

# Risk management

2024 – II<sup>nd</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)	33.684	-	-	-	-	-	-	-	-	-	33.684
2. Requirements to CBA (statutory reserve fund or correspondent accounts)	82.666	-	-	-	-	-	-	-	-	100.589	183.255
3. Nostro accounts	7.338	-	-	-	-	-	-	-	-	1.745	9.083
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	-	315.608	-	9.350	20.400	25.824	2.000	-	-	-	373.182
6. On reverse REPO transactions	-	34	-	-	-	-	-	-	-	-	34
7. Investments in securities, including pledged securities	-	2.998	-	5.310	16.699	1.851	1.700	17.327	48.123	-	94.007
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	1.700	5.100	-	-	-	8.500
10. Loans to other financial institutions, excluding short-term financial instruments on line 4	-	-	-	-	-	-	-	-	-	-	-
11. Loans to customers	66	2.327	6.726	20.748	29.773	67.827	43.116	155.371	246.284	179.357	751.594
12. Fixed assets with the deduction of depreciation (including fixed assets not used in banking)	-	-	-	-	-	-	-	-	-	15.352	15.352
13. Investments and financial participation in unincorporated companies	-	-	-	-	-	-	-	-	-	1.927	1.927
14. Intangible assets	-	-	-	-	-	-	-	-	-	5.766	5.766
15. Other assets	-	-	17.788	2.830	13.106	-	-	169	-	37	33.929
16. (-) Provisions for potential losses on assets	-	-	-	-	-	-	-	-	-	14.254	14.254
<b>17. Total assets</b>	<b>123.754</b>	<b>320.966</b>	<b>24.514</b>	<b>38.238</b>	<b>81.677</b>	<b>97.202</b>	<b>51.915</b>	<b>172.867</b>	<b>294.407</b>	<b>290.519</b>	<b>1.496.059</b>

## 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	461.291	6	20.211	3.294	21.072	89.027	55.506	12.451	228.914	-	891.772
2. CBA loans	-	-	-	-	-	-	95	-	-	-	95
3. Loro accounts (bank correspondent accounts)	177.493	-	-	-	-	-	-	-	-	-	177.493
4. On REPO operations	-	25.000	-	5.000	-	-	-	-	-	-	30.000
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	-	44.015	15.100	850	800	6.050	-	510	-	-	67.325
7. Loans drawn from banks (with a term of more than 7 days)	-	-	-	-	-	-	-	-	-	-	-
8. Loans drawn from other financial institutions, including international organizations	-	-	-	-	-	222	-	100	3.176	183.053	186.551
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	-	-	521	36.171	-	-	7.002	-	-	-	43.695
14. Equity	-	-	-	-	-	-	-	-	-	98.528	98.528
<b>15. Total liabilities (liabilities plus equity)</b>	<b>638.784</b>	<b>69.021</b>	<b>35.832</b>	<b>45.315</b>	<b>22.472</b>	<b>95.299</b>	<b>62.603</b>	<b>13.061</b>	<b>232.090</b>	<b>281.581</b>	<b>1.496.059</b>

<b>Liquidity Gap</b>	<b>(515.030)</b>	<b>251.945</b>	<b>(11.318)</b>	<b>(7.078)</b>	<b>59.205</b>	<b>1.903</b>	<b>(10.688)</b>	<b>159.806</b>	<b>62.317</b>	<b>8.938</b>
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## liquidity gap – foreign currency

	with a thousand manats				
<b>Financial Assets and Liabilities</b>	<b>TOTAL</b>	<b>MANAT</b>	<b>USD</b>	<b>EURO</b>	<b>Other</b>
Assets	1.496.059	722.377	535.581	170.577	67.523
Cash and cash equivalents	33.684	20.767	10.052	2.028	837
Nostro accounts	9.083	28	1.868	4.150	3.037
Requirements to CBA	183.255	43.647	64.287	75.321	-
Deposits of the bank	373.182	21.800	198.672	89.060	63.649
Securities	94.007	66.799	27.208	-	-
Loans and leases granted to customers	751.594	531.527	220.049	18	-
Loan financial instruments granted to credit organizations and other financial institutions	8.500	-	8.500	-	-
Derivative financial instruments	-	-	-	-	-
Short-term financial instruments	34	34	-	-	-
Other assets	41.622	36.345	5.277	-	-
Fixed assets (subtracting depreciation)	15.352	15.352	-	-	-
(subtr. target reserves to cover possible losses on assets)	14.254	13.921	332	-	-
<b>Liabilities</b>	<b>1.397.530</b>	<b>642.973</b>	<b>524.685</b>	<b>170.831</b>	<b>59.042</b>
Requirements of the Central Bank and other organizations to the bank	95	95	-	-	-
Funds attracted from credit organizations and other financial institutions	461.969	235.344	152.692	40.891	33.041
Customer deposits	891.772	382.718	365.322	129.940	13.792
a) demand deposits	461.291	191.306	126.253	129.940	13.792
b) term deposits	430.481	191.412	239.069	-	-
Subordinated liabilities	-	-	-	-	-
Debt securities	-	-	-	-	-
Other liabilities	43.695	24.815	6.671	-	12.208
<b>Balance capital</b>	<b>98.528</b>	<b>98.528</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Open currency position ratio</b>	<b>Expression in %</b>				
Aggregate OCP for free floating currency	5,2				
Aggregate OCP for closed currency	0,1				

## interest rate risk sensitivity classification

Assets	
0-3 months	363.166
3-6 months	68.571
6-12 months	149.117
12-24 months	172.698
24-36 months	143.564
more than 36 months	313.918

GAP	
0-3 months	13.424
3-6 months	46.099
6-12 months	(1.783)
12-24 months	159.637
24-36 months	133.745
more than 36 months	(91.406)

Liabilities	
0-3 months	349.743
3-6 months	22.472
6-12 months	150.900
12-24 months	13.061
24-36 months	9.819
more than 36 months	405.324

Cumulative GAP	
0-3 months	13.424
3-6 months	59.523
6-12 months	57.740
12-24 months	217.377
24-36 months	351.122
more than 36 months	259.716

## 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>	751.594	707.413	27.899	3.094	1.435	818	1.328	625	470	594	636	481	480	516	5.806
<b>Business</b>	298.288	292.483	4.231	-	-	-	547	3	-	-	111	-	-	-	913
<b>Consumption</b>	267.945	232.156	21.851	2.870	1.215	818	729	621	470	594	525	481	480	516	4.619
<b>Real estate</b>	185.361	182.773	1.818	224	220	-	52	-	-	-	-	-	-	-	274
<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>	751.594	265.624	262.912	137	218.672	-	3.829	421	-
<b>Business</b>	298.288	9.301	251.951	137	32.808	-	3.670	421	-
<b>Consumption</b>	267.945	256.324	10.961	-	502	-	158	-	-
<b>Real estate</b>	185.361	-	-	-	185.361	-	-	-	-
<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>	751.594		4.848	0,64%	11.812	1,57%
<b>1.1 Standard loans</b>	460.975	61,3%	4.848	0,64%		
<b>Pass loans</b>	456.501	60,7%	4.591	0,61%		
<b>Supervised loans</b>	4.474	0,6%	213	0,03%		
<b>Additional risk loans</b>	-	0,0%	43	0,01%		
<b>1.2 Non-prime loans</b>	16.154	2,1%			11.812	1,57%
<b>Unsatisfactory</b>	4.867	0,6%			1.169	0,16%
<b>Dangerous</b>	815	0,1%			408	0,05%
<b>Hopeless</b>	10.471	1,4%			10.235	1,36%
<b>1.3 Non-reserve loans</b>	274.465	36,5%				



## hedging instruments

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

Applied hedging instruments (swap, forward, option, etc.)	10.200
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 %)
305.021	335%

\* 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)	-	-	33.684
2. Requirements to CBA (statutory reserve fund or correspondent accounts)	-	-	183.255
3. Nostro accounts	-	-	9.083
a) To resident banks	-	-	158
b) To non-resident banks	-	-	8.925
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	373.182	-	-
a) To resident financial institutions	28.834	-	-
a1) undue deposits	28.834	-	-
a2) due deposits	-	-	-
b) To non-resident financial institutions	344.348	-	-
b1) undue deposits	344.348	-	-
b2) due deposits	-	-	-
6. On reverse REPO transactions	34	-	-
7. Investments in securities, including pledged securities	94.007	-	-
8. Securities for trading, including pledged securities	-	-	-
9. Loans to banks, excluding short-term financial instruments of the interbank market on line 4	8.500	-	-
a) current loans	8.500	-	-
a1) to resident banks	-	-	-
a2) to non-resident banks	8.500	-	-
b) overdue loans	-	-	-
b1) to resident banks	-	-	-
b2) to non-resident banks	-	-	-

## 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	-	-	-
a) current loans	-	-	-
a1) to resident banks	-	-	-
a2) to non-resident banks	-	-	-
b) overdue loans	-	-	-
b1) resident	-	-	-
b2) non-resident	-	-	-
11. Loans to customers	735.312	-	-
a) current loans	735.312	-	-
b) overdue loans	-	-	-
12. Fixed assets with the deduction of depreciation (including fixed assets not used in banking)	-	-	-
13. Investments and financial participation in unincorporated companies	-	-	-
14. Intangible assets	-	-	-
15. Other assets	-	-	33.929
16. (-) Provisions for potential losses on assets	-	-	-
<b>17. Total assets</b>	<b>1.211.035</b>	<b>-</b>	<b>259.951</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	666.748	-	225.024
a) demand deposits of natural persons	49.453	-	88.673
b) demand deposits of legal entities (including all current (including current accounts of non-bank financial institutions) and checking accounts)	186.814	-	136.351
c) undue term deposits of natural persons	86.911	-	-
d) undue term deposits of legal entities	343.570	-	-
e) due term deposits of natural persons	-	-	-
f) due term deposits of legal entities	-	-	-
2. CBA loans	95	-	-
3. Loro accounts (bank correspondent accounts)	-	-	177.493
a) Resident banks	-	-	66.380
b) Non-resident banks	-	-	111.113
4. On REPO operations	30.000	-	-
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	67.325	-	-
a) Resident financial institutions	65.100	-	-
b) Non-resident financial institutions	2.225	-	-
7. Loans drawn from banks (with a term of more than 7 days)	-	-	-
a) Resident banks	-	-	-
b) Non-resident banks	-	-	-
8. Loans drawn from other financial institutions, including international organizations	186.551	-	-
9. Loans and deposits of central administration bodies	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	-	-	-
14. Equity	-	-	-
<b>15. Total liabilities (liabilities plus equity)</b>	<b>951.319</b>	<b>-</b>	<b>402.517</b>