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Press Release

National Bank of the Kyrgyz Republic increased its policy rate up to 11.00 percent

On November 24, 2025, the Board of the National Bank of the Kyrgyz Republic raised the policy rate (key rate) by 100 basis points, to 11.00 percent. The decision becomes effective as of November 25, 2025.

Since the beginning of 2025, the inflation rate¹ in the Kyrgyz Republic has amounted to 7.3 percent, the annual inflation rate stands at 8.9 percent. Current price dynamics in the country is shaped by external economic conditions, whose influence on domestic prices remains significant. The global food prices demonstrate stable upward trend, and inflation in the countries across the region remains elevated. Non-food products have seen the most pronounced increase in prices within the current inflation structure, largely reflecting higher costs of imported petroleum, oil and lubricants, increased electricity tariffs, elevated domestic consumption, and the secondary effects of these factors. At the same time, food prices demonstrate relatively moderate upward dynamics.

The country continues to demonstrate high economic activity. In January-October 2025, real GDP grew by 10 percent amid robust consumer demand and growth in investment activity. The main contributors to GDP growth remain the services sector (+4.5 percentage points), construction (+2.0 percentage points) and industry (+1.6 percentage points). At the same time, high domestic demand is supported by growth in real wages, inflows of remittances into the country and expanding consumer lending. Capital investment continues to grow mainly due to domestic sources of financing to provide support to the construction sector.

Current monetary conditions are aimed at returning the inflation rate to its medium-term target of 5-7 percent. The interbank benchmark interest rate (BIR)² is formed near the lower bound of the National Bank's interest rate corridor to reflect high liquidity surplus in the banking sector. The domestic foreign exchange market remains stable with the supply and demand for foreign currency staying broadly balanced. The increase in the National Bank's international reserves enhances resilience to external shocks amid external environment uncertainty.

The banking sector shows stability and has a high level of liquidity, ensuring sufficient potential for lending to the economy. Over the first nine months of 2025, banks' loan portfolio increased by 35.2 percent³, while the deposit base expanded by 35.7 percent³. The growth in commercial banks' deposits in the national currency reflects an increase in the households' real

¹ As of November 14

² It was put into effect in September 2025 <https://www.nbkr.kg/index1.jsp?item=3887&lang=RUS>

³ According to the preliminary data

incomes and stronger savings behavior among the population amid tighter monetary conditions. In general, there is gradual decline in dollarization of deposits down to 35.0 percent (-7.9 percentage points year-to-date) and credits – down to 17.8 percent (-2.3 percentage points year-to-date) in the banking sector.

Volatility in energy prices across the region, coupled with rising global food prices and inflationary pressures in Kyrgyzstan's major countries-trading partners, continues to exert upward pressure on the prices of imported goods. These factors suggest a likely persistence of a pro-inflationary environment in the near term, justifying the current tightening of monetary conditions. At the same time, domestic inflationary factors remain relatively moderate and manageable. In these circumstances, the National Bank has increased its policy rate to 11.00 percent. This decision will contribute to formation of price movement within the medium-term target of 5-7 percent.

The National Bank supports a balanced approach in conducting monetary policy and continues to assess the emerging external and internal factors of inflation. In case of any risks to price stability, the National Bank does not exclude the possibility of making additional adjustments to the current monetary policy.

The next regular meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for January 26, 2026.