
EFFECTIVE ASSET MANAGEMENT IN COMMERCIAL BANKS

SHAROFIDDIN BAKHRIDDINOV

Abstract

Keywords: *commercial banks, bank assets, loan portfolio, asset quality, problem assets, asset classification.*

This article examines the issues of improving the quality of assets of commercial banks and reducing the share of problem loans in the loan portfolio. At the same time, econometric modeling of effective asset management was carried out.

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INTRODUCTION

It is impossible to imagine the effective functioning of the digital economy system and the formation of the necessary infrastructure without the development of credit relations. Ensuring domestic price stability in the country is a guarantee of macroeconomic and social stability and is a necessary condition for the successful implementation of economic reforms and development programs. In this case, low and stable indicators of inflation are considered an important factor for ensuring balanced economic growth, production competitiveness and raising the standard of living of the population. In this context, the reduction and stabilization of price growth rates should be one of the main goals of the state economic policy.

The amount of loans allocated by commercial banks to the real sector of the economy is increasing year by year. Therefore, one of the main tasks facing commercial banks is to effectively allocate credit resources and ensure their timely repayment. In this case, the credit policy drawn up by each commercial bank and its comprehensive structure serve to ensure the bank's stability in crisis conditions.

This effect, in turn, firstly, is invisible in carrying out the deposit policy for the implementation of the credit policy, and secondly, in the deployment of the resources collected by the bank to economic entities and networks. In order to implement the credit policy, it is possible to attract the temporarily idle funds of legal entities and individuals to the bank, to reduce the emission of money, and in this way to reduce the mass of money in circulation.

In our opinion, the correct management of the credit policy can also prevent the outflow of money in excess of what is required for circulation. Failure of the credit system to have a stable and perfect credit policy can lead to the release of unsecured money in circulation, which in turn can have a negative effect on money circulation. In this regard, the development of a deep credit policy by banks will be of great importance in ensuring the stability of the country's monetary and credit system.

LITERATURE ANALYSIS

If we talk about the essence of asset management in banking, this concept emerged in the 60s of the last century in the USA and primarily involves managing the level of risk associated with changes in the interest rate. Until this period, some instruments of asset management have been used in commercial banks. However, with the increase in market intensity, maintaining a high level of income and risk has created the need for banks to manage both sides of the balance sheet together.

Asset management is an instrument of protection of the funds attracted by the commercial bank in the form of deposits and loans during various economic cycles and seasonal changes, as well as a tool for forming an asset portfolio. The main essence of asset management is that it combines separate methods of management into a balanced process. Based on this, the main task of asset management is the joint management of all parts of the bank's balance sheet.

The well-known economist-scientist Peter S. Rose reveals the essence of asset management more widely, that is, "the essence of asset management is seen in the formation of a strategy and the implementation of measures that ensure the composition of the bank's balance sheet is consistent with the bank's strategic programs."

From the definitions listed above, it is clear that asset management is the process of forming and managing the structure of the bank's balance sheet, which ensures the achievement of the bank's financial management goals and strategies.

Effective asset management ensures:

the optimal composition of assets that provides the maximum level of income at the standard risk level;

the optimal composition of liabilities that ensures the minimum level of costs for attracting financing sources;

the composition of assets and liabilities that ensures the maximum margin.

Economists have different interpretations regarding the purpose of asset management. For example, O.I. Lavrushin defines that "the purpose of asset management is to eliminate or correct the imbalance and protect the banking activity from risks by analyzing the results of the bank's main strategy according to the composition and profitability of the balance sheet." In our opinion, it is appropriate to look at this issue primarily from the perspective of the bank's strategy. It is known that the strategy is based on a system of goals, that is, different goals are aimed at different periods of the bank's strategy. Based on this, it is possible to distinguish short-term and long-term aspects of asset management according to the time horizon. The main goal of asset management in the short-term (up to 1 year) aspect is to maximize net interest income at the level of normative risk or, conversely, to minimize risk at the level of normative net interest income. In the long-term aspect, the main goal of asset management is to maximize the market value of the bank's capital. Increasing the market value of the bank's capital creates an opportunity for the development of the bank and the fulfillment of the increasing requirements of the supervisory authorities.

The need for effective asset management in commercial banks is expressed by:

increasing competition in local and global financial markets;

emergence of new, complex banking products;

structural change of involved resources;

increased control of banking activities by central banks;

economic instability of the economy;

the need to coordinate banking activities in all directions;

high demands placed on the bank by users of banking services;

the need to approach the provision of banking services within the framework of risk management.

In addition, in our opinion, it is possible to add to this list the need for effective management of banking risks, which are increasing in the context of international integration and globalization.

An effective asset management policy should include:

stabilize or increase net interest income.

earning non-interest income.

controlling costs not related to interest payments.

ensuring the quality of bank loans.

ensuring liquidity requirements.

ensure capital adequacy.

management of the composition of the bank balance;

operational change of the balance sheet based on the indicators of the external environment;

profit maximization within the risk limit defined in the financial strategy.

The target results of effective asset management are:

ensure a level of liquidity sufficient to cover all cash flow requirements, where possible, profitably deploy excess liquidity;

managing the difference between assets sensitive to interest rate changes and maximizing returns within the regulatory limit of risks;

ensure sufficient capital to cover any operational risk;

optimizing the evaluation of products and services in order to effectively manage bank assets and maximize the bank's income.

Effective asset management can be basic (reactive) or sophisticated (proactive). Asset management regulatory bodies, for example, the Central Bank of the Republic of Uzbekistan, are considered by commercial bank management as internal factors regarding capital adequacy, liquidity, and sensitivity of assets to changes in interest rates and exchange rates. In this case, the main task of asset management is focused on the quantitative identification and analysis of existing risks in the current balance sheet and maintaining the risk at a normative level. The main focus is on limiting activities in financial markets in order to manage interest and currency risks and not only reducing risks, but also managing them actively. The main disadvantage of this type of management is that the banks operate mainly depending on the changes in the external environment, and this situation does not correspond to the competitive conditions.

Complex asset management means increasing the balance sheet by ensuring risk-adjusted profitability in all areas of activity, determining the internal target dimensions of capital adequacy, liquidity and interest rate sensitivity, considering the requirements of regulatory authorities as a minimum, controlling credit risk and asset quality for the bank. The advantage of this management is that it corresponds to the competitive environment and assumes the bank's "adaptability" and "influence" capabilities.

Having accurate and sufficient information from internal and external sources is essential for effective asset management. External information is necessary for forecasting economic development and developing a strategy, internal information - monitoring the implementation of asset management policy and evaluating changes in it. Information:

identification of current and future risks;

quantifying the size of risks based on the analysis of the sensitivity of assets to changes in interest rates, exchange rates, inflation and growth rates;

analysis of the results and implementation of measures aimed at maintaining the required balance;

used in the development of future realities to determine the value of measures aimed at maintaining an appropriate level.

Usually, the quality of assets of commercial banks is determined by the appropriate structural structure of bank assets, diversification of asset operations, the amount of risky assets, profitability and profitability of assets, liquidity indicators and the use of asset valuation methods.

In the economic literature, the theoretical and conceptual foundations of the formation and improvement of the quality of bank assets have been thoroughly researched.

Economist V. Usoskin paid special attention to the issue of improving the quality of loans and cash assets, which are the main types of assets of commercial banks. In order to improve the quality of the loan portfolio, the scientist suggests to improve the system of assessing the credit solvency of customers, to strictly adhere to the principle of diversification in the formation of the loan portfolio.

N. Sokolinskaya believes that in improving the quality of assets, the main attention should be focused on their profitability and liquidity.

Edwin D. Dolan, a well-known American economist, divides the highly liquid assets of commercial banks into two groups.

1. Cash assets.
2. Secondary stocks.

E. Dolan includes cash in the treasury of commercial banks, the balance of their "Nostro" representative account at the Central Bank, the balances of the "Nostro" representative accounts of commercial banks at other commercial banks, and funds in the collection process.

In our opinion, E. Dolan's opinion about the high liquidity of cash assets is very reasonable, but we believe that there should be a layered approach to the recognition of funds in the collection process as highly liquid assets. Because the monetary documents received by the commercial bank and sent to other commercial banks for payment are not paid one hundred percent. Some of them may not even be paid at all. Therefore, in our opinion, it is necessary to proceed from the solvency rating of the commercial bank that makes the payment on the monetary documents in order to evaluate the float as a highly liquid asset. It is appropriate to evaluate only the amount of monetary documents sent to commercial banks with high rating points as a highly liquid asset. If the bank that makes the payment on monetary documents is a foreign bank, then the amount of monetary documents sent to commercial banks with high rating scores of well-known rating companies such as S&P, Moody's, that is, the amount of float, should be included in the composition of highly liquid assets.

E. Dolan distinguished the following four forms of secondary reserves:
government securities;
deposit certificates of other banks;
commercial securities;
federal funds.

In our opinion, it does not make sense to include bank investments in commercial securities as highly liquid assets. Because commercial securities do not have a clear material guarantee, especially in the conditions of our republic, there is a problem of non-payment of securities of many enterprises. Based on these thoughts and considerations, we believe that it is necessary to exclude bank investments in commercial securities from the composition of highly liquid assets.

K.Barltrop and D.Mak Noton include among the highly liquid assets, in addition to cash assets, also the tracts on the balance sheet of commercial banks that are re-accounted for in the Central Bank.

In our opinion, it is appropriate to include the recalculated drafts in the Central Bank as highly liquid assets. This is because there is no doubt that the Central Bank will fulfill its treaty obligations. The practice of recalculation of the tracts of the German Federal Bank, the US Federal Reserve System has been studied by a number of economists, including K. Bainke, E. Dolan, E. Reidlar. As a result of studying their views on this issue, it is possible to make sure that there are no problems and restrictions regarding re-accounting of tracts in the Central Bank.

Prof. According to O.I. Lavrushin, liquid assets of commercial banks include cash on hand, the balance of the commercial bank's "Nostro" representative account in the Central Bank, the balance of the commercial bank's "Nostro" representative accounts in other banks, and money in transit.

O.I. Lavrushin believes that the liquid assets of commercial banks should enable the fulfillment of obligations regarding the unstable part of deposits. According to him, there is a stable part of all three forms of bank deposits, that is, current deposits, saving deposits and time deposits, which should make up not less than 75 percent of total deposits. Liquid assets should be available in the amount of 25% of total deposits to fulfill obligations.

RESEARCH METHODOLOGY

The role of bank loans in the effective operation of commercial banks is great. A number of factors affect the growth of bank loans. Analysis of these factors and modeling of their impact on bank loan growth rates is an urgent issue. In this regard, the study and econometric modeling of a number of indicators of ATB "Aloqabank" from July 2017 to June 2022 (there are 60 observations) on the growth of loans in the bank is an urgent issue.

In this regard, as a result factor - growth rate of bank loans (Y), as influencing factors - allocated loans of Aloqabank in national currency, bln. soums (X1), Aloqabank's loans in foreign currency, billion. soums (X2), Aloqabank's loans allocated within the framework of state programs, bln. soums (X3), average interest rate of Aloqabank loans, % (X4), average interest rate of Aloqabank loans in national currency, % (X5), average interest rate of Aloqabank loans in foreign currency, % (X6), average interest rate of Aloqabank loans within state programs, % (X7), Aloqabank deposits, bln. soums (X8), capital of Aloqabank, billion. soums (X9), interest income of Aloqabank, bln. soums (X10), interest expenses of Aloqabank, bln. soums (X11), Balance of problem loans, bln. soums (X12), Loans from other banks, bln. soums (X13), mandatory reserve rate set by the Central Bank in relation to deposits of commercial banks in national currency, % (X14).

Since the units of measurement of the analyzed data are different, we logarithmize them. As a result, the data is to a certain extent leveled and comes to the same unit of measurement.

We performed a series of calculations on the selected data in the Eviews program. These are: descriptive statistics by factors - here mainly mean, median, standard deviation, Jacque-Bera coefficient and its probability to check for normal distribution, etc.

ANALYSIS AND RESULTS

It is known that the banking activity is also aimed at having the possibility of obtaining high income by placing the available funds on the basis of the least risk. High income, in turn, increases the level of risk of bank operations, because banks mainly work with borrowed resources. On the one hand, they are responsible to their shareholders, and on the other hand, they have an obligation to customers who have entrusted their funds and are using banking services. The activity of a commercial bank is directly related to the

activity of its clients. That is, if the activity of its customers improves, if the economy improves, the bank's activity will flourish. Therefore, commercial banks operate with several times higher risk than other economic entities.

If the share of problematic assets on the balance sheet and off-balance sheet items of a commercial bank is more than ten percent of the total assets, it is the basis for the Central Bank to find that the qualification of the executive management of the commercial bank does not meet the requirements of the Central Bank and to consider the control established by the Board of the commercial bank as insufficient.

The excess of non-performing assets in commercial banks has a negative impact on the bank's profitability. This is a dangerous situation for a commercial bank. This process can even cause the bank to go bankrupt.

In particular, in 2017, the amount of loans directed to the real sector of the economy increased by 100% to 110.5 trillion. amounted to soum.

Improving the activity of commercial banks of the Republic of Uzbekistan, in particular, the expansion of lending activities, in turn, leads to an increase in the dynamics of credit deposits. Studying bank assets and their weight in GDP is important in assessing the role of lending practice in the activity of commercial banks.

Table 1
Share of assets of commercial banks of the Republic of Uzbekistan in GDPⁱ

Indicators	2017	2018	2019	2020	2021
GDP, (billion soums)	249136.0	424728.0	529391.0	602193.0	734187.0
Bank assets, (billion soums)	166632	178340	231260	272 727	444 922
Ratio of assets to GDP, %	5 6.8	41.9	40.0	40.0	6 0.0

As can be seen from the data of this table, bank assets have the characteristic of growth from year to year. That is, in 2017, bank assets amounted to 249,136 billion soums or 56.8 percent, and in 2021, they amounted to 60.0 percent.

If we look at the share of commercial banks' assets in the country's GDP, the trend of regular growth of this indicator during the years 2017-2021 has hardly declined. As a result, fundamental reforms carried out by the government, including a number of Decrees and Decisions issued by the President of the Republic of Uzbekistan and the Cabinet of Ministers, create a basis for further increasing the role of banks in financial support of the real sector in our country.

Loan deposits make up the main part of the bank's assets. Proper organization of lending practices in commercial banks primarily serves to form the main income of banks. In addition, bank loans have a great role in ensuring the country's economic growth. The increase in the share of bank loans in the country's GDP means that the supply of economic sectors with resources will increase rapidly.

When managing the credit portfolio of commercial banks, special attention is paid to its diversification according to the nature of the industry. Because this feature is the main criterion for diversifying the loan portfolio. It is known that strict adherence to the principle of diversification, which is one of the necessary conditions for improving the quality of the credit portfolio of commercial banks, was clearly demonstrated during the global financial crisis.

The type of loans is one of the main factors affecting the efficiency of lending practices of commercial banks.

Currently, our republic is divided into two large groups according to the types of loans in banking practice:

ⁱwas calculated based on the information of the Central Bank of the Republic of Uzbekistan, [www . cbu. en](http://www.cbu.uz)

- short-term loans (loans for up to 1 year);
- long-term loans (loans for more than 1 year).

Developing criteria for assessing the quality of individual loans and evaluating them plays a key role in improving and managing the quality of the loan portfolio.

The development of credit relations in foreign countries in the conditions of the market economy led to the expansion of the criteria for evaluating the quality of loans. In world practice, there are more than 10 different directions for assessing the quality of loans given by banks. The assessment of the quality of the loan includes the purpose of the loan, the method of its payment, the level of the client's creditworthiness, the sector to which it belongs and the form of ownership, the nature of the client's relationship with the bank, the fact that the bank has complete information about the client and its level of adequacy, the availability of loans, their size and other criteria. .

The analysis of our research shows that almost all factors follow a normal distribution. Because the calculated Jacques-Bera coefficient of all factors is reliable and their probability is less than 0.05. To check these cases, we visually inspect them, that is, the theoretical normal distribution function and each factor.

Figure 1 below shows the normal distribution of the factors.

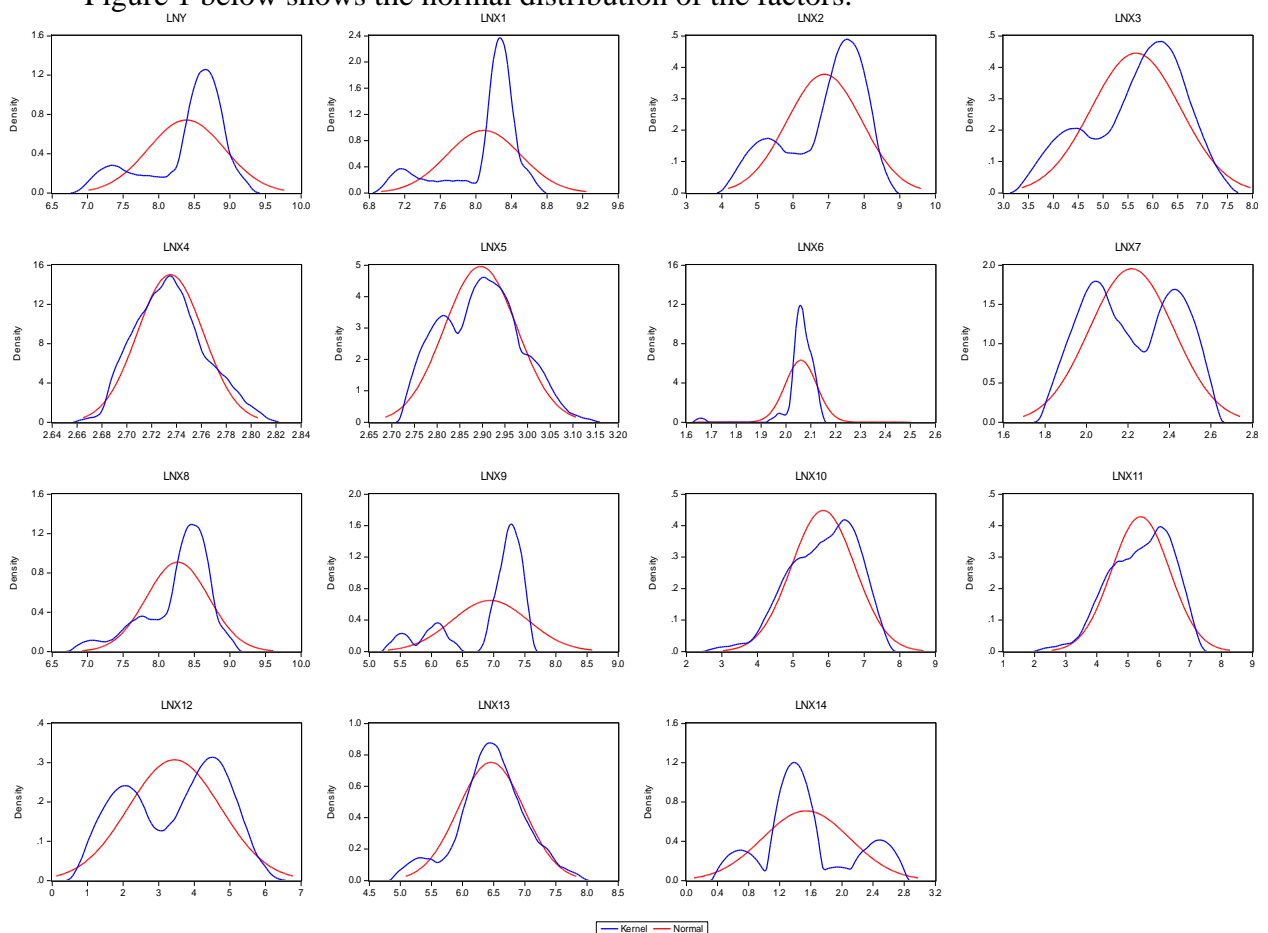


Figure 1. Checking whether the factors fall into a normal distribution

When we calculated the correlation coefficients between the factors, we found that there are strong associations between some influencing factors - this is the problem of multicollinearity.

Taking these circumstances into account, we will create the following multi-factor econometric model on the basis of JSCB "Aloqabank" data. All calculated parameters are listed in Table 2 below.

Table 2**Estimated parameters of the multifactor econometric model**

Dependent Variable: LNY

Method: Least Squares

Date: 10/02/22 Time : 22:06

Sample: 2017M07 2022M06

Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
lnX ₁	0.891715	0.023272	38.31632	0.0000 ***
lnX ₂	0.087273	0.014742	5.919963	0.0000 ***
lnX ₃	0.019299	0.014017	1.376866	0.1754
lnX ₄	-0.779153	0.118721	-6.562896	0.0000 ***
lnX ₅	0.729777	0.097167	7.510543	0.0000 ***
lnX ₆	0.012236	0.009382	1.304236	0.1988
lnX ₇	0.055566	0.022787	2.438544	0.0188 ***
lnX ₈	-0.006665	0.006985	-0.954185	0.3451
lnX ₉	0.001617	0.005308	0.304613	0.7621
lnX ₁₀	-0.031634	0.021030	-1.504257	0.1395
lnX ₁₁	0.034053	0.021082	1.615271	0.1132
lnX ₁₂	0.004343	0.002257	1.923789	0.0607 **
lnX ₁₃	0.001812	0.003254	0.556881	0.5804
lnX ₁₄	0.010892	0.002553	4.267197	0.0001 ***
C	0.336603	0.147295	2.285227	0.0271 ***
R-squared	0.999958	There is a mean dependent		8.389363
Adjusted R-squared	0.999944	SD dependent		0.536766
SE of regression	0.004004	Akaike info criterion		-7.990720
Sum squared resid	0.000721	Schwarz criterion		-7.467133
Log likelihood	254.7216	Hannan-Quinn criterion.		-7.785916
F-statistic	75732.70	Durbin-Watson stat		1.571084
Prob(F-statistic)	0.000000			

Note: *** - 0.05 percent accuracy, ** - 0.1 percent accuracy

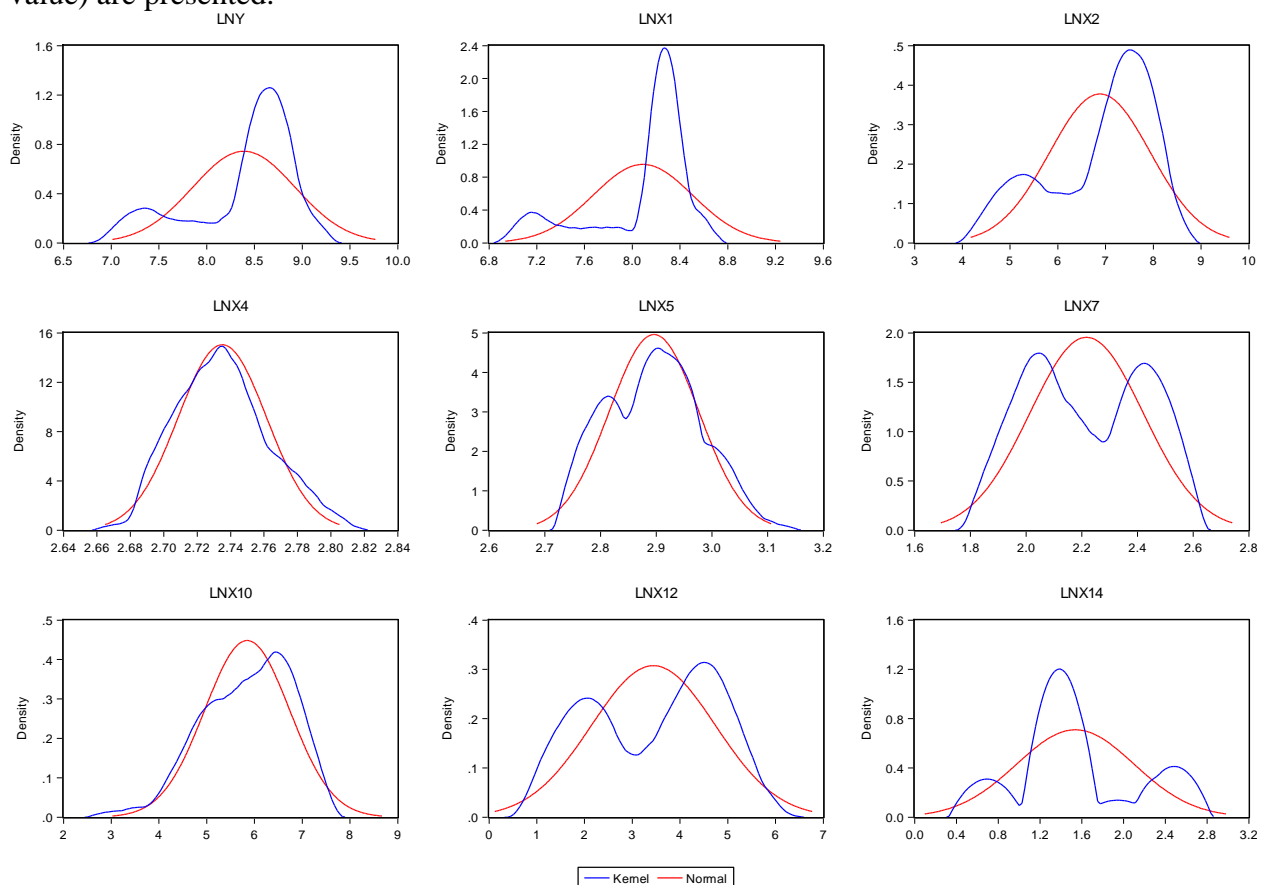
The analysis of the results presented in Table 2 shows that some factors included in the multifactor econometric model are reliable at 95.0 percent accuracy (in the table, the probability (prob.) of these factors is less than 5.0 percent and they are marked with 3 stars - they are ln X₁. _____ factors were greater than 10.0 percent - they are ln X₃, ln X₆, ln X₈, ln X₉, ln X₁₀, ln X₁₁ and ln X₁₃. Unreliable factors with a probability higher than 10.0 percent were analyzed by multifactor econometric we exclude from the model.

We will calculate the rest of the factors again. We conduct descriptive statistics on the factors. The results are presented in Table 3 below.

Table 3**Descriptive statistics by factors**

	lnY	lnX ₁	lnX ₂	lnX ₄	lnX ₅	lnX ₇	lnX ₁₀	lnX ₁₂	lnX ₁₄
Mean	8.389363	8.088947	6.883329	2.735059	2.896209	2.217477	5.847007	3.443061	1.539352
Median	8.604905	8.249122	7.421627	2.735341	2.912894	2.160445	5.973535	3.926133	1.386294
Maximum	9.049311	8.594228	8.043107	2.799109	3.088311	2.482404	7.095636	5.435894	2.484907
Minimum	7.136639	7.035968	4.790832	2.680336	2.781920	1.931521	3.268780	1.528408	0.693147
Std. Dev.	0.536766	0.417750	1.056679	0.026530	0.080458	0.204091	0.889903	1.297410	0.562298
Skewness	-1.154865	-1.384483	-0.851668	0.362277	0.174496	0.030124	-0.547419	-0.198090	0.464793
Kurtosis	3.067007	3.632055	2.221300	2.628266	2.216018	1.404759	2.669780	1.456378	2.471715
Jarque-Bera	13.34835	20.16667	8.769322	1.657910	1.841057	6.371058	3.269294	6.349320	2.858040
Probability	0.001263	0.000042	0.012467	0.436505	0.398309	0.041356	0.195021	0.041808	0.239544
Sum	503.3618	485.3368	412.9998	164.1035	173.7725	133.0486	350.8204	206.5837	92.36115
Sum Sq. Dev.	16.99893	10.29638	65.87770	0.041527	0.381935	2.457546	46.72371	99.31311	18.65454
Observations	60	60	60	60	60	60	60	60	60

The average value (mean), median (median), maximum and minimum values (maximum, minimum) of each factor can be seen from the table data. In addition, the values of the standard deviation of each factor (std. dev. (Standard Deviation) - the coefficient of standard deviation shows how much each variable deviates from the average value) are presented.

**Figure 2. Graphs of density functions of factor distributions**

Skewness is a coefficient of asymmetry, and if it is equal to zero, it means that the distribution is normal and that the distribution is symmetrical. If this coefficient is significantly different from 0, then the distribution is asymmetric (that is, not symmetrical).

If the coefficient of asymmetry is greater than 0, that is, positive, then the normal distribution graph for the studied factor is shifted to the right. If it is less than 0, that is, it is negative, then the normal distribution graph for the studied factor is shifted to the left. Graphs of density functions of all factor distributions are presented in Figure 2 above.

Figure 2 shows that all factors have asymmetry. Because they are shifted far to the right or left of the normal distribution graph. The calculated asymmetry coefficients of the following factors $\ln Y$, $\ln X_1$, $\ln X_2$, $\ln X_{10}$ and $\ln X_{12}$ have a negative value. This, in turn, ensured that the "left side" of the graph of these factors is longer than the "right side". $\ln X_4$, $\ln X_5$, $\ln X_7$, and $\ln X_{14}$ factor graphs with positive values have a longer "right stem" than "left stem".

The analysis of estimated kurtosis coefficients by factors shows that the estimated kurtosis coefficients of $\ln Y$ and $\ln X_1$ factors are greater than 3.0. This caused them to be sharper than the constructed theoretical graph of the normal distribution (according to the rule, the kurtosis value of the normal distribution is equal to 3.0).

Now we calculate the correlation coefficients for these selected factors. The results are presented in Table 4 below .

Table 4

Correlation matrix between factors

Covariance Analysis: Ordinary

Date: 10 /0 2 /22 Time: 22 : 20

Sample: 2017M07 2022M06

Included observations: 60

Correlation

t-Statistic

Probability

	LN Y	LN X1	LN X2	LN X4	LN X5	LN X7	LN X10	LN X12	LN X14
LN Y	1.000000								
LN X1	0.984650	1.000000							
	42.96385	-----							
	0.0000	-----							
LN X2	0.977464	0.527539	1.000000						
	35.26319	5.10138	-----						
	0.0000	0.0512	-----						
LN X4	-0.062957	0.021038	-0.177700	1.000000					
	-0.480422	0.160253	-1.375207	-----					
	0.6327	0.8732	0.1744	-----					
LN X5	0.869029	0.495308	0.609862	0.086446	1.000000				
	13.37684	3.991474	3.70074	0.660828	-----				
	0.0000	0.0734	0.0678	0.5113	-----				
LN X7	0.822552	0.524901	0.390188	-0.324990	0.465933	1.000000			
	11.01546	3.014311	0.88054	-2.617113	3.18531	-----			
	0.0000	0.0647	0.0847	0.0113	0.0841	-----			
LN X10	0.634687	0.608138	0.648024	-0.136956	0.556802	0.525802	1.000000		
	6.254955	4.834288	3.479882	-1.052944	4.105035	2.707690	-----		
	0.0000	0.0457	0.0521	0.2967	0.0524	0.0742	-----		
LN X12	0.792462	0.580890	0.487526	-0.264983	0.404986	0.622310	0.502854	1.000000	
	9.895081	4.080283	4.66974	-2.092862	2.20008	3.17588	4.430530	-----	
	0.0000	0.0641	0.0712	0.0407	0.0984	0.0564	0.0000	-----	
LN X14	-0.786207	-0.533151	-0.622975	-0.024982	-0.530776	-0.474011	-0.501872	-0.417333	1.000000
	-9.689200	-4.47300	-4.969641	-0.190318	-4.769571	-4.099808	-4.418963	-3.497442	-----
	0.0000	0.0641	0.0503	0.8497	0.0000	0.0001	0.0000	0.0009	-----
	LN Y	LN X1	LN X2	LN X4	LN X5	LN X7	LN X10	LN X12	LN X14
LN Y	1.000000								
LN X1	0.984650	1.000000							

	42.96385	-----							
	0.0000	-----							
LNX2	0.977464	0.5 27539	1.000000						
	35.26319	5 . 1 0138	-----						
	0.0000	0.0 512	-----						
LNX4	-0.062957	0.021038	-0.177700	1.000000					
	-0.480422	0.160253	-1.375207	-----					
	0.6327	0.8732	0.1744	-----					
LNX5	0.869029	0. 4 95308	0. 6 09862	0.086446	1.000000				
	13.37684	3.991474	3.70074	0.660828	-----				
	0.0000	0.0 734	0.0 678	0.5113	-----				
LNX7	0.822552	0.5 24901	0. 3 90188	-0.324990	0. 4 65933	1.000000			
	11.01546	3.014311	0.88054	-2.617113	3.18531	-----			
	0.0000	0.0 647	0.0 847	0.0113	0.0 841	-----			
LNX10	0.634687	0.608138	0.648024	-0.136956	0.556802	0.525802	1.000000		
	6.254955	4.834288	3.479882	-1.052944	4.105035	2.707690	-----		
	0.0000	0.0 457	0.0 521	0.2967	0.0 524	0.0 742	-----		
LNX12	0.792462	0. 5 80890	0. 4 87526	-0.264983	0. 4 04986	0. 6 22310	0.502854	1.000000	
	9.895081	4.080283	4.66974	-2.092862	2.20008	3.17588	4.430530	-----	
	0.0000	0.0 641	0.0 712	0.0407	0.0 984	0.0 564	0.0000	-----	
LNX14	-0.786207	-0. 5 33151	-0. 6 22975	-0.024982	-0.530776	-0.474011	-0.501872	-0.417333	1.000000
			- 4.969641						
	-9.689200	- 4.47300		-0.190318	-4.769571	-4.099808	-4.418963	-3.497442	-----
	0.0000	0.0 641	0.0 503	0.8497	0.0000	0.0001	0.0000	0.0009	-----

According to Table 4, two types of correlation coefficients were calculated - individual and pair correlation coefficients. Specific correlation coefficients indicate the relationship between the resulting factor ($\ln Y$) and the factors influencing it ($\ln X_i$). Pair correlation coefficients - it shows the connections between influencing factors ($\ln X_i, \ln X_j$).

From the data of Table 4, it can be seen that the resulting factor is Aloqabank's gross loans ($\ln Y$) and the factors affecting it (Aloqabank's loans allocated in national currency ($\ln X_1$), Aloqabank's loans allocated in foreign currency ($\ln X_2$), the average percentage of Aloqabank's loans in national currency rate ($\ln X_5$), the average interest rate of Aloqabank loans under State programs ($\ln X_7$), Aloqabank's interest income ($\ln X_{10}$) and the balance of problem loans ($\ln X_{12}$)) as there is a close relationship. That is, the values of private correlation coefficients between factors are close to one. For example, there is a close relationship between Aloqabank's gross loans ($\ln Y$) and Aloqabank's allocated loans in national currency ($\ln X_1$). The correlation coefficient between them $r_{\ln Y \ln X_1} = 0,9846$ is equal to Or that there is a close relationship between Aloqabank's gross loans ($\ln Y$) and Aloqabank's allocated loans in foreign currency ($\ln X_2$). The correlation coefficient between these factors is $r_{\ln Y \ln X_2} = 0,9775$ equal to It follows that an increase in these influencing factors may lead to an increase in Aloqabank's gross loans ($\ln Y$).

are inversely related to the final factor - Aloqabank's gross loans ($\ln Y$). That is, the correlation coefficient between them has a negative value. In particular, the correlation coefficient between $r_{\ln Y \ln X_4} = -0,0629$ Aloqabank's gross loans ($\ln Y$) and the average interest rate of Aloqabank's loans ($\ln X_4$) is equal to . So, as the average interest rate of Aloqabank's loans ($\ln X_4$) increases, Aloqabank's gross loans ($\ln Y$) may decrease. A similar situation was found between Aloqabank's gross loans ($\ln Y$) and the mandatory reserve rate ($\ln X_{14}$) set by the Central Bank in relation to deposits of commercial banks in national currency . The correlation coefficient calculated between them is $r_{\ln Y \ln X_{14}} = -0,7862$ equal to . Therefore, with the increase of the mandatory reserve rate set

by the Central Bank in relation to the deposits of commercial banks in national currency, the volume of gross loans of Aloqabank may decrease.

CONCLUSION

In order to ensure effective management of assets of commercial banks of our republic, we have developed the following practical proposals:

1. When cleaning the assets of commercial banks from assets that are not specific to banking activities, it is appropriate to transfer these assets to the State Asset Management Agency as state property at their residual value.

2. When reducing the share of foreign currency assets (dollarization) in the structure of bank assets, the risk level of loans allocated in foreign currency at interest rates of 6% and below should be set at 100%, at 6-8% interest rates at 150%, and at 8% and above interest rates at 200%.

3. It is proposed not to increase the volume of preferential loans in the loan portfolio by 10 percent while reducing the amount of problem loans in the bank's assets.

4. In the formation of digital assets in commercial banks, it is appropriate to allow banks to participate in crypto-assets (tokens) in crypto-exchanges and to establish a crypto-depository in the structural structure of commercial banks.

5. At least 30 percent of the initiators are proposed to participate in the financing of the projects in order to ensure the growth rate of lending by banks and reduce the risk of problematic assets.

6. It is proposed to establish a "Project Financing" department in commercial banks, which prepares projects for small and medium-sized business entities "turnkey", and commercial banks, based on the best examples, sell ready-made business projects for various sectors of the economy to the client.

7. It will be possible to form liquid assets (resources) at the expense of determining the repayment schedules of long-term loans allocated for the purpose of obtaining income.

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