



**AZERBAIJAN
BANKS
ASSOCIATION**

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MACROFINANCE REVIEW

01.10.2023

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1. Real sector

№	Indicators	2017	2018	2019	2020	2021	2022	01.10.2023
1	GDP (mln. AZN)	70135.1	79797.3	81681	72432.2	92857,7	133825.8	90812.5
	<i>Annual growth rate of GDP (%)</i>	<i>0.1</i>	<i>1.4</i>	<i>2.2</i>	<i>-4.3</i>	<i>5,6</i>	<i>4.6</i>	<i>0.8</i>
2	Non-oil GDP (mln. AZN)	44061.9	46671.3	50391.8	50792.5	57786,2	69826	56165
	<i>Annual growth rate of non-oil GDP (%)</i>	<i>2.7</i>	<i>1.8</i>	<i>3.5</i>	<i>-2.6</i>	<i>7,2</i>	<i>9.1</i>	<i>3</i>
3	Investment in fixed capital (mln. AZN)	15550.8	17238.2	17184.3	17028.1	16127	18272.3	12728.9
	<i>Annual growth rate of investment in fixed capital (%)</i>	<i>-2.6</i>	<i>-4.4</i>	<i>-2.3</i>	<i>-8.3</i>	<i>-8,2</i>	<i>5.5</i>	<i>21.3</i>
4	Nominal money income of the population (mln. AZN)	49162.9	53688.6	57035.0	55726.1	57181,5	68914.6	58018.3
	<i>Annual growth rate of nominal money income of the population (%)</i>	<i>8.3</i>	<i>9.2</i>	<i>7.4</i>	<i>-1.8</i>	<i>2,6</i>	<i>20.5</i>	<i>13.8</i>
5	Nominal average monthly salary (AZN)	525.0	540.1	623.1	703.5	724,1	829.9	923
	<i>Annual growth rate of nominal average monthly salary (%)</i>	<i>6.2</i>	<i>2.9</i>	<i>15.4</i>	<i>12.9</i>	<i>2,9</i>	<i>14.6</i>	<i>11.3</i>
6	Inflation (%)	12.9	2.3	2.6	2.8	6,7	13.9	10.9

2. Monetary sector

№	Indicators	2017	2018	2019	2020	2021	2022	01.10.2023
1	Monetary base	9872.6	10318.4	13125.3	15052.9	19761,4	20900.3	19432.5
	Monetary base in manats (mln. AZN)	8543.2	9545.7	12152.5	13564.2	17937,6	17460.3	17896.2
	<i>Monetary base with manat (the last 12 month non-oil GDP, %)</i>	<i>19.4</i>	<i>20.5</i>	<i>24.1</i>	<i>26.7</i>	<i>31,0</i>	<i>25.0</i>	<i>23.6</i>
	<i>Monetary base with manat (the rate of change from the beginning of the year, %)</i>	<i>8.7</i>	<i>11.7</i>	<i>27.3</i>	<i>11.62</i>	<i>32,24</i>	<i>-2.66</i>	<i>2.5</i>
	Cash in circulation	8140.2	8364.1	10405.5	11839.7	12310,0	14714.4	16157.7
	Correspondent accounts	1554.6	1755.5	2543.2	3204.2	7440,0	6169.7	3274.6
	Mandatory reserves	141.2	163.0	165.4	149.5	173,4	1389.2	2616.2
2	Monetary aggregates							
	M0 (mln. manats)	7490.3	7601.4	9501.1	10773.4	10940,8	13297.5	14741.9
	M1 (mln. manats)	10544.2	12274.6	15397.9	17864.6	20572,5	25365.8	27879.5
	M2 (mln. manats)	12466.4	14643.6	18238.6	20305.5	23874,9	29565.6	33180.7
	M3 (mln. manats)	22772.1	24060.4	28866.3	29185.8	34646,6	42824.9	42024.1
3	Reserves and exchange rate							
	Reserves of CBAR (mln. USD)	5334.6	5622.5	6258.0	6369.4	7075,4	8995.7	9775.3
	AZN/USD official exchange rate	1.7001	1.7000	1.7000	1.7000	1,7000	1.7000	1.7000
	AZN/EURO official exchange rate	2.0307	1.9468	1.9035	2.0694	1,9222	1.7997	1.7968
	Real Effective Exchange Rate (REM) (2000=100)	94.2	99.5	99.0	100.4	113,6	122.3	123.4
On non-oil sector REM (2000=100)	89.8	95.3	93.4	97.2	109,2	113.1	121.6	

3. Banking Sector

3.1. Structure and service network of banking market

№	Indicators	2017	2018	2019	2020	2021	2022	01.10.2023
1	Number of banks	30	30	30	26	26	25	24
	Number of banks getting license since the beginning of the year	0	0	0	0	0	0	0
	Number of banks whose license has been canceled since the beginning of the year	2	0	0	4	0	1	1
	Number of state banks	2	2	2	2	2	2	2
	Number of private banks	28	28	28	24	24	23	22
	Number of banks with foreign capital	15	15	14	12	12	11	9
	<i>Banks with foreign capital more than 50% of the authorized capital</i>	8	8	7	7	7	6	5
	also local branch of foreign banks	2	2	2	2	2	1	1
	<i>Banks with foreign capital up to 50% of the authorized capital</i>	7	7	7	5	5	5	3
2	Service network of banks							
	Number of bank branches	509	508	509	455	479	487	491
	Number of bank departments	142	130	133	109	97	91	88
	Number of ATM-s	2431	2502	2647	2715	2907	2997	3047
	Number of POS Terminals	-	66110	67468	57120	60936	79100	81799
3	Number of employees working in banking sector	16171	17415	19460	18708	20329	22777	23530
4	Number of non-bank credit organizations	123	104	90	-	-	-	54

3.2. Main indicators of banking sector

№	Indicators	2017	2018	2019	2020	2021	2022	01.10.2023
1	Assets (mln. AZN)	27921.0	29502.4	32722.8	32055.3	38462,2	47054.9	45530.5
	<i>Assets (the last 12 month non-oil GPD ,%)</i>	63.4	63.2	64.9	63.1	66,56	67.39	60.14
2	Total credit investments to the economy (mln. AZN)	11757.8	13020.3	15298.2	14530.4	17119,8	20184	23018.6
	<i>Total credit investments (the last 12 month non-oil GPD ,%)</i>	26.7	27.9	30.4	28.6	29,63	28.91	30.41
	Overdue loans (mln.AZN)	1626.7	1585.0	1273.1	893.1	719,4	593.7	519.8
	<i>Overdue loans(%)</i>	13.8	12.2	8.3	6.1	4,2	2.9	2.3
	Aggregate loan portfolio of the banking sector (mln. AZN)	11337.6	12628.3	14900.9	14157.0	16659,1	19594.4	22281.9
	Business loans (mln. AZN)	7566	8113	9032	8478.3	9740	10855.1	12078.7
	Consumer loans (mln. AZN)	3772	4515	5869	3661.2	6919,1	8739.3	10203.2
	Aggregate loan portfolio of non-bank financial organizations (BOKT) (mln. AZN)	420.2	392.0	397.2	373.4	460,7	589.6	736.8
	Credit investments in national currency (mln. AZN)	6953.6	8073.6	10000.8	10204	12696,5	16194.3	18707.5
	Credit investments in foreign currency (mln. AZN)	4804.2	4946.7	5297.4	4326.4	4423,4	3989.6	4311.2
	Credit investments in foreign currency (mln. USD)	2825.8	2909.8	3116.1	2544.9	2603,5	2346.8	2536.0
	<i>Credit dollarization (%)</i>	40.9	38.0	35.6	29.8	25,84	19.77	18.73
	3	Total capital (* - marked with periods without IBA)	3709.2	4071.8	4583.0	4699.2	4969,3	5622.1
<i>Total capital (the last 12 month non-oil GPD ,%)</i>		8.4	8.7	9.1	9.3	8,6	8.1	7.9
4	Total deposits (mln. AZN)	20599.1	21870.4	24746.0	23666.9	29027,7	36249.8	34230.5
	Deposits in national currency (mln. AZN)	5685.6	7581.7	9657.6	10328.0	14681,8	18704.6	20521.8
	Deposits in foreign currency (mln. AZN)	14913.5	14288.7	15088.4	13338.9	14346	17545.2	13708.8
	Deposits in foreign currency (mln. USD)	8772.1	8405.1	8875.5	7846.4	8443,8	10320.7	8064.0
	<i>Deposit dollarization (%)</i>	72.4	65.3	61.0	56.4	49,4	48.4	40.0
	Savings of households (mln. AZN)	7561.2	8375.4	8637.9	8177.9	9241,5	11743.0	12705.5
	Savings with national currency (mln. AZN)	2532.9	3142.3	4132.8	4027.1	5452,2	7139.4	8251.5
	Savings with foreign currency (mln. AZN)	5028.3	5233.1	4505.2	4150.8	3789,3	4603.6	4453.9
	Savings with foreign currency (mln. USD)	2957.6	3078.3	2650.1	2441.7	2230,3	2708.0	2620.0
	<i>Savings dollarization (%)</i>	66.5	62.5	52.2	50.8	41,0	39.2	35.1
Deposits of financial organizations (mln. AZN)	1935.0	1547.7	1726.7	1885.1	1892,7	2481.8	2061.7	
Deposits of non-financial organizations (mln. AZN)	11102.9	11947.4	14381.5	13603.9	17893,6	22025	19463.3	
5	Foreign liabilities of bank sector (mln.AZN)	2308.3	1828.1	1645.6	1220.7	1063,2	1761.9	2353.1
	Foreign liabilities of bank sector (mln.USD)	1357.7	1075.4	968.0	718.1	625,8	1036.4	1384.1

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

№	Indicators	2016	2017	2018	2019	2020	2021	2022	01.10.2023
1	Net interest income	914.4	950.3	1171.1	1330.3	1368.1	1537,5	2040.6	1953.7
	Interest income	1994.0	1775.2	1753.0	1922.2	1920.5	2107,0	2738.8	2582.4
	Interest expense	1079.7	824.9	581.9	547.9	492.5	538,4	657.8	628.7
2	Net non-interest income	-1337.0	-42.1	-476.5	-481.3	-564.4	-594,7	-669.2	-686.5
	Non-interest income	-338.3	938.5	549.1	723.7	672.1	876,0	1216.0	988.5
	Non-interest expense	998.7	980.6	1025.6	1205.0	1236.5	1470,7	1885.2	1675
3	Net operating profit (loss)	-422.6	908.2	694.6	849.0	803.7	942,8	1371.4	1227.2
4	Special reserves allocations for assets	1212.0	26.5	345.4	177.3	71.0	168,9	195.5	180.6
5	Profit until the taxes are paid	-1625.1	938.8	351.7	693.0	733.3	774,6	1176.0	1047.6
6	Net (after taxes) profit	-1667.6	883.6	279.4	536.9	567.8	609,0	914.5	823.9

3.4. Financial stability indicators of banking sector

№	Indicators	2017	2018	2019	2020	2021	2022	01.10.2023
1	Cumulative capital adequacy ratio (without IBA) (%)	-	-	22.6*	-	-		
	Aggregate capital	2242	3621	4108	-	-		
2	Asset quality							
	Share of non-performing loans in the loan portfolio (%)	13.8	12.2	8.3	6.1	4,2	2.9	2.3
	Rate of change of non-performing loans (since the beginning of the year,%)	10.5	-2.6	19.7	-29.8	-19,4	-17.5	-12.5
3	Profitability							
	Ratio of Net Profit to Assets (%)	3.2%	0.9%	1.6%	1.8%	1,6%	1.9%	1.8%
	Ratio of Net Profit to Total Equity (%)	23.8	6.9	11.7	12.1	12,3	154.0	158.5
	Ratio of interest margin to net operating profit (%)	104.6	168.6	156.7	170.2	163,1	148.8	159.2
	Ratio of net non-interest income to net operating profit (%)	-4.6	-68.6	-56.7	-70.2	-63,1	-48.8	-55.9

*Including IBA

3.5. Policy and market interest rates

No	Indicators	2017	2018	2019	2019	2021	2022	01.10.2023
1	CBAR's interest rate corridor (at the end of the period)							
	The lower limit of the corridor (%)	10.0	7.75	5.75	5.75	6	6.25	7.5
	The upper limit of the corridor (%)	18.0	11.75	9.25	6.75	9	9.25	10
	Accounting interest rate (%)	15.0	9.75	7.50	6.25	7,5	8.25	9
	Refinancing volume (mln.AZN) (residual at the end of the period)	923.7	726.6	681.7	1025.5	977	835.4	731.1
2	Average interest rates on state securities (at the end of the period)							
	Interest rate on CBAR notes	14.3	9.34	5.76	5.76	6,01	6.17	8.46
	The average interest rate on government short-term bonds	14.3	8.99	7.8	5.96	7,00	4.50	7.87
3	Average interest rates on deposits (at the end of the period)	5.6	4.9	4.5	4.5	4,3	4.3	4.7
	Average interest rates on deposits of legal persons	3.6	3.5	2.9	3.5	3,2	3.0	3.8
	<i>With manats</i>	5.8	5.53	4.71	5.92	5,32	5.12	5.6
	<i>With foreign currency</i>	1.4	1.43	1.1	1.05	0,99	0.91	1.92
	Average interest rates on deposits of physical persons	7.6	6.3	6.0	5.58	5,47	5.54	5.62
	<i>With manats</i>	11.6	10.0	9.68	9	9,12	9.28	9.26
	<i>With foreign currency</i>	3.7	2.66	2.4	2.2	1,8	1.8	2.0
4	Average interest rates on loans to customers (to the end of the period)	12.1	11.8	9.69	9.22	9,15	9.02	9.09
	Average interest rates on loans of legal persons	7.9	7.7	7.1	7.1	7,3	7.4	7.6
	<i>With manats</i>	8.9	9.3	8.8	9.27	9,98	9.99	10.15
	<i>With foreign currency</i>	6.8	6.13	5.33	4.98	4,71	4.78	5.05
	Average interest rates on loans of physical persons	16.4	15.9	12.3	11.3	10,9	10.7	10.6
	<i>With manats</i>	16.3	17.11	16.63	16.09	16,44	16.04	15.98
	<i>With foreign currency</i>	16.5	14.67	8.01	6.53	5,45	5.26	5.17
5	Average interest rates on interbank loans (to the end of the period)	8.4	6.4	6.3	6.1	6,5	6.5	7.8
	<i>With manats</i>	11.8	9.46	8.97	7.19	8,44	8.7	9.5
	<i>With foreign currency</i>	4.9	3.29	3.67	4.92	4,5	4.36	6.07

4. External Sector

№	Indicators	2015	2017	2018	2019	2020	2021	2022	2023 6 month
1	Current Operations Balance (mln. USD)	-222.5	1684.6	6051.1	4364.9	-227.6	8291,6	23478.1	5154.6
	<i>Current balance on oil-gas sector (mln. USD)</i>	6548.9	7387.2	12869.1	11491.2	5086.7	14017,6	28667.3	8217.5
	<i>Current balance on non-oil sector (mln. USD)</i>	-6771.4	-5702.6	-6818.0	-7126.3	-5314.3	-5726,1	-5189.3	-3062.8
	External trade balance (mln. USD)	5812.4	6114.7	9841.3	8532.9	2511.6	11273,6	27359.4	7488.9
	<i>Goods export (mln. USD)</i>	15586.1	15152.1	20793.8	19868.3	12588.2	21692,3	40868.6	15157.3
	<i>Non-oil export (mln. USD)</i>	1498.2	1473.0	1617.7	1851.1	1770.9	2547,4	2939.8	1739.4
	<i>Import of goods (mln. USD)</i>	-9773.6	-9037.3	-10952.4	-15335.3	-10076.6	-10418,7	-13509.2	-7668.4
	<i>Non-oil import (mln. USD)</i>	-7370.6	-7694.8	-9207.1	-9453.8	-8200.5	-8794,0	-10970.2	-5702.3
	Services Balance (mln. USD)	-4228.9	-3379.3	-2062.1	-2615.7	-2840.7	-2122,9	-1359.7	-1113.8
	<i>Transportation services balance (mln. USD)</i>	508.6	-77.0	-297.0	-350.5	342.7	831,1	2232.5	572.8
	<i>Tourism services balance (mln. USD)</i>	-293.6	353.4	349.8	89.0	-107.5	-248,9	-69.4	101.2
	<i>Construction services balance (mln. USD)</i>	-3496.7	-2417.0	-1277.2	-1002.6	-1113.1	-1654,6	-1135.0	-681.2
	<i>Other services balance</i>	-947.2	-1238.8	-743.1	-1233.4	-1962.8	-1050,6	-1997.4	-908.7
	Income balance (mln. USD)	-1806.1	-1050.9	-1728.2	-1552.4	101.5	-859,1	-2521.6	-1220.5
2	Capital and financial mobility account (mln. USD)	-9069.1	-101.0	-3189.4	116.2	2393.4	5048,2	12485.2	-515.3
	Direct Investments Balance (BIB)	785.9	301.7	-808.0	1378.6	769.8	2241,7	5098.9	565.6
	<i>BIB on non-oil sector</i>	-635.6	91.8	-463.1	563.2	283.9	-698,2	-1028.4	-257.5
	Portfolio investments balance	392.4	2668.9	-1241.0	388.6	281.8	519,0	1793.1	1082.9
	Balance on other investments (DIB)	-10205.5	-3177.2	-1591.0	-1455.7	-1800.8	-2748,7	-6045.4	1706.9
	<i>DIB on non-oil sector</i>	-11590.5	-4591.3	-1852.1	-1572.4	1530.9	2637,8	993.6	-3522.9
	Equity movement balance	-43.9	100.4	1.4	-18.6	-7.4	-4,2	-2.0	-6.8
	<i>Oil bonus</i>	2.0	1.4	450.1	450.8	451.6	457,0	452.2	450.2
3	Reserve Assets Change (USD mln)	-11329.0	1971.3	3508.1	-5142.9	-1987.7	3081,4	9375.2	5245.0
4	Balancing agents (mln USD)	-2037.4	387.8	646.4	661.8	648.0	-153,6	-1617.8	-411.4

5. Fiscal Sector

№	Göstəricilər	2017	2018	2019	2020	2021	2022	01.10.2023
1	Income of state budget (mln AZN)	16446.9	22411.2	24199.6	24673.1	26419,1	30660.5	22077
	<i>Ratio to GDP of State Budget Revenues (%)</i>	<i>23.5</i>	<i>28.1</i>	<i>29.6</i>	<i>34.1</i>	<i>28,5</i>	<i>22.9</i>	<i>24.3</i>
2	Expense of state budget (mln. AZN)	17588.4	22718.9	24404.8	26417.1	27412,8	32063.3	23214.5
	<i>Ratio to GDP of State Budget Expenditures (%)</i>	<i>25.1</i>	<i>28.5</i>	<i>29.9</i>	<i>36.5</i>	<i>29,5</i>	<i>24.0</i>	<i>25.6</i>
3	State budget deficit (mln. AZN)	-1141.5	-307.7	-205.2	-1744.0	-993,7	-1402.8	-1137.5
	<i>Ratio to GDP of State Budget Deficit (%)</i>	<i>-1.6</i>	<i>-0.4</i>	<i>-0.3</i>	<i>-2.4</i>	<i>-1,1</i>	<i>-1.0</i>	<i>-1.3</i>
4	Incomes of State Oil Fund (mln. AZN)	12137.5	17614.1	19030.6	9360.8	15985,6	9586.0	14878.3
5	Expenses of State Oil Fund (mln. AZN)	11015.5	11455.6	11588.6	12425.3	11382,7	4699.0	3587.0
6	Transfers to state budget from State Oil Fund (mln. AZN)	6100.0	10959.0	11364.3	12200.0	11350,0	7923.0	3550.0
7	Transfers to the CBAR for the purpose of macroeconomic stability (mln.AZN)	3949.5	-	-	-	-	-	-
8	Volume of State Oil Fund Assets (mln. USD)	35806.5	38515.2	43323.3	43564.3	45025,1	49033.6	55524.0

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