

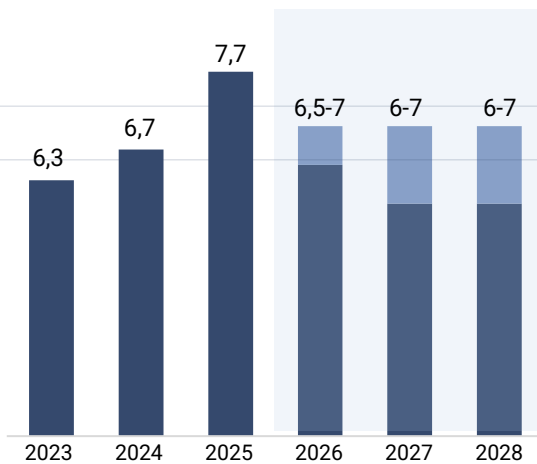
MONETARY POLICY REVIEW EXECUTIVE SUMMARY

2025 Q4

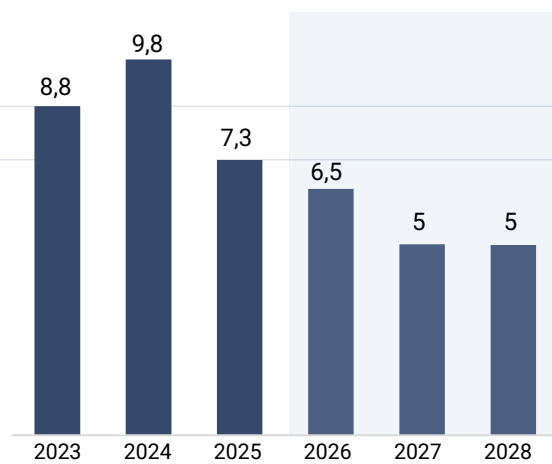
Economic Activity and Aggregate Demand

In the fourth quarter of 2025, economic activity in Uzbekistan remained strong, with aggregate demand continuing to support economic growth. The steady expansion of consumption and investment demand, the continuation of fiscal stimulus measures, and relatively favorable conditions in global commodity markets contributed to accelerating economic development. As a result, real GDP growth reached 7.7 percent by the end of 2025, exceeding earlier projections.

Forecast of real GDP growth rates, percent



Headline inflation forecast, percent



Source: Central Bank calculations.

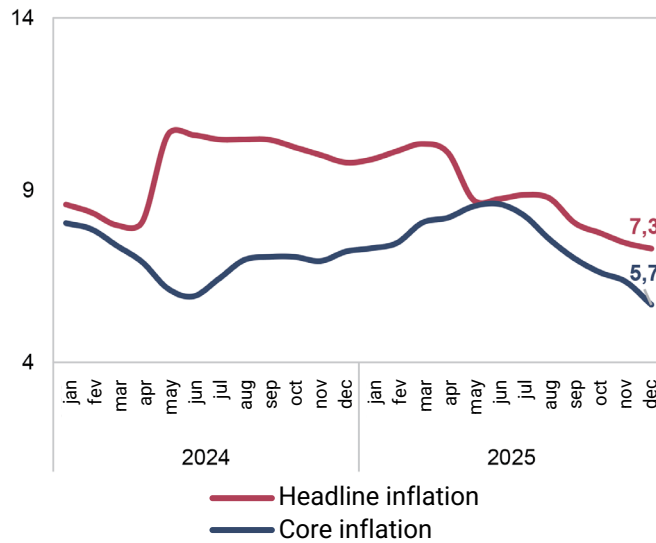
* – expected;

the light-colored sections in the charts indicate the forecast range.

Inflation and Inflation Expectations

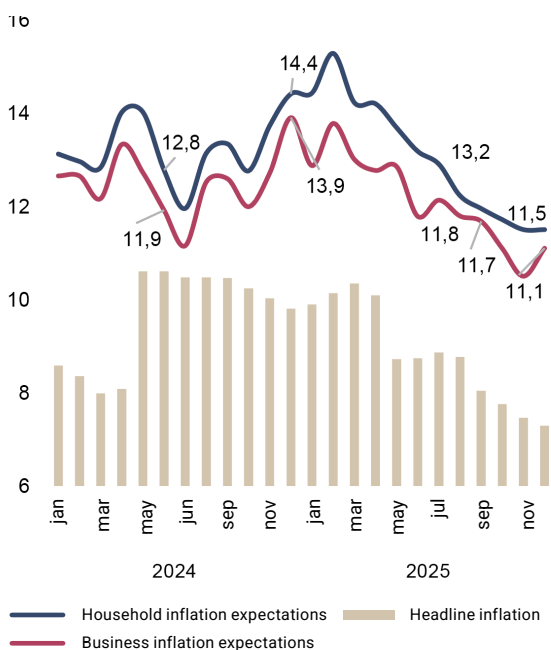
Inflation continued its downward trend in the fourth quarter. In December 2025, annual inflation declined to 7.3 percent, remaining within the projected range. Tight monetary conditions, the appreciation of the exchange rate, and changes in import prices were among the key factors contributing to this trend. Core inflation also showed a declining tendency and reached 5.7 percent year-on-year in December. At the same time, services inflation remained relatively elevated, reflecting demand-side factors.

Dynamics of the annual change in headline and core inflation, percent

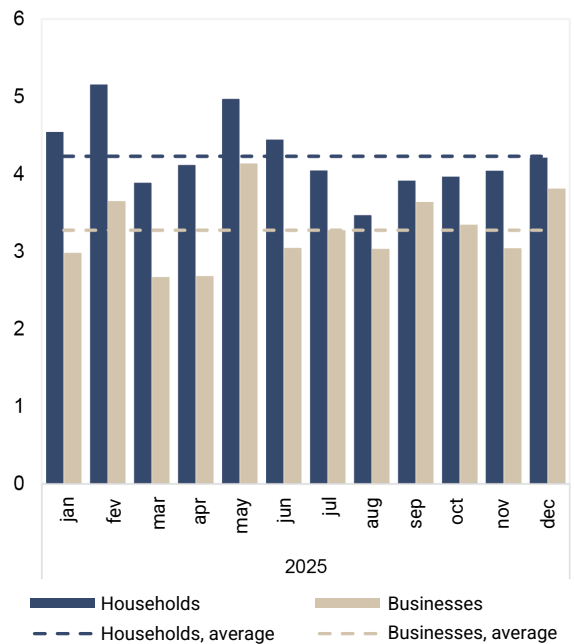


During 2025, inflation expectations of households and businesses showed a declining trend against the backdrop of falling headline inflation. In particular, **households’** inflation expectations for the next 12 months decreased from **14.4 percent** at the beginning of the year to **11.5 percent** by the end of the year. At the same time, inflation expectations among business entities declined from **12.9 percent** to **11.1 percent**.

Dynamics of 12-Month Ahead Inflation Expectations and Headline Inflation, percent



Difference Between Inflation Expectations and Headline Inflation, percent



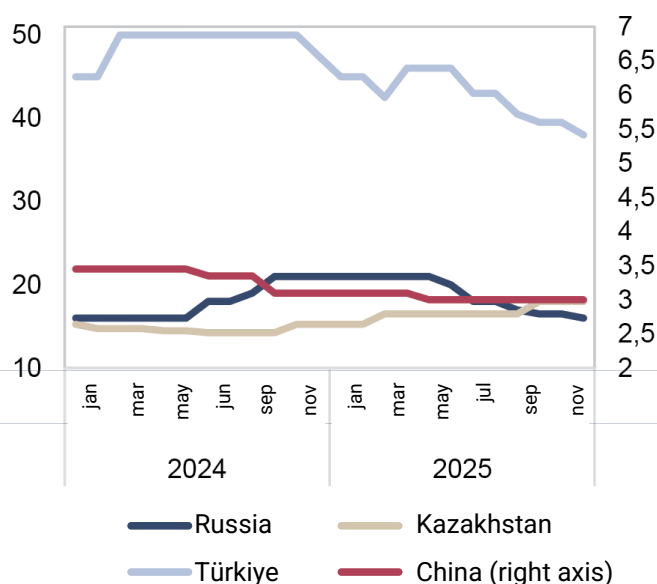
Source: Central Bank calculations.

MONETARY POLICY REVIEW

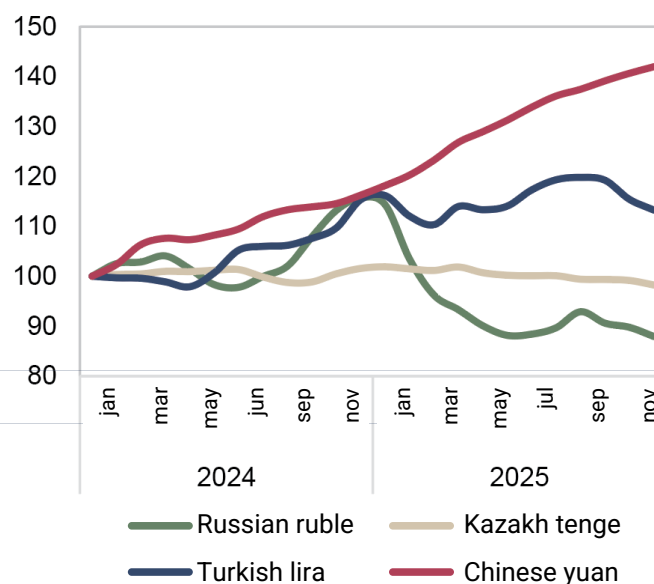
External economic conditions

External economic conditions remained relatively favorable in the fourth quarter of 2025. High prices for commodity products in global markets supported export revenues and budget revenues. In 2025, increased foreign currency supply in the domestic market, driven by export revenues, external borrowing, and remittance inflows, contributed to the appreciation of the national currency. As a result, the Uzbek soum appreciated by **6.9 percent over the year**. This development helped ease import-driven inflation pressures, reduce the level of dollarization, and lower external debt servicing costs.

Policy Rates of Major Trading Partners, percents



Exchange Rate Dynamics of Major Trading Partners' Currencies, 2024 = 100%

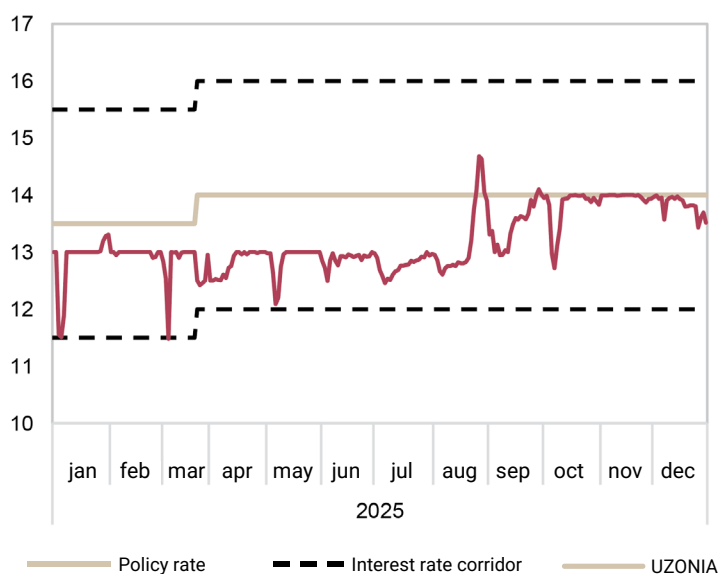


Source: Central Bank calculations.

Monetary Conditions and Policy Outlook

Monetary conditions remained tight to ensure a steady disinflation path. In particular, the **policy rate was maintained at 14 percent** to contain inflationary risks and limit aggregate demand pressures. Despite the presence of structural liquidity surplus in the banking system, the Central Bank actively used liquidity absorption operations, keeping money market rates around **13.9 percent during the quarter**. This helped maintain positive real interest rates and encouraged savings in the national currency.

UZONIA Indicator Dynamics, percent



Medium-Term Macroeconomic Projections

According to the updated projections, economic growth is expected to reach 6.5-7 percent in 2026. Inflation is projected to remain around 6.5 percent.

Going forward, the Central Bank will continue to closely monitor inflation dynamics, inflation expectations, aggregate demand factors, and external economic risks. Monetary policy will remain focused on bringing inflation down to the 5 percent medium-term target and ensuring macroeconomic stability.