NATIONAL BANK OF TAJIKISTAN

FINANCIAL STABILITY REPORT



2025

PREFACE

The Financial Stability Report is prepared annually and includes an analysis of external, macroeconomic, and banking sector risks, as well as an assessment of their potential impact with the aim of taking measures to minimize them and expand financial intermediation.

This material has been prepared in accordance with the Article 6 of Law of the Republic of Tajikistan "On the National Bank of Tajikistan" and Resolution №213 "On the Financial Stability Committee of the National Bank of Tajikistan".

The information contained in this report is based on data as of December 31, 2025. Changes may occur in subsequent editions if accounting methods or information previously used in the report change.

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1. GENERAL OVERVIEW

The Financial Stability Report within specific analyses determines the vulnerability of the current situation of the national economy and the financial system of the Republic of Tajikistan to internal and external risks. The assessment and forecast of these risks are reflected in a risk map for the relevant sectors. During the reporting period, despite the uncertainty in the global economy, ongoing trade and political conflicts and their potential impact, the country's economy is assessed as stable.

Table 1. Risk map

Type of risk	Assessment					Forecast
	2021	2022	2023	2024	2025	
External Risks	2,7	2,8	3,0	2,8	2,6	↑
Macroeconomic Risk	3,6	2,7	2,9	2,4	2,4	↔
Public Debt Sustainability Risk	4,0	3,0	2,8	3,0	3,4	↔
Concentration Risk	5,0	5,0	5,0	5,0	5,0	↔
Foreign exchange Risk	4,0	3,2	3,7	3,7	3,6	↔
Credit Risk	2,8	3,1	2,9	2,0	2,8	↑
Liquidity Risk	2,6	3,2	3,4	3,4	3,4	↔
Profitability Risk	2,6	1,8	1,6	1,8	1,8	↔
Solvency Risk	2,3	1,7	2,0	1,6	1,6	↔

Note:

Color	Risk level	Score
	Low	0 to 1,5
	Medium	1,6 to 2,5
	Vulnerable	2,6 to 3,5
	High	3,6 to 4,5
	Extremely high	4,6 to 5

The evaluation of the impact of future risks (forecast section) across three scenarios is shown by directional arrows: risk reduction (downward arrow), unchanged risk (double-headed arrow), and risk increase (upward arrow).

2. DOMESTIC AND EXTERNAL MACROECONOMIC ENVIRONMENT AND PROSPECTS

2.1. Global economic conditions

The state of the global economy in 2025 is characterized by instability and complexity due to ongoing global political instability, as well as regional conflicts, military and trade disputes, increased economic policy uncertainty, the introduction of new economic sanctions between superpowers, supply chain disruptions, price volatility in global markets, and the impacts of climate change. The economy of the Republic of Tajikistan, as an integral part of the global economy, is influenced by external factors and unfavorable developments in the economies of countries in the region.

According to IMF analysts estimates and forecasts, global economic growth reached 3.3% in 2025, and is projected to be 3.3% and 3.2% in 2026 and 2027, respectively, which is lower than the average global economic growth rate of 3.7% recorded during 2000–2019. Furthermore, economic growth in developing countries is projected to exceed 4.0% in 2026–2027. Taking into account increased oil production, stable domestic demand, and ongoing reforms, economic growth in the Middle East and Central Asia is expected to increase from 3.7% in 2025 to 3.9% in 2026 and 4.0% in 2027[1].

Despite sustained global economic growth, its pace remains below pre-pandemic levels. This indicates that the global economy has entered a phase of slow but relatively stable growth.

World Bank experts estimated global economic growth at 2.7% in 2025 and forecast 2.6% and 2.7% for 2026 and 2027, respectively [2].

The effective use of modern technologies, particularly digital technologies, the adoption of artificial intelligence (AI), investments in renewable energy and energy-efficient systems can accelerate productivity growth and expand opportunities for economic development.

Rapid artificial intelligence (AI) adoption could significantly boost productivity and accelerate medium-term growth prospects. High rates of innovation could stimulate entrepreneurial activity. As a result, global economic growth could increase by 0.3 p.p. in 2026 and by 0.1–0.8 p.p. per year in the medium term, depending on the pace of AI adoption and countries' readiness levels.

According to international experts, a revision of productivity growth expectations resulting from AI adoption could lead to decreased investment and trigger sudden corrections in financial markets. Trade challenges may resurface, leading to persistent uncertainty and further negative impacts on economic activity. Additionally, domestic political or geopolitical challenges may arise, creating a new level of uncertainty, disrupting the global economy, and affecting financial markets, supply chains, and primary commodity prices.

Implementing policies aimed at strengthening stability and enhancing the resilience of medium-term growth prospects requires special attention to rebuilding fiscal buffers, maintaining price and financial system stability, reducing uncertainty, and promptly carrying out structural reforms.

[1] IMF “World Economic Outlook”, January 2026.
[2] World Bank Group “Global Economic Prospects”, January 2026.

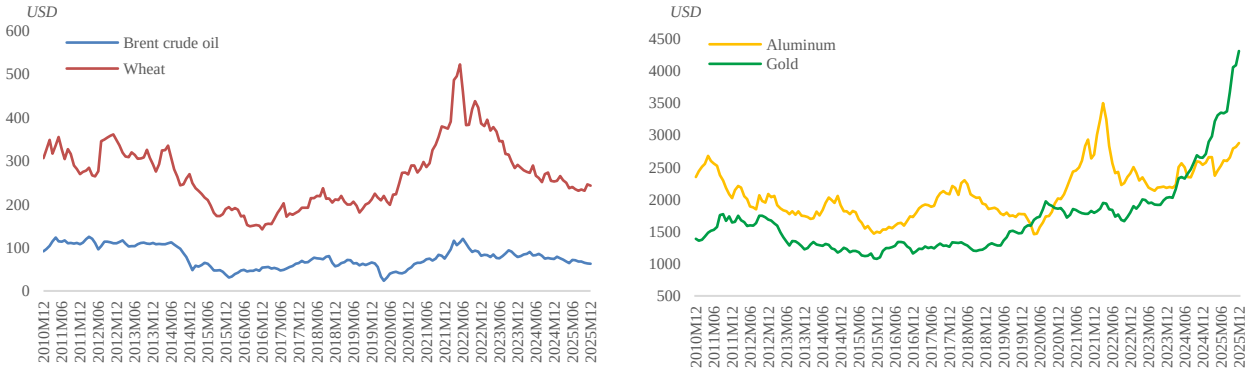
In 2025, oil prices will remain low and they are expected to decline further due to weak global demand growth and a steady increase in oil supply. Moreover, considering reduced demand for energy amid uncertainty, more flexible European Union reserve requirements for storage, and sufficient liquefied natural gas supply in the medium term, natural gas prices are likely to remain relatively low [3].

In 2025, prices of primary commodities (energy, metals, and raw materials) will decrease and are likely to remain at relatively low levels in 2026–2027.

In 2025, global inflation is projected to decline to 4.1%, driven by weakening global demand and monetary policy tightening in advanced economies. Due to lower primary commodity prices, weaker domestic demand, and labor market conditions, inflation is expected to decline further to 3.4% in 2026 and to 3.8% in 2027. However, due to economic policy instability, different inflation scenarios are possible. Low and manageable inflation, as a key factor of macroeconomic stability, is considered the primary objective of monetary policy.

At the same time, the decline in average annual prices for oil and fuel in 2025, including petrol and gas, is considered one of the main factors contributing to lower inflation in most countries worldwide. In this connection, the price per barrel of Brent crude oil fell from USD 73.8 in December 2024 to USD 62.7 per barrel in December 2025, and in 2026 it is projected to drop to an average of USD 60. Given the increase in oil production in 2025, the global oil market is likely to face greater imbalances and oversupply in 2026[4].

Figure 2.1. Changes in product prices on the world market



Source: World Bank data.

The growing demand for metals to support the green energy transition will offset sluggish industrial activity (especially in China, which accounts for about half of global metal consumption) and will contribute to the stability of global metal prices in 2026–2027. It is worth noting that during the reporting year, the price of gold rose by approximately 42.0% due to strong investor demand, continued central bank purchases, and its liquidity amid political uncertainty and geopolitical tensions, a trend that is likely to continue over the next two years [5].

According to forecasts, lower inflation and steady economic growth are expected in most countries in 2026. However, main risks, such as unstable economic policy, geopolitical conflicts, and climate change, could slow global economic growth.

[3] IMF "World Economic Outlook", January 2026.
[4] World Bank Group "Global Economic Prospects", January 2026.
[5] World Bank Group "Global Economic Prospects", January 2026.

In addition to policy-related risks, an escalation of geopolitical tensions could trigger another surge in commodity prices. At the same time, conflicts in the Middle East, Ukraine, and Venezuela could worsen, directly impacting trade routes and food and energy prices. Commodity-importing countries could be particularly vulnerable, as rising commodity prices combined with a stronger US dollar could have a stagflationary effect.

In recent years, along with the global political and economic instability, climate change and its consequences have raised concerns among the international community. This is because climate change affects various economic sectors worldwide, including land drying, declining agricultural productivity, increased pressure on the energy sector, deteriorating ecological conditions, rising disease rates, and, overall, declining living standards.

According to data from the National Bureau of Statistics of China, the country's economic growth reached 5.0% in 2025. During the reporting year, despite declining domestic demand, a continuing downturn in the real estate sector, and external uncertainty related to the US tariff policy, China could achieve its economic growth target.

Figure 2.2. Economic growth in main trading partner countries of the RT

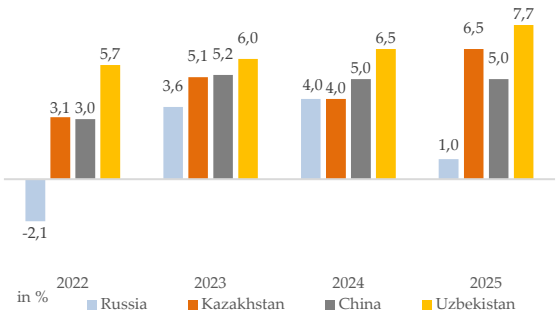
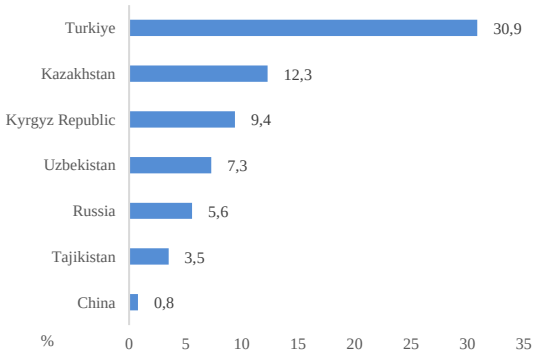


Figure 2.3. Inflation in trading partner countries in 2025



Source: preliminary information from the official websites of the respective countries.

The Ministry of Economic Development of the Russian Federation stated in its "Current Economic Situation" report that in the first eleven months of 2025, Russian economic growth reached 1.0%.

According to the Federal State Statistics Service of the Russian Federation, annual inflation decreased from 9.5% in 2024 to 5.6% in 2025, above the target of 4.0%. The economic slowdown in Russian during the reporting year was primarily driven by tight monetary policy and inflation targeting.

According to the Ministry of National Economy of the Republic of Kazakhstan, due to economic diversification measures, economic growth in the country reached 6.5% in 2025. Notably, Kazakhstan's economy demonstrated steady growth during the reporting year, and GDP exceeded USD 300 bln for the first time. Despite this, inflation in the country remains high (12.3%). The observed inflation in the country is mainly driven by price increases in food products (13.5%), service tariffs (12.0%), and non-foods products (11.1%).

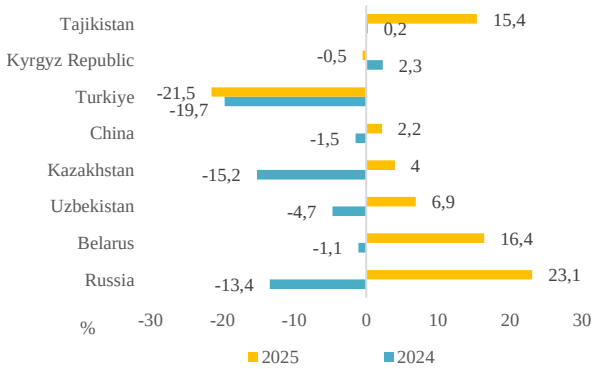
According to data from the National Statistical Committee of the Republic of Uzbekistan, the country's economic growth reached 7.7% in 2025, while inflation stood at 7.3%.

It should be noted that high inflation rates were observed in most countries in the region and main trading partners of the RT in 2025. According to available data, the lowest inflation rate in 2025 was recorded in China (0.8%), while the highest was in Turkiye (30.9%). Experts believe

that the main drivers of high inflation in Turkiye are national currency depreciation, rising food prices and inflation expectations.

Taking into account global economic conditions and the influence of various economic and social factors, the official exchange rates of national currencies for most of RT's main trading partners changed against the US dollar in 2025. Specifically, the Russian ruble (23.1%), Belarusian ruble (16.4%), Uzbek sum (6.9%), Kazakh tenge (4.0%), and Chinese yuan (2.2%) appreciated, while the Turkish lira (21.5%) and Kyrgyz som (0.5%) depreciated against the US dollar.

Figure 2.4. Exchange rate movements of trading partners' national currencies against the US dollar in 2025



Source: NBT data and calculations.

2.2. Macroeconomic situation in the country

Despite the ongoing escalation of global geopolitical tensions, regional conflicts, military and trade disputes and imposition of new economic sanctions among superpowers, timely measures have ensured the stability of the macroeconomic situation and the country's banking system.

Gross domestic product. In 2025, nominal GDP amounted to TJS 176.9 bln, which is 15.3% more compared to the previous year.

Figure 2.5. Nominal and real growth of GDP in the RT

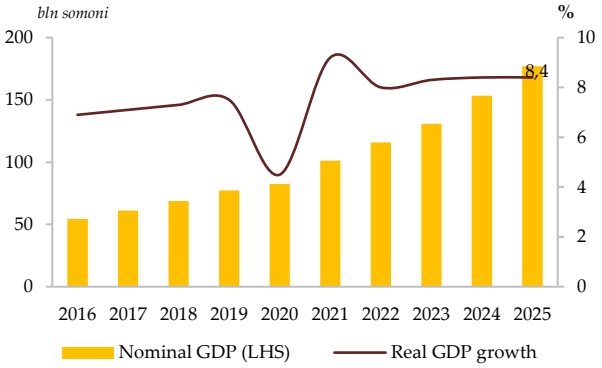
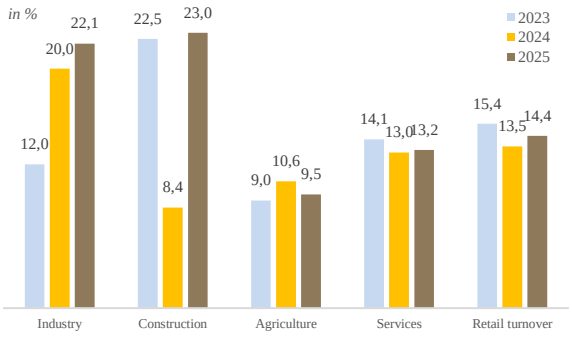


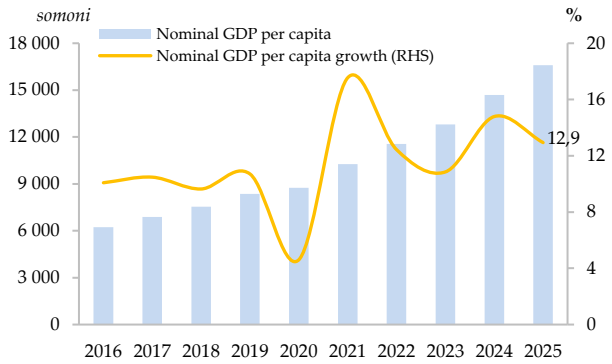
Figure 2.6. GDP growth by economic sectors



Source: data from the Statistics Agency and NBT's calculations.

Real GDP growth reached 8.4%, driven by growth in construction (23.0%), industry (22.1%), retail trade (14.4%), paid services (13.2%) and agriculture (9.5%).

Figure 2.7. GDP per capita and its trend in the RT

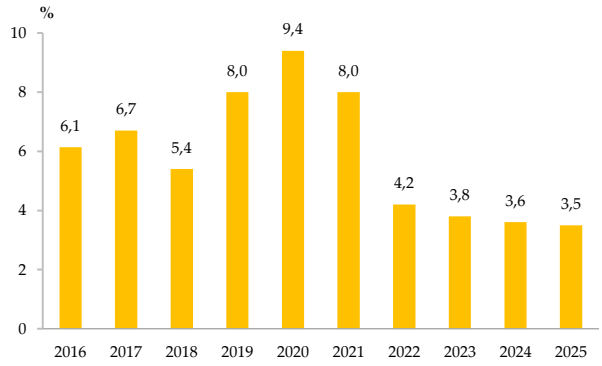


Source: data from the Statistics Agency and NBT's calculations.

GDP per capita in 2025 reached TJS 16 600.7 in national currency and USD 1 657.1 in foreign currency, which represents an increase of 12.9% and 21.7%, respectively, compared to 2024.

Inflation. Despite price volatility on global markets, inflation rate in the country remained stable in 2025. Inflation rate dropped by 0.1 p.p. compared to the previous year and amounted to 3.5%, which remained at the lower bound of the established target range (5% ± 2 p.p.). Inflation during the reporting year was driven by price increases in food products (4.5%), non-food products (1.5 %), and paid services (5.7%).

Figure 2.8. Inflation rate in the RT



Source: data from the Statistics Agency and NBT's calculations.

State Budget. The state budget is the main reserve of funds, compiled in the form of a state plan for the collection, redistribution, and use of funds, adopted and implemented through law. The state budget revenues are generated primarily from tax and non-tax revenues, but also include grants, state investment programs, foreign loans, and special funds of budgetary institutions.

In 2025, the overall budget revenue plan was executed at 113.2%, with income amounting to TJS 60 349.1 mln, which is TJS 7 034.8 mln more than planned. For the reporting year, the total state budget to GDP reached 34.1%.

The tax revenue plan for the reporting year was fulfilled at 115.6%, delivering TJS 37.5 bln to the state budget, which still accounts for a significant share (62.1%) of the total state budget .

Figure 2.9. Implementation of the tax revenue plan

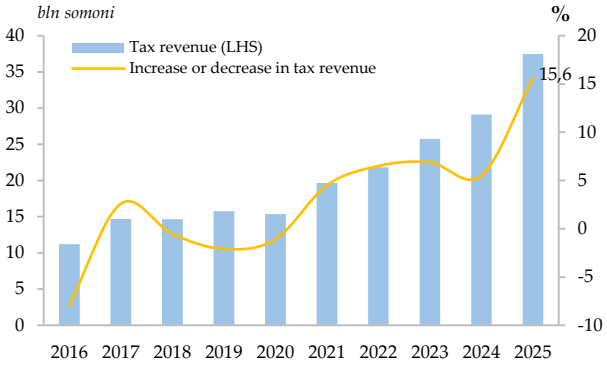
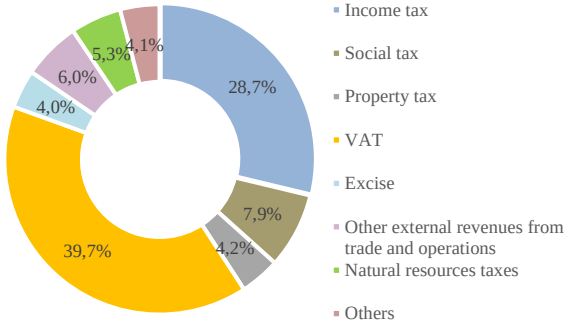


Figure 2.10. Structure of tax revenues in 2025



Source: data from the Ministry of Finance and NBT's calculations.

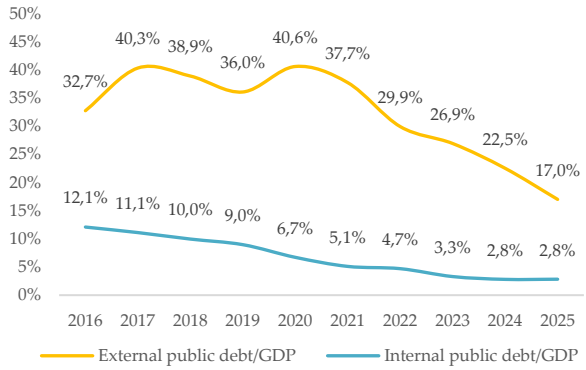
In the structure of tax revenues in 2025, the largest share was accounted for by value added tax (VAT) and income tax , with the remaining part coming from other types of taxes.

It should be noted that improved tax collection processes, enhancement management, development of electronic services and cashless payments, economic growth, and strengthened supervisory measures led to an increase in tax revenues in 2025.

Public debt. The public debt of the RT in 2025 amounted to USD 3.5 bln, or 19.2% of GDP, which is 16.0 p.p. less compared to the previous year. External borrowings predominate in the public debt structure, and in the reporting, year amounted to USD 3.0 bln, or 87.0% of the total volume of public debt. In the reporting year, the public external debt to GDP ratio equaled 17.0%, which is 5.5 p.p. less compared to 2024.

Domestic public debt for the reporting year amounted to USD 500.0 mln, or 13.0% of the total public debt.

Figure 2.11. Changes in public debt to GDP ratio

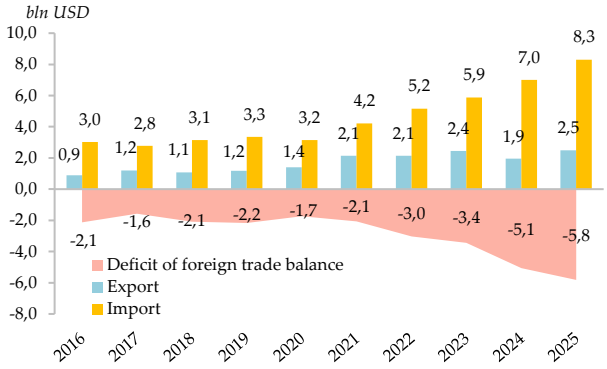


Source: data from the Ministry of finance and NBT's calculations.

Foreign trade turnover. In order to expand exports, increase the production of import-substituting products, create favorable conditions for the implementation of state policy in foreign economic activity, and enhance the competitiveness of domestic products in both domestic and foreign markets, the State Program for Export Development of the Republic of Tajikistan for 2021-2025 was adopted by the government decree and implemented.

In 2025, the country's foreign trade turnover amounted to USD 10.8 bln, which is 20.5% more than the previous year.

Figure 2.12. Volume of exports and imports.



Source: data from the Statistics Agency and NBT's calculations.

Exports of goods and products increased by 27.7% compared to 2024, reaching USD 2.5 bln. Meanwile, in 2024, this indicator decreased by 20.5%. Imports in the reporting year amounted to USD 8.3 bln, which is 18.5% more compared to 2024.

In this regard, the share of export in the structure of foreign trade turnover increased from 21.7% in 2024 to 23.1% in the reporting year.

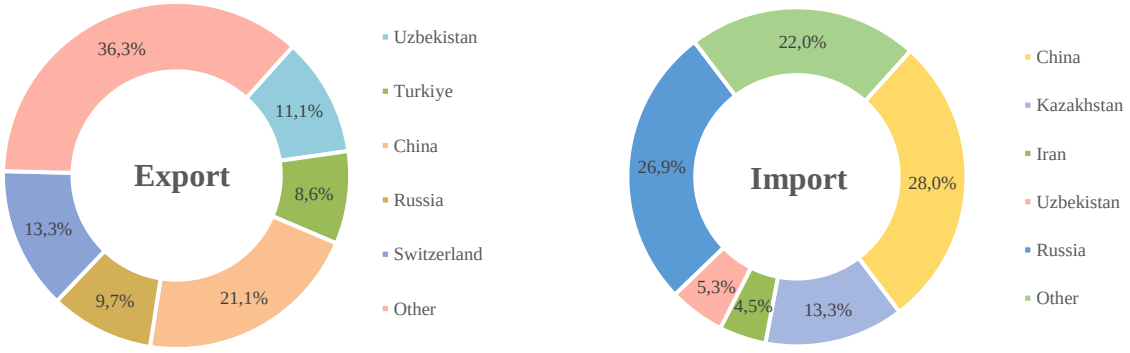
The negative balance of foreign trade turnover in 2025 increased by 15.0% and amounted to USD 5,817.4 mln, which is 32.9% of the GDP.

The growth of export share compared to previous years indicates the country's growing export potential. In previous years, the main export commodities were primary aluminum, cotton fiber, and fruits and vegetables. Measures undertaken to strengthen export production have increased the share of non-precious metals and its products (33.0%), mineral products (26.7%), and electricity (5.7%) in the export structure.

In the structure of imported goods and products, the largest share was accounted for mineral products (16.7%), machinery and equipment (14.6%), vehicles (13.4%), basic metals and products made from them (11.6%), processed foodstuffs (8.1%) and chemical industry products (6.7%).

The analysis of geographic structure of republic's exports shows that in 2025, the largest share of goods was exported to China (21.1%), Switzerland (13.3%), Uzbekistan (11.1%), Russia (9.7%), and Turkey (8.6%). During the reporting year, the volume of export to most countries, such as Russia (2.5 times), Uzbekistan (56.3%), China (27.6%), and Afghanistan (6.6%), increased, while to Kazakhstan (2.3 times), the UAE (13.4%), Switzerland (12.4%), Italy (11.1%), Turkey (10.0%), and others decreased.

Figure 2.13. Geographical structure of export and import in 2025



Source:. data from the Statistics Agency and NBT's calculations.

The largest share in the geographical structure of import accounts for China (28.0%), Russia (26.9%), Kazakhstan (13.3%), Uzbekistan (5.3%), Iran (4.5%), and other countries. During the reporting year, import from most countries increased, particularly from China (50.5%), Iran (41.0%), the UAE (25.2%), Belarus (28.9%), Russia (18.4%), and Uzbekistan (7.9%).

Attracting foreign investment. According to the official statistics, in 2025, the volume of foreign investment attracted by the banking system amounted to USD 6.0 bln, which is 43.4% more compared to the previous year. In this regard, foreign investment to GDP ratio increased from 29.5% in 2024 to 34.1% in the reporting year.

In 2025, foreign investment consists of direct, portfolio and other investments, with a significant share (99.2 %) coming from other investments. These include loans and bonds, deposits and savings, also trade prepayment loans.

In 2025, credit financial institutions attracted USD 48.6 mln foreign direct investment, which is 51.6% more than previous year.

Foreign direct investments were mainly attracted from the United Kingdom (51.9%), Luxembourg (12.6%), Japan (12.0%), the United States (7.1%), the Netherlands (4.1%), Kazakhstan (3.2%), Kyrgyzstan (2.9%), Germany (2.9%), Switzerland (2.6%) and Iran (0.7%).

Figure 2.14. Structure of foreign investments attracted by credit financial institutions

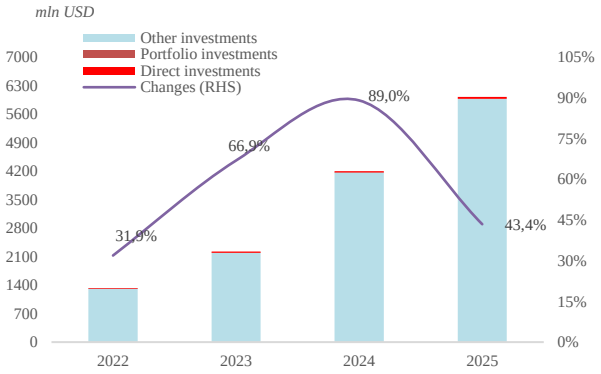
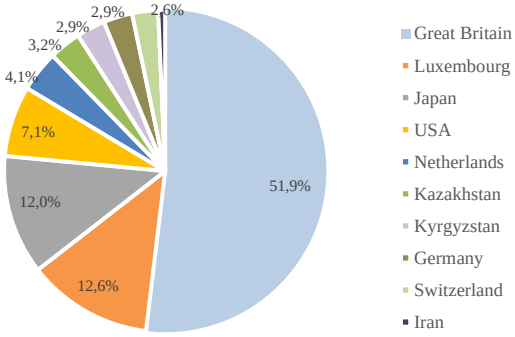


Figure 2.15. Direct investments by countries (in 2025)



Source: data and calculations of NBT.

Along with this, during 2025, credit financial institutions attracted foreign loans and bonds, foreign deposits and trade prepayment loans amounting to USD 5.9 bln.

2.3. Financial market situation

Securities market. The securities market of the RT is in the process of formation and transition from a primary model to an institutional one. In recent years, the legal and organizational framework of the market has been gradually improved, a trading platform and auction mechanisms for government securities have been created, and the institutional participation of several banks and financial institutions has been secured. However, the market size, diversity of financial instruments, and level of liquidity remain limited.

The issuance of securities, as one of the main and indirect monetary policy instrument, allows the NBT to attract excess liquidity from the banking system through security auctions and regulate the market.

In order to effectively manage liquidity of credit organizations, minimize foreign exchange and inflationary pressures, and contribute to the development of security market, totally 110 auctions were held in 2025 to sell securities worth TJS 63.6 bln, which is TJS 51.5 bln more than in the previous year.

The NBT securities auctions are held regularly according to a schedule via an electronic trading system in real time, and credit institutions submit bids to purchase securities. The maximum interest rate for credit institutions' bids to purchase securities (except for 182-day securities) is set at the refinancing rate. Securities maturities are primarily 7, 91 and 182 days.

At the same time, the Ministry of Finance sells government securities through primary auctions of the Central Asian Stock Exchange to fund government expenditures. In 2025, totally 12 government securities auctions were held for a total TJS 755.0 mln, with an average coupon rates ranging from 5.0% to 10.0%.

In addition, on October 17, 2025, medium-term government green bonds worth TJS 200 mln were sold.

Despite this, the secondary market in the country is inactive, leading to an absence of market pricing and limiting market attractiveness to investors. The weakness of the secondary market is considered one of the main factors hindering the development of the stock market and the attraction of private capital.

However, consistent legislative reforms, expanding international cooperation, the introduction of new financial instruments, and growing government's focus on diversifying funding sources could ensure a strong foundation for future market activity.

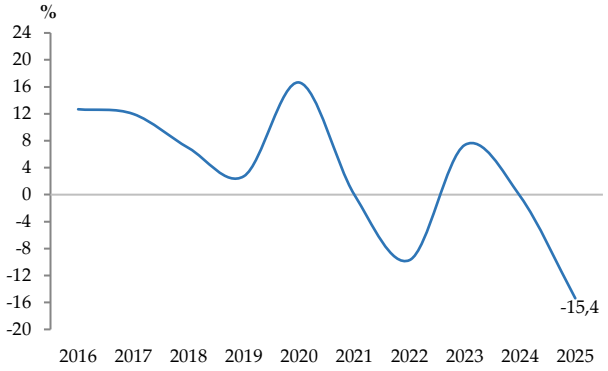
Interbank market. The NBT directly influences the regulation of the interbank market through monetary policy. One of its primary regulatory instruments is the refinancing rate, which was gradually reduced by 1.5 p.p in 2025 and set at 7.5% due to stabilization of domestic and global commodity prices, inflation remaining near the lower bound of the target range (5%±2 p.p.), and relatively stable inflation expectations, .

In this context, the interest rate on interbank loans at the end of the reporting year equaled 14.3%, which is 0.7 p.p. less compared to the same period of 2024.

Foreign exchange market. According to the "Main Directions of Monetary Policy of the Republic of Tajikistan for 2025 and the medium term," foreign exchange policy is based on a "managed float" regime without defining and announcing exchange rate fluctuation limits. The official exchange rate of the somoni against foreign currency is determined based on supply and demand in the domestic foreign exchange market. According to this regime, the NBT may intervene in the domestic foreign exchange market only in exceptional cases.

In 2025, the official exchange rate of the USD against the somoni decreased by 15.4% (from TJS 10.9325 on December 31, 2024, to TJS 9.2513 on December 31, 2025). It should be noted that by the end of 2024, this indicator accounted for 0.2%.

Figure 2.16. Changes in the official exchange rate of the USD against the somoni



Source: NBT data and calculations.

The official medium-term exchange rate of the USD against the somoni in 2025 equaled TJS 10.0119, which is 7.3% less than 2024 (in 2024 this indicator was equaled TJS 10.7991).

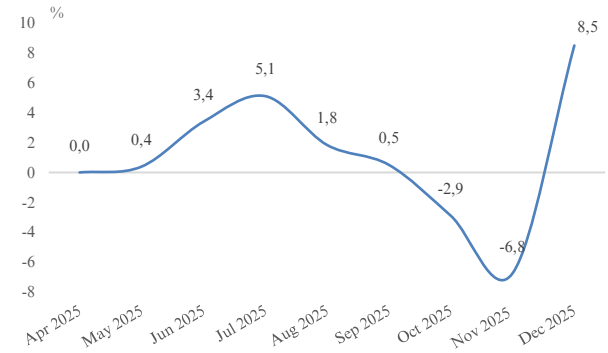
In order to meet the foreign currency needs of economic entities, particularly importers of essential goods, the banking system sold over USD 9,447.0 mln, 207,442.0 mln Russian rubles, 338.1 mln euros, and 5,851.2 mln Chinese yuan in 2025, which are 44.7%, 20.0%, 5.9%, and 140.9%, respectively more compared to 2024. It is worth noting that the needs of economic entities, including importers of essential goods, were fully met in the reporting year.

2.4. Real estate market situation

In order to assess the situation on the real estate market, daily monitoring of residential real estate prices was regularly conducted (since April 2025) based on available sources.

According to the available data, the average price per square meter of residential real estate in the RT showed stable movements during the period under review. From April to September 2025, the average price per square meter remained largely unchanged, without unsual market developments observed.

Figure 2.17. Changes in residential real estate prices



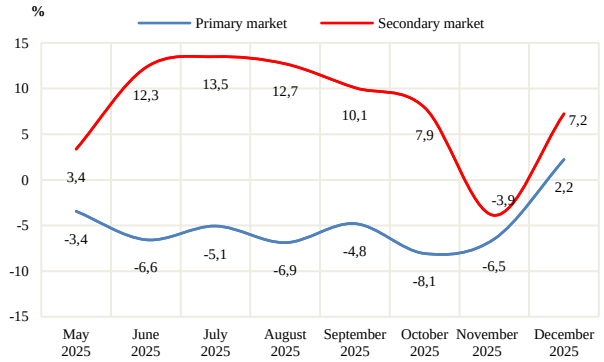
Source: NBT data and calculations.

Residential property prices increased slightly in December compared to the previous month, indicating market activity. By the end of 2025, the average price per square meter of residential property had increased by 8.5% compared to April of this year.

According to available data, the primary residential real estate market has been declining in price for most of the year. From May to November, prices showed a negative trend, with the largest decline recorded in October (-8.1%).

In December 2025, price growth was recorded: primary market prices increased by 2.2 % compared to the previous month. In the secondary residential market, this indicator equaled 7.2 %.

Figure 2.18. Monthly changes in residential real estate prices by transaction stages



Source: NBT data and calculations.

Residential real estate market in Dushanbe is characterized by high prices compared to other regions of the country. Between the second and fourth quarters of 2025, the average price per square meter of residential real estate increased by approximately 4.6%. Along with Dushanbe, the average price per square meter of residential real estate in Sughd region was also higher than in other regions and decreased by 1.0% over the reporting period. In CDRS, the average price per square meter of residential real estate increased by 6.7% over this period. In BMAR, the average price per square meter of residential real estate was lower than in other regions and decreased by 5.7% over the reporting period.

Figure 2.19. Average price of residential real estate by regions (per 1m^2)

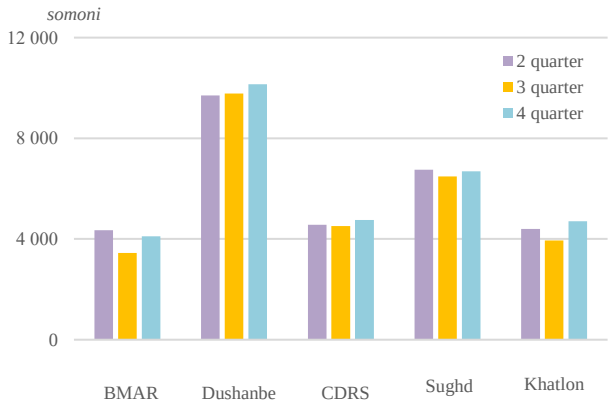
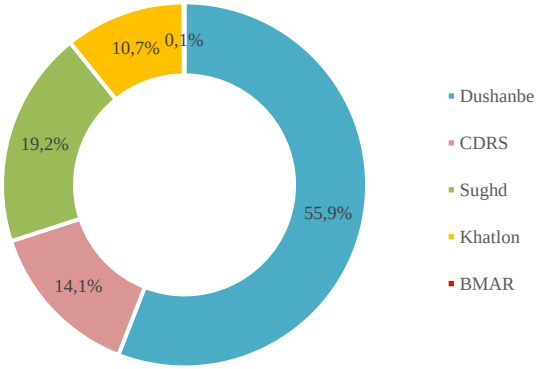


Figure 2.20. Residential real estate market by regions (from April 1, 2025 to December 31, 2025)



Source: NBT calculations.

According to the analyzed data, a significant share of non-residential real estate listed for sale is located in Dushanbe, which occupies a leading position due to high supply, demand, and prices. Sughd Region is also considered one of the most active regions in the real estate market and accounts for a significant share. The share of other regions in the country's real estate market is lower, indicating a difference in the level of activity in the purchase and sale of residential real estate.

In general, in 2025, the regional structure of the residential real estate market in Tajikistan will be characterized by a concentration of high prices in Dushanbe city and more stable prices in other regions of the country.

2.5. Labor market situation

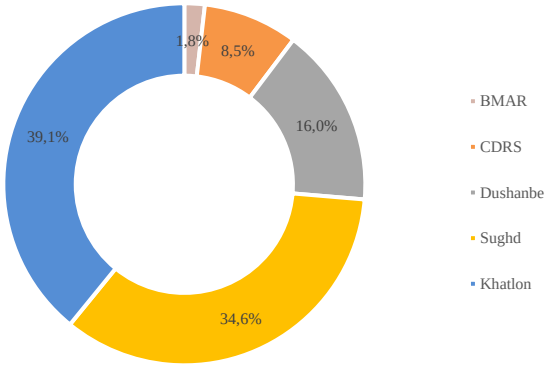
The labor market is a key sector of the national economy, and its condition and effectiveness determine employment levels, incomes, social stability, and economic growth rates. In the RT, the labor market is developing under conditions of rapid population growth.

Tajikistan has a young population, a significant portion of whom are capable to work. Tens of thousands of young people enter the labor market every year, increasing the demand for jobs. Therefore, the demand for jobs exceeds the rate of new job creation.

According to preliminary data from the Statistics Agency, in November 2025, the country's labor force reached 2.8 million people, 97.9% of which were employed in economic sectors, and 2.1%, or 58.6 thousand people, were officially registered as unemployed.

During this period, 47.0% of the total employed population were employees, which is 1.3% more than in the same period in 2024, and the majority of them (54.6%) worked in the real sector of the economy.

Figure 2.21. Hired employees by regions (as of November 30, 2025)



Source: data from the Statistics Agency.

According to statistical indicators, the relative weight of hired employees by regions of the republic at the end of November 2025 concentrated mainly in Khatlon region (39.1%), Sughd region (34.6%) and Dushanbe city (16.0%), while the share of the CDRS (8.5%) and BMAR (1.8%) was relatively lower.

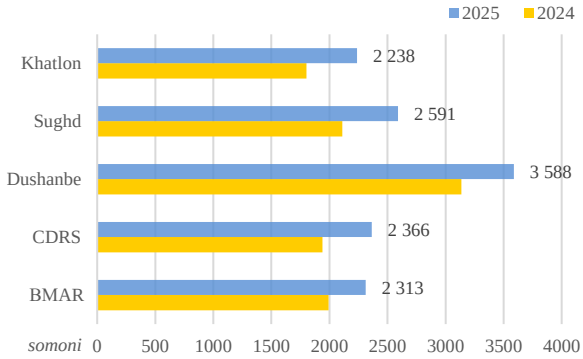
In the country's organizations and institutions, alongside the official employee, dual-job arrangements under labor contracts and agreements were also utilized. During this period, 50,8 thousand people worked under such conditions, 8,4 thousand of which worked in the real sector of the economy and 42,4 thousand in the service sector.

At the end of November 2025, 97,1 thousand people were registered as job seekers at the Agency for labor and employment of the population,which is 19.9% more than in the same period in 2024. Accordingly, as of November 30, 2025, the number of officially registered unemployed increased by 12.2% compared to the same period in 2024, and the official unemployment rate relative to the total labor force equaled 2.1%.

At the same time, informal employment exists in the country's labor market, which is considered a labor market problem. While informal employment allows the population to earn a certain income, on the other hand, it deprives them of social protection, legal guarantees of employment, and income stability. In addition, it limits the tax base and reduces the government's ability to implement effective social policy.

At the end of November 2025, the average nominal monthly wage paid to hired employees increased by 19.3% compared to the same period of last year, reaching TJS 3 136.2. Meanwhile the minimum wage during this period was TJS 1 000. In January-November 2025, the lowest calculated average monthly wage (TJS 1 054.2) was recorded for employees in agriculture, forestry and fisheries, and the highest calculated average monthly wage (TJS 6 998.7) was recorded for employees in the financial and insurance sectors.

Figure 2.22. Average monthly wages of hired employees by regions of the republic (January - November)



Source: data from the Statistics Agency.

By region, the highest calculated average monthly wage during this period was recorded in the city of Dushanbe and amounted to TJS 3 588.4.

The labor market is the main driver of economic growth, social stability, and improving living standards, therefore, issues related to employment, wages, and the efficient use of human resources are at the center of the government's socio-economic policy. In this context, measures are being taken to create new jobs, develop the industry, construction, services, and entrepreneurship sectors, reduce labor migration, improve the standard and quality of life of the population, as well as develop vocational education and training, engage the able-bodied population, especially youth, in retraining and skill enhancement.

3. FINANCIAL SYSTEM CONDITIONS

3.1. Financial System Overview

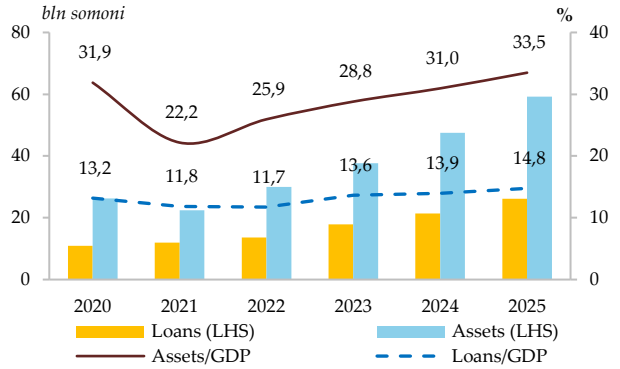
Banks and MDOs play a significant role in the financial system of the RT, and at the end of 2025, their total assets accounted for 90.1% of the financial system's total assets. The remaining share of the financial system's total assets belongs to insurance organizations, leasing organizations, stock exchanges, and the ASIP.

As of December 31, 2025, there are 69 financial credit institutions, 16 insurance organizations, 6 leasing organizations, two stock exchanges (the Central Asian Stock Exchange and the Asian Stock Exchange) and ASIP were functioning within the territory of the RT.

Total assets of the financial system sectors at the end of 2025 amounted to TJS 65 789.7 mln, which is 25.4% more than for the same period in 2024 and equaled to 37.2% of the GDP.

The country's credit financial institutions consist of two groups: credit organizations and Islamic credit organizations. In 2025, the assets of credit financial institutions increased by 24.8% compared to 2024, reaching TJS 59 242.1 mln. Accordingly, the banking system's assets-to-GDP ratio equaled 33.5%.

Figure 3.1. Role of the banking system in the national economy



Source: NBT data and calculations.

During the reporting year, there are 360 branches of credit financial institutions (including 3 Islamic banking windows), 3 mobile units, 13 cash service points and 1 584 banking and microfinance service centers provided services to the population of the RT.

The liabilities of the banking system in 2025, due to the increase (32.8%) of deposits of credit financial institutions, grew by 24.4% compared to the previous year and amounted to TJS 47 925.6 mln.

The capital of credit financial institutions at the end of 2025 amounted to TJS 11 316.5 mln, which is 26.2% more than at the end of 2024 (TJS 8 963.7 mln), and was formed due to an increase in reserves, current year profit and paid-in authorized capital.

During the reporting year, there are 16 insurance organizations, including 1 state-owned and 15 non-state-owned organizations along with their 66 branches, provided insurance services to the country's population. The assets of insurance organizations increased by 26.6% compared to the end of 2024, reaching TJS 1141.2 mln.

The assets of leasing organizations amounted to TJS 779.4 mln, which is 58.3% more than at the end of 2024.

As of September 30, 2025, ASIP's assets amounted to TJS 4 627.1 mln.

3.2. Risks in the banking system

In order to ensure the stable functioning of the banking system and its sustainable growth in the country was undertaken the necessary work to improve asset quality, strengthen risk management, and enhance the operational efficiency of credit financial institutions.

The analysis of the banking system's performance in 2025 shows that the key financial soundness indicators the established requirements, and several risks were relatively reduced.

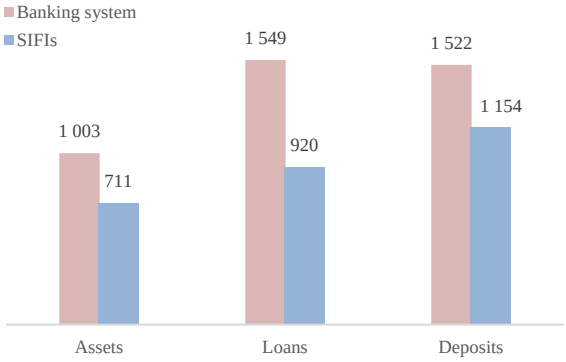
Given the small share of microfinance institutions (0.1%) and microfinance funds (1.3%) within the banking system, as well as the minimal impact of their activities on the financial stability of the banking system, risk analysis was conducted only on the activities of banks and MDOs (hereinafter referred to as the banking system).

3.2.1. Concentration Risk

The concentration risk is an essential element of risk management and financial stability for credit financial institutions. It is structural in nature and remained unchange in the short term. High concentration risk is observed in the country's banking system, indicating insufficient diversification of key indicators in individual credit organizations.

Various indicators are used to determine the level of concentration in the banking system, , one of which[6] is the Herfindahl-Hirschman Index (HHI).

Figure 3.2. Herfindahl-Hirschman Index

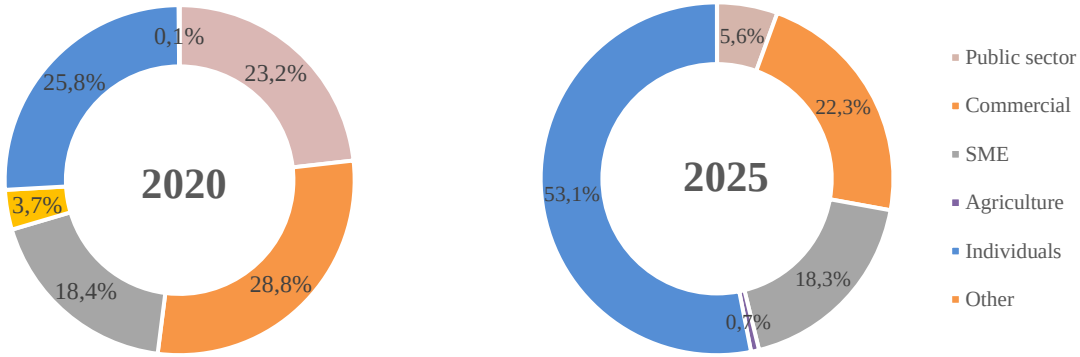


Source: NBT data and calculations.

At the end of 2025, the HHI for assets, loans and deposits of the banking systemequaled 1003, 1549 and 1522 respectively, indicating that the banking system is within a moderate level of concentration.

[6]In accordance with the IMF recommendations for developing financial soundness indicators, the following was calculated:
If the HHI < 1000, it indicates a low level of concentration in the market.
If 1000 < HHI < 1800, the market is at a moderate level of concentration.
If HHI > 1800, it means there is a high level of concentration in the market.

Figure 3.3. Concentration in the credit portfolio of credit financial institutions



Source: NBT data and calculations.

By credit portfolio, concentration risk is primarily observed in the consumer sector, whose share in the banking system's credit portfolio increased from 25.8% in 2020 to 53.1% in 2025. While consumer loans contribute to meet public needs and stimulate economic turnover, their high level in the credit portfolio of credit financial institutions may increase potential risks.

3.2.2. Foreign exchange risk

In 2025, a trend toward declining dollarization of the economy and a reduction in foreign exchange risk were observed. During the reporting period, necessary measures were taken to mitigate potential risks affecting the economy, eliminate exchange rate fluctuations, stabilize the domestic foreign exchange market, and meet demand for foreign currency using existing mechanisms.

In January-December 2025, the official exchange rate of the US dollar against the somoni 15.4 % (from TJS 10.9325 as of December 31, 2024 to TJS 9.2513 as of December 31, 2025). This figure decreased by 0.2 % compared to the same period of the previous year.

Exchange rate fluctuations during this period impacted the open currency position of credit financial institutions. Consequently, the banking system's open currency position at the end of 2025 was short, amounting to TJS 17.7 mln.

Figure 3.4. Changes in the exchange rate of the US dollar against the somoni

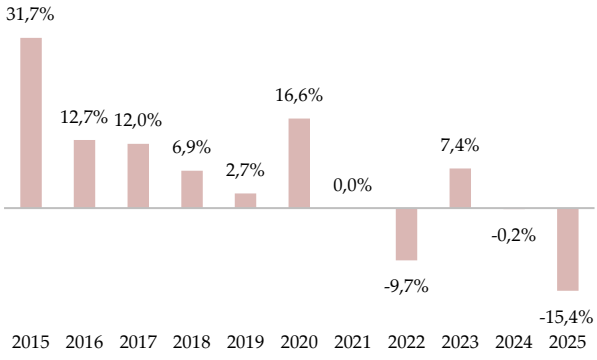
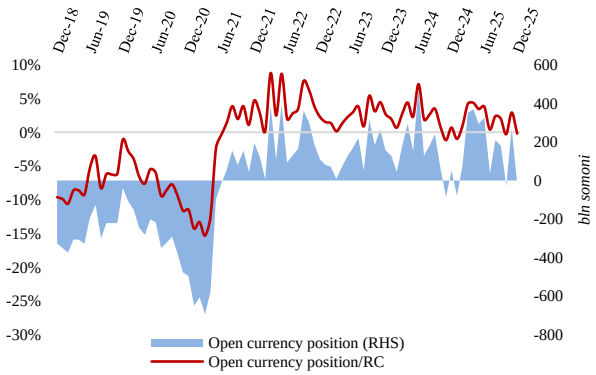


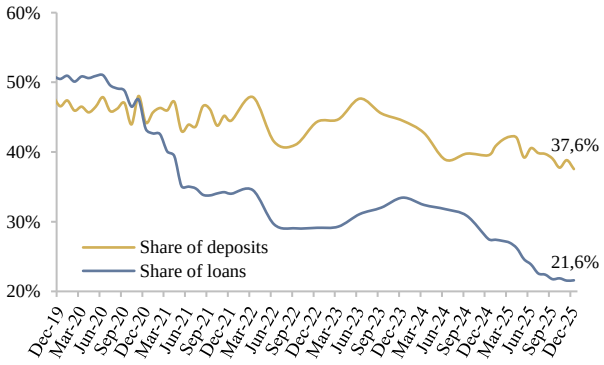
Figure 3.5. Open currency position in the banking system



Source: NBT data and calculations.

The ratio of open currency position to regulatory capital (K6-1) in the banking system met the established limits (±20%) and equaled -0.2%.

Figure 3.6. Loans and deposits in foreign currency in the banking system



Source: NBT data and calculations

The share of loans and deposits in foreign currency continued downward trend, reducing the banking system's vulnerability to exchange rate fluctuations. At the end of the reporting year, 21.6% of banking system loans were in foreign currency, and 37.6% of banking system deposits were in foreign currency, representing a decrease of 5.9 p.p. and 2.0 p.p., respectively, compared to the end of 2024.

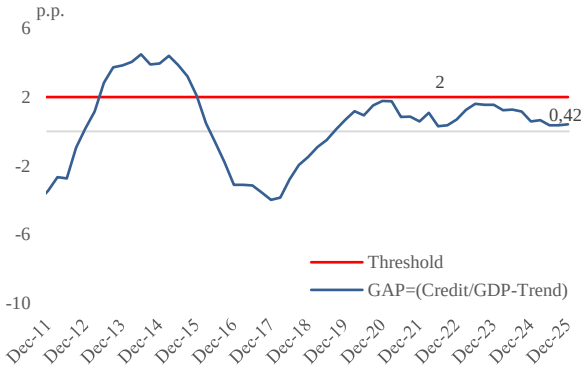
3.2.3. Credit risk

Credit risk is one of the main risks in a country's banking system and can arise when borrowers fail to repay a loan or interest on it, or delay payments. This increases the volume of NPLs in credit organizations and creates liquidity issues.

Loan issuance by credit financial institutions is considered one of the most important factors in a country's economic development however insufficient or excessive supply of loans increases the risks to the banking system and the economy, which can negatively impact on the financial system.

To evaluate credit supply to the economy, according to the methodology of Basel Committee on Banking Supervision the gap between the credit-to-GDP ratio and its long-term trend (the credit-to-GDP gap) are used [7].

Figure 3.7. Credit-to-GDP gap



Source: NBT data and calculations.

According to the assessment, the credit-to-GDP gap and its long-term trend remain within acceptable bounds, and cyclical credit risk is not observed.

[7] To calculate the long-term trend in the government debt-to-GDP ratio, the Basel Committee recommends using the Hodrick-Prescott (HP) filter.

The volume of loans issued by the banking system (banks and MDOs) in January-December 2025, despite the difficult geopolitical and economic situation and financial risks, showed positive dynamics and amounted to TJS 29.4 bln, which is 22.3% more compared tothe same period in 2024.

From the total loans issued in 2025, 33.2% falls on Dushanbe, 29.0% on Sughd region, 20.9% on Khatlon region, 15.8% on the CDRS, and only 1.2% on BMAR. It is worth noting that lending to all regions of the country increased significantly during the reporting year.

Figure 3.8. Structure of new issued loans by region

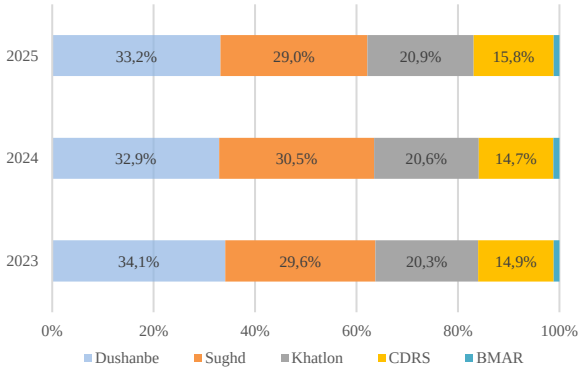
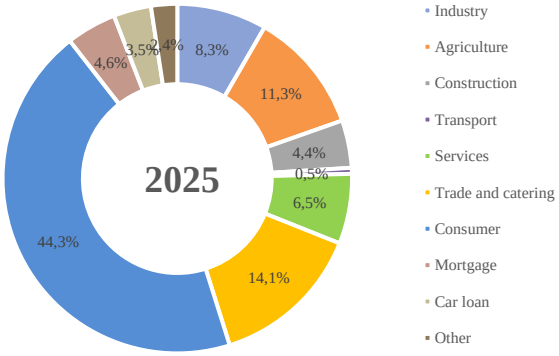


Figure 3.9. Structure of new issued loans by sectors

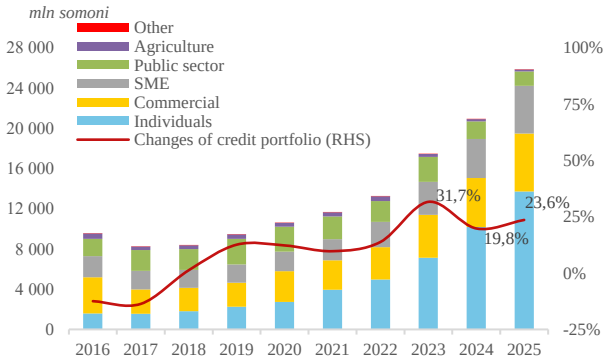


Source: NBT data and calculations.

The analysis of new issued loans by sectors shows that a significant share (44.3%) of new issued loans during the reporting year were given to the consumer sector, indicating the presence of concentration risk in the credit portfolio. The remaining share of new issued loans was accounted for the trade and catering sectors (14.1%), agriculture (11.3%), industry (8.3%), services (6.5%), mortgage (4.6%), construction (4.4%), car loans (3.5%) and other (3.0%).

At the end of 2025, the credit portfolio balance of the banking system (banks and MDOs) increased by 23.6% compared to 2024 and amounted to TJS 25.9 bln. During the reporting year were observed significant changes in the sectoral structure of the banking system's credit portfolio. Loans to the public sector decreased by 18.2% compared to 2024, dropping their share in the credit portfolio to 5.6%. Conversely, loans to individuals increased by 34.9% compared to 2024, and their share in the credit portfolio equaled 53.1%.

Figure 3.10. Structure of the banking system's credit portfolio



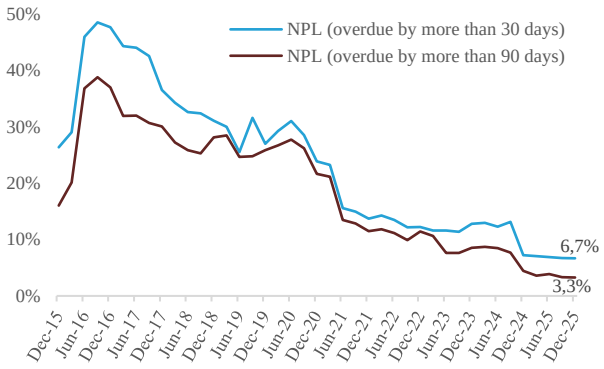
Source: NBT data and calculations.

The growth of consumer loans, on the one hand, reflects expanded public access to bank loans and heightened activity in consumer goods and housing markets, and on the other hand,

increases the likelihood of NPLs. It should be noted that NPLs for individuals, including consumer loans, stood at 3.0% at the end of the reporting year.

Considering this, there is a clear need to strengthen risk controls, improve borrower creditworthiness assessments, and implement modern monitoring mechanisms in credit financial institutions. Failure to take the necessary measures and the continued concentration of consumer loans will undermine the financial stability of not only the one credit financial institution, but the banking system as a whole.

Figure 3.11. Quality of the banking system's credit portfolio



Source: NBT data and calculations.

In international practice, when calculating the share of NPLs in the credit portfolio, loans overdue by more than 90 days are taken into account, which at the end of the reporting year equaled 3.3%.

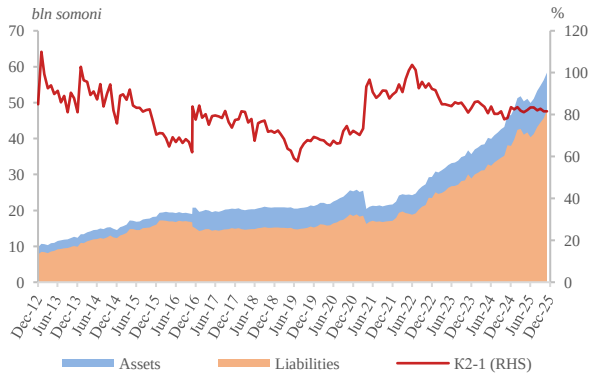
During the reporting year, LLPF amounting to TJS 1 834.8 mln had been established for NPLs, which equaled 106.3% of such loans.

3.2.4. Liquidity risk

The liquidity ratio is considered the main financial soundness indicator of the banking system and plays a vital role in maintaining public confidence. At the end of 2025, the liquidity ratio of the banking system exceeded the established requirement by 51.6 p.p. and equaled 81.6%.

Exceeding the established requirements of this ratio creates a favorable basis for ensuring the financial stability of credit financial institutions, increasing the level of public confidence in the banking system, and expanding the scope of activities of credit financial institutions.

Figure 3.12. Liquidity ratio in the banking system



Source: NBT data and calculations.

Individual analysis of activities of credit financial institutions shows that at the end of 2025, the liquidity ratio in banks equaled 80.4%, in systemically important banks 74.3%, and in MDOs 121.0%.

Compared with 2024, foreign currency liquidity increased by 8.3 p.p. and equaled 91.7%.

The share of liquid assets in total banking system assets at the end of 2025 equaled 44.1% , which 4.1 p.p. more compared to the same period of last year. This ratio stood at 44.4% for banks and 39.5 % for MDOs, which is considered important for maintaining the financial stability of credit financial institutions and increasing public confidence.

The deposit-to-loan ratio is on an upward trend, increasing from 122.1% in 2024 to 131.1% in 2025, which has a positive impact on reducing liquidity risk.

Liquidity stress testing

In order to assess liquidity risk and its contagion across the banking system, the NBT has implemented a liquidity stress-testing module. This module assesses the impact of potential changes in inflows and outflows on the liquidity position of banks and MDOs in stressful situations, taking into account the volatility of credit institutions' inflows and outflows for each asset and liability component.

According to the assessment based on the results of the stress test, by the end of 2025, most banks and MDOs will not be very vulnerable to such risks in a low-risk scenario, and the liquidity shortage will be small.

Across all three scenarios – low, moderate and severe the contagion of liquidity risk from the first and second round effect by the end of the year is not observed.

3.2.5. Profitability risk

At the end of 2025, the majority of credit financial institutions (banks and MDOs) completed their activities with profit, leading to an increase in net profit for the entire banking system. Due to this, the net profit for the banking system equaled TJS 2 288.4 mln, which increased by 87.8% compared to the previous year.

Figure 3.13. Net profit of the banking system

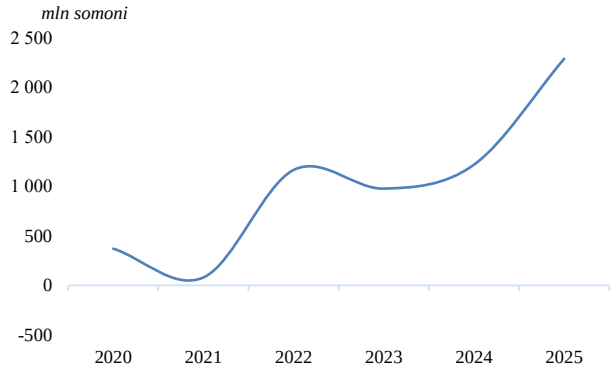
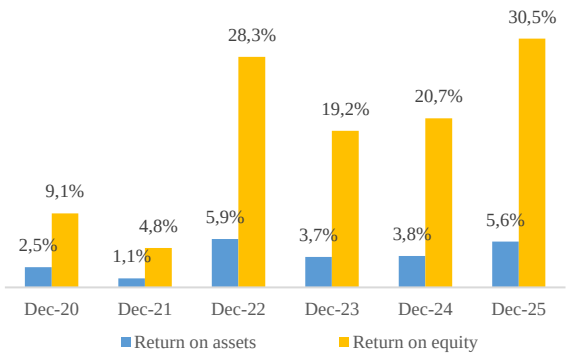


Figure 3.14. Profitability of the banking system



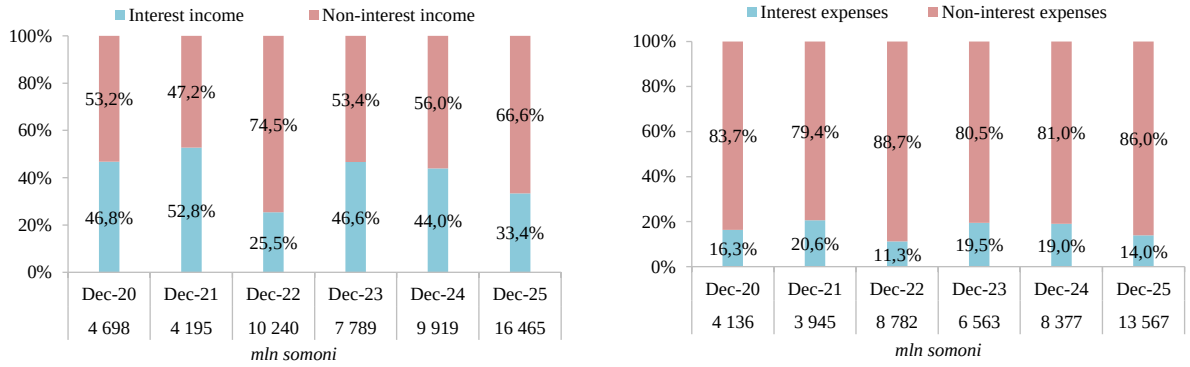
Source: NBT data and calculations

In this regard, the return on assets (ROA) and return on equity (ROE) of the banking system increased by 1.8 p.p. and 9.8 p.p., respectively, and equaled 5.6% and 30.5% respectively.

In the reporting period, the total income of the banking system reached TJS 16.5 bln, which is 66.0% more than in 2024. The share of interest income in total income equaled 33.4%, while the share of non-interest income accounted for 66.6%.

The increase in the share of non-interest income in the reporting year does not indicate a decline in interest income, but rather reflects credit financial institutions' efforts to diversify their revenue sources. Because interest and non-interest income of the credit financial institutions during the reporting year increased by 26.2% and 2.0 times respectively, compared to 2024, contributing to an increase in the banking system's net profit.

Figure 3.15. Income and expenses structure of the banking system



Source: NBT data and calculations.

Total banking system expenses in 2025 increased by 62.0% compared to the previous year, reaching TJS 13.6 bln. Interest and non-interest expenses increased by 18.8% and 72.1%, respectively, compared to the previous year, and their share in the total banking system expenses equaled 14.0% and 86.0% respectively.

To determine the profitability of the credit financial institutions, the net interest income to total income ratio was calculated, which shows how dependent they are on interest payments. This indicator accounted for 52.3% at the end of the reporting year.

Figure 3.16. Average weighted interest rate on term deposits and loans (in national currency)

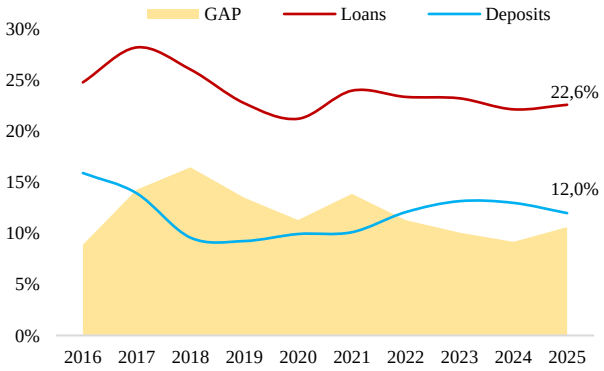
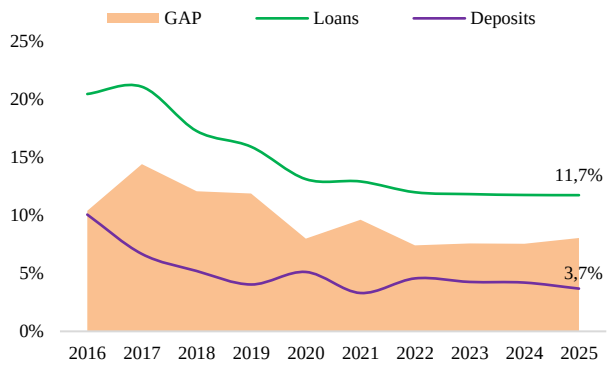


Figure 3.17. Average weighted interest rate on term deposits and loans (in foreign currency)



Source: NBT data and calculations

The main source of credit financial institutions' income is income-generating assets, which at the end of 2025 equaled 57.5% of the banking system's assets.

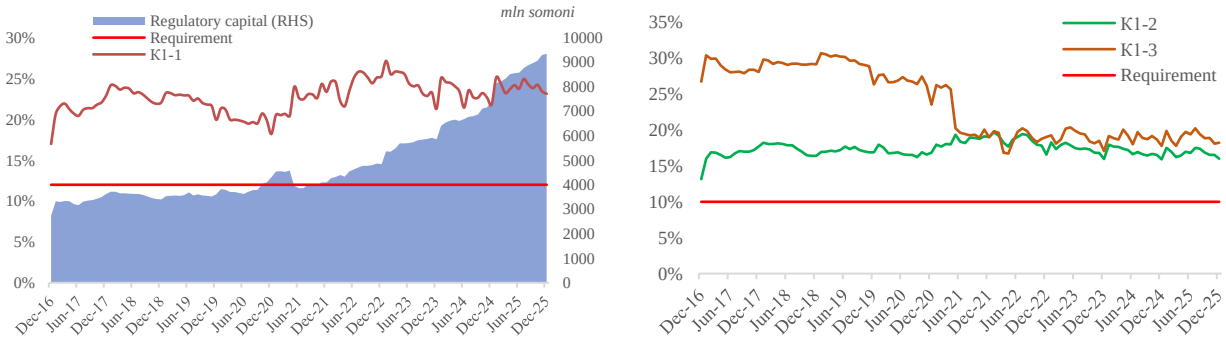
Over the past few years, the average weighted interest rates on loans in national and foreign currencies have shown a downward trend, reaching 22.6% and 11.7%, respectively, by the end of 2025.

It is worth noting that deposits are one of the most important domestic funding sources for credit financial institutions, contributing to the development of the banking system and the country's economy. In this process, interest rates on loans depend on deposits' costs, and lower deposits' costs create favorable conditions for offering loans at more affordable interest rates.

3.2.6. Solvency risk

The capital adequacy ratio (K1-1) was maintained at 23.1 % as of December 2025, exceeding the established limit by 11.1 p.p. Notably, all credit financial institutions met the capital adequacy ratio (K1-1) requirements during the reporting year.

Figure 3.18. Capital adequacy in the banking system



Source: NBT data and calculations.

Capital adequacy ratios (K1-2) and (K1-3) also met established requirements, accounting for 16.0% and 18.2%, respectively. At the end of the reporting year, only one bank failed to meet the requirement for the (K1-2) ratio.

Stress testing

To determine the impact of credit risk on the CAR, taking into account the formation of the LLPF in accordance with the regulation, stress testing was conducted under two shock scenarios: (i) an increase in the NPL ratio by 5 p.p. (the first scenario) and (ii) an increase in the NPL ratio by 10 p.p. (the second scenario).

Table 3.1. Impact of credit risk sensitivity on CAR based on stress test results (as of December 31, 2025)

	Banking system	Banks	Systemic important banks	Foreign banks	MDOs
Status: Original					
- NPL	6.7%	6.9%	12.8%	1.9%	2.9%
- LLPF for NPL	106.5%	107.4%	99.2%	90.4%	68.4%
- CAR (K1.1)	23.1%	23.1%	23.9%	18.1%	24.0%
Impact on the CAR (K1.1)					
- Creation of LLPF in accordance with the regulation	0.0%	0.0%	0.0%	0.0%	-0.1%
- increasing of NPL for 5 b.p.	-0.9%	-0.9%	-1.0%	-1.3%	-0.8%
- increasing of NPL for 10 b.p.	-1.8%	-1.8%	-2.0%	-2.8%	-1.7%
CAR (K1.1) after impact					
- creation of LLPF in accordance with the regulation	23.1%	23.1%	23.9%	18.1%	23.9%
- increasing of NPL for 5 b.p.	22.3%	22.2%	23.0%	16.8%	23.1%
- increasing of NPL for 10 b.p.	21.3%	21.2%	21.9%	15.3%	22.2%

Source: NBT data and calculations.

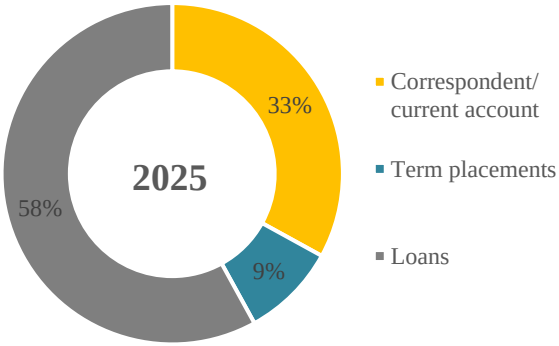
On average, after the shock, the CAR for the banking system under the scenarios remains around 22.3% and 21.3%, respectively, which is higher than the established requirement (12%). It should be noted that after the implementation of the above scenarios, despite a relative decline in the CAR, no capital deficit is observed in the banking system.

3.2.7 . Interconnectedness risk

Contagion risk in credit organizations refers to situations in which the interconnection between attracted and placed funds may negatively affect financial stability. In other words, contagion risk is the risk of financial problems spreading from one credit organization to other credit organizations or to the entire financial system, indicating the interconnectedness of credit organizations and their common risks.

This risk is considered significant for the banking system and may impact its liquidity, sustainability, and risk management capacity. If a highly interconnected credit organization faces difficulties, the concentration risk increases and systemic risk arises.

Figure 3.19. Interconnectedness by operations



Source: NBT data and calculations.

An analysis of the interconnectedness among 34 credit organizations was conducted based on lending transactions, placements, and correspondent transactions through correspondent accounts. It should be noted that transactions between two credit organizations across all three operations indicates a potential risk of contagion.

The interconnectedness of the financial system, formed through direct and indirect financial links, is a key factor contributing to the emergence of systemic risk. These links facilitate the transmission of shocks from one market participant to others, thereby spreading risk throughout the entire financial system.

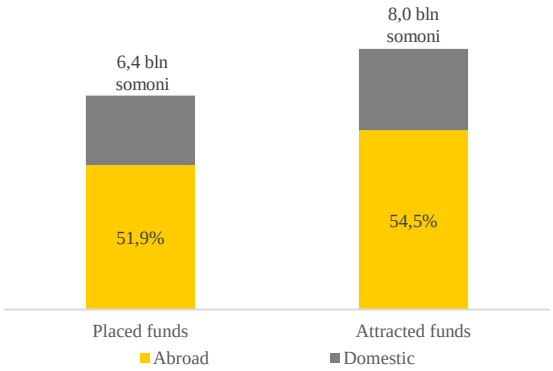
3.2.8. Geographic risk

Cross-border interconnectedness in Tajikistan's credit organizations is an important issue affecting the level of financial and the banking system's stability. Interconnectedness with international financial institutions and foreign banks can provide financial benefits, access to advanced technologies, and management experience. However, it also increases the potential exposure to a number of risks.

Available data indicate that during the reporting year, domestic credit organizations placed TJS 3.3 bln in the international financial institutions, banks, and other foreign financial institutions, and also attracted TJS 4.4 bln from them. Notably, funds attracted by credit organizations from

foreign sources accounted for 16.1% of the banking system's credit portfolio. Furthermore, 54.5% of attracted funds belong to foreign financial institutions.

Figure 3.20. Cross-border interconnectedness of credit organizations



Source: NBT data and calculations.

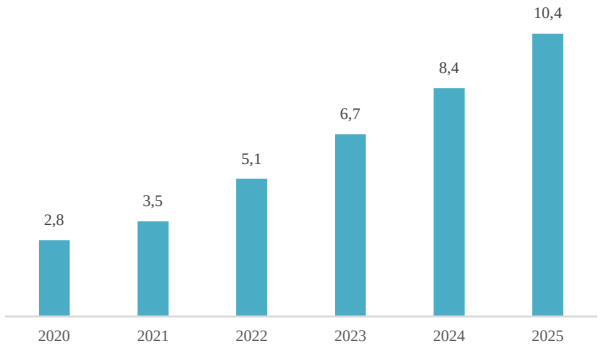
It should be noted that loans from international institutions are usually attracted o interest rate terms, and cooperation with them increases the confidence of domestic and foreign investors in the credit organization. Shareholders of credit organizations that have attracted significant funds from abroad are foreign legal entities and individuals. Foreign shareholders can invest more capital into the credit organization, increasing its lending capacity. Additionally, the presence of foreign shareholders connects financial institutions with international financial networks and creates favorable conditions for developing cooperation with financial institutions.

4. PAYMENT SYSTEM

The payment system is a key component of the country's financial infrastructure, ensuring the turnover of non-cash transactions in the country. The NBT's primary responsibility in the payment system is to ensure the efficient and smooth operation of payment systems and the timely and safe settlements and payments within the country.

Bank payment cards. As of December 31, 2025, the total number of bank payment cards reached 10.4 mln units, which is 23.7% more than in the same period of last year. 51.7% from the total number of bank payment cards are payment cards of the National Payment System "Korti Milli", 13.9% are payment co-branding cards of "Express Pay - Korti Milli", 21.0% are cards of international payment systems (Visa, Mastercard and UnionPay), 9.6% are co-branding "UnionPay - Korti Milli" cards, 1.9% are domestic payment system cards of credit financial institutions and 1.9% are payment cards of the "Express Pay" payment system.

Figure 4.1. Number of bank payment cards (mln units)



Source: NBT data and calculations.

The distribution of the number of bank payment cards by regions shows that during the reporting period, 34.8% of the total number of cards were issued in Dushanbe, 25.3% in Sughd region, 23% in Khatlon region, 15.4% in the CDRS, and 1.5% in BMAR.

Figure 4.2. Share of bank payment cards by payment systems

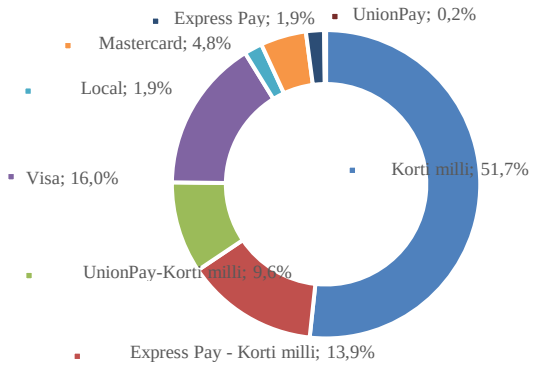
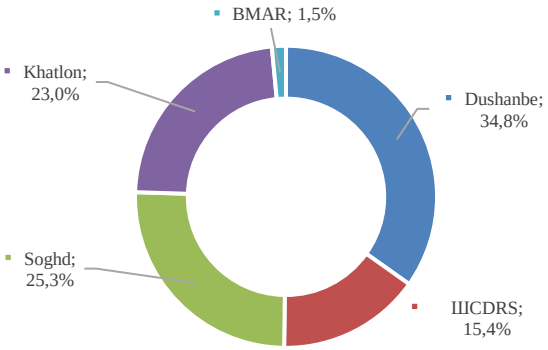


Figure 4.3. Share of bank payment cards by regions



Source: NBT data and calculations.

E-wallets. It's worth noting that in recent years the use of e-wallets by credit financial institutions in the country has grown rapidly, reaching a total number of 17.7 mln units as of December 31, 2025, which is 5.6 mln units or 46.4% higher compared to the same date of last year. During the reporting year, 27 credit financial institutions provided e-wallet services.

Figure 4.4. Number of e-wallets (units)

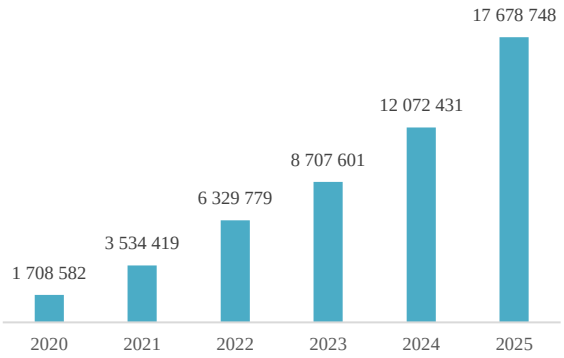
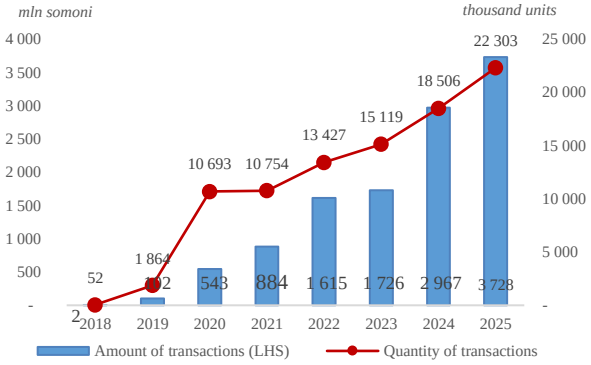


Figure 4.5. Number and volume of transactions via e-wallets



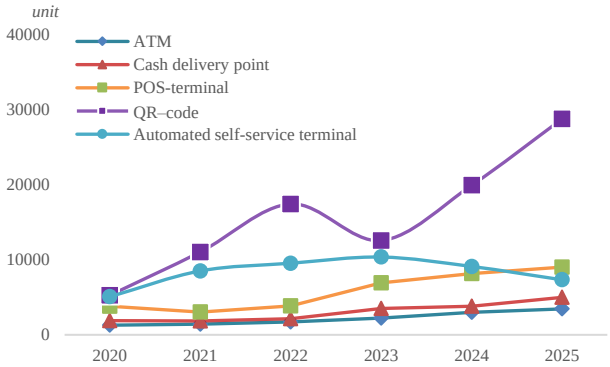
Source: NBT data and calculations.

In 2025, 22 303.4 thousand non-cash payment transactions worth TJS 3 727.6 mln were conducted via e-wallets, which is more for 20.5% and 25.6% respectively compared to the previous year.

Payment infrastructure. As of December 31, 2025, the cash withdrawal infrastructure consisted of 3 453 ATMs and 4 991 electronic terminals at cash withdrawal points, representing an increase of 14.9% and 30.8%, respectively, compared to the same date in 2024.

In addition, as of the reporting date, 9 017 POS terminals for non-cash payments were installed at trade and service points, which is 10.8% more than as of the same date in 2024. Also, 28 762 QR-codes were installed at trade and service points, which is 44.4% more than as of December 31, 2024. The total number of automated self-service terminals as of the reporting date was 7 330 units.

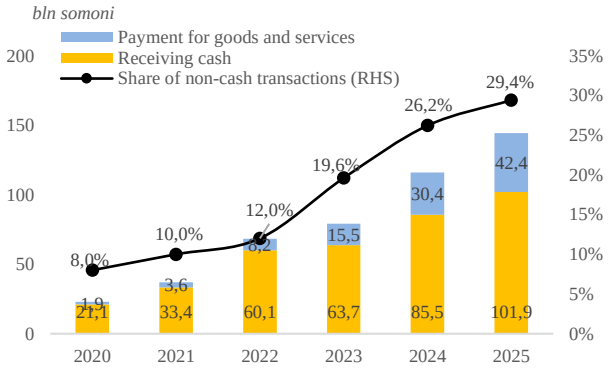
Figure 4.6. Dynamics of payment infrastructure development



Source: NBT data and calculations.

Non-cash transactions. In 2025, 136.0 mln non-cash transactions worth TJS 42.4 bln were carried out using electronic payment instruments (bank cards and e-wallets), which represents an increase of 47.1% in number and 39.8% in volume of transactions compared to 2024.

Figure 4.7. Transaction volume using electronic payment instruments and share of non-cash payments



Source: NBT data and settlements.

The ratio of cash withdrawals to non-cash payments for goods and services using electronic payment instruments stood at 70.6% to 29.4% in total, with the share of non-cash payments increasing by 3.2 p.p. compared to 2024. In December 2025 alone, the share of non-cash payments increased by 9.4 p.p. compared to December 2024, reaching 38.9%.

The current state of non-cash payments development shows that most private sector entrepreneurs abstain from installing POS-terminals, QR-codes, and accepting non-cash payments, which creates a serious obstacle to full transition to non-cash payments.

Other problems existing in the public sector include the fact that some government authorities still accept cash from the public when providing paid government services, the use of government employees' payment cards to pay for government services, and the inactivity of electronic terminals.

5. INSURANCE SYSTEM

The insurance sector, as an essential component of a country's financial system, plays a significant role in ensuring macroeconomic stability, protecting the financial interests of individuals and businesses, and fostering sustainable growth of the financial system. Under modern conditions of economic development, strengthening risk management mechanisms is considered one of the key factors in ensuring financial stability.

Insurance acts as an effective risk-sharing mechanism, reducing the negative impact of natural disasters, accidents, operational risks and other unexpected circumstances, thereby reducing the financial burden on the state budget.

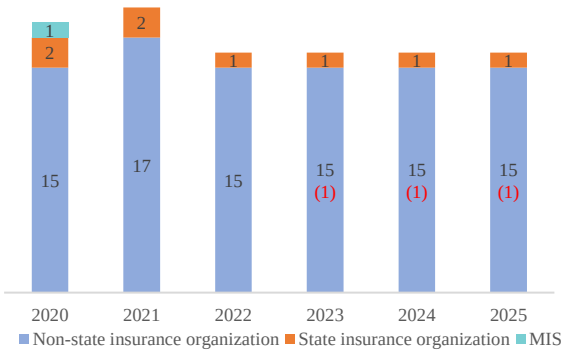
In order to achieve the constructive goals of the country's government, the NBT, as the body supervising the insurance sector, is implementing reforms in the insurance sector that will have a positive impact on ensuring the stability of the country's financial system.

Last year, a number of projects were implemented to continue ongoing reforms of the country's insurance system, which will ensure further transparency, stability, and reliability of the sector, thereby creating a favorable foundation for its development.

Key indicators of the insurance system

As of December 31, 2025, there are 16 insurance organizations were operating in the territory of the RT, including one state insurance organization and 15 non-state insurance organizations. Two of these insurance organizations also provide reinsurance services. During the reporting year, there are 66 branches and 6 representative offices of insurance organizations provided services to the country's population.

Figure 5.1. Structure of the insurance system of the RT (in units)



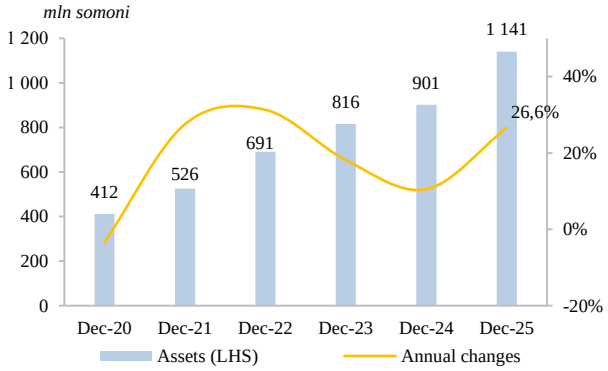
Source: NBT data and calculations.

In the reporting year, the number of insurance organizations decreased by 4 units compared to 2021 due to the implementation of the NBT policy of transitioning from quantity and quality to ensure transparency in the insurance market.

The result of the country's insurance system activities in 2025 show that the sector's primary indicators demonstrated stable growth.

The assets of insurance (reinsurance) organizations in 2025 equaled TJS 1 141.2 mln, which is TJS 239.7 mln or 26.6% more than in the previous year.

Figure 5.2. Assets of insurance organizations



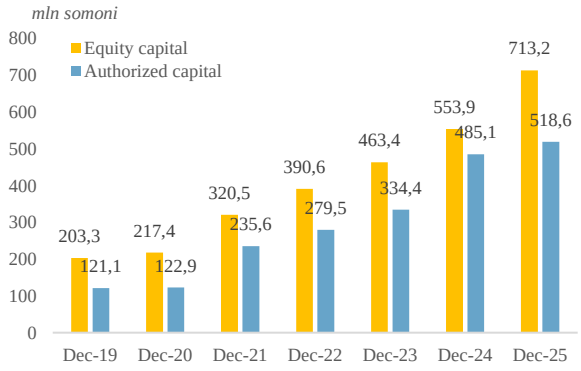
Source: NBT data and calculations.

Changes in the insurance system's total assets in recent years demonstrate the sector's stable growth and its impact on the country's financial system and the national economy as a whole, through a chain reaction with the banking system. This process is based on the fact that the volume of insurance premiums and payouts, bank deposits, investments, taxes paid, and profits generated by the insurance sector tend to increase annually.

Furthermore, the asset quality of the country's insurance system has gradually improved, with the level of liquid assets reaching 80.2% in 2025, reflecting the financial resilience of the sector. In the reporting year, insurance system assets accounted for 1.7% of total financial system assets, and 0.6% of the GDP.

An increase of insurance system assets in the reporting year was primarily driven by the steady growth of equity capital. In 2025, the insurance system's equity capital equaled TJS 713.2 mln, which is 28.8% higher compared to the previous year. Therefore, prudential standards established by the insurance supervisory authority were maintained by insurance organizations , ensuring step-by-step financial stability of the system.

Figure 5.3. Total capital of the insurance system

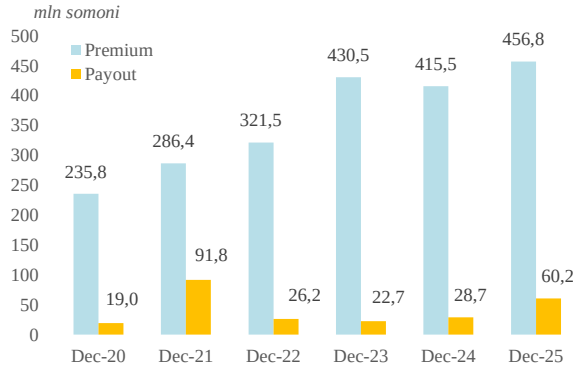


Source: NBT data and calculations.

Insurance premiums are one of the important indicators demonstrating the activities of insurance organizations and main source of their income, and in 2025 they amounted to TJS 456.8 mln, which is 9.9% more than in the previous year.

In 2025, insurance premiums and payouts increased by 2.1 times compared to the previous year and amounted to TJS 60.2 mln.

Figure 5.4. Changes in insurance premiums and payouts



Source: NBT data and calculations.

Although insurance payouts have increased compared to previous years, they are still remain at a low level, which is considered one of the existing problems in the country's insurance sector and requires the adoption of necessary measures.

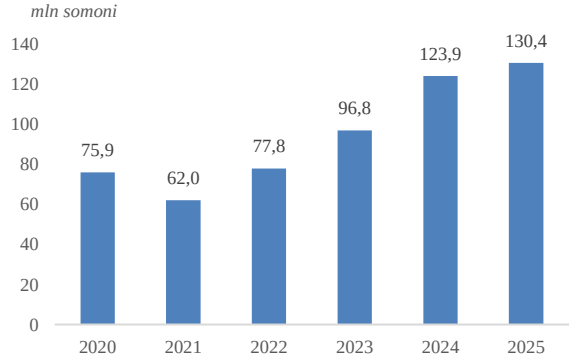
Another problem in this sector is the low public trust in insurance services, which largely depends on the quality of services, the ratio of total insurance payouts and compensation, and the financial stability of the system.

The number of active insurance contracts, reflecting the activity of the country's insurance system, equaled 2.5 mln in 2025, which is 8.7% more than in the previous year.

Risks assumed by insurance (reinsurance) organizations in 2025 amounted to TJS 119.9 bln. In this regard, risks transferred by insurance (reinsurance) organizations to reinsurance in the reporting year amounted to TJS 59.5 bln, which is 42.5% less compared to 2024. This indicator, on the one hand, is considered positive due to effective insurance risk management, while on the other hand, remaining large insurance risks could negatively impact the financial stability of the system.

The insurance reserves, which are evidence of the timely fulfillment of obligations of insurance (reinsurance) organizations, increased by 37.8% compared to 2024, amounting to TJS 352.0 mln in the reporting year. This trend was achieved due to improved regulation and supervision of insurance reserve formation and the practical implementation of the basic insurance principles in the system, thereby ensuring the further stability of the insurance sector.

Figure 5.5. Net profit of the insurance system

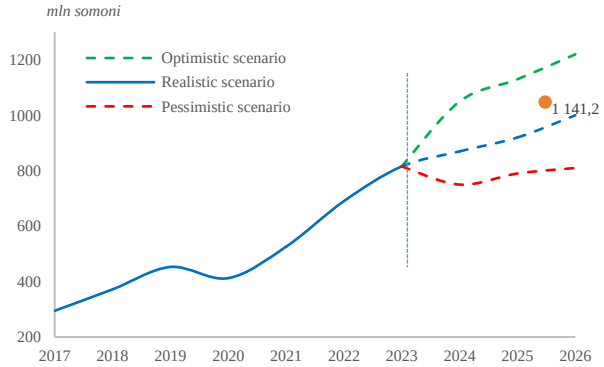


Source: NBT data and calculations.

In 2025, the insurance system's net profit increased by 5.2% compared to the previous year and equaled TJS 130.4 mln, reflecting an increase in taxes paid by insurance organizations to the

state budget. During the reporting period, taxes paid by insurance organizations to the state budget increased by 29.6% compared to 2024 and amounted to TJS 56.8 mln.

Figure 5.6. Mid-term growth prospects of the insurance system



Source: NBT data and calculations.

All achievements in the country's insurance sector are based on the medium-term perspective of the NBT and the activities of the insurance sector, taking into account the timely implementation of planned reforms, were summarized in a positive outlook scenario.

6. MEASURES TAKEN TO ENSURE FINANCIAL STABILITY

During 2025, the NBT, in accordance with the instructions and directions of the Leader of the Nation, the President of the Republic of Tajikistan, focused its activities on improving the state of the country's banking system, effectively implementing monetary and foreign exchange policies to maintain a stable price level and the exchange rate of the national currency, improving the infrastructure of the banking system, activating financial intermediation, increasing public confidence in credit financial institutions and ensuring the financial stability of the banking and insurance systems.

1. In accordance with the "Main directions of the monetary policy of the Republic of Tajikistan for 2026 and the medium term," based on the implementation of most of the main principles of inflation targeting regime, the NBT has decided to transit to the inflation targeting regime starting in 2026 and systematically implement the remaining necessary reforms.

2. Instruction №262 "On mandatory reserve of credit organizations against deposits and other similar liabilities" has been revised in a new version (Resolution of the NBT Board dated April 18, 2025, №58).

3. Amendments and supplements have been made to the Instruction №189 "On Securities of the National Bank of Tajikistan" (Resolution of the NBT Board dated November 4, 2025, №137).

4. Amendments and supplements have been made to the regulations of the "Monetary Policy Committee of the National Bank of Tajikistan" and the "Credit Committee of National Bank of Tajikistan".

5. In order to introduce new Islamic monetary instruments to regulate the liquidity level of Islamic credit institutions, cooperation was established with the Asian Development Bank, a number of meetings were held, international experts were invited to study the market and conduct personal interviews with Islamic credit organizations, and work in this direction continues.

6. In collaboration with the European Bank for Reconstruction and Development and the OG Research Center, a number of important events were conducted to study and analyze the structure of the money market in the RT, and technical assistance was provided to improve the effectiveness of monetary policy instruments, strengthen the QPM model, and enhance staff analytical and research capacities.

7. As part of the Policy Consultation Instrument, a single information window was introduced for credit financial institutions' operating rates across all market segments (cash, non-cash, e-wallets, cards, and money transfers). This initiative raised the transparency of the foreign exchange market to a qualitatively new level, allowing market participants to make decisions based on accurate, comparable, and accessible information. At the same time, this process helped limit the use of multiple exchange rates, reduce the risks of exchange rate manipulation, and promote healthy competition in the foreign exchange market.

8. Instruction №261 "On procedure for determining and announcing the official exchange rate of foreign currency in relation to the national currency" was developed and approved by the Resolution of Board of the NBT on January 17, 2025, №17 and registered at the Ministry of Justice of the RT on April 21, 2025 № 1338.

9. The "Procedure for Conducting Foreign Exchange Interventions by the National Bank of Tajikistan" was developed and approved by Resolution of Board of the NBT on December 31,

2025, №167, which laid the foundation for conducting foreign exchange interventions within the framework of IMF requirements and modern practice.

10. In order to implement a unified and transparent exchange policy within the framework of the exchange rate regime of "managed floating", regulate the domestic foreign exchange market, and increase the responsibility of foreign exchange market participants when conducting foreign exchange transactions with clients as well as to ensure compliance with the requirements of paragraph 18 of the Instruction №251 "On the scope of application, the procedure for foreign exchange currency circulation, procedure and rules for issuing and revoking licenses for foreign exchange transactions in the Republic of Tajikistan", the NBT send the document to credit financial institutions by letter on June 30, 2025, №07.6-733 / 2025.

11. In order to eliminate inconsistencies between documents regulating foreign exchange transactions as part of the implementation of measures to improve the functioning of the foreign exchange market, further liberalize the process of foreign exchange transactions, eliminate restrictions, and eliminate the significance and materiality of certain instructions related to the regulation and control of the domestic foreign exchange market and conduct of foreign exchange transactions, the NBT gradually canceled 29 previously issued instructions by letter (on August 13, 2025, №07.6-924/3210).

12. The NBT carries out the necessary work within its competence to strengthen the stable functioning of the banking system and ensure its sustainable development in the country, as well as to improve asset quality, strengthen the risk management system, increase core capital, improve methods of regulation, supervision and regulation of the activities of credit financial institutions and increase public confidence in the banking system.

13. To further reduce credit risk and improve asset quality in the banking system, several credit organizations, upon request of the NBT, have developed an action plan for the repayment of NPLs, non-systemic loans and interests, as well as selling repossessed collateral property on their balance sheets, and submit monthly reports on its implementation.

14. To reduce interest rates on loans provided by credit financial institutions, a working group was created by order of the Chairman of the NBT, which constantly conducts the necessary analyses to determine the cost of loans, fully utilize the existing capacity of credit financial institutions and reduce the share of secondary costs.

15. In order to ensure transparency in the activities of credit financial institutions, increase public confidence, and attract investment, the NBT regularly publishes on website information on the banks' major shareholders, the banks' investments in the capital of other organizations and enterprises, and the main financial indicators of credit financial institutions.

16. The Guidelines on procedure for determining the ultimate beneficial owner of credit financial institutions and the mechanism for using this information in the process of banking supervision were adopted (by the NBT Board Resolution on April 30, 2025, №74/ff).

17. By the Resolution of the NBT Board on July 8, 2025, №90 “Procedure for the preparation and deadline for submission of financial statements” was approved and registered at the Ministry of Justice of the RT on August 11, 2025, №1354.

18. By the Resolution of the NBT Board on June 30, 2025, №86 the “List of recommended information to be included in the insurance policy” was approved and put into effect.

19. By the Resolution of the NBT Board on November 24, 2025, №145 the “List of balance sheet accounts of insurance (reinsurance) organizations” and “Description of balance sheet accounts of insurance (reinsurance) organizations” were approved and put into effect.

20. A draft Law of the RT “On Amendments and Supplements to the Law of the Republic of Tajikistan “On Compulsory Civil Insurance of Vehicle Owners” has been developed.

21. A draft of the “NBT Strategy for the Development of the Insurance System for 2026–2030” and an action plan for its implementation have been developed and submitted to the NBT Board for consideration.

22. In the World Bank's report on compliance with accounting and auditing standards and codes in the RT, the country's insurance system was assessed for the first time at the international level and received a rating of 2.3.

23. In order to effectively implement the Decree of President of the RT dated June 22, 2023, № 586 "On Measures to Expand Non-cash Payments", the Law of the RT "On Insurance Activities" on January 2, 2025 was amended accordingly, making all insurance transactions non-cash.

24. In order to digitalize the country's insurance sector, the Agency for Innovation and Digital Technologies under the President of the RT has developed and made available for public use the "Insurance System" section of the NBT website in collaboration with the "Unified Electronic Insurance System." This system will facilitate the further development of the country's insurance sector, its adaptation to international standards, and ensure transparency and healthy competition in the industry.

25. Amendments and supplements have been made to the “Procedure for cross-border transfers of funds and the activities of payment systems implementing such transfers in the Republic of Tajikistan” (Resolution of the NBT Board on July 23, 2025, №96).

26. Amendments and supplements have been made to the “Procedure for attracting payment banking agents and monitoring compliance with the conditions for their engagement” (Resolution of the NBT Board on January 7, 2025, №12).

27. Amendments and supplements have been made to the Instruction №201 “On Remote Banking Services” (Resolution of the NBT Board on June 30, 2025, №88).

28. The rapid development of electronic payment instruments was ensured (the number of bank payment cards increased by 23.7%, and e-wallets by 46.4%).

29. In the area of payment system development, a steady growth in the number of participants – credit financial institutions was ensured:

–National Payment System "Korti Milli" - 32 credit financial institutions (an increase of 3.2%);

–National Money Transfer Processing Center - 33 credit financial institutions (an increase of 6.5%) and 4 international payment systems (an increase of 33.3%);

–Payment system "VATAN" - 29 credit financial institutions (an increase of 7.4%);

–NPB "Mastercard" (TDZhS) - 6 credit financial institutions (an increase of 50.0%);

–NPB "UnionPay" (TJNNSS) - 10 credit financial institutions (an increase of 42.9 %);

–The “single QR-code” system – 28 credit financial institutions (an increase of 7.7%).

At the same time, the volume of interbank payments through this system increased by 147%, reaching TJS 1.6 bln.

30. The infrastructure for accepting payments using POS-terminals and a single QR-code has expanded significantly: 9 017 POS-terminals (an increase of 12.0%) and 28 762 single QR-codes at points of sale and service (an increase of 44.4%).

31. The number and volume of non-cash transactions have increased significantly:

–using electronic payment instruments (bank payment cards and e-wallets), 136.0 mln non-cash transactions worth TJS 42.4 bln were made, which is 47.1% more in number and 39.8% more in volume than in 2024;

– a share of non-cash transactions for payment of goods and services using electronic payment instruments amounted to 29.4%, which is 3.2 p.p. more than in 2024.

32. Licenses to act as payment system operators were issued to LLC “BECT”, the operator of the BECT payment system, LLC “Digital Payment”, the operator of the SENDI, payment system, and LLC “Pardokhti oson”, the operator of the “Easy pay” payment system.

33. Significant work has been carried out to implement the Decree of President of the RT on June 22, 2023, №586 "On measures to expand non-cash payments":

– 5 983 POS-terminals and 5 397 unified QR-codes for accepting government payments were installed in ministries, departments, government agencies and institutions;

– mobile applications of 29 credit financial institutions were used to accept payments for government services;

–Working groups for monitoring the implementation of the Decree of the President of the RT on June 22, 2023, №586 (consisting of 52 NBT employees) visited government and credit financial institutions 6 539 times and carried out explanatory work;

–The Action Plan for implementation of the Decree of President of the RT on June 22, 2023, №586 of has been fulfilled by 75.4%.

34. The Strategy for the development of the payment system of the RT for 2015-2025 has been fully implemented.

35. The "Service Delivery Networks and Digital Financial Services" direction of the National Financial Inclusion Strategy of the RT for 2022-2026 has been fully implemented.

36. In order to strengthen the analysis and monitoring of risks, amendments were made to the “Procedure for developing a risk map of the financial system ” (Resolution of the NBT Board on November 24, 2025, №61).

ABBREVIATIONS

Statistics Agency	Agency on Statistics under the President of the Republic of Tajikistan
UAE	United Arab Emirates
CHB	Credit history bureau
NBT	National Bank of Tajikistan
Foreign banks	Banks with foreign capital
p.p.	percentage points
WB	World Bank
Ministry of Finance	Ministry of Finance of the Republic of Tajikistan
BMAR	Badakhshan Mountainous Autonomous Region
USD	US dollar
SUE	State Unitary Enterprise
NPL	Non-performing loans (overdue by more than 30 days)
FSC	Financial Stability Committee of the National Bank of Tajikistan
CAR	Capital adequacy ratio
mln	million
bln	billion
MISC	Mutual Insurance Support Center
GDP	Gross domestic product
Banking system	Banks and MDOs
CDRS	Cities and districts of republican subordination
RHS	Right - hand scale
LHS	Left - hand scale
SMEs	Small and medium-sized enterprises
MDO	Microcredit deposit organization
MFI	microfinance institutions
Russia	Russian Federation
LLPF	Loan loss provisioning fund
Fund	Deposit and Saving Insurance Fund of Tajikistan
IMF	International Monetary Fund
RT	Republic of Tajikistan