

REPUBLIC OF AZERBAIJAN
FINANCIAL MARKET SUPERVISORY AUTHORITY

BANKING SECTOR OVERVIEW

as of September 30, 2017

Baku -2017

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

| Assets | 30.09.2017 |
|--|-------------------|
| 1. Cash | 1,413.3 |
| 2. Correspondent accounts with the Central Bank* | 2,715.1 |
| 3. Nostro accounts (correspondent accounts with other banks) | 2,046.0 |
| 4. Deposits with financial institutions, including banks | 5,826.6 |
| 5. Securities | 1,320.0 |
| 6. Loans to financial institutions, including banks | 292.6 |
| 6.1. Net loans | 213.7 |
| 7. Loans to customers | 11,966.9 |
| 7.1. Special loan loss reserve | 1,685.1 |
| 7.2 Net loans | 10,281.8 |
| 8. Fixed assets | 807.0 |
| 9. Intangible assets | 129.0 |
| 10. Other assets (less special reserves) | 1,410.9 |
| 11. Total assets | 26,163.6 |

| Liabilities | 30.09.2017 |
|---|-------------------|
| 1. Deposits (other than financial institutions) | 15,362.4 |
| 1.1. Household deposits | 6,999.5 |
| 1.1.1. Term deposits | 5,136.8 |
| 1.1.2. Demand deposits | 1,862.7 |
| 1.2. Corporate deposits** | 8,362.9 |
| 1.2.1. Term deposits | 1,905.7 |
| 1.2.2. Demand deposits*** | 6,457.2 |
| 2. Due to the Central Bank | 570.8 |
| 3. Loro accounts | 211.7 |
| Deposits from financial institutions | 1,703.2 |
| Loans from banks | 166.0 |
| Loans from other financial institutions | 2,022.5 |
| 7. Securities issued by banks | 1,903.2 |
| 8. Other liabilities | 1,205.2 |
| 9. Total liabilities | 23,145.0 |

| CAPITAL | 30.09.2017 |
|--|-------------------|
| 10. Equity | 2,775.0 |
| 11. General reserves | 243.6 |
| 12. Total capital | 3,018.6 |
| 13. Total liabilities and capital | 26,163.6 |

Note: Based on the Supervisory Reporting Methodology.

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

*** 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)*

| Profit and Loss Accounts | 30.09.2017 |
|------------------------------------|-------------------|
| 1. Interest and similar income | 1,437.3 |
| 1.1. Interest on loans | 1,058.2 |
| 2. Interest and related expenses | 687.8 |
| 2.1 Interest on deposits | 284.5 |
| 3. Net interest income (loss) | 749.6 |
| 4. Non-interest income | 779.7 |
| 5. Non-interest expenses | 708.5 |
| 6. Operating profit (loss) | 820.8 |
| 7. Loan loss provisions (expenses) | 321.3 |
| 8. Other income (expenses) | 2.9 |
| 9. Profit (loss) before tax | 502.4 |
| 10. Corporate income tax | 22.7 |
| 11. Net profit (loss) | 479.7 |

Table 3. Financial Market Summary - Banks

| | 30.09.2017 |
|--|-------------------|
| Number of banks | 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 | 557 |
| Number of bank divisions | 142 |
| Number of ATMs | 2,486 |
| Personnel | 16,340 |

Table 4. Financial Market Summary (NBCIs and National Post Office)

| | 30.09.2017 |
|--|-------------------|
| Non-bank credit institutions | 123 |
| Credit unions | 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 | 178 |
| Personnel | 2324 |
| National Post Office - Azerpost | |
| Postal offices (authorized to provide financial services) | 63 |
| Postal stations (authorized to provide financial services) | 1110 |