

## A new concept of partnership between the bank and the firm

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### For citation

Smirnov V.D. A new concept of partnership between the bank and the firm // Market economy problems. – 2023. – No. 3. – Pp. 77-92 (In Russian).

DOI: <https://doi.org/10.33051/2500-2325-2023-3-77-92>

### Abstract

The paper shows that interaction between a bank and a firm within the framework of the relationship banking concept is no longer effective enough in modern conditions, that increase economic uncertainty due to technological innovations, climate and geopolitical problems. As a result, competition in the markets of almost all goods and services has intensified significantly, that forces firms and banks to strengthen their key competencies in their business and directs all available resources to improve its efficiency. These circumstances are making firms to strengthen cooperation with their servicing banks to outsource more and more functions for credit and payment support of their core activities, and banks to look for new areas of sustainable income. The paper analyzes the shortcomings of the relationship banking concept and develops the main provisions of a new concept of the bank-firm partnership. It is shown how each side of the partnership, as a result of strengthening interaction, can create added value in their core activities.

**Keywords:** *efficiency, risk, creation of added value, partnership between bank and firm.*

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