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## Foreign Experience in Improving the Activities of Commercial Banks

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### Abstract

This article provides a systematic analysis of the experience of developed foreign countries in improving the activities of commercial banks. In particular, issues related to bank governance, risk management, the implementation of digital banking services, customer-oriented service models, and institutional approaches aimed at ensuring financial stability are examined. In addition, the economic effectiveness of advanced practices applied in the United States banking system is assessed.

**Keywords:** commercial banks, banking activity, foreign experience, banking system, financial stability, risk management, digital banking services, bank governance, institutional reforms.

### Introduction

Commercial banks are among the key institutions performing the function of financial intermediation in the national economy, and their stable and efficient operation plays an important role in ensuring economic growth, investment processes, and the uninterrupted functioning of financial markets.[1] Through banks, savings are channeled into various sectors of the economy, the efficiency of payment systems is maintained, and the rational use of financial resources is ensured. Therefore, improving the activities of commercial banks has always been of significant scientific and practical importance.[2]

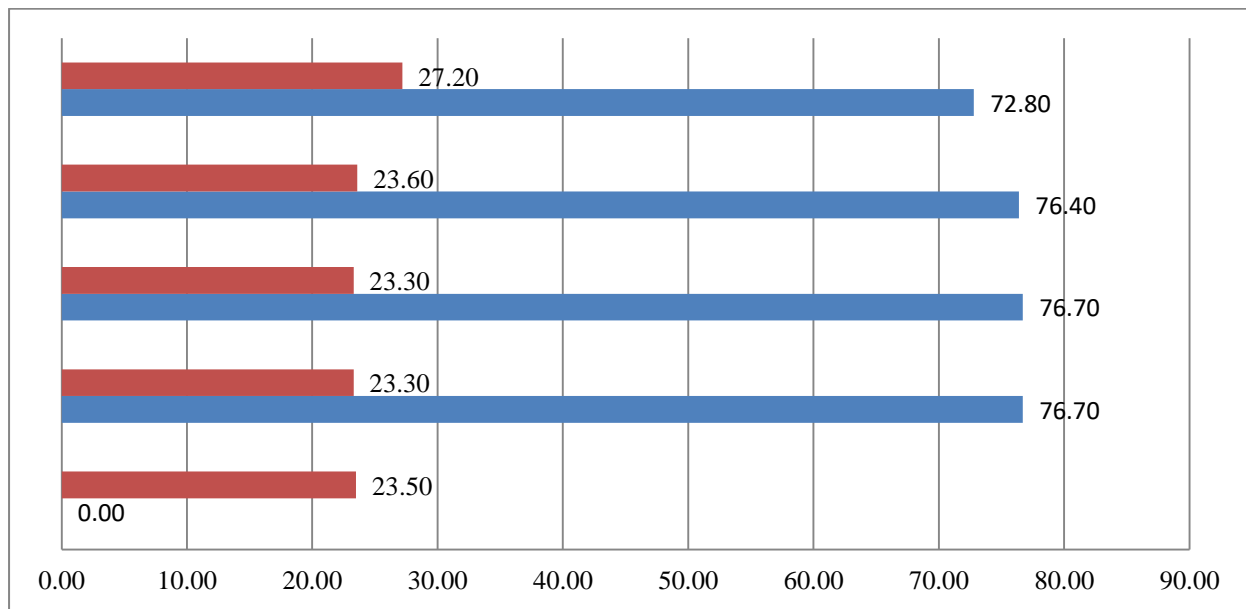
### Methodology

In the banking systems of developed foreign countries, particular attention is paid to improving the quality of bank management, enhancing risk management mechanisms, expanding the

implementation of digital banking services, and developing customer-oriented service models. The institutional approaches applied in these areas contribute to strengthening the financial stability of banks, increasing operational efficiency, and ensuring competitiveness.[3]

## Result and Discussion

The analysis of advanced practices developed in foreign banking, particularly the mechanisms applied in the United States banking system, serves as an important theoretical and practical foundation for the development of commercial banking activities.[4] These Figure 1. experiences make it possible to identify effective instruments aimed at improving managerial decision-making, reducing risks, and ensuring financial stability in banking operations.[5]



**Figure 1. Corporate Securities in the Securities Portfolio of Bank of America (USA)[6]**

Figure 1 analyzes the dynamics of the share of corporate securities within the securities portfolio of Bank of America. According to the data, in 2021–2023 the share of corporate securities in the bank’s portfolio remained consistently high, ranging between 76.7% and 76.4%. This indicates that the bank’s investment policy prioritized profitability.[7] Although a decline to 72.8% was observed in 2024, these instruments still constitute the main part of the portfolio.[8] This change reflects a more prudent investment approach aimed at diversifying risks and improving portfolio stability. At the same time, the increase in the share of government securities to 27.2% indicates a growing demand for liquidity and low-risk assets.[9]

The results of the analysis show that the dominance of corporate securities in the investment portfolio of Bank of America reflects a strategy of actively utilizing capital markets and ensuring financial efficiency through high-yield instruments. This approach demonstrates the significant role of investment operations in improving the performance of U.S. commercial banks and highlights the strategic importance of the securities portfolio in diversifying bank revenues.[10]

The analysis of risk management mechanisms indicates that credit risk assessment in U.S. banks is carried out using a multi-stage approach. In the lending process, not only the borrower’s financial condition but also industry characteristics, macroeconomic conditions, and market environment are taken into account. This approach helps to limit the share of non-performing loans and ensures the stability of the credit portfolio.[11]

Liquidity management is an essential component of the U.S. banking system. Banks implement strategies aimed at maintaining a balance between short-term and long-term liabilities. The widespread use of stress testing, forecasting models, and reserve mechanisms in managing

liquidity risk enables banks to maintain their solvency.[12]

The development of digital banking services in the U.S. banking system is one of the key factors in improving the performance of commercial banks. The analysis shows that digital technologies have led to the automation of banking operations, increased transaction speed, and reduced operating costs. At the same time, communication with customers through digital channels enhances the accessibility of banking services and improves the competitive environment.[13]

A customer-oriented service model plays an important role in the operations of U.S. banks. Banks strive to strengthen customer trust through personalized financial products, flexible pricing policies, and transparent information disclosure. This approach contributes to increasing the stability of the deposit base and fostering long-term relationships between banks and their customers.[14]

The conducted analysis shows that the U.S. banking system, particularly the experience of Bank of America, demonstrates that improving the activities of commercial banks is closely linked to institutional stability, effective bank management, and well-developed capital markets. The dominance of corporate securities in the bank's investment portfolio indicates that banks apply strategies aimed at increasing profitability and ensuring efficient use of resources.[15]

## Conclusion

The results confirm that corporate securities serve as an important financial instrument for diversifying bank revenues. At the same time, the increase in the share of government securities reflects a prudent investment policy aimed at balancing risks and ensuring liquidity. This approach enables banks to maintain financial stability and enhance adaptability to market changes.

The experience of U.S. commercial banks shows that effective management of the securities portfolio, maintaining a balance between profitability and risk, and active use of capital market instruments are among the key directions for improving banking activities. The application of this experience has significant scientific and practical importance for developing investment activities in the national banking system and strengthening the stability of the banking sector.

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