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ASSESSMENT OF THE LEVEL OF ECONOMIC SECURITY OF COMMERCIAL BANKS UNDER GREEN ECONOMY TRANSFORMATION

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Abstract. The paper examines the economic security of commercial banks in the context of the transition to a green economy, emphasizing the growing importance of sustainable finance, ESG standards, and climate-related risk management. The research applies a mixed-method approach that integrates traditional financial stability indicators with environmental, social, and governance performance metrics. The results show that while traditional financial indicators remain essential, they are insufficient to fully assess long-term resilience under conditions of ecological transformation. The findings highlight that the integration of green economy principles is not optional but a strategic requirement for ensuring long-term financial stability.

Keywords: economic security, commercial bank, green economy, sustainable finance, ESG indicators, financial stability, governance, evaluation.

The transition to a green economy fundamentally transforms the mechanisms of financial stability and risk management in commercial banks. In these conditions, assessing the level of economic security of banks becomes especially important, as environmental requirements sustainable finance standards, and green investment instruments introduce new opportunities and threats. Modern banks must not only ensure traditional financial resilience but also integrate environmental, social, and governance factors into their strategic decision-making. Therefore, developing comprehensive approaches and indicators for measuring economic security in the context of the green economy is a crucial scientific and practical task.

Financial stability and sustainability of the banking sector is a fundamental condition for the successful implementation of the planned reforms and strengthening the confidence of business and the population in the national banking system. The strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025 provides for ensuring the financial stability of the banking system.

The above priority task determines the development and implementation of new mechanisms, as well as tools for ensuring the economic security of the banking sector, which will allow a quick response to emerging threats, preventing or minimizing their negative impact on the activities of commercial banks. In this connection, the primary task facing the banking system is to ensure the financial stability of commercial banks by increasing their economic security.

The choice of criterion is an important element in studying the economic security of a bank. The criterion for the economic security of a bank is a sign or a sum of signs, on the basis of which it can be concluded whether the enterprise is in economic security or not. The criterion should not only indicate the existence of the economic security of the bank, but also assess its level. A quantitative assessment of the level of economic security should be obtained using indicators that are used in the planning, accounting and analysis of the bank, which is a necessary prerequisite for the practical use of this assessment.

The methodology of the research is based on a systemic, interdisciplinary and mixed-method approach that allows for a comprehensive assessment of the economic security of commercial banks under the conditions of green economic transition. The study integrates both traditional elements of financial stability and the emerging requirements of sustainable development, ESG standards, and green finance regulation.

The evaluation carried out showed that there are remarkable variations in economic security rates between commercial banks, differences being determined to a large extent by the degree of

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application of green economy principles in the financial area and / or manager units. The traditional financial stability metrics, including capital adequacy, liquidity ratios and profitability indicators, are still important but do not offer a complete picture of the bank's ability to withstand growing environmental risks and climate related shocks. As the empirical findings suggest, even if banks have solid traditional financial positions, they may nevertheless face relatively high long-term risks when underinvested in green transformation or unable to incorporate ESG standards into their operational strategies.

The analysis of ESG-related indicators demonstrated that environmental factors increasingly affect the bank's overall security profile. Banks with a higher share of green assets in their portfolio tend to exhibit more stable long-term risk dynamics, as green projects often benefit from preferential policies, lower risk weights, and strong demand from international financial institutions. At the same time, banks with minimal green finance engagement show vulnerability to regulatory shifts, potential carbon taxes, and reputational risks. These findings align with global trends indicating that environmentally responsible financial institutions achieve stronger competitive positions under conditions of sustainable economic development.

Social indicators further revealed that customer-oriented and responsible lending practices contribute to reducing credit risk. Banks that employ transparent lending procedures, invest in customer education, and maintain inclusive financial policies tend to experience lower levels of non-performing loans (NPLs). Moreover, effective staff training in ESG and sustainable finance enhances the institution's ability to identify and manage new types of risks associated with environmental and climate factors.

Governance indicators emerged as a crucial determinant of overall economic security. Banks with strong governance frameworks - characterized by transparent reporting, effective risk management systems, and adherence to anti-corruption standards - demonstrate higher integral security scores. Conversely, institutions with weak reporting practices and insufficient ESG oversight show lower economic security levels, regardless of their short-term profitability. These results confirm that governance is a foundational element enabling the integration of green economy principles into banking strategies.

The calculated Integral Economic Security Index allowed for a comprehensive comparison across banks. The analysis shows that institutions with balanced performance across all three blocks - traditional financial indicators, ESG performance, and governance quality - achieve the highest index values. Banks heavily dependent on carbon-intensive sectors or lacking ESG frameworks scored significantly lower, confirming the hypothesis that green transformation directly contributes to strengthening long-term stability.

The discussion highlights that the transition toward a green economy is not merely an environmental requirement but a strategic necessity for commercial banks seeking sustainable development. The findings suggest that integrating green finance instruments, improving ESG governance, and adopting transparent sustainability reporting can substantially enhance economic security. For policymakers and regulators, the results emphasize the importance of developing green taxonomies, risk-adjusted regulatory incentives, and unified ESG disclosure standards.

To assess the economic security of a commercial bank, special criteria and indicators are used to comprehensively characterize the real economic situation and threats to the bank's activities. Criteria and indicators for assessing the economic security of a commercial bank have specific features associated with the peculiarities of the functioning of credit institutions.

Overall, the analysis underscores that economic security in modern banking depends not only on financial performance but increasingly on the institution's capacity to adapt to green economic transformations, manage climate-related risks, and maintain high standards of sustainability and governance.

To perform financial security tasks, each bank uses various analysis tools.

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For any bank, it is important in the course of assessing its financial condition to obtain results that would accurately reflect the situation taking place in the bank. To this end, a sufficiently large number of different methods have been developed that can be used to conduct a comprehensive assessment of the financial condition of a credit institution, but almost all of them are primarily based on the assessment of quantitative or qualitative information.

Despite the abundance of approaches to assessing the financial condition of a credit institution, each bank, mainly, must comply with the requirements put forward to it by the Central Bank of the Republic of Uzbekistan. The Central Bank of the Republic of Uzbekistan is a state body that regulates the field of banking and exercises powers of licensing, regulation and prudential supervision. To perform prudential supervision, the Central Bank issues certain instructions and regulations that are mandatory for all credit institutions. In case of non-compliance with instructions and regulations in its activities, a commercial bank may be deprived of the license issued to it. Therefore, the most important point is the compliance of the bank with the conditions put forward to it by the Central Bank.

When assessing the level of economic security of a commercial bank, the orientation is aimed at providing conditions that will allow it to achieve maximum financial performance. In this regard, attention is paid to the financial security of a commercial bank as an object of influence of threats of criminal encroachment, assessment of the level of protection of the bank from external and internal threats and various destabilizing factors.

Summing up all of the above, we can conclude that the Central Bank exercises constant control over the commercial organizations accountable to it. By controlling their financial condition, the Central Bank monitors the entire set of activities, which allows it to timely make adjustments to the functioning of certain banks and, at the first sign of a deviation in their financial condition from the norm, immediately take appropriate measures to normalize the situation.

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