

# Risk management

2023 – 4<sup>th</sup> Quarter

atb

## liquidity gap

A. Assets	Instant	1 - 7 days	8 -30 days	1 - 3 months	3 - 6 months	6 - 9 months	9 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	Total
1. Cash (in safes, ATMs, currency exchange offices, on the road)	18.660	-	-	-	-	-	-	-	-	-	18.660
2. Requirements to CBA (statutory reserve fund or correspondent accounts)	10.343	-	-	-	-	-	-	-	-	40.770	51.112
3. Nostro accounts	7.019	-	-	-	-	-	-	-	-	1.742	8.761
4. Short-term financial instruments of the interbank market (up to 7 days, including the 7th day)	-	-	-	-	-	-	-	-	-	-	-
5. Deposits to financial institutions, including banks, total	-	212.632	46.555	26.100	32.300	13.600	13.953	-	-	-	345.140
6. On reverse REPO transactions	-	-	-	-	-	-	-	-	-	-	-
7. Investments in securities, including pledged securities	-	-	-	9.859	13.112	5.379	8.862	11.511	14.800	-	63.522
8. Securities for trading, including pledged securities	-	-	-	-	-	-	-	-	-	-	-
9. Loans to banks, excluding short-term financial instruments of the interbank market on line 4	-	-	-	-	1.700	3.400	-	1.700	-	-	6.800
10. Loans to other financial institutions, excluding short-term financial instruments on line 4	-	-	-	-	-	-	-	-	-	-	-
11. Loans to customers	17	408	6.191	18.448	26.054	25.562	27.142	85.297	89.963	168.318	447.399
12. Fixed assets with the deduction of depreciation (including fixed assets not used in banking)	-	-	-	-	-	-	-	-	-	13.409	13.409
13. Investments and financial participation in unincorporated companies	-	-	-	-	-	-	-	-	-	402	402
14. Intangible assets	-	-	-	-	-	-	-	-	-	5.947	5.947
15. Other assets	-	-	31.553	3.319	11.128	-	-	859	-	37	46.896
16. (-) Provisions for potential losses on assets	-	-	-	-	-	-	-	-	-	12.513	12.513
17. Total assets	36.039	213.039	84.299	57.726	84.294	47.940	49.957	99.368	104.762	218.112	995.536

## liquidity gap

B. Liabilities and equity	Instant	1 - 7 days	8 -30 days	1 - 3 months	3 - 6 months	6 - 9 months	9 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	Total
1. Deposits (excluding banks and other financial institutions), total	361.161	-	14.372	10.467	4.672	22.590	42.175	7.924	20.626	-	483.986
2. CBA loans	-	-	-	-	-	-	-	95	-	-	95
3. Loro accounts (bank correspondent accounts)	80.541	-	-	-	-	-	-	-	-	-	80.541
4. On REPO operations	-	-	-	8.542	-	-	-	-	-	-	8.542
5. Earned short-term financial instruments of the interbank market (up to 7 days, including the 7th day)	-	-	-	-	-	-	-	-	-	-	-
6. Deposits of banks and other financial institutions	108.702	-	2.976	5.250	300	2.350	800	150	-	-	120.528
7. Loans drawn from banks (with a term of more than 7 days)	-	-	-	-	-	-	-	-	-	-	-
8. Loans drawn from other financial institutions, including international organizations	-	-	-	50	-	-	-	481	3.509	169.256	173.296
9. Loans and deposits of central administration bodies	-	-	-	-	-	-	-	600	-	-	600
10. Loans and deposits of municipalities	-	-	-	-	-	-	-	-	-	-	-
11. Mortgage loans drawn by the bank for own reserves	-	-	-	-	-	-	-	-	-	-	-
12. Subordinated debt and other similar debt obligations issued by the bank, including maturity preference shares	-	-	-	-	-	-	-	-	-	-	-
13. Other liabilities	-	-	947	37.592	-	-	4.905	-	-	-	43.444
14. Equity	-	-	-	-	-	-	-	-	-	84.504	84.504
<b>15. Total liabilities (liabilities plus equity)</b>	<b>550.404</b>	<b>-</b>	<b>18.295</b>	<b>61.900</b>	<b>4.972</b>	<b>24.940</b>	<b>47.881</b>	<b>9.250</b>	<b>24.135</b>	<b>253.760</b>	<b>995.536</b>

<b>Liquidity Gap</b>	<b>(514.365)</b>	<b>213.039</b>	<b>66.004</b>	<b>(4.174)</b>	<b>79.322</b>	<b>23.001</b>	<b>2.076</b>	<b>90.118</b>	<b>80.627</b>	<b>(35.648)</b>
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## liquidity gap – foreign currency

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<b>Financial Assets and Liabilities</b>	<b>TOTAL</b>	<b>MANAT</b>	<b>USD</b>	<b>EURO</b>	<b>Other</b>
Assets	995.536	642.397	236.235	73.837	43.066
Cash and cash equivalents	18.660	11.545	5.284	1.055	777
Nostro accounts	8.761	1	1.603	2.748	4.409
Requirements to CBA	51.112	26.409	14.121	10.582	-
Deposits of the bank	345.140	69.000	178.807	59.453	37.880
Securities	63.522	47.060	16.463	-	-
Loans and leases granted to customers	447.399	439.068	8.331	-	-
Loan financial instruments granted to credit organizations and other financial institutions	6.800	-	6.800	-	-
Derivative financial instruments	-	-	-	-	-
Short-term financial instruments	-	-	-	-	-
Other assets	53.245	47.646	5.599	-	-
Fixed assets (subtracting depreciation)	13.409	13.409	-	-	-
(subtr. target reserves to cover possible losses on assets)	12.513	11.741	772	-	-
<b>Liabilities</b>	<b>911.032</b>	<b>571.410</b>	<b>221.894</b>	<b>74.719</b>	<b>43.008</b>
Requirements of the Central Bank and other organizations to the bank	95	95	-	-	-
Funds attracted from credit organizations and other financial institutions	383.507	189.873	107.606	53.336	32.691
Customer deposits	483.986	344.761	108.346	20.627	10.252
a) demand deposits	361.161	248.656	81.625	20.627	10.252
b) term deposits	122.825	96.104	26.721	-	-
Subordinated liabilities	-	-	-	-	-
Debt securities	-	-	-	-	-
Other liabilities	43.444	36.681	5.942	756	65
<b>Balance capital</b>	<b>84.504</b>	<b>84.504</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Open currency position ratio</b>	<b>Expression in %</b>				
Aggregate OCP for free floating currency	1,59				
Aggregate OCP for closed currency	0,04				

## interest rate risk sensitivity classification

Assets	
0-3 months	320.209
3-6 months	73.166
6-12 months	97.897
12-24 months	98.508
24-36 months	63.589
more than 36 months	192.498

GAP	
0-3 months	36.024
3-6 months	68.194
6-12 months	29.982
12-24 months	89.259
24-36 months	51.051
more than 36 months	11.645

Liabilities	
0-3 months	284.186
3-6 months	4.972
6-12 months	67.915
12-24 months	9.250
24-36 months	12.537
more than 36 months	180.853

Cumulative GAP	
0-3 months	36.024
3-6 months	104.218
6-12 months	134.200
12-24 months	223.459
24-36 months	274.510
more than 36 months	286.155

## loan portfolio quality

with a thousand manats

Loan portfolio distribution by sector	General	Principal amount due													
		Current	Overdue days												
			1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-240 days	241-270 days	271-300 days	301-330 days	331-365 (366) days	1 year or more
<b>Loan portfolio, incl.</b>	447.399	422.719	7.687	5.516	1.449	916	633	483	582	633	442	363	447	500	5.028
<b>Business</b>	43.490	38.431	65	3.235	136	-	-	-	-	-	-	-	100	-	1.522
<b>Consumption</b>	229.304	211.039	7.113	2.070	1.213	916	633	483	582	633	405	306	323	448	3.141
<b>Real estate</b>	174.605	173.248	510	211	100	-	-	-	-	-	38	57	24	53	365
<b>Other loans</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## collateral distribution

with a thousand manats

Loan portfolio distribution by sector	Overall	Unfunded	Secured with cash	Secured by gold	Secured by real estate	Secured by movable property	Secured by another source	Secured by guarantees	Secured by derivative financial instruments
<b>Loan portfolio, incl.</b>	447.399	230.616	8.788	203	202.824	2	3.802	1.164	-
<b>Business</b>	43.490	10.134	605	203	27.759	2	3.623	1.164	-
<b>Consumption</b>	229.304	220.482	8.184	-	459	-	179	-	-
<b>Real estate</b>	174.605	-	-	-	174.605	-	-	-	-
<b>Other loans</b>	-	-	-	-	-	-	-	-	-

## loan classification

with a thousand manats

	Amount	Specific weight in total loan portfolio	Common reserves created	Share of the common reserves created in the loan portfolio (percent)	Target reserves created	Share of the target reserves created in the loan portfolio (percent)
<b>1. Total loan portfolio, including</b>	447.399		4.457	1,00%	10.258	2,29%
<b>1.1 Standard loans</b>	413.385	92,4%	4.457	1,00%		
<b>Pass loans</b>	406.124	90,8%	4.100	0,92%		
<b>Supervised loans</b>	6.522	1,5%	282	0,06%		
<b>Additional risk loans</b>	739	0,2%	74	0,02%		
<b>1.2 Non-prime loans</b>	14.412	3,2%			10.258	2,29%
<b>Unsatisfactory</b>	4.417	1,0%			881	0,20%
<b>Dangerous</b>	806	0,2%			401	0,09%
<b>Hopeless</b>	9.189	2,1%			8.976	2,01%
<b>1.3 Non-reserve loans</b>	19.602	4,4%				



## hedging instruments

### instruments used to prevent risks on foreign currency (hedging instruments)

Applied hedging instruments (swap, forward, option, etc.)	13.601
Data on which currencies are involved on each instrument	AZN/USD

### Hedging instruments:

ATB employs SWAP and FORWARD instruments to prevent foreign currency risks

SWAP is a bank agreement of two mutual conversion transactions of the same amount. The bank receives a certain currency from the client (while converting it to another), and returns it to the client in the original currency after the agreed period.

An option is an obligation to transact securities and currencies at a specified price before a future date. Option is an OTC (off-exchange) contract between two parties. The option is agreed between the Buyer and the Seller, while the exchange acts as a guarantor for both parties.

## large loan

amount of large loan claims and its ratio to total capital	
Amount of large loan claims*	Large loan claims to capital ratio (in %)
38.394	63%

\* A large loan claim is a loan claim to one borrower or a group of related borrowers which exceeds 10 (ten) percent of the banks Tier I capital after deductions according to the 'Rules on regulating loan risks on one borrower or a group of related borrowers'.

## classification of fixed and variable interest rate assets and liabilities

with a thousand manats

Asset items	At fixed interest rate	At variable interest rate	Interest free
1. Cash (in safes, ATMs, currency exchange offices, on the road)	0	0	18,660
2. Requirements to CBA (statutory reserve fund or correspondent accounts)	0	0	51,112
3. Nostro accounts	0	0	8,761
a) To resident banks	0	0	797
b) To non-resident banks	0	0	7,964
4. Short-term financial instruments of the interbank market (up to 7 days, including the 7th day)	0	0	0
5. Deposits to financial institutions, including banks, total	345,140	0	0
a) To resident financial institutions	84,068	0	0
a1) undue deposits	84,068	0	0
a2) due deposits	0	0	0
b) To non-resident financial institutions	261,072	0	0
b1) undue deposits	261,072	0	0
b2) due deposits	0	0	0
6. On reverse REPO transactions	0	0	0
7. Investments in securities, including pledged securities	63,522	0	0
8. Securities for trading, including pledged securities	0	0	0
9. Loans to banks, excluding short-term financial instruments of the interbank market on line 4	6,800	0	0
a) current loans	6,800	0	0
a1) to resident banks	0	0	0
a2) to non-resident banks	6,800	0	0
b) overdue loans	0	0	0
b1) to resident banks	0	0	0
b2) to non-resident banks	0	0	0

## classification of fixed and variable interest rate assets and liabilities

with a thousand manats

Asset items	At fixed interest rate	At variable interest rate	Interest free
10. Loans to other financial institutions, excluding short-term financial instruments on line 4	0	0	0
a) current loans	0	0	0
a1) to resident banks	0	0	0
a2) to non-resident banks	0	0	0
b) overdue loans	0	0	0
b1) resident	0	0	0
b2) non-resident	0	0	0
11. Loans to customers	430,406	0	0
a) current loans	430,406	0	0
b) overdue loans	0	0	0
12. Fixed assets with the deduction of depreciation (including fixed assets not used in banking)	0	0	0
13. Investments and financial participation in unincorporated companies	0	0	0
14. Intangible assets	0	0	0
15. Other assets	0	0	46,896
16. (-) Provisions for potential losses on assets	0	0	0
<b>17. Total assets</b>	<b>845,868</b>	<b>0</b>	<b>125,430</b>

## classification of fixed and variable interest rate assets and liabilities

with a thousand manats

Asset items	At fixed interest rate	At variable interest rate	Interest free
1. Deposits (excluding banks and other financial institutions), total	256,653	0	227,333
a) demand deposits of natural persons	44,150	0	78,326
b) demand deposits of legal entities (including all current (including current accounts of non-bank financial institutions) and checking accounts)	89,677	0	149,007
c) undue term deposits of natural persons	91,955	0	0
d) undue term deposits of legal entities	30,870	0	0
e) due term deposits of natural persons	0	0	0
f) due term deposits of legal entities	0	0	0
2. CBA loans	95	0	0
3. Loro accounts (bank correspondent accounts)	0	0	80,541
a) Resident banks	0	0	9,174
b) Non-resident banks	0	0	71,367
4. On REPO operations	8,542	0	0
5. Earned short-term financial instruments of the interbank market (up to 7 days, including the 7th day)	0	0	0
6. Deposits of banks and other financial institutions	120,528	0	0
a) Resident financial institutions	113,426	0	0
b) Non-resident financial institutions	7,102	0	0
7. Loans drawn from banks (with a term of more than 7 days)	0	0	0
a) Resident banks	0	0	0
b) Non-resident banks	0	0	0
8. Loans drawn from other financial institutions, including international organizations	173,296	0	0
9. Loans and deposits of central administration bodies	600	0	0
10. Loans and deposits of municipalities	0	0	0
11. Mortgage loans drawn by the bank for own reserves	0	0	0
12. Subordinated debt and other similar debt obligations issued by the bank, including maturity preference shares	0	0	0
13. Other liabilities	0	0	0
14. Equity	0	0	0
<b>15. Total liabilities (liabilities plus equity)</b>	<b>559,713</b>	<b>0</b>	<b>307,875</b>