



QUARTERLY IBA'S BULLETIN – 1th Quarter 2013

May 2013

MANAGEMENT COMMENT

IBA continued to demonstrate a positive and stable pace of growth during the first quarter of 2013 at the same time meeting all financial targets.

IBA NEWS

Capital emission completed

On 12 April 2013 all remaining shareholders of the Bank fully injected their portions to the capital and IBA's paid-in capital reached AZN 340 mln. This brought to completion the process of capital emission.

Strategic Plan

On 13 April 2013 Supervisory Board of the Bank approved a strategic plan for the years 2013-2015. This plan sets out the Bank's key strategic priorities for the three year period and major point is further increase of capital by AZN 200 mln till 2015. This would bring IBA's paid-in capital to AZN 540 mln. This reinforces strengthening support factor from shareholders and continuing improvement of capitalization. Achieving and maintaining the stable growth will remain to be primary focus of the Bank during the next several years. Assets till 2015 year will increase by 49% and reach AZN 9 bln, net profit will be equal to AZN 162 mln.

Dual-currency Club Loan

On 15 April 2013 IBA successfully completed one year Dual Currency Extended Club Loan for the total amount equivalent USD 127.5 mln with a pricing at Libor+2.75%. Amsterdam Trade Bank N.V., Commerzbank Aktiengesellschaft, Emirates NBD Capital Limited, FBME Bank Ltd, Gazprombank (Open Joint-Stock Company) and Raiffeisen Bank International AG acted as Initial Mandated Lead Arrangers.

Long-term financing

On 26 April 2013 IBA attracted USD 100 mln bilateral loan for 5 years. Shift towards longer term funding at low interest rate environment corresponds to Bank's strategy and going forward short term borrowings will be replaced with longer dated ones. In the second half of the year IBA plans a number of funding transactions with majority to be long-term with the intention to replace borrowing up to one year.

INVESTORS FOCUS

Stable growth and significant improvements

As of end of I quarter 2013 according to the regulatory IBA's financials total assets increased by 5.3% and reached AZN 6 024 mln. Net Profit for the first quarter amounted AZN 12 mln and total capital reached AZN 364 mln.

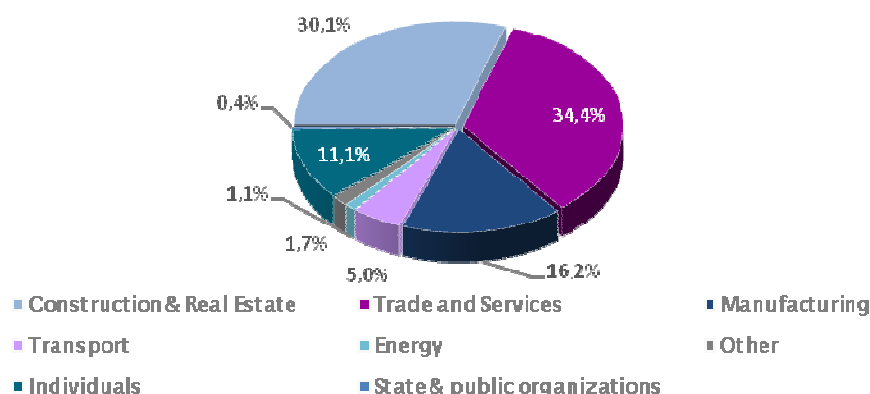
	1 Quarter 2013
Azeri Tier 1 RWA	7.66%
Azeri Total CAR	12.06%
Capital % Assets	6%

IBA Loan portfolio and major projects

IBA has been playing a key role by contributing to different industries of the national economy.

Bank's loan portfolio continued to grow at stable pace in line with overall growth of the total banking system with priority given to systematically important projects for the domestic economy. Loans are granted on commercial criteria for working capital management as well as for long-term projects or infrastructure development. IBA is primarily financing its existing and potential clients which represent various areas of the local economy such as trade and services, construction and real estate development, manufacturing and telecom. Additionally, IBA supports state owned enterprises involved into various state related projects especially in railroad, air and other transportation, oil & gas sector and power production. Also, Bank started to place a greater accent on retail lending with a focus on corporate retail segment. .

Below you can see major concentration of IBA loan portfolio by sectors and our investments are not changing dramatically from year to year.



FINANCIAL HIGHLIGHTS

BANKING STATISTICS

(in AZN thousands)	IBA Bank	
	31.03.2013	31.12.2012
Assets	6,024,679	5,721,556
Gross Loans	4,540,362	4,400,463
Liabilities	5,660,670	5,369,473
Amounts due to Customers	3,097,328	2,741,691
Capital	364,662	352,083
Net profit	12,008	43,394

Background

INVESTOR CONTACTS

RASHAD HAJIYEV

Deputy Chairman of the Board - CFO

E-mail: rashad.hajiyev@ibar.az

FARHAD KERIMOV

Director of the Central Treasury Department

Phone: +994 12 493 0091 ext4319

E-mail: farhad.kerimov@ibar.az

MIRANAR JAFAROV

Head of Financial Institutions

Phone: +994 12 493 0091 ext4982

E-mail: miranar.jafarov@ibar.az

SABINA ABASSOVA

Debt Capital Markets & Ratings

Phone: +994 12 493 0091 ext4983

E-mail: sabina.abassova@ibar.az