

'Approved'
Financial Markets Supervisory Authority
of the Republic of Azerbaijan
Resolution № 09
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Chairman of the Board of Directors

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Regulations on the form, content and periodicity of prudential reports prepared by the national postal operator

1. General provisions

1.1. These Regulations have been developed in accordance with Article 13-4.2 of the Law of the Republic of Azerbaijan on Postal Service and determine the form, content and periodicity of prudential reports (hereinafter – reports) developed by the national operator of postal communication (hereinafter – the national operator).

1.2. Reports allow to assess financial standing, as well as create a database on activities of the national operator when determining security and reliability of the national operator in financial services, as well as its compliance with the legislation.

1.3. Reports are developed as per the tables attached with these Regulations. The tables of the reports are filled in under these Regulations.

1.4. Reports are developed in hard and soft copy and submitted to the Financial Markets Supervisory Authority of the Republic of Azerbaijan (hereinafter – the FIMSA) in the form and order determined herein. Reports are signed and stamped by the Director General, Chief Accountant and the person in charge of financial services. Quarterly and annual reports are also signed by the Chairman of the Supervisory Board of the national operator.

2. Rules for filling out and submission of reports

2.1. The explanation on filling in the reports is made in compliance with the requirements of each table, and filling in of each row (in numbers, letters or sentences) is carried out only in accordance with the rules set out herein.

2.2. The cover page is submitted together with the reports.

2.3. Reports are compiled after the closing date of the national operator's operating day on the last calendar day of each calendar month (the date called the reported date). If the last calendar day of the month falls on a non-working day, it is compiled after closing the last business day of the reported month and the last calendar day of the reporting month is indicated in the 'Reported date' row. Closing of the operating day or suspension of the working day of the national operator (branches and post offices) means suspension of notes in accounting records (accounting transfers). However, if financial transactions conducted after closing of the operating date on the reported date is included to the reported date, transactions

are recorded as being conducted until closing of the reported day of the national operator for the reported date. The reported period also includes: adjustment of accrued amounts, debiting of pending rows in relevant accounts on the reported date; other adjustment transfers for the end-quarter, month or year. Moreover, receipts to customers' accounts received by the national operator and not recorded in customer's individual accounts after suspension of transactions as of the reported date - 'late postal deposits' are recorded in the following reported period.

2.4. All numbers in reports are indicated in thousand manats. Numbers in a foreign currency are recorded in manat equivalent at an official exchange rate of the Central Bank as of the reported date.

2.5. If any indicator equals to zero, reports should be marked with '0' (zero) for this indicator. Negative indicator is not allowed in reports, except for amortization. The rows with 'income', 'profit' or 'loss' and other definitions may also include negative quantities. Amounts and figures with negative amounts are shown in brackets in reports.

2.6. Unless otherwise provided herein, no row may be left blank. Each row shows either amount (with or without brackets), zero, or no note if it has an 'X' sign.

2.7. An explanation of how to fill in each table is given according to the numbers of relevant tables.

2.8. Reports are submitted to the FIMSA by the 7th day of the month following the reported date, and annual reports by January 10 of the following year.

TABLE U_1. Cover page(Annex 1)

1. The date the report is sent to the FIMSA is indicated in the '**Date of completion of the report**' row.

2. The '**Number of attached pages**' row indicate the number of pages of the forms related to reports.

3. The cover page includes full 1st, last and middle names of specified persons. The cover page is signed by those persons themselves, in case of their temporary absence, by their substitutes (indicating their 1st, last and middle names). The persons who sign the report are kept responsible under the legislation. Signatories should not be '**report compilers**' at the same time. A responsible person is designated to compile reports.

4. The '**report compiler**' row includes 1st, last, middle names of the official who directly compiles reports, his/her contact number, fax, e-mail address and is signed by him/her.

5. Reports should consist of the same number of pages in defined tables. If the national operator provides additional information (summary of corrections) provided for herein, this information is indicated on separate sheets and their number is not included in the row indicated in the cover page (Attachment: _____ sheets).

TABLE U_2. General information (Annex 2)

1. '**National operator's address**' includes full address of the head office. The row with the word 'street' after the fraction (/) sign indicates the number of the building.

2. '**Communication types**' – numbers of faxes, phones located in the national operator's head office, internet address, e-mail address, and postal code of a legal address.

3. '**Number of branches**' – the number of branches of the national operator.

4. **'Number of post offices'** – the number of post offices of the national operator.
5. **'Number of ATMs'**- the number of ATMs of the national operator.
6. **'Number of Pos-terminals'**- the number of POS-terminals of the national operator.
7. **'Subsidiaries'** – subsidiaries with more than 50% of the capital of the national operator with direct or indirect voting rights are indicated here. This row automatically displays the sum of rows 7.1 and 7.2:
 - 7.1. 'local' – the number of subsidiaries located in Azerbaijan;
 - 7.2. 'foreign' - the number of subsidiaries located beyond Azerbaijan.
8. **'External auditor'** – the name of the auditor or an audit company that audits annual performance of the national operator.
9. **Staff, including:**
 - 9.1. 'number of employees (persons) according to the staffing list, total' – the number of employees employed with the national operator's head office, branches, post offices and consolidated subsidiaries. It automatically displays the sum of rows 9.1.1, 9.1.2, 9.1.3 and 9.1.4:
 - 9.1.1. 'head office' – number of staff in the head office of the national operator;
 - 9.1.2. 'branches' – number of staff working in national operator's branches located throughout the Republic of Azerbaijan. It does not include the number of staff in post offices subordinated to branches;
 - 9.1.3. 'post offices' – number of staff in national operator's post offices located throughout the Republic of Azerbaijan;
 - 9.1.4. 'subsidiaries' – number of staff in national operator's subsidiaries located throughout the Republic of Azerbaijan;
 - 9.2. 'net change since early year (persons)' – difference between the number of people hired and fired since early year (those hired less those fired).
10. **'Number of shareholders'** - automatically displays the sum of rows 10.1 and 10.2:
 - 10.1. 'number of legal entity shareholders' – number of legal entity shareholders with shares in capital of the national operator;
 - 10.2. 'number of individual shareholders' – number of individual shareholders with shares in capital of the national operator.
11. **'Number of persons with postal accounts'** - automatically displays the sum of rows 11.1 and 11.2:
 - 11.1. 'number of legal entities with postal accounts' – number of legal entities that opened manat and/or foreign currency denominated accounts with the national operator as of the reported date (excluding banks);
 - 11.2. 'number of individuals with postal accounts' - number of individuals who opened manat and/or foreign currency denominated accounts with the national operator as of the reported date.
12. **'Number of persons with postal deposits'** - automatically displays the sum of rows 12.1 and 12.2:
 - 12.1. 'number of legal entities with postal deposits' – number of legal entities with postal deposit accounts in the national operator in manat and/or foreign currency as of the reported date (other than banks);

12.2. 'number of individuals with postal deposits' – number of individuals with postal deposit accounts in manat and/or foreign currency in the national operator as of the reported date.

13. '**Number of credit cards**' – number of credit cards issued by the national operator.

14. '**Number of persons with credit cards**' – number of persons with credit cards issued by the national operator.

15. '**Number of debit cards**' – number of debit cards issued by the national operator.

16. '**Number of persons with debit cards**' – number of persons with debit cards issued by the national operator.

TABLE U_3. Information on managerial bodies (Annex 3)

1. Supervisory Board. A chairman of the Supervisory Board being mentioned the first, information on all Supervisory Board members; their 1st, last middle names, position in the main place of work, contact address and phone numbers in full.

2. Management. A general director of the national operator being mentioned the first, information on the management of the national operator (including deputy directors); their 1st, last, middle names, contact address and phone numbers in full.

3. Responsible employees. Information on responsible persons indicated in the report (an official in charge of financial services and his/her deputies), their 1st, last, middle names, position in the national operator, contact addresses and phone numbers in full.

TABLE PMO_1. Income statement (Annex 4)

The table includes detailed information on national operator's gains and losses. Column 2 shows gains and losses from early year, including the reported quarter. For instance, if the report is for the period ending June 30, the second column contains information for the period from January 1 to June 30. This report shows profit and loss with an accrual principle.

1. 'Types of interest and income, total' - automatically displays the sum of interest and similar income in rows 1.1, 1.2, 1.3, 1.4:

1.1. 'income on credit cards' – interest income on used part of the credit card limit for customers. It also includes commissioning fee related to credit row, the commission fee for prolongation of the loan, fines and penalties related to loans;

1.2. 'income on deposits with banks and financial institutions' – interest income on deposits placed with banks, including financial institutions, i.e. deposits included to row 4 of Table PMO2_A;

1.3. 'gains on securities' – automatically displays the sum of rows 1.3.1 and 1.3.2:

1.3.1. 'government securities' – interest income on government securities included to row 5.1 of the Table PMO_2;

1.3.2. 'central bank securities' - interest income on central bank securities included to row 5.2 of the Table PMO_2;

1.4. 'other financial income' - financial income not included to rows 1.1, 1.2 and 1.3.

2. 'Interest and related expenses, total' – automatically displays the sum of interest expenses in rows 2.1, 2.2 and 2.3:

2.1. 'interest on postal accounts and deposits, total' - automatically displays the sum of rows 2.1.1, 2.1.2, 2.1.3 and 2.1.4:

2.2.1. 'postal accounts of legal entities' – interest expenses on accounts included to row 12.1.2 of the Table PMO_2 (Liabilities) (interest bearing postal account);

2.2.2. 'postal accounts of individuals' – interest expenses on accounts included to row 12.1.2 of the Table PMO_2;

2.2.3. 'postal deposits of legal entities' – interest expenses on postal deposits included to row 12.3 of the Table PMO_2. It does not include income in the form of unpaid interest, considered a penalty for early withdrawal of deposits and included to row 4.7 of Table PMO_1 - 'Other types of non-interest income';

2.2.4. 'postal deposits of individuals' – interest expenses on postal deposits included to row 12.4 of the Table PMO_2. It does not include income in the form of unpaid interest, considered a penalty for early withdrawal of deposits and to be included to row 4.7 of Table PMO_1 - 'Other types of non-interest income';

2.3. 'interest accrued on commercial debt liabilities' – interest expenses on loans and attracted funds from banks, financial institutions, and international organizations and funds of central executive bodies;

2.4. 'other interest related expenses' – other expenses related to interest not included to rows 2.1 and 2.2.

3. '**Net interest income (loss)**' - automatically displays the difference between rows 1 and 2.

4. '**Non-interest income, total**' – commissioning fees and other non-interest income for various type of services supplied by the national operator. Automatically displays the sum of rows 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7:

4.1. 'income on financial services' - displays the sum of rows 4.1.1, 4.1.2 and 4.1.3:

4.2.1. 'commissioning fees from payments for communication services' - service fees and revenues from telephone charges;

4.2.2. 'commissioning fees for utility bills' – service fees and revenues from utility bills;

4.2.3. 'commissioning fees on other accounts' - receipts for transfer operations (transfer orders, direct debit and credit transfer orders, other settlements);

4.3. 'gains on securities' – income from sale of securities included to row 5 of the Table PMO_2 and other non-interest income;

4.4. 'return on investments' – dividends from investments included to row 6 of the Table PMO_2 and other non-interest income;

4.5. 'income from currency operations, including exchange rate changes' – income from currency operations, including exchange rate changes. Automatically displays the sum of rows 4.4.1 and 4.4.2:

4.5.1. 'gains (losses) on foreign currency trading' - income from *foreign exchange transactions* at the expense of customers' orders and funds;

4.5.2. 'gains (losses) from revaluation of foreign currency denominated assets and liabilities';

4.6. 'income on postal services'- income received from services included to postal services (telegraph, telex, express delivery and courier services, parcels, international parcels, special letters, sale of postal products, stamps, envelopes, etc.);

4.7. 'income on commercial services' – income earned by the national operator from commercial activities, including sale of tickets and similar activities;

4.8. 'other types of non-interest income' – other non-interest income not included to rows 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6.

5. '**Non-interest expenses, total**' - automatically displays the sum of non-interest expenses in rows 5.1, 5.2 and 5.3. These expenses are not related to payment of interest, are recurring in nature and provide operation of the national operator:

5.1. 'salary and compensations, total' – amount of expenses related to payment of salaries and various compensations of all employees of the national operator. It does not include amounts paid to employees under a civil law contracts (fees of consultants, lawyers, auditors). These are indicated in row 5.3 - 'Other types of operational and non-interest expenses'. Automatically displays the sum of rows 5.1.1, 5.1.2, 5.1.3 and 5.1.4:

5.1.1. 'salary' – total expenses from rows 5.1.1.1, 5.1.1.2, 5.1.1.3, 5.1.1.4 and 5.1.1.5:

5.1.1.1. salaries of permanent employees;

5.1.1.2. overtime;

5.1.1.3. salaries of temporary employees;

5.1.1.4. amounts of vacation accrued to employees during the calendar year;

5.1.1.5. other similar expenses;

5.1.2. 'rewards' – all expenses on payment of rewards to employees;

5.1.3. 'other types of compensation and allowances' – total expenses on rows 5.1.3.1, 5.1.3.2, 5.1.3.3, 5.1.3.4 and 5.1.3.5:

5.1.3.1. net expenses of the national operator to feed its employees;

5.1.3.2. insurance fee paid by the national operator for its staff (in case of an insurance event, the employee himself/herself or his/her family receives the premium);

5.1.3.3. cost of medical and rehabilitation services by the national operator to its staff, including additional amounts related to health, accidents, hospitalization etc.;

5.1.3.4. expenses on employees' subscription to periodic media;

5.1.3.5. other similar expenses;

5.1.4. 'social security costs' – total expenses indicated in rows 5.1.4.1 and 5.1.4.2:

5.1.4.1. amounts of payments from the salary fund (to the social protection fund);

5.1.4.2. other similar expenses;

5.2. 'expenses related to fixed assets, total' - automatically displays the sum of expenses related to fixed assets indicated in rows 5.2.1, 5.2.2, 5.2.3 and 5.2.4. Indicates all non-interest expenses related to buildings, equipment, furniture and other property in row 8 of the Table PMO_2 'Fixed assets (less amortization)':

5.2.1. 'rent fees' – total expenses indicated in rows 5.2.1.1 and 5.1.1.2;

5.2.1.1. rent payments for real estate and movable property by the national operator. If there is any rental income from the lease of real estate, the amount of rent payments of the national operator are reduced by that amount;

5.2.1.2. cost of restoration and repair of leased property, equipment, furniture and movable property not specified as assets directly at the expense of the national operator;

5.2.2. 'amortization' – indicates fixed assets related amortization cost;

5.2.3. 'logistics cost for maintenance of fixed assets' – total costs indicated in rows 5.2.3.1 and 5.2.3.2:

5.2.3.1. cost of routine repairs of rooms, equipment, furniture and other property (including improvements to rental property) related to real estate;

5.2.3.2. cost of service agreements or expenses reflecting maintenance of rooms, equipment, furniture and other property related to real estate;

5.2.4. 'other fixed assets related expenses' – total expenses related to fixed assets indicated in rows 5.2.4.1, 5.2.4.2, 5.2.4.3, 5.2.4.4, 5.2.4.5 and 5.2.4.6:

5.2.4.1. cost of heating, electricity, water and other utilities related to operation of buildings and other fixed assets;

5.2.4.2. cost of equipment for cleaning buildings and rooms, services related to cleaning of buildings and rooms;

5.2.4.3. fuel, logistics and other expenses related to operation of cars and other vehicles owned by the national operator (including insurance);

5.2.4.4. all only property related taxes and duties (e.g. property tax, vehicle registration tax) and other taxes on buildings, equipment, furniture and movable property. This does not include the amount of taxes to be refunded by tax authorities, this amount is shown in row 6 - 'Other assets' of Table PMO_2_2 (Other Assets);

5.2.4.5. expenses related to insurance of rooms, equipment, furniture and other property related to real estate;

5.2.4.6. costs related to security of buildings and valuables (including costs for out-of-office protection). This does not include salary expenses for security (including out-of-office security), which are shown in row 5.1 'Salary and compensations, total';

5.3. 'other types of operational and other non-interest expenses' - automatically displays the sum of expenses in rows 5.3.1, 5.3.2:

5.3.1 'operational and commissioning expenses' – types of operational expenses;

5.3.2 'other types of other non-interest expenses' – other types of non-interest expenses, including total expenses indicated in rows 5.3.2.1-5.3.2.21:

5.3.2.1 office supplies (low value and perishable items), typesetting and postal expenses;

5.3.2.2. telephone, telegraph, telex and computer costs;

5.3.2.3. advertising, public relations and marketing costs;

5.3.2.4. cost of publications issued by the national operator itself and distributed among employees;

5.3.2.5. representation expenses, including travelling expenses (business trip expenses) and expenses related to participation of management, as well as other employees in events;

5.3.2.6. expenses related to education, examination and training of management and employees;

5.3.2.7. expenses on research and development, including cost of creating individual software;

5.3.2.8. charity payments, including donations;

5.3.2.9. losses due to counterfeit, unfit money, robbery, waste, cash shortages and other criminal acts;

5.3.2.10. deductions and fines;

5.3.2.11. taxes based on gross income, including road tax, except for all taxes paid from the profit to be shown in row 10 in the Table PMO_1 - 'Income taxes paid' - with the exception of all taxes paid on profits to be shown;

5.3.2.12. fees of non-staff lawyers, auditors, consultants and other specialists (including auditors);

5.3.2.13. duties, membership fees and other expenses related to membership of organizations (local and international);

5.3.2.14. other expenses related to acquisition of real estate against debt;

5.3.2.15. service fees, commissions and fees to third parties for acquisition of assets for overdue payments, collection of amounts used on credit cards or other assets of the national operator;

5.3.2.16. all costs (fees for legal and notarial services, current repairs and maintenance costs, etc.) for acquisition and subsequent maintenance of property rights acquired for overdue payments;

5.3.2.17. subsequent non-interest expenses (including depreciation deductions) related to ownership of immovable property not used in the work of the national operator;

5.3.2.18. amortization cost of furniture and equipment rented under rent agreements;

5.3.2.19. court expenses;

5.3.2.20. civil defense expenditures;

5.3.2.21. total net loss as in rows 5.3.2.21.1-4:

5.3.2.21.1. sale of fixed assets;

5.3.2.21.2. sale of other assets;

5.3.2.21.3. sale of shares and stocks of legal entities acquired for investment;

5.3.2.21.4. revaluation of shares and debt liabilities.

6. **'Net operating income (loss)'** - automatically displays the sum of rows 3 and 4 less row 5.

7. **'Profit (loss) before taxes and unexpected expenses'** – this row equals to row 6.

8. **'Profit (loss) from unforeseen types of activities and from adjustments to previous period, total'** - automatically displays the sum of profit (loss) specified in rows 8.1. and 8.2:

8.1. 'profit (loss) from sale of real estate' – profit or loss generated from sale of real estate (taking into account auction expenses);

8.2. 'other profit (loss)' – all other gains (losses) not shown in row 8.1, including possible adjustments to principles of accounting or similar operations.

9. **'Profit (loss) before taxes'** – sum of (or difference between) rows 7 and 8. If loss is defined, amount in this row is shown in brackets. Amount of taxable profit determined according to this report may differ from amount of taxable profit submitted to tax authorities.

10. **'Taxes from profit'** – only taxes paid from profit (to be paid as of the reported date) (profit tax).

10.1. it does not include:

10.2.1. taxes based on gross income, they are shown in row 5.3 - 'Operating and other types of other non-interest expenses';

10.2.2. salary related taxes, they are shown in row 5.1.4 - 'Social security costs';

10.2.3. property tax, they are shown in rows 5.2.4 - 'Fixed assets related expenses' or 5.3 'Operating and other types of other non-interest expenses';

10.3. all taxes calculated, but not transferred to the state budget as of the reported date are shown in row 10 – 'Deferred tax liability' row of the Table PMO_2_2;

10.4. when reflecting profit tax benefits, only amounts related to current year profit benefits are indicated (for example, in case of loss for previous years);

10.5. if the national operator made profit early in the current year and then incurred loss in that year, the amount of profit tax year to date is indicated, irrespective the amount of taxes from profit calculated in column 3 of this table and paid in separate quarters of the current year.

11. **'Net profit (loss) after taxes'** - automatically displays the difference between rows 9 and 10 (or, when the amount on row 9 is shown in brackets, the sum of these rows).

TABLE PMO_1_1. Changes in capital (Annex 5)

The table includes information in changes in national operator's capital. It includes information in capital flow in the current year (cumulative). This table allows to analyze changes in capital over the calendar year.

1. **'Capital as of January 1 of the current year'** – the amount in the balance sheet for December 31 of the previous year (Table PMO_2, row 22, column 2). The amount on this row remains unchanged across all reported dates of the current year. Negative capital is shown in brackets.

2. **'Cumulative corrections the adjusted reports sent to the FIMSA relate to'** – cumulative amount of corrections made to the capital recorded early year in reports (both increase, and decrease) on which adjusted reports have been sent to the FIMSA in the current year. In case cumulative amount of all adjustments is negative, it is indicated in brackets.

3. **'Adjusted capital'** – sum of rows 1 and 2 (negative capital in brackets).

4. **'Net profit (loss) of the current year'** – net profit or loss (after profit tax) for year to date from Table PMO_1, row 11, column 2. In case of loss, amount on this row is indicated in brackets.

5. **'Net operations with shares since early year'** – net total operations with the shares specified in rows 5.1 and 5.2 (row 5.1 less row 5.2). If there is a return of shares and at the same time there was no increase in share rights, then the amount is shown in brackets in row 5. If a share is initially sold and then repurchased, then each transaction is reflected in both rows, i.e. rows 5.1 and 5.2 represent operations carried out with shares year to date:

5.1. 'stakes' – amount of share rights invested to national operator's capital;

5.2. 'recovery of shares' – amount of shares repurchased by the national operator.

6. **'Adjustments since early year'** – amount of adjustments per rows 6.1 and 6.2 since early year, i.e. each row shows the difference between the amounts (positive or negative (in brackets) or, if there is no change, '0') compared to the date of the report and the beginning of the current year (January 1).

If the amount of reserves for the reported date is less than the amount as of current January 1, the amount on the said rows is indicated in brackets. If the amount of all total reserves for the reported date is less than the amount of all total reserves for early year, then the amount on row 6 is also shown in brackets.

6.1. this row indicates amount of revaluation changes of fixed assets. This amount should be equal to the difference (positive or negative) to row 21.1, column 2 of Table PMO_2 of the reported date and December 31 of the previous year;

6.2. this row shows the amount of changes in other general provisions. This amount is equal to the difference (positive or negative) to row 21.2, column 2 of Table PMO_2 of the reported date and December 31 of the previous year.

7. **‘Cumulative corrections as a result of errors in previous years’** - mathematical errors (as a result of changes in accounting) that have not been corrected in previous years' reports submitted to the FIMSA by the national operator. If the amount is negative, it is indicated in brackets.

8. **‘Capital as of the reported date’** – the amount generated by mathematical calculation: row 3, plus or minus row 4, plus or minus row 5, plus or minus row 6, plus or minus row 7. The sum of this row should correspond to amount of capital in row 22, column 2 of Table PMO_2. If the capital is negative, the amount on this row is shown in brackets.

TABLE PMO_2. Balance sheet (Annex 6)

This table shows information on assets, liabilities and capital structure. The data here summarize the data in other tables. Therefore, instructions on completing particular rows of the balance sheet are given at the time of description of relevant tables. In such cases, it is necessary to fill in individual rows of the Balance Sheet only after other tables of reports have been compiled detailing the contents of the rows.

Data are recorded in 2 columns: Column 2 **‘Total’** and Column 3 **‘in foreign currency’**. Column 2 includes total data on balance items in manat and in manat equivalent in foreign currency. Column 3, as a section of Column 2, reflects data on balance items in foreign currency in manat equivalent at an official exchange rate of the Central Bank for the reported date.

Below, instructions are given to fill in column 2 - ‘Total’, in the absence of other instructions, column 3 - ‘in foreign currency’ is filled in the same way.

1. **‘Cash funds’** – amount of cash national currency (manat) and foreign currency in manat equivalent. This row includes balance of national and foreign currency in the cash unit of the national operator, its branches and post offices, cash in ATMs, and in transit.

2. **‘Correspondent accounts with the Central Bank’** – balance of funds in accounts of the national operator, its branches and divisions with the Central Bank (in manat and foreign currency) and regional offices of the Central Bank.

3. **‘Nostro accounts’** – net balances of funds of national operator’s correspondent accounts (resident and non-resident) in manat and foreign currency (including blocked amounts).

4. **‘Deposits with institutions including banks, total’** - automatically displays sum of net deposits with financial institutions, including banks in rows 4.1 and 4.2:

4.1. ‘deposits with resident financial institutions’ – deposits with the banks located and registered in the Republic of Azerbaijan, including local branches of foreign banks;

4.2. ‘deposits with non-resident financial institutions’ – deposits with financial institutions located in foreign countries, including foreign branches of local banks.

5. **‘Securities’** - automatically displays the sum of rows 5.1 and 5.2:

5.1. ‘government securities’ - net final amount of government securities issued by local and foreign issuers bought by the national operator;

5.2. ‘central bank securities’ - central bank securities bought by the national operator.

6. **‘Investments’** – financial tools acquired as part of the investment strategy, as well as investment amount in the form of shares and stakes.

7. **‘Amount used on credit cards’** – used amount on credit card limits to customers.

8. **'Fixed assets (less amortization)'** - book value of all fixed assets acquired directly, leased and used by the national operator for its activities (including those used by branches and post offices). It also shows the fixed assets bought by the national operator for its own needs (activities) through loans (which are included in the liabilities side of the balance sheet). In this case, used fixed assets pledged on these loans are not deducted.

Leased fixed assets - **capitalized overhaul costs** (capital repairs of fixed assets, that is directly related to leased fixed asset and became its integral part, and upon expiration of the lease becomes the property of the national operator), including initial direct costs.

9. **'Intangible assets (less amortization)'** – cost of intangible assets less amortization.

10. **'Other assets'** - automatically displays the sum of the assets in row 7, column 3 of the Table PMO_2_2.

11. **'Total assets'** - automatically displays the sum of the above items, i.e. rows 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10.

Liabilities

12. **'Postal accounts and deposits, total'** - automatically displays the sum of rows 12.1, 12.2, 12.3 and 12.4:

12.1. 'Postal accounts of legal entities, total' - automatically displays the sum of postal accounts in rows 12.1.1 and 12.1.2:

This includes balances on accounts of unincorporated individual entrepreneur customers, including balances on accounts of legal entity customers whose settlements are made by payment cards, as well as accounts on blocking of funds (e.g. order of law-enforcement bodies).

12.1.1. balance of non-interest-bearing postal accounts of legal entities is indicated here;

12.1.2. balance of interest-bearing postal accounts of legal entities is indicated here.

12.2. 'Postal accounts of individuals' - automatically displays the sum of postal accounts in rows 12.2.1 and 12.2.2:

12.2.1. non-interest bearing postal accounts of individuals (balance of non-interest bearing current accounts under the contract, as well as overdue postal deposits of individuals);

12.2.2. interest bearing postal accounts of individuals;

12.3. 'Postal deposits of legal entities' – postal deposits with a maturity date or overdue postal deposits. Overdue term deposits of legal entities are not included here. They are shown in row 12.1 - 'Postal accounts of legal entities' (under relevant category);

12.4. 'postal deposits of individuals' - postal deposits with a maturity date or overdue postal deposits. Overdue term deposits of individuals are not included here. They are shown in row 12.2 - 'Postal accounts of individuals' under the relevant category.

13. **'Bank funds'** - automatically displays the amount of bank loans and postal deposits in rows 13.1 and 13.2:

13.1. 'resident banks' - automatically displays the sum resident banks' bank loans and postal deposits in rows 13.1.1, 13.1.2 and 13.1.3:

13.1.1. 'secured' - amount of secured loans issued by resident banks;

13.1.2. 'unsecured' - amount of unsecured loans issued by resident banks;

13.1.3. 'postal deposits' – resident bank's deposits with a maturity date and unmatured postal deposits. It does not include banks' overdue term postal deposits. They are indicated in row 12.1 'Postal accounts of legal entities' (under relevant category);

13.2. 'non-resident banks' - automatically displays the sum of non-resident bank's loans and postal deposits from rows 13.2.1 and 13.2.2:

13.2.1. 'secured' - amount of secured loans issued by non-resident banks;

13.2.2. 'unsecured' - amount of unsecured loans issued by non-resident banks;

13.2.3. 'postal deposits' - non-resident bank's deposits with a maturity date and unmatured postal deposits. It does not include banks' overdue term postal deposits. They are indicated in row 12.1 'Postal accounts of legal entities' (under relevant category).

14. '**Funds of other financial institutions (except banks)**' - automatically displays the sum of loans in rows 14.1, 14.2 and 14.3:

14.1. 'from resident financial institutions' – loans from other resident institutions other than banks;

14.2. 'from non-resident financial institutions'- loans from other non-resident institutions other than banks;

14.3. 'from international organizations' – loans from international organizations.

15. '**Funds of central executive bodies**' – funds taken from central executive bodies.

16. '**Real estate acquisition loans taken by the national operator**' – the amount of loans obtained by the organization to purchase real estate.

17. '**Other liabilities**' - automatically displays final amount of Other liabilities in row 14, column 3 of the Table PMO_2_2.

18. '**Total liabilities**' - automatically displays the sum of the above items, i.e. rows 12, 13, 14, 15, 16 and 17.

Capital

19. '**Authorized capital**' – amount of national operator's authorized capital.

20. '**Retained net earnings (losses), total**' - automatically displays the sum of amounts in rows 20.1 vø 20.2.

20.1. 'net profit (loss) of previous years' - the amount of net profit (loss) accumulated during previous years, i.e. during the years of existence of the national operator. In case of loss, the amount is indicated in brackets;

20.2. 'net profit (loss) of the current year' - automatically displays the amount of net profit (loss) created (earned) during the current year, i.e. as a result of the activity of the national operator in the current year. In case of loss, the amount is indicated in brackets.

21. '**Total reserves**' - automatically displays the sum of rows 21.1 vø 21.2:

21.1. 'revaluation of fixed assets' – the amount of revaluation of fixed assets;

21.2. 'other general reserves' – the amount of other total reserves.

22. '**Total capital**' - automatically displays the sum of rows 19, 20 and 21.

23. '**Total liabilities and equity**' - automatically displays the sum of rows 18 and 22.

Off-balance sheet liabilities

1. '**Credit instruments**' - unfulfilled liabilities due to credit card holders as of the reported date.

2. **'Other off-balance sheet liabilities'** - all other off-balance liabilities of the national operator on credit instruments unfulfilled as of the reported date and not shown in row 1.
3. **'Total off-balance sheet liabilities'** - automatically displays sum of rows 1 and 2.

TABLE PMO_2_1. 'Report on acquisition of capital (shares, stocks) of other legal entities' (Annex 7)

The table includes information on investments by the national operator in capital of other legal entities, i.e. acquired stocks and shares.

The following information should be filled in on columns:

1. **'Name of the legal entity'** - the name of the legal entity whose stocks and shares have been acquired by the national operator is indicated in full.
2. **'Carrying amount of the investment'** - the carrying amount of the investment as of the investment date.
3. **'Market value of investment (if such investment is traded in the market)'** – the market value of the investment as of the reported date.
4. **'Participation share (%) in the capital of the legal entity invested by the national operator'**- the percentage share (specific weight in shares) in legal entities in which the national operator acquires shares and stakes
5. **'Currency of investment'** – the currency of investment.
6. **'Location of the legal entity'**- the location of the legal entity whose shares or stakes were acquired.
7. **'Investment date'** - the date on which the capital investment was documented and recorded in the balance sheet.
8. **'notes (indicate, if the investment was made in exchange for debt)'** – a note is made here if the investment was made in exchange for any debt.

TABLE PMO_2_2 'Other assets - Other liabilities' (Annex 8)

Data are recorded in 2 columns: Column 3 – the amount of selective tangible and other assets and selective other liabilities in manat and total foreign currency in manat equivalent; Column 4 – tangible and other assets and other liabilities in foreign currency in manat equivalent at an official exchange rate of the Central Bank as of the reported date. Amounts in Column 4 may equal or be less than the amounts in column 3.

This table is the basis for filling in row 10 'Other assets' in the Table PMO_2 and row 17 'Other liabilities' in the Table PMO_2.

'Other assets'

1. **'Receivables'** – debts of the counterparty for the services provided by the national operator. These indicators include the amounts calculated and added to income by the national operator but not paid.
2. **'Advance payments'** – payments made in advance.
3. **'Deferred tax asset'** - tax amount already paid.
4. **'Accrued interest, total'** - automatically displays sum of rows 4.1, 4.2, 4.3, 4.4, 4.5:
 - 4.1. interest accrued on nostro accounts;
 - 4.2. interest accrued on deposits with banks and other financial institutions ;

- 4.3. interest accrued on used portion of credit card limits;
- 4.4. dividends on securities and accrued interest;
- 4.5. interest accrued on other operations – other than the interest in rows 4.1, 4.2, 4.3 and 4.4.
- 5. **‘Money transfer and other transit operations’** - settlements (overpayments) on barat operations and other transit operations.
- 6. **‘Other assets’** – all other assets not included to the rows in this table. For instance, financial instruments used as payment facility (including, traveler checks).
- 7. **‘Other assets, total’** - automatically displays the sum the amount of other assets in rows 1, 2, 3, 4, 5 and 6:

‘Other liabilities’

- 8. **‘Accounts payable’** – debts due to creditors for goods sold and services supplied to the national operator.
- 9. **‘Advance payments’** – advance payments made to the national operator.
- 10. **‘Deferred tax liability’** - tax liabilities not paid.
- 11. **‘Accrued interest and dividends, total’** - automatically displays the sum of rows 11.1, 11.2, 11.3, 11.4, 11.5 and 11.6:
 - 11.1. interest accrued on demand postal deposits;
 - 11.2. interest accrued on term postal deposits;
 - 11.3. interest to be paid on banks’ accounts;
 - 11.4. interest to be paid on securities;
 - 11.5. interest to be paid on commercial debts;
 - 11.6. interest to be paid on other operations, i.e. interest accrued other than the rows 11.1, 11.2, 11.3, 11.4 and 11.5.
- 12. **‘Debt liability on transfer (barat) operations’** – overpayments on barat operations.
- 13. **‘Other liabilities’** - all other liabilities not included to the rows in the table.
- 14. **‘Other liabilities, total’** - automatically displays the sum of other liabilities in rows 8, 9, 10, 11, 12 and 13.

TABLE PMO_3. Report on deposits and other funds placed by the national operator with financial institutions (Annex 9)

The table includes data on funds placed by the national operator:

- 1. **‘Deposits and other funds placed with financial institutions in national currency’** - automatically displays total balance amount on funds placed in the national currency in column 3. The following information is included to columns adding the rows on the organizations the funds are placed with:
 - 1.1. Column 2 – the name of the organization the funds are given or placed with;
 - 1.2. Column 3 – the balance amount of funds;
 - 1.3. Column 4 – home country of the organization the funds are given or placed with;
 - 1.4. Column 5 – the type of the asset (e.g. deposit);
 - 1.5. Column 6 – currency of the assets given or placed;
 - 1.6. Column 7 interest rate of the asset given or placed (0 if it is non-interest bearing);
 - 1.7. Column 8 – the date the asset is given or placed under the agreement;

1.8. Column 9 – contractual maturity of the funds.

2. **‘Deposits and other funds placed with financial institutions in foreign currency’**

- automatically displays total balance of funds on the funds placed in foreign currency in manat equivalent in rows 2.1 and 2.2, column 3. Columns of this row are filled in as in Item 1:

2.1. ‘resident banks, total’ – information only on the funds in resident banks;

2.2. ‘non-resident banks, total’ – information only on the funds in non-resident banks.

TABLE PMO_4. Maturity breakdown

This table is filled in under the requirements on managing national operator’s liquidity.

Information in the table is shown in 7 columns. Columns 2, 3, 4, 5 and 6 include assets whose maturity falls under the same period.

When inserting data, only principal amount of assets and liabilities, as well as off-balance sheet liabilities should be recorded.

Assets side:

1. **‘Cash funds’** - cash national (manat) and foreign currency in manat equivalent is shown in the time category 0-30 days.

2. **‘Correspondent accounts with the Central Bank’** - balances of funds of the national operator, its branches and divisions in the Central Bank (in manat and in foreign currency) are shown in the column 0-30 days.

3. **‘Nostro accounts (accounts with correspondent banks)’** – funds of the national operator in correspondent accounts, also in manat equivalent in foreign currency (including blocked amounts).

4. **‘Deposits with financial institutions, including banks, total’** - automatically displays the sum of rows 4.1 and 4.2:

4.1. ‘unmatured deposits’ - deposits placed with banks and other financial institutions, the maturity of which expires after the reported date are indicated in accordance with the terms specified in agreements;

4.2. ‘matured deposits’ – deposits, matured, but not returned to the national operator due to insolvency of the deposit holder placed with banks and other financial institutions. The amount of the deposit on this row is shown only in column 6.

5. **‘Securities’** - net final amount on government and central bank securities issued by local and foreign issuers is indicated under relevant time categories depending on the time remaining until the beginning of the payment period.

6. **‘Investments’** - securities bought for investment are shown in column 6.

7. **‘Amount used on credit cards, total’** - automatically displays sum of rows 7.1 & 7.2:

7.1 ‘current loans’ – based on repayment dates specified in agreements on credit card issued to customers;

7.2 ‘overdue loans’ – loans matured under agreements and non-repaid are shown in column 6.

8. **‘Fixed assets less amortization’** – amounts on this row are only shown in column 6.

9. **‘Intangible assets’** – cost of intangible assets less amortization.

10. **‘Other assets’** - if it cannot be included in the relevant time category for the period remaining until the beginning of the agreed payment period in accordance with the terms of

the contract, or in the time category '0-30' (for example, amounts due) on the basis of 'cash flow', it is included in column 6. For example, prepayments for any goods, works or services under various deals are included in column 6 by the national operator, regardless of contractual terms, as future cash flows from the transaction are not expected. In all cases, the most conservative case is selected.

11. **'Total assets'** - automatically displays the sum of rows 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10.

Liabilities and equity

1. **'Postal accounts and deposits'** – automatically displays sum of rows 1.1, 1.2 and 1.3:

1.1. 'postal accounts (of individuals and legal entities)' – are included to 0-30 column;

1.2. 'unmatured postal deposits (of individuals and legal entities)' – amounts are shown in appropriate columns in accordance with the contracts concluded;

1.3. 'matured postal deposits (of individuals and legal entities)' – postal deposits not returned by the national operator within the period specified in the contract and current accounts where the requirement on return of funds on current accounts are not met, are shown in columns 0-30.

2. **'Bank funds'** - loans taken from banks and postal deposits with defined and non-overdue maturity are indicated in columns corresponding to contractual maturity.

3. **'Funds of other financial institutions (other than banks)'** - loans from other financial institutions other than banks are shown in the columns corresponding to contractual maturity.

4. **'Funds of central executive bodies'** – funds attracted from central executive bodies are shown in the columns corresponding to contractual maturity.

5. **'National operator's real estate acquisition loans'** – loans are shown in the columns corresponding to contractual maturity.

6. **'Other liabilities'** – other liabilities are shown in the columns corresponding to contractual maturity.

7. **'Capital'** – amount of capital automatically is taken from row 22 of the table PMO_2.

8. **'Total liabilities (liabilities plus equity)'** – automatically calculates the sum of rows 1, 2, 3, 4, 5, 6, and 7.

9. **Net amount of financial assets (liabilities) per period** ('Total assets' less 'total liabilities') is automatically displayed.

Note that when compiling the table, keep the balance in column 7 'TOTAL' and '**Assets = Liabilities + Equity**', i.e. row 11 of 'Total assets' should be equal to row 8 'Total liabilities'.

Off-balance sheet liabilities

1. **'Credit instruments'** - unfulfilled liabilities to credit card holders as of the reported date.

2. **'Other off-balance sheet liabilities'** – national operator's all other unfulfilled off-balance sheet liabilities on credit instruments and shown in row 1 until the reported date, and all other remaining unfulfilled liabilities until the reported date liabilities on purchase of assets (e.g. liabilities on loans, purchase of fixed assets etc.).

3. **'Total off-balance sheet liabilities'** - automatically displays sum of rows 1 and 2.

4. **'Net amount of financial assets (liabilities) per period'** (row 20 less row 23) is automatically displayed.

4.1. 'blocked accounts' – the amount of the blocked account is deducted from the net amount of financial assets. It is the sum of the amounts reflected in rows 4.1.1 and 4.1.2:

4.1.1. 'Accounts with the Central Bank' - blocked amounts in correspondent accounts with the Central Bank in row 2, column 2 of the table for purchase of government securities;

4.1.2. 'correspondent accounts' – blocked amounts in correspondent banks from row 3 of the table;

4.2. 'pledged securities' – pledged securities in rows 5 and 6 of the table.

5. **'Cumulative aggregate'** – automatically displays 'Total off-balance sheet liabilities (row 4) less 'Blocked accounts' (row 4.1) and 'Pledged securities' (row 4.2).

6. **'Average daily balance of liquid assets as of the last month of the reported period'** – is automatically taken from Table PMO_4_1.

7. **'Average daily liabilities as of the last month of the reported period'** – is automatically taken from Table PMO_4_2.

8. **'Instant liquidity ratio'** - automatically displays the ratio of average daily balance of assets in Table_PMO_4_1 to average daily balance of liabilities in Table_PMO_4_2.

TABLE PMO_4_1. Report on daily balances of liquid assets previous month (in manat and foreign currency in manat equivalent) (Annex 11)

The table includes data on daily balances of liquid assets in the reported month:

1. Column 2 – amount of cash in the balance in manat and freely convertible currency.
2. Column 3 – remaining amount in accounts with the Central Bank.
3. Column 4 – amount of funds in correspondent accounts with banks in the Republic of Azerbaijan and foreign banks.

4. Columns 5 and 6 – the amount of the following highly liquid securities:

4.1. issued by the Central Bank;

4.2. government securities issued by the Republic of Azerbaijan.

Average daily balance of assets is displayed automatically (in light of the number of days in the month).

TABLE PMO_4_2. Report on daily balances of liabilities previous month (in manat and foreign currency in manat equivalent) (Annex 12)

The table includes information on daily balances of liabilities previous month:

1. Column 2 – balances of postal accounts of legal entities and individuals.
2. Column 3 – all matured liabilities and term liabilities with 1-7 days left until maturity (except for debt funds attracted from the Central Bank).

3. Column 4 – the sum of remaining amounts on opened irrevocable credit lines, with no restrictions on the date of launch of use of funds.

4. Column 5 'Total' is displayed automatically.

Average daily balance of liabilities is displayed automatically (in light of the number of days in the month).

TABLE PMO_5. Report on all funds attracted by the national operator (except for postal deposits) (Annex 13)

The table includes information on all funds attracted by the national operator from local and foreign organizations (except for postal deposits) on rows and columns:

1. **'Funds attracted in national currency (total)'** – total remaining amount of the liability on funds attracted in manat. Only column 3 is automatically displayed here. Columns include the following information:

- 1.1. Column 2 – the name of the organization the funds are attracted from;
- 1.2. Column 3 – remaining amount of attracted funds;
- 1.3. Column 4 – home country of the organization;
- 1.4. Column 5 – whether the attracted funds are a loan or other;
- 1.5. Column 6 – currency of the attracted funds;
- 1.6. Column 7 – interest of attracted funds (0, if non-interest bearing);
- 1.7. Column 8 – the date the funds are attracted under the agreement 8;
- 1.8. Column 9 – maturity date of the funds under the agreement.

2. **'Funds attracted in foreign currency (total)'**- total remaining amount of funds attracted in foreign currency in manat equivalent. Only column 3 is automatically displayed here. Information on columns is filled in as in row 1.

TABLE PMO_6. Information on composition and structure of postal deposit (Annex 14)

The table is filled in by breaking down the information on term and demand postal deposit groups, on national and foreign currency (in manat equivalent) in appropriate columns depending on the amount and reflected in the relevant columns.

1. **'Postal deposits of individuals, total'** - automatically displays the sum of rows 1.1, 1.2, 1.3, 1.4, 1.5 və 1.6:

- 1.1. total amount of postal deposits up to 1000 manats (including 1000 manat);
- 1.2. total amount of postal deposits from 1000 to 3000 manats (including 3000 manat);
- 1.3. total amount of postal deposits from 3000 to 5000 manats (including 5000 manat);
- 1.4. total amount of postal deposits from 5000 to 10000 manats (including 10000 manat);
- 1.5. total amount of postal deposits from 10000 to 30000 manats (including 30000 manat);
- 1.6. postal deposits over 30000 manat.

2. **'Postal deposits of legal entities, total'** - automatically displays the sum of rows 2.1, 2.2, 2.3, 2.4, 2.5 and 2.6. Information on postal deposits of legal entities is filled in here as in row 1.

3. **The sum of relevant data in rows 1 and 2 is automatically displayed (number and amount) in the 'Total' row.**

TABLE PMO_7. Report on balances of active (nostro) correspondent accounts opened by the national operator (Annex 15)

The table includes data on active (nostro) correspondent accounts opened by the national operator on rows and columns:

1. **'Total'** - In column 6 (amount) on rows 1, 2, 3, and 4, the sum of data is displayed automatically. Other columns on this row are not filled in.

2. **'Central Bank'** - the sum of column 6 (amount) of rows 2.1 and 2.2 is automatically displayed. Other columns on this row are not filled in.

2.1. 'account in manat' – remaining amount in correspondent account opened with the Central Bank is displayed in column 6 (amount). Other columns on this row are not filled in;

2.2. 'account in foreign currency' – Total amount of funds remaining in correspondent accounts opened in foreign currency with the Central Bank is indicated in column 6 (amount) in manat equivalent. Other columns on this row are not filled in.

3. **'Banks operating with a license issued by the FIMSA, total'** - total amount of funds in correspondent accounts opened in the banks operating in the Republic of Azerbaijan is automatically indicated in column 6 (amount). In the following rows, information on correspondent accounts in banks is shown in the following order by columns:

3.1. 'type of account' – types of correspondent account (interest/non-interest bearing);

3.2. 'homecountry of the bank' – the name of the country a branch of a local bank or a subsidiary bank is located in;

3.3. 'currency of account' – currency of the correspondent account. If other than freely convertible currencies, then it is indicated as another currency;

3.4. 'amount' – remaining amount in a correspondent account is indicated in manat, if in foreign currency, then in manat equivalent.

4. **'Credit institutions operating on the basis of licenses of foreign countries'** – total remaining amount of funds in correspondent accounts opened with credit institutions licensed by relevant authorities of foreign countries is automatically displayed in column 6 (amount). Other columns on this row are not filled in. Data on columns about correspondent accounts with credit institutions in the following rows are filled as in row 3 (above).

5. **'Credit institutions whose licenses are revoked'** – total remaining amount of funds in correspondent accounts opened with credit institutions whose licenses have been revoked is automatically displayed in column 6 (amount). Other columns on this row are not filled in. Data on columns about correspondent accounts with credit institutions in the following rows are filled as in row 3.

TABLE PMO_8. Report on open currency position (Annex 16)

The table includes information on national operator's open currency position as of the end reported month:

1. **'Currency'** – list of freely convertible and closed currencies of the organization.

2. **'Central Bank exchange rate'** – official exchange rate of the Central Bank as of the last business day of the reported date .

3. **'Claims, on balance sheet'** – amount of organization's balance sheet claims on relevant currency.

4. **'Claims, on off-balance sheet'** – amount of organization's off-balance sheet claims on relevant currency.

5. **'Claims, total'** – amount of total claims of the organization on relevant currency.

6. **'Liabilities, on balance sheet'** – amount of organization's balance sheet liabilities in the balance sheet on relevant currency.

7. **'Liabilities, on off-balance sheet'** – amount of organization's off-balance sheet liabilities in the balance sheet on relevant currency.
8. **'Liabilities, total'** – amount of organization's total liabilities on relevant currency.
9. **'Total claims'** – amount of total claims on foreign currency in manat equivalent.
10. **'Total liabilities'** – amount of total foreign currency liabilities in manat equivalent.
11. Calculated currency positions are recorded on relevant currencies.

TABLE PMO_9. Prudential norms on operations of the national operator
(Annex 17)

The table includes information on prudential norms for the national operator (limits on open currency positions are indicated in the Table PMO_8 - 'Report on open currency position'). The table is filled in automatically. Data are inserted to column 2.

1. **'Limit of the norm'** prudential requirements set by the FIMSA.
2. The **'Actual'** column indicates actual compliance of the national operator with prudential norms as of the reported date.

Data are reflected in 2 rows:

1. **'Minimum amount of authorized capital'** – automatically displays actual amount of authorized capital.
2. **'Instant liquidity ratio'** - automatically displays instant liquidity ratio limit.

TABLE U_1. Cover page

Financial Markets Supervisory Authority of the Republic of Azerbaijan to the Department of Supervision of Credit Institutions

U_1. Financial Statements of the national postal operator

License number

Address:

Reported date:

Report completion date:

Signatures and acknowledgment

We, the signatories below, confirm that this report and its Annexes have been prepared in accordance with the 'Regulations on the form, content and periodicity of prudential reports prepared by the national postal operator'. We also confirm that we have reviewed this report and that the information provided here is absolutely accurate.

Annex: _____ sheets.

1. Chairman of the Supervisory board**
(signature) (last, 1st, middle names)
2. General Director
(signature) (last, 1st, middle names)
3. Person responsible for financial services
4. (signature) (last, 1st, middle names)
5. Chief Accountant
(signature) (last, 1st, middle names)

Report compiler:

(signature) (last, 1st, middle names) (position)

Contact number Fax
E-mail

* Chairman of the Supervisory Board approves quarterly and annual reports.

Annex 2
to Regulations on the form, content and periodicity
of prudential reports prepared by the national postal operator

TABLE U_2. GENERAL INFORMATION

1	National operator's address	X
	Street /house number	
	City:	
	Country:	
2	Communication types	X
	Fax:	
	Phone number(s):	
	Telex:	
	website:	
	E-mail address:	
	Postal code	
3	Number of branches	
4	Number of post offices	
5	Number of ATMs	
6	Number of POS-terminals	
7	Subsidiaries	0
7.1	local	
7.2	foreign	
8	External auditor:	
9	Staff:	X
9.1	number of staff (persons) according to the staff list in	0
9.1.1	the head offices	
9.1.2	branches	
9.1.3	post offices	
9.1.4	subsidiaries	
9.2	change in the number of staff (persons) since early year	
10	Number of shareholders	0
10.1	Number of legal entity shareholders	

10.2	Number of individual shareholders	
11	Number of persons with postal accounts	0
11.1	Number of legal entities with postal accounts	
11.2	Number of individuals with postal accounts	
12	Number of persons with postal deposits, including	0
12.1	Number of legal entities with postal deposits	
12.2	Number of individuals with postal deposits	
13	Number of credit cards	
14	Number of persons with credit cards	
15	Number of debit cards	
16	Number of persons with debut cards	

to Regulations on the form, content and periodicity
of prudential reports prepared by the national postal operator

TABLE U_3. INFORMATION ON MANAGERIAL BODIES

	Position	1st, last, middle names	Place of employment (for SB members) and position	Contact numbers
1	Supervisory Board			
1.1	Chairman of the Supervisory Board			
1.2	Member of the Supervisory Board			
...				
2	Management			
2.1	Deputy General Director			
...				
3	Responsible employees			

Annex 4
to Regulations on the form, content and periodicity
of prudential reports prepared by the national postal operator

TABLE PMO_1. INCOME STATEMENT

(thousand manats)

Profit and loss items		Year to date, Including reported date
1		2
1. Types of interest and income, total	1	0,00
1.1 income on credit cards	1.1	
1.2 income on deposits with banks and financial institutions	1.2	
1.3 return on securities, total	1.3	0,00
1.3.1 government securities	1.3.1	
1.3.2 central bank securities	1.3.2	
1.4 other financial income	1.4	
2. Types of interest and related expenses, total	2	0,00
2.1 Interest on postal accounts and deposits, total	2.1	0,00
2.1.1 postal accounts of legal entities	2.1.1	
2.1.2 postal accounts of individuals	2.1.2	
2.1.3 postal deposits of legal entities	2.1.3	
2.1.4 postal deposits of individuals	2.1.4	
2.2 interest accrued on commercial debt liabilities	2.2	
2.3. other interest related expenses	2.3	
3. Net interest income (loss)	3	0,00
4. Non-interest income, total	4	0,00
4.1 income on financial services	4.1	0,00
4.1.1 commissioning fees from postal service payments	4.1.1	
4.1.2 commissioning fees from payments for utilities	4.1.2	
4.1.3 commissioning fees on other accounts	4.1.3	
4.2 return on securities	4.2	
4.3 return on investments	4.3	

4.4 net income from foreign exchange transactions, including exchange rate fluctuations, <i>total</i>	4.4	0,00
4.4.1 gains from foreign currency trading (losses)	4.4.1	
4.4.2 gains from revaluation of assets and liabilities in foreign currency (losses)	4.4.2	
4.5 income from postal services	4.5	
4.6 income from commercial services	4.6	
4.7 other types of non-interest income	4.7	
5. Non-interest income, total	5	0,00
5.1 salary and compensations, total	5.1	0,00
5.1.1 salary	5.1.1	
5.1.2 rewards	5.1.2	
5.1.3 other types of compensations and allowances	5.1.3	
5.1.4 social security costs	5.1.4	
5.2 fixed assets related expenses, total	5.2	0,00
5.2.1 rent fee	5.2.1	
5.2.2 amortization	5.2.2	
5.2.3 logistics expenses for maintenance of fixed assets	5.2.3	
5.2.4 other fixed assets related expenses	5.2.4	
5.3 other types of operating and other non-interest expenses	5.3	0,00
5.3.1 operational and commissioning expenses	5.3.1	
5.3.2 other types of other non-interest expenses	5.3.2	
6. Net operating profit (loss) (row 3 + row 4 - row 5)	6	0,00
7. Profit (loss) before taxes and unexpected expenses (equals to row 6)	7	0,00
8. Profit (loss) from unforeseen types of activities and from adjustments to previous period, total	8	0,00
8.1. profit (loss) from sale of real estate	8.1	
8.2 other profit (loss)	8.2	
9. Profit (loss) before taxes (row 7 + (-) row 8)	9	0,00
10. Profit tax	10	
11. Net profit (loss) after taxes (row 9 - row 10)	11	0,00

Annex 5
to Regulations on the form, content and periodicity
of prudential reports prepared by the national postal operator

TABLE PMO_1_1. CHANGES IN CAPITAL

(thousand manats)

Balance items		Amount
1		2
1. Capital as of January 1 of the current year	1	
2. Cumulative corrections the adjusted reports sent to the FIMSA relate to	2	
3. Adjusted capital (row 1 + (-) row 2)	3	0,00
4. Net profit (loss) of the current year (column 3, row 11 from Table PMO_1)	4	0,00
5. Net operations with shares since early year	5	0,00
5.1 investment of shares	5.1	
5.2 recovery of shares	5.2	
6. Changes since early year (+ or -)	6	0,00
6.1 revaluation of fixed assets	6.1	
6.2 other general reserves	6.2	
7. Cumulative corrections due to errors in previous years	7	
8. Capital as of the reported date (row 3, + (-) row 4, + (-) row 5, - row 6, + (-) row 7)	8	0,00

TABLE PMO_2. BALANCE SHEET

ASSETS		<i>(thousand manats)</i>	
Asset items		Total	in foreign currency (from column 2)
1		2	3
1. Cash, <i>total</i>	A1		
2. Correspondent accounts with the Central Bank	A2		
3. 'Nostro' accounts	A3		
4. Deposits with financial institutions including banks, total	A4	0,00	0,00
4.1 deposits with resident financial institutions	A4.1		
4.2 deposits with non-resident financial institutions	A4.2		
5. Securities, <i>total</i>	A5	0,00	0,00
5.1 government securities	A5.1		

5.2 central bank securities	A5.2		
6. Investments	A6		
7. Amount used on credit cards	A7		
8. Fixed assets (less amortization)	A8		X
9. Intangible assets (less amortization)	A9		
10. Other assets	A10	0,00	0,00
11. Total assets	A11	0,00	0,00

LIABILITIES

(thousand manats)

Liability item		Total	in foreign currency (from column 2)
1		2	3
12. Postal accounts and deposits, <i>total</i>	B12	0,00	0,00
12.1 postal accounts of legal entities, <i>total</i>	B12.1	0,00	0,00
12.1.1 non-interest bearing postal accounts	B12.1.1		
12.1.2 interest bearing postal accounts	B12.1.2		
12.2 postal accounts of individuals, <i>total</i>	B12.2	0,00	0,00

12.2.1 non-interest bearing postal accounts	B12.2.1		
12.2.2 interest bearing postal accounts	B12.2.2		
12.3 Postal deposits of legal entities	B12.3		
12.4 Postal deposits of individuals	B12.4		
13. Bank funds, total	B13	0,00	0,00
13.1 resident banks, <i>total</i>	B13.1	0,00	0,00
13.1.1 secured	B13.1.1		
13.1.2 unsecured	B13.1.2		
13.1.3 postal deposits	B13.1.3		
13.2 non-resident banks, <i>total</i>	B13.2	0,00	0,00
13.2.1 secured	B13.2.1		
13.2.2 unsecured	B13.2.2		
13.2.3 postal deposits	B13.2.3		
14. Funds of other financial institutions (other than banks), total	B14	0,00	0,00
14.1 from resident financial institutions	B14.1		
14.2 from non-resident financial institutions	B14.2		
14.3 from international organizations	B14.3		
15. Funds of central executive bodies	B15		
16. National operator's real estate acquisition loans	B16		
17. Other liabilities	B17	0,00	0,00
18. Total liabilities	B18	0,00	0,00

CAPITAL

(thousand manats)

Capital		Total	in foreign currency (from column 2)
1		2	3
19. Authorized capital	C19		X
20. Retained net earnings (losses), total	C20	0,00	X
20.1 net profit (loss) of previous years	C20.1		X
20.2 net profit (loss) of the current year	C20.2	0,00	X
21. General reserves, total	C21	0,00	X
21.1 revaluation of fixed assets	C21.1		X
21.2 other general reserves	C21.2		X
22. Total capital	C22	0,00	X
23. Total liabilities and equity	C23	0,00	0,00

Off-balance sheet items

(thousand manats)

1. Credit instruments	D1		
2. Other off-balance sheet liabilities	D2		
3. Total off-balance sheet liabilities (row 1+2)	D3	0,00	0,00

TABLE PMO_2_2. 'OTHER ASSETS – OTHER LIABILITIES'

(thousand manats)

Other assets		Total	in foreign currency (from column 3)
1	2	3	4
1. Receivables	A1		
2. Advance payments	A2		
3. Deferred tax asset	A3		
4. Accrued interest, <i>total</i>	A4	0,00	0,00
4.1 interest accrued on nostro accounts	A4.1		
4.2 interest accrued on term deposits with banks and other financial institutions	A4.2		
4.3 interest accrued on loans	A4.3		
4.4 interest accrued on securities	A4.4		
4.5 interest accrued on other operations	A4.5		
5. Barat operations and other transit operations	A5		
6. Other assets	A6		
7. Other assets, total	A7	0,00	0,00

Other liabilities		Total	in foreign currency (from column 3)
1	2	3	4
8. Accounts payable	B8		
9. Advance payments	B9		
10. Deferred tax liability	B10		X
11. Accrued interest and dividends, <i>total</i>	B11	0,00	0,00
11.1 interest payables on demand postal deposits	B11.1		

11.2 interest payables on term postal deposits	B11.2		
11.3 interest payables on bank accounts	B11.3		
11.4 interest payables on debt securities	B11.4		
11.5 interest payables on commercial debts	B11.5		
11.6 interest payables on other operations	B11.6		
12. Debt liability on barat operations	B12		
13. Other liabilities	B13		
14. Other liabilities, total	B14	0,00	0,00

7.1 current loans						0,00
7.2 overdue loans						0,00
8. Fixed assets less amortization						0,00
9. Intangible assets						0,00
10. Other assets						0,00
11. Total assets	0,00	0,00	0,00	0,00	0,00	0,00

Liabilities and equity

(thousand manats)

	Days left until beginning of maturity					Total
	0-30	31-90	91-180	181-365	over 365	
1	2	3	4	5	6	7
12. Postal accounts and deposits	0,00	0,00	0,00	0,00	0,00	0,00
12.1 postal accounts (individuals and legal entities)						0,00
12.2 unmatured postal deposits (individuals and legal entities)						0,00
12.3 matured postal deposits (individuals and legal entities)						0,00
13. Bank funds						0,00
14. Loans of other financial institutions (other than banks)						
15. Funds of central executive bodies						

16. National operators real estate acquisition loan						
17. Other liabilities						0,00
18. Equity					0,00	0,00
19. Total liabilities (Liabilities + equity)	0,00	0,00	0,00	0,00	0,00	0,00
20. Net amount of financial assets (liabilities) per period (row 11 less row 19)	0,00	0,00	0,00	0,00	0,00	0,00

Off-balance sheet liabilities

(thousand manats)

	Days left until beginning of maturity					Total
	0-30	31-90	91-180	181-365	over 365	
1	2	3	4	5	6	7
21. Credit instruments						0,00
22. Other off-balance sheet liabilities						0,00
23. Total off-balance sheet liabilities (row 1+2)	0,00	0,00	0,00	0,00	0,00	0,00
24. Net amount of financial assets (liabilities) per period (Row 20 - row 23)	0,00	0,00	0,00	0,00	0,00	0,00
24.1 (-) blocked accounts, total	0,00	0,00	0,00	0,00	0,00	0,00
24.1.1 Accounts with the Central Bank (row 2, column 2)						0,00

24.1.2 correspondent accounts (row 3)						0,00
24.2 (-) pledged securities (rows 5 and 6)						0,00
25. Cumulative aggregate (rows 4 – (4.1+4.2))	0,00	0,00	0,00	0,00	0,00	0,00
26. Average daily balance of liquid assets as of the last month of the reported period (TABLE 4_1)		X	X	X	X	X
27. Average daily balance of liabilities as of the last month of the reported period (TABLE 4_2)		X	X	X	X	X
28. Instant liquidity ratio		X	X	X	X	X

TABLE PMO_4_1. REPORT ON DAILY BALANCES OF LIQUID ASSETS PREVIOUS MONTH
(in manat and foreign currency in manat equivalent)

(thousand manats)

Date	Cash funds in manat and freely convertible currency	Balance in accounts with the Central Bank	Funds in correspondent accounts in banks of the Republic of Azerbaijan and foreign banks	Highly liquid securities		Total
				Central Bank	Government securities of the Republic of Azerbaijan	
1	2	3	4	5	6	8
1						0
2						0
30						0
31						0
Total	0	0	0	0	0	0
Average daily balance of assets						

TABLE PMO_4_2. REPORT ON DAILY BALANCES OF LIABILITIES PREVIOUS MONTH
(in manat and foreign currency in manat equivalent)

(thousand manats)

Date	Postal accounts of individuals and legal entities	Matured liabilities and term liabilities with 1-7 days left until maturity	Irrevocable credit lines, with no restrictions on the date of launch of use of funds	Total
1	2	3	4	5
1				0
2				0
3				0
...				
30				0
31				0
Total	0	0	0	0
Average daily balance of liabilities				

2.5. 10000 - 30000 manat									0,00
2.6. over 30000 manat									0,00
Total	0,00	0	0,00	0	0,00	0	0,00	0	0,00

TABLE PMO_7. REPORT ON BALANCES IN ACTIVE (NOSTRO) CORRESPONDENT ACCOUNTS OPENED BY THE NATIONAL OPERATOR

(thousand manats)

The name of the credit institution with 'Nostro' correspondent account	Type of account (interest/non- interest bearing)	Bank's home country	Account currency	Amount
2	3	4	5	6
Total:	x	x	x	0
Central Bank	x	x	x	0
Manat account	x	x	x	
Foreign currency account	x	x	x	
Banks operating on the basis of licenses issued by the FIMSA, total	x	x	x	0

Credit institutions operating on the basis of licenses of foreign countries	x	x	x	0
Credit institutions whose license are revoked	x	x	x	0

PMO_8. REPORT ON OPEN CURRENCY POSITION

(thousand manats)

Currency		Central Bank exchange rate	Claims (in currency)			Liabilities (in currency)			In manat equivalent		Open currency position (OCC)				OCC ratio %	
			On balance sheet	On off-balance sheet	Total	On balance sheet	On off-balance sheet	Total	Total claims	Total liabilities	Long		Short			
											currency	AZ N	currency	AZ N		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1	USD															
2	EUR O															
3	GBR															
4	JPY															
5	RUR															
TOTAL									FCC		Man.		Man.		-	
									Other currencies		Man.		Man.		-	
Bank capital as of the reported date _____ manat.									Aggregate on FCC OCC							

TABLE PMO_9. Prudential norms on operations of the national operator

(thousand manat)

Prudential norms		Limit	Actual
		1	2
1. Minimum amount of authorized capital	1	20 000,00	
2. Instant liquidity ratio, %	2	thousand 50 (fifty)	