

ANALYSIS OF KAPITALBANK'S ECONOMIC AND FINANCIAL INDICATORS AND THE BANK'S INNOVATIVE APPROACHES IN RISK MANAGEMENT

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Annotation: This article analyzes the economic and financial indicators of Kapitalbank and explores the bank's innovative approaches to risk management. As one of the leading commercial banks in Uzbekistan, Kapitalbank actively utilizes modern technologies to ensure economic stability and manage financial risks in its operations. The article provides detailed information about the bank's key financial indicators, innovative approaches to risk management, and its successes in implementing new technologies.

Keywords: Kapitalbank, economic-financial indicators, risk management, innovative approaches, digital transformation, credit risk, artificial intelligence, mobile banking, fintech.

As one of the largest commercial banks in Uzbekistan, Kapitalbank continuously improves its economic and financial indicators year by year. When analyzing the bank's financial condition, credit portfolio, liquidity levels, and profitability indicators, its innovative approaches and technological innovations play a crucial role.

Kapitalbank's financial indicators have been consistently improving. According to the bank's 2023 annual report, Kapitalbank's total assets grew by 15%, exceeding 10 trillion soums. This growth demonstrates the bank's economic stability and competitiveness. In 2023, the bank's net profit exceeded 500 billion soums, a 20% increase compared to 2022 (Chart 1).

- Asset growth: 15% growth (2023)
- Net profit: 500 billion soums (20% growth)
- Credit portfolio: 30% growth (by the end of 2023)

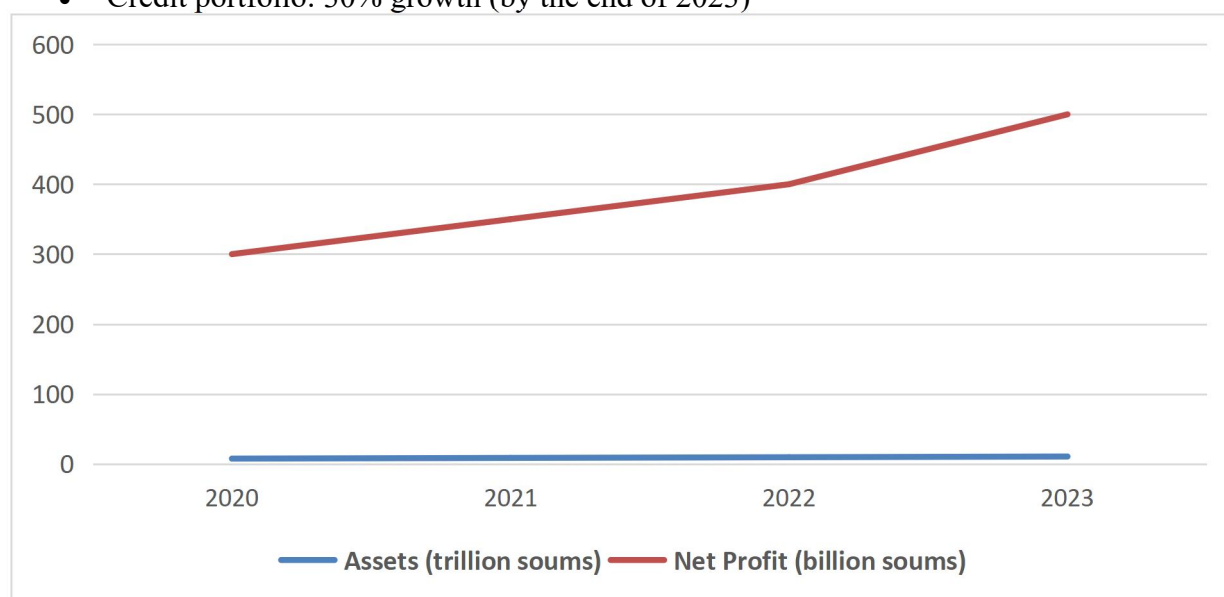


Chart 1. Kapitalbank's Financial Indicators (Assets and Net Profit)

Chart 1 illustrates the growth of Kapitalbank's assets and net profit from 2020 to 2023. The asset growth consistently stands at 15% each year, while the net profit reflects the bank's economic stability.

Kapitalbank's credit portfolio is expanding. The number of loans has increased by 30%, with the majority being small and medium-sized business loans aimed at supporting economic activities. The bank's innovative efforts to reduce credit risks, particularly through artificial intelligence and data-driven approaches, have resulted in significant achievements in this area.

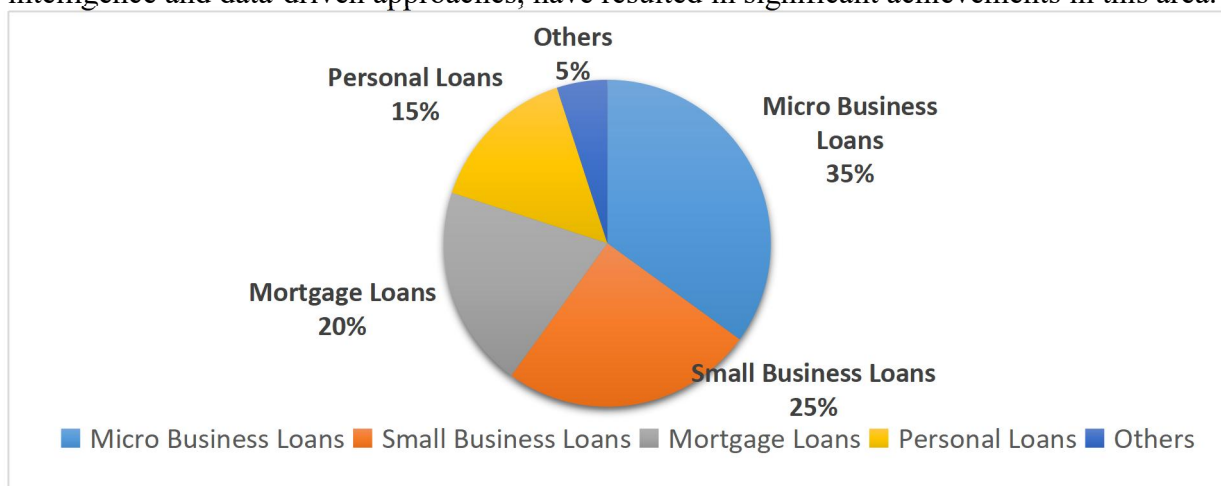


Chart 2. Kapitalbank's Credit Portfolio

Chart 2 shows how Kapitalbank's credit portfolio is distributed across different types of loans. Micro and small business loans make up the majority, reflecting the bank's strategy to support small and medium-sized businesses.

The bank's liquidity level is also high. The bank's liquid assets against short-term liabilities accounted for 120%. This indicator ensures the bank's financial stability and indicates that there are sufficient reserves for urgent payments.

Kapitalbank places great emphasis on innovative approaches to risk management. Through the application of innovative technologies, the bank's risk management system has significantly improved (Chart 3).

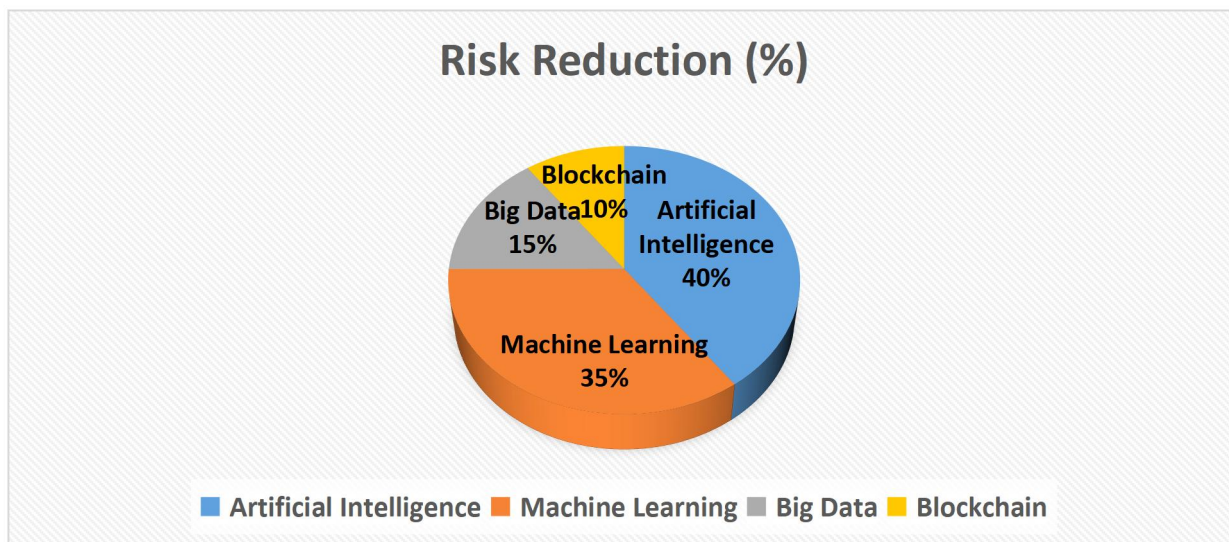


Chart 3. The Role of Innovations in Reducing Credit Risk Management at Kapitalbank

Chart 3 demonstrates how innovative technologies assist in Kapitalbank's risk management process. Artificial intelligence (AI) and machine learning (ML) play a key role in reducing credit risk.

Credit risk management is one of the most critical issues for any bank. Kapitalbank uses AI and ML technologies in managing credit risks. These technologies enable the bank to analyze comprehensive customer data and more accurately assess the financial condition of individuals applying for loans.

For example, through its new AI system, the bank analyzes customer data (credit history, monthly income, expenses, and other financial indicators) to make more accurate credit risk predictions. This has helped accelerate the bank's lending processes and reduce risks.

With the help of machine learning algorithms, the bank performs dynamic analysis based on customers' financial situations, unlike traditional lending methods. This process helps make credit acquisition more transparent and faster.

Kapitalbank is also using blockchain technology in its internal systems and transaction processes. The primary advantage of blockchain is its security and transparency. By using blockchain technology, the bank enables secure and fast payments for its customers and optimizes financial operations.

Kapitalbank places significant emphasis on developing mobile banking. Through mobile apps, customers can access a variety of services such as applying for loans, managing accounts, and making payments. This not only provides convenience for customers but also reduces the bank's operational risks. The bank's mobile app features innovative security features, such as biometric authentication (face or fingerprint recognition), which reduces fraud risk. Kapitalbank has been successful in detecting fraud early using fraud monitoring systems. The AI-based fraud monitoring system analyzes all transactions in real time and identifies suspicious activities. This plays a crucial role in ensuring the bank's security.

Kapitalbank actively applies AI and big data analytics technologies. These technologies allow the bank to monitor risks in real time. For example, it is possible to make predictions based on market changes, customers' financial conditions, and other important factors. With AI, the bank can identify potential problems early and take preventive measures.

Kapitalbank's innovative approaches have not only improved the effectiveness of risk management but also played a significant role in ensuring the bank's overall financial stability. The introduction of AI and ML systems for credit risk management has led the bank to reduce fraudulent loan applications and impossible debts. Moreover, the mobile banking system has increased the number of customers, enhancing the bank's competitiveness.

By the end of 2023, the number of customers served via Kapitalbank's mobile applications exceeded 2 million (Chart 4), demonstrating the bank's success in expanding its customer base.

- Credit portfolio growth: 30% growth (2023)
- Number of mobile banking users: 2 million (30% growth)
- Net profit: 500 billion soums (20% growth)

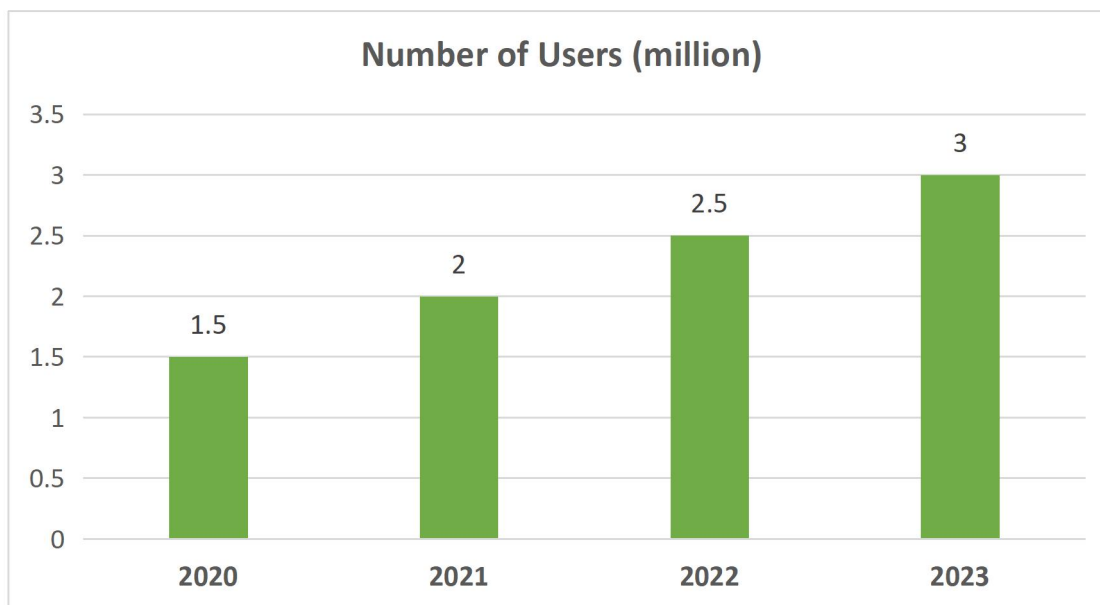


Chart 4. Users of Kapitalbank's Mobile App and Digital Services

Chart 4 shows the growth in the number of users of Kapitalbank's mobile banking services between 2020 and 2023. By developing mobile apps, the bank has expanded its connections with customers.

Through its innovative approaches and the implementation of new technologies, Kapitalbank has achieved significant success in effectively managing risks. The use of artificial intelligence (AI) and machine learning (ML) technologies in managing credit risks has enabled the bank to identify problems early. Mobile banking and digital services provide customers with more convenient and secure services. Kapitalbank's financial indicators also confirm the bank's overall economic condition and success in applying innovative technologies.

Kapitalbank's experience can also serve as a good example for other commercial banks, as the bank's innovative approaches have enhanced the effectiveness of risk management and strengthened the bank's competitiveness.

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