

NEOBANKING

Currently, the digital transformation of the banking sector is a necessary condition for the development of the digital economy, and the level of introduction of modern technologies into the activities of commercial banks forms their competitiveness and financial stability. This work considers neobanking as one of the most important areas of development of modern financial technologies.

The purpose is to study the main advantages, prospects and obstacles of non-banking in the Republic of Belarus.

Neobanking is a trend direction in the financial market, focused on customer service through websites, mobile applications, messengers.

Neobank is an innovative digital bank, created without actual branches and operating in the virtual space, providing comprehensive online banking services from any mobile devices and personal computers in order to timely meet the daily financial and information needs of customers and improve the efficiency of banking. A neobank also known as an online bank, internet-only bank, virtual bank or digital bank is a type of direct bank that operates exclusively online without traditional physical branch networks [1].

The leading countries in the global financial market for the development of neobanking are the United Kingdom (14 non-banks), the United States (6 non-banks), France (5 non-banks). In the UK, they are positioned as *challenger banks*, which is caused by the initial mission of these banks, expressed in the conquest of that part of the financial market segment, the level of service of which did not meet the requirements of consumers of banking services [2].

The website of the neobank is its main and only branch, where you can get information about the service you are interested in and use the bank's products; monitor the account status, get advice from the bank's specialists at any convenient time. The convenience of neobank is to save time: in a simple interface, clear tariffs and a support service that does not require a physical visit to a bank branch.

The advantages of neobanks are the minimization of costs for the construction of the main office, branch network and paperwork; flexible online service; tariffs with low prices; personal approach to customer service.

The disadvantages include high costs for the creation, implementation of applications and for the development of a system of protection against cyber fraud.

Differences between neobanks and traditional banks

Indicators	Neobank	Traditional bank
Fully digital infrastructure	✓	✗
24/7 service	✓	✗
Commission level	Low	High
Branches	✗	✓
Interest rates	Higher	Lower

A comparative analysis of the rating of foreign and Russian digital banks showed that «Tinkoff Bank» is the leader in the development of digital banking. For individuals, «Tinkoff Bank» has developed the Personal Account service on its own platform. Using the Internet Bank, private customers can pay for services, open deposits, make payments, convert currencies and perform other banking operations. In addition to the web version, there is a mobile application, so you can access account information at any time. The Tinkoff mobile application provides a voice assistant that will advise the client on how to increase his funds through deposits, give advice on savings and financial management, remind about unpaid bills, taxes and fines, etc. With the help of a phone, a bank client can do everything that is done in an offline bank branch [3].

In the Republic of Belarus, the leading positions among digital Belarusian banks belong to the banks with Russian capital: «Alfa-Bank» and «BPS-Sberbank» [4].

It should be noted that there are a number of obstacles in the development of neobanking both on the part of commercial traditional banks (insufficient investment resources, costs of implementing technologies, insufficient development of the security system), and on the part of customers (insufficient level of financial literacy, commitment to traditional banks, insufficient equipment with technical devices).

Today, Belarusian banks follow global trends and actively implement innovative digital technologies (electronic money settlements, chat bots, social networks, blockchain, etc.) in their activities to build a digital bank and increase their competitiveness.

The closest banks to the introduction of neobanking in the Republic of Belarus are «MTBank», «Belarusbank» and «Priorbank».

In conclusion, it should be noted that the application of the best international practices will allow Belarusian banks to reach a new level of digitalization. The development of non-banking in the Republic of Belarus will be promoted by increasing the digital and financial literacy of the population, as well as ensuring the trust of bank customers by improving the system of cybersecurity of non-cash settlements and payments.

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