

ANALYSIS OF BANK LOAN PORTFOLIO INDICATORS IN CONDITIONS OF GLOBAL INSTABILITY

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Abstract. *This article analyzes the loan portfolio of banks with a state share in the Republic of Uzbekistan and other private banks. The policy of commercial banks in relation to individuals and credit policy focused on legal entities were analyzed. Commercial banks are developing proposals on credit risks, as well as on the effective use of credit lines.*

Keywords: *credit, credit risks, commercial tanks, portfolio. digital banking.*

Introduction. Global instability and the impact of external factors have a great impact on the stages of increasing the efficiency of commercial banks in countries with an open economy policy.

In the stages of integration of the country, political processes and their economic consequences, transition to a new technological method, strict regulatory regime and increased competition are "against" all financial credit organizations.

Large global financial and credit institutions are taking measures to form new standards and adapt to new conditions. Today, transformation processes are being carried out in order to increase the efficiency of Uzbekistan's banks, but there are a number of problems in them: firstly, some banks are only trying to reach a new technological level without considering the totality of the processes as a stable competitive system, and secondly, in the process of transformation, bank board's internal control in the activities of the bank is simply a rule, the control activity is considered by them as something superfluous or outside the scope of the day-to-day operations of the bank and is often considered secondary. As a result, banks are relying on digitization elements in their activities, deviating from the main goal of targeting credit funds.

Research: In recent years, in order to achieve the popularity of banking services in Uzbekistan, significant measures have been taken to activate the process of transformation in the activity of banks. The President of the Republic of Uzbekistan, Shavkat Mirziyoyev, stated that "commercial banks are lagging behind in the transformation processes in accordance with the modern requirements of the banking system, there are delays in the introduction of modern methods of information technology products, asset and liability management, and communication with customers"¹

World economists such as P.Rose, J.Sinki, E.F. Zhukov, G.G. Korobova, O.I. Lavrushin have published their scientific views on the risks of commercial bank loans in textbooks, manuals and articles. In particular, according to foreign scientists O. Afanaseva said¹, short-term loans for banks in developing countries are preferable to long-term investment loans, and are characterized by high profitability and low risk, but in O.I. Lavrushin's opinion defined bank credit risks as follows: "Bank credit risk is a measure of the value of a possible event that leads to losses"². The author of the "Bank Management" textbook P. Rose³, gives a different explanation of risks, and he divides them into six main types:

- credit risk;
- currency risk;

- liquidity risk;
- interest rate risk;
- operational risk;
- market risk.

Sh. Z. Abdullayeva, T. I. Bobokulov, B. T. Berdiyarov, F. U. Dodiyeu, I. T. Jumaniyozov, N. Khidirov⁵, among the economists of our qualification, have commented on this issue in their scientific articles and scientific works. At this point, Sh.Z.Abdullayeva described bank risks in her academic works as follows: "Risk in banking practice is not always an unexpected phenomenon. All banking activities are associated with risk. The bank, knowing that this type of activity or operation is risky, decides to carry out or carries out this operation, and in all cases it plans to obtain a high profit from this operation.

Analysis and results. Today the total number of banks operating in the Republic of Uzbekistan is 33. There are 12 of them are state-owned banks, and 21 are private banks. We analyzed the credit portfolio of commercial banks of Uzbekistan based on the information provided by the website of the Central Bank of the Republic of Uzbekistan. By July 2022 a credit was allocated in the amount of total of 343,572 billion soums in commercial banks of the Republic of Uzbekistan. From this, we can see that banks with a state share allocated credit worth 288,963 billion soums, while other private banks allocated loans worth 54,609 billion soums. (Table 1)

1-table.

Credit situation in commercial banks of Uzbekistan (billion soums)

Banks	All credits		Although			
			Individuals		Legal entities	
Total	343 572	100%	80 461	23%	263 111	77%
State-owned banks	288 963	84%	61 316	21%	227 647	79%
Other banks	54 609	26%	19 145	35%	35 464	65%

**By 2022, July 1*

The share of state banks in total loans is 84%, of which 61,316 bln. the volume of loans in the amount of soums belongs to individuals and is 21% of the loans given to individuals by banks with a state share. At this point, the amount of loans given to legal entities by banks with a state share is 79%, and this figure is 65% in other banks. The order of giving to physical banks is 35% in private banks. This means that the loan portfolio of the state-owned banks with legal entities is high, which shows the attractiveness of state banks for legal entities.

For individuals, we can see from the table above that loans from banks with private shares are attractive. Despite the small amount of loans, the main clients of private commercial banks are 35%, and 21% of state banks. This means that the quality of service to individuals and private commercial banks providing credit offers satisfy individuals. But here the credit risks allocated to

individuals are considered high. Non-state banks are also required to be at the level of state banks in the competition of providing services to legal entities. This will prevent some banks from becoming monopolies by creating real competition between banks in our country.

In our previous articles, we commented on the activity of banks. In the first half of 2022, "Kapital Bank" took the 1st place according to the activity indicator. We have shown the analysis of the activity of banks regarding the fact that "Trust Bank" rose to 1 place and took the 2nd place in the general rating⁸. Both Trust Bank and Capital Bank are in the ranks of private banks, and in terms of activity indicators, they are ahead of banks with a state share. If this continues, it is expected to be a large competitive bank in terms of capital size, credit portfolio, share of deposits and other indicators. General activity is also well observed in other commercial tanks.

At this point, we will continue to analyze the credit activity of state-owned banks in the section of banks. In the process of our analysis, we can see that Uzmilliybank, which has the largest charter capital, is also the largest in the credit portfolio. 79,913 billion soums credits led in this indicator (Fig. 1).

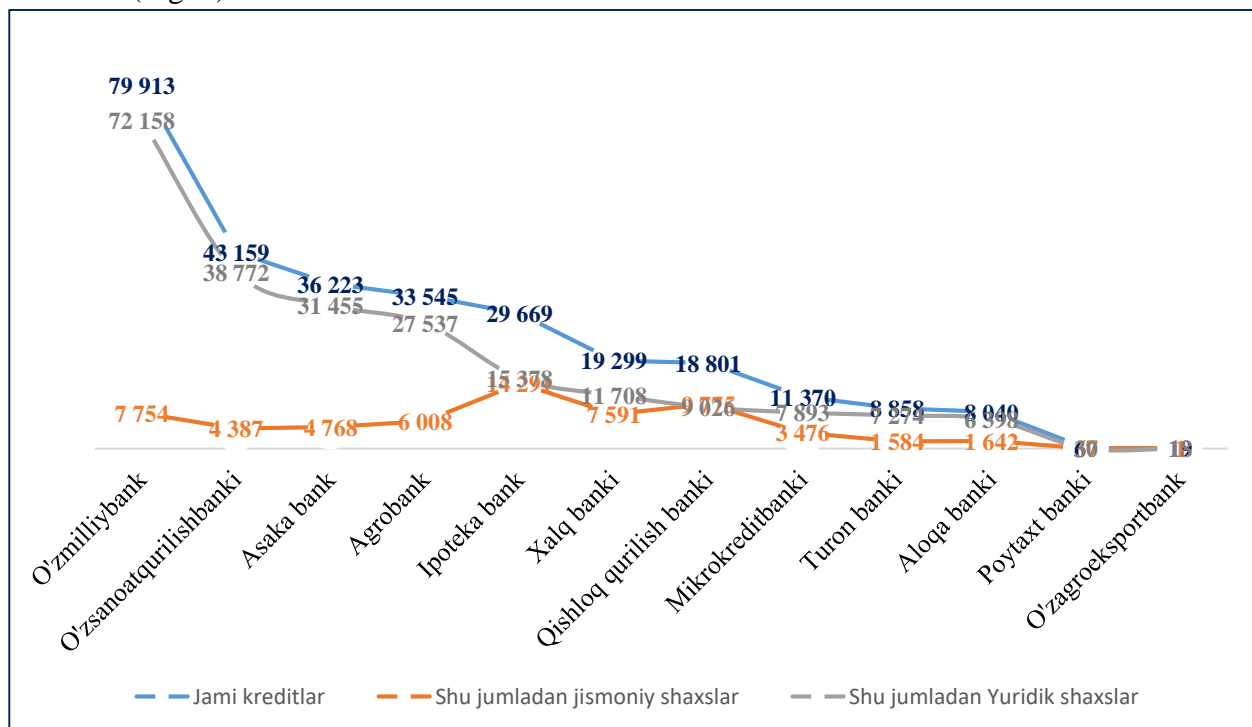


Figure 1. Credit situation in commercial banks with state share of Uzbekistan. By 2022, July 1 (billion soums)

It should be noted that the difference between legal and private clients of Uzmilliybank is very large, and we can say that the main credit lines of the bank are directed to projects designed on the basis of a large state program. According to this indicator, Uzsanoatqurilishbank and Asaka Bank are ranked next.

Uzagroexportbank shows the lowest result among the rest of the state-owned banks.

In the course of our analysis, we also studied other commercial banks that do not have a state share. In them, we can explain the very passive behavior of Apelsin Bank and Sedarat Bank in their credit activity by the fact that their functional task is another goal. Kapital Bank (11,043 billion soums), Hamkor bank (10,426 billion soums) and Ipak Yuli Bank (7,287 billion soums) are clearly different from other banks in terms of loan allocation, as shown by 2 - we can see in the table.

Credit status of non-state-owned commercial banks of Uzbekistan. By 2022, July 1
(billion soums)

№	Banks	All credits	Although	
			Individuals	Legal entities
	Other banks	54 609	19 145	35 464
13	Kapital bank	11 043	6 363	4 679
14	Hamkor bank	10 426	3 105	7 321
15	Ipak yuli banki	7 287	1 037	6 249
16	Orient finance banki	4 521	1 417	3 104
17	Invest finance bank	3 991	1 327	2 664
18	Trast bank	3 303	811	2 492
19	Davr bank	2 404	1 338	1 066
20	Aziya allians bank	2 125	693	1 432
21	UZKDB bank	1 817	15	1 802
22	Tenge bank	1 739	819	920
23	Anor bank	1 165	1 074	91
24	Savdogarbank	988	184	804
25	Ziraatbank	939	40	899
26	Universalbank	788	159	630
27	TBC bank	693	653	41
28	Turkistonbank	652	10	642
29	Ravnaqbank	436	67	369
30	Madadinvestbank	155	15	140
31	HI-TECH bank	120	1	119
32	DB SEDARAT bank	18	17	0,9
33	Apelsin bank	0,0	0,0	0,0

Kapital bank's individual credits 6,363 bln. that is more than the amount of credit of legal entities, that is 4,679 billion soums. At the same time, in Hamkorbank, the situation is generally the opposite, the loan funds received by legal entities are 7,321 bln. soums and the amount of loans allocated to individuals is much lower than to legal entities, that is, 3,105 billion soums. amounts to soums. 94% of TBC bank, i.e. 693 bln. 653 billion soums of loan allocations belong to individuals. Anorbank has the same indicator

The convenience of digital banking and lending offers have been very helpful in attracting consumers. The large number of opportunities for customers to get a loan without any transaction costs has led to an increase in the demand for loans in competitive banks and this has ensured their efficient operation. In particular, Anorbank JSV, which performs the functions of a digital bank, made 1.571 billion soums from its activities in the period from August 22 to December 31, 2020. TBC JSV Bank was ended of 2020 with damaged 23.549 billion soums.

Conclusions and suggestions. As a result of our analysis, we conclude that the quality of credit efficiency improvement strategies in commercial banks depends in every way on the qualifications and professional competence of the banking system employees who actively participate in their implementation. At the same time, the activities of banks are organized using digital technologies. In addition, we analyzed the bank's internal policy aimed at the allocation of loans. The main functional tasks of most of the state banks have aroused our imagination as a set of monopoly banks implementing state projects that are not focused on competition in this market. Consequently, in loan proposals bank policy shows that. In other banks that do not have a state share, they are implementing bank management policy based on their ability to increase credit efficiency. As a result of our analysis, we can suggest that it is advisable to accelerate the process of transformation of banks for the purpose of effective organization of their activities in the unstable global political process and formation of pure competition. At this point, strengthening participation in PPP (public-private partnership) projects with bank loans is an effective economic activity. The implementation of PPP relations in the field of science, technology, medicine, culture and other fields will lead to the further formation of banking and other financial systems that have a positive effect on the stable development of the national economy.

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