

The Issue of Assessing the International Competitiveness of Commercial Banks and Their Improvements

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Abstract: This article has developed strategies aimed at improving the effectiveness of competition in the banking system and the table is reflected in the criteria for competitiveness, as a result, commercial banks; the development of a competitive environment reflects the importance of the principles aimed at improving efficiency and competitiveness

Key words: Competitive environment, bank competitiveness, evaluation of bank efficiency, evaluation of competitive efficiency, theory of effective competition, indicators of bank competitiveness.

Introduction: Since the first years of Uzbekistan's independence, the main attention has been paid to the reform of the banking system, which is considered one of the most important links of the economy, and to the gradual creation of a modern two-tier banking system in line with world standards. In particular, the President of the Republic of Uzbekistan I.A. As Karimov noted: "Reforms in the banking system have become the most important factor in ensuring stable growth rates of our economy.

In recent years, leading rating agencies such as "Mudis", "Standard and Pours" and "Fitch ratings" have evaluated the activity of the banking system of Uzbekistan as "stable". It should be noted that if in 2011 13 commercial banks of our country received high ratings, today all 26 banks of our republic have been deemed worthy of such a rating"[1]

The 2015 performance indicators of the banking system in our country not only meet the generally accepted international standards, but even higher levels have been achieved in some directions. That is why the results achieved in recent years regarding the development of our country's economy are highly appreciated by the International Monetary Fund, the World Bank, the Asian Development Bank and other prestigious international financial organizations.

Today, commercial banking institutions have a wide network, which, in turn, allows to provide quality banking services to customers, to fully satisfy their needs for banking services, and to strengthen the competitive environment among commercial banks. Especially in recent years, non-banking organizations have created strong competition for commercial banks in the market of banking services.

One of the important directions of reforms in the banking system is the establishment of relations between commercial banks and clients based on the principle of "the client is not for the bank, but the bank is for the client" while improving the quality and culture of banking services. The importance of bank marketing strategy is great in improving the quality and culture of banking services and increasing competitiveness in the market of banking services in delivering them to customers. This factor testifies to the urgency of identifying problems in the organization of quality service in the banks of our country and developing scientifically based directions for their solution.

Consistent and well-targeted reforms in the banking system have allowed banks' capitalization level and deposit base to grow at a high rate, and as a result, the financial stability of the banking system has been strengthened, the role of financial intermediation has expanded, and the quality of banking services has increased. "Last year, further strengthening of the banking system, increase of capitalization level of banks and expansion of investment activity were ensured.

The total capital of the banking system increased by 23.3% compared to 2014 and reached 7 trillion 800 billion soums. In the last 5 years, this indicator has increased 2.4 times. The capital adequacy level of the banking system was about 24%. This is 3 times more than generally accepted international standards, and bank liquidity is 2 times more than the highest indicators"[2].

It is appropriate to conduct a broad analysis of the indicators of the competitiveness of commercial banks of Uzbekistan. In particular, regular comparison of current liquidity indicators with the standards set by the Central Bank, management of assets and liabilities and liquidity is one of the most important tasks of financial analysis. Taking these circumstances into consideration, below we would like to consider some

scientific and methodological aspects related to commercial banks' competitiveness indicators and their analysis.

In assessing the effectiveness of the bank's activity, it is necessary to analyze the general standards and measures regarding the assets and liabilities and liquidity of the credit institution. The analysis of the quality of asset management should be carried out by the most qualified group of specialists of the banking department, because the stability of the work of the banking institution directly depends on the correct choice of the method of asset management and its consistent implementation. The regularity of the economic analysis is also influenced by the size and duration of the allocated credit funds.

Evaluation of competitive efficiency is an integral part of the activity of any business entity. The importance of carrying out such an assessment is determined by a number of circumstances. The main ones include increasing competitiveness, choosing a partner, attracting investor funds, creating a program to enter new sales markets, etc. it is possible to mention the need to develop measures. In any case, the assessment aims to determine the situation in the network market. It cannot be denied that this goal can be achieved only if there is a fast and objective methodology for evaluating the effectiveness of competition.

It is known that evaluating the bank's competitive efficiency is a rather complicated process. It should be noted that, like the competitive efficiency of an organization or a bank, there is no general indicator that reflects competitiveness. Different authors approach the assessment of competitiveness from different perspectives and use different assessment methods. The currently widely used assessment methods are:

- method of comparative advantages;
- equilibrium method of firms and network;
- structural-functional method;
- "profiles" and quality method;
- matrix method.

Within the framework of the theory of effective competition, there are two main approaches to determining the criterion of competitiveness: structural and functional approach. According to the structural approach, the assessment of the situation can be made based on the knowledge of the level of monopolization in the network, that is, the concentration of production and capital, as well as barriers for new companies entering the network market.

The main role in the functional approach to determining competitiveness is played by the economic indicators of firms: cost-price ratio, workload of production facilities, volume of production, profit margin, etc. plays This approach makes it possible to draw conclusions about the entire network within the specified framework. The functional method allows to evaluate the competitiveness of groups or individual enterprises, the components of which are listed. In this case, indicators related to the goals of banks are usually used. This is labor productivity, which is calculated as the ratio of the amount of added value to the total number of people employed in the enterprise. A comparison of the aforementioned indicators describes the level of competitiveness of the entire bank and its individual branches. As a rule, in a large and diversified bank, these indicators may differ by 2-3 times for individual activities or banks, which means that one of them does not have the necessary production efficiency. In addition, a comparison of the overall competitiveness of the bank in question with the competitiveness of other banks in this sector shows how it ranks in relation to its competitors.

The advantages of this method are the analysis of the bank's work and the use of indicators that allow drawing conclusions about various aspects of its economic activity. Its disadvantages include the fact that this method does not take into account the importance of individual indicators, which leads to an ambiguous opinion about competitiveness. It is also necessary to supplement this method with indicators of product competitiveness.

Russian scientist Yu.S. Kudasheva recommends using this method. In particular, according to his opinion, the bank with the highest criteria of competitiveness in comparison with the main competitors is the most competitive bank, in terms of the quality of assets and liabilities, capital adequacy, profitability and profitability, image and provided services, while the external environmental conditions are the same for all participants of the financial market. 3].

In this case, the external environment is characterized by the well-being of the population, the development of the real sector of the national economy, and the results of state regulation of the country's economy.

Usugy allows to calculate the integral coefficient of competitiveness by calculating a number of individual criteria that describe the directions of development of the banking business.

The importance coefficients of indicators are calculated by an expert.

The competitiveness of services is determined by two indicators - quality and the cost of their provision, and the interdependence between them allows to analyze the ratio of service cost and quality coefficients by assigning points to individual criteria.

Yu.S. Kudasheva recommends evaluating the bank's internal environment according to the following formula[3]:

$$im = Kas \times 0,24 + Kke \times 0,23 + Kfd \times 0,27 + Kbi \times 0,02 + Kbr \times 0,03 \quad (1),$$

where Kas, Kke, Kfd, Kbi, Kbr are the quality of assets and liabilities, capital adequacy, operational profitability and profitability, bank image, criteria of competitiveness of banking services, respectively; 0.24, 0.23, 0.27, 0.02, 0.03 are the coefficients of importance of the bank's internal environment criteria, respectively.

It is advisable to evaluate the bank's external environment according to the following formula:

$$Ot = Ksn \times 0,31 + Krs \times 0,50 + Kdt \times 0,21 \quad (2),$$

where Ksn, Krs, Kdt are criteria of population dynamics, real sector of the economy, results of state regulation, respectively;

0.31, 0.50, 0.21 are the coefficients of importance of the bank's external environment, respectively.

As a result, the integral coefficient of commercial bank competitiveness is calculated (Kks):

$$Kks = Ovt \times 0,70 + Ovn \times 0,30 \quad (3)$$

Describing this methodology for assessing the competitiveness of a commercial bank, we can note that it is based on market analysis and official data from published reports. However, despite the fact that the results of the expert evaluations provided for in the methodology are subjective, depending on the primary goal of assessing the competitiveness of competing banks before the experts (the goal may be to determine competitive advantages in terms of the quality of assets and liabilities, profitability or image), criteria and indicators of importance. The value of the coefficients can be changed.

From this point of view, the competitiveness of a product (service) is its feature, and the level of competitiveness is an indicator that gives a relative description of the ability of this feature to meet certain market requirements in comparison with the products (services) of competitors in the period under consideration.

In this approach, in the most general form, competitiveness is determined on the basis of the overall coefficient of competitiveness (Kk), which represents the ratio of non-price (consumer value) and price (price) indicators of the banking product.

Another Russian scientist M.V. Akhmatova notes in her work that there are different approaches to determining and evaluating bank competitiveness. It brings these approaches into one system, which allows to summarize existing methodological approaches in the form of a table [4].

In different cases, different information is available and the evaluation objectives may differ, but regardless of the conditions and circumstances, the evaluation is carried out according to the results of the commercial bank's activity and external factors. In his work, the Russian scientist proposes the following algorithm for assessing the competitiveness of a commercial bank, and in his evaluations, he derives from the fact that competitiveness is an integral indicator of bank financial and market efficiency: all that affects production and sales efficiency are competitiveness factors[4]. The external manifestation of the bank's competitiveness is the presence of competitive advantages in it. To quantitatively assess bank competitiveness, the author suggests using methods used to assess the competitiveness of banking products. The methodological problem that requires a solution is to determine the range of indicators, each of which should be evaluated according to the level of importance of the bank's competitiveness. M.V. According to Akhmatova, the main indicators or components of bank competitiveness are the following[4]:

1. Financial condition of the bank: reliability, profitability, liquidity, etc.
2. The strategic potential of the bank is the effectiveness and adequacy of the use of all types of resources of the bank: financial, spatial, technical-technological, personnel, organizational-management, information resources.
3. Bank charges and price level.

4. Product assortment and quality.
5. Sales network.
6. Bank image.
7. Bank's corporate culture (interaction with the internal and external environment).
8. Duration of bank activity (stage of the bank's life cycle).

In practice, we receive a quality assessment that can only be determined by experts. In conditions of closed information about the activity of a particular commercial bank, it becomes very difficult or completely impossible to transfer the efficiency of competition according to the proposed methodology. The index method is the standard method of evaluating the general quality indicator, which reflects the sum of various specific qualitative and quantitative characteristics of this or that object. At the same time, it should be noted that different authors use different variants of integral indicators, and the sum of private indicators is also determined subjectively. The indicator of bank competitiveness generally represents the sum of indicators of capital investments, strategic regulations and regulatory level of capabilities. The indicator of the level of capital investments is increasing, which indicates that the growth rate of income does not always increase proportionally with the growth of capital investments, and from the fixed size of capital investments, which is called the optimal size point, despite the additional capital investments, the rate of income begins to decrease due to the slowing down of the reactions of the large organization, as well as the bureaucratization of large firms. organized according to the principle of increasing and decreasing balance.

There is a critical point in the amount of capital investments, from which it will be possible to get a certain income from economic activity. The accuracy of the bank in competition is the accuracy of support for such indicators as the timeliness, quality, quantity, high level of organization and quality of pre-sale and after-sale service, the quality of competitive transition processes from one state to another, the stability of the financial structure. characterized by. It is appropriate to consider these criteria or some of them in the analysis of the competitive potential of a commercial bank.

During the research, we were able to form the following conclusions.

While evaluating the competitiveness of a commercial bank, we suggest using a certain combination of different methods without underestimating the advantages of all the approaches listed above.

Requirements for success: use of indicators that most fully reflect the bank's competitiveness factors and its current situation; relative ease of use (special software tools, complex calculations, the ability to do without the use of a large number of experts, which is beyond the reach of most banks); lack of labor-intensive evaluation processes; the possibility of obtaining a general indicator representing competitive efficiency; the ability to compare the competitive efficiency indicator with similar indicators of competing banks.

The method of evaluating the current competitive efficiency of the bank should have the following differences from the method of evaluating the competitiveness: current indicators of the bank's activity; the actual indicators of the bank's activity are compared with them, some of them correspond to the established regulatory values, and others - recommended by the Central Bank of the Republic of Uzbekistan, specific requirements imposed on banks and their situation characteristics (the level of independence of the bank, the stage of development of the bank, the level of economic activity in the region where the bank operates, etc. .k.) the base values of indicators equal to the values to be taken into account should be used.

Conclusion

In general, a comprehensive assessment of the external and internal possibilities of increasing the bank's competitive efficiency allows for the creation of strategic maps, as well as the formation of the information base necessary for the development and implementation of a corporate strategy.

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