

*corporate banking,
e-banking, internet, multicash*

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THE ELECTRONIC FINANCIAL SERVICES IN THE ACTIVITY OF A TRANSPORT ENTERPRISE

Corporate banking that is a company, office or at last corporate banking is a system of electronic communication between bank and customer that uses telecommunication lines, which allows to service of collective customers. This system makes possible the obtainment of the basic information, essential for managing the enterprise, such as exchange rates, interests of credits and deposits. On the other hand it allows using bank services and making banking transactions such as encashing money transfers. In these paper basic issues concerning modern electronic bank services will be introduced.

ELEKTRONICZNE USŁUGI FINANSOWE W DZIAŁALNOŚCI PRZEDSIĘBIORSTWA TRANSPORTOWEGO

Corporate banking, czyli bankowość firmowa, biurowa czy wreszcie korporacyjna jest systemem elektronicznego porozumiewania się banku z klientem za pomocą linii telekomunikacyjnych, które pozwalają na obsługę klientów zbiorowych. System ten umożliwi uzyskanie podstawowych informacji niezbędnych do zarządzania przedsiębiorstwem jak kursy walut, oprocentowanie kredytów i depozytów, a z drugiej strony na korzystanie z usług bankowych, dokonywanie operacji bankowych takich jak np. realizowanie przelewów. W referacie będą przedstawione podstawowe zagadnienia związane z nowoczesnymi elektronicznymi usługami bankowymi.

1. INTRODUCTION

In the sphere of bank services more and more often attention is paid to the possibilities of saving the customer's time, which entails higher comfort and accessibility of the offered services and lower costs connected with the service. Wider and wider use of the Internet in the activities of the financial institutions helps significantly to realize these guidelines. Modern technology and, first of all, quick development of the computer science enabled most of transactions to be made without the necessity of walking to the bank and carrying the documents in a paper form. [1] Higher and higher competitiveness on a bank market connected with the technological progress and integration of the financial and bank markets forces the banks to offer their customers services within the range of the electronic banking –

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e-banking. Offering services of corporate/home banking is possible in Poland due to the amended Banking Law Act and the Act on Electronic Signature. The modern offer of bank services based on information technologies is directed to large, medium and small businesses. As far as the size of the company is concerned the sector of the subjects realizing the transport and forwarding services is much diversified. However, no matter how big the company and the range of its activities may be, it can use the modern electronic banking which is more and more common on our bank market.

2. THE NOTION AND DIVISION OF CORPORATE BANKING

Taking into account the profile of the customer to whom the electronic banking is directed, there are two types of it; corporate banking - for institutional customers, and home banking - for individual customers (private, small businesses). In both cases the communication of the bank with the customer is ensured by telephone connection with TP S.A., TCP/IP, electronic mail or rented pack links ISDN with the use of proper software by the customer. The services can be used both on-line – in a real time, and off-line – with a time discrepancy between the moment of placing an order and its realization.

Off-line systems, accessible in Poland since 1992/1993, are currently offered by almost all major banks and a lot of cooperative banks. Practically all large enterprises and most of medium ones use them. The modular structure enables tailoring them to the individual needs of the customers depending on the indispensable functional range. But for micro-companies including one-man companies in business – such systems are too complicated and usually too expensive in use – therefore they are more interested in Internet on-line systems, better adjusted to their needs. [2]

As a result of the above-mentioned division the products of both groups are different as far as the range of the offered functions is concerned – corporate banking systems create greater possibilities, they can serve many bank accounts, they can be used by many users (for example: the employees of the company) who are authorized to different things, for example, an employee can be entitled to look through the accounts, an accountant can give orders. In corporate banking systems the users can share the process of preparing the instructions, for example: one employee enters the orders, another one verifies and authorizes them and sends them to the bank. Home banking functions are poorer – a household user does not need most of the bank products used by institutions. [3]

In literature, apart from the basic division regarding the user of the service, one can find a few more, depending on: [4]

1. the mode of placing orders:
 - on-line systems,
 - off-line systems,
2. the kind of admissible operations executed by the client:
 - passive services system
 - active services system,
3. the way of cooperation between the instruction process with the information system of the customer:
 - systems operated manually,
 - systems operated automatically,

4. the way of using the process of ordering and transmitting medium:

- dedicated systems,
- universal systems.

Corporate banking is the service developing very dynamically. The number of the users at the beginning of 2000 was twice as big as at the end of 1998, which is shown in Table 1. Although still only a small part of the companies on the Polish market use it, the positive fact is that it is continuously growing. In January 2001, as the analyses of the research conveyed by the Research Institute on market economy showed, 38% of the micro-companies (employing fewer than 5 people) used the telephone bank services checking the bank account balance, 14% having bank terminal used the computer and 9,5% used the bank Internet service. The forecasted development of the bank services sector for the micro-companies for a few future years will be directed mainly to the development of the electronic channels of distribution. [5]

Electronic banking for the companies

Table 1

Bank	System	Users	
		XII.1998	I. 2000
BSK	MultiCash/HomeCash/Trans Dysk	1911	5951
BRE	BRESOK	3560	5000
BH	Direct Banking	1450	2500
Peako SA	Beta (MultiCash)	2000	2400
Citibank	MTMS32/Citibanking	1000	1700
Kredyt Bank	Home Banking	1100	1500
WBK	Minibank	400	1000
PPABank	Cash Management	bd.	900
PBK	Corporate Home Banking	479	820
Raiffeisen Centrobank	MultiCash	bd.	700
BOS	Boscom	bd.	640
Deutsche Bank	db-direct	bd.	500

Source: Anna Kałuża, Internet offer of the Polish banks – e-banking not wanted, "PC Kurier" 2000 number 20

As Table 1 shows, Bank Rozwoju Eksportu S.A., which introduced the service as the first one in 1993, dominates the corporate banking market. In 2001 two Internet banks entered the market of the institutional customers: Volkswagen Bank Direct and Inteligo, and in 2002 mBank joined them. At the beginning of April 2004 the accounts for the economic subjects were run by the following banks: Pekao S.A., Bank BPH PBK S.A., Bank Zachodni WBK S.A., Bank Handlowy in Warsaw S.A. (Citibank Handlowy), Fortis Bank S.A., ING BSK S.A., Volkswagen Bank Polska S.A., BRE Bank S.A. (mBank and MultiBank), Raiffeisen Bank S.A., Millennium Bank S.A., Kredyt Bank S.A., PKO BP S.A. (Inteligo), Nordea Bank S.A., Invest Bank S.A. [6]

3. CORPORATE BANKING SERVICES

Basically corporate banking services enable the institutional customers among others:

- to integrate with the informative systems functioning in companies,
- to have less time-consuming contacts with a bank,
- to observe payments and transfers dates,
- to gather and store the data and the patterns of various documents sent by a bank,
- to extend and add additional modules (for example; transfers abroad in SWIFT system), ensuring full service of various needs of the customers.

Most of the bank products known from “the murmur” equivalent are accessible in electronic systems. The standard of the bank Internet service usually includes the operations:

[7]

- connected with an account
 - o an account balance
 - o an account history
 - o transfers,
 - o orders,
 - o blocks on an account,
 - o generating automatically the voice information about an account balance,
- deposits:
 - o making deposits,
 - o withdrawing deposits,
 - o list of the current deposits,
- cards and cheques:
 - o applying for cards,
 - o ordering the cheques,
 - o blocking a card or a cheque,
- getting information about:
 - o currency rates,
 - o credits and deposits interest rates,
 - o other bank products.

4. PROFITS RESULTING FROM CORPORATE BANKING

Polish companies have little awareness of the services offered by the banks. Over half of the companies have not had the information about the system of electronic contact with their banks and as a result only a few companies use the remote channels of bank operations. [8] Banks do not do a lot to popularize their Internet systems. Apart from advertising campaigns accompanying the launch of such a service, they offer demo versions (on a CD Fortis Bank Polska, BHP on its web page). As there is a strong tendency to distinguish between the real and the virtual banks, an essential informative channel about the new service is neglected. Only on their web pages the banks carefully enumerate all the advantages a virtual customer can expect. [7] Among others there are the following:

- comfort – one can make all the basic orders without the necessity of going to the bank, it enables the access to the whole range of bank products which the entrepreneurs use daily. It offers considerable throughput of the data, which has a great meaning for the companies having many payers and contracting parties. Downloading, signing and sending even a few thousand orders and copying the current data from the bank usually takes not more than five minutes. Apart from that corporate/home banking enables permanent access to the system 24 hours a day, seven days a week. [9]
- access to additional information such as: present currency rates, macro-economic data, information about account balance and the turnover on the account, money market data, currency forecast, reports and financial analyses which can be later used in a company to make the decisions concerning finance management.
- accountancy support – the system gathers all the data connected with the transfers, payments due and financial obligations, due to which it can be used to support the accounting operations in settling accounts or cash flow management.
- costs – the first and only cost is the installation of the system together with the necessary software. It is usually 100-300 zł. Only a few banks, i.e. Kredyt Bank or Raiffeissen, do not take any fee for the installation. But all the banks charge a monthly fee for using the system – as a special licence or hidden in the cost of the account. [9] The cost is relatively low in comparison with the scale of activities of larger companies and the advantages they obtain – on average 100 – 200 zł, while one transfer usually costs about 2 zł. However, it is worth mentioning that many banks are flexible in fixing the charges for their best customers and the fees can be individually negotiated. The bigger the company, the more valuable the customer is and the offer can be better profiled. [8] Home banking is not common among individual customers due to the costs, giving way to cheaper Internet banking, not offering the unnecessary for the individual customer and complicated functions.[10]
- safety – servicing the corporate customers requires specific attention due to the value of the transactions carried out by them and spreading the responsibility for the account for many people accessing the system. The ideal solution is the use of the elements of the public key – PKI (Public Key Infrastructure). [11] The customer is equipped by the bank with a diskette with two encoding keys: public and private. The first one is announced to the public, the second must be closely guarded. The message encoded by a public key can be deciphered only by a corresponding private key and the other way round. As a private key is assigned to a specific user, its use identifies the person sending information and, at the same time, enables reading the data to all the people knowing the public key. Such application is commonly called the digital signature. So, if the customer sends to the bank, for example, a transfer order, it is encoded twice by the system: first by his private key and then with the use of the bank public key. [12] Apart from encoding there are also other safety measures taken (Table 2 presents security features used by selected banks). Among them there are: creating one's own passwords, multistage authorization and identification, registration of the orders done by means of the system, using the so called safe connections, safety certificates and installing specialist software delivered by the bank enabling direct links with it. [13]

Table 2

Safety of the bank informative systems

Name of the bank	Name of the system	Simple authentication	Strong authentication
Bank Pekao	Telepekao24	login and password	token protected by PIN
Bank BPH PBK	BPH Sez@m	login and password	Private key with a password
BZ WBK	BZWBK24 Internet	login and password	token protected by PIN
Citibank Handlowy	Citidirect	number and PIN of the card	-
Fortis Bank Polska	Pl@net	login and password	customer's certificate
Bank Śląski	BSK Online	login and password	Private key with a password
BGŻ	e-Integrum	login and password	token protected by PIN
PKO Bank Polski	Inteligo	identifier and password	single password card
LG	LGNet	identifier and two passwords	-
Lukas Bank	LUKAS e-bank	identifier and password	token RSA SecureID
mBank	mBank	identifier and password	Single password card
Multibank	Multibank	identifier and password	Single password card
Nordea Bank	Solo	identifier	Single password card
Volkswagen Bank	VW B@nk Direct	login and password	token RSA SecureID

Source: K.Maciejewski, Hasło już nie wystarczy, „Gazeta Bankowa”, 2004 number 30

Banks also profit from offering their customers corporate banking services:

- quicker customer service and better adjusted to his needs; economizing on the costs of creating extended branches network
- economizing on costs of the customer service and paper documents processing;
- elimination of the threads connected with the traditional crimes, as forging the bank documents; [14]
- ensuring the customers' loyalty;
- reputation as a modern bank, meeting the needs of their customers.

One of systems used in banks is MultiCash and MultiCash Pro – it is a modern, safe and comfortable system of electronic banking, allowing an increase of the efficiency of financial means management, and it serves as a channel of information exchange between a customer and a bank. [15] This system is applied, among others, by Bank BPH PBK and Fortis Bank Polska, and it allows for: [16]

- easy and quick access to information about an account balance
- access to information about operations on an account,
- operations done on the premises of the company,
- using the system database,
- automatic downloading the orders done in financial- accounting program of the customer's company in order to send them to the bank,

- limiting the number of mistakes made during preparing the orders,
- creating the reports, selecting information and printouts,
- precise financial planning,
- automation of some functions of MultiCash system (for example, reminding about the payment orders).

The system is very flexible and user-friendly and it is a comfortable platform enabling profiting from additionally offered Cash Management products. The application is accessible in Polish, English and German, and a few chosen European languages. [15]

5. SUMMARY

Summing up one can state that corporate banking offer, aimed at both large enterprises and small micro-companies, offers a worth considering possibility of facilitation and better control of the company's finance management, including transport field. The service can be tailored for individual demands of a customer regarding both offered functions and costs (the choice between off and on-line system options). What is more, it offers a high level of safety and the speed of accounts settlements between the contracting parties. Unfortunately, one should state that it is relatively little widespread on a Polish market due to limited public trust in the Internet and the services connected with it and poor marketing activities of the banks in this field. One can only hope that this state will be changed in the nearest future.

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