

MONEY MARKET AND LIQUIDITY REVIEW

EXECUTIVE SUMMARY

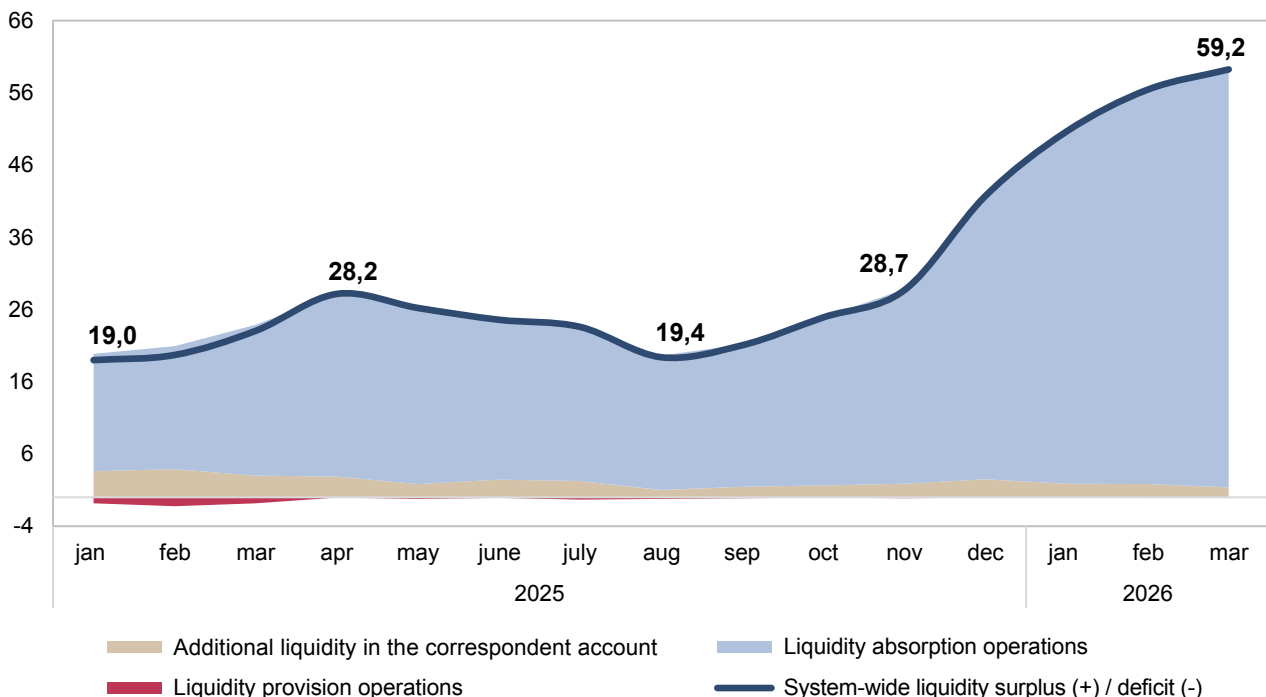
2026 Q1

Liquidity dynamics in 2026 Q1

In 2026 Q1, the banking system’s overall liquidity position averaged UZS 55.4 trillion, 74.5 percent higher than in 2025 Q4 (average UZS 32 trillion). The liquidity surplus increased from an average of UZS 51 trillion in January to UZS 56.4 trillion in February, reaching UZS 59 trillion on average in March.

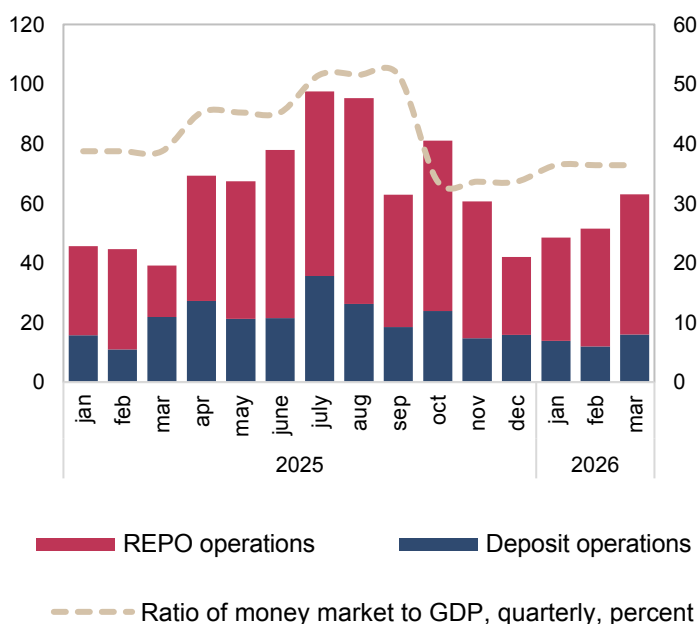
Starting from 1 January 2026, the coverage level of liabilities included in the reserve requirement base was increased from 15 percent to 20 percent. To mitigate the impact of these changes, the reserve ratio on foreign-currency liabilities was reduced from 9.5 percent to 8.5 percent. As a result, the banking system’s average reserve requirement reached UZS 17.9 trillion during the quarter.

Overall liquidity position in the banking system,
UZS trillion



Seasonal declines in demand for cash in circulation contributed to a UZS 5.7 trillion increase in banking system liquidity during Q1. At the same time, banks actively used intraday interest-free liquidity instrument to ensure uninterrupted payments and smooth functioning of the payment system.

Interbank money market operations, UZS trillion



Interbank money market

In 2026 Q1, total interbank money market operations amounted to UZS 163 trillion. The ratio of money market activity to quarterly GDP increased to 36.4 percent.

REPO transactions accounted for 74 percent of interbank money market transactions, amounting to UZS 121 trillion. The volume of interbank deposit operations stood at UZS 42 trillion.

Interbank money market segmentation

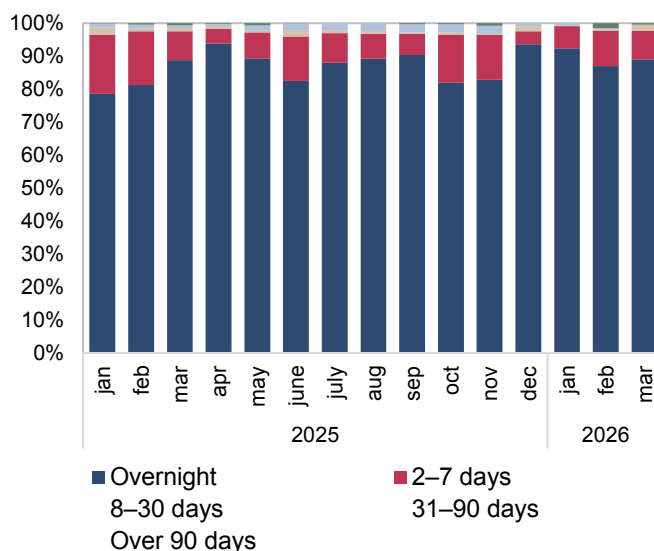
In 2026 Q1, overnight operations accounted for 89 percent of interbank money market transactions. The share of operations with maturities of 2–7 days declined from 11.8 percent in 2025 Q4 to 8.7 percent in 2026 Q1, while the share of operations with maturities above 30 days decreased from 2.5 percent to 1 percent.

Although interbank market activity declined compared with the previous quarter, the scale of operations and the number of market participants indicate that liquidity redistribution mechanisms in the banking system continue to develop and that liquidity management efficiency is improving.

According to the Herfindahl–Hirschman Index, concentration in the liquidity borrowing segment remained relatively high during the quarter. This reflects the growing role of several large participants in liquidity redistribution under conditions of elevated liquidity surplus.

In Q2 2026, seasonal growth in budget expenditures is expected to remain one of the key factors supporting liquidity growth. At the same time, stronger demand for foreign currency and cash in circulation may moderate the liquidity surplus.

Money market operations by maturity, percent



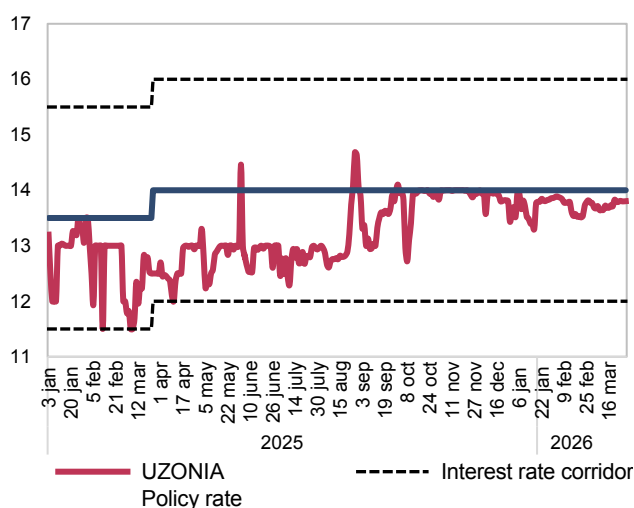
Liquidity management operations

During 2026 Q1, the Central Bank actively used its main liquidity absorption operations to regulate banking system liquidity effectively and ensure that money market interest rates remained within the interest rate corridor and close to the policy rate.

In particular, the average weekly volume of 7-day Central Bank bonds placed among commercial banks reached UZS 49.2 trillion during the quarter. Monthly average bond issuance amounted to UZS 213.6 trillion, with the highest activity observed in January and March.

As a result, the quarterly average UZONIA rate formed at around 13.7 percent. The spread between the policy rate and UZONIA slightly widened compared with the previous quarter and reached 0.3 percentage points.

Money market benchmark interest rate, percent



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Under conditions of system-wide liquidity surplus, the Central Bank also actively used overnight deposit operations to prevent excessive fluctuations in money market rates. Average daily demand for overnight deposit operations increased by 20 percent compared with 2025 Q4 and reached UZS 5.1 trillion during the quarter. Over the quarter, the Central Bank's average net position with commercial banks through monetary policy operations constituted UZS 55.4 trillion.

Monetary policy operations, UZS trillion

