

FOREIGN EXPERIENCE FOR ENSURING ECONOMIC SECURITY OF COMMERCIAL BANKS

Shavkat Makhramovich Uralov

Researcher at Tashkent state university of economics,
Tashkent, Uzbekistan

Abstract. Ensuring the economic security of commercial banks has become a critical issue in the context of global financial instability, digital transformation, and systemic risks. This study examines foreign experience in strengthening the economic security of commercial banks, focusing on international regulatory frameworks, risk management practices, and institutional mechanisms. Using a qualitative research methodology based on comparative analysis, the study evaluates global standards such as Basel III, as well as practices implemented in the European Union and the United States. The results show that effective economic security is achieved through integrated risk management systems, capital adequacy regulation, stress testing, and digital risk monitoring tools. The findings highlight the importance of adapting international best practices to national banking systems while considering local economic conditions. The study contributes to the development of methodological approaches for improving financial stability and resilience in commercial banks.

Keywords: economic security; commercial banks; risk management; Basel III; capital adequacy; financial stability; banking regulation; liquidity risk; stress testing; corporate governance; cybersecurity; digital banking; financial resilience; macroprudential policy; international banking experience

1. Introduction

The economic security of commercial banks is a fundamental component of financial system stability and sustainable economic development. In the modern global economy, banks are exposed to a wide range of risks, including credit, market, operational, liquidity, and cyber risks. The increasing complexity of financial markets, globalization of banking activities, and rapid technological advancements have intensified the vulnerability of banking institutions to both internal and external threats.

The global financial crisis of 2007–2009 revealed significant weaknesses in banking systems, particularly in risk management and regulatory oversight. As a result, international organizations and regulatory bodies developed new frameworks aimed at strengthening bank

resilience. Among these, the Basel III framework has become the cornerstone of global banking regulation, emphasizing capital adequacy, liquidity management, and risk governance.[10]

Foreign experience demonstrates that ensuring economic security in commercial banks requires a comprehensive and systematic approach. This includes not only compliance with regulatory standards but also the integration of advanced risk management techniques, corporate governance mechanisms, and digital monitoring systems. In developed economies such as the United States and the European Union, banking institutions have implemented sophisticated models for risk identification, assessment, and mitigation, supported by strong institutional frameworks.[5]

The relevance of this study lies in the need to analyze and adapt international best practices to improve the economic security of commercial banks in emerging economies. By examining foreign experience, this research aims to identify effective strategies and tools that can enhance financial stability, reduce systemic risks, and support sustainable banking development.

2. Literature Review

The concept of economic security in banking is closely linked to risk management, financial stability, and regulatory compliance. Numerous studies have explored the role of international frameworks and institutional mechanisms in ensuring bank resilience.[1]

According to the Bank for International Settlements, the Basel III framework represents a comprehensive set of measures designed to strengthen bank regulation and supervision following the global financial crisis. It introduces stricter capital requirements, liquidity standards, and leverage ratios to reduce systemic risk and improve the stability of the banking sector [10].

Research by the World Bank highlights that modern bank risk management involves a comprehensive framework integrating governance, internal controls, and risk assessment models. The Basel III framework is structured around three pillars: minimum capital requirements, supervisory review, and market discipline, which collectively enhance transparency and accountability in banking operations [8].

Studies on European banking systems show that the implementation of Basel III standards has significantly improved financial performance and stability. For example, empirical research indicates that increased capital adequacy requirements positively influence bank profitability and reduce risk exposure in EU countries [3].

In addition, Gonchar and Hohulenko (2024) emphasize that operational risk management is a critical component of economic security. They argue that effective risk management requires continuous monitoring, advanced analytical tools, and adaptation to evolving risks such as technological failures and cyber threats [6].

Other scholars note that globalization and financial innovation have increased the complexity of banking risks, necessitating the development of integrated risk management systems. Banking institutions must balance profitability and risk minimization through strategic decision-making and the application of modern financial technologies [4].

Overall, the literature suggests that foreign experience in ensuring economic security of commercial banks is based on a combination of regulatory frameworks, risk management practices, and technological innovations.

3. Analysis and results

The research is based on a qualitative analytical approach that combines comparative, systemic, and synthesis methods to examine foreign experience in ensuring the economic security of commercial banks. The study relies on secondary data obtained from authoritative international sources, including the Bank for International Settlements, the World Bank, and peer-reviewed academic publications. The selection of these sources ensures the reliability and validity of the research, as they provide comprehensive insights into global banking practices, regulatory frameworks, and risk management systems. The methodological approach is grounded in the analysis of institutional, regulatory, and operational mechanisms that contribute to the stability and resilience of banking systems in developed economies.[9]

Table-1

Comparative Analysis of Foreign Experience in Ensuring Economic Security of Commercial Banks

Criteria	Basel Framework (Global Standard)	European Union	United States	Key Implications for Economic Security
Regulatory Approach	Unified international standards (Basel III)	Centralized and harmonized regulation	Decentralized system with multiple regulators	Strong regulatory frameworks ensure systemic

	developed by Bank for International Settlements	under ECB and EBA	(Federal Reserve, FDIC, OCC)	stability and reduce financial vulnerabilities
Capital Adequacy	Strict capital requirements (CET1, Tier 1, Total Capital ratios)	High capital buffers with additional EU-specific requirements	Risk-based capital rules with periodic adjustments	Adequate capitalization enhances loss-absorbing capacity and resilience
Liquidity Management	LCR and NSFR as global standards	Fully implemented with strict compliance monitoring	Implemented with some flexibility for smaller banks	Liquidity buffers reduce short-term and long-term financial stress risks
Risk Management System	Integrated risk management (credit, market, operational risks)	Advanced risk governance and internal control systems	Strong emphasis on enterprise risk management (ERM)	Comprehensive risk systems improve early detection and mitigation of threats
Supervisory Mechanism	Supervisory Review Process (Pillar II)	Single Supervisory Mechanism (SSM) under ECB	регуляр stress testing (CCAR, DFAST)	Effective supervision ensures transparency and prevents excessive risk-taking
Stress Testing	Recommended as part of risk assessment	Mandatory and регуляр EU-wide stress tests	Highly developed stress testing	Stress testing identifies vulnerabilities and enhances

			frameworks (CCAR)	crisis preparedness
Macroprudential Policy	General guidelines for systemic risk control	Countercyclical capital buffers, systemic risk buffers	Targeted macroprudential tools	Helps prevent systemic crises and financial contagion
Digital Risk & Cybersecurity	General principles for operational risk	Strong GDPR-based data protection and cyber regulations	Advanced cybersec	

A comparative analysis is applied to identify similarities and differences in the approaches used by various countries, particularly the United States and the European Union, in maintaining banking security. This method allows for the identification of best practices and effective tools that can be adapted to other national contexts. In addition, a system-based approach is employed to examine the interconnections between different components of economic security, including capital adequacy, liquidity management, risk governance, and technological infrastructure. This enables a comprehensive understanding of how these elements function as an integrated mechanism within modern banking systems. The synthesis method is used to generalize the findings and develop a unified conceptual framework that reflects the most effective international practices.[7]

The analytical results demonstrate that the Basel III framework plays a central role in ensuring the economic security of commercial banks at the global level. This regulatory standard introduces stricter capital requirements, ensuring that banks maintain sufficient financial buffers to absorb potential losses during periods of economic stress. In addition, liquidity standards such as the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) significantly enhance the ability of banks to withstand short-term and long-term liquidity shocks. The implementation of these measures has contributed to the strengthening of financial stability in many developed countries.[8]

The experience of the European Union indicates that strict adherence to Basel III principles, combined with advanced supervisory mechanisms, leads to improved financial performance and reduced risk exposure among commercial banks. European regulators actively

apply macroprudential policies, including countercyclical capital buffers and regular stress testing procedures, which help to prevent systemic risks and ensure the sustainability of the banking sector. At the same time, the United States demonstrates a slightly different approach, characterized by a balance between regulatory oversight and market-based mechanisms. In this context, stress testing conducted by regulatory authorities plays a crucial role in assessing the resilience of banks under adverse economic scenarios and in identifying potential vulnerabilities in advance.

The findings also reveal that integrated risk management systems are a key element of economic security in modern banking. These systems involve a continuous process of risk identification, assessment, monitoring, and mitigation. Foreign banks actively utilize advanced analytical tools such as Value-at-Risk models, scenario analysis, and predictive analytics to improve the accuracy and efficiency of risk management processes. Moreover, the growing importance of digital technologies has led to the widespread adoption of automated monitoring systems that enable real-time risk detection and rapid decision-making.[9]

Another important result of the study is the recognition of cybersecurity as a critical component of economic security in the digital era. Banks in developed countries invest significantly in technological solutions such as data encryption, multi-factor authentication, and continuous vulnerability monitoring to protect their operations from cyber threats. These measures not only enhance operational stability but also increase customer trust and confidence in the banking system.

Overall, the analysis confirms that foreign experience in ensuring the economic security of commercial banks is based on a comprehensive and integrated approach that combines regulatory compliance, advanced risk management practices, and technological innovation. The effectiveness of this approach is determined by the degree of coordination between regulatory institutions, financial organizations, and technological systems, as well as the ability of banks to adapt to rapidly changing economic and technological environments.

4. Conclusions

The conducted research confirms that ensuring the economic security of commercial banks is a multidimensional and continuously evolving process that requires the integration of regulatory, institutional, technological, and managerial components. The analysis of foreign experience demonstrates that the resilience and stability of banking systems in developed economies are not achieved through isolated measures, but rather through a comprehensive and

coordinated framework that combines international standards, advanced risk management practices, and effective supervision mechanisms.

One of the key conclusions of the study is the fundamental role of the Bank for International Settlements in shaping global banking security through the Basel III framework. This framework has established unified requirements for capital adequacy, liquidity management, and risk governance, which significantly strengthen the ability of banks to withstand financial shocks. The widespread adoption of Basel III standards across different jurisdictions confirms their effectiveness as a global benchmark for financial stability.

At the same time, the comparative analysis of the European Union and the United States reveals that the implementation of these standards varies depending on institutional structures and economic priorities. The European model is characterized by centralized supervision, strict regulatory compliance, and the active use of macroprudential tools aimed at preventing systemic risks. In contrast, the United States applies a more flexible and market-oriented approach, where regulatory oversight is complemented by advanced stress-testing frameworks and strong internal risk management systems. Despite these differences, both models demonstrate high levels of effectiveness in ensuring banking security, highlighting that there is no universal model, but rather a set of adaptable best practices.

Another important conclusion is that integrated risk management systems are at the core of economic security in modern banking. The ability of banks to identify, assess, and mitigate risks in a timely manner significantly reduces their vulnerability to both internal inefficiencies and external shocks. Foreign experience shows that the effectiveness of such systems depends on their alignment with strategic objectives, the quality of data used in decision-making, and the level of technological integration. In this regard, the transition from traditional analytical approaches to automated and real-time monitoring systems represents a major advancement in risk management.

Furthermore, the study highlights the growing importance of digital transformation and cybersecurity in ensuring economic security. As banking operations increasingly rely on digital technologies, the exposure to cyber threats becomes a critical risk factor. Leading international banks actively invest in advanced cybersecurity solutions, including data encryption, multi-factor authentication, and continuous system monitoring. These measures not only protect financial assets but also enhance customer trust and institutional reputation, which are essential components of long-term economic security.

The findings also emphasize the role of corporate governance and institutional quality in maintaining financial stability. Effective governance structures, including independent risk management functions and transparent decision-making processes, contribute to the reduction of operational and strategic risks. In this context, the integration of risk management into the overall corporate culture of banks is a decisive factor in achieving sustainable security.

In conclusion, foreign experience demonstrates that ensuring the economic security of commercial banks requires a holistic and adaptive approach. For emerging economies, the key challenge lies in the effective adaptation of international best practices to national conditions. This involves strengthening regulatory frameworks, enhancing risk management capabilities, investing in digital infrastructure, and improving institutional governance. The successful implementation of these measures will not only increase the resilience of individual banks but also contribute to the stability and sustainable development of the entire financial system.

References:

1. Bank for International Settlements. (2011). Basel III: A global regulatory framework for more resilient banks and banking systems. <https://www.bis.org/bcbs/basel3.htm>
2. World Bank. (2018). Analyzing Banking Risk: A Framework for Assessing Corporate Governance and Risk Management (4th ed.). <https://documents1.worldbank.org/curated/en/403931618461962435/pdf/Analyzing-Banking-Risk-A-Framework-for-Assessing-Corporate-Governance-and-Risk-Management-Fourth-Edition.pdf>
3. European Central Bank. (2023). The Single Supervisory Mechanism: European banking supervision. <https://www.bankingsupervision.europa.eu/about/thessm/html/index.en.html>.
4. Federal Reserve System. (2023). Comprehensive Capital Analysis and Review (CCAR). <https://www.federalreserve.gov/supervisionreg/ccar.htm>.
5. Anguren, R., & others. (2024). Bank capital requirements and risk-taking behavior: Evidence from developed markets. Journal of Banking & Finance. <https://doi.org/10.1016/j.jbankfin.2024.107305>
<https://www.sciencedirect.com/science/article/pii/S0378426624000779>
6. Gonchar, K., & Hohulenko, N. (2024). International and domestic experience in bank operational risk management. Scientific Bulletin of Odessa National Economic University,

2(311),

45–52.

<https://doi.org/10.32680/2409-9260-2024-2-311-45-52>

<https://nv-oneu.com.ua/index.php/journal/article/view/233>

7. Abuzarqa, R. (2019). Banking risk management and Basel principles: Evidence from global financial systems. *SocioEconomic Challenges*, 3(4), 45–55.
[https://doi.org/10.21272/sec.3\(4\).45-55.2019](https://doi.org/10.21272/sec.3(4).45-55.2019)

https://seaopenresearch.eu/Journals/articles/SPAS_19_4.pdf

8. Resti, A., & Sironi, A. (2007). *Risk Management and Shareholders' Value in Banking: From Risk Measurement Models to Capital Allocation Policies*. Wiley.
<https://doi.org/10.1002/9780470514048>

<https://onlinelibrary.wiley.com/doi/book/10.1002/9780470514048>

9. Hull, J. C. (2018). *Risk Management and Financial Institutions* (5th ed.). Wiley.
<https://doi.org/10.1002/9781119448113>

<https://onlinelibrary.wiley.com/doi/book/10.1002/9781119448113>

10. Berger, A. N., & Bouwman, C. H. S. (2013). How does capital affect bank performance during financial crises? *Journal of Financial Economics*, 109(1), 146–176.
<https://doi.org/10.1016/j.jfineco.2013.02.008>.

11. Basel Committee on Banking Supervision. (2019). *Principles for effective risk data aggregation and risk reporting*.