

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	103,612		118
a) in national currency	38,117	0	-
b) in currencies of OECD countries	65,377	0	-
c) in currencies of other countries,	118	100	118
2. Claims on NBA, total	766,840	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	115,334		42,017
a) in OECD countries	91,646	20	18,329
b) in other countries, excluding a	23,688	100	23,688
4. Market securities	306,291		25,443
a) Securities issued by Azerbaijan government and CBAR (including AMF)	208,284	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral Development Banks with AAA credit rating	4,166	0	-
c) Securities issued by Multilateral Development Banks registered OECD countries with minimum "BBB" rating	85,497	20	17,099
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	8,344	100	8,344
5. Deposits and loans to banks and other financial institutions	1,227,220		378,514
a) deposits:	1,184,392		348,418
a1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Central Banks of OECD countries including Multilateral development Banks with "AAA" rating and unconditionally secured by them	163,690	0	-
a2) Multilateral Development Banks registered in OECD countries with minimum "BBB" rating and not included into zero risk group and unconditionally secured by them	840,355	20	168,071
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	180,347	100	180,347
b) Loans	42,829		30,096
b1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals and Central Banks of OECD countries including Multilateral development Banks with "AAA" rating and unconditionally secured by them	12,733	0	-
b2) Multilateral Development Banks registered 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	30,096	100	30,096

6. Loans to customers	1,029,680		994,960
a) loans to the industrial sector:	200,793		224,820
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	4,394	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	196,399	X	224,820
a4_1) local currency	54,295	100	54,295
a4_2) OECD countries' freely convertible currencies	142,104	120	170,525
a4_3) currency of non-OECD countries	-	120	-
b) loans for agriculture:	103,919		104,825
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	1,298	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	102,621	X	104,825
b4_1) local currency	91,603	100	91,603
b4_2) OECD countries' freely convertible currencies	11,018	120	13,222
b4_3) currency of non-OECD countries	-	120	-
c) Loans to construction sector:	60,964		66,642
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	60,924	X	66,642
c4_1) Milli valyuta	32,337	100	32,337
c4_2) İƏİT ölkələrinin sərbəst döənərli valyutası	28,588	120	34,305
c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası	-	120	-
d) Loans to the transport and communication sectors:	18,554		19,559
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	-	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	18,554	X	19,559
d4_1) local currency	13,525	100	13,525
d4_2) OECD countries' freely convertible currencies	5,029	120	6,034
d4_3) currency of non-OECD countries	-	120	-

e) Loans trade and service sectors :	484,440		377,705
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	140,850	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	343,590	X	377,705
e4_1) local currency	173,016	100	173,016
e4_2) OECD countries' freely convertible currencies	170,574	120	204,689
e4_3) currency of non-OECD countries	-	120	-
f) loans to individuals for personal purposes	161,000		201,400
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	2,719	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)	14,820	50	7,410
f4) unsecured consumer loans	70,556	X	84,986
f4_1) local currency	41,697	100	41,697
f4_2) OECD countries' freely convertible currencies	28,859	150	43,289
f4_3) currency of non-OECD countries	-	150	-
f5) other consumer loans	72,905	X	109,004
f5_1) local currency	707	100	707
f5_2) OECD countries' freely convertible currencies	72,198	150	108,297
f5_3) currency of non-OECD countries	-	150	-
g) Loans to other sectors	9		9
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	9	X	9
g4_1) local currency	9	100	9
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)	21,428	100	21,428
8. Equity investments to unconsolidated subsidiary Banks and other in companies	149,237	0	-
9. All other assets	74,166		68,901
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	5,265	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	68,901	100	68,901
10. (minus) Allowance for possible losses	78,364	0	-
11. Intangible assets	15,335	0	-
12. Total balance assets	3,730,778	X	-
13. The total amount of risk-weighted assets			1,531,380

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	XXX	XXX
a) if the market value of the collateral is not less than 100% of loan demand, if collateral is immovable then 150% (%)	maks. 20%	20.1
b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%)	maks 7%	19.8
1.2 Maximum risk level for non bank credit organisations.	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	maks. 7%	4.4
b) non bank financial organisation liability over Tier 1%	maks. 30%	9.7
2. Ratio of large loans to bank's funds	maks. 8 dəfə	1.5
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	maks. 20%	18.0
a) if they are legal entities (for one) (%)	maks. 10%	6.5
b) if they are individuals (for one) (%)	maks. 3%	0.3
4. Restrictions set for purchasing shares (stocks) of other legal entities	XXX	XXX
a) Ratio of participation in the capital of a legal entity to bank's capital (%)	maks. 10%	38.3
b) Ratio of total participation in the capital of other legal entities to bank's capital (%)	maks. 40%	56.3
5. Quick liquidity ratio (%)	min. 30%	53.2
6. Adequacy ratio of Tier I capital (%)	min. 5%	21.4
7. Adequacy ratio of total regulatory capital (%)	min. 10%	13.7
8. Leverage Ratio	min. 5%	9.4
9. Total open currency position on freely convertible currency	maks. 20%	6.4
10. Total open currency position on inconvertible currency	maks. 15%	- 0.6
11. Minimum requirement for total capital	50,000	265,020.8