

**CHALLENGES AND SOLUTIONS TO INCREASE THE EFFICIENCY
OF DEPOSIT POLICY OF COMMERCIAL BANKS**

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ABSTRACT

This article presents the problems identified as a result of research conducted to improve the effectiveness of deposit policy of commercial banks in the country and their solutions, as well as scientific proposals to improve the effectiveness of deposit policy. The volume of passive operations of commercial banks, the level of stability and sources of formation have a positive impact on their financial and economic efficiency. The deepening of market relations and the comprehensiveness of economic reforms in our country, as well as the global financial and economic crisis are increasing the importance of passive operations of commercial banks, or their deposit policy.

KEYWORDS: *Deposit Policy, Contractual Interest Rates, "Floating Interest Rates", Scoring System, Evaluation Module, Complex-System (Vector) Evaluation Criteria, Liquidity, Profitability.*

INTRODUCTION

The volume of passive operations of commercial banks, the level of stability and sources of formation have a positive impact on their financial and economic efficiency. The deepening of market relations and the comprehensiveness of economic reforms in our country, as well as the global financial and economic crisis are increasing the importance of passive operations of commercial banks, or their deposit policy. Ensuring the effectiveness of deposit policy of commercial banks directly allows them to form a financially stable resource base. The effectiveness of the ongoing socio-economic reforms in the country is directly related to the effectiveness of the deposit policy of commercial banks and the strength of their base.

In the current situation, a well-developed deposit policy by commercial banks, and thus attracting more deposits to commercial banks, is important for banks.

Decree of the President of the Republic of Uzbekistan dated February 7, 2017 PF-4947 "On the Strategy for further development of the Republic of Uzbekistan" emphasizes the issues of deepening and ensuring the stability of the banking system, increasing the capitalization and deposit base of banks given in [1].

Since the independence of the Republic of Uzbekistan, a number of positive steps have been taken in the field of finance and credit. At the same time, the deepening of the process of

liberalization of the economy remains a topical issue related to increasing and improving the effectiveness of the deposit policy of commercial banks. In particular, the low share of deposits in the resources of commercial banks, the introduction of innovative forms of bank deposit services and the benefits for customers, as well as the problems of increasing efficiency.

LITERATURE REVIEW

In studying the scientific literature in the field of deposit policy of commercial banks, we consider it appropriate to consider the views of a number of scholars on this concept.

In the economic literature, we can see that there are different approaches to the deposit policy of banks among foreign economists.

TABLE 1 THEORETICAL VIEWS ON THE DEPOSIT POLICY OF COMMERCIAL BANKS¹

№	Authors	The concept of theoretical perspective
1	O.I.Lavrushin[2]	Deposit policy is a banking activity related to attracting funds from depositors and other creditors.
2	A.V.Gribanov[3]	The deposit policy of a commercial bank is an integral part of the bank's policy, it is part of the process of transformation of funds attracted by a credit institution into investment resources and interrelated strategic planning and effective resource base management to ensure a certain level of profitability and liquidity through continuous deposit financing. is a set of actions, methods, and tools.
3	G.M.Baysembaeva [4]	Deposit policy is a set of measures to attract individuals and legal entities, as well as state budget funds in the form of deposits for future mutually beneficial use.
4	G.S.Panova [5]	Bank deposit policy is a banking policy to attract customers' deposits and effectively manage them.
5	G.N.Beloglazova[6]	Bank deposit policy is the process of attracting temporarily vacant funds to various deposits available in commercial banks.
6	A.A.Omonov[7]	The word "deposit policy" means, of course, only if it is used as "deposit policy of commercial banks", it means appropriate measures within the limits of funds raised in commercial banks.
7	A. Burya[8]	Proposed to assess the effectiveness of deposit policy through the coefficients representing the stability of deposit resources: the variability of the balance of deposits, the proportionality of these balances on different types of deposits and the stability of account balances

Indeed, the deposit policy is a key part of the overall banking policy, which determines the strategy and tactics of credit institutions to carry out deposit activities. At the same time, it should be noted that our economists have not conducted research on the issue of improving

the effectiveness of deposit policy of commercial banks, as well as a separate system of foreign experience in this area.

In our opinion, the bank's deposit policy is to attract funds to the bank and effectively organize their management. Its organization includes the objectives of ensuring the bank's liquidity and, if necessary, the use of borrowed funds and increase the level of profitability, reduce the level of risks. In order to realize the investment potential of the national economy in the form of deposits, it is necessary to develop the most optimal ways to attract these funds to the banking sector. The most important thing is to gain the trust of citizens in the banking and financial system, as well as in the national currency.

Thus, as a result of research on bank deposit policy, it can be concluded that there is no single approach to it.

RESEARCH METHODOLOGY

This article analyzes the current state of implementation of deposit policy by commercial banks and identifies factors affecting the stability of the bank's resource base. The methods of scientific abstraction, expert evaluation, induction and deduction, comparison, systematic analysis were used in the analysis process.

RESULT AND CONCLUSIONS

Over the years, increasing confidence in the banking system has led to an increase in deposits in commercial banks. This will help solve the problem of lack of resources by banks and increase the bank's profitability through the rational allocation of borrowed funds.

TABLE 2 INFORMATION ON THE STRUCTURE OF DEPOSITS OF COMMERCIAL BANKS OF THE REPUBLIC [9](BILLION SUM)

Indicators	Totaldeposits	Deposits of legal entities		Depositsofthepopulation	
		total	%	total	%
2015year	35600	28634	80,43	6966	19,57
2016year	44600	36069	80,87	8531	19,13
2017year	59579	47447	79,64	12132	20,36
2018year	70001	55297	78,99	14704	21,01
2019year	91009	69956,7	76,87	21052,3	23,13
2020year	114 746,9	87343,3	76,12	27403,6	23,88
2021year	156 189,8	118884,0	76,12	37 305,8	23,88

If we pay attention, we can see from the data in the table that the volume of deposits attracted by commercial banks operating in the Republic has been growing over the years. In particular, in 2015, commercial banks issued loans worth 35,600 billion soums. As of January 1, 2022, this figure has increased almost 4.4 times and amounted to 156,189.8 billion soums. This situation can be explained by the fact that commercial banks pay special attention to the issues of attracting deposits and their effective management. This is also evidenced by the increase in deposits of banks and corporate deposits. However, if we analyze the share of corporate deposits and household deposits in total deposits, we can see

that corporate deposits account for 80 percent and household deposits for 20 percent.

Today it is necessary to create a new online deposit service and expand the possibilities of remote management of funds in the deposit account, using factors that increase and strengthen the confidence of the population in the banking system, primarily to ensure the safety and security of deposits. Also, the use of modern information technology in office work is a requirement of the times.

- Carrying out deposit operations on the basis of studying and analyzing the current state of banks necessitates the formation of a deposit policy of a commercial bank. The formation of a bank deposit policy involves a number of processes. Including:
- Proper appointment and distribution of powers of bank employees. That is, if the appointment of employees in commercial banks, taking into account their outlook and ability to work, and the proper distribution of powers, this will lead to the development of the bank. In the narrow sense, it is advisable to use the knowledge and skills of qualified personnel in the development of bank deposit policy.
- Clear definition of goals and objectives. Clear goals and objectives should be set not only in the development of the bank's deposit policy, but also in the development of any plans of strategic importance by the bank. Because if the goal is not clear, the efficiency of our work will be zero.
- Organization of control and management in the process of deposit operations. The organization of management by taking into account every small element in attracting deposits by commercial banks and establishing constant control over these cases should be highlighted in the bank's deposit policy.
- Develop the necessary procedures for raising funds.

Each process in the formation of the bank's deposit policy is closely interrelated and is necessary for the development of an excellent deposit policy and the effective organization of bank deposit operations.

In this regard, we can cite the following as the main directions of the deposit policy of commercial banks:

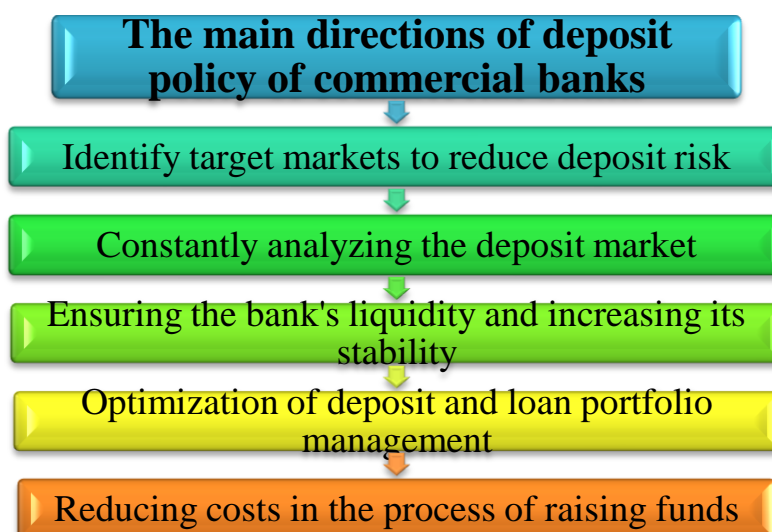


Figure1. The main directions of deposit policy of commercial banks

An increase in the share of loans from internal and external sources in the resource base of commercial banks and a decrease in the share of deposits from individuals and legal entities will contribute to the sustainable development of this process.

CONCLUSION

Based on the results of studies, analyzes and studies conducted to improve the effectiveness of deposit policy of commercial banks, we have formed the following conclusions.

Given the diversity of approaches of economists and experts to the economic content of "deposit" and "deposit policy" in the research, the author's definition of deposit policy of commercial banks is: formed;

- in order to improve the deposit policy of commercial banks of the country to take into account socio-economic changes in international and domestic financial markets, to organize marketing and management activities to improve the effectiveness of deposit policy, to fulfill the tasks and main directions of the deposit policy and make appropriate decisions;

- one of the main issues in the development of deposit policy in commercial banks is to ensure a balance between liquidity and profitability.

The application of the above conclusions and recommendations in banking practice will not only improve the deposit policy of commercial banks, but also serve to increase public confidence in the banking system and increase the amount of funds that banks direct to lending to the real sector.

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