

Passive Operations of a Commercial Bank: Problems of Implementation and Development Prospects

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Abstract

The article notes that banks are the circulatory system that feeds the entire economy of the country, on the state of which financial and economic stability in the country depends. The author, on the basis of the analysis carried out, puts forward a hypothesis about the need for a comprehensive study of the stability of passive operations, including issuing operations, the introduction of which contributes to ensuring the stability of the functioning of commercial banks as a whole.

Keywords: *commercial bank, resource base of commercial banks, passive operation of a commercial bank, development of commercial banks, universal bank, financial flow of a bank, deposit policy, emission policy, emission operation, passive operation, problems of implementation of passive operations.*

Introduction. In the context of increasing integration of the economy of Uzbekistan into the system of world economic relations, the issue of deepening market transformations and ensuring the stability of the functioning of commercial banks is a priority. It is banks that, figuratively speaking, are the circulatory system that feeds the entire economy of the country, on the state of which financial and economic stability in the country depends.

First of all, banks and their founders need to ensure an increase in the level of capitalization, to bring the size of their authorized capital to the established parameters.

Unlike other countries, the economic policy of Uzbekistan in the development of the banking sector immediately predetermined the gradual formation of reliable universal banks serving various segments of the economy. In this context, economic transformations in the country confirm the need to support and strengthen the credit system, primarily commercial banks, as a financial basis that ensures the viability and development of business entities.

Taking into account the events of recent years that are taking place in the world and their impact on the economy of a particular country, ensuring financial and banking stability remains the most important priority. It should be noted that the creation of a regulatory framework for the development of commercial banks in the context of the liberalization of the country's economy contributed to the formation of a stable banking system. From the standpoint of the formation of the resource base of banks, research in the field of developing a deposit policy is of great scientific and practical interest.

Effective accumulation and redistribution of significant financial resources of economic

entities is necessary for the further development of the banking system and investment in the real sector of the economy. In the context of improving the issuing operations of banks, the problem of forming an effective deposit policy and creating a stable resource base for commercial banks becomes relevant in scientific and theoretical terms and from a practical point of view.

Scientific Literature Review. Fundamental research into the formation of the resource base of commercial banks was carried out by foreign and domestic scientists. The practical aspects of the development and implementation of the deposit policy, as well as the improvement of the issuing operations of banks, are devoted to the work of foreign scientists, E.J. Dolan, K.D. Campbell, R. J. Campbell, J. F. Sinki et al.¹. 3 Some aspects of the functioning of the banking system are studied in the scientific works of Russian scientists - L.G. Batrakova, G.N. Beloglazova, E.N. Vasilishen, E.F. Zhukova, V.I. Cossack, Z.S. Katsenelenbaum, M.A. Oblique, O.I. Lavrushina, I.D. Mamonova, G.S. Orlova S.G. Panova, G.A. Tosunyan, V.M. Usoskina, E.B. Shirinskaya, S.A. Shulkova and others².

Theoretical and applied aspects of the development of the banking system in the context of further linearization of the country's economy, in particular, in the field of developing a deposit policy, are devoted to the works of economists such as: A.Z. Abdullaeva, B.B. Babaeva, T.I. Bobokulova, T. Karaliyeva, A.K. Kadirova, Sh.B. Ruzmetova and others³.

An analysis of the available scientific papers indicates the need for a comprehensive study of the stability of passive operations, including issuing operations, the introduction of which is of great importance for every commercial bank.

Main part. An analysis of the current practice shows that the formation of the deposit base of any commercial bank, as a complex and time-consuming process, is associated with a large number of problems of a subjective-objective nature (Fig. 1).

¹Dolan E.J. Deposit policy of banks. - M.: Infra 2007. - P. 350; Polfreman D., Ford F. Fundamentals of banking / Per. from English. - M.: Infra - 1996. - 102.s; Sinki JF Financial management of commercial banks / Per. from English. - M.: Catallaxy, 1994. - S. 22-23.

²Lavrushin O.I. Management of a commercial bank (Banking management): Textbook. - M.: Jurist, 2002. - 688 p.; Panova G.S. Credit policy of a commercial bank. - M.: IKTs "DIS", 1997. - p. 194.; Usoskin V.M. Modern commercial bank: management and operations. - M.: Vazar-Ferro, 1994. - S. 106 - 109.

³Bobokulov T.I. "Milliy valoraning barkarorligini ta'minlash: muammolar va echimlar". I.f.d. ilmiy darazhasini olish uchun yozilgan dissertation abstract. - Tashkent, 2008. - 36 p.; Babaev B.B. Issues of formation of resources of commercial banks and their effective use. Abstract dis. for the degree of Ph.D. - Tashkent, 2002. - 21 p.; Ruzmetov Sh.B. Uzbekiston tijorat banklari deposit basesini mustakamlash yo'llari: I.ph.s. ilmiy darazhasini olish uchun yozilgan dissertation abstract. - Tashkent, 2009. - 25 p.

Problems in the implementation of passive operations of a commercial**Subjective
problems:**

- scale of activity and weak capital base of commercial banks;
- lack of motivation of the bank's management in attracting funds from customers, especially the population, which is dictated by the tactical and strategic goals and objectives of the bank;
- insufficient level and quality of the top and middle management;
- the absence in most banks of a science-based concept for conducting a deposit (including emission) policy;
- shortcomings in the organization of the deposit process

**objective
Problems:**

- direct and indirect impact of the state and state bodies on commercial banks;
- the impact of macroeconomics, the impact of global financial markets on the state of the money market;
- interbank competition;
- the state of the money and financial market;
- lack of a legal mechanism for insurance and protection of bank deposits

Rice. 1. Problems in the implementation of passive operations of a commercial bank

Subjective issues include:

- scale of activity and weak capital base of commercial banks;
- lack of motivation of the bank's management in attracting funds from customers, especially the population, which is dictated by the tactical and strategic goals and objectives of the bank;
- insufficient level and quality of the top and middle management;
- the absence in most banks of a science-based concept for conducting a deposit (including emission) policy;
- shortcomings in the organization of the deposit process: the absence of an appropriate unit in the bank; low level of marketing research of the deposit market; limited range of offered deposit services and so on.

Among the objective factors are the following:

- direct and indirect impact of the state and state bodies on commercial banks;
- the impact of macroeconomics, the impact of global financial markets on the state of the money market;
- interbank competition;
- the state of the money and financial market;
- lack of a legal mechanism for insurance and protection of bank deposits⁴.

⁴Dmitrieva O.A. Optimization of the deposit activity of a commercial bank / O.A. Dmitrieva // Finance. - 2019. - No. 5.

When carrying out passive operations, we are talking about raising funds to form a resource base and perform activities (attracting deposits, issuing securities). A deposit is an economic relationship regarding the transfer of client funds for temporary use to a bank.

Deposit accounts can be very diverse and their classification can be based on such criteria as the sources of deposits, their intended purpose, the degree of profitability, etc., however, the category of the depositor and the form of withdrawal of the deposit are most often used as a criterion.

Based on the category of investors, there are:

- deposits of subjects (legal entities) of the economy i.e. enterprises, organizations, other banks;

- deposits of individuals.

Deposit operations are a broad concept, since they include all the bank's activities related to raising funds in deposits. Deposits of citizens have the right to accept only banks that ensure their safety and timely return by insurance or other methods provided for by law.

Safety and return of deposits of citizens in banks established by the state, and banks where the state owns more than 50% of shares (shares) guaranteed by the state or the Central Bank, responsible for failure to fulfill obligations to depositors.

The deposit can be used in the following values:

A). it represents money or securities deposited by the debtor in financial and credit, judicial or administrative institutions for storage with subsequent transfer (under certain conditions) to one or another business entity or citizen - depositor (contributions for payment of customs duties, contributions to deposit accounts courts in securing a claim and for transfer to recoverers, contributions to notary offices, if it is impossible to deliver money or securities directly to the recipient);

b). it is a deposit of cash or securities in banks. A deposit is a deposit for a rigidly defined period, in which the conditions for the return or securities are immediately agreed.

Deposits are a source of formation of the loan capital of the bank, which is used to issue loans, make investments, etc.

Thus, based on the available information, it is possible to identify the main problem of managing bank liabilities of a bank: it is necessary to carefully study the assets and liabilities of a commercial bank as objects of management. Another problem can be called insufficient provision of the management system with the necessary information. In addition, in the conditions of a plurality of information, it would be appropriate to identify another important problem - insufficiently organized management of financial flows.

Based on the problems identified, it is possible to propose several options for improving the system of managing bank liabilities.

In order to improve passive operations, as well as directly the issuance policy of the bank, the following is necessary:

- the commercial bank under study must have its own issuing policy, developed taking into

account the specifics of its activities and the criteria for optimizing this process;

- it is necessary to expand the range of deposit accounts of legal entities and individuals with a term "on demand", which will allow even in the conditions of insignificant financial savings to better meet the needs of bank customers and increase the interest of investors in placing their funds on bank accounts;

- as one of the directions for improving the organization of issuing operations, it is possible to use different types of accounts for all categories of depositors and improve the quality of their service;

- individual approach (the desire of the bank to provide the client with special benefits);

- creation of a system for guaranteeing bank deposits and protecting the interests of depositors, which will really increase the reliability of banks and their ability to fulfill the task assigned to banks to transform citizens' savings into investments that the economy so badly needs.

These are some of the possible ways to improve the issuance policy of a commercial bank and increase its role in ensuring its sustainability.

At present, other sources of attraction are dynamically developing - funds of legal entities, including banks, as well as resources attracted in international financial markets.

In general, each bank develops its own emission policy. Also, the management of the credit institution independently determines the degree of importance of these areas, the priority of one or another type of bank policy. First of all, this will depend on the area of operation of a particular bank, its specialization or universalization.

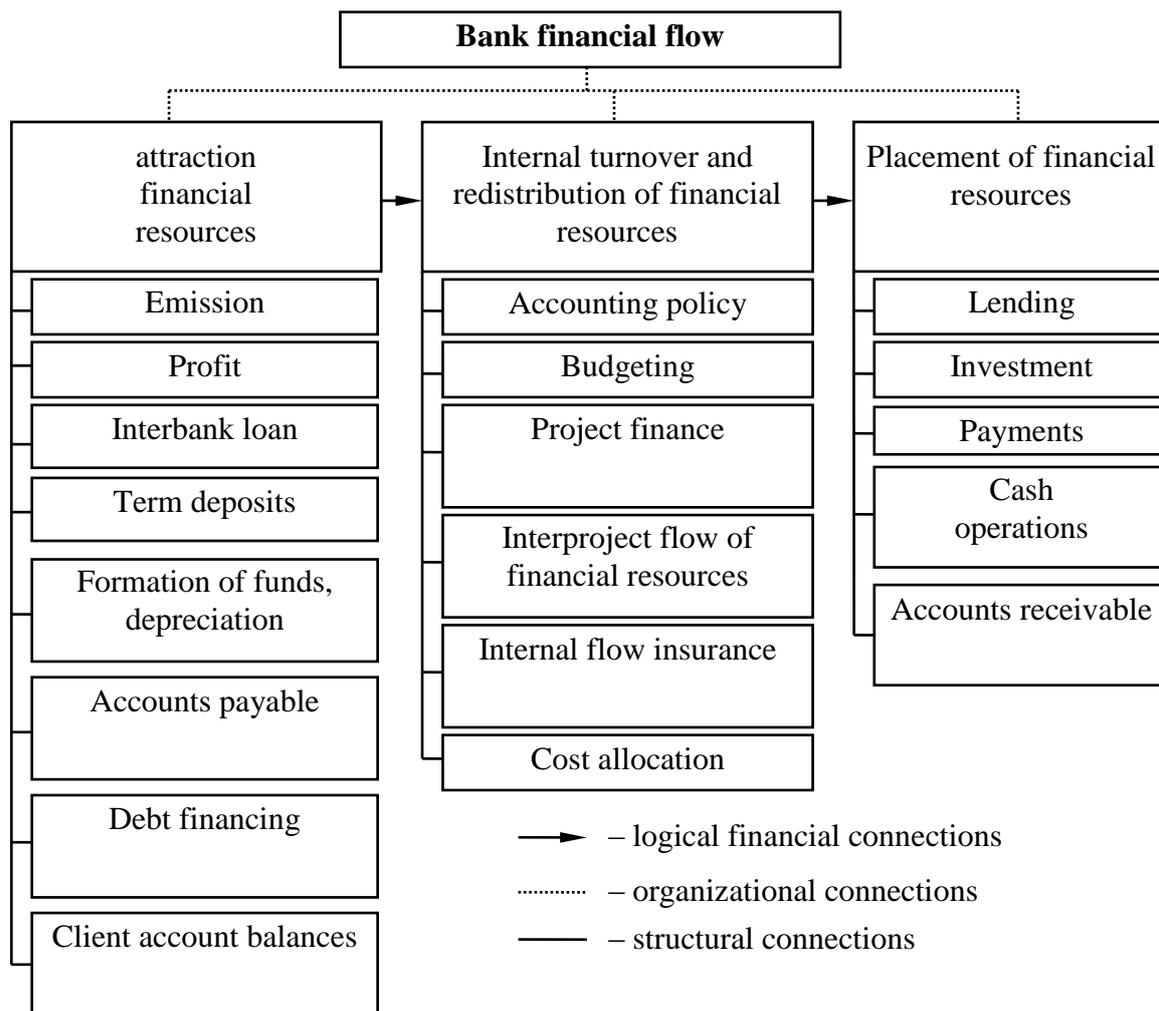
A proposal to improve the financial mechanism for managing portfolios of a commercial bank based on the concept of financial flow. First of all, it would be expedient to propose a financial mechanism for managing portfolios of a commercial bank based on the concept of financial flow.

Organizationally, the financial flow can be represented as a sequence of time-limited processes that are objects of management: the process of attracting, the process of internal turnover and redistribution, as well as the process of placing financial resources (cash).

The specificity of the bank lies in the fact that in each of the blocks the functions can be ranked according to the level of management decisions for their use. For example, in the block for attracting financial resources, decisions on the issuance and use of profits are made at the level of the Board of Directors, decisions on obtaining loans and collecting insurance premiums are made at the level of top management, and decisions on the procedure for forming funds, using accounts payable, and depreciation are made at the level of individual divisions.

Attracting financial resources is the activity of the bank, aimed at obtaining the funds necessary for its normal functioning, that is, the formation of liabilities. Within the framework of a commercial bank, this task is complicated by the presence in its organizational structure of various types of business transactions. On fig. 2 shows the financial flows of the bank⁵.

⁵Dimakov S. A. Approach to assessing the effectiveness of the formation of financial dipoles in liabilities and assets with high elasticity // Transport business of Russia.–2019.–No. 4.–20-25.



Rice. 2. The structure of the financial flow of a commercial bank

Internal turnover and redistribution of financial resources - management of financial resources by changing their proportions and structure for the most efficient use of the main sources in active operations. Thus, the main purpose of internal turnover is to ensure financing of the bank's activities, taking into account the interests of the owners, as well as taking into account the requirements that arise when conducting active operations. In the context of competition in the market of credit resources, deposits are an important source of resources for banking commerce. Commercial banks must constantly take care of both the quantitative and qualitative improvement of their deposits, using different methods for this (interest rate, various services and benefits to depositors). At the same time, observing the principles of organizing issuing operations.

Conclusions. An analysis of the current practice shows that the formation of the deposit base of any commercial bank, as a complex and time-consuming process, is associated with a large number of problems, both subjective and objective. In this context, passive operations are fundraising operations. As a result of passive operations, bank resources are formed, which are reflected in the liability of the bank's balance sheet. Sources of formation of banking resources are

own, borrowed and borrowed funds.

Thus, according to the article, it was found that the basic management of liabilities does not meet the requirements of a competitive strategy. Therefore, complicated control is optimal here. The advantage of a bank's sophisticated financial management is that it is in line with a competitive strategy.

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