

CALCULATION OF RISK WEIGHTED ASSETS

(thousand AZN)

A. Assets		Balance amount	Risk weight (%)	LLA amount	Net amount of risk-weighted asset
1		2	3	4	5
1. Cash (including banknotes, coins, cash in transit, teller machines and exchange stations), total	A1	90,894	-	-	113
a) in national currency	A1a	40,879	-	-	-
b) The convertible currency of the OECD countries with a sovereign rating of "AA-" (sovereign) given by International Rating Agencies	A1b	49,903	-	-	-
c) Those that do not belong to the a and b lines	A1c	113	100	-	113
2. Funds in correspondent accounts of the Central Bank	A2	402,247	-	-	-
3. Deposits in the Central Bank	A3	-	-	-	-
4. Repo Agreements with the Central Bank	A4	3,000	-	-	-
5. "Nostro" accounts (correspondent accounts at other banks), total	A5	143,838	-	-	75,709
a) Requirements for financial institutions registered in OECD countries and deposit or other financial-credit organizations having a minimum "AA-" credit rating and other assets that are unconditionally provided by them	A5a	-	20	-	-
b) Requirements for deposit or other financial-credit organizations that are not related to 20 per cent risk group and rated at OECD countries and rated minimum "A-" credit rating (or equivalent equivalent rating) issued by international rating agencies	A5b	136,260	50	-	68,130
c) Requirements not covered by paragraphs a) and b)	A5c	7,579	100	-	7,579
6. Market securities:	A6	1,157,219	-	-	277,026
a) Securities issued by the Government of Azerbaijan and the Central Bank (including the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan)	A6a	572,423	-	-	-
b) Claims against Multilateral Development Banks with AAA credit rating issued by international rating agencies, or part of the claims that are provided by the unconditional obligation of these entities or those securities issued by those organizations	A6b	162,514	-	-	-
c) Currency of OECD countries with a minimum "A-" country sovereign rating not included in the zero interest-bearing risk group and issued by International rating agencies, as well as securities issued by Governments or Central banks of those countries and direct claims against them	A6c	23,561	20	-	4,712
d) Unsecured securities issued by Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	A6d	-	20	-	-
e) Currency of OECD countries with minimum investment rating not included in 20 percent risk groups and issued by International rating agencies, as well as securities issued by Governments or Central banks of these countries and direct claims against them	A6e	252,815	50	-	126,408
f) Securities issued by international rating agencies and listed in the List of "Large State Companies", are issued by legal entities with a maximum of one step below the country's sovereign debt rating	A6f	-	50	-	-
g) Securities issued by governments and Central Banks of non-OECD countries	A6g	3,360	100	-	3,360
h) Other securities	A6h	142,546	100	-	142,546
7. Deposits and loans to banks and other financial institutions	A7	670,370	-	-	386,331
a) deposits:	A7a	565,018	-	-	337,875
a1) Secured by the national currency of AR pledged in bank accounts, bank metals and currency of OECD countries with a minimum "AA-" credit rating	A7a1	15,520	-	-	-
a2) Requirements for financial institutions registered in OECD countries and deposit or other financial-credit organizations with a minimum "AA-" credit rating and unconditionally pledged by them	A7a2	18,166	20	-	3,633
a3) Requirements for deposit or other financial-credit organizations that are not related to a 20 per cent risk group and rated at OECD countries and rated minimum "A-" credit rating (or equivalent equivalent rating) issued by international rating agencies	A7a3	394,180	50	-	197,090
a4) banks and other financial institutions which are not in the OECD countries	A7a4	137,151	100	-	137,151
b) Loans:	A7b	105,352	-	-	48,457
b1) Secured by the national currency of AR pledged in bank accounts, bank metals and currency of OECD countries with a minimum "AA-" credit rating	A7b1	56,895	-	-	-
b2) Requirements for financial institutions registered in OECD countries and deposit or other financial-credit organizations with a minimum "AA-" credit rating and unconditionally pledged by them	A7b2	-	20	-	-
b3) Requirements for deposit or other financial-credit organizations that are not related to a 20 per cent risk group and rated at OECD countries and rated minimum "A-" credit rating (or equivalent equivalent rating) issued by international rating agencies	A7b3	-	50	-	-
b4) banks and other financial institutions which are not in the OECD countries	A7b4	48,457	100	-	48,457

8. Loans to customers	A8	1,681,818	-	44,702	1,411,893
a) loans to the industrial sector:	A8a	345,884	-	6,414	257,483
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	A8a1	101,629	-	-	-
a2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8a2		20		-
a3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8a3		20		-
a4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8a4		50		-
a5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8a5		75		-
a6) in other cases	A8a6	244,256	X	6,414	257,483
a6_1) local currency	A8a6_1	146,019	100	6,383	139,636
a6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8a6_1_1		100		-
a6_2) Business loans to borrowers with foreign currency income	A8a6_2		100		-
a6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8a6_3	98,237	120	31	117,847
b) loans to agriculture:	A8b	172,839	-	9,604	166,898
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	A8b1	340	-	-	-
b2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8b2		20		-
b3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8b3		20		-
b4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8b4		50		-
b5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8b5		75		-
b6) in other cases	A8b6	172,499	X	9,604	166,898
b6_1) local currency	A8b6_1	152,486	100	9,604	142,882
b6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8b6_1_1		100		-
b6_2) Business loans to borrowers with foreign currency income	A8b6_2		100		-
b6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8b6_3	20,013	120		24,016
c) loans to construction:	A8c	268,713	-	2,091	105,884
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	A8c1	170,231	-		-
c2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8c2		20		-
c3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8c3		20		-
c4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8c4		50		-
c5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8c5		75		-
c6) in other cases	A8c6	98,482	X	2,091	105,884
c6_1) local currency	A8c6_1	51,012	100	2,091	48,921
c6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8c6_1_1		100		-
c6_2) Business loans to borrowers with foreign currency income	A8c6_2		100		-
c6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8c6_3	47,469	120	0	56,963

d) loans to transport and communications:	A8d	67,918	-	246	70,532
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	A8d1	546	-		-
d2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8d2		20		-
d3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8d3		20		-
d4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8d4		50		-
d5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8d5		75		-
d6) in other cases	A8d6	67,371	X	246	70,532
d6_1) local currency	A8d6_1	50,336	100	246	50,090
d6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8d6_1_1		100		-
d6_2) Business loans to borrowers with foreign currency income	A8d6_2		100		-
d6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8d6_3	17,035	120		20,442
e) loans to trade and service sectors:	A8e	621,022	-	24,184	583,240
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	A8e1	62,496	-		-
e2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8e2		20		-
e3) Guaranteed by the Mortgage and Loan Guarantee Fund of the Republic of Azerbaijan and partially guaranteed part of entrepreneurial loans up to 5% of the total portfolio	A8e3		20		-
e4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8e4		50		-
e5) Loans with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents in national currency	A8e5		75		-
e6) in other cases	A8e6	558,527	X	24,184	583,240
e6_1) local currency	A8e6_1	294,784	100	4,930	289,855
e6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8e6_1_1		100		-
e6_2) Business loans to borrowers with foreign currency income	A8e6_2		100		-
e6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8e6_3	263,743	120	19,255	293,386
f) Loans to individuals for personal purposes	A8f	205,442		2,163	227,855
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	A8f1	4,572	-		-
f2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8f2		20		-
f3) Mortgage loans issued by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	A8f3	30,777	35		10,772
f4) Mortgage loans provided by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan at the expense of other sources	A8f4		50		-
f5) other consumer loans	A8f5	170,092		2,163	217,083
f5_1) local currency	A8f5_1	71,700	100	2,080	69,620
f5_2) Consumer loans to borrowers with foreign currency income	A8f5_2		100		-
f5_3) Foreign currency loans, except consumer loans issued to borrowers with foreign currency income	A8f5_3	98,166	150	83	147,124
f5_4) at the moment of issuance, the interest rate is higher than the average interest rate of the sector for consumer loans in the previous quarter, and the sum of more than one third of the total consumer loan and the BGN ratio above the indicative threshold	A8f5_4	226	150		339

g) Loans to other sectors	A8g	-	-	-	-
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	A8g1		-		-
g2) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A8g2		20		-
g3) Mortgage loans issued by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	A8g3		20		-
g4) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A8g4		50		-
g5) Loans in national currency with export-oriented (non-oil sector) financing and the intended use of which is confirmed on the basis of documents	A8g5		75		-
g6) in other cases	A8g6	-	X	-	-
g6_1) local currency	A8g6_1		100		-
g6_1_1) including the guaranteed part of loans issued to entrepreneurs with a guarantee of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan and the non-performing part of the total portfolio exceeding 5%	A8g6_1_1		100		-
g6_2) Business loans to borrowers with foreign currency income	A8g6_2		100		-
g6_3) Foreign currency loans, except business loans issued to borrowers with foreign currency income	A8g6_3		120		-
9. Fixed assets not used in bank operations (minus depreciation)	A9	24,759	100	7,052	17,707
10. Equity investments to unconsolidated subsidiary Banks and other in companies	A10	149,301	-		-
11. All other assests	A11	87,023	-	5,800	65,176
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	A11a	8,058	-		-
b) Governments of OECD countries which are not related to 0 percent risk group and bank debt of third parties with a minimum "A" country (sovereign) debt rating (or equivalent rating) issued by the Republic of Azerbaijan, Central Bank or International rating agencies part of the unconditional commitment by central banks	A11b	869	20		174
c) Securities issued by local authorities or municipalities of OECD countries with a minimum "A-" country (sovereign) rating (or equivalent rating) not included in 20 (twenty) percent interest rate risk rating group provided by international rating agencies (the source of payment of these claims will be revenues received on commercial projects)	A11c	14,586	50		7,293
d) in other cases	A11d	63,509	100	5,800	57,709
12. Intangible assests	A12	30,542	-		-
13. Total balance assets	A13	4,383,325	X	57,555	X
14. The total amount of risk-weighted assets	A14	-	-		2,233,954

COMPLIANCE WITH NORMATIVES

(thousand AZN)

Normatives and description		Max/Min	Actual
1		2	3
1.1 Maximum risk limit for one borrower or group of related borrowers	A1	XXX	XXX
a) on secured loan demand (%)	A1a	max. 25%	17.60
b) on unsecured loan demand (%)	A1b	max. 10%	16.01
c) secured and unsecured aggregate loan demand	A1c	max. 25%	24.31
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 (%)	A1d	max. 20%	18.60
e) systemic bank significant credit risk on other systemic bank (%)	A1e	maks. 15%	0.06
1.2 Maximum risk level for non bank credit organisations.	A1_2	XXX	XXX
a) One non-bank financial organisation over Tier 1 capital %	A1_2a	max. 7%	3.86
b) non bank financial organisation liability over Tier 1 %	A1_2b	max. 30%	5.72
2. Ratio of large loans to bank's funds	A2	max. 8 times	2.39
3. Maximum amount of loan extended to related persons or to persons performing on behalf of them (total) (%)	A3	max. 20%	13.36
a) if they are legal entities (for one) (%)	A3a	max. 10%	6.08
b) if they are individuals (for one) (%)	A3b	max. 3%	0.19
4. Restrictions set for purchasing shares (stocks) of other legal entities	A4	XXX	XXX
a) Ratio of participation in the capital of a legal entity to bank's capital (%)	A4a	max. 10%	33.37
b) Ratio of total participation in the capital of other legal entities to bank's capital (%)	A4b	max. 40%	49.08
5. Quick liquidity ratio (%)	A5	min. 30%	55.01
6. Adequacy ratio of Tier I capital (%)	A6	min. 5%	13.67
	A6.1	min. 5.5%	
7. Adequacy ratio of total regulatory capital (%)	A7	min. 10%	12.14
	A7.1	min. 11%	
8. Leverage Ratio (%)	A8	min. 4%	7.33
	A8.1	min. 5%	
9. Total open currency position on freely convertible currency (%)	A9	max. 20%	-0.94
10. Total open currency position on inconvertible currency (%)	A10	max. 15%	0.02
11. Minimum requirement for total capital (thousand AZN)	A11	50,000	304225.93