



# IN AZERBAIJAN

04.06.2021

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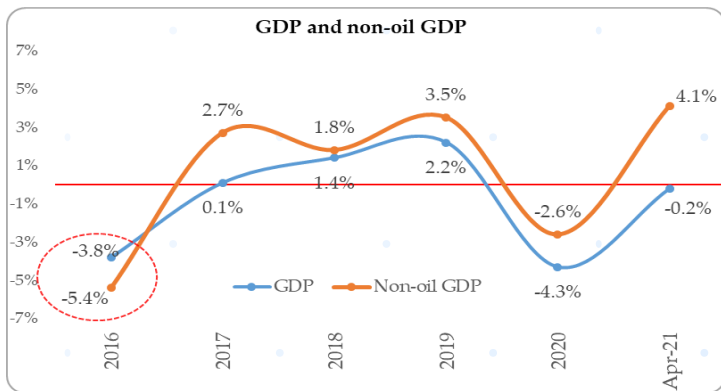


# MACROECONOMIC INDICATORS

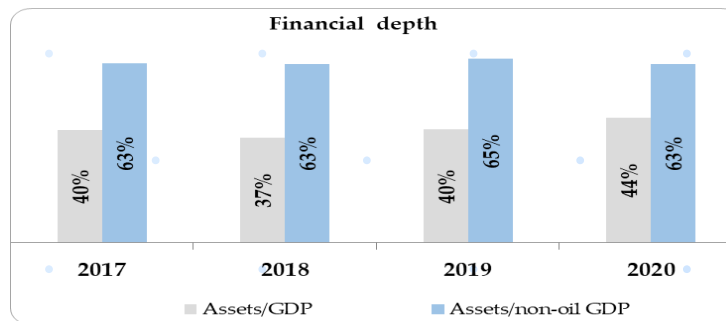
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# MACROECONOMIC INDICATORS

Real growth of non-oil GDP is 4.1%



- Average annual inflation was 4.0%.
- Excluding oil trade, NEM and REM increased by 2.6% and 3.8% since the year end.
- Foreign currency reserves of CBAR is 6.5 billion USD as of May 31, 2021.



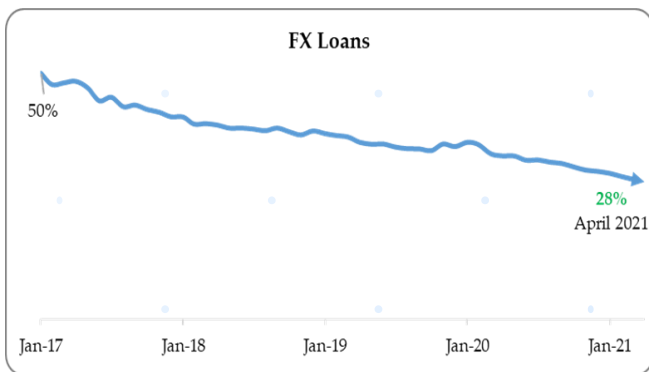
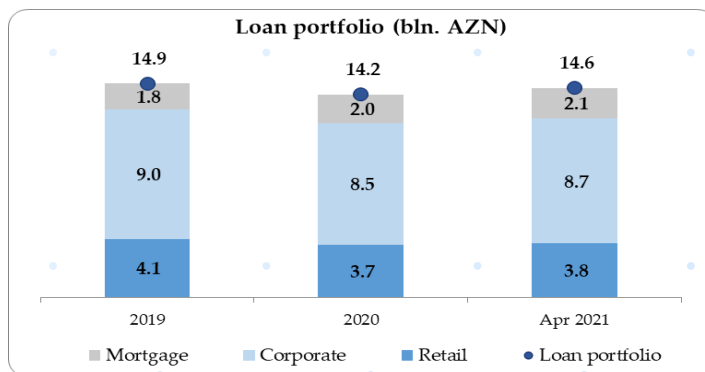
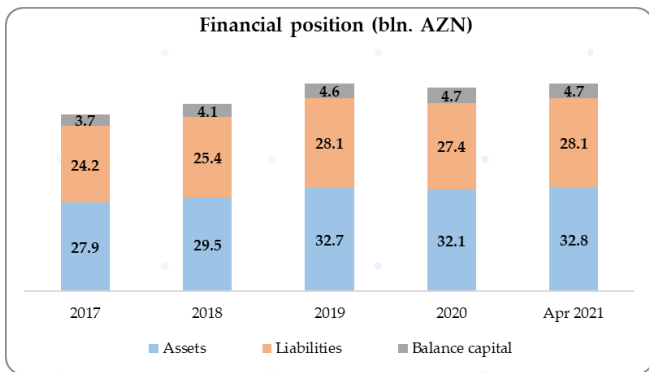
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## FINANCIAL POSITION

# FINANCIAL POSITION

## The positive trend of asset growth



- Total assets increased by 0.7 billion AZN (2.3%) in 2021
- Loan portfolio decreased -2% due to 4 banks being closed in Q2 2020. Excluding 4 banks loan portfolio has increased 0.6 bln. AZN (4.5%).
- Share of foreign currency loans dropped to 28%, but dollarization in business loans are still high – 43%.

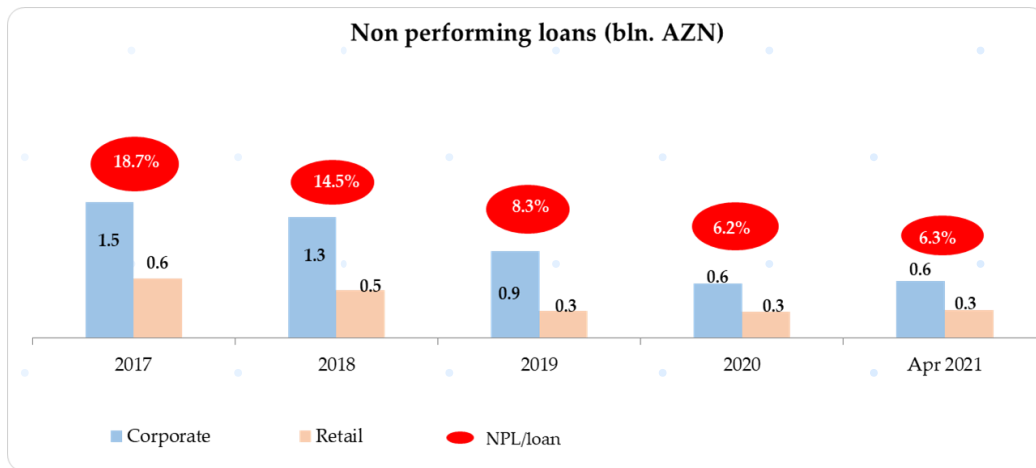


# QUALITY OF LOAN PORTFOLIO

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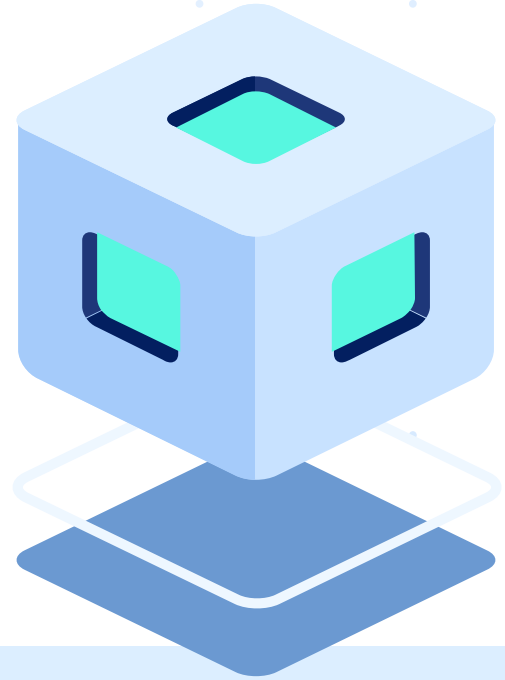
# QUALITY OF LOAN PORTFOLIO

## Fall in non-performing loans



- NPL diminished from 2017 (57% or 1.2 bln. AZN)
  - ✓ In Q2 2020 licenses of 4 banks with 0.5 bln. AZN NPL were terminated
  - ✓ 67% of NPL portfolio consists of business loans
  - ✓ The share of NPL in business loans 7.1%.
  - ✓ NPL to total loan portfolio ratio is 6.3% as of April 2021
- 0.3 bln. AZN loss loans was written off in 2020

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## **LEGAL FRAMEWORK**

# LEGAL FRAMEWORK

**LAWS**

**PRESIDENTIAL  
DECREES**

**REGULATIONS**

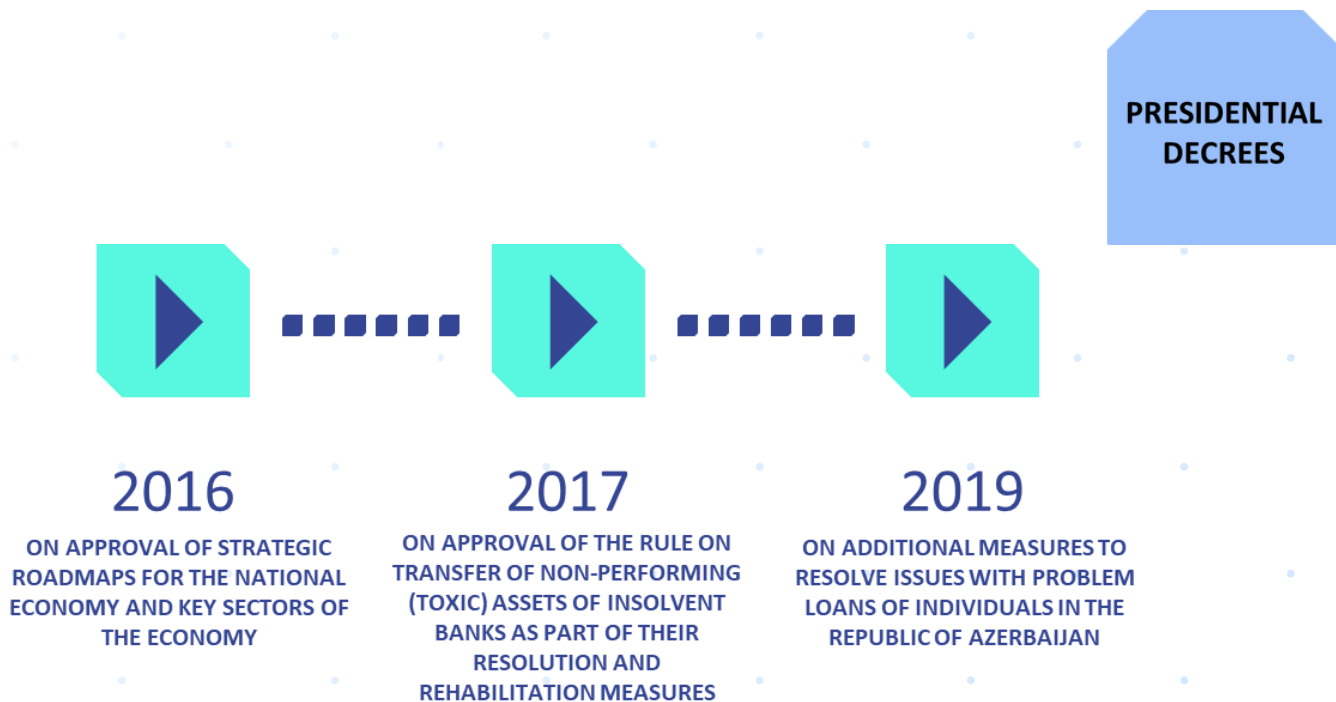
# LEGAL FRAMEWORK



LAWS

- CIVIL CODE
- TAX CODE
- LAW ON BANKS

# LEGAL FRAMEWORK



# LEGAL FRAMEWORK

- ON CALCULATION OF BANK CAPITAL AND ITS ADEQUACY
- ON ASSETS CLASSIFICATION AND LOAN LOSS PROVISIONING REGULATIONS
- ON CREDIT RISK MANAGEMENT IN BANKS
- CORPORATE GOVERNANCE STANDARDS IN BANKS
- ON DETERMINING ACTIONS FOR RESOLUTION OF INSOLVENT BANKS AND HOLDING AN AUCTION

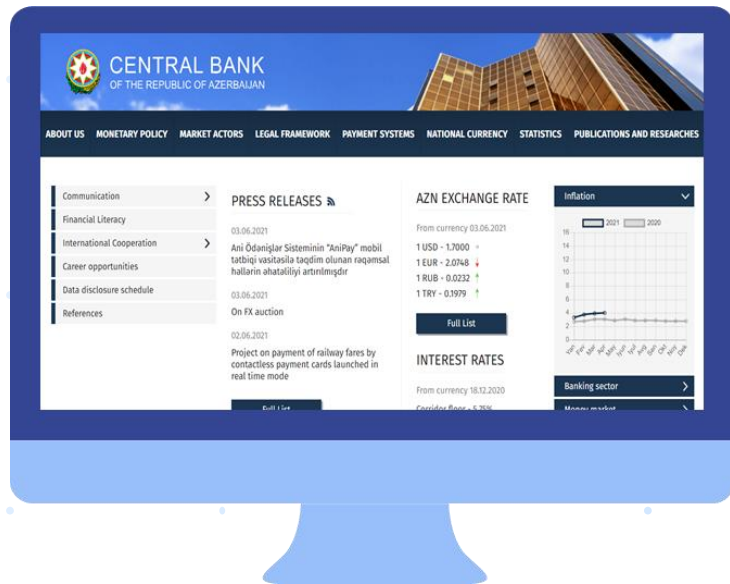


REGULATIONS



# THE CENTRAL BANK OF THE REPUBLIC OF AZERBAIJAN

[www.cbar.az](http://www.cbar.az)





**THE CENTRAL BANK OF THE REPUBLIC OF AZERBAIJAN**

**THANK YOU FOR  
YOUR ATTENTION!**

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