

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 | 155,192 | | 244 |
| a) in national currency | 30,477 | 0 | - |
| b) in currencies of OECD countries | 124,470 | 0 | - |
| c) in currencies of other countries, | 244 | 100 | 244 |
| 2. Claims on NBA, total | 531,378 | 0 | - |
| 3. "Nostro" accounts (correspondent accounts at other banks), total | 101,032 | | 26,379 |
| a) in OECD countries | 93,316 | 20 | 18,663 |
| b) in other countries, excluding a | 7,716 | 100 | 7,716 |
| 4. Market securities | 137,065 | | 25,710 |
| a) Securities issued by Azerbaijan government and CBAR (including AMF) | 105,563 | 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 | 7,240 | 20 | 1,448 |
| 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 | 24,262 | 100 | 24,262 |
| 5. Deposits and loans to banks and other financial institutions | 1,381,126 | | 280,313 |
| a) deposits: | 1,335,516 | | 236,692 |
| 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 | 324,396 | 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 | 968,036 | 20 | 193,607 |
| 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 | 43,085 | 100 | 43,085 |
| b) Loans | 45,610 | | 43,621 |
| 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 | 1,989 | 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 | 43,621 | 100 | 43,621 |
| 6. Loans to customers | 891,761 | | 795,053 |
| a) loans to the industrial sector: | 178,482 | | 192,137 |

| | | | |
|---|---------|------------|---------|
| 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 | 150 | 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 | 178,332 | X | 192,137 |
| a4_1) local currency | 40,288 | 100 | 40,288 |
| a4_2) OECD countries' freely convertible currencies | 138,044 | 110 | 151,849 |
| a4_3) currency of non-OECD countries | - | 110 | - |
| b) loans for agriculture: | 76,540 | | 66,236 |
| 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 | 10,454 | 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 | 66,086 | X | 66,236 |
| b4_1) local currency | 64,592 | 100 | 64,592 |
| b4_2) OECD countries' freely convertible currencies | 1,494 | 110 | 1,643 |
| b4_3) currency of non-OECD countries | - | 110 | - |
| c) Loans to construction sector: | 68,197 | | 70,281 |
| 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 | - | 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 | 68,197 | X | 70,281 |
| c4_1) Milli valyuta | 47,357 | 100 | 47,357 |
| c4_2) İƏİT ölkələrinin sərbəst dönərli valyutası | 20,840 | 110 | 22,924 |
| c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası | - | 110 | - |
| d) Loans to the transport and communication sectors: | 15,383 | | 16,067 |
| 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 | 312 | 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 | 15,071 | X | 16,067 |
| d4_1) local currency | 5,113 | 100 | 5,113 |
| d4_2) OECD countries' freely convertible currencies | 9,958 | 110 | 10,954 |

| | | | |
|---|---------|------------|---------|
| d4_3) currency of non-OECD countries | - | 110 | - |
| e) Loans trade and service sectors : | 402,475 | | 286,797 |
| 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 | 122,969 | 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 | 279,506 | X | 286,797 |
| e4_1) local currency | 206,595 | 100 | 206,595 |
| e4_2) OECD countries' freely convertible currencies | 72,911 | 110 | 80,202 |
| e4_3) currency of non-OECD countries | - | 110 | - |
| f) loans to individuals for personal purposes | 144,338 | | 157,190 |
| 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 | 3,498 | 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) | 7,833 | 50 | 3,916 |
| f4) unsecured consumer loans | 62,984 | X | 69,438 |
| f4_1) local currency | 30,709 | 100 | 30,709 |
| f4_2) OECD countries' freely convertible currencies | 32,274 | 120 | 38,729 |
| f4_3) currency of non-OECD countries | - | 120 | - |
| f5) other consumer loans | 70,023 | X | 83,835 |
| f5_1) local currency | 967 | 100 | 967 |
| f5_2) OECD countries' freely convertible currencies | 69,056 | 120 | 82,868 |
| f5_3) currency of non-OECD countries | - | 120 | - |
| g) Loans to other sectors | 6,347 | | 6,347 |
| 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 | 6,347 | X | 6,347 |
| g4_1) local currency | 6,347 | 100 | 6,347 |
| g4_2) OECD countries' freely convertible currencies | - | 110 | - |
| g4_3) currency of non-OECD countries | - | 110 | - |
| 7. Fixed assets not used in bank operations (minus depreciation) | 17,505 | 100 | 17,505 |
| 8. Equity investments to unconsolidated subsidiary Banks and other in companies | 148,987 | 0 | - |
| 9. All other assets | 74,815 | | 53,514 |
| 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 | 21,301 | 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 | 53,514 | 100 | 53,514 |
| 10. (minus) Allowance for possible losses | 97,847 | 0 | - |
| 11. Intangible assets | 14,123 | 0 | - |
| 12. Total balance assets | 3,355,135 | X | |
| 13. The total amount of risk-weighted assets | | | 1,198,718 |

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% (%) | max. 20% | 23.3 |
| b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%) | max 7% | 12.7 |
| 1.2 Maximum risk level for non bank credit organisations. | XXX | XXX |
| a) One non-bank financial organisation over Tier 1 capital % | max. 7% | 0.9 |
| b) non bank financial organisation liability over Tier 1% | max. 30% | 2.5 |
| 2. Ratio of large loans to bank`s funds | max. 8 times | 1.2 |
| 3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%) | max. 20% | 17.3 |
| a) if they are legal entities (for one) (%) | max. 10% | 11.6 |
| b) if they are individuals (for one) (%) | max. 3% | 0.4 |
| 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% | 48.2 |
| b) Ratio of total participation in the capital of other legal entities to bank`s capital (%) | max. 40% | 70.8 |
| 5. Quick liquidity ratio (%) | min. 30% | 53.9 |
| 6. Adequacy ratio of Tier I capital (%) | min. 5% | 25.5 |
| 7. Adequacy ratio of total regulatory capital (%) | min. 10% | 15.2 |
| 8. Leverage Ratio | min. 5% | 9.3 |
| 9. Total open currency position on freely convertible currency | max. 20% | - 8.3 |
| 10. Total open currency position on inconvertible currency | max. 15% | - 0.6 |
| 11. Minimum requirement for total capital | 50,000 | 210,481.6 |