

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	91,070		125
a) in national currency	40,049	0	-
b) in currencies of OECD countries	50,896	0	-
c) in currencies of other countries,	125	100	125
2. Claims on NBA, total	285,328	0	-
3. "Nostro" accounts (correspondent accounts at other banks), total	199,555		53,311
a) in OECD countries	182,805	20	36,561
b) in other countries, excluding a	16,750	100	16,750
4. Market securities	1,605,383		148,150
a) Securities issued by Azerbaijan government and CBAR (including AMF)	568,871	0	-
b) Securities issued by OECD countries governments, Central Banks and Multilateral Development Banks with AAA credit rating	417,630	0	-
c) Securities issued by Multilateral Development Banks registred OECD countries with minimum "BBB" rating	588,415	20	117,683
d) Securities issued by OECD countries local authorities or municipalities)	-	50	-
e) Securities issued by Governments and central banks of the non- OECD countries	3,323	100	3,323
f) Other securities	27,144	100	27,144
5. Deposits and loans to banks and other financial institutions	988,556		292,354
a) deposits:	901,238		241,648
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	225,313	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	542,846	20	108,569
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	133,079	100	133,079
b) Loans	87,318		50,706
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	36,612	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	50,706	100	50,706
6. Loans to customers	1,280,810		1,208,163
a) loans to the industrial sector:	272,168		289,113
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	18,317	0	-
a2) Pledged part with secutities 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 guranteed 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	253,851	X	289,113
a4_1) local currency	77,542	100	77,542
a4_2) OECD countries' freely convertible currencies	176,310	120	211,571
a4_3) currency of non-OECD countries	-	120	-
b) loans for agriculture:	140,791		145,457
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	37	0	-
b2) Pledged part with secutities 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 guranteed 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	140,753	X	145,457
b4_1) local currency	117,236	100	117,236

b4_2) OECD countries' freely convertible currencies	23,517	120	28,220
b4_3) currency of non-OECD countries	-	120	-
c) Loans to construction sector:	60,567		64,669
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	914	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	59,653	X	64,669
c4_1) Milli valyuta	34,575	100	34,575
c4_2) İƏİT ölkələrinin sərbəst dönərli valyutası	25,078	120	30,094
c4_3) İƏİT ölkələrinə aid olmayan ölkələrin valyutası	-	120	-
d) Loans to the transport and communication sectors:	65,019		67,892
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	557	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	64,462	X	67,892
d4_1) local currency	47,314	100	47,314
d4_2) OECD countries' freely convertible currencies	17,149	120	20,578
d4_3) currency of non-OECD countries	-	120	-
e) Loans trade and service sectors :	555,629		423,735
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	161,527	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	394,102	X	423,735
e4_1) local currency	245,940	100	245,940
e4_2) OECD countries' freely convertible currencies	148,162	120	177,794
e4_3) currency of non-OECD countries	-	120	-
f) loans to individuals for personal purposes	186,635		217,297
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	4,021	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)	25,548	50	12,774
f4) unsecured consumer loans	50,137	X	58,308
f4_1) local currency	33,793	100	33,793
f4_2) OECD countries' freely convertible currencies	16,344	150	24,515
f4_3) currency of non-OECD countries	-	150	-
f5) other consumer loans	106,930	X	146,215
f5_1) local currency	28,359	100	28,359
f5_2) OECD countries' freely convertible currencies	78,571	150	117,856
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)	27,950	100	27,950
8. Equity investments to unconsolidated subsidiary Banks and other in companies	149,301	0	-
9. All other assests	66,410		46,199
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	6,233	0	-
b) Pledged part with secutities 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 guranteed by them	17,472	20	3,494
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	42,705	100	42,705
10. (minus) Allowance for possible losses	55,115	0	-
11. Intangible assests	27,087	0	-
12. Total balance assets	4,666,335	X	-
13. The total amount of risk-weighted assets			1,776,252

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) on secured loan demand (%)	maks. 25%	14.6
b) on unsecured loan demand (%)	maks. 10%	10.0
c) secured and unsecured aggregate loan demand	maks. 25%	14.6
d) Credit requirement of non-resident bank with minimum investment rating given by bank operating in the Republic of Azerbaijan, as well as international rating agencies (%)	maks. 20%	16.5
e) systemic bank significant credit risk on other systemic bank (%)	maks. 15%	0.1
1.2 Maximum risk level for non bank credit organisations.	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	maks. 7%	1.8
b) non bank financial organisation liability over Tier 1%	maks. 30%	4.8
2. Ratio of large loans to bank`s funds	maks. 8 dəfə	1.6
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	maks. 20%	15.6
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%	31.6
b) Ratio of total participation in the capital of other legal entities to bank`s capital (%)	maks. 40%	46.5
5. Quick liquidity ratio (%)	min. 30%	44.1
6. Adequacy ratio of Tier I capital (%)	min. 5%	15.9
7. Adequacy ratio of total regulatory capital (%)	min. 10%	12.6
8. Leverage Ratio	min. 5%	7.6
9. Total open currency position on freely convertible currency	maks. 20%	3.5
10. Total open currency position on inconvertible currency	maks. 15%	0.0
11. Minimum requirement for total capital	50,000	321,073.0