ISSN 2181-

THE STRUCTURE AND DYNAMICS OF LOANS PROVIDED BY COMMERCIAL BANKS TO INDUSTRIAL ENTERPRISES.

Narmamatov Ixtiyar Baxtiyarovich –

Acting Professor at the University

of Information Technologies and Management,

Doctor of Economics (DSc).

narmamatovixtiyar ***@gmail.com***

Khasanov Shamsiddin Khafizovich –

Senior Lecturer, University of Information

Technologies and Management.

xasanovshamsiddin@gmail.com

Annotation.This article provides an in-depth analytical study of the structure and long-term dynamics of loans extended by service-oriented commercial banks to manufacturing enterprises.

It systematically examines the internal composition of credit portfolios, including their sectoral, functional, and maturity-based classifications.The research investigates how shifts in monetary policy, macroeconomic stability, and market liquidity influence the allocation of bank loans to the industrial sector.Particular emphasis is placed on identifying trends in short-term, medium-term, and long-term financing within diverse branches of manufacturing.The article evaluates changes in loan volumes, interest rate behavior, collateral requirements, and risk-weighted

credit assessments.Advanced statistical indicators are employed to trace temporal variations in lending practices and capital distribution patterns.The study reveals how technological modernization and industrial competitiveness shape the demand for bank financing.

The article identifies key economic, regulatory, and institutional factors driving the evolution of credit structures.Special attention is given to the role of prudential regulations and risk management standards in influencing bank behavior. Based on empirical findings, the study formulates policy recommendations aimed at improving credit accessibility and strengthening industrial financial stability. Overall, the article contributes to the scientific understanding of how banking credit mechanisms support long-term industrial development and modernization.

Keywords:Manufacturing credit, commercial banks, credit portfolio structure, loan dynamics,industrial enterprises, interest rate trends, credit allocation, financial regulation, lending strategies, credit demand, industrial development

Main part. The analysis is grounded in the provisions of the “Regulation on Macroprudential Standards for Banks and Requirements on Maximum Payment Burdens for Loans,” adopted by the Central Bank on 23 April 2025, under decision No. 10/25/3618/0378.This regulatory act establishes a unified framework for assessing banks’ credit portfolios and limiting excessive risk concentration.[1]

It defines macroprudential indicators such as loan-to-value ratios, debt-service-to-income thresholds, and sectoral exposure limits.

The Regulation aims to strengthen financial sustainability while ensuring the efficient allocation of credit to manufacturing enterprises.Following its adoption, banks were required to recalibrate their credit policies and revise portfolio risk-weighting practices.The updated standards directly influenced the maturity structure of loans granted to industrial firms.

In particular, banks increased scrutiny of long-term industrial lending due to heightened capital and liquidity requirements.The Regulation also tightened borrower solvency assessments, significantly affecting SMEs in the manufacturing sector.Its provisions encouraged credit diversification across different branches of industry.[2]

Banks were compelled to enhance credit-risk monitoring systems and adopt stricter internal controls.

These measures collectively contributed to more balanced credit dynamics in the industrial sector.The Regulation further reinforced transparency in credit issuance and post-lending supervision.Overall, the document serves as a fundamental regulatory tool shaping the structure, distribution, and sustainability of bank loans to manufacturing enterprises.

Literature Review. Local scholars such as A. Abdukarimov emphasize the role of banking credit policies in supporting industrial modernization in Uzbekistan.

D. Mamatqulov examines the structural transformation of credit portfolios and their impact on manufacturing sector performance.According to N. Karimova, sustainable credit expansion requires a balanced macroprudential framework that minimizes financial risks.Foreign researcher Joseph Stiglitz highlights the significance of credit market efficiency and information asymmetry in shaping industrial growth.
Raghuram Rajan argues that prudent credit regulation is essential for maintaining stability in emerging economies’ banking systems.[3]

Studies by Olivier Blanchard stress the influence of macroeconomic policy cycles on banks’ lending capacity and industry financing.Paul Krugman underlines the importance of long-term investment financing as a driver of technological advancement in manufacturing.

Research by Thorsten Beck demonstrates that diversified credit portfolios enhance industrial competitiveness and reduce systemic vulnerability. Asli Demirgüç-Kunt provides empirical evidence on how financial institutions' regulatory standards affect enterprise-level access to credit.Collectively, these scholars' findings form a theoretical foundation for analyzing the structure and dynamics of bank loans to manufacturing enterprises.[4]

Analysis and Results.**Over the four-year period from 2019 to 2022, commercial banks have consistently expanded their credit portfolios directed toward manufacturing enterprises. The assessment of loan dynamics reveals that domestic financial institutions have outpaced international averages in both absolute growth and relative expansion, indicating a proactive domestic industrial financing policy. The evolution of loan structures, sectoral allocations, and maturity profiles provides a comprehensive understanding of credit distribution, risk exposure, and policy effectiveness.**

The following consolidated table illustrates the total loan volumes, their structural composition by term, and sectoral allocation for both local and international benchmarks over the four-year period. This integrated presentation allows simultaneous observation of multiple dimensions of bank lending.[5]

Loan Dynamics, Structure, and Sectoral Distribution

Table -1

Yea r	**T otal L oans**	**Tot al Lo ans**	**S hort-term (Loca l)**	**M edi u m-term (Local)**	**L ong-term (**	**M achin-er y E**	**F ood Processi ng**	**T ex ti les**	**An nual Growth % (Local /**

	(Local, USD million)	(International Avg, USD million)			Local)	quipment			International)
019	*500*	*600*	*250*	*150*	*100*	*175*	*125*	*100*	-
020	*580*	*670*	*270*	*180*	*130*	*190*	*140*	*120*	*16 / 12*
021	*640*	*720*	*290*	*200*	*150*	*210*	*160*	*130*	*10 / 7*
022	*700*	*780*	*310*	*230*	*160*	*245*	*180*	*150*	*9 / 8*

Indicates the annual period from 2019 to 2022.Analysis over four consecutive years allows observation of trends, cyclic fluctuations, and the impact of macroeconomic policies on industrial lending.Represents the aggregate loan volume extended by domestic commercial banks to manufacturing enterprises each year.Shows a progressive increase from 500 million USD in 2019 to 700 million USD in 2022.*(Table -1)[6].*

The steady rise reflects both an expansionary domestic credit policy and grov industrial demand for financial resources.Provides the average loan volume for compar international banking institutions financing manufacturing sectors.This benchmark h assess relative growth, efficiency, and competitiveness of local banks.International growth is more moderate, reflecting diversified risk management and stable alloca policies.Denotes credit provided for up to 12 months, primarily aimed at financing wor capital, operational expenses, and immediate liquidity needs.

Despite being dominant (≈45–50% of total loans), the proportion slightly declines time as medium-term lending gains importance.Covers loans with a repayment period o 5 years.Steady growth from 150 million USD in 2019 to 230 million USD in 2022 signa strategic shift toward supporting sustainable capital investments and moderniza projects.Includes loans exceeding five years, usually for high-value projects infrastructure development.[7]

Incremental increase reflects cautious engagement in high-risk, long-term investm while maintaining portfolio stability.Machinery & Equipment: Receives the largest shar funding (~35%), indicating strategic industrial priority and potential for producti enhancement.Food Processing: Receives consistent but moderate funding, reflecting ste market demand and moderate risk.Textiles: Receives relatively lower allocation, possibly to higher market volatility or lower capital intensity.Comparison with international tre suggests that global banks diversify more evenly across sectors, reducing sector-spe risk.Reflects year-on-year growth in total loans.

Local banks show higher growth rates than international averages, illustra aggressive credit expansion and domestic policy support.Slight deceleration in 2022 sugg macroeconomic adjustments or risk management interventions.

1. Local banks' total loans grew by 40% over four years, significantly exceeding the

international average growth of 30%. This reflects both a higher credit expansion rate and a strategic orientation toward supporting domestic manufacturing enterprises.

2. Short-term loans consistently dominate the portfolio, primarily addressing immediate working capital requirements. Medium-term loans show a steady increase, indicating a strategic shift toward supporting sustainable industrial investments. Long-term loans, though limited, demonstrate cautious engagement with higher-risk, capital-intensive projects.

Machinery and equipment sector remains the principal recipient of credit, accounting for approximately 35% of the total loan volume by 2022.Food processing and textiles sectors display moderate growth, with allocation levels reflecting both market demand and risk assessment policies.

International comparatives reveal a more evenly distributed allocation, which enhances portfolio stability.The annual growth rates indicate that domestic banks have maintained robust expansion, with minor deceleration in 2022, likely influenced by macroeconomic conditions and risk mitigation strategies.

The gradual increase in medium-term loans aligns with government policy objectives aimed at industrial modernization and long-term productivity enhancement.

Concentration in specific sectors, particularly machinery, highlights the necessity for diversification to mitigate exposure to sector-specific shocks.Comparative international data underscore the benefits of diversified lending practices to maintain stability while pursuing growth.

Conclusion and Recommendations. Over the four-year period (2019–2022), commercial banks significantly increased credit provision to manufacturing enterprises, demonstrating a robust growth trend that exceeded international averages. Analysis of loan structures indicates a gradual shift from short-term to medium-term financing, reflecting a strategic orientation toward sustainable industrial investment. Sectoral allocation highlights machinery and equipment as the

ISSN 2181-

primary recipient of funds, emphasizing targeted industrial development, while food processing and textiles receive moderate yet consistent support. Comparative assessment with international benchmarks reveals that local banks could benefit from greater diversification to mitigate sector-specific risk. Policy measures should focus on promoting long-term lending instruments, expanding medium-term credit, and encouraging balanced sectoral distribution to enhance industrial resilience. Strengthening risk assessment frameworks and adopting international best practices in portfolio management will further optimize credit allocation and support sustained economic growth.

References.

1. Tijorat banklari kredit siyosatiga nisbatan qo'yiladigan talablar to'g'risidagi nizom — MB Boshqaruvi.2000 y., 905-son.

2. "Pul-kredit siyosatining asosiy yo'nalishlari.2025-2027 yillar" — MB pul-kredit siyosati.

3. "O'zbekiston Respublikasi Markaziy banki to'g'risida" Qonun — Markaziy bank faoliyatini tartibga soluvchi asosiy huquqiy hujjat. 2019

4. O'zbekiston Respublikasi Prezidentining PQ-3270-son qarori.12 sentyabr 2017 — respublika bank tizimini rivojlantirish va barqarorligini oshirish chora-tadbirlari.

5. D. Mamatqulov "Bank kapitali va uni boshqarish", T.: "O'zbekiston", 2003.

6. Ikromov, B., "Banklash tizimi va moliyaviy institutlar", T.: Noshirlik uyi, 2015.

7. Paul Krugman. The Economics of Money, Banking, and Financial Markets. 2018

8. Saunders, Anthony, Marcia Millon Cornett, Financial Institutions Management: A Risk Management Approach. 2019

9. Markaziy Bank Rasmiy Sayti — Me’yoriy hujjatlar bo‘limi, qonunlar va nizomlar. Центральный банк Узбекистана

10. World Bank/2018-2022

11. CBU.uz.2019 —2022

12. Topical Issues of Improvement of Banking System.2023