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CRITERIA FOR ASSESSING THE EFFECTIVENESS OF DEPOSIT POLICY IN COMMERCIAL BANKS

Juraev Isroil Ibrohimovich
PhD, Banking department of TIF
isroil_juraev@mail.ru

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In world practice, there is a lot of research on the development of deposit policy in banks. This study ignores some issues related to the methodology for assessing the effectiveness of deposit policy in commercial banks, as part of the banking policy development strategy for the formation of deposit policy, as well as determining the final, intermediate and operational goals of deposit policy.

Reforms in the banking system of Uzbekistan will increase the level of capitalization of commercial banks, ensure financial stability, expand lending to the real sector of the economy, further improve the quality of banking services, and attract free funds from the population and business to bank deposits. A number of issues related to improving the relevant banking policy for effective placement in the banking sector, introducing innovative and customer-friendly types of banking deposit services, strengthening public and business confidence in the banking system, increasing the efficiency of banking services determines the relevance of developing scientific proposals and practical recommendations, aimed at adaptation to modern conditions.

The presence of a number of problems in the practice of depositing commercial banks affects the stability of the resource base of banks. This will reduce the efficiency of the Bank's assets. This is because the size of the bank's active operations directly depends on the volume of deposits. It is important that we analyze the structure of deposit operations by commercial banks, so that we can assess the bank's resource base[21].

The economic significance of the process of assessing the effectiveness of the deposit policy of commercial banks and the problems of improving the methodology used in it are reflected in the research works of many scientists. The methodological approaches used to assess the effectiveness of the deposit policy, according to the research results, can be conditionally divided into three groups:

1. Methodology based on the rating system for assessing the activities of commercial banks. This methodology analyzes a specific group or line of business. In turn, the analysis procedure is performed on the basis of financial statements or expert judgment[22].

2. The methodology based on the system of coefficients for evaluating commercial banks. This method is relatively common and has several advantages. In particular, they provide an opportunity to compare the performance of banks of different sizes using relative indicators to assess their performance within the established norms (or regulatory constraints). However, certain disadvantages inherent in the methodology, including the complexity of interpreting the results obtained, limit the ability to assess the impact of the external environment[23].

3. Methodology based on financial analysis in assessing the activities of commercial banks. One of the main features of this methodology is the use of absolute indicators when analyzing the results of banking activities. The analysis procedure is also multi-stage and includes: a) horizontal analysis based on data on the dynamics of financial indicators for the last reporting periods; b) trend analysis to identify trends in the financial indicators under study; c) vertical (structural) analysis aimed at determining changes in the composition of absolute financial indicators; g) analysis of ratios based on a comparison of financial ratios that have taken place in practice with established norms[24].

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In our opinion, the deposit policy of commercial banks can be considered effective if it corresponds to the parameters laid down in the strategy for the development of banking activities. Taking this into account, the methodology for assessing the effectiveness of the deposit policy should meet the following criteria:

First, the methodology should make it possible to assess the effectiveness of the deposit policy as an independent entity, separate from the overall effectiveness of the bank. Because conducting a comprehensive analysis of banking activities is a complex process and it is not always possible to draw clear objective conclusions on specific cases (deposit policy);

secondly, the assessment of the effectiveness of the deposit policy should be carried out in terms of the banking sector development strategy. This suggests that the methodology should include retrospective and strategic analysis;

third, the methodology must ensure the objectivity of the results obtained. It is advisable to use a coefficient-based analysis. This makes it possible to compare the activities of banks with different volumes and balance sheets in different currencies;

fourth, the methodology must include a system of necessary and sufficient financial indicators;

fifth, the methodology should provide simple, clear, and credible information on the effectiveness of the deposit policy for internal and external users, or vice versa.

Defining the criteria of the methodology for assessing the effectiveness of the deposit policy of a commercial bank allows to analyze the proposed methodologies in scientific and practical sources and, on this basis, to develop proposals for improving this methodology.

A group of scholars (A. Parasuraman, V.A. Zeythaml, and L.L. Berry) noted that the standard algorithm of the SERVQUAL (abbreviation for service and quality) can be used to evaluate the effectiveness of deposit policy.

$$\mathbf{S_{qi} = sum W_j(P_{ij} - E_{ij})} \qquad (1)$$

In this case: S_{qi} - quality of reception of stimulus i;

W_j – is the significance level of the attribute;

P_{ij} – is the quality of receiving the stimulus i created in relation to the j attribute;

E_{ij} – is the expected level for the j attribute, which is the norm for the i indicator.

This model uses five quality indicators (Q) expressed in numbers. Each quality indicator consists of 22 sub-criteria. The indicators mentioned in the small criteria are summarized and the coefficient of quality of deposit services of a commercial bank is determined[25].

Russian scientist N.G.Radchenko used a four-step analysis methodology to assess the effectiveness of Ukrsotsbank's deposit policy. The first stage is the analysis of the dynamics of deposits and credit volume; second stage - analysis of the dynamics of interest rates on loans and deposits; third stage - analysis of the volume of loans and deposits by market segments and maturity; the fourth stage is the evaluation of the effectiveness of deposit policy.

The indicators used in the analysis are:

- Criteria for maximizing the return on assets (calculation formula A1 = (profit - expense) / assets);
- absolute liquidity ratio (calculation formula L1 = liquid assets / demand liabilities);
- stability coefficient (calculation formula B1 = capital / working assets);
- level of capital stability in liabilities (calculation formula B2 = capital / total liabilities * 100%);
- weight of capital formed at the expense of profit (calculation formula B3 = (capital - capital formed at the expense of profit) / capital)
- efficiency of use of the involved resources (calculation formula S1 = profit / total liabilities);
- efficiency of banking operations (calculation formula S2 = profit / operating assets);
- efficiency of capital use (calculation formula S3 = profit / capital);
- asset efficiency (calculation formula S4 = profit / total assets);
- utilization rate of borrowed funds (calculation formula F = liquid assets / total liabilities)

Using the above indicators and bank balance sheet data, the effectiveness of the bank's deposit policy is determined.

$$DCC = \frac{(Po - Pt) + (Ko - Kt) - Dh - Zh}{(Pb - K - Ai)} \qquad (2)$$

In short, first of all, the tightening of requirements for ensuring the financial stability of commercial banks will allow banks to intensify efforts to find long-term

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sources of financing. Such measures, in turn, will lead to an increase in the proposed interest rates on long-term (more than 1 year) deposits. Under the influence of a number of macroeconomic factors, sustainable growth of foreign currency deposits in the structure of the deposit portfolio of commercial banks, these factors create the need to improve the goal and implementation of the credit policy of commercial banks. Secondly, we believe that the strict observance by commercial banks of the Republic of Uzbekistan of all economic standards of safe operation in accordance with the legislation will negatively affect the effectiveness of the deposit policy in the development of deposit policy.

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