

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	135,750		63
a) in national currency	24,604	0	-
b) in currencies of OECD countries	111,083	0	-
c) in currencies of other countries,	63	100	63
2. Claims on NBA, total	286,252	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	178,882		36,257
a) in OECD countries	178,282	20	35,656
b) in other countries, excluding a	600	100	600
4. Market securities	1,432,205		123,771
a) Securities issued by Azerbaijan government and CBAR (including AMF)	598,293	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral Development Banks with AAA credit rating	304,629	0	-
c) Securities issued by Multilateral Development Banks registered OECD countries with minimum "BBB" rating	506,892	20	101,378
d) Securities issued by OECD countries local authorities or municipalities)	-	50	-
e) Securities issued by Governments and central banks of the non- OECD countries	3,278	100	3,278
f) Other securities	19,114	100	19,114
5. Deposits and loans to banks and other financial institutions	1,140,329		208,868
a) deposits:	1,047,829		176,834
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	242,516	0	-
a2) Multilateral Development Banks registered in OECD countries with minimum "BBB" rating and not included into zero risk group and unconditionally secured by them	785,600	20	157,120
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	19,714	100	19,714
b) Loans	92,499		32,034
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	60,465	0	-
b2) Multilateral Development Banks registered 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	32,034	100	32,034

6. Loans to customers	1,330,447		1,274,150
a) loans to the industrial sector:	299,273		217,561
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	105,817	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	193,456	X	217,561
a4_1) local currency	72,931	100	72,931
a4_2) OECD countries' freely convertible currencies	120,525	120	144,630
a4_3) currency of non-OECD countries	-	120	-
b) loans for agriculture:	142,589		146,527
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	1,016	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	141,573	X	146,527
b4_1) local currency	116,804	100	116,804
b4_2) OECD countries' freely convertible currencies	24,769	120	29,723
b4_3) currency of non-OECD countries	-	120	-
c) Loans to construction sector:	67,308		66,652
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	5,990	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	61,318	X	66,652
c4_1) Milli valyuta	34,644	100	34,644
c4_2) İƏİT ölkələrinin sərbəst dönərlı valyutası	26,673	120	32,008
c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası	-	120	-
d) Loans to the transport and communication sectors:	63,280		66,002
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	724	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	62,556	X	66,002
d4_1) local currency	45,326	100	45,326
d4_2) OECD countries' freely convertible currencies	17,230	120	20,676
d4_3) currency of non-OECD countries	-	120	-

e) Loans trade and service sectors :	581,705		570,687
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	61,065	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	520,640	X	570,687
e4_1) local currency	270,406	100	270,406
e4_2) OECD countries' freely convertible currencies	250,234	120	300,281
e4_3) currency of non-OECD countries	-	120	-
f) loans to individuals for personal purposes	176,293		206,720
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	3,995	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)	22,328	50	11,164
f4) unsecured consumer loans	65,996	X	72,287
f4_1) local currency	53,413	100	53,413
f4_2) OECD countries' freely convertible currencies	12,583	150	18,874
f4_3) currency of non-OECD countries	-	150	-
f5) other consumer loans	83,974	X	123,269
f5_1) local currency	5,385	100	5,385
f5_2) OECD countries' freely convertible currencies	78,589	150	117,884
f5_3) currency of non-OECD countries	-	150	-
g) Loans to other sectors	-		-
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	-	X	-
g4_1) local currency	-	100	-
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)	29,252	100	29,252
8. Equity investments to unconsolidated subsidiary Banks and other in companies	149,301	0	-
9. All other assets	55,677		38,892
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	5,271	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	14,392	20	2,878
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	36,014	100	36,014
10. (minus) Allowance for possible losses	50,776	0	-
11. Intangible assets	27,853	0	-
12. Total balance assets	4,715,172	X	-
13. The total amount of risk-weighted assets			1,711,252

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%	28.9
b) if the market value of collateral is less than 100% of loan demand, if collateral is immovable then 150% (%)	maks 7%	18.2
1.2 Maximum risk level for non bank credit organisations.	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	maks. 7%	2.1
b) non bank financial organisation liability over Tier 1%	maks. 30%	4.8
2. Ratio of large loans to bank`s funds	maks. 8 dafə	1.5
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	maks. 20%	15.0
a) if they are legal entities (for one) (%)	maks. 10%	3.5
b) if they are individuals (for one) (%)	maks. 3%	0.2
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%	35.5
b) Ratio of total participation in the capital of other legal entities to bank`s capital (%)	maks. 40%	52.3
5. Quick liquidity ratio (%)	min. 30%	43.0
6. Adequacy ratio of Tier I capital (%)	min. 5%	13.2
7. Adequacy ratio of total regulatory capital (%)	min. 10%	11.8
8. Leverage Ratio	min. 5%	5.8
9. Total open currency position on freely convertible currency	maks. 20%	3.8
10. Total open currency position on inconvertible currency	maks. 15%	- 0.5
11. Minimum requirement for total capital	50,000	285,739.6