



**AZERBAIJAN  
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ASSOCIATION**

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# **MACROFINANCE REVIEW**

**01.06.2020**

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## 1. Real sector

№	Indicators	2010	2015	2017	2018	2019	01.06.2020
1	<b>GDP (mln. AZN)</b>	<b>42465.0</b>	<b>54352.1</b>	<b>70135.1</b>	<b>79797.3</b>	<b>81681</b>	<b>27479.9</b>
	<i>Annual growth rate of GDP (%)</i>	16.9	2.4	0.1	1.4	2.2	-1.7
2	<b>Non-oil GDP (mln. AZN)</b>	<b>18442.7</b>	<b>37670.0</b>	<b>44061.9</b>	<b>46671.3</b>	<b>50391.8</b>	<b>18227.5</b>
	<i>Annual growth rate of non-oil GDP (%)</i>	10.0	7.4	2.7	1.8	3.5	-2.1
3	<b>Investment in fixed capital (mln. AZN)</b>	<b>9715.2</b>	<b>15957.0</b>	<b>15550.8</b>	<b>17238.2</b>	<b>17184.3</b>	<b>4907.6</b>
	<i>Annual growth rate of investment in fixed capital (%)</i>	13.9	9.5	-2.6	-4.4	-2.3	-2.8
4	<b>Nominal money income of the population (mln. AZN)</b>	<b>25605.6</b>	<b>41738.6</b>	<b>49162.9</b>	<b>53688.6</b>	<b>57035.0</b>	<b>22382.1</b>
	<i>Annual growth rate of nominal money income of the population (%)</i>	24.6	10.4	8.3	9.2	7.4	1.3
5	<b>Nominal average monthly salary (AZN)</b>	<b>325.0</b>	<b>462.0</b>	<b>525.0</b>	<b>540.1</b>	<b>623.1</b>	<b>736.2</b>
	<i>Annual growth rate of nominal average monthly salary (%)</i>	20.7	6.8	6.2	2.9	15.4	26.7
6	<b>Inflation (%)</b>	<b>10.6</b>	<b>3.4</b>	<b>12.9</b>	<b>2.3</b>	<b>2.6</b>	<b>2.9</b>

## 2. Monetary sector

№	Indicators	2010	2015	2017	2018	2019	01.06.2020
1	<b>Monetary base</b>	<b>6520.9</b>	<b>7560.7</b>	<b>9872.6</b>	<b>10318.4</b>	<b>13125.3</b>	<b>12480.8</b>
	Monetary base in manats (mln. AZN)	6397.1	6901.8	8543.2	9545.7	12152.5	10921.2
	<i>Monetary base with manat (the last 12 month non-oil GDP, %)</i>	34.7	18.3	19.4	20.5	24.1	21.4
	<i>Monetary base with manat (the rate of change from the beginning of the year, %)</i>	31.6	-40.2	8.7	11.7	27.3	-10.13
	Cash in circulation	5793.2	5416.8	8140.2	8364.1	10405.5	9940.7
	Correspondent accounts	704.6	2089.8	1554.6	1755.5	2543.2	2368.7
	Mandatory reserves	20.9	47.4	141.2	163.0	165.4	162.5
2	<b>Monetary aggregates</b>						
	M0 (mln. manats)	5455.9	4775.9	7490.3	7601.4	9501.1	9009.8
	M1 (mln. manats)	6838.5	6897.2	10544.2	12274.6	15397.9	17796
	M2 (mln. manats)	8297.6	8678.3	12466.4	14643.6	18238.6	17021.3
	M3 (mln. manats)	10527.6	21286.9	22772.1	24060.4	28866.3	26630.2
3	<b>Reserves and exchange rate</b>						
	Reserves of CBAR (mln. USD)	6407.6	5016.7	5334.6	5622.5	6258.0	6414.4
	AZN/USD official exchange rate	0.7979	1.5594	1.7001	1.7000	1.7000	1.7000
	AZN/EURO official exchange rate	1.0560	1.7046	2.0307	1.9468	1.9035	1.8873
	Real Effective Exchange Rate (REM) (2000=100)	127.7	110.0	94.2	99.5	99.0	106.3
On non-oil sector REM (2000=100)	115.3	107.6	89.8	95.3	93.4	101.3	

### 3. Banking Sector

#### 3.1. Structure and service network of banking market

№	Indicators	2010	2015	2017	2018	2019	01.06.2020
1	<b>Number of banks</b>	<b>45</b>	<b>43</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>26</b>
	Number of banks getting license since the beginning of the year	1	0	0	0	0	0
	Number of banks whose license has been canceled since the beginning of the year	2	2	2	0	0	4
	Number of state banks	1	2	2	2	2	2
	Number of private banks	44	41	28	28	28	24
	Number of banks with foreign capital	22	21	15	15	14	12
	<i>Banks with foreign capital more than 50% of the authorized capital</i>	9	8	8	8	7	7
	also local branch of foreign banks	2	2	2	2	2	2
	<i>Banks with foreign capital up to 50% of the authorized capital</i>	13	13	7	7	7	5
2	<b>Service network of banks</b>						
	Number of bank branches	644	750	509	508	509	439
	Number of bank departments	120	164	142	130	133	115
	Number of ATM-s	1892	2694	2431	2502	2647	2554
	Number of POS Terminals	7872	80301	-	66110	67468	55027
3	<b>Number of employees working in banking sector</b>	<b>n/a</b>	<b>n/a</b>	<b>16171</b>	<b>17415</b>	<b>19460</b>	<b>18391</b>
4	<b>Number of non-bank credit organizations</b>	<b>101</b>	<b>157</b>	<b>123</b>	<b>104</b>	<b>90</b>	<b>-</b>

### 3.2. Main indicators of banking sector

№	Indicators	2010	2015	2017	2018	2019	01.06.2020
1	<b>Assets (mln. AZN)</b>	<b>13290.8</b>	<b>34906.0</b>	<b>27921.0</b>	<b>29502.4</b>	<b>32722.8</b>	<b>31260.8</b>
	<i>Assets (the last 12 month non-oil GPD ,%)</i>	72.1	92.7	63.4	63.2	64.9	61.3
2	<b>Total credit investments to the economy (mln. AZN)</b>	<b>9163.4</b>	<b>21730.4</b>	<b>11757.8</b>	<b>13020.3</b>	<b>15298.2</b>	<b>14765.7</b>
	<i>Total credit investments (the last 12 month non-oil GPD ,%)</i>	49.7	57.7	26.7	27.9	30.4	29.0
	Overdue loans (mln.AZN)	492.9	1508.5	1626.7	1585.0	1273.1	1084.8
	<i>Overdue loans(%)</i>	5.4	6.9	13.8	12.2	8.3	7.3
	<b>Aggregate loan portfolio of the banking sector (mln. AZN)</b>	<b>8971.8</b>	<b>21152.0</b>	<b>11337.6</b>	<b>12628.3</b>	<b>14900.9</b>	<b>14361</b>
	Business loans (mln. AZN)	-	-	7566	8113	9032	8803.5
	Consumer loans (mln. AZN)	-	-	3772	4515	5869	3732.4
	Aggregate loan portfolio of non-bank financial organizations (BOKT) (mln. AZN)	191.6	578.4	420.2	392.0	397.2	404.7
	Credit investments in national currency (mln. AZN)	5865.3	10994.5	6953.6	8073.6	10000.8	9928.5
	Credit investments in foreign currency (mln. AZN)	3298.1	10735.9	4804.2	4946.7	5297.4	4837.2
	Credit investments in foreign currency (mln. USD)	4133.5	6884.6	2825.8	2909.8	3116.1	2845.4
	<i>Credit dollarization (%)</i>	36.0	49.4	40.9	38.0	35.6	31.9
3	<b>Total capital (* - marked with periods without IBA)</b>	<b>1897.1</b>	<b>3654.0</b>	<b>3709.2</b>	<b>4071.8</b>	<b>4583.0</b>	<b>4559.4</b>
	<i>Total capital (the last 12 month non-oil GPD ,%)</i>	10.3	9.7	8.4	8.7	9.1	8.9
4	<b>Total deposits (mln. AZN)</b>	<b>7625.8</b>	<b>23431.4</b>	<b>20599.1</b>	<b>21870.4</b>	<b>24746.0</b>	<b>23357.3</b>
	Deposits in national currency (mln. AZN)	3205.3	4301.7	5685.6	7581.7	9657.6	9129.3
	Deposits in foreign currency (mln. AZN)	4420.5	19129.7	14913.5	14288.7	15088.4	14228
	Deposits in foreign currency (mln. USD)	5540.2	12267.3	8772.1	8405.1	8875.5	8369.4
	<i>Deposit dollarization (%)</i>	58.0	81.6	72.4	65.3	61.0	60.9
	<b>Savings of households (mln. AZN)</b>	<b>3029.8</b>	<b>9473.9</b>	<b>7561.2</b>	<b>8375.4</b>	<b>8637.9</b>	<b>7661.3</b>
	Savings with national currency (mln. AZN)	1410.0	1420.2	2532.9	3142.3	4132.8	3528.4
	Savings with foreign currency (mln. AZN)	1619.8	8053.7	5028.3	5233.1	4505.2	4097
	Savings with foreign currency (mln. USD)	2030.1	5164.6	2957.6	3078.3	2650.1	2410
	<i>Savings dollarization (%)</i>	53.5	85.0	66.5	62.5	52.2	53.5
	Deposits of financial organizations (mln. AZN)	2177	6358.8	1935.0	1547.7	1726.7	2371.1
	Deposits of non-financial organizations (mln. AZN)	2419	7630.4	11102.9	11947.4	14381.5	13324.9
5	<b>Foreign liabilities of bank sector (mln.AZN)</b>	<b>2470.4</b>	<b>8204.5</b>	<b>2308.3</b>	<b>1828.1</b>	<b>1645.6</b>	<b>1599.5</b>
	Foreign liabilities of bank sector (mln.USD)	3096.1	5261.3	1357.7	1075.4	968.0	940.9

### 3.3. Profit (loss) indicators of banking sector (mln.AZN)

№	Indicators	2010	2014	2016	2017	2018	2019	01.06.2020
1	<b>Net interest income</b>	<b>503.69</b>	<b>1269.3</b>	<b>914.4</b>	<b>950.3</b>	<b>1171.1</b>	<b>1330.3</b>	<b>573.5</b>
	Interest income	1055.3	2055.7	1994.0	1775.2	1753.0	1922.2	799.2
	Interest expense	551.6	986.4	1079.7	824.9	581.9	547.9	201.2
2	<b>Net non-interest income</b>	<b>-179.7</b>	<b>-432.7</b>	<b>-1337.0</b>	<b>-42.1</b>	<b>-476.5</b>	<b>-481.3</b>	<b>-213.3</b>
	Non-interest income	271.6	476.5	-338.3	938.5	549.1	723.7	263.1
	Non-interest expense	451.3	909.1	998.7	980.6	1025.6	1205.0	476.4
3	<b>Net operating profit (loss)</b>	<b>324.0</b>	<b>836.6</b>	<b>-422.6</b>	<b>908.2</b>	<b>694.6</b>	<b>849.0</b>	<b>360.2</b>
4	<b>Special reserves allocations for assets</b>	<b>184.0</b>	<b>373.7</b>	<b>1212.0</b>	<b>26.5</b>	<b>345.4</b>	<b>177.3</b>	<b>-20.04</b>
5	<b>Profit until the taxes are paid</b>	<b>140.1</b>	<b>458.8</b>	<b>-1625.1</b>	<b>938.8</b>	<b>351.7</b>	<b>693.0</b>	<b>380.1</b>
6	<b>Net (after taxes) profit</b>	<b>120.3</b>	<b>370.5</b>	<b>-1667.6</b>	<b>883.6</b>	<b>279.4</b>	<b>536.9</b>	<b>314.5</b>

### 3.4. Financial stability indicators of banking sector

№	Indicators	2010	2014	2017	2018	2019	01.06.2020
1	<b>Cumulative capital adequacy ratio (without IBA) (%)</b>	-	<b>23.5-</b>	-	-	<b>22.6*</b>	-
	<b>Aggregate capital</b>	-	-	<b>2242</b>	<b>3621</b>	<b>4108</b>	-
2	<b>Asset quality</b>						
	Share of non-performing loans in the loan portfolio (%)	5.4	5.3	13.8	12.2	8.3	7.3
	Rate of change of non-performing loans (since the beginning of the year,%)	62.4	23.1	10.5	-2.6	19.7	-14.8
3	<b>Profitability</b>						
	Ratio of Net Profit to Assets (%)	0.9%	1.5%	3.2%	0.9%	1.6%	1.0%
	Ratio of Net Profit to Total Equity (%)	6.3	8.9	23.8	6.9	11.7	6.9
	Ratio of interest margin to net operating profit (%)	155.5	151.7	104.6	168.6	156.7	159.2
	Ratio of net non-interest income to net operating profit (%)	-55.5	-51.7	-4.6	-68.6	-56.7	-59.2

\*Including IBA

### 3.5. Policy and market interest rates

№	Indicators	2010	2015	2017	2018	2019	01.06.2020
1	<b>CBAR's interest rate corridor (at the end of the period)</b>						
	The lower limit of the corridor (%)	1.0	0.1	10.0	7.75	5.75	6.76
	The upper limit of the corridor (%)	7.0	5.0	18.0	11.75	9.25	8.0
	Accounting interest rate (%)	3.0	3.0	15.0	9.75	7.50	7.25
	Refinancing volume (mln.AZN) (residual at the end of the period)	1861.8	6157.7	923.7	726.6	681.7	800.8
2	<b>Average interest rates on state securities (at the end of the period)</b>						
	Interest rate on CBAR notes	2.1	0.9	14.3	9.34	5.76	6.76
	The average interest rate on government short-term bonds	-	-	14.3	8.99	7.8	8.49
3	<b>Average interest rates on deposits (at the end of the period)</b>	<b>8.2</b>	<b>7.2</b>	<b>5.6</b>	<b>4.9</b>	<b>4.5</b>	<b>4.5</b>
	<b>Average interest rates on deposits of legal persons</b>	<b>4.3</b>	<b>5.3</b>	<b>3.6</b>	<b>3.5</b>	<b>2.9</b>	<b>3.5</b>
	<i>With manats</i>	6.2	5.8	5.8	5.53	4.71	5.84
	<i>With foreign currency</i>	2.4	4.8	1.4	1.43	1.1	1.08
	<b>Average interest rates on deposits of physical persons</b>	<b>12.0</b>	<b>9.0</b>	<b>7.6</b>	<b>6.3</b>	<b>6.0</b>	<b>5.5</b>
	<i>With manats</i>	11.8	9.1	11.6	10.0	9.68	8.9
	<i>With foreign currency</i>	12.3	8.8	3.7	2.66	2.4	2.1
4	<b>Average interest rates on loans to customers (to the end of the period)</b>	<b>17.4</b>	<b>14.2</b>	<b>12.1</b>	<b>11.8</b>	<b>9.69</b>	9.66
	<b>Average interest rates on loans of legal persons</b>	<b>13.0</b>	<b>9.3</b>	<b>7.9</b>	<b>7.7</b>	7.1	6.9
	<i>With manats</i>	11.7	9.7	8.9	9.3	8.8	8.72
	<i>With foreign currency</i>	14.2	8.8	6.8	6.13	5.33	5.09
	<b>Average interest rates on loans of physical persons</b>	<b>21.8</b>	<b>19.1</b>	<b>16.4</b>	<b>15.9</b>	<b>12.3</b>	<b>12.4</b>
	<i>With manats</i>	19.8	17.5	16.3	17.11	16.63	16.39
	<i>With foreign currency</i>	23.7	20.7	16.5	14.67	8.01	8.42
5	<b>Average interest rates on interbank loans (to the end of the period)</b>	<b>10.9</b>	<b>5.6</b>	<b>8.4</b>	<b>6.4</b>	<b>6.3</b>	<b>6.4</b>
	<i>With manats</i>	11.9	5.7	11.8	9.46	8.97	9.1
	<i>With foreign currency</i>	10.0	5.6	4.9	3.29	3.67	3.67

## 4. External Sector

№	Indicators	2005	2010	2015	2016	2017	2018	2020 quarter I
1	<b>Current Operations Balance (mln. USD)</b>	<b>167.3</b>	<b>15039.6</b>	<b>-222.5</b>	<b>-1363.4</b>	<b>1684.6</b>	<b>6051.1</b>	<b>646.3</b>
	<i>Current balance on oil-gas sector (mln. USD)</i>	1659.8	19862.8	6548.9	4395.3	7387.2	12869.1	2398.4
	<i>Current balance on non-oil sector (mln. USD)</i>	-1492.5	-4823.2	-6771.4	-5758.7	-5702.6	-6818.0	-1752.1
	<b>External trade balance (mln. USD)</b>	<b>3299.1</b>	<b>19730.4</b>	<b>5812.4</b>	<b>4206.3</b>	<b>6114.7</b>	<b>9841.3</b>	<b>1873.1</b>
	<i>Goods export (mln. USD)</i>	7649.0	26476.0	15586.1	13210.5	15152.1	20793.8	4463.2
	<i>Non-oil export (mln. USD)</i>	765.8	1368.5	1498.2	1160.1	1473.0	1617.7	411.2
	<i>Import of goods (mln. USD)</i>	-4349.9	-6745.6	-9773.6	-9004.2	-9037.3	-10952.4	-2590.1
	<i>Non-oil import (mln. USD)</i>	-2422.6	-5908.0	-7370.6	-6675.5	-7694.8	-9207.1	-2137.4
	<b>Services Balance (mln. USD)</b>	<b>-1970.0</b>	<b>-1732.9</b>	<b>-4228.9</b>	<b>-3154.5</b>	<b>-3379.3</b>	<b>-2062.1</b>	<b>-826.5</b>
	<i>Transportation services balance (mln. USD)</i>	-139.7	-156.7	508.6	176.0	-77.0	-297.0	-91.7
	<i>Tourism services balance (mln. USD)</i>	-86.3	-124.3	-293.6	219.4	353.4	349.8	-14.4
	<i>Construction services balance (mln. USD)</i>	-1489.4	-172.6	-3496.7	-2944.9	-2417.0	-1277.2	-263.1
	<i>Other services balance</i>	-254.6	-1279.2	-947.2	-605.0	-1238.8	-743.1	-1233.4
	<b>Income balance (mln. USD)</b>	<b>-1161.8</b>	<b>-2957.9</b>	<b>-1806.1</b>	<b>-2415.2</b>	<b>-1050.9</b>	<b>-1728.2</b>	<b>400.3</b>
2	<b>Capital and financial mobility account (mln. USD)</b>	<b>566.0</b>	<b>-3589.7</b>	<b>-9069.1</b>	<b>-2801.7</b>	<b>-101.0</b>	<b>-3189.4</b>	<b>139.4</b>
	<b>Direct Investments Balance (BIB)</b>	<b>458.2</b>	<b>329.2</b>	<b>785.9</b>	<b>1926.0</b>	<b>301.7</b>	<b>-808.0</b>	<b>1378.6</b>
	<i>BIB on non-oil sector</i>	217.0	577.8	-635.6	1150.4	91.8	-463.1	-89.7
	<b>Portfolio investments balance</b>	<b>30.5</b>	<b>-138.8</b>	<b>392.4</b>	<b>487.9</b>	<b>2668.9</b>	<b>-1241.0</b>	<b>-94.7</b>
	<b>Balance on other investments (DIB)</b>	<b>35.4</b>	<b>-3796.4</b>	<b>-10205.5</b>	<b>-5176.1</b>	<b>-3177.2</b>	<b>-1591.0</b>	<b>-1792.2</b>
	<i>DIB on non-oil sector</i>	-732.4	-3698.1	-11590.5	-4729.9	-4591.3	-1852.1	-1833.9
	<b>Equity movement balance</b>	<b>40.9</b>	<b>14.3</b>	<b>-43.9</b>	<b>-40.1</b>	<b>100.4</b>	<b>1.4</b>	<b>-5</b>
<i>Oil bonus</i>	1.0	2.0	2.0	0.5	1.4	450.1	451.6	
3	<b>Reserve Assets Change (USD mln)</b>	<b>607.7</b>	<b>10461.2</b>	<b>-11329.0</b>	<b>-539.2</b>	<b>1971.3</b>	<b>3508.1</b>	<b>-1343.6</b>
4	<b>Balancing agents (mln USD)</b>	<b>-125.6</b>	<b>-988.7</b>	<b>-2037.4</b>	<b>3625.9</b>	<b>387.8</b>	<b>646.4</b>	<b>-595.8</b>



## 5. Fiscal Sector

<b>№</b>	<b>Göstəricilər</b>	<b>2010</b>	<b>2015</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>01.06.2020</b>
<b>1</b>	<b>Income of state budget (mln AZN)</b>	<b>11402.5</b>	<b>17153.2</b>	<b>16446.9</b>	<b>22411.2</b>	<b>24199.6</b>	<b>10527.5</b>
	<i>Ratio to GDP of State Budget Revenues (%)</i>	26.9	31.6	23.5	28.1	29.6	38.3
<b>2</b>	<b>Expense of state budget (mln. AZN)</b>	<b>11766</b>	<b>17786.8</b>	<b>17588.4</b>	<b>22718.9</b>	<b>24404.8</b>	<b>9392.2</b>
	<i>Ratio to GDP of State Budget Expenditures (%)</i>	28.3	32.7	25.1	28.5	29.9	34.2
<b>3</b>	<b>State budget deficit (mln. AZN)</b>	<b>-363.5</b>	<b>-633.6</b>	<b>-1141.5</b>	<b>-307.7</b>	<b>-205.2</b>	<b>1135.3</b>
	<i>Ratio to GDP of State Budget Deficit (%)</i>	0.9	-1.2	-1.6	-0.4	-0.3	4.1
<b>4</b>	<b>Incomes of State Oil Fund (mln. AZN)</b>	<b>13088.5</b>	<b>7721.1</b>	<b>12137.5</b>	<b>17614.1</b>	<b>19030.6</b>	-
<b>5</b>	<b>Expenses of State Oil Fund (mln. AZN)</b>	<b>6386.5</b>	<b>9187.7</b>	<b>11015.5</b>	<b>11455.6</b>	<b>11588.6</b>	-
<b>6</b>	<b>Transfers to state budget from State Oil Fund (mln. AZN)</b>	<b>5915.0</b>	<b>8130.0</b>	<b>6100.0</b>	<b>10959.0</b>	<b>11364.3</b>	-
<b>7</b>	<b>Transfers to the CBAR for the purpose of macroeconomic stability (mln.AZN)</b>	-	-	<b>3949.5</b>	-	-	-
<b>8</b>	<b>Volume of State Oil Fund Assets (mln. USD)</b>	<b>22766.8</b>	<b>33574.1</b>	<b>35806.5</b>	<b>38515.2</b>	<b>43323.3</b>	-

**Azerbaijan Banks Association**

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