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THE ACCOUNTING METHODOLOGY OF CAPITAL AND LIABILITIES IN COMMERCIAL BANKS

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Formulation of the problem. Despite capital and liabilities serving as the primary sources of assets in commercial banks, the current accounting methodology fails to provide a clear, comprehensive, and precise reflection of their formation, classification, and settlement. The existing Chart of Accounts and related regulatory guidelines do not sufficiently capture the nuances of short-term versus long-term liabilities or the detailed recording of interest expenses, leading to an incomplete picture of a bank's financial health. This deficiency hampers the ability of both internal management and external stakeholders to accurately assess the bank's resource utilization, liquidity, and solvency. Consequently, there is a critical need to develop an improved accounting framework that aligns more closely with the economic substance of banking transactions and meets the evolving requirements of regulatory oversight and decision-making. *The purpose of the article* is to critically examine the current accounting methodology for capital and liabilities in commercial banks, identifying its deficiencies in accurately capturing and reporting financial operations. It aims to propose methodological improvements and revisions to the Chart of Accounts to enhance transparency, precision, and regulatory compliance in bank financial reporting. *The object of the study* is the accounting methodology used in commercial banks for recording, classifying, and reporting capital and liabilities, including the regulatory framework and the structure of the Chart of Accounts that underpins these practices. *The study's methodological basis* is grounded in established accounting principles and regulatory frameworks (including the Civil Code, Law on Banks, and Central Bank guidelines), while *its information base* comprises financial statements, normative documents, and empirical data from commercial banks. *The main hypothesis of the study* is that the current accounting methodology for capital and liabilities in commercial banks inadequately reflects their true financial positions, and that targeted improvements in classification and reporting can significantly enhance transparency and decision-making. *Presentation of the material.* The main material of the article presents a thorough analysis of the accounting methodology for capital and liabilities in commercial banks, focusing on the classification, recording, and reporting of these financial elements based on existing regulatory frameworks in Azerbaijan. It highlights the role of capital and liabilities in the formation of a bank's assets, with particular emphasis on the equity capital structure, the use of share issuance, and the management of long-term and short-term liabilities. Additionally, the study identifies deficiencies in the current system, including inadequate accounting for term and on-demand accounts and generalized reporting of interest expenses, and proposes recommendations for improving the Chart of Accounts and accounting practices to ensure the accurate representation of the financial health of commercial banks. *The originality of the article* lies in its critical assessment of the existing accounting methodology for capital and liabilities in commercial banks, highlighting deficiencies that impact financial transparency and decision-making. *The practical significance* of the study is its proposed improvements to the Chart of Accounts and accounting practices, which can lead to enhanced reporting accuracy, regulatory compliance, and more informed decision-making both internally for bank management and externally for stakeholders. *Conclusions.* The study concludes that the current accounting methodology for capital and liabilities in commercial banks does not adequately reflect the complexities of financial transactions, leading to deficiencies in transparency and reporting accuracy. It demonstrates that refining the Chart of Accounts and updating classification practices-especially regarding short-term versus long-term liabilities and interest expenses-are essential to improve decision-making and regulatory oversight. These methodological enhancements are expected to support more precise financial analysis and contribute to greater stability and

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confidence in the banking sector.

Keywords:

capital structure, liabilities management, equity capital, charter capital, chart of accounts, commercial banking.

МЕТОДОЛОГІЯ ОБЛІКУ КАПІТАЛУ ТА ЗОБОВ'ЯЗАНЬ У КОМЕРЦІЙНИХ БАНКАХ

Постановка проблеми. Незважаючи на те, що капітал і зобов'язання слугують основними джерелами активів у комерційних банках, сучасна методологія бухгалтерського обліку не забезпечує чіткого, вичерпного та точного відображення їх формування, класифікації та розрахунків. Існуючий План рахунків та відповідні регуляторні рекомендації недостатньо враховують нюанси короткострокових та довгострокових зобов'язань або детального обліку процентних витрат, що призводить до неповної картини фінансового стану банку. Цей недолік перешкоджає здатності як внутрішнього керівництва, так і зовнішніх зацікавлених сторін точно оцінювати використання ресурсів банку, ліквідність та платоспроможність. Отже, існує критична потреба в розробці вдосконаленої системи бухгалтерського обліку, яка б тісніше узгоджувалася з економічною сутністю банківських операцій та відповідала б вимогам регуляторного нагляду та прийняття рішень, що постійно змінюються. *Метою статті* є критичний аналіз чинної методології обліку капіталу та зобов'язань у комерційних банках, виявлення її недоліків у точному відображенні та звітності про фінансові операції. Вона спрямована на пропонування методологічних удосконалень та змін до Плану рахунків для підвищення прозорості, точності та відповідності нормативним вимогам у фінансовій звітності банків. *Об'єктом дослідження* є методологія бухгалтерського обліку, що використовується в комерційних банках для обліку, класифікації та звітності про капітал і зобов'язання, включаючи нормативно-правову базу та структуру Плану рахунків, що лежить в основі цієї практики. *Методологічна основа дослідження* базується на встановлених принципах бухгалтерського обліку та нормативно-правових базах (зокрема Цивільному кодексі, Законі про банки та керівних принципах Центрального банку), а його інформаційна база складається з фінансової звітності, нормативних документів та емпіричних даних комерційних банків. *Основна гіпотеза дослідження* полягає в тому, що чинна методологія обліку капіталу та зобов'язань у комерційних банках неадекватно відображає їхнє справжнє фінансове становище, а цілеспрямовані вдосконалення класифікації та звітності можуть значно підвищити прозорість та прийняття рішень. *Виклад матеріалу*. Основний матеріал статті представляє ґрунтовний аналіз методології обліку капіталу та зобов'язань у комерційних банках, зосереджуючись на класифікації, обліку та звітності цих фінансових елементів на основі існуючої нормативно-правової бази в Азербайджані. У ній висвітлюється роль капіталу та зобов'язань у формуванні активів банку, з особливим акцентом на структурі власного капіталу, використанні емісії акцій та управлінні довгостроковими та короткостроковими зобов'язаннями. Крім того, у дослідженні виявлено недоліки чинної системи, включаючи неадекватний облік строкових та рахунків на вимогу, а також узагальнену звітність про відсоткові витрати, а також запропоновано рекомендації щодо вдосконалення Плану рахунків та бухгалтерської практики для забезпечення точного відображення фінансового стану комерційних банків. *Оригінальність статті* полягає в критичній оцінці існуючої методології обліку капіталу та зобов'язань у комерційних банках, висвітлюючи недоліки, що впливають на фінансову прозорість та прийняття рішень. *Практичне значення дослідження* полягає в запропонованих удосконаленнях Плану рахунків та бухгалтерської практики, що може призвести до підвищення точності звітності, дотримання нормативних вимог та більш обґрунтованого прийняття рішень як внутрішньо для керівництва банку, так і зовні для зацікавлених сторін. *Висновки.* У дослідженні зроблено висновок, що чинна методологія обліку капіталу та зобов'язань у комерційних банках неадекватно відображає складність фінансових операцій, що призводить до недоліків у прозорості та точності звітності. Воно демонструє, що вдосконалення Плану рахунків та оновлення практики класифікації, особливо щодо короткострокових та довгострокових зобов'язань та відсоткових витрат, є важливими для покращення процесу прийняття рішень та регуляторного нагляду. Очікується, що ці методологічні вдосконалення сприятимуть точнішому фінансовому аналізу та сприятимуть більшій стабільності та довірі до банківського сектору.

Ключові слова:

структура капіталу, управління пасивами, власний капітал, статутний капітал, план рахунків, комерційний банкінг.

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Formulation problem. Commercial banks rely on capital and liabilities as the primary sources of their assets, yet the current accounting methodology fails to adequately capture the economic substance of these components. The existing Chart of Accounts and regulatory frameworks do not provide sufficient differentiation between short-term and long-term liabilities, nor do they offer a detailed breakdown of interest expenses and related financial obligations. This lack of granularity results in an incomplete representation of the bank's financial position, ultimately hindering accurate assessments of resource utilization, liquidity, and overall solvency.

Moreover, the prevailing accounting practices fall short in addressing the dynamic nature of capital formation, including the issuance and adjustment of shares, as well as the proper integration of tangible, intangible, and financial assets. These methodological deficiencies complicate the recording of transactions related to deposit operations and customer liabilities, thereby obscuring critical insights required by both internal management and external stakeholders. As a result, there is an urgent need to re-examine and refine the accounting framework to ensure more transparent, precise, and reliable financial reporting in the banking sector.

The purpose of the article. The article aims to critically evaluate the current accounting methodology for capital and liabilities in commercial banks and to identify its inherent deficiencies. It seeks to propose methodological improvements—including updates to the Chart of Accounts and enhanced classification practices—to achieve greater transparency and regulatory compliance in financial reporting.

Analysis of the research results. The research results indicate that while the existing accounting practices in commercial banks generally reflect the nature of business transactions, they are not without significant shortcomings. Empirical data reveal that equity capital typically constitutes only 10–12% of total assets, with liabilities dominating the balance sheets at approximately 85–90%, as evidenced in cases such as Rabitəbank ASC. The current Chart of Accounts and related regulatory frameworks lack the necessary granularity, particularly in differentiating between short-term and long-term liabilities and in providing a detailed breakdown of interest expenses. This deficiency in classification prevents a comprehensive understanding of the banks' financial positions, undermining the accuracy of assessments regarding resource utilization and overall solvency.

Moreover, the research highlights that the prevailing methodology falls short in capturing the full complexity of capital formation and the dynamic nature of deposit operations. Specific issues include the inadequate recording of term versus on-demand accounts and the generalized treatment of transactions related to deposit inflows and outflows. These methodological weaknesses hinder both internal management decisions and external evaluations by investors and regulatory bodies, as they obscure critical insights into the banks' operational performance and financial health. Consequently, the findings underscore the urgent need for a revised accounting framework that offers improved clarity and precision in financial reporting.

Presentation of the main material. In commercial banks, capital and liabilities are considered the sources of the assets under their control. The formation of these sources falls under the passive operations of banks. It is known that capital is determined as the remaining portion after deducting the amount of liabilities from the total assets of commercial banks. In other words, equity capital represents the net assets that the bank has ownership rights over [1; 2; 3].

A liability is an obligation (duty) that arises as a result of past events, which, when settled, will lead to the outflow of an economic resource embodying economic benefits from the bank. A liability is defined as the difference between assets and equity capital.

The characteristic of bank capital or equity capital is that its volume, on average, constitutes 10-12% of the total assets of a bank. In some commercial banks, this ratio is below 15%. For example, in «Rabitabank ASC» (Rabitabank Open Joint Stock Company), a commercial bank operating in Azerbaijan, the share of equity capital in the total liabilities (sources of bank resources) is only 10% [12].

Although equity capital does not constitute a significant portion of the total assets of banks, it plays a crucial role in ensuring their normal commercial operations by performing protective, operational, and regulatory functions [14]. The essence and content of these functions are widely explained in specialized literature.

The equity capital of any commercial bank mainly consists of charter capital. Other components of a commercial bank's equity capital include: Additional funds obtained from the issuance of shares, Revaluation reserves, Retained earnings or undistributed profits from previous years, Net profit for the reporting year.

The amount of each bank's charter capital is specified in its Charter, which is registered with the Central Bank of the Republic of Azerbaijan [1]. The bank's Charter is prepared and approved in accordance with the Civil Code of the Republic of Azerbaijan [2].

According to the Law of the Republic of Azerbaijan "On Banks", the minimum amount of charter capital or total capital is determined by the Central Bank of the Republic of Azerbaijan. According to this law, the total capital of a bank consists of its own funds [3]. It is used for prudential calculations and is composed of Tier I (core) capital and Tier II (supplementary) capital. The classification of total capital into core and supplementary capital is carried out by the Central Bank of the Republic of Azerbaijan.

According to the Law of the Republic of Azerbaijan "On Banks", if the amount of a bank's or a foreign bank's local branch's charter capital or total capital-or in the case of a foreign bank, the amount of funds considered equivalent to charter capital-falls below the required minimum charter capital or total capital, the Central Bank of the Republic of Azerbaijan revokes the bank's or the foreign bank's local branch's banking license.

A bank's charter capital is formed through the issuance and sale of shares. Shares can be classified into two types: common and preferred, as well as registered and bearer shares [11]. However, all shares of Azerbaijani commercial banks are registered shares. The owners of such shares are recorded in the issuer's accounting book or, upon the shareholder's request, in an organization engaged in professional activities in the field of securities. The transfer of registered shares from one owner to another is carried out by making appropriate changes to the accounting and registry records.

A share grants its owners the right to receive a portion of the bank's profit in the form of dividends. In the event of a bank's liquidation, the owner of the issuing bank's shares has the right to claim a portion of the remaining assets after the obligations to creditors and preferred shareholders have been settled [6].

Common (ordinary) shareholders have voting rights at the general meeting, participate in the election of the bank's governing bodies and audit commission. Each common share grants one vote during the decision-making process at the shareholders' meeting. Additionally, common shareholders participate in the distribution of net profit after allocations to reserves and the payment of dividends on preferred shares.

Preferred shareholders, however, do not have voting rights during the decision-making process at shareholders' meetings. However, they are entitled to fixed dividends based on the nominal value of their preferred shares. These dividends must be calculated at a fixed rate and paid to shareholders regardless of the bank's profit amount in the corresponding reporting period.

If the profit for the reporting year is insufficient, dividends on preferred shares are paid from capital reserves. If this source is also insufficient, dividends are covered by profits from previous years. If the bank does not have sufficient funds in reserves or retained earnings from previous years to pay dividends, the calculated dividend amount is carried forward as a liability to preferred shareholders for the next financial year and is paid from the profit of that reporting period.

According to the Civil Code of the Republic of Azerbaijan, as well as the regulations governing the issuance and circulation of securities in joint-stock companies, including joint-stock commercial banks, the nominal value of preferred shares placed in the bank's charter capital must not exceed 25% of the charter capital [2; 13].

In the Republic of Azerbaijan, including in commercial banks, the participation limit of foreign bank capital in the banking system is determined by the Central Bank of the Republic of Azerbaijan [1; 5].

According to the Law of the Republic of Azerbaijan "On Banks", a newly established bank must pay the minimum initial charter capital and complete state registration in accordance with the Civil Code of the Republic of Azerbaijan within 180 calendar days from the date of approval of its initial application.

The Civil Code of the Republic of Azerbaijan prohibits the sale of securities below their nominal value during the initial issuance [1]. Therefore, the charter capital of a joint-stock commercial bank is formed based on the total nominal value of issued and placed (sold) shares.

According to the Civil Code of the Republic of Azerbaijan, the charter capital of a commercial bank can be increased through:

1. Additional share issuance
2. Increasing the nominal value of already placed shares

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However, the increase of charter capital through additional share issuance is only possible after all previously issued shares have been fully paid for by the founding shareholders.

The reduction of charter capital is carried out in accordance with the procedures established by the Civil Code of the Republic of Azerbaijan. Specifically, according to the Civil Code, charter capital may be reduced through: Repurchase of previously issued shares (for subsequent resale or cancellation); Reduction of the nominal value of shares

The decision to increase and/or reduce the charter capital is made at the general meeting of the commercial bank. Any changes in the bank's charter capital must be officially documented through new registration documents.

To reflect the existence and movement of a commercial bank's charter capital in accounting, Class 50 "Charter Capital" and Group 5002 "Charter Capital of Credit Institutions" are designated. This group includes both passive (liability) and active (asset) accounts.

The charter capital of a commercial bank can be formed from tangible, intangible, and financial assets contributed by the founding shareholders. However, at the time of the bank's charter registration, the share of tangible and intangible assets in the structure of charter capital must not exceed the limit set by the Central Bank of the Republic of Azerbaijan.

When assets are contributed as a share in the charter capital by the founders, the following accounting entries are made [8]:

Entry for the receipt of fixed assets:

Debit:

28010 Land

28020 Buildings and structures

28030 Furniture and equipment

28040 Computers and communication equipment

28050 Vehicles

28060 Other fixed assets

Credit:

50020 Common shares

50021 Preferred shares

If the value of contributed fixed assets exceeds the nominal value of shares, an additional accounting entry is required:

Debit: Fixed asset accounts

Credit:

50030 Income from the issuance of common shares

50031 Income from the issuance of preferred shares

The accounting treatment for intangible assets follows a similar structure.

The issuing commercial bank must account for the expenses related to the issuance and placement of securities in its balance sheet accounts. However, in the current Chart of Accounts for accounting, there is no specific balance sheet account for recording expenses related to securities transactions. Therefore, these costs are currently recorded under synthetic account 90119 "Other Expenses". However, the creation of a dedicated account for these expenses would be necessary and appropriate.

The accounting of securities issued but not placed by a commercial bank is reflected in memorandum account 99230 - "Securities issued but not placed by the Central Bank of the Republic of Azerbaijan and credit institutions."

When such securities are received, the following accounting entry is recorded:

- Debit: 99230 - "Securities issued but not placed by the Central Bank of the Republic of Azerbaijan and credit institutions"
- Credit: 99990 - "Contra account for off-balance sheet assets"

When the securities issued but not placed by the Central Bank of the Republic of Azerbaijan and credit institutions are placed, the reverse accounting entry is recorded.

The reduction of charter capital through the repurchase and cancellation of previously issued shares is documented through the relevant accounting entries. If the charter capital is reduced by lowering the nominal value of previously issued shares, it is recorded as:

- Debit: 50020 (Common shares) and 50021 (Preferred shares)
- Credit: Accounts that record the bank's assets.

However, the accounting procedures for increasing (or decreasing) the nominal value of previously issued shares as a means of adjusting the charter capital of shareholder banks are not explicitly defined in either methodological guidelines, the Chart of Accounts, or its implementation manual.

Our research shows that the existing accounting methodology generally aligns with the nature of business transactions related to the formation and use of various components of capital. However, certain deficiencies have been identified in the reviewed methodology, which should be addressed and improved as necessary.

It is important to note that liabilities make up a significant proportion of the structure of commercial banks' liabilities, averaging 85-90%. For instance, in the accounting balance of Rabitabank ASC, liabilities account for almost 90% of the total balance. Therefore, the accounting methodology should be designed in such a way that transactions are recorded based on their substance rather than just their form, adhering to the principle of substance over form.

The main role of accounting in this area is twofold:

1. To meet the internal needs of the bank, including providing information for operational, tactical, and strategic decision-making by bank management.

2. To generate information for external users, such as legal and individual investors who have invested in the bank's operations or intend to invest in the future.

All transactions related to liabilities in commercial banks are classified as passive operations. These liabilities include loans received from the financial sector, deposits of legal entities and individuals, customer current and other accounts, issued debt securities, and others.

Research indicates that in shareholder commercial banks in the country, the largest share of total liabilities belongs to customer account balances, accounting for approximately 50%. This is followed by term debt obligations at 35%, and issued debt securities at around 10% [15; 9; 10]. Additionally, liabilities include obligations to the Central Bank of the Republic of Azerbaijan, the state budget, international financial institutions, and other organizations, which collectively make up 3-5% of total liabilities.

The credit liabilities group primarily consists of short-term and long-term loans obtained from the financial sector.

Liabilities related to customer accounts play a critical role in ensuring the operation and sustainability of Azerbaijan's commercial banks. These liabilities arise from funds held in customer accounts, including deposits from state and private enterprises, organizations, institutions, municipalities, individuals, resident-bank correspondents, and other entities.

This category also includes accounts of foreign state institutions, enterprises, non-resident individuals, and correspondent accounts of foreign banks.

All liabilities in this group are accounted for in national and foreign currencies, as well as in precious metals. The Chart of Accounts provides for various classes, groups, and synthetic account types to record the liability types discussed (Table 1). Note that the account classes shown in Table 1 cover not only current and short-term deposit accounts but also accounts recording long-term deposits, while Class 37 covers accounts recording both short-term and long-term loans and deposits.

Table 1 – Accounts designated for the accounting of current accounts and deposit liabilities

The obligations of the commercial bank towards entities and customers regarding current accounts	Account classes	Account groups	Synthetic accounts
Current account deposits of government agencies	36	3601-3636	36025-36360
Current account deposits of state enterprises, municipalities and public organizations	38	3801-3895	38010-38395
Current account deposits of foreign states' official agencies	39	3901-3998	39010-39981
Obligations to the financial sector on “loro” correspondent accounts, deposits, and other accounts	35	3501-3598	35010-35981
Current account deposits of individuals and private enterprises	40-41	4001-4198	40010-41981

Source: developed by the author

Obligations on clients' current accounts are recorded in accordance with the requirements of the relevant legislative documents, including the Civil Code of the Republic of Azerbaijan, the Rules, Guidelines, and other normative acts prepared by the Central Bank of the Republic of Azerbaijan. Payments on clients' current accounts are carried out within the limits of the available balance. Funds in clients' current accounts may be used to fulfill the following obligations: Payment of the value of domestic and imported goods (works, services) to residents

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and non-residents; Payment of penalty sanctions for breaches of contractual terms to other legal entities, agencies, organizations, etc.; Payment of taxes and fees to the state budget; Fulfillment of obligations to social insurance organizations; Payment of salaries, bonuses, allowances, dividends, interest, and other obligations to employees, etc.

The commercial bank transfers funds from clients' current (settlement) accounts and pays their obligations to other legal entities and individuals, while also fulfilling its own obligations to clients. Typically, all accounts recording the commercial bank's obligations on clients' current accounts are liabilities. The debit side of these accounts reflects funds withdrawn from or expended from clients' accounts, while the credit side reflects funds credited to clients' current accounts. Below are some accounting entries reflecting the receipt (inflow) and expenditure (outflow) of funds on clients' current accounts:

a) Inflow of funds into the client's current account: When funds from government agencies are credited to a client's current account at a commercial bank:

- Debit:
  - 10010 Cash / 11010 Correspondent Account – in national currency;
  - 10020 Cash / 15020 and 15025 Correspondent Account – in foreign currency;
- Credit:
  - 36015 Ministries' current accounts – in national currency;
  - 36045 Other state agencies' current accounts – in national currency; and/or
  - 36025 Ministries' current accounts – in foreign currency;
  - 36055 Other state bodies' current accounts – in foreign currency.

b) Expenditure (transfer) of funds from clients' current accounts, i.e., payment of the bank's obligations: Transfer of funds from government agencies' current accounts to recipients' accounts:

- Debit:
  - 36015 Ministries' current accounts – in national currency;
  - 36045 Other state agencies' current accounts – in national currency; and/or
  - 36025 Ministries' current accounts – in foreign currency;
  - 36055 Other state bodies' current accounts – in foreign currency;
- Debit:
  - 10010 Cash / 11010 Correspondent Account – in national currency;
  - 10020 Cash / 15020 and 15025 Correspondent Account – in foreign currency.

One of the important aspects of commercial banks' operations is the mobilization of funds through deposit transactions. The accounting of deposit (savings) transactions is carried out in accordance with the rules approved by the Central Bank of the Republic of Azerbaijan on April 3, 2001. These rules have been prepared in compliance with the requirements of the Civil Code of the Republic of Azerbaijan, the Law on Banks of the Republic of Azerbaijan, the Tax Code of the Republic of Azerbaijan, and other legislative and normative documents [1; 4].

Conclusion and prospects for further research. The study shows that, overall, the existing accounting methodology provides information on the formation and settlement of the commercial bank's short-term and long-term liabilities on current and deposit accounts of enterprises, organizations, and agencies operating in various sectors of the economy with different legal statuses, as well as of resident and non-resident individuals. At the same time, the aforementioned methodology has certain shortcomings. The primary shortcoming is the lack of accounting for term and on-demand current accounts, savings, and deposits. Another shortcoming, in our opinion, is that in the area of the formation and settlement of principal and additional liabilities for interest expenses, the accounts are not detailed but are instead presented in a general manner—consolidating them as short-term and long-term liabilities without a breakdown. These and other shortcomings complicate the accurate determination and classification of the types of liabilities on current accounts and deposits, as well as the interest expenses on these liabilities.

Overall, research shows that the existing accounting and reporting system used for managing and analyzing the operations of commercial banks and for providing information to external users who make economic decisions does not allow for an honest assessment of the effectiveness of commercial banks' operations, nor does it enable an objective determination of their resource utilization, liquidity, and solvency [11; 13]. For some operations, there is hardly any corresponding accounting methodology, and the methodological basis for recording the costs and outcomes across various business lines and segments is weak. Therefore, there is a need to de-

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velop methodological approaches and methods that enhance the quality of managing the bank's asset and liability operations.

It is necessary to update and further develop the content and structure of the Chart of Accounts developed by the Central Bank and used by commercial banks. In that Chart of Accounts, as well as in the relevant reporting forms, the classification of capital and liabilities must be re-examined (Aliyeva, 2010). The balance sheet should ensure a precise division of liabilities into short-term and long-term liabilities, as well as according to their liquidity levels.

It is proposed that the Chart of Accounts be structured as follows:

1. Accounts that record assets;
2. Accounts that record own capital;
3. Accounts that record liabilities;
4. Accounts that record revenues;
5. Accounts that record expenses;
6. Accounts that record financial results.

Within each group, there should be a sufficient number of accounts to provide complete, fair, and honest information about all asset and liability operations of commercial banks and their outcomes.

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