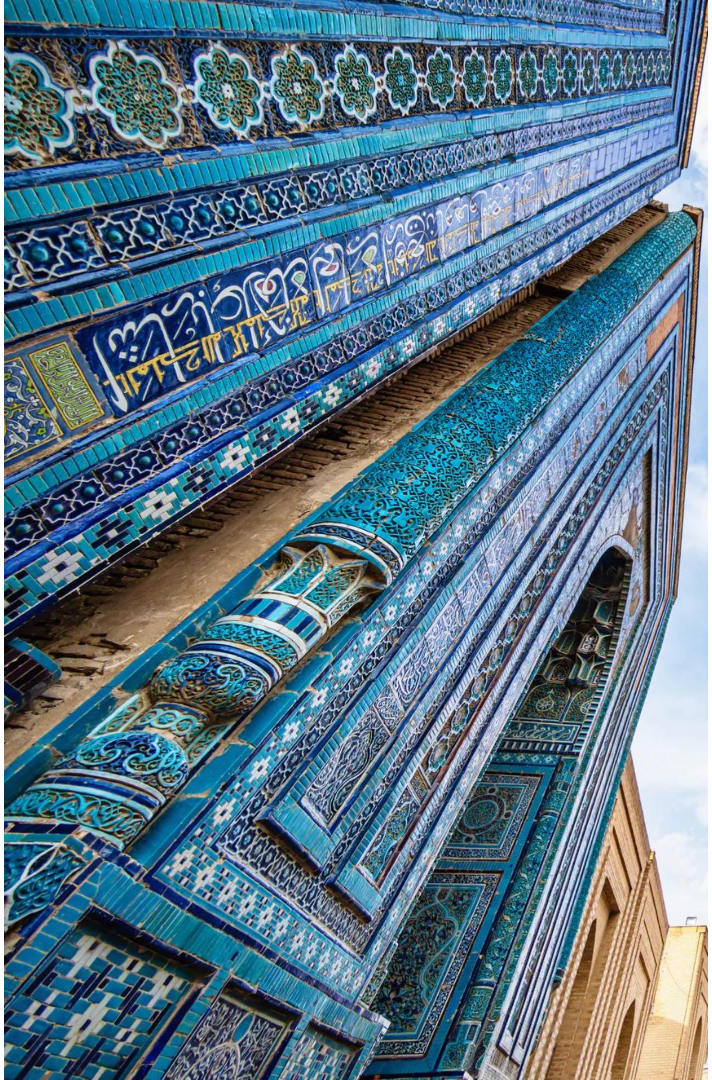


Overview of banking sector development in Uzbekistan

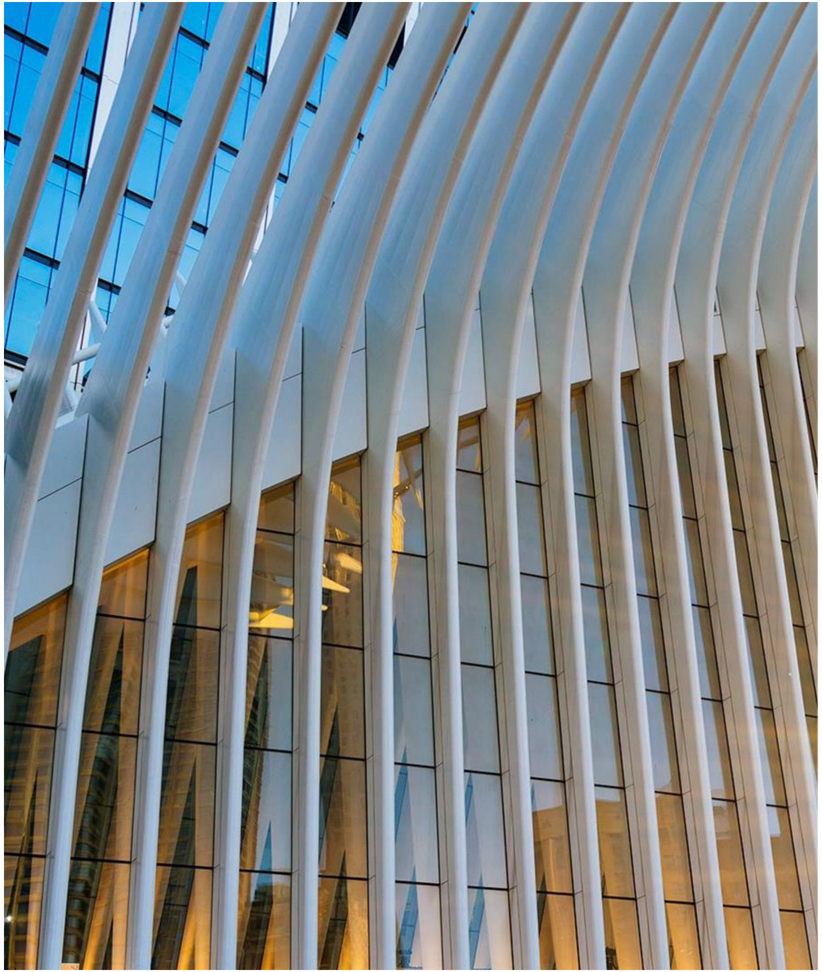
Mr. Sanjar Nosirov,
Director of banking regulation department

The Central Bank of the Republic of Uzbekistan

Agenda

- Overview of the regulatory framework

- Banking sector reforms



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Reshaping the country

FX liberalization

Price and trade liberalization

Tax reform

Transparency

Business climate

Regulatory reforms:
Banking Law

Market entry:
“gatekeeper”

Ongoing
supervision

Supervisory
enforcement

Market
exit

Risk based supervision

"Allocating supervisory resources to the areas of greatest risk, such as large (systemic) banks, banks with high or deteriorating risk profiles and or business activities with low quality of risk management"

Credit & deposit operations

Underwriting mechanisms

Scoring-models

RBS Manual

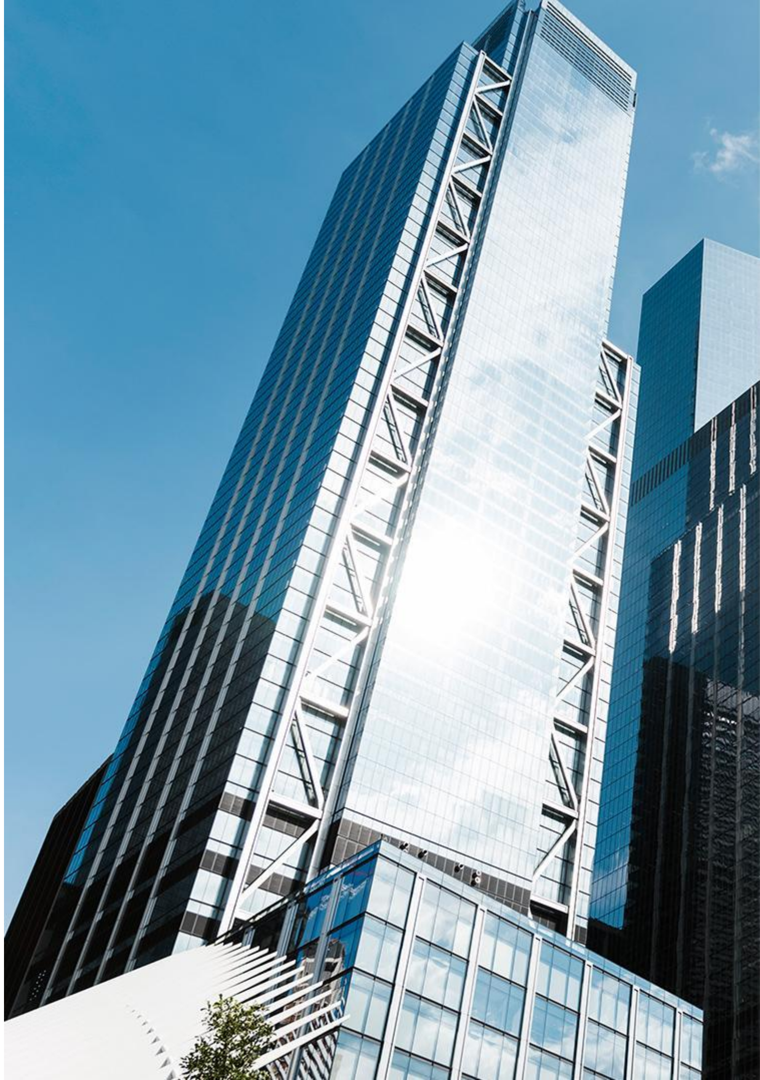
Basel Core Principles

❖ **Action plan for 2020-2022**

Developed: Regulations on corporate governance, licensing, large exposures, RBS and disclosure;

Finalized: Regulations on risk management, internal control system, external audit;

Planned: Revision of liquidity and capital frameworks, IT, consolidated supervision, systemic banks and etc.



Strategy of reforming the banking sector

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Banking sector indicators (as of September 2020)

32 banks

13 state-owned

Total assets

31 billion USD

Total lending

25 billion USD

Total capital

5.5 billion USD

Total deposits

9.9 billion USD

Total liabilities

26.6 billion USD

Priority directions

↑ Efficiency of the banking system

- Strategic investors
- Reduction of concessional loans
- Less dependence on public sector liquidity

↑ Banks' stability

- Corporate governance
- Moderate credit growth
- Developing banking supervision

Financial inclusion

National financial inclusion strategy:

- ✓ Digital financial services
- ✓ SME financing
- ✓ Consumer protection
- ✓ Financial literacy

Non-banking institutions ecosystem

↓ State's share

Transformation and privatizations of all SOBs

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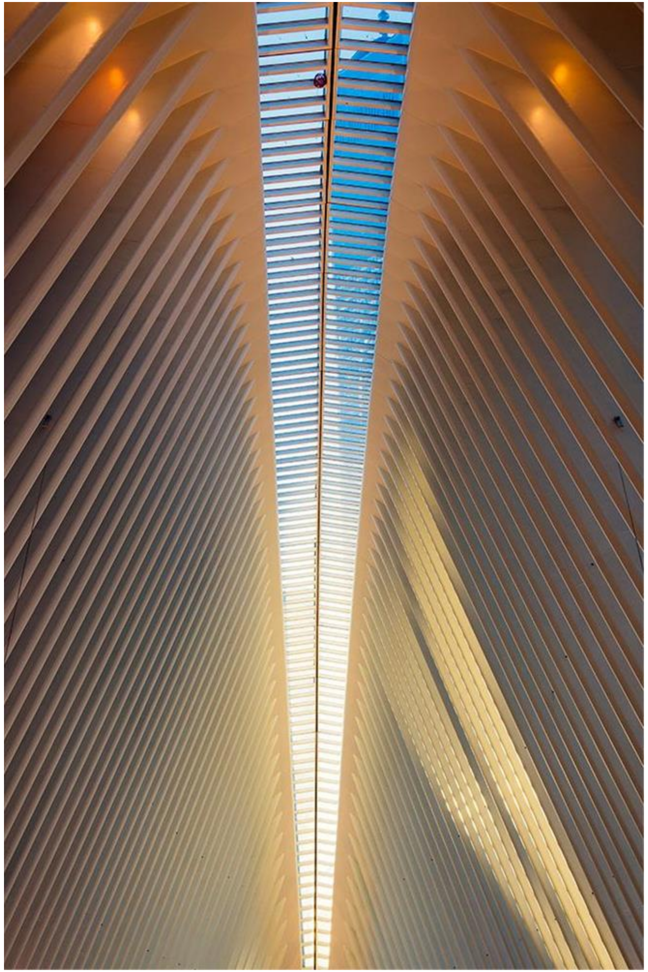
Indicators of development

(untill 2025)

- **Share of private banks' assets** in total banking sector assets - from current 15% to **60%**
- **Share of private sector liabilities** in total liabilities - from current 28% to **70%**
- **3 reputable foreign investors** with banking know - how will be attracted
- **Ratio of banks' deposits to their liabilities** - from current 41% to **60%**
- Share of the **assets of non-banking credit organizations** in total assets - from 0.35% to **4%**



Aspire to become a leader
and a facilitator of integration
and innovation

International cooperation that contributes to inclusive & vibrant financial ecosystem

IFC

- Agency banking;
- Regulatory sandboxes;
- Credit bureau platform;
- Transformation of banks and etc.

ADB

- Mortgage market development;
- Risk based supervision;
- CBU capacity development;
- RegTech & SupTech and etc.

Asian Development Bank

International cooperation that contributes to inclusive & vibrant financial ecosystem

EBRD

- ✓ Private sector and entrepreneurship
- ✓ Banks’ transformation
- ✓ CBU capacity development
- ✓ Financial literacy
- ✓ Trade financing mechanisms

European Bank
for Reconstruction and Development

The Central Bank
of the Republic of Uzbekistan

Thank you for attention !

Do you have any questions?

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