

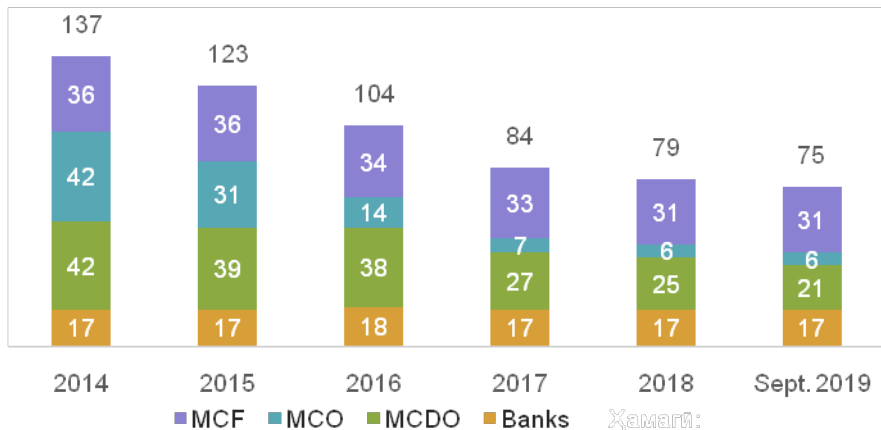
Overview of the Tajik Banking System

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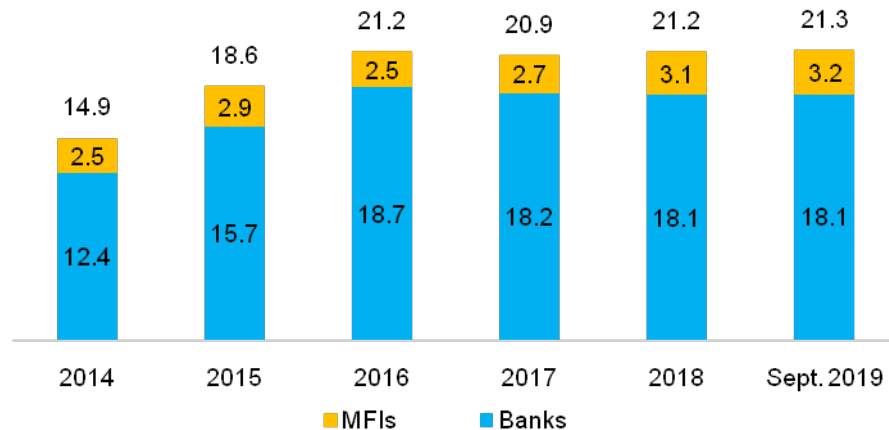
Banking System

Structure (number of credit institutions)



- 17 banks: 1 fully and 2 partially state owned banks
- 6 foreign banks, 8 local private banks, including 1 Islamic
- Closed down 2 banks and 63 non-viable MFIs (last 4 years)

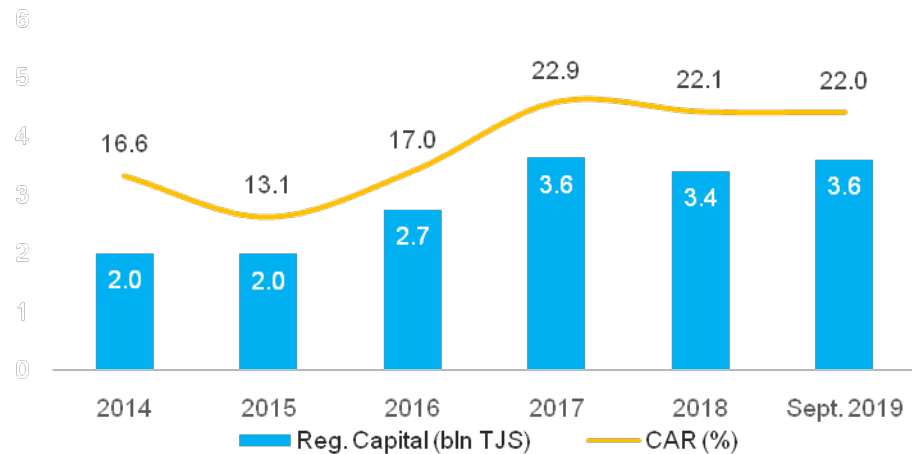
Assets (bln TJS)



- During the last 5 years banking system assets increased almost by 43% and has made TJS 21.3 bln (USD 2.2 bln)
- MFIs' share in total banking system assets makes 15%

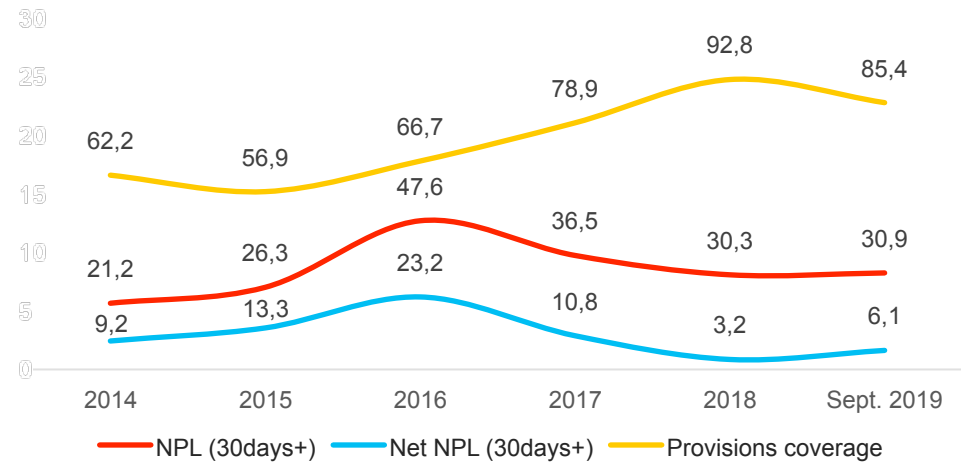
Stability

Capital Adequacy Ratio



... the stability in ensured

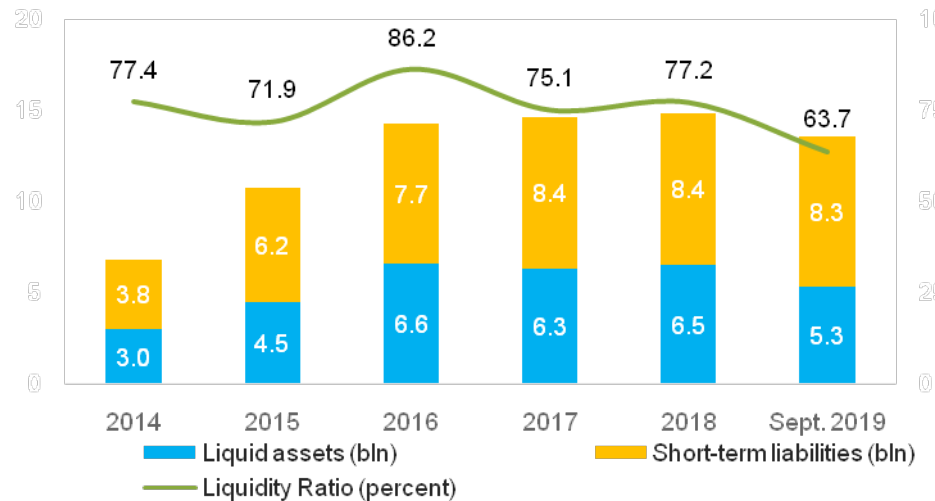
NPLs and provisions coverage (%)



- The increase of NPLs in 2016 was largely driven by external macroeconomic shocks
- NPLs provision coverage ratio remains at a comfortable level of 85.4%, above the good practice (75%)

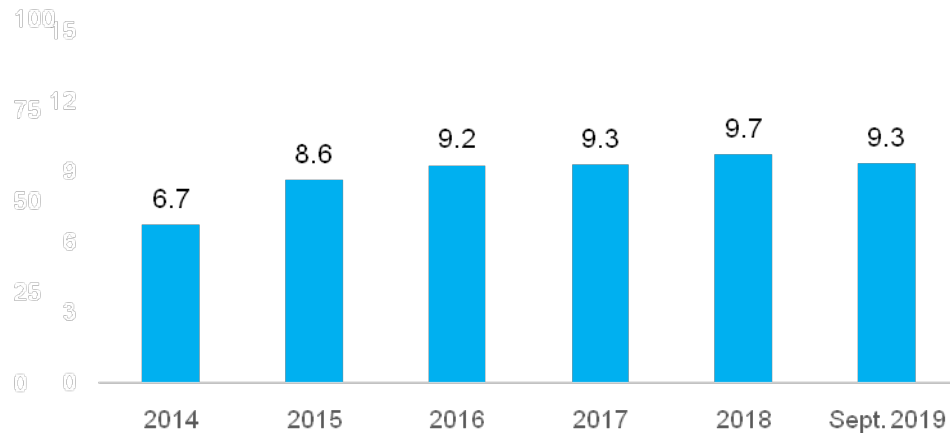
Liquidity

Liquidity Ratio



Liquidity level is 63.7%, above the threshold of 30%

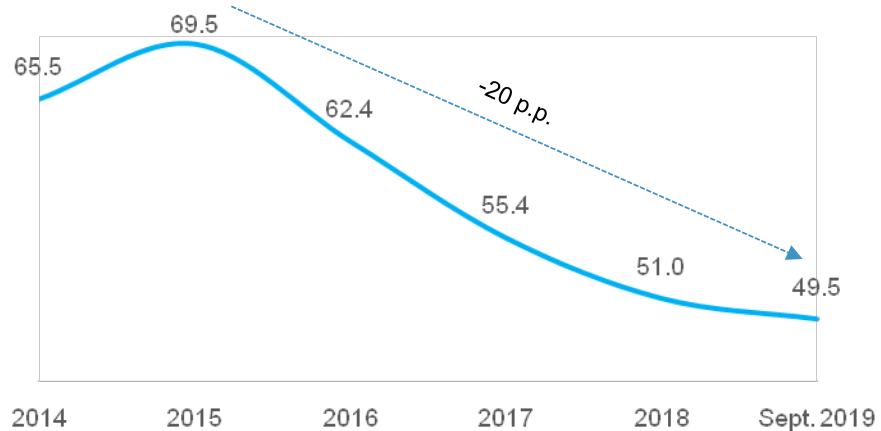
Deposits (bln TJS)



Customer deposits demonstrate sustainable growth

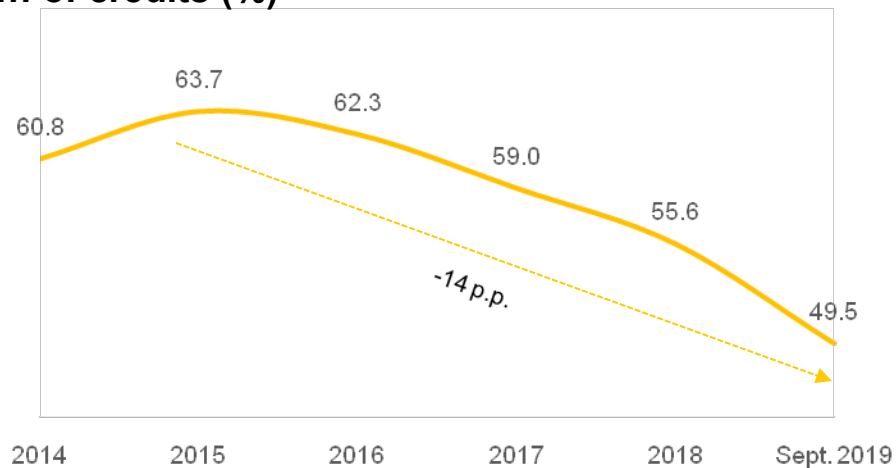
De-dollarization

... of deposits (%)



Deposits' dollarization was decreased by 20 p.p.

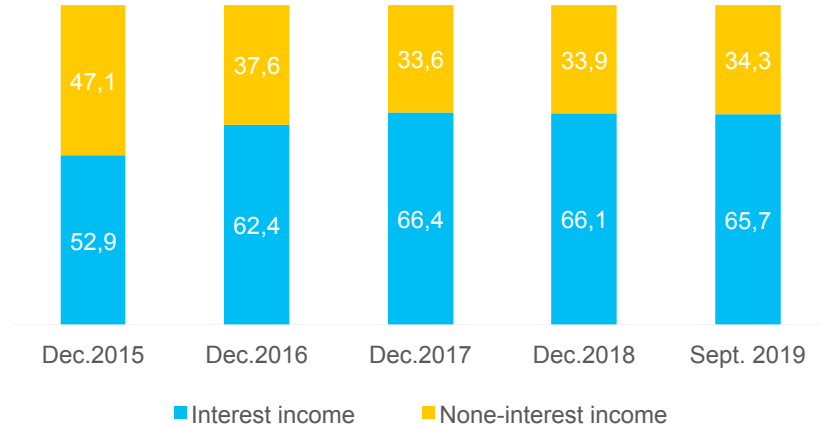
... of credits (%)



Loans' dollarization was decreased by 14 p.p.

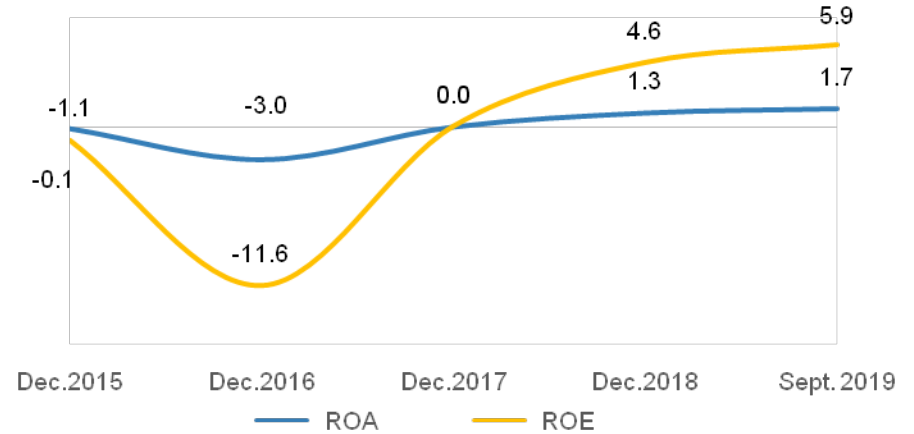
Performance

Net interest income to total income (%)



Strategy change to financial intermediation

ROA and 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**
- **Ensured transparency of financial reports** and enhanced reporting standards, disclosed banks' shareholders and investments
- **Ensuring the health and safety of the financial sector** (quantity towards quality) – **revoked license of more than 65 non-viable CIs**
- Conducted AQRs of 5 SIBs by international audit companies & required recovery plans
- Adopted the Law on **Payments Services and Payment Systems**,
- Made amendments to the legislation on **AML/CFT, Bureau of Credit History, Consumer Rights Protection, Insurance Activity, Secure transactions etc.**
- Made amendments to the laws on NBT, Banking Activity, Deposit Insurance & Liquidation to strengthen the supervision powers, introduce **macro prudential regulation & implement effective resolution mechanisms**
- **Formed Interagency Financial Stability Board**

WBGs' Doing Business 2020

- WBG acknowledges Tajikistan as **top five most improved economies** for ease of doing business
- **Getting Credit Indicator improved to 11th** from 126th rank globally

Thank you!