

**Credit related commitments** – The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods, to which they relate, or cash deposits and, therefore, carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. Outstanding credit related commitments are, as follows:

	December 31, 2015	December 31, 2014
Guarantees issued	1,504,316	1,335,398
Import letters of credit	349,245	772,597
Commitments to extend credit and undrawn credit lines	93,569	67,066
<b>Total credit related commitments</b>	<b>1,947,130</b>	<b>2,175,061</b>

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. Credit related commitments are denominated in currencies as follows:

	December 31, 2015	December 31, 2014
Azerbaijani Manats	126,839	415,566
US Dollars	1,347,948	1,160,846
Euro	407,417	460,311
Other	64,926	138,338
<b>Total</b>	<b>1,947,130</b>	<b>2,175,061</b>

As at December 31, 2015, the Group had a significant concentration of import letters of credit of AZN 328,651 thousand issued to 5 entities or 94% of total import letters of credit (December 31, 2014: import letters of credit of AZN 702,288 thousand issued to 20 entities or 90.9% of total import letters of credit). As at December 31, 2015, the Group also had a significant concentration of guarantees of AZN 1,352,872 thousand issued to 20 entities or 90% of total guarantees issued (December 31, 2014: guarantees of AZN 1,186,505 thousand issued to 20 entities or 88.9% of total guarantees issued).

As at December 31, 2015, allowance of AZN 6,850 thousand (December 31, 2014: Nil) had been provided against possible losses on credit related commitments. Refer to Note 19

As at December 31, 2015, credit related commitments of AZN 140,852 thousand (December 31, 2014: AZN 81,375 thousand) are secured by blocked customer deposits. Refer to Note 16.