



STRENGTHENING THE ROLE OF TREASURY OPERATIONS IN BANK LIQUIDITY MANAGEMENT: EVIDENCE FROM IPAK YULI BANK

Tashkent State University of Economics

Independent Researcher (PhD)

Akhadov Shakhboz Shukhrat ogli

Abstract

Liquidity management is one of the key determinants of banking stability and sustainable growth. Treasury operations play a central role in maintaining optimal liquidity levels by managing cash flows, funding sources, and liquidity risks. This study investigates the contribution of treasury operations to liquidity management using the case of Ipak Yuli Bank. The research applies comparative analysis, financial ratio analysis, and trend evaluation methods. The findings indicate that strengthening treasury operations improves liquidity planning, increases deposit mobilization, and enhances the bank's ability to withstand liquidity shocks. The study proposes practical recommendations for improving treasury management through digital technologies, forecasting models, and diversified funding sources.

Keywords: liquidity management, treasury operations, commercial banks, funding sources, liquidity risk, Ipak Yuli Bank.

1. Introduction

The stability of the banking system largely depends on the ability of banks to maintain sufficient liquidity while ensuring profitability. Following the implementation of Basel III requirements, commercial banks have increasingly focused on treasury management as a strategic function for liquidity regulation. Treasury operations facilitate the management of short-term cash needs, funding structures, investment portfolios, and risk exposures.



In Uzbekistan, banking reforms and increasing competition require commercial banks to strengthen their liquidity management frameworks. In this regard, treasury operations have become an essential mechanism for balancing liquidity and profitability. The purpose of this study is to assess the role of treasury operations in liquidity management and identify opportunities for enhancing their effectiveness using the experience of Ipak Yuli Bank.

2. Literature Review

According to Basel Committee on Banking Supervision (2013), effective liquidity management requires maintaining adequate high-quality liquid assets and monitoring cash flow mismatches. Saunders and Cornett (2022) emphasize that treasury departments are responsible for managing liquidity reserves, funding strategies, and market risks.

Rose and Hudgins (2021) argue that treasury operations contribute significantly to asset-liability management by reducing maturity mismatches and optimizing funding structures. Recent studies also highlight the importance of digital treasury systems in improving real-time liquidity monitoring and forecasting.

3. Methodology

The study employs:

- Comparative analysis;
- Financial ratio analysis;
- Trend analysis;
- Systematic review of annual reports and financial statements.

The empirical analysis is based on publicly available financial information of Ipak Yuli Bank for 2023–2024.

4. Results and Discussion

The data indicate substantial growth in deposits and cash equivalents. Treasury operations contributed to maintaining liquidity through effective funding management and deposit mobilization strategies.

**Table 1. Key Financial Indicators of Ipak Yuli Bank¹**

<i>Indicator (bln UZS)</i>	<i>2023</i>	<i>2024</i>	<i>Growth (%)</i>
Total Assets	16,914	23,186	37.1
Loan Portfolio	11,535	14,184	22.9
Deposits	8,086	11,871	46.8
Cash and Cash Equivalents	3,222	4,124	28.0

The growth of deposits by 46.8% significantly strengthened the bank's liquidity base.

The analysis demonstrates that treasury operations supported liquidity management despite rapid asset growth.

Table 2. Liquidity-Related Performance Indicators²

<i>Indicator</i>	<i>2023</i>	<i>2024</i>
Asset Growth (%)	28.9	37.1
Deposit Growth (%)	19.7	46.8
Cash-to-Asset Ratio (%)	19.1	17.8
Capital Adequacy Trend	Stable	Stable

Increased deposits enabled the bank to finance lending activities without excessive reliance on external borrowing.

Discussion.

¹ Compiled by the author based on Ipak Yuli Bank Annual Report 2024.

² Calculated by the author using annual financial statements.



The findings suggest that treasury operations at Ipak Yuli Bank perform several critical functions:

1. Cash flow forecasting and liquidity planning;
2. Management of funding sources;
3. Optimization of asset-liability structure;
4. Maintenance of liquidity buffers;
5. Compliance with prudential liquidity requirements.

The significant increase in deposits during 2024 demonstrates the effectiveness of treasury policies in strengthening the funding base. Furthermore, growth in cash reserves indicates enhanced preparedness for unexpected liquidity shocks.

5. Conclusion

The study concludes that treasury operations play a decisive role in bank liquidity management. Evidence from Ipak Yuli Bank shows that effective treasury management contributes to increased deposits, improved liquidity buffers, and stronger financial stability.

To strengthen liquidity management, commercial banks should:

- Implement advanced treasury management systems;
- Improve liquidity forecasting models;
- Diversify funding sources;
- Enhance coordination between treasury and risk management departments;
- Expand the use of digital analytical tools.

These measures will improve the resilience of commercial banks and support sustainable financial sector development.

References:

1. Basel Committee on Banking Supervision. (2013). Basel III: The Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools.



2. Basel Committee on Banking Supervision. (2014). Basel III: The Net Stable Funding Ratio.
3. Saunders, A., & Cornett, M. (2022). Financial Institutions Management: A Risk Management Approach.
4. Rose, P. S., & Hudgins, S. C. (2021). Bank Management and Financial Services.
5. Ipak Yuli Bank. Annual Report 2024.
6. Ipak Yuli Bank. Financial Statements 2024.