

Chairman

R. Aslanly

**Regulations on calculating the maturity of mortgage bonds and mortgage loans
included in the mortgage collateral by the method of weighted average**

1. General provisions

- 1.1. These Regulations have been prepared in accordance with Article 1076-6.6 of the Civil Code of the Republic of Azerbaijan.
- 1.2. These Regulations shall regulate the procedure for calculating the maturity of mortgage bonds and mortgage loans included in the mortgage collateral by the method of weighted average.

**2. Calculation of maturity of mortgage bonds and mortgage loans included in the
mortgage collateral by the method of weighted average**

- 2.1. The maturity of mortgage bonds shall be calculated by the method of weighted average method using the following formula:

$$OM = \sum_{i=1}^n \frac{P_i t}{P^i}$$

OM – maturity of mortgage bonds by the method of weighted average;

n – number of payments after the calculation date on the issue amount;

i - number of the next payment after the calculation date on the issue amount;
P - amount of payments after the calculation date on the issue amount;
t – period from the calculation date to the maturity date of the bonds (expressed in years).

- 2.2. The maturity date of mortgage loans included in the mortgage collateral by the weighted average method shall be the sum of the maturity of these loans calculated by the weighted average method.
- 2.3. The maturity of mortgage loans included in the mortgage collateral shall be calculated by the weighted average method using the following formula:

$$KOM_i = \frac{P_i}{A} t$$

KOM – maturity of mortgage loans by weighted average method;
P – amount of the mortgage loan;
A – outstanding amount of mortgage loans included in the mortgage collateral;
i - number of the next payment after the calculation date on the issue amount;
t – period from the calculation date to the maturity date of the bonds (expressed in years).