

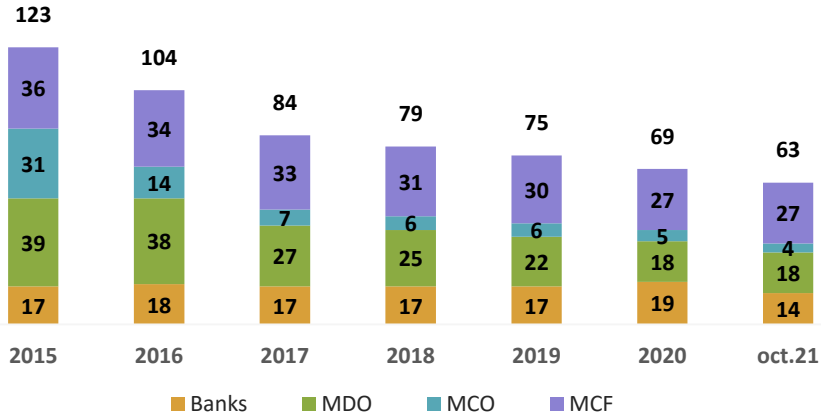
Overview of the Tajik Banking System

KHURSHEDA Jamolova
Banking Supervision Department Specialist

Dushanbe
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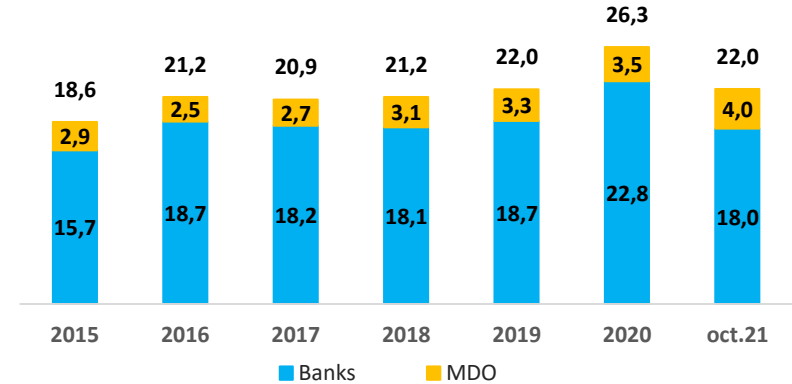
Banking System

Structure (number of credit institutions)



- 14 banks: 2 fully state owned banks
- 6 banks with foreign capital, 6 local private banks, including 1 Islamic
- Closed down 7 banks and 76 non-viable MFIs (last 7 years)

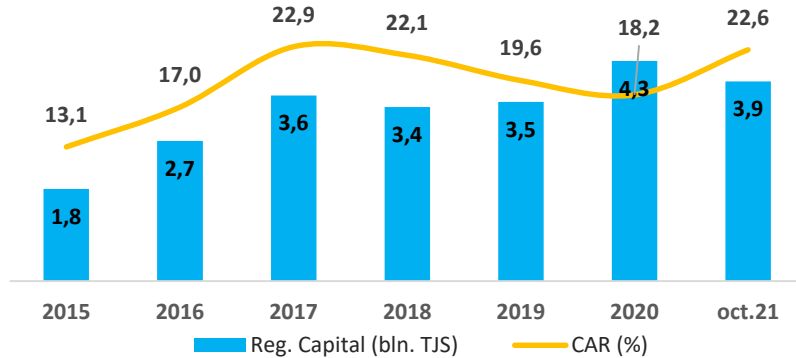
Assets (bln TJS)



- During the last 7 years banking system assets increased 18% and has made TJS 22.0 bln (USD 1.9 bln)
- MFIs' share in total banking system assets makes 18%

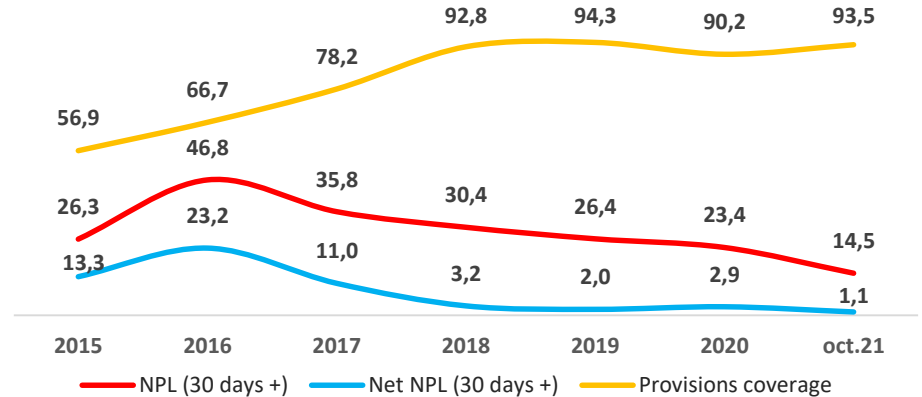
Stability

Capital Adequacy Ratio



... the stability in ensured

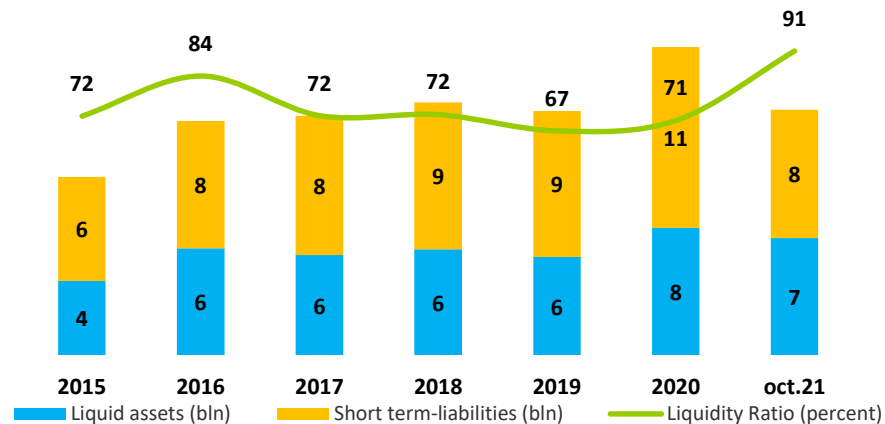
NPLs and provisions coverage (%)



- The increase of NPLs in 2016 was largely driven by external macroeconomic shocks
- NPLs provision coverage ratio remains at a comfortable level of 93.5%, above the good practice (75%)

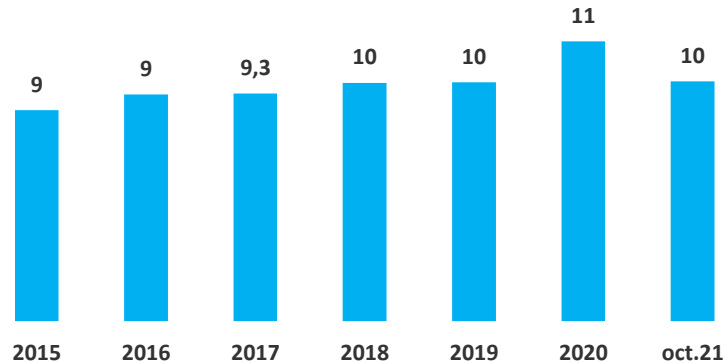
Liquidity

Liquidity Ratio



Liquidity level is 91.4%, above the threshold of 30%

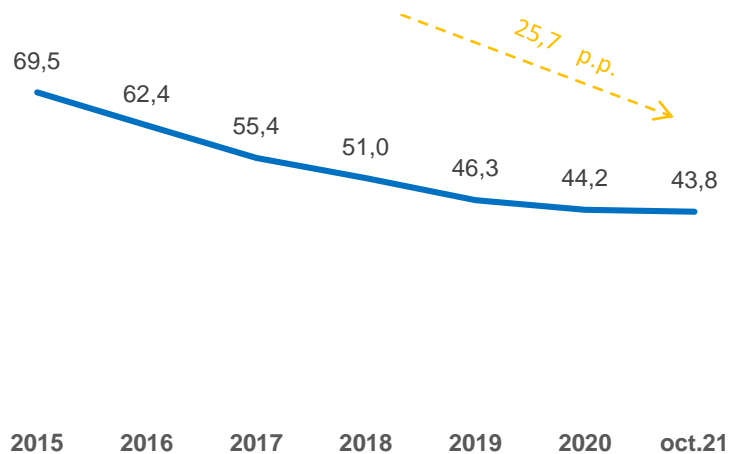
Deposits (bln TJS)



Customer deposits demonstrate stable performance

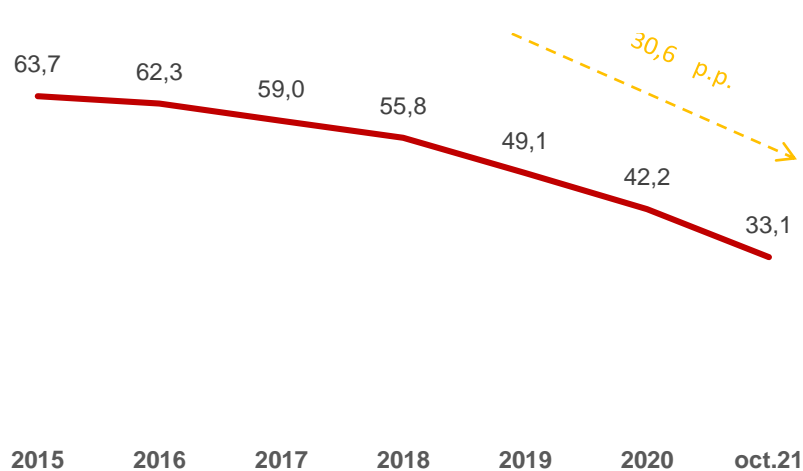
De-dollarization

... of deposits (%)



Deposits' dollarization was decreased by 25,7 p.p.

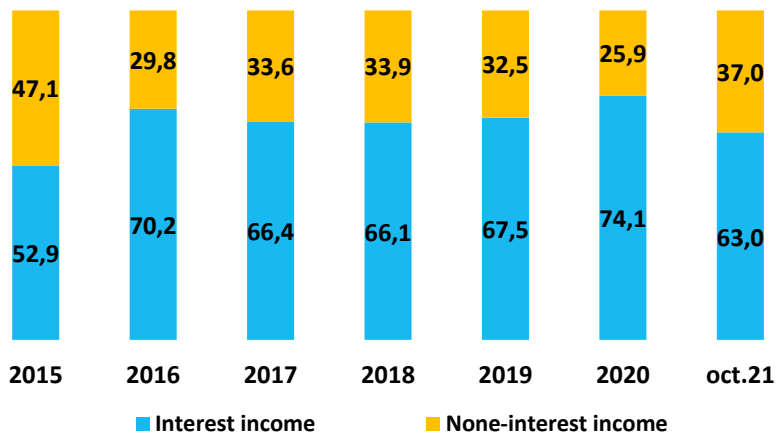
... of credits (%)



Loans' dollarization was decreased by 30,6 p.p.

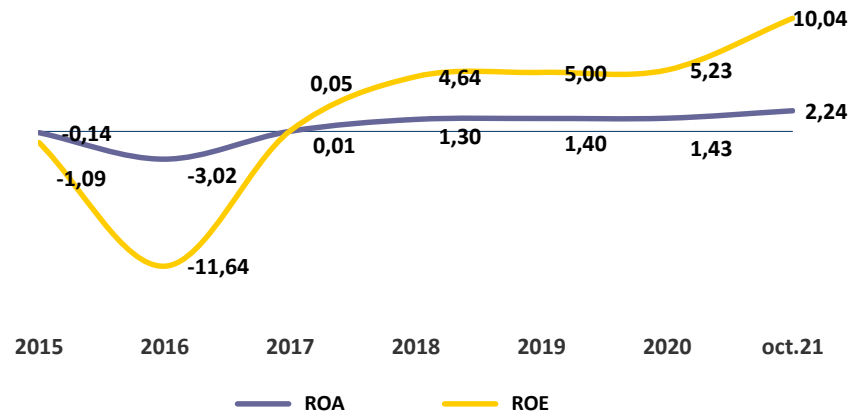
Performance

Net interest income to total income (%)



Strategy change to financial intermediation

ROA и ROE (%)



The performance metrics show recovery trend

NBT Reforms,
2015 to present...

NBT Reforms

- **Established Financial Stability Department, Financial Stability Committee, Consumer Protection Division & Insurance Supervision Department**
- **Formed Interagency Financial Stability Board**
- Adopted the Law on **Payments Services and Payment Systems, Money laundering amnesty and instructions on Licensing of CIs, requirements for the publication of information, requirements for investments, the organization of the operational risk management system etc**
- Made amendments to the legislation on **AML/CFT, Bureau of Credit History, Consumer Rights Protection, Insurance Activity, Secure transactions, Islamic Banking etc.**
- Made amendments to the laws on NBT, Banking Activity, Deposit Insurance & Liquidation to strengthen the supervision powers on relative persons activity, corporate governance, COs liquidation process etc.
- Introduce **macro prudential regulation & implement effective resolution mechanisms**
- **Islamic Banking Implementation**
- **NPL recovery plans**
- **Ensured transparency of financial reports** and enhanced reporting standards, disclosed banks' shareholders, investments, main financial indicators and audited reports
- **Ensuring the health and safety of the financial sector** (quantity towards quality) – **revoked license of more than 83 non-viable CIs**

Trade finance

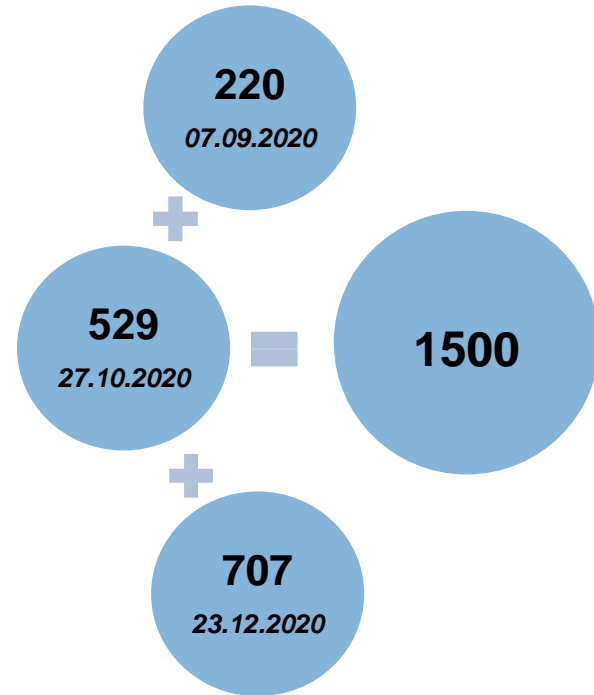
Trainings and workshops

under the EBDR “Trade finance” program

Online training master course



Online workshops



Trade finance services

6
COs

Provide services
= \$ 40 mln.

3
banks

Cooperating with
EBRD

1
bank

Implementation process

Thank you!