



# REPUBLIC OF UZBEKISTAN

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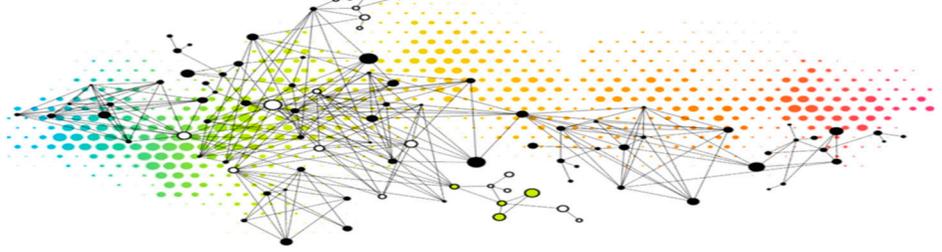
## TECHNICAL ASSISTANCE REPORT—MONETARY AND FINANCIAL STATISTICS MISSION (JULY 17–AUGUST 2, 2019)

This technical assistance report on the Republic of Uzbekistan was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member the Republic of Uzbekistan. It is based on the information available at the time it was completed in November 2019.

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## TECHNICAL ASSISTANCE REPORT ON THE MONETARY AND FINANCIAL STATISTICS MISSION (JULY 17–AUGUST 2, 2019)

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The mission thanks the Central Bank of Uzbekistan (CBU), in particular the staff of its Statistics and Research Department (SRD), Prudential Supervision of Credit Organizations Department (PSD), and Accounting and Reporting Department (ARD), for their hospitality and full support.

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## Acronyms

ARD	Accounting and Reporting Department, CBU
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual</i> , sixth edition
BCBS	Basel Committee on Banking Supervision
CBCSDI	Cross-border, cross-sector, domestically incorporated
CBU	Central Bank of Uzbekistan
COA	Chart of account
DC	Domestic consolidation basis for FSIs
DGF	Deposit guarantee fund
DT	Deposit taker
e-GDDS	Enhanced General Data Dissemination System
FIN	Finance Department, IMF
FRD	Fund for Reconstruction and Development of the Republic of Uzbekistan
FSI	Financial soundness indicator
<i>FSI Guide</i>	<i>Financial Soundness Indicators Compilation Guide</i>
IC	Insurance corporation
IFRSs	International Financial Reporting Standards
<i>IFS</i>	<i>International Financial Statistics</i>
IMF	International Monetary Fund
MCD	Middle East and Central Asia Department, IMF
MFS	Monetary and financial statistics
<i>MFSMCG</i>	<i>Monetary and Financial Statistics Manual and Compilation Guide</i>
MOF	Ministry of Finance, Uzbekistan
MOU	Memorandum of understanding
NCG	Net credit to central government
ODC	Other depository corporation
OFC	Other financial corporation
PNFC	Public nonfinancial corporation
PSD	Prudential Supervision of Credit Organizations Department, CBU
RWA	Risk-weighted assets
SCS	State Committee on Statistics
SDDS	Special Data Dissemination Standard
SRD	Statistics and Research Department, CBU
SRF	Standardized report form
STA	Statistics Department, IMF
SWF	Sovereign wealth fund
TA	Technical assistance
TASIX	Tashkent Aggregated Stock Exchange Index
TSA	Treasury single account
UZS	Uzbekistan sum

## SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

**1. At the request of the Central Bank of Uzbekistan (CBU), and with the support of the IMF's Middle East and Central Asia Department (MCD), a monetary and financial statistics (MFS) technical assistance (TA) mission visited Tashkent, Uzbekistan, during July 17–August 2, 2019.** Its main objectives were to assist the authorities in (i) introducing a country page for Uzbekistan in *International Financial Statistics (IFS)* with data for the central bank and other depository corporations (ODCs) based on the standardized report forms (SRFs), with complete coverage of the sector and in line with the methodology of the *Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG)*; (ii) producing historical series for the central bank and ODC surveys based on SRFs; (iii) developing an integrated monetary database (IMD), which can be used by the authorities for data dissemination and data reporting to the IMF for publication in *IFS* and surveillance purposes; (iv) working towards the compilation of a quarterly other financial corporations (OFC) survey; (v) reconciling monetary and fiscal data; and (vi) reviewing the quality of Uzbekistan's financial soundness indicators (FSIs) and expanding their list to the full set of core and additional FSIs for deposit takers (DTs).

**2. The mission achieved all its objectives and Uzbekistan's country page is now ready to be introduced in IFS.** Together with staff of the SRD, the mission thoroughly reviewed the bridge tables developed during the MFS TA mission of 2011 for the central bank and ODCs, to ensure consistency with the *MFSMCG's* methodology. In this process, some accounts were reclassified (especially for SRF 2SR), and some estimates were updated for the allocation of balances between public and private nonfinancial corporations. The revised SRFs 1SR and 2SR—as well as information for exchange rates, interest rates, and money aggregates (all finalized during the mission)—are now ready to be used for national dissemination and reporting to STA for publication in *IFS*.

**3. The one important improvement needed, particularly for the ODC survey, is the enhancement of the counterparty sector classifications.** Two reasons for the weaknesses in the quality of counterparty sector information are: (i) inexistence of separate accounts that allow reporting of ODCs' positions vis-à-vis public and private corporations; and (ii) shortcomings in the delineation of the institutional units that constitute the public sector—central government, local governments, public nonfinancial corporations (PNFCs). While these weaknesses are addressed at this stage based on information gathered during the mission from the commercial banks, additional measures are needed to ensure a permanent solution. These were discussed at a meeting with participation of the CBU, the Ministry of Finance (MOF), the MFS mission, and an overlapping TA government financial statistics (GFS) mission.

**4. The mission also assisted the CBU in establishing an initial framework for the compilation of a quarterly OFC survey using the SRF 4SR.** Substantial improvements are

needed in the source data, particularly of insurance corporations (ICs), before such survey can be disseminated. Given the relatively small size of the OFC sector in the financial system of Uzbekistan, a cost-benefit analysis should be conducted prior to start compiling the OFC survey. For an OFC survey to be compiled and disseminated, the CBU should focus on improving the source data of ICs, to obtain more granular information.

**5. The Prudential Supervision Department (PSD) is now ready to report all core and additional FSIs for DTs, as well as their underlying financial statements, with the reporting frequency to be increased from quarterly to monthly.** Currently, Uzbekistan reports 11 core and one additional FSIs for DTs on a quarterly basis for publication on the IMF’s website. The mission assisted the PSD staff to ensure methodological consistency with the *FSI Guide* and to increase the number of FSIs to be reported to all core and additional FSIs for DTs, including their underlying financial statements. Subject to management’s approval, the CBU is also ready to compile and disseminate these FSIs on a monthly basis.

**6. To support progress in the above areas, the mission recommended a detailed action plan with the priority recommendations summarized in Table 1.** Further details can be found in the section *Detailed Technical Assessment and Recommendations*.

**Table 1. Uzbekistan: Priority Recommendations**

Target Date	Priority Recommendation	Responsible Department
<b>December 2019</b>	<i>Introduce Uzbekistan’s country page in IFS containing the accounts of the central bank and ODCs compiled using SRFs 1SR and 2SR in full compliance with the methodology of the MFSMCG. Historical series should be reconstructed from January 2013 onwards.</i>	<b>SRD</b>
<b>December 2019</b>	<i>Expand the number of FSIs currently reported to STA and disseminated by the CBU the whole set of core and additional FSIs for DTs.</i>	<b>PSD</b>
<b>March 2020</b>	<i>Ensure full consistency between MFS and GFS for the accounts of the public sector.</i>	<b>CBU (SRD, ARD) and MOF</b>

## BACKGROUND

### A. The Financial System in Uzbekistan

**7. The financial sector of Uzbekistan is dominated by commercial banks.** As of end-June 2019, total assets of the financial system (excluding the CBU) were above 268 trillion Uzbek sums (UZS), equivalent to 31 billion U.S. dollars and representing 50 percent the country's gross domestic product (GDP). Uzbekistan has been going through an economic transformation with market reforms that intensified over the past two years, starting with the reforms to liberalize its foreign exchange rate regime in 2017. An overview of the structure of the financial sector is presented in Table 2.

**8. The CBU carries out the main central banking functions and oversees most of the financial institutions in Uzbekistan.** Under the *Law of the Republic of Uzbekistan "About the Central Bank of the Republic of Uzbekistan,"* the main purpose of the CBU is to ensure the stability of the national currency. Its main objectives include: (i) implementing monetary policy and foreign exchange regulation; (ii) providing payment system services; (iii) licensing, regulating and supervising banks, credit unions, microcredit organizations and pawnshops; (iv) managing the country's foreign reserves. The CBU is the fiscal agent and depository institution in the country's relation with the IMF.

**9. Uzbekistan's progress in financial liberalization over the past three years led to an improvement in the intermediary role of banks in the financial system.** The ODC sector comprises exclusively 30 commercial banks, which constitute more than 97 percent of total assets of the financial system.<sup>1</sup> The state owns 13 of these banks, with a shareholding of 75 percent and above. Foreign participation in the banking system is around 3 percent of total assets, with 5 banks foreign-controlled, and one with a minority participation of foreign investors. Only one bank has a DT subsidiary abroad, 7 have IC subsidiaries, and 10 have leasing company subsidiaries. Measured as a proportion of foreign currency deposits to total deposits (both included in broad money), dollarization in Uzbekistan hovers around 35 percent. Loans in foreign currency constitute a little less than 60 percent of total loans.

**10. The OFC sector comprises ICs, leasing companies, pawnshops and microcredit organizations.** They constitute only 2. percent of total assets of the financial system. Leasing companies and ICs (6 life and 23 nonlife companies) comprise the majority of the OFC sector. The ICs are licensed and supervised by the MOF. Leasing companies are not subject to any licensing or supervision requirements; and several of them are subsidiaries of commercial banks. Microcredit organizations and pawnshop are supervised by the CBU. Other OFCs that operate in Uzbekistan include financial auxiliaries such as the Tashkent Republican Stock Exchange, foreign

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<sup>1</sup> Credit unions operated in the country until 2013, but they represented a small portion of the sector.

exchange offices, money transfer offices, cashboxes, and minibanks, all with a negligible share in the system.

**Table 2. Uzbekistan: Financial System**  
(in billions of UZS, June 2019)

Financial Corporations Sub-sector	Asset size (billion of sums)	No. of Institutions	Percent of asset size to total subsector assets	Percent of asset size to total financial sector assets
<b>Central Bank of Uzbekistan</b>				
<b>Other Depository Corporations</b>	<b>268,283.6</b>	<b>30</b>	<b>100.0%</b>	<b>97.6%</b>
<b>Commercial Banks</b>	<b>268,283.6</b>	<b>30</b>	<b>100.0%</b>	<b>97.6%</b>
State-owned	229,750.4	13	85.6%	83.6%
Private	38,533.2	17	14.4%	14.0%
Domestically controlled	31,785.7	12	11.8%	11.6%
Foreign controlled	6,747.5	5	2.5%	2.5%
<b>Other Financial Corporations</b>	<b>6,625</b>	<b>3,335</b>		<b>2.4%</b>
<b>Insurance Corporations</b>	<b>2,539.7</b>	<b>30</b>	<b>38.3%</b>	<b>0.9%</b>
Life	357.4	6	5.4%	0.1%
Non-life	2,182.3	23	32.9%	0.8%
Deposit Guarantee Fund		1		
<b>Other Financial Intermediaries except ICPF</b>	<b>3,965.6</b>	<b>175</b>	<b>59.9%</b>	<b>1.4%</b>
Leasing Companies	3,506.9	130	52.9%	1.3%
Microcredit organizations	458.7	45	6.9%	0.2%
<b>Captive Financial Institutions and Money Lenders</b>	<b>119.3</b>	<b>56</b>	<b>1.8%</b>	<b>0.0%</b>
Pawnshops	119.3	56	1.8%	0.0%
<b>Financial Auxiliaries</b>		<b>3074</b>		
Tashkent Republican Stock Exchange		1		
Minibanks		1021		
Money transfer offices		1113		
Exchange offices		939		
<b>Total Assets</b>	<b>274,908.2</b>	<b>3,365</b>		<b>100.0%</b>

Source: CBU

Note: 1) Total assets exclude CBU.

2) There are 3 newly established insurance companies, which are not included in the table.

**11. The Deposit Guarantee Fund (DGF) aims at ensuring payment of compensation to individuals' deposits with banks in liquidation or under receivership.** Participation in the DGF is mandatory for all banks operating in Uzbekistan.<sup>2</sup> Banks pay a one-time fee equivalent to 0.1 percent of their authorized capital, and a calendar fee of 0.5 percent of the average balances of guaranteed deposits. Such fees are suspended when the amount paid reaches 5 percent of the total balances of individuals' deposits with banks. The deposits are fully covered by the DGF. Even if participation in the scheme is compulsory for banks, the contributions are based on the volume of insured deposits. Furthermore, the DGF has a complete set of accounts, with its

<sup>2</sup> More information on the functions of the DGF is available at <http://fgd.uz/>.

reserve liabilities fully invested in financial assets other than government debt securities. Therefore, the DGF should be classified as an insurance corporation in the OFC sector.<sup>3</sup>

## B. Financial Sector Statistics

### 12. Uzbekistan has recently intensified its efforts to improve its financial sector statistics.

With the ongoing liberalization of the Uzbek economy, availability of granular data for an assessment of risks related to the financial sector is becoming more important. A first step for the compilation of monetary data was taken in 2011 with the support of an STA's TA mission on MFS. The 2011 MFS mission assisted the CBU with the preparation of bridge tables linking the source data for the central bank and ODCs to the SRFs 1SR and 2SR, identifying areas where improvements were needed. The CBU kept updating these bridge tables to reflect changes in the chart of accounts (COA). To finalize this process, the CBU requested TA from STA to ensure alignment of its monetary statistics with the *MFSMCG*, for public dissemination and for surveillance purposes by the MCD.

**13. Monetary statistics based on SRFs comply with the methodology of the *MFSMCG* and contain a wealth of information.** Financial instruments are classified by type, currency of denomination (domestic and foreign), and counterpart sector. Such level of granularity enhances cross-country comparability and allows the development of additional monetary policy tools. Currently, more than 160 countries report their monetary data to STA using the SRFs.

**14. The CBU is keen to start regularly reporting of MFS for the central bank and ODCs based on the SRFs, for inclusion in a country page in *IFS*.** Finalizing the work that was initiated in 2011, and taking into consideration the changes in the COA, this mission prepared the ground for the start of Uzbekistan's regular reporting of MFS using the SRFs. The authorities are also intent on expanding the coverage of MFS with the compilation of an OFCs survey, but for that they need first to address certain shortcomings in the source data.

**15. Currently, Uzbekistan reports 11 core and one additional FSIs for deposit takers on a quarterly basis for publication on the IMF's website.** The CBU also disseminates all these FSIs except one (*Net Open Position in Foreign Exchange to Capital*) on its website.

**16. Uzbekistan participates in the enhanced general data dissemination system (e-GDDS) and fulfills the requirements for the subscription to the special data dissemination standard (SDDS) that relate to the financial sector.** The mission met with the State Committee on Statistics (SCS) and indicated that the CBU is ready to regularly disseminate the central bank and the depository corporations surveys, fulfilling the financial sector related requirements of SDDS subscription. The six of the seven<sup>4</sup> required FSIs are being compiled following the

<sup>3</sup> See *MFSMCG*, par. 3.194-3.195.

<sup>4</sup> Residential Property Price Index (RPPI) is the indicator that is not disseminated.

methodology of the *FSI Guide*, and regularly disseminated on Uzbekistan's National Summary Data Page. Information is available to comply with the requirements on interest rates and stock exchange index.

## DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS

### A. Monetary and Financial Statistics

**17. Together with staff of the SRD, the mission reviewed and updated the bridge tables used to produce SRFs 1SR and 2SR, which are based on those developed by the 2011 MFS mission.** The bridge tables map the CBU's general ledger and the aggregated balance sheet of commercial banks to the sectoral balance sheets contained in SRFs 1SR and 2SR. The bridge tables were adjusted to be fully in line with the methodology of the *MFSMCG*, except for some needed improvements in the source data. These improvements are discussed below in detail, particularly related to the lack of separate accounts in the ODCs' balance sheet to identify the accounts of PNFCs and private nonfinancial corporations. In the short term, the weaknesses in the source data were addressed using some assumptions and supplementary information.

**18. The mission started working towards the compilation of an OFC survey, but source data for ICs need to be significantly improved.** The coverage and granularity of the source data for ICs, which together with leasing companies constitute around 90 percent of the OFC sector, need to be enhanced before the compilation of an OFC survey based on SRF 4SR begins.

#### Residence

**19. The legal definition used in Uzbekistan to define a resident individual slightly differs from the operational definition used in macroeconomic statistics.** The *Balance of Payments and International Investment Manual*, sixth edition (*BPM6*) establishes in one year or more the period of time required to consider an institutional unit as a resident of the economic territory where it engages in economic activities.<sup>5</sup> On the other hand, the national legal standards require only 183 consecutive days of physical presence for individuals to be considered residents of Uzbekistan. Proof of residence is based on passport records when an individual opens a bank account, which might produce cases of misclassification of Uzbek migrant workers living abroad (classified as resident households instead as of nonresidents). No problems are foreseen for other special cases, such as foreign diplomatic representations and their diplomatic staff (classified as nonresidents).

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<sup>5</sup> See *BPM6*, par. 4.114.

## Time of Recording

**20. Both the CBU and the ODCs follow accrual accounting to recognize assets and liabilities in its balance sheet.** Flows and changes in the corresponding stocks are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished; rather than when payments are made (cash basis). This approach is in line with international financial reporting standards (IFRSs) and the recommendations of the *MFSMCG*. Accrued interest receivables/payables are available at the instrument level, but without counterparty sector information. For the CBU, these amounts were allocated to the respective sector based on the shares of each sector in the total outstanding balances of the main instruments. For the CBs, the 2011 MFS mission allocated these balances to the respective sector based on the sectoral distribution of the underlying instrument. The formulas for these allocations were revisited by the mission, as new accounts were added to the COA since then.

**21. *Recommended Action:*** Until accounts are created in the COA to record accrued interest together with its underlying instrument, the SRD to continue distributing accrued interest based on the sectoral distribution of the outstanding amounts of the principal.

## Valuation

**22. Tradable financial instruments are valued by the CBU and the commercial banks at market prices or fair values.** This practice is in line with IFRSs and the methodology recommended by the *MFSMCG*. Non-tradable instruments, such as loans or deposits, are recorded at nominal value (amount originally advanced plus all accrued but not paid interest, less any repayment of principal), which is also recommended by the *MFSMCG*. Securities held for trading or available for sale are recorded at face value and the adjustments to reflect market prices are recorded in associated accounts (discount and premium). According to the accounting practices, securities held to maturity are recorded at amortized cost, which represents a departure from the *MFSMCG*'s methodology.

**23. Foreign-currency denominated accounts are converted into domestic currency using the official rate determined and announced by the CBU on a weekly basis.** This rate is determined by the CBU as the weighted average of the Interbank Trading System rate for the previous week, and it can be considered a market exchange rate.

## Central Bank Survey

### *Source Data*

**24. The source data for the central bank survey is the CBU's general ledger, presented in a matrix format.** Balances for each account are split by residency (resident/nonresident) and by currency (domestic/foreign currency). The accounts have a five-digit code that contains information on the account category (assets, liabilities, capital, revenues, expenses,

contingencies), the main accounts within the account category, and sub-accounts under the main account. These five-digit accounts are expanded in the subsidiary ledger with codes for the currency (three digits), a control key (one digit), the bank or customer (eight digits), and a serial number (three digits). The balance sheet is produced by the Accounting and Reporting Department (ARD) and provided to the SRD for statistical calculations.

**25. The available source data are broadly appropriate for the compilation of a central bank survey, although improvements in the counterparty sector classification would significantly enhance the quality of the data.** In principle, the CBU's COA provides residency of the counterparty, instrument, sector, and currency breakdowns; which should allow for the proper mapping into the SRF 1SR form. However, some accounts (5-digit level) do not permit to separate PNFCs from private nonfinancial corporation. This should not significantly affect the central bank survey, as the SRD has always access to the sub-account information from the ARD and at the moment the CBU serves only the PNFCs, but it is a shortcoming in the COA that needs to be eliminated. Additionally, the mission detected some errors in the classification of some sub-accounts, as discussed below.

**26. Recommended Action:** The CBU to introduce new accounts (5-digit level) in its COA to properly identify the positions with NFPCs and with private nonfinancial corporations. At the same time, the ARD to correct the misclassifications found in some sub-accounts.

### ***Classification/Sectorization***

**27. The mission reviewed the classification of the accounts that do not have sector breakdown to ensure consistency with the MFSMCG.** While the account names and codes provide some information on the counterparty sector, some—particularly government subaccounts—are improperly classified under the higher level 5-digit account. These shortcomings, as discussed below, were addressed by the mission with the help of the ARD, by drilling down to the sub-accounts. The ARD confirmed the classification for most of the accounts, but some reclassifications were introduced based on the information provided by the ARD. Until the COA is revised and the detected mistakes in the CBU's general ledger are corrected, the SRD should regularly consult with the ARD when doubts exist about the correct sectorization of an account.

### ***Local Government Accounts***

**28. Some local government deposit accounts are separately identified in the CBU's general ledger, but most of them are recorded as part of the central government's Treasury Single Account (TSA).** According to the MFSMCG, state and local government deposits should be included in the national definition of broad money, because for monetary policy purposes they behave in a way similar to nonfinancial corporations and households.<sup>6</sup> However,

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<sup>6</sup> See MFSMCG, par. 6.73.

staff of the MOF and the CBU explained to the mission that although provincial and local governments enjoy a degree of autonomy in terms of revenue and expenditures, their monetary behavior follows rules set by the central government. Therefore, their deposits with the CBU and commercial banks should be excluded from broad money.

**29. Although exclusion from broad money of provincial and local governments' deposit accounts is acceptable for Uzbekistan, separate identification of these accounts within the TSA is needed.** The mixing of central and local governments' deposit does not affect broad money (both are excluded), but it does distort net credit to the central government (NCG) in the central bank and depository corporations surveys.

**30. Recommended Action:** The SRD to request from the MOF information on the provincial and local governments' deposit accounts recorded under the TSA (account 23402), so they can be separated from central government's budgetary accounts and properly classified in SRF 1SR as *Transferable deposits excluded from broad money, excluded from monetary base, state and local government*.

#### *Fund for Reconstruction and Development*

**31. The Fund for Reconstruction and Development of the Republic of Uzbekistan (FRD) is a sovereign wealth fund (SWF) created in 2006 by the central government to manage excess revenues separately from current budget expenditures.** The sources of the FRD are excess of taxes on mineral resources and government receipts from world prices for precious metals above an established threshold. Starting in 2019, the practice of setting a threshold for separation of FRD revenues has been abolished. Under the new set up, a part of excess profit, defined as the difference between actual and regulatory profit of precious metal producing PNFs, is transferred to the FRD. Part of the FRD's resources are channeled through commercial banks to finance selected modernization and technical projects. The unused portion is kept in foreign currency at the CBU under a general trust management agreement.

**32. As for all SWFs, the questions arise whether the FRD is an autonomous institutional unit of the OFC sector or should be classified within the central government; and whether the CBU acts as a simple trust manager of the FRD's assets or it bears risks and gain benefits from the managed assets.**<sup>7</sup> During the joint meeting with the CBU, MOF, and the GFS mission, it was confirmed that the FRD should be classified as part of the central government sector. Regarding the management of the FRD's assets by the CBU, although the wording of the agreement between the two institutions refers to a "trust fund," in practice the CBU manages those assets actively as part of its combined foreign assets. If needed, the CBU can use the funds without prior authorization from the FRD. Furthermore, starting on March 1, 2019 the agreement was modified, and now the CBU guarantees the FRD a benchmark return, independently of the

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<sup>7</sup> See *MFSMCG*, par. 3.187-3.189.

earnings obtained from its foreign investments. Profits above the benchmark are appropriated by the CBU, while losses due to returns below the benchmark are absorbed by the CBU. Based on this information, the mission agrees with the current practice of keeping the FRD's assets managed by the CBU on its balance sheet and as part of its international reserves. The counterpart liability to these assets are central government deposits (mostly in foreign currency).

**33. Recommended Action:** The CBU to continue classifying the foreign assets managed for the FRD as part of its foreign assets<sup>8</sup>, and to record the corresponding liability as central government deposits.

#### *Deposit Guarantee Fund*

**34. On the CBU's balance sheet, the DGF accounts are mixed with numerous other central government accounts.** Deposit accounts of the DGF are correctly included in account 21508 (*Demand deposits of nonbank financial institutions*) and could be properly classified as deposits of OFCs in SRF 1SR. However, account 21508 erroneously includes several central government sub-accounts, which should be properly classified as central government deposits in account 21502 (*Demand deposits of national government nonbudgetary funds*). Because most of the balances in account 21508 correspond to central government units, the account is classified in SRF 1SR under *Transferable deposits, excluded from broad money, excluded from monetary base, central government*.<sup>9</sup> To properly record the accounts of the DGF in SRF 1SR, all central government sub-accounts should be removed from account 21508, so it contains only balances of OFCs (among them of the DGF) and it is reclassified as *Transferable deposits, included in broad money, included in monetary base, OFCs*. Deposits of the DGF are unrestricted.

**35. Recommended Action:** The ARD to remove all central government sub-accounts from account 21508 and record them within account 21502. Once this correction is implemented, account 21508 should be reclassified from *Transferable deposits, excluded from broad money, excluded from monetary base, central government* to *Transferable deposits, included in broad money, included in monetary base, OFCs*.

#### *IMF Accounts*

**36. The CBU is the fiscal agent and depository institution in the country's relation with the IMF, but the IMF Quota and the IMF N° 1 Account are recorded off-balance sheet.** The mission observed that the *SDR Holdings*, the *SDR Allocations*, and the *IMF N° 2 Account* are recorded on-balance sheet with balances very similar to that of the IMF's Finance Department

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<sup>8</sup> Those assets that satisfy the "reserve asset" definition are to be included as part of the CBU's international reserve assets.

<sup>9</sup> This problem was already highlighted by the 2011 MFS mission.

(FIN) records. However, the *IMF Quota* and the *IMF N° 1 Account* are recorded off-balance sheet (except for a balance in the *IMF N° 1 Account* equal to ¼ of one percent of the quota), which is not consistent with the CBU being the fiscal agent in the country's relation with the IMF. Since STA uses FIN records when compiling the central bank survey, this issue does not affect the survey.<sup>10</sup> The mission met with staff of the CBU's International Cooperation and Communications Department and the ARD to obtain an explanation for this anomalous treatment (also highlighted by the 2011 MFS mission), and the CBU staff agreed to provide further information after consulting with MOF.

**37. Recommended Action:** The CBU to record on-balance sheet all IMF accounts, including the *IMF Quota* and the *IMF N° 1 Account*. Alternatively, the CBU could opt for the analytical presentation of the IMF accounts in SRF 1SR, recording only the *Reserve Position in the Fund* as *Other deposits, nonresidents, included in reserve assets, FC*.

### ***Unrealized Gains from Gold Stock***

**38. As of the first quarter of 2019, Valuation adjustments constitutes 99.5 percent of the CBU's Capital and Reserves, with most of the balance due to large Unrealized gains from gold stock of the CBU.** While the amount of *Unrealized gains from gold stock* has always been large, due to the devaluation of the UZB in September 2017 it increased by 200 percent and reached 94 trillion UZB in June 2019. As long as these revaluations are unrealized, the conservative approach of not transferring them to *Profit or loss* seem adequate. Going forward, if some of the CBU's gold stock is sold, then the decision on the basis used to calculate the realized revaluation gains will critically affect the amount to be transferred to *Profit or loss*. For that, the CBU will need to seek accounting advice on the methodology to be used for the realization of the valuation gains.

### ***Central Bank Sectoral Balance Sheet***

**39. Incorporating all the above discussed elements, the mission revised and finalized the bridge table that generates SRF 1SR from the CBU's accounting records.** The revisions were analyzed and agreed with the SRD. The bridge table has been shared with the authorities, with data from January 2013 until June 2019. It contains tables comparing the central bank sectoral balance sheet and survey resulting from the revised classification with those that would be compiled using the current bridge table for June 2019. The discrepancies are minimal, with a small increase in *Liabilities to nonresidents* and a corresponding increase in *Net credit to central government*, explained by a loan received from the World Bank that was previously recorded as loans from central government.

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<sup>10</sup> Additionally, Uzbekistan's *Reserve Position in the Fund* is only 5,000 SDR, and therefore the *IMF Quota* and the *IMF N° 1 Account* should have almost the same balance.

**40. Recommended Action:** The SRD to compile a monthly central bank survey based on the revised bridge table for SRF 1SR agreed with the mission, and to report it to STA on a regular monthly basis for publication in *IFS*.

### Other Depository Corporations Survey

#### Coverage

**41. Coverage of the ODC survey is complete, including all 30 commercial banks that operate in the country.** Until 2013 credit unions also issued liabilities included in broad money, but they represented a very small portion of the total and ceased their activities.

#### Source Data

**42. The source data for the ODC survey is the aggregated balance sheet of commercial banks.** The COA of commercial banks is very similar to that of the CBU, and their balances are also presented in a matrix format, with columns for residency (resident/nonresident) and currency of denomination (domestic/foreign) for each account. Commercial banks transmit their balance sheets and 25 additional report forms for supervisory purposes (see Table 3) to the PSD within 7 days after the end of the month.

**Table 3. Supervisory Report Forms for Banks**

1. Balance sheet	16. Investments in securities and asset purchase-and-sale
2. Asset quality for the creation of reserves	17. Liquidity analysis
3. Profit and loss statement	18. Maturity analysis of bank assets
4. Analysis of interest income and expenses	19. Maturity analysis of bank assets, NC
5. Regulatory capital	20. Maturity analysis of bank liabilities
6. Risk-weighted assets calculation	21. Maturity analysis of bank liabilities, NC
7. Operational and market risk calculation	22. Contingent liabilities
8. Changes in equity	23. Weighted-average interest rates for loans
9. Loans receivable by economic sector	24. Weighted-average interest rates for deposits
10. Overdue loans	25. Supervisory ratios
11. Asset classification by exposure	26. Miscellaneous information
12. Transactions with affiliates	
13. Large exposures	
14. Charge-offs and recovered payments	
15. Deposits by type of clients	

#### Classification/Sectorization

**43. The COA of commercial banks does not allow the separate recording of accounts of private and public nonfinancial corporations, except for some instruments (e.g., loans, leasing and some securities to PNFCs and other NFCs).** Lack of breakdowns in the accounts of

NFPCs and private nonfinancial corporations hampers the quality of the ODC survey and demands a long-term solution. The 2011 MFS mission made some assumptions to allocate these instruments (e.g., debt and equity securities, trade credit and advances) among these two sectors, splitting in half the balances of most accounts. The balances of these instruments have been low, and the allocation coefficients were not reviewed since then. During this mission, the SRD consulted the banks with the largest balances on each account, to obtain updated coefficients for the distribution of those balances between PNFCs and private nonfinancial corporations. The new coefficients were used to revise the bridge table that generates the SRF 2SR, from January 2018 onwards.

**44. A long-term solution to this sectorization problem should be the revision of the COA, introducing new accounts that properly identify the counterpart sector.** This is especially needed for the distinction between PNFCs and private nonfinancial corporations. While this problem does not impact the estimation of broad money in monetary statistics (deposits of both PNFCs and private nonfinancial corporations are included in broad money), it does distort the measurement of public sector accounts. The SRD staff indicated that there are plans to improve the COA to obtain more disaggregated information on the counterparty sector for all instrument types. Given that currently the CBU authorizes all account openings, this should not create extra reporting burden on the banks.

**45. Recommended Action:** The CBU to revise the COA used by commercial banks to introduce new accounts that allow obtaining adequate counterpart sector information. Until the COA of commercial banks is improved, the SRD should update every six to nine months the coefficients used to allocate the balances of the relevant accounts to relevant counterpart sectors.

**46. During the reviewing process, some accounts were identified, which require reclassification in the bridge table that generates the SRF 2SR.** The reclassifications are needed to align the ODC survey with the methodology of the *MFSMCG*, and some of them were already recommended by the 2011 MFS mission but not implemented by the SRD.

#### *Loans from the FRD*

**47. The accounts of the FRD should be consistently classified in the central bank and the ODC surveys.** As discussed in the section on the central bank survey, the FRD is to be classified as a unit of the central government. Its deposits with the CBU are correctly classified as deposits of the central government. However, the loans extended by the FRD to the commercial banks to finance selected projects are misclassified as long-term loans from nonbank financial institutions (account 22024) and from other creditors (account 22096). Therefore, the banks' liabilities to the FRD are classified in SRF 2SR as loans from OFCs and from private nonfinancial corporations, instead of as loans from central government. The reclassification of these loans to the proper sector (central government) will imply a drop in ODCs' NCG of 65 trillion UZS (from -31 to -96

trillion UZS). This reclassification is needed for the reconciliation of the public sector accounts in MFS and GFS.

**48. Recommended Action:** The SRD to reclassify the loans extended by the FRD to commercial banks (recorded in accounts 22024 and 22096) from loans received from OFCs and private nonfinancial corporations to loan liabilities to the central government.

#### *Subordinated Debt*

**49. Subordinated debt taken by banks is improperly classified as debt securities held by other nonfinancial corporations.** Account 23702 and its associated accounts 23796 and 23798 refer to an operation started in October 2018 that the SRD erroneously classified as liabilities for issued debt securities and fully allocated to the other nonfinancial corporations sector. Being a non-tradable instrument, this subordinated debt must be reclassified as loans. During the mission, the SRD consulted with the banks and established that 20 percent of the debt is with ODCs, 25 percent with PNFCs, and the remaining 55 percent with private nonfinancial corporations. The reclassification and sectoral distribution of the subordinated debt requires also the recalculation of the formulas to distribute accrued interest payable on loans (account 22410).

**50. Recommended Action:** the SRD to reclassify the liability for subordinated debt (accounts 23702, 23796, and 23798) from *Securities other than shares, Other nonfinancial corporations* to *Loans* and proportionally distribute these loan liabilities among ODCs (20 percent), PNFCs (25 percent) and Other nonfinancial corporations (55 percent).

#### *Deposits to Cover Letters of Credit*

**51. Clients' deposits with commercial banks related to letters of credit are classified as Other deposits, included in broad money, although in practice they are restricted deposits.** The deposits are constituted for the amount to be paid according to the letter of credit agreement and are normally used to pay to the beneficiary only when the conditions of the contract are met. The recommendation for these types of deposits is to exclude them from the national definition of broad money, because they are a collateral restricted for use and not meant for payment purposes.<sup>11</sup> The 2011 MFS mission already recommended to exclude these deposits from broad money, but the recommendation was not adopted by the SRD. The CBU's authorities did not agree with the mission's assessment indicating that these accounts have a maturity of up to six months and remain as means of payment for imports and therefore should be included in broad money.

**52. Recommended Action:** In SRF 2SR, to reclassify *Customers' deposits on letters of credit* (account 22602) from *Other deposits, included in broad money* to *Other deposits, excluded from*

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<sup>11</sup> See *MFSMCG*, par. 4.46 and 6.38

*broad money. If the CBU decides against their exclusion this should be clearly noted in Uzbekistan's IFS Country Notes.*

#### *Personal Pension Savings Accounts*

**53. A cumulative pension system was introduced in Uzbekistan in 2005 in addition to the state-sponsored pension system financed through taxes.** Participation in the cumulative system is mandatory for all employers and employees, and voluntary for self-employed persons. Under the cumulative pension system, the pension savings accounts are kept at the People's Bank<sup>12</sup>, which maintains individual sub-accounts for each person and regularly reports to the account holders the balance of their accumulated accounts, including earned interest. Based on these characteristics, the 2011 MFS mission recommended to classify the *Personal pension savings* (account 22628) as *Net equity of households in pension funds, Residents, NC* since they are similar to contributions to pension plans managed by autonomous pension funds. This mission agrees with this treatment. In SRF 2SR, the SRD is classifying account 22628 as *Insurance technical reserves*, as recommended by the 2011 MFS mission.

**54. In the monetary statistics disseminated by the CBU, personal pension savings accounts are included in the national definition of broad money.** This is not correct because they are long-term savings deposits that are going to be withdrawn only when the account holder reaches retirement age. Excluding the personal pension savings from the monetary figures disseminated by the CBU will represent a drop of 3.8 trillion UZS in broad money. This was also agreed by the CBU officials.

**55. Recommended Action:** The SRD to keep classifying personal pension savings accounts (account 22628) as *Insurance technical reserves* in SRF 2SR. In parallel, the CBU to exclude these pension savings accounts from its national definition of broad money.

#### **Other Depository Corporations Sectoral Balance Sheet**

**56. The mission revised and finalized the bridge table that generates SRF 2SR from the aggregated balance sheet of commercial banks.** The revisions were discussed with the SRD. The bridge table has been shared with the authorities, with data from January 2013 until June 2019. It contains tables comparing the ODCs sectoral balance sheet and survey resulting from the revised classification with those that would be compiled using the current bridge table for June 2019. The main differences arise in the drop of NCG from -31 to -96 trillion UZS (compensated by a similar decrease in loans received from other sectors of the economy) and the decrease of 3.8 trillion UZS in broad money.<sup>13</sup>

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<sup>12</sup> People's Bank is a state-owned commercial bank operating in Uzbekistan.

<sup>13</sup> If the CBU also excludes the commercial banks' deposits related to letters of credit from its national definition of broad money, the latter would show an additional drop of 8 trillion UZS.

**57. Recommended Action:** The SRD to compile a monthly ODCs survey based on the revised bridge table for SRF 2SR prepared during the mission and to report it to STA on a regular monthly basis for publication in *IFS*.

### **Depository Corporations Survey**

**58. The sectoral balance sheets constructed using SRFs provide disaggregated information by type of financial instrument, by currency, and by counterpart sector that facilitates the compilation of analytical surveys.** The surveys contain data encompassing all assets and liabilities for the covered units but presented in a way that shows the financial relationships between these units (central bank, ODCs) vis-à-vis other resident economic sectors and the rest of the world. The central bank and ODC surveys can be automatically generated from the SRFs and, the depository corporation survey can be produced consolidating them. The monetary surveys compiled from SRFs 1SR and 2SR contain data from January 2013 until June 2019. The mission has also produced a table comparing the depository corporations surveys compiled using the revised bridge tables recommended by the mission with those generated with the current mapping; the differences are mainly explained by the already analyzed differences in the ODC survey.

**59. Changes in money aggregates should be documented and communicated to the public.** Implementing the mission's recommendations will result in substantial changes in the money aggregates disseminated by the CBU. When the new series are published, the CBU should produce technical note clarifying the main changes and explaining that the revisions bring the country's monetary statistics in line with the international standards promoted by the *MFSMCG*.

**60. Recommended Action:** The CBU to produce a public note explaining the revisions introduced to the national money aggregates, to bring them in line with the methodology recommended by the *MFSMCG*.

**61. The CBU should consider developing a software to automatically generate SRFs 1SR and 2SR from the CBU's and commercial banks' accounting records.** The SRD prepares the bridge tables using Excel spreadsheets. Although the final result is reliable, the procedure can be improved if a software is developed to automatically generate SRFs 1SR and 2SR from the underlying accounting data, freeing resources to perform more control and analytical tasks.

**62. Recommended Action:** The CBU to consider developing a software to automatically generate SRFs 1SR and 2SR.

### ***Inter and Intra-sectoral Consistency***

**63. Central bank's positions (assets and liabilities) are fully consistent with the counterpart positions reported by ODCs, but discrepancies were observed in the ODCs' intra-sectoral positions for debt securities and loans.** They originate in lack of information on

the holders of debt securities issued by banks and improper recording of foreign loans, as explained below.

- *Securities (Account 23606)*, on the asset side, includes securities held by other commercial banks. Given that banks do not have information on the ultimate holders of their issued securities (negotiable certificates of deposits), they allocate all these liabilities to households (Other resident sectors). For the compilation of SRF 2SR, the mission agreed with the SRD to use the value reported by banks as holdings of debt securities issued by ODCs for the counterpart liability to ODCs (*Securities other than shares, ODCs*), subtracting this amount from *Securities other than shares, Other resident sectors*.
- *Long-term loans payable, other banks (Account 22006)* mistakenly records as liabilities to resident banks loans received from nonresident banks (80 percent of the error is attributed to a single bank). The SRD will contact the banks, so they start recording these loans correctly and revise historical data. In the meantime, loan liabilities to resident ODCs will be inputted in 2SR for the same amount shown as assets, with the difference allocated to loan liabilities to nonresidents.
- These adjustments will reduce the detected ODCs' intra-sectoral inconsistencies in the ODCs survey from 5.3 to 1.5 trillion UZS (as of June 2019), bringing them to acceptable levels. The intra-sectoral consolidation adjustments in the depository corporation survey will be now 0.7 trillion UZS, instead of 4.5 trillion UZS (June 2019 figures).

**64. Recommended Action:** The SRD to regularly check the intra- and intersectoral positions of the central bank and the ODCs in the corresponding surveys.

### **Money Aggregates**

**65. Money aggregates can be automatically obtained from the surveys generated from the SRFs.** Beyond the money aggregates, the central bank survey generated from SRF 1SR estimates gross external reserve assets and its short-term foreign liabilities, allowing the calculation of net international reserves. These aggregates are now defined according to the methodology of the *MFSMCG*:

- **Monetary base** comprises:
  - (i) currency in circulation;
  - (ii) central bank liabilities to ODCs (in national and foreign currency), except restricted deposits; and
  - (iii) deposits included in broad money of money-holding sectors with the CBU.
- **Broad money** comprises:
  - (i) currency outside depository corporations (currency in circulation *less* ODCs' holdings of national currency);
  - (ii) transferable deposits of money-holding sectors with the CBU and ODCs;
  - (iii) other deposits of money-holding sectors with the CBU and ODCs; and

- (iv) negotiable certificates of deposits held by money-holding sectors.
- **NCG** is defined as:
  - (i) claims of the CBU and ODCs on the central government; *less*
  - (ii) deposits of the central government with these institutions; *less*
  - (iii) any other credit granted by the central government to them.

**66. The CBU does not distinguish between short- and long-term fixed deposits and include all of them in broad money.** The *MFSMCG* does not recommend a particular limit to the maturity for fixed-term deposits to be included in broad money but considers that deposits of more than one or two years of original maturity should be excluded from broad money.<sup>14</sup>

**67. Recommended Action:** The SRD to obtain additional information on the original maturity of fixed-term deposits and classify those over one-year maturity as excluded from broad money.

**68. The monetary base calculated based on SRF 1SR differs from the definition of reserve money used by MCD for surveillance purposes.** While the *MFSMCG* (par. 6.93–6.94) recommends including all central bank’s liabilities with ODCs (except restricted deposits and securities issued for open market operations), MCD’s definition of reserve money (monetary base) excludes non-required reserve deposits in foreign currency. In this way, the monetary base calculated for December 2018 with STA methodology (34.5 trillion UZS) is 2.8 trillion UZS higher than the value used by MCD. The mission contacted MCD to explain this discrepancy, and MCD agreed to revise its definition in line with the recommendations of the *MFSMCG*.

**69. The SRD consulted the mission on the methodology to be used for the calculation of interest rates of the recently introduced Treasury bills.** Together with other reference rates, this rate will be reported in form 6SR for publication in *IFS*. In that context, it is recommended to use the average rate of the most representative Treasury bill (e.g., 3-month), weighting by volume the rates paid in all auctions that took place during the reporting month. The composite share price index to be reported in form 6SR should be the Uzbekistan Composite Index (UCI) of the Tashkent Republican Stock Exchange.

**70. With the adjustments recommended by the mission to the bridge tables, the CBU could start regular reporting of central bank and ODC data to STA, and Uzbekistan’s country page can be introduced in IFS.** Both the central bank survey and the ODC survey comply with the methodology of the *MFSMCG*. Data on exchange rates, interest rates, and international liquidity are also ready to be disseminated. Finally, the mission prepared the country notes with the metadata that accompany the dissemination of monetary statistics in *IFS* and shared it with the SRD for comments (see Appendix II).

**71. Recommended Action:** The CBU to authorize the introduction of Uzbekistan’s country page in *IFS* containing the accounts of the central bank and ODCs compiled using SRFs 1SR and

<sup>14</sup> See *MFSMCG*, par. 6.15 and 6.34.

2SR, with historical series from January 2013 onwards. Additionally, the CBU to report to STA series on money aggregates generated from SRFs 1SR and 2SR (form MA-5SR); exchange rates and international liquidity (form ER-01R); and interest rates and share prices (form IR-6SR).

### ***Reconciliation of Monetary and Fiscal Accounts***

#### **72. A common understanding of the sectoral allocation of institutional units operating in Uzbekistan is critical not only for monetary statistics but across all statistical domains.**

This is particularly relevant for the delineation between the government and the private sector, as well as within the public sector (central government, local governments, PNFCs). As a step towards the convergence of monetary and fiscal accounts, a meeting was held with participation of the CBU, the MOF, the SCS, this MFS mission, and an overlapping STA's GFS mission. Two issues were discussed during the meeting: (i) cross-checking MOF's records on central government deposits with CBU's data as of end-December 2018; and (ii) starting work towards the compilation of a comprehensive common list of the institutional units that constitute the public sector, classified into central government, local governments, and PNFCs.

**73. MOF and CBU records were consistent for central government deposits with the CBU, but differences appeared in the central government's positions (deposits and loans) with commercial banks.** As shown in Appendix III, commercial banks' records show deposit liabilities to central government for 8.5 trillion UZS, while the MOF does not have any record of such deposits. For loans extended by the central government to commercial banks, the MOF records a balance of 8.7 trillion UZS, while commercial banks' records show a liability for 14.9 trillion UZS. Additionally, the MOF records do not include the policy loans extended by the FRD (a unit of the central government) to commercial banks, which reached 47.1 trillion UZS at end-2018. The representatives of the MOF indicated that they will investigate these discrepancies<sup>15</sup>.

**74. Recommended Action:** The MOF to investigate and address the discrepancies found in the central government's positions with commercial banks.

**75. A draft list of institutional units of the public sector was presented at the meeting, as a starting point to produce a unified list that can be used for the recording of their accounts in the banking system and in fiscal accounts.** The list contains the institutions grouped into three sectors: central government, local governments, and NFPCs. A thorough analysis should be conducted on the ownership and functioning of these units, in particular those classified as PNFCs. The fact that all enterprises operating in Uzbekistan are required to have a tax identification number should help with the completion of the list. Once a reliable list of these units is finished, it should be shared with the commercial banks to ensure proper

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<sup>15</sup> Following the mission, MOF continued its efforts to reconcile the accounts and significantly reduced the discrepancies.

classification of their accounts. This will significantly improve the quality and reliability of MFS and GFS.

**76. Recommended Action:** The CBU to work with the MOF to finalize a list of institutional units of the public sector in line with the definitions in the System of National Accounts (SNA), with a view to distribute them to the commercial banks for their correct sectorization of accounts.

**77. Information sharing between the relevant institutions is very much needed for the quality of statistics at all domains.** Currently, information sharing between the CBU and the MOF is done on an ad-hoc manual basis. However, as part of an on-going roadmap, the authorities are considering full-scale electronic reconciliation. To this end, the GFS mission highlighted the importance of information sharing among the relevant institutions and encouraged the authorities to sign a memorandum of understanding (MOU) as a basis of permanent cooperation. Following the mission, the CBU authorities informed the mission staff that the CBU and MOF are in the process of signing an MOU on the collaboration and exchange of statistical data and information.

## Other Financial Corporations Survey

### Coverage

**78. The OFC survey to be compiled for Uzbekistan will cover ICs, leasing companies, microcredit organizations, and pawnshops.** As described in the section of the financial sector, this four groups comprise almost the whole OFC sector, and their data should be available on a regular basis. Data for ICs, microcredit organization, and pawnshops cover all the institutions of these subsectors.

**79. Data for leasing companies are currently available to the CBU for only 24 out of the 130 entities that constitute the leasing subsector, covering less than 10 percent of their total assets.** Institutions that perform leasing activities in Uzbekistan are not required to be licensed and are not supervised. Therefore, a comprehensive list of leasing companies does not exist, nor a reporting framework for these institutions. In order to cover all leasing companies, the CBU is conducting a study to identify such institutions based on their code of activity. The mission suggested the CBU staff to initially focus their efforts on obtaining information from the largest leasing companies (e.g., that constitute at least 75 percent of the assets of the leasing subsector).

**80. Recommended Action:** The SRD to obtain data of the leasing companies operating in Uzbekistan, initially focusing on the largest institutions, with the aim to achieve a representative coverage of the OFC sector.

**Source Data**

**81. The source data for an OFC survey are the aggregated financial statements of the four groups of institutions that will be covered by the survey.** *Microcredit organizations* and *pawnshops* transmit their monthly financial statements to the CBU five days after the end of the reporting month. Supplemented by some assumptions, the reported data are sufficient for the generation of the SRF 4SR in both cases.

**82. Financial records of leasing companies are available only with a quarterly or annual frequency.** All leasing companies report their financial statements to the tax committee for tax purposes on a quarterly or annual basis, depending on their size. The information used by the mission to develop the bridge table is based on tax records, presented in a balance sheet format covering less than 10 percent of the leasing subsector. It has a level of disaggregation adequate for a proper classification and sectoring of instruments according to the methodology of the *MFSMCG*. The frequency of data collection should ideally be quarterly for all units but, if not possible, required for the largest leasing companies.

**83. ICs are supervised by the MOF and report to it their financial statements on a quarterly basis.** Therefore, the CBU does not have direct access to these data and need to receive them from the MOF. The CBU plans to establish a reporting system for the collection of information directly from the ICs, avoiding a dependence from the MOF. For that, it will focus on the largest entities of the sub-sector.

**84. The granularity of the ICs' source data needs to be significantly improved before an OFC survey can be compiled and disseminated.** As reported to the MOF, the ICs' financial statements do not contain disaggregated information on financial instruments, currency of denomination, or counterparty sector for a proper mapping into an SRF 4SR. Because major improvements are required in the reporting format, the mission provided the SRD with a template for a reporting form for ICs that would satisfy the requirements of the *MFSMCG* (see Appendix IV).

**85. Recommended Action:** The CBU, together with the MOF, to revise the report form of ICs, so as to obtain enough disaggregated information by financial instrument, currency of denomination, and counterpart sector that permit a proper mapping to the SRF 4SR. The template prepared by the mission could serve as a basis for this revision.

**Other Financial Corporations Sectoral Balance Sheet**

**86. The authorities are keen to start compiling an OFC survey, but data granularity and coverage need to be improved before such survey can be disseminated.** Given the small share of the OFCs in Uzbekistan's financial system (less than three percent of total assets), a cost-benefit analysis of the merits of the compilation of a quarterly OFC survey should be conducted. If the CBU decides to compile an OFC survey, it is important to initially invest on

improving the granularity and coverage of the source data, particularly for the ICs and leasing companies, before embarking on the regular compilation of SRF 4SR.

**87. Recommended Action:** The CBU to conduct a cost-benefits analysis on the merits of compiling a quarterly OFC survey. Significant improvements are needed for the source data of ICs, and some enhancements for the data of leasing companies, before an OFCs survey is disseminated.

**88. To prepare work towards the compilation and dissemination of an OFC survey, the mission developed a bridge table linking the source data to the SRF 4SR.** For each of the four sub-sectors, a bridge table was developed linking their financial statements to a sub-sectoral SRF 4SR. These were then aggregated in an SRF 4SR for the whole OFCs sector, which would automatically generate the analytical survey (4SG). Eventually, the 4SG survey can be consolidated with the depository corporations survey (3SG) into a financial corporations survey (5SG).

**89. Strong assumptions were needed for the mapping of ICs' data into SRF 4SR.** For the other three sub-sectors, the mapping from the source financial statements to their sub-sector SRFs can be considered acceptable, due to the simpler nature of their business. However, this is not the case for ICs, where strong assumptions were needed when mapping their accounts to the SRFs. Considering the magnitude of ICs within the OFCs sector, and the assumptions used when mapping their accounts to the SRF 4SR, the CBU should disseminate the OFC survey only when enough detailed information is available from ICs.

**90. Recommended Action:** Once the CBU decides to start compiling an OFC survey, the SRD should use the bridge tables developed by the mission with further updates as applicable as a basis for producing an SRF 4SR covering ICs, leasing companies, microcredit organizations, and pawnshops.

## B. Financial Soundness Indicators

**91. FSIs are indicators of the current health of a country's financial sector, and of its corporate and household counterparts.** In this regard, the *FSI Guide*<sup>16</sup> recommends compiling and disseminating 12 core and 13 additional FSIs for DTs, and 15 additional FSIs for other sectors.<sup>17</sup> The IMF's website disseminates FSI data and metadata of more than 130 countries. The site acts as a hub where users have a point of easy access to FSIs that comply with accepted methodological standards, promoting cross-country comparability.

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<sup>16</sup> The prepublication-version of the revised *FSI Guide* is posted on the IMF website (<https://www.imf.org/en/Data/Statistics/FSI-guide>) and is expected to be finalized soon.

<sup>17</sup> See *FSI Guide*, Table 1.1, page 2.

**92. At the moment, the CBU compiles 11 core and one additional FSIs for DTs with a quarterly frequency and report them to STA for dissemination on the IMF's website.** Of the 12 core FSIs for DTs, the one indicator that Uzbekistan does not report to STA is the *Sectoral Distribution of Loans*. Uzbekistan also reports to STA *Capital to Assets*, which is one of the additional FSIs for DTs.<sup>18</sup> The FSIs reported to STA are not accompanied by their underlying financial statements (Form FS2) nor by their corresponding metadata (Forms FS1 and FSM). On its webpage, the CBU disseminates 10 core FSIs (it does not publish *Net Open Foreign Exchange Position to Capital*) and the additional FSI for DTs.

### Coverage and Consolidation Basis

**93. FSIs are compiled for all commercial banks operating in the country.** Their income statements, balances sheets, and additional series are aggregated to obtain the sectoral figures, without any consolidation taking place, neither with other banks nor with DT or non-DT subsidiaries in the economy or abroad. In the case of Uzbekistan, this is equivalent to use a *domestic consolidation* (DC) basis, whereby flows and positions of the resident DTs are consolidated with those of their branches and DT subsidiaries (if any) resident in the domestic economy. Since commercial banks do not have DT subsidiaries in Uzbekistan, the aggregation of their data produces a DC consolidation basis, and figures that should be identical to those obtained from MFS (SRF 2SR).

**94. Although a DC consolidation basis is not recommended by the FSI Guide, it is acceptable for Uzbekistan.** The consolidation basis recommended by the *FSI Guide* are the cross-border, cross-sector, domestically incorporated (CBCSDI) and the domestically-controlled, cross-border, cross sector (DCCBS) bases. A CBCSDI basis consolidates flows and positions of domestically incorporated DTs (but not branches of foreign banks) with the accounts of their domestic and foreign DT subsidiaries and their domestic and foreign financial non-DT subsidiaries. This is also the consolidation approach recommended by the Basel Committee on Banking Supervision (BCBS). One commercial bank (National Bank of Uzbekistan) has a DT subsidiary in Russia, and several banks have controlling ownership in leasing companies. However, the proportion of the assets of their subsidiaries in the consolidated balance sheet of the group is so small that including their accounts would not materially affect the calculated FSIs.

**95. Recommended Action:** The PSD to compile FSIs for DTs using a DC basis.

### Regulatory Framework

**96. Banks operating in Uzbekistan follow the Basel I regulatory framework and are moving towards full adoption of Basel III.** The element of fixed coefficients for estimating risk-weighted assets (RWA) of Basel I will be kept when adopting Basel III. For full adoption of Basel III, the only missing component is the counter-cyclical capital buffer, since banks are

<sup>18</sup> To be promoted to the list of core FSIs for DTs once the revised *FSI Guide* is implemented.

already required to comply with the liquidity requirements (Liquid Coverage Ratio and Net Stable Funding Ratio).

### Methodological Issues

**97. The FSIs currently compiled by the PSD, as well as those additional FSIs planned to be disseminated, fully comply with the methodology of the *FSI Guide*.** Together with the PSD, the mission reviewed the indicators and the series used to calculate them. Minor deviations from the recommended methodology were detected, but they were corrected during the stay of the mission.

**98. Some methodological issues in the FSIs compiled by the PSD are worth highlighting.** They are listed below.

- *Total Regulatory Capital* consists of *Tier I* and *Tier II Capital*, calculated following the guidelines of the BCBS; Tier I capital is net of the mandatory supervisory deductions (e.g., goodwill), with other supervisory deductions netting from total regulatory capital.
- *RWA* are calculated using the fixed coefficients of Basel I, with some additional categories recently added to regulate consumer loans.
- *Loans* are classified in five categories: *standard*, *sub-standard*, *non-satisfactory*, *doubtful*, and *loss*. The latter three categories include those loans considered *nonperforming* as they have more than 90 days of principal or interest delinquency, or the trends and projections of the debtor sector are unstable.
- *Provisions* are created for all categories of loans, with different percentages on the outstanding amount. Standard loans require a technical provision of one percent of the outstanding principal, which is not used for calculating the *FSI Nonperforming Loans Net of Provisions to Capital*. Provisions for sub-standard loans are included in Provisions for the calculation of the mentioned ratio.
- *Repurchase agreements* and *accrued interest* were not included in total loans, but after consultations with the mission they are now included.
- *Return on Assets (ROA)* and *Return on Equity (ROE)* are being calculated using net income before taxes (as recommended by the 2016 *FSI Guide*). However, starting in 2019Q3 the PSD will calculate *ROE* using net income after taxes, which is recommended in the revised 2019 *FSI Guide* (pre-publication draft posted on the IMF's website). Net income is accumulated from the beginning of the year until the end of the reporting period, and then annualized. Denominators are calculated as the average of stocks, using the most frequent observations available.
- *Flow-based FSIs* are calculated accumulating the flows from the beginning of the year until the end of the reporting period for both numerator and denominator.

- *Core liquid assets* include cash, deposits with the CBU, and deposits with other resident and non-resident banks. *Broad liquid assets* also include holdings of Treasury bills.
- *Net Open Position in Foreign Exchange* for on-balance sheet items is calculated as the difference between assets and liabilities denominated in foreign currency. The total net open position subtracts paid-in capital in foreign currency and adds off-balance sheet open positions.<sup>19</sup>
- *Large Exposures* are defined as those exposures with total amounts exceeding 10 percent of bank's equity capital. The highest exposure for one borrower or group of affiliated borrowers shall not exceed 25 percent of the bank's Tier 1 capital.<sup>20</sup>

## Compilation and Dissemination

**99. The list of FSIs currently disseminated by the CBU can be easily expanded to the whole set of core and additional FSIs for DTs.** The PSD receives enough data from the banks to compile the remaining additional indicators for DTs. As already indicated, together with the PSD the mission reviewed each core and additional FSIs calculated by the PSD—and their underlying series—and found them in conformity with the methodology of the *FSI Guide*. A complete set of core and additional FSIs for DTs, plus their supporting underlying series, with data from 2018Q2 until 2019Q2 was produced during the mission.

**100. It is now just a matter of a managerial decision to expand the list of disseminated FSIs to the full set of core and additional FSIs for DTs.** The additional indicator *Residential Real Estate Loans to Total Loans* can be added to the list. Given the small size of the OFCs sector—and lack of access by the CBU to data of the nonfinancial sectors—reporting of FSIs beyond the DTs is not considered a priority at this stage but should be a medium-term objective.

**101. Recommended Action:** The CBU to expand the list of currently disseminated FSIs (on its website and on the IMF's webpage) to the complete set of core and additional FSIs for DTs, including the additional FSI *Residential Real Estate Loans to Total Loans*.

**102. Recommended Action:** The CBU to produce and regularly report the underlying financial statements of the FSIs (FS2) for dissemination on the IMF website.

**103. The frequency of dissemination of FSIs can be improved from quarterly to monthly.** Banks transmit their financial statements and additional series to the SRD on a monthly basis, so all the information needed for compiling FSIs with such a frequency is available.

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<sup>19</sup> This approach differs from the BCBS's recommendation to calculate the nominal amount of the net position for each foreign currency, and then by using the sum of the net short positions or the sum of the net long positions, whichever is greater. See BCBS, *Amendment to the Capital Accord to Incorporate Market Risk*, Basel, 2005, page 25.

<sup>20</sup> Regulated by the "Statute on Maximum Exposure per Borrower or Group of Affiliated Borrowers."

**104. Recommended Action:** The CBU to increase from quarterly to monthly the frequency of the FSIs disseminated on its website and reported to STA for posting on the IMF's website.

**105. The PSD indicated to the mission its interest in compiling and disseminating FSI for peer groups.** Peer group analysis can be a powerful complement to the FSIs disseminated for the whole banking sector. Aggregated sectoral balance sheets and income statements can disguise important information, which can be recovered if meaningful peer groups are created for comparison purposes. In this regard, DTs in Uzbekistan could be split based on ownership (state, domestic private, foreign private), size, or any other grouping that the PSD finds relevant. The mission strongly encourages the PSD to compile and disseminate peer group FSIs.

**106. Metadata are fundamental to interpret FSIs and to facilitate cross-country comparisons.** Any differences from the recommendations of the *FSI Guide* should be explained in the metadata. Metadata should also contain information on the content and coverage of the FSIs, as well as the regulatory framework, accounting conventions, and other national guidelines, as appropriate. In parallel with the production of FSIs for DTs, the PSD should also prepare and update their corresponding metadata, including the description of the financial sector of form FSI1, and report them to STA for posting on the IMF's website.

**107. Recommended Action:** The CBU to regularly disseminate all core and additional FSIs for DTs on its website and through the IMF's webpage. The corresponding metadata, updated as needed, should be available to the public.

## C. Training

**108. The mission also conducted a two-day training on MFS.** The topics covered included the new *MFSMCG*, accounting practices and valuation methods, institutional units and sectors, financial instruments, other financial corporations, money aggregates, and compilation issues of MFS. The lectures were delivered in English with simultaneous interpretation in Russian. The workshop was attended by more than 20 staff of different departments of the CBU.

**109. The authorities of the CBU expressed a strong interest in their staff receiving additional training and attending IMF's courses.** The mission encouraged them to nominate suitable candidates for training in MFS, FSIs, and also on securities statistics, either at the Joint Vienna Institute or at IMF's headquarters.

## ACTION PLAN

The action plan below includes steps to accomplish milestones as well as the risks/verifiable indicators to achieving the outcomes.

**Table 4. Mission's Recommendations**

Priority	Action/Milestone	Risk Assumptions/Verifiable Indicators	Target Completion Date
<b>Monetary and Financial Statistics</b>			
<b><i>Outcome: The CBU compiles a financial corporation survey that follows the methodology of the MFSMCG, covering the central bank, ODCs, and OFCs.</i></b>			
H	Report to STA, for publication in <i>IFS</i> , central bank and ODC surveys based on SRFs 1SR and 2SR, introducing in the bridge tables the revisions recommended by the mission.	SRFs 1SR and 2SR reflect the revised mapping recommended by the mission and are transmitted on a regular monthly basis to STA for publication in <i>IFS</i> . <b>Benchmark.</b>	December 2019
H	Produce historical series for SRF 1SR and 2SR using the revised bridge tables.	Revised historical series for SRFs 1SR and 2SR, with data from January 2013 onwards, reported to STA for publication in <i>IFS</i> . <b>Benchmark.</b>	December 2019
H	Forms 5SR (money aggregates), 01R (exchange rate and international reserves), and 6SR (interest rates) regularly reported to STA for publication in <i>IFS</i> .	Forms 5SR, 01R, and 6SR received by STA on a monthly basis.	December 2019
H	Revise the charts of accounts of the central bank and commercial banks, introducing additional breakdowns in some accounts to allow for a proper identification and sectorization of all financial instruments.	Charts of accounts of the central bank and commercial banks contains new accounts with a better identification and sectorization of financial instruments.	June 2020
M	Regularly review and revise (as needed) the coefficients used to allocate some financial instruments among economic sectors.	The allocation of accounts not adequately sectorized is needed until the charts of accounts are revised.	On-going
M	Improve the quality controls on the data reported by ODCs for MFS.	Inconsistencies and errors eliminated in the source data used for SRF 2SR.	March 2020

Priority	Action/Milestone	Risk Assumptions/Verifiable Indicators	Target Completion Date
H	Ensure full consistency between MFS and GFS for the accounts of the public sector.	MFS and GFS data are fully consistent. <b>Benchmark.</b>	March 2020
M	Compile a quarterly OFC survey based on SRF 4SR, in line with the methodology of the <i>MFSMCG</i> , covering ICs, leasing companies, microcredit organizations, and pawnshops.	Form 4SR is received by STA on a regular quarterly basis for publication in <i>IFS</i> .	June 2020
M	Produce historical series for SRF 4SR, with data from 2018Q4 onwards.	Historical series for SRF 4SR reported to STA for publication in <i>IFS</i> .	June 2020
M	Introduce new report forms for the ICs to obtain granular information suitable for compiling SRF 4SR according to the methodology of the <i>MFSMCG</i> .	Revised report forms used by ICs to transmit their data. The OFC survey can be compiled and disseminated only when adequate data are available from ICs.	March 2020
<b>Financial Soundness Indicators</b>			
<b>Outcome: Core and encouraged FSIs are compiled for official dissemination and for posting on the IMF's website.</b>			
H	Increase the number of FSIs currently reported to STA and disseminated on the CBU's website to the full set of core and additional FSIs for DTs, using a DC consolidation basis.	Full set of core and encouraged FSIs for DTs disseminated on the CBU's website and reported to STA for their publication on the IMF's website. <b>Benchmark.</b>	December 2019
H	Produce metadata to accompany the dissemination of the FSIs on the CBU's and IMF's websites.	FSI metadata available on the IMF's website, including Form FSI1 with the description of the financial sector. The metadata should be updated, when relevant. <b>Benchmark.</b>	December 2019
H	Produce and regularly report underlying financial statements of the FSIs (FS2) for dissemination on the IMF websites.	Underlying financial statements of the FSIs are available on the IMF website and reported on a quarterly basis along with the FSIs. <b>Benchmark.</b>	December 2019
M	Improve the frequency of compilation and dissemination of FSIs from quarterly to monthly.	FSIs disseminated on the CBU's website, and reported to STA, on a regular monthly basis.	December 2019

Priority	Action/Milestone	Risk Assumptions/Verifiable Indicators	Target Completion Date
M	Expand the set of FSIs beyond DTs, compiling FSIs for the nonfinancial sectors.	FSIs disseminated by the CBU and reported to STA include quarterly additional indicators for OFCs, nonfinancial corporations, and households.	December 2020

\*Actions are prioritized (H - high, M - medium, L - low).

## Appendix I. Officials Met During the Mission

Name	Title	Department
<b>Central Bank of Uzbekistan</b>		
Ilkhom Norkulov	First Deputy Chairman	
Dilshod Holmurodov	Director	Statistics and Research
Abror Turdaliev	Director	Prudential Supervision of Credit Organizations
Azizkhon Zokirkhujaev	Director	Accounting and Reporting
Sanjar Valiev	Director	International Reserves Management
Dilbar Abduganieva	Director	International Cooperation and Communications
Ilhom Umurzakov	Deputy Director	International Reserves Management
Farukh Sheripbaev	Head of Division	Prudential Supervision of Credit Organizations
Ulugbek Iskandarov	Deputy Head of Division	Prudential Supervision of Credit Organizations
Sokhibjamol Rasulov	Deputy Head of Division	Statistics and Research
Rustam Djumaniyazov	Head of Section	Statistics and Research
Eldor Zakirov	Head of Section	Monetary Policy
Fayoz Gafurov	Sector Chief	Statistics and Research
Olimjon Odilov	Senior Economist	Statistics and Research
Kahraman Allaberganov	Senior Economist	Prudential Supervision of Credit Organizations
<b>Ministry of Finance</b>		
Sherzod Mukhameolov	Head of Division	State Budget Department
Ulugbek Rustamov	Chief accountant	State Budget Department
<b>State Committee on Statistics</b>		
Odiljon Toirovich Mamadaliev	Head of Department	Information Dissemination, International Cooperation, and Data Exchange

## Appendix II. *IFS* Country Notes for Uzbekistan

### Uzbekistan 927

June 2019, International Monetary Fund: *International Financial Statistics*

#### Date of Fund Membership:

September 21, 1992

#### Standard Sources:

**A:** Central Bank of Uzbekistan

#### Exchange Rates:

*Official Rate: (End of Period and Period Average):*

The official rate is the rate determined and announced by the Central Bank of Uzbekistan (CBU) on a weekly basis. The official rate is determined by the CBU as the weighted average Interbank Trading System rate for the previous week.

#### International Liquidity:

*Total Reserves Minus Gold (line 1L.d)* comprises CBU's holdings of SDRs, reserve position in the Fund, and convertible foreign exchange.

#### Central Bank:

Consists of the Central Bank of Uzbekistan (CBU) only.

Beginning in January 2013, data are based on a standardized report form (SRF) for central banks, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*, 2000. Departures from the *MFSM* methodology are explained as follows:

Deposits with the CBU of provincial and local governments are included in the Treasury Single Account and classified as central government's deposits.

Accounts of the Deposit Guarantee Fund are classified together with other central government deposits, instead of as deposits of other financial corporations.

Accrued interest not disaggregated by financial instrument and/or economic sector is distributed proportionally to all positions in the category.

Securities held to maturity are recorded at amortized cost.

#### Other Depository Corporations:

Comprises commercial banks.

Beginning in January 2013, data are based on a standardized report form (SRF) for other depository corporations, which accords with the concepts and definitions of the *Monetary and Financial Statistics Manual (MFSM)*. Departures from the *MFSM* methodology are explained below.

Financial asset and liability positions for which instrument classification and economic sectorization is unavailable are distributed based on some assumptions according to additional information obtained from the banks.

Accrued interest not disaggregated by financial instrument and/or economic sector is distributed proportionally to all positions in the category.

Securities held to maturity are recorded at amortized cost.

### **Depository Corporations:**

† See notes on central bank and other depository corporations.

### **Monetary Aggregates:**

#### *Broad Money:*

*Broad Money* calculated from the liability data in the sections for the central bank and other depository corporations accords with the concepts and definitions of the *MFSM* and is consistent with M2 described below.

#### *Money (National Definitions):*

*Monetary Base* comprises currency in circulation, transferable and other deposits in national and foreign currency of other depository corporations with the CBU, and other deposits in national and foreign currency of other financial corporations, public nonfinancial corporations, and private sector with the CBU. † Until October 2018, monetary base included also other deposits of other depository corporations in foreign currency.

### **Interest Rates:**

#### *Central Bank Policy Rate (EOP):*

Refinancing rate at which the CBU makes loans to commercial banks. The rate is determined by the CBU management.

#### *Money Market Rate:*

Weighted average rate on funds obtained by commercial banks in the interbank deposit market in national currency. The rate is weighted by deposit amounts.

#### *Treasury Bill Rate:*

#### *Deposit Rate:*

Weighted average rate offered by commercial banks on all newly accepted time deposits in national currency of up to one year. The rate is weighted by deposit amounts.

#### *Lending Rate:*

Weighted average rate charged by commercial banks on new loans to customers in national currency of up to one year. The rate is weighted by loan amounts.

### **Prices and Labor:**

#### *Share Prices:*

The Tashkent Aggregate Stock Exchange Index (TASIX) is compiled by the Tashkent Republican Stock Exchange (TRSE). TASIX covers all sectors and is produced as a weighted average, based on daily closing quotations (base December 31, 1999).



## Appendix IV. Proposed Report Forms for Insurance Corporations

Code	Account Name	National Currency	Foreign Currency	Total
	<b>Assets</b>			
	<b>I. Long-term assets</b>			
	Fixed assets			
010	Initial cost			
011	Sum of devaluation			
012	Residual value			
	Intangible assets:			
020	Initial cost			
021	Sum of depreciation			
022	Residual value			
030	Long-term investments, total (040 + 050 + 060 + 070 + 080), including:			
040	Debt Securities			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Private Nonfinancial Corporations			
	Nonresidents			
050	Investments in subsidiary companies			
	Commercial Banks			
	Other Financial Corporations			
	Nonfinancial Corporations			
	Nonresidents			
060	Investments in associate companies			
	Commercial Banks			
	Other Financial Corporations			
	Nonfinancial Corporations			
	Nonresidents			
070	Investments in enterprises with foreign capital			
	Commercial Banks			
	Other Financial Corporations			
	Nonfinancial Corporations			
	Nonresidents			
080	Other long-term investments			
	Fixed-term Deposits			
	Commercial Banks			
	Nonresident Banks			
	Other investments			
	Resident companies			
	Nonresidents			
090	Installation equipment			
100	Capital investments			
110	Long-term receivables			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Private Nonfinancial Corporations			
	Households			
	Nonresidents			
120	Long-term deferred expenses			
<b>130</b>	<b>Total of section I (012 + 022 + 030 + 090 + 100 + 110 + 120)</b>			

Code	Account Name	National Currency	Foreign Currency	Total
	<b>II. Current Assets</b>			
140	Inventories, total (150 + 160)			
150	Production reserves			
160	Services in progress			
170	Expenses for the future period			
180	Deferred expenses			
190	Debtors, total (200 + 310 + 320 + 330 + 340 + 350 + 360 + 370 + 380 + 390)			
191	including: overdue			
200	Invoice for payment, total (210 + 220 - 400)			
210	Debt of buyers and customers			
	Other Financial Corporations (except insurance and reinsurance companies)			
	Public Nonfinancial Corporations			
	Private Nonfinancial Corporations			
	Nonresidents			
220	Receivables for insurance operations, total (230 + 240 + 250 + 260 + 270 + 280 + 290 + 300)			
230	Debt of Insured Clients			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations (except insurance and reinsurance companies)			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Private Nonfinancial Corporations			
	Households			
	Nonresidents			
240	Debt of Insurance agencies and brokers			
250	Debt of Reinsurer			
260	Debt of reinsurers for commissions, profit sharings and other premiums			
270	Debt of reinsurance companies			
280	Loans on life insurance			
290	Insurers losses depot to other insurers			
300	Insurers profits depot to other insurers			
310	Debt of independent subdivisions			
320	Debt of affiliated and dependent business entities			
330	Advances to staff			
340	Advances to suppliers and contractors			
350	Advance payments for taxes and other obligatory payments to the budget			
360	Advance payments to state funds and insurance			
370	Debt of founders on contributions to capital			
	Commercial Banks			
	Other Financial Corporations			
	Nonfinancial Corporations			
	Individuals			
380	Staff indebtedness for other operations			
390	Other receivables			
400	Allowances for loan losses			
410	Cash, total (420 + 430 + 440 + 450), including:			
420	Cash on hand			
430	Cash on current account			
440	<del>Cash in foreign currency</del>			
450	Other cash and cash equivalents			
460	Short-term Investments			
	Fixed-term Deposits			
	Commercial Banks			
	Nonresident Banks			
	Debt Securities			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Public Nonfinancial Corporations			
	Nonfinancial Corporations			
	Nonresidents			
470	Other current assets			
480	<b>Total of section II (140 + 170 + 180 + 190 + 410 + 460 + 470)</b>			

Code	Account Name	National Currency	Foreign Currency	Total
	<b>Liabilities and Capital</b>			
	<b>I. Capital</b>			
500	Capital Stock			
510	Capital Surplus			
520	Reserve Capital			
530	Reacquired own shares			
540	Retained earnings			
550	Target Income			
560	Reserves for future expenses and payments			
570	<b>Total of section I (500 + 510 + 520 – 530 + 540 + 550 + 560)</b>			
	<b>II. Insurance Reserves</b>			
580	Insurance Reserves, total (590 + 600 + 610 + 620 + 630 + 640 + 650 + 660)			
590	Reserve of unearned premiums			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Nonfinancial Corporations			
	Individuals			
	Nonresidents			
600	Reserve of incurred but not claimed losses			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Nonfinancial Corporations			
	Individuals			
	Nonresidents			
610	Reserve of claimed, but unsettled losses			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Nonfinancial Corporations			
	Individuals			
	Nonresidents			
620	Reserve of preventive events			
630	Reserve of mismatch assets			
640	Reserve of catastrophes			
650	Reserve of loss fluctuations			
660	Reserve of life insurance			
670	Share of Reinsurers in Insurance Reserves, total (680 + 690 + 700 + 710)			
680	Share of reinsurers in reserve of unearned premiums			
	Resident Companies			
	Nonresident Companies			
690	Share of reinsurers in claimed, but unsettled losses			
	Resident Companies			
	Nonresident Companies			
700	Share of reinsurers in incurred, but not claimed losses			
	Resident Companies			
	Nonresident Companies			
710	Share of reinsurer in life insurance			
	Resident Companies			
	Nonresident Companies			
720	<b>Total of section II (580 - 670)</b>			
	<b>Total Capital (570 + 720)</b>			

Code	Account Name	National Currency	Foreign Currency	Total
	<b>III. Liabilities</b>			
730	Long-term liabilities, total (740 + 750 + 850 + 860 + 870 + 880 + 890 + 900 + 910 + 920)			
731	Including: long-term payables (740 + 760 + 770 + 780 + 790 + 800 + 820 + 830 + 850 + 870 + 890 + 920)			
740	Long-term debt to suppliers and contractors			
750	Long-term liabilities to Insurance operations, total (760 + 770 + 780 + 790 + 800 + 810 + 820 + 830)			
760	Long-term debt suppliers, implementing preventive events			
770	Long-term debt to insured clients			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Nonfinancial Corporations			
	Individuals			
	Nonresidents			
780	Long-term debt to insurance agencies and brokers			
	Resident Companies			
	Nonresident Companies			
790	Long-term debt to reinsurers			
	Resident Companies			
	Nonresident Companies			
800	Long-term debt to reinsurance companies			
	Resident Companies			
	Nonresident Companies			
810	Reinsurance profits deposit			
	Resident Companies			
	Nonresident Companies			
820	Long-term debt to reinsurers for commissions, profit sharings and other premiums			
	Resident Companies			
	Nonresident Companies			
830	Long-term debt to adjusters, surveyors, assistants			
	Resident Companies			
	Nonresident Companies			
840	Long-term debt to separate units			
850	Long-term debt to subsidiaries and affiliates			
	Commercial Banks			
	Other Financial Corporations			
	Nonfinancial Corporations			
	Nonresidents			
860	Long-term deferred revenue			
870	Long-term deferred obligations on taxes and other obligatory payments			
880	Other long-term deferred liabilities			
890	Advances Received from Buyers and Customers			
900	Long-term bank loans			
	Commercial Banks			
	Nonresident Banks			
910	Long-term loans			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Nonresidents			
920	Other long-term payables			

Code	Account Name	National Currency	Foreign Currency	Total
930	Current liabilities, total (940+950+1050+1060+1070+1080+1090+1100+1110+1120+1130+1140+1150+ 1160+1170+1180)			
931	Including: current payables (940 + 960 + 970 + 980 + 990 + 1000 + 1020 + 1030+1050 + 1070 + 1090 + 1100 + 1110 + 1120 + 1130 + 1140 + 1180)			
932	from: overdue current payables			
940	Debt to suppliers and contractors			
950	Insurance operations Liabilities, total (960+970+ 980+990+1000 +1010+1020 + 1030)			
960	Debt suppliers, implementing preventive events			
970	Debt to insured clients			
	Central Bank of Uzbekistan			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Local Governments			
	Public Nonfinancial Corporations			
	Nonfinancial Corporations			
	Individuals			
	Nonresidents			
980	Debt to insurance agencies and brokers			
	Resident Companies			
	Nonresident Companies			
990	Debt to reinsurers			
	Resident Companies			
	Nonresident Companies			
1000	Debt to reinsurance companies			
	Resident Companies			
	Nonresident Companies			
1010	Reinsurance profits deposits			
	Resident Companies			
	Nonresident Companies			
1020	Debt to reinsurers for comissions, profit sharings and other premiums			
	Resident Companies			
	Nonresident Companies			
1030	Debt to adjusters, surveyers, assistaces			
	Resident Companies			
	Nonresident Companies			
1040	Debt to separate divisions			
1050	Indebtedness to subsidiaries and affiliated companies			
	Commercial Banks			
	Other Financial Corporations			
	Nonfinancial Corporations			
	Nonresidents			
1060	Deferred income			
1070	Deferred taxes and other obligatory payments			
1080	Other deferred liabilities			
1090	Advances received			
	Commercial Banks			
	Other Financial Corporations			
	Central Government			
	Nonresidents			
1100	Debt payments to the budget			
1110	Insurance Debt			
1120	Debt payments to state funds			
1130	Debt to founders			
1140	Wage arrears			
1150	Short-term bank loans			
	Commercial Banks			
	Noresident Banks			
1160	Short-term loans			
	Other Financial Corporations			
	Central Government			
	Nonresidents			
1170	Current portion of long-term liabilities			
1180	Other payables			
1190	<b>Total Liabilities (730 + 930)</b>			
1200	<b>Total Capital and Liabilities (570 + 720 + 1190)</b>			