

MODERN DIRECTIONS FOR INCREASING THE FINANCIAL STABILITY OF COMMERCIAL BANKS

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Abstract: *This article presents scientific ideas on modern methods of forming financial resources to ensure the financial stability of commercial banks, and provides suggestions and recommendations on the possibilities of reducing operating costs.*

Keywords: *finance, deposit, online, savings, bond, share, emission, instrument, securitization*

INTRODUCTION

In our national economy, commercial banks are considered one of the main drivers of our economy. Because commercial banks provide financial assistance to all entities of the economy by providing various banking services and performing settlement operations.

As is known, the issue of lending is a priority in the main activities of commercial banks. This situation requires significant work to be done in commercial banks to improve their financial condition and increase financial stability. Modern approaches differ from traditional practices in their own characteristics. For example, in traditional approaches, the attraction of offline deposits was a priority in the formation of credit resources, but today the organization of digital deposits and savings in this direction is distinguished by its convenience, speed, personalization and the availability of guarantees.

From this point of view, it is an urgent issue to conduct research on expanding the scope of financial resources, diversifying banking services and resources, and studying factors affecting stability in order to increase the financial stability of commercial banks.

METHOD

Modern methods of effective organization of financial assets of commercial banks and increasing their financial stability, such as analysis and synthesis, logical thinking and monographic observations used in the study of digital deposits and online savings, were used as a methodological basis.

LITERATURE REVIEW

Along with many foreign economists, our local scientists are also conducting research in this area, and their results are published in scientific works.

However, in recent years, many scientific studies have been conducted by our country's economists on modern areas of increasing the financial stability of commercial banks, as well as scientific articles on their results. Because such manifestations of the modern economy as the "global economy", "digital economy", "green economy" require constant research in this area, as in many other areas. In the treatise "Issues of Ensuring Financial Stability in Banks", co-authored by our economists Z. Akhrorov and Sh. Jalilov, it is stated that financial stability is a concept that expresses the financial situation and is based on the ability of its own funds to repay the borrowed funds, while in the article "Theoretical Foundations of Ensuring Financial Stability of Commercial Banks" by I. Sadikov, the theoretical foundations of the

topic are well analyzed in a comparative manner, along with the views of a number of foreign and domestic scientists

RESULTS AND DISCUSSION

As set out in the Development Strategy of New Uzbekistan for 2022–2026, the priority objectives include “Carrying out work aimed at transforming the digital economy into the main “driver” sector and increasing its volume by at least 2.5 times”, while “Increasing the level of digitization of production and operational processes in the real sector of the economy and in the financial and banking sectors to 70% by the end of 2026” is yielding positive results from the work being carried out in this direction. Modern directions for increasing the financial stability of commercial banks can be summarized in Figure 1 below:

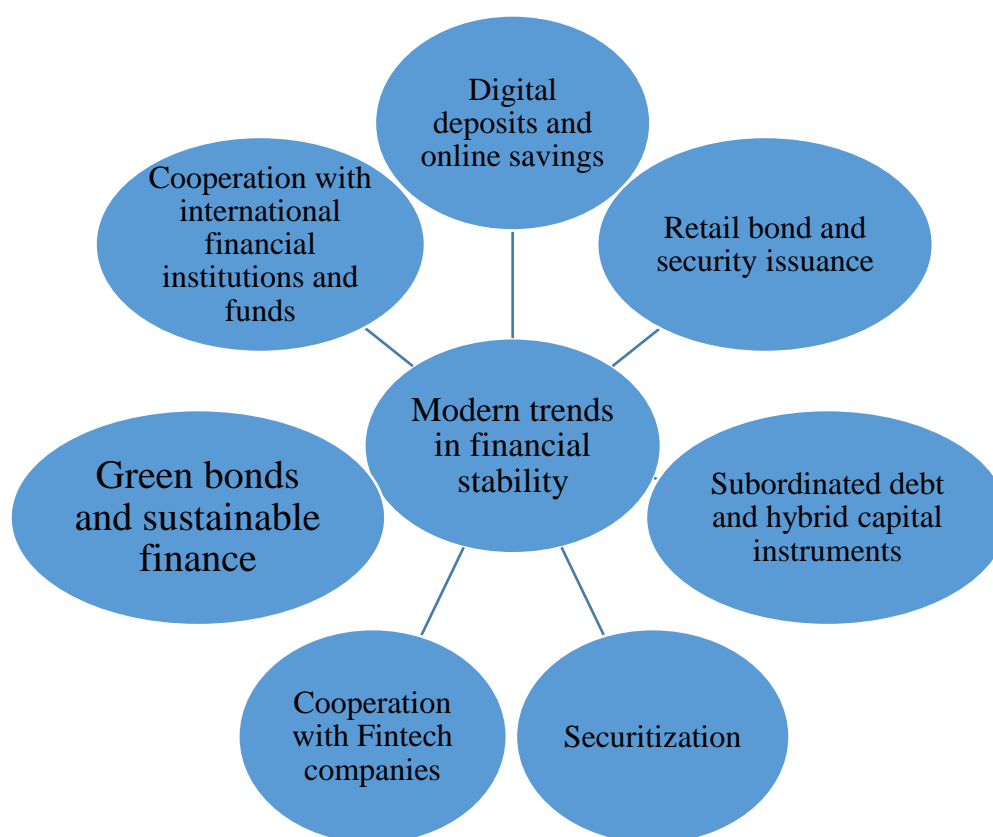


Figure 1. Modern trends in improving financial stability in commercial banks.

The modernity of these trends is that they differ from traditional approaches in their speed, transparency, convenience, as well as personalization and full provision of confidentiality issues.

For example, “Digital deposits and online savings” increase the attractiveness of banks by offering convenient and fast deposit and savings services to customers through internet banking and mobile applications. This further guarantees the trust of the population in banks. Because in this direction, the owner of the money will be able to manage and monitor his own funds provides. Also, in this direction, deposits attracted through digital channels will help reduce operating costs. Diversifying the types of personal deposits and savings (term, demand, savings certificates, etc.) will allow banks to form a stable resource base.

In the direction of retail bond and securities issuance, banks can issue retail bonds and other securities to the population and institutional investors in order to increase their financial stability and

strengthen their capital base. This method will help banks create additional sources of financing that are not dependent on deposits.

In the direction of subordinated debt and hybrid capital instruments, banks will be able to issue subordinated debt and hybrid capital instruments (for example, perpetual bonds, preferred shares) to improve their capital structure and meet regulatory requirements. These instruments will allow banks to create an additional financial "buffer". In securitization, banks can create sources of financing by selling their assets (e.g., mortgages, auto loans, consumer loans) to special purpose vehicles (SPVs) and issuing securities based on them. Securitization allows banks to increase liquidity, remove assets from the balance sheet, and manage risks.

In the modern economy, it is advisable for banks to establish cooperation with fintech companies to increase their financial stability. Banks can cooperate with fintech companies and introduce new financing methods using their technologies and platforms (for example, attracting resources through P2P lending platforms).

Our analysis shows that the foundations of a "green economy" are being created to ensure a solution to the global environmental problem observed in the world economy. Active work is also being carried out in this direction in our national economy. The direction of "Green bonds and sustainable financing" is of particular importance in ensuring the participation of the banking system, like all entities, in this process. In particular, in recent years, "green" bonds and sustainable financing instruments for financing environmental and social projects have become increasingly popular. By issuing these instruments, banks can improve their image and attract new investors.

Also, the sphere of cooperation with international financial institutions and funds is a specific direction in increasing the financial stability of commercial banks. After all, banks can cooperate with international financial institutions (for example, EBRD, IFC, ADB) and investment funds and attract financial resources from them. This cooperation is often aimed at financing specific projects.

CONCLUSION

The introduction of modern financing methods in commercial banks helps banks adapt to changing market conditions, maintain competitiveness and offer innovative services to customers. It is advisable for each bank to choose the most optimal financing methods depending on its business strategy, risk profile and market conditions.

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