National Bank
of the Kyrgyz Republic

THE FINANCIAL SECTOR STABILITY REPORT OF THE KYRGYZ REPUBLIC

according to the results of 2025

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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 Kyrgyz, Russian 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 Kyrgyz, Russian 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 Kyrgyz, Russian 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 Kyrgyz, Russian 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 quarter in the Kyrgyz, and Russian 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.

CONTENT

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.

LIST OF BOXES

Major Conclusions

The Kyrgyz Republic became the fastest-growing economy in the Central Asia region in 2025. During the past four years (2022–2025), the average annual rate of real economic growth reached 10.2 percent, which is a high indicator for the region.

During 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.

At the end of 2025, net profit of the banking sector increased by 6.2 percent compared to 2024 and amounted to KGS 33.0 billion.

During the reporting period, dollarization of loans and deposits in the banking sector decreased compared to the previous year.

In 2025, the quality of the loan portfolio improved compared to the previous year.

At the end of 2025, as before, the results of econometric modelling, financial forecasting and "reverse" stress tests continue to indicate the availability of financial strength and the ability to withstand certain macroeconomic shocks. It should be noted, however, that a significant part of the banking sector is able to withstand potential 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 2025, the level of risks in the systemically important and significant payment systems remained within the permissible limits and was ensured by the risk management mechanisms provided for by the legislation of the Kyrgyz Republic. There was risk in the retail payment systems, which was mainly conditioned by the geopolitical situation worldwide.

In the reporting period, development of the regulatory framework governing the activities of the financial-credit organizations was focused on creating conditions for decreasing the interest rates, improving the asset classification system, managing credit risk, developing digital financial services, creating conditions for economic growth and protecting consumers' rights.

I. MACROECONOMIC AND FINANCIAL ENVIRONMENT

1.1. Macroeconomic Conditions and Risks

In 2025, the economy of the Kyrgyz Republic demonstrated strong growth amid expansion of consumer and investment activity. The sectors of services, construction and industry were the main drivers of economic growth. The government's fiscal policy was characterized by growth of budget revenues amid increased funding for infrastructure projects implementation, meanwhile there was rise in the internal and external borrowings.

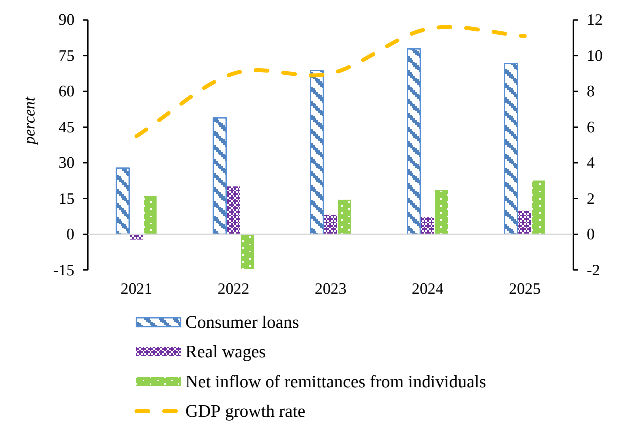
The monetary policy conducted by the National Bank was focused on minimizing the impact of external inflationary risks on price stability in the country and limiting the monetary factors of inflation.

External Conditions

In 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 high volatility in the world commodity and financial markets. Inflation remained high in the countries – main trading partners of the Kyrgyz Republic (excluding China). At the end of 2025, the annual inflation rate stood at 12.3 percent in the Republic of Kazakhstan, 7.3 percent – in the Republic of Uzbekistan and 5.6 percent – in the Russian Federation. Taking into account the significant share of imported goods in domestic consumption, external pro-inflationary developments influenced the domestic price movement.

Internal Conditions

Chart 1.1.1. Factors of Domestic Demand



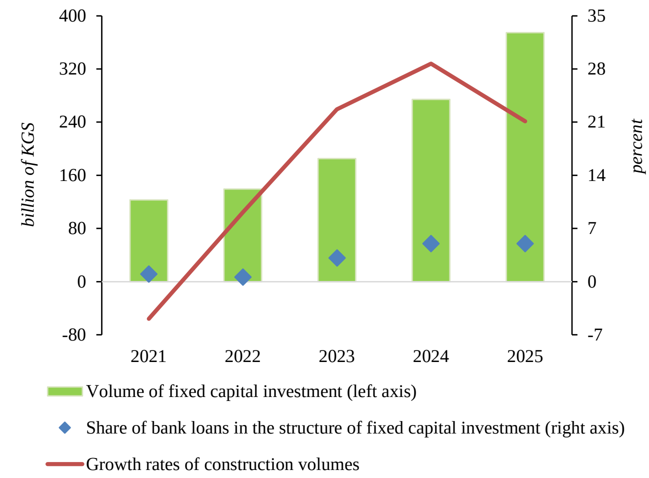
Source: NSC KR, NBKR.

During the reporting period, the economy of the Kyrgyz Republic demonstrated high growth rate of real GDP (+11.1 percent). The services sector, construction and industry were the key drivers of economic growth.

Growth in domestic demand was conditioned by an increase in the population's incomes and inflow of individuals' remittances. In 2025, real wages increased by 9.9 percent in annual terms, there was growth of wages in all sectors of economic activity.

Labor market showed positive trends. In 2025, the number of jobs creased amounted to 273.7 thousand, having increased by 4.0 percent compared to 2024. According to the National Statistical Committee of the Kyrgyz Republic, at the end of 2025, the official registered unemployment rate in the Kyrgyz Republic decreased compared to 1.8 percent in 2024 and amounted to 1.3 percent of the total labor force.

Chart 1.1.2. Capital Investments



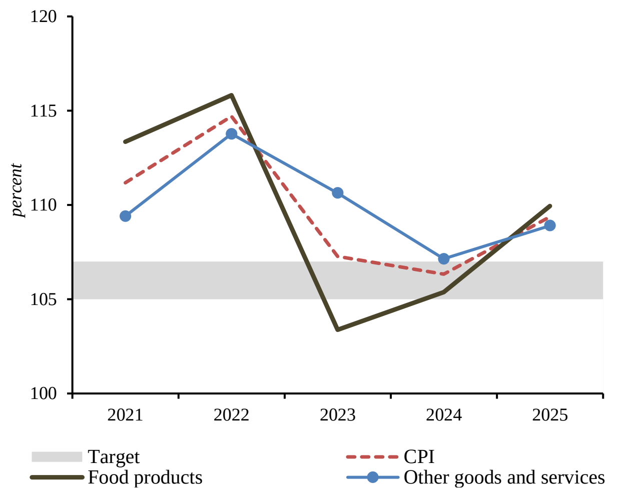
Source: NSC KR.

The construction sector demonstrated relatively high growth rates compared to other sectors of the country's economy. In 2025, the volume of capital investment increased by 18.4 percent, being primarily financed from the funds of the state budget, enterprises, organizations, and the population.

At the same time, the commercial banks actively increased the volume of lending to the real sector of the economy. At the end of 2025, the loan portfolio of the commercial banks increased by 48.8 percent.

During the reporting period, the inflation rate in the Kyrgyz Republic stood at 9.4 percent. The rates of increase in prices for certain food products were the main drivers of inflation. In the structure of the Consumer Price Index, growth was conditioned by increase of prices in the group of food products by 9.9 percent, in the group of non-food products by 7.8 percent, in the services sector by 11.2 percent, and by growth of prices for alcohol drinks and tobacco products by 8.0 percent.

Chart 1.1.3. Inflation Dynamics in the Kyrgyz Republic



Source: NSC KR.

In 2025, inflation was primarily influenced by external factors: high price volatility in the world commodity markets, geopolitical uncertainty and fragmentation of the world trade accompanied by restructuring of the regional trade flows and rise in logistics costs.

From the side of the domestic factors, there was an increase in tariffs for electricity and services of the public utility sector, rise in wages and growth of public expenditures, and, as a result, expansion in domestic demand.

At the same time, the National Bank implemented consistent and balanced monetary policy measures aimed at minimizing the impact of external risks, limiting the influence of inflation monetary factors and maintaining the purchasing power of the national currency. Monetary conditions were tightened during 2025: since summer, the key interest rate was increased from 9.00 percent up to 11.00 percent. At the same time, measures were taken to regulate excess liquidity in the banking system.

Fiscal sector. According to the preliminary data of the Central Treasury of the Ministry of Finance of the Kyrgyz Republic, at the end of 2025, the state budget was executed with a surplus of KGS 50.2 billion, or 2.5 percent to GDP. These budget parameters are conditioned by increased economic activity in the country, as well as measures taken to improve tax and customs administration, and growth in non-tax revenues.

At the same time, there was stable increase in the internal and external borrowings during the reporting period. Thus, as of the end of December 2025, the state financial liabilities increased by 36.0 percent year-to-date. Meanwhile, there was a shift in the structure of public debt towards an increase in domestic borrowings.

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)

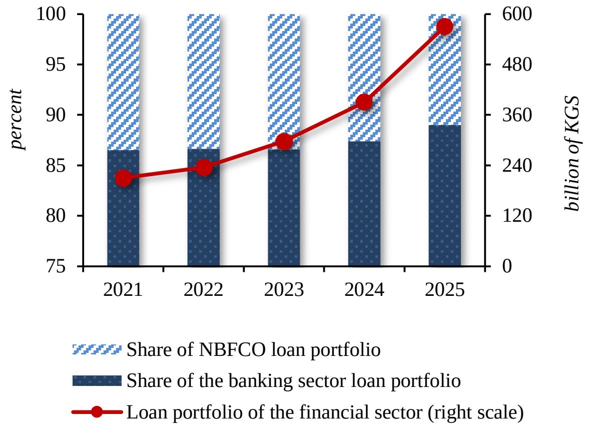
Financial institutions	2021	2022	2023	2024	2025
Commercial banks	**23**	**23**	**23**	**21**	**22**
Other financial companies, including:	**630**	**711**	**842**	**983**	**1009**
Non-banking and specialized financial-credit organizations (NBSFCO), including:	**604**	**686**	**815**	**956**	**1009**
Microfinance organizations, including:	133	130	121	108	102
microcredit companies	86	87	78	64	61
microcredit agencies	37	34	34	35	32
microfinance companies	10	9	9	9	9
Specialized Financial-Credit Organization	1	1	1	1	1
Credit offices	2	2	2	3	2
Credit unions	88	84	81	78	71
Exchange offices	379	467	609	765	832
OJSC "Guarantee fund"	1	1	1	1	1
Housing saving credit company	1	1	0	0	0
Insurance companies	**16**	**15**	**17**	**17***	**17***
Investment funds	**3**	**3**	**3**	**3***	**3***
Stock exchanges	**4**	**4**	**4**	**4***	**4***
Pension funds	**3**	**3**	**3**	**3***	**3***

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

As of the end of 2025, assets of the banks and non-banking financial-credit organizations (NBFCOs) amounted to KGS 1,285.7 billion or 65.1 percent to GDP.

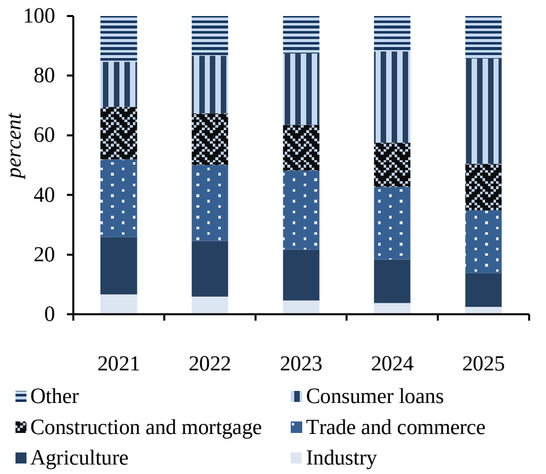
At the end of 2025, the total loan portfolio of the financial sector amounted to KGS 569.7 billion or 28.8 percent to GDP. The share of banks' loans in the loan portfolio of the financial sector made 89.0 percent at the end of 2025 (Chart 1.2.1).

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 consumer loans was observed within the sectoral structure of the loan portfolio of the commercial banks and non-banking financial-credit organizations. The aggregate share of the financial sector’s loan portfolio in the aforementioned lending segments at the end of 2025 constituted 78.4 percent of total issued loans and amounted to KGS 201.4 billion (Chart 1.2.2).

1.3. Financial Markets

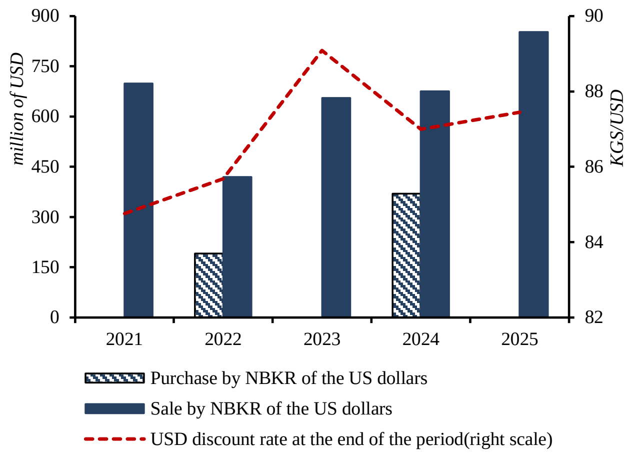
During 2025, exchange rate flexibility was stable in the domestic foreign exchange market, and, in general, the situation in the foreign exchange market remained stable.

The interbank money market was characterized by a decline in the short-term interest rates, which remained near the lower rate of the interest rate corridor set by the National Bank, amid excess liquidity in the banking system.

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.

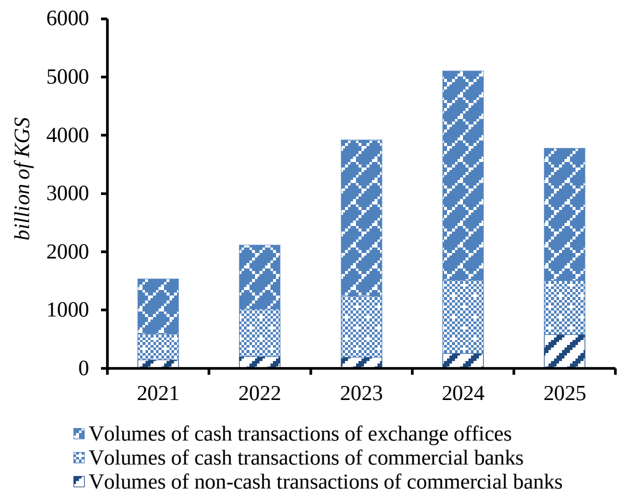
During 2025, the situation in the domestic foreign exchange market remained stable.

As at the end of December 2025, the USD/KGS official exchange rate was 87.4177 KGS/USD, having increased by 0.5 percent compared to the end of 2024.

Since Q2 2025, the foreign exchange market showed a decrease in the supply of foreign currency compared to demand for it and a corresponding narrowing in the fluctuation range of the official exchange rate, which was 85.6093–87.4500 (KGS 1.8) KGS/USD in 2025, meanwhile, in the same period of 2024, the fluctuation range was 84.0300–89.5100 (5.5 KGS) KGS/USD.

In the reporting period, the National Bank conducted foreign exchange interventions for sale of foreign currency in the amount of USD 853.0 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.

In 2025, 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 26.0 percent, down to KGS 3.8 trillion. There was an increase in the volume of transactions involving the euro and the Kazakh tenge in the currency structure, meanwhile the volume of foreign exchange transactions involving the U.S. dollars, the Russian roubles and the Chinese yuan declined.

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 fell from 48.9 down to 45.8 percent compared to the same indicator of 2024), the share of transactions on purchase and sale of the U.S. dollars increased (from 46.4 up to 47.2 percent), the share of transactions on purchase and sale of euro increased from 1.3 up to 3.0 percent, the share of transactions in the Chinese yuan rose from 3.3 up to 3.4 percent, meanwhile the share of transactions with the Kazakh tenge also grew slightly from 0.03 up to 0.1 percent.

In general, the transactions were still conducted in cash in the foreign exchange market, the share thereof decreased by 10.3 percentage points, down to 84.7 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.

Money Market

In 2025, activity in the interbank credit market increased compared to the previous reporting period. The total volume of transactions amounted to KGS 18.0 billion, demonstrating a significant increase by 63.2 percent compared to 2024. The average weighted rate in the interbank market fell by 3.14 percentage points, down to 4.39 percent. The average weighted term of REPO transactions increased up to 14 days in 2025. Most banks did not need short-term refinancing in the form of the National Bank's overnight loans, except for one loan in the amount of KGS 18.2 million. Meanwhile, the average daily volume of funds placed by the commercial banks on overnight deposits in the National Bank amounted to KGS 103.4 billion.

1.3.2. Securities Market

In 2025, as before, 12-month state treasury bills (ST-Bills) and 2-year state treasury bonds (ST-Bonds) were placed on the trading platform of "Kyrgyz Stock Exchange" CJSC, meanwhile, the indicators of demand for government securities and sales thereof demonstrated a significant increase compared to 2024. According to the results of auctions and additional placements, the total volume of ST-Bills sales amounted to KGS 3.0 billion with the weighted average yield of 10.7 percent, and the volume of placed ST-Bonds amounted to KGS 5.7 billion with the weighted average yield of 13.0 percent.

During the reporting period, ST-Bond of all maturities, except for 2-year and 20-year bonds, were offered on the trading platform of the National Bank of the Kyrgyz Republic in the long-term instruments segment, meanwhile, there was a significant increase in the volumes of demand, supply and sales of these securities compared to 2024. In particular, demand increased by 3 times and totaled KGS 139.1 billion, whilst supply grew by KGS 175.8 billion (an increase by 3.9 times compared to 2024). The volume of actual sales, including additional placements, rose by 3.3 times, up to KGS 139.4 billion. The weighted average yield of ST-Bonds on the trading platform of the National Bank fell by 3.17 percentage points, down to 12.38 percent, meanwhile, the commercial banks' and the institutional investors' interest was primarily focused on the long-term securities.

There was a decrease in demand by 3.7 percent in the National Bank's notes market represented by 7-, 91- and 182-day instruments amid persistently high level of excess liquidity in the banking system. In 2025, the total volume of notes sale decreased by 28.8 percent compared to the previous year and amounted to KGS 551.4 billion, meanwhile, the share of 7-day notes was 97.6 percent of the total volume, the weighted average yield thereof fell from 7.07 percent in 2024 down to 3.63 percent in the reporting period.

1.4. Real Estate Market

At the end of 2025, there was a decrease in the price index[1] growth rate in the real estate market of the Kyrgyz Republic due to slowdown in growth of prices for individuals houses (an increase in prices by 17.1 percent) and flats (an increase in prices by 27.8 percent) compared to 2024.

In the reporting period, there was a slight deterioration in the housing affordability index (for flats) from 7.6 to 7.8 years, due to the growth rate of real estate prices (27.8 percent) outrunning the growth rate of the average monthly nominal wage (18.9 percent). This fact indicates deterioration in the situation with the real estate affordability.

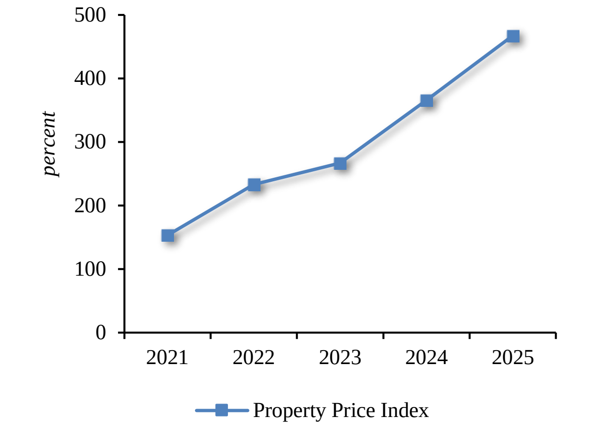
Risks to the financial sector from the real estate market remain moderate, which was conditioned by low share of mortgage loans[2] in the total loan portfolio of the banks.

At the end of 2025, decrease in the growth rate of the property price index from 27.1 percent down to 22.1 percent, and growth of the property basis price index from 366.0 percent up to 467.5 percent were observed in the Kyrgyz Republic due to rise in prices for individual houses by 17.1 percent and for apartments – by 27.8 percent compared to 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[3]



Source: LRS under MA KR, NBKR calculations.

As of December 31, 2025, the average price of 1 square meter of housing (apartments) in Osh city increased by 16.4 percent (up to KGS 75.0 thousand), in Bishkek city – by 31.7 percent (up to KGS 126.3 thousand) compared to 2024. The average price of 1 square meter of individual houses in Osh city decreased by 13.0 percent (down to KGS 103.5 thousand), in Bishkek city it increased by 30.1 percent (up to KGS 184.9 thousand) compared to 2024.

[1] The Laspeyres index method was used in developing price index for the real estate.
In general, the Laspeyres index is computed as follows:

$$L = \left(\sum_{i=1}^{K} QoiPti \,/\, \sum_{i=1}^{K} QoiPoi\right)*100,$$

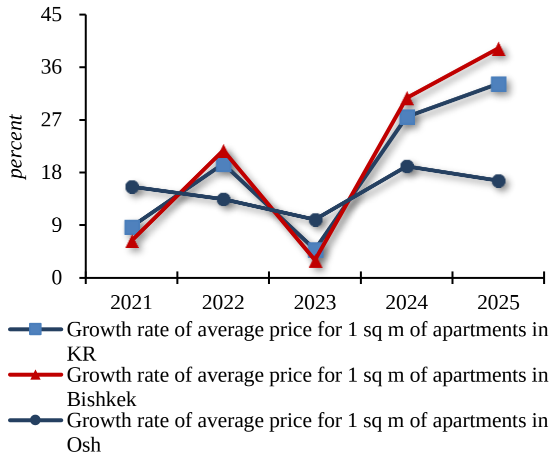
where

K = number of real estate types;
Qoi = number of real estate of type i in the base period;
Poi = price of real estate of type i in the base period;
Pti = price of the real estate of type i in the current period.

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

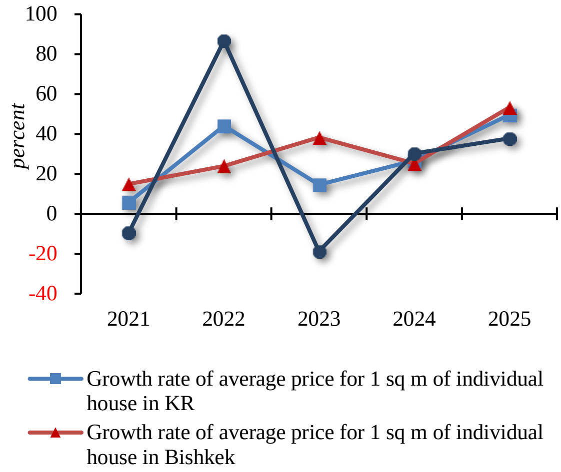
[3] The year 2010 was taken as the base period.

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

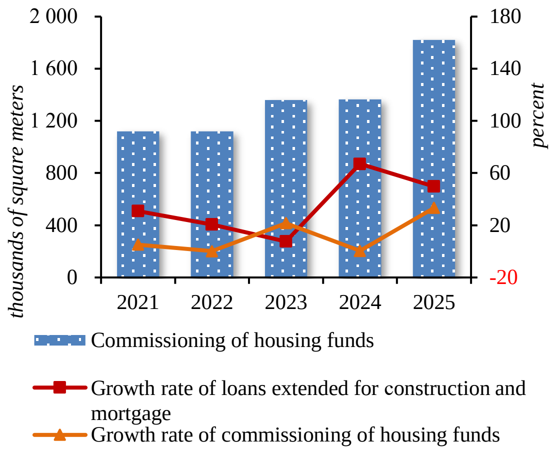


Source: LRS under MA KR, NBKR calculations.

In the reporting period, the number of transactions on the real estate purchase and sale increased by 687.0 percent and amounted to 377,659. The number of transactions on the apartments purchase and sale increased by 676.6 percent and the number of transactions on the houses purchase and sale increased by 701.4 percent compared to 2024 and amounted to 216,435 and 161,224 transactions, accordingly.

There was positive dynamics in housing construction. At the end of 2025, the total volume of housing funds commissioning increased by 33.3 percent compared to 2024 mainly due to an growth in the volume of housing funds commissioning in Osh (293.5 percent), Bishkek (103.2 percent) cities, Naryn (19.9 percent), Osh (10.4 percent), Jalal-Abad (4.0 percent) and Batken (3.2 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[4]



Source: NSC KR, NBKR calculations.

[4] Data for the period.

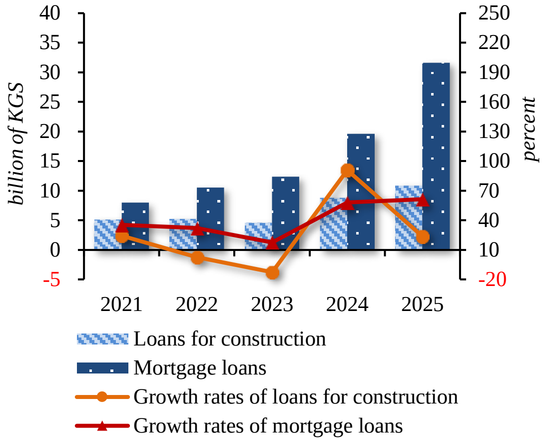
Table 1.4.1. Geographic Structure of Commissioned Housing

	2024		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	554,2	40,6	832,8	45,8
Osh city and Osh region	236,3	17,3	400,8	22,0
Other regions of the KR	574,6	42,1	586,3	32,2
Total	**1 365,1**	**100,0**	**1 819,9**	**100,0**

Source: NSC KR.

As of December 31, 2025, there was an increase in the volume of mortgage loans and loans to finance construction compared to 2024. In the reporting period, the volume of loans extended for construction and mortgage increased by 23.7 percent (up to KGS 10.9 billion) and by 61.5 percent (up to KGS 31.6 billion), accordingly.

Chart 1.4.6. Loans Extended for Construction and Mortgage[5]



Source: CBs, NBKR.

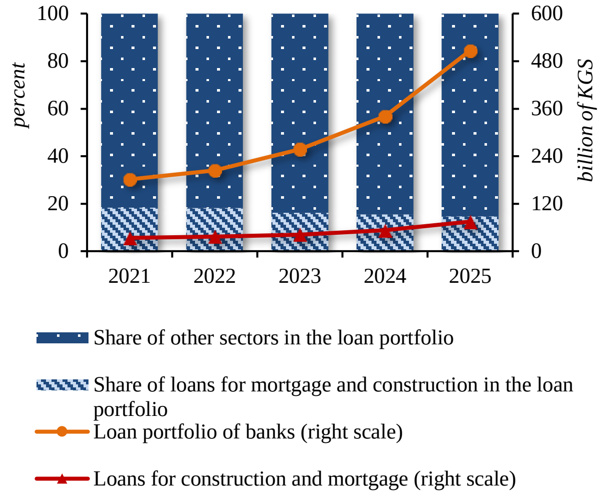
At the end of 2025, residential houses were generally constructed and commissioned at the expense of the population (72.7 percent of their total commissioning)[6].

As of December 31, 2025, the share of loans for construction and mortgage amounted to 14.8 percent in the total loan portfolio of the commercial banks, the share of mortgage loans thereof constituted 11.1 percent. The share of loans for construction and mortgage decreased by 0.7 percentage points in the total loan portfolio of the commercial banks compared to 2024 (Chart 1.4.7.).

[5] Data for the period.

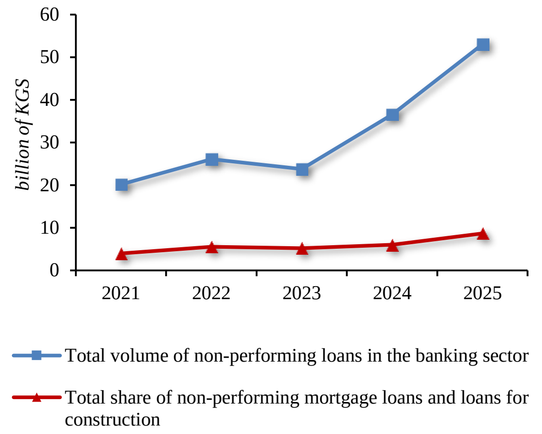
[6] “Social and economic situation of the Kyrgyz Republic (January – December 2025)”, NSC KR.

Chart 1.4.7. Total Share of Loans for Mortgage and Construction in the Loan Portfolio of Commercial Banks[7]



Source: CBs, NBKR.

Chart 1.4.8. Dynamics of Non-performing Loans



Source: CBs.

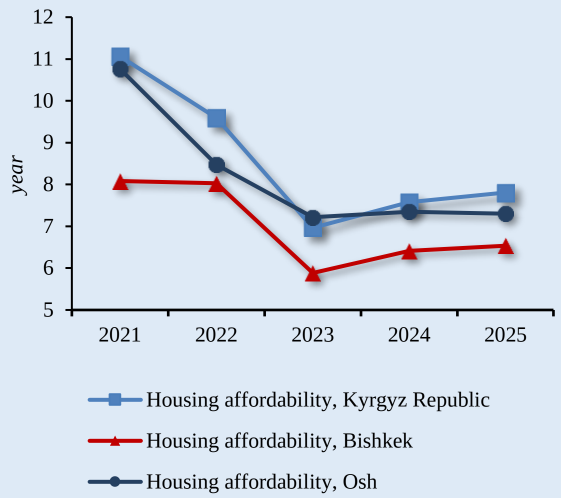
The total volume of non-performing loans for mortgage and construction increased by 44.9 percent and amounted to KGS 8,689.8 million. Therefore, in the reporting period, the aggregate share of non-performing loans in the aforementioned sectors decreased by 0.01 percentage point and constituted 16.4 percent 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 68.9 percent and amounted to KGS 6,992.7 million mainly due to deterioration in the quality of loans issued for construction.

[7] Data as of the end of period.

Box 1. Housing Affordability Index

As of December 31, 2025, the housing affordability index in the Kyrgyz Republic deteriorated from 7.6 to 7.8 years compared to 2024 due to an increase 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 real estate prices (27.8 percent) outrunning the average monthly nominal wages (18.9 percent, Chart 1).

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



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

According to the results 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 44,419.0), where the income is received by two people, and the minimum consumer budget of KGS 26,092.0 (29.4 percent of total family income), for 7.8 years with other conditions being equal.

Box 2. Stress Testing of Impact from Price Changes in the Real Estate Market on the Banking Sector[8]

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)	-----	-----	----
"Alternative" scenario (decrease in price for real estate by 40% per 2 years)	-----	-----	2 banks
"Negative" scenario (decrease in price for real estate by 50% per a year)	-----	-----	3 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 33.5 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 28.5 percent.

[8] Stress test was conducted on the basis of the commercial banks' data provided in the course of the survey as of December 31, 2025.

II. BANKING SECTOR

As of December 31, 2025, there was an increase in the main indicators of the banking sector: assets, loan portfolio, deposit base, and capital.

At the end of 2025, the banking sector's net profit amounted to KGS 33.0 billion, having increased by 6.2 percent compared to 2024 mainly due to upward trend 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 2024.

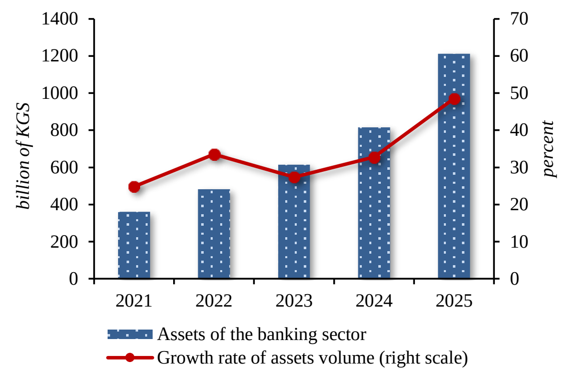
2.1. Major Trends of the Banking Sector Development

According to the results of 2025[9], 22 commercial banks and 306 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 2025, there was an increase in the volume of assets in the banking sector of the Kyrgyz Republic. Assets aggregate volume amounted to KGS 1,211.2 billion, having increased by 48.5 percent compared to 2024 (Chart 2.1.1).

Chart 2.1.1. Dynamics of Assets in the Banking Sector



Source: NBKR.

The growth of assets was mainly provided by increase of:

- liquidity in the form of cash and funds on correspondent accounts by 24.4 percent or KGS 33.5 billion;
- the loan portfolio by 48.8 percent or by KGS 166.3 billion;
- other assets by 63.3 percent or by KGS 69.8 billion.

The share of loan portfolio in the structure of assets constituted 41.9 percent, having increased by 0.1 percentage point compared to 2024.

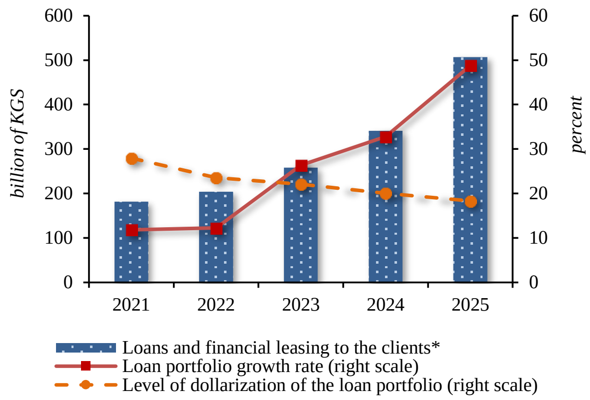
Loan Portfolio

At the end of 2025, the banks' loan portfolio increased in all main sectors of the economy compared to 2024.

At the end of the reporting period, the level of dollarization of the loan portfolio in the banking sector decreased by 1.8 percentage points compared to 2024 and amounted to 18.3 percent (Chart 2.1.2).

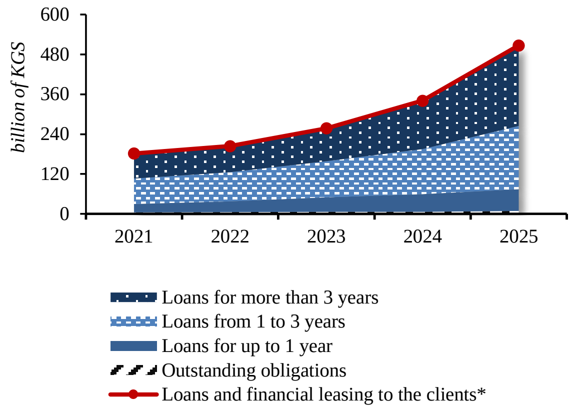
[9] The data are submitted according to reporting of the commercial banks.

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



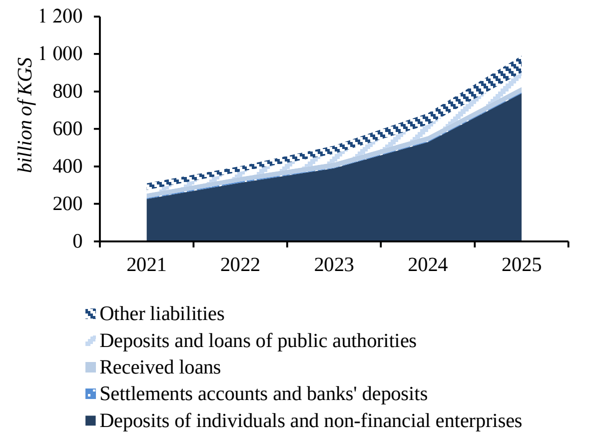
** Exclusive of loans provided by FCO and special loan loss provisions*
Source: NBKR.

In the maturity structure of loans issued, in 2025, the main shares are accounted for long-term loans – 47.7 percent or KGS 241.8 billion, and medium-term loans – 37.7 percent or KGS 191.2 billion.

Liabilities

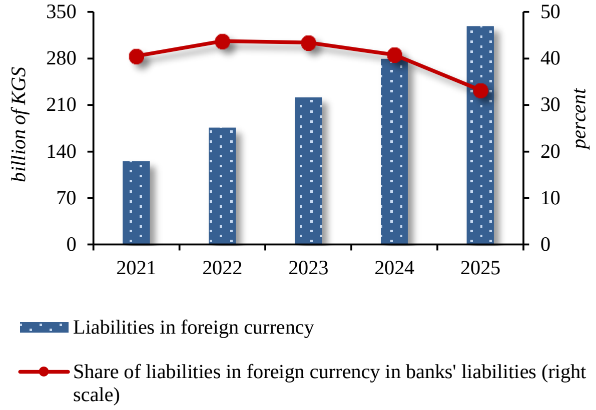
At the end of 2025, liabilities of the banking sector of the Kyrgyz Republic increased by 44.7 percent compared to 2024 and amounted to KGS 990.6 billion.

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).

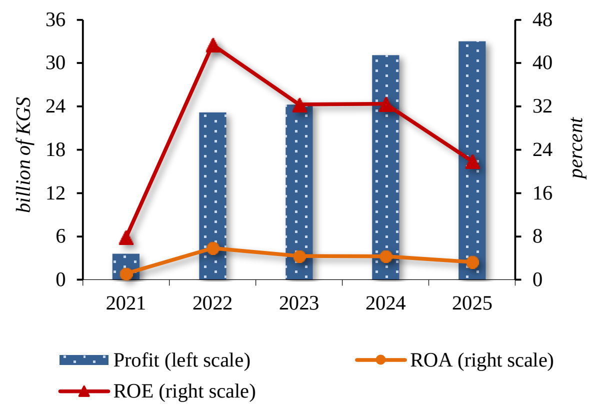
Financial Results

At the end of 2025, a decrease of the banking sector's profitability indicators was observed compared to 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 22.0 percent.

During the reporting period, net profit of the banking sector increased by 6.2 percent and amounted to KGS 33.0 billion (Chart 2.1.6).

Chart 2.1.6. Profitability Indicators of the Banking Sector



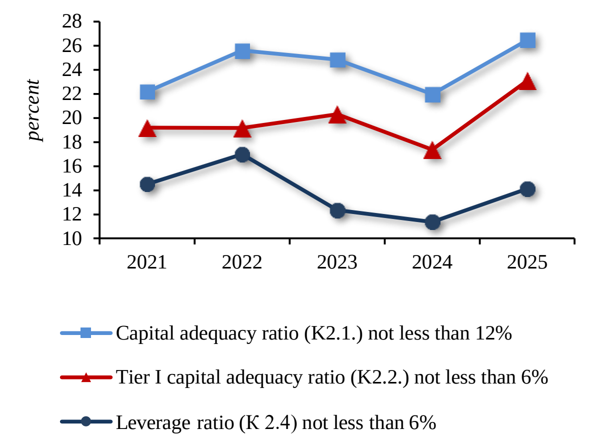
Source: NBKR.

Capital Adequacy

With statutory minimum capital adequacy at 12.0 percent, at the end of 2025, this figure increased by 4.6 percentage points compared to 2024 and amounted to 26.5 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 2025, exceeded the established standard (at least 12 percent) by 2.2 times, indicating the stability of the banking sector to negative shocks, as well as the presence of potential to increase the level of financial intermediation and efficiency of the banking sector activity in the future.

Chart 2.1.7. Dynamics of Capital Adequacy Ratios



Source: NBKR.

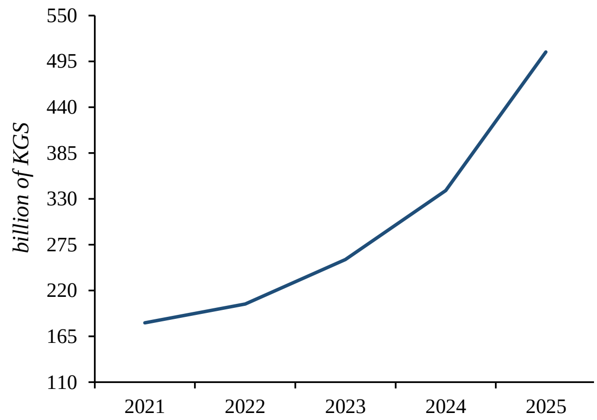
2.2. Banking Sector Risks

2.2.1. Credit Risk

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

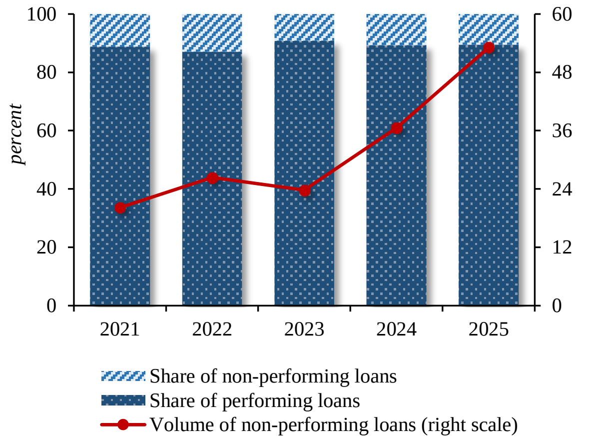
In 2025, the loan portfolio increased by 48.8 percent and amounted to KGS 507.0 billion (Chart 2.2.1). The share of non-performing loans in the loan portfolio of banks decreased from 10.8 percent down to 10.5 percent compared to 2024 (Chart 2.2.2).

Chart 2.2.1. Dynamics of Loan Portfolio[10]



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).

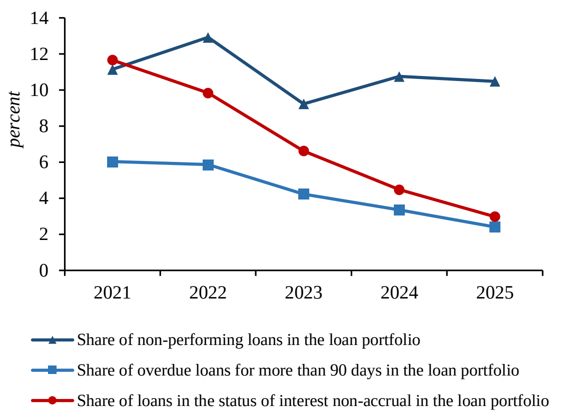
The indicator of the risk of default on assets (the ratio of special loan loss provisions (LLP) and loan portfolio) decreased by 0.8 percentage points compared to 2024 and constituted 4.1 percent.

Aggregate reserves created by the commercial banks constituted 5.5 percent of the total loan portfolio.

Meanwhile, the share of special loan loss provisions in 2025 constituted 75.3 percent of the total reserves (Chart 2.2.4).

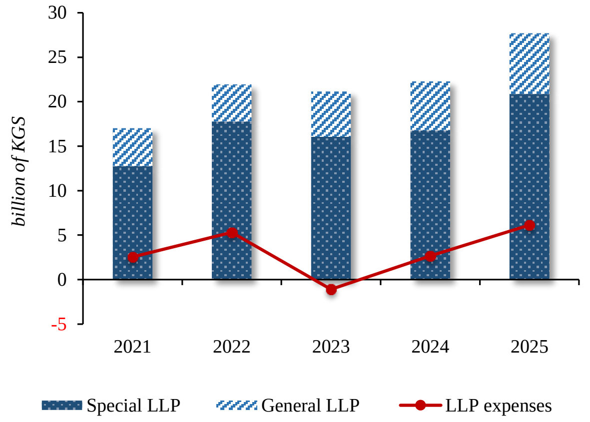
[10] Loan portfolio excluding discount.

Chart 2.2.3. Indicators of the Loan Portfolio Quality



Source: NBKR.

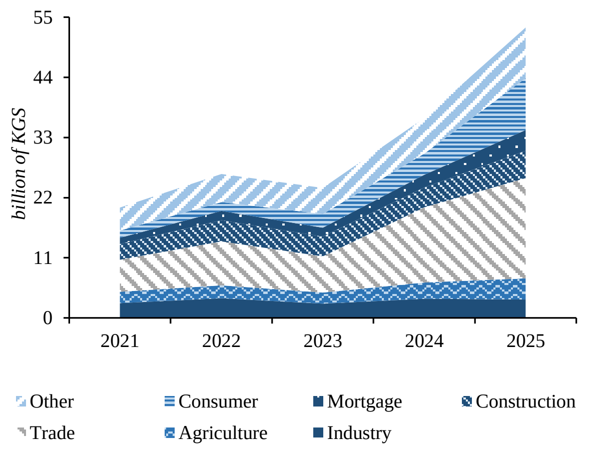
Chart 2.2.4. Total and Special Reserves



Source: NBKR.

As of December 31, 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

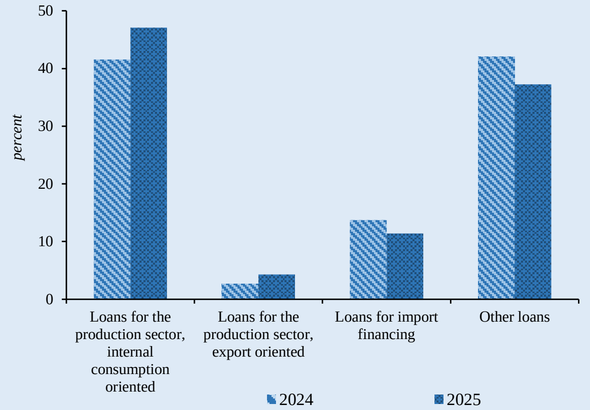


Source: NBKR.

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 (47.1 percent of total borrowers' loans) was used in the production sector of the economy[11], thereby reflecting the impact of lending on the country's GDP, meanwhile, 11.4 percent of issued loans were forwarded for financing of imports (Chart 1).

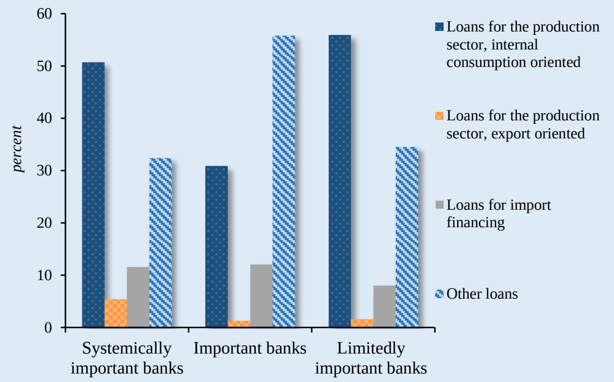
Chart 1. Sectoral Structure of Loans as of December 31, 2025

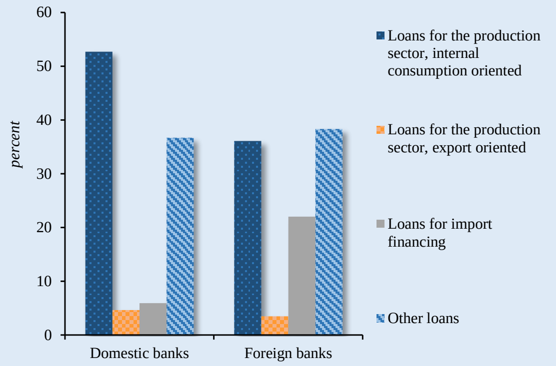


Source: CBs.

Domestic banks forwarded 52.7 percent of the loan portfolio to the production sector (GDP) and 5.9 percent – to finance imports. Generally, foreign banks also provided loans to the production sector of economy (36.1 percent). In 2025, the share of loans forwarded to finance imports constituted 22.0 percent of the loan portfolio (Chart 2).

Chart 2. Sectoral Structure of Loans by the Groups of Banks as of December 31, 2025





Source: CBs.

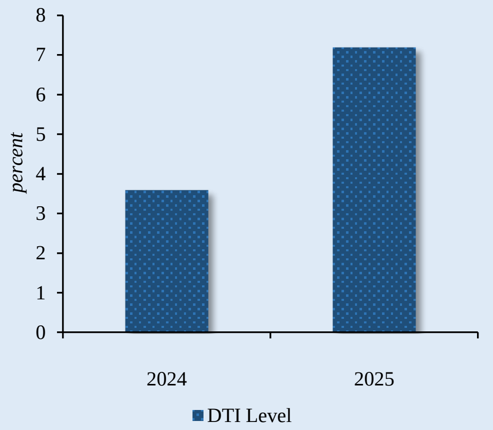
[11] The production sector means the activity of the bank clients connected with the production of goods and services (construction, communication and automobile repair shop services, transport services, real estate leasing, hotels, restaurants, etc.).

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

Borrowers solvency

At the end of 2025, the level of debt burden of 15 banks' largest clients calculated through DTI index[12] increased by 3.6 percentage points compared to the same indicator in 2024 and constituted 7.2 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 ***limitedly important banks*** (8.9 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 2.0 percent.

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

	Banking sector	**Systemically important banks**	**Important banks**	**Limitedly important banks**
Loan balance, *billions of KGS*	86.7	69.8	9.9	7.0
Share of loans in 15 largest borrowers in the total volume of loan portfolio in the banking sector, *in %*	17.1	19.0	9.7	18.4
Ratio of expenses for loan debt servicing to the borrowers' total income, *in %*	7.2	8.8	2.0	8.9

Source: CBs, NBKR.

[12] 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.

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 2025

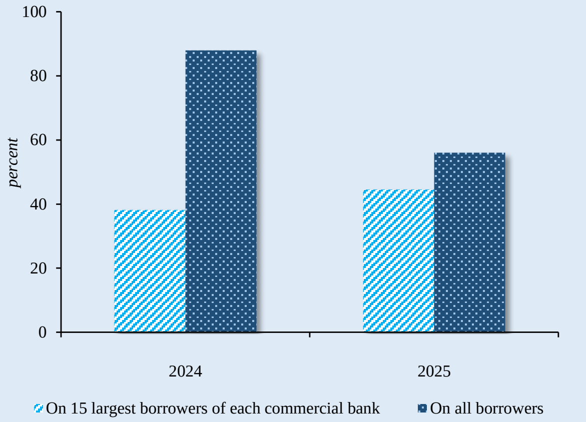
	Domestic banks	Foreign banks
Loan balance, *billions of KGS*	43.2	43.5
Share of loans in 15 largest borrowers in the total volume of loan portfolio in the banking sector, *in %*	12.9	25.3
Ratio of expenses for loan debt servicing to the borrowers' total income, *in %*	7.2	7.2

Source: CBs, NBKR.

Security of the borrowers' loans

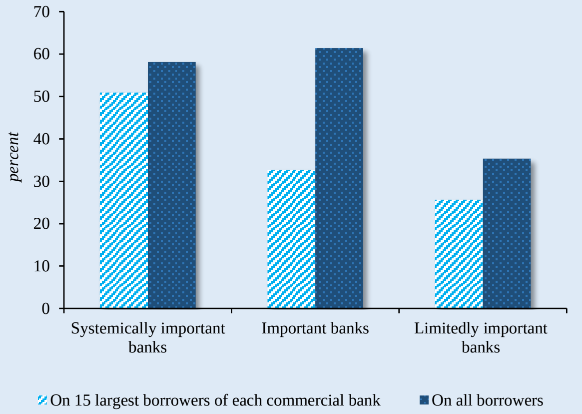
At the end of 2025, the LTV[13] actual level in the banking sector amounted to 56.0 percent. The existing level of collateral indicates a relatively high level of the loans secured by the pledged property (Chart 2). At the same time, the LTV value of limitedly important banks is lower than that of systemically 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 December 31, 2025



Source: CBs, NBKR.

Chart 3. LTV Level on All Borrowers and on 15 Largest Borrowers by the Banks' Groups as of December 31, 2025



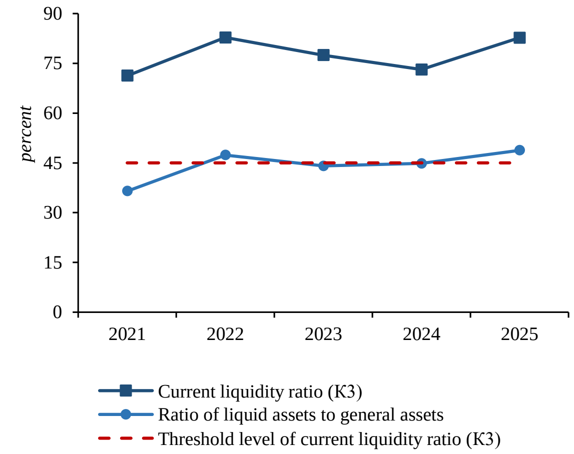
Source: CBs, NBKR.

[13] LTV (loan-to-value ratio) is the ratio of issued loans to the value of collateral.

2.2.2. Liquidity Risk

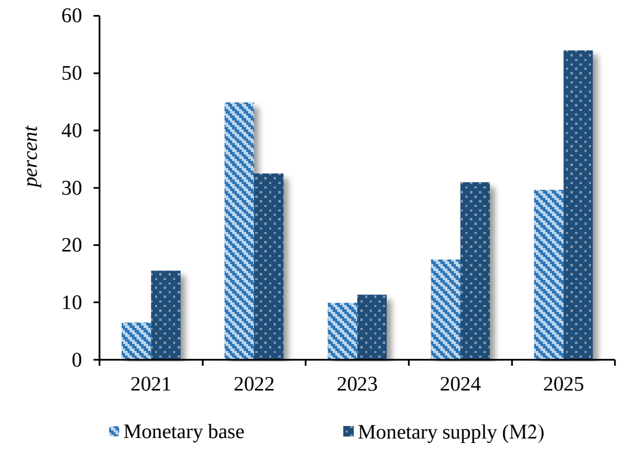
At the end of 2025, current liquidity ratio increased from 73.1 (as of December 31, 2024) up to 82.7 percent (Chart 2.2.6). Growth of money supply indicator (M2) was due to increase of disposable funds, settlement accounts, and demand deposits in the national currency in the economy (Chart 2.2.7).

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 increased due to excess of liquid assets over current liabilities growth rate. As before, there was a significant gap between assets and liabilities in terms of their maturity. There was a large negative gap between assets and liabilities, including in terms of maturity – up to one month, from one to three months, and from six to twelve months (Table 2.2.1).

Table 2.2.1. Maturity of Financial Assets and Liabilities
as of December 31, 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	559 088	44 436	43 615	85 240	510 137	1 242 515
including loans and financial leasing to the clients	23 556	29 255	38 299	69 392	345 871	506 374
Total financial liabilities	674 203	58 456	40 172	93 945	119 193	985 969
including deposits of individuals and time deposits of legal entities	220 001	43 230	33 989	75 452	56 558	429 231
Gap	-115 115	-14 020	3 443	-8 705	390 943	256 546
Including on loans and deposits	-196 445	-13 975	4 310	-6 060	289 313	77 143

2.2.3. Concentration Risk

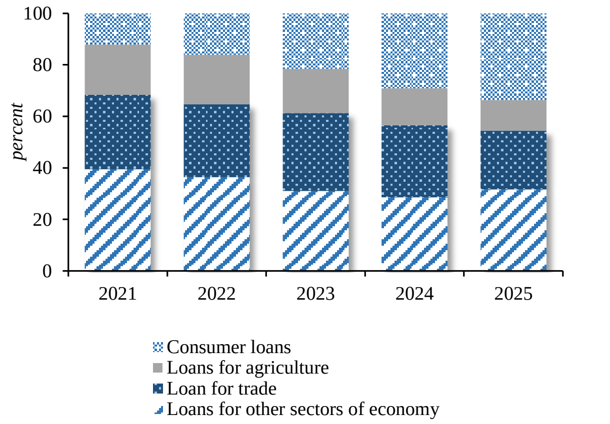
Concentration of the Largest Sources of Financing

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



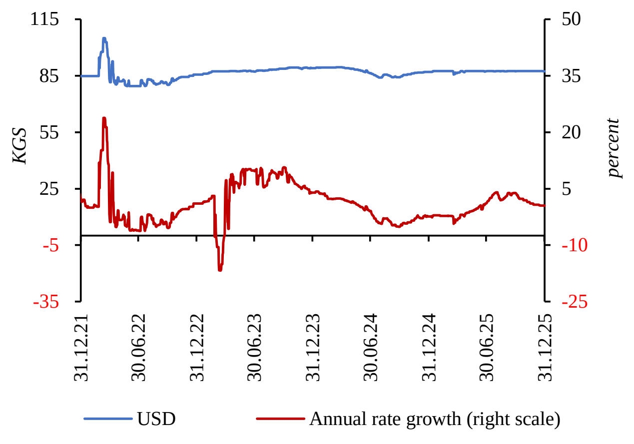
Source: CBs, NBKR.

There was an increase by 5.9 percent in the level of consumer loans concentration and a decrease in the share of trade and agricultural loans (33.7 percent) in the sectoral structure of the loan portfolio amid rise in the overall level of lending. At the end of 2025, the share of loans for trade decreased by 3.5 percentage points, the share of loans for agriculture declined by 3.1 percentage points (Chart 2.2.8).

2.2.4. Currency Risk

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

Chart 2.2.9. Dynamics of USD/KGS Nominal Exchange Rate



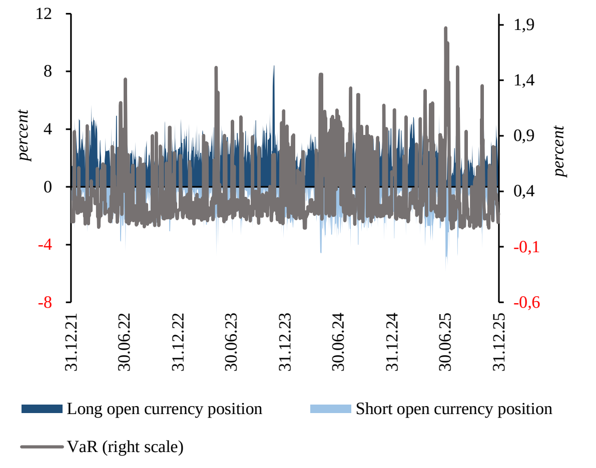
Source: NBKR.

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 2025, the risk of currency position overestimation in the banking sector was minimum (VaR: 0.1-1.9 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.

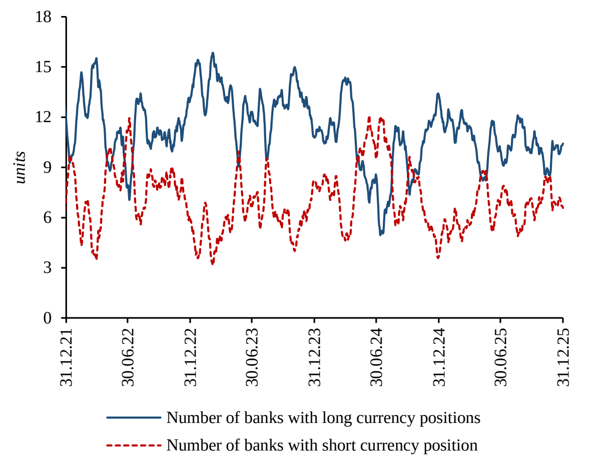
In the reporting period, 11 banks had a long currency position in U.S. dollars, and 6 banks adhered to a short currency position (Chart 2.2.11).

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 December 31, 2025, 9.9 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 – 60.1 percent, basic incomes of the borrower are generated in the national currency, and the loans are repaid in foreign currency;
- Group 2 – 4.9 percent, basic incomes and loans payable by the borrower are generated in the same currency;
- Group 3 – 11.2 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[14]

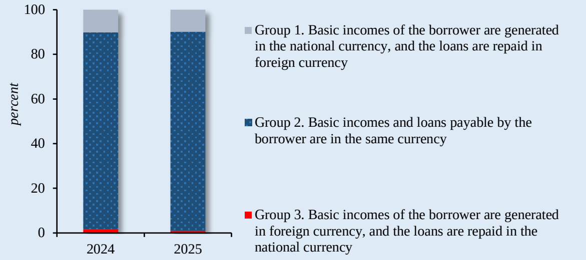
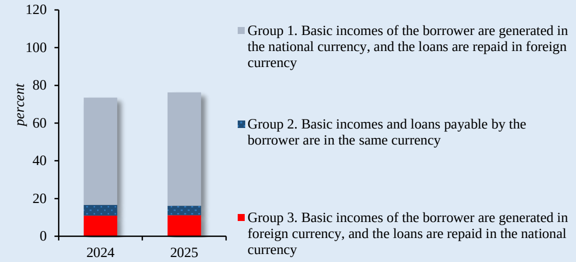


Chart 2. Share of Non-performing Loans by Groups of Loans[15]



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

[14] Breaking of loans into groups is presented in this chart. For example, the volume of loans for Group 1 as of December 31, 2025 amounted to KGS 50.3 billion or 9.9 percent of the total loan portfolio.

[15] 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 December 31, 2025 amounted to KGS 30.2 billion or 60.1 percent of the total loan portfolio for Group 1 (KGS 50.3 billion).

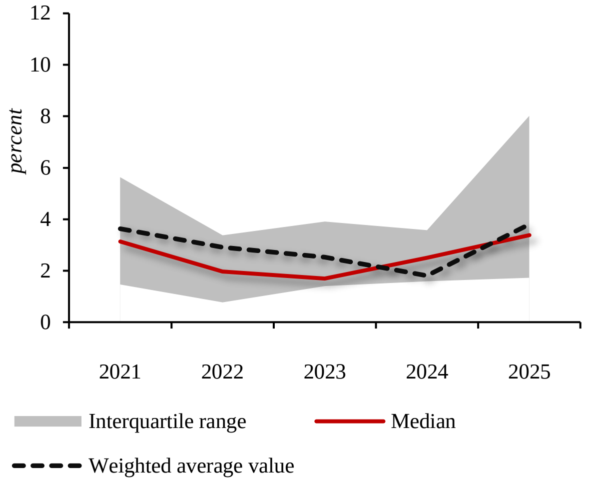
2.2.5. Interest Rate Risk

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 –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



Source: NBKR.

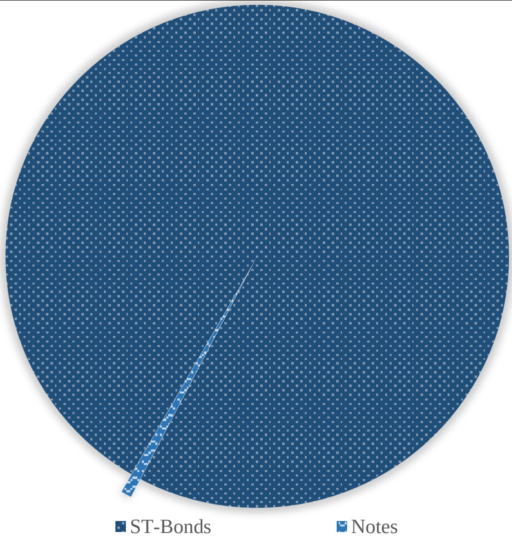
2.2.6. "Contagion" Risk

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.

At the end of 2025, the volume of interbank loan transactions amounted to KGS 18.0 billion[16].

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.

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



Source: NBKR.

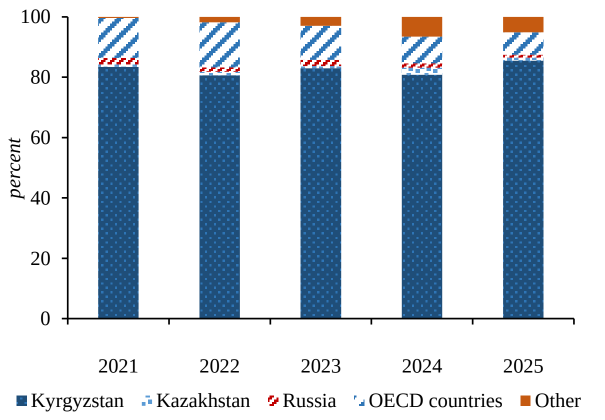
In general, the probability of the "contagion" risk materialization in the interbank credit market of the country is minimal, which is caused by highly liquid collateral.

[16] The total volume of transactions made between the resident banks during 2025 is meant here.

2.2.7. Country Risk

As of December, 2025, according to the commercial banks, the aggregate volume of placed assets of non-residents constituted KGS 180.4 billion or 14.5 percent of the total banking sector assets. The largest concentration of placements was observed in the Organization for Economic Cooperation and Development (OECD) countries in the amount of KGS 91.9 billion of 7.4 percent of the total assets of the banking sector of the Kyrgyz Republic.

Chart 2.2.14. Geographic Structure of Assets



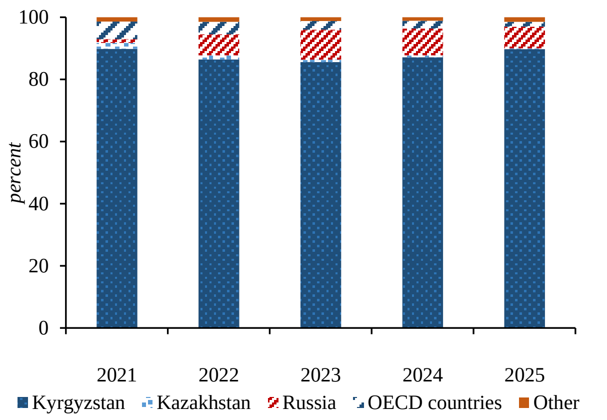
Source: NBKR.

The main share of assets placed abroad is focused on correspondent and deposit accounts and constituted KGS 171.8 billion or 95.3 percent of the total placed assets of non-residents (Chart 2.2.14).

At the end of 2025, banks' liabilities to non-residents of the Kyrgyz Republic totaled KGS 101.7 billion or 10.3 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 97.8 billion or 96.1 percent of the total liabilities to non-residents.

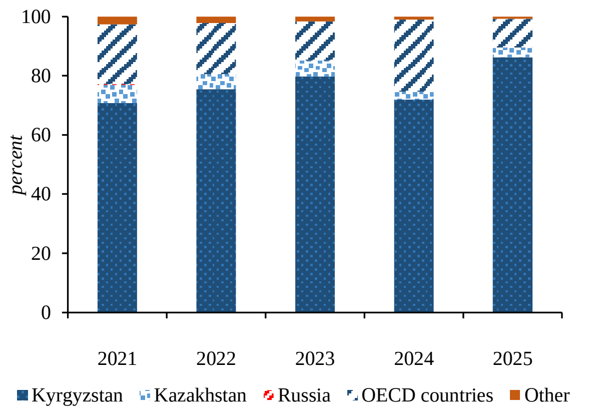
1.6 percent of the liabilities to non-residents were accounted for the OECD countries, 6.9 and 0.3 percent – for the Russian Federation and the Republic of Kazakhstan, accordingly (Chart 2.2.15).

Chart 2.2.15. Geographic Structure of Liabilities



Source: NBKR.

Chart 2.2.16. Authorized Capital by Countries



Source: NBKR.

According to the results of 2025, foreign capital amounted to KGS 26.6 billion or 16.5 percent of the total authorized capital of the banking sector. The structure of foreign capital by countries was distributed as follows (Chart 2.2.16):

- residents of the OECD countries – 9.7 percent,
- residents of the Republic of Kazakhstan – 3.3 percent,
- residents of other countries – 0.7 percent.

2.3. "Reverse" Stress Testing of the Banking Sector

2.3.1. "Reverse" Stress Testing of Credit Risk[17]

Maximum allowable share of "performing" loans[18] 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.

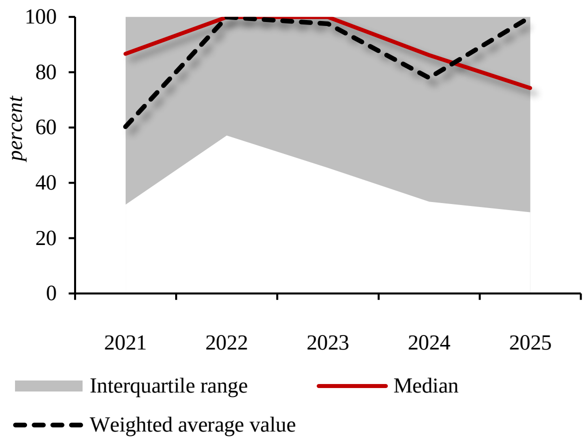
This method allows detecting a buffer stock of capital (net total capital) of banks, which can cover the additional allocations to LLP in connection with the transformation of "performing" loans into the category of "non-performing" loans[19].

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 December 31, 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).

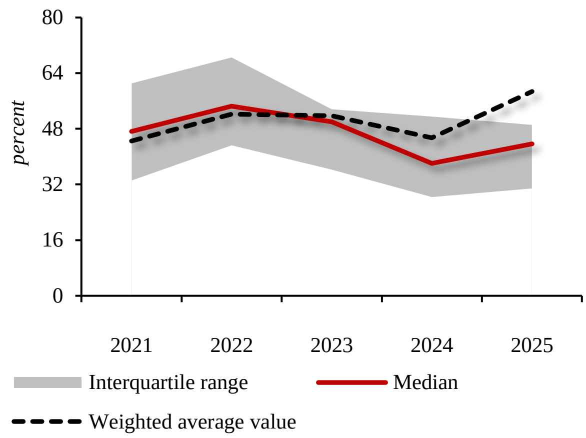
Thus, the banking sector can sustain a significant deterioration in the quality of the loan portfolio, which may require the creation of additional LLP. The volume of additional LLP can reach 58.7 percent of the net total capital (Chart 2.3.2).

Chart 2.3.1. Maximum Possible Share of "Performing"[20] Loans that May Become "Non-performing" Loans[21],
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.

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[17] Exclusive of troubled banks.
[18] Exclusive of "normal" loan category, which are risk free.
[19] Herewith, transition of "performing" loans to the category of "non-performing" loans is fulfilled smoothly by three categories ("substandard", "doubtful" and "losses").
[20] Exclusive of "normal" loan category, which are risk free.
[21] When CAR decreases to the threshold level of 12 percen.

2.3.2. "Reverse" Stress Testing of Liquidity Risk

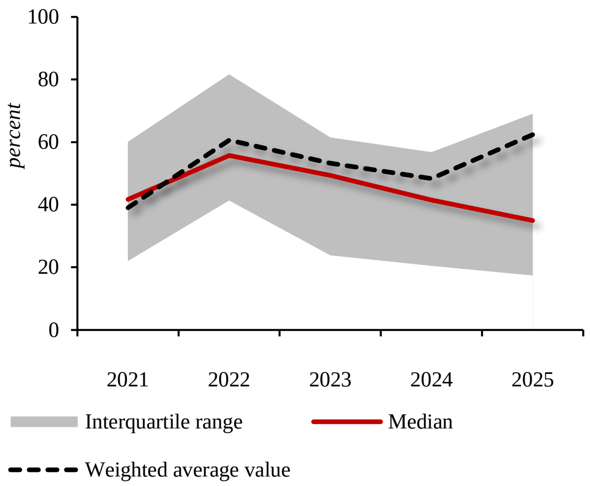
The reserve of liquid assets, which can cover a massive outflow of deposits of the clients' total deposit base, without violating the NBKR prudential standard on the current liquidity, was calculated for the evaluation of the liquidity risk in the banking sector.

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 December 31, 2025, the actual amount of liquid assets of the banking sector was able to cover sudden deposits outflow of an average of 62.4 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 December 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 26.0 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 December 31, 2025

		Banking sector
	Credit risk	
Scenario 1	Share of performing loans transferring to the category of "non-performing" loans, in percent	100,0
	Interest rate risk	
Scenario 1	Decrease of weighted average interest rate on loans, when CAR declines to 12%, in percentage points	26,0
	Currency risk	
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	
	Liquidity risk	
Scenario 1	Outflow of clients’ deposit and received loans of the total deposits and loans, when current liquidity ratio declines to 45%, in percent	62,4

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 upward trend.

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

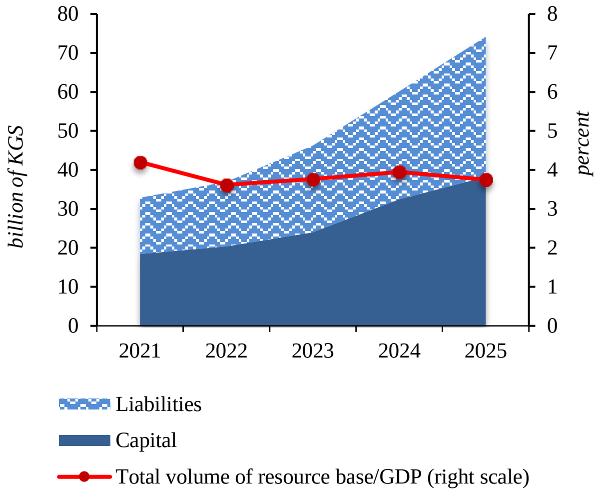
Weighted average interest rates on loans of the microfinance organizations decreased compared to 2024.

3.1. Main Trends

The system of non-banking financial-credit organizations subject to licensing and regulation by the National Bank as of December 31, 2025 in the Kyrgyz Republic included: the specialized financial-credit organization "FCCU" OJSC, 71 credit unions, 102 microfinance organizations (including 9 microfinance companies, 61 microcredit companies and 32 microcredit agencies), and 832 exchange bureaus.

Resources

Chart 3.1.1. Dynamics of NBFCOs Liabilities and Capital



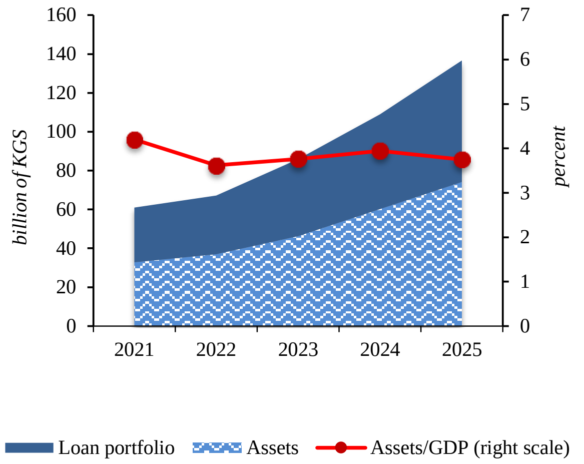
Source: NBKR.

At the end of 2025, NBFCOs' liabilities increased by 29.8 percent compared to 2024 and were formed in the amount of KGS 35.9 billion. As of December 31, 2025, NBFCOs' capital increased by 17.8 percent and totaled KGS 38.2 billion (Chart 3.1.1).

Assets

According to the periodic regulatory reporting data, the total assets of NBFCOs in 2025 increased by 23.3 percent and amounted to KGS 74.1 billion[22]. 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



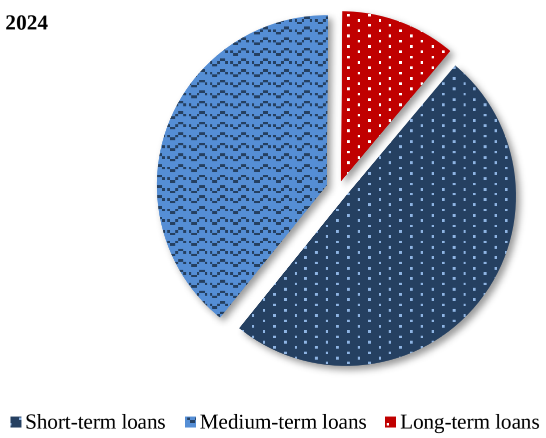
Source: NBKR, NBFCOs.

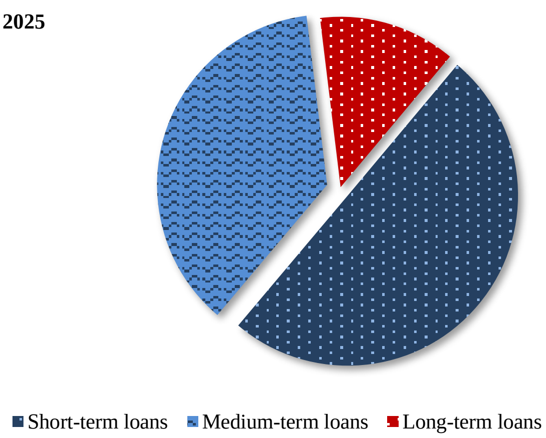
Lending remains the main activity of NBFCOs. As of December 31, 2025, the loan portfolio of NBFCOs increased by 27.9 percent and formed in the amount of KGS 62.5 billion.

As of December 31, 2025, the number of borrowers increased by 11.9 percent compared to 2024 and amounted to 650,748 borrowers.

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

Chart 3.1.3. Structure of the NBFCOs Loan Portfolio by Maturity, in percent[23]





Source: NBKR, NBFCOs.

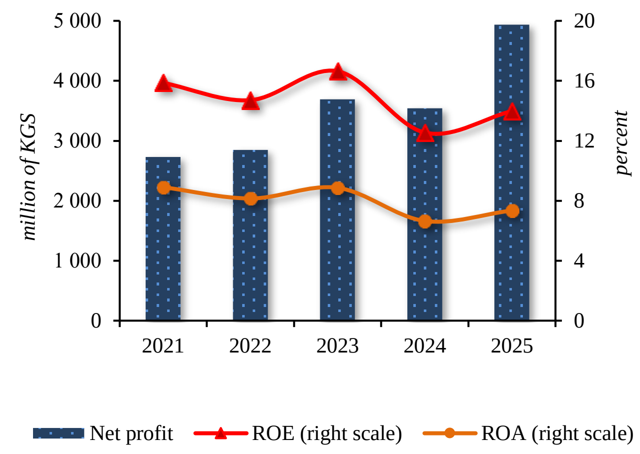
The main regions where the major share of NBFCOs loan portfolio is concentrated (78.5 percent of the total loan portfolio) are Bishkek city, Chui, Osh and Jalal-Abad regions, which is due to the highest level of business activity in these regions of the republic.

[22] Exclusive of SFCOs.
[23] Data for the period.

Revenue Position[24]

According to the results of 2025, net profit of NBFCOs increased by 39.4 percent compared to 2024 and amounted to KGS 4.9 billion. At the end of December 2025, ROA increased by 0.7 percentage points and amounted to 7.4 percent. ROE increased by 1.4 percentage points and constituted 14.0 percent (Chart 3.1.4).

Chart 3.1.4. Dynamics of NBFCOs Revenue Position[25]



Source: NBKR, NBFCOs.

[24] ROA and ROE indices are provided in annual term.
[25] Exclusive of SFCOs.

3.2. Risks of Non-banking Financial-Credit Organizations

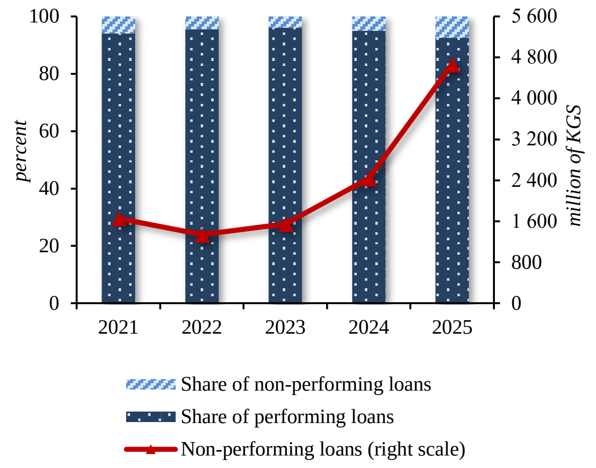
Major risk factors of the activities of NBFCOs are the quality of the loan portfolio, sectoral and institutional concentration, as well as status of the NBFCOs external debt.

Quality of the NBFCOs Loan Portfolio

As of December 31, 2025, the share of non-performing loans in the loan portfolio of NBFCOs constituted 7.5 percent. Meanwhile, their nominal volume increased by KGS 2,227.3 million, or 91.3 percent compared to 2024 (Chart 3.2.1).

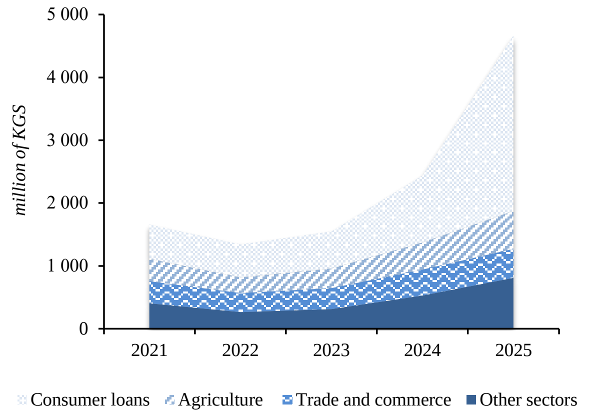
At the end of 2025, the structure of NBFCOs non-performing loans demonstrated a decrease in the share of defaulting loans issued for trade (by 7.0 percentage points), and loans issued for agriculture (by 4.9 percentage points), however, there was an increase in the share of consumer loans (by 16.1 percentage points) compared to 2024. The shares of defaulting consumer loans, loans issued for agriculture and trade in the total non-performing loans of NBFCOs constituted 59.9, 12.9 percent, and 9.9 percent, accordingly (Chart 3.2.2).

Chart 3.2.1. Quality of NBFCOs Loan Portfolio



Source: NBKR.

Chart 3.2.2. Structure of NBFCOs Nonperforming Loans by Sectors of Economy



Source: NBKR.

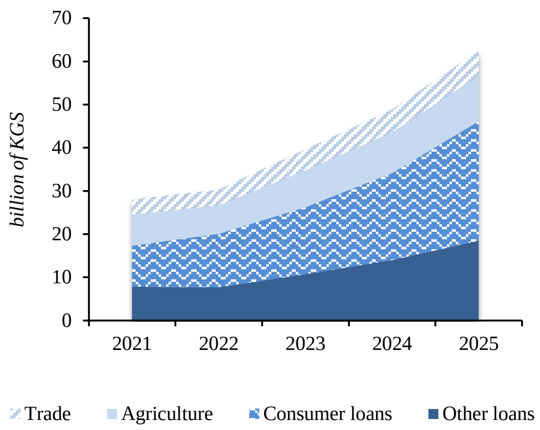
Sectoral Concentration

The NBFCOs loan portfolio is concentrated in consumer loans (44.3 percent of NBFCOs total loans), as well as in the loans issued to agriculture and trade (17.0 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

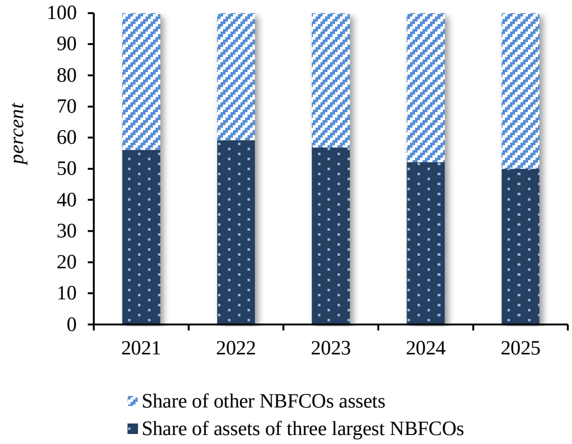
According to the results of 2025, the share of assets of three largest NBFCOs decreased by 2.1 percentage points compared to 2024 and constituted 50.0 percent of the total assets of the NBFCOs system (Chart 3.2.4).

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[26]

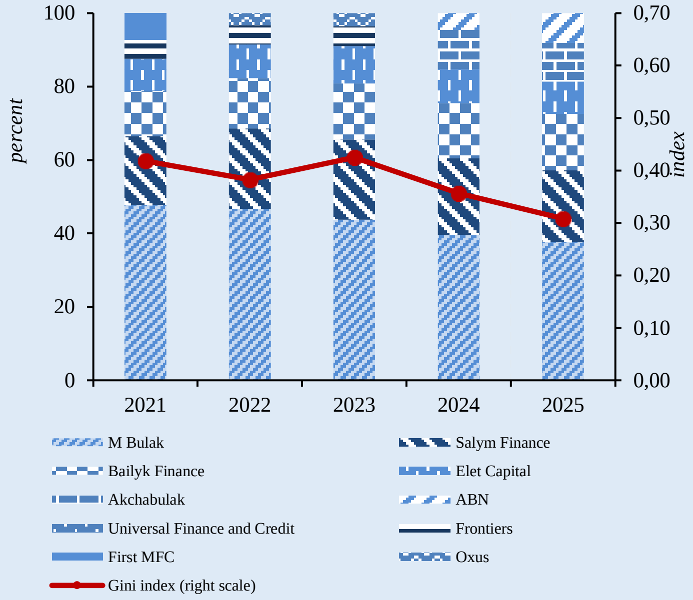
The Herfindahl-Hirschman Index

Herfindahl-Hirschman[27] index was calculated for the purposes of concentration risk analysis in the NBFCOs sector. As of December 31, 2025, Herfindahl-Hirschman index for the NBFCOs sector constituted 1,085.3 points. According to the rule of thumb[28], resulting value indicates availability of moderate concentration of NBFCOs assets or moderate concentration of microfinance market.

The Gini Index

The Gini index was calculated for estimating the uniformity of the NBFCOs assets distribution. As of December 31, 2025, the index value constituted 0.31 points. The Gini index value decreased by 0.05 points compared to 2024, which indicates a decrease in the level of concentration of asset distribution among 6 large NBFCOs (Chart 1).

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



Source: NBKR, NBFCOs.

[26] Concentration indices are calculated on the basis of data submitted by 6 largest NBFCOs.
[27] $H = \sum_{i=1}^{n}(sharei)^2$.
[28] 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 December 31, 2025, the external debt of NBFCOs amounted to USD 113.6 million. Major part of the external debt of NBFCOs are loans provided by the foreign financial-credit organizations (98.9 percent of total external debt of NBFCOs), loans of the international financial institutions constitute 1.1 percent.

At the end of 2025, external debt of the largest NBFCOs increased by 2.1 percent compared to 2024 and amounted to USD 103.0 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.

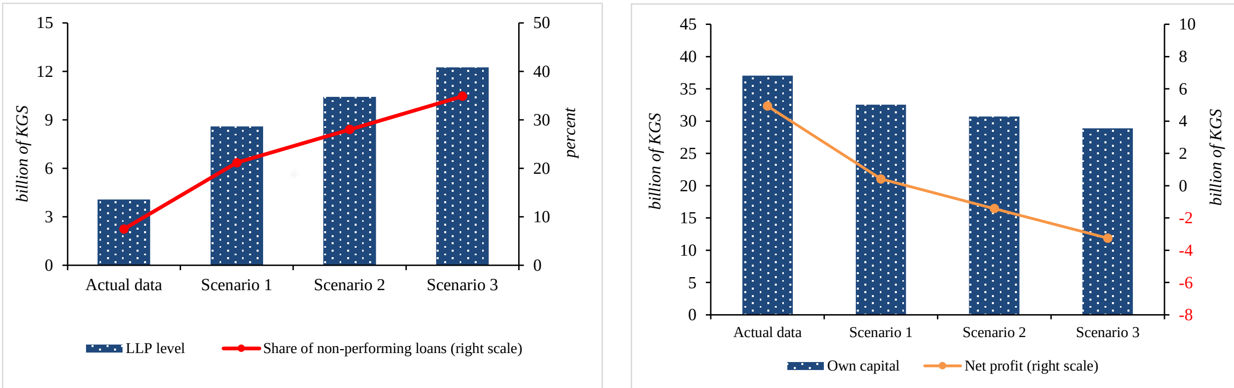
Three scenarios were considered when conducting stress testing:

- *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[29] in the loan portfolio of NBFCOs increased from 111.2 to 201.5 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 December 31, 2025



Source: NBKR.

It should be noted that a deterioration in the loan portfolio quality entails a gradual decline in equity and net profit of NBFCOs. In case of two scenarios implementation, the NBFCOs sector will experience losses in the amount of KGS 1,416.7 million and KGS 3,250.8 million, accordingly (Chart 3.3.1).

[29] 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*

	Share of non-performing loans in the loan portfolio of NBFCOs
Scenario 1: transition of 50% of loans from one category to another	21,1
Scenario 2: transition of 75% of loans from one category to another	28,0
Scenario 3: transition of 100% of loans from one category to another	34,9

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 13.7 percentage points, to the level of 21.1 percent. In the case of the second scenario, non-performing loans may increase by 20.5 percentage points, to the level of 28.0 percent, and in the implementation of the third scenario – by 27.4 percentage points and may reach the level of 34.9 percent.

IV. PAYMENT SYSTEMS

During the reporting period, the level of risk in systemically important payment systems was within the acceptable limits and was regulated by the risk management mechanisms stipulated by the legislation of the Kyrgyz Republic and the payment systems rules. 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 January 1, 2026, 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, Clearing-based Retail Payment Systems (payments acceptance in favor of third parties);

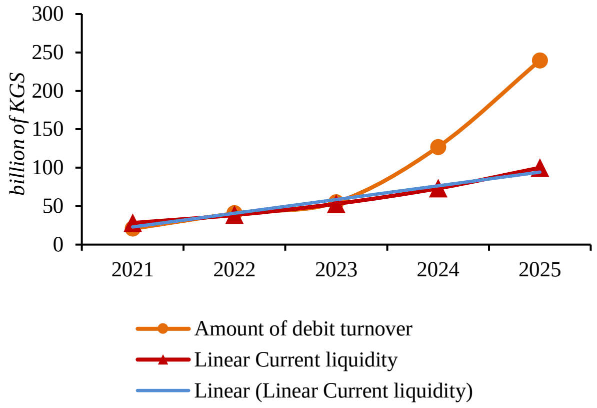
- Payment Messages Receiving and Processing Infrastructure (SWIFT, Interbank Communication Network (hereinafter referred to as IBCN), payment system operators and payment organisations licensed by the National Bank.

As at January 1, 2026, the following systems were recognized according to the criteria for the payment systems significance:

- systemically important payment system – RTGS system;

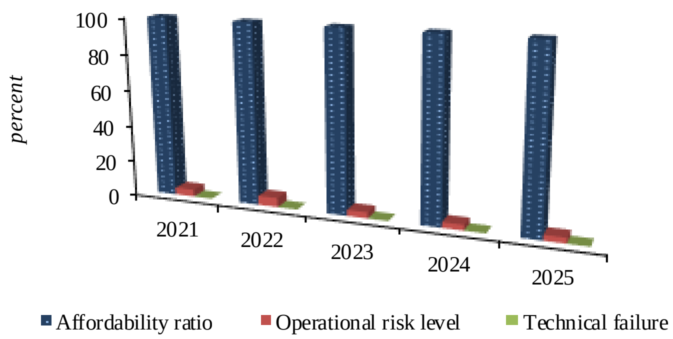
- national payment systems – RTGS, SBC and Elcart systems.

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



	2021	2022	2023	2024	2025
Technical failure, %	0.0%	0.0%	0.0%	0.0%	0.0%
Affordability ratio, %	100.0%	100.0%	100.0%	100.0%	100.0%
Operational risk level, %	3.9%	5.1%	3.3%	3.1%	3.1%

Source: NBKR

The RTGS functioned normally during 2025. An increase in average daily volume of liquid assets of participants by 36.6 percent (up to KGS 100.0 billion compared to 2024) provided high financial strength to keep the level of financial risks in the RTGS low.

During the reporting period, the RTGS affordability ratio remained high and constituted 99.9 percent. Meanwhile, the level of operational risk, taking into account failure and prolongation of the transaction day, was 3.2 percent.

In the reporting period, the SBC functioned under the conditions of low financial risks.

Reserves exhibited by the participants to cover a debit net position were 4 times higher than the required level. According to the results of the SBC operation monitoring, the system affordability ratio remained high and amounted to 99.7 percent during the reporting period.

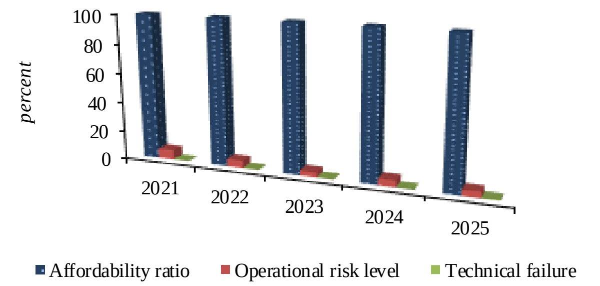
Meanwhile, the level of operational risk in the system was 4.1 percent taking into account incidents that did not affect the system affordability and extending upon request of separate participants.

Systems of Bank Payment Cards Settlements. As of January 1, 2026, card operations in the Kyrgyz Republic were conducted through four international payment card systems and the local system “Elcart”, including co-branding project “Elcart-UPI”.

In the reporting period, 21 commercial banks were participants in **the national system “Elcart”**.

In 2025, the results of operation monitoring and analysis indicated that the “Elcart” system affordability ratio was 99.10 percent, and the level of operational risk in the system was 0.9 percent.

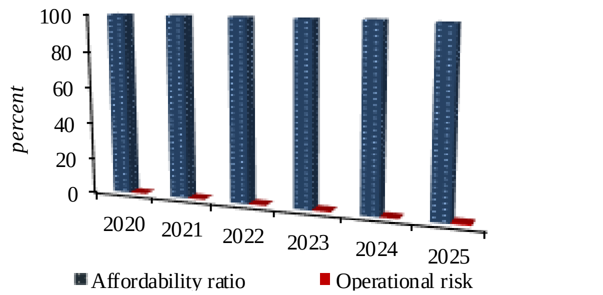
Chart 4.3. Ratio of Affordability Index and Operational Risk in the SBC



	2021	2022	2023	2024	2025
Technical failure, %	0.3%	0.1%	0.2%	0.1%	0.3%
Affordability ratio, %	99.7%	99.9%	99.8%	99.9%	99.7%
Operational risk level, %	6.4%	5.1%	3.4%	4.7%	4.1%

Source: NBKR

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



	2020	2021	2022	2023	2024	2025
Affordability ratio, %	99.9%	99.8%	99.8%	99.7%	99.8%	99.1%
Operational risk, %	0.1%	0.2%	0.2%	0.3%	0.2%	0.9%

Source: NBKR

Money transfer systems. During 2025, receipt and transfer of international remittances without opening an account were carried out by means of 11 international money transfer systems (IMTS).

E-money payment systems. As of January 1, 2026, the number of e-wallets increased by 30.2 percent compared to 2025 and amounted to 4.2 million wallets.

During the reporting period, indicators on turnovers with e-money compared to the same period of 2025 were as follows:

Types of transactions with e-money	2024	2025	Growth rate, *times*
Distribution of e-money by e-wallets replenishment			
Number, millions	21.7	51.4	by 2 times
Volume, millions of KGS	52 676.7	140 052.6	by 2 times
Payment for goods and services			
Number, millions	43.3	112.9	by 2 times
Volume, millions of KGS	41 772.4	187 694.2	by 4 times
Transfers			
Number, millions	21.1	88.4	by 4 times
Volume, millions of KGS	36 228.1	136 683.1	by 3 times
E-money redemption			
Number, millions	4.1	51.6	by 12 times
Volume, millions of KGS	24 043.5	108 296.8	by 4 times
Total			
Number, millions of payments	**90.2**	**304.3**	**by 3 times**
Volume, billions of KGS	**154 720.7**	**572 726.7**	**by 3 times**

As of January 1, 2026, 56 payment organizations and 55 payment system operators functioned in the Kyrgyz Republic. However, 21 operators of payment systems and payment organizations did not accept or process payments.

According to the analysis of data for the reporting period, payment system operators processed 278.3 million payments in the total amount of KGS 836.8 billion. The volume of payments increased by 35.7 percent, meanwhile the number of payments decreased by 8.2 percent compared to 2024.

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, E-document Transmission System (hereinafter referred to as EDTS), IBCN);
- 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 rights 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 and 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 of loan 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 banking services, improve practices of loan extending through the remote channels, increase the accessibility of banking services, while maintaining measures to protect customers from fraud.

5. On March 19, 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-12/11-7-(NFKU) in order to create conditions for the non-banking financial-credit organizations to reduce the interest rates.

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 banking 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) in order to bring the National Bank's regulatory legal acts in line with amendments in the legislation of the Kyrgyz Republic concerning pre-trial appeals and regulation of the guarantee funds.

9. 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) dated June 27, 2025, in terms of expanding the scope of activities of the banks' subsidiaries or dependent companies, in order to bring the National Bank's regulatory legal acts in line with the requirements of the Law of the Kyrgyz Republic "On Banks and Banking Activity".

10. On July 23, 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 suspension of the Resolution of the Board of the National Bank of the Kyrgyz Republic "On temporary measures in the field of exchange transactions with foreign currency" No. 2022-P-33/45-2-(NPA) dated July 22, 2022" No. 2022-P-33/55-1-(NPA) dated September 5, 2022", with regard to extending the suspension period of the Resolution dated July 22, 2022, until February 1, 2026.

11. 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 concerning trade finance" No. 2025-P-12/38-3-(NPA) dated July 30, 2025 for the purpose of reducing the regulatory burden on the commercial banks' capital in relation to low-risk trade finance transactions, in order to stimulate lending to exporters and importers and to support economic growth.

12. On September 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-12/46-1-(NPA) the purpose of which is to improve the National Bank's regulatory legal acts on the principles of Islamic banking and finance with regard to cooperation between structural subdivisions on the issues of Sharia governance.

13. On October 8, 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-12/50-3-(NPA). The purpose of this Resolution is to expand the list of contracts according to the principles of Islamic banking and finance which may be used by the banks, microfinance organizations and credit unions being provided with the relevant license or certificate of the National Bank.

14. On October 23, 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-12/55-3-(NPA). The option to independently impose or remove self-imposed restriction on entering into credit agreements via the state portal for electronic services of the Kyrgyz Republic has been introduced to protect the citizens' rights and enhance the security of lending to individuals. The financial-credit organizations are obliged to request information on availability of self-imposed restriction when entering into a credit agreement and to refuse to conclude such agreement if there is a valid self-imposed restriction set by the customer.

15. On October 23, 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-12/55-4-(NPA) in order to bring the National Bank's regulatory legal acts into line with the laws of the Kyrgyz Republic on insurance, the securities market, the use of the official language, etc.

16. On November 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-12/60-4-(NPA) with regard to credit risk management by the banks,

including in the course of collateral monitoring and transactions conducted with related and affiliated entities, as well as creation of conditions for the banks to interact with the state bodies and rendering services related to virtual assets.

17. On December 3, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On temporary restriction imposed on charging the commission fees for money transfers” No. 2025-P-12/64-5-(PS) in order to ensure accessibility of digital financial services to the public, promote non-cash payments, protect consumers’ rights and ensure access to remittances made via the international money transfer systems without the need for the public to open a bank account.

18. On December 19, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On approval of the Regulation “On minimum requirements for the organization of internal control in the exchange bureaus for the purpose of combating the financing of criminal activities and legalization (laundering) of criminal proceeds” and introduction of amendments into some regulatory legal acts of the National Bank of the Kyrgyz Republic on countering the financing of criminal activities and legalization (laundering) of criminal proceeds” No. 2025-P-12/68-2-(NPA) in order to bring the regulatory legal acts in line with the Law of the Kyrgyz Republic “On Introduction of Amendments into the Law of the Kyrgyz Republic “On Countering the Financing of Terrorism and Legalization (Laundering) of Criminal Proceeds” No. 26 dated January 23, 2025 and with the international standards of the FATF (Financial Action Task Force on Money Laundering).

19. The Resolution of the Board of the National Bank of the Kyrgyz Republic No. 2025-P-12/69-5-(NFKU) dated December 24, 2025, concerning expansion of the FCCU shareholders composition, as well as granting the right to issue loans not only to the credit unions but also to the individuals and the legal entities, was adopted in order to expand the activities of “Financial Company of Credit Unions” OJSC (FCCU) and improve the mechanisms for licensing and regulating the activities of the FCCU and the credit unions. At the same time, the requirements to the independence of members of the FCCU board of directors have been relaxed, the minimum qualification requirements for the credit union officials have been revised, and amendments have been introduced into the prudential standards and the relevant forms of the FCCU periodic regulatory reporting.

20. On December 26, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On introduction of amendments into some regulatory legal acts concerning countering the financing of criminal activities and the legalization (laundering) of criminal proceeds” No. 2025-P-12/70-6-(PS) in order to bring the National Bank’s regulatory legal acts in line with the international standards on countering money laundering and terrorism financing developed by the Financial Action Task Force on Money Laundering (FATF), with the Law of the Kyrgyz Republic “On Introduction of Amendments into the Law of the Kyrgyz Republic “On Countering the Financing of Terrorism and Legalization (Laundering) of Criminal Proceeds”’ No. 26 dated January 23, 2025.

21. On December 26, 2025, the Board of the National Bank of the Kyrgyz Republic adopted the Resolution “On approval of the Regulation “On requirements for the financial recovery plan”’ No. 2025-P-12/70-5(NPA) in order to ensure financial stability of the banks through mandatory development, updating and implementation of the financial recovery plans.

22. On December 29, 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-12/71-3-(NPA), the objective thereof is to improve regulation of the microfinance organizations, including those conducting transactions in accordance with the principles of Islamic finance. The amendments relate to the requirements for microfinance organizations concerning the procedure for calculating and paying dividends, using subordinated debt instruments, issuing debt securities, size of investments, etc.

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 fora 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. Financial assets include equity instruments and units/shares of investment funds, debt instruments, derivatives, stock options for employees and monetary gold.

LIST OF ABBREVIATIONS

CAR – Capital Adequacy Ratio
CB – Commercial Bank
CJSC – Closed Joint-Stock Company
CPI – Consumer Price Index
ARS – Automobile Repair Shop
ETDS – Electronic Document Transmission System
FATF – Financial Action Task Force on Money Laundering
FCCU – Financial Company of Credit Unions
FCO – Financial-Credit Organization
GDP – Gross Domestic Product
GS – Government Securities
IBCN – Interbank Communication Network
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
OECD – Organization for Economic Cooperation and Development
OJSC – Open Joint-Stock Company
p.p. – percentage point
PUS – Public Utilities Sector
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
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.