

## ASPECTS OF ECONOMIC SECURITY OF BANKS, AS WELL AS THE FUNCTIONS OF THE STATE AND REGULATORY BODIES

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***Annotation.** This article discusses the issue of ensuring the economic security of banks and taking appropriate measures to minimize risks and threats. The main aspects and components, measures to ensure the economic security of banks, as well as the functions of government and regulatory bodies that play a major role in ensuring the economic security of banks are outlined in detail, conclusions and conclusions are drawn.*

***Key words:** bank, economy, economic security of banks, risks, financial stability, risk management, financial planning, transaction monitoring, regulatory requirements, internal control, monitoring, regulatory authorities*

**Maintaining.** The economic security of banks is an integral component of the stable functioning of the financial system and is a prerequisite for sustainable economic development. In the context of modern challenges and threats, such as financial crises, cyber attacks, fraud and geopolitical tensions, ensuring the economic security of banks becomes especially relevant.

In the modern world, with the development of technology and globalization, banks face new challenges and threats. Cyberattacks and cybercrime are becoming

increasingly sophisticated, threatening the security of financial data and customer privacy. Global financial crises and economic instability also create risks for banks and require effective measures to minimize potential losses.

In this regard, ensuring the economic security of banks is a pressing topic that requires constant attention and effort on the part of banks, the state and regulatory authorities. Adopting effective measures and strategies to prevent, detect and mitigate risks and threats will enable banks to cope with the challenges of the modern financial world and ensure stability and customer confidence. In this article, we will look at the main aspects and components of economic security for banks, as well as measures that banks and regulators can take to ensure its effectiveness and sustainability.

**Degree of knowledge.** Many foreign and domestic researchers have worked on issues related to the theoretical and methodological aspects of the field of economic security of banks. In particular: Lavrushin O.I., Taradayeva, A.V., Syumkina A.A., Ilinich E.V., Ishmukhammedov A.E., Rakhimov O.P., Abulkoshimov Kh.P., Rakhimov O.P. and many others. However, despite such significant study of the area, there are also many unanswered questions, which actualize the topic of this study.

**Main part.** Economic security of banks refers to the ability of the banking system and individual banks to function effectively, maintain stability and protect their financial resources in a variable economic environment. It covers a wide range of measures and strategies taken to minimize risks and threats that may arise in the course of banking activities and ensure the reliability and continuity of the banking system as a whole.

The main aspects and components of the economic security of banks:

**Financial stability:** Banks must have sufficient financial resources to cope with potential losses and be accountable to their customers and account holders. This includes maintaining adequate levels of capital, liquidity and risk management capabilities.

**Risk management:** Banks must develop and implement policies and procedures to manage the various types of risks they face. This includes managing credit risks, operational risks, market risks, liquidity risks and other factors specific to the banking industry.

**Protection against fraud and cyber threats:** In light of the age of digital technology and the Internet, banks face increasing threats in the areas of cybersecurity and fraud. They must take appropriate measures to protect their information systems, customer data and financial transactions from unauthorized access and abuse.

**Regulatory Compliance:** Banks must strictly comply with the requirements of laws and regulatory authorities that govern banking activities. This includes compliance with financial reporting, anti-money laundering and anti-terrorism financing, compliance with customer privacy regulations and other rules and standards aimed at ensuring transparency, ethics and legality in the banking industry.

The correct functioning of the banking system and ensuring their economic security is important for the stability of the financial sector and the economy as a whole. Banks play a key role in business financing, investment and cash flow management. Therefore, effectively ensuring the economic security of banks includes the use of an integrated approach and coordinated interaction between banks, the state and regulatory authorities.

In turn, it should be noted that measures to ensure the economic security of banks play an important role in preventing and reducing risks and threats. Below, in the form of a diagram, we will consider an overview of the main measures that banks can take:



**Fig.1. Measures to ensure the economic security of banks**

Next, let's look at each of them in more detail.

**Risk Management:** Banks must develop and implement an effective risk management system, which includes the identification, assessment and control of various types of risks. This includes credit risk, market risk, operational risk, liquidity risk and others. Banks should also set adequate risk limits and conduct regular risk monitoring and reporting.

**Customer Screening and Transaction Monitoring:** Banks must conduct thorough customer screening when opening accounts and conducting financial transactions. This includes identity verification, identification of beneficiaries, assessment of client reputation and fraud risk. Banks must also closely monitor customer transactions to identify suspicious activity or deviations from normal patterns.

**Financial Planning and Budget Management:** Banks must develop and monitor financial planning, set budgets and control expenses. This allows you to effectively allocate resources, minimize costs and ensure the bank's sustainability in the long term.

**Compliance with Regulatory Requirements:** Banks must strictly comply with the requirements of laws and regulatory authorities operating in the banking industry. This includes compliance with financial reporting, anti-money laundering and anti-terrorist financing regulations, and other requirements aimed at ensuring transparency and reliability of banking activities.

**Internal control and monitoring:** Banks must have an effective internal control system, including segregation of duties, auditing and

Assessing the effectiveness of internal processes and procedures, as well as monitoring compliance with the rules and policies of the bank. Internal audits and regular reviews help identify potential problems and vulnerabilities and prevent unauthorized actions and errors.

**Employee training and awareness:** Banks should provide their employees with training and support to increase their awareness of risks and threats, as well as economic security policies and procedures. This includes training in cybersecurity, fraud, compliance and ethics.

Collaboration with Regulators and the Safety Net: Banks should maintain active collaboration with regulators and other banks to share information about risks and threats, and to develop joint approaches to ensuring economic security. In the event of crisis situations, banks must be prepared to interact with the safety net to minimize the consequences and ensure the stability of the financial system.

The measures presented are general and indicative and may vary depending on the individual bank and its strategy. Banks must tailor measures to ensure economic security in accordance with their characteristics and risk profiles.

The state and regulatory authorities play a key role in ensuring the economic security of banks. They develop and comply with legislation, control and monitor the activities of banks, and prevent and manage crisis situations. Licensing and registration of banks ensure the financial stability and reliability of the banking system. The state also performs the function of preventing fraud and protecting the interests of clients.

The state and regulatory authorities play an important role in ensuring the economic security of banks. They perform the following functions, which we will consider below:



**Fig.2. Functions of the state and regulatory authorities**

An important aspect is cooperation between banks and regulators. Banks must provide regulators with information about their activities and risk levels, and regulators, in turn, provide assistance and advice to banks in the area of security and compliance. Information exchange and constructive interaction contribute to effectively protecting banks from risks and threats.

**Conclusion.** Thus, having examined the key aspects and measures aimed at ensuring the economic security of banks, we came to the conclusion that the economic security of banks plays an important role in ensuring their stability, protecting financial resources and minimizing risks.

Measures taken by banks include risk management, customer due diligence, financial planning and internal control systems. These measures help banks effectively manage risks, detect and prevent potential threats, and ensure financial strength and customer confidence.

However, it is important to note that the role of the state and regulatory authorities is indispensable in ensuring the economic security of banks. The state develops and enforces legislation, issues licenses, monitors and controls, and prevents and manages crises. Cooperation between banks and regulators is key to effectively protecting banks from risks and threats.

In conclusion, ensuring the economic security of banks is an integral part of their activities. The reliability and stability of the banking system are essential for economic development and financial stability. The responsibility of banks and regulators is to constantly develop and improve measures and mechanisms to protect banks from risks and threats, taking into account the rapidly changing economic environment and technological transformations.

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