



EFFECTIVENESS OF THE CORPORATE GOVERNANCE SYSTEM IN “IPAK YULI” JSICB AND ITS IMPACT ON FINANCIAL STABILITY

Niyozov Zukhur Davronovich

Candidate of Economic Sciences, Acting

Professor of the Department of Banking

Samarkand Institute of Economics and Service

Abdushukurov Doniyorbek

Shodiev Ravshan

4th Year Students of the Banking

Samarkand Institute of Economics and Service

Abstract

This in the article in the banking system of Uzbekistan leader private commerce from banks one is Joint Stock Innovation Commercial Bank "Ipak Yuli" in the example of corporate management system efficiency and its financial to indicators impact analysis in the study the bank's corporate strategy for 2021–2025 structure, independent directors share, international finance institutions (ADB, DEG, Triodos) participation and profitability indicators between dependency studied.

Keywords: Corporate management, surveillance Council, Joint Stock Innovation Commercial Bank "Ipak Yuli", independent directors, financial sustainability, ESG strategy.

Introduction

Uzbekistan banking and finance system transformation to do and privatization in the processes corporate Corporate Governance quality banks competitiveness determinant the most important from factors to one in the banking sector



***Modern American Journal of Business,
Economics, and Entrepreneurship***

ISSN (E): 3067-7203

Volume 2, Issue 6, June, 2026

Website: usajournals.org

***This work is Licensed under CC BY 4.0 a Creative Commons
Attribution 4.0 International License.***

corporate management not only shareholders' interests protection to do, maybe depositors, investors and general economic stability provide is a tool.

Joint Stock Innovation Commercial Bank "Ipak Yuli" since 1990 activity showing coming, in the republican banking system large private capital with the participation of innovative from institutions the bank is one of two oneself originality is that in our country from the first become international finance institutions own shareholders in line attraction do in particular, Asia Progress The ADB has been providing financial support to the German DEG since 2013. institute and Triodos Investment Management Fund and in the bank's capital since 2020 directly participation arrived is coming.

International of institutions shareholder as enter the bank is responsible for the arrival corporate implement global governance standards (IFC and OH&S principles) to grow obligation However, the developing markets under the circumstances corporate management transparency mechanisms, risks management system and Tracking council independence level of bank profitability how much directly impact to show scientific and practical in terms of deeper analysis to reach demand does.

Methodology

In the study quantitative and quality analysis from methods used. The bank corporate management quality and his/her results following two group indicators through rated:

Corporate management indicators.

- Tracking council composition and independence: In the Council total members number and they between independent directors share

- Committees' activity: Tracking council Audit, Risks Management, Personnel and reward committees' activity level.

- ESG (Environmental, Social, Governance) principles: In banking activities ecological and social responsibility standards integration.

Financial efficiency indicators.

- Return on Assets and ROE (Return on Equity): The bank profitability level.

- NPL (non-performing) loans share: Credit portfolio quality and risk management efficiency.



***Modern American Journal of Business,
Economics, and Entrepreneurship***

ISSN (E): 3067-7203

Volume 2, Issue 6, June, 2026

Website: usajournals.org

***This work is Licensed under CC BY 4.0 a Creative Commons
Attribution 4.0 International License.***

- International rating Dynamics: Fitch Ratings and Moody 's grades.

The research information AITB " Ipak" "Yuli" annual report for 2021–2025 finance reports, audited by Ernst & Young (EY) international financial report based on international standards (IMHS) documents and bank corporate management to the codex compatibility about reports organization reached.

Results

Transferred analyses as a result, Ipak Yuli the way corporate management system international to the requirements of investors (ADB, DEG, Triodos) suitable accordingly deep to transformation occurrence Bank management chairman Umidjon Khakimov led by executive body (Management) and Tracking council between interests' collision eliminate to grow according to solid system create. From 2021 to 2025 Bank Monitoring in the period on the board independent and international members share noticeable at the level increased. The following in the table corporate management indexes and financial indicators mutual dynamics quoted:

Table 1 Ipak Yuli corporate management indexes and financial indicators¹

Indicators / Years	2021	2022	2023	2024	2025
Tracking council members number (people)	7	7	7	9	9
Independent / International directors share (%)	28%	42%	42%	55%	55%
Year during held council meetings	18	22	24	26	28
NPL (non-performing) loans (%)	3.1%	2.8%	2.4%	2.1%	1.9%
ROE (Return on Equity) profitability (%)	18.5%	19.2%	21.0%	22.5%	23.1%
Moody's/Fitch rating appearance	B1 / B	B1 / B	B1 / B	B1 / B	B1 / B

Tracking council under Risks management committee bank credit policy complete to control as a result, in the system credit risks evaluation expected credit Expected Credit Losses (ECL) model (IFRS 9) EY audit from inspections successful passing by is coming.

International shareholders demand with at the bank to corruption against fight and Compliance Control System absolutely independent to the structure converted. Every how suspicious transactions and interests' collision straight

¹ Authors research based on shaped.



***Modern American Journal of Business,
Economics, and Entrepreneurship***

ISSN (E): 3067-7203

Volume 2, Issue 6, June, 2026

Website: usajournals.org

***This work is Licensed under CC BY 4.0 a Creative Commons
Attribution 4.0 International License.***

away Tracking to the Audit Committee of the Board message to be done mechanism on the road Bank information Transparency (Information Disclosure) level " Single corporate information portal " and bank official 100% on the site compatibility showed. Every quarterly and annual financial reports own on time, no how without delays announcement as is going.

Received results this shows that Ipak Yuli corporate management efficiency according to Uzbekistan private banking sector from the leaders one is considered independent. and international directors up to 55% of the share increase (in 2024–2025) in the bank strategic decisions acceptance to do in the process impartiality provided.

Traditional state from banks different as, "Ipak Yuli" at the bank capital profitability (ROE) is stable growing by 2025, 23.1 % organization This indicator straight away corporate management through resources effective distribution and bureaucracy reduce is the result.

Problematic from 3.1% to 1.9% of the share of loans (NPL) decrease also risks management of the committee Tracking council level independent control effective that proves. Credit separation processes digitized (for example, Dibank , 1S and Didox systems with integration), which and human factor reduce, corporate customers for service show time two up to the same shortened.

The bank only financial benefit after without chasing, ESG (Environmental, Social and management) standards to practice implementation for example, the EBRD (European Recovery and Progress Bank) and GEFF projects within the framework of " Green "economy" financing, carbon trace reduce and women entrepreneurship support ("Women in Business") special to awards worthy bank corporate culture high because it is evidence gives. However, global cyber threats increase in the future, the bank Cyber- governance strategy further reinforcement, information safety according to Tracking council at the level special committee organization to be able to the goal appropriate is considered.

Conclusion

Ipak Yuli JSICB On the way corporate management of the results analysis following final conclusions to release opportunity gives:



***Modern American Journal of Business,
Economics, and Entrepreneurship***

ISSN (E): 3067-7203

Volume 2, Issue 6, June, 2026

Website: usajournals.org

*This work is Licensed under CC BY 4.0 a Creative Commons
Attribution 4.0 International License.*

- International Capital Role: ADB, DEG and Triodos such as of institutions shareholder as participation to be able at the bank corporate management western model successful current to reach ground created.

- Independence and Control: Tracking on the board independent directors share increase operational risks minimize and credit portfolio quality (NPL < 2%) radically to improve service did.

- Stable Growth: Effective corporate management bank international rating agencies (Moody's, Fitch) eye on the right Stable position save to stay and high profitability (ROE > 23%) to be provided.

Future banking management efficiency further increases for digital technologies corporate decisions acceptance to do to the process further deeper integration to do and cyber risks management mechanisms expansion recommendation is being done.

References

1. Uzbekistan " Joint Stock Company " of the Republic societies and shareholders rights protection to do "about" Law.
2. " Ipak " "Yuli" Annual Report 2021–2024 and Financial Reports (XMHS).
3. Ernst & Young (EY) Auditing Conclusion and Independent Auditing Report (2023–2024).
4. Asia Progress Bank (ADB) "Equity Investments in Silk "Yuli Bank" project report (41953-014).