REPUBLIC OF AZERBAIJAN

FINANCIAL MARKET SUPERVISORY AUTHORITY

BANKING SECTOR OVERVIEW

as of February 28, 2017

Baku – 2017

2. Correspondent accounts with the Central Bank 2,704.3 3. Nostro accounts (correspondent accounts with other banks) 1,882.7 4. Deposits with financial institutions, including banks 7,161.4 5. Securities 367.3 6. Loans to financial institutions, including banks 429.4 6.1. Net loans 382.6 7. Loans to customers 15,395.9 7.1. Special loan loss reserve 1,711.5 7.2 Net loans 13,684.4 8. Fixed assets 795.4 9. Intangible assets 111.3 10. Other assets (less special reserves) 2,243.6 11. Total assets 30,419.2 (AZN millio Liabilities 1,200 1.1.1. Term deposits 7,084.3 1.1.2. Demand deposits 7,084.3 1.2.1. Term deposits 1,575.4 1.2.Corporate deposits** 9,127.7 1.2.1. Term deposits 4,286.8 1.2.2. Demand deposits** 4,286.8 1.2.2. Demand deposits** 4,286.8 1.2.2. Demand deposits** 4,286.8 1.2.3. Term deposits from financial institutions <t< th=""><th>Table 1. Consolidated Balance Sheet</th><th>(AZN million</th></t<>	Table 1. Consolidated Balance Sheet	(AZN million
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8. Other liabilities 1,153.2	6. Loans from other financial institutions	2,204.3
	7. Securities issued by banks	398.2
9. Total liabilities 27,772.7	8. Other liabilities	1,153.2
	9. Total liabilities	27,772.7

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CAPITAL	2/28/2017
10. Equity	2,328.5
11. General reserves	318.0
12. Total capital	2,646.6
13. Total liabilities and capital	30,419.2

Note: Based on the Supervisory Reporting Methodology.

*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	2/28/2017
1. Interest and similar income	348.8
1.1. Interest on loans	258.6
2. Interest and related expenses	170.6
2.1 Interest on deposits	66.6
3. Net interest income (loss)	178.1
4. Non-interest income	163.8
5. Non-interest expenses	144.7
6. Operating profit (loss)	197.3
7. Loan loss provisions (expenses)	143.6
8. Other income (expenses)	1.9
9. Profit (loss) before tax	55.5
10. Corporate income tax	5.5
11. Net profit (loss)	50.0

	2/28/2017
Number of banks	32
State-owned banks	2
Privately-owned banks	30
Banks with foreign equity investments	16
banks with foreign equity investments from 50% to 100%	7
local branch offices of foreign banks	2
banks with foreign equity investments up to 50%	9
Banks licensed year-to-date	0
Banks de-licensed year-to-date	0
Number of bank branches	563
Number of bank divisions	135
Number of ATMs	2,462
Personnel	16,662