

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	A1	93,539	-	-	89
a) in national currency	A1a	43,389	-	-	-
b) The convertible currency of the OECD countries with a sovereign rating of "AA-" (sovereign) given by International Rating Agencies	A1b	50,061	-	-	-
c) Those that do not belong to the a and b lines	A1c	89	100	-	89
2. Funds in correspondent accounts of the Central Bank	A2	524,174	-	-	-
3. Deposits in the Central Bank	A3	-	-	-	-
4. Repo Agreements with the Central Bank	A4	-	-	-	-
5. "Nostro" accounts (correspondent accounts at other banks), total	A5	220,765	-	-	114,131
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	A5a	-	20	-	-
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	A5b	213,268	50	-	106,634
c) Requirements not covered by paragraphs a) and b)	A5c	7,497	100	-	7,497
6. Market securities:	A6	1,096,496	-	-	277,511
a) Securities issued by the Government of Azerbaijan and the Central Bank (including the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan)	A6a	662,406	-	-	-
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	A6b	27,672	-	-	-
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	A6c	15,804	20	-	3,161
d) Unsecured securities issued by Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	A6d	-	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	A6e	188,424	50	-	94,212
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	A6f	-	50	-	-
g) Securities issued by governments and Central Banks of non-OECD countries	A6g	-	100	-	-
h) Other securities	A6h	167,189	100	-	167,189
7. Deposits and loans to banks and other financial institutions	A7	803,383	-	3,550	426,029
a) deposits:	A7a	692,374	-	-	379,508
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	A7a1	42,925	-	-	-
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	A7a2	38,526	20	-	7,705
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	A7a3	478,239	50	-	239,120
a4) banks and other financial institutions which are not in the OECD countries	A7a4	132,683	100	-	132,683
b) Loans:	A7b	111,009	-	3,550	46,521
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	A7b1	60,938	-	-	-
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	A7b2	-	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	A7b3	-	50	-	-
b4) banks and other financial institutions which are not in the OECD countries	A7b4	50,071	100	3,550	46,521
8. Loans to customers	A8	1,799,033	-	45,393	1,253,766
a) loans to the industrial sector:	A8a	385,115	-	3,518	237,184
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	A8a1	91,129	-	-	-
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	A8a2	950	20	-	190
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	A8a3	-	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)	A8a4	-	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	A8a5	82,583	50	-	41,291
a6) in other cases	A8a6	155,957	X	3,456	156,259
a6_1) local currency	A8a6_1	67,970	100	3,401	64,569
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	69,197	100	55	69,142
a6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8a6_3	18,790	120	-	22,548
b) loans to agriculture:	A8b	194,361	-	13,225	171,996
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	340	-	-	-
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	13,824	50	2,321	5,751
b6) in other cases	A8b6	168,629	X	10,897	158,746
b6_1) local currency	A8b6_1	135,850	100	10,359	125,491
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	27,169	100	-	27,169
b6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8b6_3	5,610	120	538	6,086
c) loans to construction:	A8c	316,750	-	3,282	120,420
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	190,554	-	-	-
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	4,400	50	-	2,200
c6) in other cases	A8c6	99,772	X	3,267	102,533
c6_1) local currency	A8c6_1	38,654	100	3,267	35,387
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	30,977	100	0	30,977
c6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8c6_3	30,141	120	-	36,169
d) loans to transport and communications:	A8d	54,318	-	39	52,291
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	380	-	-	-
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	-	50	-	-
d6) in other cases	A8d6	50,663	X	0	50,674
d6_1) local currency	A8d6_1	43,428	100	0	43,428
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	7,185	100	0	7,185
d6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8d6_3	51	120	-	61
e) loans to trade and service sectors:	A8e	638,196	-	24,237	507,844
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	63,739	-	-	-
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	6,500	20	-	1,300
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	419	20	-	84
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	54,295	50	-	27,148
e6) in other cases	A8e6	418,001	X	21,990	417,936
e6_1) local currency	A8e6_1	166,280	100	3,837	162,443
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	142,089	100	18,145	123,943
e6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8e6_3	109,632	120	7	131,550

f) Loans to individuals for personal purposes	A8f	210,293	-	1,092	164,030
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	63,985	-	-	-
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	-	35	-	-
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	146,308	-	1,092	164,030
f5_1) local currency	A8f5_1	108,588	100	1,000	107,588
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	37,720	150	92	56,442
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	-	50	-	-
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	18,434	100	865	17,569
10. Equity investments to unconsolidated subsidiary Banks and other in companies	A10	149,301	-	-	-
11. All other assets	A11	88,294	-	6,429	62,318
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	8,718	-	-	-
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	11,636	20	-	2,327
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	3,040	50	-	1,520
d) in other cases	A11d	64,899	100	6,429	58,470
12. Intangible assets	A12	30,401	-	-	-
13. Total balance assets	A13	4,767,450	X	56,237	X
14. The total amount of risk-weighted assets	A14	-	-	-	2,151,412

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%	18.08
b) on unsecured loan demand (%)	A1b	max. 10%	9.66
c) secured and unsecured aggregate loan demand	A1c	max. 25%	23.27
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%	18.59
e) systemic bank significant credit risk on other systemic bank (%)	A1e	maks. 15%	0.06
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%	3.97
b) non bank financial organisation liability over Tier 1%	A1_2b	max. 30%	5.49
2. Ratio of large loans to bank`s funds	A2	max. 8 times	2.55
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	A3	max. 20%	8.34
a) if they are legal entities (for one) (%)	A3a	max. 10%	2.37
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%	33.28
b) Ratio of total participation in the capital of other legal entities to bank`s capital (%)	A4b	max. 40%	48.95
5. Quick liquidity ratio (%)	A5	min. 30%	63.75
6. Adequacy ratio of Tier I capital (%)	A6	min. 5%	13.90
	A6.1	min. 5.5%	
7. Adequacy ratio of total regulatory capital (%)	A7	min. 10%	12.36
	A7.1	min. 11%	
8. Leverage Ratio (%)	A8	min. 4%	6.73
	A8.1	min. 5%	
9. Total open currency position on freely convertible currency (%)	A9	max. 20%	7.33
10. Total open currency position on inconvertible currency (%)	A10	max. 15%	0.08
11. Minimum requirement for total capital (thousand AZN)	A11	50,000	304999.14