

WAYS TO ENSURE THE STABILITY OF THE FINANCIAL POSITION OF COMMERCIAL BANKS IN THE REPUBLIC OF TAJIKISTAN

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Abstract

The article presents important aspects of the process of stabilizing the financial situation of commercial banks of the Republic of Tajikistan. From our point of view, in order to achieve a positive result of stabilizing the financial situation of commercial banks in modern times, the key role is played by the restoration of liquidity, the timely start and the systemic nature of anti-crisis measures.

The process of implementing the scenario we proposed in the near future the stability of the financial situation and the relevant political goals, as well as the development of a set of measures to strengthen the means of ensuring financial stability and structural description in - The in-depth activities of commercial banks will give significant results.

Key words

bank financial condition, stability, financial condition, commercial banks, bank, bank credit policy, strategy, bank strategy, bank recovery, bank credit, credit institution, etc.

Introduction

In the context of a market economy, crisis phenomena and globalization of financial markets, which indicates the instability of the financial and banking sector, the organization of an effective system of anti-crisis regulation of banking activities, especially in commercial banks, has become of particular importance, since they affect the normal activity of the economy. From this point of view, it is important to justify the need to improve the financial condition of commercial banks at the national level as a holistic system of stability of the banking sector, since the practical experience of the countries of the world and Tajikistan shows that the emergence of crises has an objective economic reality and has a direct impact on all sectors of the economy.

In this regard, no state can completely eliminate the economic consequences of crises, but in practice there is an opportunity to reduce their negative consequences

and regulate the system of anti-crisis measures in the activities of commercial banks.

It is worth noting that most of the anti-crisis measures at the level of the republic were taken by the Government. Despite the fact that the National Bank of Tajikistan has a sufficient set of tools to maintain the financial stability of individual banks, after the global financial crisis, it became clear that the mechanism for maintaining financial stability at the systemic level is not defined in the legislation. From this point of view, it is necessary to establish acceptable norms in the system of banking legislation in order to avoid the economic and financial consequences of new crisis phenomena.

At the same time, it is necessary to include self-regulation institutions in the anti-crisis regulation system, which will improve the anti-crisis regulation carried out by state bodies, and will help strengthen the banking sector by participating in the development and examination of regulatory legal acts and the introduction of banking quality standards.

The events of recent years have changed the economic reality in which the banking system of the Republic of Tajikistan operates. At the same time, many participants in the banking services market are faced with the question: "How do Tajikistan's macroeconomic indicators quickly adapt to changing macro and microeconomic conditions, or what conditions and conditions are necessary for their adaptation?" Therefore, we need to consider the financial situation of domestic banks in a crisis.

Of course, sanctions, a sharp devaluation of the national currency, a growing crisis and high economic uncertainty are a real test of strength for the banks of the Republic of Tajikistan. For many commercial banks, the current crisis, due to problems that were not resolved even after the financial crisis of 2008-2009, resulted in a lack of capital and liquidity, which led to a lack of "financial security."

The measures taken by the National Bank of Tajikistan at the end of 2014 and the first half of 2015 were necessary to quickly and effectively suppress the emerging crisis and prevent its consequences in the banking sector. The easing of reserve requirements for a number of lending operations was carried out by banks in order to avoid attracting large volumes of financial resources (i.e. attracting deposits) and reduce pressure on capital.

Materials and methods

When assessing possible scenarios for overcoming the crisis, it becomes clear that short-term measures to support the banking sector may not be enough. Accordingly, the remaining time must be used as efficiently as possible to adapt to

new economic realities. The development and implementation of an effective strategy for the development of the banking sector seems to be the most effective and significant addition to state support programs, which sooner or later in the context of the current crisis should gradually decrease as the budget deficit increases.

Already at the end of 2020, it is necessary to organize work on a new strategy for the development of the banking sector in the medium and long term, taking into account both the changes that have occurred in the economy of Tajikistan and new problems, which the banking sector may face. At the same time, the National Development Strategy of the Republic of Tajikistan for the period up to 2030 reflects the goals and objectives of key stakeholders, such as the Government of the Republic of Tajikistan, commercial banks, customers and investors.

This special review suggests a number of measures that seem most appropriate and practical in the banking sector of Tajikistan. The proposed measures are designed to solve some of the structural problems of the banking sector of Tajikistan and provide the regulator and participants in the banking services market with the necessary conditions and effective means of ensuring financial stability. These proposals take into account the best international practice and are a development of existing and actively used instruments to ensure financial stability in the Republic of Tajikistan, or in some cases supplement existing documents.

The development of financial relations of any state depends on the financial stability of commercial banks. In the post-crisis period (2015-2017 and 2020), the financial position of a significant part of commercial banks in Tajikistan also remained unstable. Before considering the directions of stabilization of the financial situation and sustainable development, it is necessary to fully analyze the level of efficiency of using the mechanisms of anti-crisis management of commercial banks in order to use them to get banks out of an unstable situation.

Moreover, the analysis of these mechanisms should be evaluated not only in terms of its short-term effectiveness, but also in terms of creating potential opportunities for further sustainable development in the post-crisis period.

In the context of the transition to a digital economy, the methodological system of the current strategy of the financial situation of the banking system of the Republic of Tajikistan has the following shortcomings: the Financial Stability Committee (National Committee) and the National Bank of Tajikistan do not take into account the stages of the development trend of each bank separately and do not predict their future state; the financial position of commercial banks and their

real trends are not reflected in the media with real facts; The current financial position of banks without considering possible options for strategic development, including successful functioning in the post-crisis period, is not determined.

Using the strategic methodology of the financial position of banks, it is possible to evaluate financial activities only on the basis of previous years. At the same time, the correct application of the assessment of the financial position of banks is not always acceptable and predictable. From this point of view, the banking system of the Republic of Tajikistan should develop a methodology for assessing the financial situation that meets the requirements of the development of the banking services market. In our opinion, in modern conditions, it is necessary to develop a model for analyzing the financial development of commercial banks based on dynamic analysis and study of the financial situation in the development trends of past, present and future years.

From the researchers' point of view, the implementation of anti-crisis management mechanisms in the process of financial stability and recovery of banks to a greater extent takes into account the debtor's capabilities for post-crisis development [1].

Financial recovery is one of the most important measures to prevent the bankruptcy of commercial banks.

From the point of view of some researchers, especially Mozgovoy I.B. "recovery of financial situation is a set of forms, models and methods for bringing the financial obligations of a legal entity into proper condition, aimed at timely and complete fulfillment of obligations and cash payments, ensuring the correct movement of financial resources, eliminating their imbalances and manifestations of signs of solvency" [5].

The recovery of the financial situation of commercial banks during the crisis consists in restoring the authorized capital of banks to a level corresponding to mandatory economic standards, and restoring the stable and stable operation of the credit institution. To achieve a positive result of financial recovery, it is necessary to restore solvency, timely initiation and systemic nature of anti-crisis measures. According to the theory of A.V. Vinogradov. To develop anti-crisis measures of banks, it is necessary to create the following opportunities:

- regular measures to monitor and diagnose the financial position of commercial banks;
- financial recovery of banks by attracting foreign capital, budget funds, etc.;
- optimization of the capital structure of commercial banks [2].

Currently, the main tool for describing the quality of banks is the analysis of financial activities and the development of a plan to improve the financial condition of banks.

Results

Our proposed financial recovery plan consists of three parts. The first section contains a list and assessment of the causes of the crisis. The second section provides information on the expected results of its implementation, including the amount of required ratios, the dynamics of the bank's authorized capital, the period of restoration of the level of equity and current liquidity. All measures to improve the financial condition of banks must be justified and documented. Supporting documents can be:

- extracts from the decision of international organizations or organizations (IMF, World Bank, etc.) and other documents confirming the bank's participation in any programs or support of state bodies of the constituent entities of the Republic of Tajikistan in the financial recovery of banks;
- extracts from decisions of the bank's board of directors;
- contracts, contracts, certificates of ownership;
- documents confirming the intention of participants, debtors and other persons on additional financing of the authorized capital of banks and other documents.

In our view, measures to improve the financial health of banks in the Republic of Tajikistan should consist of the following subsections (see Figure 1):

1. Providing financial assistance to commercial banks by founders and other persons. Such assistance may be provided in the following form:

- placement of funds in the bank in the form of deposits;
- guarantee of bank loans, term or deferred;
- transfer of the bank's loan as a dividend and its transfer (support) to implement measures to improve the financial condition of the bank;
- additional contribution to the authorized capital of the bank;
- forgiveness of part of bank loans;
- innovation.

2. Changes in bank assets and liabilities may include:

- improving the quality of the loan portfolio;
- reduction of bank costs;
- increase in charter capital;
- reduction in the volume and share of current and short-term liabilities in the total structure of liabilities.

3. Bringing the size of the authorized capital of the bank to the size of equity.
4. Changing the organizational structure of the bank, for example:
 - changes in delegation and headcount;
 - reduction and liquidation of individual and other bank divisions.

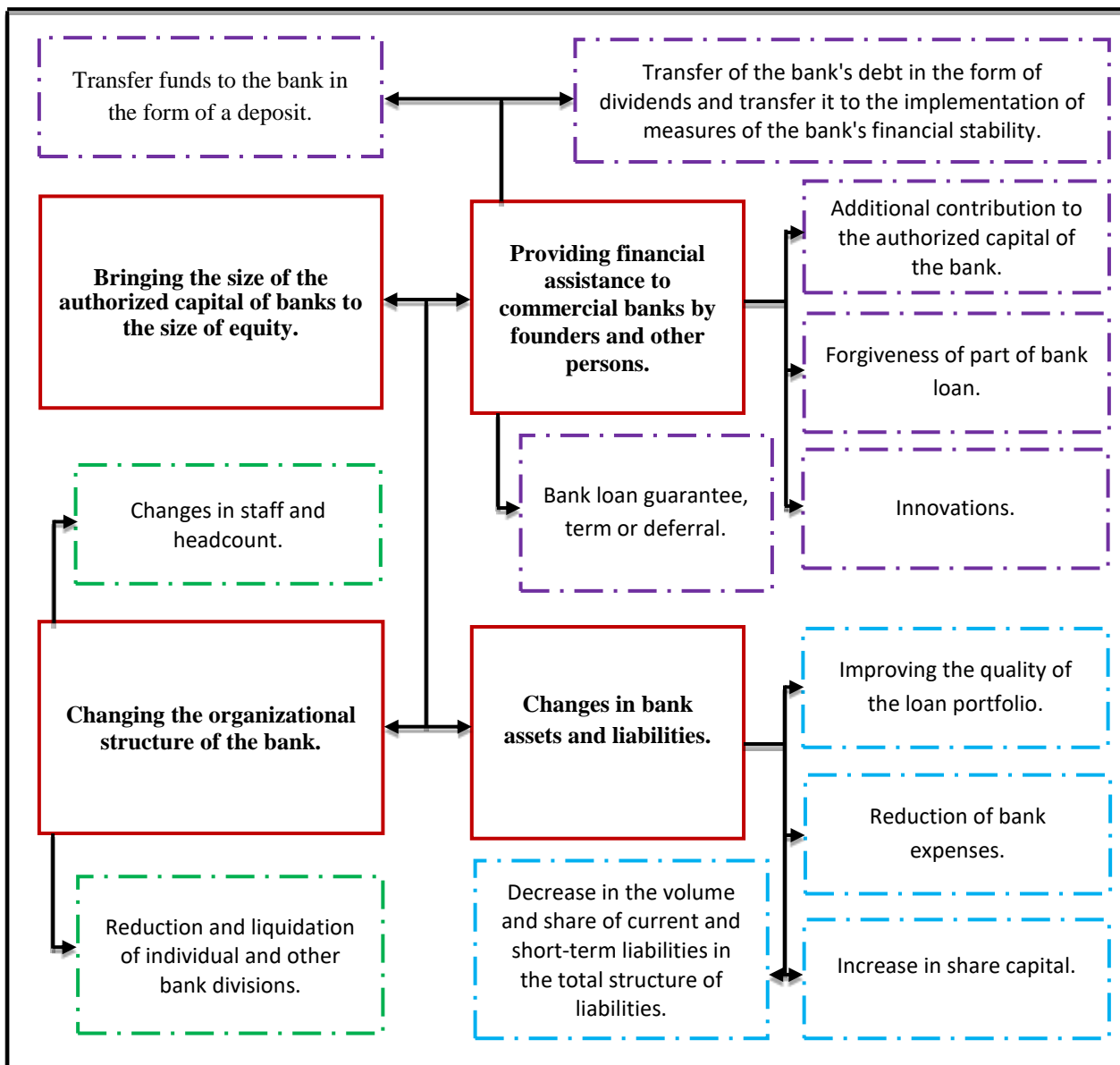


Figure 1. Process of stabilization of financial position of banks of the Republic of Tajikistan

Source: Author development

The bank can be suspended with the participation of the interim administration appointed by the National Bank of Tajikistan (if the powers of the executive body are limited in this area), or only by the interim administration, the

executive body of the bank and the head. A bank accountant, if he is in the process of implementing a plan, can contribute to the bank's financial recovery. The interim administration is also obliged to submit a recovery plan to the bank and, if approved by the National Bank of Tajikistan, try to implement it.

From the analysis of the subsections of the recovery scenario of commercial banks of the Republic of Tajikistan, it can be concluded that the entire process of the above subsections of recovery should be combined (grouped) in such a way as to give a positive result in practice for the correct regulation of anti-crisis measures. In this regard, we reflect the consolidation of this process of bank consolidation through the main details of the financial stability policy in banks (see Figure 2).

Improving the position of banks in the Republic of Tajikistan consists of three main details, namely:

- (Part I) Macroprudential policy - in connection with the creation of opportunities to identify regulatory risk in the banking sector;
- (Part II) Microprudential control - in the direction of ensuring the activities of banks in accordance with the goals of financial stability, readiness of banks for a crisis and prevention of bankruptcy;
- (Part III) Anti-crisis management - in the direction of improving the effectiveness of anti-crisis management both at the level of individual banks and at the level of the banking system.

As an active participant in financial policy, banks contribute to maintaining the bank's financial stability by managing the risks of their activities and in accordance with the financial sector development strategy (see Figure 2).

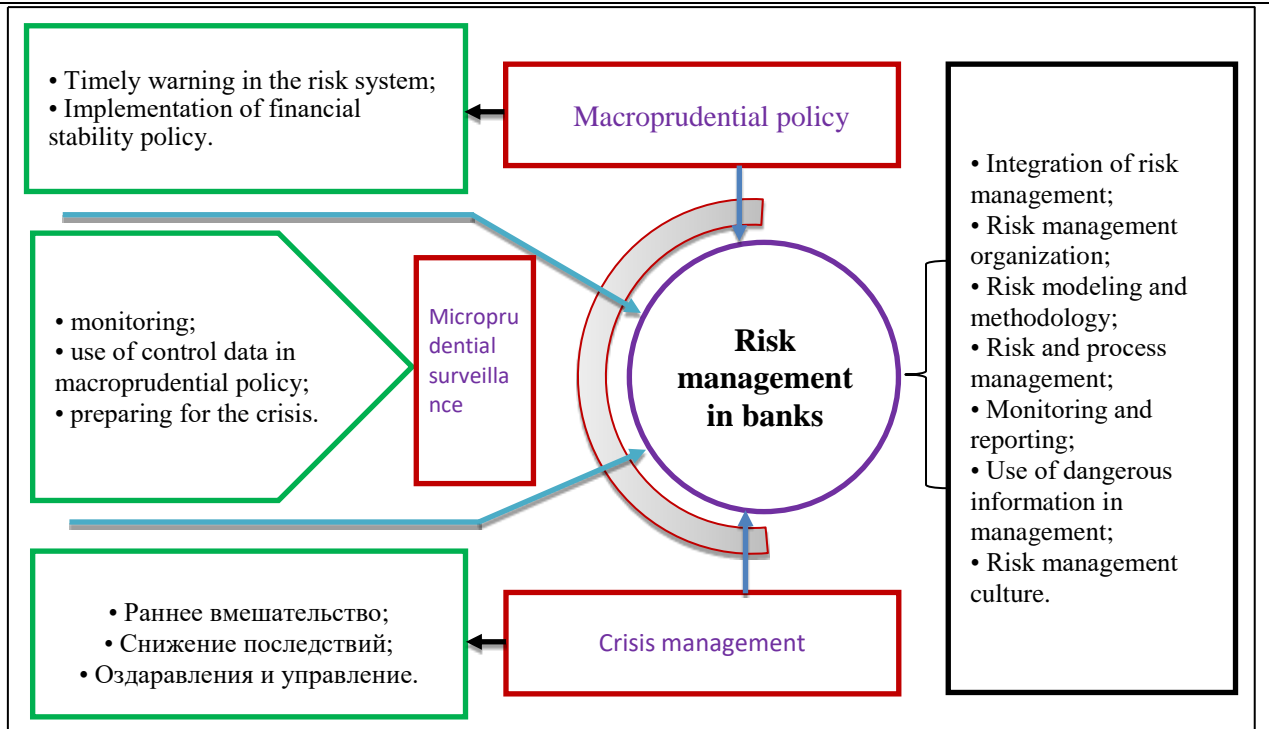


Figure 2. Basic details of financial stability policy in banks.

Source: Author development

From the above picture, it becomes clear to us that the banking system sector of Tajikistan should be reflected in the basis of the policy of ensuring financial stability from its main components. This proposal is aimed at solving important issues in the banking system. Therefore, their correct application contributes to the stability of the banking sector of the Republic of Tajikistan and at the same time provides the basis for stable development after the crisis.

The proposed measures take into account international best practices, develop existing and actively used financial stability instruments in the Republic of Tajikistan, or, in some cases, complement existing instruments in the banking system.

Conclusion

Of course, to implement the above details, the banking system of the Republic of Tajikistan needs to develop a strategy for the development of the financial sector of banks and a detailed policy of financial stability, since the developed strategy makes it possible to combine the above measures into a certain system. The implementation of this scenario in the near future will lead to a detailed definition of financial stability and the goals of the relevant policy, as well as the development of a set of measures to strengthen the means of ensuring financial stability and a detailed structural description of financial stability. Along with all this, it is

necessary to strengthen the attention of banks to high-quality management of important risks and constant support for improving the risk management of banks by the regulator, since this ensures the level of efficiency of banks, taking into account risks and their readiness for crises.

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