MONEY MARKET AND LIQUIDITY REVIEW

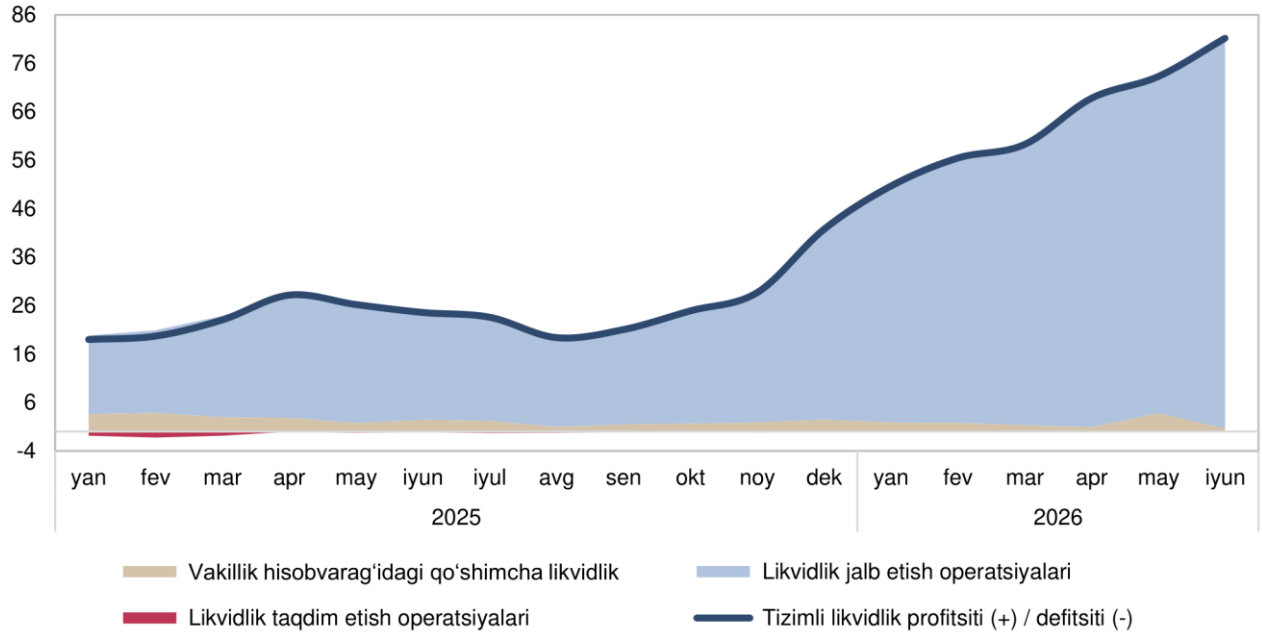
Q2 2026

Executive summary

In the second quarter of 2026, the banking system's liquidity surplus averaged UZS 74.4 trillion, up 34.2% from UZS 55.4 trillion in the previous quarter. The surplus increased from UZS 69 trillion in April to UZS 81.2 trillion in June. This was primarily driven by the liquidity-increasing effect of budget operations and a seasonal decline in demand for cash.

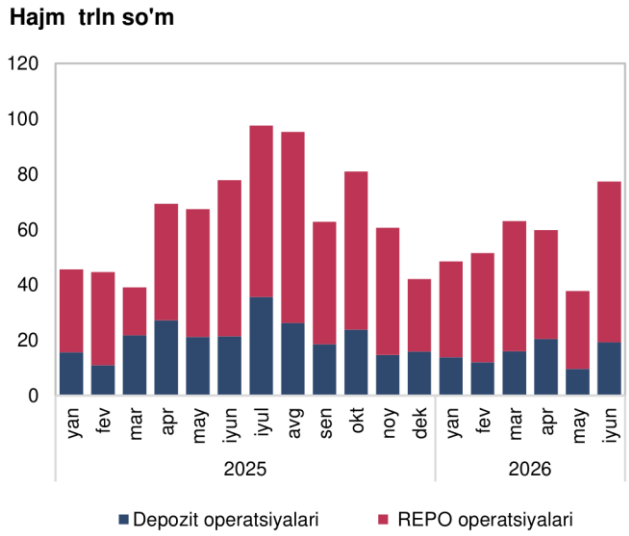
Budget operations added UZS 33.4 trillion to banking system liquidity, 2.7 times their contribution in the first quarter. Lower demand for cash increased liquidity by another UZS 5.6 trillion. The banking system's reserve averaging requirement rose by 6.3% to UZS 19 trillion, reflecting an expansion of the reserve requirement base.

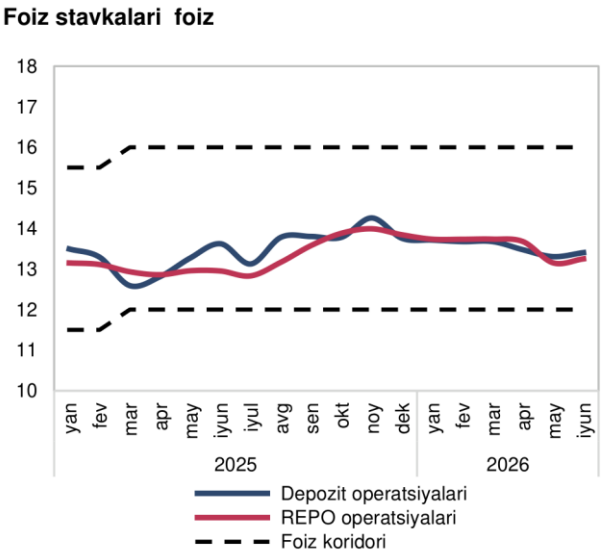
Term deposits placed by budget organizations through auctions increased by 84% to UZS 14.8 trillion. Government securities totaling UZS 9.4 trillion were issued during the quarter. The outstanding stock of Ministry of Economy and Finance bonds reached UZS 55.2 trillion as of 1 July, while their yields declined over the quarter, averaging 12.5%.



INTERBANK MONEY MARKET

Total interbank money market transactions increased by 7.3% quarter-on-quarter to UZS 175 trillion. REPO transactions accounted for UZS 125.5 trillion, or 72% of market turnover. Interbank deposit transactions rose by 17.8% to UZS 49.4 trillion. Market turnover increased from UZS 37.8 trillion in May to UZS 77.3 trillion in June. The weighted average money market interest rate stood at 13.4%, remaining within the Central Bank's interest rate corridor.





INTERBANK MONEY MARKET SEGMENTATION

The share of overnight transactions increased from 89% in the first quarter to 93%. Their volume rose by 11.6% to UZS 162.7 trillion, reflecting banks' reduced need to borrow for longer maturities amid ample liquidity.

The market share of the three most active liquidity borrowers fell from 81% to 74%. The Herfindahl–Hirschman index for this segment declined from 2,426 in April to 2,057 in June. Nevertheless, the borrowing segment remained relatively concentrated, while concentration among liquidity providers was lower.

LIQUIDITY MANAGEMENT OPERATIONS

To manage the structural liquidity surplus, the Central Bank actively used seven-day bonds. Their average weekly placements rose from UZS 49 trillion in the first quarter to UZS 72 trillion, while their average outstanding stock increased from UZS 48.7 trillion to UZS 65.7 trillion. Average daily overnight deposits increased by 36% to UZS 6.9 trillion. The Central Bank's average net liquidity absorption position reached UZS 72.6 trillion. Demand for liquidity-providing operations remained minimal.

The UZONIA benchmark rate averaged 13.4%, standing 0.6 percentage points below the policy rate, compared with a 0.3 percentage point gap in the first quarter. Its recovery from an average of 13.1% in May to 13.3% in June reflected increased liquidity absorption.

In the third quarter, budget operations are expected to continue supporting liquidity, while seasonal demand for cash and foreign currency may partly reduce the surplus. The Central Bank will continue absorbing excess liquidity to keep money market rates within the interest rate corridor and close to the policy rate.