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Experience of the Stability of the Banking System of International Countries and its Peculiarities

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ABSTRACT

The article analyzes the financial policies of various states, the mechanisms of regulation of banks and anti-crisis measures. Based on the study of international experience, strategies suitable for the banking system of Uzbekistan and recommendations aimed at increasing sustainability will be developed. This work is of practical importance for improving the competitiveness of the banking sector and ensuring economic stability.

Keywords: assets of commercial banks, capitalization level, liquidity, capital, Basel Committee, banking stability.

Introduction.

The banking system of international countries is one of the main pillars of the stability of the world economy and financial integration. The successful functioning of this system directly affects not only the development of national economies, but also the stability of global financial markets. Thus, the stability of the banking system is strategically important internationally, determined by various economic, political and technological factors.

The stability of the banking system requires strong cooperation between states and financial institutions. The International Monetary Fund (IMF), the World Bank and other international financial organizations play an important role in ensuring the strength and stability of the global banking system. Their activities are aimed at developing the basic standards and rules for the financial systems of states, as well as determining ways to eliminate financial crises. In this respect, international experiences are an important source of learning to achieve sustainability in the banking sector.

However, the banking system of each country has its own characteristics. These characteristics differ depending on the economic structure, legislation, political status and level of technological development of the state. In particular, while developed banking systems have achieved financial stability through the use of advanced technologies, in developing countries the process is hampered by limited financial resources and political instability.

By studying the general aspects and specifics of international experience in this topic, it is possible to identify effective ways to create a stable banking system. Therefore, the topic has not only

theoretical, but also practical significance.

The objective of the Basel Committee was to determine the consistency of the control standards of the various states and to improve international cooperation in the field. It is currently carried out in three main directions: the exchange of national methods and data of banking supervision; includes the need to improve the effectiveness of international banking business supervision, set minimum standards of bank capital adequacy, and study other parameters of these standards.

Research and methods.

According to the conclusion of the experts of the Basel Committee, we can observe that the level of bank capital in relation to operational risk is 12-20 percent, and its balance in the last thirty years is constantly increasing.

The purpose of the Basel II agreement is to ensure the reliability and stability of the international banking system, as well as to eliminate competitive inequality among banks operating in international markets, and to develop a methodology that provides capital adequacy requirements. This agreement was aimed at controlling the activities of banks and ensuring the stability of the overall banking system as a result of extensive experience in the banking system and risk management under market rules.

Basel II was to improve the risk management system and encourage the capitalization of sufficient banks. To do this: the bank includes the reservation of its funds in the volume of available risks, the improvement of the internal control system of banks, as well as unified international standards for banking supervision.

"Basel II" gives general descriptions of internal and external factors that affect the financial stability of a specific state banking system.

At the same time, the central bank needs to organize an effective monetary policy, quality banking control, ensure the compliance of accounting with international standards of financial statements. Bank management should have a high qualification level, professional skill and corporate culture level. Through the rational development of the internal control system of banks, the development and observance of the basic norms of banking activity, they ensure solvency.

The main components of Basel II, which serve to increase the reliability and financial stability of the banking system, include:

calculation of the minimum requirements of the capital of space;

current control of the clock;

market rules of the clock.

The first component provides for two main approaches to credit risk assessment: standardized IRB approach, securitization boundary approaches, operational risk assessment, and trade portfolio financial instrument risk assessment. According to the second component of the Basel Committee, risk assessment determines the need for effective control and inspection of the internal system. Bank management is necessary for its conclusion that the available risks are fully covered by the bank's capital.

The third component of the Basel Committee increases the need to manage banks related to ensuring the openness of official reports under market order rules.

Thus, while the first component increases the efficiency of the minimum capital requirements, the second and third components are innovative capital control additions and through them the reliability and stability of banks is ensured.

Basel II focuses the financial stability of banks on their rating assessment.

It is characteristic that in the Basel II standard there are two variants of requirements for commercial banks, and national central banks can apply only one of them within their competence.

Table 1. The first option of the requirements established under the Basel - II standard in relation to commercial banks

Sovereign credit rating	AAA – AA -	A + A -	VVV + VVV -	VV + V -	V - below	Unrated
Risk weighting factor	20%	50%	100%	100%	150%	100%

In the first variant of the requirements for commercial banks under the Basel - II Standard, all commercial banks listed in this country receive a weighted risk coefficient that is one category lower than the sovereign credit rating assigned to that country.

If the rating is below V, then a risk level of 150 percent is given.

Table 2. The second option of the requirements established under the Basel-II standard in relation to commercial banks

Sovereign credit rating	AAA – AA -	A + A -	VVV + VVV -	VV + V -	V - below	Unrated
Risk weighting factor	20%	50%	50%	100%	150%	50%
Weight coefficient on short-term requirements	20%	20%	20%	50%	150%	20%

In the second variant of the requirements for commercial banks under the Basel - II standard, the weighted coefficient of risk given to a commercial bank will depend on the external credit rating of this bank. In this case, the preferential weight coefficient is given to requirements that are short-term, that is, have a duration of no more than 3 months.

Result and discussion.

The advantage of the options proposed in the Basel - II standard is that commercial banks simultaneously have a weighted risk coefficient, depending on their credit rating and the sovereign credit rating of the states in which they are listed, and naturally differ sharply from each other.

A new variant of credit risk assessment has been proposed in the Basel - II standard and is known as the "standardized approach".

This method made it possible to dramatically reduce the credit risk in the activities of commercial banks. Because, in this method, the level of the loan issued by the bank is determined by the credit rating of the client who received the loan.

Table 3. According to the standardized approach, loans made by commercial banks to corporations are subject to risk assessment

Credit rating	AAA – AA -	A + A -	VVV + VV -	VV – below	Unrated
Risk weighting factor	20%	50%	100%	150%	100%

From the data presented in Table 3, it can be seen that the higher the credit rating of the customer who received the loan, the lower the risk level of the loan issued to him.

Basel II defines a methodology for determining the regulatory capital requirements of the banking asset securitization mechanism to offset risks.

For the purpose of covering operational risks, one of the following methods can be used for the calculation of the demand for capital:

- for the calculation of the demand for capital through the basic indicative approach the average percentage of gross income of 3 years is calculated by the volume;
- the standardized approach is determined by dividing the demand for bank capital by eight business routes, to which;
- improved approach operational risk calculation will be associated with the qualitative and numerical aspect in the system of internal criteria.

In conclusion, to ensure the stability of the banking system of international countries, it is necessary for each state to develop flexible strategies, taking into account its economic conditions and international standards. Research on the topic allows you to establish effective measures aimed at strengthening global financial stability. Therefore, the study of international experience and the analysis of its peculiarities are of not only scientific, but also practical importance.

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