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# BRIEF FEEDBACK ON “AGAT CREDIT” MICROFINANCE ORGANIZATION BASED ON THE REPORT OF “KAPDEPO” INVESTMENT COMPANY: CAVEATS FOR LENDERS (BONDHOLDERS)

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**Abstract:** This paper presents an analytical assessment of potential future insolvency risks of the “Agat Credit” Microfinance Organization, based on the analytical report prepared by “KAPDEPO” Investment Company and published on December 31, 2025. The primary objective of the study is to examine and interpret selected financial indicators disclosed in the report prepared by analysts of “Kapital-Depozit” LLC, with particular attention to their implications for lenders and bondholders. The paper seeks to contribute to a clearer understanding of the financial sustainability and risk profile of the microfinance organization under review.

**Key words:** “Agat Credit” Microfinance Organization, “KAPDEPO” Investment Company, financial indicators, bondholders.

**Annotatsiya:** Ushbu maqolada muallif “Agat Credit” mikromoliya tashkilotining kelajakdagi moliyaviy barqarorligi va ehtimoliy to'lovga layoqatsizlik xavflari bo'yicha tahliliy fikrlarini KAPDEPO investitsiya kompaniyasining 2025-yil 31-dekabrda e'lon qilingan hisobotiga asoslangan holda bayon etadi. Tadqiqotning asosiy maqsadi “Kapital-Depozit” MChJ tahlilchisi tomonidan taqdim etilgan ayrim moliyaviy ko'rsatkichlarni chuqurroq sharhlash hamda ularning obligatsiya egalari va kreditorlar uchun ahamiyatini yoritib berishdan iborat. Maqola mikromoliya tashkilotining moliyaviy barqarorligi va risk profilini yaxshiroq anglashga xizmat qiladi.

**Kalit so'zlar:** “Agat Credit” mikromoliya tashkiloti, KAPDEPO investitsiya kompaniyasi, moliyaviy ko'rsatkichlar, obligatsiya egalari.

**Аннотация:** В данной статье автор представляет аналитическое мнение о возможных рисках будущей неплатежеспособности микрофинансовой организации «Agat Credit» на основе отчёта инвестиционной компании «KAPDEPO», опубликованного 31-декабря 2025-года. Основная цель исследования заключается в более детальном раскрытии и интерпретации отдельных финансовых показателей, представленных в аналитическом отчёте ООО «Капитал-Депозит», с точки зрения их значимости для кредиторов и держателей облигаций. Работа направлена на углублённое понимание финансовой устойчивости и риск-профиля рассматриваемой микрофинансовой организации.

**Ключевые слова:** микрофинансовая организация «Agat Credit», инвестиционная компания «KAPDEPO», финансовые показатели, держатели облигаций.

## INTRODUCTION

As outlined in the abstract, this paper aims to examine and interpret selected financial indicators of the “Agat Credit” Microfinance Organization based on the analytical report prepared by “KAPDEPO” Investment Company. The analysis focuses on key financial ratios and major components of the organization’s financial statements in order to assess its financial performance and sustainability. On the basis of these indicators,

the study discusses potential implications for the financial stability of the organization should the observed operational and financial trends continue. The findings are intended to contribute to a more informed assessment of risk for lenders, particularly bondholders, by highlighting areas that may warrant closer monitoring.

“Agat Credit” Microfinance Organization operates in Uzbekistan as a financial institution specializing in the provision of microloans to small businesses, individual entrepreneurs, and self-employed individuals. The organization offers short-term and medium-term loan products, including unsecured loans, with relatively flexible conditions and a client-oriented approach. Since obtaining its operating license from the Central Bank of Uzbekistan in 2018, “Agat Credit” has expanded its regional presence and announced strategic plans to transform into a microfinance bank, with the stated objective of broadening its range of financial services and enhancing technological capabilities.

According to the analytical report published by “KAPDEPO” Investment Company, the core lending activity of “Agat Credit” is primarily focused on individual borrowers. The organization provides microloans with amounts of up to 300 million Uzbek soums. Interest rates for individual borrowers range from 47.0% to 49.9%, with an average rate of approximately 48.8%. These rates are lower than those reported for some other microfinance organizations operating in the same market segment. While comparatively lower lending rates may improve borrower accessibility, they can also place constraints on interest margins. When assessed in conjunction with the yields offered on the organization’s issued bonds, this feature suggests that the current business model operates with relatively limited profitability buffers, which may have implications for risk management and financial resilience [3].

## LITERATURE REVIEW

The literature on financial institutions and bond markets emphasizes that financial ratio analysis and debt structure assessment are central to evaluating solvency, profitability, and credit risk [1], [3]. Studies on corporate and high-yield bond markets show that transparency and disclosure quality significantly affect investor confidence and risk premiums [2]. Research further highlights that bond market structure, auction mechanisms, and regulatory environments influence refinancing conditions, particularly in emerging markets [4], [5], [6]. Frequent issuance of short-term debt is associated with elevated refinancing and liquidity risk, while credit enhancement mechanisms may signal higher perceived risk rather than financial strength [8], [9], [10]. These insights provide a general theoretical basis for assessing the risk profile of bond-issuing microfinance organizations [7].

## RESEARCH METHODOLOGY

In this part of the study, the author examines key financial indicators by conducting an analytical review of the current financial position of the microfinance organization based on secondary data. The research is carried out using financial statements and analytical materials published by “KAPDEPO” Investment Company. The study also documents the history of debt instruments issued by the microfinance organization, including information on coupon rates, payment frequency, maturity, face value, and related bond characteristics. Special attention is given to the structure of bond issuance in 2025. The third bond tranche placed in October 2025 was insured by “Trust Insurance” JSC, while the earlier tranches issued in March and June 2025 were unsecured. Information on a forthcoming bond issuance planned for January 2026 is limited and therefore considered only at a descriptive level. The data set used in the study consists of three annual financial reports and the interim financial report for the third quarter of 2025. Although the microfinance organization obtained its operating license in 2018, financial statement data for the period 2019–2021 are not available in the investment company’s reports and are therefore excluded from the analysis. The methodological procedure focuses on the examination of accounting statements provided by the investment company. Financial indicators are analyzed using balance sheet and income statement data, including assets, liabilities, capital, income, expenses, and retained earnings. In addition, selected financial ratios—such as solvency, operating profitability, profit margin, return on assets, and return on equity—are reviewed on a year-to-year basis to observe changes in financial structure and performance.

## ANALYSIS AND RESULTS

Firstly, particular attention is given to the accounting statements provided by the investment company. The table below presents the financial data translated from the original Russian-language report. The original version of the table is available on the official website and the official Telegram channel of the “KAPDEPO” Investment Company (Table 1).

Table 1. Financial Report [7]

In billion UZS	2022	2023	2024	III/2025
<b>Total Assets</b>	78.7	145.5	142.6	185.8
Debtors	76	105.1	87.8	120
Cash	0.4	1.2	10.2	0.9
Fixed assets	1.6	26.7	24.2	24.1
<b>Total Capital</b>	69.2	80.8	84.2	73.7
Authorized capital	57.5	78.2	77.4	73.8
Retained earnings	11.6	2.5	6.8	(1.9)
<b>Total Liabilities</b>	9.5	64.7	58.3	111.9
Funds raised	9.2	44.6	53.4	110.8
Loan portfolio	0	19.8	4.1	0.2
NPL	0.6	2.7	5.8	3
The share of NPL	0.8	2.6	6.7	2.6
Interest income	33.4	49	55.4	34.1
Interest expenses	0.7	7	13.7	13.6
Loss reserve	0.1	3.6	10.5	9.9
Net interest income after provisions	32.5	38.3	31.2	10.5
Interest-free income	0	0.2	0.7	21.8
Interest-free expenses	0	1	1.6	2
Operating income	32.1	37.5	30.2	30.3
Operating expenses	3.6	16.8	22.8	27.9
Profit before tax	28.5	20.7	7.4	2.4
Net profit	24.2	17.5	6.3	2
<b>Ratios</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>III/2025</b>
	<b>IFRS</b>			<b>NAS</b>
Solvency	8.27	2.25	2.44	1.66
Operating profitability	88.7%	55.2%	24.4%	7.9%
Profit margin	75.4%	46.8%	21.0%	6.6%
ROA	30.74%	12.07%	1.51%	1.12%
ROE	34.98%	21.75%	2.56%	2.82%

One of the most notable elements in the financial statements is the evolution of retained earnings. This indicator exhibits a clear year-over-year decline, reaching a negative value of –1.9 billion UZS by the end of the third quarter of 2025. Retained earnings are an important indicator of an institution's capacity for internal financing, as they reflect the availability of accumulated profits that can support future expansion and reinvestment activities. The observed deterioration therefore suggests limited internal resources available to finance further growth or absorb potential shocks. In addition to retained earnings, the financial ratios reported provide further insight into the organization's financial condition. All five key ratios display a persistent downward trend over the observed period. The solvency ratio declined from 8.27% in 2022 to 2.25% in 2023 and further to 1.66% by the third quarter of 2025, indicating a weakening capital position. Operating profitability also deteriorated markedly, falling from 88.7% in 2022 to 7.9% in the third quarter of 2025, which reflects a substantial reduction in the organization's ability to generate operating profits from its revenues. A similar pattern is observed for the profit margin, which decreased from 75.4% in 2022 to 46.8% in 2023, declined further to 21.0% in 2024, and reached 6.6% by the third quarter of 2025. Return on assets and return on equity followed the same downward trajectory, with ROA declining from 30.74% to 1.12% and ROE from 34.98% to 2.82% over the same period.

With regard to funding structure, "Agat Credit" Microfinance Organization has issued three successive bond tranches, with a fourth issuance planned for January 2026. The three completed tranches have similar maturities of one year. The first tranche, issued in March 2025, carried a coupon rate of 29% and is scheduled

to mature in April 2026. The second tranche was issued in July 2025 with a coupon rate of 28% and is expected to mature in July 2026. The third tranche, issued in November 2025, offered a coupon rate of 27% and is forecast to mature in November 2026. The forthcoming issuance is expected to carry a coupon rate of 26% with a longer maturity of two years.

From the perspective of lenders, particular attention may be warranted with respect to the third bond tranche, which was insured, unlike the earlier unsecured tranches. The use of insurance may indicate an increased perception of risk by market participants. In addition, the issuance of three bond tranches within a single year suggests a growing reliance on debt financing and points to an elevated leverage level. Taken together, these features are consistent with a funding strategy that relies on repeated refinancing through successive bond placements.

## CONCLUSION AND SUGGESTIONS

In general, elevated indebtedness can be mitigated through a deleveraging process, as widely discussed in financial theory. However, if such measures are delayed or insufficient, the risk of financial distress may increase, potentially warranting closer attention from a macroprudential perspective. This concern is particularly relevant in an environment where many financial institutions operate with relatively high leverage and where non-performing loans remain at elevated levels.

Accordingly, investors may benefit from exercising caution when allocating funds to financial securities, given the heightened uncertainty surrounding the financial positions of some issuers. In addition, variations in the scope and quality of financial disclosure among publicly listed entities may limit the availability of timely and comprehensive information for investment decision-making.

In this context, bonds issued by “Agat Credit” may require a higher risk premium to adequately compensate lenders for the associated uncertainty and credit risk. Based on the observed financial indicators and debt structure, this premium may be estimated in the range of approximately 31–33%.

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