

**ANALYSIS AND EVALUATION OF THE USE OF BANK CAPITAL ON  
THE EXAMPLE OF THE SAMARKAND BRANCH OF "IPOTEKA-  
BANK"**

**Ganieva Feruza Samievna\***; **Turaeva Malika Khikmatovna\*\***;  
**Rakhmatova Saodat Saidaliyevna\*\*\***

\*Associate Professor,  
Samarkand State Institute of Architecture and Civil Engineering,  
Samarkand, UZBEKISTAN

\*\*Teacher,  
Samarkand State Institute of Architecture and Civil Engineering,  
Samarkand, UZBEKISTAN

\*\*\*Master,  
Samarkand State Institute of Architecture and Civil Engineering,  
Samarkand, UZBEKISTAN

**DOI: 10.5958/2249-7307.2022.00039.1**

---

**ABSTRACT**

*In the conditions of market relations in Uzbekistan, the priority is the task of further improving banking, stimulating the attraction of free funds of the population and business entities for deposits in commercial banks.*

**KEY WORDS:** *Analysis, Economic Evaluation, Bank, Banking Capital, Demand, Supply, Mortgage Lending, Quality Of Services, Development, Deposit And More.*

---

**INTRODUCTION**

In the conditions of market relations in Uzbekistan, the priority is the task of further improving banking, stimulating the attraction of free funds of the population and business entities for deposits in commercial banks. The activities of banks are aimed at achieving sustainable long-term growth and development rates, at increasing investment attractiveness, liquidity and stability, improving the main indicators of financial institutions and bringing them to the level of international standards.

By the Decree of the President of the Republic of Uzbekistan "On the Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025", in the course of consistent reform of the financial sector, a number of measures have been implemented, as a result of which the necessary legal conditions have been created for conducting a progressive banking business and strengthening the competitive environment in the sector.

In particular, updated laws of the Republic of Uzbekistan "On the Central Bank of the Republic of Uzbekistan", "On Banks and Banking", "On Currency Regulation" and "On Payments and Payment Systems" were adopted, which comply with international standards and create an attractive legal environment for foreign investment in financial area. At the same time, an analysis of the current situation in the banking sector shows the presence of a number of systemic problems that hinder the development of the banking sector in accordance with economic transformations and the needs of society, such as a high share of state presence in the banking sector, insufficient quality of management and risk management

in banks with state participation, low level of financial intermediation in the economy.

It is necessary to take additional measures to increase the availability of financial services, expand the presence of banks in the regions and ensure a single range of services in all settlements. It is necessary to accelerate the adoption of measures for the widespread introduction of information technologies in the banking system based on modern service solutions, financial technologies, ensuring information security at the proper level, as well as reducing the impact of the human factor in the provision of financial services.

Consequently, the goal of any credit policy, as a rule, is: to provide high returns to shareholders from long-term investments; maintaining liquidity; risk diversification; ensuring the unity of policies and procedures, compliance with laws and regulations, meeting the needs of the region for loans.

Let's analyze and evaluate the use of bank capital, including the study of indicators characterizing: the structure and quality of the bank's assets; the structure of own and borrowed funds; execution of the cash plan and the work of cash desks; financial results of the bank's activities; economic standards established by the Central Bank of the Republic of Uzbekistan.

**TABLE 1 STRUCTURE AND QUALITY OF ASSETS OF THE SAMARKAND BRANCH OF "IPOTEKA-BANK", MILLION SOUMS**

The name of indicators	At the beginning of 2021	End of 2021	Difference
1. Checkout	173534,733	239822,602	66287,869
2. Corr. account at the Central Bank	891601,924	21243,033	-870358,891
3. State. short-term bonds (GKO)	0	0	0
4. Liquid assets	2033434,600	1832747,134	-200687,466
5. Short-term loans	3095805,225	5458530,555	2362725,330
6. Medium and long-term loans and investments	5453839,234	8194800,329	2740961,095
7. Non-performing loans	0	0	0
8. Total loan investment	8549644,459	13653330,884	5103686,425
9. Fixed assets	186817,196	407514,643	220697,448
10. Other assets (corresponding accounts in other banks, regulated fund, housing mortgage, etc.)	1285980,006	2130845,114	844865,108
11. Total assets	11087578,318	16452756,277	5365177,959

12. Total income generating assets	8549644,459	13653330,884	5103686,425
13. Total non-earning assets	2537933,859	2799425,393	261491,534
14. The share of liquid funds in the asset (the norm is more than 20%)	0,18	0,11	-0,07
15. The share of income-generating assets (the norm is more than 60%)	0,77	0,83	0,06
16. The share of assets that do not generate income (the norm is less than 35%)	0,23	0,17	-0,06

**Note:** *the data in the table is conditional*

Balance sheet according to the indicators of Table 1 Samarkand branch of "Ipoteka-bank" at the end of the analyzed period amounted to 16,452.8 million soums. For 12 months of the analyzed year, the balance sheet increased by 5,365.2 million soums, i.e. by 48% of the value at the beginning of the year 11,087.6 million soums, which deserves a positive assessment. Of the total assets of Ipoteka-bank, 13,653.3 million soums, i.e. 83% generate income and this figure is higher than the norm, which deserves a positive assessment. And the rest of the assets in the amount of 2,799.4 million soums (17%) does not generate income (Table 1).

Credit investments are directed to meet the needs of the population in housing loans, lending to enterprises and organizations under the state housing construction program, taking into account the diversification of the loan portfolio as part of the bank's liquidity support. Diversification of the loan portfolio is carried out mainly by increasing its size in order to reduce the degree of risk, ensure repayment and obtain the maximum possible return on invested funds.

The bank lends to its customers to keep them in working condition and further growth. To cover its costs and based on market conditions, to maintain its stable position, strengthen and develop the material and technical condition, the bank selectively sets a loan fee.

Credit investments of the Samarkand branch of Ipoteka-bank (Table 1) amount to 13,653.3 million soums. Compared to the beginning of the year, credit investments in the whole bank increased by 5,103.7 million soums. and at the end of the year, their structure is as follows: short-term loans - 5,458.5 million soums (40%); medium-term, long-term loans and investments - 8,194.8 million soums (60%); overdue loans - 0.

In general, in the Samarkand branch of the bank, the average interest rate on loans was 24% per annum, including in the context of economic sectors: for transport and telecommunications - 22%; agriculture - 14%; construction – 14%; in other industries - 26%.

Net assets that do not generate income increased from 2,537.9 to 2,799.4 million soums over the year. (Table 1), that is, by 261.5 million soums. (by 10.3%).

Net assets that do not generate income consist of: a correspondent account with the Central Bank - 21.2 million soums; cash on hand - 239.8 million soums; other assets - 2 130.8 million soums.

Easily realizable funds (assets) of the bank, which do not generate income in the form of interest and allow uninterrupted payments on current and credit obligations, are called liquid assets. These include: short-term government securities, shares and bonds of large companies, current accounts, and cash.

The amount of liquid assets of the Samarkand branch of "Ipoteka-Bank" for the year decreased from 2,033.4 million soums at the beginning of the year to 1,832.7 million soums. by the end of the year, that is, by 200.7 million soums. (Table 1). The share of liquid assets in the total assets, which at the beginning of the analyzed year was 18%, decreased to 11%, which means a deterioration in the mobility of the bank's assets, that is, the degree of compliance of the assets with the bank's liabilities in terms of volume and timing. In other words, the bank's ability to ensure the timely fulfillment of its obligations has decreased. The proportion of problem assets is high and amounts to only 0.74%, which deserves a positive assessment. The bank has no overdue loans.

**TABLE2 THE STRUCTURE OF OWN AND BORROWED FUNDS LIABILITIES OF THE SAMARKAND BRANCH OF "IPOTEKA-BANK" (MLN)**

The name of indicators	At the beginning of 2021	End of 2021	Difference
	3 214 757,487	4 230 936,264	1 016 178,777
Demand deposits	1 598 972,976	1 440 093,281	-158 879,695
Savings and term deposits	667 430,878	760 928,271	93 497,393
Government accounts	371 298,549	1 507 694,838	1 136 396,288
Other liabilities	909 699,575	1 234 771,939	325 072,364
Capital	11 087 578,318	16 452 756,277	5 365 177,959
Total liabilities and equity	92 %	92%	0,00
Share of deposits in liabilities	8%	8%	-0,01

**Note:** *the data in the table is conditional*

As of the end of the analyzed year, the liabilities of the Samarkand branch of Ipoteka-Bank, that is, the sum of all liabilities and capital, amounted to 16,452.756 million soums, including (Table 2): own funds - 1,234.772 million soums; attracted funds in the form of deposits - 4,230.936 million soums; budgetary funds - 760, 928 million soums; other liabilities - 1,507.694 million soums.

The share of capital (equity) in liabilities as of the reporting date was 8%, which is insufficient in relation to the Central Bank's standard (the standard is more than 10%). Customers' demand deposits increased from UZS 3,214,757.487 to UZS 4,230,936.264 thousand, i.e. by UZS 1,016,178.777 thousand. Savings and time deposits also decreased from 1,598,972.976 to 1,440,093.281 thousand rubles. UZS, that is, by 158,879.695 thousand sums. The predominant share in the total amount of resources available to the Samarkand branch of the bank is borrowed funds - 92%. This indicator has not changed since the

beginning of the analyzed year, which indicates a stable deposit base and a policy to attract new customers.

**TABLE 3 EXECUTION OF THE CASH PLAN AND THE WORK OF SAVINGS BANKS, REFERENCE INDICATORS**

The name of indicators	For the beginning of the year	At the end of the year	Difference
Number of employees (persons)	135	138	3
Profit per employee	1 982,084	1 446,818	- 535,266
(million soums)	14 674,714	19 799,253	5 124,539
Cost per employee	14	14	0
(million soums)	2 012 260,510	2 108 944,328	96 683,818
The number of savings and	1 458 000,000	2 325 000,000	867 000,000

**Note:** *the data in the table is conditional*

At the end of the analyzed year, the balance of funds, taking into account the amount of indexed accounts at the box office, amounted to 2,108,944.328 million soums. Compared to the beginning of the year, it increased by 96,683.818 thousand sums. The number of cash registers did not change during the year. From the population, utility bills in the amount of 2,325,000 thousand soums were collected.

**TABLE 4 PROFITABILITY INDICATORS OF THE SAMARKAND BRANCH OF "IPOTEKA-BANK" (MLN. UZS)**

The name of indicators	At the beginning of 2021	End of 2021	Difference per year
1. Income	2 248 667,777	2 931 957,829	683 290,052
2. Costs	1 981 086,398	2 732 296,900	751 210,502
3. Profit	267 581,379	199 660,929	- 67 920,450
4. Profitability (%)	12	7	- 5
5. Number of clients	958	1 112	154

**Note:** *the data in the table is conditional*

According to Table 4, the bank's income for the year under review amounted to 2,932 million soums, which is 683 million soums higher than at the beginning of the year.

The bank's expenses also increased from 1,981 to 2,732 million soums.

The bank's profit for the analyzed year amounted to 199.660 million soums, which is 67.920 million soums. Less than at the beginning of the year. Accordingly, the profitability index

decreased from 12% to 7%.

Main items of expenses: expenses on customer deposits - 59,973.738 thousand UZS; salary expenses - 616 464.139 thousand soums; insurance and taxes - 109,045.508 thousand soums; administrative expenses - 54 101.482 thousand soums; charity - 59 215 thousand. Sum. The performance of the bank is as follows: profit per employee decreased from 1,982 million soums to 1,447 million soums. Expenses per employee for the analyzed year increased from 14,675 million soums. Up to 19 799 mln.

## **CONCLUSION**

The Samarkand branch of "Ipoteka-Bank" provides a wide range of banking services with a specialization in mortgage lending for housing construction. This specialization is carried out on the basis of credit lines opened for this bank by the Mortgage Lending Support Fund specially created in the Republic of Uzbekistan. The loan is granted against the security of housing under construction together with the land plot on which it is located, for a period of at least 15 years with a three-year grace period at an interest rate of not more than 5 percent per annum and a mandatory down payment of the developer - no more than 20%. Loans to individuals are represented by the following loan products: mortgage loans, consumer loans and others. The vast majority of loans - 87% - is mortgage lending, which corresponds to the status of the analyzed bank - "Ipoteka-Bank".

## **REFERENCES:**

1. Mirziyoev Sh.M. „Erkinvafarovon, democratic Uzbekiston davlatinibirgalikdabarpoetamiz”, Toshkent., 2017
2. Decree of the President of the Republic of Uzbekistan “On the strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025” dated May 12, 2020 No. UP-5992 May 12, 2020