



**National Bank  
of the Kyrgyz Republic**

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**THE FINANCIAL SECTOR  
STABILITY REPORT OF THE  
KYRGYZ REPUBLIC**

**according to the results  
of the first half of 2025**

**December 2025**

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**Bishkek**

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## **Other Publications of the National Bank of the Kyrgyz Republic**

### ***Annual Report of the National Bank of the Kyrgyz Republic***

This publication is a complete report on the activity of the National Bank for the previous year. It contains assessment of changes in the real, financial and external sectors of economy, the description of decisions and actions of the National Bank in the monetary sphere, in the banking and payment systems, in the non-banking financial-credit organizations; it includes financial statements and general information on the National Bank, as well as the statistical appendices. It is published in the state, official and English languages.

### ***Bulletin of the National Bank of the Kyrgyz Republic***

The publication contains the statistical data on key macroeconomic and financial indicators of the Kyrgyz Republic. It is published on the official website of the National Bank in the state, official and English languages.

### ***Monetary Policy Report***

The Report informs the public of the decisions made by the National Bank in the monetary policy area based on the analysis and forecast of the key inflation factors and assessment of the economic development in the external and internal environment of the Kyrgyz Republic. It is published on the official website of the National Bank in the state, official and English languages.

### ***Balance of Payments of the Kyrgyz Republic***

The publication describes the recent development trends in the external sector and contains the data on the balance of payments, external trade, international reserves, external debt, and the international investment position, as well as the metadata and the information base to draw up the balance of payments. It is published quarterly – in February, June, August, and November in the state, official and English languages.

### ***Regulatory Acts of the National Bank of the Kyrgyz Republic***

These are the regulations, instructions and other regulatory legal acts adopted by the National Bank of the Kyrgyz Republic. The estimated frequency of the journal publication is once a month in the state and official languages.

The publications of the National Bank are distributed according to the approved list, and are also posted on the official website of the National Bank at: [www.nbkr.kg/Publications](http://www.nbkr.kg/Publications).

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## **PREAMBLE**

National Bank of the Kyrgyz Republic has been publishing the Financial Sector Stability Report of the Kyrgyz Republic since 2012. The objective of the Report is to inform the public on the general assessment of the stability and soundness of the financial system of the Kyrgyz Republic.

Financial Stability in this publication means smooth and continuous functioning of the financial institutions, the financial markets and the payment systems enabling to perform functions of the financial intermediation even in conditions of financial imbalances and shocks.

Results of the monitoring and analysis of financial stability are considered by the National Bank in forming the main directions of the National Bank's monetary policy, regulating the banking activity and development of the strategy for financial-credit organizations of the Kyrgyz Republic.

The Financial Sector Stability Report of the Kyrgyz Republic is oriented to financial market participants and the audience interested in the financial stability issues.

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## **MAJOR CONCLUSIONS**

In the first half of 2025, economic activity in the Kyrgyz Republic remained high being supported by positive dynamics in the key production sectors and the sphere of services. High domestic demand conditioned by growth in real incomes of the population continued to stimulate economic activity. During the reporting period, budget revenues exceeded its expenditures in the fiscal sector amid growth of borrowings through issue of the government securities (GS).

The monetary policy measures taken by the National Bank contributed to keeping inflation within single-digit values.

In the the reporting period, there was an increase in the main indicators of the banking sector such as: assets, loan portfolio, deposit base, capital and level of financial intermediation.

In the reporting period, dollarization of loans and deposits in the banking sector decreased compared to the same period of 2024.

The results of “reverse” stress tests still reflect the availability of financial strength based on the results of the first half of 2025 and the ability to withstand certain macroeconomic shocks. At the same time, it should be noted that a significant part of the banking sector is able to withstand possible combined shocks.

In general, despite geopolitical situation worldwide and the current sanctions restrictions in relation to the trading partner countries, during the reporting period, there are certain risks for the banking sector, however their level does not pose a threat to the stability of the entire financial sector. The banking sector of the Kyrgyz Republic demonstrates the availability of financial strength.

In the first half of 2025, the level of risks in the systemically important and significant payment systems was within the permissible limits, which was ensured by the risk management mechanisms provided for by the legislation of the Kyrgyz Republic and the payment systems rules, existing high level of liquidity, the system of insured deposits and prepayments.

In the reporting period, development of the regulatory framework governing the activities of the financial-credit organisations was focused on improving the principles of Islamic finance, developing the conditions for provision of the banking services, as well as the system of lending and consumers’ rights protection.

## I. MACROECONOMIC AND FINANCIAL ENVIRONMENT

### 1.1. Macroeconomic Conditions and Risks

*Economic activity remained high in the Kyrgyz Republic being supported by positive dynamics in the main production sectors and the service industry. High domestic demand conditioned by growth in real incomes of the population provided stable stimulation of economic activity. During the reporting period, budget revenues exceeded expenditures in the fiscal sector amid growth of borrowings through issue of the government securities.*

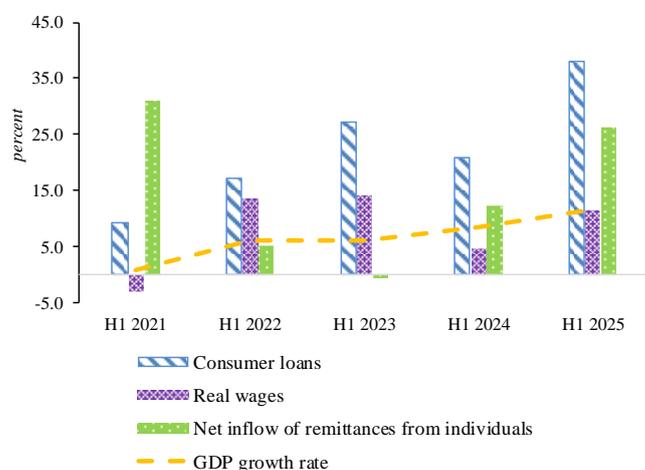
*The monetary policy measures taken by the National Bank contributed to keeping inflation within single-digit values.*

#### External Conditions

In the first half of 2025, the global economy developed under the influence of changes in the trade policy of leading countries and intensification of geopolitical factors, being accompanied by increased uncertainty and volatility in the world commodity and financial markets. Inflation remained high in the countries – main trading partners of the Kyrgyz Republic. At the end of June 2025, the annual inflation rate stood at 11.8 percent in the Republic of Kazakhstan, 8.7 percent – in the Republic of Uzbekistan and 9.4 percent – in the Russian Federation, which resulted in rise of prices for products imported from these countries, thereby increasing external pressure on inflation.

#### Internal Conditions

**Chart 1.1.1. Factors of Domestic Demand**



Source: NSC KR, NBKR.

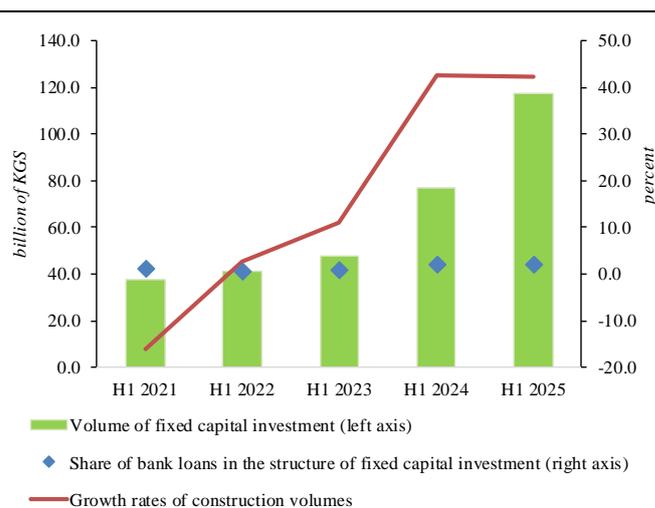
In the first half of 2025, the economy of the Kyrgyz Republic demonstrated high growth, which exceeded the similar indicators of its main trading partner countries. Real GDP grew by 11.6 percent. The sectors of trade, construction and industry showed the most significant activity.

Domestic demand was supported by an increase in the population's incomes and inflow of remittances from abroad. In January-June 2025, real wages increased by 11.5 percent in annual terms, there was growth of wages in all sectors of economic activity.

Labor market showed positive trends.

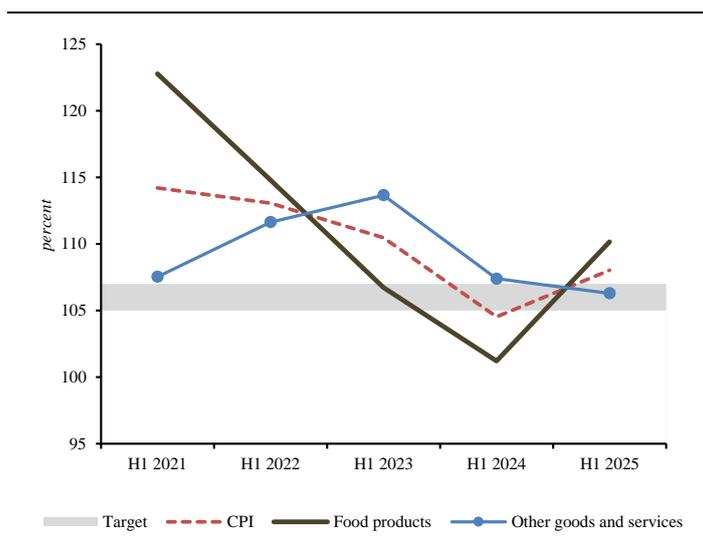
In the first half of 2025, the number of created jobs amounted to 159.0 thousand, having increased by 2.9 times compared to the same period of the last year, to reflect high business activity in the country. According to the National Statistical Committee of the Kyrgyz Republic, as of July 1, 2025, the official registered unemployment rate in the Kyrgyz Republic decreased compared to 2.1 percent recorded in the first half of 2024 and amounted to 1.6 percent of the total labor force.

**Chart 1.1.2. Capital Investments**



Source: NSC KR.

**Chart 1.1.3. Inflation Dynamics in the Kyrgyz Republic**



Source: NSC KR.

During the last three years, the construction sector demonstrated relatively high growth rates compared to other sectors of the country’s economy. The volume of capital investment increased significantly. In the first half of 2025, capital investment grew by 42.9 percent.

These investments are mainly financed by the funds of the state budget, enterprises, organizations, and the population.

As before, the banking sector of the country played a key role in stimulating the economy. The commercial banks actively increased lending to the real sector of the economy.

In the first half of 2025, the loan portfolio of the commercial banks increased by 22.4 percent mainly due to growth in consumer and mortgage lending, as well as loans for trade and agriculture.

During the first half of 2025, the inflation rate in the Kyrgyz Republic remained moderate, within the National Bank’s expectations. However, by the end of the reporting period, the inflation rate accelerated due to external factors conditioned by volatility in the world prices and changes in the seasonal nature of price movement for certain types of food products.

In June 2025, the annual inflation rate was 8.0 percent. The structure of inflation at the end of the first half of the year was as follows: prices for food products rose by 10.2 percent, for

alcoholic drinks and tobacco products – by 8.5 percent, for services – by 5.6 percent and for non-food products – by 5.5 percent. During the reporting period, price volatility in the world oil and food markets, revision of electricity tariffs, and increased inflationary pressure in the trading partner countries, which conditioned import inflation, were the main factors contributing to inflation.

**Fiscal sector.** At the end of six months, the state budget of the country was executed with a surplus of KGS 60.4 billion, or 8.5 percent to GDP. There were higher growth rates of increase in budget revenues compared to expenditures amid expansion of economic activity in the country and current changes in the collection of tax and customs payments.

At the same time, net budget financing increased up to KGS 34.2 billion due to growth in external and internal liabilities to result in rise by 27.8 percent in public debt year-to-date and an increase by 53.5 percent in internal debt.

## 1.2. Structure of the Financial Sector

Institutional structure of the financial sector in the Kyrgyz Republic is represented by the commercial banks and other financial institutions.

**Table 1.2.1. Institutional Structure of the Financial Sector**  
(number of the financial institutions)

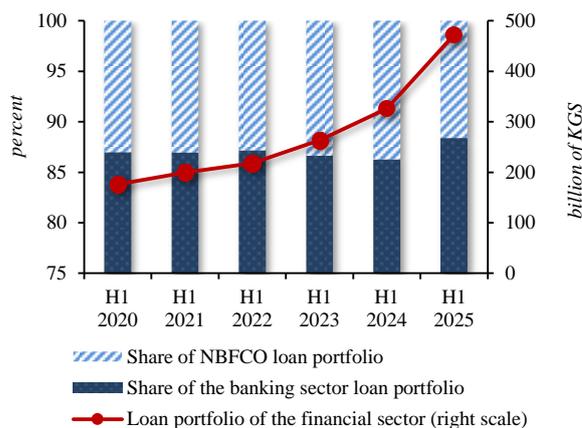
Financial institutions	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
<b>Commercial banks</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>21</b>	<b>21</b>
<b>Other financial companies, including:</b>	<b>627</b>	<b>607</b>	<b>611</b>	<b>752</b>	<b>863</b>	<b>986</b>
<b>Non-banking and specialized financial-credit organizations (NBSFCO), including:</b>	<b>627</b>	<b>607</b>	<b>611</b>	<b>752</b>	<b>863</b>	<b>986</b>
Microfinance organizations, including:	134	134	130	129	113	106
microcredit companies	87	87	85	86	68	63
microcredit agencies	38	38	35	34	35	34
microfinance companies	9	9	10	9	10	9
Specialized Financial-Credit Organization	1	1	1	1	1	1
Credit offices	2	2	2	2	2	2
Credit unions	93	91	86	83	79	75
Exchange offices	396	377	390	535	667	801
OJSC "Guarantee fund"	1	1	1	1	1	1
Housing saving credit company	-	1	1	1	0	0
<b>Insurance companies</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>17</b>	-	-
<b>Investment funds</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	-	-
<b>Stock exchanges</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	-	-
<b>Pension funds</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	-	-

Sources: CBs, NBFCOs, NSC KR, State Financial Supervision Service.

As of the end of the first half of 2025, assets of the banks and non-banking financial-credit organizations (NBFCOs) amounted to KGS 1,087.2 billion or 66.3 percent to GDP.

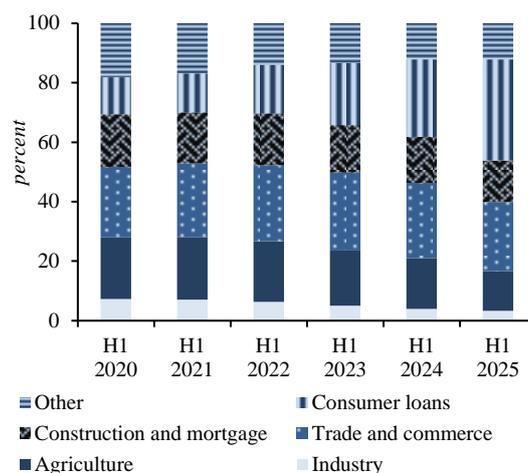
At the end of the first half of 2025, the total loan portfolio of the financial sector amounted to KGS 471.6 billion or 28.8 percent to GDP. The share of banks' loans in the loan portfolio of the financial sector made 88.4 percent at the end of the first half of 2025 (Chart 1.2.1).

**Chart 1.2.1. Structure of the Loan Portfolio**



Source: CBs and NBFCOs.

**Chart 1.2.2. Sectoral Structure of the Loan Portfolio in the Financial Sector**



Source: CBs and NBFCOs.

High concentration of loans was observed in consumer loans within the sectoral structure of the loan portfolio of the commercial banks and non-banking financial-credit organizations. The aggregate share of the loan portfolio in the financial sector of the aforementioned sectors of the economy at the end of the first half of 2025 constituted 75.9 percent of total issued loans and amounted to KGS 160.4 billion (Chart 1.2.2).

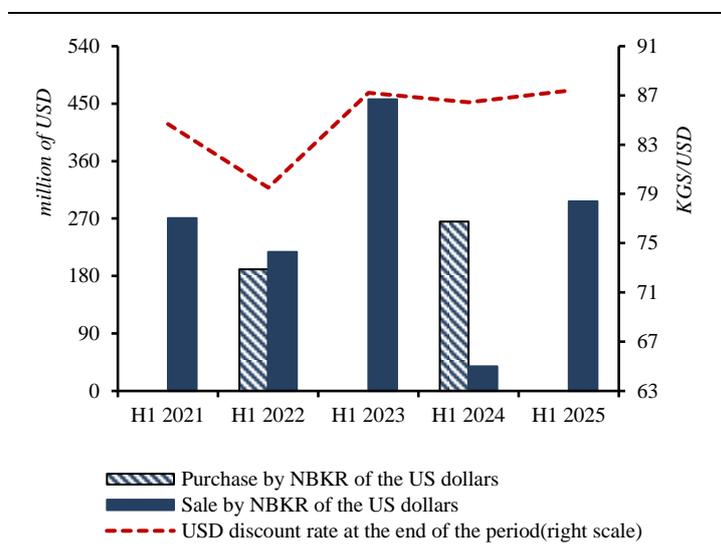
### 1.3. Financial Markets

During the first half of 2025, exchange rate flexibility was stable in the domestic foreign exchange market, and some periods were characterized by strengthening of the national currency. The interbank credit market showed increased activity, the short-term interest rates were near the lower rate of the interest rate corridor. The demand for short-term resources was fully covered by the interbank borrowings. The volume of transactions increased compared to 2024 in the long-term and short-term segments of the government securities market.

#### 1.3.1. Foreign Exchange and Money Market

##### Foreign Exchange Market

**Chart 1.3.1.1. Dynamics of Interventions of the NBKR in the Foreign Exchange Market**



Source: NBKR.

In general, during the first half of 2025, the situation in the domestic foreign exchange market was stable, while the exchange rate flexibility remained unchanged due to market-driven supply of foreign currency and demand for it.

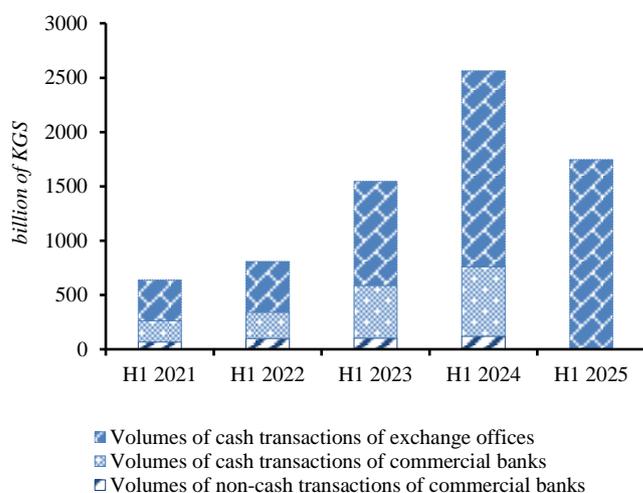
As of the end of June 2025, the USD/KGS official exchange rate was 87.3940 KGS/USD, having increased by 0.5 percent compared to the end of 2024.

Since the middle of the first half of 2025, the foreign exchange market showed a decrease in the supply of foreign currency and a corresponding spread in the fluctuation range of the official exchange rate, which was 85.6093-87.4500 (KGS 1.8) KGS/USD in the first half of 2025, meanwhile, in the same period of 2024, the

fluctuation range was 86.4454-89.5100 (KGS 3.1) KGS/USD.

In the first half of 2025, the National Bank conducted foreign exchange interventions for sale of foreign currency in the amount of USD 297.1 million to smooth out sharp fluctuations of the exchange rate.

**Chart 1.3.1.2. The Volume of Purchases and Sales of Foreign Currency by Type of Transactions (in KGS Equivalent)**



Source: NBKR

(43.5 percent), the share of transactions on purchase and sale of euro increased from 1.4 percent up to 2.5 percent, the share of transactions in Kazakh tenge increased slightly from 0.03 percent up to 0.04 percent; meanwhile, the share of transactions with Chinese yuan decreased significantly from 4.7 percent down to 0.5 percent.

In general, the transactions were still conducted in cash in the foreign exchange market, the share thereof decreased by 8.9 percentage points, down to 86.5 percent of the total volume. At the same time, in the structure of cash transactions the largest share, as before, was accounted for the cash transactions of the exchange bureaus, which was mainly due to the current situation in the domestic foreign exchange market.

In terms of currency transactions in face terms, there was an increase in the volume of transactions on purchases and sales of euro and Kazakh tenge, meanwhile, similar transactions with U.S. dollars, Russian roubles and Chinese yuan decreased.

### **Interbank Credit Market**

In the first half of 2025, activity in the interbank credit market increased compared to the same indicator of 2024. During the first six months of 2025, the volume of repo transactions in the interbank credit market increased by 17.3 percent compared to the same period in 2024 and amounted to KGS 9.0 billion. The average weighted rate in the interbank credit market was 4.10 percent (-6.3 percentage points). The average weighted terms of repo transactions increased from 5 days in the same period of 2024 up to 8 days in the reporting period. At the same time, transactions in the national and foreign currencies were not conducted.

The banking sector used the interbank borrowings to cover temporary liquidity gaps, and there was no demand for the National Bank's short-term credit resources. In the first half of 2025, overnight loans were not issued. The gross volume of funds placed by the commercial banks on overnight deposits in the National Bank increased by 3.2 times compared to the first half of 2024 and amounted to KGS 12,631.8 billion.

In the reporting period, the total volume of foreign currency purchase and sale transactions conducted by the commercial banks and exchange bureaus in the foreign exchange market, including transactions with non-residents, decreased by 4.3 percent, down to KGS 2.5 trillion.

There was an increase in the volume of transactions involving the euro, the Russian rouble and the Kazakh tenge in the currency structure. There were changes in the general structure of transactions by currencies: the main share fell on the transactions on purchase and sale of Russian roubles (their share increased from 50.3 percent up to 53.4 percent compared to the same indicator of 2024), the share of transactions on purchase and sale of U.S. dollars remained almost unchanged

### ***1.3.2. Securities Market***

In the first half of 2025, the short-term segment of the government securities market on the Kyrgyz Stock Exchange (KSE) was represented only by the state treasury bills (ST-Bills) with a maturity of 12 months<sup>1</sup>, while the demand for government securities and sales thereof increased by more than two times compared to the same period of 2024. According to the results of auctions, as well as additional placements, in the first half of 2025, the sales of ST-Bills amounted to KGS 1.6 billion with the weighted average yield of 10.8 percent.

During the reporting period, ST-Bonds of all maturities, excluding 2-year and 20-year ST-Bonds, were presented in the long-term securities segment on the trading platform of the National Bank of the Kyrgyz Republic. The volume of demand, supply and sales of ST-Bonds increased compared to the first half of 2024. Thus, demand grew by 4.8 times and amounted to KGS 101.5 billion, while supply increased by 4.8 times, up to KGS 109.8 billion. Sales, taking into account additional placements, increased by 4.9 times and amounted to KGS 101.5 billion. The weighted average yield of ST-Bonds placed on the National Bank of the Kyrgyz Republic's trading platform decreased by 4.1 percentage points and stood at 12.1 percent. Long-term government securities were in demand mainly among the commercial banks and the institutional investors.

Government securities trade showed active development on the KSE platform. At the end of the first half of 2025, the supply and sales on the KSE trading platform, taking into account additional placement of 2-year ST-Bonds, increased by 2.6 times compared to the first half of 2024 and amounted to KGS 1.8 billion and KGS 1.4 billion, accordingly. The weighted average yield on the aforementioned ST-Bonds decreased down to 13.1 percent (-1.5 percentage points) compared to the previous period.

In the reporting period, the banking system still demonstrated high level of excess liquidity. Demand in the National Bank's notes market declined slightly by 3.7 percent compared to the same period in 2024. In the reporting period, the National Bank's notes market was represented by 7- and 91-day notes. In the first half of 2025, the total sales of notes decreased by 52.2 percent compared to the same period and amounted to KGS 231.0 billion. At the same time, the largest volume of sales fell on the National Bank's notes with a maturity of 7 days, the share thereof was 99.6 percent. The weighted average yield on 7-day notes decreased from 10.5 percent in January-June 2024 down to 3.4 percent in the same period of 2025.

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<sup>1</sup> The Ministry of Finance of the Kyrgyz Republic offers only 12-month ST-Bills since February 2020.

## 1.4. Real Estate Market

At the end of the first half of 2025, there was an increase in the price index growth rate in the real estate market of the Kyrgyz Republic due to growth of prices for individual houses (an increase in prices by 22.8 percent) and flats (an increase in prices by 14.7 percent) compared to the same period of 2024.

In the reporting period, there was deterioration (increase) in the housing affordability index from 8.1 to 7.5 years, due to the growth rate of average monthly nominal wage (19.0 percent) outrunning the growth rate of real estate prices (14.7 percent). This fact indicates improvement in the situation with the real estate affordability.

Risks to the financial sector from the real estate market remain moderate, which was conditioned by a low share of mortgage loans<sup>2</sup> in the total loan portfolio of the banks.

At the end of the first half of 2025, increase in the growth rate of the property price index from 17.8 percent up to 18.8 percent, and growth of the property basis price index from 293.3 percent up to 365.4 percent were observed in the Kyrgyz Republic due to rise in prices for individual houses by 22.8 percent and for apartments – by 14.7 percent compared to the same period of 2024.

**Chart 1.4.1. Price Index Growth Rate in the Real Estate Market**



Source: LRS under MA KR, NBKR calculations.

**Chart 1.4.2. Basis Price Index Growth Rate in the Real Estate Market<sup>3</sup>**



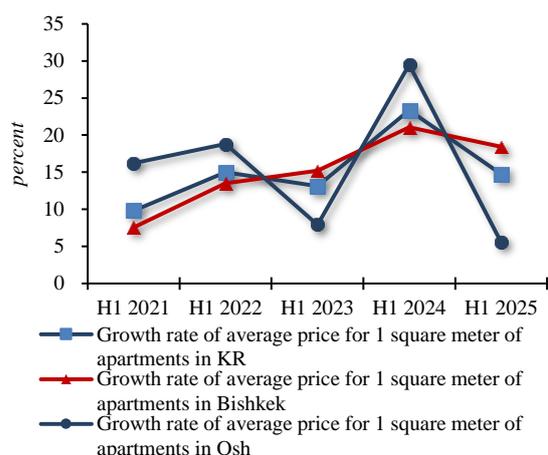
Source: LRS under MA KR, NBKR calculations.

As of June 30, 2025, the average price of 1 square meter of housing (apartment) in Osh city increased by 5.5 percent (up to KGS 74.1 thousand), in Bishkek city – by 18.4 percent (up to KGS 107.1 thousand) compared to the same period of 2024. The average price of 1 square meter of individual houses in Osh city decreased by 22.4 percent (down to KGS 73.8 thousand), in Bishkek city it increased by 42.3 percent (up to KGS 161.9 thousand) compared to the same period of 2024.

<sup>2</sup> Currently, a mortgage loan is usually a long-term loan extended on security of the title to real estate in the Kyrgyz Republic.

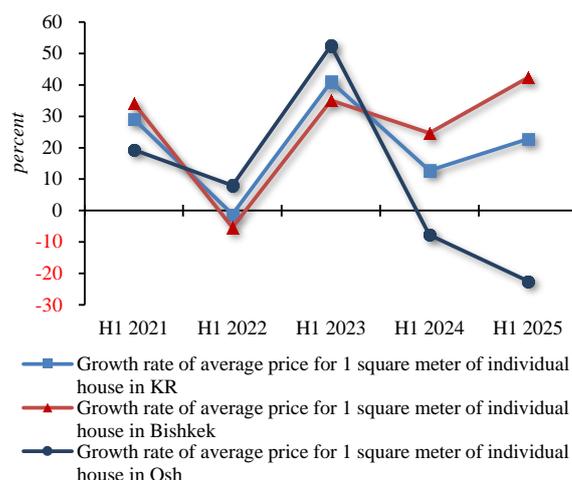
<sup>3</sup> The year 2010 was taken as the base period.

**Chart 1.4.3. Dynamics of Price Changes for Apartments**



Source: LRS under MA KR, NBKR calculations.

**Chart 1.4.4. Dynamics of Price Changes for Individual Houses**



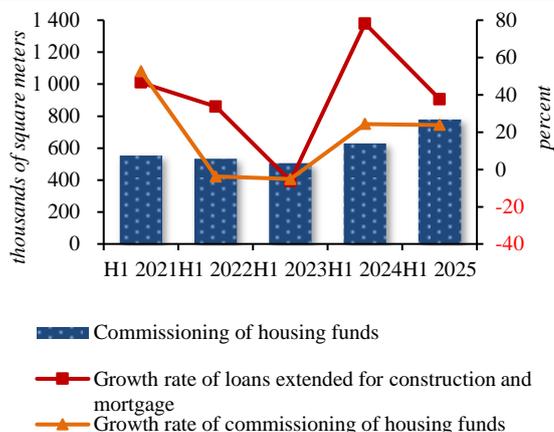
Source: LRS under MA KR, NBKR calculations.

In the reporting period, the number of transactions on the real estate purchase and sale increased by 358.3 percent and amounted to 101,323. The number of transactions on the apartments purchase and sale increased by 358.3 percent and the number of transactions on the houses purchase and sale increased by 358.2 percent compared to the same period of 2024 and amounted to 57,301 and 44,022 transactions, accordingly.

There was positive dynamics in housing construction. At the end of the first half of 2025, the total volume of housing funds commissioning increased by 23.9 percent compared to the same period of 2024 mainly due to an growth in the volume of housing funds commissioning in Osh (280.0 percent), Bishkek (223.9 percent) cities, Naryn (25.3 percent) and Issyk-Kul (25.2 percent) regions.

Other regions demonstrated decrease in the level of housing funds commissioning.

**Chart 1.4.5. Dynamics of Housing Commissioning and Loans Extended for Construction and Mortgage<sup>4</sup>**



Source: NSC KR, NBKR calculations.

<sup>4</sup> Data for the period.

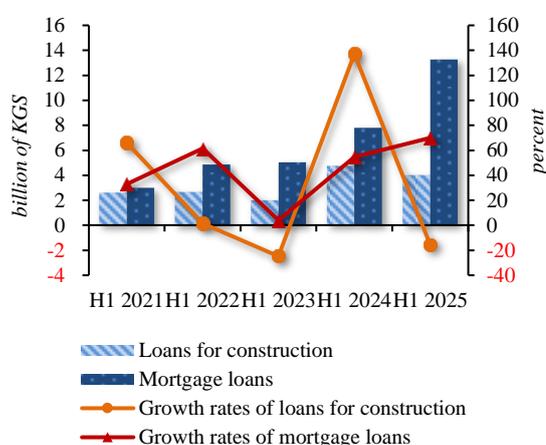
**Table 1.4.1. Geographic Structure of Commissioned Housing**

	H1 2024		H1 2025	
	Total commissioned area thous. sq.m	Share of total area, %	Total commissioned area thous. sq.m	Share of total area, %
Bishkek city and Chui region	220.3	35.0	372.4	47.8
Osh city and Osh region	108.5	17.2	145.0	18.6
other regions of the KR	300.5	47.8	262.1	33.6
<b>Total</b>	<b>629.3</b>	<b>100.0</b>	<b>779.5</b>	<b>100.0</b>

Source: NSC KR.

As of June 30, 2025, there was an increase in the volume of mortgage loans, while the volume of loans issued to finance construction decreased compared to the same period of 2024. In the reporting period, the volume of loans extended for construction decreased by 15.5 percent (down to KGS 4.0 billion), meanwhile the volume of mortgage loans increased by 69.9 percent (up to KGS 13.3 billion).

**Chart 1.4.6. Loans Extended for Construction and Mortgage<sup>5</sup>**



Source: CBs, NBKR.

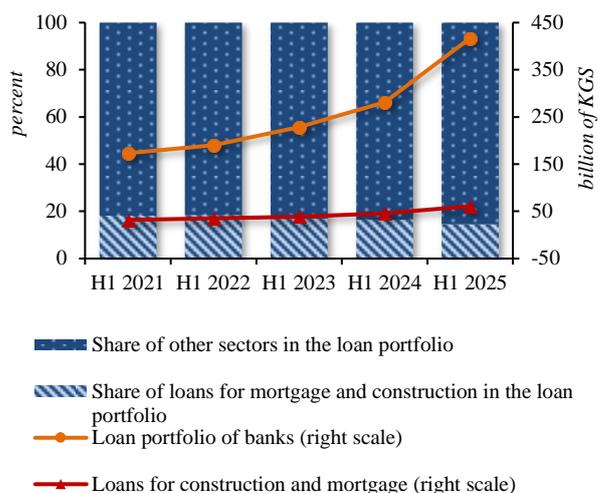
At the end of the first half of 2025, residential houses were generally constructed and commissioned at the expense of the population (76.8 percent of their total commissioning)<sup>6</sup>.

As of June 30, 2025, the share of loans for construction and mortgage amounted to 14.5 percent in the total loan portfolio of the commercial banks, the share of mortgage loans thereof constituted 11.0 percent. The share of loans for construction and mortgage decreased by 1.9 percentage points in the total loan portfolio of the commercial banks compared to the same period of 2024 (Chart 1.4.7).

<sup>5</sup> Data for the period.

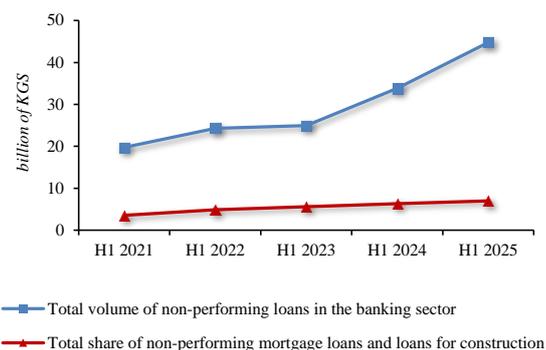
<sup>6</sup> “Social and economic situation of the Kyrgyz Republic (January – June 2025)”, NSC KR.

**Chart 1.4.7. Total Share of Loans for Mortgage and Construction in the Loan Portfolio of Commercial Banks<sup>7</sup>**



Source: CBs, NBKR.

**Chart 1.4.8. Dynamics of Non-performing Loans**



Source: CBs.

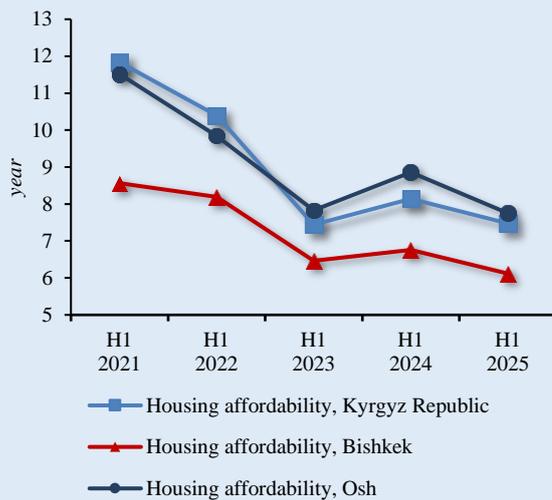
The total volume of non-performing loans for mortgage and construction increased by 9.8 percent and amounted to KGS 6,973.4 million. Therefore, in the reporting period, the aggregate share of non-performing loans in the aforementioned sectors decreased by 3.2 percentage points and constituted 15.6 percent of the total volume of non-performing loans in the banking sector. The volume of non-performing loans for mortgage and construction in foreign currency increased by 15.3 percent and amounted to KGS 5,298.3 million mainly due to deterioration in the quality of loans issued for construction.

<sup>7</sup> Data as of the end of period.

### Box 1. Housing Affordability Index

As of June 30, 2025, the housing affordability index in the Kyrgyz Republic increased from 8.1 to 7.5 years compared to the same period of 2024 due to decrease of time (number of years) required for an average family to save money for housing purchase. This is due to the growth rate of the average monthly nominal wages (19.0 percent) outrunning the real estate prices (14.7 percent, Chart 1).

**Chart 1. Housing (Apartments) Affordability Index including Minimal Consumer Budget**



According to the results of the first half of 2025, to purchase an apartment of 54 square meters in the Kyrgyz Republic, one should save the average monthly nominal wage of the family consisting of three people (KGS 42,020.0), where the income is received by two people, and the minimum consumer budget of KGS 26,309.8 (31.3 percent of total family income), for 7.5 years with other conditions being equal.

Source: NSC KR, LRS under MA KR, NBKR.

### Box 2. Stress Testing of Impact from Price Changes in the Real Estate Market on the Banking Sector<sup>8</sup>

As at June 30, 2025, the number of loans secured by pledged real estate constituted 7.2 percent of the total volume of loans in the loan portfolio of the banks. The volume of loans secured by real estate (at collateral value) constituted 62.9 percent of the total collateral of the loan portfolio.

Credit risks for the banking sector are conditioned by possible decrease in the value of pledged real estate below the loan repayment balance and further refusal of the borrower from loan repayment. Stress testing is focused on quantitative assessment of possible losses from outstanding loans and identification of the most vulnerable banks.

#### Scheme 1. Results of Stress Testing of Impact from Price Changes in the Real Estate Market on the Level of Credit Risk of the Banking Sector

Scenario	Potential losses of the banking sector	Potential losses of systemically important banks	Risk of capital adequacy ratio violation
"Historical" scenario* (decrease in price for real estate by 23% per a year)	-----	-----	1 bank
"Alternative" scenario (decrease in price for real estate by 40% per 2 years)	KGS -8.5 billion	KGS -7.5 billion	5 banks
"Negative" scenario (decrease in price for real estate by 50% per a year)	KGS -24.6 billion	KGS -15.7 billion	8 banks

\* At the end of 2008, prices for real estate in the Kyrgyz Republic decreased by 23 percent.

In addition to the stress test, the threshold level of decrease in prices for real estate, when there is a risk of a decrease in the profits of the banking sector and when the banks potentially suffer losses, was calculated. The banking sector may face the risk of decrease in profits and losses of individual banks if prices for the real estate decrease by 35.2 percent and borrowers refuse to service previously obtained loans secured by real estate, as well as if collateral is put on the banks' books with subsequent sale thereof in the market at decreased prices. At the same time, individual systemically important banks are likely to face a similar risk in case of a decrease in the price for real estate by 31.3 percent. There is a risk of violation of the capital adequacy ratio by the banking sector, as well as by the systemically important banks, when prices for real estate are likely to decrease by 78.9 and 86.6 percent, respectively<sup>9</sup>.

<sup>8</sup> Stress test was conducted on the basis of the commercial banks' data provided in the course of the survey as of June 30, 2025.

<sup>9</sup> The banks did not take into account in their calculations possible difference in estimated value of pledged real estate, which may be less than the market value by up to 20 percent. Taking this into account the aforementioned facts, reduction in the threshold level of prices for real estate may reach 20 percent.

## II. BANKING SECTOR

As of June 30, 2025, there was an increase in the main indicators of the banking sector: assets, loan portfolio, deposit base, and capital.

At the end of the first half of 2025, the banking sector's net profit amounted to KGS 14.8 billion, having increased by 4.3 percent compared to the first half of 2024 mainly due to growth in interest and non-interest income.

In the reporting period, the level of dollarization of the loan portfolio and the deposit base of the banking sector decreased compared to the first half of 2024.

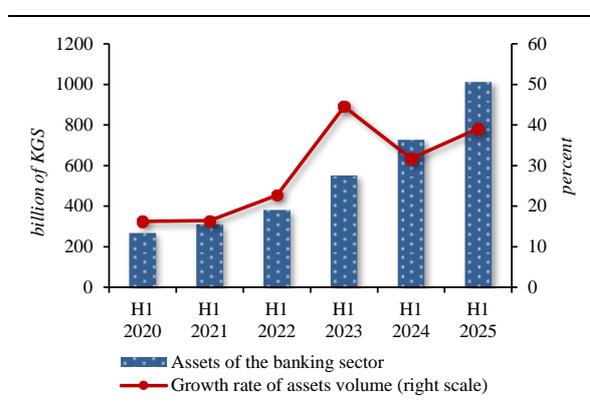
### 2.1. Major Trends of the Banking Sector Development

According to the results of the first half of 2025<sup>10</sup>, 21 commercial banks and 304 bank branches worked in the territory of the Kyrgyz Republic, among which there were 12 banks with foreign participation in the capital. All banking institutions of the country are universal by type of business.

#### Assets

Generally, at the end of the first half of 2025, there was an increase in the volume of assets in the banking sector of the Kyrgyz Republic. Assets of the banking sector amounted to KGS 1,012.0 billion, having increased by 39.1 percent compared to the first half of 2024 (Chart 2.1.1).

**Chart 2.1.1. Dynamics of Assets in the Banking Sector**



Source: NBKR.

#### Loan Portfolio

At the end of the first half of 2025, the banks' loan portfolio increased in all main sectors of the economy compared to the same period of 2025.

At the end of the reporting period, the level of dollarization of the loan portfolio in the banking sector decreased by 3.1 percentage points compared to the first half of 2024 and amounted to 18.0 percent (Chart 2.1.2).

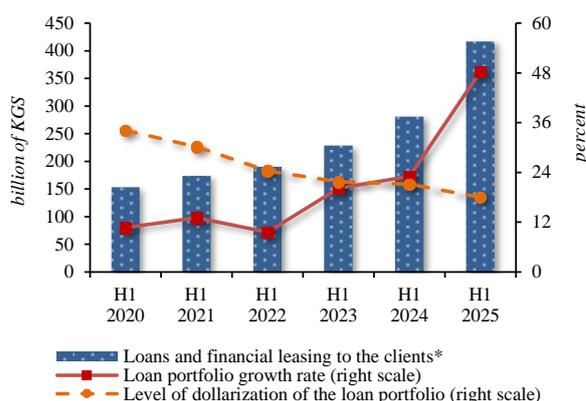
The growth of assets was mainly provided by increase of:

- liquidity in the form of cash and funds on correspondent accounts by 27.0 percent or KGS 63.6 billion;
- the loan portfolio by 32.2 percent or by KGS 82.9 billion;
- other assets by 155.6 percent or by KGS 71.0 billion.

The share of loan portfolio in the structure of assets constituted 41.2 percent, having increased by 2.6 percentage points compared to the first half of 2024.

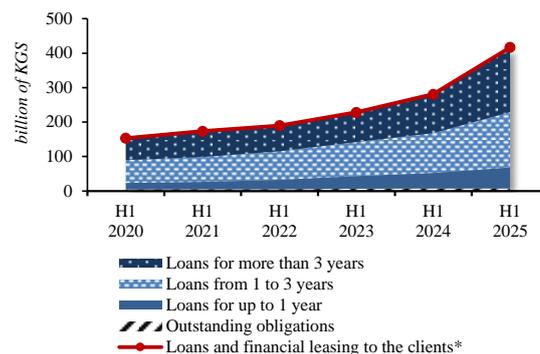
<sup>10</sup> The data are submitted according to periodic regulatory reporting of the commercial banks (PRBR).

**Chart 2.1.2. Dynamics of Loan Portfolio in the Banking Sector**



\* Exclusive of loans provided by FCO and special loan loss provisions  
Source: NBKR.

**Chart 2.1.3. Structure of Loan Portfolio by Maturity**



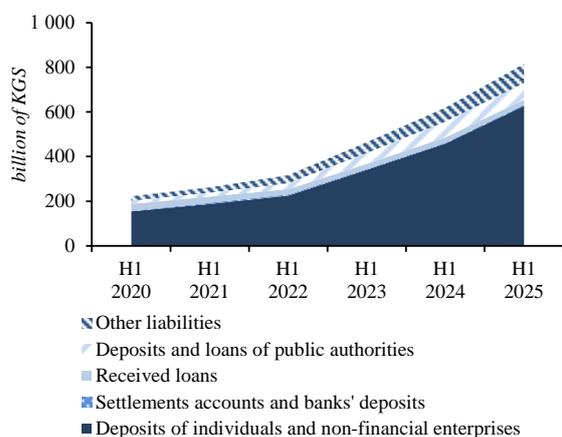
\* Exclusive of loans provided by FCO and special loan loss provisions  
Source: NBKR.

In the maturity structure of loans issued in the first half of 2025, the main shares are accounted for long-term loans – 45.1 percent or KGS 188.1 billion, and medium-term loans – 38.4 percent or KGS 160.2 billion.

**Liabilities**

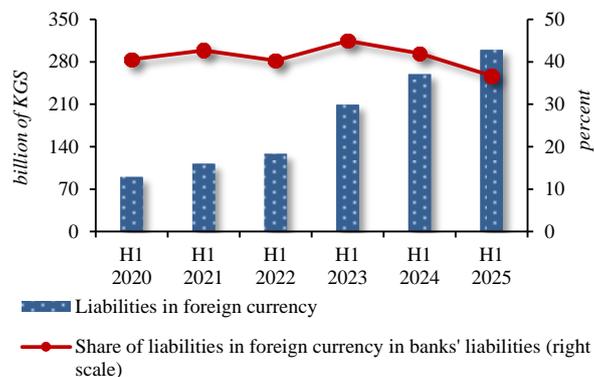
At the end of the first half of 2025, liabilities of the banking sector of the Kyrgyz Republic increased by 31.9 percent compared to the first half of 2024 and amounted to KGS 815.8 billion.

**Chart 2.1.4. Structure of Banks' Liabilities by the Reserve Sources**



Source: NBKR.

**Chart 2.1.5. Banks' Liabilities in Foreign Currency**



Source: NBKR.

At the end of the reporting period, deposits of individuals and non-financial enterprises increased by 37.1 percent and amounted to KGS 626.9 billion (Chart 2.1.4). The share of individuals' and non-financial enterprises' deposits in the banks' liabilities increased by 2.9 percentage points and amounted to 76.8 percent.

As of June 30, 2025, the share of liabilities in foreign currency in the total volume of attracted funds decreased by 5.3 percentage points and amounted to 36.7 percent (Chart 2.1.5).

### Financial Results

At the end of the first half of 2025, a decrease of the banking sector’s profitability indicators was observed compared to the first half of 2024 due to excess of assets and capital growth rates over the growth rates of the commercial banks’ profitability:

- return on assets (ROA) constituted 3.3 percent;
- return on equity (ROE) formed at 23.8 percent.

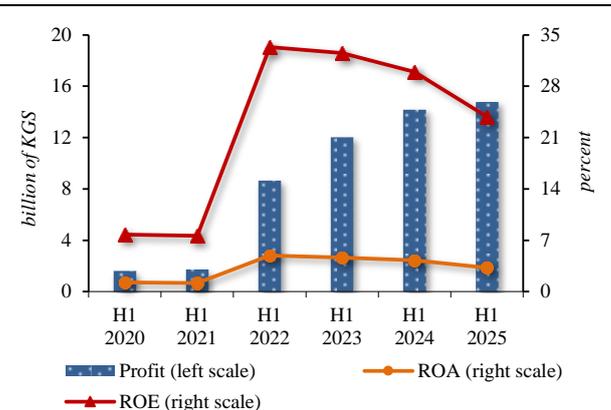
During the reporting period, net profit of the banking sector increased by 4.3 percent and amounted to KGS 14.8 billion (Chart 2.1.6).

### Capital Adequacy

With statutory minimum capital adequacy at 12.0 percent, at the end of the first half of 2025, this figure increased by 6.7 percentage points compared to the first half of 2025 and amounted to 29.0 percent (Chart 2.1.7).

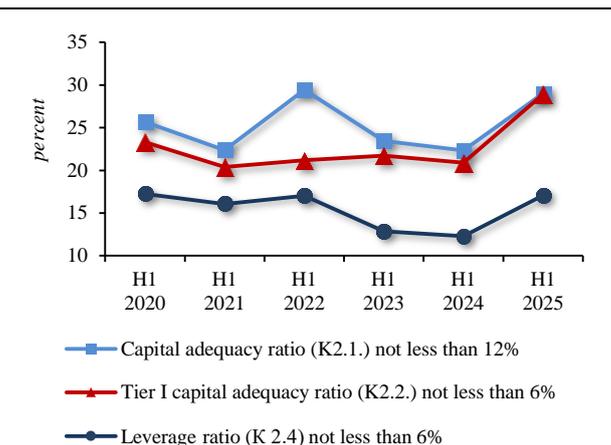
At the same time, the actual level of capital adequacy in the banking sector generally formed according to the results of the first half of 2025, exceeded the established standard (at least 12 percent) by 2.4 times, indicating the relative stability of the banking sector to negative shocks, as well as the presence of certain potential to increase the level of financial intermediation and efficiency of the banking sector activity in the future.

**Chart 2.1.6. Profitability Indicators of the Banking Sector**



Source: NBKR.

**Chart 2.1.7. Dynamics of Capital Adequacy Ratios**



Source: NBKR.

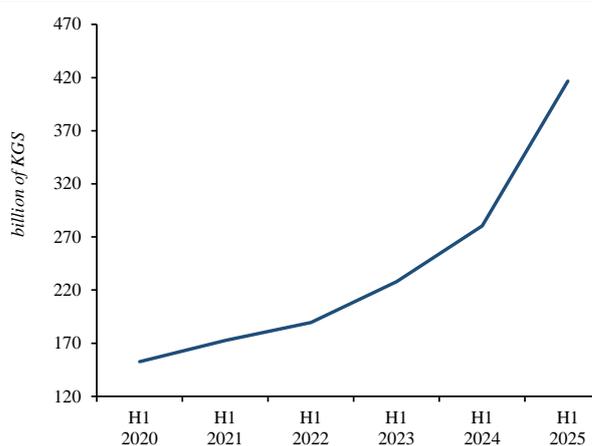
## 2.2. Banking Sector Risks

### 2.2.1. Credit Risk

Credit risk is one of the main risks that accompany banking activity.

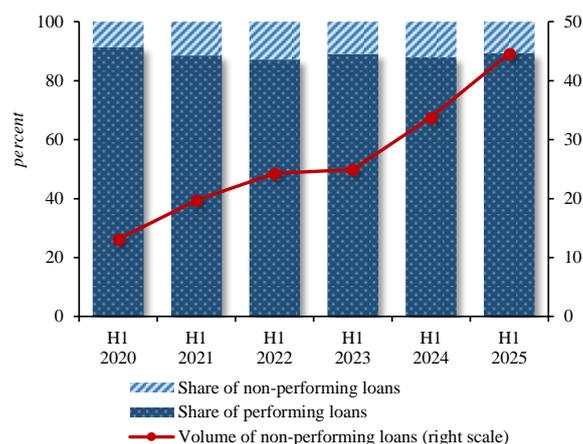
In the first half of 2025, the loan portfolio increased by 48.3 percent and amounted to KGS 416.9 billion (Chart 2.2.1). The share of non-performing loans in the loan portfolio of banks decreased from 12.1 percent down to 10.7 percent compared to the first half of 2024 (Chart 2.2.2).

Chart 2.2.1. Dynamics of Loan Portfolio<sup>11</sup>



Source: NBKR.

Chart 2.2.2. Loan Portfolio Quality



Source: NBKR.

In order to assess the quality of the loan portfolio, the commercial banks use a loan classification system, which contributes to determining the possible level of potential losses from bad loans and compensating them in time through creation of appropriate reserves (Chart 2.2.3).

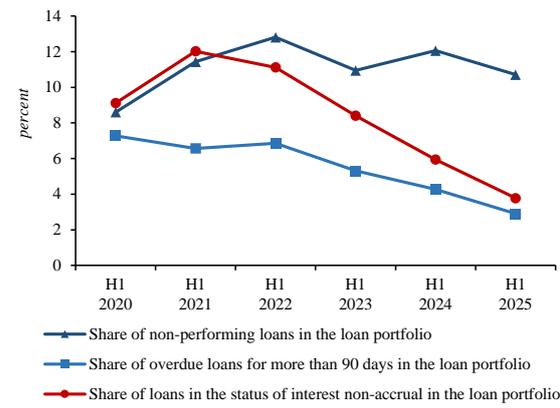
The indicator of the risk of default on assets (the ratio of special loan loss provisions (LLP) and loan portfolio) decreased by 1.7 percentage points compared to the first half of 2024 and constituted 4.5 percent.

Aggregate reserves created by the commercial banks constituted 6.6 percent of the total loan portfolio.

Meanwhile, the share of special loan loss provisions in the first half of 2024 constituted 75.9 percent of the total reserves (Chart 2.2.4).

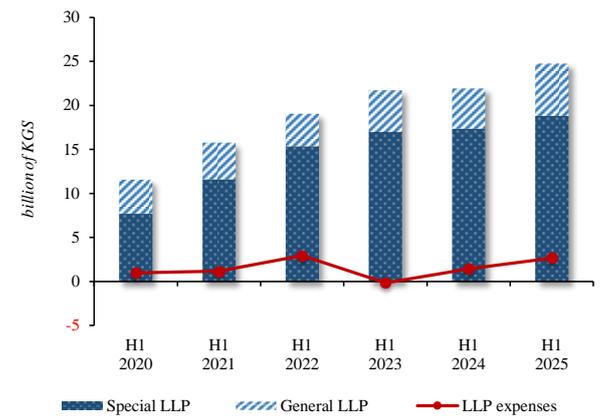
<sup>11</sup> Loan portfolio excluding discount.

**Chart 2.2.3. Indicators of the Loan Portfolio Quality**



Source: NBKR.

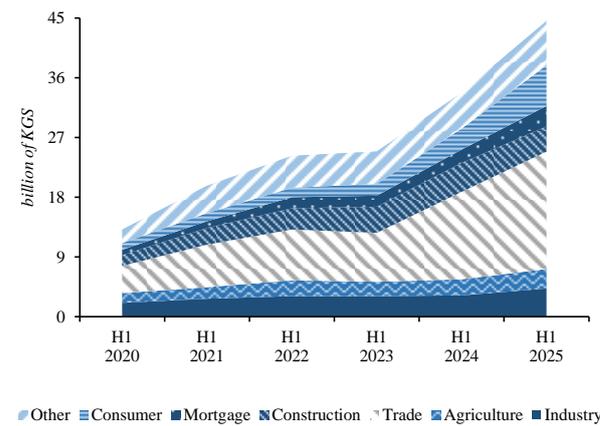
**Chart 2.2.4. Total and Special Reserves**



Source: NBKR.

As of June 30, 2025, the highest concentration of credit risks was still observed in the trade sector of economy (Chart 2.2.5).

**Chart 2.2.5. Volume of Non-performing Loans by Sectors of Economy**

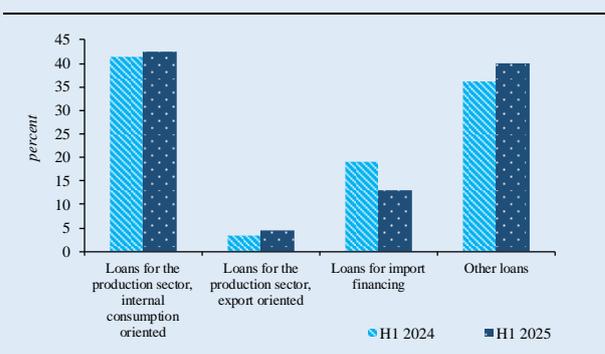


Source: NBKR.

### Box 3. Results of the Commercial Banks' Statistical Observation: Loans

According to the conducted survey of commercial banks, at the end of the reporting period, a part of extended loans (42.5 percent of total borrowers' loans) was used in the production sector of the economy<sup>12</sup>, thereby reflecting the impact of lending on the country's GDP, meanwhile, 13.0 percent of issued loans were forwarded for financing of imports (Chart 1).

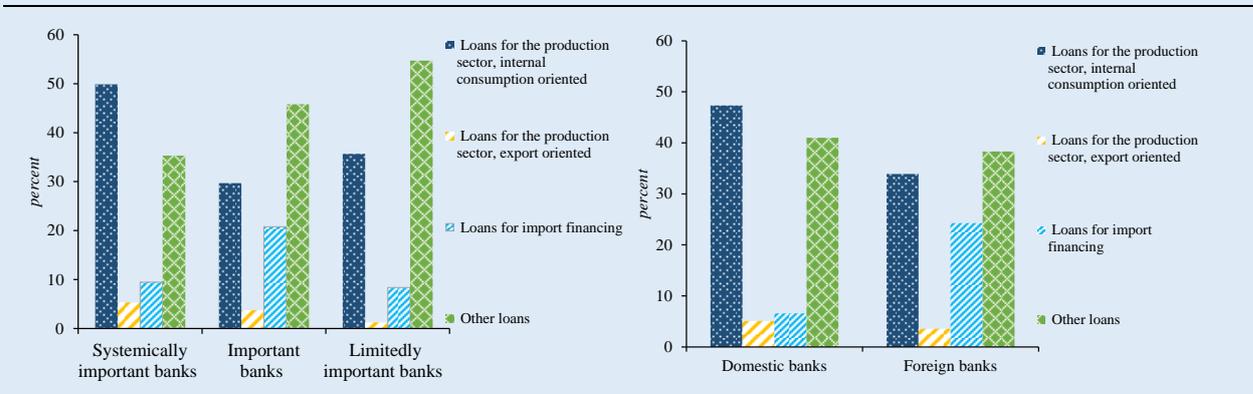
**Chart 1. Sectoral Structure of Loans as of June 30, 2025**



Source: CBs.

Domestic banks forwarded 47.3 percent of the loan portfolio to the production sector (GDP) and 6.6 percent – to finance imports. Generally, foreign banks also provided loans to the production sector of economy (33.9 percent). In the same period of 2024, the share of loans forwarded to finance imports constituted 24.3 percent of the loan portfolio (Chart 2).

**Chart 2. Sectoral Structure of Loans by the Groups of Banks as of June 30, 2025**



Source: CBs.

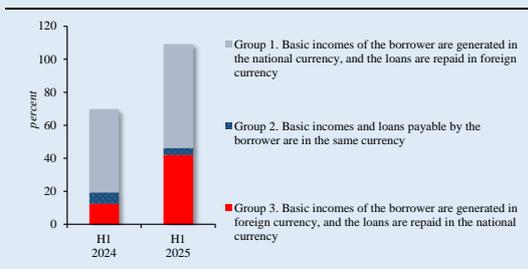
<sup>12</sup> The production sector means the activity of the bank clients connected with the production of goods and services (construction, communication and automobile repair shop services, transport services, real estate leasing, hotels, restaurants, etc.).

## Box 4. Results of the Commercial Banks' Statistical Observation: Largest Clients

### Borrowers solvency

At the end of the first half of 2025, the level of debt burden of 15 banks' largest clients calculated through DTI index<sup>13</sup> decreased by 2.8 percentage points compared to the same indicator in 2024 and constituted 4.8 percent (Chart 1).

**Chart 1. DTI Level on 15 Banks' Largest Borrowers**



Source: CBs, NBKR.

By the groups of banks, the largest debt burden was observed in the major borrowers of the *systemically important banks* (6.2 percent of the borrowers' basic income) (Table 1). At the same time, the lowest level of debt burden was observed in the major borrowers of the *important banks* and constituted 2.2 percent.

**Table 1. Debt Burden of 15 Banks' Largest Borrowers at the End of the First Half of 2025**

	Banking sector	Systemically important banks	Important banks	Limitedly important banks
Loan balance, <i>billions of KGS</i>	68.0	39.8	20.5	7.7
Share of loans in 15 largest borrowers in the total volume of loan portfolio in the banking sector, <i>in %</i>	16.3	15.6	15.6	25.2
Ratio of expenses for loan debt servicing to the borrowers' total income, <i>in %</i>	4.8	6.2	2.2	4.5

Source: CBs, NBKR.

The level of debt burden in the banks with foreign capital was higher than in the domestic banks (Table 2).

**Table 2. Debt Burden in the Domestic and Foreign Banks at the End of the First Half of 2025**

	Domestic banks	Foreign banks
Loan balance, <i>billions of KGS</i>	29.8	38.2
Share of loans in 15 largest borrowers in the total volume of loan portfolio in the banking sector, <i>in %</i>	11.2	25.4
Ratio of expenses for loan debt servicing to the borrowers' total income, <i>in %</i>	4.9	4.8

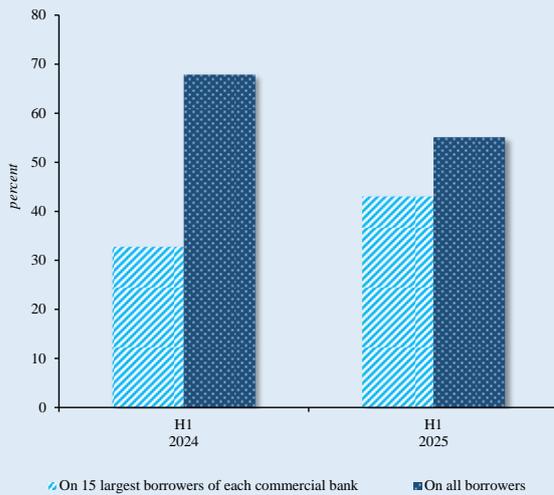
Source: CBs, NBKR.

<sup>13</sup> DTI (debt-to-income) is the ratio of the amount of the borrowers' payments on loans (including the amount of the principal and interest payments for the reporting period) to the main annual income of the borrower declared at the time of issuing a loan.

*Security of the borrowers' loans*

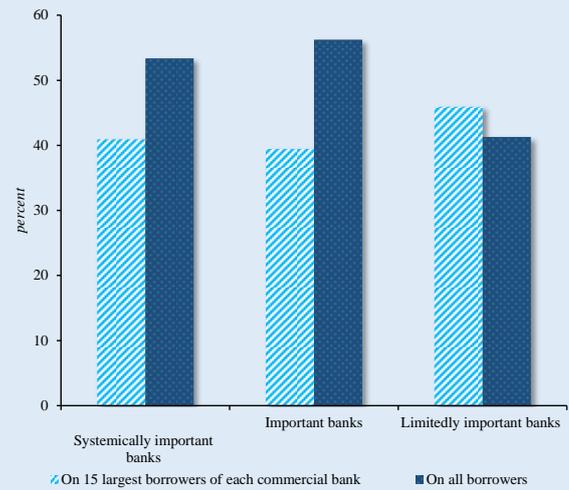
At the end of the first half of 2025, the LTV<sup>14</sup> actual level in the banking sector amounted to 53.1 percent. The existing level of collateral indicates a relatively high level of the loans secured by the pledged property (Chart 2). At the same time, the LTV value of limitedly important banks is lower than that of systemically important and important banks and the banking sector as a whole (Chart 3).

**Chart 2. LTV Level on All Borrowers and on 15 Largest Borrowers of Each Commercial Bank as of June 30, 2025**



Source: CBs, NBKR.

**Chart 3. LTV Level on All Borrowers and on 15 Largest Borrowers by the Banks' Groups as of June 30, 2025**



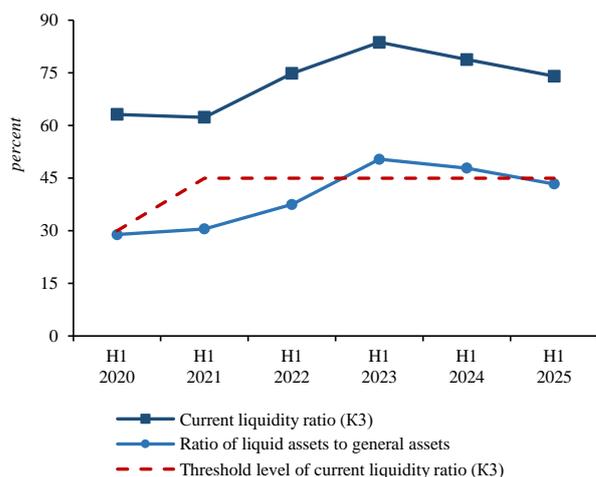
Source: CBs, NBKR.

<sup>14</sup> LTV (loan-to-value ratio) is the ratio of issued loans to the value of collateral.

### 2.2.2. Liquidity Risk

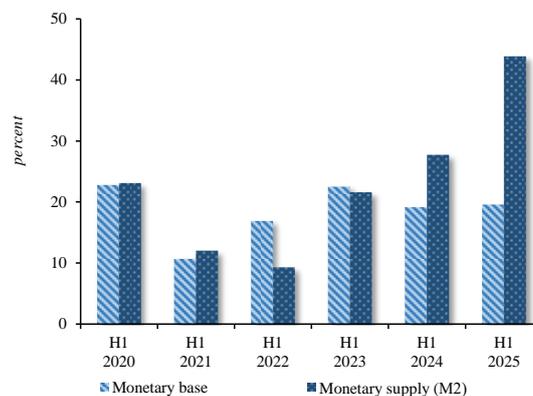
At the end of the first half of 2025, current liquidity ratio decreased from 78.8 (as of June 30, 2024) down to 74.1 percent (Chart 2.2.6). Growth of money supply indicator (M2) was due to increase of disposable funds, settlement accounts, and demand deposits in the national currency in the economy (Chart 2.2.7).

**Chart 2.2.6. Liquidity Indicators in the Banking Sector**



Source: NBKR.

**Chart 2.2.7. Growth Rates of Money Supply (M2) and Monetary Base**



Source: NBKR.

Liquidity ratio of the banking sector decreased due to excess of current liabilities over liquid assets growth rate.

As before, there was a significant gap between assets and liabilities in terms of their maturity. There was a negative gap between assets and liabilities with a maturity of “up to 1 month”. A positive gap between assets and liabilities was observed for maturities of “3 to 6 months” and “more than 12 months” (Table 2.2.1).

**Table 2.2.1. Maturity of Financial Assets and Liabilities**

as of June 30, 2025, millions of KGS

Name	Maturity					Total
	up to 1 month	1-3 months	3-6 months	6-12 months	more than 12 months	
Total financial assets	466 976	36 697	47 034	69 064	420 004	1 039 776
including loans and financial leasing to the clients	22 827	25 746	39 990	59 476	268 586	416 625
Total financial liabilities	549 228	47 874	39 202	76 763	98 232	811 299
including deposits of individuals and time deposits of legal entities	177 325	39 573	31 176	55 527	53 641	357 242
Gap	-82 252	-11 177	7 833	-7 699	321 772	228 477
Including on loans and deposits	-154 498	-13 827	8 814	3 950	214 944	59 382

### 2.2.3. Concentration Risk

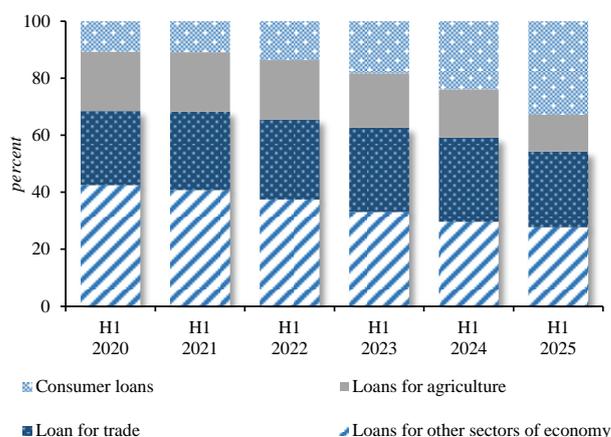
#### Concentration of the Largest Sources of Financing

The results of “reverse” stress testing show that some banks could not withstand the shock related to monetary funds outflow from one to five large clients, when the liquidity ratio decreases below the threshold level of 45 percent.

#### Loan Concentration

Potential default from one to five largest borrowers in separate banks may decrease regulatory capital below prudential standard set by the NBKR.

**Chart 2.2.8. Sectoral Concentration of the Loan Portfolio**



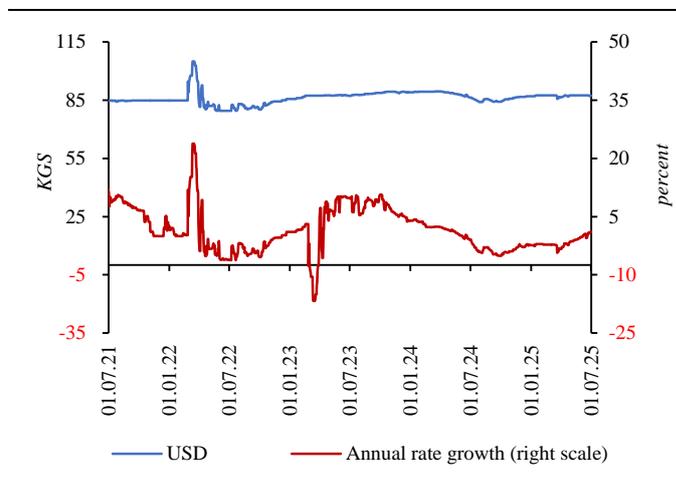
There was a significant increase in the level of consumer loans concentration in the sectoral structure of the loan portfolio amid rise in the overall level of lending. At the end of the first half of 2024, the share of loans for trade decreased by 2.9 percentage points, the share of loans for agriculture declined by 4.1 percentage points (Chart 2.2.8).

Source: CBs, NBKR.

### 2.2.4. Currency Risk

At the end of the first half of 2025, the average annual level of *currency risk* in the banking sector was at a moderate level. During the first half of 2025, the KGS/USD exchange rate was stable (Chart 2.2.9).

**Chart 2.2.9. Dynamics of USD/KGS Nominal Exchange Rate**



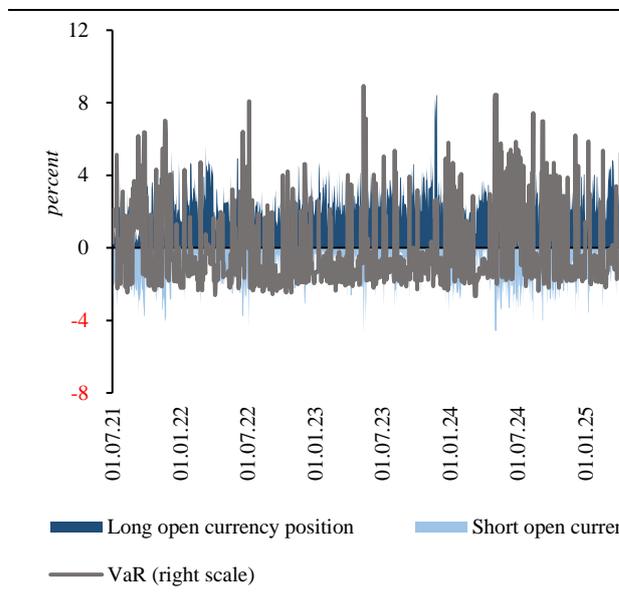
Source: NBKR.

In general, the banks kept open currency positions of assets and liabilities within the limits set by the prudential standards of the National Bank of the Kyrgyz Republic.

During the first half of 2025, the risk of currency position overestimation in the banking sector was minimum (VaR: 0.1-1.5 percent of the net total capital, Chart 2.2.10), i.e. the banks adhered to a conservative policy when conducting operations with foreign currency and were weakly exposed to currency risk.

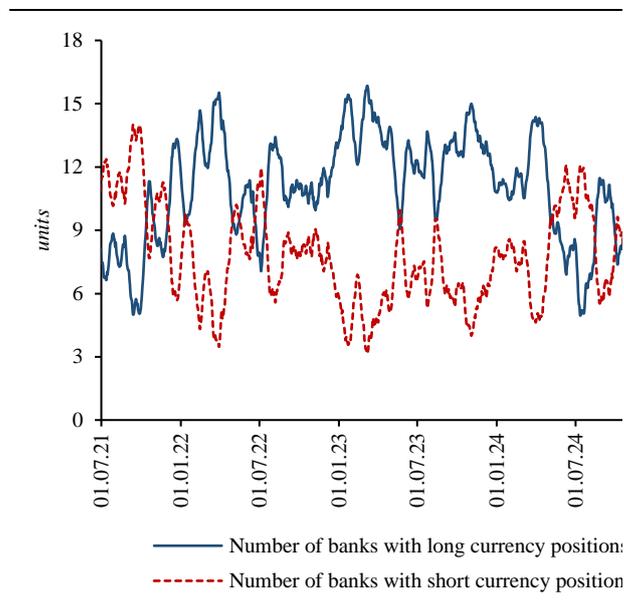
In the reporting period, 10 banks had a long currency position in U.S. dollars, and 7 banks adhered to a short currency position (Chart 2.2.11).

**Chart 2.2.10. Dynamics of Open Currency Position (OCP) and Revaluation Risk (VaR) in percent of NTC**



Source: NBKR.

**Chart 2.2.11. Currency Position of the Banks**



Source: NBKR.

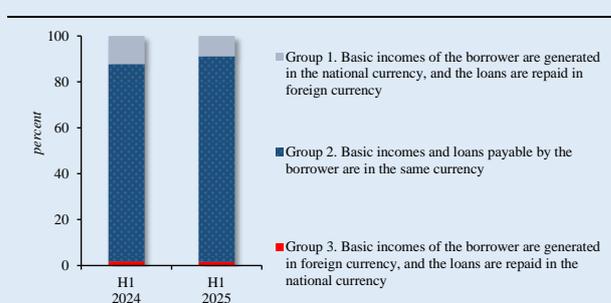
### Box 5. Credit and Currency Risks

As of June 30, 2025, 8.8 percent of the total loan portfolio was accounted for the loans, which were repaid in foreign currency, while the incomes of the borrowers were generated in the national currency (Chart 1). This volume of the loan portfolio was potentially exposed to credit and currency risks.

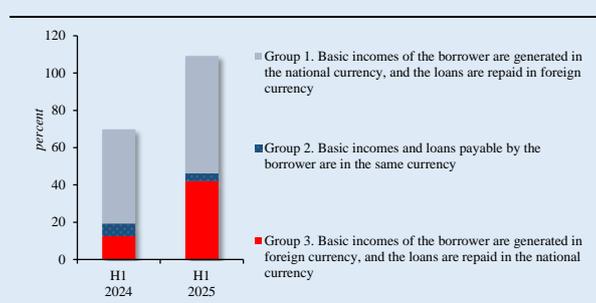
The impact made by the currency risk on credit risk is given in Chart 2 that displays the proportion of non-performing loans by groups of loans:

- Group 1 – 63.0 percent, basic incomes of the borrower are generated in the national currency, and the loans are repaid in foreign currency;
- Group 2 – 4.2 percent, basic incomes and loans payable by the borrower are generated in the same currency;
- Group 3 – 42.0 percent, basic incomes of the borrower are generated in foreign currency, and the loans are repaid in the national currency.

**Chart 1. Loan Portfolio by Groups of Loans<sup>15</sup>**



**Chart 2. Share of Non-performing Loans by Groups of Loans<sup>16</sup>**



Source: CBs, the volume of loan portfolio is specified exclusive of overdraft loans.

<sup>15</sup> Breaking of loans into groups is presented in this chart. For example, the volume of loans for Group 1 as of June 30, 2025 amounted to KGS 39.7 billion or 8.8 percent of the total loan portfolio.

<sup>16</sup> This chart shows the shares of non-performing loans in the loan portfolio by each group of loans. For example, the volume of non-performing loans for Group 1 as of June 30, 2025 amounted to KGS 25.0 billion or 63.0 percent of the total loan portfolio for Group 1 (KGS 39.7 billion).

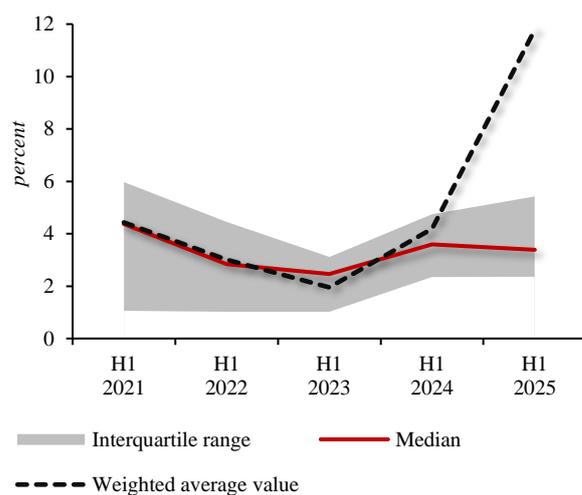
### 2.2.5. Interest Rate Risk

At the end of the reporting period, there was an increase in the *interest rate risk* due to the high growth rates of the risk-weighted assets compared to net total capital.

Average value of interest rate risk for the period of 2010 – the first half of 2025 was within accessible limits (1.9 – 11.8 percent of net total capital) (Chart 2.2.12).

**Chart 2.2.12. Dynamics of Interest Rate Risk (VaR)**  
*in percent of NTC*

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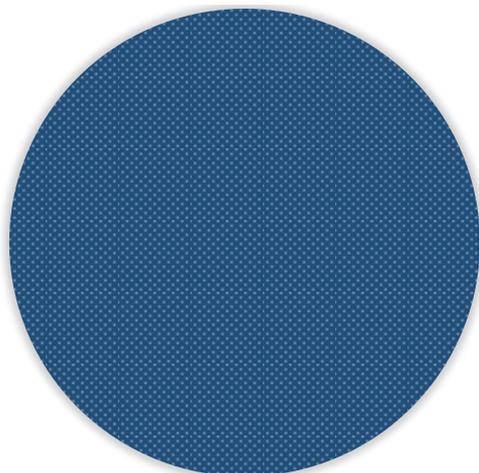
Source: NBKR.

### 2.2.6. “Contagion” Risk

The purpose of this analysis is to assess the consequences of the “contagion” effect in the interbank credit market of the Kyrgyz Republic, which can set off chain reaction upon occurrence of problems with liquidity in one bank.

**Chart 2.2.13. Distribution of Interbank Loan Transactions Made during the First Half of 2025 between Resident Banks, Depending on Collateral**

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■ ST-Bonds

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Source: NBKR.

At the end of the first half of 2025, the volume of interbank loan transactions amounted to KGS 9.0 billion<sup>17</sup>.

The loans in the interbank market are generally covered by collateral in the form of government securities (Chart 2.2.13) in the banking sector of the Kyrgyz Republic.

In general, the probability of the “contagion” risk materialization in the interbank credit market of the country is minimal, which is caused by highly liquid collateral.

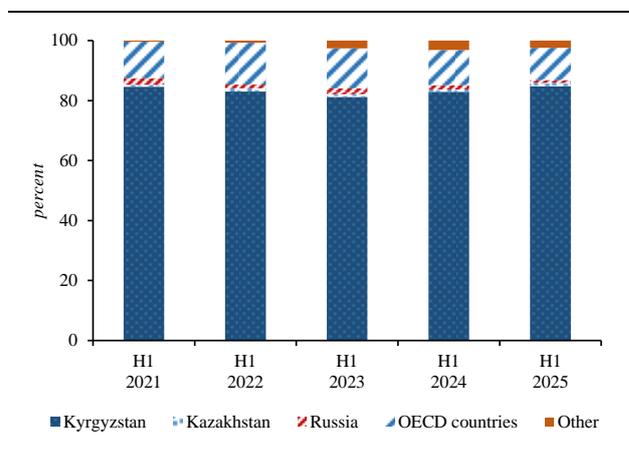
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<sup>17</sup> The total volume of transactions made between the resident banks during the first half of 2025 is meant here.

### 2.2.7. Country Risk

As of June 30, 2025, according to the commercial banks, the aggregate volume of placed assets of non-residents constituted KGS 159.1 billion or 15.2 percent of the total banking sector assets. The largest concentration of placements was observed in the Organization for Economic Cooperation and Development (OECD) countries – 10.8 percent (KGS 113.0 billion) of the total assets of the banking sector of the Kyrgyz Republic.

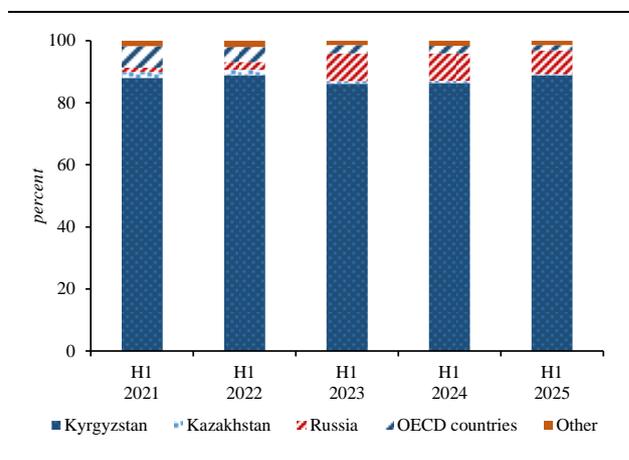
**Chart 2.2.14. Geographic Structure of Assets**



Source: NBKR.

the Russian Federation, accordingly (Chart 2.2.15).

**Chart 2.2.15. Geographic Structure of Liabilities**



Source: NBKR.

According to the results of the first half of 2025, foreign capital amounted to KGS 26.4 billion or 17.9 percent of the total authorized capital of the banking sector. The structure of foreign capital by countries is distributed among (Chart 2.2.16):

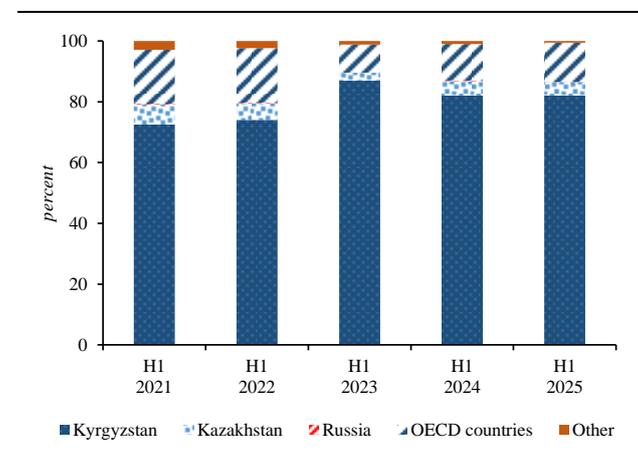
- residents of the OECD countries – 12.9 percent,
- residents of the Republic of Kazakhstan – 4.5 percent,
- residents of other countries – 0.5 percent.

The main share of assets placed abroad is focused on correspondent and deposit accounts and constituted KGS 130.3 billion or 81.9 percent of the total placed assets of non-residents (Chart 2.2.14).

At the end of the first half of 2025, banks' liabilities to non-residents of the Kyrgyz Republic totaled KGS 90.3 billion or 11.1 percent of the total liabilities of the banking sector. Significant volume of these resources was drawn from individuals and non-resident legal entities, as well as from non-resident banks in the form of deposits, which amounted to KGS 87.8 billion or 97.1 percent of the total liabilities to non-residents.

1.7 percent of the liabilities to non-residents were accounted for the OECD countries, 0.4 and 7.7 percent – for the Republic of Kazakhstan and

**Chart 2.2.16. Authorized Capital by Countries**



Source: NBKR.

## 2.3. “Reverse” Stress Testing of the Banking Sector

### 2.3.1. “Reverse” Stress Testing of Credit Risk<sup>18</sup>

Maximum allowable share of “performing” loans<sup>19</sup> in the loan portfolio, which upon categorized as “non-performing” loans can reduce the CAR (capital adequacy ratio) down to the threshold level of 12 percent, is calculated by means of the “reverse” stress testing of the credit risk.

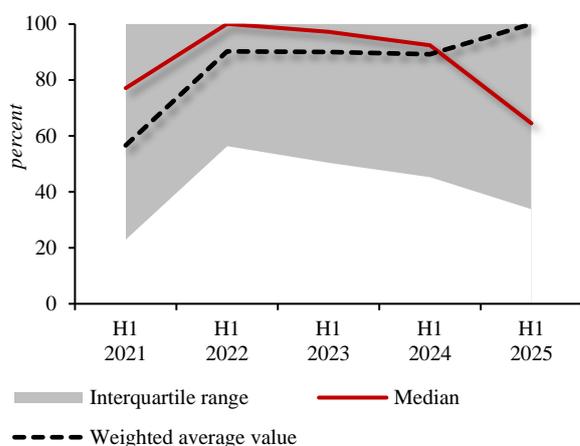
This method allows detecting a buffer stock of capital (net total capital) of banks, which can cover the additional allocations to LLP in connection with the transformation of “performing” loans into the category of “non-performing” loans<sup>20</sup>.

Moreover, the maximum growth rate of “non-performing” loans, where capital adequacy (K2.1) will be reduced to the threshold level of 12 percent, can be calculated by means of this method.

Based on the results of the “reverse” stress testing of the banking sector as of June 30, 2025, the maximum allowable share of “performing” loans, transferring to the category of “non-performing” in the banking sector, amounted to approximately 100.0 percent (Chart 2.3.1).

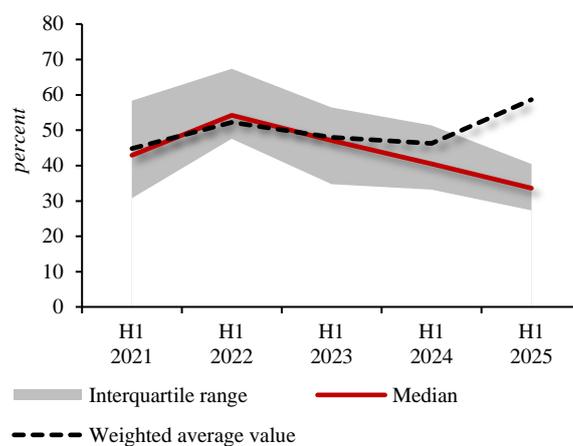
Thus, the banking sector can sustain a significant deterioration in the quality of the loan portfolio, which may require the creation of additional LLP. The volume of additional LLP can reach 45.4 percent of the net total capital (Chart 2.3.2).

**Chart 2.3.1. Maximum Possible Share of “Performing”<sup>21</sup> Loans that May Become “Non-performing” Loans<sup>22</sup>, percent of performing loans**



Source: NBKR.

**Chart 2.3.2. Additional LLP, in Creating thereof CAR Decreases to 12 Percent, percent of NTC**



Source: NBKR.

<sup>18</sup> Exclusive of troubled banks.

<sup>19</sup> Exclusive of “normal” loan category, which are risk free.

<sup>20</sup> Herewith, transition of “performing” loans to the category of “non-performing” loans is fulfilled smoothly by three categories (“substandard”, “doubtful” and “losses”).

<sup>21</sup> Exclusive of “normal” loan category, which are risk free.

<sup>22</sup> When CAR decreases to the threshold level of 12 percent.

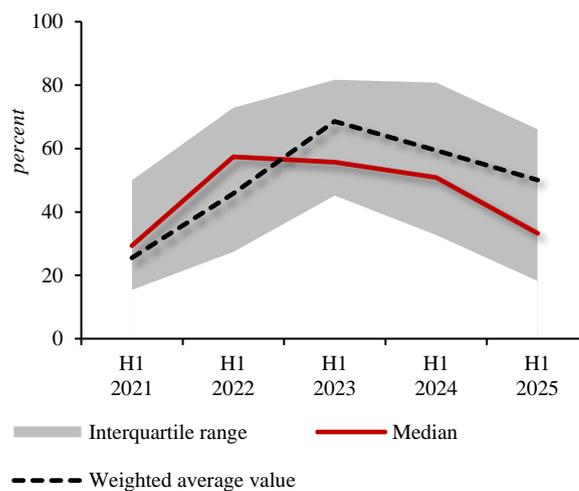
### 2.3.2. “Reverse” Stress Testing of Liquidity Risk

The reserve of liquid assets, which can cover a massive outflow of deposits of the clients’ total deposit base, without violating the NBKR prudential standard on the current liquidity, was calculated for the evaluation of the liquidity risk in the banking sector.

**Shock** is the maximum volume of the outflow of the individuals’ and non-financial enterprises’ deposits, which may reduce the liquidity ratio down to the threshold level of 45 percent.

The results of the “reverse” stress testing show (Chart 2.3.3), that as at June 30, 2025, the actual amount of liquid assets of the banking sector was able to cover the deposits outflow of an average of 50.0 percent of the clients’ total deposit base (Table 2.3.1).

**Chart 2.3.3. Scope of Potential Outflow of Deposits when K3.1 May Drop to 45 Percent, percent of clients’ total deposits**



Source: NBKR.

### 2.3.3. “Reverse” Stress Testing of Market Risk

The results of the “reverse” stress testing of the market risk indicate that the banking sector as of June 31, 2025 has little sensitivity to the interest rate and currency risks.

#### Interest Rate Risk

**Scenario 1** – decrease of average weighted interest rate on loans, when the level of capital adequacy decreases to the threshold level (12 percent).

The results of the “reverse” stress testing indicate little sensitivity of the banking sector to the direct interest rate risk. Decrease of the average interest rates on loans by 30.2 percentage points can reduce the level of capital adequacy ratio to 12 percent (Table 2.3.1).

Generally, the results of the “reverse” stress testing show that the banking sector is characterized by low level of interest rate risk.

#### Currency Risk (Revaluation Risk)

Maximum increase level of the KGS/USD exchange rate, which will influence capital adequacy and net profit, is calculated for valuation of the currency risk in the banking sector.

**Scenario 1** – maximum increase level of the KGS/USD exchange rate, when the level of capital adequacy (K2.1) declines to the threshold level (12 percent).

Calculations of the “reverse” stress testing indicate that the banking sector is characterized by low risk of assets and liabilities revaluation and confirms availability of low sensitivity to currency risk (Table 2.3.1).

**Scenario 2** – maximum increase level of the KGS/USD exchange rate, when net profit of the commercial banks decreases to zero level.

The results of stress testing indicate that the commercial banks can stand the impact of currency risk (Table 2.3.1).

**Table 2.3.1. General Results of the “Reverse” Stress Tests as of June 30, 2025**

		Banking sector
<b>Credit risk</b>		
Scenario 1	Share of performing loans transferring to the category of "non-performing" loans, in percent	100.0
<b>Interest rate risk</b>		
Scenario 1	Decrease of weighted average interest rate on loans, when CAR declines to 12%, in percentage points	30.2
<b>Currency risk</b>		
Scenario 1	Growth rate of USD/KGS (±) exchange rate, when CAR decreases to 12%, in percent	change of currency rate by 100 percent ( KGS/USD)
Scenario 2	Growth rate of USD/ KGS (±) exchange rate, when net profit decreases to zero level, in percent	
<b>Liquidity risk</b>		
Scenario 1	Outflow of clients’ deposit and received loans of the total deposits and loans, when current liquidity ratio declines to 45%, in percent	50.0

### III. NON-BANKING FINANCIAL-CREDIT ORGANIZATIONS

*In general, the state of the system of non-banking financial-credit organizations (NBFCOs) is assessed as stable. Increase of major indicators such as assets, loan portfolio, and resource base is observed. At the same time, in the reporting period, the profitability indicators of NBFCOs demonstrated downward trend.*

*Stress test results indicate that the credit risk of the NBFCOs system is moderate.*

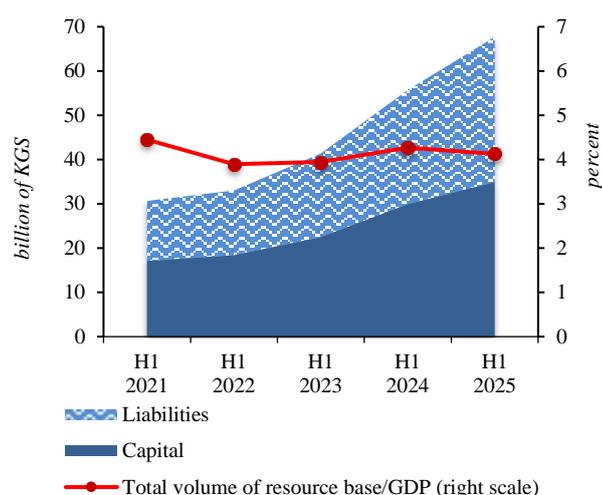
*Weighted average interest rates on loans of the microfinance organizations decreased compared to the same period of 2024.*

#### 3.1. Main Trends

The system of non-banking financial-credit organizations subject to licensing and regulation by the National Bank as of June 30, 2025 in the Kyrgyz Republic included: the specialized financial-credit organization “FCCU” OJSC, 75 credit unions, 106 microfinance organizations (including 9 microfinance companies, 63 microcredit companies and 34 microcredit agencies), and 801 exchange bureaus.

#### Resources

**Chart 3.1.1. Dynamics of NBFCOs Liabilities and Capital**



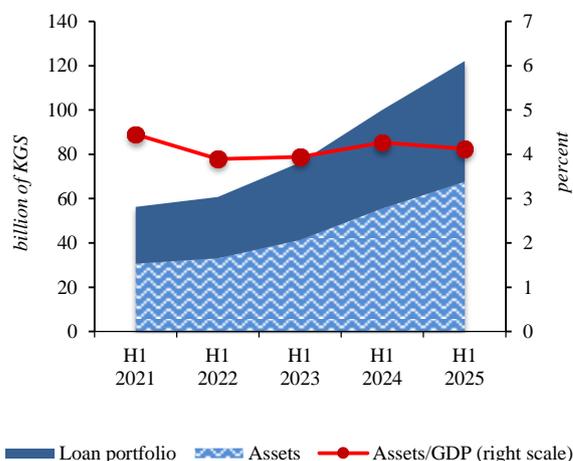
At the end of the first half of 2025, NBFCOs’ liabilities increased by 27.3 percent compared to the same period of 2024 and were formed in the amount of KGS 32.7 billion. As of June 30, 2025, NBFCOs’ capital increased by 16.9 percent and totaled KGS 35.0 billion (Chart 3.1.1).

Source: NBKR.

### Assets

According to the periodic regulatory reporting data, the total assets of NBFCOs in the first half of 2025 increased by 21.7 percent and amounted to KGS 67.7 billion<sup>23</sup>. This increase was due to growth in the loan portfolio of NBFCOs (Chart 3.1.2).

**Chart 3.1.2. Dynamics of NBFCOs Assets and Loans**



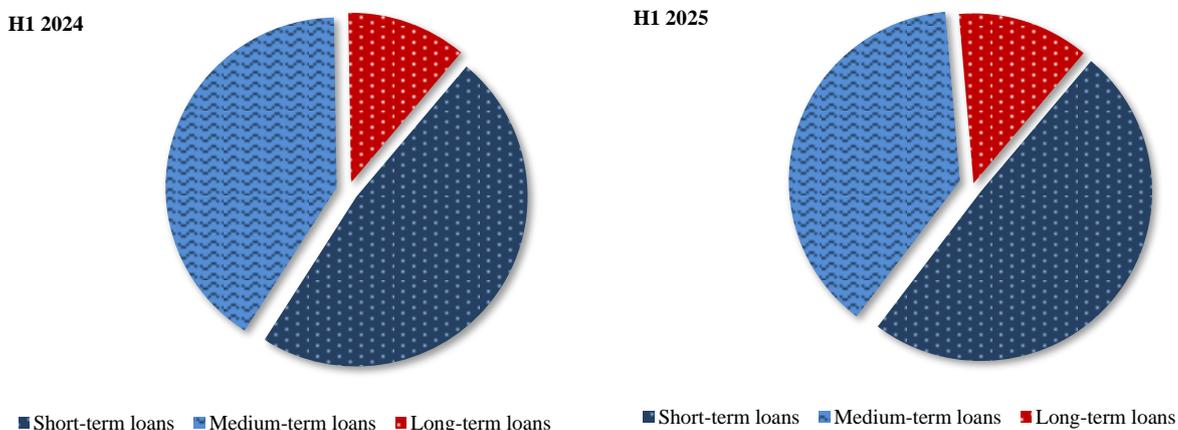
Lending remains the main activity of NBFCOs. As of June 30, 2025, the loan portfolio of NBFCOs increased by 22.5 percent and formed in the amount of KGS 54.4 billion.

As at June 30, 2025, the number of borrowers increased by 15.7 percent compared to the same period of 2024 and amounted to 615,022 borrowers.

There was a decrease in the share of medium-term credit resources, as well as an increase in the share of short-term and long-term loans within the maturity structure of loans provided by the NBFCOs in the reporting period (Chart 3.1.3).

Source: NBKR, NBFCOs.

**Chart 3.1.3. Structure of the NBFCOs Loan Portfolio by Maturity, in percent<sup>24</sup>**



Source: NBKR, NBFCOs.

The main regions where the major share of NBFCOs loan portfolio is concentrated (78.0 percent of the total loan portfolio) are Bishkek city, Chui, Osh and Jalal-Abad regions, which is due to the highest level of business activity in these regions of the republic.

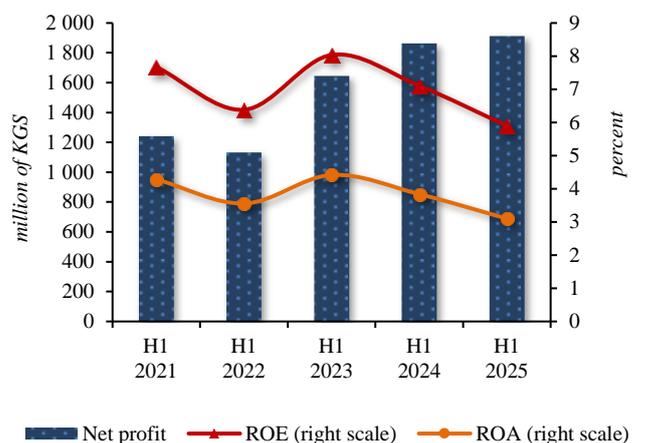
<sup>23</sup> Exclusive of SFCOs.

<sup>24</sup> Data for the period.

### Revenue Position<sup>25</sup>

According to the results of the first half of 2025, net profit of NBFCOs increased by 2.7 percent compared to the same period of 2024 and amounted to KGS 1.9 billion. At the end of June 2025, ROA decreased by 0.7 percentage points and amounted to 3.1 percent. ROE decreased by 1.2 percentage points and constituted 5.9 percent (Chart 3.1.4).

**Chart 3.1.4. Dynamics of NBFCOs Revenue Position<sup>26</sup>**



Source: NBKR, NBFCOs.

<sup>25</sup> ROA and ROE indices are provided in annual term.

<sup>26</sup> Exclusive of SFCOs.

### 3.2. Risks of Non-banking Financial-Credit Organizations

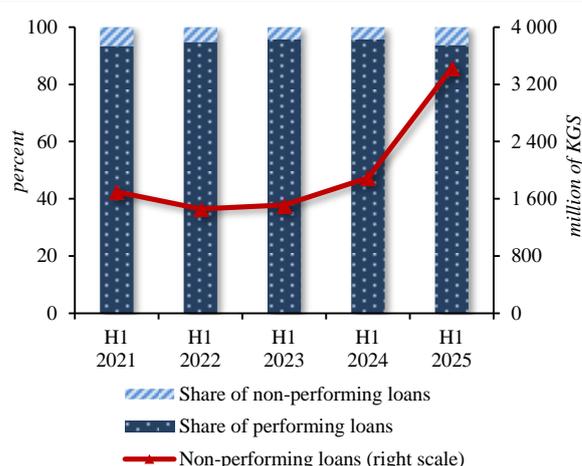
Major risk factors of the activities of NBFCOs are the quality of the loan portfolio, sectoral and institutional concentration, as well as status of the NBFCOs external debt.

#### Quality of the NBFCOs Loan Portfolio

As of June 30, 2025, the share of non-performing loans in the loan portfolio of NBFCOs constituted 6.3 percent. Meanwhile, their nominal volume increased by KGS 1,536.0 million, or 81.1 percent compared to the same period of 2024 (Chart 3.2.1).

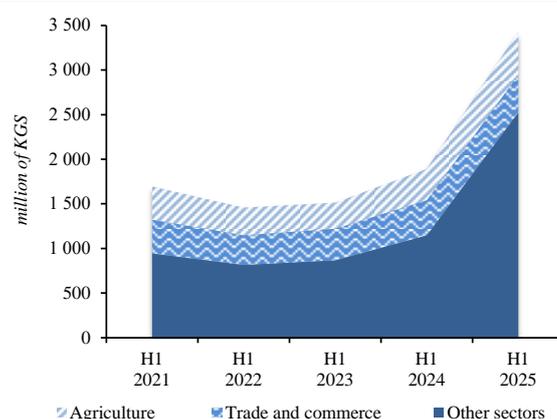
At the end of the first half of 2025, the structure of NBFCOs non-performing loans demonstrated a decrease in the share of defaulting loans issued for trade (by 8.6 percentage points), and loans issued for agriculture (by 4.5 percentage points), however, there was an increase in the share of consumer loans (by 16.1 percentage points) compared to the same period of 2024. The shares of defaulting consumer loans, loans issued for trade and agriculture in the total non-performing loans of NBFCOs constituted 56.3, 12.2 percent, and 14.1 percent, accordingly (Chart 3.2.2).

**Chart 3.2.1. Quality of NBFCOs Loan Portfolio**



Source: NBKR.

**Chart 3.2.2. Structure of NBFCOs Non-performing Loans by Sectors of Economy**



Source: NBKR.

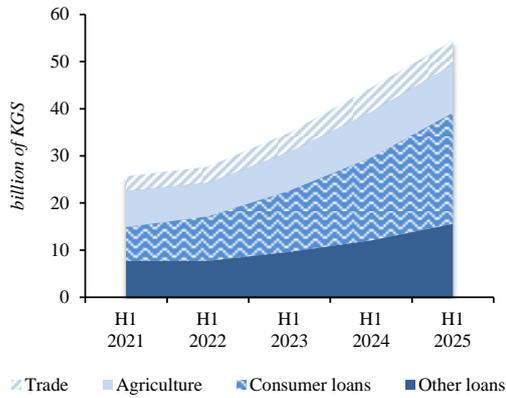
#### Sectoral Concentration

The NBFCOs loan portfolio is concentrated in consumer loans (43.3 percent of NBFCOs total loans), as well as in the loans issued to agriculture and trade (18.8 and 9.3 percent of NBFCOs total loans, accordingly, Chart 3.2.3). Lending of agriculture involves high risks conditioned by dependence on natural and climatic conditions.

### Institutional Concentration

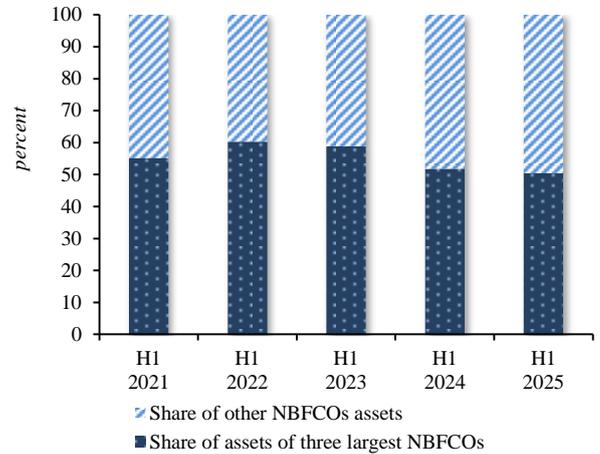
According to the results of the first half of 2025, the share of assets of three largest NBFCOs decreased by 1.4 percentage points compared to the same period of 2024 and constituted 50.4 percent of the total assets of the NBFCOs system (Chart 3.2.4).

**Chart 3.2.3. Sectoral Structure of NBFCOs Loan Portfolio**



Source: NBKR, NBFCOs.

**Chart 3.2.4. Institutional Structure of NBFCOs Assets**



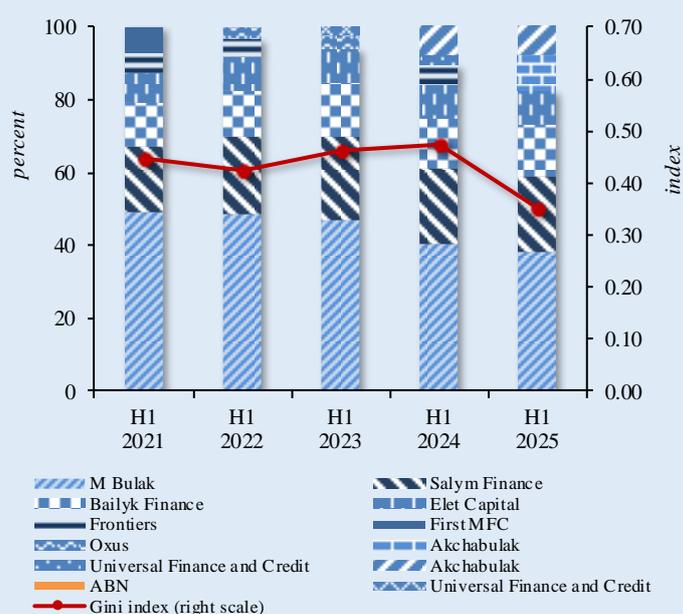
Source: NBKR, NBFCOs.

### Box 6. Concentration Indices based Assessment of NBFCOs Sector Activity<sup>27</sup>

#### The Herfindahl-Hirschman Index

Herfindahl-Hirschman<sup>28</sup> index was calculated for the purposes of concentration risk analysis in the NBFCOs sector. As of June 30, 2025, Herfindahl-Hirschman index for the NBFCOs sector constituted 1,116.2 points. According to the rule of thumb<sup>29</sup>, resulting value indicates availability of moderate concentration of NBFCOs assets or moderate concentration of microfinance market.

**Chart 1. Dynamics of the Gini Index and Assets of 6 Largest NBFCO**



#### The Gini Index

The Gini index was calculated for estimating the uniformity of the NBFCOs assets distribution. As of June 30, 2025, the index value constituted 0.33 points. The Gini index value decreased by 0.02 points compared to the same period of 2024, which indicates a decrease in the level of concentration of asset distribution among 6 large NBFCOs (Chart 1).

Source: NBKR, NBFCOs.

<sup>27</sup> Concentration indices are calculated on the basis of data submitted by 6 largest NBFCOs.

<sup>28</sup>  $H = \sum_{i=1}^n (share_i)^2$ .

<sup>29</sup> The following rule of thumb was used for determining the level of market concentration:

- index value is below 0.1 (or 1.000) – insignificant market concentration
- index value is from 0.1 to 0.18 (or from 1.000 to 1.800) – average market concentration;
- index value is above 0.18 (or 1.800) – high market concentration.

***External Debt Status of NBFCOs***

As of June 30, 2025, the external debt of NBFCOs amounted to USD 96.7 million. Major part of the external debt of NBFCOs are loans provided by the foreign financial-credit organizations (98.8 percent of total external debt of NBFCOs), the rest (1.2 percent) are loans of the international financial institutions.

At the end of the first half of 2025, external debt of the largest NBFCOs decreased by 71.0 percent compared to the same period of 2024 and amounted to USD 86.8 million.

### 3.3. Stress Testing of NBFCOs Sector

#### Stress Testing of the NBFCOs Credit Risk

Stress testing was conducted to assess the effect of deterioration of the loan portfolio quality on the NBFCOs sector.

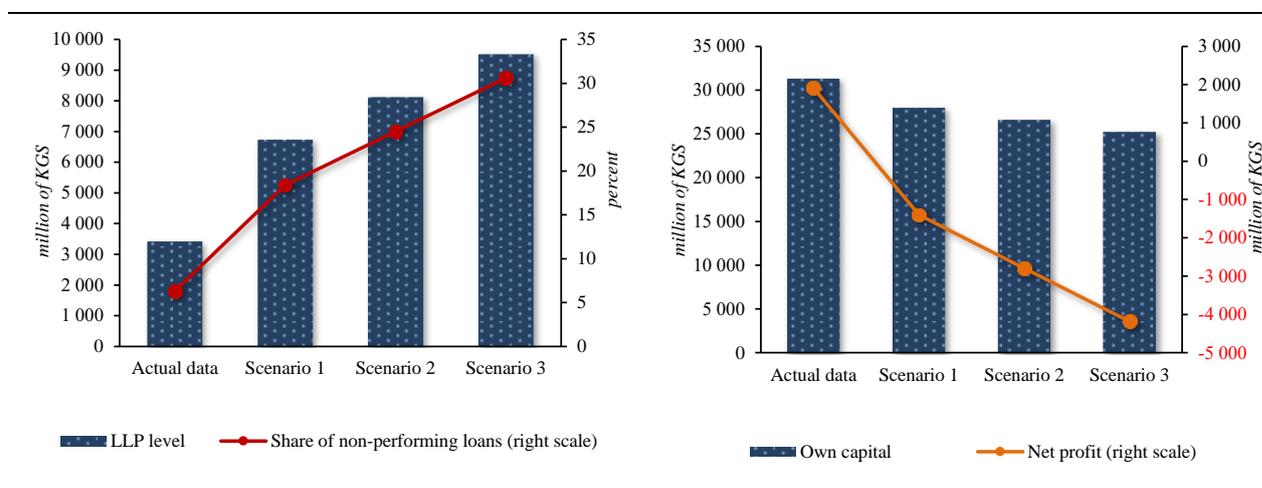
Three scenarios were considered when conducting stress testing:

- *scenario 1*: 50% of loans transition from one category to another;
- *scenario 2*: 75% of loans transition from one category to another;
- *scenario 3*: 100% of loans transition from one category to another.

The transition of loans from one category to another occurs uniformly by such categories as: “standard”, “under supervision”, “substandard”, “doubtful” and “losses”.

The level of loan loss provisions<sup>30</sup> in the loan portfolio of NBFCOs increased from 96.9 to 178.1 percent, depending on the scenario in conducting this stress testing (Chart 3.3.1)

**Chart 3.3.1. Results of Stress Testing of the Credit Risk as of June 30, 2025**



Source: NBKR.

It should be noted that deterioration in the loan portfolio quality entails a gradual decline in equity and net profit of NBFCOs. In case one of three scenarios implementation, the NBFCOs sector will experience losses in the amount of KGS 1,402.1 million, 2,791.0 million and 4,179.9 million, accordingly (Chart 3.3.1).

<sup>30</sup> MFOs create general and special loan loss provisions for relevant categories of classifications implementing the following allocations indicated in percentage from the amount of assets:

- |                                  |   |             |
|----------------------------------|---|-------------|
| - Standard, in %                 | - | from 0 to 5 |
| - Assets under supervision, in % | - | 10          |
| - Substandard, in %              | - | 25          |
| - Doubtful, in %                 | - | 50          |
| - Losses, in %                   | - | 100.        |

**Table 3.3.1. Results of Stress Testing of the Credit Risk, percent**

	<b>Share of non-performing loans in the loan portfolio of NBFCOs</b>
<b>Scenario 1:</b> transition of 50% of loans from one category to another	18.4
<b>Scenario 2:</b> transition of 75% of loans from one category to another	24.5
<b>Scenario 3:</b> transition of 100% of loans from one category to another	30.6

Source: NBKR

Implementation of the first scenario may result in an increase in the share of non-performing loans in the loan portfolio of NBFCOs by 12.1 percentage points, to the level of 18.4 percent. In the case of the second scenario, non-performing loans may increase by 18.2 percentage points, to the level of 24.5 percent, and in the implementation of the third scenario – by 24.3 percentage points and may reach the level of 30.6 percent.

## IV. PAYMENT SYSTEMS

*During the reporting period, the level of risk in the systemically important payment systems was within the acceptable limits, which was ensured by compliance with the legislation of the Kyrgyz Republic and the rules governing risk management in the payment systems. There was risk in the retail payment systems, primarily due to the geopolitical situation worldwide and the risk of the system participants to be subject to the U.S. secondary sanctions.*

Effective and uninterrupted payment system is one of the main factors, which determine stability of the financial sector in the country.

As of July 1, 2025, the payment system of the Kyrgyz Republic included the following components:

- Large Value Payment System of the National Bank – Real Time Gross Settlement (RTGS);

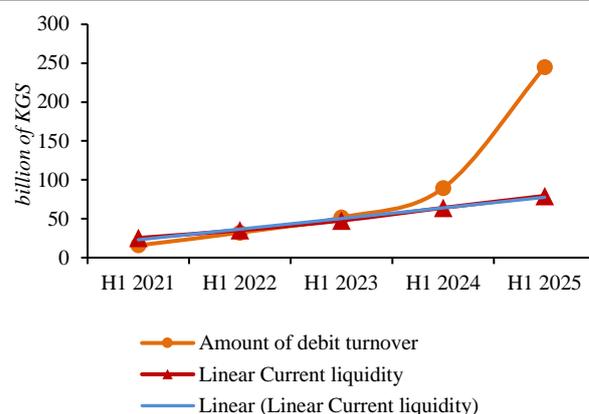
- Systems of Retail Payments: the System of Batch Clearing of Small Retail and Regular Payments (SBC), Systems of Payment Cards Settlement, Money Transfer Systems, E-money Payment Systems, operators of non-bank payment systems;

- Payment Messages Receiving and Processing Infrastructure – SWIFT Service Bureau, Interbank Communication Network.

As at July 1, 2025, the following systems were recognized according to the criteria for the payment systems significance:

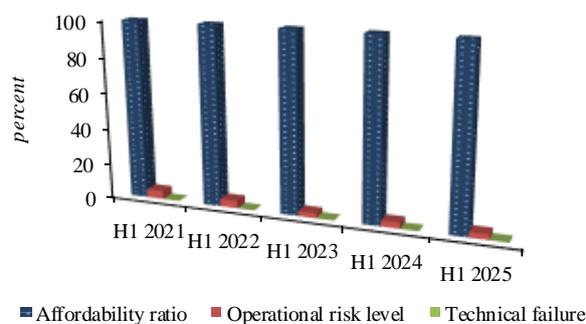
- systemically important payment system – RTGS system;
- national payment systems – RTGS, SBC and Elcart systems.

**Chart 4.1. Dynamics of Changes of Daily Average Indicator of Payment Volumes and Liquidity in the RTGS**



Source: NBKR

**Chart 4.2. Ratio of Affordability and Operational Risk in the RTGS**



Source: NBKR

	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
Technical failure, %	0.0	0.0	0.0	0.0	0.1
Affordability ratio, %	100.0	100.0	100.0	100.0	99.9
Operational risk level, %	4.5	4.2	2.7	3.3	3.1

The RTGS functioned normally during the first half of 2025. The level of financial risks in the RTGS remained low: average daily volume of liquid assets of participants showed an increase by 24.0 percent (compared to 2024) and amounted to KGS 79.4 billion.

During the reporting period, the RTGS affordability ratio remained high and constituted 99.9 percent; meanwhile, the level of operational risk, taking into account aforementioned failure and prolongation of the transaction day, was 3.1 percent.

In functioning of the SBC the level of financial risks in the reporting period was also low.

Reserves exhibited by the participants to cover a debit net position were 3 times higher than the required level. According to the results of the SBC operation monitoring, the system affordability ratio remained rather high and amounted to 99.6 percent during the reporting period.

Meanwhile, the level of operational risk in the system was 4.6 percent taking into account incidents that did not affect the system affordability and extending upon request of separate participants.

**Systems of Bank Payment Cards Settlements.** As of July 1, 2025, four international payment card systems and the local system “Elcart” operated in the Kyrgyz Republic.

In the reporting period, 21 commercial banks worked with **the national system “Elcart”**.

In the first half of 2025, the results of operation monitoring and analysis indicated that the “Elcart” system affordability ratio was 98.42 percent, and the level of operational risks in the system was 1.6 percent.

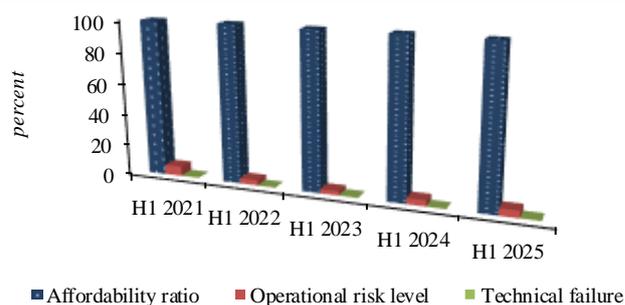
**Money transfer systems.** During the first half of 2025, receipt and transfer of international remittances without opening an account in the commercial banks was carried out by means of 11 international money transfer systems (IMTS).

**E-money payment systems.** As of July 1, 2025, the number of identified e-wallets increased by 28.8 percent compared to the same period of 2024 and amounted to 3.5 million wallets.

During the reporting period, indicators on turnovers with e-money compared to the same period of 2024 were as follows:

- the number of operations for transfer of funds between e-wallets increased by 3 times and amounted to 29.0 million operations, the volume of operations increased by 2 times and amounted to KGS 44.3 billion;

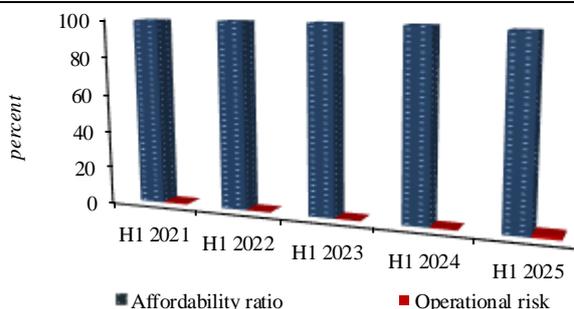
**Chart 4.3. Ratio of Affordability Index and Operational Risk in the SBC**



	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
Technical failure, %	0.5	0.0	0.4	0.1	0.4
Affordability ratio, %	99.5	100.0	99.6	99.9	99.6
Operational risk level, %	6.2	3.3	2.7	3.8	4.6

Source: NBKR

**Chart 4.4. Ratio of Affordability Index and Operational Risk in the IPC**



	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
Affordability ratio, %	99.7	100.0	100.0	99.8	98.4
Operational risk, %	0.3	0.0	0.0	0.2	1.6

Source: NBKR

- the volume of operations for redemption of e-money into cash and non-cash funds increased by 3 times and amounted to KGS 44.8 billion, the number of operations increased by 8 times and amounted to 19.6 million operations;

- the volume of operations on payment for goods and services with e-money increased by 4 times and amounted to KGS 90.6 billion, moreover, the number of operations increased by two times and amounted to 49.2 million operations;

- the number and volume of operations for distribution of e-money by replenishing e-wallet increased by 2 times and totaled 24.5 million operations to the amount of KGS 61.6 billion.

**Systems of non-banking payment systems operators.** As of July 1, 2025, the payment infrastructure of the Kyrgyz Republic included 25 non-bank systems to accept payments in favor of third parties, while 52 legal entities had a license of the payment system operator.

Based on the analysis of the data received in the reporting period, the payment system operators processed 146.3 million payments to the total amount of KGS 394.8 billion. The volume of payments increased by 58.6 percent compared to the same period of 2024, while the number of payments increased by 8.3 percent.

Competition in this segment is developed due to availability of a large number of systems to accept payments in favor of third parties.

**Financial messaging channels.** The banking and payment systems use the following channels to exchange financial messages in the financial system of the Kyrgyz Republic:

- financial messaging channels (SWIFT and other channels);
- Bank-Bank / Bank-Client systems.

Note: The above information was prepared, in particular, on the basis of reports submitted by the commercial banks and the payment system operators and is subject to change due to possible adjustments in reporting on their part.

## V. IMPROVEMENT OF THE FINANCIAL SECTOR REGULATION

*In the reporting period, development of the regulatory legal framework governing the activities of the financial-credit organizations was focused on creating conditions to decrease the interest rates, improve the asset classification system, manage the credit risk, develop the digital financial services, and create conditions for economic growth and consumer protection.*

1. On January 22, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic” No. 2025-P-12/2-2-(NPA) to improve the credit risk management system and classify the assets placed in accordance with the principles of Islamic banking and finance.

2. On January 22, 2025, the Board of the National Bank of the Kyrgyz Republic adopted Resolution “On introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic” No. 2025-P-12/2-3-(NFKU) on disclosure of loan terms, including total cost of the product, in the state or official languages in order to increase the transparency of lending conditions and protect consumer rights.

The resolution also establishes that the credit bureaus are entitled to receive information on loans from the pawnshops in cases where the amount exceeds the amount established by the Cabinet of Ministers of the Kyrgyz Republic.

3. On January 22, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On introduction of amendments into the Resolution of the Board of the National Bank of the Kyrgyz Republic “On suspending the Resolution of the Board of the National Bank of the Kyrgyz Republic “On temporary decisions in the field of foreign currency exchange operations” No. 2022-P-33/45-2-(NPA) dated July 22, 2022,” No. 2022-P-33/55-1-(NPA) dated September 5, 2022 in terms of extending the suspension of the Resolution from July 22, 2022 until August 1, 2025.

4. On March 12, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic” No. 2025-P-12/10-2-(NPA) in order to stimulate development of the digital financial services, improve existing practices of loan extending through the remote channels, reduce the risk of fraud, and increase the accessibility of services for the customers, while maintaining a balance between process efficiency and security.

5. The Resolution “On introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic” No. 2025-P-12/11-7-(NFKU) was adopted on March 19, 2025 in order to create conditions for the financial-credit organizations to reduce the interest rates. Thus, according to the Resolution, the financial-credit organizations were provided with the opportunity not to apply a special classification to loans, for which the interest rate was reduced to a level not exceeding, on the date of reduction, the maximum permissible interest rate established by the Law of the Kyrgyz Republic “On Limiting Usurious Activities in the Kyrgyz Republic”.

In addition, the Resolution entitles the authorized entities (banks, exchange offices, etc.) to set commission fees from May 1, 2025 on the exchange transactions with U.S. dollars issued before 2006 that have not lost their status of legal tender. The amount of the commission fee must be justified, taking into account the expenses associated with the export of the above-mentioned U.S. dollars in cash. These amendments are aimed at minimizing the risks associated with the possibility of counterfeit banknotes appearing in the foreign exchange market of the Kyrgyz Republic.

6. On April 4, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On implementation of the Order of the Cabinet of Ministers of the Kyrgyz Republic No. 171-r dated March 17, 2025” No. 2025-P-12//14-1-(BS) in order to ensure stability of the financial system and economic security of the Kyrgyz Republic.

7. The Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On introduction of amendments into the Resolution “On introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic” No. 2025-P-12/28-1-(NPA) dated June 18, 2025 in order to encourage the financial-credit organizations to provide financing to the women engaged in entrepreneurial activities, improve the system of asset classification and the banks’ capital adequacy assessment, taking into account the highly rated organizations’ guarantees, as well as maintain accounts of the large foreign currency loans aimed at strategic goals to stimulate economic growth and development of the country.

8. On June 27, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic” No. 2025-P-12/31-1-(NPA) on the issues of pre-trial appeals and regulation of the guarantee funds’ activity. In particular, amendments were introduced into the Rules for regulating the guarantee funds’ activity (hereinafter referred to as the Rules). The Rules expanded the terms “client” and “financial-credit organizations” and introduced a new term “international financial organizations”, as well as defined a list of credit substitutes eligible for guarantees provided by the guarantee funds. This list includes bank guarantees, leasing, trade finance and factoring.

9. On June 27, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic” No. 2025-P-12/31-2-(NPA) aimed at bringing the regulatory legal acts in line with the requirements of the Law of the Kyrgyz Republic “On Banks and Banking Activity” in terms of regulating the commercial banks’ subsidiaries and dependent companies. The measure was focused on improving regulation of the commercial banks’ activity in terms of creation and/or acquisition of the subsidiaries or the dependent companies.

## GLOSSARY

*A bank deposit* is the amount of money, accepted by a financial-credit organization under contract from another person on the terms of repayment, payment and maturity. Deposits can be time and demand. Demand deposits are made without specifying the shelf life, and time deposits are made for a certain period.

*A bank loan* is money provided by a bank for a fixed period under the terms of re-payment and payment of loan interest.

*A foreign exchange market* is a market in which the purchase/sale of foreign currencies is made. By the economic content, it is a sector of the money market, where supply and demand for a specific product such as currency are balanced. According to its purpose and form of organization, it is a set of specific institutions and mechanisms that in concert provide an opportunity to freely sell and/or buy domestic and foreign currency on the basis of supply and demand.

*A money market* is a market in which there is the giving and receiving of funds in the form of loans and securities for a short term within the range of participants.

*Return on securities* is the ratio of the annual return on the security to its market price; the rate of return received by the owner of the security.

*The housing affordability index* is an indicator of the state of the housing market in terms of the possibility of acquiring apartments by the people. Calculated as the ratio of the average market value of a standard apartment (total area of 54 sq. m.) to the average annual income of a family of three (two adults and a child).

*The payment system affordability index* is a measure of the availability of the system as access to services and information for users of the system on their demand. Downtime of the system due to technical failures, power outages, late opening or early closing of the trading day of the system reduce the time to access the system.

*The liquidity ratio of payment systems* characterizes sufficiency of liquid funds in the accounts of the participants of the system for the payments and settlements.

*Macroprudential analysis* is an assessment and monitoring of strong sides and vulnerable spots of the financial system taken as a whole.

*Minimum consumer budget* is the cost of a set of minimum benefits and services to the subsistence minimum.

*A securities market* is organized exchanges and structures (securities depository companies, accounting and clearing houses), as well as other companies that provide services related to the activities of the exchange. This category includes depositories and electronic clearing systems, the activity of which is ensured by financial corporations and national self-regulatory organizations of oversight over the activities of stock exchanges and related institutional units or their regulation.

*Stress tests* are methods used for assessment of portfolios vulnerability with respect to significant changes in the macroeconomic situation or exceptional but possible events.

*An unemployment rate* is the percentage of the actual number of unemployed to the total economically active population.

## **LIST OF ABBREVIATIONS**

CAR	– Capital Adequacy Ratio
CB	– Commercial Bank
CJSC	– Closed Joint-Stock Company
CPI	– Consumer Price Index
ARS	– Automobile Repair Shop
DTI (debt-to-income)	is the ratio of the amount of the borrowers' payments on loans (including the amount of principal and interest payments for the reporting period) to the main annual income of the borrower declared at the time of issuing a loan
FAO	– Food Agriculture Organization of the United Nations
FCCU	– Financial Company of Credit Unions
FCO	– Financial-Credit Organization
GDP	– Gross Domestic Product
GS	– Government Securities
IMTS	– International Money Transfer Systems
IPC	– Inter-bank Processing Center CJSC
K2.1.	– Capital Adequacy Ratio
K3.1.	– Economic Liquidity Ratio
KR	– Kyrgyz Republic
KSE	– Kyrgyz Stock Exchange
LLP	– Loan Loss Provisions
LTV (loan-to-value ratio)	is the ratio of issued loans to the value of collateral
M2	– Money Supply
MFO	– Microfinance Organization
MM	– Mass Media
NBFCIs	– Non-banking Financial-Credit Institutions
NBFCOs	– Non-banking Financial-Credit Organizations
NBKR	– National Bank of the Kyrgyz Republic
NSC KR	– National Statistical Committee of the Kyrgyz Republic
NTC	– Net Total Capital
OCP	– Open Currency Position
OECD	– Organization for Economic Cooperation and Development
OJSC	– Open Joint-Stock Company
p.p.	– percentage point
PRBR	– Periodic Regulatory Bank Reporting
RLA	– Regulatory and legal acts
ROA	– Return on Assets
ROE	– Return on Equity
RTGS	– Real Time Gross Settlement System
SALRCGC under the CM KR	– State Agency for Land Resources, Cadastre, Geodesy and Cartography under the Cabinet of Ministers of the Kyrgyz Republic
SBC	– System of Batch Clearing
SFCO	– Specialized Financial-Credit Organization
SFSS (State Financial Supervision Service)	– State Service for Regulation and Supervision of Financial Markets at the Ministry of Economy and Commerce of the Kyrgyz Republic
SIPC	– Single Inter-bank Processing Center
ST-Bills	– State Treasury Bills
ST-Bonds	– State Treasury Bonds

SWIFT (Society for Worldwide Interbank Financial Telecommunications) – International Interbank System to Transfer Information and Make Payments

USA – United States of America

VaR (value at risk) - maximum possible losses in monetary terms over certain period of time.