

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	278,701		24
a) in national currency	35,502	0	-
b) in currencies of OECD countries	243,175	0	-
c) in currencies of other countries,	24	100	24
2. Claims on NBA, total	306,184	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	220,794		49,008
a) in OECD countries	214,733	20	42,947
b) in other countries, excluding a	6,061	100	6,061
4. Market securities	1,125,591		74,822
a) Securities issued by Azerbaijan government and CBAR (including AMF)	573,119	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral Development Banks with AAA credit rating	248,956	0	-
c) Securities issued by Multilateral Development Banks registred OECD countries with minimum "BBB" rating	285,868	20	57,174
d) Securities issued by OECD countries local authorities or municipalities)	-	50	-
e) Securities issued by Governments and central banks of the non- OECD countries	3,300	100	3,300
f) Other securities	14,348	100	14,348
5. Deposits and loans to banks and other financial institutions	1,035,124		209,662
a) deposits:	962,427		173,107
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	160,973	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	785,434	20	157,087
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	16,020	100	16,020
b) Loans	72,697		36,555
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	36,142	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	36,555	100	36,555

6. Loans to customers	1,182,520		1,157,123
a) loans to the industrial sector:	212,459		236,782
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	4,376	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	208,083	X	236,782
a4_1) local currency	64,585	100	64,585
a4_2) OECD countries' freely convertible currencies	143,498	120	172,197
a4_3) currency of non-OECD countries	-	120	-
b) loans for agriculture:	123,900		125,481
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	2,058	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	121,842	X	125,481
b4_1) local currency	103,644	100	103,644
b4_2) OECD countries' freely convertible currencies	18,197	120	21,837
b4_3) currency of non-OECD countries	-	120	-
c) Loans to construction sector:	55,456		60,058
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	55,416	X	60,058
c4_1) Milli valyuta	32,207	100	32,207
c4_2) İƏİT ölkələrinin sərbəst dönməli valyutası	23,209	120	27,851
c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası	-	120	-
d) Loans to the transport and communication sectors:	32,669		36,336
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	378	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	32,291	X	36,336
d4_1) local currency	12,065	100	12,065
d4_2) OECD countries' freely convertible currencies	20,226	120	24,271
d4_3) currency of non-OECD countries	-	120	-

e) Loans trade and service sectors :	573,573		476,916
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	143,174	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	430,399	X	476,916
e4_1) local currency	197,813	100	197,813
e4_2) OECD countries' freely convertible currencies	232,586	120	279,103
e4_3) currency of non-OECD countries	-	120	-
f) loans to individuals for personal purposes	184,459		221,544
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	3,563	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)	19,792	50	9,896
f4) unsecured consumer loans	71,812	X	78,024
f4_1) local currency	59,387	100	59,387
f4_2) OECD countries' freely convertible currencies	12,425	150	18,638
f4_3) currency of non-OECD countries	-	150	-
f5) other consumer loans	89,292	X	133,624
f5_1) local currency	628	100	628
f5_2) OECD countries' freely convertible currencies	88,664	150	132,995
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)	29,953	100	29,953
8. Equity investments to unconsolidated subsidiary Banks and other in companies	149,301	0	-
9. All other assets	90,867		64,360
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	24,097	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	3,013	20	603
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	63,757	100	63,757
10. (minus) Allowance for possible losses	80,700	0	-
11. Intangible assets	14,618	0	-
12. Total balance assets	4,352,952	X	-
13. The total amount of risk-weighted assets			1,584,951

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%	23.3
b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%)	maks 7%	17.2
1.2 Maximum risk level for non bank credit organisations.	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	maks. 7%	3.1
b) non bank financial organisation liability over Tier 1%	maks. 30%	5.6
2. Ratio of large loans to bank`s funds	maks. 8 dəfə	1.4
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	maks. 20%	16.2
a) if they are legal entities (for one) (%)	maks. 10%	3.7
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%	37.7
b) Ratio of total participation in the capital of other legal entities to bank`s capital (%)	maks. 40%	55.4
5. Quick liquidity ratio (%)	min. 30%	51.0
6. Adequacy ratio of Tier I capital (%)	min. 5%	15.7
7. Adequacy ratio of total regulatory capital (%)	min. 10%	12.6
8. Leverage Ratio	min. 5%	6.4
9. Total open currency position on freely convertible currency	maks. 20%	5.5
10. Total open currency position on inconvertible currency	maks. 15%	- 0.8
11. Minimum requirement for total capital	50,000	269,280.8