

CALCULATION OF RISK WEIGHTED ASSETS

(thousand AZN)

A. Assets		Balance amount	Risk weight (%)	LLA amount	Net amount of risk-weighted asset
1		2	3	4	5
1. Cash (including banknotes, coins, cash in transit, teller machines and exchange stations), total	A 1	101,705	-	-	215
a) in national currency	A 1a	44,564	-	-	-
b) The convertible currency of the OECD countries with a sovereign rating of "AA-" (sovereign) given by International Rating Agencies	A 1b	56,925	-	-	-
c) Those that do not belong to the a and b lines	A 1c	215	100	-	215
2. Funds in correspondent accounts of the Central Bank	A 2	535,976	-	-	-
3. Deposits in the Central Bank	A 3	-	-	-	-
4. Repo Agreements with the Central Bank	A 4	-	-	-	-
5. "Nostro" accounts (correspondent accounts at other banks), total	A 5	148,093	-	-	81,151
a) Requirements for financial institutions registered in OECD countries and deposit or other financial-credit organizations having a minimum "AA-" credit rating and other assets that are unconditionally provided by them	A 5a	9,474	20	-	1,895
b) Requirements for deposit or other financial-credit organizations that are not related to 20 per cent risk group and rated at OECD countries and rated minimum "A-" credit rating (or equivalent equivalent rating) issued by international rating agencies	A 5b	118,726	50	-	59,363
c) Requirements not covered by paragraphs a) and b)	A 5c	19,893	100	-	19,893
6. Market securities:	A 6	1,293,902	-	-	124,727
a) Securities issued by the Government of Azerbaijan and the Central Bank (including the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan)	A 6a	548,582	-	-	-
b) Claims against Multilateral Development Banks with AAA credit rating issued by international rating agencies, or part of the claims that are provided by the unconditional obligation of these entities or those securities issued by those organizations	A 6b	265,282	-	-	-
c) Currency of OECD countries with a minimum "A-" country sovereign rating not included in the zero interest-bearing risk group and issued by International rating agencies, as well as securities issued by Governments or Central banks of those countries and direct claims against them	A 6c	444,137	20	-	88,827
d) Unsecured securities issued by Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	A 6d	-	20	-	-
e) Currency of OECD countries with minimum investment rating not included in 20 percent risk groups and issued by International rating agencies, as well as securities issued by Governments or Central banks of these countries and direct claims against them	A 6e	-	50	-	-
f) Securities issued by international rating agencies and listed in the List of "Large State Companies", are issued by legal entities with a maximum of one step below the country's sovereign debt rating	A 6f	-	50	-	-
g) Securities issued by governments and Central Banks of non-OECD countries	A 6g	3,361	100	-	3,361
h) Other securities	A 6h	32,539	100	-	32,539
7. Deposits and loans to banks and other financial institutions	A 7	722,274	-	-	396,364
a) deposits:	A 7a	616,931	-	-	342,651
a1) Secured by the national currency of AR pledged in bank accounts, bank metals and currency of OECD countries with a minimum "AA-" credit rating	A 7a1	42,629	-	-	-
a2) Requirements for financial institutions registered in OECD countries and deposit or other financial-credit organizations with a minimum "AA-" credit rating and unconditionally pledged by them	A 7a2	5,760	20	-	1,152
a3) Requirements for deposit or other financial-credit organizations that are not related to a 20 per cent risk group and rated at OECD countries and rated minimum "A-" credit rating (or equivalent equivalent rating) issued by international rating agencies	A 7a3	454,087	50	-	227,043
a4) banks and other financial institutions which are not in the OECD countries	A 7a4	114,455	100	-	114,455
b) Loans:	A 7b	105,343	-	-	53,714
b1) Secured by the national currency of AR pledged in bank accounts, bank metals and currency of OECD countries with a minimum "AA-" credit rating	A 7b1	51,629	-	-	-
b2) Requirements for financial institutions registered in OECD countries and deposit or other financial-credit organizations with a minimum "AA-" credit rating and unconditionally pledged by them	A 7b2	-	20	-	-
b3) Requirements for deposit or other financial-credit organizations that are not related to a 20 per cent risk group and rated at OECD countries and rated minimum "A-" credit rating (or equivalent equivalent rating) issued by international rating agencies	A 7b3	-	50	-	-
b4) banks and other financial institutions which are not in the OECD countries	A 7b4	53,714	100	-	53,714
8. Loans to customers	A 8	1,411,762	-	42,188	1,264,891
a) loans to the industrial sector:	A 8a	144,250	-	4,129	141,253
a1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A 8a1	11,504	-	-	-
a2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A 8a2	-	20	-	-
a3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A 8a3	-	20	-	-
a4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A 8a4	-	50	-	-
a5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A 8a5	-	75	-	-

a6) in other cases	A8a6	132,747	X	4,129	141,253
a6_1) local currency	A8a6_1	69,506	100	4,061	65,445
a6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8a6_1_1		100		-
a6_2) Business loans to borrowers with foreign currency income	A8a6_2		100		-
a6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8a6_3	63,241	120	67	75,808
b) loans to agriculture:	A8b	147,670	-	6,097	145,444
b1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A8b1	348	-		-
b2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8b2		20		-
b3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8b3		20		-
b4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8b4		50		-
b5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8b5		75		-
b6) in other cases	A8b6	147,322	X	6,097	145,444
b6_1) local currency	A8b6_1	126,229	100	6,097	120,132
b6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8b6_1_1		100		-
b6_2) Business loans to borrowers with foreign currency income	A8b6_2		100		-
b6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8b6_3	21,093	120		25,312
c) loans to construction:	A8c	148,169	-	3,646	106,055
c1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A8c1	49,220	-		-
c2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8c2		20		-
c3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8c3		20		-
c4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8c4		50		-
c5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8c5		75		-

c6) in other cases	A8c6	98,950	X	3,646	106,055
c6_1) local currency	A8c6_1	45,193	100	3,646	41,547
c6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8c6_1_1		100		-
c6_2) Business loans to borrowers with foreign currency income	A8c6_2		100		-
c6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8c6_3	53,757	120	0	64,508
d) loans to transport and communications:	A8d	46,419	-	0	46,069
d1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A8d1	377	-		-
d2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8d2		20		-
d3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8d3		20		-
d4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8d4		50		-
d5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8d5		75		-
d6) in other cases	A8d6	46,042	X	0	46,069
d6_1) local currency	A8d6_1	45,907	100	0	45,907
d6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8d6_1_1		100		-
d6_2) Business loans to borrowers with foreign currency income	A8d6_2		100		-
d6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8d6_3	135	120		162
e) loans to trade and service sectors:	A8e	721,565	-	27,464	595,768
e1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A8e1	151,186	-		-
e2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8e2		20		-
e3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8e3		20		-
e4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8e4		50		-
e5) Loans with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents in national currency	A8e5		75		-
e6) in other cases	A8e6	570,379	X	27,464	595,768
e6_1) local currency	A8e6_1	281,595	100	2,944	278,651
e6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8e6_1_1		100		-
e6_2) Business loans to borrowers with foreign currency income	A8e6_2		100		-
e6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8e6_3	288,784	120	24,520	317,117
f) Loans to individuals for personal purposes	A8f	203,688		851	230,304
f1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A8f1	5,129	-		-
f2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8f2		20		-
f3) Mortgage loans issued by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	A8f3	28,827	35		10,089
f4) Mortgage loans provided by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan at the expense of other sources	A8f4		50		-
f5) other consumer loans	A8f5	169,732		851	220,214
f5_1) local currency	A8f5_1	67,059	100	846	66,214
f5_2) Consumer loans to borrowers with foreign currency income	A8f5_2		100		-
f5_3) Foreign currency loans, except consumer loans issued to borrowers with foreign currency income	A8f5_3	102,673	150	6	154,000
f5_4) at the moment of issuance, the interest rate is higher than the average interest rate of the sector for consumer loans in the previous quarter, and the sum of more than one third of the total consumer loan and the BGN ratio above the indicative threshold	A8f5_4		150		-
g) Loans to other sectors	A8g	-	-	-	-
g1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A8g1		-		-
g2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8g2		20		-
g3) Mortgage loans issued by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	A8g3		20		-
g4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8g4		50		-
g5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8g5		75		-

g6) in other cases	A8g6	-	X	-	-
g6_1) local currency	A8g6_1		100		-
g6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8g6_1_1		100		-
g6_2) Business loans to borrowers with foreign currency income	A8g6_2		100		-
g6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8g6_3		120		-
9. Fixed assets not used in bank operations (minus depreciation)	A9	28,263	100	7,203	21,060
10. Equity investments to unconsolidated subsidiary Banks and other in companies	A10	149,301	-		-
11. All other assets	A11	86,830	-	5,047	63,179
a) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Multilateral development Banks with "AAA" rating and unconditionally secured by them	A11a	6,906	-	-	-
b) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A11b	14,267	20		2,853
c) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A11c	569	50		285
d) in other cases	A11d	65,089	100	5,047	60,042
12. Intangible assets	A12	31,165	-	-	-
13. Total balance assets	A13	4,454,833	X	54,438	X
14. The total amount of risk-weighted assets	A14	-	-	-	1,951,588

COMPLIANCE WITH NORMATIVES

(thousand AZN)

Normatives and description		Max/Min	Actual
1		2	3
1.1 Maximum risk limit for one borrower or group of related borrowers	A1	XXX	XXX
a) on secured loan demand (%)	A1a	max. 25%	16.94
b) on unsecured loan demand (%)	A1b	max. 10%	10.84
c) secured and unsecured aggregate loan demand	A1c	max. 25%	19.47
d) Credit requirement of non-resident bank with minimum investment rating given by bank operating in the Republic of Azerbaijan, as well as international rating agencies (%)	A1d	max. 20%	18.88
e) systemic bank significant credit risk on other systemic bank (%)	A1e	maks. 15%	3.75
1.2 Maximum risk level for non bank credit organisations.	A1_2	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	A1_2a	max. 7%	3.79
b) non bank financial organisation liability over Tier 1%	A1_2b	max. 30%	7.20
2. Ratio of large loans to bank's funds	A2	max. 8 times	2.14
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	A3	max. 20%	13.67
a) if they are legal entities (for one) (%)	A3a	max. 10%	5.96
b) if they are individuals (for one) (%)	A3b	max. 3%	0.20
4. Restrictions set for purchasing shares (stocks) of other legal entities	A4	XXX	XXX
a) Ratio of participation in the capital of a legal entity to bank's capital (%)	A4a	max. 10%	34.83
b) Ratio of total participation in the capital of other legal entities to bank's capital (%)	A4b	max. 40%	51.23
5. Quick liquidity ratio (%)	A5	min. 30%	64.68
6. Adequacy ratio of Tier I capital (%)	A6	min. 5%	15.60
	A6.1	min. 5.5%	
7. Adequacy ratio of total regulatory capital (%)	A7	min. 10%	13.29
	A7.1	min. 11%	
8. Leverage Ratio (%)	A8	min. 4%	7.20
	A8.1	min. 5%	
9. Total open currency position on freely convertible currency (%)	A9	max. 20%	3.59
10. Total open currency position on inconvertible currency (%)	A10	max. 15%	0.03
11. Minimum requirement for total capital (thousand AZN)	A11	50,000	291454.21