AVESTA INVESTMENT GROUP

EUROMONEY AWARDS FOR EXCELLENCE 2025 UZBEKISTAN BEST INVESTMENT BANK

**August 2026**

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# Uzbekistan Banking Sector

*CAMELS-Based Financial Stability Review*

## Executive Summary

- Uzbekistan's banking sector had its strongest year in the 2021-2025 period: capital, asset quality, profitability, and liquidity all improved simultaneously in 2025, following a weaker 2024 in which several of these measures had deteriorated.
- Non-performing loans fell to their lowest level in five years, and reserve coverage improved in step. However, audited financial statements suggest official figures may understate actual risk, with a notably higher share of loans showing signs of impairment under international accounting standards.
- Sector profitability was volatile over the period: net profit declined by nearly half in 2024 before more than doubling in 2025.
- State-owned banks hold roughly two-thirds of total banking assets but earn substantially less than privately owned banks, a gap concentrated in a small number of institutions with significant exposure to government-directed lending.
- Asset growth in 2025 was concentrated among a small number of large banks, whose approaches differed: some expanded mainly through new lending, while others grew largely by attracting deposits without a corresponding rise in loans.
- Foreign-currency exposure has declined steadily since 2021, with both foreign-currency loans and deposits accounting for a smaller share of the total each year.

Uzbekistan recorded its strongest economic performance in five years in 2025. Real GDP expanded 7.7% in 2025, up from 6.7% in 2024, driven primarily by services (+14.7%, led by financial services at +24.6% and IT/communications at +22.7%) and construction (+14.2%). Annual inflation eased to 7.3% by year-end, down from 9.8% a year earlier, while core inflation slowed to 5.7%. Nominal GDP reached 1,849.7 trillion UZS for full-year 2025, according to preliminary National Statistics Committee data released in January 2026, and real household incomes rose 9.2% during the year, with the CBU's labor market analysis noting the strongest wage growth was recorded in the finance and insurance sector. Banks remain the primary channel through which this growth flows into the broader economy, which makes their financial condition directly relevant to whether the current expansion is being sustained on a sound footing.

This report evaluates that condition using CAMELS, a supervisory framework that assesses banking-sector health across six dimensions: Capital Adequacy, Asset Quality, Management Quality, Earnings, Liquidity, and Sensitivity to market risk. CAMELS is one of several frameworks used internationally for this purpose and provides the basis for the report's central question: whether Uzbekistan's banks are, on the evidence of the latest official data, financially sound. The analysis is based exclusively on data and publications from the Central Bank of Uzbekistan (CBU), the National Statistics Committee of the Republic of Uzbekistan, and, where CBU data is supplemented, the International Monetary Fund and World Bank, together with audited IFRS financial statements for the sector's twelve largest banks, used in a dedicated section to identify which institutions are driving sector-wide trends.

Banking Sector

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# Banking Sector Overview

As of the Central Bank's most recent commercial bank registry, Uzbekistan's banking sector comprised 35 licensed commercial banks operating across four regulatory categories. The 35 banks on the July 2026 registry are organized as follows:

| Category | Count | Banks |
|---|---|---|
| State-owned | 9 | NBU, Xalq Bank, Asakabank, Uzbek Industrial and Construction Bank (SQB), Agrobank, Business Development Bank, Turon Bank, Microcreditbank, Aloqabank |
| Joint-stock | 7 | Poytaxt Bank, Invest Finance Bank, Madad Invest Bank, AVO Bank, TBC Bank, Anor Bank, Tayanch Mikromoliya Banki |
| Private | 14 | Asia Alliance Bank, Ipak Yuli Bank, Kapitalbank, Trustbank, Davr Bank, Orient Finans, Universal Bank, Octobank, Hamkorbank, Garant Bank, Bank Uzum, Open Bank, Apex Bank, Hayot Bank |
| Foreign capital | 5 | Tenge Bank, KDB Uzbekistan, Ziraat Bank Uzbekistan, Bank Saderat Tashkent, Ipoteka Bank |

The CBU designates seven Domestically Systemically Important Banks (D-SIBs) annually: NBU, Agrobank, Uzpromstroybank, Xalq Bank, Ipoteka Bank, Kapitalbank, and Asakabank. Of these, five are state-owned, one (Kapitalbank) is private, and one (Ipoteka Bank) is classified as foreign capital. D-SIBs are held to enhanced regulatory requirements, including a dedicated capital buffer, given their systemic importance.

Four new banking licenses were issued in 2025 (AVO Bank, Apex Bank, Open Bank, and Tayanch Mikromoliya Banki), reflecting continued market entry as the sector's ongoing privatization and liberalization agenda progresses. In 2025, the CBU also introduced a new institutional category, the microfinance bank, and adopted a 2025-2028 roadmap for strengthening bank regulation and supervision following a joint IMF-World Bank Financial Sector Assessment Program (FSAP) completed over 2024-2025.

The CBU's macroprudential toolkit was expanded further for 2026: a capital conservation buffer of 2.5%, a countercyclical capital buffer of 1.5%, and a 1% capital buffer for D-SIBs all take effect from 1 January 2026, layered on top of the Basel III minimum. On the borrower side, the debt-service-to-income (DSTI) ceiling was tightened to 50% for all loan types (from 60%) effective 1 January 2025; loan-to-value (LTV) limits of 75% for auto loans and 80-85% for mortgages took effect 24 July 2025; and concentration limits capping microloans, overdrafts, and credit cards at 25% of a bank's total loan portfolio each also took effect 24 July 2025. A further debt-to-income (DTI) ceiling of 8 times a borrower's average monthly income came into effect on 1 March 2026.

### Bank Penetration Ratios

The table below sets out the scale of the banking sector relative to the economy at year-end 2024 and year-end 2025, computed from CBU Annual Report figures and the National Statistics Committee's nominal GDP series.

| Metric | FY 2024 | FY 2025 |
|---|---|---|
| Nominal GDP, UZS trillion | 1,535.4 | 1,849.7 |
| Total bank assets, UZS trillion | 769.3 | 925.0 |
| Outstanding loans to the economy, UZS trillion | 566.2 | 653.0 |
| Total bank deposits, UZS trillion | 308.7 | 417.3 |
| Bank assets / GDP | 50.1% | 50.0% |
| Outstanding loans / GDP | 36.9% | 35.3% |
| Deposits / total bank liabilities | 47.2% | 52.9% |

*Source: CBU Annual Report 2025; National Statistics Committee.*

Uzbekistan's banking sector intermediates a meaningful but still-developing share of the economy: outstanding loans equal 35.3% of GDP, roughly in line with the median for Central Asian and Caucasus peers and within the lower range of broader Europe comparators. The decline in this ratio from 2024 reflects nominal GDP growing faster than the loan book (partly a statistical effect of the GDP revision), rather than a contraction in lending since loans grew 15.4% in absolute terms over the year. The shift in deposits from 47.2% to 52.9% of total liabilities indicates that banks are funding a larger share of their balance sheets with stable, domestically sourced deposits rather than wholesale borrowing, a trend explored further in the Liquidity section below.

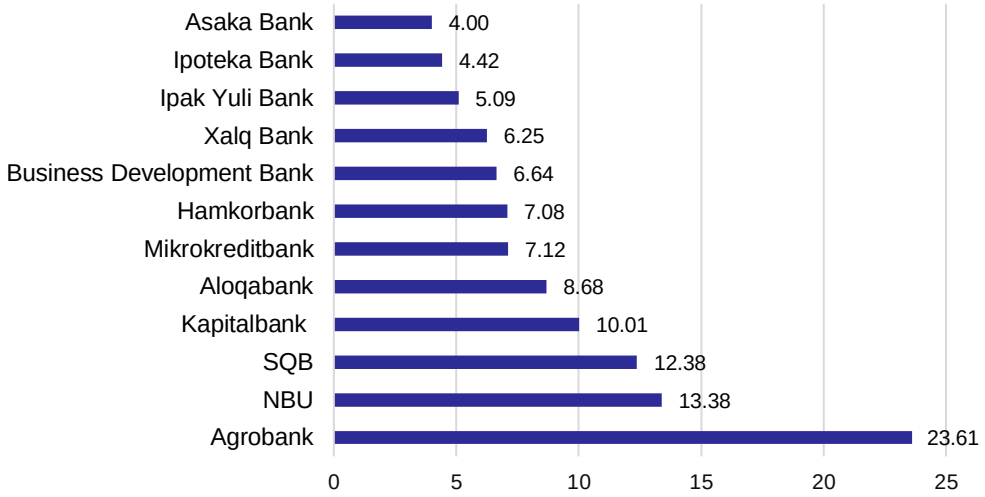
## Bank-by-Bank Contributions to Sector Growth

The sector-wide trends discussed throughout this report – falling NPLs, rising capital, expanding deposits – are aggregates across 35 institutions with very different sizes, ownership structures, and business models. This section identifies which specific banks are driving each trend, using audited IFRS Consolidated Statements of Financial Position as at 31 December 2025 (with 31 December 2024 comparatives) for the twelve largest and most systemically relevant banks in the sector: NBU, Agrobank, Uzbek Industrial and Construction Bank (SQB), Kapitalbank, Asaka Bank, Xalq Bank, Ipoteka Bank, Aloqabank, Mikrokreditbank, Ipak Yuli Bank, Business Development Bank, and Hamkorbank. Together, these twelve banks held 739.9 trillion UZS in assets at year-end 2025, equivalent to 80.0% of the entire sector's 925.0 trillion UZS in assets, and accounted for 70.5% of the sector's total asset growth over the year.

### Asset growth

Among these twelve banks, all grew assets in 2025. Agrobank added the most in absolute terms (+23.61 trillion UZS, +29.4%, growing from 80.23 to 103.84 trillion UZS), followed by NBU (+13.38 trillion UZS, +9.8%, off the largest base in the sector at 150.18 trillion UZS by year-end) and SQB (+12.38 trillion UZS, +14.6%). Kapitalbank posted the largest absolute growth among privately owned banks (+10.01 trillion UZS, +21.3%), narrowly ahead of Aloqabank (+8.68 trillion UZS, +38.3%) and Mikrokreditbank (+7.12 trillion UZS, +29.8%). Hamkorbank (+7.08 trillion UZS, +24.5%) and Business Development Bank (+6.64 trillion UZS, +21.0%, growing from 31.60 to 38.23 trillion UZS) also posted double-digit growth, both faster than the sector-wide average. Proportionally, Aloqabank grew fastest of the twelve (+38.3%), followed by Mikrokreditbank (+29.8%) and Agrobank (+29.4%). The remaining four banks – Xalq Bank, Ipak Yuli Bank, Ipoteka Bank, and Asaka Bank – all grew between 7.0% and 21.9%, in line with or slightly below the sector-wide average of 20%.

**Asset Growth by Bank, FY2025 (UZS trillion)**

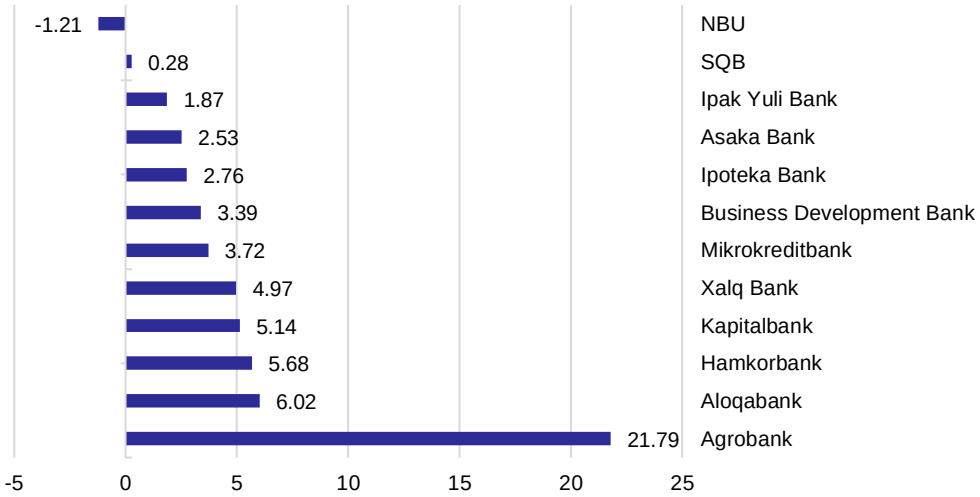



*Source: audited IFRS Consolidated Statements of Financial Position, 31 December 2025 vs 31 December 2024, as published by each bank.*

## Loan growth

Agrobank drove the largest share of net loan growth by a wide margin (+21.79 trillion UZS, +32.9%), with Aloqabank (+6.02 trillion UZS, +46.2%, the fastest proportional growth of any bank in this group) and Hamkorbank (+5.68 trillion UZS, +29.5%) following well behind. Kapitalbank (+5.14 trillion UZS, +16.3%) and Xalq Bank (+4.97 trillion UZS, +18.5%) posted similar absolute growth. Mikrokreditbank added +3.72 trillion UZS (+20.4%), and Business Development Bank added +3.39 trillion UZS (+16.3%), matching Kapitalbank's pace almost exactly. NBU's net loan book contracted slightly over 2025 (-1.21 trillion UZS, -1.2%), and SQB's was essentially flat (+0.28 trillion UZS, +0.4%). This means the sector's largest state-owned banks funded their asset growth in 2025 primarily through non-loan assets (securities, cash and equivalents, and amounts due from other banks) and deposit accumulation rather than credit expansion.

**Net loans and advances to customers, FY2025 (UZS trillion)**

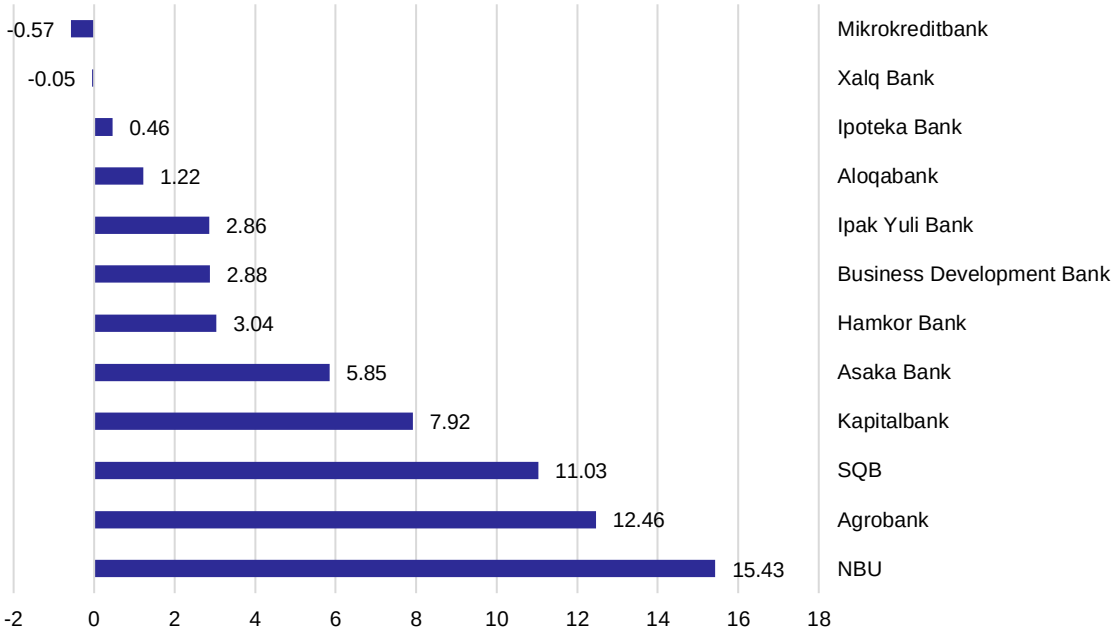



*Source: audited IFRS Consolidated Statements of Financial Position, 31 December 2025 vs 31 December 2024.*

### Deposit growth

Deposit growth was led by the three largest state-owned banks: NBU added the most in absolute terms (+15.43 trillion UZS, +40.0%), followed by Agrobank (+12.46 trillion UZS, +60.5%, the fastest proportional deposit growth of any bank in this group) and SQB (+11.03 trillion UZS, +52.3%). Kapitalbank (+7.92 trillion UZS, +21.3%) and Asaka Bank (+5.85 trillion UZS, +42.8%) were the next-largest contributors, followed by Hamkorbank (+3.04 trillion UZS, +26.6%), Ipak Yuli Bank (+2.86 trillion UZS, +24.1%), and Business Development Bank (+2.88 trillion UZS, +16.9%). Two banks in this group saw deposits decline over the year: Xalq Bank (-0.05 trillion UZS, -0.6%) and Mikrokreditbank (-0.57 trillion UZS, -7.6%). Combined with the loan-growth findings above, this indicates that NBU and SQB grew primarily by accumulating deposits and other funding rather than expanding lending in 2025, consistent with the sector-wide rise in the deposits-to-liabilities ratio discussed in the Sector Overview and revisited in the Liquidity section below.

**Amounts due to customers/customer accounts, FY2025 (UZS trillion)**




*Source: audited IFRS Consolidated Statements of Financial Position, 31 December 2025 vs 31 December 2024.*

## CAMELS Analysis

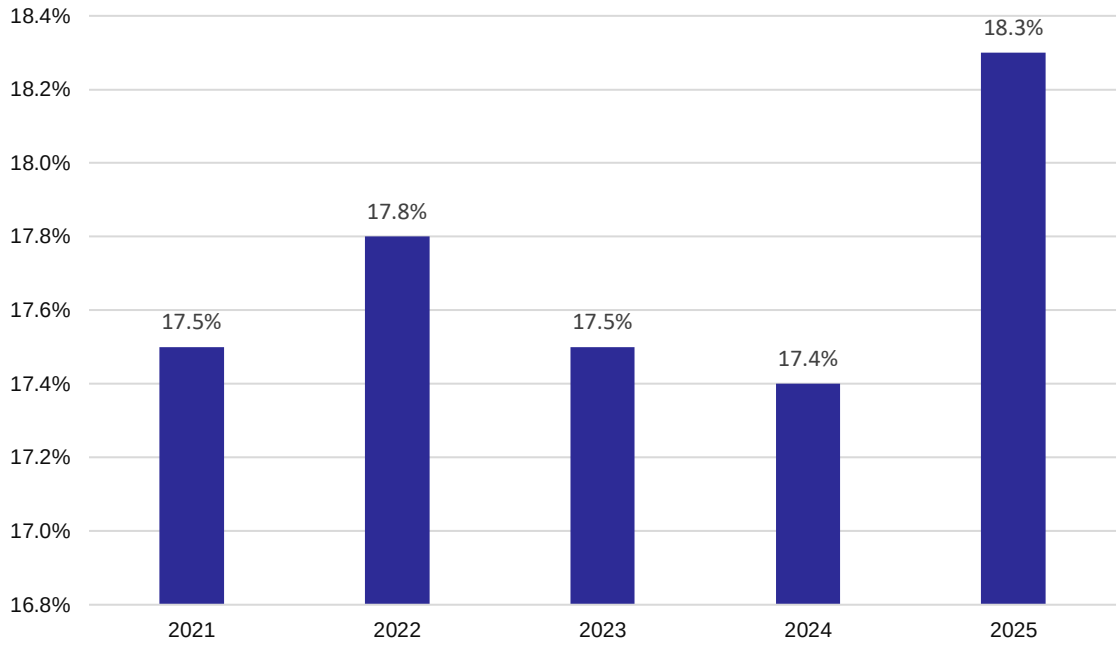
This section applies the CAMELS framework to assess the financial health of Uzbekistan's banking sector across six dimensions: Capital Adequacy, Asset Quality, Management Quality, Earnings, Liquidity, and Sensitivity to market risk. Figures are sourced from the CBU Annual Reports and underlying banking-sector indicators, cross-referenced against the CBU Financial Stability Report series and, for bank-level attribution, audited IFRS financial statements for the twelve largest banks as set out in the preceding section. Each component is assigned a rating on a scale of 1 to 5, where 1 represents strong performance and 5 represents critically deficient performance, following the structure of the NCUA CAMELS Rating System (Appendix A).

### C – Capital Adequacy

Capital adequacy compares a bank's own funds, capital that can absorb losses, to its risk-weighted assets (RWA), a measure of total assets adjusted so that riskier exposures count for more than safer ones. The capital adequacy ratio (CAR) is regulatory capital divided by RWA; a higher CAR means a bank can absorb larger losses before becoming insolvent. Risk-weighted asset density, a term used

later in this section, is RWA expressed as a share of total (unweighted) assets, where a high density indicates that the bank's asset base is, on average, classified as carrying more risk per unit of assets, which in turn requires more capital to be held against it.

**Capital Adequacy Ratio, Uzbekistan Banking Sector, 2021-2025**




*Source: CBU Annual Report 2021-2025. All figures as of 1 January of the following year.*

The system-wide CAR held within a 17.4-17.8% band across 2021-2024 (17.5%, 17.8%, 17.5%, 17.4%) before rising to 18.3% in 2025. Regulatory capital grew from 70 trillion UZS at year-end 2021 to 151 trillion UZS at year-end 2025, while risk-weighted assets grew from 401 trillion UZS to 823 trillion UZS over the same period — regulatory capital compounded at an average annual rate of 21%, against 20% for risk-weighted assets, which accounts for the ratio's net increase over the five years. The 2025 increase was specifically driven by capital growing 21% versus 14% growth in risk-weighted assets, the widest gap in the five-year window. All regulatory capital ratios have remained above the Basel III minimum of 13% throughout the period.

Uzbekistan's risk-weighted asset density is high relative to regional peers: a large share of sector assets is classified as carrying above-average risk under the CBU's methodology, which means the sector's CAR level reflects a conservative, high-risk-weight balance sheet composition in addition to the capital held against it.

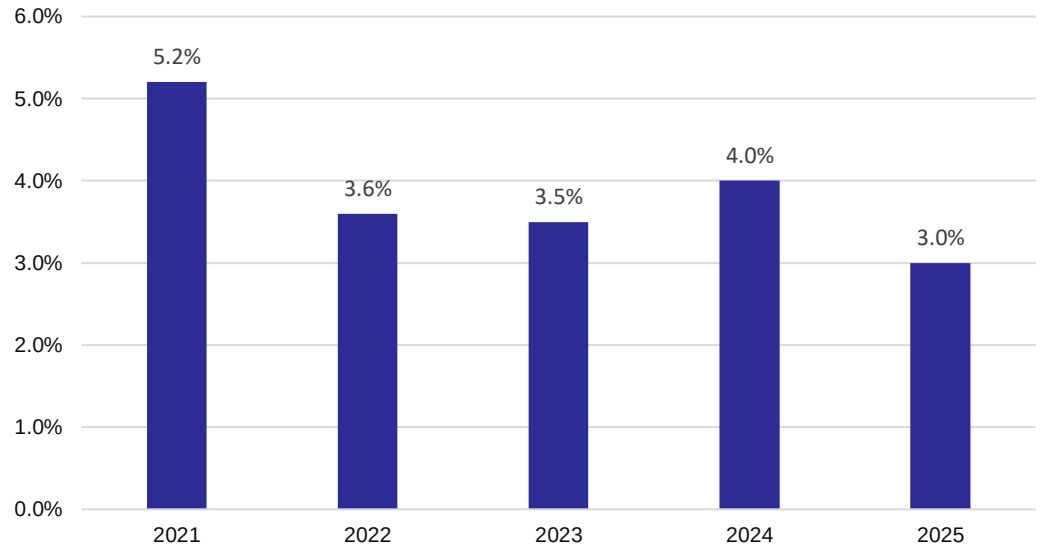
On the CBU's own macro stress test, run under an adverse but low-probability scenario, system-wide CET1 (Common Equity Tier 1) is projected to fall to 5.6% and total CAR to 6.8% by end-2028, both below current regulatory minimums, though the test is explicitly designed to identify tail-risk vulnerability. The CBU separately characterized the sector as having "demonstrated financial stability and a strong capacity to absorb risks" through 2025.

At the bank level, audited FY2025 IFRS statements show asset growth concentrated in the largest state-owned banks: Agrobank, NBU, and SQB, which together accounted for 49.4 trillion UZS, getting on for half of the combined asset growth posted by the twelve largest banks in 2025. NBU and SQB grew primarily through deposit accumulation and non-loan assets (their net loan books were roughly flat to slightly down over the year, as detailed in the preceding section), while Agrobank's growth was loan-led, with net loans up 32.9%.

## A – Asset Quality

The non-performing loan (NPL) ratio measures the share of a bank's loan portfolio that is no longer generating scheduled payments. The system-wide NPL ratio was 5.2% at year-end 2021, falling to 3.6% (2022) and 3.5% (2023), rising to 4% (2024), then falling to 3% (2025). At year-end 2025, the loan portfolio was classified as 85% standard, 12% substandard, and 3% non-performing, with the non-performing category split into 1.1% unsatisfactory, 1.0% doubtful, and 0.9% loss.

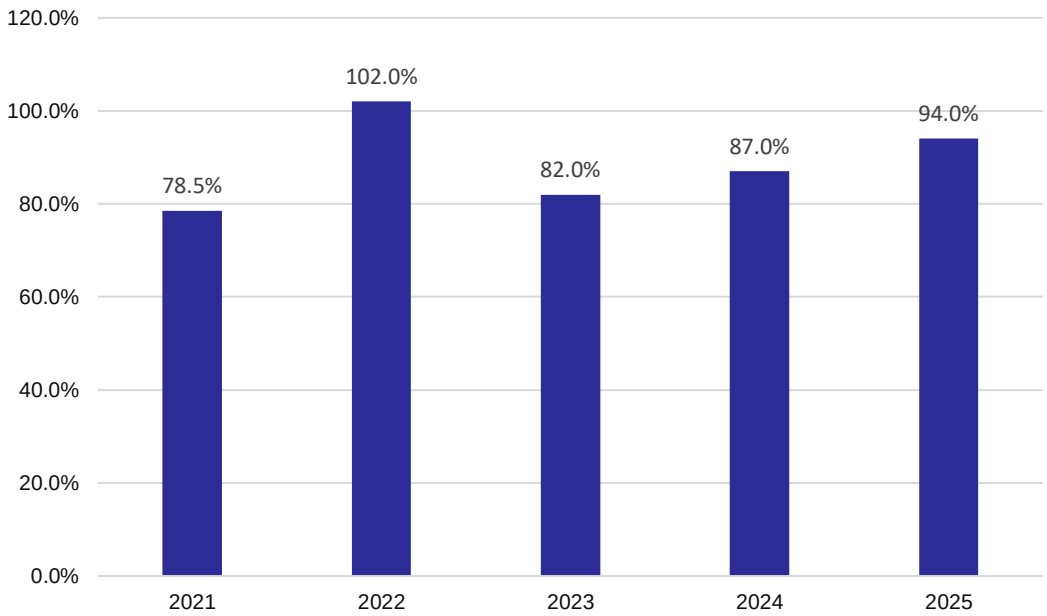
**Sector-Wide NPL Ratio, 2021-2025**




*Source: CBU Annual Reports 2021-2025.*

The NPL coverage ratio — loan-loss reserves as a share of non-performing loans — was 78.5% at year-end 2021, then 102% (2022), 82% (2023), 87% (2024), and 94% (2025).

**NPL Coverage Ratio, 2021-2025**




*Source: CBU Annual Reports 2021-2025*

Total loan-loss provisions fell 8% in 2025 to 17 trillion UZS, even as the coverage ratio rose, consistent with a shrinking absolute stock of non-performing loans and a shift in the mix toward better-collateralized exposures, which together reduce the provisioning required to maintain a given coverage level. Of the

12.1 trillion UZS in non-performing business loans (67% of total NPLs) and 6 trillion UZS in non-performing individual loans (33%) at year-end 2025, the individual-loan NPL stock breaks down as microloans (33%), business-development loans (26%), auto loans (19%), mortgages (16%), and other consumer loans (5%).

At the bank level, non-performing loans are concentrated among the largest state-owned lenders in absolute terms. As of 1 January 2026, NBU held the largest NPL stock among the twelve largest banks (2.99 trillion UZS, a 2.8% ratio), followed by Agrobank (2.70 trillion UZS, 3.3%), SQB (1.64 trillion UZS, 2.5%), Asaka Bank (1.50 trillion UZS, 3.6%), and Ipoteka Bank (1.26 trillion UZS, 3.5%). Together, these five banks hold 10.09 trillion UZS in non-performing loans, 67% of the combined NPL stock across the twelve largest banks, and more than half of the entire banking system's 18.06 trillion UZS in problem loans. In proportional terms, however, asset quality is weakest not at the largest lenders but at two mid-sized state-owned banks: Business Development Bank (4.5%) and Mikrokreditbank (4.4%) posted the highest NPL ratios of the twelve, both above the system-wide average of 3.0%, while Hamkorbank (0.8%) and Ipak Yuli Bank (1.1%) posted the lowest. Beyond the twelve largest banks, asset-quality problems are far more acute: Poytaxt Bank posted an NPL ratio of 24.4%, by a wide margin the worst in the entire sector, followed by AVO Bank (8.2%) and Saderat Bank (6.5%). These outliers sit on small loan portfolios (Poytaxt Bank's entire book is 283 billion UZS, under 0.05% of system-wide lending), so they pose limited systemic risk on their own, but they illustrate that asset-quality stress in Uzbekistan's banking sector is disproportionately concentrated among smaller, newer, or less established institutions rather than the systemically important banks that dominate the sector's balance sheet.

## M – Management Quality

Management quality is the most qualitative component of the CAMELS rating. This assessment draws on the CBU's disclosed enforcement actions, the joint IMF-World Bank Financial Sector Assessment Program (FSAP) completed in July 2025, and the FSAP's own comparative data on bank performance by ownership group, which is independently compiled and published.

The FSAP's Financial Sector Assessment breaks down key financial soundness indicators by ownership group as of 2024, based on CBU data and IMF staff calculations. State-owned commercial banks (SOCBs) hold 65.5% of system-wide banking assets but report materially weaker profitability and asset-quality indicators than domestic private or foreign-owned banks.

**Financial Indicators by Bank Ownership Group, 2024**

| Metric | System | SOCBs | Domestic Private | Foreign-Owned |
|---|---|---|---|---|
| Share of banking system assets | 100.0% | 65.5% | 23.5% | 11.1% |
| Regulatory capital / RWA | 17.4% | 16.6% | 18.5% | 19.2% |
| NPL ratio | 4.0% | 3.9% | 2.6% | 7.5% |
| Substandard loan ratio | 17.3% | 21.5% | 9.1% | 5.6% |
| Loan-loss provisions / NPLs | 45.4% | 48.2% | 32.1% | 45.3% |
| Return on assets | 1.4% | 0.1% | 5.1% | 1.3% |
| Return on equity | 9.2% | 1.1% | 30.9% | 7.5% |
| Cost-to-Income ratio | 74.3% | 72.5% | 78.6% | 71.2% |
| Loans / deposits | 172.7% | 237.2% | 101.0% | 126.6% |
| FX loans / total loans | 42.9% | 48.3% | 33.1% | 26.7% |
| IFRS Stage 3 loans / loans (end-2023) | 7.8% | 8.1% | 2.6% | 15.2% |

*Source: IMF-World Bank Republic of Uzbekistan: Financial Sector Assessment, July 2025 (Annex Table 3), based on CBU data and IMF calculations.*

SOCBs reported a return on assets of 0.1% and a return on equity of 1.1% in 2024, compared with 5.1% and 30.9%, respectively, for domestic private banks. The SOCB non-performing loan ratio (3.9%) is close to the system average, but the substandard loan ratio at SOCBs (21.5%) is more than double that of domestic private banks (9.1%), indicating a larger pool of loans at risk of becoming non-performing. SOCBs also carry a higher loan-to-deposit ratio (237.2%, compared with 101.0% at domestic private banks), reflecting a greater reliance on external and wholesale funding than on deposits.

The FSAP separately reports that asset quality is understated under regulatory definitions relative to IFRS: system-wide, loans classified as Stage 3 (non-performing) under IFRS stood at 7.8% of total loans as of end-2023, roughly double the 4.0% NPL ratio CBU reported under its own regulatory definition for 2024. The FSAP attributes this divergence to regulatory gaps in the definition of non-performing and forborne loans, which allow banks to upgrade loans to performing status without observing mandatory cure periods, and to restructure distressed exposures without completing corresponding downgrades. The FSAP notes that underreporting is likely more pronounced at SOCBs, citing the case of Ipoteka Bank, whose reported Stage 3 loan ratio rose from 7.1% to 18.7% of gross loans following its 2023 privatization.

Between 2017 and 2023, SOCBs required cumulative government recapitalization of 0.4%-2.0% of GDP per year, totaling USD 5,808 million, according to data compiled in the FSAP from the Ministry of Economy and Finance and the Uzbekistan Fund for Reconstruction and Development.

**Cumulative Capital Injections to State-Owned Banks, 2017-H1 2024**

| Bank | 2017-H1 2024 Capital Injections (USD million) |
|---|---|
| NBU | 1,590 |
| Agrobank | 1,006 |
| Xalq Bank | 857 |
| Asaka Bank | 611 |
| Mikrokreditbank | 480 |
| SQB | 377 |
| Business Development Bank | 342 |
| Ipoteka Bank | 267 |
| Turon Bank | 164 |
| Aloqabank | 103 |
| Poytaxt Bank | 12 |
| **Total** | **5,808** |

*Source: IMF-World Bank Republic of Uzbekistan: Financial Sector Assessment, July 2025 (Annex Figure 10), based on Ministry of Economy and Finance and UFRD data.*

The FSAP's Detailed Assessment of Observance of the Basel Core Principles identifies specific constraints on CBU operational independence: the Law on Normative Legal Acts requires the CBU to reach agreement with the Chamber of Commerce and Industry on the content of draft banking regulations and allows the Ministry of Justice to delay or refuse registration of CBU regulations. The same assessment finds that CBU lending by SOCBs to state-owned enterprises is not consistently subject to the arm's-length requirements applied to other related-party transactions.

The CBU adopted Guidelines on Risk-Based Supervision in December 2023 and has expanded its application in stages: 4 banks were assessed under the new methodology in 2023, 14 banks in 2024, and the CBU's stated plan was to extend the assessment to all licensed banks in 2025.

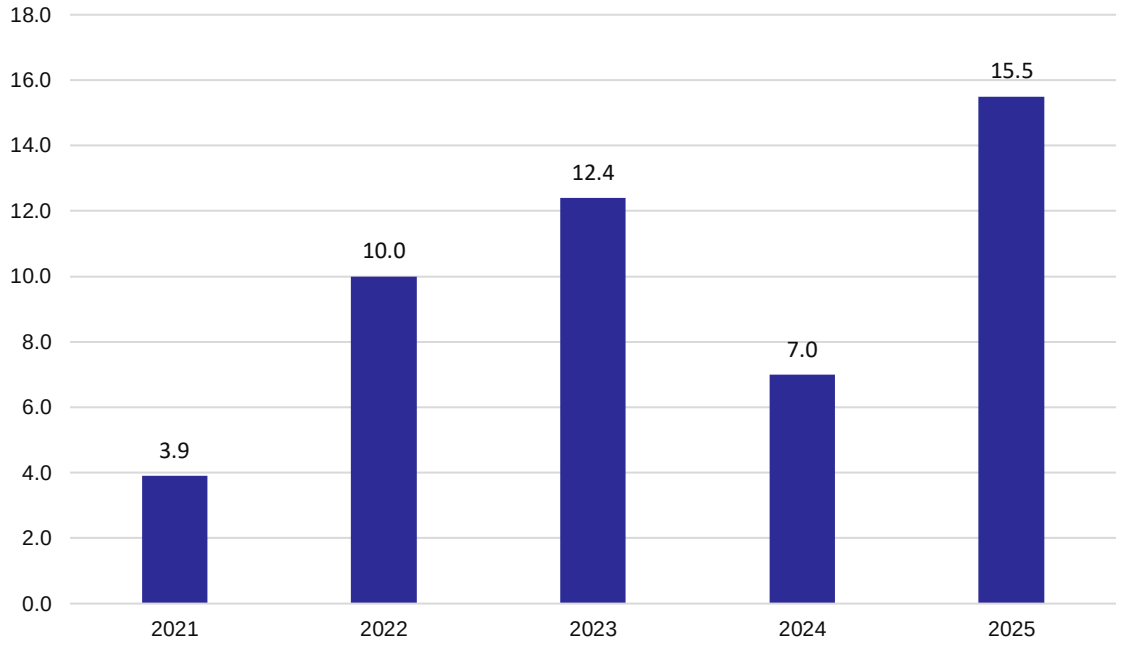
Regarding enforcement, the CBU's Banking Supervision Committee meets regularly and periodically discloses summaries of enforcement actions. In its June-July 2025 meetings, the Committee fined 23 banks and 2 microfinance organizations for anti-money-laundering and counter-terrorism-financing violations following inspections, and issued warnings to 15 payment organizations for non-compliance with minimum charter-capital requirements. In November 2025, the Committee reviewed 41 cases across six meetings and imposed sanctions on five financial institutions. On 27 August 2025, the CBU revoked the banking license of Eurasia Bank by Board Resolution No. 22/1, on the grounds that the bank's charter capital had fallen below the legally required minimum (104 billion UZS as of 1 August 2025) and other provisions of the Law on Banks and Banking Activity were not met; the bank held no outstanding loans or deposits at the time and was placed into compulsory liquidation.

Uzbekistan's anti-money-laundering and counter-terrorism-financing regime was assessed as "generally effective" by the Eurasian Group on Combating Money Laundering and Financing of Terrorism in 2022, with bank supervision in this area specifically described as well-established.

## E – Earnings

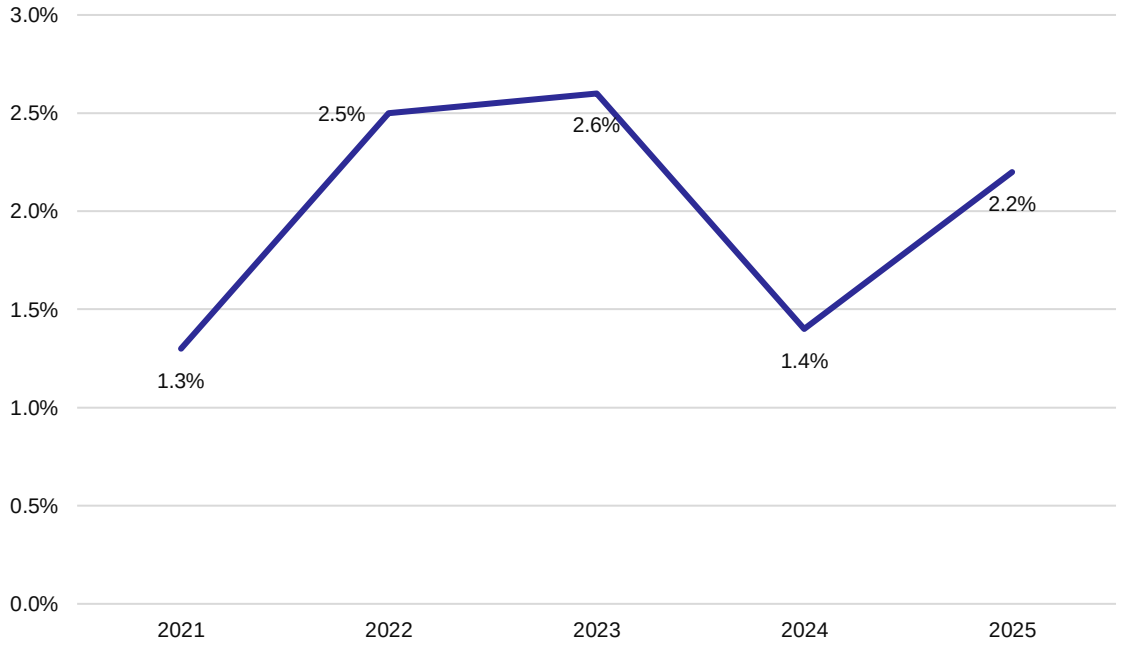
System-wide net profit was 3.9 trillion UZS in 2021, 10.0 trillion UZS in 2022, 12.4 trillion UZS in 2023, 7.0 trillion UZS in 2024, and 15.5 trillion UZS in 2025. The 2024 decline reflected a sharp rise in loan-loss provisioning as asset quality deteriorated that year; the 2025 recovery reflected gross income of 201 trillion UZS against gross expenditure of 185 trillion UZS.

**Net Profit, Uzbekistan Banking Sector, 2021-2025 (UZS trillion)**

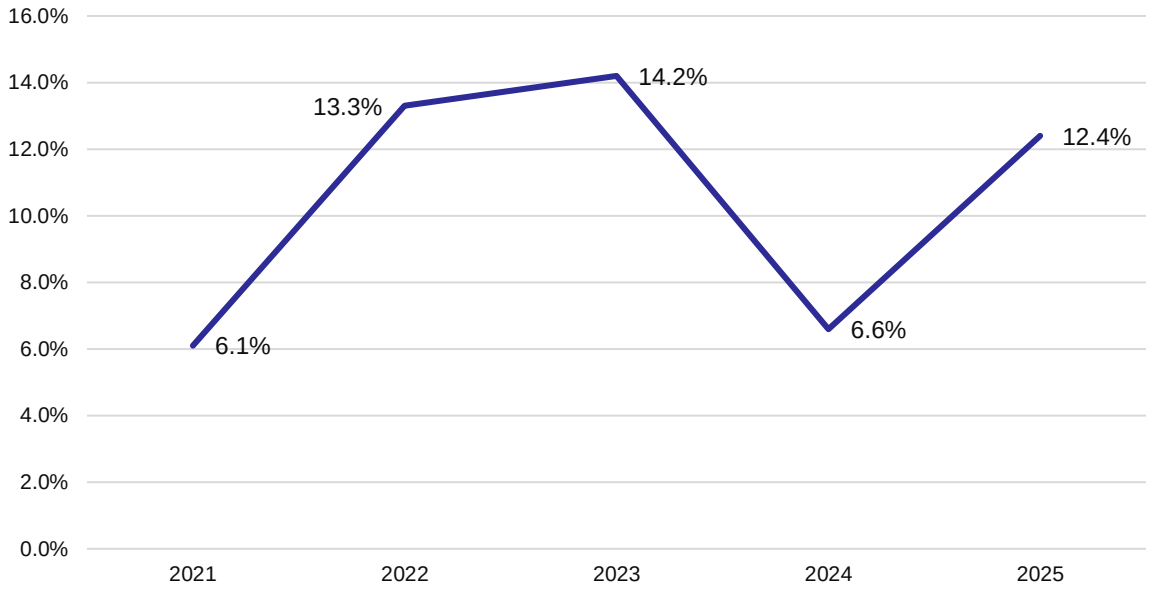



*Source: CBU Annual Reports 2021-2025.*

**Return on Assets (ROA), Uzbekistan Banking Sector, 2021-2025**



**Return on Equity (ROE), Uzbekistan Banking Sector, 2021-2025**

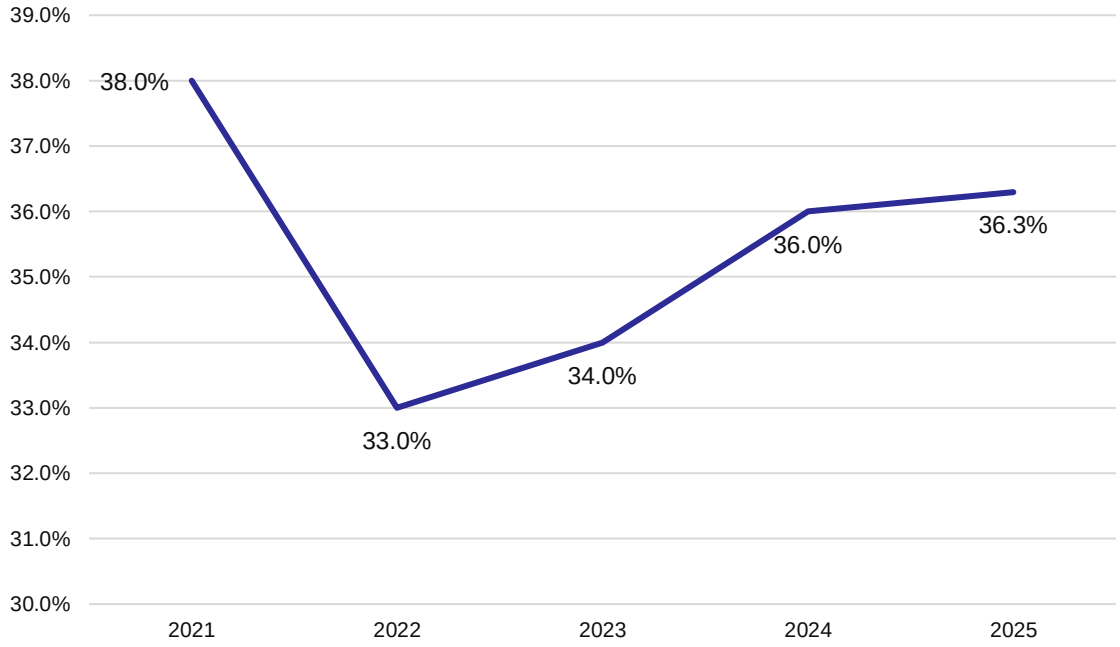



*Source: CBU Annual Reports 2021-2025.*

Return on assets (ROA) was 1.3% (2021), 2.5% (2022), 2.6% (2023), 1.4% (2024), and 2.2% (2025). Return on equity (ROE) was 6.1% (2021), 13.3% (2022), 14.2% (2023), 6.6% (2024), and 12.4% (2025). Both measures peaked in 2023 and remain below that level in 2025. The 2025 recovery was driven by non-interest income, which, according to the CBU Annual Report 2025, grew 33% year-on-year, faster than net interest income. Within total bank income, 64% is interest-based and 36% non-interest, with 70% of interest income coming from loans and customer liabilities.

The cost-to-income ratio (CIR) was 38% (2021), 33% (2022), 34% (2023), 36% (2024), and 36.3% (2025). The ratio has risen in each of the last three years, remaining within the CBU's 50% threshold throughout.

**Cost-to-Income Ratio, Uzbekistan Banking Sector, 2021-2025**

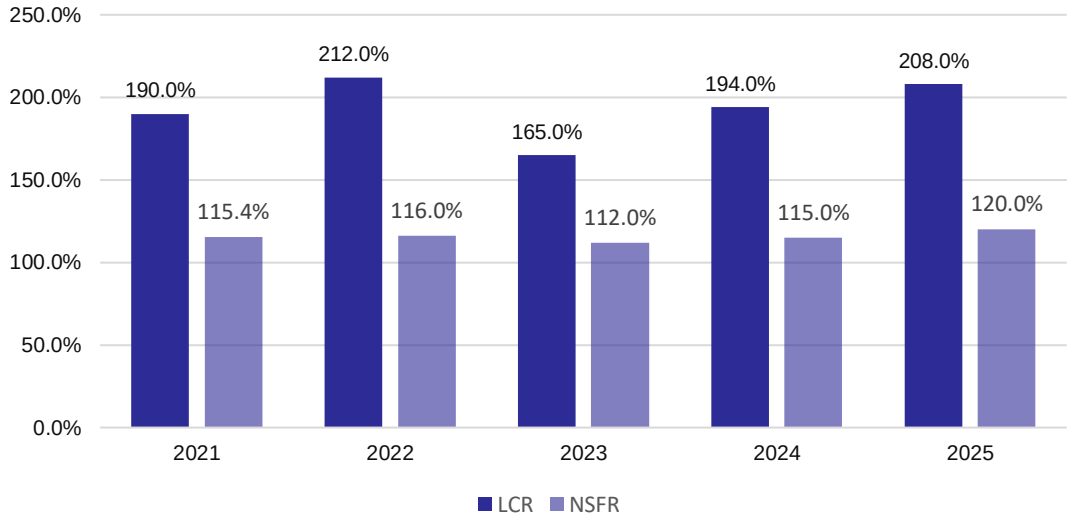



*Source: CBU Annual Reports 2021-2025.*

## L – Liquidity

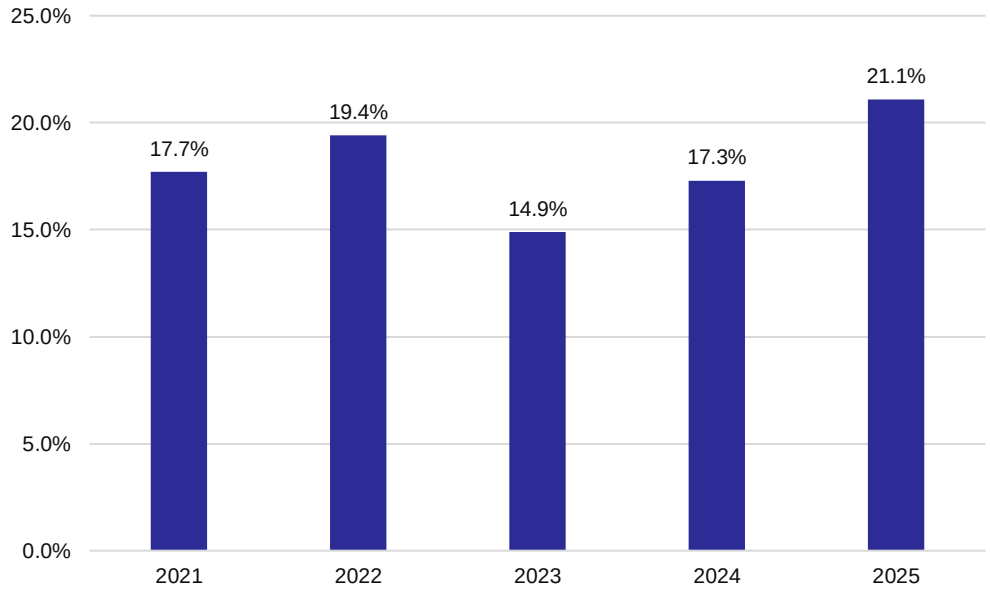
Liquidity measures a bank's ability to meet its short- and long-term obligations as they fall due. Two regulatory ratios anchor this assessment. The Liquidity Coverage Ratio (LCR) compares a bank's stock of high-quality liquid assets (HQLA – cash, central bank reserves, and government securities that can be converted to cash quickly) to its expected net cash outflows over a 30-day stress scenario; an LCR of 100% means a bank could cover a full month of stressed outflows from its liquid-asset buffer alone. The Net Stable Funding Ratio (NSFR) is the longer-horizon equivalent, comparing a bank's stable funding sources (equity and longer-term liabilities) to the funding required to support its assets over a one-year horizon; an NSFR above 100% means a bank is not overly reliant on short-term wholesale funding to finance longer-term assets.

**LCR and NSFR, Uzbekistan Banking Sector, 2021–2025**

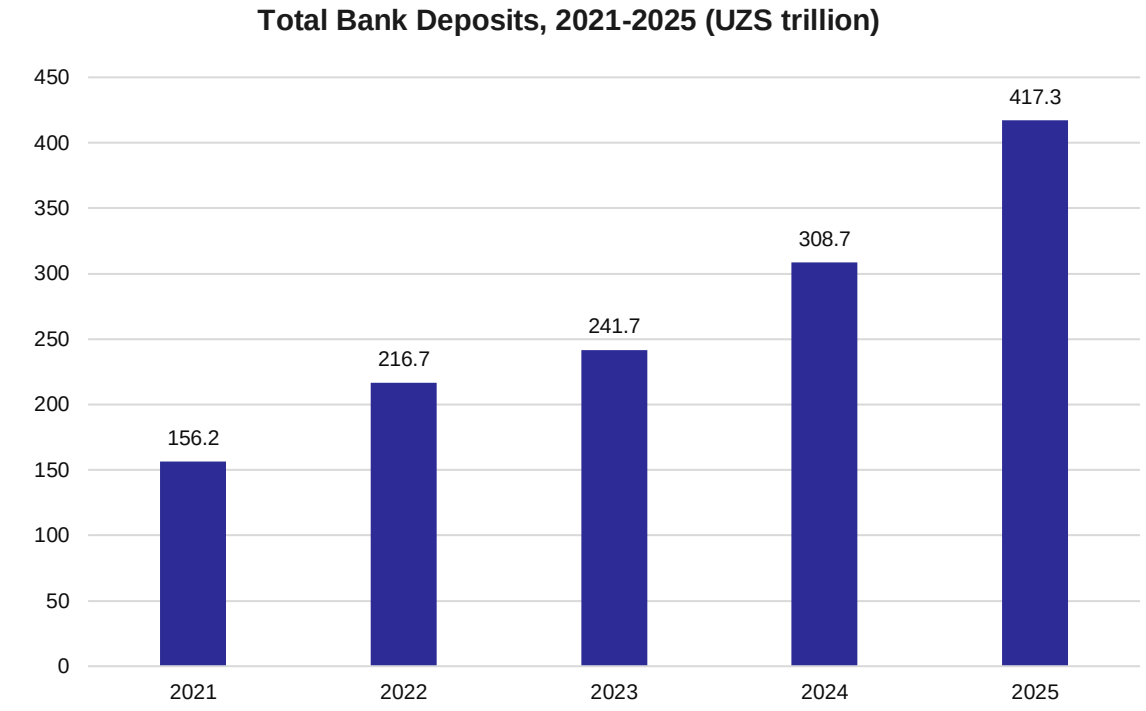


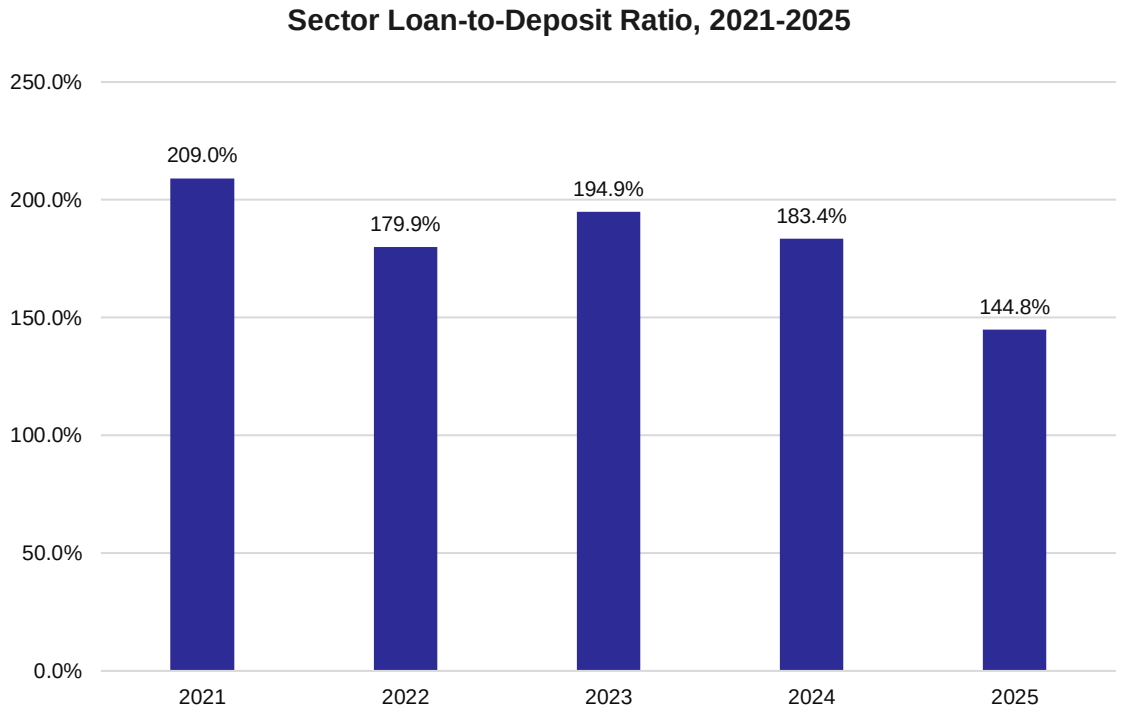

The LCR was 190% (2021), 212% (2022), 165% (2023), 194% (2024), and 208% (2025) — above the 100% regulatory minimum throughout, with 2023 the low point of the five-year window. The NSFR was 115.4% (2021), 116% (2022), 112% (2023), 115% (2024), and 120% (2025), all above its 100% minimum each year.

**High-Quality Liquid Assets / Total Assets, 2021–2025**



The liquidity buffer – HQLA as a share of total assets, against a 10% regulatory minimum – was 17.7% (2021), 19.4% (2022), 14.9% (2023), 17.3% (2024), and 21.1% (2025). The 2023 decline in both the LCR and the liquidity buffer coincided with a 7% fall in the absolute volume of HQLA that year, as reported in the CBU's 2023 Annual Report; the buffer recovered in 2024 and reached its five-year high in 2025.




*Source: CBU Annual Reports 2021-2025; loan-to-deposit ratio calculated from reported loan portfolio and deposit figures.*

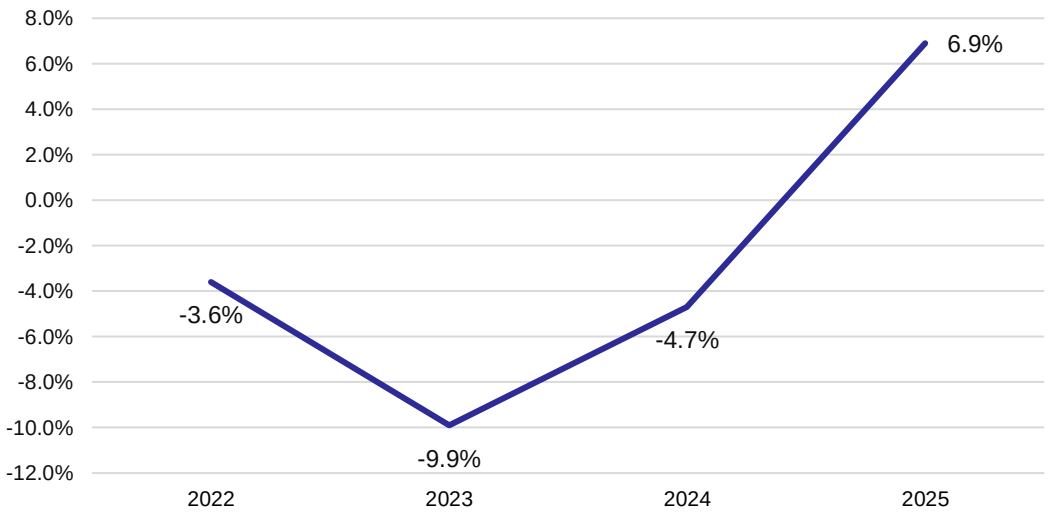
Total bank deposits grew from 156.2 trillion UZS at year-end 2021 to 417.3 trillion UZS at year-end 2025. The loan-to-deposit ratio was 209.0% (2021), 179.9% (2022), 194.9% (2023), 183.4% (2024), and 144.8% (2025), the lowest point in the five-year window, reflecting deposit growth (35% in 2025 alone) outpacing loan growth (15.4%). Within total liabilities, the share of deposits rose from 47% to 53% between 2024 and 2025, while external and interbank borrowing fell from 36% to 31%. The

deposit-growth attribution in the preceding section shows the 2025 funding shift led by NBU, Agrobank, and SQB, which together added over 38.9 trillion UZS in deposits (NBU +40.0%, Agrobank +60.5%, SQB +52.3%).

## S – Sensitivity to Market Risk

This component assesses the banking sector's exposure to movements in exchange and interest rates, the primary external variables that affect bank earnings and capital in Uzbekistan's operating environment.

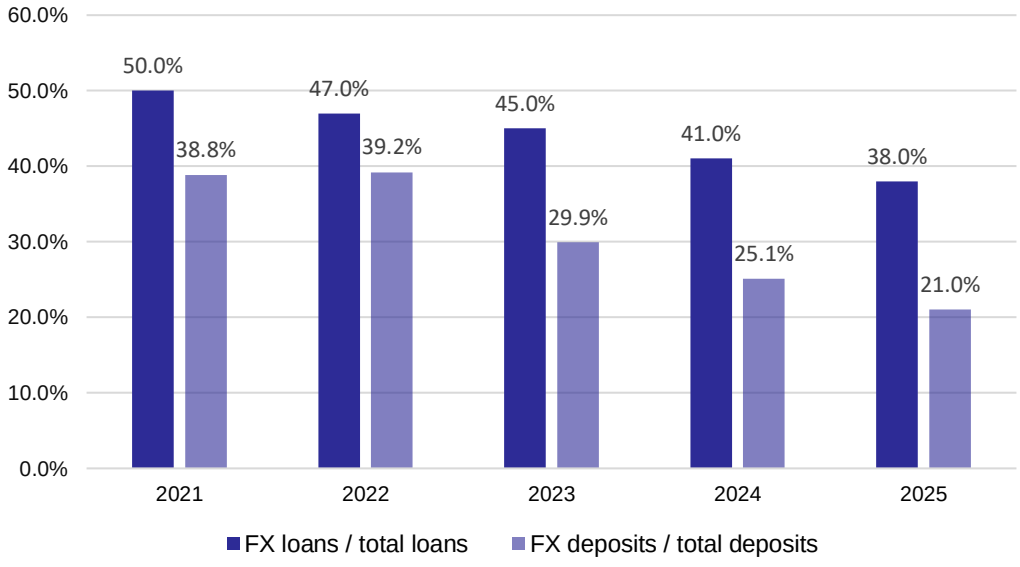
**USD/UZS Exchange Rate Movement, Year-on-Year, 2022-2025**




*Source: CBU Annual Report 2025*

The soum appreciated 6.9% against the US dollar in 2025, reversing three consecutive years of depreciation (−3.6% in 2022, −9.9% in 2023, −4.7% in 2024). Uzbekistan's banking system maintains a long FX position: foreign-currency assets exceed foreign-currency liabilities, so the 2025 appreciation was a tailwind for bank balance sheets. A resumption of depreciation would have the opposite effect, given the same position.

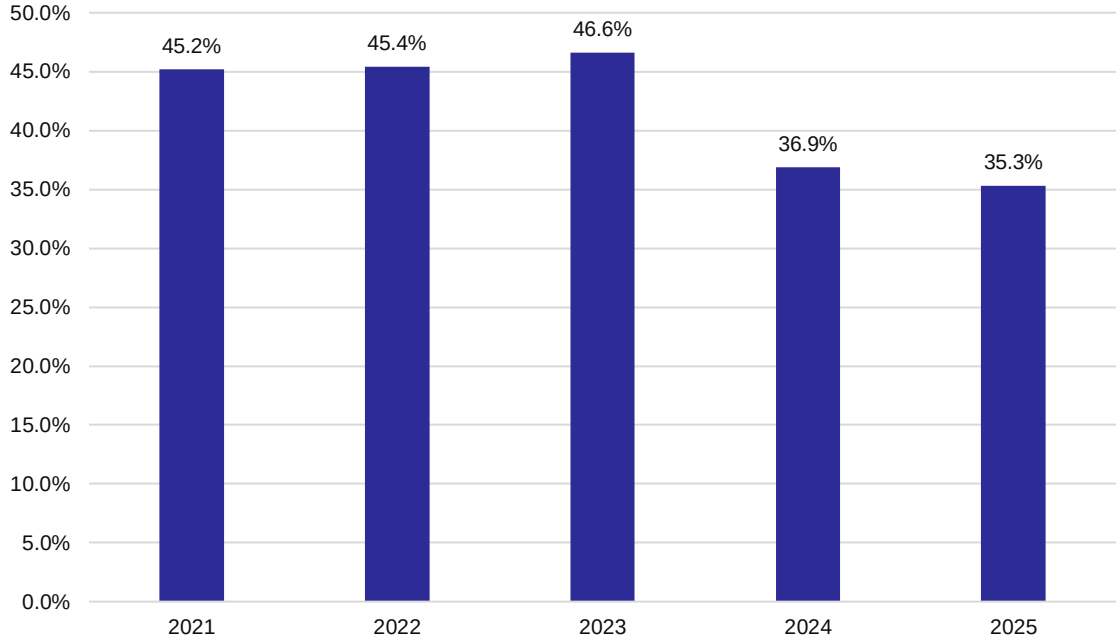
**FX Loan and Deposit Dollarization, 2021–2025**




*Source: CBU Annual Reports 2021–2025.*

FX-denominated loans as a share of the total loan portfolio were approximately 50% (2021), 47% (2022), 45% (2023), 41% (2024), and 38% (2025) — a consistent five-year decline. FX deposits as a share of total deposits were 38.8% (2021), 39.2% (2022), 29.9% (2023), 25.1% (2024), and 21% (2025), broadly flat in 2021-2022 before declining each year from 2023 onward.

**Outstanding Loans / Nominal GDP, 2021–2025**




*Source: calculated from CBU Annual Reports 2021–2025 (loan portfolio) and National Statistics Committee GDP figures. The 2023-to-2024 change partly reflects a one-time statistical revision: the Statistics Committee expanded its measured economic coverage for 2024 by 81 trillion UZS in November 2025, which is not reflected in the 2021-2023 GDP figures used here.*

Outstanding loans as a share of nominal GDP were 45.2% (2021), 45.4% (2022), 46.6% (2023), 36.9% (2024), and 35.3% (2025), broadly stable through 2023, then declining sharply in 2024, followed by a smaller further decline in 2025. Both loans and GDP grew in every year of the period, so the ratio's decline reflects differing growth rates, and not a contraction in lending: loan growth was 21.4% (2022), 23.3% (2023), 13.9% (2024), and 15.3% (2025), while nominal GDP growth was 20.9%, 20.1%, 44.0%, and 20.5% over the same four years. In 2022 and 2023, loan growth matched or exceeded GDP growth, holding the ratio flat to slightly higher; the 2024 GDP figure includes the coverage revision described above, which is the principal reason nominal GDP growth that year (44.0%) was so far out of line with the 20-21% pace seen in every other year of the period, and is what drove the ratio's decline that year in particular. In 2025, GDP growth (20.5%) again outpaced loan growth (15.3%), producing a further, smaller decline.

The CBU held its policy rate at 14% for the full year following a March 2025 increase. Average lending and deposit rates moved only modestly over the year: national-currency loan rates to individuals fell 0.9 percentage points to 23.6% by year-end, and household term deposit rates eased from approximately 21.8% in the first half of 2025 to 20.6% in December.

## CAMELS Rating Summary: Uzbekistan Banking Sector

| FY2025 | Key Metrics (FY2025) | Trend | Rating |
|---|---|---|---|
| C - Capital Adequacy | CAR 18.3% (min. 13%), highest of the 2021-2025 period; regulatory capital +21% to 151 trn UZS | Improving | 1 - Strong |
| A - Asset Quality | NPL 3.0%, lowest of the 2021-2025 period; coverage 94% (up from 87%); provisions -8% despite loan growth | Improving | 2 - Satisfactory |
| M - Management Quality | SOCB ROA 0.1% vs. 5.1% at private banks; risk-based supervision extended to all 35 banks in 2025; directed lending unresolved per IMF | Stable | 2 - Satisfactory |
| E - Earnings | ROA 2.2%, ROE 12.4%, both below 2023 peaks (2.6%/14.2%); net profit 15.5trn UZS; CIR 36.3%, third consecutive annual increase | Improving | 2 - Satisfactory |
| L - Liquidity | LCR 208%, NSFR 120%, both above 5-year average; deposits +35% to 418.4trn UZS; LDR 156.1%, lowest of the period | Improving | 1 - Strong |
| S - Sensitivity to Market Risk | Soum +6.9% vs. USD; FX loans 38%, FX deposits 21%, both lowest of the period; policy rate stable at 14% | Improving | 2 - Satisfactory |
| **Composite** | | | **2 - Satisfactory** |

*Ratings follow the structure of the NCUA CAMELS Rating System (1 = strong, 5 = critically deficient) and reflect analytical judgment based on the metrics above.*

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