Leasing

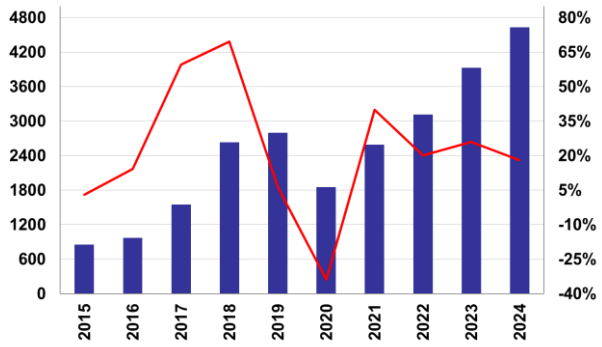
Industry Report

Leasing market in Uzbekistan

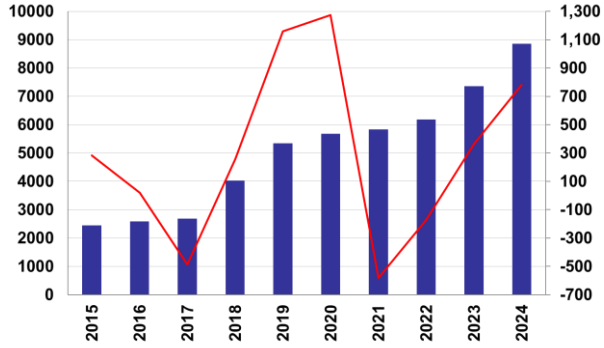
- **In 2024, the volume of new leasing transactions in Uzbekistan increased to 4.6 trln. UZS, with agricultural leasing accounting for over 67% thanks to active subsidized financing for agricultural modernization;**
- **The average value of a single contract decreased to 411 mln. UZS, reflecting increased accessibility of leasing for small and medium-sized businesses and individuals;**
- **The geographical structure shifted, with the share of Tashkent city and region falling to 26.5%, while specialized leasing companies now dominate the market with over 90% share;**
- **The role of leasing in the economy has declined, with its share in capital investments and GDP falling below 1% despite nominal growth in transaction volumes;**
- **Despite ongoing reforms — including simplified registration and IFRS adoption — the industry faces high NPLs, limited access to funding, and lengthy judicial procedures.**

By the end of 2024, the volume of new leasing transactions in Uzbekistan amounted to 4.6 trln. UZS, which is 18.1% more than in the previous year. The compound annual growth rate (CAGR) over the decade stands at 18.8% in nominal terms. The total portfolio of leasing operations exceeded 8.8 trln. UZS, increasing by 20.3% compared to 2023. Nevertheless, the portfolio growth rate was more moderate than that of new transactions, which is explained by the prevalence of short-term contracts during certain periods and an increase in repayment volumes, which, in turn, periodically created a negative delta between new transactions and portfolio growth.

New leasing amounts, bln UZS



Portfolio and growth delta, bln UZS



Source: Uzbekistan Lessors Association, Calculations: Avesta Investment Group

The average value of a single contract in 2024 amounted to 411 mln. UZS, decreasing from the peak of 522 mln. UZS in 2023. The dynamics of the average value reflect a shift in the structure of transactions — towards more mass-market and affordable products. The number of transactions, after declining in 2023, increased again in 2024, indicating an expansion of leasing coverage, especially among small and medium-sized enterprises, as well as individuals.

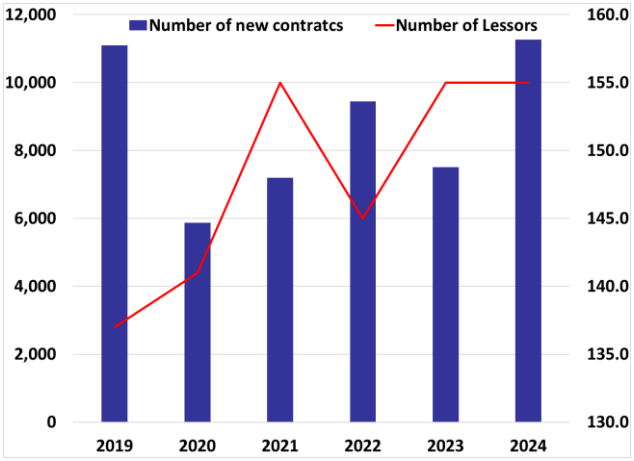
One of the most notable trends was a shift in the market structure: whereas motor vehicles and construction machinery previously dominated, in 2024, agricultural machinery leasing came to the forefront, accounting for more than 67% of the total volume of new transactions. This redistribution became possible due to the active participation of Uzagroleasing JSC, which attracted significant external subsidized financing from the World Bank, JICA, and the Reconstruction and Development Fund of Uzbekistan. These funds formed the basis for a large-scale program to modernize the agricultural sector, which, in turn, stimulated demand for agricultural machinery and specialized equipment.

The geographical distribution of leasing has also undergone changes. While in 2019 nearly 46% of all operations were concentrated in Tashkent city and Tashkent region, in 2023–2024 the share of the capital and Tashkent region decreased to 26.5%, whereas the share of other regions increased. In particular, there was significant growth in activity in the Kashkadarya, Samarkand, Fergana, and Namangan regions, reflecting the effectiveness of regional agro-leasing programs and the involvement of local lessors in government initiatives to support the agro-industrial sector.

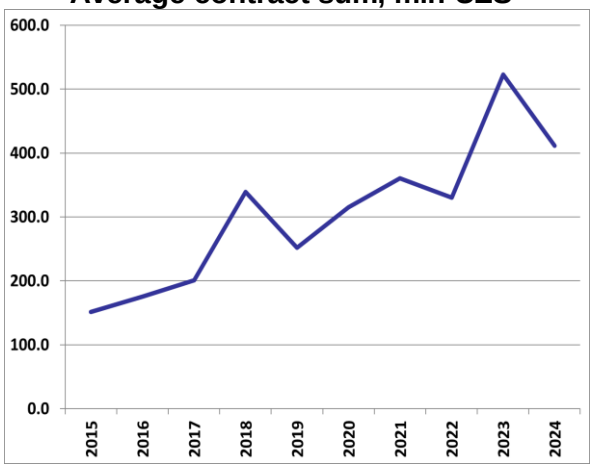
After a decline in the number of market participants in 2022, a recovery has been observed. In 2024, 120 leasing companies and 35 banks providing leasing services were registered in the country. Alongside traditional financial leasing, the financial rental sector is actively developing, including services for individuals, as well as Islamic and operational leasing. These changes are accompanied by the digitalization of the market: companies are implementing IT solutions, online platforms, and automated systems for customer assessment and risk management.

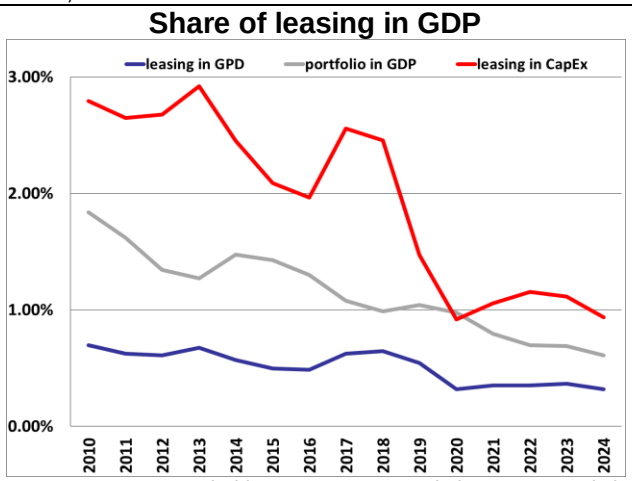
At the same time, a structural shift among market participants is being observed. While in 2015 leasing companies accounted for about 70%, by 2024 their share exceeded 90%. This indicates a gradual concentration of business in specialized financial institutions and a decline in the role of banks in this segment. One of the reasons for this redistribution was the spin-off of banks' leasing divisions into separate legal entities, which allowed for more efficient capital and risk management. This process reflects a general trend toward institutionalization of the sector and its transition to a model based on narrowly specialized companies focused exclusively on providing leasing services.

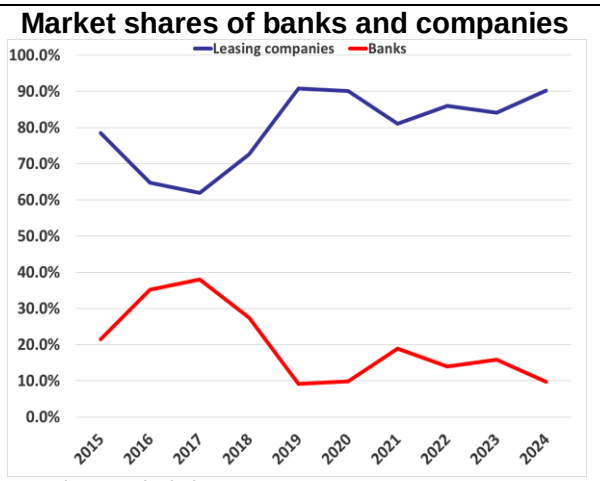
Number of lessors and number of contracts



Average contract sum, mln UZS



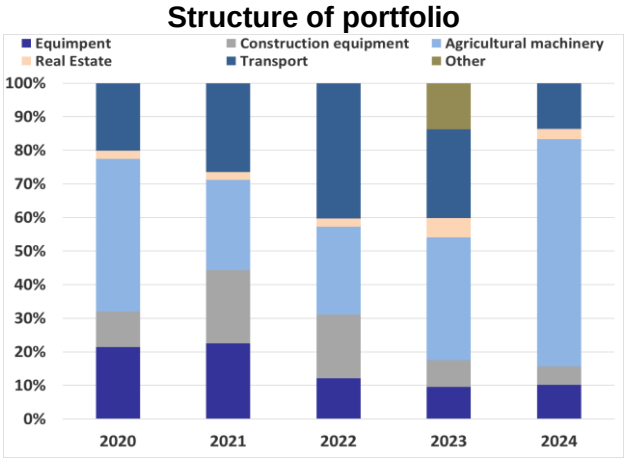


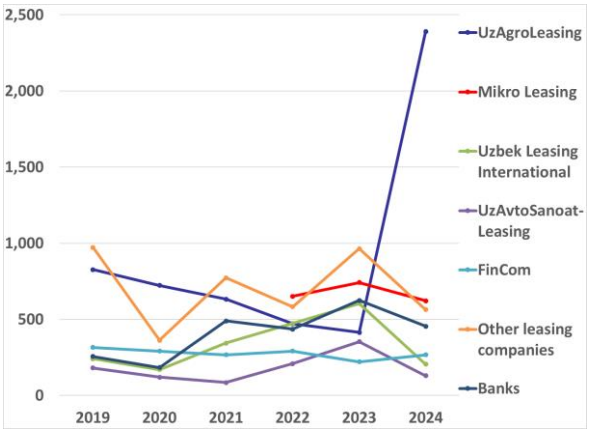


Source: Uzbekistan Lessors Association, State Statistics Committee, Calculations: Avesta Investment Group

In recent years, the role of leasing in financing capital investments of enterprises has noticeably declined. While in the 2010s its share in the structure of capital expenditures exceeded 2.5%, by 2024 this figure had dropped to below 1%. This indicates a gradual loss of leasing's status as a key mechanism for financing long-term investments, which, in turn, may be linked to an increase in short-term contracts and reduced availability of affordable long-term financial resources.

At the same time, the share of the leasing portfolio in GDP has also decreased. In 2010, this figure approached 2%, but by 2024 it had fallen below 1%. This trend can be explained by the fact that the country's economy has been growing at a faster pace than the leasing sector, as well as by a shift in the structure of transactions toward short-term contracts. The share of new leasing transactions in GDP also remains at a consistently low level, indicating the sector's insufficient scale relative to the overall economy. Despite the nominal growth in transaction volumes, leasing is losing its structural significance, which may be due to reduced access to financing, declining activity in the construction sector, and the prevalence of short-term contracts that do not contribute to sustainable portfolio expansion.





Source: Uzbekistan Lessors Association, Calculations: Avesta Investment Group

Since 2022, the Leasing Association of Uzbekistan has been actively involved in reforming industry regulation. Important changes have been proposed: simplification of the registration process for leasing companies, introduction of out-of-court collateral enforcement mechanisms, unification of the concepts of "leasing" and "financial rental,"

authorization of debt collection companies, development of IFRS-based accounting, and implementation of a code of ethics. These measures are aimed at increasing transparency, reducing risks, and strengthening trust in the leasing industry.

At the same time, the industry faces a number of systemic challenges. The main issues include a high share of non-performing loans (NPLs) in the agricultural and construction sectors, limited funding resources for a significant portion of lessors, which hinders competition with banks, as well as difficulties with asset repossession and lengthy court procedures. Despite these challenges, the market is showing steady growth and holds significant potential, provided that institutional barriers are consistently addressed.

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