



Financial Report

January- June 2014

Balance Sheet

| Account name | Fact 30 June 2014 | Fact 31 Dec. 2013 | Growth % (from the beginning of the year) | Fact 30 June 2013 | Growth from June 2013% |
|--|----------------------|----------------------|--|----------------------|---------------------------|
| Cash and cash equivalents | 32 494 | 20 854 | 56% | 23 687 | 37% |
| Investments and Loans to banks | 35 271 | 53 965 | -35% | 44 127 | -20% |
| Loans to clients (net) | 178 720 | 157 364 | 14% | 127 677 | 40% |
| Fixed assets | 7 411 | 7 537 | -2% | 7 375 | 0% |
| Other assets | 14 492 | 12 759 | 14% | 12 984 | 12% |
| <i>Total Assets</i> | 268 388 | 252 479 | 6% | 215 850 | 24% |
| Loans from banks | 20 791 | 20 628 | 1% | 20 359 | 2% |
| Client deposits | 186 317 | 172 359 | 8% | 139 859 | 33% |
| <i>Current deposits</i> | 57 213 | 77 990 | -27% | 47 344 | 21% |
| <i>deposits of individuals</i> | 17 621 | 23 806 | -26% | 18 579 | -5% |
| <i>deposits of companies</i> | 39 593 | 54 183 | -27% | 28 765 | 38% |
| <i>Term deposits</i> | 129 103 | 94 370 | 37% | 92 516 | 40% |
| <i>deposits of individuals</i> | 112 092 | 81 205 | 38% | 79 573 | 41% |
| <i>deposits of companies</i> | 17 011 | 13 165 | 29% | 12 942 | 31% |
| Other liabilities | 7 215 | 6 771 | 7% | 10 443 | -31% |
| Total Liabilities | 214 322 | 199 758 | 7% | 170 661 | 26% |
| Shareholders' equity | 54 066 | 52 720 | 3% | 45 189 | 20% |
| <i>Total Liabilities & Equity</i> | 268 388 | 252 479 | 6% | 215 850 | 24% |

Note: All numbers in AZN' 000 and in Azerbaijan accounting standards

Income Statement

| | Fact Jan-June 2014 | Fact Jan-June 2013 | Growth % |
|--|-------------------------------|-------------------------------|-----------------|
| Interest income | 16 057 | 9 925 | 62% |
| Interest expenses | 6 015 | 5 040 | 19% |
| Net interest income | 10 042 | 4 885 | 106% |
| Non-interest income | 3 936 | 2 590 | 52% |
| Non-interest expenses | 599 | 483 | 24% |
| Net non-interest income | 3 337 | 2 107 | 58% |
| Total income | 13 379 | 6 993 | 91% |
| Operating expenses | 6 161 | 4 613 | 34% |
| Profit bef. provisions and FX gain/loss | 7 218 | 2 380 | 203% |
| Net gain/loss on FX position | -33 | -84 | -60% |
| Loan loss provisions | 5 032 | 1 562 | 222% |
| Profit before tax | 2 153 | 735 | 193% |
| Tax | 431 | 147 | 193% |
| Net profit | 1 722 | 588 | 193% |

Loans to Clients

| Loan type | Fact 30 June 2014 | Fact 31 Dec. 2013 | Growth % | Fact 30 June 2013 | Growth from June 2013% |
|----------------------------------|----------------------|----------------------|------------|----------------------|---------------------------|
| Micro loans | 41 403 | 28 473 | 45% | 15 614 | 165% |
| SME loans* | 47 979 | 53 771 | -11% | 44 821 | 7% |
| Corporate loans | 34 446 | 23 930 | 44% | 22 076 | 56% |
| Total business loans | 123 829 | 106 174 | 17% | 82 511 | 50% |
| Pawn shop loans | 8 047 | 7 358 | 9% | 6 607 | 22% |
| Credit cards | 4 724 | 4 054 | 17% | 3 153 | 50% |
| Consumer loans | 22 803 | 16 091 | 42% | 8 823 | 158% |
| Consumer loans secured | 3 837 | 1 873 | 105% | 3 380 | 14% |
| Mortgage | 19 811 | 20 387 | -3% | 21 310 | -7% |
| Car loans | 4 386 | 2 621 | 67% | | 0% |
| Other retail loans | 2 541 | 4 227 | -40% | 4 686 | -46% |
| Total retail loans | 66 150 | 56 612 | 17% | 47 961 | 38% |
| Total loans (gross) | 189 978 | 162 785 | 17% | 130 472 | 46% |
| Loan loss provisions, including: | -24 179 | -8 737 | 177% | -5 575 | 334% |
| <i>General provisions</i> | -1 981 | -3 316 | -40% | -2 779 | -29% |
| <i>Specific provisions</i> | -22 198 | -5 421 | 309% | -2 795 | 694% |
| Accrued interest | 11 196 | | | | |
| Total loans (net) | 178 976 | 157 364 | 14% | 127 677 | 40% |

* In March 2014 AZN 8 513,530 thnd SME loans have been reclassified as corporate

Key Financial Ratios

| | 2014 Jan-June | 2013 | Growth % |
|--|--------------------------|-------------|------------------|
| | Fact | Fact | from 2013 |
| Net interest margin | 9,2% | 7,8% | 17,9% |
| Cost / income ratio | 46,0% | 57,7% | -20,3% |
| Provisions / loans ratio | 12,0% | 5,4% | 122,2% |
| Loans / deposits | 99,2% | 92,4% | 7,4% |
| Return on assets | 1,6% | 1,5% | 6,7% |
| Return on equity | 8,1% | 7,2% | 12,5% |
| Return on assets before special provisions | 5,7% | 3,2% | 78,1% |
| Return on equity before special provisions | 29,1% | 15,2% | 91,4% |