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**THE ROLE OF CORPORATE MANAGEMENT SYSTEM
IN PROVIDING FINANCIAL SECURITY
IN COMMERCIAL BANKS**

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The low level of corporate governance in the banking system of the country reduces the investment attractiveness of our banks. Foreign and national scientists and researchers are constantly researching the development and improvement of corporate governance practices in their banks. Corporate governance is in need of constant research and innovation as an important and necessary area for the development of the modern economy. Creating an effective corporate governance system not only improves the banking management system, stakeholders: helps increase the confidence of investors, customers and shareholders. The future of the local banking system depends on the effectiveness of corporate governance in the banking sector, which will increase the level of investor confidence in the country's banking system.

The successful operation of banks depends on a variety of factors, the most important of which is good governance, transparency and the ability to raise capital for business development and expansion. These factors can be improved by applying corporate governance principles. At the same time, the biggest contribution of corporate governance to the activities of developing banks is to facilitate access to investment capital. The corporate governance system of the bank directly influences the strategic planning and management system of the commercial bank. Corporate governance is a complex, multifaceted concept that reflects aspects of the banking management system and the interactions between shareholders and managers. In terms of its content, it is to establish a system of control and regulation of the activities of bank managers on behalf of corporate governors (investors), as well as other stakeholders and groups.

The main problems of corporate governance for the banking sector in Uzbekistan are related to the lack of experience in applying its principles, but also to the peculiarities of institutional development.

In our opinion, according to the specifics of the banking sector, there are the following problems in terms of specific approaches to improving corporate governance in accordance with international standards:

First, the inefficiency of the introduction of corporate governance practices in the process, where more than 83 % of the charter of commercial banks belong directly or indirectly to the state and takes into account the protection of state rights in the first place;

Second, the underdevelopment of the financial market, the financial weakness of many of our banks, delays in the selection and development of corporate governance;

Third, the lack of aspiration of our commercial banks to implement corporate governance practices in their activities due to the current lack of understanding of the direct link between increasing bank profitability and the level of corporate governance in the bank;

Fourth, the lack of professionals with financial or legal training to achieve quality corporate governance in banks, which complicates effective governance and leads to poor management decisions;

Fifth, the development of corporate governance in the banking sector is not comprehensive, ie the ultimate goal of the reform and the priority of each participant in the implementation of these reforms and the responsibility for the implementation of these reforms are not defined.

In our opinion, the most important areas for improving the organizational structure of corporate governance in banks are:

1. Increasing business transparency. It should be noted that the quality of disclosure of information about the company characterizes the level of readiness to communicate with all stakeholders.

In order to increase the transparency and openness of the company's activities, it is necessary to pay attention to the following factors:

First, companies should use the practice of involving international consulting companies (Big Four) in the implementation of corporate projects and programs in order to improve the various processes in the company, to identify common needs, to widely publicize the results in the media.

Second, to establish a mechanism of interaction with all groups of stakeholders (stakeholder), to conduct a policy of live communication by providing comprehensive information about the activities of the company. This can help build trusting relationships with shareholders,

customers, partners and employees, and ensure the transparency of the company's operations.

Third, the supervisory board, the system of incentives for executive management staff and transparency in dividend policy will serve to increase the interest of investors in the company's activities.

Fourth, it is necessary to ensure that the websites of our companies provide complete and quality information about their shareholders and activities.

2. Strengthen the role of the Supervisory Board. The Supervisory Board plays an important role in the corporate governance system: it sets strategic goals and makes important decisions for the company. However, there are major shortcomings in the activities of our companies of this institute, which is the nominality of the members of the board. The head of a government organization has been appointed as a member of the board of several companies. He cannot be more involved in the activities of the company than the organization he leads. One of the factors of success in the work of the World Board of Directors is the involvement of these professionals. It is necessary to ensure that at least 30 % of the supervisory boards are independent members.

3. Elimination of high concentration of capital. Creation of a system in which the number of minority shareholders in the shareholders of banks should not be less than 20 %, the share of one or several interconnected groups of shareholders should not exceed 7–10 %. To do this, it is necessary to make changes to the relevant legislation. It is necessary to strengthen the practice of selling bank shares, first of all, in the domestic market.

4. Creation of a modern treasury system. It is necessary to change the philosophy of treasury policy, that is, to form a system of earning income using various economic instruments, not just resource mobilization.

Before concluding the above, it should be noted that in improving the corporate governance system of commercial banks, it is necessary to strengthen their interests by identifying the advantages of introducing an effective corporate governance system in banks. Managers of our largest commercial banks need to understand that the level of investment attractiveness of our banks depends not on financial indicators, but on the level of development of corporate culture, the quality of corporate governance.