

ISSUES OF FORMATION OF PRIVATE BANKS' RESOURCE BASE

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Abstract: This article is devoted to the formation of the resource base of private banks operating in the Republic of Uzbekistan. The data are taken from the analysis of financial statements on the banking system issued by the Central Bank of the Republic of Uzbekistan. It covers the activities of 6 existing private banks in the Republic of Uzbekistan. In addition, a conclusion was drawn on the elimination of abstract problems in the formation of the resource base of private banks.

Keywords: private banks, resource base, ROA, ROE.

At present, the issues of the resource base and strengthening of commercial banks, their level of capitalization and insufficient resource base, weakness in attracting and increasing the volume of time and savings deposits, and the weak attraction of subordinated debt obligations by them are not sufficiently disclosed. In particular, issues related to increasing the level of capitalization of commercial banks, ensuring a stable resource base, and further strengthening the resource potential remain relevant in ensuring the stability of the resource base of commercial banks.

The ultimate goal of radical reforms in the banking and financial system of the country is to strengthen the resource base of banks, increase the level of bank capitalization, and increase the confidence of businesses and the public in the banking system. In particular, "the issue of increasing the minimum authorized capital of banks to 500 billion soums by 2025" [2] and "the task of deepening the reform of the banking system, increasing the deposit base, strengthening their financial stability and reliability" [3]. In our country, the "Strategy for reforming the republic's banking system for 2020-2025" [2] provides for the gradual privatization of state shares in 6 banks. These reforms require a further increase in the share of private banks and the strengthening of their resource base.

Kurbanov R. (2021) studied the factors affecting 2 efficiency indicators (ROA and interest income) of private banks operating in the Republic of Uzbekistan [5]. Russian scientists Shershneva E.G., Kondyukova E.S. (2017) learned that the bank's resource base can be realized through the formation of its funds and borrowed funds [6]. In the textbook, "Banking", co-authored by Azizov U.O., Karaliev T.M., and others (2016), the resource base of commercial banks are divided into the bank's funds, equivalent funds, and borrowed funds by type of resources[7].

According to one of our local scientists, Professor Abdullaeva Sh.Z., (2019) "The resource base of commercial banks determines the level of its credit potential. The resource base created by the bank can be used to provide various loans and finance investments and other active operations [8].

Qurbanov R. (2019) The resource base of private banks is a source of their funds, as well as a condition for their return to the free funds of legal entities and individuals, used to increase opportunities for mobilizing financial resources and expanding the volume of active operations to

maintain a high level of competitiveness and a positive image - the amount of borrowed and borrowed money [9]. Kurbanov R.B. (2020) the analyzed financial performance of private banks in Uzbekistan. He argued that the volume of bank assets, asset management ratio and operational efficiency are positively correlated with ROA [10]. Kurbanov R.B. (2021) is devoted to the formation of the resource base of private banks operating in the Republic of Uzbekistan [11,12].

Despite the above reforms, at present, the resource base and total capital of private banks in the country, the share of the banking sector in total capital remains low. The total resource base of private banks is only 4% of all commercial banks and 5.3% of their funds[17]. When analyzing the resource base of private banks, the study of their composition is of particular importance.

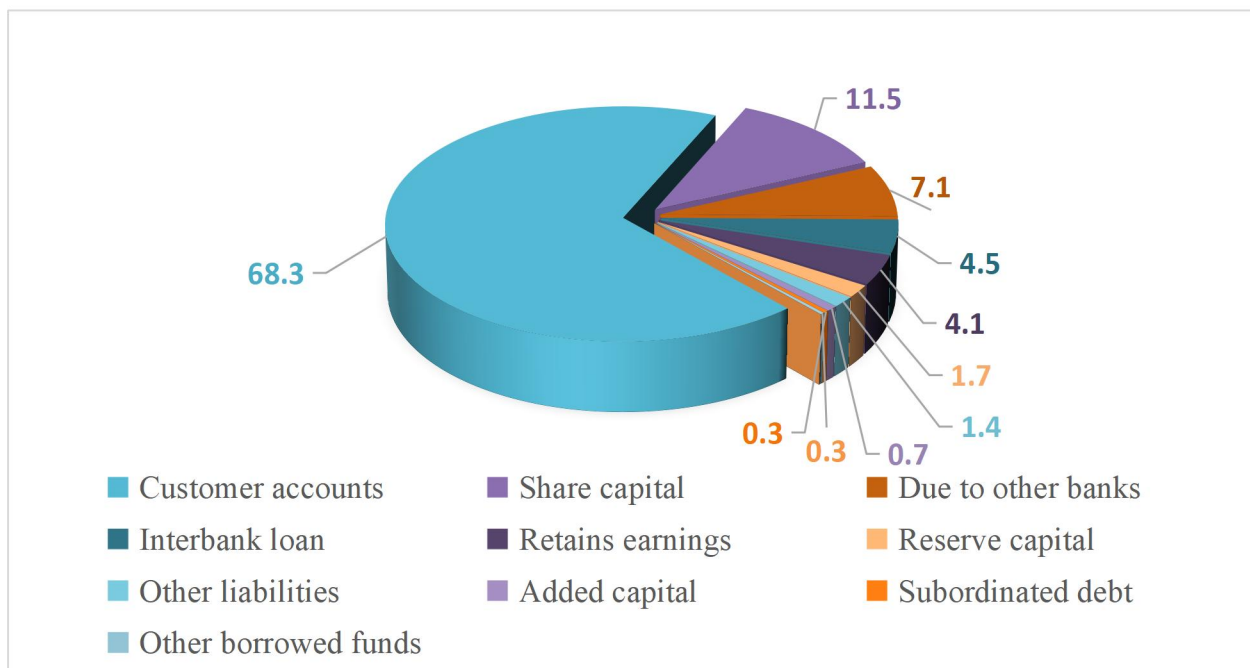


Fig. 1. The structure of the resource base of 6 private banks operating in the Republic of Uzbekistan (in percent for 2019).

As can be seen from the data in Figure 1, the main share in the structure of the resource base of private banks in 2019 was 68.3% of customer funds. After that, a large share was taken by their authorized capital and funds of other banks. Their share is 11.5 and 7.1 percent, respectively. As of January 1, 2020, the share of non-deposit funds of private banks in the structure of the resource base amounted to 13.7%, the bulk of which were funds from other banks (7.1%). Unfortunately, the share of subordinated debt obligations and other loans issued by private banks in the structure of non-deposit operations is very small. The fact that they are equal to 0.3%, respectively, suggests that the additional capital of private banks is not sufficiently formed. It turns out that special attention should be paid to optimizing the structure of the resource base of private banks.

Summing up our econometrically formed model, it should be noted that taking into account other

factors, the volume of bank assets amounted to 1 billion. An increase in the recursive base of private banks by 0.42 billion soums, an increase in the number of branches by 1 unit by 154.5 billion soums, an increase in the long-term interest rate of banks by 1%, a returnable base of private banks by 313.76 billion soums and an increase in profitability banking capital by 1% led to an increase in the recursive base of private banks by 53.18 billion soums, and an increase in the profitability of bank assets by 1% increased the recursive base of private banks. for 495.75 billion soums. we see that this leads to a decrease in the amount.

In the course of our study, along with identifying existing problems in the process of forming the resource base of private banks, we identified ways to ensure the sustainability of the resource base of private banks by overcoming them as much as possible. In our opinion, these are:

1. It is important to constantly increase the share of the authorized capital in the bank's capital. After all, the authorized capital is the most stable part of private capital, along with the retained earnings of the bank.
2. Private banks have the opportunity to strengthen the additional capital base by increasing the volume of subordinated debt. The absence of subordinated debt obligations in the practice of private banks indicates the weakness of their positions in the long-term lending market. Considering that subordinated debt obligations are the main part of the bank's additional capital structure, as well as a convenient and inexpensive means of attracting long-term resources, it is advisable to expand the practice of attracting subordinated debt obligations by private banks;
3. To strengthen the resource base, private banks should constantly introduce new, modern and attractive long-term deposit services provided by banks to increase the attraction of sustainable resources, taking into account the inflation targeting regime and encouraging these clients to place deposits. back in the bank.

The full implementation of the above considerations in the activities of private banks, firstly, will increase their efficiency, and secondly, will have a positive effect on strengthening their resource base and will serve as an economic basis for their sustainable operation.

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