

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	85,101		148
a) in national currency	22,642	0	-
b) in currencies of OECD countries	62,310	0	-
c) in currencies of other countries,	148	100	148
2. Claims on NBA, total	338,839	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	93,919		26,914
a) in OECD countries	83,755	20	16,751
b) in other countries, excluding a	10,163	100	10,163
4. Market securities	126,564		23,152
a) Securities issued by Azerbaijan government and CBAR (including AMF)	100,980	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral Development Banks with AAA credit rating	-	0	-
c) Securities issued by Multilateral Development Banks registred OECD countries with minimum "BBB" rating	3,039	20	608
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	22,545	100	22,545
4. Deposits and loans to banks and other financial institutions	1,527,583		290,887
a) deposits:	1,428,718		203,011
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	700,000	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	657,134	20	131,427
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	71,584	100	71,584
b) Loans	98,865		87,876
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	10,989	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	87,876	100	87,876
6. Loans to customers	915,094		769,772
a) loans to the industrial sector:	201,424		202,554
a1) secured in bank accounts with national currency of AR or convertible currencies of OECD countries or pledged part with bank metals	13,302	0	-

and Multilateral development Banks with "AAA" rating and unconditionally secured by them			
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	188,122	X	202,554
b) loans for agriculture:	70,687		60,738
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	10,079	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	60,608	X	60,738
c) Loans to construction sector:	100,081		72,678
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	29,488	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	70,592	X	72,678
d) Loans to the transport and communication sectors:	15,232		15,968
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	274	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	14,958	X	15,968
e) Loans trade and service sectors :	413,913		297,617
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	124,128	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	289,785	X	297,617
f) loans to individuals for personal purposes	103,698		110,158
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	3,489	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)	5,636	50	2,818
f4) unsecured consumer loans	34,724	X	35,742
f5) other consumer loans	59,850	X	71,598
g) Loans to other sectors	10,059		10,059
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	10,059	X	10,059
7. Fixed assets not used in bank operations (minus depreciation)	16,736	100	16,736
8. Equity investments to unconsolidated subsidiary Banks and other in companies	148,987	0	-
9. All other assets	95,346		75,310
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	20,036	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	75,310	100	75,310
10. (minus) Allowance for possible losses	75,104	0	-
11. Intangible assets	11,310	0	-
12. Total balance assets	3,284,373	X	
13. The total amount of risk-weighted assets			1,202,920

COMPLIANCE WITH NORMATIVES

(thousand AZN)

Normatives and description 1	Max/Min 2	Actual 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% (%)	max. 20%	20.2
b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%)	max 7%	15.6
1.2 Maximum risk level for non bank credit organisations.	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	max. 7%	1.0
b) non bank financial organisation liability over Tier 1%	max. 30%	2.3
2. Ratio of large loans to bank`s funds	max. 8 times	0.8
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	max. 20%	14.5
a) if they are legal entities (for one) (%)	max. 10%	9.9
b) if they are individuals (for one) (%)	max. 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 (%)	max. 10%	36.1
b) Ratio of total participation in the capital of other legal entities to bank`s capital (%)	max. 40%	53.0
5. Quick liquidity ratio (%)	min. 30%	60.2
6. Adequacy ratio of Tier I capital (%)	min. 5%	30.0
7. Adequacy ratio of total regulatory capital (%)	min. 10%	20.6
8. Leverage Ratio	min. 5%	11.1
9. Total open currency position on freely convertible currency	max. 20%	-7.7
10. Total open currency position on inconvertible currency	max. 15%	0.0
11. Minimum requirement for total capital	50,000	281,171.8