



SOME ASPECTS OF OPTIMIZATION OF OPERATIONAL COSTS OF COMMERCIAL BANKS

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Annotation

The paper provides a comparative study of the current economic context of operational costs in commercial banks and the theoretical scholars' view of operational costs. The classification of the costs of the Commercial Bank is covered, the composition and dynamics of the costs are analyzed and practical recommendations for their optimization are given. The analysis of the ravages of scientists, the opinions that are against each other, is coming. Also mentioned is the operational status of operational costs of some commercial banks and the future plans, strategic plans.

Basewords. Commercial banks, costs, revenues, operational costs, nooperation costs, optimization

Introduction

In the conditions of the market economy, all economic entities, including commercial banks, try to minimize operational costs, while maximizing profits. It is known that the composition of the bank's expenses consists of costs associated with the operation and the formation of direct resources, which, in principle, try to increase its profit by optimizing the cost of the operation. Because, operational costs are very necessary for the functioning and development of banks. Commercial banks reduce operational cost to achieve competitive advantage and increase revenue. However, reducing this cost can lead to a decline in bank revenue as well as the quality of Service. Therefore, it is necessary for banks to try to optimize costs. This process becomes a necessity that the digital services of commercial banks are one of the important issues in the optimization of these costs before them in an environment in which it is possible to develop and perform banking operations remotely.

The optimization of the operational costs of commercial banks plays an important role, especially in the conditions of the market economy. Currently, it is possible that commercial banks implement it by increasing the types and quality of digital banking services that they perform remotely to optimize the cost of operation.



These issues were also paid attention to by the president and the government of the Republic of Uzbekistan, in particular by the decree of the president of the Republic of Uzbekistan “on the strategy of reforming the banking system of the Republic of Uzbekistan for 2020 - 2025”, which defined the strategy of the banks to revise the existing requirements, including optimization of operational [1]

In general, the term “cost optimization” means the abandonment of all unnecessary expenses for commercial banks, leaving only those expenses that, honestly, cannot function without them. After the refusal, the second stage of “optimization” begins: at this stage we are on the side with special attention to all parts of the costs and are looking for ways to reduce them, reduce them.

Research Methodology

This article pays special attention to the operating costs of commercial banks and their optimization. Also, the scientific findings of studies carried out by foreign and domestic scientists in this area were studied, and independent approaches were formed.

Analysis of Literature on the Topic

On the structural structure of operational costs and how much it is necessary to optimize commercial banks, many scientists have mentioned their theoretical views. In our article, we will analyze the theoretical views of scientists on a hook. According to N.F. Karimov's scientific research, the cost of the operation was highlighted as “the costs of the period”. The scientist studied the period costs (operational costs) and revenues by dividing it into 4 groups.

The 1st group includes advertising costs, booklet making costs, marketing research, that is, market study costs, official Vision costs.

The 2nd group includes deductions to the salary and social insurance of the bank's management personnel.

The 3rd Group includes other general expenses, that is, depreciation, service trip, postal, Telephone, Telegraph expenses and commission income derived from the sale of fixed assets, non-expensive and quickly obsolete, intangible assets.

4-the group includes the development of a new type of activity of the bank, the implementation of new methods of conducting banking operations, the cost of expanding the bank, etc.

In his research, Kurbanov studies the costs of commercial banks into 3 groups.[4]

1-group "operational expenses" 2-Group "expenses providing banking activities"
 3-group" other expenses"

We can refer to the first group of costs of commercial banks as "operational costs", and this group includes, in our opinion, the following costs: commission fees paid; costs for foreign exchange operations; communication and Telegraph costs; costs for leasing and foreign exchange operations.

Professor A.A. Omonov held 3 groups of operational costs in his research [5]

1-wages of employees, rent and other administrative expenses:

2-Service tour, transport and amortization costs.

3-the costs associated with raising the image of the Bank and increasing the type of its services:

- costs for advertising and announcements;
- costs associated with the conduct of presentations and other events;
- books and davriy expenses for publications,
- sponsorship and guardianship costs;
- other costs.

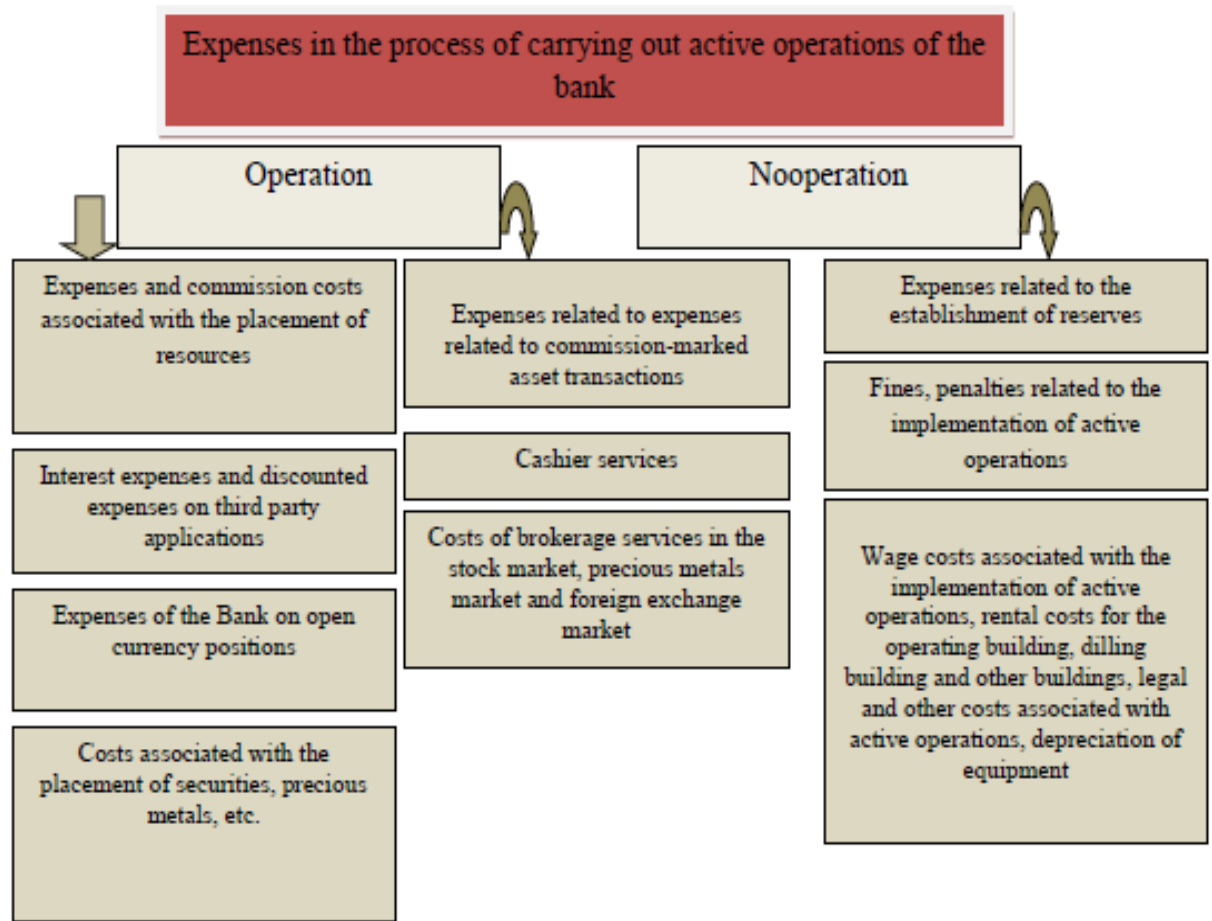
The cost of the bank in the process of carrying out passive operations	
Operation	Nooperasion
Interest-bearing costs on deposit transactions and issued liabilities	Fines and penalties for attracting customers
Discount costs on deductible liabilities	Dividend paid to shareholders and costs of similar payments
Commission costs for operations related to attraction	The costs of salaries and remuneration associated with attracting customers, the cost of rent for operational premises, cash registers and other premises, legal and other costs associated with attracting, depreciation costs of equipment

1-picture. Banking costs in the process of passive operations [8].

According to the professor, "in the era of the present digital economy, banks should pay great attention to the image of the bank in order to generate income"

According to Novashina and Jdanova, the concept of" cost in commercial banks "differs in a certain way from the concept of" cost of enterprise " in that it relates to the specific status of a credit organization and the specificity of its economic content[8]. The main difference is in the cost structure. The cost of sales in enterprises is associated with the costs of production and sale of products, and all costs associated with the additional attraction of money are subject to other costs. In the bank, however, it is well known that the attraction of funds is the activity of

the main expenditure carried out, all costs associated with the payment of interest are operational costs, that is, the authors classify commercial banking costs within the framework of asset and passive operations as follows[6].



2-picture. Banking costs in the process of passive operations [8].

3. Analysis and Discussion of Results

In banking activities, it is necessary to analyze each of the above mentioned banking expenses by classification and grouping. Through a thorough and comprehensive analysis, the main factors affecting the bank, as well as the costs that are of fundamental importance in the formation of the bank's profit, are determined and through this, the necessary strategic measures are determined. Analyzing the composition of operational costs of ATIB “Mortgage-Bank”, one of the largest banks of the Republic, between 2016-2019 years, we can see the following:

Table 1 Structure and dynamics of operational expenses of the Commercial Bank for 2016-2019, million.in my view

Indicators	01.01.17		01.01.18		01.01.19		01.01.20	
	Mln. in my view	%	Mln. in my view	%	Mln. in my view	%	Mln. in my view	%
Total banking expenses	588 385	100	987,239	100	1 468 073	100	1 969 486	100
Total operational costs	296,798	50.4	393,951	39.9	490,943	33.4	604,488	30.7
That: (Compared to total costs)	196,172	33.3	249,140	25.24	288,793	19.7	419,310	21.3
Salaries of bank employees and other expenses incurred for them								
Rent and supply costs	24 726	4.2	30 595	3.1	42 707	2.9	54 251	2.7
Service trip and transportation costs	3 005	0.5	3 860	0.4	5 065	0.35	6 336	0.32
Administrative costs	12 627	2.1	17 564	1.8	24 966	1.7	27 278	1.4
Costs of representation and destruction	15 174	2.5	26 428	2.7	25 363	1.73	26 588	1.35
Depreciation costs	12 359	2.1	15 418	1.5	27 565	1.9	36 423	1.8
Insurance, tax and other costs	32 734	5.6	50 946	5.1	76 485	5.2	34 301	1.7

The report on the profit and loss of ATIB” Mortgage-Bank " was compiled by the author on the basis of data.

If we look at the Commercial Bank's operational costs take the ratio of total costs, it is 50.4% in 2016, 39.9% in 2017, 33.4% in 2018, 30.7% in 2019. Table data show that the incidence of operational costs is decreasing year after year. This indicator, in turn, shows that the Commercial Bank is carrying out a policy of cost optimization.

Summary and Suggestions.

In place of the conclusion, it is worth noting that in the issue of optimization of operational costs of commercial banks, we consider it necessary to pay attention to the following:

It is necessary to consider measures to optimize the cost of wages, which have a high impact on the structure of operational costs. In this regard, we agree with the following proposals of Konyaev (2011) on the optimization of wage costs: “in the modern banking system, the wage costs of employees are 50-70 percent of the total banking costs. Proceeding from the practice of the banking system, commercial banks use 3 methods to reduce the costs associated with employees,



that is, equally reduce staff units due to the percentage, eliminate organizational inefficiency, carry out the reduction according to the results of the analysis of the work efficiency of the departments and employees. The above proposal can be considered as an optimal solution to optimize the cost of salaries, but these actions should not adversely affect the overall performance and efficiency of the bank.

The correct implementation of cost analysis by commercial banks will serve to determine the factors that affects profit in the structure of costs, to prevent possible risks in banking activities and to manage the banking system effectively. Today, banks have a wealth of more databases than ever before, as well as a wide range of technical capabilities. It is only necessary to know how to properly and reasonably use this database.

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