The Central Bank
of the Republic of Uzbekistan

MONEY MARKET AND LIQUIDITY REVIEW Q4 2025

Executive summary

March 2026

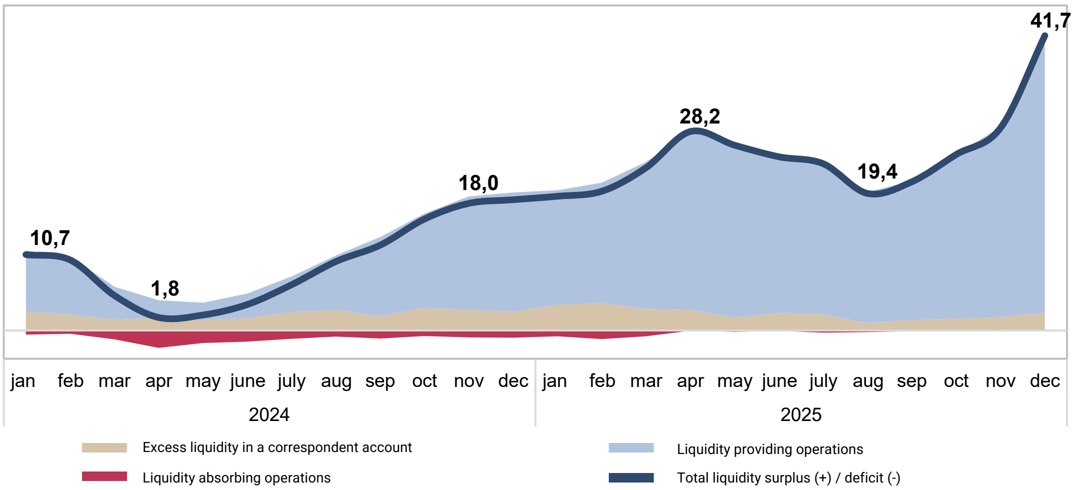
LIQUIDITY DYNAMICS IN Q4 2025

In Q4 2025, the banking system's overall liquidity position averaged UZS 32 trillion, 49% higher than in Q3 (average UZS 21.3 trillion). The liquidity surplus increased from an average of UZS 25 trillion in October to UZS 28.7 trillion in November, reaching UZS 41.7 trillion on average in December.

To mitigate the impact of expanding the reserve requirement base coverage from 10% to 15% effective 1 October 2025, the reserve ratio on foreign-currency liabilities was reduced from 10.5% to 9.5%. As a result, the banking system's average reserve requirement for the quarter rose by about UZS 0.5 trillion compared with Q3, reaching UZS 16.6 trillion.

Throughout the quarter, banks held an average of UZS 2 trillion in additional liquidity in their correspondent accounts, supporting uninterrupted payments and the stability of the payment system. Seasonal factors that increased demand for cash in circulation contributed to a UZS 3 trillion reduction in banking system liquidity during Q4.

Total liquidity position of the banking system, trln soums

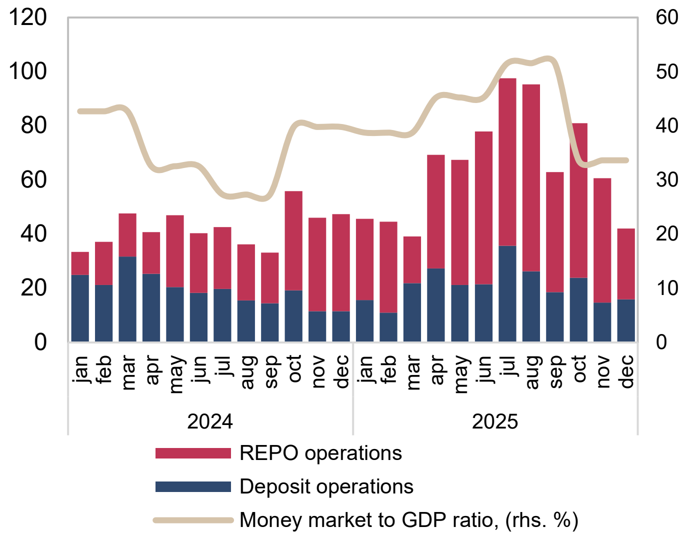


INTERBANK MONEY MARKET

In Q4 2025, total interbank money market operations amounted to UZS 183.6 trillion. The ratio of money market activity to quarterly GDP indicated to 33.6% in Q4.

REPO transactions accounted for 70% of interbank money market transactions, amounting to 129 trillion soums. The volume of interbank deposit operations stood at 54.3 trillion soums.

Interbank money market operations, trln soums



INTERBANK MONEY MARKET SEGMENTATION

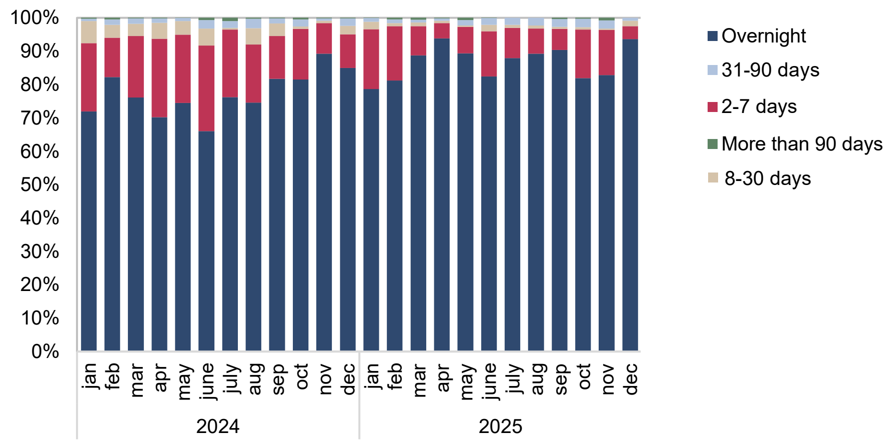
In Q4 of 2025, overnight operations accounted for 86 percent of interbank money market transactions. Of the operations with maturities of 2–7 days, 54.4 percent were conducted in October, reflecting increased demand for term liquidity due to changes in reserve requirements.

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, which measures concentration in the money market, the increase in concentration levels in both the liquidity absorption and liquidity provision segments in December 2025 can be attributed to the growing share of several large participants amid high liquidity surplus, as well as the fact that liquidity absorption and provision operations were conducted by a relatively limited group of banks.

In Q1 2026, seasonal declines in budget operations, a rapid increase in demand for foreign currency within the banking system, and reduced demand for cash in circulation are expected to be factors that moderate the liquidity surplus.

Share of money market operations by maturity, percent

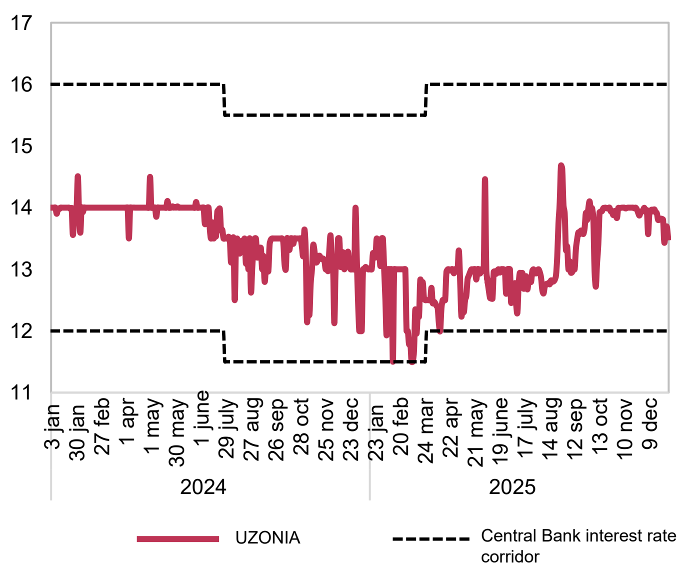


LIQUIDITY MANAGEMENT OPERATIONS

During Q4, the Central Bank actively relied on its main liquidity absorption operations to regulate banking system liquidity effectively and intensified measures aimed at keeping money market interest rates within the interest rate corridor and close to the policy rate.

As a result, money market rates became relatively more stable, and the quarterly average UZONIA rate formed at around 13.9%.

Money market benchmark interest rate, percent



Under conditions of a system-wide liquidity surplus, the Central Bank also actively implemented overnight deposit operations to prevent fluctuations in money market rates. Demand for these operations increased from UZS 2.7 trillion in October to UZS 6.4 trillion in December. Over the quarter, the Central Bank's average net position with commercial banks through monetary policy operations constituted UZS 30 trillion.

Monetary policy operations, trln soums