

## CALCULATION OF RISK WEIGHTED ASSETS

(thousand AZN)

A. Assets	Balance amount	Risk weight (%)	Calculated risk amount
1	2	3	4
1. Cash (including banknotes, coins, cash in transit, teller machines and exchange stations), total	70,791		61
a) in national currency	31,145	0	-
b) in currencies of OECD countries	39,585	0	-
c) in currencies of other countries,	61	100	61
2. Claims on NBA, total	407,167	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	76,694		22,796
a) in OECD countries	67,372	20	13,474
b) in other countries, excluding a	9,321	100	9,321
4. Market securities	391,618		4,374
a) Securities issued by Azerbaijan government and CBAR (including AMF)	381,582	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral Development Banks with AAA credit rating	4,224	0	-
c) Securities issued by Multilateral Development Banks registred OECD countries with minimum "BBB" rating	1,798	20	360
d) Securities issued by OECD countries local authorities or municipalities )	-	50	-
e) Securities issued by Governments and central banks of the non- OECD countries	-	100	-
f) Other securities	4,015	100	4,015
5. Deposits and loans to banks and other financial institutions	1,477,167		422,269
a) deposits:	1,436,102		394,305
a1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Centrals Banks of OECD countries including Multilateral development Banks with "AAA" rating and unconditionally secured by them	150,000	0	-
a2) Multilateral Development Banks registred in OECD countries with minimum "BBB" rating and not included into zero risk group and unconditionally secured by them	1,114,747	20	222,949
a3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
a4) banks and other financial institutions which are not in the OECD countries	171,355	100	171,355
b) Loans	41,065		27,964
b1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Centrals Banks of OECD countries including Multilateral development Banks with "AAA" rating and unconditionally secured by them	13,101	0	-
b2) Multilateral Development Banks registred in OECD countries with minimum "BBB" rating and not included into zero risk group and unconditionally secured by them	-	20	-
b3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
b4) banks and other financial institutions which are not in the OECD countries	27,964	100	27,964

6. Loans to customers	982,949		944,339
a) loans to the industrial sector:	198,036		220,940
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	2,079	0	-
a2) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
a3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
a4) in other cases	195,957	X	220,940
a4_1) local currency	71,043	100	71,043
a4_2) OECD countries' freely convertible currencies	124,914	120	149,897
a4_3) currency of non-OECD countries	-	120	-
b) loans for agriculture:	90,627		88,107
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	3,269	0	-
b2) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
b3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
b4) other cases	87,358	X	88,107
b4_1) local currency	83,610	100	83,610
b4_2) OECD countries' freely convertible currencies	3,748	120	4,497
b4_3) currency of non-OECD countries	-	120	-
c) Loans to construction sector:	62,478		68,285
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	40	0	-
c2) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
c3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
c4) other cases	62,438	X	68,285
c4_1) Milli valyuta	33,203	100	33,203
c4_2) İƏİT ölkələrinin sərbəst dönərli valyutası	29,235	120	35,082
c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası	-	120	-
d) Loans to the transport and communication sectors:	21,002		22,092
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	92	0	-
d2) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
d3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
d4) other cases	20,910	X	22,092
d4_1) local currency	14,998	100	14,998
d4_2) OECD countries' freely convertible currencies	5,912	120	7,094
d4_3) currency of non-OECD countries	-	120	-

e) Loans trade and service sectors :	466,176		367,171
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	127,825	0	-
e2) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
e3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
e4) other cases	338,350	X	367,171
e4_1) local currency	194,246	100	194,246
e4_2) OECD countries' freely convertible currencies	144,104	120	172,925
e4_3) currency of non-OECD countries	-	120	-
f) loans to individuals for personal purposes	138,283		171,396
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	2,054	0	-
f2) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
f3) Mortgage loans (ADF funds or other sources to the same conditions) and securities issued by OECD countries, local authorities or by the municipal authorities (a revenue demand is for commercial projects)	14,228	50	7,114
f4) unsecured consumer loans	64,276	X	78,072
f4_1) local currency	36,684	100	36,684
f4_2) OECD countries' freely convertible currencies	27,592	150	41,388
f4_3) currency of non-OECD countries	-	150	-
f5) other consumer loans	57,725	X	86,210
f5_1) local currency	754	100	754
f5_2) OECD countries' freely convertible currencies	56,970	150	85,456
f5_3) currency of non-OECD countries	-	150	-
g) Loans to other sectors	6,348		6,348
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	-	0	-
g2) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
g3) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
g4) other cases	6,348	X	6,348
g4_1) local currency	6,348	100	6,348
g4_2) OECD countries' freely convertible currencies	-	120	-
g4_3) currency of non-OECD countries	-	120	-
7. Fixed assets not used in bank operations (minus depreciation)	23,603	100	23,603
8. Equity investments to unconsolidated subsidiary Banks and other in companies	148,987	0	-
9. All other assests	47,434		42,615
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	4,819	0	-
b) Pledged part with securities of Government of AR, Central Bank, OECD governments, central banks, Multilateral Development Banks which are not in 0 (zero) risk group with minimum "BBB" credit rating or unconditionally guaranteed by them	-	20	-
c) secured by securities issued by OECD countries, local authorities or municipalities (meeting demand is due to income on commercial projects)	-	50	-
d) other cases	42,615	100	42,615
10. (minus) Allowance for possible losses	66,981	0	-
11. Intangible assests	15,594	0	-
12. Total balance assets	3,575,023	X	-
13. The total amount of risk-weighted assets			1,460,058

## COMPLIANCE WITH NORMATIVES

(thousand AZN)

Normatives and description	Max/Min	Actual
1	2	3
1. Maximum risk limit for one borrower or group of related borrowers	<b>XXX</b>	<b>XXX</b>
a) if the market value of the collateral is not less than 100% of loan demand, if collateral is immovable then 150% (%)	<b>maks. 20%</b>	19.2
b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%)	<b>maks 7%</b>	25.3
1.2 Maximum risk level for non bank credit organisations.	<b>XXX</b>	<b>XXX</b>
a) One non-bank financial organisation over Tier 1 capital %	<b>maks. 7%</b>	3.1
b) non bank financial organisation liability over Tier 1%	<b>maks. 30%</b>	6.7
2. Ratio of large loans to bank`s funds	<b>maks. 8 dəfə</b>	1.8
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	<b>maks. 20%</b>	9.9
a) if they are legal entities (for one) (%)	<b>maks. 10%</b>	3.9
b) if they are individuals (for one) (%)	<b>maks. 3%</b>	0.2
4. Restrictions set for purchasing shares (stocks) of other legal entities	<b>XXX</b>	<b>XXX</b>
a) Ratio of participation in the capital of a legal entity to bank`s capital (%)	<b>maks. 10%</b>	39.4
b) Ratio of total participation in the capital of other legal entities to bank`s capital (%)	<b>maks. 40%</b>	57.8
5. Quick liquidity ratio (%)	<b>min. 30%</b>	53.1
6. Adequacy ratio of Tier I capital (%)	<b>min. 5%</b>	19.9
7. Adequacy ratio of total regulatory capital (%)	<b>min. 10%</b>	15.2
8. Leverage Ratio	<b>min. 5%</b>	8.3
9. Total open currency position on freely convertible currency	<b>maks. 20%</b>	3.5
10. Total open currency position on inconvertible currency	<b>maks. 15%</b>	- 0.7
11. Minimum requirement for total capital	<b>50,000</b>	257,545.0