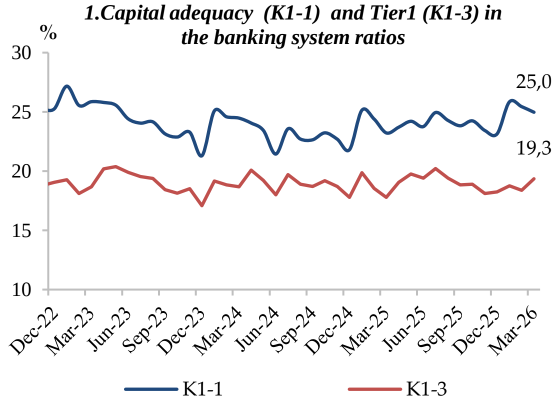
REVIEW OF FINANCIAL STABILITY OF THE BANKING SYSTEM OF THE REPUBLIC OF TAJIKISTAN[1] FOR THE FIRST QUARTER OF 2026

Despite the ongoing uncertainties and economic risks in the world, the financial stance of the banking system continued to remain stable during the reporting period, and the main financial soundness indicators of credit financial institutions were insured within the established regulatory requirements.

Capital Adequacy. The capital adequacy ratio (K1-1) and the Tier1 capital adequacy ratio (K1-3) as the main financial soundness indicators in the banking system, at the end of March 2026 exceeded the established limits by 13,0 percentage point (p.p.) and 9,3 p.p., and accounted for 25,0% and 19,3%, respectively.

It should be noted that exceeding the capital adequacy indicators minimum regulatory requirements helps to mitigate potential financial losses and ensures the uninterrupted activities of the banking system.

1.Capital adequacy (K1-1) and Tier1 (K1-3) in the banking system ratios



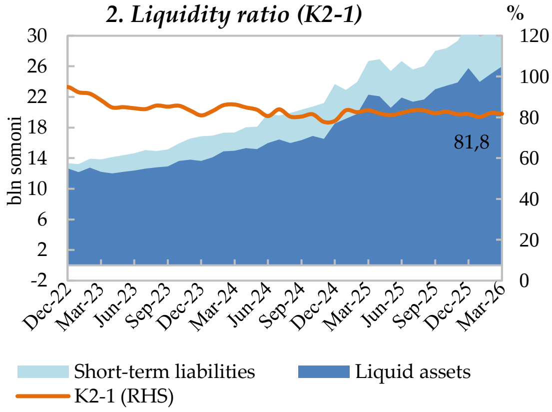
Liquidity. The liquidity ratio (K2-1) at the system level complies with the prudential requirements (30%) and accounted for 81,8%. The liquidity rate for systemically important credit institutions also met the requirements of the minimum prudential rate (50%) and equaled 74,4%. The liquidity of the banking system in foreign currency accounted for 84,6%.

In turn, in recent years, liquid assets, compared to total assets, have shown an upward trend, increasing from 37,2% in 2023 to 43,2% in March of 2026.

The ratio of deposits to the loan portfolio reached 128,0 % in March 2026, which contributes to reducing the risk of insolvency.

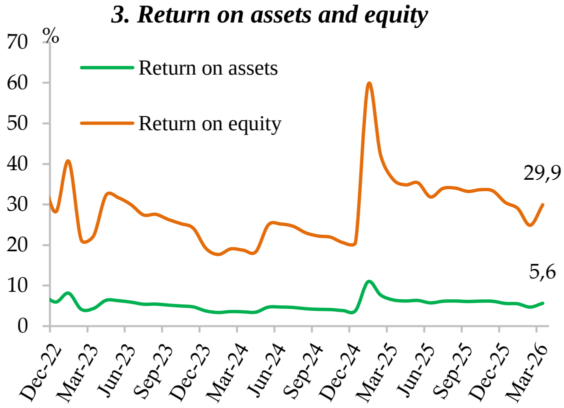
A high level of liquidity in the banking system contributes the timely fulfillment of short-term liabilities and the conduct of financial transactions, and ensuring stability in stressful situations.

2. Liquidity ratio (K2-1)



Profitability. For the reporting period, indicators of return on assets and return on capital, as indicators of the efficiency of the banking system, had a stable trend and accounted for 5,6% and 29,9%, respectively.

3. Return on assets and equity



[1] Banks and MCDO.

During the reporting period, net interest income increased by 7,9%, which contributed to the growth of the banking systems overall income. The ratio of interest margin to gross income[2] in the banking system accounted for 54,1 %.

Quality of the credit portfolio. The share of non-performing loans (NPL)[3] in the credit portfolio compared to the same period of the previous year decreased by 0,2 p.p. and accounted for 6,8%. Also, according to international practice, NPLs are considered overdue for more than 90 days, which accounted for 3,4% in the country's banking system as of March 2026.

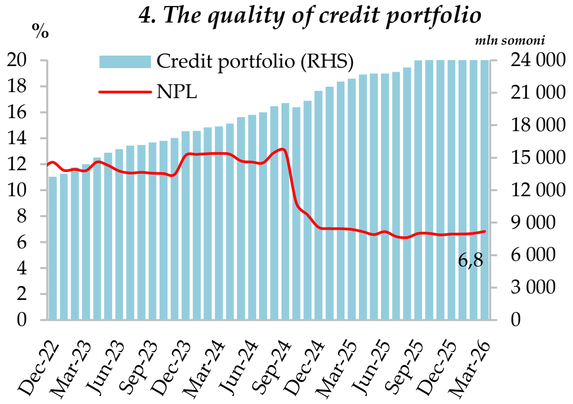
Over this period the loan loss provision fund indicator (LLPF) in relation to NPL equaled 102,4%.

In the reporting period the ratio of NPL without LLPF to regulatory capital (RC) accounted for -0,5%, which indicates a low burden of NPL on capital.

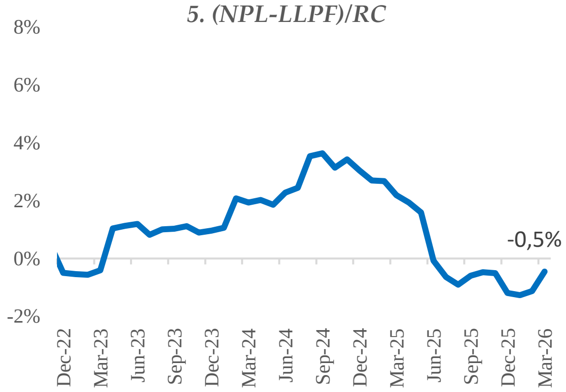
Foreign exchange risk. In the reporting period, the share of loans and deposits in foreign currency (FX) decreased by 5,5 p.p. and 3,3 p.p. compared to the end of March 2025 and equaled 21,2% and 38,9% respectively. The process of reducing dollarization indicates a decrease in foreign exchange risk and the impact of external factors on the banking system.

One of the ways to determine the vulnerability of the capital of the banking system to foreign exchange risk is the ratio of the total open currency position to regulatory capital, which shows the discrepancy between the open currency position of assets and liabilities. According to the analysis, the capital of the Tajikistan's banking system is relatively less vulnerable to foreign exchange risk, and as of the end of March 2026, above mentioned ratio accounted for -1,8%.

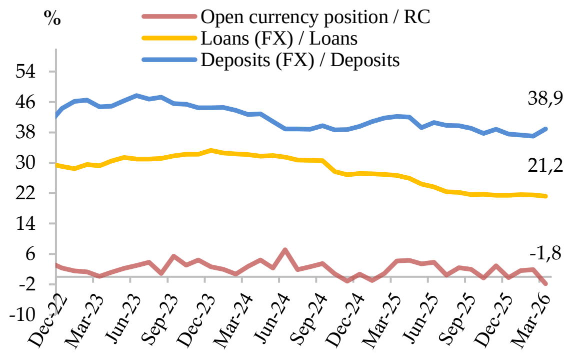
4. The quality of credit portfolio



5. (NPL-LLPF)/RC



6. FX risk indicators



Source: NBT calculations.

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[2] According to Compilation Guide for Financial Soundness Indicators (by IMF)
[3] Loans overdue by more than 30 days.