

ASSESSMENT OF THE FINANCIAL SECURITY OF COMMERCIAL BANKS OPERATING IN COUNTRY

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Annotation. *The financial security of commercial banks is a critical component of the overall stability of a country's banking system and economic health. This article examines the factors influencing the financial security of commercial banks operating within a specific country, focusing on key indicators such as capital adequacy, liquidity, asset quality, profitability, and risk management practices. The research evaluates external factors, including economic policies, regulatory frameworks, and market dynamics, that impact the financial stability of banks. It also analyzes internal strategies adopted by banks to mitigate financial risks and enhance resilience. Through a comprehensive assessment framework, the study identifies challenges and opportunities for improving financial security and offers recommendations for policymakers, regulators, and banking institutions to strengthen the financial ecosystem. The findings aim to contribute to sustainable banking operations and foster economic growth.*

Keywords: *evaluates external factors, finance, banking, risk, security, financial operations, improving financial security.*

1. Introduction

At the current stage of socio-economic development in Uzbekistan, special attention is paid to issues of ensuring the financial security of commercial banks, including "formation of a database on the financial and economic activities of business entities, their analysis through an automated information system, and risk assessment." The consistent and effective implementation of these tasks will allow for the reduction of financial crimes in the country, the improvement of cash flow control, the fight against money laundering, the identification of financial risks, and the use of modern methods to ensure financial security based on the

identification of internal and external threats to financial security in commercial banks. The effective implementation of these tasks in the context of changing the external environment is relevant for scientific research dedicated to expanding the powers of the compliance department in ensuring the financial security of commercial banks, determining the threshold values for assessing the level of financial security of commercial banks, improving the organizational and economic mechanism for ensuring the financial security of commercial banks, and developing long-term development forecast indicators taking into account financial security risks.

2. Literature review

The scientific works of domestic economists N. Jumaev, D. Rakhmonov, A. Burkhanov, Kh. Abulkasimov, I. Abdukarimov, M. Pardaev, T. Malikov, D. Artikova, D. Istamov, M. Mukhamedov, E. Khodjaev, A. Ishmukhamedov, D. Narzullaeva, A. Parmonov, A. Igamberdiev, G. Dadaev, M. Kadyrov, D. Rustamov, B. Tursunov, and However, issues of ensuring and assessing the financial security of commercial banks, improving financial intelligence activities, identifying and preventing financial risks have not been sufficiently studied.

3. Analysis and results

Let's test the developed model for assessing financial security using the example of five commercial banks of the Republic of Uzbekistan: JSC "National Bank of Uzbekistan" (National Bank of Foreign Economic Relations of the Republic of Uzbekistan), JSC "Uzpromstroybank" (Uzpromstroybank). Joint-Stock Commercial Bank), JSC "Asaka" Bank, JSC "Ipoteka Bank," JSC "Agrobank."

To test the model, the results of the activities of these commercial banks are presented in Table 1.

Table 1

Economic indicators of the commercial banks of the Republic of Uzbekistan for 2022

№	Name of bank	Active		Credit		Capital			Deposit
		sum	% of total	sum	% of total	sum	% of total	sum	% of total
1	Uzmilliybank JSC	89919	20,2%	74033	22,7%	14769	20,8%	22083	14,1%
2	Uzsanoat Kurilishbank JSCB	56511	12,7%	43148	13,2%	7701	10,9%	12607	8,1%
3	Kapitalbank JSCB	50804	11,4%	37685	11,5%	6505	9,2%	10729	6,9%
4	Agrobank JSCB	40012	9,0%	29046	8,9%	5087	7,2%	15824	10,1%
5	Xalq banki JSCB	39971	9,0%	32258	9,9%	9346	13,2%	11839	7,6%

JSC "National Bank of Foreign Economic Relations of the Republic of Uzbekistan": credit rating of 0.88% - second place, capital adequacy assessment - 14.0%, profitability - 1.8%, risk level - 4.6%, liquidity - 47.0%.

Joint-Stock Commercial Bank "Uzbekistan Industrial Construction Bank": credit rating of 0.70% - third place, capital adequacy assessment - 13.3%, profitability - 1.3%, risk level - 3.9%, liquidity - 37.0%.

ATB "Kapitalbank": credit rating - 0.46%, capital adequacy assessment - 10.0%, profitability - 0.99%, risk level - 3.1%, liquidity - 22.0%.

ATB "Xalq Bank": credit rating 0.23%, capital adequacy assessment - 8.0%, profitability - 0.65%, risk profile - 2.5%, liquidity - 19.6%.

JSC "Agrobank": credit rating - 0.15%, capital adequacy assessment - 5.1%, profitability - 0.44%, risk level - 1.5%, liquidity - 15.3%.

Next, in Table 5, we will calculate the factor components of the micro-and macro-environment of the banks under study.

The micro-and macro-environment factors of the financial support of the banks of the Republic of Uzbekistan for 2022 were calculated using Table 4 of the Internet websites of the Republic of Uzbekistan. We downgrade the privacy and cyberbullying index to this indicator because they have the same measurement level. The information and legal factor is presented as the overall rating of the information component (points) of banks in the Republic of Uzbekistan - 0.2%.

The testing of the model for assessing the financial security of the commercial banks of the Republic of Uzbekistan for 2022 showed the results of assessing the financial security of JSC "National Bank of Uzbekistan" (JSC "National Bank of Foreign Economic Relations of the Republic of Uzbekistan"). 0.725% or 72.5%, indicating an average level of financial security, meaning that the bank needs to identify negative factors in the micro-and macro-environment to prevent their negative impact. The rating of JSC "Uzpromstroybank" is 0.315 percent or 31.5 percent, which indicates a positive impact of the micro-and macro-environment, while the factor components on the financial performance of banks indicate a low level of financial security. JSC "Asaka Bank" received a rating of 0.0185% or 1.85%, indicating a low level of financial security, which is confirmed by the calculations of JSC "Ipoteka Bank" - 7.17% and JSC "Agrobank" - 0.889%.

Therefore, by testing the developed model for assessing the financial security of commercial banks using the example of five commercial banks in the Republic of Uzbekistan, taking into account micro-and macroecological factors, we concluded that this model is effective.

4. Conclusion

In conclusion, it should be noted that we have reviewed the methodological approaches of the authors of the study in the field of financial security of commercial banks, it can be said that reducing the financial threats of commercial organizations is an important direction and is currently the main risk for their activities. The most important direction in assessing the

financial security of commercial banks is the identification of methods for assessing the financial security of commercial banks, the main external and internal factors influencing the assessment of the financial security of banks. Financial security refers to the state of financial balance and stability, solvency and liquidity of an organization. The main principle of ensuring financial security is control and balancing the activities of commercial organizations. Therefore, optimizing the financial security of commercial organizations is an important strategic direction for the successful operation and financial stability of commercial organizations.

According to the research results, in 2021-2023, the volume of problem loans in commercial banks in our country sharply increased. Specifically, as of January 1, 2018, the volume of non-performing loans amounted to 2.22 trillion soums, while as of January 1, 2022, this figure reached 16.97 trillion soums. As of January 1, 2023, the volume of non-performing loans decreased slightly compared to the previous year and amounted to 14.04 trillion soums. That is, as of January 1, 2023, the ratio of loans (NPL) issued by commercial banks of our country to the total capital amounted to 18 percent.

For example, with the increase in the volume of loans issued to individuals in 2015-2022, the volume of a number of potential loans increased only in JSCB "Xalq Bank." The volume of non-performing loans in 2019-2021 at JSCB "Turonbank" increased steadily. In this bank, the volume of non-performing loans was highest in 2021, and slightly decreased in 2022, but the volume of non-performing loans in 2022 is significantly higher than in 2019.

The Central Bank's sectoral control is based on a risk-based approach, with standard monitoring, enhanced monitoring, and verification of banks, microcredit organizations, pawnshops, and payment service providers divided into categories based on their risk profile.

In particular, in 2021, remote and on-site studies were conducted in 31 commercial banks, 5 microcredit organizations, and 3 payment organizations to combat money laundering and terrorist financing. The results of the study were reviewed by the Central Bank's Banking Supervision Committee, which imposed fines totaling 860 million soums on 16 commercial banks, as well as measures related to the warning of strict measures against microcredit and payment organizations in the event of further detection of shortcomings.

Taking into account the micro and macro factors of the Republic of Uzbekistan, the low level of financial security of commercial banks is mainly due to the fact that the security service,

programmers, bank employees, banks are not suspected of fraud schemes, as well as do not have a corruption focus, which also testifies to the high reputation of banks and the high professional level of bank employees in cyberattacks and information security, after which any attempts were prevented, without granting fraudsters the right to access bank data. The model is effective, indicating the degree of influence of micro-and macroecological factors on the financial security of banks, therefore, this model has no analogues and can be used to assess the financial security of commercial banks.

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