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The effect of the ratio of lending to deposits with capital adequacy ratio the banks listed on the stock market in Iran

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ABSTRACT

Capital is one of important and essential factors in evaluating healthy and sustainability in banking system and in order that adequate capital basis can address wide range of risking which every bank faces. A brief review of banking theory implies empirically that all different aspects of banking organization were influenced by available capital and expected possible return directly or indirectly .Capital operates as a shield against decreasing of asset value or increasing bank debts. The relation between capital adequacy and banking and also economic factors has a considerable importance. A plenty of universities and financial institution have tried to identify the main factor of determining capital adequate ratio.in this term, in recent studies these questions have been issued to determine as is there any positive and meaning relation between fund ratio to depositing on legitimate banking capital adequacy in Tehran commercial paper and Iranian over the counter(OTC)?And also any positive or meaning relation between banking asset return on capital adequacy ratio in commercial paper exchange market? Therefore in terms of finding a solution for issued matter, some assumptions were implied based on determined relations. Considering static population was included all acceptable bank in exchange market in during of 1388 to 1392 and any sampling haven't been determined. So 15 acceptable bank were selected as a sample in this article.it is better to mention a cross multi – factors model was designed to be examined codified assumption by using synthetic data. And achievable results shows there aren't any positive or meaning relation between paid fund on depositing and acceptable banking capital adequacy in Tehran exchange commercial paper and OTC.

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INTRODUCTION

The financial banking healthy construction and credit institution has played main role in economic developing and sustainability in every country so as capital and its adequacy was accounted one of the essential factors in evaluating purring and sustainability in every banking systems. And appropriate capital basis can be accounted as a well scale to addressing wide range of adventure that any bank system is possible to face it. A brief review of banking theory empirically implies that all different aspect of banking organization were influenced directly or indirectly by available capital and expected possible returns. The banking capital amount has a considerable effect on banking competitive position so all banks were obligated to attract public saving in order to survive and one of the most important banking features for succession is included to provide enough capital

Capital deficit ultimately cause *to create* great difficulty for bank in competitive environment.

Referring to much bank expertise, the capital adequacy is the main scale for evaluating banking financial condition. Recently many global banks in order to achieving mentioned ratio are obligated to increase their asset or to change their capital or debt portfolio so as they follow from some policy as like as decreasing inter credit bank risk, selling bank asset with high risk degree and selling commercial paper and so on.

At result as while first capital adequate ratio was founded the one of most important qualities index for banking and financial institution operational evaluating and secondly achieving the least level of determined capital adequate is numerated as banking credit positions mark in which different aspect effects on it and be effected by it. In this research, the impact of facilitated variable on acceptable banks capital adequate ratio will be reviewed in Tehran exchange market and Iranian OTC.

Literature

Foreign research

Shinger and Hiesni both of them have examined the effect of some bank factors on capital adequacy as "a capital adequacy ratio determined in Albanian baking system in during 2007 to 2014 " the result of research showed that asset return hasn't any especial effect on stakeholder's