

**STATE COMMITTEE FOR COMMUNICATIONS, INFORMATION AND
TELECOMMUNICATION TECHNOLOGIES OF THE REPUBLIC OF
UZBEKISTAN**

TASHKENT UNIVERSITY OF INFORMATION TECHNOLOGIES

Protection to admit

Managing chair

« ____ » _____ 2014 y

Final Qualifying work

On a theme:

**“THE IMPORTANCE OF SECURITIES IN THE BANK
SYSTEM”**

Graduate _____ Burkhanov M.M.
signature

Head _____ Kurbanov A.S.
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TASHKENT-2014

**STATE COMMITTEE FOR COMMUNICATIONS, INFORMATION AND
TELECOMMUNICATION TECHNOLOGIES OF THE REPUBLIC OF
UZBEKISTAN**

TASHKENT UNIVERSITY OF INFORMATION TECHNOLOGIES

Faculty of “Economics and Management in ICT sphere”

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Direction: 5340100 - Economics (on communication and information)

I CONFIRM
MANAGING CHAIR _____
« ____ » _____ 2014 year

Student : Burkhanov Maksud Muhiddin ugli

“The importance of securities system in the bank system”

The theme for final qualifying work

TASK

- 1. The theme is confirmed by order on university** from December 30th, 2013 Number 1323.
- 2. Term of delivery of finished work:** 27.05.2014y.
- 3. The initial data to work:** President’s books, economics text-books, law and orders, other necessary documents, company’s financial report.
- 4. Accountant is a content of written explanation:** the content of the financial analysis, theoretical aspects of the securities activity of enterprises, the analysis of financial results of “Uzbektelecom” JSC, the estimation of financial results of OJSC “Aloqabank” and ways to improve them, safety of vital activity.
- 5. The table of graph materials:** the first table is composition of private capital and its dynamics, the second is structure of placed securities by OJSC “Aloqabank” during the reporting period, the last is deposit base’s composition of OJSC “Aloqabank” .
- 6. The date of delivery of the task** on 15th January 2014y.

The supervisor: _____
signature

Task has accepted: _____
signature

7. The advisers of some parts of work

The name of the sections	Consultant	Signature, data	
		The task was given	The task was given
1. The content of the analysis. Theoretically base of the importance of securities in the bank system	Kurbanov A.S.	15.01.2014	15.01.2014
2. The analysis of activity of commercial banks in the securities market	Kurbanov A.S.	01.02.2014	01.02.2014
3. Perspectives of activity connected with securities in the bank system to an example OJSC "Aloqabank"	Kurbanov A.S.	07.03.2014	07.03.2014
4. Safety of vital activity	Borisova Y.A	24.05.2014	24.05.2014

8. The schedule of performance of work

№	The names of diploma work's parts	Period of finishing	Head (sign)
1.	The content of the analysis. Theoretically base of the importance of securities in the bank system	01.02.2014	
2.	The analysis of activity of commercial banks in the securities market	07.03.2014	
3.	Perspectives of activity connected with securities in the bank system to an example OJSC "Aloqabank"	24.05.2014	
4.	Safety of vital activity	28.05.2014	

Graduate: _____

2014 year ____ June

Supervisor: _____

2014 year ____ June

In this final qualifying work the theoretical foundations of financial results of enterprises, indicators describing its performance and analysis are studied. On the example of a particular enterprise the analysis of financial results is carried out and recommendations for its improvement are given.

Ушбу битирув малакавий ишда корхона молиявий натижалар назарий асослари, уни ифодаловчи кўрсаткичлар ва уни тахлили ўрганиб чиқилди. Аниқ корхона мисолида молиявий натижалар тахлили ўтқазилди ва уни яхшилаш йўллари кўриб чиқилди.

В этой выпускной квалификационной работе изучены теоретические аспекты анализа финансовых результатов предприятия, показатели ее характеризующие и их анализ. На примере конкретного предприятия проведен анализ финансовых результатов и даны рекомендации по ее улучшения.

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Introduction

Our financial and banking system has proven its sustainability and reliability during the financial and economic crisis. Meanwhile, its further consolidation is also linked to attracting a private capital to the banking and financial sphere through establishing the legislative foundation of setting up private banks and such financial institutions as leasing and insurance companies, credit unions and micro-financial organizations based on private ownership.¹

I.A.Karimov

Moving to market relations gave lots of opportunities to organize different types of economic sectors and to reach perfection of existent sectors. The step by step process of transferring to market economy is indicating that it is necessary to develop each sector of economy and wisely to take advantage of current possibilities. It is well-known from world experience that banks are considered blood vessels of country's economy in this subject and it has huge consequence of developing this sector.

This shall contribute to intensifying competition and raising the quality of banking and other financial services, and create conditions for developing modern market infrastructure that meets the highest international standards.

For this reason from early years of independence it was given a lot of attention to organizing as a transported convict of modern two-stage bank system in order to reforming bank system which matches to world patterns and newfangled approaching to comprise bank services. As the result of intensifying process of financial globalization the tendency of increasing role and importance of developed countries and international bank systems is increasing in the development process of international financial market and International Securities Market (ISM) which inseparable part of international financial market.

Particularly, the volume of using resources of investment efficiently through securities market on behalf of banks is expanding in the countries' temp of

¹ The Concept of further deepening the democratic reforms and establishing the civil society in the country Address by the President of the Republic of Uzbekistan Islam Karimov at the joint session of the Legislative Chamber and the Senate of the OliyMajlis of the Republic of Uzbekistan. November 15, 2010, www.jahonnews.uz

increasing which market relations are developed. The activity of banks in the financial markets, as the universal, professional financial institution, is expanding.

Since independence, Uzbekistan has started a gradual transition to a market-based economy. The process of economic reforms was based on a gradual approach, in order to ensure social stability alongside with substantial economic growth. This approach resulted in considerable achievements, recognized by all major international financial institutions.

During the years of independence due to reforms aimed at creating a mixed economy made significant steps towards creating a civilized stock market. Currently in the country there are more than 300 professional stock market participants have licenses regulator. In this area there are more than 160 regulations. The most important place in the formation and functioning of the securities market of Uzbekistan is occupied by banks, which in comparison with other types of business entities and have had the most favorable conditions for the operation of the securities market. First, banks have traditionally concentrated highly qualified. Secondly, the banking law regulates the activity of a commercial bank as a public company, ie the issuer exercising issuance of securities and, above all, of the shares. Third, in comparison with conventional enterprises and organizations and banks concentrated currently concentrating significant equity and debt resources, create the necessary conditions for the participation in the stock market as a major investor. Finally, the legislation of the Republic of Uzbekistan in no way restrict the activities of banks in the securities market, while banks have extensive information on the financial and economic activities of their customers, which gives them an advantage over ordinary investors, limited access to such information.

The main purpose of the final qualifying work is to report the importance of securities in the bank system and to give reasonable conclusions about perspectives of this activity.

The final qualifying work includes these tasks:

- To learn present conditions of activities connected with securities.

- To analysis of present activities of commercial banks in the securities market in Uzbekistan.
- To find out efficient measures and main directions of securities activity in increasing financial revenue of OAT “Aloqabank”

As the item of final qualifying work is taken securities activity of bank and its primary indicators.

As the object of final qualifying work is taken Open Joint-Stock “Aloqabank”.

Part I. Theoretically base of the importance of securities in the bank system.

1.1 Fundamental concepts of activity connected with securities in the bank system.

Securities - financial documents certifying property rights or loan relationship between the publisher of their face and their owner for the payment of income in the form of dividends or interest and the possibility of transfer of rights arising from these documents to others. Securities may be in the form of forms, certificates or book entries and used for the calculations, as well as collateral for loans. Securities are distributed to businesses and individuals on a voluntary basis. The Civil Code of the Republic of Uzbekistan also determines that the transfer of the securities referred to it all rights go together. From a legal point of view, the security can be seen as the title of property rights, as well as chattel. From an economic point of view security is the representative of capital.

Securities as an economic category are entitled to a share of the total capital resulting from initial placement of these securities, as well as the distribution and redistribution of income, which gives the capital. This right is ring-fenced from its natural base (money, equipment, patents, etc.), and even has its own material form (in the form of a paper certificate, recording accounts, etc.), as well as having the following fundamental properties:

- negotiability;
- availability for civilian traffic;
- standardization and serial;
- documentary;
- adjustability and recognition by the state;
- liquidity;
- risk.²

The securities market is an element of the capital market, which serves as an important source of long-term investment of resources for governments, corporations and banks. Origination and reversal of capital represented by securities

²http://ru.wikipedia.org/wiki/Ценная_бумага

(stocks, bonds, promissory notes, etc.) are closely related to the functioning of the market of real assets, which is defined as a market in which the sale of material resources. With the advent of the securities, assets or stock, there is a split capital: on the one hand, there is the real capital represented productive assets, with another - its reflection in securities. The appearance of this species is associated with the development of capital requirements in drawing a large amount of credit resources for the expansion of commercial and industrial activity. Stock market begins to develop on the basis of loan capital as well as the purchase of securities - is the transfer of the money in the capital loan. At the same time she gets a security form loan document, according to which the owner acquires the right to a regular income, in the form of interest or dividends on borrowed capital surrendered.

In general, the stock market can be defined as a set of economic relations on the issue and circulation of securities between the participants. Historically, banks were the first agencies specializing in operations on the financial market, but modern banks are not the only business entities in the financial business, including the securities market. However, banks, due to the specificity of their functional characteristics differ significantly from other financial institutions, accumulating resources economy.

The main difference lies in the way of raising funds, since the return of borrowed funds and a pre-determined fee for their use is guaranteed regardless of the outcome of economic activity. In addition, banks must constantly efficiently manage current liquidity that would be able to carry the current settlement money orders customers. In this connection, banks' operations in the securities market only occupy a special place in the structure of assets and cannot meet the growing needs of the market. Banks have their own extensive infrastructure, which may include fund management companies; brokerages; funds operating in the foreign exchange market; units engaged in asset management, etc.³

³Новашина Т.С. Криворучко С.В. "Операции банков с ценными бумагами" учебное пособие МФПА 2005г. стр.13

Classification of securities markets have a lot of similarities with the classifications themselves types of securities. That's the difference:

- International and national securities markets;
- National and regional (territorial) markets;
- Certain markets securities (stocks, bonds, etc.)
- Government and corporate markets (non-state) securities;
- Primary markets and derivative securities.

The meaning of some classification of the securities market is determined by its practical significance. Therefore, from the above we can draw the following conclusions that unlike banks from other participants of the securities market is the performance of core banking:

- attracting temporarily free funds of legal entities and individuals' savings and ensure their growth;
- Large-scale lending business entities from non-financial sector.
- Reallocation of funds on the accounts of legal entities and individuals, cash and settlement services.

The main objectives of the banks in the securities market are:

- to attract additional financial resources for traditional credit and settlement activities on the basis of issue of securities;
- profit from their investments in securities paid by the bank interest and dividends and growth in the market value of the securities;
- profit from the provision of services to clients on transactions in securities;
- expansion of the competitive impact of the bank and attract new customers through participation in the capital of enterprises and organizations (through participation in the portfolios and securities), financial institutions controlled structures;
- access to scarce resources in those securities. that give such a right and becomes owned by the bank;

- maintaining an adequate supply of liquidity while ensuring profitability of investments and liquid assets of the bank;

- liquidity-ability of assets to be sold quickly at a price close to the market;

- obtaining additional profits from mild speculation in securities and financial risk insurance clients through operations in derivative securities.

With regard to specific types of transactions, their choice depends on the type of policy on the securities market which chooses a commercial bank. Bank may carry on the securities market following activities:

- to produce, sell, buy, store securities;

- to invest equity and debt securities;

- to carry out operations on the trust management of securities;

- to act in the securities market as a financial broker: perform brokering the sale of securities at the expense of customers and on its behalf;

- to carry out an investment counseling issue and circulation of securities;

- to act as an investment company;

- to organize securities issues;

- to issue guarantees for placing securities of third parties.

The main indicator of effectiveness in securities is net portfolio yield securities. The difference between income on securities and losses on them, referred to the volume of investments (annualized). Thus, banks are not limited to operations in the securities market and can perform almost all the possible transactions in securities for its own account and on behalf of.

1.2 Legislative base of securities activity in the bank system of Uzbekistan.

Commercial banks in Uzbekistan as a universal financial instruments are securities market participants. They carry on the securities market activities as financial intermediaries and professional participants. As professional participants commercial banks can operate as financial brokers, dealers, activities for the placement of securities management activities securities clearing activities, depository activities.

Dealer - a professional securities market participant who has the right to make transactions with securities on its own behalf and for its own account.

Clearing activity is - a professional activity in the securities market, by definition, the mutual obligations for the transactions made on the securities market (collection, checking, updating information on securities transactions and preparation of accounting documents on them) and they set off on deliveries of securities and settlement thereon.

The control system of the securities market is based on the use of public and non-regulatory methods. In world practice, distinguish two models of regulation of securities market.

Regulation of the stock market is the predominant function of governmental authorities. Only a small part of the authority on surveillance, control, establish rules state transfers professional associations members of securities market. Such a system in France.

Reserving to the State the main control positions when possible control passes self-regulatory organizations - this traditional system of voting and negotiations exists in the UK. State regulation of the securities market includes:

- development and implementation of specific legal acts;
- development of standards, set of mandatory requirements for market participants, financial instruments;
- regulation of the basic procedures and state control over the observance of

current legislation on the part of market participants.⁴

State regulation of the securities market in Uzbekistan includes the following:

- the establishment of mandatory requirements to the issuers and professional participants of the securities market and its standards;
- Registration of equity securities and prospectuses and monitoring of compliance by issuers of conditions and obligations contained in them;
- Licensing of professional participants of the securities market;
- Establishing a system to protect the rights of holders of securities and enforcement of their rights issuers and professional participants of the securities market;
- Prohibition and suppression of the activities of persons engaged in entrepreneurial activities in the securities market without the appropriate licenses.

The main legislative and legal acts regulating the activities of banks in the securities market are:

- Law of the Republic of Uzbekistan on the securities market of 22 July 2008 N 163;
- Law of the Republic of Uzbekistan on joint stock companies and protection of the rights of shareholders of April 26, 1996 N 223-I;
- Law of the Republic of Uzbekistan on exchanges and exchange activities on August 29, 2001 N 260-II;
- Resolution of the Board of the Central Bank of the Republic of Uzbekistan on the approval of provisions on the issue and circulation of deposit (savings) bank certificate. 24.09.2008 № 1859;
- Resolution of the Board of the Central Bank of Uzbekistan approving instructions on accounting of securities transactions in commercial banks 19.01.2009, № 1885;
- Resolution of the Board of the Central Bank of the Republic of Uzbekistan on the approval of provisions on the conclusion and execution of repo

⁴<http://www.rae.ru/monographs/116-3863>

transactions in government securities of the Republic of Uzbekistan 18.06.2008 № 1829.

One of the forms of state regulation of banks in the securities market is the establishment of a number of prudential regulations, the effect of which is aimed at reducing the risks of their operations. Professional activities of banks in the securities market is carried out by the general banking license issued by the Central Bank of Uzbekistan.

It is assumed that the Central Bank as a single supervisory and control authority has all the powers to inspect and regulate the professional activities of banks and it has the opportunity to require regular and ad hoc reporting, the right to appoint the bank checks and sanctions against banks for violations.

The legislation establishes minimum statutory capital of the newly created banks: commercial banks - 10 million euros in the soum equivalent to private banks - 5 million euros in Soum equivalent. (In accordance with the Regulations of the Central Bank of the Republic of Uzbekistan "On the procedure of registration and licensing of banks", registered by the Ministry of Justice February 11, 1999 at number 630)

Since 2007, provides for compulsory initial public offering on the stock exchange shares of commercial banks in the amount of not less than 25% of the newly issued shares in circulation. (On measures to further increase the capitalization of banks and increase their participation in the investment processes of economic modernization. Decree of the President of the Republic of Uzbekistan dated 12 July 2007 number PD № 670)

When acquiring bank stake in the authorized capital of a legal person or more than 26% in the contract that allows the bank directly or indirectly, significant influence over the operations of the legal entity, the bank is obliged to send a written notice to the Central Bank of the Republic of Uzbekistan. (Regulation on the requirements for the commercial banks, securities transactions. Registered by the Ministry of Justice December 19, 1998, № 571)

In Uzbekistan, there is no distinction in law inscribed banks into commercial and investment, so commercial banks to freely perform functions that are inherent in the professional participants of the stock market. In accordance with the legislation of the commercial banks licensed to conduct banking activities, is entitled to exercise professional activities in the securities market as an investment intermediary, manages investment assets and investment adviser.

1.3 Primary functions of commercial banks in the securities market.

The special role of banks in the securities market is that, unlike other economic entities, as participants in this market system, while they may be:

1) the role of issuers of stocks, bonds, certificates of deposit and bank bills, ie, the majority types of securities prescribed by law;

2) the role of investors who acquire securities of other economic entities and the state;

3) the role of professional stock market participants, providing brokerage, advisory, custody services to its customers, management services and securities, etc.

At the same time, commercial banks are part of the overall infrastructure of the stock market, and as such their role is huge, least because almost every participant of the securities market can not do without the services of the bank, as there opens settlement and other accounts, stores them cash used including for operations with securities.

According to the legislation of the Republic of Uzbekistan, banks are required to "control" the circulation of bills by issuing a promissory note guarantee (aval) at discharge client bank notes (issued only surety may bail liquid assets of the debtor in the case of late repayment latest bills must be repaid by the bank). (On measures to further increase the capitalization of banks and increase their participation in the investment processes of economic modernization. Decree of the President of the Republic of Uzbekistan dated 12 July 2007 number PP670) Review of activities of banks as issuers revealed the following.

The share capital of the joint stock bank accounts for 13.3% of the total share capital of the country.

All existing joint-stock banks of the republic, to register the issue of its shares in the depository of Uzbekistan on the basis of value shares can be divided into three groups: large - with the volume of shares worth over 10 billion soums, average - with the volume of shares in the amount of from 3 to 10 billion soums and small - with the emission volume of 3 billion soums.

This measure significantly intensified trade banking stocks. Interest of commercial banks in treasury shares due to a variety of circumstances and especially the need to develop the bank's liabilities. Inflation constantly devalues their own capitals, robs banks ability to attract long-term deposits, so to implement a relatively long-term investment in the ever-increasing size of banks have to use their own capital.

It should be noted also that the share capital increase and the issuance of additional shares of commercial banks is used for restructuring - changes in shareholders' stakes. Finally, there are requirements for minimum capital of a commercial bank, and prudential standards established for the relevant regulatory authorities of banks (the Cabinet of Ministers, Central Bank), with which compliance is mandatory.

Thus, the legislation establishes minimum statutory capital of the newly created banks: commercial banks - 10 million euros in the soum equivalent to private banks - 5 million euros in Soum equivalent. (In accordance with the Regulations of the Central Bank of the Republic of Uzbekistan "On the procedure of registration and licensing of banks", registered by the Ministry of Justice February 11, 1999 at number 630, "Bank - a legal entity, a commercial organization, licensed by the Central Bank ..." . Thus, all banks of the Republic, except the Central Bank, commercial banks are. called Private Bank, in which at least 50% of the share capital is owned by individuals, the rest being owned by non-state entities. Private banks account for 26% of all commercial banks in the country). At this moment 27 commercial banks are registered by Central Bank and 8 of them are private commercial banks.

Significant place among bank securities issued for the formation of its liabilities, hold certificates of deposit. Unlike bank shares issue certificates allows the bank a fee to borrow. Currently, there is a gradual increase in the presence of these securities on the stock market. However, banks are not actively using this financial tool as corporate bonds.

The most important question of banks' securities market - banks exercise the

functions of investors. In Uzbekistan, there are restrictions on the activities of banks in the securities market as investors. In particular, banks may invest in securities, provided that the size of the bank's investments:

a) in the charter capital of a company, as well as other securities of the Company shall not exceed 15% of regulatory capital of the first level; (According to the legislation of Uzbekistan capital of the first level includes: a) ordinary shares, fully paid and issued into circulation; b) non-cumulative perpetual preferred shares; c) the added capital (capital surplus) - the market value of common or preferred shares over their par value; d) retained earnings; e) the minority shareholders in the consolidated accounts of joint stock companies; f) provision for devaluation, formed due to revaluation of foreign currency assets of the bank, equivalent to the foreign currency portion of its share capital);

b) in equity and other securities of issuers should not exceed 50% of the regulatory capital of the first level;

c) in non-government securities for kupliprodazhi should not exceed 25% of the regulatory capital of the first level. Banks may not participate in the share capital of other banks (except creating banks with foreign capital and subsidiaries), as well as in the authorized capital of the legal entity that owns more than 10 percent of the authorized capital of the bank.

The Bank can not directly or indirectly (through subsidiaries) own more than 26% of the fund legal entity except the banks' participation in the authorized capital of insurance and leasing companies, non-bank credit organizations, as well as legal entities that are part of the financial market infrastructure providers or banks information and advisory services; banks' participation in the authorized capital of organizations engaged in professional activities in the securities market; participation in the acquisition of the established procedure of shares of privatized companies up to 50% of their issuance in the primary market securities

When acquiring bank stake in the authorized capital of a legal person or more than 26% in the contract that allows the bank directly or indirectly, significant influence over the operations of the legal entity, the bank is obliged to

send a written notice to the Central Bank of the Republic of Uzbekistan. (Regulation on the requirements for the commercial banks, securities transactions. Registered by the Ministry of Justice December 19, 1998, № 571) From the standpoint of stock transactions main object of investment banks in Uzbekistan until recently were government securities, which allowed banks to receive a guaranteed income.

Currently, in terms of efficiency, this kind of investment banks lost its importance because of the low yields on government securities (5 - 6% per annum at the refinancing rate of 10% per annum). The second most important object of investment, but with the greatest prospects, - shares of privatized companies that are acquired to generate revenue in the form of dividends and growth in market value, as well as for resale at higher prices.

A certain portion of the investment portfolio of each bank account for shares and shares made by the bank in joint ventures and subsidiaries. Income on these investments can be very significant. As the founders of the different market structures, banks are investing heavily in them. For example, banks may be founders of professional stock market exchanges. Many banks in Uzbekistan until recently, are the founders of one or even several professional participants of the securities market in various fields - investment intermediaries, depositories, etc. In Uzbekistan, banks are allowed to be founders of institutional investors. Banks also have operations for underwriting.

The most important event of 2008, related to an increase in the role of banks in the stock market of Uzbekistan, has become the presidential measures to further improve the financial stability of the real economy. (On measures to further improve the financial stability of the real economy. Decree of the President of the Republic of Uzbekistan dated 18 November 2008 number UP4053) Central Bank of the Republic of Uzbekistan recommended to acquire ownership of the production company, declared bankrupt, ensure their financial health and then resell to strategic investors. At first glance it may seem that this measure is quite risky, because one of the causes of the crisis in 1929 in the United States just

became excessive exposure of banks their "daughters".

However, first, this error is sufficiently well known to repeat it. Second, the concept of participation in the industrial capital of banks is not helping the industry at the level of lending and acquisition of banks in industrial, technological modernization and their subsequent sale to strategic investors at market value. Increasing the minimum statutory fund in the Company will increase the share of bank capital in the share capital of the country, and participation in the acquisition and subsequent sale of bankrupt enterprises activates execution banks commission operations and further strengthen their position in the stock market.

Prominent among commission operations of commercial banks occupy intermediary operations in the securities market. This function is fixed to a bank for a long time. Moreover, the market mediation banks were in the best position as far T-bill (treasury bond), bonds of the Central Bank and Treasury Obligations open only to commercial banks.

Thus obtaining commercial banks separate license for the implementation of such activities is not required. (On measures for further development of the banking system and the involvement of free cash in the banking revolution. Decree of the President of the Republic of Uzbekistan dated November 7, 2007 number PP726) With the development of the corporate bond market, some banks in Uzbekistan started to work actively in the initial distribution of such securities as mediators in the organization of their release and the initial offering. In the short term, in our view, the banks of the Republic of Uzbekistan should focus on the development of such kinds of undeveloped commission operations as an investment and financial advisory services, custody services, trust services, asset management, agency services.

All of the above operations, commercial banks of the republic do not act, giving primacy to nonbanks, although selected operations could be further significant revenue article banks.

Among the most important prerequisites for further strengthening of banks in the securities market are:

- a stable financial position of banks and high profitability of banking operations, allowing them to divert substantial financial resources to the development of new types of banking services, such as are many transactions in securities; available from banks technical, information and human resources;

- extensive branch network and customer base, transforming them into the most capable members of the securities market;

- increasing competition between banks and other financial and credit institutions; decline in profitability of many traditional banking services (loans, currency financial, agency operations), forcing banks to move the center of its activity in the securities market.

Using its enormous potential, as well as the fact that at the present stage, banks can not perform its functions without direct participation in any capacity in the securities market activity, Uzbek banks occupy an increasingly important place in this market, both as a direct participant and as an important auxiliary institution of the general infrastructure of the stock market, forming favorable conditions for the development of securities trading in general. Obviously, in the future, with the development of the securities market of the Republic of Uzbekistan, the position of banks in this area will increase. Increasing attention to the operations of commercial banks in the securities market due to the increasing demand of the national economy in investment, without which there can be a profound restructuring of social production, further increase the export potential and improving living standards.⁵

⁵Банки на рынке ценных бумаг Республики Узбекистан. И. Л. Бутиков, Денги и кредит 2/2009, г. Москва

Part II. The analysis of activity of commercial banks in the securities market.

2.1 Operations of commercial banks related to securities.

One of the important activities of the bank - the work on the securities market, both as a mediator and the issuer. In accordance with the laws of the state registration is required for all securities issues regardless of the value of production, the number of investors. Registration Authority is the Department monitor the activities of large organizations in the financial markets, the Bank of Russia its territorial agencies that are charged with registration of the securities issue credit institutions. Before deciding to issue securities, you should analyze purpose commercial bank.

The purpose of the bank may be associated with the need to transform as share of commercial bank equity and implementation of the first issue, respectively, and the increase in share capital by issuing and placing on the open market subsequent share issues.

Moreover, if in the first case we are talking about formation of capital and, therefore, to extend the scope of services, the second - on the stabilization of the bank in a competitive environment. Issue of shares to increase the authorized fund (capital) of the stock of the bank, ie re-issue of shares in Uzbekistan permitted only after full payment of all shareholders of previously issued shares. State registration of the next issue of the shares must be carried out after the registration of amendments to the charter of the bank in the previous issue.

The Bank may issue common and preferred shares. Ordinary shares, regardless of the sequence number and time of manufacture must have the same nominal value (in sum) and provide their owners with equal rights. Under existing rules bank issue bearer shares are permitted in a certain ratio to the size of the paid up capital in accordance with the norms established by the Federal Commission for the Securities Market.

Nominal value of the preference shares shall not exceed 20% of the authorized capital of the bank. Possibility to issue one or more classes of preferred

shares, the amount of dividends and other conditions specified in the charter of the bank of issue. Preferred shares of the same type provide their holders equal rights and have the same nominal value. To increase the authorized capital of the bank is possible, increasing the nominal value of shares already placed or placing additional shares.

In the first case, the registration documents are issued to the general issue of shares with a nominal value increased. At the end of the previous issue shares with a par value shall be canceled and replaced by the newly issued shares with a nominal value increased. In the case of outstanding voting shares of the bank charter may provide that the shareholders (owners of voting shares) have a preemptive right to acquire such shares in proportion to the already owned by them voting shares. By decision of the general meeting of shareholders of the bank can crush and consolidate the already outstanding shares, carrying out a new release of the same category without a capital increase.

The Bank, in accordance with applicable law and the charter, the Board of Directors may issue bonds to raise debt financing. Bond issue shall be permitted only after full payment of the share capital. Unlike stocks, where the person who purchased them, are the shareholders who were granted certain rights, including the payment of dividends and participate in the division of the liquidation value of the bank, bond holders act as creditors of the bank.

The Bank may issue bonds:

- registered and bearer;
- collateralized own property, bonds with security;
- debentures;
- interest and discount;
- convertible into shares with a single maturity date or bonds maturing on series on certain dates.

Register bank bond issuance as a general rule should be accompanied by registration of the prospectus. If the result of one or more transactions acquired more than 5% of the bank must notify the Central Bank, more than 20% pre-align

the decision with the Central Bank. Agreed to acquire a 20% stake in the bank, acting as a closed joint stock company shall be obtained before registering shares and bank acting as an open joint stock company - before the purchase and sale of shares of the bank. Registering Authority before checking checks whether the information contained in the registration documents, the current legislation, banking rules and regulations. After registration of securities issuing bank has the right to initiate a campaign to place the bond.

Definition of bank as an institution that accumulates surplus funds and place them on a repayment basis, allows you to emphasize in its activities such functions related to the definition of securities. So buy banks shares of industrial enterprises connected with the desire of banks to make a profit. Monopolist banks not satisfy ordinary income from credit operations. As a result of the purchase of shares in industrial part of monopoly super-profits from the industry moves to banks by taking their dividends by industrial stocks. In this case, banks act as investors. Banking institutions for seigniorage issue securities. For registration of the issuing bank is the prospectus.

The Bank may issue two types of shares - common and preferred. Functions of the bank as the issuer's own securities services are

- to issue shares;
- organizing their accommodation;
- providing liquidity;
- payment of dividends;
- maintenance of registers of registered securities;
- depository service.

The securities owned by the bank and savings certificate, certificate of deposit, bank draft.

1. Savings certificate - this type of securities, which is written evidence of the bank to deposit funds, certifying the holder's right to receive a certificate of deposit amount and interest thereon after the deadline date.

In Uzbekistan, there are savings certificates, usually in paper form. Post-

Soviet countries, such as Russia, went in this direction much further. In 1992, the Russian Exchange Bank to issue such certificates in the form of metal coins, which gives them more numismatic value. Now these questions are worked out by the bank of issue silver certificates. The main feature of savings certificates in Uzbekistan is that this type of securities may be issued only by banking institutions (banks). Issuing Bank shall register the certificates issued by the records in special spines or logbook. In the spine of deposit and savings certificates must indicate the number of the document, the deposit amount, the date the certificate was issued, the period of its return, the name and signature of the beneficiary.

To determine the interest payments by banks published deposit Net, which is a table that shows the size of the interest payments on the duration and size of the deposit.

2. Certificate of Deposit - a written security issuing bank for funds, certifying the right of the owner or his assignee to receive, at maturity, the amount of the deposit and the interest accrued thereon.

Types of commercial bank operations with securities According to the Law of Uzbekistan "On banks and banking activity" commercial bank is permitted:

- issue, buy, sell, store securities carry out other operations with them;
- provide brokerage and consulting services;
- make settlements on behalf of clients, including securities transactions;
- manage the securities on behalf of clients (trust or trust operations).

These activities cover a wide range of possible operations with securities. However, due to the lack of restrictions for Russian banks to conduct transactions on the stock market, they can be carried out certain types of business activity.

These types of activities include:

- brokerage;
- dealer;
- deposit;
- clearing and settlement - on the transfer of securities and funds in connection with transactions in securities;

- for maintaining and keeping the register of shareholders;
- organization of trading securities.

Thus, commercial banks in the securities market may act as his professional participant - the investment institution. Consider in more detail the economic nature of the various operations of a commercial bank securities.

All types of operations with the securities can be classified into a number of features that reflect the interest of both the bank itself and its counterparties. To raise funds to replenish resources or financing of investment projects, special events, etc. Bank may issue shares or bonds.

At first the issue of shares Bank acts as the seller, and then - subject to shareholders' equity ownership. If the bank issues bonds, it is the seller first, and then - the debtor. Buyers of bonds act as lenders. Issue of bank treasury shares or bonds allows you to get at minimum cost necessary financial resources to expand the scope and volume of services provided. The placement of treasury shares and bonds can be carried out through the sale of their pre-defined narrow range of investors, and by spreading on a competitive basis, a large number of investors.

In some cases, for the dissemination of its own shares and bonds the bank may involve intermediaries, who may be stockbrokers and dealers. In the West, but most transactions buying or guaranteed purchase securities at their initial offering for sale to the public engaged underwriters - investment institutions or their group. They assume the risks associated with non-placement securities. To promote investment opportunities and providing investors with alternative investment banks may engage in securities withdrawal to replace them with other types of securities.

An investor with an opportunity to buy for yourself securities with more favorable terms of income. Banks may also redeem (withdraw) bonds for early redemption. Profitability for the bank debt can be especially tempting because of certain short-term considerations. Owners bonds agree to part with securities subject to greater-than-expected revenue. To repay debt and solve the problem bank can make to change the terms of purchase of bonds. A special place belongs to the mediation between the operations of banks issuers and investors. The main

objective here is to obtain the highest possible profit at the expense of mediation services in distributing securities.

Repo (report) - a financial transaction in which one party sells securities and simultaneously the other side undertakes to buy them on a particular day or at the request of the other party. Obligation to repurchase obligation corresponds to the re-sale, which takes on the second side. And repurchase securities effected at a price different from the price of the initial sale. The difference between sales prices and purchase represents the revenue that should receive a commercial bank acting as the buyer of the securities and which is determined by the repo rate.

Repo rate may be:

- fixed;
- floating.

Between them there are intermediate options. Repo transactions in the securities market shall be based on standard contracts between banks and primary dealers, the signatories to the bank and have a general agreement set limits. Economic sense repo is that one side - Bank - provides funds for the duration of the other side - the primary dealers of the securities market - for a fee.

For other brokering banks may:

- full redemption of securities with resale;
- Distribution of securities with a guarantee of repayment;
- Distribution of securities without a guarantee of redemption.

Full redemption of securities with resale allows the bank to obtain income on the price difference of buying and selling. Issuers and other natural and legal persons - owners of securities - interest with minimum funds for distribution, to realize the maximum number of securities. When distributing securities guaranteed bank foreclosures, on the one hand, the commission acts for issuers, merchants, and not for the rest of the sold securities - the buyer. On the other hand, he is the guarantor. Bank interest is to obtain the maximum compensation. Unlike the spread of securities without a guarantee from the spread of foreclosures securities guaranteed foreclosure is that the bank is part of the non-proliferation does not buy

securities.

Commercial banks are permitted to act as commission agents or attorneys with respect to clients or as sellers - with respect to third parties. Catching the purchase or sale of securities in the secondary market at the expense and on behalf of the client, the bank receives a fee from the client for the accurate and prompt execution of instructions to buy or sell securities. Remuneration may be increased with improved terms of the contract of agency. In the corporate banking operations shares volumes are very small.

Moreover, the volume of transactions of large banks in this market is negligible. The reasons are many: lack of trust between banks to a friend, the lack of reliable and accessible information, as well as their precarious financial condition. The Bank may arrange safekeeping of securities in its repository or repositories other financial institutions. The Bank may also on behalf of clients to organize multilateral settlements concluded by customer securities transactions, to provide additional services: clearing, credit, insurance, etc. Bank interest in this is to get the maximum reward for customer service, including custody account and the organization of securities settlement.

Depending on the current situation on the stock market, the Bank may enter the market, not only to maintain their own investment portfolio securities, but also to the sale of securities on the basis of long-term assessment of their profitability. To provide customers with services that ensure fulfillment of their best, banks can create a special unit to manage clients' securities.

The functions of these units include:

- collection of income from securities;
- collection of amounts repaid on debt;
- exchange certificates and coupon sheets;
- exchange of shares at the confluence of the Joint Stock Company;
- replacement of certain other types of securities;
- informing clients about the next meeting of shareholders, issue new shares, in which customers have pre-emptive rights to purchase;

□ providing clients' interests on their behalf at meetings of shareholders, voting on behalf of clients, etc.

Bank, taking into account received from customers and agents while giving certificates may only use the funds for the purchase of securities of mutual funds created. All proceeds, except remuneration managers belong to depositors fund and sold them through the increase in the market price of such funds. A special place in the development of collective investment owned banking groups have in recent years become widespread.

Content of the new phase is to combine them into a single mechanism. Managing company of the trustee, and portfolio managers are investment funds established departments or bank structure. The group may be adjacent both partner companies to create a bank of its corporate funds and administration areas for the organization of regional funds. An important element of the group is a bank that is licensed specialized depository. All this will greatly reduce the cost to the group, ensuring that they receive commission income and on other important tasks.

Depository activities is familiar and profitable for banks. However, when working with the funds necessary to distinguish between two types of bank depository services:

- Keeping the fund's assets and control of management companies, which need to implement specialized depository License;
- Storage units purchased in a safe depository client.

Meeting this challenge requires standard fastening concepts such as "depository storage units in banks" and "nominal holding in the register of shares" with restrictions on transactions with them by the nominee - the depository bank. Thus, commercial banks can provide the full range of stock transactions, speaking in the market as an issuer of securities and investor mediator party issuers and investors to provide depository and clearing and settlement services, as well as provide trust services.

Credit institutions may exercise the following professional activities (a special license):

- brokerage,
- dealer,
- depository,
- securities management,
- definition of mutual obligations (clearing)
- register of holders of the securities.

Brokerage activity - committing civil transactions with securities as an attorney or commissioner, acting under a contract of agency or commission, as well as power of attorney for such transactions in the absence of guidance on the powers of the commission agent or in the contract.

Dealership - transactions of purchase and sale of securities on its own behalf and for its account by a public announcement purchase or selling prices of certain securities with the obligation of buying or selling of securities on the declared person engaged in such activity, prices. Dealer may only be a legal entity, a commercial organization. Trust Deed, a party (trustor) transfers to another party (the trustee) for a fixed term securities in trust, and the other party agrees to manage them for the benefit of the trustor or person on its behalf (the beneficiary).

Activities securities management - implementation of the legal entity or individual entrepreneur on his own behalf for a fee within a certain period of trust management delegated to it in the possession and belonging to another person for the benefit of that person or that person specified third parties:

- securities;
- Funds designated for investment in securities;
- Cash and securities received in the process of management of securities.

Clearing activities - Definition of mutual obligations (collection, checking, updating information on securities transactions and preparation of accounting documents on them) and they set off on deliveries of securities and payments for them.

Depository activities - services for storage of securities certificates and / or accounting and transfer of rights to securities. The depository may only be a legal

entity. Person using the services depository for safekeeping and / or recognition of the rights to the securities referred to the depositor. Conclusion of the depository agreement does not entail the transfer of ownership to the depository for securities depositor.

The Depository has no right to dispose of depositor's securities, manage or carry out on behalf of the depositor any action securities except undertaken on behalf of the depositor in the cases provided by the deposit agreement. The Depository has no right to determine the conclusion of the depository agreement with the depositor's refusal last from at least one of the rights attached to securities. The Depository shall be civil liability for the safety of his deposited securities certificates.

Public circulation of securities - trading of securities on a stock exchange and other trade on the securities market, trading of securities by offering securities to the public, including by means of advertisement.

Listing - a set of procedures for the admission to trading of shares, peer exchange checks for compliance with the securities and their issuer specified requirements. The purpose of the listing is to create favorable conditions for the formation of the organized stock market, raising awareness of investors about the state of the market, identifying the most quality and reliable security, protection of investors and increase their confidence in the securities traded on the exchange. That listing provides a measure of the reliability of the issuer, its possibilities. Worldwide companies that are in the process of listing, get a number of advantages, both for shareholders and for themselves.

The main advantage is to improve the image of the company and increase the liquidity of the securities, as well as widening the circle of shareholders, including by large institutional investors. First of all, the inclusion of securities in the Stock Exchange listing will allow the issuer to significantly expand the range of investors. As a rule, banks, financial institutions and brokers themselves extremely reluctant to engage in a subscription to new issues of shares and other securities of those companies who refuse the proposals for such securities in the stock exchange listing.

After going through the process of exchange listing, the issuer gives the investor the opportunity to show that its securities are liquid and reliable. After listing procedure can take only the most financially - stable company. And thus, the investor will know that it was investing their savings in securities of the issuer, unexamined, he can be sure of a safe investment of their money.

It should be noted that at the RSE "Tashkent" major investors are banks, insurance and leasing companies as well as private investors.

In - the second, the issuer's compliance requirements for disclosure of securities included in the listing, greatly improves the reliability of investments for all categories of investors. An investor who buys the listing securities can be sure that he could regularly be accurate and timely information about issuers whose securities he wants to buy. Disclosure issuer allows the investor to evaluate the prospects for economic development and the quality of the company's securities.

Third, the Company held in Listing usually easier to achieve trust and goodwill of banks and financial institutions in case they have need for loans and credits.

Fourth, the process of conversion of securities occurs under constant exchange that protects concluded her transaction from fraud and abuse. Another advantage for the company, which entered into exchange listing, is that according to the rules of stock trading, securities of listed companies are subject to mandatory quotation.

That is the formation of market pricing mechanisms and the determination of fair share price. And most importantly, the company included in the stock exchange listing, has the potential to integrate into the international stock market, because foreign investor preference for the acquisition of shares of listed companies, and foreign stock exchanges mainly put up for sale securities of those issuers that are listed on domestic stock exchanges.

Today on the stock market listing procedure Uzbekistan securities regulated by the Regulation on the official exchange bulletin RSE "Tashkent", approved by the Board of Exchange May 24, 2010 at number 66 and the Centre agreed to coordinate and develop the securities market. In accordance with the above Regulations distinguish the listing securities and out of listed securities included in the official stock exchange

bulletin RSE "Tashkent". Listed securities are categorized as "A", "B" and "C" is the category of the official exchange listing.

Another regulations governing exchange listing procedure is approved in 2008 by the Center for Coordination and Control over the Securities Market "Regulations on the mandatory listing on the Stock Exchange stock companies with registered capital of over 500 million sum", registered by the Ministry of Justice 01.05 .2008 № 1801.

Delisting - exclusion of securities from quotation list.

2.2 The Analysis of activity of bank's securities in the Republican Stock Exchange "Tashkent"

The reliability of our national way of development which is made by President of the Republic of Uzbekistan and is called "uzbek model" in the world has found its confidence many times. Our chosen way of applying reforms clearly and step-by-step in the process of changing control system from monopoly to market economy is surviving as a foundation to achieve aims.

Despite the fact that financial economic crisis has still saved its effect, according to international rating agents such as "Fitch Ratings", "Moody's" and "Standard and Poor's", banks in our republic are showing good results. For 3 years, the future of development of bank-system in our republic has been called "stable". All of them are the results of giving great attention to bank finance system and its development, making reforms to increase capital level of banks and to strengthen reserves. For example reforms applied in bank system has supported stable activity of national bank system and increased investors' interests in bank shares in stock exchanges.

Over the past three years in our country total credit investments of commercial banks increased by 2.3 times. So, in 2013 compared with the previous year has been allocated 30.1 percent more credits amounts provided investment loans increased by 1.3 times. To date, the level of bank capital adequacy is 24.3 percent, which is three times more than the required 8 percent identified by the Basle Committee on Banking Supervision. Liquidity level - one of the most important criteria for evaluating the stability of the banking system - for several years is more than 65 percent, that is twice the minimum level.

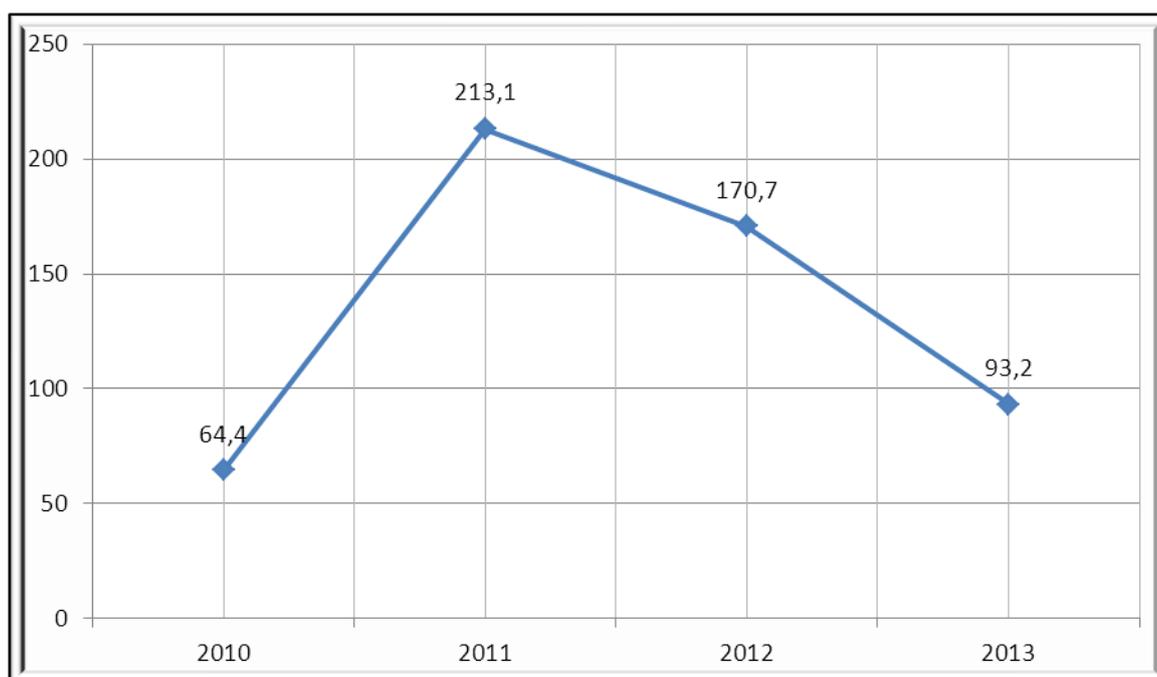
Increase in interests in bank shares depend on their reliability and stability. Besides, commercial banks are both issuer and investor in Republican Stock Exchange "Toshkent".

Republican Stock Exchange "Toshkent"- is a organized and regularly functioning securities market, where, together with other organizations in securities

market infrastructure (Central depository, Settlement and Clearing House, Secondary level depository, brokerage offices), all necessary conditions are established for free access of all subjects of the stock market to invest resources through activation of securities transactions.

Republican Stock Exchange “Toshkent” was founded in accordance with the Decree of the President of the Republic of Uzbekistan of January 21, 1994 № 745 “On measures for further deepening of economic reforms, provision of private property protection and development of entrepreneurship”.

Today the stock exchange is an active participant in the formation of national securities market, the dynamic development of which is a prerequisite for sustainable economic growth.



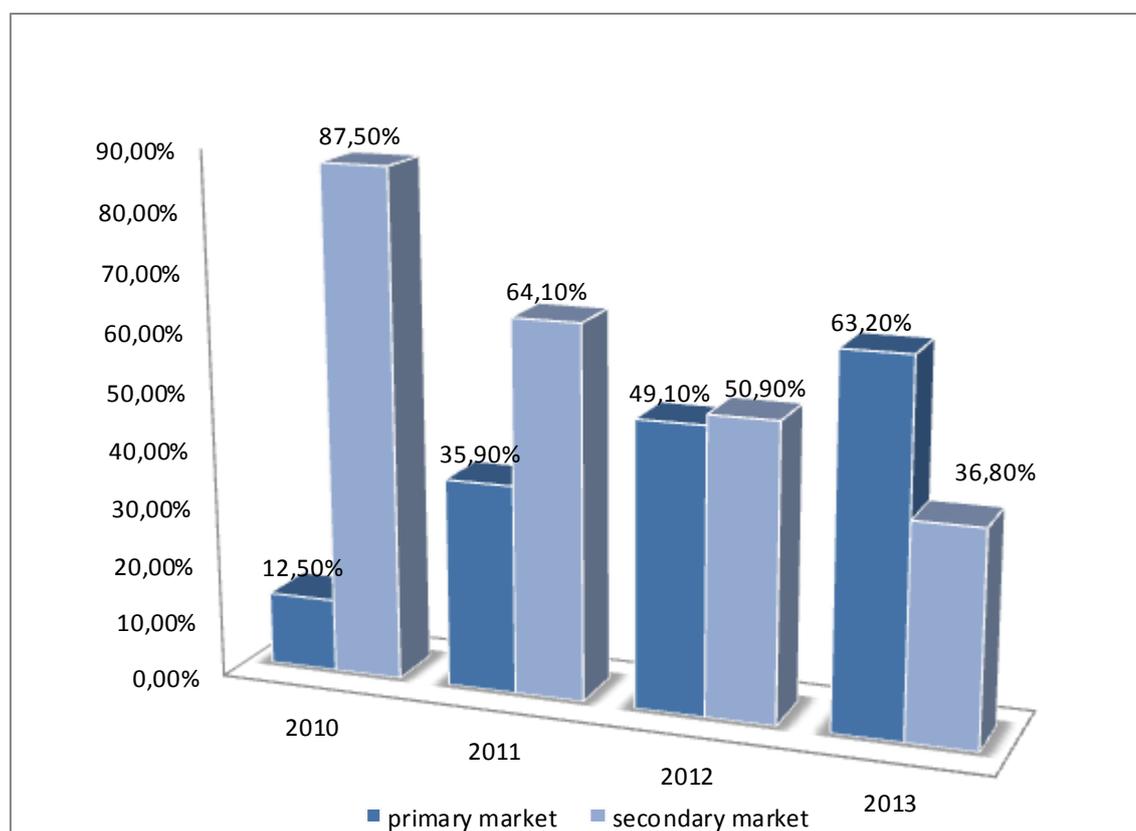
Picture 2.2.1 Dynamics of the RSE "Tashkent"'s turnover in 2010-2013 ⁶

The turnover of securities in 2013 amounted to 93.2 billion soums, which is almost 45% lower than last year (in 2012 - 170.7 billion soums). Since the beginning of the year was made 941 exchange transaction (in 2012. - 917 transactions) to 034.2 thousand units sold 122 110 shares of joint stock companies

⁶ Performed by author according to annual reports of RSE “Toshkent”

totaling \$ 57.2 bln and 35.7 thousand units 5 bond issuers for 36.0 billion soums. In the structure of total exchange turnover dominates the market initial public offerings - 63.2% of the total turnover or 58.8 bln. At the same speed in the primary market decreased compared with 2012 (83.9 bln) by 35.9%.

The principal cause of revolutions in the primary market RSE "Tashkent" in the past year was the low activity of commercial banks for the issuance of additional issuances of its securities, as most of the accommodation (over 90%) in 2013 issued additional share issues carried out by private subscription. It should be noted that the degree of development of the secondary stock market is one of the main indicators of competitiveness of the country's securities market.



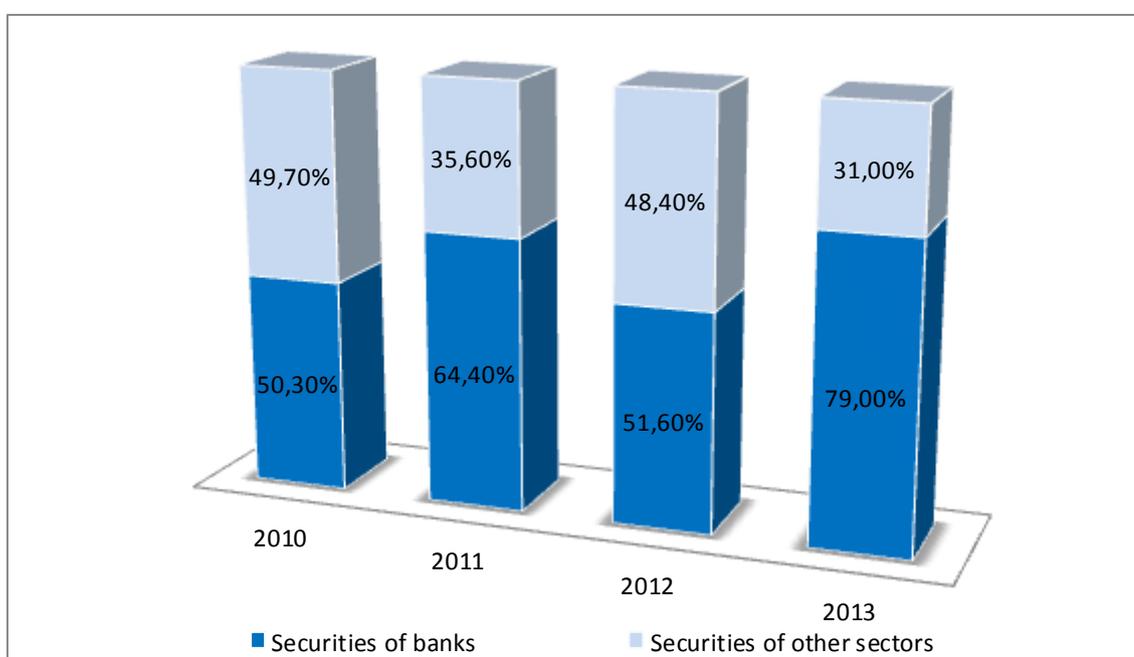
Picture 2.2.2 The dynamics of secondary market circulation of securities at the RSE “Toshkent” in 2010-2013 ⁷

One of the reasons for the decline in trading activity in the secondary market is a shortage of supply in the secondary market shares of large, financially stable

⁷ Performed by author according to annual reports of RSE “Toshkent”

companies and are relatively higher liquidity and investment attractiveness, while the majority of shares are owned by the state and are a resource for the secondary market.

Analyzing of Republican Stock Exchange “Toshkent” on setting and attraction of legal tenders in market places showed that the large part of sales includes shares of commerce banks. According to results in 2009, total value of contracts made with shares of commerce banks is equal to 39,4 billion sum, 43,5 percent of total sale of stock exchange, which in 2012 total value of contracts is equal to 88,1 billion sum, 51,6 %. As of December 31, 2013 this indicator was equal to 79 %.



Picture 2.2.3 Dynamics of the proportion of securities issued by commercial banks from the total turnover of the RSE “Toshkent” in 2010-2013 ⁸

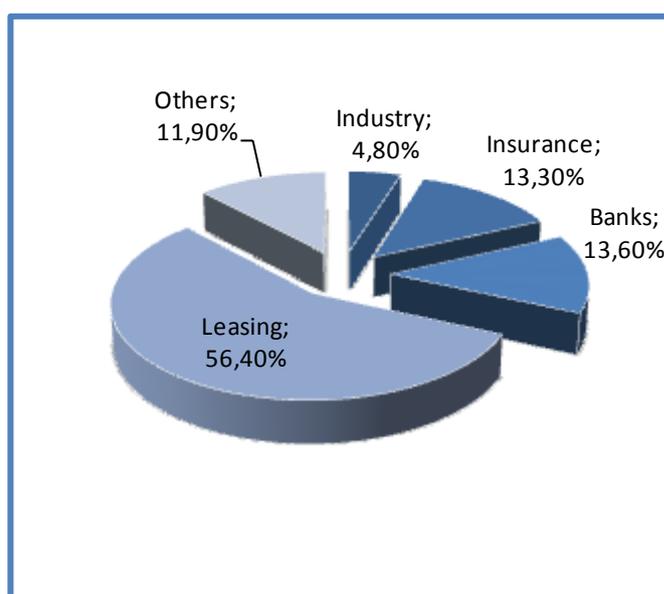
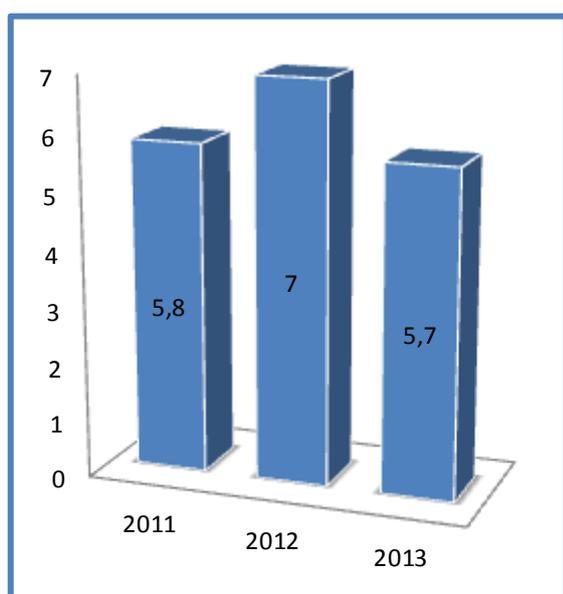
In 2012 setting value of corporative legal tenders was equal to 83,9 billion sum, which share of commerce banks was 78,5 % (65,8 billion sum). And in September 1, 2013 this was 97,7 % (25,1 billion sum from 25,7 billion sum).

In secondary market investors’ interests in legal tenders of bank were 30,7 % in 2009 , while this was 65,4% which was the highest result. And in September 1,

⁸ Performed by author according to annual reports of RSE “Toshkent”

2013 this was 49 %, while analyzing role of banks in sales operated with legal tenders in “Toshkent” republic stock exchange, we can say that banks are both very active issuer in legal tenders’ stock market and very active investor.

«Dynamics of the value of investment in buying legal tenders through republic stock exchange shows that bank placements were 9,2 % of total value in 2009, while this rose to 20,9 % in 2011, at the end of 2012 this result was 14,2 %. It is good that total value of investment to legal tenders of other issuers through banks was 24,3 billion sum in 2012. From this, 14,2 billion sum is spent to corporative contracts, and 3,5 billion sum to REPO contracts. In September 1, 2013 5,6 billion sum to corporative contracts and 4,1 billion sum to REPO contracts.



Picture 2.2.4 Repo transactions in 2011-2013 and structure of stock turnover of REPO transactions in 2013, billion soums⁹

Since the major trade participants supporting liquidity at the market are commercial banks (they amount 87% of category “A”), and their high activity during the year contributed for banks to get a leadership in the volume and number of shares realized.

And entering commercial banks to official listed companies gives

⁹ Performed by author according to annual reports of RSE “Toshkent”

opportunities to quote their securities and to indicate fair market prices of them.

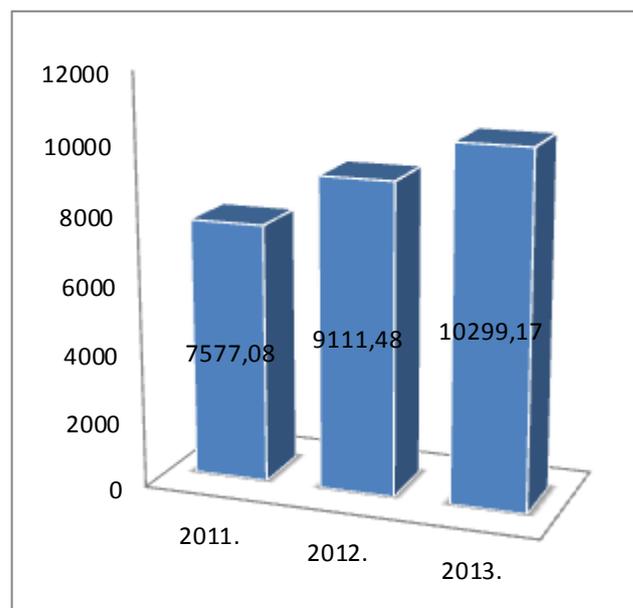
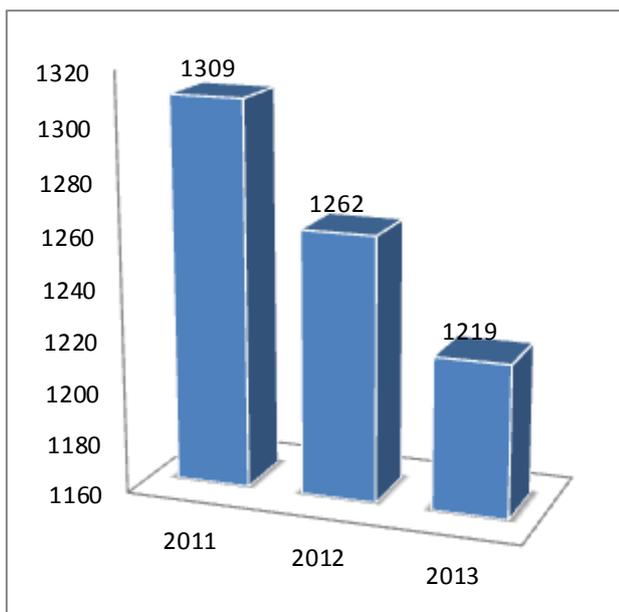
Decree of the President of the Republic of Uzbekistan dated on April, 6 «On measures to further enhance financial stability and strengthening of investment activity banking system» and Decree of the President of the Republic of Uzbekistan dated on November, 26 «On priorities for further reform and improve the stability of the financial and banking system of the Republic in 2011-2015 and achieving high international rating indicators» are become stimulus for commercial banks to participate efficiently in the stock exchanges. According to this program, in 2011-2015 increasing capitalization of banks by 2,1 times is pointed on behalf of authorized capital of them.

Today the stock exchange is an active participant in the formation of national securities market, the dynamic development of which is a prerequisite for sustainable economic growth.

Through exchange trades various sectors of the economy in the form of joint stock companies created on the basis of privatized enterprises, acquire real property owners and, thereafter, significant funds for major restructuring and modernization, and the newly established joint stock companies - additional financial resources for performing of their investment projects.

Joint stock companies of Uzbekistan by means of realization of their own securities through trading platforms of the Republican Stock Exchange "Toshkent" have the opportunity to attract practically unlimited investment resources for their development of both internal and external capital market.

Thereby, assessing the role of the Republican Stock Exchange "Toshkent" in the formation of the national securities market, we can surely state that its creation has allowed for conducting trades with exchange tools as accessible and open to all potential investors as possible.



2.2.5 Dynamics of total number of joint stock companies and their capitalization ¹⁰

As of December 31, 2013 in the Central Depository securities accounted for 1232 of joint stock companies, the total amount of share issues at face value exceeded 10,299.17 billion sum, which in quantitative terms is 10 299.17 million shares.

As of December 31, 2012 1262 joint stock companies with volume issues in cumulative terms 9111, 48 billion sums in quantitative - 8 674.20 million shares. As the number of joint stock companies 44 units, volumes accounted issues increased in cumulative terms to 835.38 billion soums, quantitatively at 1327.35 million shares.

We must point out that, as of January 1, 2014 there are 379,4 billion soums corporative bonds, 592,0 billion soums certificate of deposits existed in transactions. There are 908,9 billion soums of shares and bonds involved into the transaction in 2013. The number of joint stock companies are more than 1000 and legal persons and individual shareholders of them are more than one million. Total turnover national market of shares and corporative bonds became more than 977 billion soum in 2013.

¹⁰ Performed by author according to annual reports of RSE "Toshkent"

2.3 The analysis of securities' activity of Open Joint Stock Commercial "Aloqabank".

As a result of developing and reaching to completion of our economy, nowadays, the role of commercial banks is increasing in financial sector. Because, none of business enterprises can carry out its activity without bank services and all accounts are held via bank. For that reason, our government is giving a lot of attention to substantiate bank system and improve their independence.

Reformatization in the bank system which is considered as a real sector of economy bases to ensure stability of not only banks but also the whole economy of the country. At this moment in our country 27 commercial banks are carrying out based on different ownership. And the role each of them is special in our country's economy.

OJSC "Aloqabank" is also one of the most developing commercial banks through the financial sector. Open Joint Stock Commercial "Aloqabank" was established according to Decree of Cabinet of Ministers of the Republic of Uzbekistan №502 dated October 12, 1994 "About measures on development and reconstruction of telecommunication networks of the Republic of Uzbekistan and improvement of their operating quality".

OJSC "Aloqabank" is carrying out its activity as a universal commercial bank on the basis of:

- License to carry out banking operations No. 8-A/2 issued by Central Bank of the Republic of Uzbekistan on March 10, 2012 (replaced by license No. 48 dated 30.04.2009, 13.08.2004, 23.06.2001 and 22.04.1995);

- General license to carry out operations with foreign currency No. 55 issued by Central Bank of the Republic of Uzbekistan on March 10, 2012 (replaced by license No. 42 dated 30.04.2009, No. 7 dated 29.01.2005, No. 54 dated 07.12.2001 and No. 38 dated 21.08.1996).

And nowadays it is carrying out all operations that each bank must carry out. One of these operations are operations related to securities.

OJSC "Aloqabank" provides the following securities transactions:

- issue and placement of treasury shares by public subscription;
- Issue and placing their own certificates of deposit for legal entities;
- Issue and placing their own savings certificates for individuals;
- purchase of shares, bonds and other securities of other issuers;
- storage of all kinds of securities of other issuers;
- purchase of government short-term bonds; purchase of bonds of the Central Bank of the Republic of Uzbekistan; implementation of repurchase transactions (purchase and sale of securities with repurchase);
- Dealer act in transactions with short-term government bonds, bonds of the Central Bank of the Republic of Uzbekistan on its behalf, for and on behalf of the Investor;
- Underwriting Services.

OJSC “Aloqabank” is considered to be an active participant of the republican securities market. As of reporting period, total volume of investment of the Bank allocated to securities and authorized funds of enterprises constituted 13,9 billion soums . For the year 2013, the bank has gained in the amount of 0,8 billion soums from the investments allocated to the securities and authorized fund of enterprises.

In order to form stable resource base of the bank, the certificates of deposit, corporative bonds for legal person as well as saving certificates for individuals are issued on a regular basis. For the year 2012, bank has issued certificates of deposit in the amount of 100 billion soums and long-term corporative bonds in the amount of 3 billion have been fully placed among investors. In 2013 bank has issued certificates of deposits in the amount of 100 billion soums and 29,1 billion of them placed among investors. And also bank issued long-term corporative bonds in the amount of 3 billion soums and all of them have been fully placed among investors.

As of January 1, 2014 the amount of certificates of deposit and corporative bonds placed by the bank made up 31,3 billion soums or 3,3 percent of the aggregate liabilities of the bank.

The amount of emission of shares market is considered higher than others in the national securities market. Our government should perform an important role to develop the turnover of commercial banks' shares. In this purpose commercial banks have adequate financial capability and qualified specialists who have enough information about the condition of securities market and can give correct deductions based on analyzing of them. .

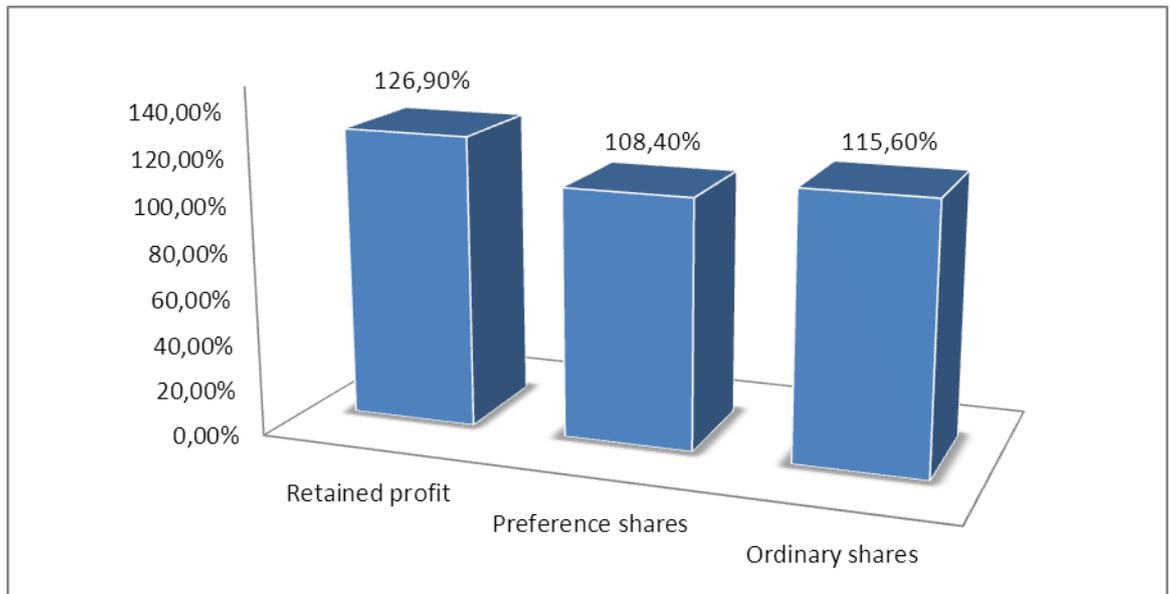
2.3.1-table

**Dynamics of private capital's composition of OJSC "Aloqabank"¹¹,
thousand soums**

Composition of private capital	2012 year	2013 year	Change	
			Change %	Level of increase, (+;-)
Ordinary shares	75 095 766	86 822 175,3	115,6	11 726 409,3
Preference shares	1 653 491	1 791 924,0	108,4	138 433
Profit of emission	2 607 193	5 357 504,7	205,5	2 750 311,7
Retained profit	20 369 989	25 840 091	126,9	5 470 102
Total	99 726 439	119 811 695	120,1	20 085 256

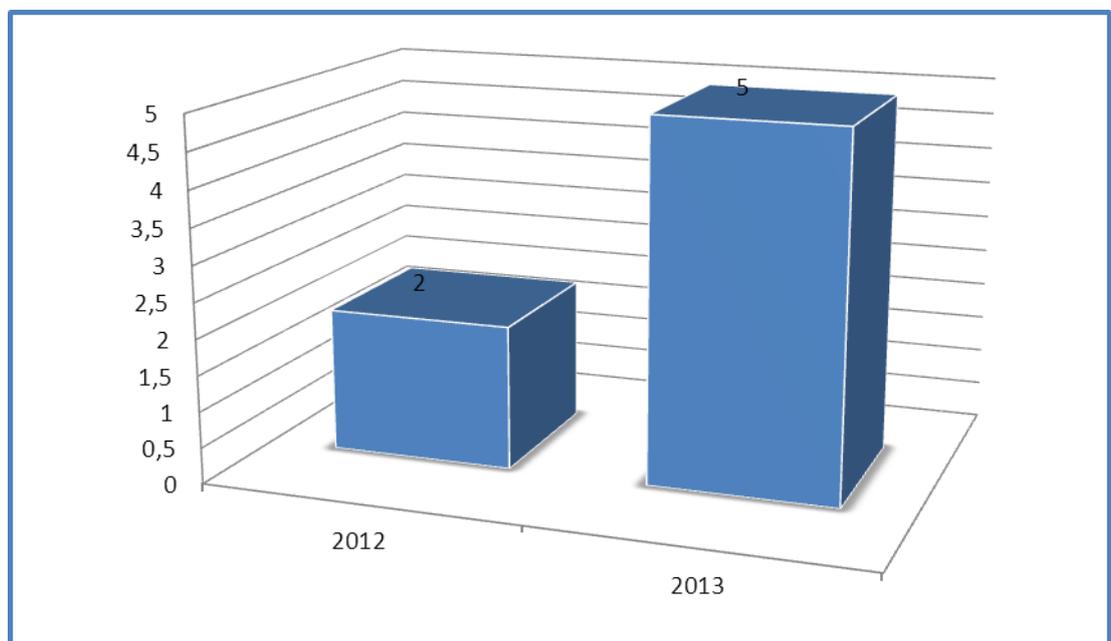
According to chart information there is evident that private capital of bank has changed a lot. For example, in 2013 the weight of ordinary shares is increased a lot than 2012. In other words, in 2013 the placement of extra ordinary shares was 11 726 409,3 thousand soums more than in 2012. We can see such a positive result in preference shares, emission profit and retained profit. Their positive results are made up accordingly 138 433, 2 750 311,7 and 5 470 102 thousand soums. And the total result grew in amount 20 085 256 thousand soums. Following diagram shows us difference between years more clearly in percent.

¹¹Table was made up by author based on information of OJSC "Aloqabank"'s reports.



2.3.1-picture. Index of private capital's change of OJSC "Aloqabank"¹², in percent

Because of participating in financial market both issuer and investor OJSC "Aloqabank" is one of the most active participant of stock exchange. OJSC "Aloqabank" is also allocates investment to other commercial banks' securities. In following diagram there is given the dynamics of allocated investments to other commercial banks' securities.



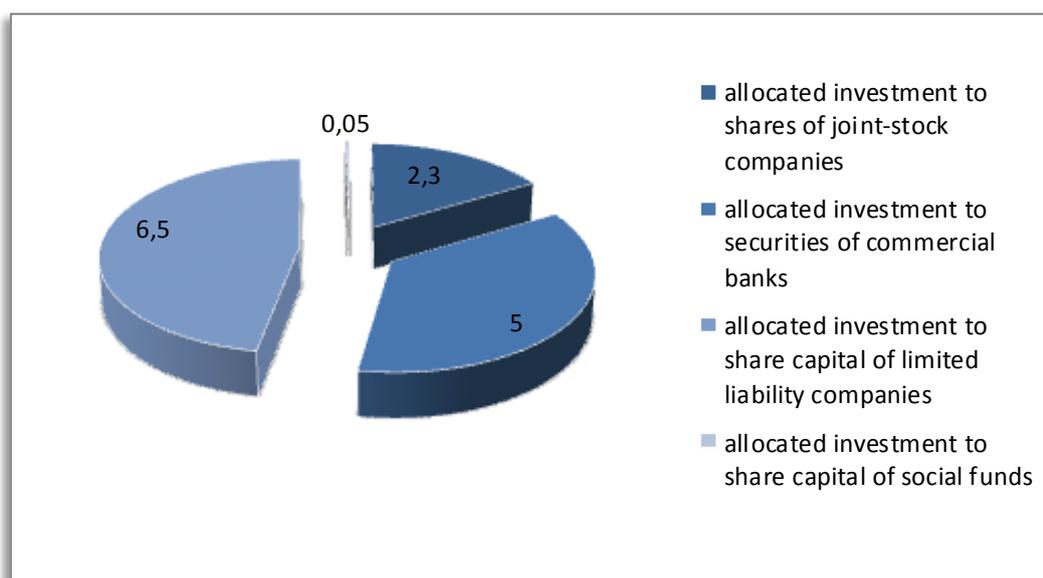
2.3.2-picture. Dynamics of allocated investment to commercial banks' securities by OJSC "Aloqabank"¹³, in billion soums

¹²Picture was performed by author based on information of OJSC "Aloqabank"'s reports.

¹³Picture was performed by author based on information of OJSC "Aloqabank"'s reports.

According to that diagram, in 2013 the allocated investment to commercial banks' securities was 3 billion soums more than 2012. In other words, it was increased in 2,5 times.

In this manner, OJSC "Aloqabank" allocates investment to shares of joint-stock companies, to statutory fund of limited companies and to statutory fund of social funds. As of January 1, 2013, total volume of investments of the bank allocated to securities and authorized funds of enterprises constituted 13,9 billion soums. The portfolio of investment includes following directions.



2.3.3-picture. Composition of investment portfolio of OJSC "Aloqabank"¹⁴, billion soums

Investment portfolio of the bank consists of 2,3 billion soums allocated to shares of joint stock companies, 5,0 billion soums allocated to securities of commercial banks, 6,5 billion soums allocated to share capital of limited liability companies and the other 0,05 billion soums to share capital of social funds. Allocated investment to share capital of limited liability companies has the highest indicator in percent 46.8. The second position in amount of allocated investment has investment to securities of commercial banks and its rate is 36 percent.

¹⁴Picture was performed by author based on information of OJSC "Aloqabank"'s reports.

Placed securities from OJSC “Aloqabank”¹⁵, billion soums

Composition	01.01.2013 йил		01.01.2014		Change (+;-)
	Billion soums	Share %	Billion soums	Share %	Billion soum
1	4	5	4	5	6=4-2
Securities	61,2	7,3	31,3	3,3	-29,9
Liabilities	838,36	100	938,71	100	100,35

As of January 1, 2013, total worth of securities was 61,2 billion soums. And total liabilities of the bank was 838,36 billion soums. In other words, total left-over of the securities placed by the bank made up 7,3 percent of total liabilities. We can see such an indicator as of January 1, 2014, total residual of securities issued by the bank was 31,3 billion soums and liabilities in this period make up 938,71 billion soums. So, total left-over of the securities made up 3,3 percent of total liabilities. In 2013, securities were placed 29,9 billion soums less than 2012 and liabilities increased 100,35 billion soums more than 2012. It is because of raising deposits of the bank. We will analyze deposits in the next stages.

After analyzing securities issued by bank we can see that, 19,3 billion soums of all securities was certificates of deposit and the other 12 billion soums was corporative bonds. In other words, the share of certificates of deposit was made up 61,7 % and share of corporative bonds was made up 38,34 %. We can analyze such an indicator as of January 1, 2013, 52,2 billion soums of total securities was made up by certificates of deposit and other 9 billion soums was made up by corporative bonds.

Known fact that the economies of developing countries are not characterized by the predominance of long-term liabilities. In this regard, rather acute problem of

¹⁵Performed by author according to reports of OJSC “Aloqabank”

inconsistency term borrowings, and resource allocation, ie, the task of maintaining an acceptable level of liquidity. If the imbalance is within the critical point, and multi-directional bias observed in the context of the terms, amounts or rates in subsequent periods, the risk of loss of solvency is at an acceptable level. A significant proportion of deposits "on demand", which formally include all funds raised from individuals and short-term deposits of legal entities, the instability adversely affects the stability of liabilities, not allowing banks to make full use of borrowed funds and make long-term investments.

Overall assessment of the adequacy of resources shall deposit in the control of the execution of the targets set for deposit operations with regard to the general management objectives deposit resources. Under the control of deposit resources, in our opinion, should be understood a set of actions aimed at creating a deposit portfolio that meets the needs of the bank in deposit placement resources, provide liquidity and an acceptable level of profitability.

In the world experience in order to establish sufficiency of deposit resours International Bank for Reconstruction and Development (IBRD)created a method. This method is called sufficiency of deposit base (SDB) and it is determined by this formula:

$$SDB = \frac{CD}{CD + SD + FD} \times 100\%$$

Here:

CD – call deposits;

SD – savings deposits;

FD – fixed deposits.

By the recommendation of experts of IBRD maximum rate of this indicator should not grow than 30%. If current rate of this indicator is higher than 30 % it was considered that deposit base of this bank is not sufficient.

In the United States, a Negotiable Order of Withdrawal account (NOW account) is a deposit account that pays interest, on which an unlimited number of checks may be written.

While a negotiable order of withdrawal is essentially identical to a check drawn on a demand deposit account, US banking regulations define the terms "demand deposit account" and "negotiable order of withdrawal account" separately. And until July 2011, Regulation Q stated that a demand deposit could not pay interest. NOW accounts were structured to comply with Regulation Q.

NOW accounts are considered checkable deposits, and are counted in the Fed's M1 definition of the money supply, as well as in the broader definitions. Like all bank deposits, they are liabilities from the bank's perspective.

Negotiable Order Of Withdrawal (NOW) Account - interest-bearing transaction account that combines the payable on demand feature of checks and investment feature of savings accounts. A NOW account is functionally an interest paying checking account.

OJSC "Aloqabank" also offers clients to place funds in certificates of deposit. Deposit certificate certifies the amount of the contribution made by the Bank, and the rights of the depositor (the certificate holder) to receive, at maturity, the principal and interest due on the certificate. The difference between the deposit consists in the fact that a certificate of deposit is a security and, accordingly, if need be, you can lay them, resell or repurchase bargain without losing their interest.

The politics of variable rate is considered important object of competition contest of attracting extra resources through banks, because receiving incomes from placed assets is significant factor of motivate to place other assets.

Every commercial bank indicates rates of deposits itself according to discount rate of Central Bank of Republic of Uzbekistan, condition of monetary market and its own deposit politics. The volume of income from different types of

deposit accounts is depend on period of deposit, amount of deposit and following to requirements of deposit contract by client.

The Bank offers certificates of deposit with the following conditions:

- certificates of deposit with maturities of from 180 to 360 days - 50 percent of the refinancing rate of the Central Bank of the Republic of Uzbekistan + 1 per cent per annum;
- certificates of deposit with maturities of from 361 to 540 days - 50 percent of the refinancing rate of the Central Bank of the Republic of Uzbekistan + 2 per cent per annum;
- certificates of deposit with maturities of from 541 to 720 days - 50 percent of the refinancing rate of the Central Bank of the Republic of Uzbekistan + 3 per cent per annum.

2.2.3-table

Dynamics of deposit base's composition of OJSC "Aloqabank"¹⁶

Types of deposit	2012		2013		Change (+;-)
	Thousand soums	Share %	Thousand soums	Share %	Thousand soum
1	2	3	4	5	6=4-2
Call deposits	241586981	65,32	168 232 120	51,56	-73 354 861
Savings deposits	47762179	12,91	27 719 910	8,50	-20 042 269
Fixed deposit	80487753	21,76	130 560 050	40,02	50 072 297
Total	369836913	100	326 212 080	100	-43 624 833

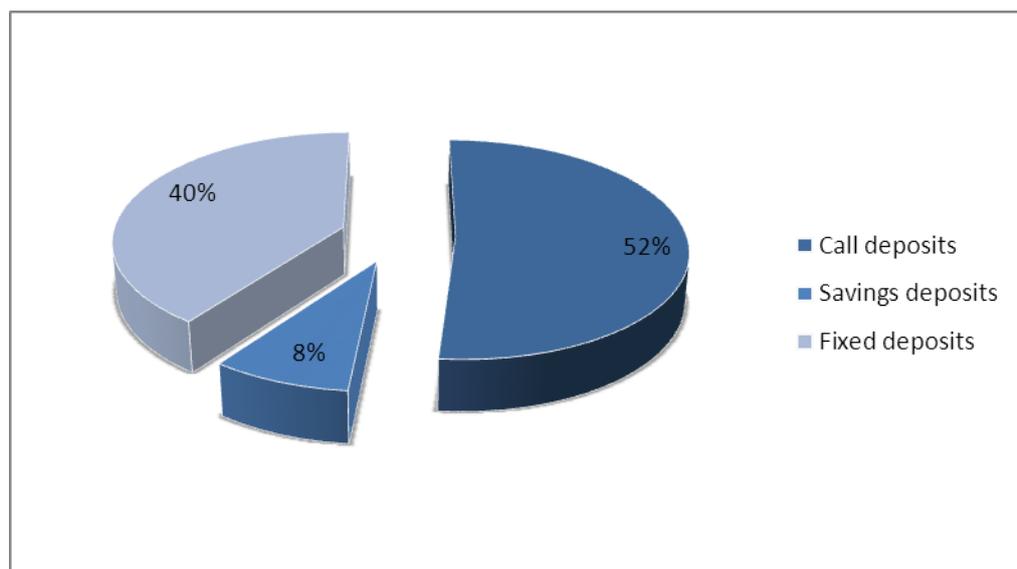
In the bank system of Uzbekistan the base of deposits includes call deposits, savings deposits and fixed deposits

We make use of information from table 2.2.3 in order to affix deposit base of OJSC "Aloqabank".

¹⁶ Picture was made up by author based on information of OJSC "Aloqabank"'s reports.

According to table information in the composition of bank's deposits, call deposits is taking high percentage, in other words in 2012 and 2013 their share were correspondingly 65,32 % and 51,56 %. With respect to weight fixed deposits is taking next possession, notable in 2012 their part were 21,76 % of all deposits coming to 2013 their share were raised to 40,02. The lowest degree of deposits is savings deposits and their shares accordingly to years were 12,91 % and 8,50 %.

Glancing to total difference between years in 2013, called deposits were 43,6 billion soums less than 2012. It was seen of decrease in call deposits and savings deposits and on the contrary fixed deposits increased in amount of 50, 1 billion soums. As a result in 2013 total deposits were shrunk in amount of 43,6 billion soums comparing to 2012.



Picture 2.2.4. Formation of deposit base's of OJSC "Aloqabank" in 2013¹⁷, %

Based on upward information, we calculate deposit base's sufficiency of OJSC "Aloqabank" in 2012-2013.

For 2012:

$$SDB = \frac{241586981}{241586981 + 47762179 + 80487753} \times 100\% = 65,32\%$$

¹⁷ Picture was performed by author based on information of OJSC "Aloqabank"'s reports.

For 2013:

$$\text{SDB} = \frac{168\,232\,120}{168\,232\,120 + 27\,719\,910 + 130\,560\,050} \times 100\% = 51,57\%$$

It is obvious from information during the period of analysis transactional deposits remained higher in composition of total amount of deposits. In 2012, the rate of this indicator made up 51,7 %. This rate demonstrates insufficiency of deposit base. Because, in order to make sufficiency of deposit base share of transactional deposits should not raise more than 30 % in total deposit base. In 2013 fixed deposits had increasing tendency in composition of total deposits. The appearance of this tendency we can explain with decreasing rate of transactional deposits in composition of total deposit and as a result condition of deposit base of the bank is getting better. But it is still not in safe condition.

We can see in the table that savings deposits is still have the lowest degree in total deposit base. It demonstrates that operations of calling deposits to savings deposit accounts do not developed. Likewise, in 2013 the decreasing tendation of this indicator is also negative state. That is to say, the bank should decrease call deposits. Instead of it, the bank should reproduce securities such as savings certificates and corporative bonds.

Part III. Perspectives of activity connected with securities in the bank system to an example OJSC “Aloqabank”

3.1 The main directions of securities activity in increasing financial revenue of OAT “Aloqabank”

In the process of a gradual transition to a market economy, as one of the most powerful instruments of economic development, the state pays special attention to the modernization of Uzbek stock market through the introduction of modern technologies, methods of organization of trading and access investors in the securities market. While today the Republican Stock Exchange is the main segment and a key element in the stock market. In order to further development of the stock market of the country and the activities of the stock exchange, the Resolution of the President of the Republic of Uzbekistan № PP-1727 from 19.03.2012 "On measures for further development of the stock market," according to which the shareholders of the Exchange entered Korea Exchange (KRX) and 4 of the largest commercial banks in the country. Started work on the introduction of a single software-technical complex providing operations on the stock market with the most advanced technologies in the "online".

The successful solution of the tasks of increasing economic growth and increase the flow of investment depends largely on the efficient and stable operation of the banking system, including in the securities market. Commercial banks in the securities market can act as both issuers and investors, and provide services to its customers as a professional participant. Speaking as issuers, banks, based on issues of securities carried out to attract additional funds for its activities, in particular credit. Issue of securities allows banks to ensure the growth of the loan portfolio of commercial banks. For example, the monies received by the bank from the issue of securities in the future by lending used to finance investment projects on modernization, technical and technological renewal of production and in the priority sectors of the economy.

Acting as investors, banks become mediators to bring the stock market funds

of the general population and legal entities, and the operations of commercial banks in the securities market are becoming one of the most stable sources of income. Much attention is paid to the dynamic development of the banking system of Uzbekistan from the leadership of the republic, and implement measures to further improve and strengthen the capitalization of banks' resource base boosted investor interest in shares of banks traded on the stock exchange. A substantial portion of the securities market commercial banks are open for bidding Republican Stock Exchange "Tashkent".

The share of trade in banking stocks in total turnover Republican Stock Exchange on the results of the year 2013 is more than 79%. (73.6 billion soums). We must also note the fact that most of the joint-stock banks included in the official exchange listing Republican Stock Exchange, and it also means reliability, financial stability, investment attractiveness and openness with information bank as a stock market listing includes only liquid enterprise. Besides, joining the bank's official exchange listing allows you to determine the real price quotation bank shares. To date, the official exchange listing includes 17 joint-stock commercial banks, of which the category "A" - 13 banks in category 'B' - 4 bank.

The current legal and regulatory framework, a stable financial position, high personnel potential allow banks to be one of the active participants in the securities market. Currently, banks are not only major issuers and investors, they are actively involved as a professional stock market participants, carrying out transactions and services on the securities market as:

- investment intermediary;
- investment adviser;
- manages investment assets;
- REPO operations with equity securities;
- underwriter.

Active participation of commercial banks in the stock market has a positive effect on the development of the securities market in general. Expansion and diversification of the participation of commercial banks in the securities market led to the creation and concentration of banks around the highly structural units - brokerage and asset management companies, consulting firms, which become independent active participants of exchange trade securities. Additional impetus to the active participation of commercial banks in the stock market is associated with the Decree of the President of the Republic of Uzbekistan on November 26, 2010 № PP-1438 "On priorities for further reform and improve the stability of the financial and banking system in 2011-2015 and achieving high international rating indicators .

" Republican Stock Exchange "Tashkent", which is now the main trading platform on the market for corporate securities, has the most modern equipment and software, enables efficient exchange trades simultaneously across the country, ready to actively participate in the implementation of these processes. It should be noted that the placement and circulation of bank shares issued pursuant to the above resolution, through open and transparent exchange trading gives certain advantages in terms of the formation of the real market value of the shares and the effective implementation of their owners, as well as creating conditions for equal competition among potential investors. Republican Stock Exchange in conjunction with other organizations, securities market infrastructure (Central Depository, Clearing Chamber depositories second-tier brokerage houses) established maximum conditions for investors willing to buy stocks and bonds issued by banks.

Given the above, the placement and circulation in the open exchange trading offers commercial banks and other participants in the stock market a number of advantages: use of modern equipment and software allows all operations on purchase and sale of securities in real time using all terminals (PCs), located in Central trading floor; software and technology exchange trading allow for the implementation of instant information about offered for sale securities maximum

number of investment intermediaries (more than 100), which are members of the Exchange, in various regions of the country; are highly professional securities market participants, who have licenses for professional activity in the securities market as an investment intermediary (broker dealer) or trustee investment assets.

While committing all transactions on the stock exchange is carried out on a strictly established rules; provided additional advertising issuer through information exchange channels, as well as in leading economic journals publishing quotation of the securities included in the listing; to improve and enhance the liquidity of the securities provided for the use of the institution of market makers who provide and support at the opening of each daily trading session bilateral quotations for securities, resulting in a positive impact on the growth of quotations of securities issued by banks. As world practice shows, the presence of the institution of market makers increases the liquidity of the securities and investors' trust in them.

Further development of the securities market, including the exchange of the stock market, of course, will continue to closely associated with the activation and strengthening of positions in this market joint-stock commercial banks. Using its enormous potential, as well as the inability to perform the present stage of its direct banking functions without participating in any capacity in the securities market, banks Uzbekistan occupy an increasingly important place in this market, both as a direct participant, and in as an important auxiliary institute common market infrastructure, forming favorable conditions for the development of securities trading in general. Obviously, in the future, with the development of the securities market of the Republic, the position of the banks in this area will increase. Increasing attention to the establishment of commercial banks of Uzbekistan's securities market due to the increasing demand of the national economy in investment, without which there can be a profound restructuring of social production, further increasing export capacity and increase living standards.

Currently, the number of CIS countries in relation to the securities dominated the old stereotypes in which securities are considered only as a

reflection of actual capital and, therefore, the development of the securities market is directly linked with the general state of the economy. This underestimation of the role of the securities market is wrong and reflected on the pace of development of the national economy. The results show that at the present stage of social and economic transformation, the stock market, with the right of his organization, may become the financial leverage, with which you can in a short time to raise the economy to a much higher level.

We can divide into two groups the importance of securities in the bank system. First of all it is the source of extra resource. And also source of extra income. Certificates of deposit and corporative bonds issued by commercial banks particularly by OJSC “Aloqabank” are well-accomplished. But these securities are having demand only by legal person. In other words these securities placed only among legal person So, the main matter is to attract individuals to their securities. In this purpose the bank should raise rate of the securities.

OJSC “Aloqabank” is also active participant of investment activity. There two ways of getting income from this activity. First of all, bank can get dividend or some part of income of other enterprises by investing to their authorized capital. Here banks should invest its assets to high developed, stable and high-potential enterprises. According to analysis of OJSC “Aloqabank”’s activity, bank invested its assets to some non-profitable companies. So, the bank should redistribute its investment to other sectors of economy such as construction. In other side , bank can get extra income by buying and selling securities in secondary market of stock exchange. We must admit that, in developed countries corporations get income from investment activity by buying and selling securities not by waiting deposits. Glancing to this practically, there are enough non-solvable problems in order to accomplish this activity. Because of high rates of secondary expenses, customs have do extra payments. This restricts demand for securities. Therefore we must reduce or cancel secondary expenses. As another solution for this problem we can recommend that trade should hold on as private contracts between sides. .in accomplishing little transactions

In order to have high demand for securities financial condition of company must be reliable and stable. Therefore, joint stock companies should provide high profitability. And also, standards of corporative regulation should put in practice completely

IV. SAFETY OF VITAL ACTIVITY

4.1 Rational organization of work place

The complexity of production processes and equipment changed the functions of the person in modern industry: increased responsibility of tasks; increased volume of information perceived by the working and the performance of the equipment. A person's work has become more difficult, increased load on the nervous system and increased physical load. In some cases, the man has become the least reliable link of the system «man-machine». There is a task of providing reliability and safety of persons at work. Solves this task ergonomics and engineering psychology.

Ergonomics (from the Greek ergon work and nomos - law) is the scientific discipline that studies the human in terms of its activities related to the use of machines. The goal of ergonomics - optimization of conditions of work in the system "man-machine". Ergonomics defines the requirements of the person to technology and to the conditions of its functioning. The ergonomics of the equipment is the most generalized index of properties and other characteristics of equipment.

The connection of the man with the environment and the parameters of the workplace. Working place, this is the area in which the committed work of the performer or group of performers. Jobs may be individual and collective, universal, specialized and special.

General requirements, which must be observed when designing jobs, the following:

- adequate working space for the person;
- optimum position of the body of the worker;
- sufficient physical, visual and auditory communication between man and machine;
- optimal allocation of working space in the room;
- the permissible level of action of factors of production conditions;
- the optimal placement of the information and the motor field;

- availability of means of protection from hazards.

Design should provide the zone of optimum and easy reach of the motor field of the workplace and the optimal area of the information field of the workplace. Angle of view in relation to the horizontal should be 30-40 degrees. The choice of working arrangements should take into account the efforts expended by the man, the magnitude of the movements, the need for movement, the pace of operations. The choice of working postures should take into account the physiology of man and parameters of working places determined by the choice of the position of the body at work (standing, sitting, a variable). Jobs for work "sitting" are organized in an easy job and middle severity, and the severe - working posture - "standing".

In the design of equipment and organization of a job it is necessary to foresee the possibility of regulating the individual elements, in order to ensure the optimum position of the operator.

The design of the equipment must ensure that it meets the anthropometric and bio mechanical characteristics of the individual on the basis of accounting change dynamics of the amount of heat when you move, the range of motion in joints.

For the account in the design of equipment anthropometric data should:

- determine the contingent of people for whom is designed equipment;
- select a group of anthropometric characteristics;
- install the percentage of working, which must meet the equipment;
- determine the boundaries of the interval size (efforts), which should be implemented in the hardware.

When designing the use anthropometric dimensions of the body, and take into account the differences in the sizes of the body of men and women, nationality, age, professional. To determine the boundaries of the intervals, which take account of the percentage of the population, the system is used pertseteley. Design of the equipment should provide the ability to use at least for 90% of consumers.

To work in a position "sitting" are used by various operating seats. Distinguish workers seat for long and short term use. General requirements for the seat of long use of the following: the seat should ensure position, minimizing the statistical work of muscles; create conditions the possibility of changes in working postures; not to obstruct the activities of the systems of the body; to ensure the free movement relative to the working surface, have adjustable parameters; have the floor upholstery. For short-term use is recommended hard chairs and a different type of stools.

In the conditions of growing mechanization and automation of production processes is of special significance means of display of the information about the object of management. Widespread use of the received information model, that is organized according to certain rules information about the status of the object of control.

The information models of the following requirements:

- the content of the information model should adequately display the object of management;
- information model should provide the best information balance;
- the shape and composition of the information of the model must be consistent with the labor process and possibilities of man for the reception of the information.

Practice makes it possible to outline the sequence of the development of an information model: definition of the objectives of the system, the sequence of their decisions and sources of information; drawing up a list of control objects and their characteristics; the distribution of objects on the degree of importance; the distribution of functions between automation and man; the choice of coding of objects and drawing up of the overall composition models; determination of Executive actions of man.

In the process of constructing information model are determined by the location of the media in the workplace, are selected dimensions of marks and the layout of. Displaying means are placed in the field of view of an observer with the

account of optimum corners and observation areas. Dimensions signs monitoring are determined taking into account maximum accuracy and speed of perception of the information, as well as the brightness of the character, magnitude contrast, the use of color. Optimum brightness are considered to be the value at which the maximum contrast sensitivity. The value of it will be greater, the smaller the size of the object of discrimination. Optimal area size contrast is 60-90%. In the work of the eyes is a place of a certain inertia, which requires taking into account the time of exposure of the optic signal and the time intervals for the sense of separate signals the following one after the other. In most cases, the exposure time of the signal should be no less than 50 MS. Each variety of indicators has its area of use: indicators backlit used for the display of high-quality information that requires an immediate response of the operator; gauges are used for the reading of the measured parameters; integral indicators for combining information immediately on several parameters.

The structure and dynamics of the controlled object are usually with the help of a chip. In some cases the scoreboard used to display information and perception of the team of operators.

In the design of the workplace should take into account the rules of the economy's movements: when using two hands of their motion should be simultaneous and balanced; movement should be smooth and rounded, rhythmic and customary for working. The design of the equipment shall take into account the rules relating to the speed and accuracy of workers' struggles. For example, the most rapid movement to itself; in the horizontal plane of the hand speed more than in the vertical; the accuracy of movements better in a sitting position, than standing, etc. Controls, used in the workplace must comply with the General requirements of ergonomics: and direction of the management bodies must comply with the movement associated with him indicator; the compliance of the location of the management bodies of the sequence of work of the operator; ease of use; the creation of the bodies of the Board of mechanical resistance and etc. In addition,

for each type of bodies of pressure corresponds to a specific area of use and the special requirements of the size, form, effort, etc.

The automated workplace of the operator-Communicator (the operator in the control room) in the General case are used:

- means of mapping the information of individual use (imaging units, signaling devices, and so on);
- means of control and input of information (remote the display, keyboard control, separate controls, and so on);
- devices of communication and transmission of information (modems, telegraphic and telephone sets):
- the device documentation and storage of information (printing devices, magnetic recording and so on);
- auxiliary equipment (means of office equipment, the storage media, the device of local lighting).

At the automated working place should be provided with information and constructive compatibility used by technical means, of anthropometric and physiological characteristics of the person.

At optimization of the procedures of interaction between operators of telecommunications workers with technical means in the conditions of automation ergonomic factors act as the main determining the probability-time characteristics and the intensity of the work. These factors are sensitive to variations of individual properties of the operator.

Working the furniture should be comfortable for the execution of planned operations. The design of the working furniture: table, chairs is of great importance for the creation of healthy environments and highly productive work. Working the furniture is designed with consideration of anthropometric data of a human, technical, aesthetic and economic factors.

In the complete set of the working furniture of great importance is the design of the production of a chair, as it depends on the attitude of the employee and, therefore, energy consumption and the degree of its strain. Operating the seat must

have the required dimensions, the relevant anthropometric data of the person and be flexible. The most comfortable chairs and seats with adjustable back tilt and height of seat. Changing the height of the seat from the floor and back angle, you can find the most appropriate labour process and the individual characteristics of the employee.

As a rule, all the surface of the written and desktops should be at the level of the elbow in the position of a person. When choosing the height of the table should be considered a man sits during work or stands.

The inconvenient of the table height reduces the efficiency of work and causes rapid fatigue. The lack of sufficient space for the knees and feet cause constant irritation of the employee. Minimum operating table height should be not less than 725 mm. As practice shows, for the working medium height the height of the desktop is accepted 800 mm. For the employee of another growth you can change the height of the working chair, or the position of the boards so that the distance from the object processing before the eyes of the working height is equal to approximately 450 mm.

Accommodation of the technical means and the chair of the operator in the working zone should provide easy access to the main functional nodes and units of equipment for conducting technical diagnostics, preventive inspection and repair; the ability to quickly occupy and to leave the work area; the exception of accidental actuation means of control and input of information; comfortable working posture and position of rest. In addition, the scheme of accommodation should meet the requirements of integrity, compactness and technical and aesthetic expressiveness of the working postures.

The display must be placed on a table or stand so that the distance of observation on the screen does not exceed 700 mm (optimal distance of 450 - 500 mm). Display screen height must be located so that the angle between the centre of the screen and horizontal line of sight was 20°. Horizontal viewing angle of the screen should not exceed 60°. The remote display to be placed on a desktop or stand so that the height of the keypad in relation to sex was 650 - 720 mm. When

placing the remote control on a standard desktop height of 750 mm it is necessary to use the seat with height adjustable seat (450 - 380 mm) and the footrests. Document (form) for entry operator data it is recommended to have at a distance of 450 - 500 mm from the eyes of the operator, predominantly on the left, with the angle between display screen and the document in the horizontal plane shall be 30 40 degrees. The tilt angle of the keyboard should be equal to 15 degrees.

Display screen, documents and keypad display should be located so that the difference of brightness surfaces, depending on their location relative to the source of light, not more than 1:10 (the recommended value 1:3). At nominal values of brightness of the image on the screen 50 - 100 CD/m² illumination of the document should be 300 - 500 Lux.

Working place should be equipped in such a way that the movement of an employee would be the most efficient, least tedious.

The device documentation and other, rarely used by technical means, it is recommended to concentrate on the right from the operator in the zone of maximum reach and means of communication to the left, to free the right hand for the entries.

4.2 Emergencies

In theory SAFETY EMERGENCIES - is a set of events, the result of the onset of which is characterized by one or more of the following signs

- a) danger to life and health of a significant number of people;
- b) the material violation of the ecological balance in the area of the emergency;
- c) the failure of the life support systems and control, full or partial cessation of economic activities;
- d) significant material and economic damage;
- e) the need to involve large as the usually external to the area of emergency forces and means for the salvation of men and the elimination of consequences;
- e) psychological discomfort for large groups of people.

It is characteristic that emergency arises outwardly suddenly, suddenly. Specification of definition of the emergency is achieved by introduction of quantitative measures of the dangers.

The classification of emergencies.

For reasons of emergencies are of natural, man-made, man-made, environmental, and social.

To the natural (natural) emergency situations are dangerous natural phenomena or processes that have extraordinary in nature and lead to a breach of everyday life more or less significant groups of the population, loss of life destruction of material values. These include earthquakes, floods, tsunamis, volcanic eruptions, mudflows, landslides, avalanches, hurricanes and Smer-Chi, massive forest and peat fires, snow and avalanches. The number of natural disasters are also droughts, long-term heavy rains, strong stable frosts, epidemics, epizootics, epidemics, mass distribution of pests of agriculture and forestry. Natural disasters can happen: as a result of rapid movement of the substance earthquakes, landslides); in the release of within the earth's energy (volcanic activity earthquakes) at increasing the overall level of rivers lakes and seas floods

tsunamis) under the influence of an unusually strong wind hurricanes cyclones. Some natural disasters fires avalanches landslides, etc. may arise as a result of the actions of the people themselves but their consequences are always the result of the action of the forces of nature. For each natural disaster characterized by the presence of intrinsic in the affecting factors, adversely affecting human health.

Natural disasters are a tragedy of the entire state and especially for those areas where they occur. As a result of natural disasters are affecting the economy of the country since the collapse of production of the enterprise the destruction of material values and most importantly there are losses among the people killed their housing and property. In addition, natural disasters pose extremely adverse conditions of life for the population, which may be the cause of outbreaks of infectious diseases. The number of people affected by natural disasters can be considerable and the nature of the lesions is very diverse. Most people suffer from floods (40% of the total damage), hurricanes (20%), earthquakes and droughts (15%). About 10% of the total damage is on the other types of disasters.

A number of Soviet and foreign experts, citing data on the losses in major disasters assume that in the future in connection with the growth and concentration of population similar in the force of the disaster will be accompanied by an increase in the number of casualties in the tens of times.

Man-made emergency situations is considered a sudden failure of machines, mechanisms and units during their operation accompanied by serious violations of the production process the explosions the formation of fire radioactive chemical or biological infections of large territories a group of damage destruction of people. To technogenic emergencies are accidents at industrial facilities construction as well as on rail air road pipeline and water transport as a result of which the fires the destruction of civil and industrial buildings there was a danger of radioactive contamination chemical and bacterial contamination there was the spreading of the oil products and aggressive poisonous liquid on the surface of earth and water and there are other consequences endangering human health and the environment.

The nature of the consequences of technogenic catastrophes depends on the type of accident, its scale and characteristics of the enterprise, where the crash occurred (on the means of transport and the circumstances in which the accident occurred).

Anthropogenic emergency situations are the consequence of the erroneous actions of the personnel. This class of emergency can occur at the same objects that and man-made emergency situations. The difference consists only in the fact that man-made emergency situations is not connected with the human factor directly.

The emergency ecological character may include: intensive degradation of the soil and its pollution by heavy metals (cadmium, lead, mercury, chromium, etc.) and other harmful substances, polluting the atmosphere of harmful chemical substances noise electromagnetic fields acid rain the destruction of the ozone layer, etc.

To the social emergency relate the events taking place in the society (robbery violence) ethnic conflicts accompanied by the use of force contradictions between the States with the use of weapons.

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