



## **International Congress on Economics, Management and Business Studies**

Hosted Online from New York, USA

Date: 23<sup>rd</sup> April, 2026

Website: <https://econferencia.com>

---

### **DEVELOPMENT TRENDS IN IMPROVING THE CONCEPTUAL FRAMEWORK OF ASSET EFFICIENCY OF COMMERCIAL BANKS**

Ibrohimov Davronbek Muhamadi ugli

Acting Associate Professor at the Department of  
Economics, Renaissance Education University

In the modern economy, the banking system is one of the main institutional structures that ensure the financial stability of the country. In particular, the effective management of commercial banks' assets plays an important role in stimulating economic growth, improving the investment climate, and rational use of financial resources.

In recent years, globalization, digitalization, and the development of financial technologies have fundamentally changed the concepts of bank asset management. Therefore, the development of new approaches to improving asset efficiency is one of the urgent issues<sup>1</sup>.

Bank asset efficiency is the process of managing bank resources in such a way that an optimal balance between profitability, liquidity and risk is ensured, and as a result, maximum economic efficiency is achieved. This concept includes important areas of banking activity.

First of all, the quality of the loan portfolio constitutes the main part of bank assets. The timely repayment of loans, their diversification and a low share of problem loans directly affect overall efficiency. The efficiency of investment activities is also important, reflecting the level of income received by the bank from its funds invested in securities or other financial instruments.

---

<sup>1</sup> World Bank. *Global Financial Development Report*. — Washington, DC, 2023. IMF. *Global Financial Stability Report*. — International Monetary Fund, 2024.



## International Congress on Economics, Management and Business Studies

Hosted Online from New York, USA

Date: 23<sup>rd</sup> April, 2026

Website: <https://econferencia.com>

Liquidity management ensures the bank's ability to fulfill its obligations on time. The balance of assets and liabilities plays an important role in this process. At the same time, credit, market and operational risks are identified, assessed and controlled through the risk management system, which contributes to the safe and efficient operation of assets.

The efficiency of bank assets is assessed through a number of financial indicators. In particular, ROA (return on assets) indicates the profitability of a bank's assets, while ROE (return on equity) indicates the efficiency of shareholders' capital. NPL (problem loan ratio) is an important indicator in assessing the quality of the loan portfolio<sup>2</sup>. In addition, liquidity ratios help determine the bank's ability to cover its short-term liabilities. In general, the efficiency of bank assets is one of the main factors ensuring the financial stability and competitiveness of the bank<sup>3</sup>. At the current stage, improving the efficiency of bank assets is characterized by the following main trends:

**1. Digital transformation.** Digitalization of banking services has become an important factor in improving asset efficiency. The system for identifying credit risks and evaluating customers is being improved through artificial intelligence and Big Data technologies<sup>4</sup>.

**2. Strengthening the risk management system.** Modern banks are paying special attention to identifying, assessing and minimizing risks in asset management. This helps reduce the share of problem loans<sup>5</sup>.

<sup>2</sup> Mishkin F. S. *The Economics of Money, Banking, and Financial Markets*. — Pearson, 2022. Rose P. S., Hudgins S. C. *Bank Management and Financial Services*. — McGraw-Hill, 2020. Aktivlar samaradorligi

<sup>3</sup> Saunders A., Cornett M. M. *Financial Institutions Management: A Risk Management Approach*. — New York: McGraw-Hill Education. Hull J. C. *Risk Management and Financial Institutions*. — Wiley

<sup>4</sup> Berger A. N., Humphrey D. B. *Efficiency of Financial Institutions: International Survey and Directions for Future Research*. European Journal of Operational Research.

<sup>5</sup> Basel Committee on Banking Supervision. *Basel III: International Regulatory Framework for Banks*. — Bank for International Settlements, 2017.



### International Congress on Economics, Management and Business Studies

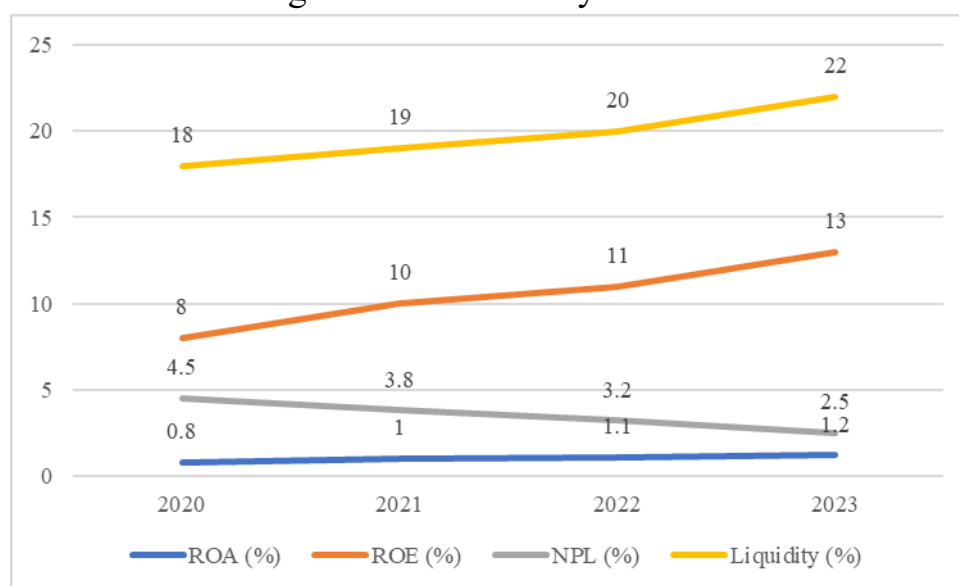
Hosted Online from New York, USA

Date: 23<sup>rd</sup> April, 2026

Website: <https://econferencia.com>

**3. Asset diversification.** Banks reduce risks and increase profitability by diversifying their asset portfolios.

**4. Introduction of ESG principles.** Environmental, social and corporate governance (ESG) criteria are becoming increasingly important in banking activities. This ensures long-term sustainability.



**Figure 1. Dynamics of bank asset performance indicators<sup>6</sup>**

Based on the data in the figure, a positive trend in the efficiency of bank assets is observed for 2020–2023. A separate analysis of each indicator is as follows: ROA increased from 0.8% in 2020 to 1.2% in 2023. This indicates an increase in the efficiency of using bank assets. That is, the bank is generating more profit from its available resources.

<sup>6</sup> Prepared by the author.



## **International Congress on Economics, Management and Business Studies**

Hosted Online from New York, USA

Date: 23<sup>rd</sup> April, 2026

Website: <https://econferencia.com>

---

ROE increased from 8% to 13%. This indicates a significant improvement in the efficiency of using shareholders' capital. The amount of income received through bank capital is increasing year by year.

NPL decreased from 4.5% to 2.5%. This is a very important positive indicator, indicating an improvement in the quality of the loan portfolio. The reduction in problem loans indicates a decrease in the bank's risk level.

Liquidity increased from 18% to 22%. This indicates that the bank's ability to meet short-term obligations is being strengthened.

In conclusion, banking activities are improving in all key areas. Profitability (ROA, ROE) has increased, the risk level (NPL) has decreased, and liquidity has increased. This indicates that the bank's asset management system has been effectively established and the bank's financial stability is being strengthened.

Improving the conceptual foundations of the asset efficiency of commercial banks is of great importance today in ensuring the sustainable development and competitiveness of the banking system. Theoretical approaches in this area are based on managing bank assets by ensuring the optimal balance between profitability, liquidity, and risk. In classical and modern financial theories, asset efficiency is mainly explained by the level of resource utilization, capital adequacy, and the effectiveness of risk management.

The evolution of the conceptual foundations of bank asset efficiency has developed in several stages. Initially, the traditional approach focused on lending activities, and the interest margin was seen as the main source of bank income. Later, the theory of diversification and the portfolio approach were developed, and the idea of reducing risk and optimizing income by distributing assets between different instruments was put forward.

At the modern stage, asset efficiency is assessed based on an integrated approach. In this, not only financial indicators (ROA, ROE, NPL), but also the risk



## **International Congress on Economics, Management and Business Studies**

Hosted Online from New York, USA

Date: 23<sup>rd</sup> April, 2026

Website: <https://econferencia.com>

management system, capital adequacy, liquidity management, and the level of implementation of digital technologies are considered important factors. Based on Basel standards, the relationship between capital and risk is strengthening, and the principles of prudence are gaining priority in the activities of banks.

Also, in recent years, innovative approaches to improving asset efficiency have been widely used, in particular, fintech solutions, risk assessment based on artificial intelligence, big data analysis, and automated credit scoring systems. This allows banks to speed up the decision-making process, reduce errors, and improve the quality of assets.

In conclusion, the conceptual framework for asset performance in commercial banks is shifting from a traditional credit approach to a comprehensive, risk-based, and digitally transformation-oriented model. These trends will help banks improve their financial stability, resource efficiency, and competitiveness in the global financial system.

### **List of used literature**

1. Saunders A., Cornett M. M. *Financial Institutions Management: A Risk Management Approach*. — New York: McGraw-Hill Education, 2019.
2. Mishkin F. S. *The Economics of Money, Banking, and Financial Markets*. — Pearson, 2022.
3. Hull J. C. *Risk Management and Financial Institutions*. — Wiley, 2018.
4. Rose P. S., Hudgins S. C. *Bank Management and Financial Services*. — McGraw-Hill, 2020.
5. Basel Committee on Banking Supervision. *Basel III: International Regulatory Framework for Banks*. — Bank for International Settlements, 2017.



## **International Congress on Economics, Management and Business Studies**

Hosted Online from New York, USA

Date: 23<sup>rd</sup> April, 2026

Website: <https://econferencia.com>

6. Altunbas Y., Carbo S., Gardener E. P. M. Examining the Relationships Between Capital, Risk and Efficiency in European Banking. *Journal of Banking & Finance*, 2007.
7. Berger A. N., Humphrey D. B. Efficiency of Financial Institutions: International Survey and Directions for Future Research. *European Journal of Operational Research*, 1997.
8. World Bank. *Global Financial Development Report*. — Washington, DC, 2023.
9. IMF. *Global Financial Stability Report*. — International Monetary Fund, 2024.
10. Tufano P. Financial Innovation. In: *Handbook of the Economics of Finance*. — Elsevier, 2003.
11. DeYoung R., Rice T. Noninterest Income and Financial Performance at U.S. Commercial Banks. *Financial Review*, 2004.
12. Iqbal Z., Mirakhor A. *An Introduction to Islamic Finance: Theory and Practice*. — Wiley, 2011.