

**THE ROLE OF CONSUMER LENDING IN THE ACTIVITY OF  
COMMERCIAL BANKS IN THE REPUBLIC OF UZBEKISTAN.**

**Yuldasheva Umida Bakhrom kizi**

2nd year student, group 208, Faculty of Economics at the National Research University "Tashkent Institute of Irrigation and Agricultural Mechanization Engineers"

**Annotation:** The article analyzes the importance of consumer lending in the banking sector, the state of development of this type of activity, and at the end of the article the author offers suggestions and recommendations for its further development. Also analyzes the opinions expressed in research conducted on this topic and refers to research conducted by researchers in the field of consumer credit development.

**Key words:** *consumer credit, credit history, solvency, credit conveyor, loan portfolio.*

**Annotatsiya:** Ushbu maqolada iste'mol kreditlarining bank faoliyatigadgi ahamiyati, mazkur faoliyat turining rivojlanish holati tahlil qilingan bo'lib, maqola so'ngida uni yanada rivojlantirish bo'yicha muallif tomonidan taklif va tavsiyalar berilgan. Shuningdek, mavzu doirasida olib borilgan tadqiqotlarda keltirilgan fikr mulohazalar tahlil qilinib, iste'mol kreditlarini rivojlantirish doirasida tadqiqotchilar tomonidan olib borilgan tadqiqot ishlariga murojaat qilingan.

**Kalit so'zlar:** *iste'mol krediti, kredit tarixi, to'lov qobiliyati, kredit konveer, kredit portfeli*

**Аннотация:** В статье анализируется значение потребительского кредитования в банковской сфере, состояние развития этого вида деятельности, а в конце статьи автор предлагает предложения и рекомендации по его дальнейшему развитию. Также анализирует мнения, выраженные в исследовании, проведенном по этой теме, и ссылается на исследования, проведенные исследователями в области развития потребительских кредитов.

**Ключевые слова:** *потребительский кредит, кредитная история, платежеспособность, кредитный конвейер, ссудный портфель.*

## **INTRODUCTION**

The current stage of the development of the banking system of Uzbekistan is the bank business development processes in separate structures is significant with reinforcement. It is known for the specialized banking services of the widely demanded banking service segments Despite the advantages of universal banks, the scope of special services attempts to expand are increasing. Specialized credit organizations in these segments with the nature of attraction they have to perform a limited range of operations and do so with high quality and perform on the basis of a slightly lower risk of banking activity. Increasing the resource base of commercial banks of the Republic of Uzbekistan strengthening allows to increase the amount of their assets and loans. Moreover, the liquidity and solvency of banks are at the level of demand, which also serves to expand their crediting opportunities.

### **ANALYSIS OF LITERATURE ON THE SUBJECT**

The practice of providing consumer loans by economists is deep and varied comprehensively researched and appropriate scientific conclusions were formed.

According to Keynes, commercial banks give low interest rates loans allow to increase the volume of general demand and personal consumption [5].

According to Blanchard (2010), a well-known American economist, consumption financing process through financial incentives from the state should be encouraged [6].

As can be seen from the above-mentioned opinions of well-known economists, loans of commercial banks and state finance in stimulating consumption support is important.

According to Lavrushin (2008), banks provide consumer loans to improve the practice, it is necessary to solve the following problems:

- reliable information about the credit history of future borrowers non-availability of information;
- the system for evaluating the creditworthiness of consumer loan borrowers failure to improve;
- insufficient supply of consumer loans [7].

### **ANALYSIS AND RESULTS**

In the future, the real estate of the banking services segment allocated for the purchase of residential buildings based on the supply the demand for consumer credit lending is increasing significantly. Here the question arises, how important is this banking service, the emergence of special consumer lending institutions can it cause the need to be? If possible, what should these institutions look like? [1]

The increase in the income level of the population in our republic, commerce the strengthening of the resource base of banks and the interest of loans decreasing rates from consumer loans of commercial banks of the population allows to increase the level of use. Consumer loans related to the purchase of household appliances and education its size is increasing from year to year [2].

Along with the positive aspects mentioned above, providing consumer loans the existence of some problems related to the improvement of practice being observed. One such problem is by some commercial banks is that the price of consumer loans is relatively high.

Currently, giving consumer loans to the population in Uzbekistan the number of credit organizations implementing the procedure from day to day is increasing. Usually, the time to choose housing is limited.

In recent years, commercial banks of Uzbekistan to individuals consumer loans, despite the increase in the type of intended credit products is the most popular loan product (Table 1).

**Table 1**

**Lending activities of commercial banks of Uzbekistan to individuals indicators [3, 4]**

No.	Indicators	2016	2017	2018	2019
	Total loan portfolio	52603.1	110566.2	167287.8	210029.0
	Allocated credits	27562.4	49540.5	100658.2	140762.4
	To individuals	4698.7	6082.0	15390.1	26477.8
	Of this, mortgage loans	1856.7	2628.8	4557.2	7977.4
	Consumer loans	67.4	97.2	8102.8	11108.5

It can be seen from the table that in 2018, the total amount was 15.4 trillion. to soum 26.5 trillion. reached soums. However, this In 2018, the share of consumer loans in allocated loans was 52.6%, while in 2019, this indicator decreased to 42.0%. This is in the market offer new types of credit products such as overdraft, microloan, credit card is explained by the fact that it has begun to mature.

**Table 2**

**Consumer loans allocated by commercial banks of Uzbekistan in 2019 structural analysis [3, 4]**

No.	Types of consumer loans	Value, billion	Share of soums, %
1.	Purchase of vehicles for	5065.4	45.6



2.	For furniture and interior items	268.5	2.4
3.	For household appliances	2419.6	21.8
4.	For medical services	7.7	0.1
5.	Educational loans	157.6	1.4
6.	Overdraft loans	473.1	4.3
7.	When repairing a residence for used goods	259.2	2.3
8.	Other types of consumption loans	2457.4	22.1
	Total	11108.5	100.0

As a result of the activation of auto loans in the composition of consumer loans in recent years their share has increased significantly. In particular, the consumption allocated in 2019 the share of loans was 45.6 percent. Also household appliances the volume of loans allocated for products is part of total consumer loans gained the main importance, its share was 21.8 percent.

The debtor is one of the problems in the development of consumer credit the property pledged in case of violation of consumer credit terms the mechanism of transfer of rights to the creditor has not yet been fully developed.

Consumer loans, as mentioned above, are several lending facilities given for shopping. Therefore, the composition of consumer loans and analysis of changes in its dynamics is important. A large-scale bank provided by the bank to individuals products and services of consumer loans of the retail business line is the direction with the highest demand.

This segment is growing as the income and lifestyle of the population increases is directly related. Individuals can repair housing from any branch of the bank, purchase of furniture, motor vehicle, household appliances, medical treatment, vacation expenses use of consumer loans for payment and many other purposes possible.

### **CONCLUSIONS AND SUGGESTIONS**

This article is about the development of consumer loans in commercial banks as a result of the analysis, the following proposals and recommendations were developed:

1. Internal credit control system in banks during the lending process improvement. Commercial banks provide consumer credit to consumers should develop its main evaluation system. Giving credit in this in the process, it is necessary to form the loan documents completely and correctly. Customer's loan on

time and with interest on the loans given through accurate evaluation of the ability will be returned. This leads to an increase in the income of commercial banks.

2. Development of consumer loans of commercial banks through advertising. Consumer credit offered to consumers by commercial banks complete information about types, interest rates and their conditions and facilities that ads help in delivering and finding loyal customers possible.

3. Development of consumer credit in commercial banks of the republic's regions. That is, in addition to consumer credit, which is convenient for consumers other types should be developed. In addition, preferential consumer credit for all segments of the population it is necessary to develop giving.

This is as a result of the implementation of the proposals listed above development of consumer lending in commercial banks, and ultimately their helps to increase the efficiency of the activity.

#### REFERENCES:

1. Алпатова Э.С., Валиева Л.М. Оценка эффективности потребительского кредитования в региональном коммерческом банке (по данным ООО «КАМКОМБАНК») и совершенствование механизма его организации // Научное обозрение. Экономические науки. 2016. № 2. С. 12–19.
2. Шагазатов О “Истъмол кредитининг ривожланиш омиллари” // Бозор, Пул ва Кредит журнали. –Т.: 2006. -№7. -6 -б.
3. Статистик бюлтенъ, Ўзбекистон Республикаси марказий банки, 2018 йил
4. Статистик бюлтенъ, Ўзбекистон Республикаси марказий банки, 2019 йил
5. Кейнс Дж.М. Общая теория занятости, процента и денег. – Пер. с англ. – М.: Гелиос АРВ, 2012. - С. 98-99.
6. Бланшар О. Макроэкономика. Пер. с англ. – М ВШЭ, 2010. – С. 92-101.
7. Лаврушин О.И. Банковское дело. – М.: КНОРУС, 2008. – С. 474.