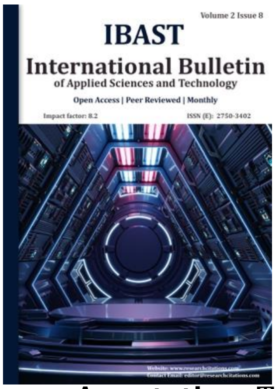

BANK CREDIT HISTORY

Abdulkhalilov Abdulazizjan Abdulkhamidovich
Tashkent University of Economics
Department of digital economy
https://doi.org/10.5281/zenodo.15488945

Annotation. This article describes the emergence of bank credit. The types, importance and content of bank credit are explained. Now there are many types of bank loans, and loans are one of the necessities of life.

Key words. Credit, bank's credit, modern literature, marketing department, Classification of loans

A bank loan is not only a sum of money provided by a bank to a borrower, but a technology with certain principles and requirements. Let's consider the classification of loans; principles of lending; requirements for the process of issuing loans, repaying the loan and paying interest, as well as the bank's credit policy and mechanisms for its implementation.

The term “credit” is used to denote commodity credit (lending of things), commercial credit (lending of money or things in the form of an advance, prepayment, deferral or installment plan for goods, works, services), budget credit (provision of budget funds to legal entities on a repayable and reimbursable basis) and tax credit (deferral of payment of part of the income tax or other tax).

The fundamental point is the definition of a loan as a banking product (the result of the activities of bank employees). In modern literature, two interrelated approaches to solving this issue are substantiated

On the one hand, it is proposed to understand the loan itself on two levels - as a certain sum of money allocated by the bank for a certain purpose, and as a certain technology for satisfying the financial need declared by the borrower, on the other hand, it is proposed to distinguish between the said technology and the results of its application. Using this approach, it can be argued that the loan as a product of the bank's activity is:

- firstly, the amount of money provided by the bank to the borrower and satisfying the basic characteristics of a loan described above, reflecting its specific economic and legal nature;
- secondly, a credit product of a deeper level, namely a specific way in which a bank provides or is ready to provide a credit service to a client in need of it, i.e. an ordered, internally agreed upon and documented set of interrelated organizational, technical and technological, informational, financial, legal and other actions (procedures) that constitute a complete regulation of interaction between bank employees (divisions associated with the credit process) with the client being served, a unified and complete technology for credit servicing of the client.

Bank loans are divided into active and passive. In the first case, the bank gives a loan, i.e. acts as a creditor, in the second case, it takes a loan, i.e. is a borrower. The bank can enter into credit relations (take or give loans) with other banks (other credit organizations), including

the central bank, performing an active or passive function depending on the situation.
In this case, we are dealing with interbank lending.

As for all other enterprises, organizations, institutions and individuals (non-financial sector of the economy), the bank's credit relations with them are of a different nature - here the bank is almost always the party giving the credit. Further, we are talking specifically about active bank lending.

Classification of loans

More specifically, the basic lending services provided by commercial banks to their clients (both legal entities and individuals) can be presented in the form of the following classification.

Before starting to issue loans, a bank must formulate its credit policy (along with and in accordance with its policies applicable to all other areas of activity - deposit, interest, tariff, technical, personnel, in relation to clients, competitors, etc.), and also provide for the methods and means of implementing it in real practice.

Formulation of bank policy is one of the stages of planning its activities. To define and approve credit policy means to formulate and consolidate in the necessary internal bank documents the position of the bank's management on at least the following issues:

1. the bank’s priorities in the credit market, meaning the following that are preferable for a given bank:

- objects of lending (industries, types of production or other business);
- categories of borrowers (government bodies, state and non-state enterprises and organizations, individuals);
- the nature of relations with borrowers (focus on long-term and partnership relations or on one-off credit transactions, combination of lending with other types of banking services, degree of openness and trust on both sides);
- types and sizes (minimum, maximum) of loans;
- loan servicing schemes;
- forms of ensuring loan repayment, etc.;

2. purposes of lending:

- expected level of profitability of loans;
- other purposes (not directly related to making a profit).

In order for the bank to make informed decisions on the specified range of issues, the following are of great importance:

- clear and balanced setting of the general goals of the bank’s activities for the upcoming period (i.e. good planning in general);
- adequate analysis of the credit market (i.e. good work of the marketing department);
- clarity of prospects for the development of the bank's resource base;
- accurate assessment of the quality of the loan portfolio;
- taking into account the dynamics of the level of personnel qualifications and other factors.

The role of credit policy can be expressed in the following theses:

- the absence of a bank's own credit policy, or the presence of a weak (poorly thought out, unfounded) policy, or its formal presence means the absence of planning of the credit process and, consequently, the full management of this most important area of activity, which dooms the bank to unconditional failure, especially in the medium and long term.

• a high-quality credit policy of a bank, if its provisions are actually used, although it does not guarantee unconditional success, however:

• promotes meaningful coordination of its efforts in the credit market;

• provides the activities of the divisions involved in the credit process with the necessary "core" and well-thought-out technologies;

• significantly reduces the risk of making incorrect management decisions;

• provides the bank's management with an important criterion for assessing the quality of management of the credit division and the organization of the credit process in the bank as a whole.

The function of the bank's credit policy in general is to optimize the credit process, bearing in mind that the goals and priorities for the development (improvement) of lending, determined by the bank, constitute its credit policy.

Literature:

1.Kataeva N.N. Analysis of the competitive environment in the banking services market of the Kirov region // Problems of modern science and education. 2014. No. 11 (29). P. 64-67.
2.Populo A.A. Fundamentals of anti-crisis management of credit risk of a commercial bank // Problems of modern science and education. 2014. No. 5 (23). P. 36-39.
3.Korovina S.Yu. Problems of banking liquidity management in the regions // Bulletin of Science and Education. 2014. No. 2 (2). P. 40-42.
4. Koropova D.Yu. Characteristics of the development of the banking sector of the Stavropol Territory // Problems of modern science and education. 2013. No. 2 (16). P. 90-91.
5.Mansurov G.Z. Banking secrecy as a type of confidential information // Science, technology and education. 2014. No. 2 (2). P. 92-94. 0
6.Moshchevitin A.A. Capital consolidation in Russia. Interaction of industrial enterprises with banks // Problems of modern science and education. 2012. No. 11 (11). P. 4-5.