

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	108,172		48
a) in national currency	30,186	0	-
b) in currencies of OECD countries	77,939	0	-
c) in currencies of other countries,	48	100	48
2. Claims on NBA, total	515,613	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	71,008		20,316
a) in OECD countries	63,365	20	12,673
b) in other countries, excluding a	7,643	100	7,643
4. Market securities	816,779		54,695
a) Securities issued by Azerbaijan government and CBAR (including AMF)	511,006	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral Development Banks with AAA credit rating	73,571	0	-
c) Securities issued by Multilateral Development Banks registred OECD countries with minimum "BBB" rating	221,885	20	44,377
d) Securities issued by OECD countries local authorities or municipalities)	-	50	-
e) Securities issued by Governments and central banks of the non- OECD countries	1,644	100	1,644
f) Other securities	8,674	100	8,674
5. Deposits and loans to banks and other financial institutions	1,145,163		266,839
a) deposits:	1,093,495		226,696
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	161,701	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	881,373	20	176,275
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	50,421	100	50,421
b) Loans	51,668		40,144
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	11,525	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	40,144	100	40,144

6. Loans to customers	1,093,816		1,067,589
a) loans to the industrial sector:	195,105		216,296
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	4,492	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	190,613	X	216,296
a4_1) local currency	62,199	100	62,199
a4_2) OECD countries' freely convertible currencies	128,414	120	154,097
a4_3) currency of non-OECD countries	-	120	-
b) loans for agriculture:	112,556		112,546
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	2,438	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	110,118	X	112,546
b4_1) local currency	97,981	100	97,981
b4_2) OECD countries' freely convertible currencies	12,137	120	14,565
b4_3) currency of non-OECD countries	-	120	-
c) Loans to construction sector:	45,552		49,087
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	45,512	X	49,087
c4_1) Milli valyuta	27,634	100	27,634
c4_2) İƏİT ölkələrinin sərbəst dönərli valyutası	17,878	120	21,454
c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası	-	120	-
d) Loans to the transport and communication sectors:	34,348		38,255
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	324	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	34,024	X	38,255
d4_1) local currency	12,871	100	12,871
d4_2) OECD countries' freely convertible currencies	21,153	120	25,384
d4_3) currency of non-OECD countries	-	120	-

e) Loans trade and service sectors :	534,614		441,317
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	136,636	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	397,978	X	441,317
e4_1) local currency	181,280	100	181,280
e4_2) OECD countries' freely convertible currencies	216,698	120	260,038
e4_3) currency of non-OECD countries	-	120	-
f) loans to individuals for personal purposes	171,636		210,083
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	3,269	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)	17,156	50	8,578
f4) unsecured consumer loans	60,491	X	65,794
f4_1) local currency	49,884	100	49,884
f4_2) OECD countries' freely convertible currencies	10,607	150	15,910
f4_3) currency of non-OECD countries	-	150	-
f5) other consumer loans	90,720	X	135,711
f5_1) local currency	739	100	739
f5_2) OECD countries' freely convertible currencies	89,981	150	134,972
f5_3) currency of non-OECD countries	-	150	-
g) Loans to other sectors	6		6
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	X	6
g4_1) local currency	6	100	6
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)	27,072	100	27,072
8. Equity investments to unconsolidated subsidiary Banks and other in companies	149,301	0	-
9. All other assests	64,418		59,939
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	4,479	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	59,939	100	59,939
10. (minus) Allowance for possible losses	88,111	0	-
11. Intangible assests	15,161	0	-
12. Total balance assets	3,918,394	X	-
13. The total amount of risk-weighted assets			1,496,499

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%	23.39
b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%)	max 7%	19.02
1.2 Maximum risk level for non bank credit organisations.	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	max. 7%	1.36
b) non bank financial organisation liability over Tier 1%	max. 30%	2.53
2. Ratio of large loans to bank's funds	max. 8 times	1.27
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	max. 20%	12.58
a) if they are legal entities (for one) (%)	max. 10%	4.55
b) if they are individuals (for one) (%)	max. 3%	0.42
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%	46.23
b) Ratio of total participation in the capital of other legal entities to bank's capital (%)	max. 40%	68.00
5. Quick liquidity ratio (%)	min. 30%	46.47
6. Adequacy ratio of Tier I capital (%)	min. 5%	17.66
7. Adequacy ratio of total regulatory capital (%)	min. 10%	11.36
8. Leverage Ratio	min. 5%	7.18
9. Total open currency position on freely convertible currency	max. 20%	2.06
10. Total open currency position on inconvertible currency	max. 15%	- 0.97
11. Minimum requirement for total capital	50,000	219,572.81