WAY TO STRENGTHEN THE RESOURCE BASE OF COMMERCIAL BANKS

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WAYS TO STRENGTHEN THE RESOURCE BASE OF COMMERCIAL BANKS

Abstract. The article discusses the concept and basic principles of the formation of the resource base of commercial banks, studies the views of foreign and domestic scientists in this area. Special attention is paid to the main reasons for the emergence of current problems of the banking system in the field of resource formation, an analysis of the resource base of banks is carried out, in particular, the deposit base is considered and recommendations are made to optimize both the banks' own funds (capital) and their borrowed funds. The theoretical and practical significance of this article is expressed by its contribution to the development and further optimization of the resource base of domestic banks, while the practical significance of the study lies in the possibility of using proposals and recommendations.

Key words: bank, bank certificates, capital, liabilities, principles of forming the resource base of banks, resource base, subordinated loan.

Introduction

In the conditions of the functioning of the market model of the economy, each business entity independently searches for opportunities for the accumulation and concentration of resources. In the banking system, the issues of forming a resource base are becoming especially acute due to the fact that commercial banks are able to carry out their activities exclusively within the limits of available funds, which directly affects the final result of the bank's activities - profit. The need for a sufficiently diversified and well-formed resource base is also increasing in
connection with the tightening control over the activities of credit institutions by regulatory and supervisory authorities.

The exacerbation of the problems was also facilitated by the crisis in the context of the COVID-19 pandemic in the international financial market and in the economy as a whole, which led to lower energy prices, devaluation of the soum, a small outflow of depositors' funds, lower interest rates, and, as a consequence, a shortage of long-term and stable resources in the banking system. In addition, during 2020, the state share in the banking system continued its peaceful existence. At the same time, almost thirteen banks are in the process of denationalization [1]. Based on the foregoing, the main goal is to identify the features of the formation of resources of commercial banks in modern conditions and to optimize the resource policy of commercial banks [3].

**Literature review**

The main part of the attracted resources of commercial banks are deposits, i.e. funds deposited in the bank by clients - individuals and legal entities and used by them in accordance with the account regime and banking legislation. Until now, in the theory and practice of savings, there is no unambiguous definition of the concepts of "deposit" and "deposit", as well as their types [4].

In her research, E.P. Zharkovskaya interprets the deposit as entries in bank books indicating the presence of certain claims of clients to the bank, or clients' funds in banks in the form of deposits under agreements and contracts. Thus, in banking practice, deposits include deposits and securities that serve to attract customer funds to banks [7].

According to O.I. Lavrushin, a banking resource or the "resource base of banks" is the sum of its own and borrowed resources at the disposal of the bank, which is used to conduct active operations. In addition, the author focuses on the effective organization of the resource base of commercial banks, focusing on equity capital and its optimal structure [10].

A.A. Omonov considers the resources of a commercial bank as "The resources of commercial banks are the financial value formed by attracting free funds to the economy and the formation of private funds (capital) on certain conditions" [11].

According to T.M. Karaliev, the resource base of commercial banks by types of resources should be divided into own funds, equated funds and borrowed funds [2].

In connection with the above research, we have developed the following author's approach to the resource base. The resource base of banks is the amount of their own funds and funds raised on certain conditions [5].

**Research methodology**

The methodological basis was the current regulatory documents governing banking, the theory of liability management, in particular resources, as well as the
application of a systematic approach. The work used such general theoretical methods as modeling, analysis and synthesis, methods of grouping and comparison, comparative-historical approach, system-structural approach.

**Analysis and results**

Commercial banks form their resource base on the following principles:

1) Form their own capital to ensure economic independence and stability, the fulfillment of financial obligations by the bank.

2) Mobilize temporarily free funds and transform them into capital. That is, they attract funds from individuals and legal entities, place them on their own behalf, on their own terms and at their own risk, open and maintain bank accounts.

3) They borrow funds by issuing and selling debt securities, receive funds in the form of a loan from non-banking institutions and other commercial banks [8].

Strategically, this work is aimed at increasing confidence in the banking sector, stopping the masking of poor asset quality by submitting inaccurate reporting, preventing unscrupulous owners from transferring assets from credit institutions to other controlled organizations, and continuing to combat the withdrawal of funds from the banking system through fly-by-night firms [6].

Based on a number of problems that commercial banks face in terms of the formation of their own funds, it is advisable to highlight the main approaches to optimizing banks’ capital:

1) Increase in the authorized capital of the bank. Let’s take a look at the table.

<table>
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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Share capital</td>
<td>68,9</td>
<td>64,6</td>
<td>69,8</td>
<td>61,7</td>
<td>82,1</td>
<td>77,5</td>
</tr>
<tr>
<td>2</td>
<td>Added capital</td>
<td>0,5</td>
<td>0,5</td>
<td>0,3</td>
<td>0,3</td>
<td>0,3</td>
<td>0,7</td>
</tr>
<tr>
<td>3</td>
<td>Reserve capital</td>
<td>15,3</td>
<td>16,3</td>
<td>8,7</td>
<td>11,0</td>
<td>7,5</td>
<td>8,2</td>
</tr>
<tr>
<td>4</td>
<td>Retained earnings</td>
<td>15,3</td>
<td>18,6</td>
<td>12,1</td>
<td>14,9</td>
<td>10,1</td>
<td>13,6</td>
</tr>
<tr>
<td>5</td>
<td>Net profit of the current year</td>
<td>-</td>
<td>-</td>
<td>9,1</td>
<td>12,0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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</tbody>
</table>

As we can see from the table, the authorized capital of a commercial bank is the main part in the capital structure. Unfortunately, 77.5% of the capital structure is occupied by the authorized capital and there is practically no added capital, only 0.7%, and this is despite the growth over the past four years. There are two ways

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1Compiled by the author based on site data [https://cbu.uz/ru/statistics/bankstats/422903/](https://cbu.uz/ru/statistics/bankstats/422903/)
here: for joint-stock banks, an effective tool for capital growth can be the issue of shares, the expansion of the number of participants through their placement and the implementation of a competent dividend policy. Unincorporated banks have the opportunity to increase capital by attracting additional funds from investors, expanding the number of participants [9].

2) Purposeful formation of funds included in the bank's capital. In this case, the bank's own funds are largely formed by means of special funds generated within the bank. This way of increasing capital does not involve significant expenditures of both time and money and allows the bank to bypass some complicated procedures for registering an increase in authorized capital [12].

3) Conducting a timely revaluation of fixed assets in accordance with applicable standards and using generally accepted approaches and valuation methods. The need to revalue the bank's investments in fixed assets is associated with a change in the value of assets during the entire service life from the moment of acquisition to the moment of disposal.

4) Making a profit and optimizing its value. Profit will be facilitated by an increase in interest income (for example, by improving lending instruments, by obtaining income from financial leases), reducing commission expenses, expanding the range of income instruments, reducing operating expenses (for example, reducing administrative and business expenses, rent expenses and others).

5) Obtaining targeted financial assistance
6) Obtaining subordinated loans

The use of such loans is tantamount to obtaining a long-term loan and does not entail a change in the ownership structure. There are other advantages, for example, the payment of interest on subordinated debt is carried out at the expense of an increase in the bank's gross expenses, and the interest rate on it will not change during the term of the agreement [13].

As for the attracted funds, we note that in recent years, despite the crisis, liabilities were determined by the growing volumes of deposits. More than a third of the resource base of domestic banks is currently formed at the expense of deposits, and some credit institutions have 50-60% of liabilities from household deposits. Over the past years, there has been a steady trend towards an increase in the dependence of the banking sector on household deposits. In this regard, it is of particular relevance to study the issues of improving the process of raising funds by commercial banks in terms of reducing risks and increasing profitability.

Table 2

<table>
<thead>
<tr>
<th>№</th>
<th>Indicators</th>
<th>1.11.17</th>
<th>1.11.18</th>
<th>1.11.19</th>
<th>1.11.20</th>
<th>Relative to</th>
</tr>
</thead>
</table>

2Compiled by the author based on site data https://cbu.uz/ru/statistics/bankstats/422903/
According to the table, the share of deposits in commercial banks of the republic in recent years has an upward trend, in 2020 it increased by 81.4% compared to 2017 and amounted to 105,007 billion soums. The main reason to assess the data as a positive situation is that not only the long-term and stable resource base of our banks is increasing, but also the confidence of the population is growing from year to year. But despite this, there are still a number of lamentations that prevent further increase in the resources of commercial banks.

It should be noted that the composition and volume of banks' long-term resources are influenced not only by the stability of the national currency, but also by a number of other factors. In particular, a high or low level of public confidence in the banking system and monetary policy, an imbalance between cash and non-cash payments in the purchase and sale of consumer goods, the bulk of consumer markets is not provided by domestic production. It should be noted that to strengthen public confidence in the banking system, structural changes in the national economy and diversification of industries are required. At the same time, the main attention should be paid to two issues: the first is to ensure at least 80-85% of the population's demand for consumer goods through domestic production, and the second is to increase the country's exports to 55-60% of GDP.

Conclusions and proposals
As a result of our research to optimize the resource base of commercial banks, we have formed the following conclusions and proposals.

1) Diversification of deposits of legal entities and deposits of individuals by maturity. On the one hand, preference is given here to long-term deposits and deposits, the task of ensuring the liquidity of the bank's balance sheet is solved, on the other hand, an increase in demand deposits helps to reduce interest costs and make a profit, since funds on current and current accounts are the cheapest resource, they are paid on minimum percentage.

2) Expansion of the bank's client base at the expense of corporate clients' funds as less risky and more stable

3) Raising funds in the interbank market. The share of interbank loans can amount to 15–20% of liabilities with efficient management of borrowed funds.

4) Issue of certificates of deposit and savings. When issuing and placing bank certificates, it is possible to: expand the circle of depositors due to a large number of possible financial intermediaries in the distribution and circulation of funds as less risky and more stable
certificates; early transfer the certificate to another person in the secondary market without the risk of changing the volume of the bank's resource, while the early withdrawal by the owner of the term deposit means a loss of income for him, and for the bank - the loss of part of the resources; the bank independently determines the conditions for the issuance and circulation of certificates, the process of their placement is simpler than that of other obligations.

Thus, the improvement of the resource base of commercial banks will be facilitated by an integrated approach to the management of both own funds and liabilities. Banks need to pay special attention to ensuring the independence of their activities, building up capital from internal sources, mainly profit. In addition, it is important to competently diversify the funds raised, use both price and non-price methods of managing obligations, while maintaining the optimal level of risk, profitability and liquidity.

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