



STATISTICAL ANALYSIS OF LOAN PORTFOLIO AND ITS MANAGEMENT IN BANKS

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Annotation:

The article analyzes the existing work on the issue of dealing with credit portfolios and problem loans in the banking system and the measures taken within the framework of the legislation, as well as some recommendations on ensuring the effective operation of the lending and collection system in this area. given.

Keywords: commercial banks, assets, loan portfolios, credit, risk, overdue payments.

INTRODUCTION

A number of measures have been implemented during the consistent reform of the financial sector, and as a result, the necessary legal conditions have been created for conducting advanced banking business and strengthening the competitive environment in this sector. In particular, the Laws of the Republic of Uzbekistan "On the Central Bank of the Republic of Uzbekistan", "On Banks and Banking Activities", which conform to international standards and create an attractive legal environment for foreign investments in the financial sector. Updated laws "On regulation of currency" and "On payments and payment systems" were adopted. At the same time, the analysis of the current situation in the banking sector reveals a number of systemic factors that prevent the development of the banking sector in accordance with economic reforms and the needs of society, such as the high level of state intervention in the banking sector, the insufficient quality of management and risk management in state-owned banks, and the low level of financial intermediation in the economy . indicating that there are problems. When commercial banks use the main part of their funds as lending, it is necessary to determine in advance the issue of full recovery of the funds from the borrower, not just for income. Because the bank, as the owner of the investment, does not sell the investment, but the right to use the investment for a certain period of time based on certain conditions and premium interest. At the moment, the concept of "problem credit" is causing much more debates and discussions by theoretical and practical scientists in our country than before. It is certainly not in vain, because today the share of problem loans in the credit portfolio of commercial banks of our republic is quite high, despite the measures to reduce it. Today, due to the fact that many countries are facing the problem of increasing bad debts in the banking system, the urgency of improving the system of working with problem loans of banks is still gaining importance . That's why there are unsolved problems of loan repayment by clients as well as creditors .

LITERATURE ANALYSIS

Different definitions of problem loans are given in scientific literature. In some literature, the term "problem loan" refers to a loan for which the bank has doubts about its object, subject, and provision,



while in some literature, the term "problem loan" refers to the fact that the borrower has failed to make one or more payments or the loan defaults. It is defined that the decrease in the value of provision means that the loan will be transferred to the category of problematic loans. Issues of working with overdue loans in commercial banks and increasing the efficiency of their portfolio management have been studied in the scientific researches of a number of foreign scientists and the concept of loan portfolio has been expressed in the definitions given to its essence. For example, American economists Chris J. Barlton, Diana Mc Naughton define the credit portfolio as the classification of loans. Instead, the internal and external business activities of the banking sector are developing further with the development of IT, and the banking system can be pointed out as the most affected area. Also, N. Sokolinskaya defines the loan portfolio as a sum of short and long-term loans and focuses on problem loans management⁶. In this definition, the main focus is on the term of the loan, which does not fully reveal the condition and nature of the loan. Because the term of loans granted by the bank and compliance with it can only be an important factor in determining the quality of credit classification. Uzbek economists have also conducted a number of studies in this regard, in particular, according to Sh.Z.Abdullaeva, overdue loans of banks are allowed to be returned based on certain criteria based on various credit risks. are deficiencies and gradually affect the standard condition of total bank assets. In his definition, the economist emphasized the classification of loans based on certain criteria, as well as credit risks. Analyzing the specific aspects of the above-mentioned definitions, we believe that the concept of overdue loan can be defined as follows: First of all, the bank's loan portfolio is the necessary basis for the implementation of the bank's credit operations and is given by the bank. represents the sum of total loans. In its various forms, the late payment or non-payment of the specified debt by the creditor and the abuse of the time factor in this case serve as the object of the issue we are talking about above. Also, since credit operations occupy the main place in the activity of banks, the correct organization of their loan packages is one of the main factors that create an opportunity for efficient and stable operation of banks. Deficiencies in credit operations can lead to a decrease in the income of banks, and in some cases, their bankruptcy. Therefore, monitoring the credit portfolio of banks and its quality is a guarantee of the effective operation of commercial banks. Based on the cases studied above, we believe that it is always relevant to conduct research on ways to improve the efficiency of overdue loans management in commercial banks of our republic.

RESEARCH METHODOLOGY AND EMPIRICAL ANALYSIS

In this study, statistical tables and graphs, analytical comparison, logical and comparative analysis, grouping methods, and research works of foreign and domestic scientists on the subject were widely used. Also, as a theoretical and methodological basis of the article, general economic literature and scientific articles, researches of economists on the issues of effective management of overdue loans in commercial banks, interviews with scientists and representatives of the field, analysis of their written and oral opinions, expert evaluation, monitoring of processes, systematic approach to economic events and processes, comparative analysis with the author's experiences, conclusions, suggestions and recommendations are given in relevant directions. In the process of studying the topic, in addition to



general economic methods, special approaches to data structuring, such as comparison, compilation of theoretical and practical materials, and systematic analysis, were used.

ANALYSIS AND RESULTS

In our opinion, problem credit refers to loans classified as "substandard", "doubtful" and "bad". In its economic essence, non-performing loans are the result of the actual manifestation of credit risks, as it is a consequence of the bank's inability to properly manage credit risks. The concept of "problem credit" is directly related to the category of "credit risks". Therefore, it is appropriate to focus on the economic content of bank credit risks when revealing the nature of problem loans. This serves as a basis for achieving the above goal. The main part of the credit risk arising in commercial banks is inextricably linked with the possibility of a decrease in the demand and production of products in some sectors of the country. In addition to these, the following factors affect the level of bank credit risk: planing level. This is due to the degree of concentration of bank customers in certain sectors or geographical areas, especially sensitive to market changes; - level of formation of banking activity in new, unconventional branches and circles; - the application of new types of services to banking practice in large quantities for a short period of time may result in negative results for the bank due to the low demand for new banking services; - forming a large part of newly attracted customers in the near term; - the fact that most of the credit and other bank contracts are for customers who are experiencing certain difficulties, etc. In the current legislation, it is specified that the bank's loan portfolio should be regularly analyzed and audited, in which, in addition to determining the quality of the loan, the quality of the management of the lending process should be assessed, including the approved credit policy and the procedures for issuing loan documents, the issuance and evaluation of collateral, attention should be paid to the distribution of lending powers, ensuring compliance with legal norms. Loans granted by commercial banks based on the rule No. 242 "Classification of the quality of assets, establishment and use of reserves by commercial banks for possible losses" approved by the management of the Central Bank of the Republic of Uzbekistan on November 9, 1998 classified as "good", "standard", "substandard", "doubtful", "bad" or unreliable loans according to the above criteria. Assets are classified by quality, and reserves against possible losses are established in each reporting period. These reserves are formed from the undistributed profit of the bank in relation to the balance of the credit deposit in that period. It is necessary to form a special reserve in the amount of twenty-five percent of the debt (residual) amount. Asset quality is classified as "questionable" if at least one of the following factors is present: - if there is at least one indicator of "unsatisfactory" assets, as well as some other negative characteristics (readily marketable unavailability of collateral or existence of unsecured assets or bankruptcy of the borrower); - if there is a possibility of partial payment of the asset in the near future; If there is an overdue debt for principal debt and interest for more than 90 days, but not more than 180 days, then this asset is classified as doubtful, and a special reserve of fifty percent of the amount of the outstanding principal debt (residual) should be formed for the assets. If there is arrears of principal and interest for more than 180 days, these assets are classified as "bad". A commercial bank must create a special reserve in the amount of 100% of the outstanding amount of principal debt (residual) for assets



classified as "bad". Also, according to the newly introduced amendments, the Central Bank, analyzing the credit portfolio of commercial banks, may send mandatory instructions to commercial banks regarding the formation of reserves against possible losses on assets. . In addition, according to the new amendments and additions, it was determined that payments for all loans granted by the bank will be paid in installments over the entire term of the loan agreement. This provision serves as a warning sign to prevent the appearance of problem loans in banks. At the same time, according to the amendments, commercial banks introduced a number of innovations in the classification of the quality of their assets. Loans overdue by 10 days are classified as "substandard" and loans overdue by more than 180 days are classified as "bad", according to the new regulation, the principal and interest are unpaid on the contract period and according to the schedule All loans delayed by 180 days are classified as "bad". Today, in our republic, commercial banks' credit facilities are diversified to a certain extent, and the risks associated with the activity of economic sectors in the republic's banking system have formed at a moderate level . In particular, as of January 1, 2021, 50.9% of commercial banks' credit deposits are in industry, 10.7% in transport and communication, 9.3% in individuals, 3.7% in trade and general services, 4, 3 percent is in the agricultural sector and 3.1 percent in the construction sector. Also, in January-March 2022, 5.5 trillion from commercial bank loans and other debt funds. Sums of investments in fixed capital were absorbed and made 115.4% compared to the corresponding period of 2021. The share of investments absorbed at the expense of commercial bank loans and other debt funds in the total investments in fixed capital in the Republic Compared to the indicator in the corresponding period of 2021, it decreased by 1.0% and amounted to 11.0%.

CONCLUSIONS AND DISCUSSIONS

In our opinion, in order to prevent the loans given by the commercial banks of our country from turning into problem loans, we think it is appropriate to make the following suggestions: - a comprehensive approach to the loan application received by the banks, that is, the correct and perfect implementation of initial monitoring. Here, first of all, focus on the client's character, his financial situation, his position among business partners and his experience in this field; - checking the completeness and correctness of the set of documents submitted by the client to the bank during the review of the loan application. It is necessary to analyze the client's financial situation in depth and give an objective assessment by the employee of the credit department; - from the time the loan is granted, to continuously monitor the work performed by the client according to the business plan, the circulation of funds in the account, to take measures to prevent overdue receivables and payables; - to constantly monitor the conditions of maintenance and operation of the property provided as credit security; - if a third-party guaranty contract is presented as credit security, analyze the financial statements of the guarantor once every quarter and study its solvency; - to create more opportunities for the bank's property appraiser when appraising the company's property. In addition, in our opinion, it is necessary to take into account the following factors in the effective management of problem loans in commercial banks:

- to carry out constant, effective monitoring of the quality of bank assets, to strengthen the mechanism for identifying and eliminating problematic situations related to bank assets at the initial stages;



- development of measures aimed at effective risk management by wide diversification of assets, improvement of credit portfolio in banks and making necessary changes to them based on the economic situation;
- on the basis of the decisions made regarding the banking system and the organization of the execution of regulatory documents regulating credit relations, assessment of risks that may arise in the process of lending, study, their analysis, control of the performance of business plan indicators;
- formation of new methods of managing problem loans;
- control of compliance with the terms of the bank's credit policy and lending principles.

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