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AVESTA RESEARCH · BANKING SECTOR · UZBEKISTAN

Uzbekistan Banking Sector

Financial Strength Review · January–September 2026

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EXECUTIVE SUMMARY

Overall assessment. Uzbekistan's banks are in sound condition, and 2026 has been a year of strong growth. Capital and liquidity are well above the Central Bank's requirements, profit rose by two fifths, deposits grew by a third, and the banks depend less on foreign currency than at any time since 2020. The areas to watch are asset quality, where non-performing loans grew faster than lending (page 7), and the net interest margin, which narrowed (page 9).

Capital adequacy. The capital adequacy ratio, which compares a bank's capital with its risk-weighted assets, was 18.18% on 1 October 2026, against a requirement of 12% including capital buffers (13% for the seven systemically important banks). Equity grew by 17.3% in a year to UZS 152.9 trillion, and more than half of the increase came from retained earnings (page 6).

Asset quality. Non-performing loans (NPLs), loans whose borrowers have stopped servicing them as agreed, were 3.80% of the loan book, against 3.65% a year earlier. Their amount grew by 17.8% while loans grew by 13.2%. Loan-loss provisions rose by 34.0%, and in the banks' own reports the increase comes from SQB and Agrobank (page 7).

Earnings. Net profit reached UZS 15.26 trillion in January–September, 40.3% more than a year earlier. Almost half of the increase came from one bank, Ipoteka Bank, and without it the sector's profit rose by 22.4%. Return on equity, profit of the last twelve months over equity a year earlier, was 15.2%, up from 8.9% in the twelve months to 1 October 2025 (page 9).

Liquidity and funding. Deposits rose by 34.9% to UZS 501.0 trillion, much faster than loans, so deposits now fund a larger part of lending: the loan-to-deposit ratio fell to 132% from 157%. The liquidity coverage ratio, which tests whether a bank can meet a month of stressed outflows, was 270% against a 100% minimum (page 10).

Sensitivity to market risk. Foreign-currency loans fell to 38.3% of the loan book and foreign-currency deposits to 18.6% of deposits, from 49.9% and 43.1% at the end of 2020. The soum was stable, and the main market risk is now the path of interest rates (page 11).

Management. The nine state-owned banks hold 60.8% of the sector's assets, against 65.3% a year earlier and 81.5% at the end of 2021. They earned 31% of the banks' combined nine-month profit, and their return on equity was 8.0%, against 27.5% at the 14 private banks with comparable twelve-month data (page 8).

Bank-level results. Profit rose at 21 of the 29 banks that filed nine-month reports for both years. Private banks lead on growth and returns, and state-owned banks now fund more of their lending with deposits: their loans fell to 169% of deposits from 203% a year earlier (page 5).

KEY INDICATORS OF THE BANKING SECTOR

	1 OCT 2025	1 OCT 2026	CHANGE
Total assets, UZS trn	866.8	1,044.8	+20.5%
Loans, UZS trn	582.2	659.1	+13.2%
Deposits, UZS trn	371.5	501.0	+34.9%
Equity, UZS trn	130.4	152.9	+17.3%
Net profit, January–September, UZS trn	10.88	15.26	+40.3%

	1 OCT 2025	1 OCT 2026
Capital adequacy ratio	18.19%	18.18%
NPL ratio	3.65%	3.80%
Return on equity, last twelve months	8.9%	15.2%
Liquidity coverage ratio	200%	270%
Loan-to-deposit ratio	157%	132%

Source: Central Bank of Uzbekistan, banking statistics; Avesta Investment Group calculations.

Uzbekistan's banks are well capitalised and liquid, and their earnings improved strongly in 2026

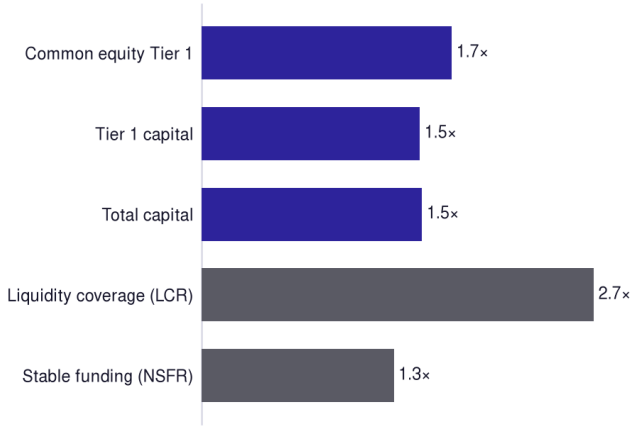
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TABLE 2.1 · THE BANKING SECTOR BY COMPONENT

COMPONENT	MEASURE	1 OCT 2025	1 OCT 2026	TREND
Capital adequacy	Capital adequacy ratio (requirement 12%)	18.19%	18.18%	Stable
	Tier 1 capital ratio	15.06%	14.99%	
Asset quality	NPL ratio	3.65%	3.80%	Slightly weaker
	Non-performing loans, UZS trn	21.26	25.04	
Management	Share of state-owned banks in assets	65.3%	60.8%	Improving
	Share of state-owned banks in loans	67.8%	64.6%	
Earnings	Return on equity, last twelve months	8.9%	15.2%	Improving
	Return on assets, last twelve months	1.32%	2.29%	
	Net interest margin, to total assets	4.53%	4.24%	
Liquidity	Liquidity coverage ratio, LCR (minimum 100%)	200%	270%	Improving
	Net stable funding ratio, NSFR (minimum 100%)	116%	132%	
Sensitivity to market risk	Foreign-currency share of loans	39.3%	38.3%	Improving
	Foreign-currency share of deposits	22.5%	18.6%	

Source: Central Bank of Uzbekistan, banking statistics; Avesta Investment Group calculations.

CHART 2.1 · REGULATORY RATIOS AS A MULTIPLE OF THE REQUIREMENT



1 October 2026. Capital requirements include the conservation and countercyclical buffers that apply from 2026; liquidity minimums are 100%. Source: Central Bank of Uzbekistan.

Headroom over requirements. Each ratio in Chart 2.1 is 1.3 to 2.7 times its requirement: the three capital ratios stand at 1.5 to 1.7 times the minimums with buffers, liquidity coverage at 2.7 times and stable funding at 1.3 times.

Growth. Since the end of 2021 the banks' assets have grown 2.3 times and their deposits 3.2 times (Table 2.2). In dollars, assets rose from USD 41.1 billion to USD 88.4 billion.

Funding and leverage. Deposits grew faster than loans, so loans fell from 209% of deposits at the end of 2021 to 132%, and customers now fund most of the lending (page 5). Equity broadly kept pace with the balance sheet: it stayed between 14.3% and 15.9% of assets at every date in Table 2.2.

TABLE 2.2 · THE SECTOR SINCE 2021

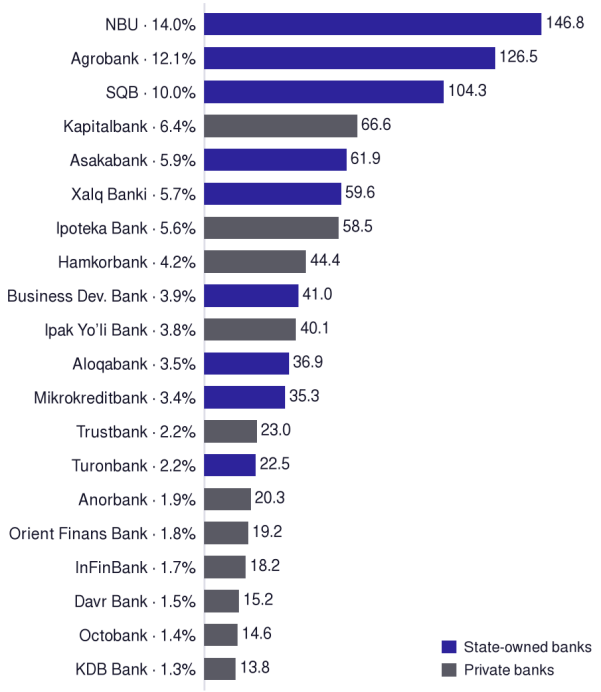
UZS TRILLION UNLESS STATED	2021	2022	2023	2024	2025	1 OCT 2026
Total assets	444.9	556.7	652.2	769.3	924.8	1,044.8
Loans	326.4	390.0	471.4	533.1	604.0	659.1
Deposits	156.2	216.7	241.7	308.7	417.3	501.0
Equity	70.9	79.6	97.1	114.8	135.3	152.9
Net profit*	3.9	10.0	12.4	7.0	15.5	15.3
Total assets, USD bn	**41.1**	**49.6**	**52.9**	**59.5**	**76.9**	**88.4**
Loans to deposits	209%	180%	195%	173%	145%	132%
Equity to assets	15.9%	14.3%	14.9%	14.9%	14.6%	14.6%

End of year; 1 October 2026. *Full year; 2026: January–September. US dollars at the Central Bank's official rate in force on 31 December and on 30 September 2026. Source: Central Bank of Uzbekistan.

Private banks are growing three times as fast as state-owned banks and took three fifths of the sector's growth

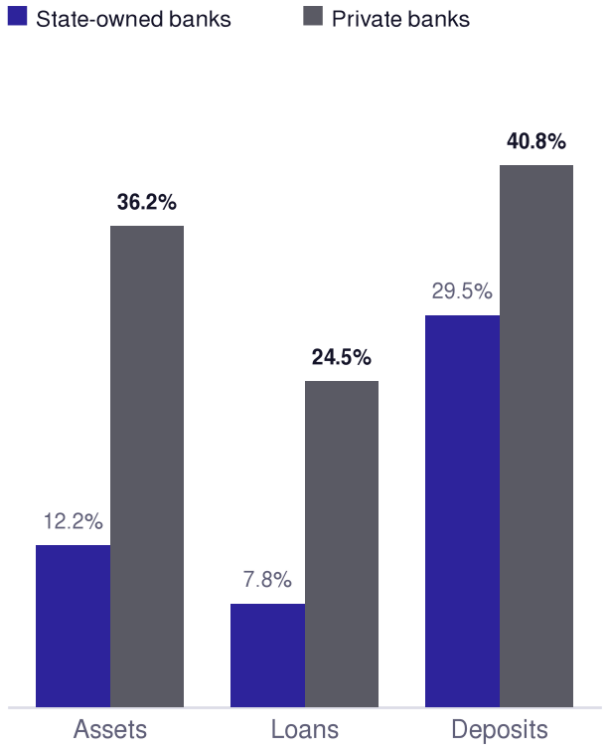
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CHART 3.1 · THE 20 LARGEST BANKS BY ASSETS, UZS TRILLION AND SHARE OF THE SECTOR



State-owned banks: the Central Bank's group of banks with a state share. Source: Central Bank of Uzbekistan, 1 October 2026.

CHART 3.2 · GROWTH IN A YEAR TO 1 OCTOBER 2026



Source: Central Bank of Uzbekistan; Avesta Investment Group calculations.

Market structure. Uzbekistan has 35 commercial banks with total assets of UZS 1,044.8 trillion on 1 October 2026, 20.5% more than a year earlier. Assets are held mainly by the largest banks: the five largest hold 48% of the total and the twelve largest 79%. Nine of the 35 banks are state-owned, with a state share of 50% or more, and they include the three largest, the National Bank, Agrobank and SQB, which together hold 36%.

Concentration. The Herfindahl–Hirschman index of asset concentration, the sum of the squared market shares of all banks, fell to 687 from 777 a year earlier. The US horizontal merger guidelines of 1992 treat a market below 1,000 as unconcentrated. The largest bank, the National Bank, holds 14.0% of the sector's assets.

Growth by ownership. Private banks increased their assets by 36.2% in a year, about three times as fast as the state-owned banks (12.2%). They took 61% of the sector's growth in assets, 60% of the growth in loans and 56% of the growth in deposits. Among the private banks in the top fifteen by assets, all but Ipoteka Bank grew by more than a quarter.

Asset structure. Net loans grew by 13.1%, slower than assets, so their share of the balance sheet fell from 65% to 61%. The fastest-growing asset was investments in securities, which almost doubled (+93%). Banks placed less money abroad: balances with foreign banks fell by 19%.

Sources of growth. Liabilities grew by UZS 155.5 trillion in the year, and deposits supplied 83% of the increase. Borrowings, the loans that banks themselves take from the government, international lenders and other institutions, were almost flat (+1.7%), while debt securities issued grew by 19.8%, to UZS 40.4 trillion. The funding mix is shown on page 5.

TABLE 3.1 · BALANCE SHEET OF THE BANKING SYSTEM, UZS TRILLION

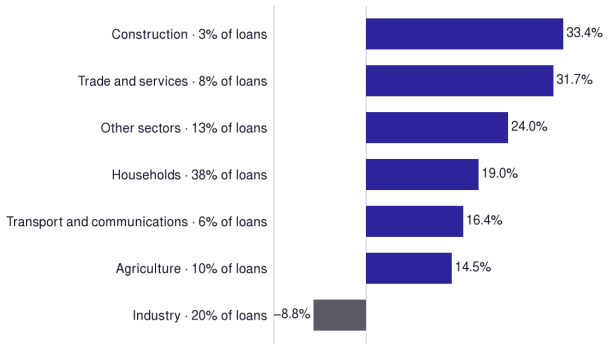
	1 OCT 2025	1 OCT 2026	CHANGE	SHARE OF ASSETS
ASSETS				
Net loans	564.3	638.1	+13.1%	61.1%
Investments and securities	80.4	155.6	+93.4%	14.9%
Due from the Central Bank	27.1	36.2	+33.7%	3.5%
Due from banks in Uzbekistan	30.1	29.2	–3.2%	2.8%
Due from banks abroad	55.3	44.9	–18.8%	4.3%
Cash	26.9	30.0	+11.7%	2.9%
Other assets	82.7	110.9	+34.1%	10.6%
Total assets	**866.8**	**1,044.8**	**+20.5%**	**100.0%**
LIABILITIES AND EQUITY				
Deposits	371.5	501.0	+34.9%	48.0%
Borrowings and leasing	247.2	251.4	+1.7%	24.1%
Debt securities issued	33.8	40.4	+19.8%	3.9%
Subordinated debt	12.5	12.4	–0.6%	1.2%
Due to banks	44.6	48.1	+7.9%	4.6%
Other liabilities	26.9	38.4	+42.9%	3.7%
Total liabilities	**736.4**	**891.9**	**+21.1%**	**85.4%**
Equity	130.4	152.9	+17.3%	14.6%

Other assets and liabilities: total less the lines shown. Due to banks excludes the Central Bank. Source: Central Bank of Uzbekistan, consolidated balance sheet of commercial banks.

Lending is moving from industry to households and small business, and retail loans now make up more than a third of the loan book

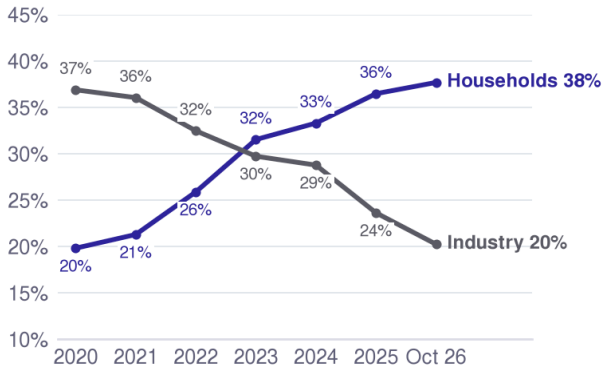
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CHART 4.1 · LOANS BY BORROWER, GROWTH IN A YEAR TO 1 OCTOBER 2026



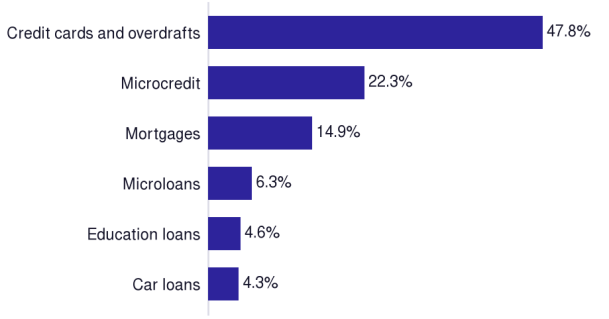
Share of the loan book on 1 October 2026 next to each sector. Source: Central Bank of Uzbekistan.

CHART 4.2 · SHARE OF HOUSEHOLDS AND INDUSTRY IN ALL LOANS



End of year; October 2026 is 1 October. Source: Central Bank of Uzbekistan, loans by sector.

CHART 4.3 · LOANS TO INDIVIDUALS BY PRODUCT, GROWTH SINCE 1 JANUARY 2026



Source: Central Bank of Uzbekistan, loan portfolio by type of lending.

TABLE 4.1 · THE LOAN BOOK BY BANK SIZE

BANKS BY ASSETS	SHARE OF LOANS	RETAIL	OVER 1 YEAR	IN FX
Up to UZS 3 trn · 6	0.6%	50%	86%	17%
UZS 3–10 trn · 6	2.2%	23%	73%	42%
UZS 10–30 trn · 11	15.3%	48%	89%	28%
Over UZS 30 trn · 12	81.8%	36%	89%	40%

Number of banks after the size group. Shares of each group's loans, 1 October 2026. Source: Central Bank of Uzbekistan.

Corporate lending. The loan book grew by 13.2% in a year to UZS 659.1 trillion, but not evenly. Loans to industry, the second-largest borrower group after households, fell by 8.8%, or UZS 12.9 trillion, and were the only sector to shrink. Their share of all loans dropped from 25.1% to 20.2%, the largest change in the structure of the loan book in the year.

Retail and small-business lending. Lending to individuals grew by 19.0% and accounted for 52% of the year's increase in loans. Households, the largest borrower group since 2023, now account for 38% of the book. Loans to construction companies and to trade and services grew by about a third, and microcredit to entrepreneurs grew by 23.7% since January.

Retail products. Mortgages are the largest retail product, UZS 91.2 trillion, and grew by 14.9% in the first nine months. Among the main retail products, microcredit to individuals grew fastest, by 22.3%. Credit cards and overdrafts grew by almost half, but from a small base. Car loans grew by only 4.3%.

Risk implications. Lending is becoming more diversified, and the share of loans to industry is falling. The shift also adds a new risk. Fast-growing retail loans are young, and young loans rarely default in their first year, so the NPL ratio understates the risk while the book is growing quickly (page 7).

Maturity and currency. 89% of loans have a maturity of more than a year, and 38% are in foreign currency. Foreign-currency loans grew more slowly than soum loans (page 11).

Foreign-currency lending by bank size. The twelve banks with assets above UZS 30 trillion hold 86% of all foreign-currency loans, which make up 40% of their book, against 17% at the smallest banks.

TABLE 4.2 · THE LOAN BOOK ON 1 OCTOBER 2026

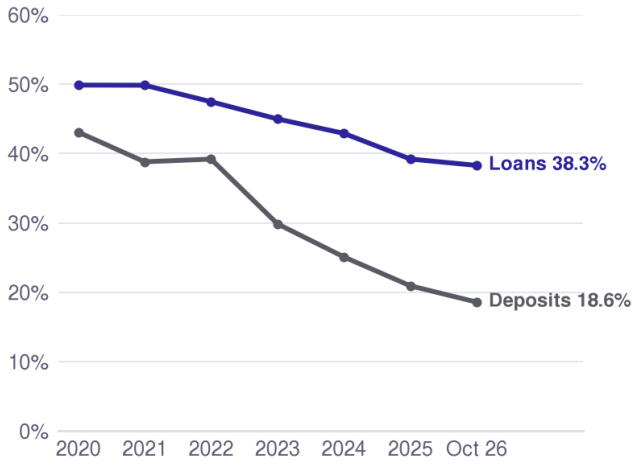
	UZS TRN	SHARE	SINCE 1 JAN
Loans to individuals	**248.4**	**37.7%**	**+12.7%**
Mortgages	91.2	13.8%	+14.9%
Microloans	51.9	7.9%	+6.3%
Microcredit	49.5	7.5%	+22.3%
Car loans	41.4	6.3%	+4.3%
Education loans	7.3	1.1%	+4.6%
Credit cards and overdrafts	6.5	1.0%	+47.8%
Consumer loans	0.5	0.1%	–0.4%
Loans to companies	**410.7**	**62.3%**	**+7.0%**
Non-financial companies	382.5	58.0%	+6.3%
Microcredit to entrepreneurs	18.2	2.8%	+23.7%
Leasing and factoring	5.7	0.9%	+48.2%
Syndicated loans	3.3	0.5%	–30.9%
Interbank loans	1.1	0.2%	+62.4%
All loans	**659.1**	**100.0%**	**+9.1%**

Microcredit and microloans are small loans to individuals and entrepreneurs under the Central Bank's definitions. Source: Central Bank of Uzbekistan.

Deposits grew by a third, almost all of it in soum, and now fund most of the lending

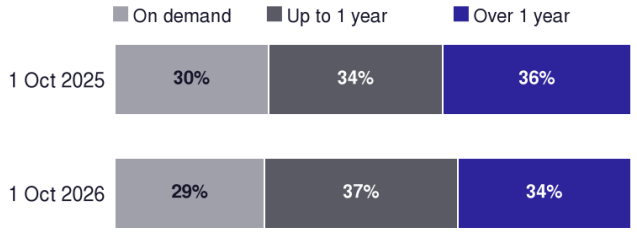
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CHART 5.1 · FOREIGN-CURRENCY SHARE OF LOANS AND DEPOSITS



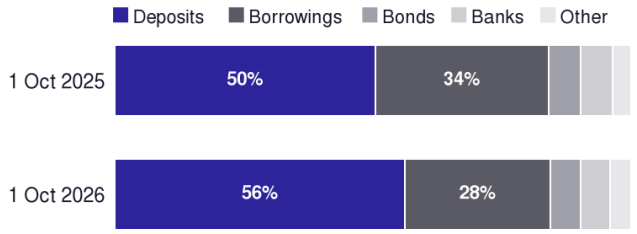
End of year; October 2026 is 1 October. Source: Central Bank of Uzbekistan, main indicators of the banking sector.

CHART 5.2 · DEPOSITS BY TERM



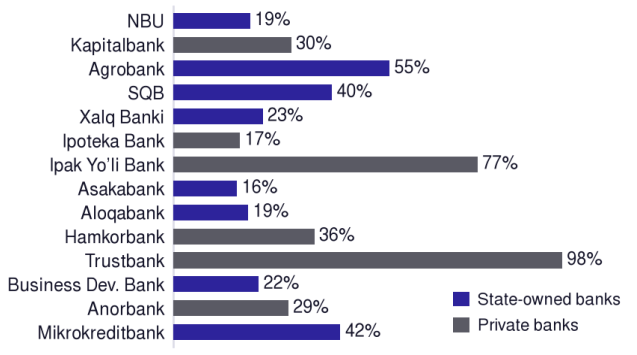
Source: Central Bank of Uzbekistan, deposits by term.

CHART 5.3 · STRUCTURE OF LIABILITIES



Bonds include subordinated debt; banks include the Central Bank. Source: Central Bank of Uzbekistan, consolidated balance sheet; Avesta Investment Group calculations.

CHART 5.4 · DEPOSIT GROWTH AT THE LARGEST BANKS, YEAR TO 1 OCTOBER 2026



The fifteen largest banks by deposits, except Octobank, whose assets more than doubled and deposits grew 3.8 times. Source: Central Bank of Uzbekistan.

Deposit growth. Deposits grew by 34.9% in a year to UZS 501.0 trillion, two and a half times as fast as loans. Soum deposits grew by 41.8% and foreign-currency deposits by only 11.2%. Individuals hold 38% of all deposits and companies 62%.

De-dollarisation. Soum term deposits pay well above inflation (page 11). The Central Bank expects positive real interest rates to "maintain incentives for saving in the national currency". The foreign-currency share of deposits has fallen from 43% at the end of 2020 to 18.6% on 1 October 2026.

Loan-to-deposit ratio. Because deposits grew much faster than loans, loans fell from 157% to 132% of deposits. State-owned banks lend 169% of their deposits, down from 203% a year earlier; other banks lend 93%, less than they collect.

Funding mix. Deposits rose to 56% of liabilities from 50% a year earlier, and borrowings fell to 28% from 34% (Chart 5.3). The banks now rely more on their customers and less on borrowed money.

Funding maturity. Deposits for up to a year grew by 49%, deposits for more than a year by 24%. The long-term share of deposits fell from 36.5% to 33.6%, while most loans run for more than a year. Banks are lending long on money that can leave sooner, a gap that matters when interest rates move (page 11).

TABLE 5.1 · DEPOSITS AND OTHER FUNDING

UZS TRILLION	1 OCT 2025	1 OCT 2026	CHANGE
All deposits	**371.5**	**501.0**	**+34.9%**
in soum	287.7	407.9	+41.8%
in foreign currency	83.7	93.1	+11.2%
on demand	110.6	145.5	+31.6%
term, up to 1 year	125.4	187.2	+49.3%
term, over 1 year	135.4	168.3	+24.3%
Loan-to-deposit ratio	157%	132%	
state-owned banks	203%	169%	
other banks	106%	93%	

Source: Central Bank of Uzbekistan, main indicators of the banking sector, deposits by term and consolidated balance sheet; Avesta Investment Group calculations.

TABLE 5.2 · DEPOSITS BY BANK SIZE

BANKS BY ASSETS	SHARE OF DEPOSITS	FROM INDIVIDUALS	LOANS / DEPOSITS
Up to UZS 3 trn · 6	0.4%	72%	198%
UZS 3–10 trn · 6	3.8%	36%	77%
UZS 10–30 trn · 11	23.0%	37%	88%
Over UZS 30 trn · 12	72.8%	39%	148%

1 October 2026. Source: Central Bank of Uzbekistan, banks grouped by assets.

Deposits by bank size. The twelve largest banks hold 73% of deposits and lend 148% of them; the six smallest are the most dependent on individual savers, who supply 72% of their deposits.

Capital is comfortably above the requirement, and retained profit is now the main source of its growth

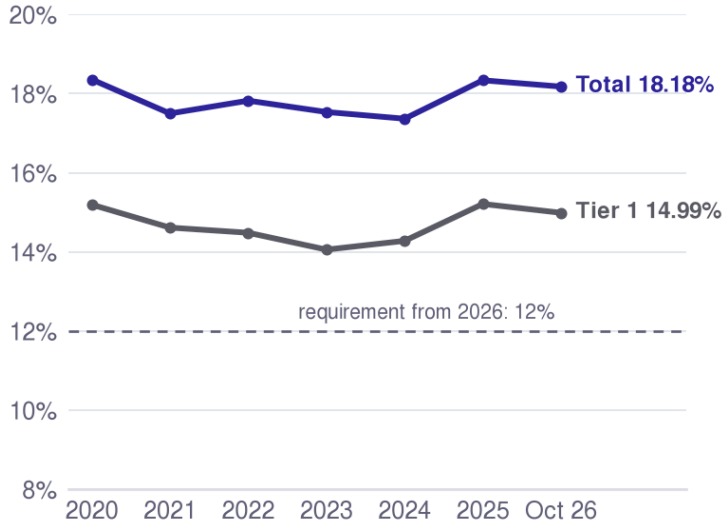
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CAPITAL ADEQUACY

Capital is comfortably above the 12% requirement that applies from 2026 (13% for the seven systemically important banks). At every year-end since 2021 and on 1 October 2026 the ratio was between 17.4% and 18.3%, while the banks' assets more than doubled, and retained profit is now the main source of new capital.

18.18%
capital adequacy ratio
Stable

CHART 6.1 · CAPITAL ADEQUACY RATIOS



End of year; October 2026 is 1 October. Source: Central Bank of Uzbekistan, capital adequacy of the banking sector.

TABLE 6.1 · REGULATORY CAPITAL

UZS TRILLION	1 OCT 2025	1 OCT 2026	CHANGE
Tier 1 capital	119.3	140.3	+17.6%
of which common equity Tier 1	119.0	136.2	+14.4%
of which additional Tier 1	0.4	4.1	×10.9
Tier 2 capital	24.8	29.7	+20.0%
Deductions	0.2	0.6	
Regulatory capital	**144.0**	**169.4**	**+17.6%**
Risk-weighted assets, implied	791.7	931.9	+17.7%

Deductions are netted from Tier 1 in 2025 and from regulatory capital in 2026, as published. Implied risk-weighted assets: regulatory capital divided by the capital adequacy ratio. Source: Central Bank of Uzbekistan; Avesta Investment Group calculations.

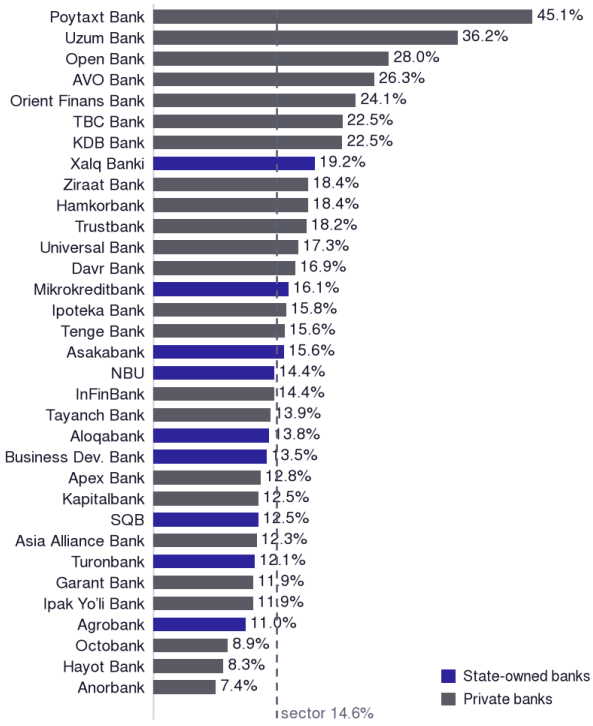
TABLE 6.2 · CAPITAL REQUIREMENTS IN FORCE SINCE 1 JANUARY 2026

RATIO TO RISK-WEIGHTED ASSETS	MINIMUM	WITH BUFFERS	SYSTEMIC BANKS	SECTOR
Common equity Tier 1	4.5%	8.5%	9.5%	14.61%
Tier 1 capital	6.0%	10.0%	11.0%	14.99%
Total capital	8.0%	12.0%	13.0%	18.18%

Buffers: capital conservation 2.5% and countercyclical 1.5%, plus 1% for the seven systemically important banks (National Bank of Uzbekistan, Agrobank, SQB, Xalq Banki, Ipoteka Bank, Kapitalbank, Asakabank). Sector ratios on 1 October 2026. Source: Central Bank of Uzbekistan, regulation No. 3697 on capital adequacy and decisions on capital buffers.

Capital generation. Regulatory capital grew by 17.6% in a year to UZS 169.4 trillion. Retained earnings grew by 55.4% and make up 23% of the banks' equity, against 17% a year earlier; paid-in capital grew by only 9.6%.

CHART 6.2 · EQUITY TO ASSETS BY BANK



1 October 2026. Not shown, above 50%: Madad Invest Bank, Saderat Bank. Source: Central Bank of Uzbekistan.

TABLE 6.3 · CAPITAL AND RETURNS BY BANK SIZE

BANKS BY ASSETS	CAPITAL ADEQUACY	ROE, CENTRAL BANK
Up to UZS 3 trn · 6 banks	27.2%	2.0%
UZS 3–10 trn · 6 banks	20.8%	23.7%
UZS 10–30 trn · 11 banks	19.9%	20.8%
Over UZS 30 trn · 12 banks	17.6%	12.3%

1 October 2026. Return on equity as published by the Central Bank, annualised; it differs from the twelve-month measure used elsewhere. Source: Central Bank of Uzbekistan.

Capital by bank size. The smallest banks hold the most capital per unit of risk, 27.2%, and the twelve largest the least, 17.6%.

Capital quality. Common equity Tier 1 capital grew by 14.4% in the year and risk-weighted assets by 17.7%, so the common equity Tier 1 ratio fell to 14.61% from 15.02%. The total capital ratio stayed at 18.18% because additional Tier 1 capital rose from UZS 0.4 trillion to UZS 4.1 trillion and Tier 2 capital grew by 20.0%. Both rank below depositors and above shareholders, and they absorb losses after common equity.

Non-performing loans are growing faster than the loan book, most of all at a few retail and microfinance lenders

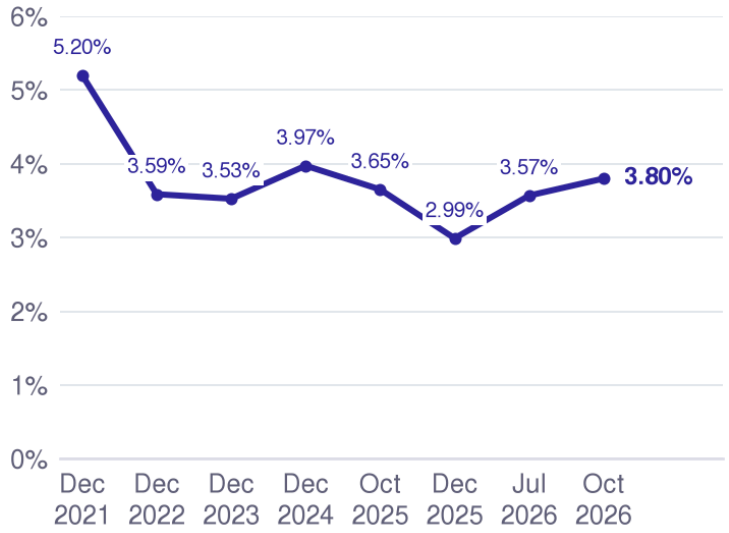
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ASSET QUALITY

Non-performing loans remain at a moderate level. Their amount grew faster than lending over the year, and the move to an international NPL definition at the end of 2026 is the main change ahead.

3.80%
NPL ratio
Slightly weaker

CHART 7.1 · NPL RATIO OF THE BANKING SECTOR



Dec: end of year; Oct and Jul: the first day of the month. Source: Central Bank of Uzbekistan, non-performing loans of commercial banks.

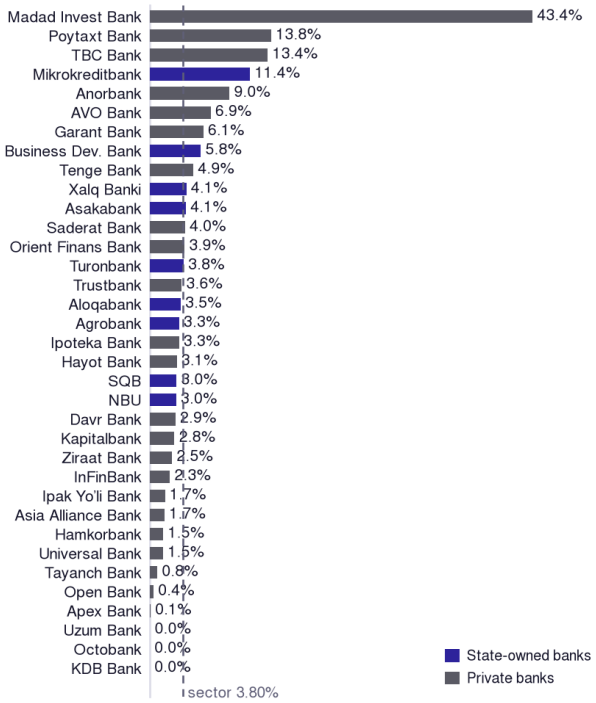
Non-performing loans. Non-performing loans, the Central Bank's regulatory measure of loans in arrears, were 3.80% of the loan book on 1 October 2026, against 3.65% a year earlier. In money terms they grew by 17.8%, to UZS 25.0 trillion, while the loan book grew by 13.2%. Measured from the end of 2025, when the ratio was 2.99%, the amount grew by 39%, but the year-end level was unusually low against 3.65% in October 2025, so the comparison with a year earlier is the more reliable one.

Provisioning. Loan-loss provisions were UZS 24.9 trillion in nine months, 34.0% more than a year earlier. In the banks' own reports the increase comes from SQB and Agrobank: their provisions rose by UZS 10.8 trillion and their other non-interest income by UZS 14.1 trillion, which suggests that provisions charged and released within the period are shown gross. The rise in provisions relative to net interest income in the Central Bank's data, to 80% from 67%, should therefore be read with caution.

Measurement. The regulatory NPL ratio understates credit risk. The IMF estimates that the ratio under international financial reporting standards (IFRS) is nearly twice the regulatory figure, and the authorities have committed to align the NPL definition with international standards by the end of 2026. When the new definition applies, the reported ratio is likely to rise even if borrowers behave no differently.

Macroprudential limits. Since July 2025 a borrower's debt payments may not exceed 50% of income for most consumer loans, loan-to-value is capped at 75% for car loans and 80% for mortgages, and microloans, cards and car loans may each make up no more than a quarter of a bank's loan book. These limits slow the riskiest retail lending but do not reach the loans already on the books.

CHART 7.2 · NPL RATIO BY BANK



1 October 2026. Source: Central Bank of Uzbekistan.

TABLE 7.1 · BANKS WHOSE NPL RATIO ROSE BY 2 PERCENTAGE POINTS OR MORE

BANK	OCT 2025	OCT 2026	CHANGE, PP	SHARE OF LOANS
Madad Invest Bank	0.3%	43.4%	+43.1	0.1%
TBC Bank	4.5%	13.4%	+8.9	1.2%
Poytaxt Bank	5.6%	13.8%	+8.2	0.1%
Mikrokreditbank	4.9%	11.4%	+6.5	3.6%
Anorbank	4.3%	9.0%	+4.7	2.0%
Orient Finans Bank	1.4%	3.9%	+2.5	2.2%
Tenge Bank	2.8%	4.9%	+2.2	0.6%

Source: Central Bank of Uzbekistan, 1 October 2026 and 1 October 2025.

Concentration of credit stress. The state-owned banks' ratio is 3.98%, slightly above the other banks' 3.47%. The sharpest deterioration is at lenders focused on individuals and small borrowers: TBC Bank, Mikrokreditbank and Anorbank, whose ratios rose by 4.7 to 8.9 points. Their combined share of the sector's loans is small, 6.8%, so the problem is not systemic, but it shows where the risk of the retail boom lies. Two very small banks, Madad Invest Bank and Poytaxt Bank, have the highest NPL ratios in the sector, 43% and 14%.

The state is stepping back from banking, but its banks still hold three fifths of the assets and earn less than a third of the profit

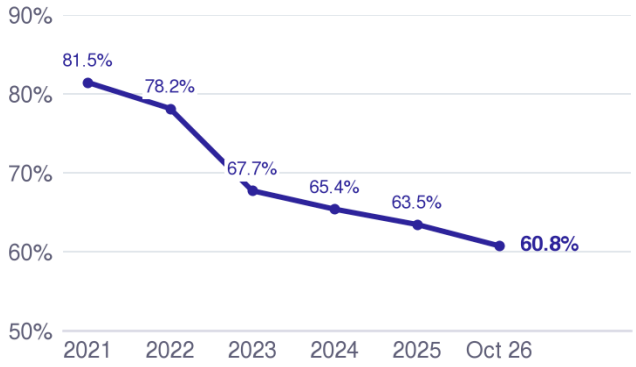
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MANAGEMENT

Private ownership is gaining ground: the state's share of the sector keeps falling, and the 2030 programme sets a path for further sales. Returns at the state-owned banks remain well below those of the other banks, and operating costs grew faster than net interest income.

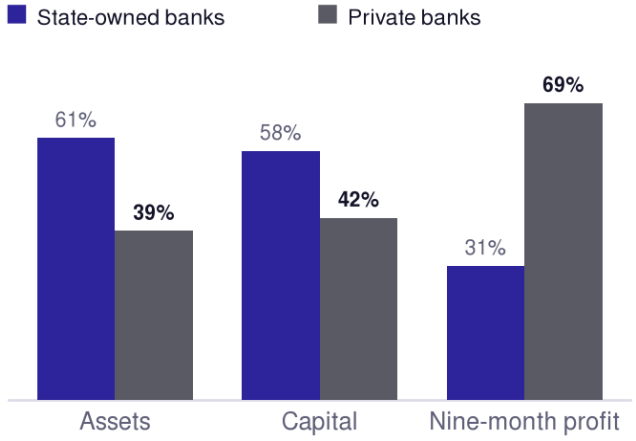
60.8%
state-owned banks' share of assets
Improving

CHART 8.1 · STATE-OWNED BANKS: SHARE OF SECTOR ASSETS



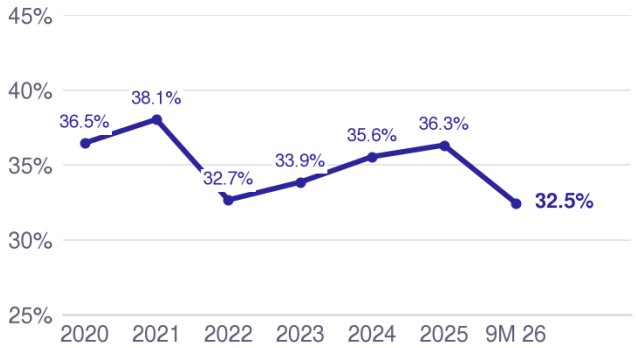
End of year; October 2026 is 1 October. Source: Central Bank of Uzbekistan, main indicators of commercial banks.

CHART 8.2 · SHARE OF THE SECTOR HELD BY EACH GROUP, 2026



Assets and capital on 1 October 2026: Central Bank of Uzbekistan. Profit: sum of banks' nine-month national accounting reports on openinfo.uz; Avesta Investment Group calculations.

CHART 8.3 · COST-TO-INCOME RATIO OF THE BANKING SECTOR



Operating expenses over net interest income plus non-interest income net of non-interest expenses. Full years; 2026: January–September. Source: Central Bank of Uzbekistan; Avesta Investment Group calculations.

State ownership. State-owned banks held 81.5% of the sector's assets at the end of 2021 and 60.8% on 1 October 2026. They are growing more slowly than the private banks, and several have changed hands or are being prepared for sale (Table 8.1).

Profitability by ownership. The nine state-owned banks hold 60.8% of assets and 58% of capital but earned 31% of the banks' combined nine-month profit. Their return on equity was 8.0%, against 27.5% at the 14 other banks with twelve-month reports whose assets did not double in the year.

Cost efficiency. The Central Bank's cost-to-income ratio fell to 32.5% from 34.0%, but the improvement comes from non-interest income at the two banks that present provisions gross (page 7). Operating expenses grew faster than net interest income (page 9) and rose to 3.67% of average assets from 3.43%.

Reform targets. The 2020–2025 banking reform strategy set a target of 60% of sector assets in banks without a state share by 2025, against 15% in 2020. On 1 October 2026 such banks held about a third of assets, or 39% including Ipoteka Bank, in which the state keeps 17.5%. The Uzbekistan 2030 programme keeps four banks in state hands by 2030 (page 14), and the Ministry of Economy and Finance names three of them: the National Bank, Agrobank and Mikrokreditbank.

Cost of state ownership. The IMF estimates that recapitalisations of state-owned banks have cost 0.4–2.0% of GDP a year since 2017. Directed, preferential lending has fallen from 39% of all loans in 2020 to 19.2% at the end of 2025, according to Moody's, but still shapes the state-owned banks' margins and their reliance on borrowed funds.

TABLE 8.1 · OWNERSHIP CHANGES AND PRIVATISATION

DATE	BANK	WHAT HAPPENED
Jun 2023	**Ipoteka Bank**	OTP Bank (Hungary) acquired 73.71%; after the conversion of an IFC loan into equity in May 2026, OTP holds 72.9%, the Ministry of Economy and Finance 17.5% and IFC 8.7%. The state received USD 324 million.
Feb 2026	**SQB**	UzNIF, the listed national investment fund, holds 40% after a further 10% was transferred; Fitch expects the sale of the state's stake not before 2027.
Apr 2026	**Asakabank**	Terms agreed for the EBRD to buy 15%; according to Fitch, the state injected the equivalent of USD 95 million of capital ahead of the sale.
Aug 2026	**Turonbank**	A 98.9% stake was put on the list for public sale in 2026–2027.
Sep 2026	**Davr Bank**	International Bank of Azerbaijan (ABB) bought 51% from private owners; the bank has been renamed ABB Davr Bank.

Sources: OTP Group (13.06.2023, 04.06.2026); State Assets Management Agency (24.08.2026); Presidential Resolutions PP-74 (25.02.2026) and PP-149 (20.04.2026); Fitch Ratings (13.03.2026, 06.10.2026); Presidential Decree UP-177 (28.08.2026); Davr Bank disclosures on openinfo.uz (13.10.2026) and ABB press release.

Profit rose by two fifths, but one bank delivered almost half of the increase

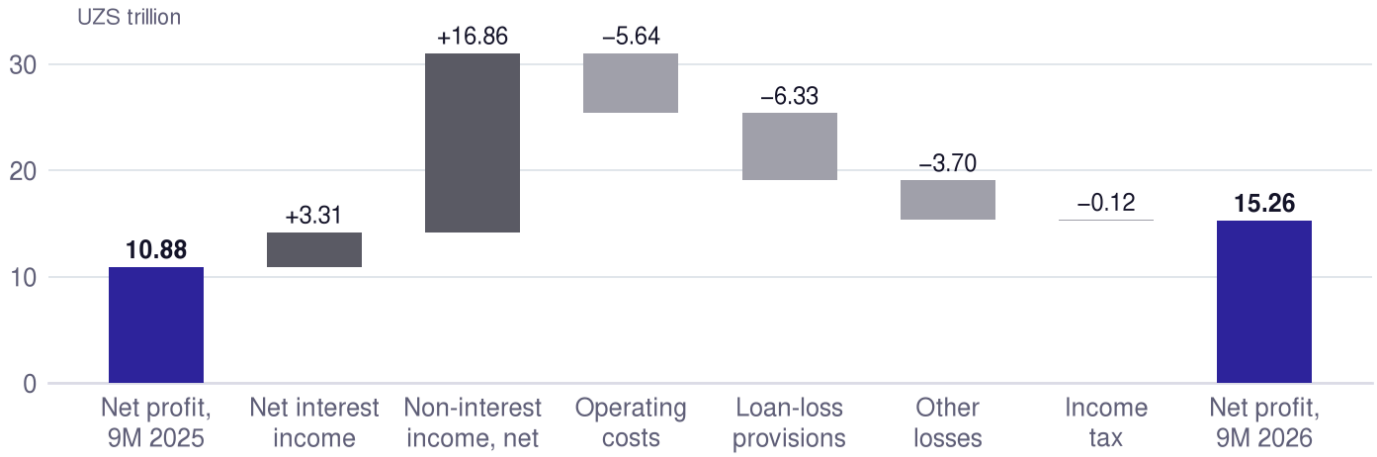
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EARNINGS

Profit rose by two fifths, and return on equity is back near its 2023 level. The gain is concentrated in a few banks, and net interest income grew more slowly than assets.

15.2%
return on equity
Improving

CHART 9.1 · FROM THE 2025 TO THE 2026 NINE-MONTH PROFIT, UZS TRILLION



Non-interest income, net: fees, foreign-exchange and other income less the matching expenses. Other losses: charges for possible losses on assets other than loans. Source: Central Bank of Uzbekistan, profitability of the banking sector; Avesta Investment Group calculations.

Drivers of profit. Net profit for January–September was UZS 15.26 trillion, up 40.3%. Net interest income, the difference between interest earned and interest paid, grew by only 11.8%. Most of the increase came from non-interest income net of non-interest expenses, which added UZS 16.86 trillion. Operating expenses rose by 27.3%, loan-loss provisions also rose (page 7), and the effective tax rate fell from 16.0% to 12.5%.

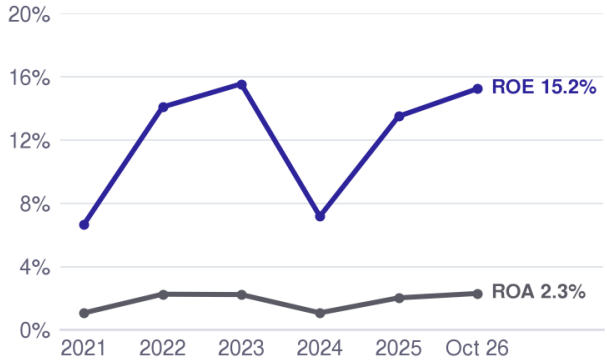
Non-interest income. The Central Bank's table does not split this line, so we added up the 29 banks' nine-month reports. Fees net of fee expenses rose by 56%, to UZS 8.2 trillion, and net foreign-exchange income fell to UZS 4.0 trillion. The largest change was in other non-interest income, which rose from UZS 17.9 trillion to UZS 33.6 trillion; SQB and Agrobank account for 89% of that rise, most likely because of how they present provisions (page 7).

Sustainable income. Net interest and net fee income, the sustainable part of income, made up 49.0% of total income in the same reports, against 53.9% a year earlier. The decline comes from SQB and Agrobank, whose other non-interest income rose sharply. Without these two banks, the share rose to 61.2% from 57.1%.

Concentration of earnings. Ipoteka Bank's nine-month profit rose from UZS 102.5 billion to UZS 2.07 trillion, which is 45% of the sector's increase. Without it, the sector's profit grew by 22.4%. Profit rose at 21 of the 29 banks that filed nine-month reports for both years and fell at 8, among them SQB, the Business Development Bank and Mikrokreditbank.

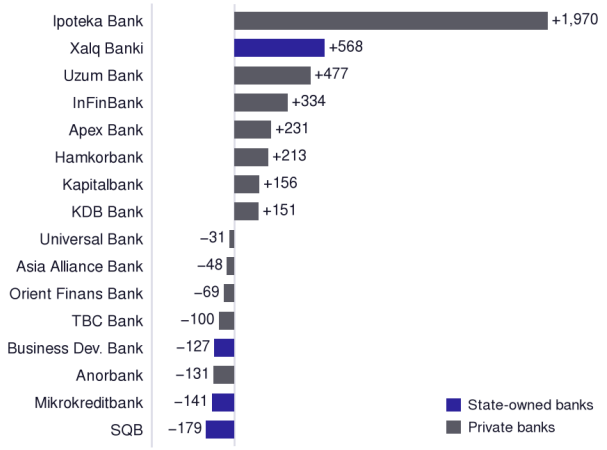
Net interest margin. Net interest margin fell from 4.53% to 4.24% of assets. Deposits grew much faster than loans, and the extra money went into securities and liquid assets that pay less than loans do. Net interest income still grew in money terms, but more slowly than assets.

CHART 9.2 · RETURN ON EQUITY AND ON ASSETS



Net profit of each year over equity and assets at the end of the previous year; Oct 26: the twelve months to 1 October 2026 over 1 October 2025. Source: Central Bank of Uzbekistan; Avesta Investment Group calculations.

CHART 9.3 · CHANGE IN NINE-MONTH PROFIT BY BANK, UZS BILLION



Eight largest increases and decreases, 2026 against 2025. Source: banks' national accounting reports on openinfo.uz.

Liquidity is the strongest part of the system, and the main risk lies in how the state-owned banks fund their lending

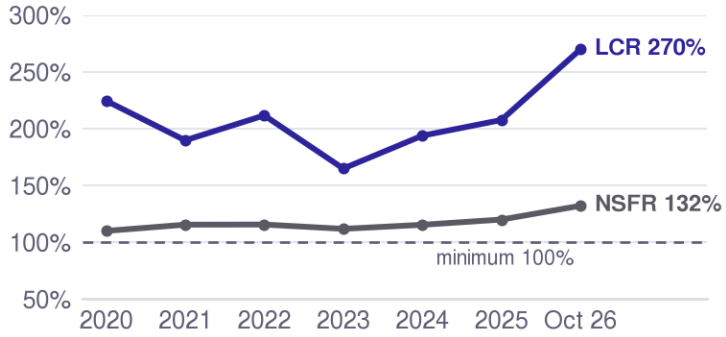
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LIQUIDITY

Every regulatory liquidity ratio is well above its minimum, and most improved during the year. Highly liquid assets make up 22% of the balance sheet.

270%
liquidity coverage ratio
Improving

CHART 10.1 · LIQUIDITY COVERAGE AND STABLE FUNDING



End of year; October 2026 is 1 October. Source: Central Bank of Uzbekistan, liquidity of the banking sector.

TABLE 10.1 · LIQUIDITY OF THE BANKING SECTOR

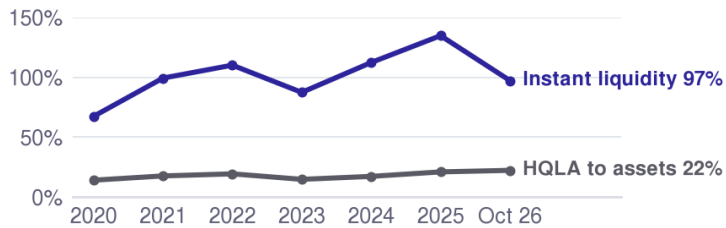
	1 OCT 2025	1 OCT 2026
High-quality liquid assets (HQLA), UZS trn	150.2	227.3
HQLA to total assets	18.0%	22.4%
Liquidity coverage ratio, LCR (minimum 100%)	200%	270%
Net stable funding ratio, NSFR (minimum 100%)	116%	132%
Instant liquidity ratio (minimum 25%)	117%	97%

HQLA: cash, Central Bank balances and government securities; the HQLA-to-assets ratio excludes securities sold under repo. Instant liquidity: assets available the same day against liabilities payable on demand. Source: Central Bank of Uzbekistan.

Regulatory liquidity ratios. The liquidity coverage ratio compares the liquid assets a bank holds with the money that could leave it in a month of stress; the net stable funding ratio compares long-term funding with long-term assets. Both must be at least 100%. On 1 October 2026 the sector's ratios were 270% and 132%. Highly liquid assets, such as cash, Central Bank balances and government securities, grew by 51% in a year to UZS 227.3 trillion.

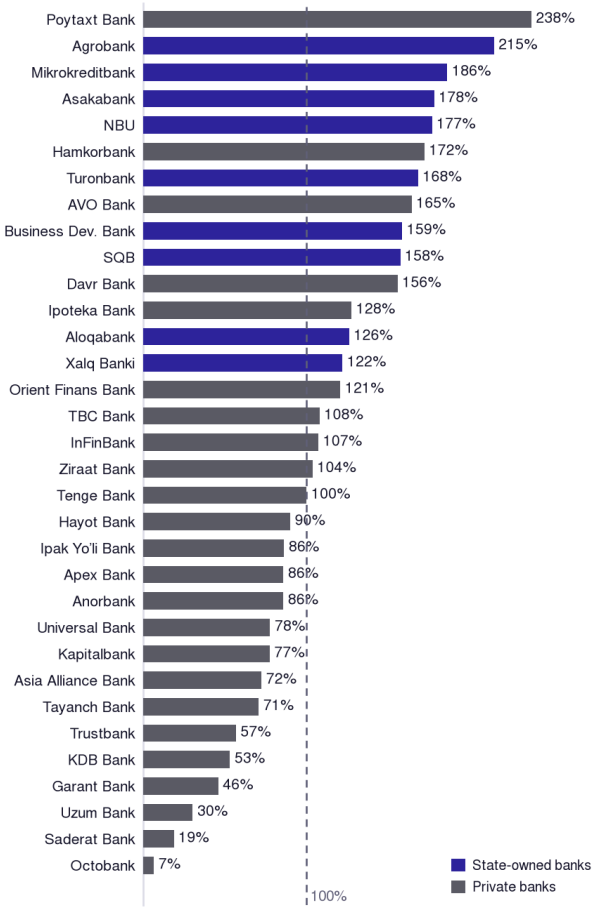
Sources of liquidity. Deposits came in faster than banks could lend them, and the surplus was placed in securities and at the Central Bank. The only ratio that fell, instant liquidity, measures money available the same day. It dropped from 158% on 1 July to 97% on 1 October, and is still almost four times the 25% minimum (Chart 10.3).

CHART 10.3 · INSTANT LIQUIDITY AND HIGHLY LIQUID ASSETS TO TOTAL ASSETS, %



End of year; October 2026 is 1 October. Instant liquidity minimum: 25%. Source: Central Bank of Uzbekistan, liquidity of the banking sector.

CHART 10.2 · LOANS TO DEPOSITS BY BANK



1 October 2026. Not shown, above 300%: Open Bank (462%), Madad Invest Bank (333%). Source: Central Bank of Uzbekistan.

Funding of state-owned banks. Agrobank, Mikrokreditbank, Asakabank and the National Bank lend 177% to 215% of their deposits and fund the difference with borrowings. Such funding cannot be withdrawn overnight, so the risk is refinancing rather than a run: if lenders stop rolling over these loans, these banks must shrink lending or raise deposits quickly.

Deposit protection. Since February 2025 deposits are guaranteed up to UZS 200 million per depositor in each bank; term deposits placed before that date keep full cover unless they are both topped up above the limit and extended. The cap ends the unlimited guarantee that made deposits equally safe in every bank, which over time should make savers more sensitive to a bank's strength.

Foreign-currency exposure keeps falling, and interest rates are now the main market risk for the banks

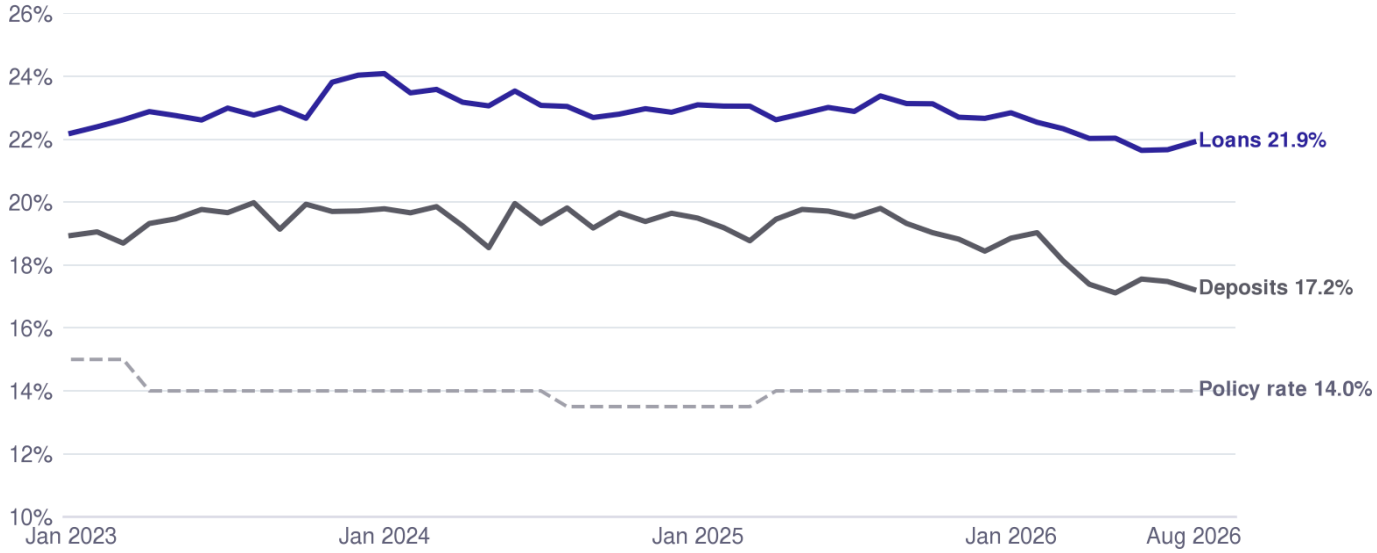
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SENSITIVITY TO MARKET RISK

Exposure to the exchange rate keeps falling as loans and deposits move into soum. Interest-rate risk is now the main market risk, because most loans are long-term and most deposits are short.

38.3%
foreign-currency share of loans
Improving

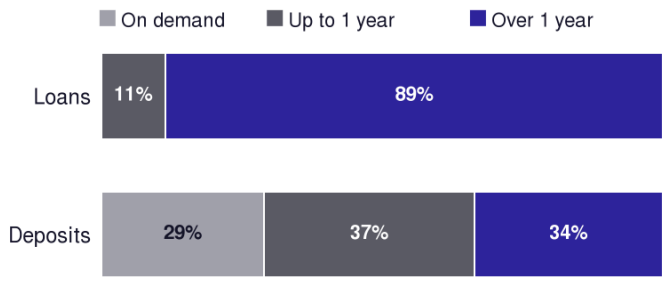
CHART 11.1 · WEIGHTED AVERAGE RATES ON SOUM LOANS AND TERM DEPOSITS, AND THE POLICY RATE, % A YEAR



Monthly weighted averages; loans exclude subsidised loans, microloans and credit cards, as published. Source: Central Bank of Uzbekistan, bank interest rates in national currency, and policy rate history.

Foreign-currency exposure. The foreign-currency share of assets, loans and deposits fell again in the year (Table 11.1). A loan in foreign currency to a borrower who earns in soum is a hidden credit risk: if the soum falls, the borrower's debt rises. The soum has been stable: it ended September at 11,821 per dollar, 1.5% stronger than at the start of the year, according to the Central Bank.

CHART 11.2 · LOANS AND DEPOSITS BY MATURITY, 1 OCTOBER 2026



Source: Central Bank of Uzbekistan, loans and deposits by term.

Lending and deposit rates. In August the weighted average rate on soum loans was 21.9% a year, down from 23.4% a year earlier, and on soum term deposits 17.2%, down from 19.8%, although the policy rate stayed at 14%. With annual inflation at 6.4% in September, both rates remain high in real terms.

Interest-rate risk. Most loans run for more than a year, while two thirds of deposits are on demand or for less than a year (Chart 11.2). Whether a change in rates narrows or widens the margin depends on how much of the loan book is at fixed rates, which banks do not disclose. In its draft monetary policy guidelines for 2027–2029, published on 4 November, the Central Bank expects conditions to stay tight through 2027, with the money-market rate UZONIA about 6–7% above inflation, against 4–5% projected a year earlier. On this guidance, any easing of rates is likely to be gradual.

Outlook for market risk. In our view, the sector's main market risk over the next two years is the path of interest rates rather than the exchange rate. Lower rates would reduce borrowers' debt service and support asset quality, while the effect on the net interest margin, which narrowed this year (page 9), will depend on how quickly loan and deposit rates reprice.

TABLE 11.1 · FOREIGN-CURRENCY ASSETS, LOANS AND DEPOSITS

IN FOREIGN CURRENCY	UZS TRN, 2025	UZS TRN, 2026	CHANGE	SHARE, 2025	SHARE, 2026
Assets	332.9	352.7	+6.0%	38.4%	33.8%
Loans	228.7	252.3	+10.3%	39.3%	38.3%
Deposits	83.7	93.1	+11.2%	22.5%	18.6%

On 1 October 2025 and 1 October 2026. Source: Central Bank of Uzbekistan, main indicators of the banking sector.

Private banks earn the highest returns, and state-owned banks fund more of their lending with deposits than a year ago

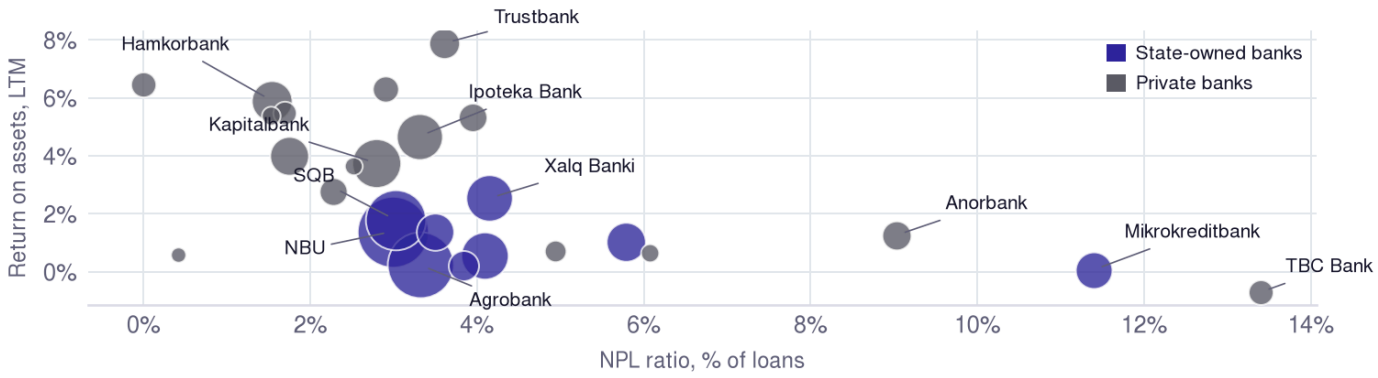
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TABLE 12.1 · THE 35 BANKS ON 1 OCTOBER 2026, RANKED BY ASSETS

#	BANK	ASSETS, UZS TRN	SHARE OF ASSETS	ASSETS, CHANGE	LOANS, CHANGE	DEPOSITS, CHANGE	EQUITY / ASSETS	NPL RATIO	LOANS / DEPOSITS	ROA	ROE
1	NBU	146.8	14.0%	1%	–1%	19%	14.4%	3.0%	177%	1.4%	10%
2	Agrobank	126.5	12.1%	25%	24%	55%	11.0%	3.3%	215%	0.2%	2%
3	SQB	104.3	10.0%	10%	–11%	40%	12.5%	3.0%	158%	1.8%	15%
4	Kapitalbank	66.6	6.4%	29%	15%	30%	12.5%	2.8%	77%	3.8%	30%
5	Asakabank	61.9	5.9%	2%	–3%	16%	15.6%	4.1%	178%	0.5%	4%
6	Xalq Banki	59.6	5.7%	19%	22%	23%	19.2%	4.1%	122%	2.5%	12%
7	Ipoteka Bank	58.5	5.6%	16%	7%	17%	15.8%	3.3%	128%	4.7%	32%
8	Hamkorbank	44.4	4.2%	37%	40%	36%	18.4%	1.5%	172%	5.9%	31%
9	Business Dev. Bank	41.0	3.9%	13%	12%	22%	13.5%	5.8%	159%	1.0%	7%
10	Ipak Yo'li Bank	40.1	3.8%	60%	31%	77%	11.9%	1.7%	86%	4.0%	24%
11	Aloqabank	36.9	3.5%	26%	36%	19%	13.8%	3.5%	126%	1.4%	10%
12	Mikrokreditbank	35.3	3.4%	24%	20%	42%	16.1%	11.4%	186%	0.1%	0%
13	Trustbank	23.0	2.2%	78%	30%	98%	18.2%	3.6%	57%	7.9%	30%
14	Turonbank	22.5	2.2%	13%	10%	41%	12.1%	3.8%	168%	0.2%	2%
15	Anorbank	20.3	1.9%	50%	44%	29%	7.4%	9.0%	86%	1.3%	13%
16	Orient Finans Bank	19.2	1.8%	4%	5%	0%	24.1%	3.9%	121%	5.3%	26%
17	InFinBank	18.2	1.7%	41%	60%	24%	14.4%	2.3%	107%	2.8%	26%
18	Davr Bank	15.2	1.5%	31%	18%	41%	16.9%	2.9%	156%	6.3%	39%
19	Octobank	14.6	1.4%	179%	105%	277%	8.9%	0.0%	7%	n.m.	n.m.
20	KDB Bank	13.8	1.3%	6%	19%	–5%	22.5%	0.0%	53%	6.5%	37%
21	TBC Bank	13.4	1.3%	–5%	–29%	1%	22.5%	13.4%	108%	–0.7%	–4%
22	Asia Alliance Bank	11.1	1.1%	34%	52%	26%	12.3%	1.7%	72%	5.5%	42%
23	Hayot Bank	10.1	1.0%	123%	116%	171%	8.3%	3.1%	90%	n.m.	n.m.
24	Tenge Bank†	8.9	0.9%	36%	3%	72%	15.6%	4.9%	100%	0.7%	4%
25	Apex Bank	6.2	0.6%	193%	482%	240%	12.8%	0.1%	86%	n.m.	n.m.
26	Universal Bank	5.4	0.5%	39%	50%	46%	17.3%	1.5%	78%	5.4%	27%
27	Garant Bank†	4.8	0.5%	16%	37%	25%	11.9%	6.1%	46%	0.7%	5%
28	Uzum Bank	4.5	0.4%	215%	569%	748%	36.2%	0.0%	30%	n.m.	n.m.
29	Ziraat Bank†	4.5	0.4%	37%	16%	49%	18.4%	2.5%	104%	3.7%	16%
30	AVO Bank	2.1	0.2%	107%	129%	320%	26.3%	6.9%	165%	n.m.	n.m.
31	Open Bank	1.8	0.2%	23%	231%	–23%	28.0%	0.4%	462%	0.6%	2%
32	Poytaxt Bank	1.3	0.1%	145%	147%	44%	45.1%	13.8%	238%	n.m.	n.m.
33	Madad Invest Bank	1.0	0.1%	14%	49%	47%	53.0%	43.4%	333%	–	–
34	Saderat Bank	0.6	0.1%	4%	–56%	–21%	91.7%	4.0%	19%	–	–
35	Tayanch Bank	0.4	0.0%	–	–	–	13.9%	0.8%	71%	–	–

Shaded: state-owned banks. Changes over the year to 1 October 2026. ROA and ROE: profit of the last twelve months over assets and equity a year earlier; † nine-month profit annualised; n.m.: not meaningful, assets more than doubled. Source: Central Bank of Uzbekistan; banks' reports on openinfo.uz.

CHART 12.1 · NPL RATIO AGAINST RETURN ON ASSETS



Bubble size: assets. Source: Central Bank of Uzbekistan; banks' national accounting reports on openinfo.uz.

The market pays for returns: the most profitable banks trade well above book value, and four state-owned banks trade below it

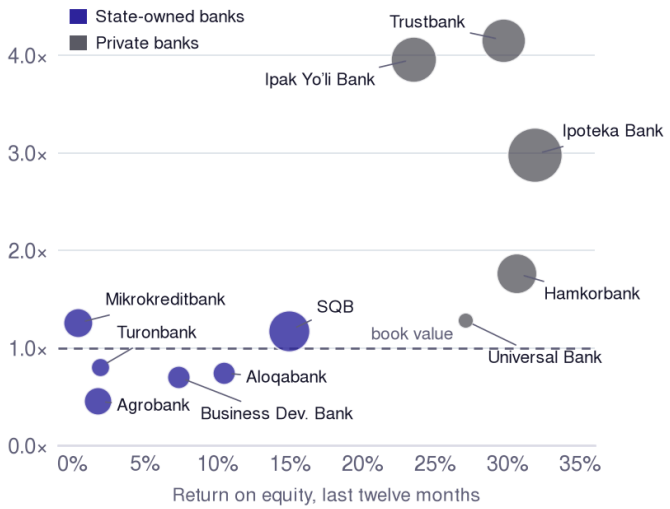
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TABLE 13.1 · LISTED BANKS: PRICE, MULTIPLES AND KEY METRICS

BANK	PRICE, UZS	MARKET CAP, UZS TRN	P/B	P/E	ROE	ROA	NIM	NPL RATIO	EQUITY / ASSETS	LOANS / DEPOSITS
Ipoteka Bank	6.55	27.62	2.98	11.7	31.9%	4.7%	8.2%	3.3%	15.8%	128%
Ipak Yo'li Bank	312.80	18.84	3.96	18.9	23.5%	4.0%	7.9%	1.7%	11.9%	86%
Trustbank	8,700.00	17.40	4.16	17.1	29.7%	7.9%	9.6%	3.6%	18.2%	57%
SQB	63.20	15.37	1.18	9.0	14.9%	1.8%	3.3%	3.0%	12.5%	158%
Hamkorbank	115.00	14.41	1.76	7.5	30.6%	5.9%	8.4%	1.5%	18.4%	172%
Mikrokreditbank	1,068.00	7.15	1.26	n.m.	0.3%	0.1%	n.m.	11.4%	16.1%	186%
Agrobank	579.00	6.33	0.45	26.7	1.7%	0.2%	1.1%	3.3%	11.0%	215%
Business Dev. Bank	81.74	3.90	0.70	10.4	7.3%	1.0%	–	5.8%	13.5%	159%
Aloqabank	1.03	3.78	0.74	9.4	10.4%	1.4%	2.5%	3.5%	13.8%	126%
Turonbank	1,598.00	2.19	0.80	55.4	1.9%	0.2%	1.5%	3.8%	12.1%	168%
Universal Bank	11,977.00	1.20	1.28	5.7	27.1%	5.4%	5.5%	1.5%	17.3%	78%

Main-board closes, 4 November 2026; multiples on ordinary shares and twelve-month profit. Exchange-register share counts exceed the charter-implied count for Ipak Yo'li Bank, Turonbank, Agrobank and Ipoteka Bank by 11.1%, 4.4%, 2.7% and 0.6%. n.m.: not meaningful (P/E above 100; Mikrokreditbank's NIM, as its full-year 2025 filing reports less interest income than its nine-month filing). Not shown: Davr Bank, no main-board trade in 90 days; Garant Bank, share count under review. Sources: RSE «Toshkent»; openinfo.uz; Central Bank.

CHART 13.1 · PRICE TO BOOK AGAINST RETURN ON EQUITY



Bubble size: market capitalisation. Dashed line: book value (P/B = 1). Source: RSE «Toshkent»; openinfo.uz; Avesta Investment Group calculations.

Valuation follows returns. The five listed banks with the highest returns on equity, 23.5% to 31.9%, trade at 1.28 to 4.16 times book value. SQB, with a return on equity of 14.9%, trades at 1.18 times. Four state-owned banks with returns below 11% trade below book, at 0.45 to 0.80 times. Together the eleven listed banks in Table 13.1 are valued at UZS 118.2 trillion, 1.61 times their book value.

Valuation exceptions. Universal Bank earns a return on equity of 27.1% but trades at only 1.28 times book and 5.7 times earnings. Mikrokreditbank trades at 1.26 times book with a return on equity of 0.3%, a valuation that its current earnings do not explain.

Ownership and value. The six listed state-owned banks are valued at UZS 38.7 trillion, 0.84 times their book value, and the five other listed banks at UZS 79.5 trillion, 2.91 times. The gap matches the difference in returns: the median return on equity is 4.6% in the first group and 29.7% in the second.

TABLE 13.2 · INTERNATIONAL CREDIT RATINGS OF UZBEK BANKS, 4 NOVEMBER 2026

BANK	FITCH	MOODY'S	S&P
NBU	BB pos · Jun 26	Ba2 sta · Jul 26	–
Agrobank	BB pos · Jun 26	Ba2 sta · Jul 26	–
SQB	BB sta · Mar 26	Ba2 sta · Jul 26	BB- neg · Jul 26
Kapitalbank	WD · Sep 26	Ba3 sta · Jul 26	BB- pos · Jul 26*
Asakabank	BB sta · Mar 26	Ba2 sta · Jul 26	–
Xalq Banki	BB pos · Jun 26	Ba2 sta · Jul 26	–
Ipoteka Bank	BB pos · Sep 26	–	BB sta · May 26†
Hamkorbank	–	Ba3 pos · Jul 26	BB- sta · Jun 25†
Business Dev. Bank	BB pos · Jun 26	Ba3 sta · Jul 26	–
Ipak Yo'li Bank	B+ sta · Sep 26	Ba3 sta · Jul 26	–
Aloqabank	BB pos · Jun 26	Ba3 sta · Jul 26	–
Mikrokreditbank	BB pos · Jun 26	Ba2 sta · Jul 26	–
Turonbank	BB- pos · Nov 26	–	WD · Jan 26

BANK	FITCH	MOODY'S	S&P
Anorbank	CCC, RWN · Oct 26	–	–
Orient Finans Bank	B+ sta · Oct 26	–	B+ pos†
InFinBank	–	B1 sta · Jul 26	–
Davr Bank	–	–	B+ sta · Sep 26*
Octobank	–	B3 sta · Jul 26	B- sta · Apr 25
KDB Bank	–	–	BB sta · Nov 25†
TBC Bank	BB- sta · Sep 26	–	–
Asia Alliance Bank	–	B1 sta · Jul 26	–
Hayot Bank	–	–	B- sta · May 26*
Tenge Bank	–	Ba2 sta · Jul 26	–
Apex Bank	–	B3 sta · Aug 26*	–
Universal Bank	B- sta · Oct 26	–	–
Garant Bank	–	Caa1 pos · Jul 26	–

Sources: Fitch Ratings rating action commentaries and entity pages; Moody's Ratings, release of 1 July 2026 on 16 Uzbek banks; S&P Global Ratings research updates. * Media report only. † Bank's own website. Fitch: long-term issuer default rating; Moody's: long-term deposit rating; S&P: long-term issuer credit rating. pos, sta, neg: outlook; RWN: rating watch negative; WD: withdrawn. No international rating found: Trustbank (Fitch affirmed it at B and withdrew its ratings on 17 January 2025), Uzum Bank, Ziraat Bank Uzbekistan, AVO Bank, Open Bank, Poytaxt Bank, Madad Invest Bank, Saderat Bank, Tayanch Microfinance Bank.

Tight monetary policy, the new NPL definition and privatisation will shape the sector in 2027

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TABLE 14.1 · OFFICIAL FORECASTS FOR UZBEKISTAN, %

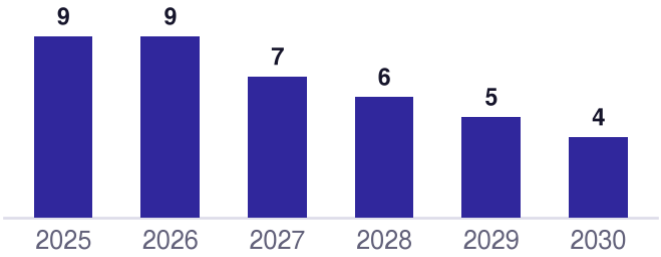
	GDP, 2026	GDP, 2027	CPI, 2026	CPI, 2027	CPI BASIS
Central Bank	about 8	7–7.5	about 7	5	December
IMF, October 2026	7.8	6.5	6.9	5.0	December
World Bank, October 2026	7.9	7.5	7.0	5.8	year average
ADB, September 2026	7.0	6.8	6.7	5.0	not specified*
EBRD, September 2026	7.5	6.0	–	–	–

Sources: Central Bank of Uzbekistan, concept of the Monetary Policy Guidelines for 2027–2029, 4 November 2026; IMF WEO, October 2026; World Bank MPO, October 2026; ADB ADO, September 2026; EBRD REP, September 2026. *ADB describes its inflation figures as period averages, but its 2025 figure for Uzbekistan, 7.3%, equals the December year-on-year rate.

Interest rates. Policy will stay restrictive in 2027 (page 11). Further out, a deputy chairman said at the press conference on 4 November that a single-digit policy rate may become possible within the 2027–2029 horizon, as reported by Gazeta.uz. Market rates on loans and deposits are already lower than a year earlier without a change in the policy rate (page 11), and lower borrowing costs should support demand for credit.

Ownership. The Uzbekistan 2030 programme requires two banks to leave state ownership in 2027 and five by 2030 (Chart 14.1). The sales already prepared are listed on page 8, and their pace will shape the sector's ownership structure over the next four years.

CHART 14.1 · STATE-OWNED BANKS UNDER THE UZBEKISTAN 2030 PROGRAMME



Planned number of state-owned banks at the end of each year. Source: Presidential Decree UP-21 of 16 February 2026, Annex 1, item 197.

TABLE 14.2 · RECENT ACTIONS OF THE RATING AGENCIES

AGENCY	ACTION	DATE
Fitch	**Operating environment score for Uzbek banks raised to b+, stable, from b, positive**	September 2026
Moody's	**Macro profile for Uzbek banks raised to Weak from Weak–**	1 July 2026
Moody's	**Sovereign rating upgraded to Ba2, stable**	25 June 2026
Fitch	**Sovereign rating BB, outlook revised to positive**	3 June 2026
S&P	**Sovereign rating upgraded to BB, stable; bank regulation seen as reactive rather than proactive**	21 November 2025

Sources: Moody's (01.07.2026, 25.06.2026); Fitch Ratings (September 2026, 03.06.2026); S&P Global Ratings, research update of 21.11.2025.

Agency views. Fitch rates eight state-owned banks at BB, the level of the sovereign rating. For six of them the rating is equalised with the sovereign rating because Fitch sees a moderate probability of state support, and in June their outlooks were revised to positive after the same change for the sovereign rating; SQB and Asakabank are on stable outlook. The standalone viability ratings are much lower: b+ for the National Bank, b for Xalq Banki, b- for the Business Development Bank and ccc+ for Mikrokreditbank. An upgrade of the sovereign rating would therefore be likely to lift the state-owned banks' ratings before any improvement in their own results.

Credit growth. The Central Bank names faster credit growth, driven by competition between banks, as a risk to its forecast. The move to the new NPL definition (page 7) is likely to raise the reported NPL ratio in 2027.

Our view. In 2027 the sector's results will turn on three things: how much the new NPL definition raises the reported ratio, how fast rate cuts reach loan and deposit rates, and the pace of privatisation. Strong capital and liquidity give the banks room to absorb the first and to keep lending through the others. Table 14.3 sets out the indicators we will follow.

TABLE 14.3 · INDICATORS TO FOLLOW IN 2027

COMPONENT	WHERE IT STANDS, 1 OCT 2026	WHAT WOULD STRENGTHEN IT	WHAT WOULD WEIGH ON IT
Capital adequacy	**Capital adequacy ratio 18.18% (requirement 12%)**	Equity keeps pace with risk-weighted assets	Risk-weighted assets keep growing faster than common equity
Asset quality	**NPL ratio 3.80%**	NPL ratio stays below 4%	NPL ratio rises above 4%, including through the new definition, or retail defaults rise
Management	**State-owned banks: 60.8% of assets**	Sales of state-owned banks proceed to plan	Delays in privatisation; further recapitalisations
Earnings	**Return on assets 2.29%, return on equity 15.2%**	Net interest income grows with assets, and profit growth spreads beyond a few banks	Higher loan-loss provisions; a narrower net interest margin
Liquidity	**LCR 270%; NSFR 132%**	Deposits keep funding new lending	Deposit growth slows while state-owned banks' borrowings fall due
Market risk	**Foreign-currency loans 38.3% of loans**	Foreign-currency loans keep falling; rates ease gradually	A weaker soum, or a change in rates that loan and deposit rates do not follow equally

Source: Central Bank of Uzbekistan; Avesta Investment Group assessment.

Method, definitions and important information

APPROACH

Structure. The review follows the six components that bank supervisors use to assess a banking system: capital adequacy, asset quality, management, earnings, liquidity and sensitivity to market risk. Each component has its own page with the ratios that describe it best.

Data. Sector figures are the Central Bank of Uzbekistan's banking statistics for 1 October 2026 and earlier dates. Figures for individual banks come from the Central Bank's tables by bank and from the banks' quarterly and annual reports on openinfo.uz. Prices and share counts are those of RSE «Toshkent», and credit ratings are taken from the agencies' own publications.

Coverage. All 35 banks appear in Table 12.1. Returns are not shown as meaningful for banks whose assets more than doubled in a year, and are missing for banks without comparable reports. Yangi Bank, listed by the Central Bank on 1 October 2025, is no longer in the list, and Tayanch Microfinance Bank is new.

DEFINITIONS

Capital adequacy ratio: regulatory capital over risk-weighted assets. Common equity Tier 1 is the highest-quality capital, mainly paid-in shares and retained earnings; Tier 1 adds additional Tier 1 instruments, and total capital adds Tier 2.

NPL ratio: loans classified as non-performing under the Central Bank of Uzbekistan's regulation, as a share of the loan book.

Liquidity coverage ratio: liquid assets against the net outflows a bank could face in thirty days of stress.

Net stable funding ratio: available stable funding against the stable funding the bank's assets require.

Return on equity and on assets: profit of the last twelve months over equity or assets a year earlier; Table 6.3 shows the Central Bank's own annualised ratio.

Net interest margin: sector: the Central Bank's net interest income to total assets; listed banks: twelve-month net interest income over average interest-earning assets.

Cost-to-income ratio: operating expenses over net interest income before provisions plus non-interest income net of non-interest expenses, from the Central Bank's profitability table.

Sustainable income: net interest income before provisions plus fees and commissions net of fee expenses, as a share of total income, which is net interest income before provisions plus non-interest income net of non-interest expenses; sum of the 29 banks' nine-month national accounting reports.

State-owned banks: the nine banks in which the state holds 50% or more; Ipoteka Bank, 17.5% state-owned, is counted with the other (private) banks.

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Sources: Central Bank of Uzbekistan, banking statistics from 1 January 2021 to 1 October 2026, interest rates, policy rate history and foreign exchange market review; banks' national accounting reports on openinfo.uz; RSE «Toshkent»; regulation, ownership and forecasts as cited on each page (lex.uz, Ministry of Economy and Finance, IMF, World Bank, ADB, EBRD, Moody's, Fitch, S&P, OTP Group, ABB, State Assets Management Agency). Cover photograph: Tashkent, Zokir, Pexels.

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