the ability to constantly monitor account balance. There are more prosaic pluses. In e-banking, it is enough just to make utility payments — all you have to do is to issue a long-term order to the bank, having only entered the amount and selecting the recipient from the list, all the details will be filled in automatically. In this case, the rate of utility payments is automatically adjusted. In addition, using Internet banking, the client, as a rule, has more favorable deposit rates, favorable currency conversion rates, pays a lower commission when transferring funds.

In terms of the level of services provided and opportunities, e-banking can be compared with private banking (when the personal manager manages the client’s financial condition), after which only top customers are available whose free assets should be measured by at least six-digit numbers. Using the e-banking system, the client actually receives the same personal manager, only in electronic form. At the same time, financial management via the Internet is a massive service available to almost everyone”<sup>11</sup>.

When the client turns on his home, work or some other computer, go to the bank’s web site and sign the digital signature, as the Internet office doors open with all possible options.

However, it should be understood that e-banking is not a new type of banking operations - it is no more than one of the technologies for providing banking services. However, the specifics of this technology lead to very significant changes in the “risk profiles” of credit institutions providing banking services, more precisely, changes in the composition and degree of influence of sources or factors of a particular bank risk in the direction of their increase.

---

<sup>11</sup>Retrieved from: Pikuleva M.N. Report: "The market of electronic money. Key players". 2012, RIF-CIB Conference.

### 3.3 Analysis of e-banking in Kazakhstan

E-banking in Kazakhstan is a remote customer service system that allows them to independently perform various financial operations through such functionality. This includes managing your own current account and transfer of funds.

SSL client technology is used to authenticate the client, due to this technology it is possible to prevent unauthorized access and seizure of the account by hackers. Using this service, customers can<sup>12</sup>:

1. Receive complete banking information;
2. Receive data on existing services, whether it is an open account or deposit, cards, loan repayment periods, etc.;
3. Block and unblock cards in the event of their loss or theft;
4. Find out all about your money transfers, payments made within the service;
5. Change the cipher to enter the banking service;
6. Create, edit and delete templates for automatic payment for some payments.

Online banking offers in Kazakhstan

The main banks in the country offering services are:

- National Bank (Halyk Bank);
- Forte bank;
- ATFBank 24;
- BCP

In most cases, all banks offer the same or relatively equal conditions that may be suitable for certain categories of citizens. For example, if we are talking about a more favorable rate for the exchange of currencies or for obtaining loans. Due to this, all groups of clients can choose for themselves the financial institution that suits them best.

A rather popular Internet service is still transferring to Russia, since close cooperation is maintained between the countries. Equally popular is currency exchange and micro-lending, which can be done in a very short time by filling in the necessary forms on the website.

As e-banking is constantly evolving, customers every year get more functionality, bonuses and a more flexible and thoughtful service system.

---

<sup>12</sup>Retrieved from: Remote banking service. - 2010. - 328 p. - ISBN 978-5-406-00350-3.

### 3.3.1 Analysis of banks offers in the e-banking field

#### E-banking of Halyk Bank.

“E-banking of Halyk Bank is a flexible service, with the help of which it is possible to remotely manage cards and bank accounts, control payments and their frequency, make various financial transfers and regular payment for services. Both individuals and legal entities can take advantage of this. Remote monitoring can be carried out from any place and device with a stable Internet connection.

MyHalykkz E-banking for individuals - application

Character traits:

- Halyk Bank provides a network of Internet operation for the purpose of physiological persons - it is possible to select a Homebank or MyHalyk, services differ from each other with an easily accessible list of opportunities;
- to use the offers of the Internet, you should check out or after all enter into the "Personal account" presence of the presence of the account;
- for physiological and legal persons there are different requirements, in accordance with this, different segments and services, in which it is possible to use the required functions;
- the homebank.kz Internet operation gives the chance to realize the translations to supplement result of mobile, to pay municipal the mobile phone, public service, security service, taxes and penalties, forming, TV, motor transport, acquisitions, etc.;
- MyHalyk provides to users admission to crediting, payment cards, currency transfers, after a payment of services, properties to statements agrees the latest to the account and works of converting of monetary units”

To use banking of Halyk bank, it is necessary to possess the functioning card, to connect in each ATM bank the offer "Delivery of SMS passwords" and to be issued. Registration is carried out in the MyHalyk website or by means of the ATM. Owing to clear sequence of transactions any user of Halyk bank is capable to make this.

- The main functions what will become readily available to users of service comprise procedures with:
  - maps and accounts;
  - payments and transfers;
  - history the performed operations.”<sup>13</sup>

---

<sup>13</sup>Retrieved from: [https://halykbank.kz/fizicheskim\\_licam/myhalyk\\_internetbanking\\_\\_prilozh](https://halykbank.kz/fizicheskim_licam/myhalyk_internetbanking__prilozh)



## **Forte bank e-banking**

“Banking Forte Bank is a flexible tool that gives access to control over the account and card, allows you to perform various financial operations through the "Personal Account" and convenient services”<sup>14</sup>.

“Functionality:

- complete information about user balance;
- account management;
- money transfers to any cards and accounts;
- connection of a card of any bank;
- repayment of loan debts;
- making payments without charging a fee;
- search for branches and ATMs using a convenient map (Almaty, etc.);
- management of credit limits, etc.

Due to its versatility and availability, such a service is extremely popular with users. Its interface is intuitive, so it can be used by older people. The production of all necessary financial transactions through the “Personal Account” becomes available after receiving the card or opening an account in it and registering on the official website. method In this case, the procedure is quite simple.

There are several ways to activate the service - through a network, ATM or through personal contact with the office. Activation via the network will require the entry of an active phone number associated with the banking services of the financial institution, the TIN and card numbers. A valid SMS will be sent to the current number with an activation code that must be entered.

The ATM procedure is very fast. To do this, the only thing that client needs to do - insert the card, enter the PIN code and select the service connection service. The received check will have the necessary login details. When contacting the office will require a contract. After that, the client calls the valid phone number and receives.

To gain access to the site will need to do the following:

1. Go to the login page.
2. Select and enter the phone number (login) associated with the banking service.
3. Enter the password.

---

<sup>14</sup>Retrieved from: <https://my.forte.bank/#/fortepay/terms>

4. Depending on the type of login and the configured security steps, you will need to take a series of actions. For example, enter the code that will come to your phone number in an SMS message.
5. Complete the authorization process by logging into your profile.

It is noteworthy that the connection service and its use remains free.”<sup>15</sup>

### **ATF 24 e-banking**

“Banking ATF24 provides remote management of user financial operations through the ATF24 Online service

The Bank provides its customers with a secure connection for performing all necessary procedures through the system. To maintain the required level of reliability, customers are advised to use modern, up-to-date versions of antivirus software to prevent viruses from infecting a personal computer or software to track and steal user personal information.

Protection includes:

- HTTPS protocol;
- a password, in the case of an incorrect three-fold entry of which automatic blocking occurs before the direct owner of the profile applies to one of the branches or a support service;
- one-time passwords for transfers, which increase the security of each individual transaction made with a bank account through an online service.

### **Registration**

Registration to use the service is made in two stages. To pass them, the user must have with him an activated card with at least one made operation and an active phone number that is associated with the client profile. The first stage of registration is called the primary. It is produced using an ATM or Contact Center. The purpose of this step is to obtain a special personal registration code that will allow you to use all the functionality.

It should be remembered that any registration code of this kind is valid for no more than 24 hours, so the second stage should be completed on the same day. By the time the whole process takes no more than 10 minutes. The second stage is the registration directly on the site. To do this, go to it and in the authorization, window enter the phone number to which

---

<sup>15</sup>Retrieved from:

[https://www.polpred.com/?prv\\_list=&ns=1&whouser=&img=&cnt\\_and=&person\\_id=&os%5B11%5D=on&searchtext=%C1%E0%ED%EA%E8%ED%E3+%D4%EE%F0%F2%E5+%EF%EE%F1%EB%E5+%E1%E0%ED%EA&fulltext=clr&fulltext=on&beg=&end=&word=&period=&period\\_count=1&sortby=id&pl=](https://www.polpred.com/?prv_list=&ns=1&whouser=&img=&cnt_and=&person_id=&os%5B11%5D=on&searchtext=%C1%E0%ED%EA%E8%ED%E3+%D4%EE%F0%F2%E5+%EF%EE%F1%EB%E5+%E1%E0%ED%EA&fulltext=clr&fulltext=on&beg=&end=&word=&period=&period_count=1&sortby=id&pl=)

the card is attached, the TIN and the code from the image that appears. After that, enter the registration code, which was received on the phone in an SMS-message and come up with a code. The password is subject to special security requirements, since the security of personal data and customer's funds depend on its complexity.

At this the entire registration process comes to an end. After that, the client has the opportunity to use the functions offered by ATF 24. Among them are operations with:

- cards and account;
- deposits and loans;
- payments and transfers;
- reference information.

To use the service on mobile devices, applications have been developed that work on the Android and IOS operating systems.

**Benefits:**

- lack of dependence on the mode of operation of bank branches, the speed of transactions and their safe work at any time of the day;
- security, fully protected communication channel with the bank;
- payments arrive almost instantly, transactions are made extremely quickly;
- it is possible to use the service at any time and in any place with the help of a device having an outlet in a;
- commission for many operations performed through the service is much cheaper than at the cash desk, and their separate group is completely free (request for information about the balance, receive a detailed account statement, etc.);
- an intuitive system interface, which everyone can use due to the presence of detailed instructions”<sup>16</sup>.

**Bank Center Credit e-banking (BCC)<sup>17</sup>**

“BCC offers e-banking for legal entities that allows you to manage financial transactions remotely using a service. Due to the amount of functionality, legal entities can completely or partially exclude a personal visit, thereby reducing the time for making payments and other important procedures.

BCC e-banking for legal entities

---

<sup>16</sup>Retrieved from: <https://www.atf24.kz/Authorize/Login#payments>

<sup>17</sup>Retrieved from: <https://ib.bcc.kz/>

To ensure the legality and security of transactions, an electronic digital signature of the client is used, ensuring that the process remains unchanged. With its help, any actions with financial savings in bank accounts are signed (confirmed). EDS is issued for each individual client when contacting the bank. For each such signature provides an individual code, known only to the user. Due to this approach, any operations performed through the service are reliable and safe.

**Features:**

- Banking from Center credit is characterized by a high level of reliability and transaction speed;
- The service provides customers with access to different versions of the NIB through various authentication methods, including Kaztoken;
- thanks to the use of the service, customers can perform operations related to deposits - opening and closing accounts;
- user-friendly interface and adaptive cross-browser design, providing comfort of use;
- The user of the service can receive new statements on account balances;
- The service provides timely and reliable SMS notification and email alerts around the clock.

For customers there are several versions of the system. The SIB Light version is a lightweight version that does not require new EDS, provides electronic banking services using dynamic identification tools. In this version, the client is not limited to functionality. The only thing that distinguishes the interface of the Light model is the inability to send payment documents. Importing documents, statements, generating reports on involved bank accounts, etc., is still available.

There is also a version of SIB Mobile, which allows you to log into your "Personal Account" exclusively from devices that support IOS or Android operating systems. The mobile version allows you to control the accounts connected to the system (for authorization, you also need a phone).

The latest version of the SIB allows customers to use additional functionality, which includes the following items:

- Use of the following browsers Google Chrome, Mozilla Firefox 3.6+, Apple Safari 4+ (Windows) and the method of versions of the popular software;
- To use the system, a special utility is no longer needed to ensure the use of the Kazakh language;

- Download statement now access in PDF and XLS;
- Shortened payment acceptance time, immediate refund if such a need is identified;
- The time of receiving payments to other banks increased;
- Customers can now get compressed information about open accounts;
- A function has been added to add payment orders based on the type of payment;
- Import of payments in UTF-8 encoding is now available;
- Import and export from 1C software is allowed;
- Formation of a consolidated statement is available when connecting to a centralized service;
- Copy payment orders and more.

### **User registration**

In order to use the banking of any financial organization, you must:

- Have an active card, being an official client;
- Activate the service "Delivery of SMS-passwords";
- Activate the service in the profile through the "Personal Account" (depending on the organization, the procedure may vary)<sup>18</sup>.

The client must be notified of the performance of all transactions through the online account. This is done via email notifications and / or SMS messages via a valid mobile number. Often, users can opt out of notifications or limit them. The principle of the work of authorization is subject to change. If a user logs into his personal account through an application on another device (for example, a smartphone), the system may require additional authentication steps to verify the customer's identity. After that, it is possible to configure the type of authorization and remove unnecessary functions.

Most customers of the service prefer to perform operations via smartphones using officially released applications. It should be noted that you can only use the software that the specialists of a financial organization have developed specifically for customers. In no case can you trust your personal information and pin-code of valid cards of untested software, through which attackers are able to steal money.

If the financial institution does not have an application (or sufficient funding for its development), it is still possible to complete the transaction through the official website, logging in to the "Personal Account" through a browser on the smartphone. All financial

---

<sup>18</sup> Retrieved from: <https://ib.bcc.kz/>

institutions prepare an FAQ in advance so that users who have any problems can find the required information without involving a support service.

### **Possible problems**

The main problem that users may encounter when registering a profile for a service in absolutely any bank is the failure of the automatic sending of SMS with the registration code necessary for further authorization on the site. This can occur for a number of reasons, the main of which are considered to be an ordinary failure or temporary loss of communication. Often, the recovery of the automatic distribution system is performed fairly quickly. If the SMS has not been received, it is possible to perform the operation to receive it again, having previously reset all the data entered into the terminal. If this does not help or the terminal does not allow re-registration to attempt with the same data, you should contact the support service and resolve the issue directly. It usually does not take more than a day, which is required to verify the user's data, process his application and send the registration code. Most often, the support service sends the code immediately after the call, so the procedure does not take much time.

### **Conclusions on the chapter. The general position of e-banking in Kazakhstan**

According to statistics for 2017 and the past period of 2018, the growth in the number of banking procedures that are performed online has increased significantly. Even approximate calculations show that the growth in the volume of transactions has become more than half as much. Such an increase in the demand for operations is due to the convenience and practicality of the method, the ability to make purchases or pay taxes in a matter of minutes. This contributes to the fact that funding in this area is increasing, new investors and partners are attracted, including foreign organizations wishing to start or strengthen cooperation.

The total amount of card transactions on the Internet is 1.06 trillion tenge. The growth rate reached 210%, which can be considered a rather significant result justifying the decision to increase funding, which will improve the current functionality and develop a new product, make it more profitable for customers.

It becomes completely obvious that the level of trust in payment cards, as well as in banking, is noticeably increasing. The popularity of such payments is growing every quarter due to the convenience of the method and the ability to significantly reduce the waiting time for a particular operation, whether it be utility payments, mandatory payments or even mobile account replenishment.

According to the indicators of the Analytical Centre NAFI by 2020 in Russia, more than half of consumer purchases will be paid by cashless payment. In Kazakhstan, this figure is still a few percent, but progress is already noticeable. The ideas that the remote-control system offers are gaining in popularity. Already, non-cash payments constitute a fairly significant share of all transactions made in some EU countries:

- France - 50%;
- The Netherlands - 52%;
- Croatia - 90%.

Since the remote-control system offers quite favourable conditions and covers most of the needs of the users of the systems, over time this figure will grow and equal the percentage ratio across Europe.

Last year was decisive for bank cards. In Kazakhstan was observed a serious increase in the popularity of remote access and control over banking operations. The total volume of non-cash transactions using the cards increased by three times. The same is true of transactions on the Internet, which are made using the service. The more opportunities the residents of the country have to use their money at their own discretion, the wider the possibilities offered by financial organizations, the more innovative ideas are thought out by specialists. According to the most modest estimates of specialists engaged in banking analytics, by 2019 most of the financially active citizens will try to switch to cashless payments and more than half of the total mass of clients of financial organizations will become users of remote services. This testifies to the soon development of the direction and strengthening of its positions.

## **4 Practical Part**

### **4. 1 Comparative analysis of Halyk Bank of Kazakhstan and SB „Sberbank“ JSC**

Our study is given as a multidimensional track diagram. It makes it possible to establish, at one or another point of formation, the network of the Internet - bank is separately acquired by the bank relatively differently shown in the auction. Investigating the material used in the study, analyzing the results, the bank will notice, rather than succeed, the extent to which rivals have moved away, which additions should be recognized

#### **4.1.1 Description of e-banking of Halyk Bank of Kazakhstan**

National Bank of Kazakhstan JSC (Halyk Bank; KASE: HSBK) is system-forming multifunctional trade central bank of the state. Permission to carry out banking and other actions and work in the trading of significant securities No. 1.2.47 / 230/38/1 from November 8, 2016. According to as of the month of October, 2018, the first role is seized according to its state from among the Kazakhstan banks. Enters the category of "Halyk" performing banking, insurance, brokerage and leasing work in the territory of Kazakhstan, Kyrgyzstan, the Russian Federation, Georgia and Tajikistan. Possesses more extensive representation in the states of the region. The main office is in the town of Almaty. In 2018, the central bank established a decree on the opening of a subsidiary in Uzbekistan. Represents a representative of the Government of the Republic of Kazakhstan in accordance with the payment of pensions and benefits through its own branch line.

#### **E-banking HomeBank**

In addition to the classic bank branches, Halyk Bank forms fertile service channels, urging buyers to switch to the service through the Homebank economic entry (microprogram products created by Kazkommertsbank and merged into the Halyk Bank product line in July 2018). Starting from June 29, 2007, Halyk Bank of Kazakhstan JSC switched over to commercial operation of the e-banking for Legal Entities system, significantly expanding the possibilities and range of services provided to legal entities through electronic services, the press service of the bank told Kazinform.

This is the first system in Kazakhstan that combines several channels of remote access to traditional banking services within one software product. And this is the first remote access



system in Halyk Bank, which provided the client with the opportunity to simultaneously manage all their accounts opened with the bank.

“The “Internet banking for legal entities” system includes two modules - “Bank-Client” and “Internet-Client”. The client can choose any of the modules, as well as use both at the same time.

The system is created based on the latest version of the product “DBO BS-Client v.3” of the Bank's Soft Systems company together with the company's representative offices in St. Petersburg and Almaty.

Through HomeBank, you can pay utility bills, cellular communications, education, kindergarten services, taxes, fines for violating traffic rules, make transfers between cards and accounts, manage products and order other services (1 136 suppliers are available) without commissions.

A unique feature of the HomeBank mobile version (available for iOS and Android devices) is the Scan & Pay™ function, which allows you to scan the QR code of a supplier of goods or services directly from the application for making cashless payments. As of October 1, 2018, the number of registered HomeBank users exceeded 3.38 million people. In the third quarter of 2018, a total of 28 million payments and transfers were made through the portal”<sup>19</sup>.

**Table 1 - System features and disadvantages of E-banking HomeBank**

System features:	Disadvantages:
1. Transfer money to other users; 2. Withdrawing money to any card of the Halyk Bank; 3. Payment for mobile and other services. 4. Low transfer fee	1. The confused system, the complexity of setting up (during the installation process, the Windows system may stop working, in some cases it is impossible to install the system at all); 2. The inability to view information on deposits, loans, accounts, card accounts of the client in the bank, except for the Internet account.

Source: it is made by author<sup>20</sup>

<sup>19</sup> Retrieved from: <https://bankir.ru/novosti/20070710/halyk-bank-vnedril-sistemy-laquointernet-banking-dlya-uridicheskikh-licraquo-1042129/#comments-list>

<sup>20</sup>The table was made by author based on research of e-banking that given above the table.

**Table 2 - Financial indicators of the Halyk Bank of Kazakhstan for 2018**

<b>Indicator</b>	<b>01.07.18</b>	<b>01.10.18</b>
Authorized capital	39 294,00 million tenge	97 603,00 million tenge
Equity	889 655,00 million tenge	977 877,00 million tenge
Total assets	8 273 906,00 million tenge	8 389 875,00 million tenge
Net profit	85 205,00 million tenge	163 154,00 million tenge
Book cost of the common share	80,27 tenge	83,05 tenge
ROA	1,03%	1,94%
ROE	9,58%	16,68%

Source: <http://old.kase.kz/emitters/show/HSBK>

Thus, the key financial performance banks show growth by the end of the period, in particular net profit

#### **4.1.2 Description of e-banking SB “Sberbank” JSC**

The end of 2006 was marked for SB “Sberbank” JSC by the first acquisition of a subsidiary bank abroad - in Kazakhstan. SB “Sberbank” JSC is developing dynamically, increasing its market share, actively cooperates with enterprises of various sectors of the economy and participates in the implementation of several state programs of the Government of the Republic of Kazakhstan. Currently, SB “Sberbank” JSC has a branch network comprising more than 90 structural divisions, 13 of which are branches. The central office of the Bank is in Almaty. SB “Sberbank” JSC was included in the EBRD Trade Facilitation Program as a confirming bank.

The history of the SB “Sberbank” JSC in Kazakhstan begins at the end of 2006, when SB “Sberbank” JSC of Russia acquires a 99.99% stake in TeksakBank.

In 2007, the Bank received a license to conduct banking and other operations performed by banks in national and foreign currencies. In the same year, the authorized capital of the Bank was increased almost 15 times and amounted to 29 billion tenge (more than 240 million dollars), which allowed SB “Sberbank” JSC to become one of the 10 largest banks of the Republic of Kazakhstan in terms of authorized capital.

Today, SB “Sberbank” JSC has a network of branches consisting of 91 divisions, 16 of which are branches.

SB “Sberbank” JSC is a member of the international group SB “Sberbank” JSC. Since 2007, the Bank has worked in the financial market of Kazakhstan and ranks, fourth in terms of

assets among all banks in Kazakhstan. Today, SB “Sberbank” JSC has a branch network consisting of 91 divisions, 16 of which are branches.

In the first half of 2018, the assets of the SB “Sberbank” JSC reached 1.346 trillion tenge, the liabilities of the bank amounted to 1.219 trillion tenge, the equity capital is 127.6 billion tenge. Deposits of legal entities amount to 649.1 billion tenge, deposits of individuals are 298.8 billion tenge.

As of September 2017, the assets of the SB “Sberbank” JSC reached 1.576 trillion tenge, the bank's liabilities amounted to 1.101 trillion tenge, and the equity capital is 160.5 billion tenge. Deposits of legal entities are 447.4 billion tenge, deposits of individuals are 671.1 billion tenge.

The bank provides car loans, mortgages, consumer loans and business loans.<sup>21</sup>

Like other online services of the Bank, SB “Sberbank” JSC has a user-friendly, intuitive interface, the design solution of which fully corresponds to the visual concept of the SB “Sberbank” JSC brand. Thus, the client should not get used to some new design, which again facilitates the understanding of the interface and creates psychological comfort.

**Table 3- Functions SB “Sberbank” JSC and the number of users.**

Name of functions	Quantity of Users (%)	Number of users (thousand people) per month
Viewing of information on the cards of SB "Sberbank" JSC	32	3 040
Obtaining reports and information on ten last transactions	15	1 425
Fee of legal entities	14,5	1 377
The transactions between the cards of SB "Sberbank" JSC, including the third parties	10,5	997
Payment of own credits	10	950
Urgent blocking of the bank card	8	760
Listing of forms of standard payment documents for payment through of SB "Sberbank" JSC	10	950
<b>Total</b>	<b>100</b>	<b>9500</b>

Source: it is made by author<sup>22</sup>

<sup>21</sup> Retrieved from: <http://www.bankchart.kz/spravochniki/banki/id/1076>

<sup>22</sup> Table was done by author based on: [https://www.sberbank.ru/ru/about/affiliated\\_banks\\_abroad/db/kz](https://www.sberbank.ru/ru/about/affiliated_banks_abroad/db/kz)

According to the table 3, it can be concluded that the majority of users use the service of viewing information on their cards of SB “Sberbank” JSC, this is because the most convenient and simple way to view such information is using the remote banking service, and the smallest the number of users constitutes the service of blocking a bank card, this unpopularity of the service is due, primarily, to the fact that this service is most often used in the event of theft or loss of a bank card, and which is rare.

The popularity, since the system of SB “Sberbank” JSC is the cheapest to pay for use, and also pleasantly surprised by the speed of customer service and high quality.

With the help of remote banking services, accounts are also opened for individuals and legal entities. The number of opened accounts is shown in *Table 4*

**Table 4 - Number of accounts with remote access opened in SB “Sberbank” JSC.**

Opening date	Total number of invoices (thousand units)	Accounts opened for legal entities (thousand units)	Accounts opened for individuals (thousand units)
01.01.2018	7 772,6	4 558,7	3 213,9
01.02.2018	4 495,2	5 668,1	827,1
01.03.2018	8 914,6	8 599,3	315,3
01.04.2018	9 228,4	9 565,2	663,2

Source: It is made by author<sup>23</sup>

According to the table 4, we can say that on 01/04/2018, there was the largest number of open accounts (9,228.4 thousand units)

The largest number of accounts for legal entities (9,565.2 thousand unites) Was also opened on 01/04/2018, and the smallest (4,558.7 thousand units) Was opened on 01.01.2018.

For individuals, most of all accounts (3,213.9 thousand units) were opened on 01/01/2018, and the smallest (827.1 thousand units) were opened on 01.02.2018.

It is also possible to conclude from the table data that the service of opening accounts with remote access was more popular among legal entities, this is primarily due to the fact that organizations are much more comfortable if they can manage their own bank account through remote banking services because it is much more convenient for them without any personal presence in the bank perform any operations using the remote maintenance service.

<sup>23</sup> Table was made by author according to: [https://www.sberbank.ru/ru/about/affiliated\\_banks\\_abroad/db/kz](https://www.sberbank.ru/ru/about/affiliated_banks_abroad/db/kz)

The most popular service among SB “Sberbank” JSC clients is the information service.

The main objective of this service is to serve the requests of individuals.

With this operation, more than 89% of all bank payment transactions were performed, more than 70% of which are processed without the personal presence of customers.

This growth in the popularity of remote banking services is primarily due to its popularity among the population, because it is much more convenient for bank customers to obtain the necessary operational information about their account online or perform various operations using information technologies without being personally present.

Another of the most popular services among the clients of SB “Sberbank” JSC is mobile communication online.

Bank activity in this service can be divided into 2 main parts:

- SMS distribution;

- SMS notifications.

Clients of SB “Sberbank” JSC using this function, can receive notifications about the expiration of the deposit, about a positive or negative decision about a loan, etc.

The growth of information technology significantly influenced the lifestyle of modern man. More and more transactions are executed using the telephone or the Internet, and the possibility of remote access to information and services in real time plays an important role in the development of modern business, therefore the topic of remote banking services requires comprehensive research and close attention.

**Table 5 - Financial performance of SB „Sberbank“ JSC on for 2018**

Indicator	01.01.18	01.01.19
Capital	169.57 billions tenge	179.57 billions tenge
Assets	1849.8 billions tenge	1950.8 billions tenge
Loan portfolio	1089.86 billions tenge	1120.86 billions tenge
Obligations to clients	1311.52 billions tenge	1452.52 billions tenge
Current profit	4,1 billions tenge	4,5 billions tenge

Source: <http://old.kase.kz/emitters/show/HSBK>

Thus, the key financial performance of banks shows growth by the end of the period, in particular net profit

### 4.1.3 SWOT analysis of Halyk Bank of Kazakhstan

We will conduct a SWOT analysis of the Halyk Bank of Kazakhstan. This analysis will help to understand the strengths of the bank, as well as how the strengths can compensate for the weak.

During adaptation in the external environment, most banks face a number of significant factors, which, by their influence, introduce them to difficult situations. The influence of external factors on the bank's operations is difficult to predict, and the consequences cannot be influenced. However, the use of emerging and planned in advance positive and negative trends in its development can have a certain effect. In this situation, the analysis of strengths and weaknesses, threats and opportunities, as well as the establishment of interconnected chains between them, can later be used to develop the strategy of the bank in question.

**Table 6 - SWOT-analysis of Halyk Bank JSC**

Strength	Weakness
There are many of branches, available in any region of Kazakhstan	High staff turnover caused by low level of salaries
Modern and qualitative level marketing policy	Low lending to individuals
Effective management	Operational problems in branches
Opportunities	Threats
Expansion of the range of services offered	Economic slowdown
Attracting deposits	Bank crisis
It is possible to open the current account without visit the office	Tighter Halyk's Bank requirements for consumer loans

**Source: It is made by author<sup>24</sup>**

“The table shows the SWOT matrix, in which the forces (S), weaknesses (W), opportunities (O) and threats (T) are highlighted and their semantic characteristic is presented. Each of the analysis parameters is quantified. SWOT-analysis is the definition of the strengths and

<sup>24</sup> Table was made by author based on: official website of JSC “HALYK BANK KAZAKHSTAN” halykbank.kz: Consolidated financial statements and Independent Auditors' Report For the years ended December 31, 2017.

weaknesses of the enterprise, as well as opportunities and threats emanating from its immediate environment (external environment). SWOT analysis allows to choose the best way to grow business, avoid hazards and maximize the use of available resources. The process of implementing a SWOT analysis is reduced to filling in a matrix in which the company's strengths and weaknesses are reflected and then compared, and the market opportunities and threats. This comparison allows you to determine what steps can be taken for the development of the enterprise, as well as what problems need to be urgently addressed<sup>25</sup>.

Thus, there are promising options for expanding services, as well as weaknesses. The threat is a slowdown in economic growth.

The achieved requirements should be focused on strengths, for example, to strengthen its presence in the deposit market and plastic cardboards, expand the range of services, conduct training for staff, conduct regular trainings, work out a motivation system, all this will allow, Implementation of electronic recording, as well as strengthening staff on the speed of service. It is also necessary to increase the number of staff in the available departments.

The bank is renowned for effective management, all this needs to be developed and strengthened, this will help trainings and coaching not only managers, but also specialists. It is also necessary to work out a system of crediting individuals, including through the strengthening of Internet banking.

The development of market relations in the literal sense of the word drove the market subjects of various organizational and legal forms into harsh economic circumstances. This forced the bank to think about pursuing a balanced interested policy to maintain and strengthen financial condition, solvency and financial stability. At present, the strengths of the bank, such as advertising and the network of branches, are compensated for by staff turnover and maintenance deficiencies. The bank should consider all threats and work on opportunities.

---

<sup>25</sup> Retrieved from: <https://www.investopedia.com/terms/s/swot.asp>

#### 4.1.4 SWOT analysis of SB “Sberbank” JSC

**Table 7 - SWOT analysis of SB “Sberbank” JSC**

Strength	Weakness
Customer Service: Queuing Experience customers, an extensive customer base.	Management: system conservatism and management, high level of bureaucratization.
Staff: high professional level employees well developed corporate culture.	Organizational structure: scale, bulkiness of the structure. Impossibility make operational decisions in branches.
Bank Reputation: Credit Rating investment level, high reputation of the bank.	Manpower policy: staff turnover in lower positions
Opportunities	Threats
Lending to individuals: market expansion consumer loans.	Regional Banks: Regional Development banks.
Lending to legal entities, investment: growth of investment activity of enterprises.	Risks: high growth is not only lending volumes, but also riskiness data operations.
Stock Market: prospects for work on expanding Stock Market.	Economic crisis: high probability of an economic crisis occurring abroad, its negative impact on the Russian economy.

**Source: It is made by author<sup>26</sup>**

The strengths of the bank are: the status of the main creditor, fame as one of the largest banks in the Kazakh market, the universal approach of the bank, it has a global network of more than 19,000 branches, development of the infrastructure and technology of mass service, low level of public services, confidence in the bank and high confidence on the part of the population, stable growth of financial indicators, high reliability rating from leading rating agencies, access to international markets (India and China).

But, Sberbank today has its weaknesses: high staff turnover in lower positions, the organizational structure is very large (it is not possible to make operational decisions in branches), bank risks, cases of fraud with credit cards, an increase in spending on total reserves.

<sup>26</sup>Table created by author according to: Vazyanova O. N.: Management and Labor Relations, 2013 Cheboksary, Bachelor thesis Supervisor: Candidate of Pedagogical Sciences, Associate Professor Mikhailova M.V.



Possibilities of a credit institution: attracting a new customer base; with an increase in the level of income, including savings, their contributions will increase; low interest rates on loans in comparison with other banks, which will help maintain a leading position in the lending market.

Threats can be: tougher competition with the arrival of new foreign banks, lower rates on loans from other banks, the growth of the organizational structure can lead to complication of internal interaction, the economic crisis, bankruptcy.

The study of external and internal factors of a credit institution contributes to maximizing the strengths, overcoming weaknesses, applying favorable opportunities and protecting against potential threats.

Certainly, Sberbank's strengths are its mass service experience, high professionalism of its employees, and its reputation. However, there are also threats that should be taken into account in the work - for example, the threat of an economic crisis.

#### 4.1.5 PESTLE analysis of Halyk Bank of Kazakhstan

We will conduct a PESTLE analysis of the Halyk Bank of Kazakhstan.

**Table 8 - PESTLE-analysis of Halyk Bank of Kazakhstan**

<b>Factor</b>	<b>Opportunity</b>	<b>Threat</b>
<b>Political</b>	<p><i>Changes in legislation</i> affect on changes in the standards of the bank, as well - changes in contracts and other legal documents of the bank.</p> <p><i>The banking sector</i> is greatly influenced by political elections, because the policy is changing, and therefore the economy is changing.</p>	<p><i>The dangers initiated</i> by transformations in financial, social and political and public state areas connected to a hindrance of bank legislations</p>
<b>Economic</b>	<p><i>The investment climate</i> affects primarily mutual funds (stocks and bonds), gold and precious metals.</p> <p><i>Trend of forming</i> of tool texture of bank goods and services in the market of Kazakhstan, a guarantee raising of assets and corresponding extent of capitalization of bank.</p>	<p>The change in the exchange rate affects the bank's rates when opening and closing a deposit, affects the dynamics of mutual funds, the currency conversion.</p> <p>The rate of inflation affects the rates of deposits, as well as the rates of the bank for the provision of various services.</p> <p><i>Economic slowdown, Bank crisis</i></p>

<b>Social</b>	<p>Increase in extent of life of inhabitant's ability to purchase various products and service in a loan.</p> <p>Lifestyle trends. It is prestigious to have a bank card, so the bank has created several different types of cards for the consumer.</p>	<p>not capability to use the Internet banking for people of old age.</p> <p>initiated by low quality HRM of the bank.</p>
<b>Technological</b>	<p>The emergence of new technologies and their change affects the work of the bank, as well as additional services of the bank. So, with the advent of the Internet and its development, a service was created – e-banking.</p> <p>It is possible to open the current account without visit the office</p>	<p>the tool the Internet of banking demands a set of transactions to make one transaction.</p> <p>And to recover the password from the Internet of banking it is necessary to go to bank branch</p>
<b>Legal</b>	<p>Change in the legislation have a great influence in change of standards activity bank.</p> <p>Strengthening of government monitoring because of work bank the Central Bank has a great influence</p>	<p>connected to a hindrance of bank legislations.</p>
<b>Environment</b>	<p>availability of bigger or smaller number, significant factors or groups of factors of the environment to detection, restriction, neutralization, compensation or change of their impact on the operated or observed object by means of management efforts.</p>	<p>the total number of factors to which object of management must react directly or indirectly</p>

**Source: it is made by author<sup>27</sup>**

<sup>27</sup>The Table analysis was made by author based on researches: Rusanov Yu. Yu.: Banking Management (textbook)//Educational work, 2015, M.: Master: INFRA. Pages: 30  
Petrova O. S.: Economic safety of the banking system, Pskov 2015, Publisher: Bulletin of the Pskov State University. Series: Economy. Right. Control

Conclusion: in this way, not only dangers and threats, but also changes in the economy, politics, and market trends influence the bank's activities. Knowing this information, it can be an actively developing bank, which keeps abreast. As for Halyk Bank of Kazakhstan, economic factors such as the investment climate and tax policy can have a greater impact. Technological factors: The emergence of new technologies and their change affects the work of the bank, as well as additional services of the bank. Thus, with the advent of the Internet and its development, a service was created – e-banking.

“The influence of the internal environment predetermines the occurrence of threats that impede the process of implementing the strategic directions for the development of banks in terms of profitability and minimizing risks. Therefore, the problem of ensuring the security of banking activities is quite relevant and should be considered as a system-forming element of the financial stability of the banking system.”<sup>28</sup>

At present, the banking sector of Kazakhstan occupies a very modest place in the world. “The Standard & Poor's credit rating service ranks it in the eighth group on the classification of country and industry risks in the banking sector (Banking Industry Country Risk Assessment - BICRA)”.<sup>29</sup> In accordance with the BICRA gradation, all countries are divided into groups depending on the level of risks in their banking sector - from group 1 (countries with the lowest risks) to group 10 (countries with the highest risks). Group 8 includes, along with Kazakhstan, the banking systems of Azerbaijan, Argentina, Hungary, Nigeria, Uzbekistan and Tunisia.

“The weaknesses of the Kazakh banking system include the following factors:

- extremely high level of credit risk in the country's economy, as evidenced by the aggressive practice of lending and weak standards of underwriting;
- the inability of regulators to “clear out” the banking system of a significant amount of problem loans;
- low level of risk-adjusted profit in the banking system, which is negatively affected by the low profitability level of large banks;
- poor management quality;
- insufficient transparency of the banking system;
- high level of corruption and fraud in the banking sector;

---

<sup>28</sup> Retrieved from: Kovalenko V. Conceptual foundations of banking security. Ukraine 2013, Bachelor thesis

<sup>29</sup> Retrieved from: Alpysbayeva A. K. Beysenbayev A.: Ensuring the security of the banking system of Kazakhstan: the main problems and their solutions, ASTANA 2016.

- lack of reliability of information systems of credit institutions.

The strengths of the Kazakh banking system include:

- good growth prospects;
- GDP growth per capita;
- state support of banking business;
- high budget and foreign trade balance;
- improvement of funding indicators for Kazakhstani second-tier banks.

Management quality and the level of transparency in the banking sector of Kazakhstan are experts of the Standard & Poor 's credit rating agency rated as "weak". At the same time, they note some progress achieved in the banking sector after the crisis"<sup>30</sup>.

#### 4.1.6 PESTLE analysis of SB "Sberbank" JSC

**Table 9 - PESTLE analysis of SB "Sberbank" JSC**

Factor	Opportunity	Threat
<b>Political</b>	<p>Decrease in number of banks with- because of adoption of the most tough legislation, the mentioning bargaining of banking services.</p> <p>The gradual regulation of the socio-legal concept in the country leads to stabilization in the labor banking area</p>	<p>Consolidation of banks of giants in a big these most give service, as Sberbank Bank, Halyk Bank and Kazkommertsbank announced integration and similar consolidation is capable to have negatively an impact in a part of Sberbank in bank area.</p> <p>Introduction of foreign banks in economy of the state is constantly integrated to risk, at the same time is equivalent as creates for them the Sberbank quite "not closed" for the sake of them.</p>

<sup>30</sup>Retrieved from: Zhanbolatova A. Sh.: The banking system of Kazakhstan: current state and prospects, May 2018, pub:Kazakh University of Economics, Finance and International Trade.

<b>Economic</b>	<p>Full-pleasant accounting rate of National Bank of Kazakhstan</p> <p>Individual sector, issuing loans for the purchase of services and products, does not burdened with income tax for fist 5 years.</p>	<p>Probability of the risk of the presence of carrying out absolutely all outdoor activities.</p> <p>The stagnation of the economy with any year is done, without exception, more and more. The share of interest rates to the fund jumps, there is a threat of investment costs, assets are devalued.</p>
<b>Social</b>	<p>The level of existence in full according to the Republic of Kazakhstan increases, as well as the mutual trust of people to 1 from the largest banks in the state</p>	<p>Residents do not have a creature that allows them to be well-versed in the banking offers provided to them.</p> <p>Uneven provision of services, that is, the bank can not provide certain services throughout the year</p>
<b>Technological</b>	<p>Powerful technological re-equipment of the Bank will increase its market share.</p>	<p>Reducing market share due to the fact that competitors are already using software that allows them to serve customers in less time.</p>
<b>Legal</b>	<p>Bank image - means that people trust the bank in terms of paperwork and the legality of all actions.</p>	<p>Conservatism of the management concept, big bureaucracy level from the government of the republic. Government might interfere in work of bank for not rendering advantageous offers for members of the government</p>
<b>Environment</b>	<p>Support and give out loans without interest for 3 years for entrepreneurs in the field of waste recycling industry</p>	<p>Extreme atmospheric requirements also raise the price of Sberbank's actions, as it must invest resources in increasing the elasticity of its own supply chain.</p>

Source: it is made by author<sup>31</sup>

<sup>31</sup>The table was made by author according to: Stepanov A. I. Promotion of products of remote banking services [Text] // Actual problems of economics and management: materials of the V Intern. scientific conf. Moscow, June 2017. - Publisher.: Buki-Vedi,

According to the analysis of the external environment, competitive and political factors pose the greatest threat to Sberbank. At the same time, large opportunities give the enterprise economic, social and market factors of the external environment.

Thus, the main threats to Sberbank are:

1. The instability of the political situation in the country leads to the destabilization of the economy.
2. Increasing the number of banks offering the same services, as well as business consolidation (merger of banks).
3. Increasing the share and value of banks with foreign participation.

The threat of economic crisis cannot be ignored. The crisis has had a negative impact on all credit organizations. In 2009, the number of operating banks decreased from 1108 to 1058. In 2009, licenses were withdrawn (canceled) from 47 credit institutions, excluded from the State Register of Credit Institutions due to reorganization in the form of affiliation 12 banks, became active (licensed to banking operations) 9 new credit institutions. Thus, in 2009, the tendency towards a decrease in the number of active banks (for 2006–2008 - by 145), observed in all federal districts, continued.

#### **4.2 Comparison analysis of the functioning of e-banking between Halyk Bank of Kazakhstan and Sberbank of Russia**

We give a comparative description of the functioning of the Internet bank based on the results of the questionnaire survey.

The survey was made to find out and compare the activities of the two banks among themselves, and to learn the reality from the citizens, as they are the users.

With the help of the survey, we can approach the analysis in detail and use it as well as the tool for analyzing the activities of Halyk Bank and Sberbank.

Author used the online survey method as it is more convenient for the population and does not complicate the users. So the online survey is very common in Kazakhstan and is also very safe, and according to statistics people respond more to the online survey than the other one. and author used a anonymous survey, the survey users had only to indicate: Gender, age, occupation. The questions that were used are one of the main methods for analyzing weak points and dominant functions. And to identify which bank provides services and more convenient.

**Table 10 - Results of the questionnaire survey**

Questions	User Replies	
	Halyk Bank of Kazakhstan	Sberbank of Russia
<b>Total information</b>		
<b>Gender</b>	men-60%, women-40%	men-50%, women-50%
<b>Age</b>	20-40	18-40
<b>Occupation</b>	employee -80%, other-20%	employee -70%, other-20%
<b>Number of respondents</b>	50 people	50 people
<b>Questions</b>		
<i>1. How long have you been using e-banking?</i>	More than 5 years-5%, more than 2years-80%, more than 1year-15%	More than 5 years-30%, more than 2 years-60%, more than 1 year-10%
<i>2. From what sources did you learn about e-banking?</i>	in the bank -20%, other sources -80%	in the bank -30%, other sources -70%
<i>3. What operations do you most often conduct in the e-banking system?</i>	transfers to individuals-30%, payment of utilities -40%, placement of deposits-5%, other operations - 25%	transfers to individuals-50%, payment of utilities -30%, placement of deposits-10%, other operations - 10%
<i>4. How often do you use e-banking?</i>	daily-50%, weekly-40%, the rest -10%	daily-60%, weekly-30%, the rest -10%
<i>5. Rate e-banking services on the 5th scale?</i>	5 -90%, no answer-10%	5 -95%, no answer-5%
<i>6. Do you plan to continue using the Internet Bank of this Bank?</i>	yes-80%, no-10%, difficult to answer-10%	yes-70%, no-10%, difficult to answer-20%
<i>7. Notes on the e-banking of this Bank?</i>	A small list of possible operations, the complexity of entering a password, doubts about the security of operations, a low level of customer service CALL – center	Frequent hang of the site, long waiting for the entrance to the mobile banking system
<i>8. Why do you use e-banking?</i>	80% time saving	70% - unwillingness to stand in lines
<i>9. How do you think the e-banking of the HalykBank of Kazakhstan differs from Sberbank-Online?</i>	Sberbank Online - a safer system = 30% of respondents, 70% of respondents - no answer	
<i>10. What do you think is the difference between Sberbank online and online banking of the HalykBank of Kazakhstan?</i>		In Kazakhstan, there is still a new system, not developed = 10% of those excluded, 90% of respondents — I don't know

As a result of the analysis of e-banking of Halyk Bank of Kazakhstan, the main users of Internet banking are the economically active population between the ages of 20 and 40, mainly employees, mostly men.

Most users use the e-banking of the Halyk Bank of Kazakhstan for more than two years and more often to pay for utilities. Users are active, use occurs predominantly on a daily basis,

customers are rated by the bank for a maximum score. Most of the clients plan to continue using the system of this particular bank.

As for Sberbank of Russia, the main users of e-banking are the economically active population between the ages of 18 and 40, mainly employees, who are divided by gender - even

Most of the users use the e-banking of the Halyk Bank of Kazakhstan for more than 5 years and more often for transfers to individuals. Users are active, use occurs predominantly on a daily basis, customers are rated by the bank for a maximum score. Most of the clients plan to continue using the system of this particular bank.

Users of both mobile systems have recognized Sberbank online as a more secure system than a similar system in Kazakhstan.

In conclusion, the systems of the online bank data bank in both cases are highly valued by users. There are comments to the speed of the site at Sberbank of the Russian Federation, which is explained by the large volume of services and operations, as well as security requirements, and there are comments to Halyk Bank of Kazakhstan regarding a small list of possible operations and a low level of customer service CALL -. However, these comments did not affect the desire of customers to be served further in these banks.

The principal difference is that Sberbank of the Russian Federation began work in the field of e-banking much earlier than Halyk Bank of Kazakhstan, which explains the elaboration of many issues and the trust of customers in security matters.



## **5 Result and Discussion**

### **5.1 Barriers and development opportunities for e-banking services at the Halyk Bank of Kazakhstan**

Forming network of e-banking is integrated to numerous difficulties, from among key: coordination, economic, industrial, professional, lawyer including social and mental. We will clog only in defined from them.

“1. Security. Probability of not permitted admission to foreign data. Threat of a forgery of the electric signature. However, in result in the created problems in network e-banking the National Central Bank uses the innovation engineering procedures of hardware-software protection what regularly improve.

2. Specifics of bank process, feature bonds Internet.

3. One from the main difficulties what should be permitted the banks today insignificant forming network of e-banking in the separate banking sector in a background of the growing competitive struggle from edge non-bank payment network of Internet concepts is considered.

4. Payback. Given, in the main sequence saving in service of individual buyers because of result of automation of this course. It agrees uniform point, implementation of the procedure with application human is worth of work approximately in the only dollar (in this assessment also error probability is substituted).

Presence execution of actions by means of the Internet their price falls down up to 10 cents, and presence large swing (including with fifty thousand people), to leave in what in the final account and big banks hope, and up to some cents.

In such a way, it is possible to speak, the fact that the network the Internet plan bank pays off because of result of indirect conditions: increases in assets, involvement of the latest buyers, increases in rounds and the transactional commissions, i.e. because of result of the conditions which are shown in other divisions bank.

5. Personnel question. With a research purpose and maintenance of concepts Network of Internet banking software developers (at the same time workers not only in the sphere network of Internet technologies), the whole administrators, Internet artists, Internet software developers, specialists according to computer and communication protection, economists, advertisers, lawyers are necessary today in any way.

6. Psychological problems. It is necessary to refer fear to them to lose in bonds own means. Network absolutely benefits do not give to Internet banking multiple publications about numerous breakings and thefts from computer concepts in any way. But, the question this possesses more precisely social and lawyer sources than industrial or which - in that case other.

7. Weak informative infrastructure to lines of areas, low property of concepts of electric interrelation, for this reason users often remain not satisfied quality of the directions of transfer of data in any way.”<sup>32</sup>

### **5.1.1 Prospects for the development of e-banking in the Halyk Bank**

Author will analyze possibilities of forming network of e-banking of Halyk bank.

For effective implementation of goods network of e-banking to bank it is necessary to extent of forming of technologies and informative management concepts.

Before introduction that or other - or the latest service in network e-banking the administration of Halyk bank needs to perform separate studying:

1. To analyze a problem about it in what degree this service and a technique for the purpose of its implementation will be approved with "material" efficient targets in the cunning project bank.
2. The bank needs to give, besides, an assessment, unit somebody necessary qualification and resources for the purpose of identification, the forecast and monitoring risks in efficient actions network of e-banking has. The procedure of planning and adoption of the conclusions it is necessary to focus in it, it is equal as service network of e-banking will manage to please these or other certain efficient needs, and in any way not in most offer is equal as independent from a commercial bank of a mission.

Bank specialists in the sphere of technologies together with advertising and operator personnel are obliged to take part in this course of planning and adoption of the conclusions. They need to be convinced of it, the fact that the project will be approved with uniform efficient targets bank and does not get out stability bank to risk from abroad in any way. The latest engineering procedures, in particular engineering procedures the sphere Internet, are ready to introduce promptly changes in competitive attractiveness bank. In connection therewith, the cunning image of the Supreme management bank is obliged to establish this

---

<sup>32</sup>Retrieved from: Yurova O. I., Losevskaya S. A. The development of Internet banking as a remote service system for financial customer service // Scientific and methodical electronic journal "Concept". - 2017. - V. 39. - p. 631–635. - URL: <http://e-koncept.ru/2017/970453.htm>.

method of a commercial by means of the Internet by means of which somebody will begin to be developed, performed and checked.

3. To evaluate reputation threat. In case this bank does not become ready to please conditions of the bargaining in any way and to guarantee appropriate service of own buyers, in that case somebody arrives near danger of emergence reputation a notch. A notch is considered to answer with conditions correctly impracticability in need of buyers, use of not inspiring trust or ineffective concepts of finishing services up to the buyer, prematurity of the answer in requirements of buyers or non-execution of the conventional measures of maintaining confidentiality.

The national bank needs to consider thoroughly understanding in own Internet websites of interrelations with the third sides. Hypertext interrelations are often applied for the purpose of it to provide probability to the buyer to establish connection with other organizations. Similar interrelations have every chance to designate a benefit of services or service of such edge of the third in observations of the user. To buyers it is obliged to be clear if they leave the Internet website bank, that the provider of certain services and service what are assumed further are quite faithful in relationship of the used stereotypes of providing security and confidentiality. Understanding of data in order that buyers managed to distinguish protected and not protected service in any way is in such a way obliged to be implemented.

Following to this project will give the chance to bank to reduce dangers and to improve own forming in this sphere.

## 6 CONCLUSION

The purpose of the study is to study e-banking in Kazakhstan. For this purpose, a theoretical study of e-banking was conducted, a review of e-banking in Kazakhstan was conducted, banking sector proposals in the field of e-banking were analyzed, and the analysis of the functioning of e-banking at Halyk Bank of Kazakhstan.

A comparative description of Internet banks in two different banks was carried out.

As a result of the analysis of the e-banking of Halyk Bank of Kazakhstan, the main users of e-banking are the economically active population aged from 20 to 40 years old, mostly employees, mostly men.

Most users use the Internet Bank of the Halyk Bank of Kazakhstan for more than two years and more often to pay for utilities. Users are active, use occurs predominantly on a daily basis, customers are rated by the bank for a maximum score. Most of the clients plan to continue using the system of this particular bank.

As for SB “Sberbank” JSC, the main users of e-banking are the economically active population between the ages of 18 and 40, mostly employees, who are distributed by gender even.

Most of the users use the Internet Bank of the Halyk Bank of Kazakhstan for more than 5 years and more often for transfers to individuals. Users are active, use occurs predominantly daily, and customers are rated at the maximum score by the bank. Most of the clients plan to continue using the system of this particular bank.

Users of both mobile systems have recognized SB “Sberbank” JSC as an on-line more secure system than a similar system of Halyk Bank in Kazakhstan.

In conclusion, we can say that the systems of the online bank data bank in both cases are highly appreciated by users. There are comments to the speed of the site at the SB “Sberbank” JSC of the Russian Federation, which is explained by the large amount of service and operations, as well as security requirements, and there are comments to the Halyk Bank of Kazakhstan regarding a small list of possible operations and a low-level customer service CALL - center. However, these comments did not affect the desire of customers to be served further in these banks.

The results of the analysis can be used in research and development of e-banking in a commercial bank, adjustments to the bank’s development strategy.

## 7 References

1. *A sectoral information and analytical journal. Expertise. Trends of society.* **2018.** Moscow : Modern telecommunications, 2018.
2. **A.P., Aksyonov. 2010.** *Remote banking service.* s.l. : KnoRus, 2010. ISBN 978-5-406-00350-3.
3. *BBVA. Mobile Banking. Centro de Innovación.* **2012.** Bilbao : BBVA, 2012.
4. *Business model for business.* **S., Bogdanov. 2017.** Moscow : Financier, 2017.
5. **M.N., Pikulyov. 2012.** *The market of electronic money. Key players.* s.l. : Conference RIF-KIB, 2012.
6. *On the way to the bank of the XXI century p. 23-29.* **Polyak, Yu. E. 2018.** s.l. : Information Resources of Russia: IRR, 2018.
7. **Petukhova, Svetlana. 2017.** *“Methods of payment for online purchases: who pays for what and how via the Internet.”.* s.l. : RIF-CIB 2017 conference, 2017.
8. **Pikuleva, Marina. 2017.** *The market of electronic money. Key players.* Moscow : RIF-CIB 2017 conference, 2017.
9. **Plugotarenko, Sergey. 2013.** *Runet today : analytics, figures, facts.* Moscow : RIF-CIB Conference, 2013.
10. **Sarlak, Mohammad Ali. 2011.** *E-banking and emerging multidisciplinary processes : social, economical and organizational models.* s.l. : Hershey, PA : Business Science Reference, 2011.
11. **Shah, Mahmood, Clarke, Steve and Global., IGI. 2009.** *E-banking management : issues, solutions, and strategies.* Hershey, Pennsylvania : Hershey, Pa. : IGI Global , 2009. ISBN 1605662534.

### List of bibliographic citations:

1\* 21 Polyak, Yu. E. On the way to the bank of the XXI century / Yu. E. Polyak // Information resources of Russia: IRR. - 2018. - № 3. - p. 23-29.

2\* Polyak, Yu. E. On the way to the bank of the XXI century / Yu. E. Polyak // Information Resources of Russia: IRR. - 2018. - № 3. - p. 23-29.

3\* Modern telecommunications // A sectoral information and analytical journal. Expertise. Trends of society. - 2018 - April 14.

4\* Modern telecommunications // A sectoral information and analytical journal. Expertise. Trends of society. - 2018 - April 14.

- 5\*** Modern telecommunications // A sectoral information and analytical journal. Expertise. Trends of society. - 2018 - April 14.
- 6\*** Bogdanov S. Business model for business // Financier. - 2017. - No. 2. - P.45.
- 7\*** BBVA. Mobile Banking. Centro de Innovación BBVA. p. 22. Retrieved from: [https://books.google.com.ph/books?id=pB\\_6qEL5ppkC&pg=PA22&dq=history+%22mobile+banking%22&hl=en&sa=X&ved=0ahUKEwjXzdKl8ejdAhUO2o8KHafSBZ8Q6AEILTAB#v=onepage&q=history%20%22mobile%20banking%22&f=false](https://books.google.com.ph/books?id=pB_6qEL5ppkC&pg=PA22&dq=history+%22mobile+banking%22&hl=en&sa=X&ved=0ahUKEwjXzdKl8ejdAhUO2o8KHafSBZ8Q6AEILTAB#v=onepage&q=history%20%22mobile%20banking%22&f=false)
- 8\*** Bogdanov S. Business model for business // Financier. - 2017. - No. 2. - P.45.
- 9\*** Bogdanov S. Business model for business // Financier. - 2017. - No. 2. - P.47.
- 10\*** Pikuleva M.N. Report: "The market of electronic money. Key players". 2012, RIF-CIB Conference.
- 11\*** Pikuleva M.N. Report: "The market of electronic money. Key players". 2012, RIF-CIB Conference.
- 12\*** Remote banking service. - 2010. - 328 p. - ISBN 978-5-406-00350-3.
- 13\*** Retrieved from: [https://halykbank.kz/fizicheskim\\_licam/myhalyk\\_internetbanking\\_\\_prilozh](https://halykbank.kz/fizicheskim_licam/myhalyk_internetbanking__prilozh)
- 14\*** Retrieved from: <https://my.forte.bank/#/fortepay/terms>
- 15\*** Retrieved from: [https://www.polpred.com/?prv\\_list=&ns=1&whouser=&img=&cnt\\_and=&person\\_id=&os%5B11%5D=on&searchtext=%C1%E0%ED%EA%E8%ED%E3+%D4%EE%F0%F2%E5+%EF%EE%F1%EB%E5+%E1%E0%ED%EA&fulltext=clr&fulltext=on&beg=&end=&word=&period=&period\\_count=1&sortby=id&pl=](https://www.polpred.com/?prv_list=&ns=1&whouser=&img=&cnt_and=&person_id=&os%5B11%5D=on&searchtext=%C1%E0%ED%EA%E8%ED%E3+%D4%EE%F0%F2%E5+%EF%EE%F1%EB%E5+%E1%E0%ED%EA&fulltext=clr&fulltext=on&beg=&end=&word=&period=&period_count=1&sortby=id&pl=)
- 16\*** Retrieved from: Official site of ATF24: <https://www.atf24.kz/Authorize/Login#payments>
- 17\*** Retrieved from: Official site of CENTRECREDIT: <https://ib.bcc.kz/>
- 18\*** Retrieved from: Official site of CENTRECREDIT <https://ib.bcc.kz/>
- 19\*** <https://bankir.ru/novosti/20070710/halyk-bank-vnedril-sistemy-laquo-internet-banking-dlya-uridicheskih-licraquo-1042129/#comments-list>
- 20\*** The table was made by author based on research of e-banking that given above the table.
- 21\*** Retrieved from: <http://www.bankchart.kz/spravochniki/banki/id/1076>
- 22\*** Table was done by author based on: [https://www.sberbank.ru/ru/about/affiliated\\_banks\\_abroad/db/kz](https://www.sberbank.ru/ru/about/affiliated_banks_abroad/db/kz)

**23\*** Table was made by author according to:

[https://www.sberbank.ru/ru/about/affiliated\\_banks\\_abroad/db/kz](https://www.sberbank.ru/ru/about/affiliated_banks_abroad/db/kz)

**24\*** Table was made by author based on: official website of JSC “HALYK BANK KAZAKHSTAN” [halykbank.kz](http://halykbank.kz): Consolidated financial statements and Independent Auditors' Report

For the years ended December 31, 2017.

**25\*** Retrieved from: <https://www.investopedia.com/terms/s/swot.asp>

**26\*** Table created by author according to: Vazyanova O. N.: Management and Labor Relations, 2013 Cheboksary, Bachelor thesis Supervisor: Candidate of Pedagogical Sciences, Associate Professor

Mikhailova M.V.

**27\*** The Table analysis was made by author based on researches: Rusanov Yu. Yu.: Banking Management (textbook)/Educational work, 2015, M.: Master: INFRA. Pages: 30  
Petrova O. S.: Economic safety of the banking system, Pskov 2015, Publisher: Bulletin of the Pskov State University. Series: Economy. Right. Control

**28\*** Kovalenko V: Conceptual foundations of banking security. Ukraine 2013, Bachelor thesis

**29\*** Retrieved from: Alpysbayeva A. K. Beysenbayev A.: Ensuring the security of the banking system of Kazakhstan: the main problems and their solutions, ASTANA 2016.

**30\*** Zhanbolatova A. Sh.: The banking system of Kazakhstan: current state and prospects, May 2018, pub:Kazakh University of Economics, Finance and International Trade.

**31\*** The table was made by author according to: Stepanov A. I. Promotion of products of remote banking services [Text] // Actual problems of economics and management: materials of the V Intern. scientific conf. Moscow, June 2017. - Publisher.: Buki-Vedi,

#### **Internet resources:**

1.Official site of National Bank of Kazakhstan: <https://www.nationalbank.kz/>

2.Official site of Halyk Bank of Kazakhstan: <https://myhalyk.kz/wb/>

3.Official site of Sberbank of Kazakhstan: <https://www.sberbank.kz/>

4.Official site of CenterCredit Bank of Kazakhstan: <https://ib.bcc.kz/>

5.Official site of Investopedia: <https://www.investopedia.com/>