

## Theoretical and Methodological Problems of Strengthening the Resource Base of Commercial Banks

Yu. A. Toyirov

Candidate of Economic Sciences (PhD), Samarkand Institute of Economics and Service

### Abstract:

In this article, based on the analysis of scientific approaches to the formation of the resource base of commercial banks, the author's interpretation of the improvement of the theoretical foundations of the "bank resources" category is expressed. In addition, in accordance with the author's interpretation, the forms of participation of resources in the banking cycle and the structural structure are reflected in the article.

**Keywords:** bank resources, theoretical foundations, methodological features, resources formed in the external environment, resources formed in the internal environment and resource processing.

**Introduction.** Researching the theoretical and methodological problems of strengthening the resource base of commercial banks in the rapidly changing and unpredictable external environment and developing relevant proposals and recommendations is one of the current scientific directions. A wide range of new technological technologies in banking services in the relevant market, an increase in the number of banks and the volume of services, the entry of non-banking organizations and suppliers into the field of credit and payments, improvement of financial assets, numbers of central banks are indicators of currency circulation. Due to activation and other reasons, will form fundamental changes in the main directions of the bank's activity and resource base in the future. In addition, the strengthening of regionalization trends in the world economy, the emergence of economic and financial crisis situations due to interstate disputes and disagreements of various nature, the increase in the value of financial resources in the debt market require the development of new approaches to the classification and assessment of the resource base of commercial banks.

The economic nature of the resources of commercial banks is expressed in many scientific sources. The analysis of sources in known sources shows that bank resources (despite certain differences in classification) are considered by scientists as financial resources necessary for active operations. This in turn strengthens and develops of the bank resources base, ensures the balance of the bank's financial flows, and will lead to the limitation of the state of adequacy of funds to maintain solvency, liquidity and profitable activity, as well as the implementation 2-of prudential regulations by the bank. In certain scientific sources, the economic essence of bank resources is considered from the point of view of specific characteristics of bank activity, including business activities. This approach differs from the analyzed approaches in a number of ways. Such characteristics are first of all reflected in the inclusion of financial, material and intangible resources in the composition of resources. In our opinion, this approach does not provide an opportunity to take into account internal and external factors related to ensuring the efficiency of bank resources.

The classification of bank resources only as funds necessary for the implementation of active operations (regardless of the interpretations regarding their structural structure) raises a number of questions:

- firstly, should the bank's activity, resources, and efficiency be considered statically (on the basis of data from financial statements) or should it be evaluated in accordance with the directions of

Published under an exclusive license by open access journals under Volume: 3 Issue: 2 in Feb-2023

Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit <https://creativecommons.org/licenses/by/4.0/>

development based on the perspective? Although if necessary, does this led to a change in the theoretical approach to the economic nature of ban?

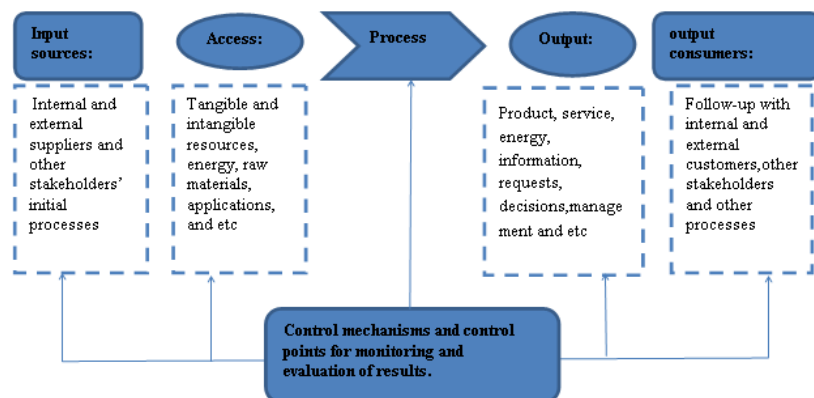
- secondly, whether it is necessary to pay attention to the level of influence of external factors in attracting and using bank resources or not? Wide introduction of new technologies and means of payment in the field of financial services, offering of services unrelated to traditional banking and related to human lifestyle, increased competition due to the increase in the weight of non-banking organizations in the market of financial services, the emergence of new types of resources in terms of strengthening the resource base of commercial banks what problems does it cause?
- thirdly, it is appropriate to consider the quality of bank resources as a separate research object, or should the asset be analyzed as a source of operations? It should be noted that the set of indicators representing the efficiency of assets does not represent the efficiency of attracting resources;
- fourthly, Bank resources are created by central banks, various suppliers, customers and other interested parties belonging to the external environment of the activity, and in turn, the products and services developed by the bank are considered resources for consumers, should be taken into account when classifying the economic nature of resources? Putting such a question, in our opinion, comes from the economic nature of the commercial bank's operations and the resources used.

**Methodology.** Dialectical approach, systematic analysis, analysis, synthesis, induction, deduction, segmental analysis, statistics, comparative analysis and other methods were used in the research.

The degree of knowledge.

**The degree of knowledge.** In scientific sources dedicated to the fundamentals of banking activity, it is noted that bank resources consist of private and borrowed funds. In particular, professors E.F. Zhukov, L.M. Maksimova, O.M. Markova, Sh. Abdullaeva and other scientists came to the same conclusion. At the moment, in the scientific researches of O.I.Lavrushin, L.A.Vinokurova, I.I.Fomenko, A.A.Omonov, A.M.Rahimov and other scientists, attention is paid to the composition of bank resources consisting of financial, material, intangible and labor resources. However, in these works, the interpretation of the economic category of resources of commercial banks adapted to modern conditions was not developed.

**The main part.** In our opinion, first of all, it is appropriate to start with consideration of the movement of bank resources, functional tasks in this movement.



**1-picture. Schematic view of the production processes of goods and services in commercial banks (Plan-Do-Check-Act cycle)**

It can be seen from the data of Figure 1 that the resources of commercial banks are formed at the expense of internal and external suppliers and other interested parties. Internal and external suppliers include lenders of last resort and central banks that issue money and other issuers that circulate electronic money and cash equivalents, individuals and legal entities that are residents and non-residents of Uzbekistan who are clients of the outgoing bank as deposits and shareholders, international financial and credit institutions, bank employees and outsourcing workers can come. Other interested parties include state and government bodies that finance programs through banking organizations, fiscal bodies for tax and other benefits, and creditors for various payments.

These resources are processed by the bank in the production of products and services of a financial (loan, deposit, securities) and non-financial (lifestyle services, marketplace) nature. As a result of processing, products and services that are necessary for consumers (within demand and affordability) are presented. Production means (fixed and intangible assets, staff qualifications, quality of management, etc.) are of great importance in order to ensure that these products and services meet the requirements of consumers and ensure the financial efficiency of the bank's activities. It should be noted that commercial banks do not have private (bank-only) funds. The capital reflected in the bank's balance sheet as private funds and other items included in it are the property of the bank's shareholders. It is of primary importance that the bank effectively uses all its liabilities (i.e. resources). In addition, it should be noted that banking products and services in any form are a resource for consumers for final consumption (in particular, payments) or used in current activities (in particular, credit). In addition to the above, it is necessary to establish an optimal system of initial, current and final monitoring and control of activity results in the use of resources.

Summarizing the information in the picture presented in Figure 1, external and internal suppliers, other interested parties are the environment in which banking resources are formed, banking activities are formed by processing these resources into products and services that meet the requirements of banking legislation, regulatory bodies and customers, as well as banking activities we will be able to recognize that control (macro-prudential and micro-prudential) is a means of aligning resources with regulatory norms and criteria.

The second factor that requires attention in attracting bank resources, in our opinion, is changes in the environment in which resources are formed. These changes are not only economic in nature, but also reflect political and social characteristics. In particular, in the "Review of State Debt Status and Dynamics of the Republic of Uzbekistan" announced by the Ministry of Finance of the Republic of Uzbekistan, 111 billion with a coupon payment equal to "Consumer Price Index (INI) + 6 percent". The placement of inflation-linked government securities in the amount of soums, as well as the country's dependence on raw materials, it was noted that the weak level of institutional and management quality, high inflation rate, and low per capita gross domestic product (GDP) were the limiting factors for the credit rating of the republic. In addition, due to the global instability, borrowing costs in the world have become more expensive, and the financial buffer of Uzbekistan has become limited. The current situation focuses on the need to focus on inflation, reduce budget expenditures and demand more private funding. This indicates that changes in the external environment in which resources are formed are beyond the scope of the bank's influence and that the bank can influence these changes only through indirect factors. In our opinion, this situation should be taken into account when classifying bank resources.

The next issue to be considered concerns the risks arising from changes in financial technologies and instruments in recent years. In particular, Cornell University (USA) employee E. In Prasad's article "A New Era for Money", it was noted that the introduction of digital currency of Central Banks could create serious risks for the operations and resource base of commercial banks. In

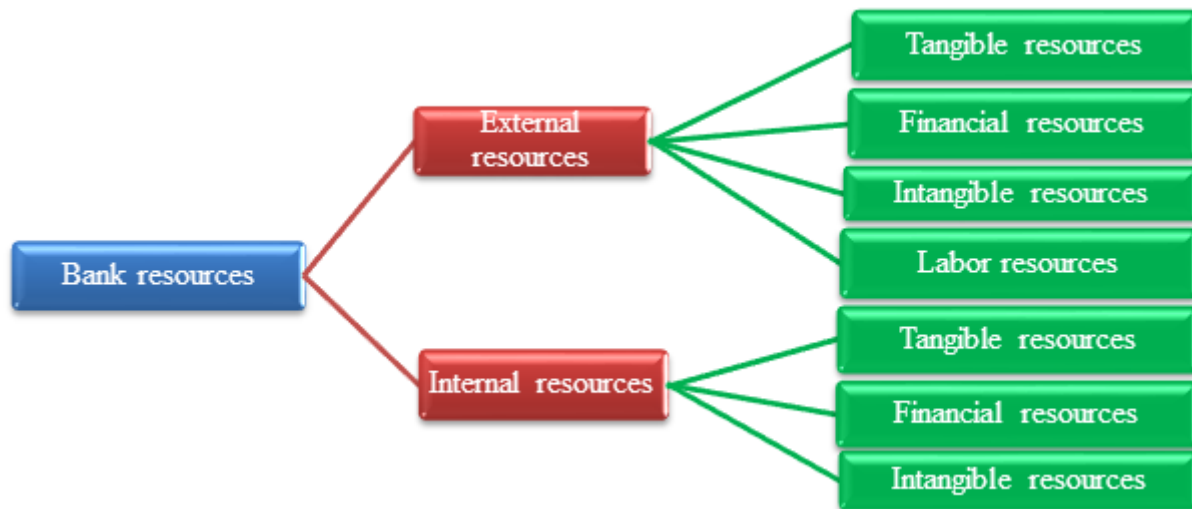
particular, the author notes: “Central bank digital currency (CBDC) has a number of disadvantages. First, it creates risks for the banking system. Commercial banks play a crucial role in the creation and distribution of loans to ensure the smooth functioning of the economy. But what if households and businesses prefer to transfer funds from their bank accounts to non-interest-bearing but reliable central bank e-wallets?”

Although the situation of lack of resources occurs in commercial banks, central banks face certain problems related to taking over the function of formation and distribution of credit resources. In addition, the central bank's retail payment system can destroy private sector payments innovations. New technologies and CBDC will lead to a decline in the role of commercial banks as intermediaries between depositors and borrowers. This, in turn, has a negative impact on the effectiveness of the transmission channels of monetary policy of Central Banks.

**CONCLUSION.** The following conclusions can be noted based on the research conducted on the economic nature of bank resources:

- first of all, the resources of commercial banks are formed in the external and internal environment of banking activity. The process of formation of resources occurs at the expense of political and socio-economic factors beyond the sphere of influence of the bank and determines its structural structure. Also, these factors affect the size, duration and value of resources. It also plays an important role in the selection of sources of attraction of resources by banks;
- secondly, the resources attracted by commercial banks are not placed in assets, but processed. During processing, the focus is on legal norms, regulatory criteria and standards, and customer's payment requirements. In addition, the economic efficiency of products and services developed by the bank does not depend entirely on the size, duration and value of resources, models of organization of business processes in the bank, it is necessary to note that it is determined by the level of the skills of the employees, the effective use of equipment and software and other tools. This is important in evaluating resource efficiency
- thirdly, the above conclusions indicate that the structural structure of bank resources is wider than the elements mentioned in scientific sources. The classification of resources as attracted and private capital (classification based on the expansion of their structural structure) or banking, labor, material, intangible resources does not allow to fully reflect the current state of modern banking. . In addition, when classifying resources, innovative forms of financial technologies, introduction of new types of payment instruments, monetary equivalents issued by non-bank issuers, etc. should be taken into account. In addition to strengthening the competitive position of banks, this approach provides access to new segments of the financial services market;
- fourthly, when considering issues related to resources, changes in the methods and mechanisms of regulating banking activities should be taken into account. Such changes require radical diversification of the structural structure of resources;
- fifthly, it should be taken into account that the products and services created by the bank are the final and current resource for consumers. This is of particular importance in the further improvement of theoretical approaches to bank resources.

Based on the above considerations, it is appropriate to express bank resources in the form of material, financial, intangible and labor resources formed in the external and internal environment and attracted for processing in accordance with the established requirements in order to achieve the strategic goals of the commercial bank.



**2-picture. Structural structure of commercial banks' resources**

In our opinion, the adoption of this interpretation provides an opportunity to improve the following aspects of theoretical approaches to bank resources:

1. A clear determination of the approach to the sources of formation of the bank's resources makes it possible to understand that the resources do not consist of financial or other forms of funds, and also that the external environment is the main factor determining the size, duration and value of the resources.
2. Determining the composition of the bank's resources, as a result of the processing of the bank's resources, is of particular importance in determining the criteria for evaluating the efficiency of the process of bringing the bank's resources into compliance with regulatory documents and consumer demand, as well as the control and monitoring standards.
3. Taking into account that the products and services created through the use of bank resources are a resource that satisfies the final and current requirements of consumers leads to the expression of the results of commercial banking activities in the form of a means of forming resources that will be consumed in the future. The dual nature of commercial banks requires a new approach to banking activities and resources. It should be emphasized that the bank is an organization that processes resources in various forms and performs the function of producing resources suitable for consumption.
4. A change in the approach to the economic content of the bank's activity requires a review of the methods and indicators of resource attraction and evaluation of their efficiency. In this case, it is appropriate to pay attention to factors such as the existing and prospective situation of the sources of resources formation, the degree of influence of commercial banks on this situation, the circulation of resources, the balance between resource sources, the establishment of the value and duration of resources.
5. The revision of the approach to the assessment of the effectiveness of the bank's resources leads to the revision of the system of control and monitoring of the processes of attracting and using resources. Therefore, it is necessary to evaluate the results of the management system based on fundamentally new theoretical and methodological approaches.
6. Taking into account that resources are a means of achieving a certain goal requires a new approach to the main goal of commercial banks. No income or other goals are prioritized. The



generalization of goals leads to the use of the term strategic goals. Therefore, it is appropriate to include the term strategic goals in the classification of bank resources as an economic category.

## REFERENCES:

1. Банки и банковские операции: Учебник для вузов / Е.Ф.Жуков, Л.М.Максимова, О.М.Маркова и др. / Под ред. проф. Е.Ф.Жукова. М.: Банки и биржи, ЮНИТИ, 1997. - С.115-116.
2. Рашидов О.Ю., Тоймухамедов И.Р., Алимов И.И., Тожиев Р.Р. Пул, кредит ва банклар: Дарслик. –Т.: ТДИУ, 2009. 228-230 б.
3. Ш. Абдуллаева. Пул, кредит ва банклар. Тошкент. «Молия», нашриёти, 2000 й. 211-212 бет.
4. А.А. Омонов. Проблемы эффективного управления банковскими ресурсами. 08.00.07 - «Финансы, денежное обращение и кредит» Авторефер. диссер. на соис. ученой степени д.э.н. Ташкент 2009г.
5. Лаврушин О.И. Банковское дело.М.: КноРус, 2009. - С.11-15.
6. Л.А.Винокурова. Ресурсный потенциал населения в повышении конкурентоспособности коммерческих банков. По специальности. дисс..... канд. экон. наук. 08.00.10. Ростов-на-Дону. 2016. Стр.23-24.
7. И.И. Фоменко. Ресурсы коммерческих банков: особенности формирования и управления на региональном рынке: дис. к.э.н.: 08.00.10. Оренбург., 2005. - С.17-18.
8. Karimova A. M. SOURCES OF FINANCIAL AND CREDIT SUPPORT AND FACTORS HINDERING THE DEVELOPMENT OF TOURISM ENTERPRISES //Thematics Journal of Business Management. – 2021. – Т. 10. – №. 7. Insider Intelligence. Financial Services Industry Overview in 2023: Trends, Statistics & Analysis. <https://www.insiderintelligence.com/insights/financial-services-industry/>
9. Эсвар Прасад. Новая эра для денег. Финансы и развитие. Ежеквартальный журнал Международного валютного фонда. Сентябрь 2022 | Выпуск 59 | Номер 3 [www.imf.org/fandd](http://www.imf.org/fandd)
10. Каримова А. М., Равшанов А. МЕТОДЫ РЕГУЛИРОВАНИЯ И СТАБИЛИЗАЦИИ ДЕНЕЖНОГО ОБОРОТА //Gospodarka i Innowacje. – 2022. – Т. 24. – С. 644-648.
11. ВЕКТЕМИРОВ А. et al. MONEY AND BANKS. - 2019.
12. Bank for International Settlements (BIS). 2022. “The Future Monetary System.” Chapter 3 in Annual Economic Report. Basel. <https://www.bis.org/publ/arpdf/ar2022e3.htm>
13. Systèmes de management de la qualité — Exigences. ISO 9001:2015 <https://www.iso.org/standards.html>
14. Ўзбекистон Республикаси Молия вазирлиги. Ўзбекистон Республикаси давлат қарзи ҳолати ва динамикаси шарҳи. 2022 йил 1-ярим йиллик. [https://mf.uz/media/document\\_files/2kv\\_2022\\_uzb.pdf](https://mf.uz/media/document_files/2kv_2022_uzb.pdf)