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Ticari Bankalarda Kredi İşlemlerinin Etkinliğinin Değerlendirilmesi

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Öz

Kredi sisteminin oluşumu, doğrudan ekonomiye hizmet eden ve ticari temelde kapsamlı finansal hizmetler sunan bağımsız bankacılık kuruluşlarının oluşturduğu bir ağdan oluşmaktadır. Bunlar topluca bankacılık hukukunda ticari bankalar olarak bilinen ticari, kooperatif ve özel bankalardır. Şu anda ülke, farklı müşteri gruplarıyla çalışan çeşitli bankacılık hizmetleri sağlamak için bölgenin yerel özelliklerine uyarlanmış bir ticari bankalar yapısı oluşturmuştur. İkinci kademe bankalar, müşterilerine yaklaşık 200 farklı ürün ve hizmet sunmaya hazırdır. Bu tür büyük ölçekli operasyonlar, ticari bankaların müşterilerini desteklemelerine ve olumsuz koşullarda bile karlı işler yapmalarına yardımcı olur. Bankalar veya finansal kuruluşlar kredi vererek kar elde etmeye çalışırlar. Tahakkuk eden faizle kredinin tamamen geri ödenmesi riskini azaltmak için müşterinin ödeme gücünü uygun şekilde değerlendirmek gerekir..

Anahtar Kelimeler: Kredi, Banka, Faiz, Bankacılık, Kar.

Assessing The Effectiveness of Credit Operations in Commercial Banks

Abstract

The generation of the credit system consists of a network of independent banking institutions that directly serve the economy and provide extensive

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financial services on a commercial basis. These are commercial, cooperative and private banks, which are collectively known as commercial banks in banking law. At present, the country has created a structure of commercial banks adapted to the local characteristics of the region to provide various types of banking services, working with different groups of clients. Second-tier banks are ready to provide their clients with about 200 different products and services. Such large-scale operations help commercial banks to support their customers and do profitable work even in adverse conditions. Banks or financial institutions seek to make a profit by extending credit. It is necessary to properly assess the solvency of the client to reduce the risk of repayment of the loan in full, with accrued interest.

Keywords: Credit, Bank, Interest, Banking, Profit

1. INTRODUCTION

Due to the difficult economic situation, credit activity of commercial banks is often complicated by the absence of ready-made methods of credit worthiness evaluation, insufficient information base for full analysis of clients' financial position. Today this problem is of large scale: economic difficulties are reflected in the activity of commercial banks. The general economic function of banks in transforming risks has weakened, overdue debts are growing at a high rate.

To implement this priority, it is recommended to focus on strategic strong progress, reducing inflation to an acceptable level. In this regard, it is stated that in the coming years we will focus on a specific sector of the economy, its recovery, growth and strong social policy in the face of tight fiscal and monetary constraints.

It is known that the leading commercial banks of Kazakhstan are striving to provide a wide range of operations and services to their clients in order to expand their revenue base, increase profitability and competitiveness. Here it should be remembered that development of banking services means providing banking services with minimum costs for customers and the bank itself, and using reasonable prices for the services required by customers.

The purpose of intensifying the role of banks serving the population is to achieve the highest possible results with reduced costs, full satisfaction of customer needs in banking services, improving the quality of banking services to

individuals, expanding the range of banking services. and reduce their cost.

Modern banks offer clients many types of services, use new technologies in banking operations and provide a high level of service. The main economic activity of banks is consumption and lending for investment purposes of enterprises, organizations and individuals. How well banks carry out the process of lending is reflected in the economic situation of their customers. By providing credit services, banks ensure their liquidity, that is, the sustainability of their services in the system of market relations.

In accordance with the market economy, the increase in forms of ownership requires the creation of a monetary system so that banks can provide services to individuals and businesses on a competitive basis. Second-tier banks are the main tool for regulating financial and credit relations between individuals and legal entities. Recently, banks have been increasing the types of lending to individuals in order to diversify their services. The increase in the types of credit is closely connected with the increase in the number of goods in the market, the increase in the number of enterprises and organizations.

2. CREDIT TRANSACTIONS IN COMMERCIAL BANKS

Commercial banks are a group of credit institutions engaged in financial transactions and services in a market economy (Borisov, 1997: 205). Relations between the second-tier banks and the National Bank are established in accordance with banking legislation. Relations between banks and between banks and customers are formed on the basis of contracts. Banks are subject to supervision and control: state, international, audit and institutional. The second level banks carry out trading operations with securities of other issuers for the purpose of making profit. These operations can perform several functions. They can be a means of creating profitable assets with high liquidity. Another purpose of these operations is to obtain speculative income (Zhukov & Maksimov & Markova, 1997: 214).

The same approach to risk management cannot be applied in times of crisis. Commercial banks in Kazakhstan are always faced with the problem of choosing a method of analyzing the creditworthiness of the borrower. The reason for this issue is, firstly, the lack of experience of credit specialists in analyzing creditworthiness, and secondly, the lack of information about borrowers. If foreign countries can find information accumulated over several decades, then our credit history bureaus have only yesterday. Thirdly, there are practically no methodological guidelines for creditworthiness determination in Kazakhstan, and methodological guidelines on creditworthiness prepared by Russia or foreign countries should be adapted to Kazakhstan's situation. Banks in Kazakhstan in most cases pay great attention to years of experience and gaps in the management of the bank's credit risk system. The reasons, methods and solutions are considered. One of the differences between a borrower's creditworthiness and his ability to pay is that it does not take into account defaults in the past period or any day, that is, it assumes the ability to repay the debt in the future.

To date, the ability to find effective methods and ways to determine the creditworthiness of the client remains a pressing problem for the banking system. The same methodology of risk management cannot be used in a crisis situation. Commercial banks in Kazakhstan are always faced with a problem of choosing a method of analyzing a borrower's creditworthiness. This problem is caused, firstly, by the lack of experience of credit specialists in analyzing creditworthiness, and secondly, by the lack of information about borrowers. If foreign countries can find information accumulated over several decades, then our credit bureaus have only yesterday. Thirdly, in Kazakhstan almost no methodological guidelines for determining creditworthiness, and methodological options related to creditworthiness, prepared by Russia or foreign countries, must be adapted to the Kazakh situation (Seitkasymov & Almaty, 1998: 159-174).

It is impossible to assess the quality of the main assets of the bank, i.e. the loan, without a proper assessment of the solvency of the borrower. The works of G. Anderson, David Palfreyman, Philip Ford, B. Nidza and other foreign researchers have played

an important role in the formation of ideas about solvency and creditworthiness and the formation of the credit process in commercial banks.

Studying the ways and means of assessing the creditworthiness of the borrower, we became convinced of its priorities, as well as its own shortcomings and disadvantages. To reduce the risks associated with the creditworthiness of the borrower, the following should be implemented in the bank's credit risk management system:

- to calculate the ratios, take reports for the past period, in many cases, future projections should be taken into account,
- solvency shall be calculated not by figures, but in relation to liquidity of real business, demand for produced goods, products
- to recognize the borrower must distinguish cases of insolvency (non-payment, overdue, delinquent payments);
- it is impossible to ascertain the borrower's solvency by collecting numerical and non-quantitative data; therefore, it is necessary to solve the problem of creating a centralized credit history
- accounting for changes in rates of the main bank, such as refinancing, with efficiency for the client, is also considered effective for the bank
- foreign economic, geographic, social, political, etc. Characteristics research is not always useful for us, so as one of the effective ways of lending to the borrower should be more widely used Islamic finance.
- Determination of creditworthiness in the bank's credit risk management and credit risk management system can be achieved through the legal regulation of credit risks and the comprehensive use of methods and approaches to reduce credit risk.

According to O.I. Lavrushin's opinion: "Credit solvency of a commercial bank customer is a borrower's ability to pay his debts in full and on time, i.e. main debt and interests. Creditworthiness, unlike solvency, does not control arrears. Creditworthiness predicts the ability to repay debt in the near future" (Lavrushin, 1998: 256-305).

3. EVALUATION OF THE EFFICIENCY OF CREDIT TRANSACTIONS

The current lending system is based on the facts of determining the creditworthiness of the borrower. The borrower's creditworthiness is a way of maintaining the liquidity of the balance sheet of a commercial bank.

The lending process is associated with the action of many risk factors, which lead to the fact that the transaction remains unrecoverable within a set period of time. That is why, by examining the factors affecting the provision of bank credit in advance, an opportunity is created to examine creditworthiness.

The creditworthiness of the borrower is the ability of the borrower to repay his debt obligations in full and on time.

The client's financial documents are used to assess the financial condition of the borrower.

The financial condition of the borrower depends on its ability to pay:

- timely satisfaction of payment requirements in accordance with economic conditions;
- repayment of the loan;
- Payment of wages and salaries to workers and employees;
- payment of payments and taxes to the budget.

To assess the creditworthiness of the borrower the following key indicators are used.

Indicators for assessing the creditworthiness of a legal entity's borrower:

$$\text{Current liquidity ratio} = \frac{\text{current assets}}{\text{current liabilities}} \quad (1)$$

$$\text{Current liquidity ratio} = \frac{\text{Current Assets} - \text{Inventories}}{\text{current liability}} \quad (2)$$

These ratios measure the liquidity of the bank's assets. A good current ratio is between 0.70 and 1.20. If its value exceeds 1.20,

it indicates a slowdown in the turnover of funds invested in commodity funds or a high amount of accounts receivable. And if the value is low, it indicates the client's insolvency.

The value of the quick liquidity ratio should be between 0.4 and 0.6.

$$\text{Return on assets} = \frac{\text{profit}}{\text{company's assets}} \quad (3)$$

$$\text{Profit trade} = \frac{\text{profit from the sale of the product}}{\text{product sales revenue}} \quad (4)$$

These ratios indicate the level of profitability or profitability of a company or legal entity.

Indicators for assessing a borrower's ability to pay:

$$\text{Monthly loan principal payment (annualized)} = \frac{\text{loan amount}}{\text{loan term}} \quad (5)$$

$$\text{Interest rate} = \frac{\text{loan amount} * \text{interest}}{\text{Monthly payment 12 months}} \quad (6)$$

At commercial banks, only a loan officer conducts an analysis of the borrower's financial condition. The data collected as a result of the analysis are presented in an expert report. On the basis of the expert report, the authorized body makes a decision on the application. The loan officer performs the following tasks on the loan application:

- Checks and reviews the loan documents;
- Analyzes the creditworthiness of the borrower;

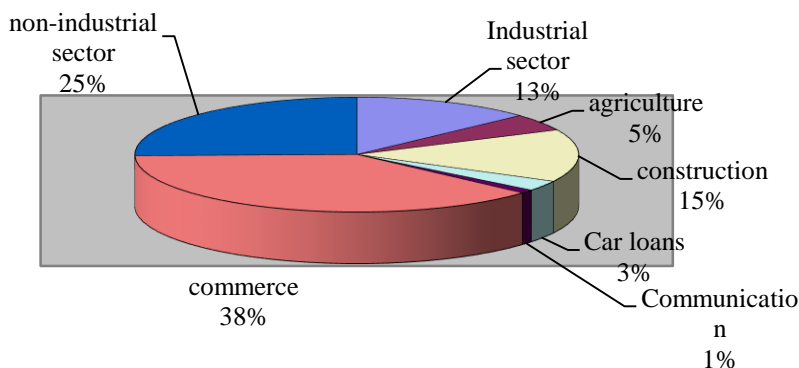
- Analyses the creditworthiness of the borrower;
- Analyses the solvency of the borrower;
- Analyzes the collateral;
- Analyzes risk factors;
- Prepares expert opinion.

In terms of banks, creditworthiness is a credit rating. It is an assessment of the client's personal qualities, based on information about the client's timely fulfillment of financial obligations and social status. And, solvency is the financial ability of the client to repay the loan on time⁴ and in full. It is calculated based on the analysis of current and future income and expenses of the borrower and his family (Almaty, 1998: 128).

The structure of the loan issued in 2021 can be seen in Figure 1.

According to Figure 1, among the loans granted to economic entities, the main share is in the trade sector, i.e. 38%. Secondly, the share of non-manufacturing sector is 25%, followed by construction sector - 15%, industrial sector - 13%, including mining industry - 3%, manufacturing - 9%, and the remaining 1% - other sectors. These figures are down from previous years.

Figure 1. Volume of approved bank loans by economic sector



Source: Created by the author

In recent years, the current credit system has undergone significant changes. Most components of the banking system are being modernized through changes as a result of structural changes in the global economy. Due to the development of scientific and technological revolution, the concentration of production required the centralization of capital, respectively, banks modify their operations to increase credit resources, i.e. the current banking system adapts to the changing conditions of economic development; the restructuring of the banking system is obvious; there is dynamism of non-bank credit institutions. Banks carry out many types of operations for their clients on deposit accounts, non-cash settlements, acceptance of savings, issuing various credits, purchase of securities, property management by proxy and many other banking services (Tallinn, 1993: 61).

An effective and flexible system of banking operations should create conditions for the consolidation of domestic savings with a wide range of customers. In this regard, the issue of providing flexible banking services, capable of responding to the emerging needs of a changing economy, becomes particularly important.

Banks hope to strengthen their brand through various advertising methods and improve their reputation through some public relations activities (Raizberg, 2000: 206-304).

They participate as sponsors in various important events taking place in our country, hold shareholders' meetings, prepare annual reports, issue advertising brochures and booklets, spend considerable funds on TV and radio advertising. But, in my opinion, it takes time to increase the number of clients, because due to the instability of the economic and political situation, short working hours of banks, fluctuations of the national currency against foreign currencies and other characteristics the probability of clients who trust their money is low. In addition, the legislative framework usually limits the emission market (Fisher & Dornbusch, 1993: 249).

Second-tier banks with the help of their deposit and credit operations accumulate temporarily free monetary funds and, granting them in the form of loans, satisfy the needs of the economy, i.e. create new means of payment.

After the country gained independence, Kazakhstan's commercial banks started to work intensively as a result of a number of reforms. Although not much time has passed since independence, the country's economy and banking sector have developed rapidly over the decade (Samara, 2019: 14).

In most cases, the decline in demand for credit is due to the credit policy of banks, i.e. tightening of lending, stricter requirements for collateral. And clients, in turn, are hampered by the lack of collateral or insufficient collateral price in accordance with bank policy (Afonina, 2017: 18).

Studying the practice of lending to customers in domestic banks, the following conclusions can be made:

- The disadvantages of the lending process;
- the use of cash in lending and repayment;
- lack of economic justification of the interest rate policy;
- insufficient development of scoring system in banks is a legal problem.

When we study the market, that is, the level of income of the population, we see that lending to the population in the country has become one of the most important issues. Risks for banks remain high, such as: rapid depreciation of securities, impairment of customer collateral or natural disaster, fraud or premature death of the borrower. Therefore, in the current market environment, banks create conditions to maximize the repayment of their debts. As seen from the practice of lending to individuals and legal entities in Kazakhstan, it is necessary to expand the object of lending, to change the mechanism of lending, to consider the terms and conditions of loans.

The main factors that caused the tightening of credit policy are the risk of changing the value of collateral, the future of real estate, the general solvency of the borrower and the economic expectations. Due to the crisis situation, the risk of decreasing the value of pledged property in banks, as well as due to the worsening situation in the construction sphere, the banks' approach to servicing the borrowers has changed. Nowadays banks pay more attention to the financial condition of the borrower than to the collateral (Belov, 2016: 22).

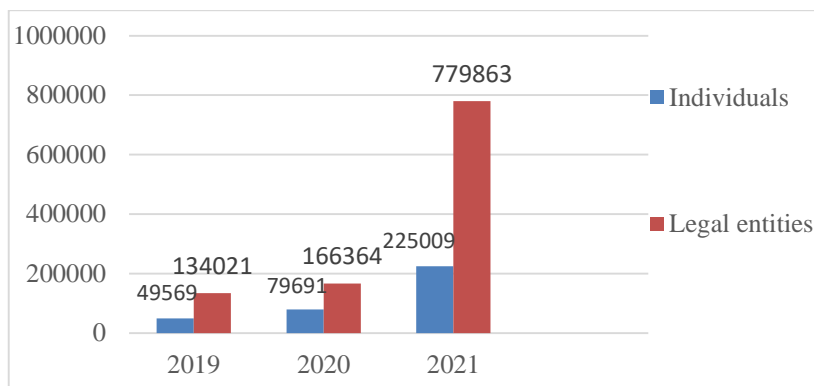
Several factors should be considered in order to reduce the risk of default and the overall risk of lending to borrowers:

- The level of involvement of the bank's lending activities in an industry that is sensitive to changes in the economy;
- the share of loans and other banking operations belonging to customers experiencing significant difficulties;
- the level of the bank's involvement in new, non-traditional, little-studied directions;
- frequent changes and additions to the credit policy, formation of the bank's securities portfolio;
- the share of new and recently attracted clients;
- introduction of more types of new services in a short period of time;
- acceptance of rapidly depreciating or low-liquidity collateral.

Deficiencies that lead to significant difficulties in managing credit risk include:

- Lack of or poor preparation of a written credit policy document;
- Lack of restrictions on the concentration of the loan portfolio;
- Centralization and decentralization of credit managers;
- overvaluation of collateral;
- frequent lack of contact with the customer or no contact at all;
- prolongation of the control interval (when lending to businesses) or lack thereof;
- Inadequate control of documents;
- excessive use of debt;
- Lack of complete collection of loan documents or strict controls;
- effective control of the credit process, failure to provide timely audits, etc.

Figure 2. Overdue debt on bank loans



Source: Created by the author

According to Figure 2, the amount of overdue debt increased sharply in 2021 compared to 2019 and 2020. In particular, overdue debts of legal entities increased too much. This is due to the negative changes taking place in the economy, i.e. enterprises, companies go bankrupt and cannot repay their debts to the bank (Berdnikova, 2015: 88).

To date, the ability to find effective methods and ways of determining the creditworthiness of the client remains a pressing problem for the banking system. The same approach to risk management cannot be applied in a crisis. Commercial banks in Kazakhstan are always faced with the problem of choosing the method of analyzing the creditworthiness of the borrower. The reason for this issue is, firstly, the lack of experience of credit specialists in analyzing creditworthiness, and secondly, the lack of information about borrowers. If foreign countries can find information accumulated over several decades, then our credit history bureaus have only yesterday. Thirdly, there are practically no methodological guidelines for determining creditworthiness in Kazakhstan, and methodological guidelines on creditworthiness prepared by Russia or foreign countries should be adapted to the Kazakh situation.

Maximum satisfaction of each client's need for banking services, personal servicing of each of the Bank's clients, taking into account peculiarities of different companies' activities and focus

on long-term cooperation are the main principles of the Bank's work with clients.

The level of a client's creditworthiness reflects the level of simple (personal) risks associated with a particular loan granted by the Bank to a particular borrower. Objective evaluation of borrower's financial stability and accounting of possible risks, related to credit operations, allows the bank to effectively manage credit resources and gain profit. A number of determinants of credit risk and customer creditworthiness have been studied in domestic and foreign experience. Studying the importance and the need to determine and assess the creditworthiness of the borrower, which is used in the practice of banks, we can see that the management of credit risk is not yet fully implemented, which means that this area requires a lot of research (Burenin, 2018: 40).

Nowadays, many customers are not able to manage their financial assets competently, so banks intervene in the financial situation of their customers. By providing advice, the bank earns additional income and prepares customers for long-term solvency. With the growth of the market economy, the number of wealthy people in the country has increased. But the current problem is the effective management of these assets. The task of banks is to preserve and increase clients' capital.

As a result of the crisis, small and medium-sized businesses, along with the banking sector, found themselves in a difficult situation in the country's economy. Currently, the state is helping to finance small and medium-sized businesses through commercial banks.

And since the allocated funds are given through banks, all the problems will fall on those banks. It is known that entrepreneurs submit their projects for a loan, and banks register them, consider them comprehensively and make sure that it is a project worthy of allocation of funds (Bychkov, 2015: 70).

The credit policy of the second-tier banks of the Republic of Kazakhstan is aimed at satisfying the credit demand of proven and reliable borrowers, the development of entrepreneurship and the formation of new, effective market structures. Working

with borrowers, banks act not only as creditors, but also as lenders.

The borrower goes through the whole credit process, from consultation with a loan officer to obtaining and repayment of the loan. Loans are processed through a loan application written directly by the borrower. It itself goes through several stages. The customer contacts the bank directly, consults with a loan officer, and determines the purpose of the loan. This type of interview is very important for the loan officer because during the interview you can observe the client's behavior and intentions. If the borrower hides the true nature of the need for credit, it can raise doubts. In addition, it is necessary to check the address of residence and place of work (Alpina, 2020: 194).

Currently, one of the main problems that banks face in order to make loans available to borrowers and thereby increase their profits, is risk. Bankers protect themselves from loan defaults by setting limits on the term of the loan, strict collateral conditions and high interest rates. And it is the policy of the state and the banks' policies that satisfy both banks and borrowers (Kameneva, 2018: 85).

Studying the practice of lending to customers in domestic banks, the following conclusions can be made:

- disadvantages of the credit process;
- use of cash in lending and repayment;
- lack of economic justification of the interest rate policy;
- insufficient development of the scoring system in banks is a legal problem.

Macroeconomic stability and inflation at a moderate level allows the wide use of bank loans. On the basis of the study of domestic and foreign experience the need for further development and improvement of the relationship between commercial banks and the population is shown. In my opinion, it is necessary to increase and improve the services of banks to the population, types of banking products and services, to expand credit relations with the population.

In the modern century it is difficult to choose the quality and efficiency of services provided by the banking sector to the

population, to understand all the new phenomena. There have been no significant changes in the services and products provided by the banks of the Sogurlym country, as well as in the conditions of their provision. The banks have no opportunity to compete with each other, so they try to provide additional services. Then the quality of banking services will improve. Banks should be evaluated and compared not by the efficiency of their services, but by the delivery of information about banking products to the public, the level of service and convenience (Livingston, 2018: 104).

The bank communicates information about new products and services to the population mainly through television advertising. The advertisements show only the positive aspects of the bank's services, and do not mention the fees charged for services. In addition, every bank has an Internet site. If the bank's website is well organized, from there we can get complete information about the bank, that is, the bank's products, services, position and quality in the market. For example, we can see the terms of the loan, the amount of commission charged at registration, and a list of documents in full. Calculate the effectiveness of the loan we can use the credit calculator, located on the site. But in many banks in the country the site is not properly organized. Therefore, banks should organize their site well and make it convenient for customers who want to get information about loans without leaving home. Thus, banks can expand their customer base (Mirkin, 2014: 50).

In his book "Providing good service - the beginning of competition" John Scholl, who studied the culture of service, said that the success of the company depends on the service provided by its employees to customers. It is important how the customer is greeted from the moment he enters the bank, so it is better to improve the provision of services in banks.

It is advisable to reduce the number of documents collected for clients, especially for legal entities, so that the client bears less costs, and banks check documents quickly and respond to the application within a few days.

It is necessary to improve the electronic application for a loan. The website of some banks does not address this issue. Sending an application electronically is very convenient, because the

client saves his time, and in addition to raising the reputation of the bank, receives an application in a unified form.

The analysis and evaluation of the borrower's creditworthiness requires great skill, so it is important for the bank to have a system of analysis to accurately assess the borrower's creditworthiness. In our study, based on a comprehensive analysis of borrower credit assessment, we analyzed: features that are advanced in the assessment of borrower creditworthiness, methods of managing borrower credit risk and elements and elements of borrower credit risk management, and the normal behavior of borrower credit assessment (Saniev, 2010: 198).

4. CONCLUSION

In addition to the judgment on risk management in the credit system, the works of famous domestic and foreign authors related to the analysis of the borrower's creditworthiness in the system of credit risks were studied. As a result of this study, conclusions were made on the basis of the opinions expressed in the works, the types of credit risk were identified, and the features of sentences used in the general banking risk along with the credit risk were highlighted. A model of credit risk depending on the type of borrower was prepared. Were differentiated ways to manage the technology of credit operations, identified the services to be performed by the credit committee, and collected and systematized attributes to be paid attention to when assessing the creditworthiness of the borrower.

In conclusion, people realize their dreams and achieve their goals through loans. Banks must be able to effectively organize and conduct the lending process to quickly and to the maximum extent to meet customer requests. And lending; to effectively lead the process, it is necessary to develop a scoring system and come up with other new implementations (Usoskin, 1993: 19). Various seminars and lectures should be held in order to improve the skills of specialists working in the credit department. The reason is that a large client base of the bank and the correct assessment of creditworthiness and solvency of the client depends on the qualifications of specialists.

Etik Beyanı: Bu çalışmanın tüm hazırlanma süreçlerinde etik kurallara uyulduğunu yazarlar beyan eder. Aksi bir durumun tespiti halinde Akademik İzdüşüm Dergisinin hiçbir sorumluluğu olmayıp, tüm sorumluluk çalışmanın yazarlarına aittir.

Destek ve Teşekkür: Bu araştırmanın hazırlanmasında herhangi bir kurumdan destek alınmamıştır.

Katkı Oranı Beyanı: Yazarların araştırmaya katkısı eşit oranda gerçekleşmiştir.

Çatışma Beyanı: Araştırmada herhangi bir çıkar çatışması bulunmamaktadır.

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ASSESSING THE EFFECTIVENESS OF CREDIT OPERATIONS IN COMMERCIAL BANKS

Extended Summary

One of the main traditional and basic activities of commercial banks is lending to the economy and the population. This service is among the important within the banking services and operations with bank assets. Due to this, banks will be referred to as credit institutions. Nowadays, individuals and legal entities finance their housing or personal needs or business by taking loans from commercial banks.

A bank loan is the most convenient and in many cases indispensable form of financial service, it takes into account the needs of a particular borrower and allows him to adapt to the borrowing situation.

To obtain a loan, the borrower first consults with a loan officer, then collects and submits the necessary documents. The loan officer reviews the borrower's application, verifies the financial situation, and after a positive conclusion, the loan goes to the owner.

In order to find solutions to many of the above problems, it is necessary to delve deeply into it and consider it comprehensively, focusing on all subtopics individually. The development and prospects of credit services is one of the most important issues of concern to many economists working in the banking sphere, although not specifically studied scientifically in our country.

Along with the number of second-tier banks with the development of the market economy, the types of services and operations provided by them are increasing. Efficient performance of services and operations, increasing the customer base and making profits are the goals that every bank sets for itself.

Modern banks offer clients many types of services, use new technologies in banking operations and provide a high level of service. The main economic activity of banks is consumption

and lending for investment purposes of enterprises, organizations and individuals. How well banks carry out the process of lending is reflected in the economic situation of their customers. By providing credit services, banks ensure their liquidity, that is, the sustainability of their services in the system of market relations.

In accordance with the market economy, the increase in forms of ownership requires the creation of a monetary system so that banks can provide services to individuals and businesses on a competitive basis. Second-tier banks are the main tool for regulating financial and credit relations between individuals and legal entities.

Recently, banks have been increasing the types of lending to individuals in order to diversify their services. The increase in types of credit is closely connected with the increase in the number of goods in the market, the increase in the number of enterprises and organizations. The increase in commodity turnover has led to an increase in the amount of credit, that is, the demand for goods has increased the demand for credit, and through loans to businesses and organizations can achieve their investment goals, expand their turnover and gain access to new technology. To achieve their goals, everyone strives to get a loan from a bank as quickly as possible. From the moment the loan is applied for, the customer receives the loan and returns it to the bank with the amount of interest, makes up the entire term of the loan. Only after such terms can the borrower achieve his goals.