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POSSIBILITIES FOR IMPROVING LIABILITY MANAGEMENT PRACTICES OF COMMERCIAL BANKS

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Abstract Improving the practice of managing the obligations of commercial banks is a necessary condition for ensuring the liquidity and financial stability of banks. Therefore, in the management of the liabilities of banks, special attention is paid to ensuring the adequacy of deposits, ensuring the balance between the growth rate of income from assets and the growth rate of expenses on liabilities.

In the article, scientific proposals aimed at improving the practice of managing the obligations of commercial banks of the republic have been developed.

Keywords: commercial bank, liability, deposit, interest expense, interest rate, bond, certificate of deposit, savings certificate, stock.

Enter

In the strategy of reforming the banking system of the Republic of Uzbekistan for 2020-2025, it is necessary to create equal competitive conditions in the financial market, to implement lending only on the basis of market conditions, to reduce the dependence of banks on state resources, Improving the quality of credit portfolio and risk management, following the moderate growth of lending volumes, conducting a balanced macroeconomic policy, improving corporate governance" are the main tasks of reforming the country's banking system.

Ensuring the implementation of these tasks creates the need to identify the current problems related to the improvement of the practice of managing the obligations of commercial banks and develop scientifically based ways to solve them [1].

Review of literature on the subject.

According to American professor F. Mishkin, issued bonds and shares are important as part of the liabilities of commercial banks, however, since ordinary shares are a relatively expensive form of financing the activities of banks, banks, in order to reduce costs. they try to use debt instruments more [2].

This conclusion of F. Mishkin is of great practical importance for the banking practice of Uzbekistan. The reason for this is that, firstly, commercial banks of our republic have legal powers to attract resources by issuing debt instruments; secondly, banks have a practice of issuing corporate bonds.

M. According to Bobrik's conclusion, analysis of the composition and dynamics of bank finances, assessment of the effectiveness of the use of financial resources, and determination of the limit of financial stability in predetermined periodic intervals are important in managing the obligations of commercial banks [3].

According to I. Larionova, probable or expected cash flows are important in managing the obligations of commercial banks, and their basis is:

- movement of funds under contracts that do not have a specific execution period;

- expected movement of funds under contracts that have not yet been concluded, but are highly likely to be concluded;

flows associated with unpredictable events and unplanned operations [4].

According to E.Meshkova's conclusion, banks issue shares, bonds, deposit and savings certificates in order to generate financial resources. Also, mortgage and subordinated securities play an important role in the formation of long-term resources of commercial banks. It is appropriate to divide the operations of banks related to the formation of resources by issuing securities into two groups. The first group includes the operations of issuing shares and subordinated securities in order to form the charter and additional capital of commercial banks, and the second group includes the operations related to bond and mortgage securities, deposit and savings certificates to cover the need for short and long-term resources. The market price of shares and certificates is an economic indicator that evaluates the activity of banks in this market [5].

According to Yu.Maslenchenkov's conclusion, in the conditions of increasing inflation rates, the bank should try to reduce the weight of interest income with a high level of interest risk. On the contrary, it is necessary to increase the share of non-interest income in such conditions, and even if it is increased, it should be increased to the extent that about 30% of the net income is formed at the expense of non-interest income. The regulation of interest-free income consists of the following elements: monitoring trends in interest-free income per ruble of assets; identify the "dying" markets of services and find new sources of income, ensure diversification of the sources of commission income through the development of banking services [6].

According to the analysis of J. Stiglitz, on February 23, 2009, the US Ministry of Finance and the Federal Reserve Board announced the possibility of converting the state's share in the capital of banks from preferred shares to ordinary shares as part of the anti-crisis program. This leads to a sharp increase in the state's participation in the banking system. Moreover, in 2009, the amount of assets of Federal regulators amounted to 100 billion. examined the condition of 19 commercial banks that had more than \$ 100 million and received state aid under the TARP program. According to the conclusion of the federal regulators, the losses of these banks in 2009-2010 will be 600 billion. can reach dollars. Therefore, the authorized capital of the 10 inspected banks is 75 billion. an instruction was given to increase to dollars [7].

Analyzes and results.

In developed countries, funds received from deposits and the sale of securities of the bank occupy a high weight in the volume of liabilities of commercial banks. For example, the weight of deposits in the total volume of Deutsche Bank's liabilities had a tendency to increase in 2020-2022. Moreover, this indicator has increased significantly in 2022 compared to 2018. Also, the share of funds received from the sale of securities in the total volume of Deutsche Bank's liabilities had a tendency to

increase in 2018-2020. However, this indicator had a downward trend in 2020-2022 [8].

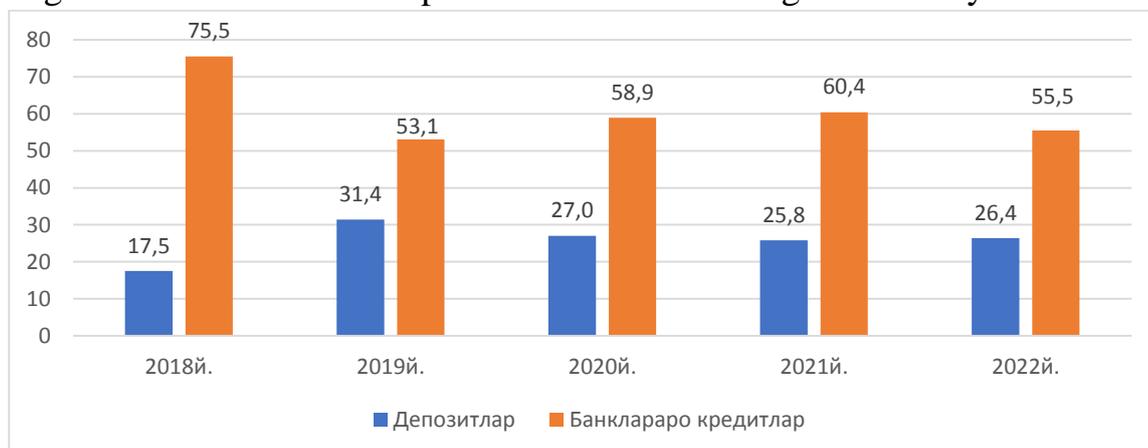
Table 1

Composition of liabilities of commercial banks of the Republic of Uzbekistan, in percentage of the total¹

Composition of passives	2018	2019	2020	2021.	2022.
Deposits	37.3	41.1	37.3	41.8	45.4
Representative account of the Central Bank	0.27	0.8	0.4	0.2	0.2
Funds of other banks-resident	3.4	4.5	4.2	3.6	3.9
Funds of other banks - non-resident	0.3	0.4	1.0	1.2	4.8
Loans and leasing	55.6	47.5	49.3	46.5	39.1
Securities issued	0.01	1.3	3.1	2.84	2.3
Subordinated debts	0.0	1.8	1.3	1.1	1.4
Accrued interest payable	1.2	1.1	1.2	1.1	1.1
Other obligations	2.0	1.7	2.2	1.8	1.8
Total liabilities	100.0	100.0	100.0	100.0	100.0

From the data of Table 1, it can be seen that in 2018-2022, deposits and international loans attracted from abroad and international leasing took the highest weight in the total volume of obligations of commercial banks of our republic. This is explained, firstly, by the fact that banks use deposits as the main internal source for financing asset transactions, and secondly, by the fact that international loans and international leasing are widely used to finance investments made in the economy of our country.

It can be seen from the data of Table 1 that in 2018-2022, the share of securities issued by banks in the volume of liabilities had a tendency to increase. However, this indicator remained at a low level during the analyzed period. This is a negative situation from the point of view of ensuring the stability of bank liabilities.

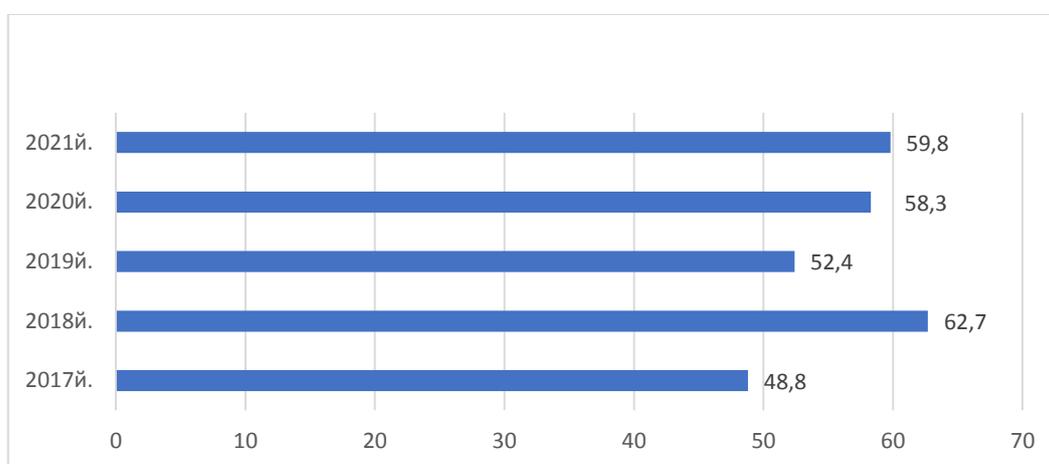


¹ The table was compiled by the author based on the statistical data of the Central Bank of the Republic of Uzbekistan.

Figure 1. The weight of deposits and interbank loans in the volume of liabilities of JSC "Uzsanoatqurilishbank", as a percentage of the total²

It can be seen from the data of Figure 1 that deposits and interbank loans take a relatively high share in the total volume of Osanoatqurilishbank's liabilities. In particular, the weight of interbank loans in the volume of liabilities is significantly higher. This is explained by the fact that many investment projects are being financed at the expense of Osanoatqurilishbank's investment loans.

From the data of Figure 1, it can be seen that the weight of deposits in the total volume of obligations of Osanoatqurilishbank has a tendency to decrease in 2019-2021, while the weight of interbank loans in the volume of liabilities has a tendency to increase in this period.



2 . The share of foreign loans in the liabilities of the FEA National Bank of the Republic of Uzbekistan, in percent³

It can be seen from the data of Figure 2 that the share of foreign loans in the volume of FEA National Bank's liabilities had a tendency to increase in 2019-2021. This is a negative situation from the point of view of ensuring the investment attractiveness of the National Bank. The reason for this is that, firstly, the high weight of foreign loans in the volume of liabilities of a commercial bank indicates that the resource base of this bank is insufficient; secondly, in the context of continued devaluation of the national currency, it becomes difficult to repay loans issued in foreign currencies, and this situation causes an increase in the amount of overdue debts on loans issued in foreign currencies; thirdly, the main part of foreign loans is obtained at a floating interest rate, which leads to an increase in the level of interest risk in banking activities.

Conclusions and suggestions

During the research, we formed the following scientific conclusions:

²The picture was compiled by the author based on the financial reports of JSC "Uzsanoatqurilishbank".

³The picture was compiled by the author on the basis of information from the annual reports of TIF National Bank for the financial years 2017, 2018, 2019, 2020, 2021.

*since ordinary shares are a relatively expensive form of financing the banks' activities, banks, in order to reduce costs. they try to use debt instruments more;

*mortgage and subordinated securities play an important role in the formation of long-term resources of commercial banks;

*in the conditions of increasing inflation rates, the bank should try to reduce the weight of interest income with a high level of interest risk;

*In 2018-2022, deposits and international loans attracted from abroad and international leasing occupied the highest weight in the total volume of obligations of commercial banks of our republic;

* In 2018-2022, the share of securities issued by republican banks in the volume of liabilities had a tendency to increase;

*In 2018-2022, deposits and interbank loans took a relatively high share in the total volume of Osanoatqurilishbank's liabilities;

*the share of loans attracted from abroad in the volume of TIF National Bank's liabilities had a tendency to increase in 2019-2021.

In our opinion, the following measures should be implemented to improve the practice of managing the obligations of commercial banks:

1. In order to increase the share of funds received from the sale of securities in the total volume of obligations of commercial banks, first of all, it is necessary to ensure the investment attractiveness of bonds, deposit and savings certificates issued by banks; secondly, it is necessary to expand the ability of banks to attract time deposits by ensuring the normative level of the net interest margin indicator.

2. First of all, it is necessary to ensure the adequacy of the bank's deposit base in order to reduce the weight of loans attracted from abroad due to the increase of the share of liabilities formed from internal sources in the composition of the obligations of commercial banks; secondly, the net interest spread index should be maintained at a level that allows to expand the possibility of attracting resources.

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