



NATIONAL BANK OF TAJIKISTAN

REVIEW OF THE FINANCIAL STABILITY OF THE BANKING SYSTEM OF THE REPUBLIC OF TAJIKISTAN* FOR THE SECOND QUARTER OF 2023

In the second quarter of 2023, due to favorable macroeconomic environment in the country, the main indicators of the financial system showed a stable trend and met established prudential requirements.

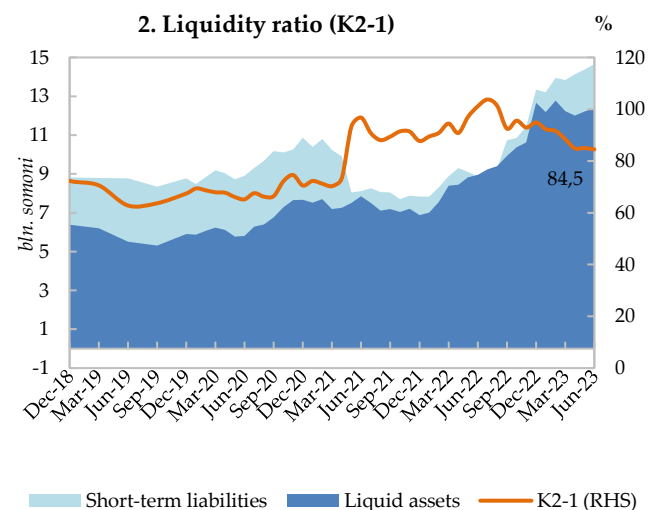
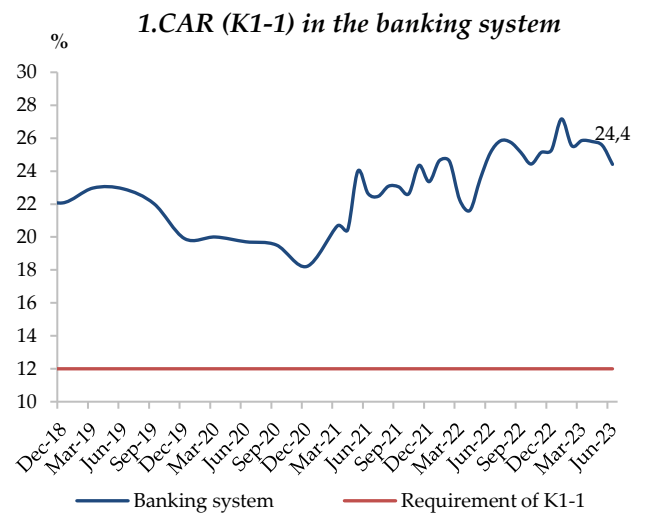
Capital Adequacy. According to the results of the 2nd quarter of 2023, the capital adequacy ratio in the banking system (K1-1) exceeded the minimum requirements by 12,4 p.p. and equaled to 24.4% which is less with 0.7 p.p compared to the same period of the last year.

The increase in this indicator over this period was facilitated by the growth of regulatory capital by 23,0% and risk-weighted assets by 26,5%, which contributed to the increase in the capital adequacy ratio. The K1-3 ratio increased by 0,1 p.p. to the same period in 2022 and amounted to 19,9% compared.

It should be noted that exceeding the capital adequacy ratio of the minimum requirement promotes to reducing potential financial losses and ensuring the uninterrupted activities of the banking system.

Liquidity. The liquidity ratio (K2-1) at the system level complies with the prudential requirements and amounted to 84,5% which is 16,7 p.p. less compared to the 2nd quarter of 2022.

The level of liquidity of the banking system in foreign currency is at an acceptable level and amounted to 86,8%.



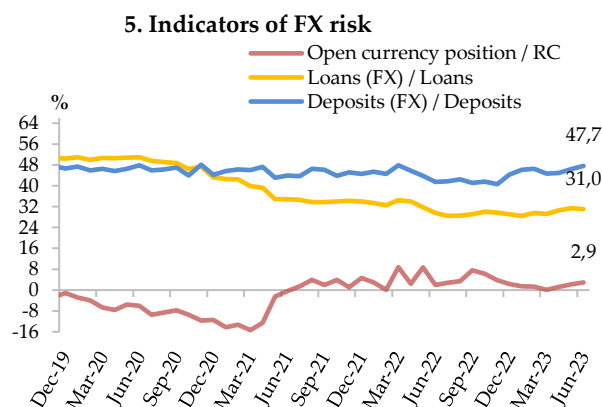
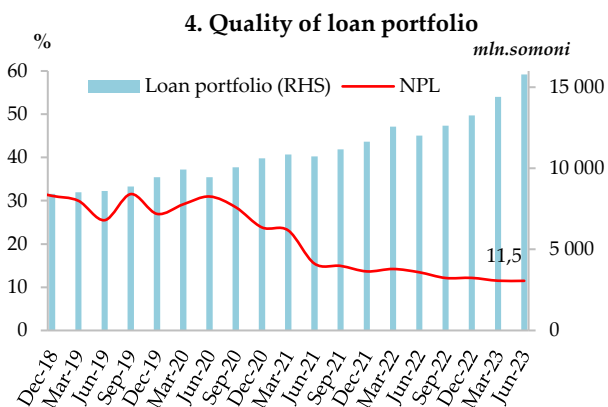
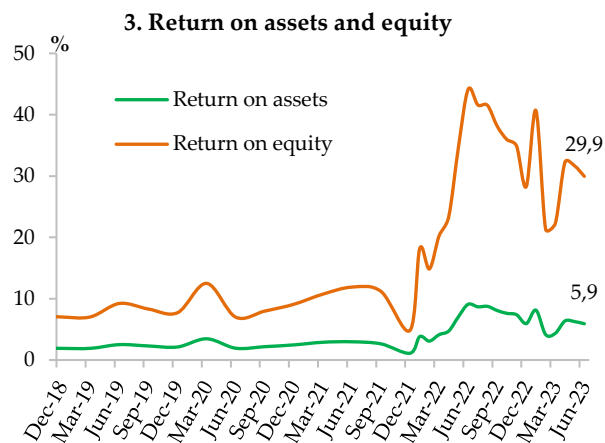
Profitability. Over this period, stable profitability of the banking system in relation to assets and capital was ensured, which amounted to 5,9% and 29,9% respectively, which is less with 3.2 p.p and 42.2 compared to the same period of 2022.

The quality of the loan portfolio. As of the end of June 2023, the share of non-performing loans in the loan portfolio (overdue by more than 30 days) decreased from 13,4% to 11,5% for the reporting period.

Over this period the provision fund indicator in relation to non-performing loans totaled to 96,0% having increased by 6.6 p.p. compared to June 2022.

Currency risk. At the end of the 2nd quarter of 2023, the total open currency position in the banking system was long and its indicator amounted to 2,9%, which complies with the minimum requirements (K6-1).

Over the reporting period, the share of loans in foreign currency increased by 1,4 p.p. compared to June 2022 and the share of deposits in foreign currency increased by 6,2 p.p. which amounted to 31,0% and 47,7% respectively.



Source: calculations of the NBT.