

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),	209,549		244
a) in national currency	34,441	0	-
b) in currencies of OECD countries	175,041	0	-
c) in currencies of other countries,	67	100	244
2. Claims on NBA, total	410,033	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	76,223		26,379
a) in OECD countries	65,295	20	18,663
b) in other countries, excluding a	10,928	100	7,716
4. Market securities	321,641		25,710
a) Securities issued by Azerbaijan government and CBAR (including AMF)	295,575	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral	-	0	-
c) Securities issued by Multilateral Development Banks registered OECD countries with	5,190	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	20,876	100	24,262
5. Deposits and loans to banks and other financial institutions	1,342,118		280,313
a) deposits:	1,294,930		236,692
a1) secured in bank accounts with national currency of AR or convertible currencies of	134,553	0	-
a2) Multilateral Development Banks registered in OECD countries with minimum "BBB"	1,089,895	20	193,607
a3) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
a4) banks and other financial institutions which are not in the OECD countries	70,482	100	43,085
b) Loans	47,188		43,621
b1) secured in bank accounts with national currency of AR or convertible currencies of	12,910	0	-
b2) Multilateral Development Banks registered in OECD countries with minimum "BBB"	-	20	-
b3) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
b4) banks and other financial institutions which are not in the OECD countries	34,278	100	43,621
6. Loans to customers	966,894		795,053
a) loans to the industrial sector:	200,548		192,137
a1) secured in bank accounts with national currency of AR or convertible currencies of	2,030	0	-
a2) Pledged part with securities of Government of AR, Central Bank, OECD	-	20	-
a3) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
a4) in other cases	198,518	X	192,137
a4_1) local currency	44,509	100	40,288
a4_2) OECD countries' freely convertible currencies	154,009	110	151,849
a4_3) currency of non-OECD countries	-	110	-
b) loans for agriculture:	85,719		66,236
b1) secured in bank accounts with national currency of AR or convertible currencies of	10,916	0	-
b2) Pledged part with securities of Government of AR, Central Bank, OECD	-	20	-
b3) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
b4) other cases	74,803	X	66,236
b4_1) local currency	71,051	100	64,592
b4_2) OECD countries' freely convertible currencies	3,752	110	1,643
b4_3) currency of non-OECD countries	-	110	-
c) Loans to construction sector:	118,382		70,281
c1) secured in bank accounts with national currency of AR or convertible currencies of	-	0	-
c2) Pledged part with securities of Government of AR, Central Bank, OECD	-	20	-
c3) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
c4) other cases	118,382	X	70,281
c4_1) Milli valyuta	36,753	100	47,357
c4_2) İƏİT ölkələrinin sərbəst dönərlı valyutası	81,628	110	22,924
c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası	-	110	-

d) Loans to the transport and communication sectors:	13,377		16,067
d1) secured in bank accounts with national currency of AR or convertible currencies of	141	0	-
d2) Pledged part with securities of Government of AR, Central Bank, OECD	-	20	-
d3) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
d4) other cases	13,236	X	16,067
d4_1) local currency	6,496	100	5,113
d4_2) OECD countries' freely convertible currencies	6,740	110	10,954
d4_3) currency of non-OECD countries	-	110	-
e) Loans trade and service sectors :	410,960		286,797
e1) secured in bank accounts with national currency of AR or convertible currencies of	123,036	0	-
e2) Pledged part with securities of Government of AR, Central Bank, OECD	-	20	-
e3) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
e4) other cases	287,925	X	286,797
e4_1) local currency	209,233	100	206,595
e4_2) OECD countries' freely convertible currencies	78,692	110	80,202
e4_3) currency of non-OECD countries	-	110	-
f) loans to individuals for personal purposes	131,561		157,190
f1) secured in bank accounts with national currency of AR or convertible currencies of	2,942	0	-
f2) Pledged part with securities of Government of AR, Central Bank, OECD	-	20	-
f3) Mortgage loans (ADF funds or other sources to the same conditions) and securities	10,108	50	3,916
f4) unsecured consumer loans	64,480	X	69,438
f4_1) local currency	32,952	100	30,709
f4_2) OECD countries' freely convertible currencies	31,528	120	38,729
f4_3) currency of non-OECD countries	-	120	-
f5) other consumer loans	54,030	X	83,835
f5_1) local currency	905	100	967
f5_2) OECD countries' freely convertible currencies	53,126	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	-	0	-
g2) Pledged part with securities of Government of AR, Central Bank, OECD	-	20	-
g3) secured by securities issued by OECD countries, local authorities or municipalities	-	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)	21,778	100	17,505
8. Equity investments to unconsolidated subsidiary Banks and other in companies	148,987	0	-
9. All other assets	69,613		53,514
a) secured in bank accounts with national currency of AR or convertible currencies of	8,214	0	-
b) Pledged part with securities of Government of AR, Central Bank, OECD governments,	-	20	-
c) secured by securities issued by OECD countries, local authorities or municipalities	-	50	-
d) other cases	61,399	100	53,514
10. (minus) Allowance for possible losses	102,463	0	-
11. Intangible assets	14,954	0	-
12. Total balance assets	3,479,327	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%	19.6
b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%)	max 7%	18.3
1.2 Maximum risk level for non bank credit organisations.	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	max. 7%	3.1
b) non bank financial organisation liability over Tier 1%	max. 30%	5.3
2. Ratio of large loans to bank`s funds	max. 8 times	1.3
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	max. 20%	34.9
a) if they are legal entities (for one) (%)	max. 10%	26.6
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%	44.9
b) Ratio of total participation in the capital of other legal entities to bank`s capital (%)	max. 40%	65.9
5. Quick liquidity ratio (%)	min. 30%	58.2
6. Adequacy ratio of Tier I capital (%)	min. 5%	19.2
7. Adequacy ratio of total regulatory capital (%)	min. 10%	11.4
8. Leverage Ratio	min. 5%	8.8
9. Total open currency position on freely convertible currency	max. 20%	10.9
10. Total open currency position on inconvertible currency	max. 15%	- 0.8
11. Minimum requirement for total capital	50,000	226,076.2