



NATIONAL BANK OF TAJIKISTAN

REVIEW OF FINANCIAL STABILITY OF THE BANKING SYSTEM OF THE REPUBLIC OF TAJIKISTAN¹ FOR THE SECOND QUARTER OF 2025

During the reporting period, despite the uncertainties in the global economy and the continuation of trade and political conflicts, considering their potential impact on the country's economy, the main indicators of the financial stability of the banking system, such as capital adequacy and liquidity ratios, remained at an acceptable level. At the same time, the quality of assets improved and the profitability ratios of the banking system increased, and exchange rate and credit risks decreased.

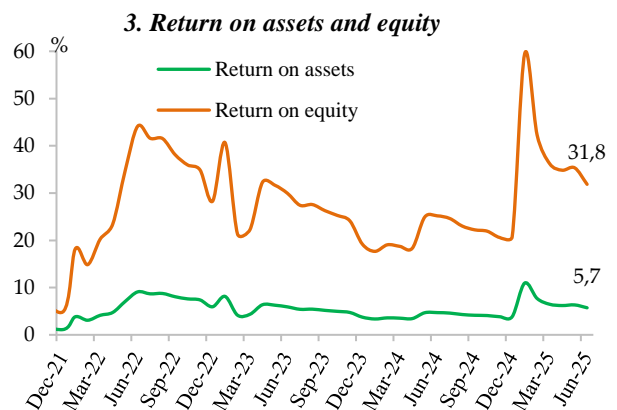
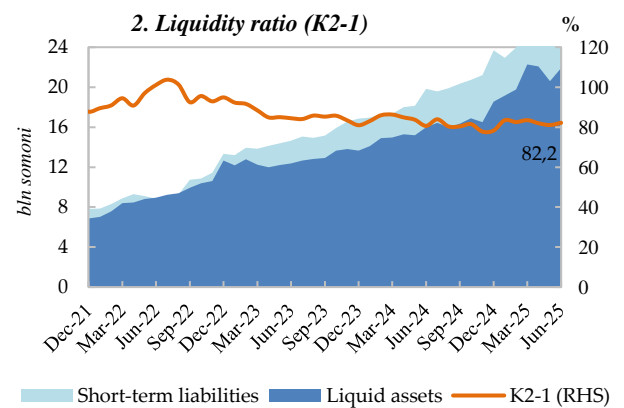
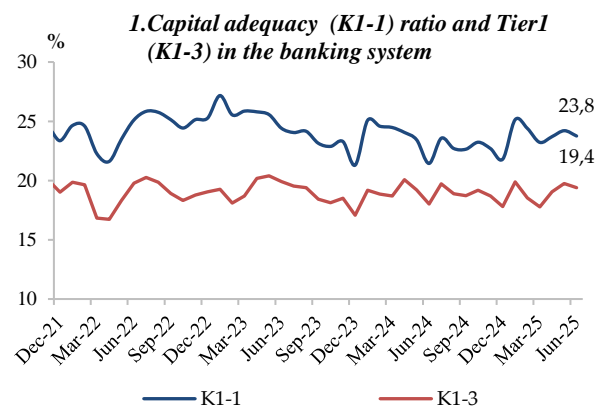
Capital Adequacy. The capital adequacy ratio (K1-1) and the Tier1 capital adequacy ratio (K1-3) as the main indicators of the financial stability in the banking system, at the end of June 2025 exceeded the established limits by 11,8 percentage point (p.p.) and 9,4 p.p. and accounted for 23,8% and 19,4% respectively.

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

Liquidity. The liquidity ratio (K2-1) at the system level complies with the prudential requirements (30%) and accounted for 82,2%. The liquidity rate for systemically important credit institutions also met the requirements of the minimum prudential rate (50%) and equaled 75,6%. The liquidity of the banking system in foreign currency accounted for 94,5%.

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

Profitability. Over 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 5,7% and 31,8% respectively.



¹ Banks, non-bank credit organizations and MCDO.

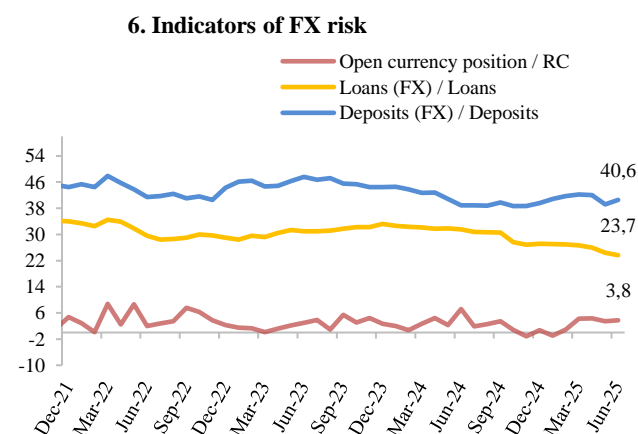
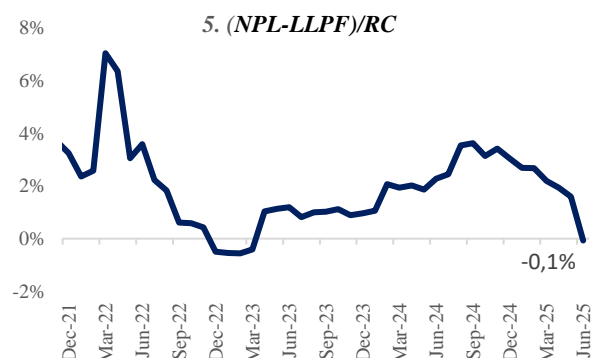
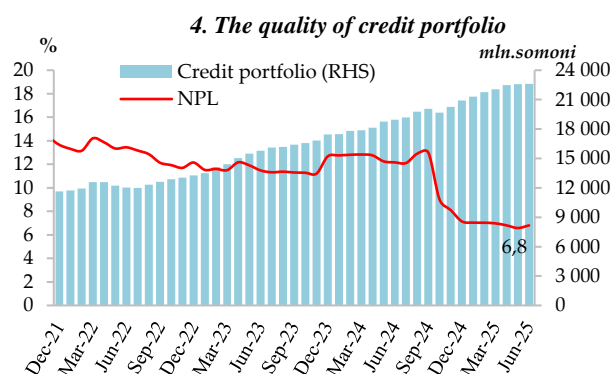
The quality of the credit portfolio. The share of non-performing loans (NPL)² in the credit portfolio as a result of the effective measures taken compared to the same period of the previous year decreased by 5,4 p.p. and accounted for 6,8%. Also, according to international practice, NPLs are considered overdue for more than 90 days, which accounted to 3.8% in the country's banking system as of June 2025.

Over this period the loan loss provision fund indicator (LLPF) in relation to NPL equaled 100,1%.

As of June 31, 2025 the ratio of NPL without LLPF to regulatory capital (RC) accounted for -0,1% 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 7,8 p.p. and 1,7 p.p. compared to the end of June 2024 and equaled 23,7% and 40,6% 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 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 June 2025, above mentioned ratio accounted for 3,8%.



Source: NBT calculations.

² Loans overdue by more than 30 days.