

REPUBLIC OF AZERBAIJAN  
FINANCIAL MARKET SUPERVISORY AUTHORITY

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**BANKING SECTOR OVERVIEW**

*as of June 30, 2017*

**Baku – 2017**

**Table 1. Consolidated Balance Sheet***(AZN million)*

<b>Assets</b>	<b>30.06.2017</b>
1. Cash	1,310.6
2. Correspondent accounts with the Central Bank*	3,759.7
3. Nostro accounts (correspondent accounts with other banks)	1,339.1
4. Deposits with financial institutions, including banks	6,018.2
5. Securities	3,106.1
6. Loans to financial institutions, including banks	345.2
6.1. Net loans	292.9
7. Loans to customers**	13,462.1
7.1. Special loan loss reserve	1,752.4
7.2 Net loans	11,709.6
8. Fixed assets	814.8
9. Intangible assets	128.5
10. Other assets (less special reserves)	1,557.3
<b>11. Total assets</b>	<b>30,036.9</b>

*(AZN million)*

<b>Liabilities</b>	<b>30.06.2017</b>
1. Deposits (other than financial institutions)	16,687.2
1.1. Household deposits	6,880.7
1.1.1. Term deposits	5,152.8
1.1.2. Demand deposits	1,727.9
1.2. Corporate deposits***	9,806.5
1.2.1. Term deposits	3,926.8

1.2.2. Demand deposits****	5,879.7
2. Due to the Central Bank	647.4
3. Loro accounts	405.9
4. Deposits from financial institutions	3,997.9
5. Loans from banks	1,825.8
6. Loans from other financial institutions	2,056.1
7. Securities issued by banks	214.7
8. Other liabilities	1,487.8
<b>9. Total liabilities</b>	<b>27,322.9</b>

(AZN million)

<b>CAPITAL</b>	<b>30.06.2017</b>
10. Equity	2,423.0
11. General reserves	291.0
<b>12. Total capital</b>	<b>2,714.0</b>
<b>13. Total liabilities and capital</b>	<b>30,036.9</b>

Note: Based on the Supervisory Reporting Methodology.

\* Includes blocked foreign exchange funds collateralizing borrowings from the Central Bank

\*\*The loan portfolio reduction in May is largely caused by transfer of the International Bank of Azerbaijan's toxic assets to Agrakredit CJSC

\*\*\* Includes deposits of self-employed individuals, other than deposits of central governments and municipalities

\*\*\*\*Includes current accounts of non-bank financial institutions

**Table 2. Income Statement  
(banking sector)**

*(AZN million)*

<b>Profit and Loss Accounts</b>	<b>30.06.2017</b>
1. Interest and similar income	1,007.3
1.1. Interest on loans	749.8
2. Interest and related expenses	482.7
2.1 Interest on deposits	192.1
3. Net interest income (loss)	524.6
4. Non-interest income	460.3
5. Non-interest expenses	476.0
6. Operating profit (loss)	508.8
7. Loan loss provisions (expenses)	408.9
8. Other income (expenses)	2.4
9. Profit (loss) before tax	102.3
10. Corporate income tax	17.4
<b>11. Net profit (loss)</b>	<b>84.9</b>

**Table 3. Financial Market Summary - Banks***(AZN million)*

	<b>30.06.2017</b>
<b>Number of banks</b>	31
State-owned banks	2
Privately-owned banks	29
Banks with foreign equity investments	16
banks with foreign equity investments from 50% to 100%	8
local branch offices of foreign banks	2
banks with foreign equity investments up to 50%	8
Banks licensed year-to-date	0
Banks de-licensed year-to-date	1
Number of bank branches	560
Number of bank divisions	141
Number of ATMs	2,501
Personnel	16,095

**Table 4. Financial Market Summary – Non-Bank Credit Institutions and the National Post Office**

	<b>30.06.2017</b>
<b>Non-bank credit institutions</b>	123
<b>Credit unions</b>	76
State-owned NBCIs	1
Privately-owned NBCIs, including	122
Foreign invested NBCIs	8
NBCIs with foreign equity investments from 50% to 100%, of which	8
Local branch offices of foreign NBCIs	0
NBCIs with foreign equity investments up to 50%	0
NBCIs licensed year-to-date	1
NBCIs de-licensed year-to-date	22
Branches	189
Personnel	2537
<b>National Post Office - Azerpost</b>	
Postal offices (authorized to provide financial services)	63
Postal stations (authorized to provide financial services)	1110