

## FINANCIAL ANALYSIS AND ITS ROLE IN CUSTOMER LENDING

**Abduvahobov Sh.X**

*SamISI teacher*

**Ummatov Adxamjon Musurmon o'g'li**

*SamISI student*

**Abstract:** *This article describes in detail the relationship between financial analysis and the lending process, the role of financial analysis in lending to customers. The importance of financial analysis in assessing the creditworthiness of clients, determining credit risk, and developing acceptable lending conditions is explained in detail based on the financial statements of clients.*

*Also, the process of lending to corporate customers, its types and features, the main methods of financial analysis, and the essence of analyzing the financial situation of enterprises are disclosed. In addition, the tasks, importance and role of financial analysis in the economy are also covered.*

**Keywords:** *Financial analysis, lending, creditworthiness, credit risk, corporate clients, financial statements, liquidity, profitability, financial stability*

Financial analysis and the lending process are closely related and have complementary and complementary importance. Financial analysis plays an important role in the formation of banks' lending policy and credit risk management.

Lending to customers is one of the main areas of activity of banks. In order to successfully allocate credit resources, banks should carefully analyze the financial situation of customers. Such a financial analysis is an integral part of the lending process, which serves to assess the creditworthiness of the client, correctly determine the credit risk, and determine the terms of lending.

Financial analysis allows the bank to study in detail the client's financial stability, cash flows, profitability and debt status. On this basis, the bank accurately assesses the client's solvency and ability to repay the loan on time. Through financial analysis, banks also identify financial risks and risk factors in the activities of clients.

Also, financial analysis is a tool for the bank to assess the reliability of the client's loan collateral. Based on the results of the analysis, the bank determines the terms of the loan, the value of the pledged assets and the interest rate.

Therefore, financial analysis plays a central role in the lending process of banks. It serves to assess the creditworthiness of customers, to determine the real credit risk and to develop optimal lending conditions, using financial information expressed in the form of numerical indicators and numbers.

Based on the above-mentioned points, it is worth mentioning the concepts of "Financial analysis" and "Lending" used in the article.

The terms of financial analysis refers to the process of comprehensive assessment of the company's financial situation through in-depth analysis of financial statements and statistical

data. During this analysis, the company's liquidity, profitability, composition of assets, financial independence and other important financial indicators are studied. Also, financial analysis makes it possible to predict the future financial situation of the enterprise.

Financial analysis is important in lending to clients, it allows banks to accurately assess the client's creditworthiness, correctly determine credit risk, develop acceptable lending conditions and create favorable conditions for clients. Thus, financial analysis and lending are closely related processes.

It includes the following main aspects:

1. Assessment of creditworthiness

- Through the analysis of financial reports, the client's income, expenses, debts and general financial situation are studied. This helps in assessing the ability of the customer to repay the loan.

2. Valuation of properties provided as collateral

- The value of the pledged property is determined and the loan amount is determined.

This is important to reduce expected losses from the loan.

3. Liquidity and cash flow analysis

- The client's current liquidity position and future cash flows are analyzed. This helps in assessing the customer's ability to make payments on time.

4. Sources of income and their stability

- The client's main sources of income and their stability are studied. This allows you to assess the customer's ability to repay the loan.

5. Comparison of financial indicators

- The financial indicators of the client are compared with the indicators of other companies operating in the field. This helps to determine the position of the client in the industry.

6. Risk assessment

- Through financial analysis, the main financial and operational risks in the client's activity are identified and evaluated. This is important for the bank.

At the same time, the financial analysis helps to assess the quality of the client's activities and to develop future strategic decisions. In the case of customer credit, this analysis is a decisive factor.

Lending to corporate clients is the process of providing financial resources in the form of loans to legal entities, that is, various enterprises and organizations by commercial banks.

Let's consider the following types of loans of Ipoteka Bank, one of the most famous banks in the field of lending to corporate clients:

Portfolio loan: A loan allocated to the construction industry.

Loan based on state programs: Loan related to state programs.

Car loan: Loan for buying cars.

Export-related trade operations and pre-export financing: Credit for international trade operations.

Business loan for replenishment of working capital: A loan obtained in order to improve the financial condition of the enterprise.

Lending to corporate clients is one of the important areas of activity of banks. This process serves to increase the development and efficiency of the economy.

Now let's explore these types of loans one by one:

A portfolio loan, or a mortgage loan for the construction and reconstruction of an individual house, is given to citizens of the Republic of Uzbekistan for the construction and reconstruction of housing. With this loan, you can build yourself a good and new house or restore your existing house.

The main terms of the loan are as follows:

- Loan amount: up to 327.2 million soums
- Loan rate: 18%
- Loan period: up to 20 years
- Down payment: 15%

Send an application for a loan or fill out an initial application on the website. Submit the necessary documents to the nearest bank office.

Get paid by signing a loan agreement.

Additional conditions:

- The loan is granted to citizens of the Republic of Uzbekistan between the ages of 18 and 60.
- The loan repayment method is annuity or differential based on the choice of the borrower.
- In order to obtain a loan, mortgage loans for the construction and reconstruction of individual houses in the city of Tashkent are not allocated.

A loan based on state programs represents the relationship of collecting state funds in the form of a loan fund and lending them to legal entities and individuals in need of money for production and other needs for a certain period of time, with the condition of repayment with interest payments.

I will mention the following basic information:

Portfolio loan:

Loan amount: up to 2.0 billion soums

Loan rate: 14% p.a

Loan term: up to 60 months (5 years), but no later than June 15, 2028

Initial contribution: No information

A car loan is a loan for buying cars. This is an easy and very convenient method. You can buy new, light cars from manufacturers and their official dealers through a car loan.

Credit for international trade transactions is a financial instrument used in export and import processes. Such loans are provided to companies to cover various expenses related to international trade.

1. Purchase and production of export goods
2. Logistics costs for exporting goods
2. Financing of imported goods
3. Temporary financing

- Loans are granted to cover temporary financial shortfalls that arise during trade operations.

Such loans are usually short-term (up to one year) and medium-term (1-5 years). They are provided by banks and export-import banks. Credit terms depend on factors such as product type, value, legal environment and political risks.

Loans for international trade operations help to liberalize trade circulation and develop international trade relations.

Working capital is the current assets that are needed to meet the current liquidity needs of the business, to cover the costs of the business and to run its day-to-day operations, such as cash, short-term investments, debt collection and inventories.

Business loans to replenish working capital are taken for the following purposes:

1. Purchase and replenishment of inventory
2. Paying wages to the workforce
3. Payment of utilities and obligations
4. Overcoming short-term financial difficulties

These loans are usually granted for a short term, i.e. up to one year, and their main advantage is the possibility of quick access to relevant sources of liquidity.

To obtain such loans, enterprises can offer the bank inventory, receivables and other working capital as collateral. Business loans for replenishing working capital are an important financial resource, especially for businesses that operate in seasonal business or have a high need for working capital.

In conclusion, the inextricable connection between financial analysis and lending to customers is important for the efficient operation of banks. By improving the methods of financial analysis and simplifying the process of lending to customers, the possibilities of improving the quality of financial services in the banking system and making them more competitive will expand. Also, as I mentioned before financial analysis is important in lending to clients, it allows banks to accurately assess the client's creditworthiness, correctly determine credit risk, develop acceptable lending conditions and create favorable conditions for clients. Thus, financial analysis and lending are closely related 6 processes.

1. Assessment of creditworthiness
2. Valuation of properties provided as collateral
3. Liquidity and cash flow analysis
4. Sources of income and their stability
5. Comparison of financial indicators
6. Risk assessment

Let me provide some of the basic informations about credit for international trade transactions and working capital. Credit for international trade transactions refers to the arrangement by which a buyer obtains goods or services from a seller on the basis of extended payment terms. This credit can take the form of a letter of credit, which is a financial instrument issued by a bank on behalf of the buyer, guaranteeing payment to the seller upon presentation of specified documents. It can also take the form of open account terms, in which the seller ships the goods and allows the buyer to pay at a later date.

Working capital is a measure of a company's financial health and operational efficiency. It is calculated by subtracting current liabilities from current assets, and represents the amount of money a company has to cover its day-to-day expenses and operational costs.

Having a healthy level of working capital is important for businesses as it allows them to meet their short-term obligations, such as paying suppliers and employees, without having to rely on external financing. It also indicates the company's ability to manage its short-term liquidity and financial stability.

A positive working capital indicates that a company has enough current assets to cover its current liabilities, while a negative working capital suggests that the company may have trouble meeting its short-term obligations. It is important for companies to manage their working capital effectively in order to maintain financial stability and support ongoing operations.

### REFERENCES AND INTERNET RESOURCES:

1. Абдувахобов Шахзод Холмўмин уғли, Possibilities of Increasing the Activity of Banks in the Securities Market, Journal of Advanced Research and Scientific Progress (JARSP), Volume 02 Issue: 03/2023 ISSN: 2751-7551 (159-162)

2. Абдувахобов Шахзод Холмўмин уғли, Analysis of Existing Management Mechanisms and Assessment Methods of The Bank's General Financial Risk, Journal of Intellectual Property and Human Rights, Volume:02 Issue: 05/ May2023, ISSN:2720-6882 (227-231)

3. Абдувахобов Шахзод Холмўмин уғли, Improverment of Investment Activities in the Service Sector, Journal of Innovative Studies of Engineering Science (JISES), Volume:02 Issue:03/2023 (53-58)

4. Абдувахобов Шахзод Холмўмин уғли, Factors Causing Credit Risks in Commercial Banks and Their Assessment, Journal of Intellectual Property and Human, Volume:02 Issue:05/May-2023 ISSN:2720-6882 (221-226)

5. Sharipova N. D., Asadova S. D. THE ROLE OF BANKS IN THE MODERN MONETARY SYSTEM //Procedia of Theoretical and Applied Sciences. – 2023. – Т.

6. – С. 55-62. 6. Шарипова Н.Д., Чориев Я.А. СТРАХОВАНИЕ БАНКОВСКОЙ ДЕЯТЕЛЬНОСТИ //International Journal of Advanced Research in Education, Technology and Management. -2023- Т.2. - С. 92-99.

7. Sharipova N. D., Jurayev I. S. THEORETICAL FOUNDATIONS OF MONETARY POLICY// INTERNATIONAL JOURNAL OF INNOVATIONS IN ENGINEERING RESEARCH AND TECHNOLOGY. – 2023. -Т. 10. -С. 171-173.

8. Sharipova N. D., Aliboyev L.Sh. THE IMPORTANCE OF ANTIINFLATIONARY POLICY AND INFLATION TRADING IN UZBEKISTAN// INTERNATIONAL MULTIDISCIPLINARY JOURNAL FOR RESEARCH & DEVELOPMENT. -2023. -Т. 10. - С. 92-94.

9. [www.gazeta.uz-Credits](http://www.gazeta.uz-Credits)

10. [www.wikipedia.org-Ensiklopedia](http://www.wikipedia.org-Ensiklopedia)

11. [www.sqb.uz-Individuals /credits/avtokredit-uz](http://www.sqb.uz-Individuals/credits/avtokredit-uz)
12. [www.interfinance.tfi-Content/uploads](http://www.interfinance.tfi-Content/uploads)
13. [www.ipotekabank.uz-Business and financing](http://www.ipotekabank.uz-Business and financing)
14. [www.azkurs.org-Financial analysi](http://www.azkurs.org-Financial analysi)