NATIONAL BANK OF TAJIKISTAN

REVIEW OF FINANCIAL STABILITY OF THE BANKING SYSTEM OF THE REPUBLIC OF TAJIKISTAN[1] FOR THE FOURTH QUARTER OF 2025

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

Capital Adequacy. The capital adequacy ratio (K1-1) and the Tier1 capital adequacy ratio (K1-3) as the main financial soundness indicators in the banking system, at the end of December 2025 exceeded the established limits by 11,1 percentage point (p.p.) and 8,2 p.p., and accounted for 23,1% and 18,2%, respectively.
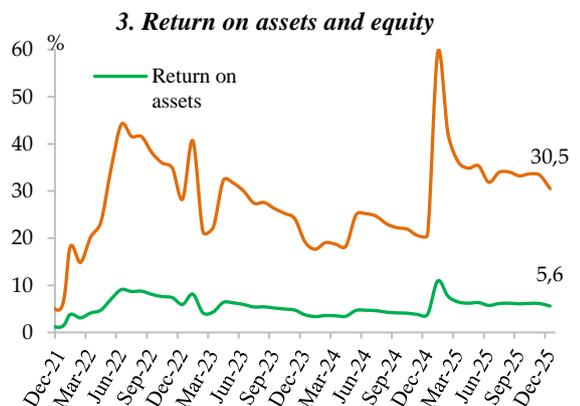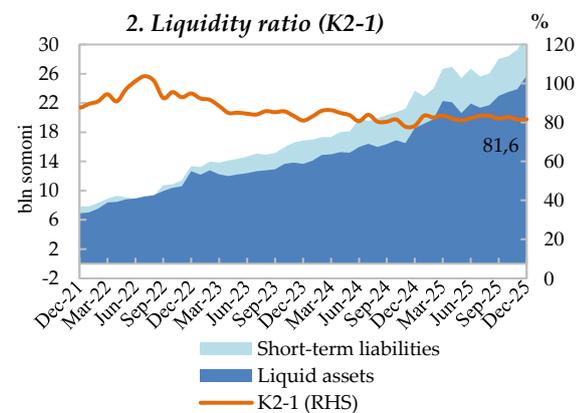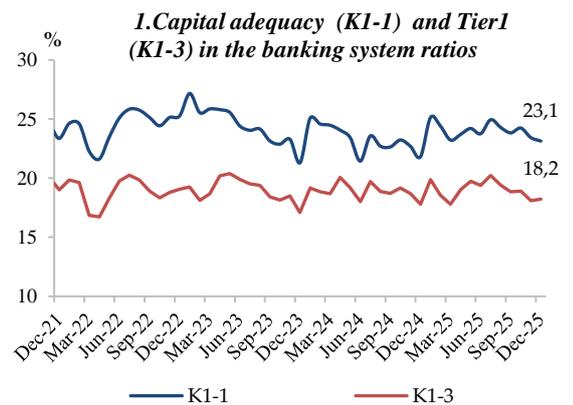
It should be noted that exceeding the capital adequacy indicators minimum regulatory requirements helps mitigate potential financial losses and ensures the uninterrupted activities of the banking system.

Liquidity. The liquidity ratio (K2-1) at the system level complies with the prudential requirements (30%) and accounted to 81,6%. The liquidity rate for systemically important credit institutions also met the requirements of the minimum prudential rate (50%) and equaled 74,3%. The liquidity of the banking system in foreign currency accounted to 91,7%.

The deposit to credit portfolio ratio has a tendency to increase, reaching from 122,1% in 2024 to 131,1% in 2025, which has positive impact on reducing liquidity risk.

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

Profitability. For the reporting period, indicators of return on assets and return on capital, as indicators of the efficiency of the banking system, had a stable trend and accounted to 5,6% and 30,5%, respectively.

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

2. Liquidity ratio (K2-1)

3. Return on assets and equity

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[1] Banks and MCDO.

During the reporting period, net interest income increased by 30.4%, which contributed to the growth of the banking systems overall income.

The ratio of interest margin to gross income[2] in the banking system accounted to 52,3 %.

Quality of the credit portfolio. The share of non-performing loans (NPL)[3] in the credit portfolio compared to the same period of the previous year decreased by 0,5 p.p. and accounted to 6,6%. Also, according to international practice, NPLs are considered overdue for more than 90 days, which accounted to 3,3% in the country's banking system as of December 2025.

Over this period the loan loss provision fund indicator (LLPF) in relation to NPL equaled 106,3%.

In the reporting period the ratio of NPL without LLPF to regulatory capital (RC) accounted for -1,2% which indicates a low burden of NPL on capital.

Foreign exchange risk. In the reporting period, the share of loans and deposits in foreign currency (FX) decreased by 5,7 p.p. and 2,0 p.p. compared to the end of December 2024 and equaled 21,4% and 37,6% 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 of the banking system to foreign exchange risk is the ratio of the total open currency position to regulatory capital, which shows the discrepancy between the open currency position of assets and liabilities. According to the analysis, the capital of the Tajikistan's banking system is relatively less vulnerable to foreign exchange risk, and as of the end of December 2025, above mentioned ratio accounted for -0,2%.
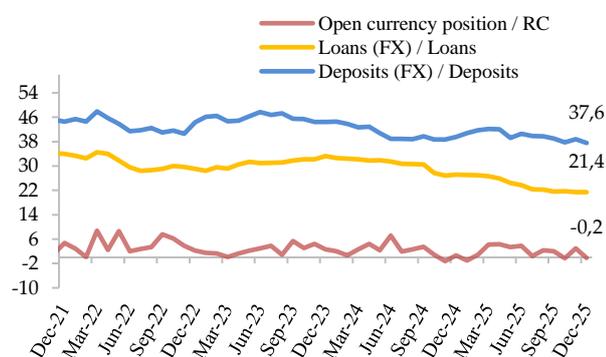
4. The quality of credit portfolio
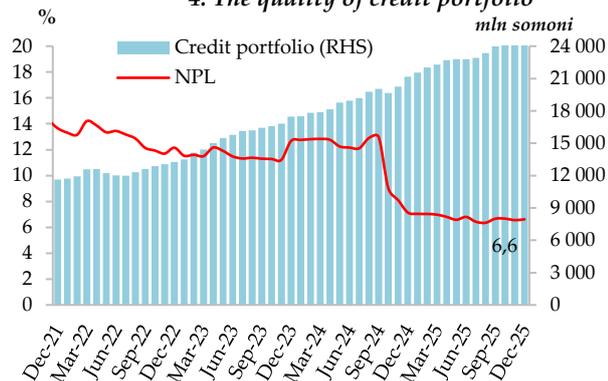
5. (NPL-LLPF)/RC
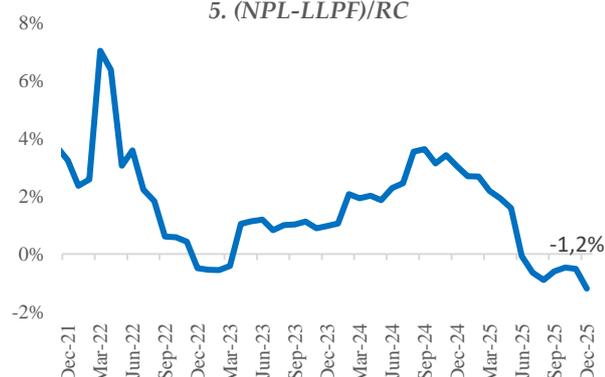
6. FX risk indicators

Source: NBT calculations.

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