



NATIONAL BANK OF TAJIKISTAN

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

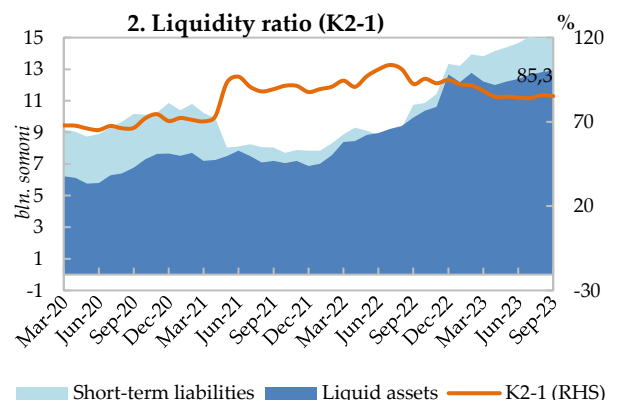
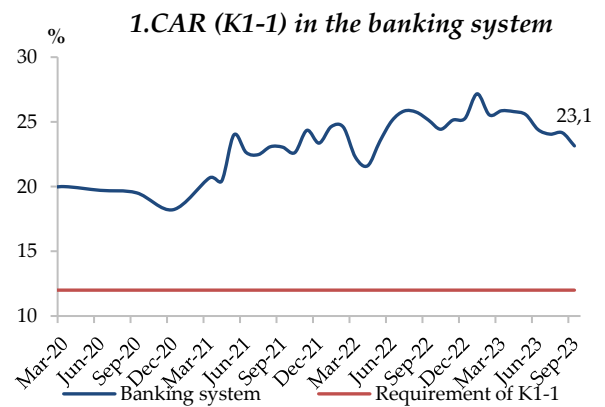
For the reporting period the main indicators of financial system showed an upward trend because of the favorable macroeconomic climate in the country and confirm to prudential standards .

Capital Adequacy. According to the results of the 3rd quarter of 2023, the capital adequacy ratio in the banking system (K1-1) exceeded the minimum requirements by 11,1 p.p. and equaled to 23.1% which is less with 2.0 p.p compared to the same period of the last year. The uneven increase of regulatory capital (22,4 %) and risk-weighted assets of banking system (32.9 %) during the period led to decreased the capital adequacy ratio (K1-1). The K1-3 ratio increased by 0,1 p.p. compared to the same period in 2022 and amounted to 19,9%.

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 85,3% which is 7,2 p.p. less compared to the 3rd quarter of 2022.

The level of liquidity of the banking system, expressed in foreign currency, is also at an acceptable level, which amounted to 85,6%.



Profitability. Over this period, stable profitability of the banking system in relation to assets and capital was ensured, which amounted to 5,2% and 26,3% respectively.

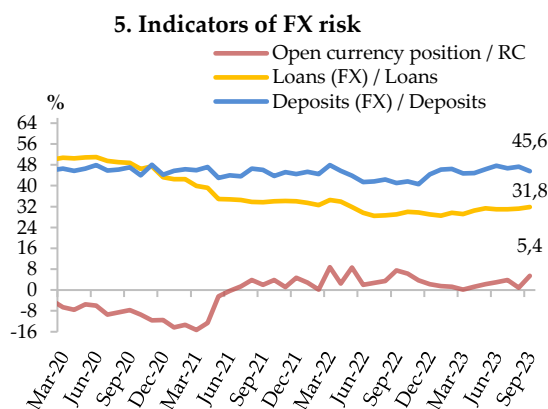
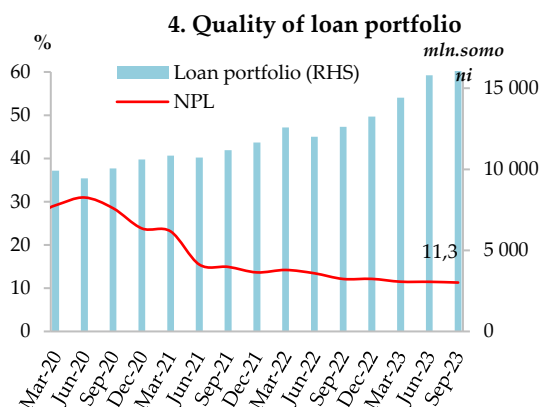
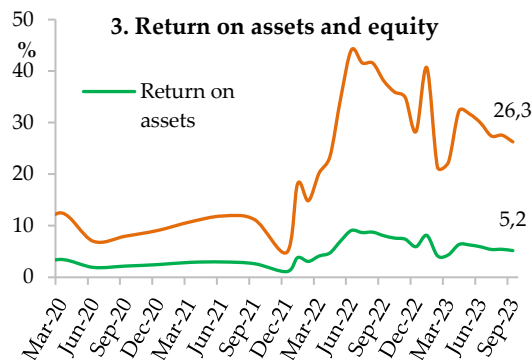
The quality of the loan portfolio. The share of non-performing loans (overdue by more than 30 days) in the loan portfolio decreased from 12.1 % at the end of September 2022 to 11,3% for the reporting period.

Over this period the provision fund indicator in relation to non-performing loans totaled to 96,5%.

It should be noted that complete and timely creation of such funds reduces the burden of credit risk on capital/

Currency risk. At the end of the 3rd quarter of 2023, the total open currency position in the banking system was long and its indicator amounted to 5,4%, which complies with the minimum requirements (K6-1).

Over the reporting period, the share of loans in foreign currency increased by 3,2 p.p. compared to september 2022 and the share of deposits in foreign currency increased by 4,5 p.p. which amounted to 31,8% and 45,8% respectively.



Source: calculations of the NBT.