AccessBank

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BB+
Short-Term IDR	B
Viability Rating	b+
Support Rating	3

Sovereign Risk

Foreign-Currency Long-Term IDR	BB+
Local-Currency Long-Term IDR	BB+
Country Ceiling	BB+

Outlooks

Issuer Foreign-Currency Long-Term IDR	Negative
Sovereign Foreign- and Local-Currency Long-Term IDRs	Negative

Financial Data

AccessBank

(AZNm)	30 Jun 16	31 Dec 15
Total assets (USDm)	664.4	752.4
Total assets	1,022.8	1,172.9
Total equity	119.8	148.0
Pre-impairment profit	13.3	39.0
Net income/(loss)	-28.2	2.6
ROAA (%)	-5.2	0.2
ROAE (%)	-42.4	1.7
Fitch Core Capital ratio (%)	15.9	16.7
Regulatory Tier 1 capital ratio (%)	9.8	12.2
Regulatory total capital ratio (%)	15.9	20.6

Related Research

AccessBank - Ratings Navigator (September 2016)

Fitch Affirms Azerbaijan's Pasha Bank and AccessBank; Outlooks Negative (September 2016)

Azerbaijan (September 2016)

Dollarisation in CIS/Georgian Banking Sectors (June 2016)

EM Banking Datawatch - End-2015 (June 2016)

Fitch: Azerbaijani Banks' Capital and Asset Quality Weak after Currency Devaluation (April 2016)

Fitch Downgrades Azerbaijan to 'BB+'; Outlook Negative (February 2016)

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Key Rating Drivers

Support-Driven IDR: AccessBank’s (AB) Long-Term Issuer Default Rating (IDR) reflects the moderate probability of support from its highly rated international financial institution (IFI) shareholders. Fitch Ratings views the ability and propensity of the IFIs to provide support as high, but the bank’s Long-Term IDR is constrained by Azerbaijan’s Country Ceiling of ‘BB+’, which captures transfer and convertibility risks.

The agency’s view of a high propensity to support is based on the IFIs’ strategic commitment to microfinance lending in emerging markets, the IFIs’ direct ownership of AB, stemming from their participation as founding shareholders, and Fitch’s expectation that a full exit of the IFIs from the bank in the next few years is unlikely.

Weakened Standalone Profile: AB’s Viability Rating (VR) was downgraded to ‘b+’ from ‘bb-’ in September 2016 due to significant deterioration of the bank’s asset quality and performance following the devaluation of the Azerbaijani manat in 2015. Positively, AB’s VR reflects the bank’s still reasonable capital levels and manageable refinancing risks.

Asset Quality Concerns: AB reported sizeable non-performing loans (NPLs; loans 90+ days overdue) at 22% of the total portfolio (51% covered with impairment reserves) at end-1H16, up from a moderate 5% at end-2015 (87% covered). Restructured loans were a further 53% of the portfolio, as the bank has extended maturities and cut rates on foreign-currency exposures following the devaluation of the manat in 2015. The ultimate credit quality and recoverability of these restructured loans is yet to be tested.

Weak Performance: AB reported pre-impairment pre-tax profit of AZN13m or 3% (annualised) of average gross loans in 1H16. However, net of accrued interest this figure would be a negative AZN10m, implying a loss-making performance on a cash basis. The bottom line was dampened by elevated impairment charges (11.5% of average loans, annualised) resulting in a net reported loss of AZN28m in 1H16 (equal to 19% of end-2015 equity).

Tightening Capital Buffers: AB’s Fitch Core Capital (FCC) ratio remained a high 16% at end-1H16 despite the weak performance (end-2015: 17%). The capital position was supported by deleveraging, as the loan book contracted by 21% in 1H16. However, Fitch sees risk for capital, since at least some unreserved NPLs (68% of FCC at end-1H16) or restructured loans (4.1x FCC) may require additional provisioning on impairment losses.

Moderate Refinancing Risks: Near-term refinancing needs moderated in 1H16, but remain significant. The bank’s wholesale funding maturing within 12 months represented a high 30% of total liabilities at end-1H16, although this was 92% covered by the available liquidity buffer. Refinancing risks are reduced by AB’s consistent access to IFI and parent funding.

Rating Sensitivities

Sovereign Downgrade; Support Stance: A further sovereign downgrade could result in a lowering of AB’s ratings. Conversely, the ratings may stabilise if the Outlook on Azerbaijan is revised to Stable. A marked weakening of support, for example, due to the shareholders’ intention to sell the bank, may lead to a downgrade, but Fitch regards this as unlikely.

Asset Quality and Capital: Continued asset-quality pressure resulting in further bottom-line losses that eat into AB’s equity may result in a downgrade of its VR. Upside potential for the VR is limited given the weak economic outlook.

Financial and Banking System Overview

Azerbaijan

Ratings		
Sovereign IDRs	BB+	
Outlook/Watch	Negative	
BSI[a]	b	
MPI[b]	2	
Public finance	**2016f**	**2015**
GDP (USDbn)	53.0	53.0
Real GDP growth (%)	-2.3	1.1
International reserves[c] (USDbn)	39.4	38.6
Net external debt (% of GDP)	-199.9	-145.6
Government total debt (% of GDP)	31.0	28.3
Banking sector	**1H16**	**2015**
System assets (USDbn)	n.a.	22.4
System assets/GDP (%)	n.a.	54.1
Number of banks	31	43
Real loan growth (%)	-23.8	12.6
Dollarisation of deposits (%)	80.2	81.6
NPL ratio[d] (%)	16.7	9.5
Equity/assets (%)	n.a.	10.0

[a] The Banking System Indicator
[b] The Macro-Prudential Indicator
[c] Including assets of State Oil Fund of Azerbaijan (SOFAZ)
[d] Based on survey of Fitch-rated banks (made up around 45% of the sector)
Source: Central Bank of the Republic of Azerbaijan, Fitch

Shareholder Structure

Shareholder	Stake (%)
KfW	20.0
EBRD	20.0
IFC	20.0
BSTDB	20.0
AMH	16.5
LFS	3.5

Source: Bank public data

Related Criteria

Global Bank Rating Criteria (July 2016)

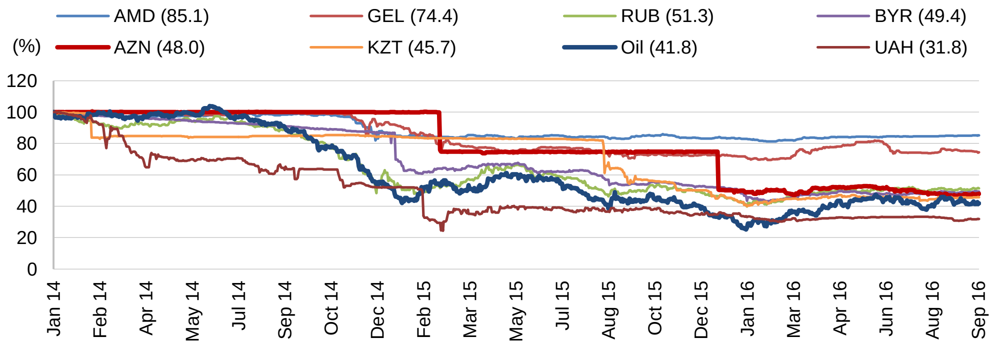
Operating Environment

Vulnerable Banking Sector Amid High Dollarisation and Sharp Devaluation

Fitch's operating environment score of 'b+' for Azerbaijan balances the sovereign's solid buffers with a weak business climate and the high volatility of the banking sector and asset quality through the cycle. The agency downgraded Azerbaijan to 'BB+' from 'BBB-' in February 2016 following the prolonged period of low oil prices, which led to a deterioration in the state's fiscal position. However, the downgrade didn't have imminent effect on the operating environment given its already low level.

A drop in oil prices and subsequent two-step currency devaluation (in February and December 2015, see chart below) has immediately hit Azerbaijani banks' capital, eroding their ability to absorb credit losses, which is likely to remain very limited in the near future. Regulatory capital ratios dropped by 5-8ppts at most Fitch-rated banks after the 98% currency devaluation in 2015, as their foreign-currency risk-weighted assets (RWAs) ballooned. Some banks also incurred significant one-off currency translation losses due to unhedged short positions.

CIS & Georgia: FX Rates and Brent Oil Price



Relative to US dollar, indexed to Jan 14 (assumed at 100), value in brackets - index as at Sep 16
Source: Bloomberg, Fitch calculates

According to a survey of Fitch-rated banks, their average NPLs grew steeply in 2015 and 1H16 and were a high 17% at end-1H16. However, there are significant additional asset-quality risks due to the recession (Fitch forecasts a contraction of 2.3% in real GDP in 2016) and a high share of foreign-currency lending (52% of the sector's total loans at end-1H16) to borrowers with limited access to foreign currency. Asset quality is also undermined by a high and growing share of restructured loans and sizeable accrued interest. Currency depreciation and increased balance-sheet dollarisation have hit Azerbaijani banks the most severely in the CIS.

The Stable Outlook on Operating Environment score reflects its already low level of 'b+', which has factored most of the risks stemming from vulnerable economic environment, weak regulation and high oil dependency.

Support Considerations

Ratings Driven by IFI Shareholders Support, but Capped by Country Ceiling

AB's IDRs and Support Rating are underpinned by the moderate probability of support from its IFI shareholders, including KfW Development Bank (KfW; AAA/Stable), the European Bank for Reconstruction & Development (EBRD; AAA/Stable), the International Finance Corporation (IFC) and the Black Sea Trade and Development Bank (BSTDB, see table on the left). The remaining shareholders are Access Microfinance Holding (AMH) and LFS Financial Systems GmbH. All shareholders (except AMH) have had stakes in the bank since its foundation. Fitch does not expect any change to the shareholding structure in the near term.

The support considerations take into account the IFIs' strategic commitment to microfinance lending in developing markets, the IFIs' direct ownership of AB, stemming from their participation as founding shareholders, the significant integration of IFI guidelines into AB's risk management and Fitch's expectation that a full exit of the IFIs from the bank in the next few years is unlikely.

In March 2016, Fitch downgraded AB's Long-Term IDR to 'BB+' from 'BBB-' and Support Rating to '3' from '2' followed by the revision of Azerbaijan's Country Ceiling to 'BB+' from 'BBB-'. This reflects Fitch's view of an increase in transfer and convertibility risks, in line with the weakening of the sovereign credit profile, which could constrain the ability of AB to utilise support from its IFI shareholders to service its foreign-currency obligations. However, Fitch continues to view the propensity of the IFIs to provide support to AB as high and estimates the level of institutional support at 'BBB-' before the transfer and convertibility risks.

Company Profile and Risk Appetite

Largest Foreign-Owned Bank in Azerbaijan

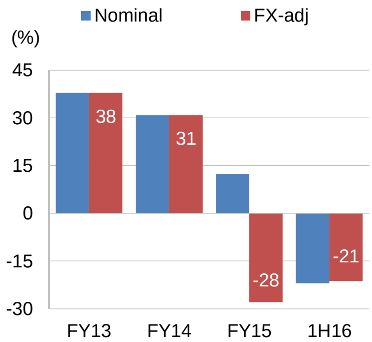
AB (formerly Micro Finance Bank of Azerbaijan) was set up in 2002 by a group of international institutional investors to offer a full range of banking services to micro and small businesses in Azerbaijan. AB retained its focus on SMEs and is a leading SME lender in the country with a market share of 30% at end-2015.

The bank operates through 40 branches across Azerbaijan and was the fifth largest in the country by loan portfolio at end-2015. However, its market share in lending remains below 6%.

Focus on Microfinance

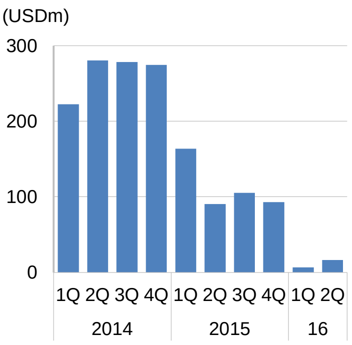
AB's priority line is business lending in two major segments: micro lending (business loans below USD30,000 per borrower, 30% of the loan book at end-1H16) and SME lending (business loans above USD30,000, 61%). The share of retail lending has not been significant in recent years (below 3% of total loans). The retail book is dominated by cash loans and mortgages, predominantly to salaried clients and the bank's staff.

Loan Growth



Source: Bank data, Fitch calculations

New Loan Disbursements



Source: Bank data

Fast Growth Prior to Devaluation; New Loan Production Stopped in 1H16

The bank had grown rapidly by end-2014, underpinned by the fast oil-driven expansion of the Azerbaijani economy, relatively modest credit penetration and favourable competition in SMEs. However, AB has cut the volume of newly originated loans in 2015 by about 75% given the negative credit cycle in the Azerbaijani economy, the significant devaluation of the local currency and poor recovery prospects. It almost fully stopped new issuance in 1H16 after the second manat devaluation, which took place in December 2015. As a result, AB's loan book has contracted by 28% in 2015 and by a further 21% in 1H16 (adjusted for a currency move).

Risks in Micro Lending Mitigated by Hard Collateral and Low Average Ticket

AB concentrates on risky, albeit high-yielding micro- and SME lending. By 2014 the high credit risks had been comfortably mitigated by high margins (net interest margin above 16%), but these were insufficient to cover the impact of the devaluations on asset quality.

The share of secured loans was a comfortable 77% at end-1H16, although the recoverability and value of this collateral is questionable. Collateral repossession and foreclosure procedures in Azerbaijan are poor because of weak institutional development, and therefore not much credit could be given for AB's collateral adequacy.

The single-borrower concentration of the loan book is low due to the nature of the business (the 20 largest loans make up below 10% of the book). Industry concentration is much higher, which is typical for CIS markets; AB provides most loans to the trade sector (46% of gross loans at end-1H16), services (31%) and agriculture (12%).

High Dollarisation; Other Market Risks Limited

Foreign-currency loans comprised 78% of total loans at end-1H16. The short foreign-currency on-balance-sheet position made up a moderate 46% of FCC at end-1H16. However, it has been mostly hedged using a long position on non-deliverable forward agreements with one of AB's shareholders. Although the bank is not exposed to direct translation losses in case of a further devaluation of the manat, the high dollarisation of the balance sheet is risky due to indirect credit risks and potential inflation of RWAs denominated in foreign currencies.

AB is not investing in equities and fixed-rate instruments, so other market risks are quite limited, in Fitch's view.

Management and Strategy

Corporate Governance Benefits from IFI Shareholders, Some Weaknesses in Execution

AB's supervisory board comprises five members, including three shareholder representatives from BSTDB, KfW and AMH, and two independent members. Almost all the important functions, including group strategy, supervision, risk management and internal audit, are supervised and supported by the shareholders. AB's management board is headed by a former EBRD manager. However, Fitch views AB's execution as highly variable based on economic conditions.

AB's corporate governance standards have to a significant extent been established by its IFI shareholders, which pursued greater transparency than the sector average. However, operational controls are undermined by some weaknesses typical for an emerging-market environment.

Selected Asset-Quality Metrics

(As % of total loans)	End-1H16	End-2015
Loans 30+ days overdue (Impaired)	25.9	8.1
Loans 90+ days overdue (NPLs)	21.9	5.4
Loan impairment reserves (LIR)	11.1	4.7
LIR (as % of NPLs)	50.7	86.7
Restructured loans (performing)	53.0	29.7

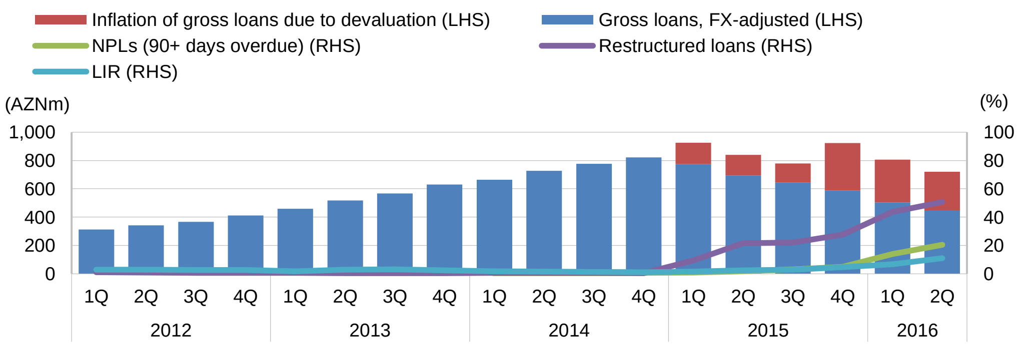
Source: Bank data, IFRS, Fitch

Asset Quality

Sharp Deterioration of Asset Quality Following Devaluation

At end-1H16, AB reported sizeable NPLs at 22% of gross loans, up from 5% at end-2015 and 1% at end-2014. A further 53% of gross loans at end-1H16 were represented by restructured loans. Almost all NPLs and restructured loans are denominated in foreign currencies. AB's NPLs were only 51% covered by loan impairment reserves (LIRs) at end-1H16 (end-2015: 87%) as 77% of them are secured with real estate. However, Fitch believes that some of the AZN64m of unreserved NPLs (68% of FCC at end-1H16) or AZN388m of restructured loans (4.1x FCC) may require intense additional provisioning in the 2H16-2017 despite the existence of hard collateral.

Loan Portfolio Quality and Reserves Development



Source: Bank data

Earnings and Profitability

Weakened Results on Narrowed Margins and Elevated Credit Losses

Selected Earnings and Profitability Ratios

(%)	1H16	FY15	FY14	FY13
Net interest income/average earning assets	10.2	13.1	16.4	18.3
Non-interest expense/gross revenues	10.2	9.0	8.4	8.7
Operating expenses/operating income	71.8	68.7	60.7	62.6
Pre-impairment operating profit/average loans	3.1	4.5	7.0	7.3
Loans and securities impairment charges/pre-impairment operating profit	364.7	100.0	-6.9	10.2
ROAA	-5.2	0.2	4.7	4.2
ROAE	-42.3	1.7	32.8	26.0

Source: Bank IFRS

In 1H16, AB reported pre-impairment profit of AZN13m or 3.1% (annualised) of average gross loans, well below AB's loan impairment charges (11.5% of average loans, annualised). The bank booked a substantial AZN28m net loss in 1H16 (equal to 19% of end-2015 equity) and Fitch believes profitability is unlikely to recover in the near term with loan impairment likely to remain elevated.

Pre-impairment profitability deteriorated markedly in 1H16 on narrowing net interest margin, which reflects interest-rate cut on restructured foreign-currency loans and the growing cost of wholesale funding amid investor concerns over long-term sector stability. AB's pre-impairment performance is also undermined by sizeable interest income accrued without being received in cash. In 1H16, 33% of total interest income (3.5% of average loans, annualised) has not been received in cash, which implies a AZN10m pre-impairment loss (-2.8% of average loans) should AB report its interest income on cash basis.

Selected Capital and Leverage Metrics

(As % of total loans)	End-1H16	End-2015
Regulatory CAR[a]		
Tier 1	9.8	12.2
Total	15.9	20.6
Basel CAR		
Tier 1	19.4	19.6
Total	31.9	30.2
Regulatory LAC[b]		
Till covenanted min	2.2	6.9
Till regulatory min	2.8	1.0
Total LAC	3.5	4.2

[a] Capital adequacy ratios
[b] Loss-absorption capacity
Source: Bank data, IFRS, Fitch

Capitalisation and Leverage

Ratios Supported by De-leveraging; Capital Pressure May Emerge in the Near Term

Despite a substantial loss in 1H16, AB's FCC/Basel RWAs ratio remained a high 16% at end-1H16, only 1pp down from 17% at end-2015. The capital position was supported by deleveraging, as the loan book contracted by 21% in 1H16.

The bank's total regulatory capital adequacy ratio (CAR) was a reasonable 15.9% at end-1H16, although Fitch estimates that AB's regulatory capital buffer is only sufficient to absorb additional losses equalling 5% of gross loans before reaching the regulatory minimum of 10%, which would be barely sufficient to fully cover existing NPLs. Accordingly, AB is likely to continue to de-leverage to reduce regulatory capital pressure.

Subordinated debt (USD45m, or 11% of Basel RWAs at end-1H16) is a 'gone-concern' capital instrument (without loss-absorption/convertibility language), which could not be factored directly into Fitch's assessment of capitalisation and leverage factor score, and hence into assessment of AB's VR. However, some credit could be given for the subordinated debt as the largest part of it (USD25m, 6% of RWAs) is raised from AB's shareholder, IFC.

Funding Mix

(As % of total liabilities)	End-1H16	End-2015
Customer accounts	**28.2**	**31.1**
Retail depositors	21.7	24.2
Corporate depositors	6.5	6.8
Wholesale funding	**63.0**	**61.4**
IFIs: Bilateral loans	40.7	34.9
IFIs: Syndicated loans	13.6	21.6
Domestic banks/FIs	5.4	3.0
CBAR	3.3	2.0
Subordinated debt	**7.8**	**6.9**
Other liabilities	1.0	0.6
Total liabilities	**100.0**	**100.0**
O/w shareholders and other beneficiaries	16.3	16.3

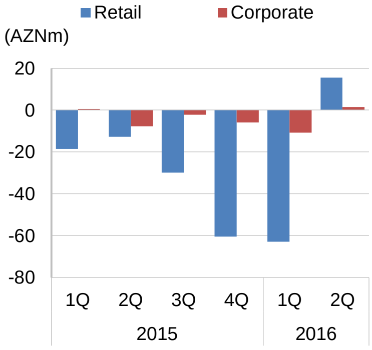
Source: Bank IFRS

Funding and Liquidity

Funding Driven by Wholesale Borrowings, Manageable Refinancing Risks

AB is predominantly wholesale-funded (63% of total liabilities at end-1H16) and relies on international investment funds and development institutions. In Fitch's view, such borrowings are difficult to prolong/refinance amid contraction of business volumes. However, AB has so far demonstrated a good track record of refinancing its liabilities when needed.

Deposit Outlow



Source: Bank data, Fitch calculations

At end-1H16, AB's wholesale funding maturing within 12 months was equal to about 30% of total liabilities. However, refinancing risks are mitigated by adequate liquidity cushion (27% of end-1H16 total liabilities) and firm access to IFIs and parent funding. Funding from shareholders and other related parties (mainly, investment funds controlled by the shareholders), which Fitch views as fairly sticky, made up 13% of total liabilities.

Customer funding (31%) is highly diversified and mainly represented by granular individual deposits. However, a significant proportion of AB's retail deposits were withdrawn since end-2014 (39% for 2015 and a further 15% for 1H16), although this has now stopped (see chart on the left).

Annex 1

Loan Quality

End-1H16 (AZNm)	Gross loans	Performing loans	LIR	Net loans	NPLs 90+	Restructured loans (excl. NPLs)	Gross written-off loans	NPLs (%)	Restructured loans (%)	LIR (%)	NPLs originated in period		NPLs originated in period/avg. performing loans (%)	
											Nominal	FX-adjusted	Nominal (annualised)	FX-adjusted
Total SME loans (>USD30,000)	452.9	343.1	47.3	405.6	109.8	238.4	5.0	24.2	52.6	10.4	81.5	n.a.	38.9	n.a.
Total micro loans (<USD30,000)	229.5	180.1	30.9	198.6	49.4	110.3	3.8	21.5	48.1	13.5	36.6	n.a.	30.3	n.a.
Total retail loans	67.8	63.0	5.0	62.8	4.8	15.6	0.2	7.1	23.0	7.4	4.5	n.a.	11.7	n.a.
Total loan book	**750.3**	**586.2**	**83.1**	**667.1**	**164.0**	**364.3**	**9.0**	**21.9**	**48.6**	**11.1**	**122.6**	**n.a.**	**33.3**	**n.a.**

End-2015 (AZNm)	Gross loans	Performing loans	LIR	Net loans	NPLs 90+	Restructured loans (excl. NPLs)	Gross written-off loans	NPLs (%)	Restructured loans (%)	LIR (%)	NPLs originated in period		NPLs originated in period/avg. performing loans (%)	
											Nominal	FX-adjusted	Nominal	FX-adjusted
Total SME loans	528.5	495.3	27.4	501.1	33.2	86.2	0.5	6.3	16.3	5.2	29.9	19.4	7.1	5.2
Total micro loans	320.2	303.6	15.1	305.0	16.6	160.8	3.7	5.2	50.2	4.7	18.9	13.8	5.7	4.4
Total retail loans	89.5	89.0	1.1	88.4	0.6	9.1	1.5	0.6	10.2	1.2	1.7	1.5	1.7	1.5
Total loan book	**938.2**	**887.8**	**43.7**	**894.5**	**50.4**	**256.1**	**5.7**	**5.4**	**27.3**	**4.7**	**50.5**	**34.8**	**5.9**	**4.4**

End-2014 (AZNm)	Gross loans	Performing loans	LIR	Net loans	NPLs 90+	Restructured loans (excl. NPLs)	Gross written-off loans	NPLs (%)	Restructured loans (%)	LIR (%)	NPLs originated in period		NPLs originated in period/avg. performing loans (%)	
											Nominal	FX-adjusted	Nominal	FX-adjusted
Total SME loans	350.8	346.9	5.9	344.9	3.9	2.7	0.9	1.1	0.8	1.7	3.4	n.a.	1.1	n.a.
Total micro loans	361.3	359.9	2.7	358.6	1.4	1.7	0.5	0.4	0.5	0.7	1.0	n.a.	0.3	n.a.
Total retail loans	116.8	116.4	0.5	116.3	0.4	0.1	0.2	0.3	0.1	0.4	0.2	n.a.	0.2	n.a.
Total loan book	**828.9**	**823.3**	**9.1**	**819.8**	**5.6**	**4.5**	**1.6**	**0.7**	**0.5**	**1.1**	**4.6**	**n.a.**	**0.6**	**n.a.**

Source: Fitch

Annex 2

Capital Position and Loss-Absorption Capacity

	End-1H16		End-2015		End-2014	
(AZNm)	**Regulatory**	**Basel**	**Regulatory**	**Basel**	**Regulatory**	**Basel**
Tier 1 capital before deductions	107.0	119.8	145.4	148.0	142.8	145.4
Deductions from Tier 1 (intangible assets and DTA)	33.5	n.a.	25.0	n.a.	21.1	n.a.
Tier 1 capital	73.6	119.8	120.4	148.0	121.7	145.4
Tier 2 capital	46.2	77.0	83.0	79.9	24.3	20.9
O/w current year profit	-	n.a.	1.7	n.a.	n.a.	n.a.
O/w subdebt (<= 50% of Tier 1)	36.8	69.3	70.2	70.4	15.7	16.0
Info: Total subdebt on BS	69.3	69.3	70.2	70.4	15.7	16.0
O/w other reserves (<=1.25% of RWA)	9.4	7.7	11.1	9.4	8.6	4.9
Total capital	**119.8**	**196.8**	**203.4**	**227.9**	**146.0**	**166.3**
Tier 1 CAR (%)	9.76	19.42	12.18	19.61	13.60	21.39
Total CAR (%)	15.89	31.90	20.58	30.19	16.32	24.47
RWA	**753.6**	**617.0**	**988.4**	**755.0**	**895.1**	**679.7**
Gross loans, including accrued interest	758.7	758.7	938.1	938.2	828.9	828.9
LIR (specific + general, if any)	94.4	83.1	36.0	43.7	12.2	9.1
Total LIR/gross loans (%)	12.4	11.0	3.8	4.7	1.5	1.1
Total additional LIR capacity[a], including:	37.8	93.7	74.7	116.1	43.9	96.3
Till covenanted minimum	16.6	64.6	65.0	80.6	n.a.	n.a.
Till regulatory minimum (in addition to covenanted)	21.2	29.1	9.7	35.5	n.a.	n.a.
Maximum LIR capacity[a]	132.2	176.8	110.7	159.8	56.1	105.4
Total additional LIR capacity/gross loans (%)	5.0	12.3	8.0	12.4	5.3	11.6
Total maximum LIR capacity/gross loans (%)	17.4	23.3	11.8	17.0	6.8	12.7
Regulatory minimum of Tier 1 capital ratio (%)	5.0	5.0	5.0	5.0	6.0	6.0
Regulatory minimum of total capital ratio (%)	10.0	10.0	10.0	10.0	12.0	12.0

[a] Capacity to create LIR while maintaining capital adequacy ratio above respective minimums (12%)
Source: Prudential reports, IFRS FS; Fitch estimates

Annex 2

Liquidity Position at End-1H16

(AZNm unless otherwise stated)	Total	O/w AZN	O/w FX
Cash sources[a]			
Cash on hand	73.1	41.9	31.1
Correspondent accounts with central banks[b]	133.0	89.2	43.8
Correspondent accounts with other banks[b]	38.7	-	38.7
Cash and cash equivalents	**244.8**	**131.1**	**113.7**
Additional liquidity sources, including			
Unused credit lines from IFIs	103.1	-	103.1
Total additional liquidity sources	**103.1**	**-**	**103.1**
Total available liquidity	**347.9**	**131.1**	**216.8**
Average monthly proceeds from loan repayments[c]	**36.5**	**16.2**	**20.3**
Cash uses[a]			
Loans from banks	191.3	29.0	162.3
Syndicated loans	74.9	7.0	67.9
Wholesale/money markets debt repayments in next 12 months	**266.2**	**36.0**	**230.2**
Total potential repayments to government related entities (CBAR)	**30.0**	**30.0**	**-**
Total repayments & other potential cash uses	**296.2**	**66.0**	**230.2**
Total available liquidity net of wholesale/money markets debt repayments in next 12 months	**81.8**	**95.1**	**-13.4**
Total available liquidity net of total potential cash uses	**51.8**	**65.1**	**-13.4**
Total available liquidity/customer accounts (%)	139.1	162.1	128.1
Total available liquidity net of total potential cash uses/customer accounts (%)	20.7	80.5	-7.9
Monthly proceeds from loan repayments/customer accounts (%)	**14.6**	**20.0**	**12.0**

[a] Excluding loan issuance/repayments and other items
[b] Excluding restricted cash & fiduciary deals
[c] Bank estimate; Fitch conservatively excludes loan proceeds from calculation of liquid assets
Source: Bank data, Fitch estimates

AccessBank

Income Statement

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm Unaudited	6 Months - Interim AZNm Unaudited	As % of Earning Assets	Year End AZNm Audited - Unqualified	As % of Earning Assets	Year End AZNm Audited - Unqualified	As % of Earning Assets	Year End AZNm Audited - Unqualified	As % of Earning Assets	Year End AZNm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	47.2	72.7	19.67	174.8	18.68	169.6	20.69	127.8	20.70	94.6	23.37
2. Other Interest Income	n.a.	n.a.	-	0.3	0.03	0.2	0.02	0.1	0.02	0.2	0.05
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**47.2**	**72.7**	**19.67**	**175.1**	**18.72**	**169.8**	**20.71**	**127.9**	**20.71**	**94.8**	**23.42**
5. Interest Expense on Customer Deposits	4.0	6.1	1.65	21.1	2.26	24.1	2.94	16.3	2.64	12.3	3.04
6. Other Interest Expense	15.7	24.2	6.55	40.4	4.32	27.6	3.37	18.0	2.91	12.5	3.09
7. Total Interest Expense	**19.7**	**30.3**	**8.20**	**61.5**	**6.57**	**51.7**	**6.31**	**34.3**	**5.55**	**24.8**	**6.13**
8. Net Interest Income	**27.5**	**42.4**	**11.47**	**113.6**	**12.14**	**118.1**	**14.41**	**93.6**	**15.16**	**70.0**	**17.29**
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statemer	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	2.1	3.3	0.89	7.4	0.79	9.2	1.12	7.3	1.18	4.9	1.21
14. Other Operating Income	1.0	1.5	0.41	3.8	0.41	1.7	0.21	1.6	0.26	1.7	0.42
15. Total Non-Interest Operating Income	**3.1**	**4.8**	**1.30**	**11.2**	**1.20**	**10.9**	**1.33**	**8.9**	**1.44**	**6.6**	**1.63**
16. Personnel Expenses	13.1	20.1	5.44	52.3	5.59	51.0	6.22	39.6	6.41	32.8	8.10
17. Other Operating Expenses	9.0	13.8	3.73	33.4	3.57	27.3	3.33	24.6	3.98	20.3	5.01
18. Total Non-Interest Expenses	**22.0**	**33.9**	**9.17**	**85.7**	**9.16**	**78.3**	**9.55**	**64.2**	**10.40**	**53.1**	**13.12**
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	**8.6**	**13.3**	**3.60**	**39.1**	**4.18**	**50.7**	**6.18**	**38.3**	**6.20**	**23.5**	**5.81**
21. Loan Impairment Charge	31.5	48.5	13.13	39.1	4.18	(3.5)	(0.43)	3.9	0.63	3.1	0.77
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	**(22.9)**	**(35.2)**	**(9.53)**	**0.0**	**0.00**	**54.2**	**6.61**	**34.4**	**5.57**	**20.4**	**5.04**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	3.6	0.38	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	**(22.9)**	**(35.2)**	**(9.53)**	**3.6**	**0.38**	**54.2**	**6.61**	**34.4**	**5.57**	**20.4**	**5.04**
30. Tax expense	(4.5)	(7.0)	(1.89)	1.0	0.11	11.2	1.37	7.2	1.17	4.6	1.14
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	**(18.3)**	**(28.2)**	**(7.63)**	**2.6**	**0.28**	**43.0**	**5.25**	**27.2**	**4.40**	**15.8**	**3.90**
33. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
37. Fitch Comprehensive Income	**(18.3)**	**(28.2)**	**(7.63)**	**2.6**	**0.28**	**43.0**	**5.25**	**27.2**	**4.40**	**15.8**	**3.90**
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	(18.3)	(28.2)	(7.63)	2.6	0.28	43.0	5.25	27.2	4.40	15.8	3.90
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	11.8	1.44	7.9	1.28	6.4	1.58
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

	30 Jun 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
Exchange rate	USD1 = AZN1.53940	USD1 = AZN1.55940	USD1 = AZN0.78440	USD1 = AZN0.78450	USD1 = AZN0.78500

AccessBank
Balance Sheet

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm	6 Months - Interim AZNm	As % of Assets	Year End AZNm	As % of Assets	Year End AZNm	As % of Assets	Year End AZNm	As % of Assets	Year End AZNm	As % of Assets
Assets											
A. Loans											
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	16.4	25.3	2.47	29.6	2.52	29.6	2.84	17.4	2.20	6.0	1.16
3. Other Consumer/ Retail Loans	22.3	34.3	3.35	44.2	3.77	74.5	7.15	62.1	7.86	35.7	6.93
4. Corporate & Commercial Loans	287.3	442.2	43.23	528.5	45.06	350.8	33.66	259.9	32.92	176.3	34.21
5. Other Loans	166.8	256.8	25.11	335.9	28.64	374.0	35.89	291.0	36.85	196.4	38.11
6. Less: Reserves for Impaired Loans	54.0	83.1	8.12	43.7	3.73	9.1	0.87	13.2	1.67	10.4	2.02
7. Net Loans	**438.8**	**675.5**	**66.04**	**894.5**	**76.26**	**819.8**	**78.66**	**617.2**	**78.17**	**404.0**	**78.40**
8. Gross Loans	**492.8**	**758.6**	**74.17**	**938.2**	**79.99**	**828.9**	**79.53**	**630.4**	**79.84**	**414.4**	**80.42**
9. Memo: Impaired Loans(*) included above	114.0	175.5	17.16	70.4	6.00	6.8	0.65	2.6	0.33	2.6	0.50
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	41.5	63.9	6.25	36.8	3.14	n.a.	-	0.3	0.04	0.8	0.16
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Derivatives	2.4	3.7	0.36	4.3	0.37	0.0	0.00	n.a.	-	n.a.	-
5. Available for Sale Securities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Equity Investments in Associates	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	**2.4**	**3.7**	**0.36**	**4.3**	**0.37**	**0.0**	**0.00**	**0.0**	**0.00**	**0.0**	**0.00**
10. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**482.7**	**743.1**	**72.65**	**935.6**	**79.77**	**819.8**	**78.66**	**617.5**	**78.20**	**404.8**	**78.56**
C. Non-Earning Assets											
1. Cash and Due From Banks	118.4	182.2	17.81	145.8	12.43	153.9	14.77	110.4	13.98	60.6	11.76
2. Memo: Mandatory Reserves included above	1.0	1.6	0.16	4.6	0.39	14.4	1.38	15.6	1.98	9.9	1.92
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	27.9	43.0	4.20	45.5	3.88	42.8	4.11	45.5	5.76	37.3	7.24
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
6. Other Intangibles	16.6	25.6	2.50	25.3	2.16	20.9	2.01	13.4	1.70	7.9	1.53
7. Current Tax Assets	4.7	7.2	0.70	8.9	0.76	0.0	0.00	n.a.	-	n.a.	-
8. Deferred Tax Assets	5.1	7.9	0.77	0.9	0.08	0.0	0.00	0.2	0.03	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	9.0	13.8	1.35	10.9	0.93	4.8	0.46	2.6	0.33	4.7	0.91
11. Total Assets	**664.4**	**1,022.8**	**100.00**	**1,172.9**	**100.00**	**1,042.2**	**100.00**	**789.6**	**100.00**	**515.3**	**100.00**
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	60.5	93.2	9.11	107.4	9.16	80.0	7.68	59.9	7.59	42.8	8.31
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	104.7	161.2	15.76	211.0	17.99	256.8	24.64	201.2	25.48	125.9	24.43
4. Total Customer Deposits	**165.3**	**254.4**	**24.87**	**318.4**	**27.15**	**336.8**	**32.32**	**261.1**	**33.07**	**168.7**	**32.74**
5. Deposits from Banks	52.5	80.8	7.90	51.0	4.35	2.0	0.19	27.2	3.44	n.a.	-
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	0.0	0.00	269.5	25.86	119.4	15.12	61.2	11.88
8. Total Money Market and Short-term Funding	**217.7**	**335.2**	**32.77**	**369.4**	**31.49**	**608.3**	**58.37**	**407.7**	**51.63**	**229.9**	**44.61**
9. Senior Unsecured Debt (original maturity > 1 year)	318.5	490.3	47.94	578.5	49.32	246.9	23.69	238.9	30.26	169.2	32.84
10. Subordinated Borrowing	45.5	70.0	6.84	70.4	6.00	16.0	1.54	8.1	1.03	8.1	1.57
11. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total LT Funding (original maturity > 1 year)	**364.0**	**560.3**	**54.78**	**648.9**	**55.32**	**262.9**	**25.23**	**247.0**	**31.28**	**177.3**	**34.41**
14. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	**581.7**	**895.5**	**87.55**	**1,018.3**	**86.82**	**871.2**	**83.59**	**654.7**	**82.92**	**407.2**	**79.02**
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Current Tax Liabilities	n.a.	n.a.	-	0.0	0.00	4.7	0.45	4.5	0.57	1.5	0.29
5. Deferred Tax Liabilities	n.a.	n.a.	-	0.0	0.00	0.5	0.05	n.a.	-	0.4	0.08
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	4.9	7.5	0.73	6.6	0.56	20.4	1.96	16.3	2.06	11.4	2.21
10. Total Liabilities	**586.6**	**903.0**	**88.29**	**1,024.9**	**87.38**	**896.8**	**86.05**	**675.5**	**85.55**	**420.5**	**81.60**
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity											
1. Common Equity	77.8	119.8	11.71	148.0	12.62	145.4	13.95	114.1	14.45	94.8	18.40
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	**77.8**	**119.8**	**11.71**	**148.0**	**12.62**	**145.4**	**13.95**	**114.1**	**14.45**	**94.8**	**18.40**
7. Total Liabilities and Equity	**664.4**	**1,022.8**	**100.00**	**1,172.9**	**100.00**	**1,042.2**	**100.00**	**789.6**	**100.00**	**515.3**	**100.00**
8. Memo: Fitch Core Capital	n.a.	94.2	-	121.8	10.38	124.5	11.95	100.5	12.73	86.9	16.86
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate		USD1 = AZN1.53940		USD1 = AZN1.55940		USD1 = AZN0.78440		USD1 = AZN0.78450		USD1 = AZN0.78500	

(*) Impaired loans are defined as loans overdue by 30+ days

AccessBank

Summary Analytics

	30 Jun 2016 6 Months - Interim	31 Dec 2015 Year End	31 Dec 2014 Year End	31 Dec 2013 Year End	31 Dec 2012 Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	17.23	20.05	23.26	24.46	26.50
2. Interest Expense on Customer Deposits/ Average Customer Deposits	4.28	6.39	8.06	7.58	7.79
3. Interest Income/ Average Earning Assets	17.42	20.25	23.65	25.02	26.63
4. Interest Expense/ Average Interest-bearing Liabilities	6.37	6.43	6.80	6.46	7.08
5. Net Interest Income/ Average Earning Assets	10.16	13.14	16.45	18.31	19.66
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	(1.46)	8.62	16.94	17.55	18.79
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	10.16	13.14	16.45	18.31	19.66
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	10.17	8.97	8.45	8.68	8.62
2. Non-Interest Expense/ Gross Revenues	71.82	68.67	60.70	62.63	69.32
3. Non-Interest Expense/ Average Assets	6.21	7.66	8.56	9.84	11.81
4. Pre-impairment Op. Profit/ Average Equity	19.97	26.22	38.64	36.65	26.08
5. Pre-impairment Op. Profit/ Average Total Assets	2.44	3.49	5.55	5.87	5.23
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	364.66	100.00	(6.90)	10.18	13.19
7. Operating Profit/ Average Equity	(52.87)	0.00	41.31	32.92	22.64
8. Operating Profit/ Average Total Assets	(6.45)	0.00	5.93	5.27	4.54
9. Operating Profit / Risk Weighted Assets	(11.47)	0.00	7.97	6.40	4.42
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	(42.35)	1.74	32.77	26.03	17.54
2. Net Income/ Average Total Assets	(5.17)	0.23	4.70	4.17	3.52
3. Fitch Comprehensive Income/ Average Total Equity	(42.35)	1.74	32.77	26.03	17.54
4. Fitch Comprehensive Income/ Average Total Assets	(5.17)	0.23	4.70	4.17	3.52
5. Taxes/ Pre-tax Profit	19.89	27.78	20.66	20.93	22.55
6. Net Income/ Risk Weighted Assets	(9.19)	0.34	6.33	5.06	3.42
D. Capitalization					
1. Fitch Core Capital/ Risk Weighted Assets	15.93	16.69	18.90	19.18	19.16
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	9.45	10.62	12.19	12.95	17.13
4. Tier 1 Regulatory Capital Ratio	9.76	12.18	13.60	11.83	17.04
5. Total Regulatory Capital Ratio	15.89	20.58	16.32	17.16	22.47
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	11.71	12.62	13.95	14.45	18.40
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	27.44	29.04	40.51
9. Internal Capital Generation	(47.34)	1.76	21.46	16.91	9.92
E. Loan Quality					
1. Growth of Total Assets	(12.80)	12.54	31.99	53.23	34.33
2. Growth of Gross Loans	(19.14)	13.19	31.49	52.12	38.36
3. Impaired Loans/ Gross Loans	23.13	7.50	0.82	0.41	0.63
4. Reserves for Impaired Loans/ Gross Loans	10.95	4.66	1.10	2.09	2.51
5. Reserves for Impaired Loans/ Impaired Loans	47.35	62.07	133.82	507.69	400.00
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	98.09	21.92	(1.85)	(10.55)	(8.98)
7. Impaired Loans less Reserves for Impaired Loans/ Equity	77.13	18.04	(1.58)	(9.29)	(8.23)
8. Loan Impairment Charges/ Average Gross Loans	11.50	4.48	(0.48)	0.75	0.87
9. Net Charge-offs/ Average Gross Loans	n.a.	0.52	0.07	0.19	0.14
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	23.13	7.50	0.82	0.41	0.63
F. Funding and Liquidity					
1. Loans/ Customer Deposits	298.19	294.66	246.11	241.44	245.64
2. Interbank Assets/ Interbank Liabilities	79.08	72.16	n.a.	1.10	n.a.
3. Customer Deposits/ Total Funding (excluding derivatives)	28.41	31.27	38.66	39.88	41.43
4. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.	n.a.

AccessBank
Reference Data

	30 Jun 2016 6 Months - Interim USDm	30 Jun 2016 6 Months - Interim AZNm	30 Jun 2016 As % of Assets	31 Dec 2015 Year End AZNm	31 Dec 2015 As % of Assets	31 Dec 2014 Year End AZNm	31 Dec 2014 As % of Assets	31 Dec 2013 Year End AZNm	31 Dec 2013 As % of Assets	31 Dec 2012 Year End AZNm	31 Dec 2012 As % of Assets
A. Off-Balance Sheet Items											
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	4.2	6.5	0.64	9.1	0.78	6.9	0.66	1.8	0.23	0.4	0.08
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	5.7	8.8	0.86	14.9	1.27	13.0	1.25	8.3	1.05	2.6	0.50
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet											
Average Loans	551.1	848.4	82.95	872.0	74.35	729.1	69.96	522.4	66.16	357.0	69.28
Average Earning Assets	545.3	839.4	82.07	864.7	73.72	717.9	68.88	511.2	64.74	356.0	69.09
Average Assets	713.2	1,097.9	107.34	1,119.1	95.41	914.3	87.73	652.5	82.64	449.5	87.23
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
Average Interest-Bearing Liabilities	621.6	956.9	93.56	956.2	81.52	760.1	72.93	531.0	67.25	350.4	68.00
Average Common equity	87.0	133.9	13.09	149.1	12.71	131.2	12.59	104.5	13.23	90.1	17.48
Average Equity	87.0	133.9	13.09	149.1	12.71	131.2	12.59	104.5	13.23	90.1	17.48
Average Customer Deposits	186.0	286.4	28.00	330.0	28.14	298.9	28.68	214.9	27.22	157.8	30.62
C. Maturities											
Asset Maturities:											
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:											
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	45.5	70.0	6.84	70.4	6.00	16.0	1.54	8.1	1.03	8.1	1.57
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets											
1. Risk Weighted Assets	400.8	617.0	60.32	755.0	64.37	679.7	65.22	537.3	68.05	461.5	89.56
2. Fitch Adjustments to Risk Weighted Assets	(16.6)	(25.6)	(2.50)	(25.3)	(2.16)	(20.9)	(2.01)	(13.4)	(1.70)	(7.9)	(1.53)
3. Fitch Adjusted Risk Weighted Assets	384.2	591.4	57.82	729.7	62.21	658.8	63.21	523.9	66.35	453.6	88.03
E. Equity Reconciliation											
1. Equity	77.8	119.8	11.71	148.0	12.62	145.4	13.95	114.1	14.45	94.8	18.40
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	n.a.	n.a.	-	148.0	12.62	145.4	13.95	114.1	14.45	94.8	18.40
F. Fitch Eligible Capital Reconciliation											
1. Total Equity as reported (including non-controlling interests)	77.8	119.8	11.71	148.0	12.62	145.4	13.95	114.1	14.45	94.8	18.40
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	16.6	25.6	2.50	25.3	2.16	20.9	2.01	13.4	1.70	7.9	1.53
6. Deferred tax assets deduction	n.a.	n.a.	-	0.9	0.08	0.0	0.00	0.2	0.03	0.0	0.00
7. Net asset value of insurance subsidiaries	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	**61.2**	**94.2**	**9.21**	**121.8**	**10.38**	**124.5**	**11.95**	**100.5**	**12.73**	**86.9**	**16.86**
10. Eligible weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Government held Hybrid Capital	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Fitch Eligible Capital	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
Exchange Rate		USD1 = AZN1.53940		USD1 = AZN1.55940		USD1 = AZN0.78440		USD1 = AZN0.78450		USD1 = AZN0.78500	

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