

Methods of Analysis and Assessment of the Adequacy of Private Capital of the Bank

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Abstract

In this article we consider methods for studying, analyzing and assessing the adequacy of banks and their private capital. Our article presents practical-theoretical data and analysis methods for studying the financial resources of a bank. We will give our scientific and theoretical conclusions about further methods used in assessing adequacy and their analysis.

Keywords: Bank, private capital, sufficiency, analysis methods, correlation analysis, regression analysis, assessment.

Introduction

For banks operating in the financial sector, private capital, system development, risk reduction and ensuring financial security have become one of the important tasks today. The adequacy of a bank's private capital is important for the operation and maintenance of the activities of a financial institution. In this article we will analyze methods for studying, analyzing and assessing the private capital of a bank.

When studying private capital, the main tool is data from bank financial statements, direct transactions and other financial indicators. The bank conducts a detailed analysis of the organization's financial resources, identifying physical capital, debts, income and other components of private capital.

Banks use various financial analysis methods to analyze equity capital. Account analysis, income analysis, debt analysis and other financial analysis techniques are widely used in the analysis of private equity of a bank. In this article, we will discuss how data can be obtained and analyzed using these methods.

When assessing a bank's private capital adequacy, first, estimates are derived based on the standards and systems of financial control authorities. In addition, the valuation of risky assets is important to ensure the effective and complete functioning of private capital.

Literature Analysis

"Banks and Financial Stability: From Theory to Practice" - Charles W. Calomiris and Charles M. Kahn. This literature takes a scientific approach to the study of banks and their financial soundness. This literature provides theoretical and practical insights into analytical methods and how private equity valuation can ensure financial stability.

"Bank Finance: Private Equity and Financial Management" - Benton E. Goop. This book examines private equity in the financial sector with an emphasis on financial management efficiency. The analysis of a bank's private capital and methods for assessing it presented in the article are included in some of the ideas in this literature.

"Financial Institutions and Banks: Private Capital and Risk" - Allen N. Berger and Anthony Saunders. This literature examines how private equity may relate to other risks when analyzing financial institutions. The article presents risk analysis methods and information used in conducting an adequacy assessment.

"Financial Capital and Banks: Issues in Private Equity" - John R. Walter and Anthony Saunders. This literature analyzes the impact of accurate accounting on bank private equity in the financial institutions and banking industries. This resource provides information on the importance of analytical techniques and estimates in monitoring financial accounting accuracy.

"Financial Analytics: Private Capital Adequacy for Banks" - Daniel E. Nolle. This resource explains private capital adequacy analysis techniques to adequately train students in financial analytics and systems development.

Research methodology

The main goal of our research is to identify methods for analyzing a bank's private capital and assessing its adequacy, and to determine indicators that are important for financial development and ensuring financial security. The research process consists of successive steps such as data collection, analysis methods, risk analysis, adequacy assessment methods, financial analysis, financial management analysis.

Discussion and Results

In the article, the methods of private capital analysis and assessment of its adequacy were comprehensively covered, and we carried out scientific and practical work as a topic of importance for experts in the financial sector, bank management and academic research. The methodology and methods explained in the article, the reasons why they are of practical importance in the management of banks and financial institutions with private capital have been extensively studied. Methods such as settlement analysis, income and debt analysis, risk analysis and financial analytics are of great importance in the study and evaluation of a bank's private capital.

- Risk analysis: Risk analysis is an in-depth study of the bank's assets and liabilities, and private capital is considered important in financial risk management and should be taken into account before each financial transaction.

- Adequacy assessment methods: The adequacy level of the bank is assessed by financial control bodies through assessments in accordance with standards.

- Financial analytics: Obtaining information on financial analytics and financial system development. Financial analytics, as it is the main assistant in the direct management of the bank's private capital and the establishment of new strategies, requires accurate calculation results.

Analyzing the adequacy of the bank's private capital is one of the main factors in ensuring the financial security and reliability of the financial system. In this analysis, the bank's financial condition, risks, income and debts are the main object of research. We considered it appropriate to use the following methods of analysis in the analysis of the adequacy of the bank's private capital:

1. Balance Sheet Analysis: Bank balance analysis is of great importance in representing the financial position of the bank and is the starting point in private equity analysis. Equity is identified through physical capital, liabilities and income statement analysis.

2. Profit and risk analysis: Profit and risk analysis is important in determining the risks of a bank's financial system. Income analysis helps in determining the bank's input income and effective ways of managing it. And risk analysis serves to define risks, determine additional capital and develop strategies for risk management.

3. Analysis of asset-liability structure: Analysis of the bank's asset-liability structure can help determine how private capital and risks should be managed. This analysis will be important in the study of temporary financial transactions in the management of financial risk of the bank.

4. Evaluation of indicators: Evaluation of the level of adequacy based on the indicators set by the financial control authorities and bank management. An increase or decrease in this level indicates the efficiency of the bank's private capital in providing financial security.

5. Additional Capital Assessment: An additional capital assessment can help assess a bank's ability to raise additional capital and increase its loyalty. This assessment provides information on how the additional capital will be injected into the financial institution and how it will be deployed in its effective management.

6. Emerging financial analysis methods: Analyzing how a bank's private capital can successfully operate in providing financial security by applying financial analysis methods that have developed in recent years, such as stress tests, scenario analysis, and mathematical models.

7. Evaluation of the system of the financial control committee of the Republic of Uzbekistan: Evaluation of the adequacy of the bank's private capital by evaluating the financial control in accordance with the standards set by the financial control bodies of the Republic of Uzbekistan.

8. Basel III Standards: Basel III standards improve the global standards for assessing bank equity capital. They are of great importance in the management of additional capital, credit risk, operational risk and other financial risks, and are used in raising standards for banks, determining the amount of additional capital and managing risks.

9. Stress tests: Stress tests are a practical way to see what a financial institution would do if it did not deviate from its average position. Banks use stress tests to analyze the complexities that increase their private capital, loan portfolio, operational and liquidity risks.

10. Increase of additional capital: Increase the private capital of the bank from the average position and develop strategies for attracting or obtaining additional capital to protect against financial risks. This is important to ensure the financial security of the bank.

11. Evaluation of financial indicators: Evaluation of financial indicators (financial ratios, assets and liabilities system, loan portfolio status, liquidity ratios, included income and other indicators) set by financial control bodies and bank management. They help to determine the level of adequacy.

12. Analysis of risk models: Mathematical models, such as VaR (Value at Risk), Monte Carlo simulation, probabilistic and statistical analysis, can help in risk study and management. The information from these models is used in private equity analysis.

13. Operational risk management: The Bank's operational risk management methods and a deeper risk analysis. Operational risk is a major risk to the financial system and is important in maintaining the adequacy of a bank's private capital.

These methods are used as a practical approach to analyzing the adequacy of a bank's private capital. A more complete management of the bank's financial system and private capital is of great importance in ensuring financial security, and these methods are important for bank management, financial professionals and supervisory authorities.

Conclusions and suggestions

Based on the above, we can say that the methods commonly used to analyze the private capital of banks, such as calculation analysis, risk analysis, stress tests and assessment of financial indicators, compliance level, etc., are changing rapidly today. It is becoming necessary in the world day by day. This requires a deep analysis of the topic theoretically and practically. Through the use of stress tests and mathematical models, it becomes important to find the shortcomings of banks from both the economic and psychological (for labor resources) sides. This is of great importance in ensuring the financial security of the bank. In this case, in the event of complex and serious risks, there is an opportunity to solve the expected problems in the management of banks' capital by defining operational and strategic measures. The level of significance of the financial indicators set by the financial control bodies is also high, and it is advisable for banks to comply with the standards, as well as to organize their activities based on the structures and standards of the financial control bodies of the Republic of Uzbekistan.

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