

## ROLE OF COMMERCIAL BANKS IN THE PROVISION OF FINANCIAL SERVICES IN UZBEKISTAN

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### INTRODUCTION

The article describes and analyzes the role and characteristics of commercial banks in the field of financial services in Uzbekistan. The Fund for Reconstruction and Development of the Republic of Uzbekistan was instructed to open credit lines for issuing loans to business entities by commercial banks within 2 months on the following conditions. A narrow and broad analysis of the types of loans provided by the National Bank for Foreign Economic Affairs to finance the service sector in Uzbekistan, their maturity by type. There are proposals to increase the volume of services provided by commercial banks operating in the country.

**Keywords:** grace period, investment projects, loan amount, loans in the service sector, loan portfolio, short-term loans, long-term loans, volume of loans, preferential loans and their line.

### RESULTS

Reducing the negative impact of the coronavirus pandemic by supporting tourism and related industries, accelerating the recovery of tourism as the sanitary and epidemiological situation in the country improves, as well as in strict accordance with the Law of the Republic of Uzbekistan "On Tourism" and the Decree of the President of the Republic of Uzbekistan dated August 13, 2020 year № PF-5781 "On measures for the further development of tourism in the Republic of Uzbekistan." "Increased sanitary and epidemiological safety." In order to ensure the implementation of the priorities determined by the Decree of the Government of the Republic of Uzbekistan dated June 19, 2020 No. PP-4755 "On additional measures for the development of tourism".

In accordance with clause 11 of the Decree of the President of the Republic of Uzbekistan dated February 3, 2018 "On additional organizational measures to create favorable conditions for the development of the tourism potential of the Republic of Uzbekistan" PF-5326, the Fund for Reconstruction and Development of the Republic of Uzbekistan within 2 months. business entities on the following conditions:

The loan term for the purchase of imported equipment and technologies for hotels and adjacent road, engineering and communication infrastructure is 15 years (grace period is 5 years). The size of the loan allocated to one customer at the expense of the target credit line should not exceed 50% of the project cost;

Loans are issued on the basis of positive decisions of authorized commercial banks on the economic and financial feasibility of an investment project. At the same time, the amount of a loan provided to one borrower is 10 million for one investment project. It must not exceed US dollars.

### DISCUSSION

Based on the above, the National Bank of the Republic of Uzbekistan and the Fund for Reconstruction and Development of the Republic of Uzbekistan signed an agreement on the provision of concessional loans to businesses in the amount of US \$ 10 million.

In this regard, business entities can apply to the National Bank of the Republic of Uzbekistan for a loan in accordance with the established procedure, taking into account the grace period. As of January 1, 2020, the total assets of the National Bank of Uzbekistan amounted to 66.6 trillion. Sumov. soums, loan portfolio 55.0 trillion. soums. The bank's capital adequacy was 31.5% (the minimum requirement of the Central Bank of Uzbekistan is 13%).

The COVID-19 coronavirus pandemic in the second quarter of 2020 led to a crisis in the global economy, significant fluctuations in exchange rates and instability in international stock and commodity markets.

Despite all the negative fluctuations in the global economy, as of April 1, 2020, the bank's total assets amounted to 69.8 trillion. Sumov. soums, which is 3.2 trillion. soums more than at the beginning of the year. soums or 105%. The loan portfolio is 56.2 trillion. 1.3 trillion soums compared to the beginning of the year. soums or 103%. The bank's capital adequacy was also 31%.

Enactment of the Decree of the President of the Republic of Uzbekistan dated March 19, 2020 PF-5969 "On priority measures to mitigate the negative impact of the coronavirus pandemic and the global crisis on the economy", instructions from the Central Bank. Uzbekistan In order to strengthen the bank decided to extend the maturity of loans by 2.8 trillion. soums (4% of the total assets of the bank).

The terms of repayment of all loans issued by the Bank to individuals have been extended taking into account the quarantine period without the need for additional documents. At the same time, all penalties for late payment of interest have been canceled.

The National Bank of Uzbekistan (NBU) conducted stress tests on several scenarios of the global crisis associated with the COVID-19 coronavirus pandemic, predicting a decrease in deposits and an increase in problem loans.

The test results for all scenarios showed that the bank has sufficient liquidity to meet the requirements of the regulator (Central Bank of the Republic of Uzbekistan) and timely fulfill its obligations to depositors and foreign creditors.

Table-1. Distribution of the loan by maturity

Credit term Branches of the national economy	2020 II quarter	2020 III quarter	Growth rate,%
Industry	38 230 199,65	35 896 199,65	106,50
Agriculture	579 178,00	568 178,00	101,94
Retraining	141 000,00	135 000,00	104,44
Transport and communications	48 000,00	40 000,00	120
Building	5 340 168,19	5 050 168,19	105,74
Trade and catering	4 239 191,32	4 234 191,32	100,12
Household services to the population	156 248,00	111 248,00	140,45
Other sectors	4 209 049,38	4 215 886,54	99,84
Total: short-term	52 943 034,54	50 250 871,70	105,36
Industry	245 965 700,02	254 978 744,02	96,47
Agriculture	37 403 106,52	37 403 106,52	100
Retraining	5 940 112,94	5 660 502,45	104,94
Transport and communications	18 321 258,41	14 262 250,39	128,46
Building	26 555 400,11	26 197 487,11	101,37
Trade and catering	13 125 678,71	20 895 384,90	62,82
Housing and communal services	2 146 719,36	2 146 719,36	100
Household services to the population	91 600,10	91 464,10	100,15
Other networks	154 077 663,52	154 077 663,52	100
Total: long-term	503 627 239,69	515 713 322,37	97,66
Industry	284 195 899,67	290 874 943,67	97,70
Agriculture	37 982 284,52	37 971 284,52	100,03
Retraining	6 081 112,94	5 795 502,45	104,93
Transport and communications	18 369 258,41	14 302 250,39	128,44
Building	31 895 568,30	31 247 655,30	102,07
Trade and catering	17 364 870,03	25 129 576,22	69,10
Housing and communal services	2 146 719,36	2 146 719,36	100
Household services to the population	247 848,10	202 712,10	122,27
Other networks	158 286 712,90	158 293 550,06	99,99
Total: all loans	556 570 274,23	565 964 194,07	98,34

Based on the above table, the analysis of loans provided by the National Bank for Foreign Economic Activity in the service sector was as follows.

Table-2. Loans for services  
(Short-term loans)

Services sector	2020 II quarter		2020 III quarter		Growth rate,%	
	thousand soums	%	thousand soums	%	thousand soums	%
Retraining	141 000,00	3,07	135 000,00	2,99	6 000	-0,089
Transport and communications	48 000,00	1,05	40 000,00	0,88	8 000	-0,16
Trade and catering	4 239 191,32	92,47	4 234 191,32	93,67	5 000	1,198
Household services to the population	156 248,00	3,41	111 248,00	2,46	45 000	-0,95
Total	4 584 439,32	100	4 520 439,32	100	64 000	0

The structure of short-term loans provided by the National Bank to foreign economic activity in the service sector has changed as follows.

In 2020, the Bank will increase its share in the retraining sector by 141,000.0 million soums with a total share of 3.07%, in transport and communications by 48,000.0 million soums, in trade (public catering) and public catering - by 4,239,191.32. RS. The share of short-term loans in the service sector amounted to 156,248.0 ms. The total share was 3.41%. As a result, the total volume of short-term loans issued by the National Bank for Foreign Economic Activity in the II quarter of 2020 amounted to 4,584,439.32 ms. was equal.

In the first quarter of 2020, the structure of short-term loans provided by the National Bank for Foreign Economic Activity in the service sector changed as follows.

In 2020, the Bank will increase its share in the retraining sector by 135,000.0 million soums with a total share of 2.99%, in the transport and communications sector by 400,000.0 million soums, in trade and public catering by 4,239,191. , 32 ms. ... The share of short-term loans in the provision of public services increased by 93.67% to 111248.0 ms. The share of the total was 2.46%. As a result, the total volume of short-term loans issued by the National Bank for Foreign Economic Activity in the II quarter of 2020 amounted to 4,520,439.32 ms. was equal. As a result, the largest loan amount was provided to the commercial sector (public catering) and the public catering sector - about 92-93%.

Table-3. Loans for services (Long term loans)

Services sector	2020 II quarter		2020 III quarter		Growth rate,%	
	thousand soums	%	thousand soums	%	thousand soums	%
Retraining	5 940 112,94	14,99	5 660 502,45	13,15	279 610,49	1,84
Transport and communications	18321 258,41	46,24	14 262 250,39	33,12	4 059 008,02	13,11
Trade and catering	13125 678,71	33,12	20 895 384,90	48,53	-7 769 706,19	-15,41
Services sector	2 146 719,36	5,42	2 146 719,36	4,99	0,00	0,43
Housing and communal services	91 600,10	0,23	91 464,10	0,21	136,00	0,02
Household services to the population	39625 369,52	100	43 056 321,20	100	-3 430 951,68	0



The structure of long-term loans provided by the National Bank to foreign economic activity and services has changed as follows.

In 2020, the Bank's share in the retraining sector will increase by 5,940,112.94 million soums, with a total share of 14.99%, in transport and communications - by 18,321,258.41 million soums, and in trade and household - by 46.24%. 13 125 678.71 ms to the total feeding area. The share of short-term loans in the housing and utilities sector increased by 33.12%, in the housing and utilities sector - by 2,146,719.36 ms, and in the service sector - by 91,400.10 ms. The total share was 0.23%.

В результате общий объем краткосрочных кредитов, выданных «Национальный банк» внешнеэкономической деятельности во II квартале 2020 года, составил 39 625 369,52 ms. был равен.

The structure of long-term loans provided by the National Bank to foreign economic activity and services has changed as follows.

In 2020, the Bank's share in the retraining sector will grow by 5,660,502.45 million soums with a total share of 13.15%, in the transport and communications sector - by 14,262,250.39 million soums, and in the trade and household sector - by 33.12%. general food area. The share of short-term loans in the housing and communal services sector increased by 48.53%, the share of housing and communal services - by 2146,719.36 ms, and the share of short-term loans in the field of utilities - by 91464.10 ms. ... The share of the total was 0.21%.

As a result, the total volume of short-term loans issued by the National Bank for foreign economic activity in the second quarter of 2020 amounted to 43,056,321.20 ms. was equal. As a result, the largest amount of loans was allocated for trade (household) and public catering - about 33-48%.

From the data presented, it can be determined that short-term loans provided by commercial banks in the field of retraining, transport and communications, consumer services, amounted to about 1-3%, and the volume of long-term loans allocated for housing construction. utilities and household services - about 0.2-5%.

## CONCLUSION

In the process of analyzing this data, the following conclusion is made. To increase the volume of services provided by commercial banks in the country, I am making the following proposals:

1. Development and organization of a line of concessional loans for the development of services by commercial banks.
2. Distribution of commercial banks by region to finance the service sector in the country and development of a system of measures required in the context of the current pandemic.
3. Simplify the process of issuing concessional loans.

## REFERENCES

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