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ANALYSIS OF THE COMPOSITION, FORMATION AND DYNAMIC CHANGES OF COMMERCIAL BANKS' ASSETS

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ABSTRACT

This article studies the composition, formation and dynamic changes of assets of commercial banks, analyzes the composition, formation and dynamic changes of assets of commercial banks, analyzes financial and economic indicators that reflect the effectiveness of bank assets. Assets of commercial banks are an important economic category that reflects the directions of use of bank resources, and their composition determines the profitability, liquidity, risk tolerance and financial stability of the bank. As a rule, loan deposits, investment portfolios, funds in other banks, cash and equivalent assets, as well as other income-generating financial instruments, play an important role in the composition of assets.

KEYWORDS

Transformation process, commercial banks, bank assets, international banks, liquidity and risk level, corporate management system, risk monitoring, high efficiency, asset management.

Introduction

Today, structural changes taking place in global financial markets, deepening international economic integration, and the rapid development of the digital economy require new approaches to the activities of the banking system. In particular, commercial banks are emerging in the economy not only as financial intermediaries that attract and redistribute temporarily idle funds, but also as institutions that stimulate investment activity, provide financial support to the real sector, and play an important role in ensuring macroeconomic stability. In this regard, the formation of the composition of commercial banks' assets, ensuring their effective placement, and systematic analysis of their dynamic changes are among the priorities of bank management.

Assets of commercial banks are an important economic category that reflects the directions of use of bank resources, and their composition determines the level of profitability, liquidity, risk tolerance and financial stability of the bank. As a rule, loan deposits, investment portfolio, funds in other banks, cash and equivalent assets, as well as other income-generating financial instruments play an important role in the structure of assets. A scientific assessment of the relationship between these assets is important in determining the efficiency of banking activities, analyzing the level of use of available resources and formulating a future financial strategy.

The process of formation of assets of commercial banks is directly related to the directions of placement of attracted and own funds. Although it is natural that credit operations occupy a leading place in the structure of bank assets, their excessively high share can lead to an increase in liquidity and credit risks.

Therefore, diversifying the asset portfolio, expanding investment operations, and ensuring the optimal ratio between short-term and long-term assets are important factors for the stability of commercial banks.

Analysis and results

Analysis of dynamic changes in bank assets allows us to determine changes in the volume, composition and quality of assets over a certain period. Such analysis assesses the growth rates of the loan portfolio, the share of problem assets, the dynamics of investment investments, the level of liquid assets and indicators of income from assets. As a result, it is possible to draw scientifically based conclusions about the financial potential of commercial banks, the efficiency of resource use and their stability in relation to risks.

Table 1 The composition of assets of commercial banks of the Republic of Uzbekistan in 2020-2025 is billion. soum

Indicator name	**01.01.2022**	**01.01.2023**	**01.01.2024**	**01.01.2025**	**01.01.2026**
Cash and other payment documents in hand	10 686,3	19 309,1	20 201,8	25 154,3	25 617
Funds in the Central Bank	31 514,6	36 592,1	33 228,0	34 511,8	43 925
Funds in other banks residents	13 302,5	17 423,7	24 368,5	29 175,9	27 713
Funds in other banks non-residents	25 074,0	37 688,3	28 862,5	36 039,3	51 738
Investments and other securities	19 633,7	31 507,9	32 548,3	59 613,9	102 979
Customers' liabilities under financial instruments	1 251,0	1 606,3	3 334,0	432,4	778
Loan deposits, net	316 382,4	378 909,2	457 847,1	514 692,6	587 039
Fixed assets, net	11 031,9	14 242,9	19 874,9	24 955,8	29 894
Accrued interest on assets	9 387,1	12 295,3	19 249,8	23 835,8	27 973
Other private property of the bank	1 339,4	3 065,5	4 483,5	6 558,9	9 613
Other assets	5 319,6	4 105,8	8 158,7	14 359,5	17 494
Total assets	**444 922,5**	**556 746,3**	**652 157,1**	**769 330,4**	**924 763**

As can be seen from the data in Table 1 above, the Table data show that significant quantitative and structural changes have occurred in the structure of assets of commercial banks of the Republic of Uzbekistan during 2020-2025. During the analyzed period, the volume of total assets increased from 444922.5 billion soums as of January 1, 2022 to 924763 billion soums as of January 1, 2026. This means that the assets of commercial banks have increased by almost 2.1 times over a five-year period. This growth indicates that the financial resource base in the banking system is expanding, lending volumes have increased, investment activity has increased, and bank asset operations are diversifying. The highest share in the structure of assets of commercial banks is occupied by credit deposits. In particular, net credit investments amounted to 316382.4 billion soums on January 1, 2022, and as of January 1, 2026, they reached 587039 billion soums. During this period, the volume of credit investments increased by 270656.6 billion soums. This situation indicates that the participation of commercial banks in financing the real sector of the economy is expanding. At the same time, the leading position of credit investments in the structure of assets strengthens the income base of banks, but also increases the need for constant control over factors such as credit risk, the share of problem assets, and pressure on liquidity.

The rapid growth of investments and other securities during the analysis period is particularly noteworthy. This indicator amounted to 19633.7 billion soums on January 1, 2022, and by January 1, 2026 it reached 102979 billion soums. That is, this type of asset has grown more than 5 times over five years. This indicates that commercial banks are striving to diversify their sources of income through the securities market, not relying solely on credit operations. The expansion of the investment portfolio is of great importance in ensuring balance in the structure of bank assets, managing liquidity and forming stable interest income. Banks' funds with the Central Bank also had an upward trend during the analysis period. In particular, this indicator amounted to 31514.6 billion soums on January 1, 2022. soums, on January 1, 2026 it reached 43925 billion soums. This indicates that banks are fulfilling their mandatory reserve requirements, ensuring short-term liquidity, and adapting to the conditions of monetary policy. At the same time, the excessiveness of these assets may also indicate that bank resources are not being sufficiently directed to income-generating assets. Therefore, it is important to manage the amount of funds in the Central Bank based on the optimal ratio between liquidity and profitability.

Significant changes were also observed in the composition of funds in other banks. Funds in resident banks increased from 13302.5 billion soums on January 1, 2022 to 27713 billion soums on January 1, 2026. Funds in non-resident banks increased from 25074.0 billion soums to 51738 billion soums during the same period. In particular, the rapid growth of funds in non-resident banks indicates that commercial banks are expanding their connections with international financial markets, increasing the volume of foreign exchange transactions and servicing foreign economic activity. However, such assets may be sensitive to currency risk, changes in interest rates, and instability in the external financial environment.

Cash and other payment documents on hand increased from 10,686.3 billion soums as of January 1, 2022 to 25,617 billion soums as of January 1, 2026. This increase indicates that banks have expanded their ability to provide current liquidity, timely fulfill customer payment requirements, and service cash flow. At the same time, although the high share of cash and cash equivalents is positive for the bank in terms of safety and liquidity, it has a low efficiency compared to credit and investment assets in terms of profitability. Fixed assets, net, also have a consistent growth trend and amounted to 11,031.9 billion soums as of January 1, 2022, and 29,894 billion soums as of January 1, 2026. This indicates that the volume of investments in the material and technical base of banks, branch infrastructure, information technologies and digital service systems is increasing. Especially in the context of the development of digital banking services, the expansion of fixed assets and technological infrastructure serves to improve the quality and operational efficiency of banking services.

The increase in the volume of accrued interest on assets from 9387.1 billion soums in 2022 to 27973 billion soums in 2026 indicates that the base of interest income of banks is expanding. This is primarily due to the increase in the volume of credit deposits and other interest-bearing assets. However, along with the sharp increase in this indicator, it is necessary to separately analyze the issues of timely collection of accrued interest, the share of overdue interest and the quality of assets.

An increase was also observed in the volume of other private property and other assets of the bank. In particular, the bank's other private property increased from 1,339.4 billion soums on January 1, 2022 to 9,613 billion soums on January 1, 2026, and other assets from 5,319.6 billion soums to 17,494 billion soums. The increase in these indicators indicates that the bank's assets are expanding beyond core assets. It is necessary to analyze the composition and quality of such assets in depth, as they can directly affect the profitability of the bank's total assets and liquidity position.

Table 2 Dynamics of asset efficiency indicators in the system of commercial banks of the Republic of Uzbekistan for 2022–2025[1]

Date	The end of the corresponding year	Total assets, billion soums	Net profit, billion soums	Return on assets / ROA, %
01.01.2023	End of 2022	556 746,3	9 993	2,5
01.01.2024	End of 2023	652 157,1	12 380	2,6
01.01.2025	End of 2024	769 330,4	6 966	1,4
01.01.2026	End of 2025	924 763	15 502	2,2

This Table 2 is based on generalized indicators for the commercial banking system of the Republic of Uzbekistan, in which total assets, net profit and return on assets are analyzed across the entire banking system. Therefore, the results of the table reflect the overall asset performance of the country's banking system, not a separate commercial bank.

Also, this table reflects the asset performance, i.e. ROA - Return on Assets, for the commercial banking system of the Republic of Uzbekistan by year. The ROA indicator reflects how effectively the assets available in the banking system are used and is determined by the ratio of net profit to total assets. In this regard, this indicator is an important criterion for assessing the financial stability, profitability and efficiency of asset management of commercial banks.

The return on assets (ROA) indicator shows how much net profit the bank receives from its total assets. ROA is important for assessing the effectiveness of bank management, as it reflects the efficiency of asset use and the effectiveness of management policies.

A high ROA indicator indicates that the bank is using its resources wisely. For example, a ROA ≥ 1.5% indicates that the bank is managing its assets efficiently. If the indicator is below 1%, this indicates that the bank has low earning potential, low asset turnover, or high costs.

ROA largely depends on the bank's business model, asset composition, loan portfolio quality, and the effectiveness of management policies. For example, limited liquid assets, high-risk loans, or low interest margins reduce a bank's ROA. Therefore, banks strive to improve this indicator by optimizing the asset composition, controlling costs, and increasing the share of high-yielding operations.

Table 3 Dynamics of return on assets of JSCB "Microcreditbank", 2021-2025

Year	Total assets, billion soums	Net profit / loss, billion soums	Return on assets ROA, %
2021	10 282,9	100,0	0,97
2022	13 483,4	38,4	0,29
2023	16 782,5	21,3	0,13
2024	23 542,5	-1 703,8	-7,24
2025	28 605,5	42,1	0,15

[1] https://cbu.uz/uz/ sayti ma'lumotlari asosida muallif tomonidan tuzildi

According to Table 3, during 2021-2025, the volume of assets of JSCB "Mikrokreditbank" had a consistent growth trend. In particular, the bank's total assets amounted to 10282.9 billion soums in 2021, and in 2025 they reached 28,605.5 billion soums. During this period, the bank's assets increased by almost 2.8 times. This indicates an expansion of the bank's resource base, an increase in the volume of lending and other active operations. However, the increase in the volume of assets was not always proportional to the bank's profitability. In 2021, the bank's net profit amounted to 100.0 billion soums, and the return on assets was 0.97 percent. This indicator is one of the highest positive results in the analysis period. In 2022, net profit decreased by 38.4 billion soums and ROA decreased to 0.29 percent. In 2023, net profit amounted to 21.3 billion soums, and return on assets decreased to 0.13 percent. This indicates that although the bank's assets expanded, the net income from them was not formed sufficiently.

In 2024, a sharp negative situation was observed in banking activities. This year, the bank suffered a loss of 1,703.8 billion soums, and as a result, the ROA indicator was -7.24 percent. This indicates a significant decrease in the efficiency of asset use, and the bank's expenses or potential losses were higher than income. Such a result may be associated with the quality of the loan portfolio, provisioning, operating expenses or other financial factors.

In 2025, signs of recovery are observed in banking activities. The bank has 42.1 billion soums in assets. net profit of soums and ROA of 0.15 percent. This indicates that the bank has returned to profitable operations after a loss in 2024. At the same time, the return on assets in 2025 is still low, indicating that net profit is not high enough compared to the size of the bank's assets.

Table 4 Dynamics of return on assets of JSC "Aloqabank", 2021–2025

Year	Total assets, billion soums	Net profit, bln. soum	Return on assets ROA, %
2021	12 638,5	107,6	1,5
2022	16 083,6	228,4	1,6
2023	16 044,7	607,7	3,8
2024	23 251,3	190,0	1,0
2025	31 527,5	251,5	0,9

According to Table 4, the volume of assets of JSC "Aloqabank" has been growing steadily over the years 2021-2025. In particular, the bank's total assets amounted to 12,638.5 billion soums in 2021, and reached 31,527.5 billion soums in 2025. During this period, the bank's assets increased by almost 2.5 times. This indicates that the bank's financial resources have expanded, the volume of asset operations has increased, and the scope of banking services is expanding.

The bank's net profit has had different dynamics over the years. In 2021, net profit amounted to 107.6 billion soums, while in 2022 it increased to 228.4 billion soums. In 2023, net profit increased sharply and reached 607.7 billion soums. This indicates that the bank's revenue base has been strengthened and asset utilization efficiency has increased.

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