

WAYS TO INCREASE THE CAPITAL PROCESSES OF COMMERCIAL BANKS

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Since 2017, the deepening of reforms in the banking system and increasing its effectiveness have been considered one of the priorities of the policy pursued by our government. This Is Done By Our President Sh.Mirziyoev. It can be seen in a number of decrees and resolutions adopted by Sh.Mirziyoev. As a result, a number of measures were taken during the consistent reform of the financial sector, resulting in the creation of the necessary legal conditions for conducting advanced banking business and creating a competitive environment in this sector.

However, the analysis of the current situation in the banking industry shows that there are a number of systemic problems such as high level intervention of the state in the banking sector, inadequate quality of management and Risk Management in the banks with the participation of the state, low level of financial intermediation in the economy which hinders the development of the banking. Among these problems, we can also include the fact that the banking system of Uzbekistan is low in capital, foreign experience in increasing the capital level of the banking system has not been sufficiently studied. In Particular, The President Of The Republic Of Uzbekistan Sh. In the decree of Mirziyoyev № PF-5992 "on the strategy of reforming the banking system of the Republic of Uzbekistan for 2020-2025" dated May 12, 2020, these problems were addressed and listed below.

During the independence period of our country, banks were established for specific purposes and tasks, actively involved in financing state-owned enterprises and state development programs at preferential interest rates. As a result, the share of preferential loans in the overall portfolio of the banking system is more than 60 percent.

In the banking sector, the state occupies a dominant position – there are 32 banks with state participation in the capital of 13 banks, the capital of which is more than 87 percent of the total capital of the banking system, and its assets are more than 85 percent of the total assets.

A lot of scientific work has been carried out by local scientists aimed at increasing the importance of bank capital. In particular, Z. Abdullaeva and A. The omonovs described the economic content of the bank's capital as follows: "the capital of commercial banks is a stable source and is a specific means of protection that allows the bank to compensate for unexpected losses during the operation process." Bank capital as a complex category plays an important role in banking activities. After all, it is the initial financial basis of banking activities and is subsequently the source of its development, stability and security.

Table-1
Capital allocation according to the form of ownership of commercial banks of Uzbekistan

| Indicators | 01.01.2017 | 01.01.2018 | 01.01.2019 | 01.01.2020 | differences between years (%) (2020/2017) |
|--|------------|------------|------------|------------|---|
| Total capital of the banking system | 8460,1 | 19992,8 | 24231,1 | 52466,8 | 520,17 ф.п. |
| The state has a share capital of banks | 6573,0 | 16915,0 | 21743,0 | 44267,0 | 573,47 ф.п. |
| Capital of banks without a state share | 1887,1 | 3077,8 | 2488,1 | 8199,8 | 334,52 ф.п. |

As can be seen from the table data, the level of capital of commercial banks operating in our country from 2017 to 2020 is increasing sharply. In particular, the total capital volume for January 1, 2017 is 8490.1, so if m is, then by 2020 year 52466.8. The capital of the banks, which has a state share in this total capital structure, is 6573.0 thousand in January 1, 2017 so if m is, 2020 year to the state of 1 January 44267,0 mlrd.so ' m been.

If we pay attention to the increase in the level of capital of the banking system, the total capital in 2020 increased by 520.17 percent compared to 2017 year. That's share of state-owned banks 'capital increased by 573.47 percent during this period, while the share of state-owned non-owned banks' capital increased by 334.52 percent. As can be seen, the share of the state has increased greater than the capital of existing banks.

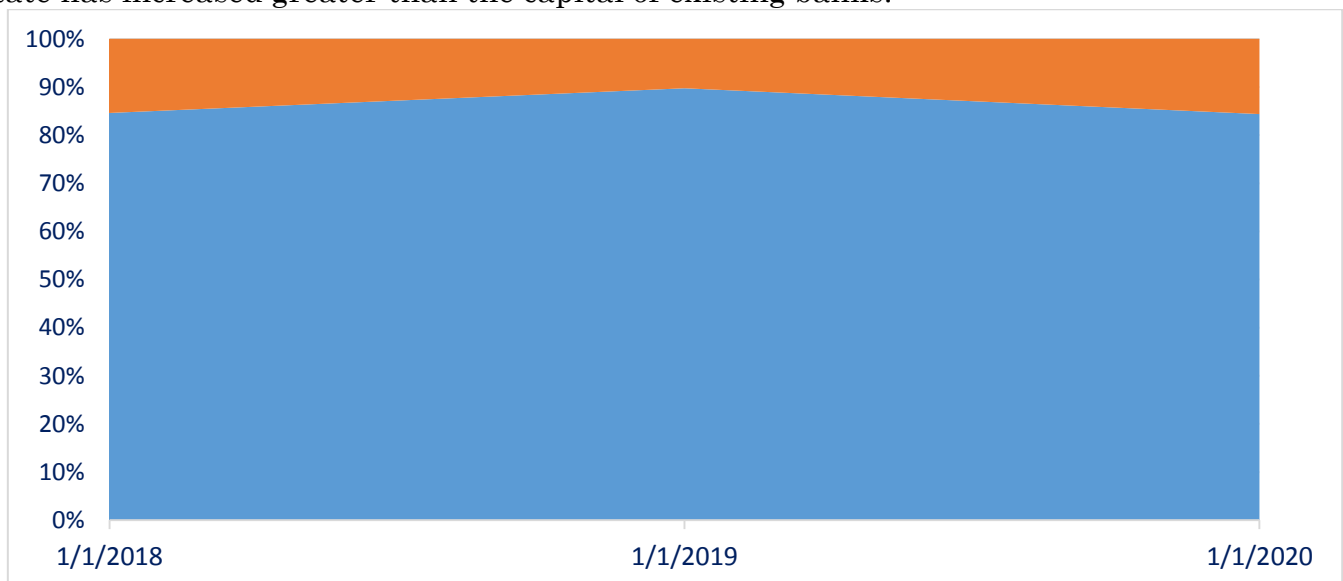


Fig-1 Bank capital structure

As can be seen from the above picture data, the banking system in our country is mostly higher than the state share. In particular, the share of state-owned banks in the total banking capital in 2017 year was about 78 percent, while currently it is above 80 percent. The highest point of this trend, observed in 2018 year, is that the share of banks in the total capital of the state was 87 percent.

In conclusion, we can say that the banking system as one of the main reasons for the sharp increase in the level of capital is the liberalization of foreign exchange policy in 2017 year. In particular, on September 5, 2017, the rate of the national currency devaluated by 94 percent compared to the US dollar, and the size of the devaluation Reserve in the structure of the bank system capital sharply increased to the account of the bank system capital.

The high state share of capital in the banking system and the accumulation of capital in the hands of large banks lead to lagging behind in the transformation processes in accordance with the modern requirements of the network, to the implementation of modern methods of asset and passive management.

In our opinion, it is desirable to reduce the share of the state in the banking sector by introducing state-of-the-art standards, information technologies and software products in the banking industry, to sell the state-of-the-art stock package to investors with the necessary experience and knowledge on the basis of competitive trading, as well as to simultaneously Reform Commercial Banks Also, based on the experience of developed countries, it is possible to ensure a competitive environment in the banking sector by creating equal conditions for the performance of banks, regardless of the presence of a state share in the capital of some banks.