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## RESEARCH ON ECONOMIC SECURITY OF COMMERCIAL BANKS

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### ABSTRACT

*The purpose of the article is to develop theoretical aspects and practical recommendations for the development of methods to ensure the economic security of the bank. profitability, but, first of all, the quality of banking activities, including: the establishment of priority measures to ensure the economic security of banks as a whole in the banking sector; integration into the general scheme of providing intra-bank methods of improving the quality of banking activities. economic stability of the banking sector; introduction of quality standards in banking supervision. In developing this problem, a comparative analysis of risk management methods in commercial banks and risk-based banking supervision were used to prove the effectiveness of their joint use. The results of the study, relevant recommendations and suggestions were prepared for decision makers. This will help to better prepare the banking system for new challenges.*

**KEYWORDS:** *Banking Sector, Financial Stability, Economic Security, Banking Competition, Economic Insolvency, Non-Transparent Structure, Financial Security Rating.*

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## INTRODUCTION

The formation of a banking sector resistant to various shocks is one of the most urgent directions of development of the economy of Uzbekistan. Currently, the economy of Uzbekistan has a certain financial stabilization. At the same time, there are problems that have not been properly resolved. They concern primarily the banking system. Some of them are so acute that they pose a threat to the security of the entire economy, not just commercial banks. Destructive factors are catalysts of economic threats. Low rates of structural transformations in the economy, raw materials orientation of export industries, their close relationship with foreign economic conditions, unstable development of the international trade market, the influence of political forces, negatively affect the structure of the domestic banking market focused on export industries (Storozhuk Irina, 2005).

The weakness of the resource base, the economic insolvency of clients, the lack of the required volume of long-term deposits, and undercapitalization have become a serious obstacle to the safe development of commercial banks. Destructive, crisis-forming processes continuing in the banking sector are aggravated by the low level of development of banking competition, the underdevelopment of the financial market, lagging behind international standards, and insufficient development of modern banking technologies (Abdullaev Altinbek, 2020).

The rates of financial stabilization differ in different segments of territorial reproduction processes, which leads to imbalances in the regional development of commercial banks. Opaque ownership structure; poor asset quality; insufficient qualification level of banking specialists; poor quality of management, including weak efficiency of risk management systems; do not smooth out the arising internal contradictions.

The domestic system of banking supervision does not give a sufficiently objective assessment of the real financial condition of banks, the quality of internal control is not up to the mark, there is no rating for the quality of corporate governance, and there is no rating for financial security. These negative processes lead to a weakening of the regulation of financial relations in the banking sector.

Today, an important direction for the successful development of the banking sector has become the implementation of international banking standards, which include the recommendations of the Basel Committee on Banking Supervision and the Financial Action Task Force on Money Laundering (FATF). The main purpose of applying these standards for commercial banks in Uzbekistan is to maintain their financial stability and economic security both in the domestic and foreign markets (Natocheeva Natalya 2004).

The global pandemic has highlighted the need to modernize methods of ensuring the economic security of commercial banks. Due to the insufficient efficiency of existing methods, as well as their fragmentation and fragmentation during the global pandemic, the financial stability of the banking system has significantly deteriorated, and the excessively aggressive credit policy pursued by commercial banks contributed to the formation of an additional group of factors of financial instability of banks in Uzbekistan. It is obvious that for effective functioning in the market, as well as for maintaining economic security, new methods of ensuring the economic security of banks are needed. In modern realities, a system of methods for ensuring the economic security of commercial banks is needed, capable of detecting signs of threats at the initial stage and making timely decisions to minimize their manifestation and reduce the likelihood of negative consequences (Abdullaev Altinbek, 2016).

The relevance of the topic is due to the need for a theoretical and methodological study of the problems of economic security of commercial banks in the context of growing risks of legalization of illegally obtained income through the banking system and identification of factors that determine the financial stability of commercial banks; specifics of the application of modern methods of managing the economic security of a commercial bank; analysis of the peculiarities of the implementation of the risk - management system in commercial banks, as well as risk - oriented banking supervision; identifying directions for further development of the banking system from the standpoint of ensuring its economic security; development of practical recommendations for the development of an economic security management system in commercial banks of Uzbekistan.

## REVIEW OF LITERATURE

Natocheeva Natalya Nikolaevna (2004) conducted a study to study the theoretical provisions and methodological recommendations for the formation of a rating of financial security of commercial banks on the basis of forecasting internal economic threats. The study developed a step-by-step assessment of the impact of the main external and internal factors destabilizing the safe activities of commercial banks; a toolkit for rating the financial security of commercial banks was created on the basis of monitoring the developed system of indicators and forecasting internal economic threats.

The advantage of the proposed method for determining the rating of the financial security of commercial banks, according to the criterion of predicting internal economic threats, is the simplicity of calculations, clarity, which makes it possible to assess the level of financial security, increases the efficiency of making and the effectiveness of management decisions. This gives advantages: firstly, to gain time to recognize the growing threat, to take specific measures to prevent a decrease in the level of financial security; secondly, by ensuring a high level of financial security, maintaining the image of a safe bank, attracting new investors and depositors, thereby increasing the capital of a commercial bank (Natocheeva Natalya 2004).

Storozhuk Irina Nikolaevna (2010) conducted a study to study the conceptualization of the model of institutional and economic tools for ensuring the financial stability of a commercial bank as a basic structure in the system of economic security factors. The study proves that the portfolio approach to measuring and reducing credit risk will reduce the amount of reserved capital in comparison with the amount obtained by simple summation for instruments and counterparties, which does not take into account the correlations between them; a set of indicators of financial stability has been identified and threshold values of boundary conditions have been determined, which to a decisive extent affect the assessment of the economic security and reliability of a commercial bank (Storozhuk Irina, 2005).

The values of the financial stability indicator are recognized as good or above the average level, provided that its value is less than or equal to 1.5 when the boundary conditions of economic security are met; average or below the average level, provided that its value will be in the range from 1.6-2.0, when the boundary conditions are met; unsatisfactory - provided that the value of the financial stability indicator is higher than 2; financial stability cannot be classified above the "average" if the threshold imperative of at least one of the indicators of the security boundary conditions is not met during two reporting periods; the set of indicators for assessing the portfolio of banks' assets has been determined, which consists of the following basic elements: assessment of the quality of loans that make up the loan portfolio; determination of the portfolio structure

based on the quality of loans and assessment of structural changes based on the study of its dynamics; determination of the amount of reserves sufficient to cover losses on loans based on the analysis of the structure of the loan portfolio, and the directions of optimization of the bank's loan portfolio have been developed.

The values of the indicators at which the level of the loan portfolio is recognized as high are adequate to the positive dynamics of the lending ratios, the structure of lending by maturity, the ratios of the structure of loans by sectors of the economy, with the ratio of overdue loans from 1% to 5%; average, subject to a slight planned decrease in the level of diversification of the loan portfolio and the associated decrease in the ratios: lending; lending structures by terms; structure of loans by sectors of the economy, with the ratio of overdue loans from 6% to 9%; low, subject to a significant decrease in the level of diversification of the loan portfolio, entailing a significant decrease in the ratios: lending; lending structures by terms; structure of loans by sectors of the economy, with a ratio of overdue loans over 10%; a multifactorial method for analyzing the quality of the loan portfolio of a commercial bank was developed, based on the analysis of the quantity and quality of loans issued: by lending terms, by types of lending currency, by purposes for which loans were issued, by the level of creditworthiness of borrowers and by volume the reserves that the bank creates for issued loans, identified risks (credit risk, operational risk, interest rate risk, risk of loss of liquidity, risk of loss of the bank's reputation, theft of valuables) affecting the liquidity and profitability of the bank.

Svetlova Valentina Vladimirovna (2010) conducted a study to study the mechanisms of protection of the system of ensuring the economic security of the activities of commercial banks from the influence of various threats and updating the tools for their implementation. The study developed a conceptual model of a system for ensuring the economic security of commercial banks, the main elements of which are: the formation of an effective internal control system to prevent deliberate bankruptcy, the selection and assessment of appropriate indicators, their threshold values, methods and tools for effective counteraction and neutralization of threats; the complexity, variability and variety of methods of criminal attacks on the security of commercial banks, in particular, the withdrawal of assets abroad, theft of assets through the issuance of unsecured and deliberately bad loans, fraud with securities, deliberate overstatement of the value of collateral, registration of deposits of individuals without making information about them in an integrated database, submission of inaccurate reporting in the Central Bank of the Russian Federation and Rosfinmonitoring; the tools for ensuring the economic security of commercial banks were updated and tested (compliance control, an algorithm for conducting analytical procedures to identify signs of fictitious bankruptcy, the use of risk management to reduce losses, optimization of information flows); a system of indicators of the economic security of commercial banks was proposed and their threshold values were substantiated depending on the types and methods of unlawful encroachments on the security of banking activities, which made it possible to substantiate the use of measures of influence on the financial and economic activities of banks by the subjects of counteraction.

However, despite the presence of a significant number of fundamental and applied works on certain aspects of ensuring the economic security of the banking sector, the problem of integrated management of this central element of banking activity has not been studied in sufficient detail from the point of view of its implementation both at the level of the banking sector as a whole and at the level of each specific commercial bank (Svetlova Valentina, 2010).

## RESEARCH METHODOLOGY

The work is based on fundamental scientific works of domestic and foreign specialists, revealing the conceptual provisions of economic security and financial stability of banks. In the course of the work, the results of scientific research contained in monographic literature, periodical scientific publications and Internet resources were used. The research methodology corresponds to the specifics of the problems under consideration, is based on a systematic approach and the principles of scientific logic. The work uses the methods of scientific knowledge: functional classification and grouping, analysis and synthesis, an integrated and systematic approach, retrospective and prospective analysis, historical and economic-statistical methods.

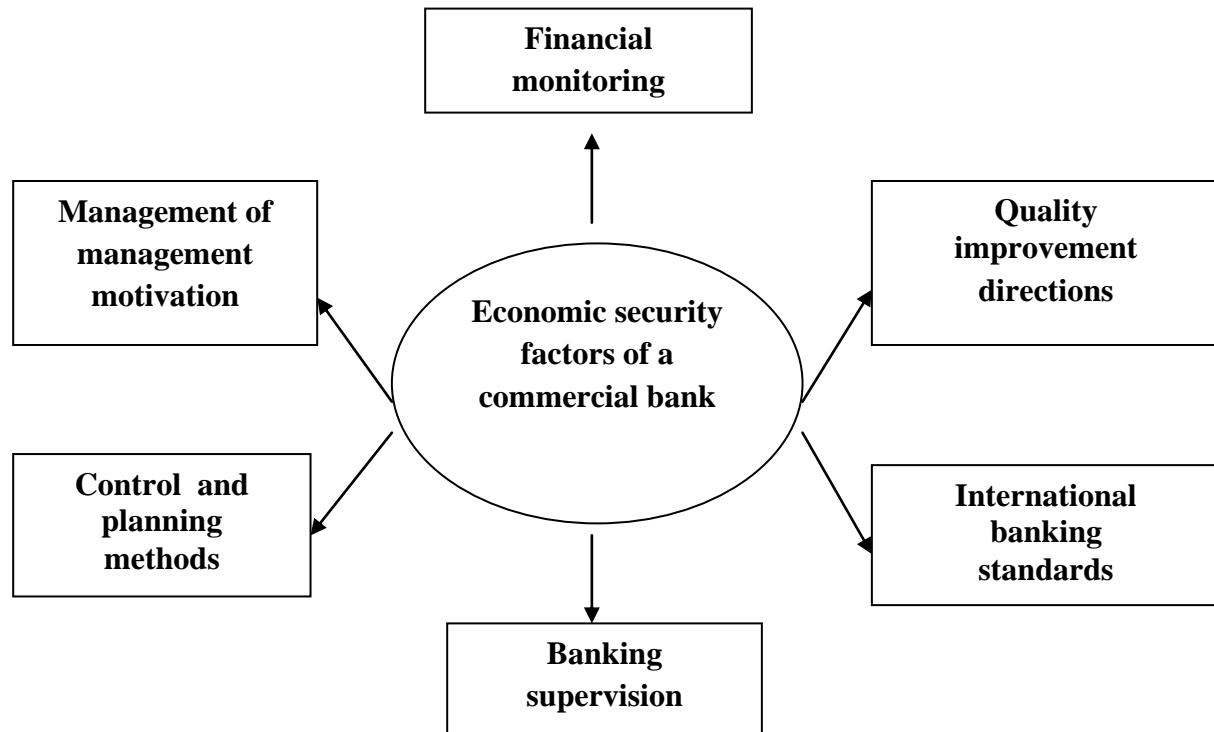
The information base of the study was made up of: legislative acts of the Republic of Uzbekistan, Decrees of the President of the Republic of Uzbekistan, decrees of the Government of the Republic of Uzbekistan, regulations of the Central Bank of the Republic of Uzbekistan. In the course of the study, data were used for the last 5 years of Statistics and the Central Bank of the Republic of Uzbekistan, the main directions of the unified state monetary policy of the Central Bank of the Republic of Uzbekistan for the period up to 2030, normative and reference literature on the problem under study, materials from periodicals, expert assessments.

### **FINDINGS AND CONCLUSION**

The main results of the study of the comprehensive provision of economic security of a commercial bank are as follows:

1. The methodological approach to ensuring the economic security of a commercial bank has been substantiated, which consists in the formation of criteria for its effectiveness, the basic elements of this system have been identified: a) an assessment of the qualitative and quantitative parameters of economic security adequate to the accepted risks; b) a system of personnel motivation for achieving these parameters; c) a differentiated approach to the creation of an economic security management system depending on the quality indicators of the bank's activities and the results of stress testing.

The economic security of a bank is a set of elements and factors associated with the activities of various subjects of banking activities in the internal and external environment, which are in constant interaction and can change both their characteristics and the form and degree of impact on the economic stability of the bank. In practical terms, this is the maximum readiness to reflect the manifestations of threats that can be realized both at the present time and in the near or distant future. Therefore, practical proposals for structuring the economic security system of the bank are built in the study based on the influence of the main factors of the internal and external environment of the bank (Fig. 1):



**Fig. 1. Economic security factors of a commercial bank**

As practice shows, in the perception of all subjects surrounding the bank, profit growth is a desirable result of the bank's activities (tabl 1):

**TABLE 1 EXPECTATIONS OF THE ENTITIES SURROUNDING THE BANK REGARDING ITS PROFIT AND RISKS**

<i>№</i>	<i>Subject</i>	<b>Wishes arrived</b>	<b>Risk wishes</b>
1.	Bank owners	+	+ / -
2.	Management	+	+ / -
3.	Clients	+	-
4.	Supervisory authority	+	-
5.	Society	+	-

In many ways, it is the expectation of high profitability that is the main indicator of its economic security for most of the bank's subjects, which seems to be erroneous, since a more important indicator covering not only the productive part of the bank's activities, but also the factor component is the stability and continuity of banking activities, which are the main characteristics of its quality.

It is incorrect to talk about the need to ensure complete economic security of the banking sector, since a bank cannot operate safely in principle (banks receive most of their income precisely in the form of a premium for an assumed risk, for example, when issuing loans, transactions with securities and currency, etc.). It is appropriate to talk about the controlled level of economic security of the bank, maintaining which the bank does not allow the acceptance of an unacceptable (excessive) level of risks. Excessive conservatism in ensuring the economic security of a bank can lead to the opposite consequences - a decrease in profitability and an increase in costs.

The main difficulty in ensuring the economic security of the bank is that its achievement, in principle, is impossible, since the risks are inherent in the very essence of banking activity. Thus,



there is an acute problem of finding the optimal state that does not threaten the economic security of the bank, but does not significantly reduce the profitability and profitability of the bank.

The ultimate goal of economic security management at the macro level is to stimulate natural competition between banks, limiting its scope in those aspects that threaten their financial stability of the bank. As the economic crisis has shown, the development of the banking system is impossible without government regulation and supervision - however, government intervention in the banking sector should only limit excessively risky transactions, the conduct of which stimulates competition.

1. The specific features of banking supervision as the most important factor in ensuring the economic security of the bank have been determined, according to which it should include both mandatory quantitative requirements and a qualitative analysis based on risk-oriented principles and motivated judgment.

The role of the state in maintaining the economic security of banks is extremely large, but it should not be limited to the preservation of all banks as such, but is intended to create favorable conditions for the development of those banks that work most efficiently in terms of achieving objectively necessary performance indicators.

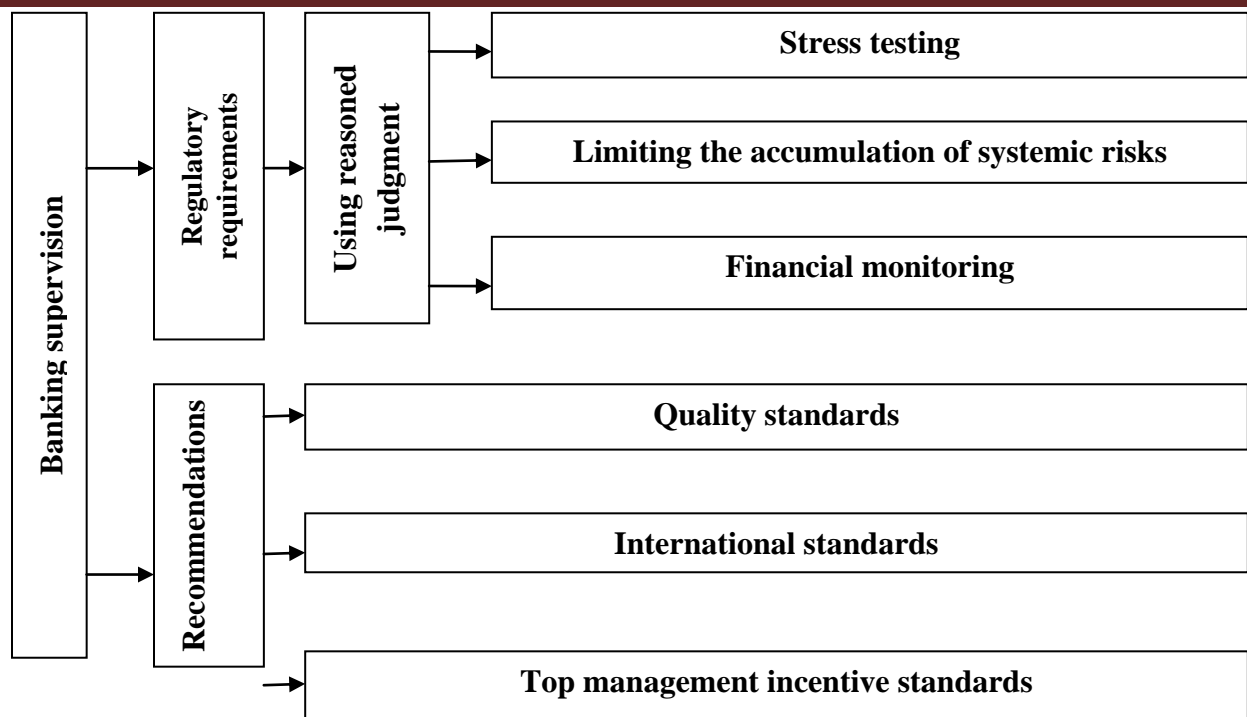
Commercial banks can and should be deprived of their licenses if they conduct an ineffective policy, do not have high-quality risk management and personnel incentive systems. When the market is cleared of non-viable credit institutions, the economic security of the remaining banks will increase significantly due to the fact that the most powerful and efficient banking institutions will remain in the banking sector.

Excessive oversight of the regulator to maintain the economic security of the bank, as well as the lack of individual supervisory requirements, stimulate banks to formally fulfill them, which results in both ineffective work of banks on the preparation and "adjustment" of numerous reporting forms, and insufficient awareness of the regulator about the real state of affairs in banking. sector.

Banking supervision should combine both mandatory quantitative requirements and qualitative analysis based on risk-based principles and reasoned judgment. Specific measures of the regulator's influence on commercial banks should be applied only in the event of an undeniable violation of banking legislation. At the same time, the additional qualitative information obtained can be used in the further supervisory process as a basis for developing a system of indicators, on the basis of which it is possible to identify problems of economic security of banks at the earliest possible stage of their occurrence.

Thus, the requirements of the Central Bank of the Republic of Uzbekistan are necessary to maintain the basic level of economic security of a commercial bank, and banks can develop more individual and detailed approaches on their own. In the future, these developments on a voluntary basis may be subject to assessment by the mega-regulator and are allowed for permanent use in the bank that developed these approaches.

Effective banking supervision can be summarized as follows (Fig. 2):



**Fig. 2. Directions for improving the efficiency of banking supervision**

Banking supervision will traditionally be based on regulatory requirements to ensure that banks comply with minimum norms and standards for maintaining economic security. At the same time, the specific parameters of supervisory requirements should be determined on the basis of a reasoned judgment, in other words, they can be differentiated depending on the specifics of specific commercial banks. It is advisable to use stress testing as the main tool for the supervisory assessment of commercial banks - at the same time, its methodology can be both mandatory and recommended (for example, recommendations for banks to develop methods more adapted to their own specifics, as well as to use advanced foreign experience and their own developments in the field of risk management). It is important that in the process of evaluating their own methodologies, the supervisor guarantees their confidentiality, as banks have a vested interest in having their developments used in their own interests.

The next element of banking supervision, directly arising from the implementation of the stress testing mechanism, is to restrict banks from accepting an excessive level of risks that threaten the systemic stability of the banking sector. This circumstance presupposes the introduction of a system of special control over similar and interrelated risks in most commercial banks. In case of detecting the accumulation of these risks, the mega-regulator must immediately take measures to reduce (minimize) them.

The third direction of improving banking supervision over ensuring the economic security of a commercial bank is the development of a system of high-quality standards for organizing financial monitoring in a bank. The motivation of supervision should be expressed not in strict (and not entirely justified) control over the fulfillment of the deadlines for submitting the necessary information about the client, but in checking the availability of a high-quality system for analyzing the client base, which is necessary both for the purpose of a system for combating the legalization (laundering) of proceeds from crime, and financing of terrorism, and in order to maintain the



market efficiency of the bank.

Banking supervision advisory standards should cover those aspects that, due to limited capacity, cannot be implemented by commercial banks. First of all, this concerns recommendations on the introduction of foreign methodologies, taking into account the specifics of Uzbekistan, the development of advanced stress testing mechanisms, the organization of financial monitoring, and effective management motivation.

2. It has been proved that stimulation of bank personnel is necessary not so much to achieve specific quantitative indicators (growth of profits, sales, etc.), but to avoid the bank's exposure to risks, a differentiated system of incentives for bank personnel has been developed and an approach of deferred remuneration to top management has been proposed.

The world community is coming to realize that the coincidence of the goals of the bank and its management is a fundamental condition for the economic security of the bank. A top manager is not motivated to work effectively if he knows that in any situation he will receive a guaranteed high remuneration. In this regard, it became necessary to link the amount of remuneration to top management with the results of their influence on the bank's risk profile.

Since this initiative was supported by the mega-regulator - the Central Bank of the Republic of Uzbekistan, commercial banks should now develop their own incentive mechanisms for employees, especially those in managerial positions.

The article proposes the use of a differentiated system of incentives for personnel, and in relation to top management - deferred remuneration in the form of a loan, which can be compensated if, after a certain period of time, the activity of this top manager does not negatively affect the bank's activities. The main parameters of such a motivation system are presented in table 2.

**TABLE 2 THE SYSTEM OF MOTIVATION OF THE BANK'S PERSONNEL, FOCUSED ON THE DEGREE OF ACHIEVEMENT OF THE PLANNED GOALS**

Specialist level	Goals	Incentive measures	Control methods
Meeting of Shareholders (Management Board)	Setting strategic goals for the bank's development based on qualitative and quantitative analysis; determination of the risk management policy; assessment of the top management of the bank	Payment of dividends only if the required level of economic security of the bank is organized (maintaining the minimum level of profitability and profitability, as well as an acceptable risk profile)	Central Bank of the Republic of Uzbekistan (through remote supervision and inspection), audit companies
Top management	Development of directions for the implementation of the set development goals of the bank and their adjustment (if necessary); adjustment and optimization of the bank's client policy	Issuance of loans (against future remuneration), the need for repayment of which will be determined by the level of economic security achieved in a year (or another period)	Control by the Management Board, taking into account audits by the Bank of Russia, audit companies, as well as the bank's internal control

			service
Middle management	Determination of specific current goals of the bank's activities within the framework of the implementation of plans established by top management; monitoring and evaluating the activities of client managers, organizing their training	Dependence of additional remuneration on the degree of implementation of top management's goals	Internal control, control by top management
Client managers	Increasing customer loyalty towards the bank; attracting new clients that meet the requirements set by top management and specific middle management	The amount of remuneration depending on the implementation of the plan.	On the part of the internal control department, marketing department and middle managers

The main development priorities of the bank are determined by the Board of Directors (Management Board) of the bank. These priorities should be based on the conclusions of the marketing department, strategic planning units, and the internal control service. Among others, such important aspects as the state (prospects) of the economy and the banking services market, changes in customer preferences and technologies for providing banking products, the degree of implementation of the Basel Committee standards should be taken into account. The system of incentives for bank personnel should directly depend on the risk profile that the bank assumes, since it is necessary to take into account not only profit, but also risks. Large bonuses should not be paid if the bank receives a significant amount of profit with a high level of accepted risk, since such a practice will stimulate the owners of the bank to instruct the top management at any cost to increase the expected profit of the bank, which may negatively affect the level of its economic security.

The proposed mechanism for stimulating the top management of the bank in the form of loans, which can be repaid in the future with bonus payments, seems to be more motivating than simply deferring payments for a certain period of time. This mechanism allows the top management to independently assess what additional remuneration they will be able to count on in order to choose the optimal amount of the "bonus loan" based on these calculations.

Since middle managers carry out orders from top management, it seems fairer to pay them remuneration depending on the performance of tasks set by top management, and not on the financial results of their activities.

To reduce the risk of lack of initiative at the lower level, it is necessary to involve them in the discussion of the strategic goals of the bank, to reward the most distinguished specialists. Such participation, in addition to direct assistance to the top management of the bank, is an additional effective form of incentives for middle managers and client managers, since their importance for the bank increases.

4. In order to exclude the involvement of the bank in the processes of money laundering, a phased

optimization of the system for combating the legalization (laundering) of proceeds from crime and the financing of terrorism in the bank is proposed, including a point-weight assessment of the risks associated with money laundering and the financing of terrorism, based on calculation of the total indicator for rating the internal divisions of the bank.

The increasing complexity of legalization schemes, in which an increasing set of operations is used, requires careful analysis aimed at identifying such schemes, including analysis associated with automated modeling of possible situations. To this end, it is necessary to standardize the stages of creating an effective system for combating the legalization (laundering) of proceeds from crime and the financing of terrorism.

Stage 1.1 is practically implemented in the banks of Uzbekistan: algorithms have been introduced into the software modules of most banks that automatically identify suspicious transactions that have signs of unusual transactions that are subject to mandatory control. At the same time, it is rather difficult to take into account all combinations that are subject to mandatory control, and therefore, at this stage, a reasoned judgment of the responsible employee or persons authorized by him is also required.

Stage 1.2 seems to be no less significant, since the criteria for suspicious transactions are not unambiguously formulated, therefore only collecting information will help to identify their most typical criteria in a given bank. Based on the findings, it will be possible, among other things, to analyze how attractive the bank's product policy is for conducting transactions suspicious from the point of view of the bank's economic security. Thus, at stage 1.3, the main interrelationships between various banking products are identified, which can potentially be used to carry out operations "questionable" from the standpoint of the bank's economic security.

Next, the second stage is implemented, at which all client information and data received by the bank both directly from the client and in the course of bank analysis or verification are combined. At this stage, the information obtained in the process of marketing analysis, as well as the data of the bank's security service, are integrated. As a result of this integration, a full-fledged database should be formed in the bank, interconnected and constantly automatically updated.

The proposed methodology for optimizing the system for combating the legalization (laundering) of proceeds from crime and the financing of terrorism will make it possible to organize the planning of the bank's exposure to the risk of money laundering. The difficulty lies, firstly, in regulating personnel access to information constituting both banking and commercial secrets of the bank, and secondly, in various data formats, which will require the development of standards and criteria for their unification. At the same time, modern information technologies make it possible to regulate various rights and possibilities of access, and data unification will make it possible to identify inaccuracies and missing information.

At the third stage, the most important event will be carried out - planning the possible (acceptable) level of the bank's exposure to the risk of money laundering. In particular, such planning is carried out during the implementation of each banking product on the basis of modeling and professional judgment to determine the degree of possibility of carrying out suspicious transactions through it. Thus, even at the stage of product development, it can be modified in such a way as not to expose the bank to an excessively high level of legalization risk.

When forming a client policy, it is also necessary to simulate its prospects in the aspect of combating the legalization (laundering) of proceeds from crime and the financing of terrorism, so as not to focus on those client segments that mostly carry out dubious transactions.

3. According to the legislation, the Central Bank of the Republic of Uzbekistan controls stage 1.1: it is the mega-regulator who must make sure that the system for combating the legalization (laundering) of proceeds from crime and the financing of terrorism functions properly in the bank. The remaining stages reveal specific mechanisms for achieving this goal, which may be different. Therefore, the Central Bank can monitor the process of optimizing the system for combating the legalization (laundering) of proceeds from crime and the financing of terrorism, however, it is advisable to assess its quality based on the final results, that is, at stage 3.3.

4. It was revealed that stress testing is the most expedient mechanism for predicting the assessment of the effectiveness of measures taken to improve the economic security of a bank and it has been established that it should be carried out both at the macro level (stress tests mandatory for all commercial banks) and at the level of each commercial bank (stress tests carried out on a voluntary basis) (Abdullaev Altinbek, 2019).

Obviously, it is important not only to develop methods to improve the economic security of the bank, but also to assess their effectiveness. The most modern method of such an assessment is stress testing, which allows simulating possible scenarios in the event of a significant deterioration in factors affecting the bank's activities.

The study identifies the main stages of stress testing a bank's exposure to threats to its economic security.

The main stages of stress testing:

1. Documenting the stress testing procedures, updating them regularly and monitoring the management.
2. Conducting stress tests for all types of risks and the most important specific business processes of the bank.
3. Stress tests should include more than one negative scenario, including the most conservative one.
4. Scenarios of stress - testing should be based on the most realistic and to the extent necessary conservative indicators of changes in macroeconomic and financial indicators.
5. In the process of testing, it is necessary to identify those negative situations that can threaten the economic security of the bank to the maximum extent.
6. Bringing the obtained results to the attention of the management.
7. The bank needs to define clear indicators, upon the appearance of which the plan to restore economic security will automatically take effect.
8. Creation of a permanent monitoring system for these indicators, allowing to quickly identify their occurrence.

Despite all the advantages, stress testing can be organized mainly by large banks that have both sufficient financial resources for its implementation and more extensive statistical material.

In order to maintain the stability of the banking system, it seems appropriate to define uniform requirements for mandatory stress testing for various categories of banks, especially for systemically important ones. It is advisable for each bank to be given the right to develop and implement its own stress testing mechanisms, based both on international practice and the

methodology recommended by the Central Bank of the Republic of Uzbekistan, and on its own developments, taking into account the specifics of the banking business to the maximum extent.

5. A system has been developed to ensure the economic security of banks, focused not only on profitability, but, first of all, on the quality of banking activities, including: determination of priority measures to ensure the economic security of the entire banking sector; integration of intrabank methods of improving the quality of banking activities into the general scheme of ensuring the economic stability of the banking sector; embedding quality standards into banking supervision tools.

The central link of the system of methods for managing the economic security of a bank should be the quality standards of banking activities, developed by commercial banks independently. It is advisable to define banking associations as coordinators of the system proposed in the article (in particular, the Association of Russian Banks, in which this work is already underway).

The study identifies specific directions for improving the quality of banking activities by objects and subjects in their interaction with the system for ensuring the economic security of the bank. As a result of the analysis, it was concluded that a comprehensive system of methods for ensuring the economic security of a bank should be based on the main directions of introducing standardization of the quality of the bank's activities, and not its profitability.

The main methods of comprehensively ensuring the economic security of the bank based on the implementation of the system for standardizing the quality of banking activities developed in the study are the following

- development of quality standards, which is initiated by the regulator, that is, the Central Bank of the Republic of Uzbekistan, but their implementation takes place on an exclusively voluntary basis in order to avoid unnecessary formalism;
- stress testing, which, on the one hand, should be mandatory for banks counting on government support during the crisis (systemically important banks), conducted as part of the monitoring by the Central Bank of the Republic of Uzbekistan of the situation in the banking market, and on the other hand, voluntary for other banks. Stress testing should be used as an additional method to increase the objectivity of assessing the level of economic security of a commercial bank.;
- banking supervision, the central link of which is the motivation of judgments and risk-orientation;
- implementation of a system of financial monitoring of clients both for the purpose of countering the legalization (laundering) of proceeds from crime and the financing of terrorism, and for the purpose of marketing analysis and planning;
- effective risk management based on the latest foreign methods adapted to the conditions of Uzbekistan and the specifics of a particular bank;
- personnel management in relation to risk management.

Specific quality standards must be kept confidential and considered a trade secret of a commercial bank. Otherwise, banks will not be interested in informing the supervisor of their standardization activities. Quality standards should not erase the competitive framework between banks, but, on the contrary, should intensify competition between banks both in services and customers, as well as in technologies used and business planning.



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## CONCLUSION

The methodological approach to ensuring the economic security of a commercial bank has been substantiated, which consists in the formation of criteria for its effectiveness, the basic elements of this system have been identified: a) an assessment of the qualitative and quantitative parameters of economic security adequate to the accepted risks; b) a system of personnel motivation for achieving these parameters; c) a differentiated approach to the creation of an economic security management system, depending on the quality indicators of the bank's activities and the results of stress testing.

The study identifies the specific features of banking supervision as the most important factor in ensuring the economic security of the bank, according to which it should include both mandatory quantitative requirements and a qualitative analysis based on risk-oriented principles and motivated judgment.

It has been proved that stimulation of bank personnel is necessary not so much to achieve specific quantitative indicators (growth in profits, sales, etc.), but to avoid the bank's exposure to risks, a differentiated system of incentives for bank personnel has been developed and an approach of deferred remuneration to top management has been proposed.

In order to exclude the involvement of the bank in the processes of money laundering, a phased optimization of the system for combating the legalization (laundering) of proceeds from crime and the financing of terrorism in the bank is proposed, including a point-weight assessment of the risks associated with money laundering and financing of terrorism, based on the calculation of the total indicator for rating the internal divisions of the bank.

It was revealed that stress testing is the most expedient mechanism for predicting the assessment of the effectiveness of measures taken to improve the economic security of a bank and it has been established that it should be carried out both at the macro level (stress tests mandatory for all credit institutions) and at the level of each a commercial bank (voluntary stress tests).

A system has been developed to ensure the economic security of banks, focused not only on profitability, but, first of all, on the quality of banking activities, including: determination of priority measures to ensure the economic security of the entire banking sector; integration of intrabank methods of improving the quality of banking activities into the general scheme of ensuring the economic stability of the banking sector; embedding quality standards into banking supervision tools.

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