



## **EFFICIENT INVESTMENT ACTIVITY OF COMMERCIAL BANKS**

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**Abstract:** This thesis pays special attention to the development commercial banks by attracting investments. Also given the contribution of investments to the economy and ways to solve some problems in commercial banks today.

**Key words:** commercial banks, investments, investment activity, capital market, corporate finance, foreign investments, project financing.

The conditions of globalization influence and the processes of integration between countries have accelerated. These trends are reflected in all aspects of socio-political, socio-economic, cultural, humanitarian, sports, as well as state and public life. finds expression. Such trends, of course, financial markets, commercial banks, financial mechanisms, in particular, indicators of investment flows have absolutely changed it.

So, which country has an active investment policy today?

It becomes an axiom that they have succeeded in achieving stable growth of their economy. As President Sh. Mirziyoyev noted, “investment is the economy.”

It would be an exaggeration to say that the driver, according to Uzbek concepts, is the heart of the economy. This will not happen, along with investments, this is new for different industries and industries, regions. technologies, advanced experience and highly qualified specialists are coming, entrepreneurship will develop rapidly.”

So how do commercial banks get involved in this important area?

True, for the first time in the history of our country, Uzbekistan became a sovereign state. bonds were issued on international financial markets. In this regard, J. P. Morgan

With leading international investment banks such as Citibank, Deutsche Bank. cooperation continues.

But what other measures are being taken to fully demonstrate the banking and financial potential of our country in order to attract foreign investment? or should I look?

The banking and financial system has continued to accelerate in recent years. reforms consist, first of all, in the widespread introduction of modern market mechanisms in the industry. appears. In turn, the capital of banks for many years, the main part belonged to the state. This is great in the banking sector and becomes an obstacle to competition, having a negative impact on the quality of service. Consequently, in recent years, the activity of banks, especially theirs, has intensified. It is important to expand participation in investment processes as institutional changes occur. On behalf of the head of state, banking and finance, with the support of international financial institutions, the government and the Central Bank, is developing a long-term strategy for the development of the system.

After all, on this basis private and foreign capital enters the banking system.



As a result, the share of state banks in the sector is gradually decreasing. Improving the competitive environment, the activities of commercial banks, the quality of lending and comprehensively improving their culture, especially investment activity.

Thus, the development of financial markets, including the stock market, is new. Banking through the introduction of financial instruments and the issuance of bonds, further expansion of the range of services based on advanced information technologies, special attention is paid to the development of the banking system. Wide and comfortable conditions are created for investors. This is definitely the first step along the way.

It is believed that the foreign exchange market is liberalizing, increasing the efficiency of investment activities of commercial banks, institutional seeks to improve the fundamentals.

This is in line with the priorities defined in the action strategy. Already now he is deepening the reform of the banking system and stabilizing it.

ensuring, increasing the level of capitalization and deposit base of banks, strengthening their financial stability and reliability, promising

investment projects and small businesses and private entrepreneurship, further expansion of lending is intensifying.

In this sense, investment banking is a traditional company business. Not a simple tool for financing their activities, products offered to meet their complex financial needs and an opinion on the meaning of the service system. Based on this, investment banking services are divided into five strategically important business areas.

Capital Markets, Corporate Finance, Merchant Banking, Project Finance, Risk Management is one of them.

For example, the investment activities of commercial banks in capital markets. How do you think this manifests itself? These are transactions on the primary market, in particular, services on the stock market (issue and placement, research, sponsorship, post-listing support); in the debt market services (issuance and placement, securitization, research and (including others), and in the secondary market - services in the stock market (sales, dealing, brokerage, market making, asset management); debt services in the liability market (sales, dealing, brokerage, market making, covers operations such as asset management).

Business activities in the direction of corporate finance and property redistribution services (mergers and acquisitions, etc.), in times of crisis, company restructuring services, financial consulting services represents

Merchant banking also plays an important role in the investment activities of commercial banks.

The reason is that on this basis, equity in the initial stage of the company's investment (venture capital), growth and ownership base of equity investment for the purpose of restructuring (private capital) opportunity is created.

Project finance, that is, private investment in structured finance. initiatives, mixed, i.e. collaboration between the public and private sectors is important

Industrial and financial risk management services, risk management, measurement and compensation advisory services are also commercial in the investment activities of banks, in other words, their investments are the main parameters that confirm that it is a bank.

Based on this, the investment policy of commercial banks in our country strictly requires adaptation to the requirements of the time. This is where you organize your own system of investment activity goals and provide the opportunity to freely choose ways to achieve these goals.



From an institutional point of view, this is the organization of investment activities and this means that comprehensive management measures are implemented.

It is from this point of view that certain activities of our commercial banks are investment, ensuring the appropriate composition and volume of assets, acceptable risk should be aimed at increasing the profitability of assets. In turn, expanding the bank's resource base and ensuring the safety of bank resources should be among the goals of the future. Only then liquidity, security and profitability of investment and growth

Pragmatic conditions have been created for this. Here is the direction of investment by making the following proposals on factors stimulating commercial banks, you can switch: to increase competitive advantage, to expand the resource base, to increase lending volumes, to reduce the risk of the loan portfolio based on diversification, to reduce the risk of non-repayment in lending.

So, there is still a lot of work ahead. For example, our country directs short-term resources into short-term assets in banks of the correct size. Thus, commercial banks are far from necessary to expand opportunities for investment in fixed capital. The current daily volume of transactions of the banks of our republic on the stock market remains small. It is necessary to radically revise this scale in accordance with the effective management of liquidity of commercial banks and the investment portfolio, the elimination of some obstacles to the rational formation of the period is a requirement.

**In conclusion**, the result of any reform is good for our people. should serve to create decent living conditions. The head of our state, as noted: "We need to increase the most convenient business for our people, which allows us to receive sufficient income and create an investment environment and create new enterprises and jobs. If we don't do these urgent things, no one will.

This approach is only a great economic one to raise the standard of living of the people by leaps and bounds, the welfare of the population is the first to consider this as a sign of rank characteristic of a true leader who loves people. Commerce banks are the most active and continuous of these important processes. Becoming a member is more important today than ever.

#### **List of used literature:**

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