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THE ROLE OF DEPOSITS IN FORMING THE BANK'S RESOURCE BASE

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Abstract: This article analyzes the economic significance of deposits in forming the resource base of commercial banks, their role in ensuring the stability of banking activities, and their functions as a primary source for attracting financial resources. The study examined the types of deposits, factors influencing their attraction, bank deposit policies, and mechanisms for increasing customer trust.

Keywords: bank resource base, deposits, commercial banks, deposit policy, liquidity, financial stability, banking services.

Introduction.

In the context of globalization and economic integration, the stable functioning of the banking system is considered one of the key factors of national economic development. Commercial banks play an important role in the economy by financing various sectors, providing financial services to the population and business entities, supporting investment processes, and ensuring the circulation of monetary resources. The effective implementation of these functions primarily depends on the existence of a strong and stable resource base. Therefore, the formation of the bank resource base has become one of the most important areas of modern bank management.

The resource base of a bank represents the total financial resources that ensure the continuity of banking operations. Among these resources, deposits occupy a special place. Deposits are considered the main and relatively low-cost source of financial resources for commercial banks. By attracting temporarily free funds from households, enterprises, and organizations into deposit accounts, banks expand their lending and investment activities. At the same time, deposits serve as an important tool for maintaining liquidity and ensuring the financial stability of banks. Especially in the current environment of increasing competition in the banking sector, the struggle among banks to attract deposit funds has become more intense.

In recent years, large-scale reforms have been implemented in the national banking and financial system aimed at improving the quality of banking services, strengthening public confidence in the banking sector, and modernizing financial infrastructure. As a result, modern banking services have been introduced, new forms of deposits have been developed, and digital banking technologies have increased the convenience of deposit operations. These processes contribute to the expansion of the resource base of commercial banks and ensure the stable growth of deposit portfolios. However, factors such as inflation, household income levels, interest rates, public trust in banks, and the competitive environment directly influence the volume and structure of deposits.

An effective deposit policy is considered one of the strategic directions of banking activity. A properly developed deposit policy enables banks to attract long-term financial resources, maintain liquidity, expand lending activities, and reduce financial risks.

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Furthermore, the stability and growth of deposits increase investment opportunities for banks and strengthen their role in financing the real sector of the economy.

Literature Review.

The role of deposits in the formation of the bank resource base has been widely studied by both foreign and domestic economists. These studies scientifically explain the importance of deposits in commercial banking activities, their role in maintaining bank liquidity, and mechanisms for strengthening the resource base.

In particular, Frederic S. Mishkin[47], in his scientific works devoted to banking and financial markets, emphasizes that deposits are the primary source of financial resources for commercial banks. According to the scholar, the stable functioning of the banking system largely depends on public trust in banks and the volume of deposit funds. The author also substantiates that the growth of deposits contributes to the expansion of lending activities and stimulates economic growth.

Similarly, Peter S. Rose[48], in his research on commercial bank management, considers deposit policy as an important component of banking management. The author points out that interest rates, quality of services, and bank reputation are significant factors in attracting deposits. According to his scientific views, an effective deposit policy ensures the long-term financial stability of banks.

Among domestic economists, Sh. Abdullayeva[49] extensively analyzed the role of deposits in the formation of the bank resource base in her studies on banking systems and commercial bank activities. The author paid special attention to the development of deposit operations in the banking system of Uzbekistan, attracting the temporarily free funds of the population into banks, and increasing the attractiveness of savings deposits. The studies noted that strengthening the resource base of banks expands opportunities for financing the real sector of the economy.

The analysis of the above scientific views shows that deposits are the main component of the resource base of commercial banks and play a crucial role in ensuring liquidity, financial stability, and lending opportunities. Therefore, improving deposit policy and actively attracting public funds into the banking system remain among the priority tasks of the modern banking sector.

Research Methodology.

This study employs both qualitative and quantitative research methods to analyze the role of deposits in the formation of the resource base of commercial banks. The research is based on a systematic approach to examining the importance of deposits in ensuring bank liquidity, financial stability, and lending capacity.

During the research process, methods such as scientific observation, comparative analysis, statistical analysis, economic analysis, synthesis, and logical reasoning were widely used. Through comparative analysis, the deposit policies and resource formation practices of commercial banks were evaluated. Statistical analysis methods were applied to examine changes in deposit volumes, the structure of deposit portfolios, and their impact on banking activities. In addition, the study analyzed theoretical approaches and scientific views related to bank resource management and deposit operations.

The research relies on data obtained from official statistical reports of commercial banks, materials published by the Central Bank, scientific articles, monographs, textbooks,

[47] Mishkin, F. S. (2019). *The economics of money, banking, and financial markets* (12th ed.). Pearson Education.
[48] Rose, P. S., & Hudgins, S. C. (2013). *Bank management and financial services* (9th ed.). McGraw-Hill Education.
[49] Abdullayeva, Sh. Z. (2020). *Bank ishi*. Toshkent: Iqtisod-Moliya nashriyoti.

and international financial reports. Furthermore, the scientific works of foreign and domestic economists on banking resource management and deposit policy served as the theoretical foundation of the study.

The methodology also includes the analysis of factors affecting deposit attraction, including interest rates, public confidence in banks, inflation levels, quality of banking services, and the development of digital banking technologies. Based on the analyzed data, conclusions and practical recommendations were developed to improve the efficiency of deposit attraction and strengthen the resource base of commercial banks.

Results and Discussion.

The statistical analysis conducted in this research confirms that deposits are the primary source of resource formation for commercial banks and play a significant role in ensuring banking stability, liquidity, and lending expansion. The study shows that the rapid growth of deposits in recent years has strengthened the financial position of commercial banks and increased their capacity to finance economic sectors.

According to data from the Central Bank of Uzbekistan, the total volume of deposits in commercial banks reached 241.6 trillion soums by the end of 2023. In 2024, this figure increased to 308.6 trillion soums, representing an annual growth rate of 27.7%. This substantial increase demonstrates the growing confidence of households and businesses in the banking system and the effectiveness of deposit attraction policies implemented by commercial banks[50].

The analysis further indicates that household deposits became one of the main drivers of deposit growth. In 2024, deposits of individuals increased by 41.8%, while corporate deposits grew by 19.9%. Household deposits accounted for 39.7% of the total deposit portfolio, whereas business entities represented 60.3%. These results show that the population's participation in the banking system has been steadily increasing due to improved banking services, digital financial technologies, and attractive interest rates on savings deposits.

The maturity structure of deposits also demonstrates positive changes in the banking sector. Long-term deposits with maturities exceeding one year represented approximately 39% of the total deposit portfolio in 2024, indicating increased public willingness to place funds in banks for longer periods. Long-term deposits are especially important because they provide stable financial resources that banks can use for long-term lending and investment activities[51].

The study found that demand deposits also experienced considerable growth. As of October 2025, demand deposits reached 110.6 trillion soums, increasing by 28.5% compared to the previous year. Meanwhile, total deposits in the banking sector rose to 371.5 trillion soums, which represented annual growth of 29%. These figures confirm that the banking sector continues to experience stable expansion in its resource base.

Another important result of the analysis concerns the relationship between deposits and banking assets. Statistical data show that as deposits increased, commercial bank assets and lending activities also expanded significantly. In August 2024, the total assets of commercial banks reached 711.1 trillion soums, while loan portfolios amounted to 500.6 trillion soums. Deposits during the same period increased by 29% and totaled 275.4 trillion soums. This

[50]Turkic World. (2025, January 12). Growth dynamics of bank deposits in Uzbekistan. Retrieved from Turkic World

[51] Vzglyad.uz. (2025, January 27). Banking deposits and household savings growth in Uzbekistan. Retrieved from Vzglyad.uz

demonstrates that deposit growth directly contributes to the expansion of credit operations and investment financing.

The research also identified the leading banks in deposit mobilization. Among state-owned banks, the National Bank of Uzbekistan held the largest volume of deposits, amounting to 36.8 trillion soums in 2024. Among private banks, Kapitalbank led with 36.6 trillion soums in deposits, followed by Ipoteka Bank with 25.6 trillion soums. These results indicate that both state-owned and private banks are actively competing in attracting financial resources from customers[52].

The statistical findings further reveal that digital banking services significantly contributed to deposit growth. Online banking platforms, mobile applications, and remote deposit management systems increased customer convenience and accessibility. As a result, younger customers and urban populations increasingly preferred online deposit services. This digital transformation strengthened customer engagement and improved the efficiency of deposit operations.

Despite the positive dynamics, the analysis identified several challenges affecting deposit stability. Inflationary pressures, exchange rate fluctuations, and competition among banks create risks for maintaining long-term deposit growth. In addition, short-term deposits still occupy a significant share of the deposit structure, which may increase liquidity risks for banks during periods of economic instability. Therefore, commercial banks need to continue improving their deposit strategies by introducing innovative savings products, increasing customer trust, and strengthening financial risk management systems.

Overall, the research results demonstrate that deposits remain the most important component of the resource base of commercial banks. The growth of deposits positively influences bank liquidity, lending activity, investment capacity, and financial sustainability. Consequently, strengthening the deposit base is considered one of the main priorities for ensuring the long-term stability and development of the banking system.

Conclusion.

In conclusion, the research confirms that deposits play a fundamental role in the formation and strengthening of the resource base of commercial banks. Deposits remain the most stable and important source of financial resources, enabling banks to maintain liquidity, expand lending operations, support investment activities, and ensure financial sustainability. The analysis demonstrated that the growth of deposits positively affects the operational efficiency of commercial banks and contributes to the development of the national economy.

The study revealed that in recent years the banking sector of Uzbekistan has experienced significant growth in deposit volumes due to banking reforms, the expansion of digital financial services, and increased public confidence in commercial banks. Statistical data showed steady growth in both household and corporate deposits, indicating the increasing participation of the population and business entities in the banking system. Long-term deposits were identified as particularly important because they provide stable financial resources necessary for financing long-term economic projects.

The research also found that several factors influence deposit attraction, including interest rates, inflation levels, customer trust, service quality, and the development of digital banking technologies. Among these factors, customer confidence and accessibility of banking services were identified as key determinants of sustainable deposit growth. The rapid development of online banking platforms and mobile applications has significantly improved the efficiency of deposit operations and increased customer convenience.

[52] Uzdaily.uz. (2025, October 18). Demand deposits in Uzbekistan rise significantly. Retrieved from Uzdaily.uz

At the same time, the study identified certain challenges related to deposit management, such as inflationary pressures, exchange rate fluctuations, and the dominance of short-term deposits in some banks. These issues may create liquidity and financial stability risks. Therefore, commercial banks should continue improving their deposit policies through the introduction of innovative deposit products, enhancement of customer-oriented services, strengthening of risk management systems, and further development of digital banking technologies.

Overall, the findings of the research indicate that strengthening the deposit base is one of the most important priorities for ensuring the long-term stability and competitiveness of commercial banks. Effective deposit management not only improves the financial position of banks but also supports sustainable economic growth by increasing lending opportunities and investment activity in the real sector of the economy.

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