The purpose of the Credit Risk Management Policy is to set out principles and minimum requirements for the organizational and operational structure of the lending business, to adequately manage and control credit risk arising from lending operations of the bank. Within the structure of managing risks, by doing the followings (conducting rigorous analysis of the debt capacity of the clients; each loan shall have a clearly determined primary source of payment; avoiding financing of unclear and/or speculative projects; establishing a comprehensive system of internal controls, to include both preventive controls, such as the four-eyes principle and detective controls) the Bank is building a personal and long-term relationship with the client and maintaining regular contact.

In its lending activity the bank adheres to the principles of responsible finance and consumer right protection: avoiding over-indebtedness; designing products and services tailored to the specific needs and characteristics of customers and providing added value to customers; providing customers transparent and comprehensive information on terms and conditions of products and services offered by the bank and facilitating customer in the process of making informed decision; ensuring confidentiality of the information provided by the customer and related to the customer.

The bank seeks to adhere to sound social and environmental principles in its operations and continuously reduce its negative environmental impact and that of its clients. The bank defines list of activities excluded from financing due to their adverse environmental and social impact. The list is as following:

1. Production of or trade in weapons, munitions and military equipment including paramilitary materials;
2. Gambling, casinos and equivalent activities;
3. Substantially involved only in production of or trade only in tobacco and alcohol;
4. Any of the following activities:
	1. Production of or trade in radioactive materials, including nuclear reactors and component of (other than the purchase of medical equipment, quality control or measurement equipment);
	2. Production of or trade in use if unbounded asbestos fibers (other than bonded asbestos cement sheeting where the asbestos content is less than twenty percent (20%));
	3. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats;
	4. Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples;
	5. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest or old growth forest;
	6. Production or trade in wood or other forestry products other than from sustainably managed forests;
	7. Cross-border trade in waste and waste products as defined by the Basel Convention and the underlying regulations;
5. Production or trade in any product or activity deemed illegal under the laws or regulations of the Azerbaijan Republic or international conventions and agreements, or subject to international phase outs or bans pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, other hazardous chemical wildlife or wildlife products regulated under CITES;