

**CORPORATE CULTURE AND MANAGEMENT IN COMMERCIAL BANKS: THE
EXAMPLE OF AGROBANK JOINT STOCK COMMERCIAL BANK**

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Abstract: This article analyzes the corporate governance system and professional ethics principles as the main factors ensuring stability and reliability using the example of Agrobank JSCB. In particular, such pressing issues as openness in bank management, prevention of conflicts of interest, activities of special committees, and strict adherence to ethical rules by employees are highlighted.

Keywords: corporate governance, commercial bank, supervisory board, Agrobank JSCB, shareholders.

Introduction

In today's rapidly changing financial environment, the stability and reliability of commercial banks directly depend on the quality of their corporate governance system. Corporate governance is not just a set of rules, but an integrated organizational structure necessary to determine the strategic goals of the bank and monitor their achievement. This system regulates the relationship between the bank's management bodies and ensures the correct distribution of authority and responsibility. Below, the role of corporate governance and professional ethics in modern banks and the experience of Agrobank JSCB, one of the largest financial institutions in our republic, will be analyzed.

Organizational structure and professional ethics. The foundation of effective corporate governance is a clear division of authority, high accountability, and employees who strictly adhere to high business ethics and etiquette in the performance of their duties. In order to form a single corporate culture at all levels of management, it is necessary to adopt and strictly adhere to a code of ethics that embodies corporate values and standards.

It is important that the Supervisory Board and the Management Board members, while protecting the interests of the bank, openly disclose any conflicts of interest that may arise in their relationships and do not use their official position for personal gain. Also, establishing a confidential and secure reporting system for cases of misconduct or corruption within the bank that violates legal documents and ethical standards is one of the main tools for ensuring corporate transparency.

Turning to special committees and internal control mechanisms, the supervisory board should establish special committees, in particular, an audit committee, a risk management committee, and a remuneration committee, in order to ensure the effectiveness of its work and optimize the decision-making process. The activities of these committees cover the following areas:

- Audit Committee: Ensures the reliability of financial statements and oversees the activities of the internal audit service.
- Risk Management Committee: Assesses the Bank's risk profile and reviews the policy for preventing conflicts of interest.
- Remuneration Committee: Ensures that the bank's employee incentive system is consistent with the bank's risk appetite and long-term strategy.

The policy of openness and transparency in commercial banks is also an important factor. The corporate governance process should be open and understandable for all stakeholders - shareholders, investors and customers. To this end, banks are required to publish important documents on their official websites, including the bank's charter, organizational structure, composition of committees and information on shareholders owning at least 5 percent of the authorized capital. Joint-stock companies may, at their discretion, adopt and comply with the recommendations of the Corporate Governance Code.

Agrobank JSCB is making consistent progress in implementing modern corporate governance rules. The effectiveness of the corporate governance system at the bank is improving year by year and is consistently recognized by independent assessment organizations¹:

- **Results for 2022:** The bank's corporate governance system was rated "high" with 1025 points, accounting for 85% of the maximum.
- **Results for 2023:** System efficiency increased further, reaching 1,027 points (86 percent), maintaining its high position.
- **Results for 2024:** According to the latest reports, the bank again demonstrated growth dynamics, achieving a score of 1,030 points (86 percent).

These positive indicators indicate that the management's strategy of increasing transparency, protecting shareholder rights, and strictly adhering to internal control and ethical standards is working successfully at Agrobank JSCB. A developed corporate culture not only ensures financial stability, but also serves as the basis and guarantee for establishing long-term and reliable relationships with customers and partners.

Conclusion

Improving the corporate governance system in commercial banks is not just a legal requirement, but a strategic necessity that determines the long-term stability of the bank and its influence in the international financial market. Effective governance is a holistic mechanism based on transparency and accountability, ensuring a balance between the bank's governing bodies, shareholders and other stakeholders.

Analysis conducted on the example of Agrobank JSCB shows that strict adherence to corporate governance standards and regular updating of the system based on the results of

¹ <https://agrobank.uz/uz/shareholders-and-investors/documentation> - Conclusions on the assessment of the corporate governance system of Agrobank JSCB.

independent assessments have a positive impact on the bank's performance indicators. The steady growth dynamics of the bank's corporate governance rating during 2022–2024 (from 1025 points to 1030 points) indicates the formation of a healthy corporate environment in the financial institution.

As a final conclusion, it can be said that in order to achieve success in the modern banking system, the following should remain a priority:

- Ethical principles: Incorporating corporate culture into the daily activities of employees.
- Digital openness: Using modern ICT tools to ensure data transparency.
- Control and audit: Further strengthen the independence of internal audit and risk management systems.

Thus, strong corporate governance is the most reliable foundation for increasing a bank's investment attractiveness and gaining customer trust.

List of used literature:

1. Law of the Republic of Uzbekistan "On Banks and Banking Activities", Tashkent, November 5, 2019, No. O'RQ-580.
2. Resolution of the Board of the Central Bank of the Republic of Uzbekistan "On approval of the Regulation on corporate governance in commercial banks" (registered by the Ministry of Justice on June 30, 2020, registration number 3254).
3. Resolution of the General Meeting of Shareholders of Agrobank JSCB, Corporate Governance Code of Agrobank JSCB (approved by Minutes No. 33 dated June 24, 2016).
4. Conclusion on the assessment of the corporate governance system of "SILK CAPITAL" LLC, an independent organization, JSCB "Agrobank" (as of 2022). Tashkent, 2023.
5. Conclusion on the assessment of the corporate governance system of "SILK CAPITAL" LLC, an independent organization, JSCB "Agrobank" (as of 2023). Tashkent, 2024.
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