

**FORMATION OF DEPOSIT POLICY
COMMERCIAL BANK OF THE REPUBLIC OF UZBEKISTAN**

¹Kayimova Z. A, ²Ergashev B. A

Teacher¹, Student² Department Of Economics, Bukhara State University, Bukhara, Republic Of Uzbekistan

ABSTRACT

The article considers the features of the formation of the deposit policy of a commercial bank, determines its role in ensuring the effectiveness of the banking system. Measures were proposed to improve the formation of the deposit policy of commercial banks. The main part of bank resources is formed during deposit operations, the main instruments of which are pricing models and types of deposit rates.

Key words: Deposit policy, money, commercial Bank, the banking system, the resource base.

Nowadays, one of the main problems that any commercial bank faces is the formation of resources. The main part of bank resources is formed during deposit operations, the main instruments of which are pricing models and types of deposit rates. Flexible liability management provides for the implementation of a balanced deposit policy.

When developing a deposit policy, a commercial bank is primarily guided by legislation and certain criteria, among which are:

- the relationship between the bank's lending and deposit operations;
- diversification of commercial bank resources;
- segmentation of the deposit portfolio;
- competitiveness of new banking products.

Thus, the deposit policy of a commercial bank is characterized, first of all, as a system of measures that are aimed at attracting free funds from individuals and legal entities on a profitable basis. The formation of a deposit policy solves current and strategic tasks, includes four main stages (Figure 1) setting goals and objectives, allocating bank divisions and distributing powers between bank employees, and developing measures to attract resources. A competent deposit policy based on maintaining the required level of diversification, balance with assets in terms of volumes, terms and interest rates is necessary for any bank in order to strengthen and expand its resource base [1]

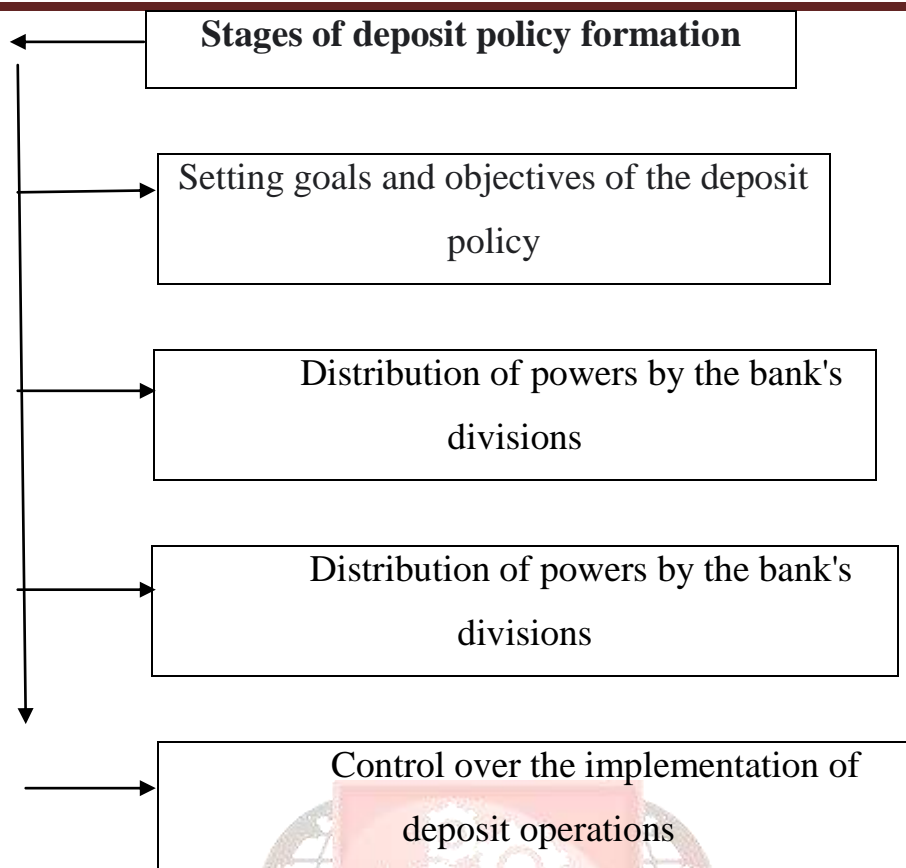


Figure 1. – The main stages of the formation of the deposit policy of a commercial bank

To analyze the structure of deposit operations of a commercial bank, one should consider indicators that will characterize both the attraction of resources and the efficiency of the commercial bank as a whole:

- the structure of the resource base for branches of a commercial bank in order to increase the efficiency of each branch, this, in turn, ensures greater profit;
- the share of interbank loans by resource base - shows the level of the bank's dependence on the interbank market;
- the ratio of attracted and own resources of the bank:
- the degree of dependence of a commercial bank on various sectors of the deposit market [3].

When developing a strategy for attracting, the prospects for the growth of the bank's own funds (capital) are taken into account, and hence the ratio between equity and borrowed funds. In addition, the preferred types of deposits and deposits, the timing of their attraction, the ratio between term deposits (deposits) and for the term "on demand", as well as the main contingent of deposits and deposits, that is, the category of depositors, are distinguished.

Considering the indicators of the development of deposit operations of second-tier banks of the Republic of Uzbekistan, the following can be noted (Table1).

Table 1

Banking customer deposits Rep of Uzbekiatan, bln.soum

Deposits	2017y	%	2018y	%	2019y	%
Legal entities- Czech entities	5895,5	60,0	6908,6	61,0	8719,6	147,9
Individuals	3949,4	40,0	4442,5	39,0	6885,5	174,3
Total	9844,9	100	11351,1	100	15605,1	100

The largest share in the structure of bank deposits is held by deposits of legal entities. Compared to January 1, 2017 (60%) to January 1, 2019 (147.9%), corporate deposits decreased in the structure of bank deposits by 7%. Due to the decrease in deposits of legal entities from January 1, 2017 to 2019, deposits of individuals in the structure of bank deposits increased from 40% (01.01.2017) to 174.3% (01.01.2019). Over the past 6 years, there have been no significant increases in the deposits of legal entities and individuals, but there has been a slight increase.

The limited resources associated with the development of banking competition leads to close attachment to certain customers. If the circle of these clients is narrow, then the bank is very dependent on them. Therefore, in order to strengthen the resource base, banks need a balanced deposit policy, which is based on maintaining the required level of diversification, ensuring the ability to attract funds from other sources and maintaining a balance with assets in terms of maturity, volumes and interest rates.

The set of measures aimed at expanding the deposit base includes a number of financial and marketing instruments (Figure 2).

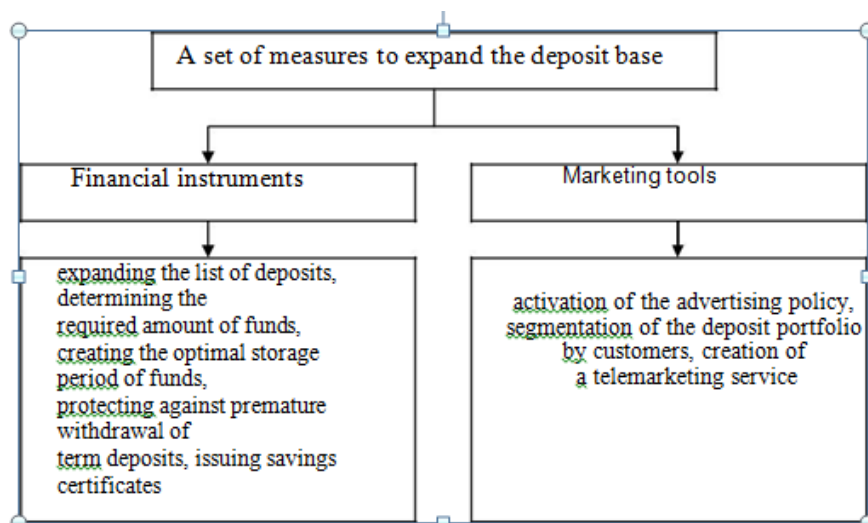


Figure 2 – Measures to expand the deposit base of commercial bank

In order to expand the resource potential, second-tier banks need to intensify their deposit policy. In this regard, one of the priority areas of their work should be the gradual increase in the deposit portfolio through a competent deposit policy aimed, in particular, at expanding the list of deposits available to customers, introducing new types of services for their convenience.

The main directions in the implementation of effective deposit policy by banks at the highest level, at the state level, are inflationary processes, which reduce the profitability of deposits for bank customers. Also, recently, currency fluctuations in relation to the ruble have significantly affected the attractiveness of deposits for customers, as well as their cost for banks [3]. Thus, for the quality management of deposit resources, a commercial bank needs to take into consideration the following recommendations:

1) be able to plan work to attract clients, that is, to know how many clients you need to have or attract to ensure a given volume of the deposit base and its components;

2) ensure the effectiveness of each operation related to customer service (courtesy and competence).

In conclusion, it should be noted that each commercial bank, developing its deposit policy, determining the types of deposits, their terms and interest on them, as well as establishing the conditions for conducting deposit operations, should rely on the specifics of its activities, take into account the factor of competition from other banks and take into account inflationary processes in the economy.

REFERENCES

1. Кайимова, З. А. (2019). Совершенствование механизма инвестиционного потенциала узбекистана. *Бенефициар*, (34), 9-12.
2. Кайимова, З. А., & Бахтиёрова, Г. Б. (2019). Инновационная деятельность и его преимущество. *in наука-эффективный инструмент познания мира* (pp. 42-43).
3. Abdullayevna, Q. Z., Anvarovich, Q. A., & Muxtorovna, N. D. Theoretical foundations of enhancing the competitiveness of the national economy. *gwalior management academy*, 87, 54.
4. Kayimova, Z. A., & Tairova, M. M. (2016). Investment activity of commercial banks of the Republic of Uzbekistan.
5. Kubaevich, K. F., Abdullayevna, Q. Z., Axmadjanovna, S. G., & Makhmudovna, K. R. (2020). The modern state of crediting practices of commercial banks of the republic of Uzbekistan. *Journal of Critical Reviews*, 7(7), 387-390.
6. Mubinovna, R. F., & Nutfulloevna, N. G. (2020). The importance of trade policy in the economic development of the country. *Economics*, (1 (44)).
7. Rakhmatullaeva, F. M., & Rakhimova, T. B. (2017). Small business in Uzbekistan as the factor of increasing the employment rate. *Экономика и социум*, (1-1), 12-15.
8. Tairova, M. M., & Hamidov, M. H. (2016). Administrative methods of marketing in entrepreneurship activity. *Интеграция наук*, (2), 25-26.
9. Urakova, M. K. (2019). Features of accounting processes of innovation and recommendations for its improvement. *Теория и практика современной науки*, (5), 71-73.
10. Alidjonovich, R. D., & Umarovich, A. S. (2020). Budget Policy in Uzbekistan: Practical and Strategic Directions. *European Journal of Business and Management Research*, 5(1).
11. Sherov, A. U. (2020). BUDGET POLICY DEVELOPMENT TRENDS IN UZBEKISTAN AND ANALYSIS OF ITS CURRENT STATE. *Asian journal of management sciences & education*, 9(1), 39-46.