

## RESILIENCE AND FINANCIAL STABILITY IN THE BOLIVIAN BANKING SYSTEM

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### ABSTRACT

The turbulent economic context affects the performance of companies that participate in the financial intermediation market, an aspect that generates the resurgence of reasonable doubt about how stable and strengthened banks are to face adverse scenarios. In this framework, the research focuses on the analysis of the performance and financial position of banks from an individual perspective and capacity to face situations that could compromise their permanence in the market. This evaluation focuses on the analysis of early warnings and adverse but probable scenarios from three different but complementary perspectives; the assessment of financial irregularities, the CAMELS analysis and stress tests. Methodologies that have allowed us to determine that the Banking System in Bolivia presents interesting levels of resilience, which must be accompanied by close supervision and a prudential regulatory framework to prevent external shocks from materializing vulnerabilities present in the balance sheets, especially in 2 entities, the same ones that deserve special treatment in order to avoid entering into strategic sustainability problems.

**Keywords:** Capital Adjusted to Risk, Exercise of Stress, Financial Irregularities, Early Warnings.

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