



THE FORMATION OF SOURCES OF CREDITS OF COMMERCIAL BANKS AND DATA ANALYSIS

Tangirkulov Bekzod Boxadirovich

*Independent Researcher, Deputy Head of the Remote-Control Department of the State
Financial Control of the Republic of Uzbekistan*

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ABSTRACT

The study of sources and methods for the formation of banking resources allows for banking assets operations depending on the nature of the resources. Also, in this article, market mechanisms for the formation of banking resources of money and capital were studied. Efficient management of financial resources is a cornerstone of sustainable growth and stability in commercial banking. As banks operate in increasingly dynamic and competitive financial environments, optimizing the use of available resources both deposit and non-deposit is essential for enhancing profitability, ensuring liquidity, and maintaining regulatory compliance. Financial resource efficiency refers to the strategic allocation, utilization, and control of financial inputs to maximize returns while minimizing risks and costs.

KEYWORDS: *financial resources, literature review, commercial banks, deposits, credits, capital structure, bank performance, financial sustainability, risks, risk management, financial resource efficiency.*

INTRODUCTION

Effective organization of the credit portfolio and increasing the profitability of the portfolio require systematic management of the cost and volume of credit investment sources by commercial banks. In other words, at any level of economic development, even in conditions of financial instability of enterprises, banks do not stop issuing loans. It is the correct and rational organization of credit operations in a bank based on an effective credit policy that provides commercial banks with the opportunity to earn significant profits.

The efficiency of commercial banks is inextricably linked to the state and structure of their credit portfolio. The financial condition of commercial banks is inextricably linked to the state of their credit portfolio. Reducing the risks arising in the lending process of commercial banks in different countries, increasing the profitability of credit investments, ensuring bank liquidity, and improving the quality of the credit portfolio are priority areas of scientific research. Also, as a result of measures taken to expand the stable resource base of banks, systematically introduce new types of deposits and savings, and further improve the system for accepting and managing savings and term deposits from the population, an increase in the size of the credit portfolio of commercial banks is being achieved.

The financial resources necessary for the lending activities of commercial banks are formed through passive operations carried out by banks. Based on this, the sources of credit investments of commercial banks can be divided into two large groups. The first group: is the organization of credit operations using the own funds of commercial banks, the second group: credit investments are formed at the expense of attracted funds and they bring the main interest income of banking activities.

LITERATURE REVIEW

Financial resource efficiency refers to the prudent and strategic use of financial resources to maximize output while minimizing waste, costs, and risks. In the context of commercial banks, it plays a critical role in ensuring profitability, liquidity, long-term sustainability, and resilience against financial shocks. Numerous scholars and financial institutions have explored how efficient financial resource management contributes to the overall health and competitiveness of banks.



According to Rose and Hudgins (2013) and Saunders & Cornett (2021), financial resource efficiency in banking encompasses the optimal use of resources such as deposits, borrowings, capital, and liquidity reserves. It involves aligning financial inputs with strategic goals, regulatory requirements, and risk appetite.

In the process of managing credit sources of commercial banks and their systematic analysis, the status of the resources attracted by the bank, their agreed term, classification by economic sectors, the cost of resources directed for lending and their profitability, as well as constant monitoring of other indicators, in turn, has a positive impact on the profitability of credit sources and the formation of the bank's optimal credit portfolio.

Therefore, the rise of FinTech and digital banking has introduced new dimensions of resource efficiency. Mainly, Philippon (2016) found that technology adoption significantly reduces transaction and operational costs, improving overall financial efficiency. Arner et al. (2016) advocate for digital financial innovations as tools to enhance allocation efficiency and competitiveness among commercial banks.

In the figure below, we can see the main goals of optimizing the sources of financial resources of commercial banks.

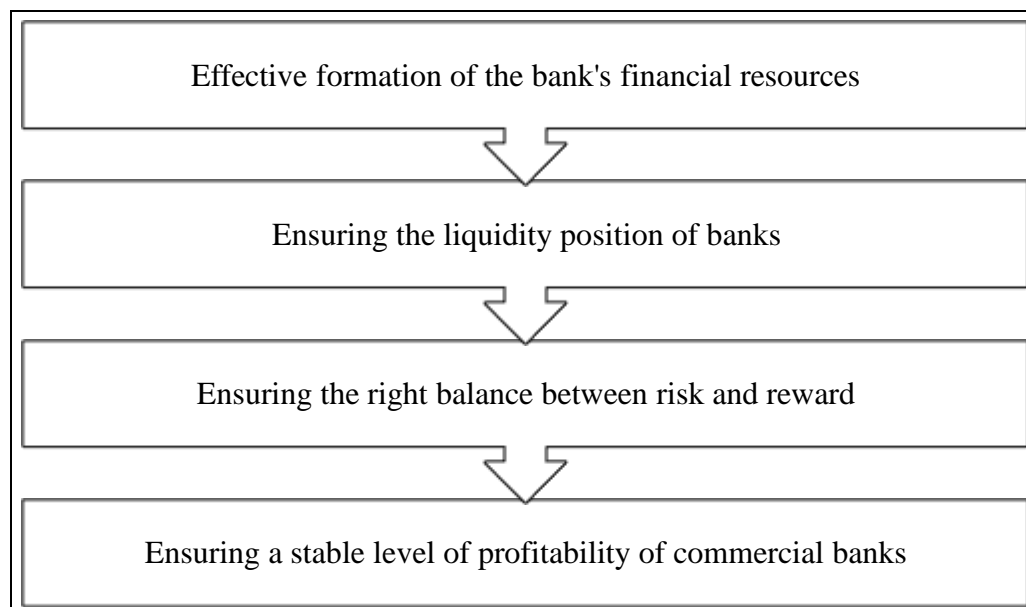


Fig 1. The significance of managing credit resources of commercial banks

Regulations play a vital role in shaping how banks manage their financial resources. In the post-2008 financial crisis era, global reforms (e.g., Basel III) have pushed banks toward stronger capital and liquidity positions through more efficient resource planning.

The literature confirms a strong link between financial resource efficiency and commercial bank performance. Efficient resource allocation enhances profitability, reduces risk, and ensures compliance with regulatory standards. As banking environments become more complex and competitive, the importance of optimizing financial resource use continues to grow.

Moreover, Environmental, Social, and Governance (ESG) considerations are influencing financial resource efficiency. UNEP FI (2020) suggests that sustainability-focused financial resource allocation not only manages risk but also opens opportunities for long-term growth.

According to U.D. Ortiqov, (2023), to fulfill the specified tasks, it is possible to achieve an increase in the volume of lending by commercial banks by expanding the stable resource base in banks, effectively forming deposit and non-deposit financial resources, increasing the volume of savings and term deposits from the population, and improving the system for managing the sources of financial resources necessary for lending at commercial banks



The researcher M.M. Adilov (2024) stated that in the process of managing, effectively forming and systematically analyzing the financial resources of commercial banks, the status of the resources attracted by the bank, their agreed term, classification by economic sectors, the cost of resources directed for lending and their profitability, as well as constant monitoring of other indicators, has a positive impact on the profitability of financial resources and the formation of the bank's loan portfolio.

The new era in the development of the economy of the republic also poses urgent tasks for the banking system, the solution of which is carried out by further expanding the lending potential of commercial banks and increasing the stability, reliability and efficiency of their activities.

In the process of managing and systematically analyzing the sources of credit investments of commercial banks, it is an important task to constantly monitor the status of the resources attracted by the bank, their agreed term, their classification by economic sectors, the cost of resources directed for lending and their profitability, as well as other indicators.

RESEARCH METHODOLOGY

The research methodology includes a comprehensive review of existing literature and similar contexts on improving the management of financial resources of commercial banks in the Republic of Uzbekistan, analysis of indicators related to the financial resources of commercial banks, and statistical data.

This study adopts a quantitative and descriptive research design, aiming to evaluate how commercial banks optimize financial resources and the impact of such optimization on performance indicators like profitability, liquidity, and risk.

The article is based mainly on secondary data. The main part of the analysis data is the data of the Central Bank of the Republic of Uzbekistan and the State Statistics Agency. At the same time, the results of research conducted by other researchers on improving the credit of commercial banks were also widely used.

ANALYSIS AND RESULTS

The table presents the main financial resources in banks.

Table 1: The structure of deposit sources of commercial banks: in case of Uzbekistan, (trln. UZS)

Indicators / Years	Total Deposits	Deposits of Legal Entities		Deposits of individuals	
		Total	%	Total	%
2019	91 009	69 957	76,87	21 052	23,13
2020	114 747	87 343	76,12	27 403	23,88
2021	156 190	118 884	76,1	37 306	23,89
2022	216 737	147 989	68,28	68 748	31,72
2023	241 625	155 213	64	86 412	36
2024	268 485	168 612	62,8	99 873	37,2

Deposit operations are carried out by commercial banks on the basis of their deposit policies. The deposit policy of a commercial bank is closely related to its credit policy, interest rate policy and other activities and is aimed at strengthening the resource base of banks and ensuring its stability.

The volume of deposits attracted by commercial banks operating in Uzbekistan has been on an upward trend for years. In particular, in 2019, commercial banks attracted deposits in the amount of 91 009 billion soums and this figure is expected to increase more than 3 times by 2024 and amount to 268 485 billion UZS soums.

We can see the situation with the attraction of deposits in the banking system of Uzbekistan and their share in the structure of liabilities in the table above (table 2).

In countries operating in a market economy, it is desirable for the share of deposit funds in the financial resources of commercial banks to be high, while on the contrary, it is desirable for the share of non-deposit funds to be low.



Table 2: The structure of liabilities in banking system of Uzbekistan, (in %)

Sources of liabilities	2020	2021	2022	2023	2024
Deposits resources	40,9	37,3	41,7	45,4	47,3
Deposits of individuals	14,3	15,1	18,6	19,7	21,4
Deposits of legal entities	26,6	22,2	23,1	25,7	24,9
Non-deposits resources	59,1	62,7	58,3	54,6	42,7
Resident banks' funds	4,3	4,2	3,5	3,9	3,6
Non-resident bank funds	0,4	1	1,2	4,8	5,1
Loans and leases received	47,5	49,3	46,5	39,1	42,1
Accrued interest payable	1,1	1,2	1,0	1,3	0,9
Other obligations	1,7	2,2	1,9	1,6	1,5
Subordinated debts	1,8	1,3	1,1	1,4	1,2
Total liabilities:	100	100	100	100	100

The main tool for ensuring the stability of the bank is to bring the quality of the loan portfolio and the profitability of the portfolio to an acceptable level. One of the important tasks for this is to optimize the bank's lending sources. The problem of effective formation and optimization of loan portfolios in the presence of restrictions on the amount of available credit resources (in a period when the state provides cheap funds), their cost, and the conditions for attracting resources is a key and constantly addressed issue for bank specialists.

According to findings data, the formation of a base of sources of credit investments by commercial banks, the proper management of the decomposition of deposit and non-deposit financial resources, not only by attracting new customers to the bank, but also by constantly changing and optimizing the structure of sources of financial resources, is an important component of the rational use of bank assets and liabilities.

Some scientific studies emphasize that it is desirable for the share of deposit funds in the financial resources of commercial banks to be high, while the share of non-deposit funds is low. It is also important to manage and optimize the share of non-deposit funds and their sources. Statistical data show that the share of non-deposit funds in the resources of the US banking system is on average 23.2 percent, and it is noteworthy that the main part of these sources is not formed at the expense of interbank loans and leasing, as in the domestic banking system, but at the expense of international obligations and obligations of non-bank financial institutions.

In the activities of commercial banks of Uzbekistan, a sharp increase in credits was observed under the influence of the growth of credit sources, the beginning of the processes of economic liberalization, the expansion of the level of dollarization and several other key factors. The total credit portfolio increased by 20 percent or 63.7 trillion soums compared to the same period last year, in particular, corporate loans increased by 13 percent to 355.6 trillion soums, and household loans increased by 45 percent to 177.5 trillion soums.

At the same time, it should be noted that external debt funds, which were widely attracted by commercial banks, were also the main financial resources for the implementation of lending activities. Based on the results of the analysis, it can be said that the volume of liabilities of commercial banks from the external sector has increased sharply mainly over the past 3 years, which is explained by the widespread attraction of external debt funds to finance asset operations.



In the figure below, we can consider the improvement of bank's financial resources of commercial banks.

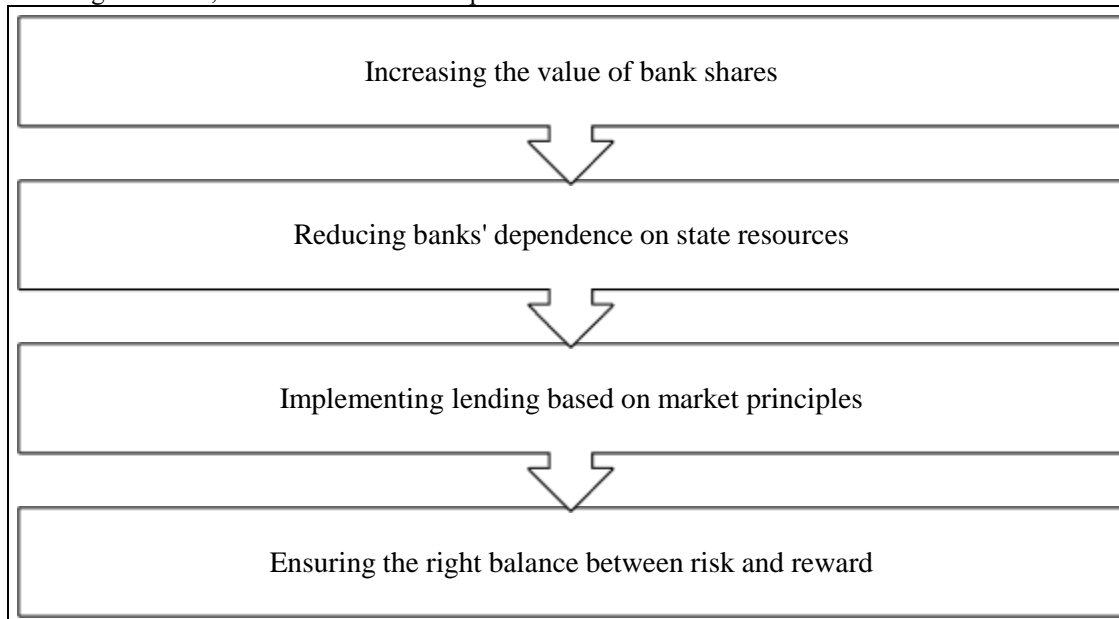


Fig 2. The improvement of financial resources in commercial banks of Uzbekistan

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In the process of managing, effectively forming and systematically analyzing the financial resources of commercial banks, the status of the resources attracted by the bank, their agreed term, classification by economic sectors, the cost of resources directed for lending and their profitability, as well as constant monitoring of other indicators, has a positive impact on the profitability of financial resources and the formation of the bank's loan portfolio.

CONCLUSION AND RECOMMENDATIONS

The efficiency of commercial banks and the continuity of stable income in banks are primarily dependent on the extent to which commercial banks are provided with "financial resources". The formation of initial parameters of the dynamics of credit resources of commercial banks, their effective management in terms of terms and prices, as well as the determination of extreme values of the number of borrowers and the volume of credit resources, and the improvement of the structure of capital dynamics in commercial banking activities based on the assessment of the time-dependent equilibrium value of the dynamics of various indicators of banking activities are urgent tasks.

The main part of non-deposit financial resources attracted by commercial banks operating in our country falls on loans and leasing. At the same time, it can be said that this indicator, which is considered the main source, is decreasing from year to year. The decrease in dependence on loans and leasing attracted by banks, in turn, means a transition to financing through internal sources of resources.

In conclusion, loans and leasing continue to dominate the structure of commercial banks' liabilities, but the volume of this source is decreasing. This indicates that banks prefer diversification in financing. It should be noted that the sharp increase in the share of non-resident banks' funds in the structure of non-deposit financial resources is explained by the strengthening of international financial integration. The increasing use of subordinated loans and other long-term financial instruments as non-deposit financial resources in the banking system is also a



positive development.

Based on the above considerations, it is considered necessary to attach particular importance to the following when optimizing non-deposit financial resources of commercial banks:

- Banks should develop strategic plans to maintain a balance between capital and liabilities;
- Commercial banks should diversify their non-deposit funding sources to reduce concentration risk and enhance funding stability;
- Mainly, commercial banks should actively monitor market conditions to minimize the cost of capital;
- It is important for commercial banks to reduce dependence on external debt by strengthening internal capital.

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