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## WAYS TO IMPROVE THE EFFICIENCY AND EFFICIENCY OF ASSETS IN THE BANK'S ACTIVITIES

**Annotation:**The banking sector plays an important role in the economy of any country. The dynamically developing banking sector in the republic intensifies the necessity of managing the efficiency of the banking system as a whole as a separate commercial bank. Commercial banks are the integral part of the current currency economy. They are central in the system of market structures and form the central classes of one another. fundamentals of the development of the state economy in general. Exact and correct activity of commercial banks determines the performance of the banking system and the economy as a whole.

**Keywords:**banking sector, commercial banking, active and passive operations, bank efficiency, profit of bank.

Bank efficiency, as a rule, is accompanied by faster economic growth. The efficiency of banks is linked with economic stability. Activities of commercial banks are associated with a lot of risks, the failure of assessment of which can lead to bankruptcy and losses to customers and shareholders, it requires the formation and improvement of methods of analysis of the financial activity of banks. Analysis of banking activities serves as a basis for making decisions in the bank's governing bodies and building of trusting relationships between their clients. It is necessary to create an effective mechanism for banking analysis aimed at revealing at the early stages the problems of the commercial bank, improving the financial stability of the country, the interests of social strata actively participating in it, the level and quality of life of people. Creation of a competitive banking system and decision support is one of the important strategic tasks linked to the socio-economic stability of the country. The issue of analyzing and evaluating the rational and effective activities of a commercial bank, as well as taking measures to improve it, has not been sufficiently solved today, which requires detailed study and development of the scientific concept and is important in the conditions of a market economy.

Historically, banks have emerged at first as private commercial structures, elements of commercial and market infrastructure. With development of commodity production and service and money circulation, the role and coverage of banks in the economy increased increased. Because banks are an important link that provides the national economy with additional monetary resources. Banks are considered the closest in terms of location to business, to its needs and changing market conditions. In accordance with banking legislation the bank is a bank that has the right to attract deposits of funds of individuals and legal entities, place them on its own behalf and from its own expense under the terms of payment, payment, maturity, and conduct settlement operations on their behalf. Commercial bank is a commercial institution that serves depositors (creditors) and borrowers by taking advantage of the difference in interest earned for the funds allocated to the depositors and depositors. In addition, commercial banks carry out operations related to commission and intermediary operations, factoring operations, securities, credit cards, foreign exchange, leasing, insurance, intermediary services, etc. A bank is a nickname for a monetary institution in the field of economic relations. Banking results depend not only on the economy of the country, but also on the social environment in society. General economic and banking crises entail the bankruptcy of enterprises and credit organizations, the loss or loss of citizens' deposits and deposits, resulting in tensions in social relations, the decline in the bank's authority as a socio-economic institution. Therefore, effective activity of banks has significant socio-

economic significance. Commercial banks perform such economic functions as financing social budget programs at the expense of tax payments, creating jobs, saving the population's savings. Banking system is a complex of banks and credit organizations of different forms of property, functioning in a single monetary mechanism.

Currently, banks are far ahead of other financial intermediaries in terms of assets, capital, and regional coverage. Banking systems will be used to solve tasks of urgent and strategic importance: • ensuring socio-economic growth; • Inflation regulation; adjustment of the balance of payments. The result of the Bank's activity is the Bank's product. Each product corresponds to a service, it is a set of actions, it consists of a process of creating a bank's product. Banking services include lending, organization of settlement process, deposit services, etc. The main features of the quality of the Bank's products are liquidity, reliability and profitability. There are certain areas of leading banking that are characteristic of the national and location factor of the banks, and these include asset, passive and asset-passive operations. Active operations are operations in which banks provide their funds for profit; Operations on the provision of funds of different terms and amount, types of users, credit resources, types of collateral, forms of money transfers.

These are the issues of short-term and long-term lending, provision of consumer credits, securities purchases, leasing, factoring, innovative financing and lending, participation of bank funds in the economic activity of enterprises. Passive transactions are a branch of operations to raise funds for banks and shape their resources. Currently, the process of formation of banking liabilities, their structure optimization, as well as the quality of management of all sources of funds that form the resource potential of commercial banks with these operations are given special importance. Passive operations include attracting funds to settlements and current accounts of legal entities and individuals, opening fixed-term accounts of population, enterprises and organizations, issuing securities, taking loans from other banks, etc. That is, through passive operations, the resources of the bank will be increased. Active-passive operations are commissions, intermediary operations performed by the Bank on behalf of clients for a fee. It is this group of banking operations that are called services. These services include in-house and international settlements, trust transactions for purchase and sale by bank on behalf of clients of securities, precious metals, foreign exchange clients, brokerage in placement of stocks, bonds, accounting and consulting services for clients. In the conditions of market economy, it becomes increasingly important to substantiate management decisions, develop development strategies, assess and monitor the effectiveness of the use of financial and credit resources, as well as comprehensively identify reserves for sustainable development of commercial banks at the level of individual commercial banks and the banking system as a whole. Banks should develop and implement effective procedures for assessing and managing their activities in order to comply with the requirements of prudence, avoid bank risks and ensure their sustainability. Risk management is an integral part of the Bank's activities. Signs of the risk of banking activity include: banks issue and trade large assets, financial instruments with market value that can affect the bank's capital and solvency, attracting borrowed funds with low ratio of authorized capital to assets to total assets, which can lead to loss of confidence of depositors, liquidity decline and bankruptcy; banks practice trust management of assets that are owned by other individuals, which can hold them liable for breach of trust; Banks have the exclusive right to use clearing and settlement systems for withdrawals, remittances, foreign exchange transactions, etc., it is an integral part of national and international settlement systems that can create systemic risks. Thus, in conditions of dynamic development of the financial services market, which has been observed in the world economy in recent decades, the problem of identification becomes especially important in the assessment of the effectiveness of banking activity on a transnational scale. The term "efficiency" is a polymantic concept that reflects the dependence of the result on all its other "elements" as one of the "elements" of

activity as a characteristic of activity, and each of the identified relationships is a specific criterion of efficiency. "Efficiency" reflects the relationship between different aspects of activity: results and costs, outcomes and goals, results and needs, outcomes and values. One of the indicators of banking activity is the ability to maximize profit while maintaining the required level of risk. Profitability reflects generally positive results of the Bank's activities in economic, financial and commercial areas. The need to maximize the profit from its activities is driven by necessity for covering all expenses of the bank, forming dividends paid to shareholders, and also necessity for internal bank formation for growth of the bank's capital. Moreover, the profitable performance of the bank is an indicator of its success and can be an important factor in shaping its reputation, which helps not only to attract new shareholders, but also to strengthen the confidence of customers. In the process of organizing the activity of the Bank and its structural divisions, it is important to achieve at least three important goals: high profitability, sufficient liquidity and security of the bank. High productivity is often valued by the ratio of costs to profits, and in the banking process, the idea of saving costs prevails. The lower the cost elements, the more significant and positive the final result of the credit institution's activities. At the same time, savings can be achieved not by reducing pre-known cost elements, but by improving organizational structures and increasing their productivity. The following classification of activity of commercial banks is used.

The main criteria for the effectiveness of the Bank's activities are the following:

- 1) in the current market conditions, the stable of a commercial bank is the position that ensures targeted development of the bank in the current and long term. Stability is a macroeconomic feature that qualitatively characterizes the process of financial stabilization of an economy under the influence of external and internal environmental factors. The commercial bank is given special attention to ensuring the quality of assets and liabilities. The quality of liabilities is determined by diversification, resistance to fluctuations in interest rates, the degree of dependence on external sources, the financial profitability of deposits, etc. The quality of assets directly describes their liquidity, profitability and dedication, reflects the effective use of resources of a commercial bank, determines the solvency i.e. reliability of the bank.
- 2) Profitability of banking is the value of profit cannot be overstated. Probable profit - the main indicator of the Bank's activity. The difference between the income and expenses of a commercial bank is its gross profit. It is an indicator of gross profit (i.e., before taxes and the distribution of residual profit), which represents the performance of a commercial bank.
- 3) Transparency of banking activities. Information support of financial institutions and lack of transparency significantly complicate the development of banking activity and affect its efficiency. Lack of information on the activities of a financial institution provokes distrust of potential investors and clients, activates the outflow of depositors, leads to the development of industry processes and leads to the destabilization of the banking sector as a whole.
- 4) Banking supervision and supervision by state and other bodies. Organization of banking supervision and regulation is determined by the following factors: monitoring of the funds of enterprises placed in the banks and monitoring the degree of banks of dependence on such sources of financing. Determination of assets of banks located in other countries or individual financial institutions, to determine the reputation and control of such financial institutions. Opposition to monopolization of financial funds and accumulation through separate banks, etc.

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