

Deposit Policy in the Conditions of Economic Growth of Commercial Banks of our Country as an Important Factor in Strengthening the Resource Base

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Annotation: This article reflects actual problems of increasing the efficiency of deposit operations and strengthening their role in strengthening the resource base of banks based on a multivariate analysis of changes in the consolidated balance sheet of commercial banks of the country, the structure of attracted deposits in national and foreign currencies, as well as the dynamics of average interest rates on deposits. Also, the commercial banks of the country have developed scientific proposals to improve the process of deposit policy development.

Basic concepts: commercial banks, inflation, deposit policy, interest rate policy, term and savings deposits, resource base.

INTRODUCTION

Ensuring the financial stability of the banking system is, first of all, closely linked with the successful implementation of measures to ensure the strength of the resource base and the level of diversification. At the same time, the strengthening of macroprudential control requirements in the framework of the monetary policy of the Central Bank of the Republic of Uzbekistan raises problems such as lack of long-term liquid resources in the national currency and the need for banks to achieve appropriate liquidity indicators.

At the same time, the high level of inflation expectations of the population and businesses, as well as the growing interbank competition in the field of long-term deposits and the growing demand for innovative services as a result of technological development have led to the development of deposit policy by commercial banks. requires the improvement of tools.

In the address of the President of the Republic of Uzbekistan to the Oliy Majlis on January 24, 2020: "From 2020, each bank will implement a large-scale transformation program. In this regard, we will focus on increasing the capital, resource base and income of our banks." "The need to review the fundamentals of deposit policy pursued by commercial banks, as well as the urgency of studying theoretical, methodological and practical issues related to deposit policy.

The problem of transforming the deposit policy of commercial banks in accordance with today's requirements is not only one of the features of the banking sector of our country, but also one of the issues in the focus of banking professionals and economists of developed and developing countries. In particular, Deloitte Touche Tohmatsu Limited's review, "Banks and Capital Market Outlook 2020,"² states: "By the end of the decade, the number of banks operating in the retail services market may decline. They will need to prioritize the integrity of values and services in the transformation and strengthen partnerships with companies based on new financial technologies."

In the monograph "Deposit policy as a basic element of financing of commercial banks" prepared by Russian scholars AA Martens and N.O. Derkach [1], determines the level of efficiency of financial

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²<https://www2.deloitte.com/us/en/insights/industry/financial-services/financial-services-industry-outlooks/banking-industry-outlook.html> prepared on the basis



activities. However, innovations in this area will be effective only in a stable financial environment, in any other case, commercial banks will strive to maintain a liquidity position by attracting funds from the customer segment, which is attractive to them.

Indian scholars Narayana Maharana, Suman Kalyan Choudhuri, Ashok Kumar Panigraxilar [2] in a scientific article entitled "Deposit Mobilization of Commercial Banks: A Comparative Study of BOB and Axis Bank in Bhubaneswar City" Analyzing the ongoing activities, they noted that "this area of activity is a key function for Indian banks and needs to be further developed."

The object of this study is the practice of developing deposit policy of commercial banks of the Republic of Uzbekistan, and the subject is the macro and microeconomic factors influencing the deposit policy. Methods such as abstract-logical thinking, grouping, expert evaluation, induction and deduction, statistical grouping, comparison were used in the research process.

MAIN PART

It is known that today the balance sheets of commercial banks are undergoing significant structural changes. In particular, these changes are primarily reflected in the increase in the share of borrowed funds from internal and external sources in the bank's resource base, the decrease in the share of deposits from individuals and legal entities. As a result of increasing demands for financial stability of commercial banks, banks are forced to intensify measures to find long-term financial resources. As a result, interest rates on long-term deposits offered by commercial banks have increased, the volume of deposits in foreign currency in the structure of the deposit portfolio is constantly growing.

Figure 2 shows that during 2018, there were significant fluctuations in the dynamics of the average weighted interest rates on time deposits in the national currency attracted to the banking system. The average weighted interest rates on deposits up to one year decreased from 15.8% in January 2018 to 13.7% in February-August and increased to 14.2% in September. In September-October 2018, the average interest rates were 13.3 and 13.6 percent, respectively, while in December they were 14.0 percent. Changes in the dynamics of interest rates on time deposits over one year, in contrast to the above, in September-December 2018 amounted to the highest level for the year, ie 14.6, 15.0 and 16.1%, respectively. It should be noted that during the remaining months of 2018, interest rates on this type of deposits were lower than interest rates on time deposits up to one year.

This means that since September 2018, there has been a sharp change in the deposit policy of commercial banks and the interest of banks in term deposits of more than one year has increased. This, in turn, led to an increase in the proposed interest rates.

The dynamic analysis of the weighted average interest rates on time deposits in foreign currency shows that the situation in this area is very similar to the situation with deposits in the national currency. In particular, the average weighted interest rates on deposits attracted for a period of more than one year

In 2018, it increased from 4.6 percent to 4.7 percent (the lowest rate was 3.6 percent observed in April-June 2018), and in 2019 it increased from 4.7 percent to 5.3 percent. It should be noted that the average weighted interest rates on time deposits of individuals in foreign currency in 2019 decreased from 4.8% to 4.0%, while on time deposits of legal entities increased from 3.4% to 5.2%.

CONCLUSIONS AND RECOMMENDATIONS

Based on the current state of implementation of the deposit policy by commercial banks and the analysis of macroeconomic factors influencing this policy, the following conclusions and recommendations can be noted:

The lack of a long-term strategic goal in the development of deposit policy in commercial banks has led to a change in the priorities for attracting deposits. While this is positive in terms of adapting to the transformational processes taking place in the banking system and its regulatory system, on the one hand, it must be acknowledged that on the other hand it is a factor that increases the level of customer distrust of bank deposit policy;



the establishment of differential interest rates depending on the legal status of bank customers, the currency of attraction and the type of deposit, (ie, the implementation of interest rate policy) creates certain problems in placing them on loans that play a key role in bank assets. This implies an increase in the likelihood of a mismatch between the maturity of borrowed and placed funds and interest rates;

The decline in interest rates on foreign currency deposits attracted from individuals will, in part, lead to the outflow of temporarily vacant funds at the disposal of the population from the real sector of the economy to the "hidden economy". As mentioned above, the confidence of customers in the banking sector is determined primarily by the fact that the cost of services will remain the same in the long run. Hence, changes in interest rates without the influence of rapid or fundamental factors should be assessed as a factor that reduces the effectiveness of deposit policy;

The volume of loans from domestic and foreign sources in the resource base of commercial banks will increase, as well as the volume of deposits in foreign currencies in the deposit portfolio of banks in the context of the devaluation of the national currency. In scientific and practical sources [5,6], this process, called "dollarization" of deposits in the banking system, is considered as a factor that increases the level of systemic risks, currency and operational risks of a global nature in the activities of commercial banks. Thus, increasing the attractiveness of deposits in the national currency and increasing their share in the deposit portfolio will help to overcome the above-mentioned problems.

The above-mentioned features and factors should be taken into account by commercial banks in the development and implementation of deposit policy, strengthening their resource base, ensuring financial stability, inflation expectations of the population and businesses.

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