

Rabitabank



Rabitabank



Rabitabank at a glance

- Rabitabank is a universal commercial bank, providing full range of financial services to its retail and corporate clients;
- Established in 1993, one of the oldest and well reputable banks in Azerbaijan;
- Bank has a network of 13 branches including 5 in city of Baku and over 200 employees;
- Successful history of cooperation with International Financial Institutions since 1997: partner with IFC, EBRD, ICD

Rabitabank Timeline

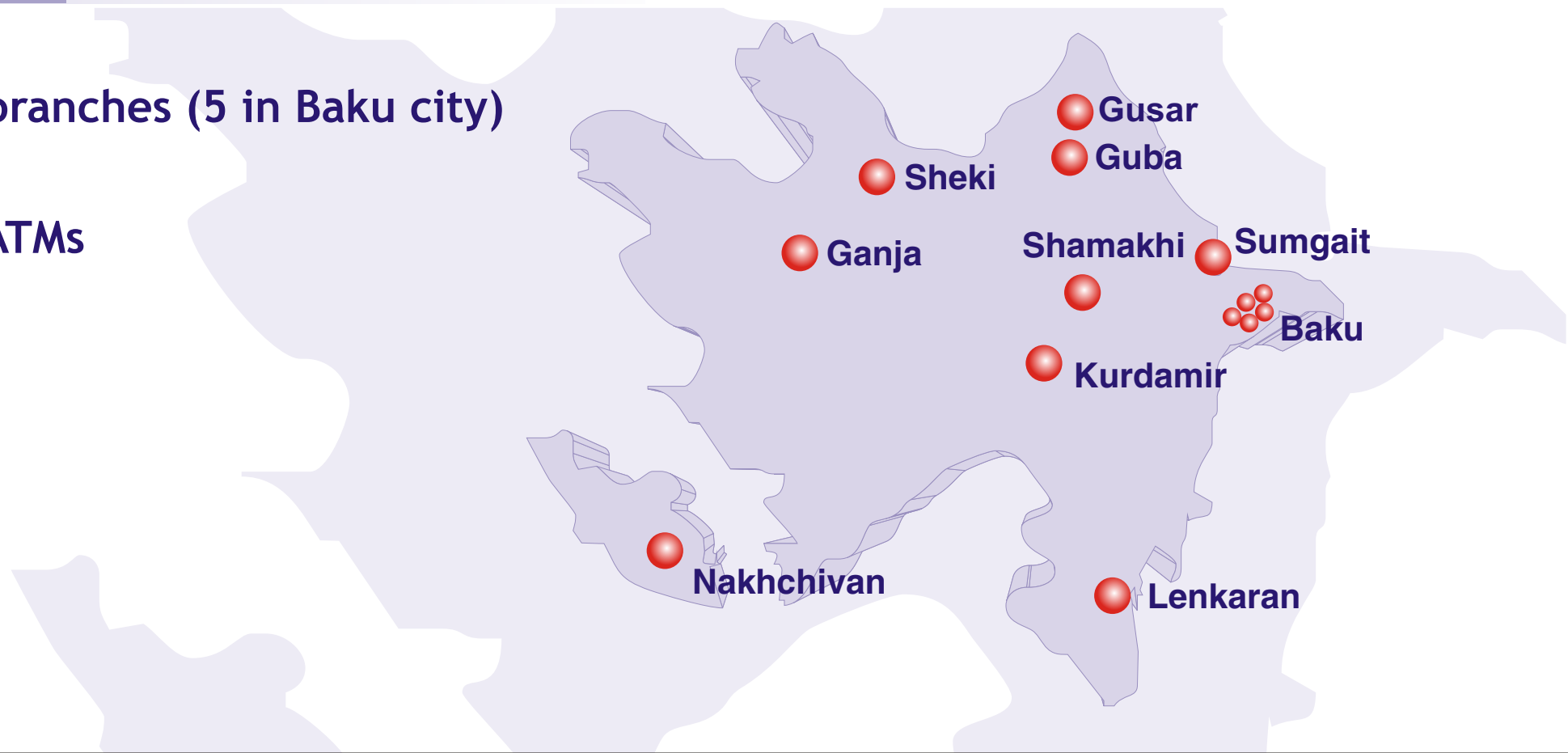
- 1993 - Bank was established
- 1994 - became a member of Baku Interbank Currency Exchange
- 1997 - became a member of SWIFT
- 1997 - became a member of Europay International
- 2002 - joined Western Union international money transfer system
- 2003 - joined State Fund for Entrepreneur Support. Current credit line from the fund 5.7 mln AZN
- 1998 - Signed agreement with International Finance Corporation (IFC) for SME financing
- 2004 - Signed agreement with Islamic Development Bank for SME financing. Current credit line from 1.1mln USD
- 2006 - Signed an agreement with EBRD for 3 mln. USD credit line for SME financing and microcredit purposes and 1 mln Trade Finance Line
- 2007 - IFC Board approved 2 mln credit line convertible to shares of the bank

Annual report of Rabitabank is being done by Deloitte & Touche for the last 4 consecutive years

Branch network

14 branches (5 in Baku city)

18 ATMs



Corporate Banking

Rabitabank provides full scope of financial services including:

- Loans for financing of construction, production, agriculture, services and trade
- Corporate saving accounts
- Payroll services (salary cards)

to over 2000 corporate clients including high profile clientele including:

Azercell

Bakcell

AzEvroTel

El Plastic

Catel

AzerOilConstruction

Krauz Baku

ABC

AzerElectricNetworks

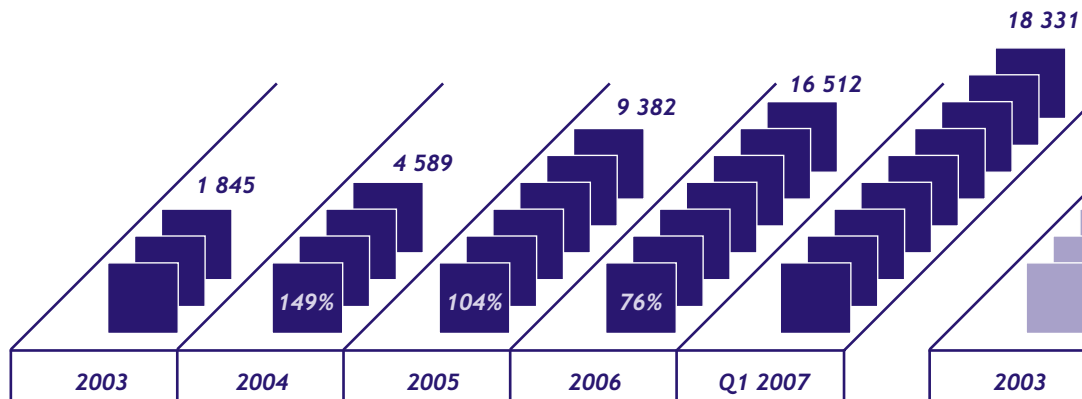
Akhundov Networks

Kapital A

Titan Neftekhim

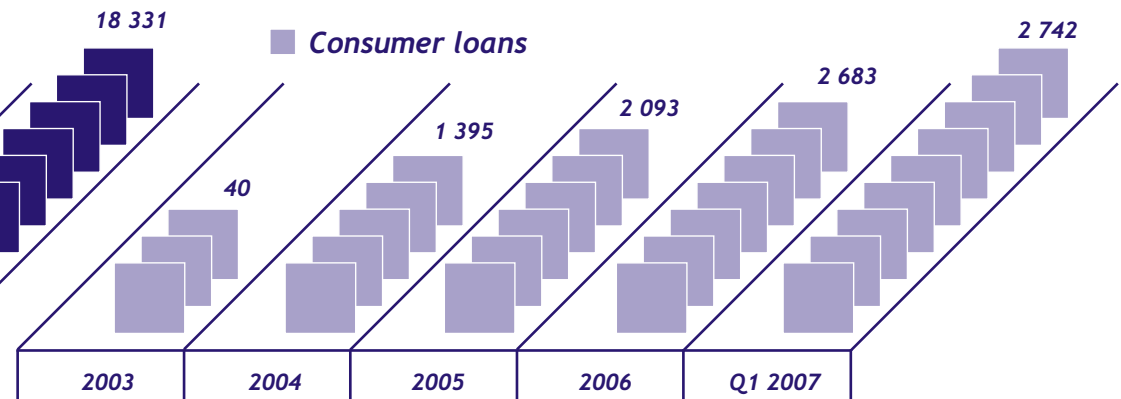
Retail Banking

Number of Individual Current Accounts



18 331 current accounts
 1 317 saving accounts
 3 621 plastic cards
 18 ATMs

Amount of Retail Loans



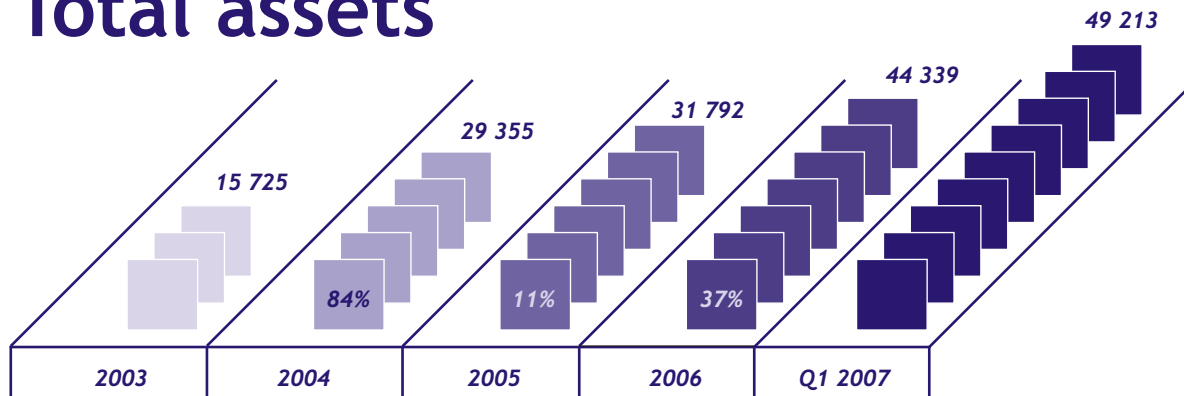
Consumer loans include loans for automobile, furniture and home electronics, as well as personnel needs loans

* Hereafter all amounts are expressed in thousand AZN.

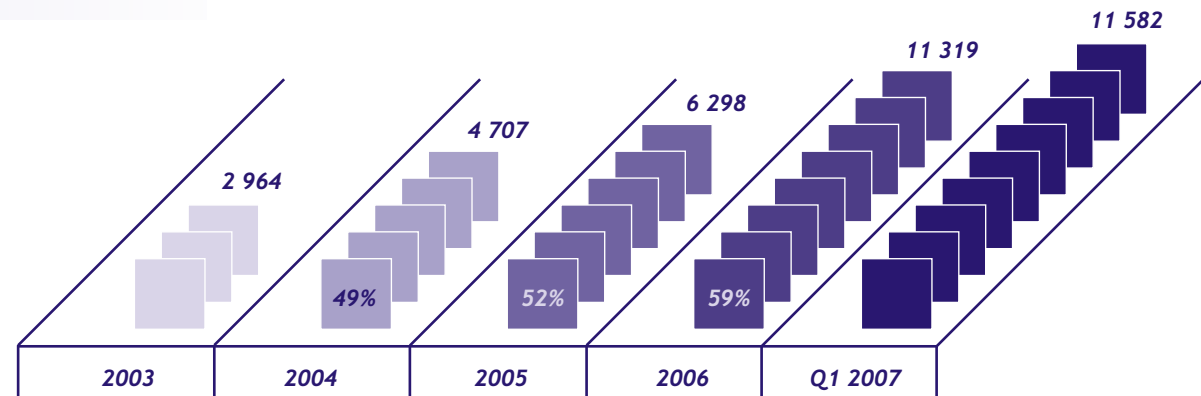
1 AZN - 1.15 USD as per 01.04.07

Key performance indicators

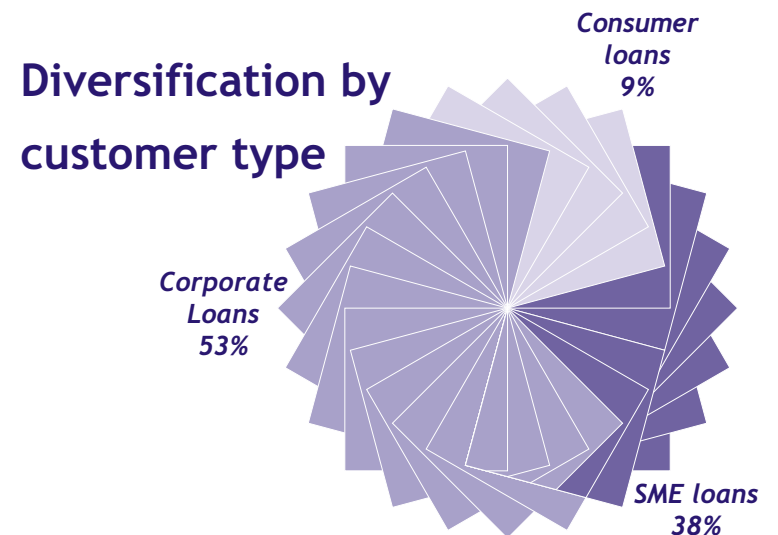
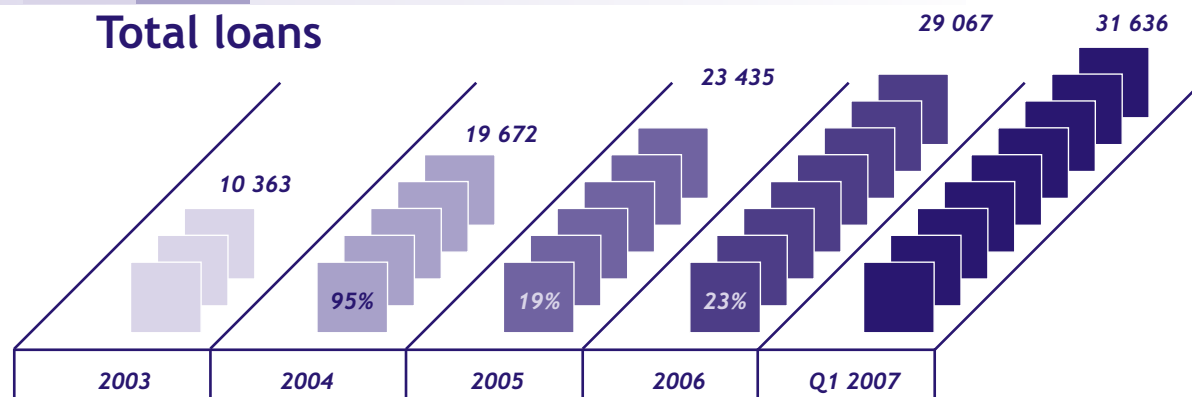
Total assets



Total capital



Credit Portfolio



in thousand AZN	2003	2004	2005	2006	Q1 2007
Total loans	10 363	19 672	23 435	29 067	31 635
Consumer loans	40	1 395	2 093	2 683	2 742
SME loans	3 922	5 878	8 445	11 477	12 187
Corporate Loans	6 402	12 399	12 898	14 907	16 706

Credit Portfolio

Industry diversification Q1 2007

Sector	Amount	%
Production	3 523	11%
Agriculture	1 631	5%
Trade	9 273	30%
Communication	800	3%
Financial sector	867	3%
Small Business, Microcredits & Consumer	12 899	41%
Other Sectors	2 343	7%
Total	31 336	100%

Portfolio quality Q1 2007

NPL	2.2%
10 biggest loans to credit portfolio	13.5%
Related party exposure	3%



Lending Partners

IFC

3.2 mln credit line for MSME purposes;

Islamic Development Corporation

1.1 mln credit line for corporate and SME loans;

EBRD

4 mln credit line for SME, microcredit and trade finance purposes;

State Entrepreneur Fund

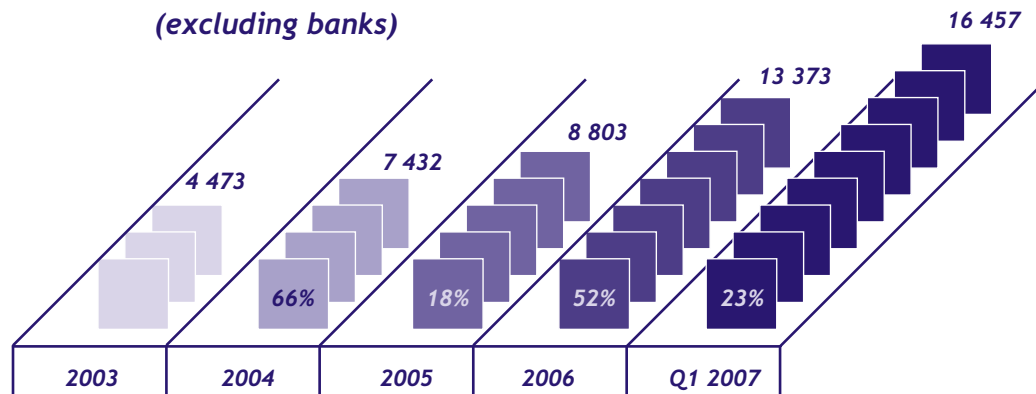
5.7 mln for production and agro loans;

State Mortgage Fund

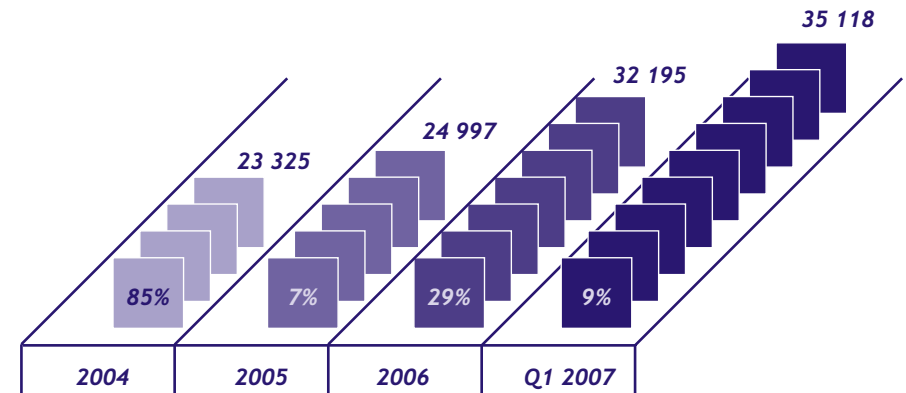
Deposit Portfolio

Term deposits from customers

(excluding banks)

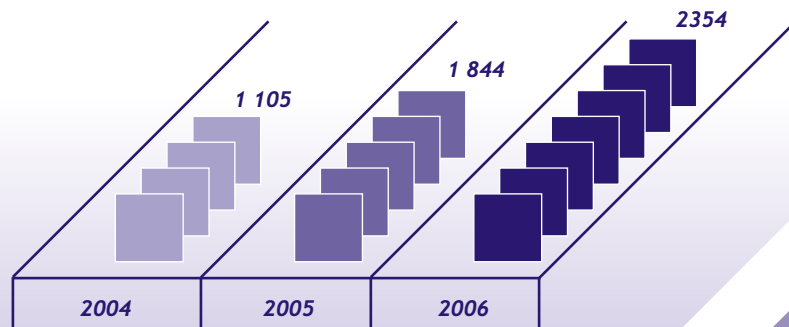


Total deposits

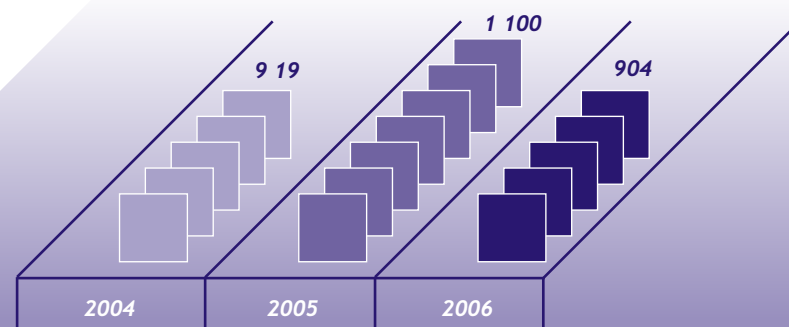


Profitability

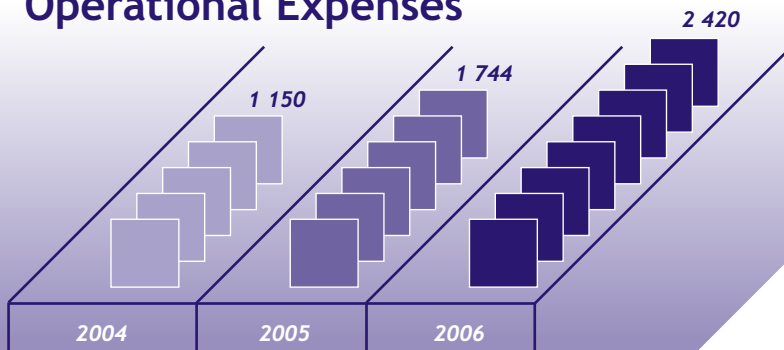
Net Interest income



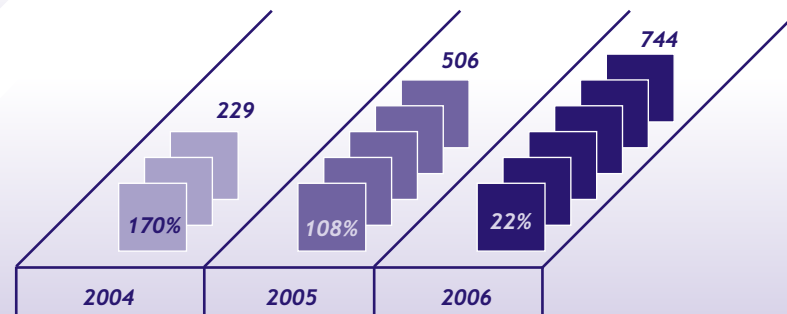
Net Non-Interest Income



Operational Expenses



Net profit



Key ratios

	2004	2005	2006
ROE	4.86%	8.03%	6.58%
ROA	0.78%	1.59%	1.68%
Cost of funds (1)	3.4%	5.4%	5.8%
Net spread (2)	5.67%	7.64%	8.4%
Non-Interest Income/Total Income	54.34%	31.21%	27.74%
Liquid Assets to Total Assets (3)	25%	18%	19%
Interest earning assets (4)	72.53%	78.37%	67.59%
Customer Loans to Liabilities	80%	92%	81%
Instant liquidity (5)	66%	69%	82%
Total equity to loans	26.50%	22.35%	25.4%
Capital Adequacy	14%	19%	20%

1. Cost of funds is calculated as the ratio of interest expense to bank and customer accounts and other borrowings.
2. Net spread=Interest Income/Interest Earning Assets - Cost of Funds
3. Liquid assets include cash, cash equivalents and securities available for sale
4. Interest earning assets include securities and loans
5. Ratio of cash, cash equivalents and investment available for sale to demand deposits and 1 month term deposits

Azerbaijan Economy at a glance

Land mass 86,600 sq. km,

Population 8.3 mln

in mln AZN	2003	2004	2005	2006
GDP	7 147	8 530	11 876	17 736
GDP growth rate		19%	39%	35%
State Budget	1226	1481	2055	3594
Inflation	2,2%	6,7%	9,6%	8,3%
Exchange rate 1USD	0,98	0,98	0,95	0,87

Banking Sector at a glance

Number of credit organizations: 138

Number of banks: 44

Number of state banks: 2 (market share of state bank credits 45,2%, as of 2006)

in mln AZN	2003	2004	2005	2006
Credits	670,3	989,5	1 440,9	2 362,7
Deposits	610,0	1 025,0	1 294,0	2 129,2
Saving deposits	354,0	615,0	772,0	1 047,0
Net profit (after taxes)	23,7	38,9	45,0	62,1
Average rate on deposits	8,3 %	8,2%	9,6%	11,0%
Average rate on credits	16,7%	17,3%	16,1%	16,8%

*Yield on Government T-Bills: 11.01% (1 year), 10.24% (3 month)**

*Yield on National Bank short term bonds: 11.15% (28 days maturity)**

*As of may 2007



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