

‘Approved’
Central Bank of the
Republic of Azerbaijan
Resolution № 25/2
18 December 2013

Regulations on compilation and submission of monetary and financial statistics reporting

1. General provisions

- 1.1. These Regulations have been developed in accordance with Article 63 of the Law of the Republic of Azerbaijan on the Central Bank of the Republic of Azerbaijan and Article 46.1 of the Law of the Republic of Azerbaijan on Banks.
- 1.2. These Regulations determine the rules for compilation and submission of monetary and financial statistics reports by banks operating in the Republic of Azerbaijan, local branches of foreign banks and the national operator of postal communication (hereinafter – statistic units).
- 1.3. The goal in compiling the report is to enable the Central Bank of the Republic of Azerbaijan (hereinafter – the Central Bank) to obtain statistic data on statistic units’ operations in deposit, credit and securities markets, interest rates in financial markets, types and currency of these operations, and their breakdown on sectors of the economy and regions of the country to use in development of the monetary policy.

2. Definitions

- 2.0. Definitions used herein bear the following meanings:
 - 2.0.1. past due loan – the loan, where the repayment of principal has remained unpaid for more than 30 calendar days beyond the date agreed in the applicable loan documentation.
 - 2.0.2. mortgage loans – real estate backed debt issued by assigned banks at the expense of funds of the *Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan* or at own funds of credit institutions to purchase a living space.
 - 2.0.3. consumer loan – loan issued for a consumer to purchase or use goods or services for purposes not related to entrepreneurial or professional activity excluding mortgage loans.

- 2.0.4. microcredit – consumer loan total amount of which falls below AZN 5000 (five thousand).
- 2.0.5. short-term loan – loan with up to 360-day maturity.
- 2.0.6. long-term loan – loan with over 360-day maturity.
- 2.0.7. *government bonds – securities issued by the Ministry of Finance of the Republic of Azerbaijan to fund budget deficit.*
- 2.0.8. primary market – market, where securities are placed by issuers (alienated to first owners).
- 2.0.9. secondary market – market, where issued securities circulate.

3. Content and compilation of the report

- 3.1. Statistic units' report on monetary and financial statistics (hereinafter 'Banking Statistics (BS) report') includes 5 (five) statistic pro-forms:
 - 3.1.1 Deposits and interest thereupon (Pro-form BS-1) – Annex# 1;
 - 3.1.2 Credits and interest thereupon (Pro-form BS-2) – Annex# 2;
 - 3.1.3 Regional structure of credits and deposits (Pro-form BS-3) – Annex# 3;
 - 3.1.4 Credit and deposit operations between financial institutions (Pro-form BS-4)– Annex#4.
 - 3.1.5 *Statistic unit's operations with securities - (Pro-form BS-5) – Annex# 5.*
- 3.2. The 'Deposits and interest thereupon' report includes outstanding amount and circulation of funds attracted by a statistic unit as deposits, term and demand deposits, average interest paid on these deposits, deposits' breakdown on national and foreign currencies, residency and term:
 - 3.2.1. section 1 of the report records balance of deposits of individuals and legal entities as of the period-start, which should equal to the balance of the end of the previous period;
 - 3.2.2. section 2 of the report records deposit funds attracted from individuals and legal entities over the reported period;
 - 3.2.3. section 3 of the report records funds returned from deposits of individuals and legal entities over the reported period;
 - 3.2.4. section 4 of the report records balance of deposits of individuals and legal entities as of the end-period;
 - 3.2.5. section 5 of the report records balance of deposits of resident and non-resident individuals and legal entities as of the period-start and their breakdown on term and demand deposits, which should equal to the balance of the end of the previous period;
 - 3.2.6. section 6 of the report records total deposit funds attracted from resident and non-resident individuals and legal entities over the reported period and their breakdown on term and demand deposits;
 - 3.2.7. section 6 of the report records total returned deposits of resident and non-resident individuals and legal entities over the period and their breakdown on term and demand

deposits;

- 3.2.8. section 8 of the report records balance of deposits of resident and non-resident individuals and legal entities as of the end-period (including balances in blocked customer accounts) and their breakdown on term and demand deposits.
- 3.3. The 'Credits and interest thereupon' report (Pro-Form BS-2) records credits issued by a statistic unit in terms of national and foreign currency, average amount on legal entities and individuals and terms, average interest rate, service fees charged on credits issued over the period, amount of repayments on purposes and their share in principal amount of loans (in percent) and consists of 2 reporting forms:
 - 3.3.1. The 'Loans classification' (Pro-Form BS-2.1) includes outstanding amount of loans issued by a statistic unit, their turnover, interest rates, breakdown on national and foreign currencies, legal entities and individuals and terms:
 - 3.3.1.1. section 1 of the report reflects outstanding amount of the lending portfolio as of the period-start, which should equal to the balance of the end of the previous period;
 - 3.3.1.2. section 2 of the report reflects amount and interest rate of loans issued over the period;
 - 3.3.1.3. section 3 of the report reflects amount and interest rate of loans repaid by customers over the period (including repayments on past due loans);
 - 3.3.1.4. section 4 of the report reflects outstanding amount of the lending portfolio as of the end-period (including past due loans). As a component of this amount past due loans are recorded in row 5, while indicators on past due loans and average interest rate thereupon over the period are recorded in row 6;
 - 3.3.1.5. section 5 of the report records outstanding amount of loans issued by a statistic unit to legal entities and individuals and their breakdown on maturities as of the period-start, which should equal to the balance of the end of the previous period;
 - 3.3.1.6. section 6 of the report loans issued by a statistic unit to legal entities and individuals over the period and their breakdown on maturities;
 - 3.3.1.7. section 7 of the report records repayments from legal entities and individuals on loans issued by a statistic unit over the period and their breakdown on maturities;
 - 3.3.1.8. section 8 of the report records balances of loans issued by a statistic unit to legal entities and individuals (including balances in blocked customer accounts) and their breakdown on maturities as of the end-period;
 - 3.3.1.9. section 9 of the report records amount, average interest rates and maturity breakdown of past due loans over the period;
 - 3.3.2. The 'Service fees charged on loans issued over the period and payments' report (Pro-Form BS-2.2) includes service fees charged by a statistic unit on loans issued to legal entities (both public and non-state owned) legal entities and individual over the period, including consumer loans and amount of repayments on purposes and share in loans principal amount (in percent);

- 3.3.2.1. The statistic report classifies service fees charged by statistic units on issued loans and breakdown of payments on purposes:
 - 3.3.2.1.1. commissioning fees on documentation of a loan agreement;
 - 3.3.2.1.2. payments on opening and maintaining (servicing) loan accounts;
 - 3.3.2.1.3. payments on withdrawal of loans in cash;
 - 3.3.2.1.4. payments on maintaining securitization (collateral) and registration (management) of encumbrance;
 - 3.3.2.1.5. insurance payments (where such services supplied by bank designated persons);
 - 3.3.2.1.6. payments related to appraisal of collateral (when such services are supplied by bank designated persons);
 - 3.3.2.1.7. other fees charged by a bank on loans;
- 3.3.2.2. The following is not included to service fees and payments charged by statistic units on issued loans:
 - 3.3.2.2.1. payments (fines and penalties) by a borrower for non-observance of loan agreement terms and conditions;
 - 3.3.2.2.2. payments, the amount and/or term of which depend on borrower's decision and/or behavior (for instance, repayment of a loan debt prior to maturity);
 - 3.3.2.2.3. suspension of currency exchange operations on credit cards at customer's order and other similar deductions;
- 3.3.2.3. Where purposes of other loan related payments applied by a bank are mentioned in the pro-form, a statistic unit delivers to the Central Bank information on clear explanation of those reasons on the day the relevant report is submitted, confirmed with the signature of the head of statistic unit's executive body and a stamp;
- 3.3.2.4. The 'Share in loan's principal amount' column reflects the share of service fees and payments in principal amount of various purpose loans. For instance, if a statistic unit issued AZN 1 million worth of loans over the period (excluding interest on loans) and the size of service fees and payments on issued loans on a relevant purpose is AZN 10000, the indicator is one percent;
- 3.4. The 'Regional structure of loans and deposits' report (BS-3) records statistic unit's regional credit investments and interest thereupon, mortgage, business, restructured and consumer loans, credit investments across sectors of the economy, deposits attracted from the population and interests thereupon, and deposits attracted from legal entities and interest thereupon and includes eight reports:
 - 3.4.1. 'Loans across regions and interest thereupon' (Pro-Form BS-3.1) includes balances as of the end-period and over the period and reflects statistic unit's short and long term loans, currency breakdown and geographical classification of the size of past due loans across cities and regions of the Republic of Azerbaijan;
 - 3.4.2. 'Mortgage loans across regions and interest thereupon' (Pro-Form BS-3.2) includes

balances as of the end-period and over the period and reflects mortgage loans issued by statistic units at the expense of funds of the *Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan* and bank's internal resources, and reflects geographical classification of the amount of and average interest rates on simple mortgage and discounted mortgage loans across cities and regions of the Republic of Azerbaijan;

- 3.4.3. *'Loans issued to businesses across regions and interest thereupon'* (Pro-Form BS-3.3) includes balances as of the end-period and over the period and reflects geographical classification of the amount of and average interest rates on loans issued to micro, large, small and medium-sized businesses (the criteria for breakdown of businesses are established under the Law of the Republic of Azerbaijan on Entrepreneurial Activity) at the expense of funds of the National Fund of the Republic of Azerbaijan for Entrepreneurial Support, statistic units' own resources and resources of other financial institutions across cities and regions of the Republic of Azerbaijan (including loans backed by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan). Indicators on the amount of loans backed by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan (excluding mortgage loans) should include only the guaranteed portion.
- 3.4.4. *'Loans restructured across regions and interest thereupon'* (Pro-Form BS-3.4) includes balances as of the end-period and over the period and reflects geographical classification of the amount and average interest rates of restructured loans of legal entities and individuals (both residents and non-residents) across cities and regions of the Republic of Azerbaijan;
- 3.4.5. *'Consumer loans issued across regions and interest thereupon'* (Pro-Form BS-3.5) includes balances as of the end-period and over the period and reflects information on car, education, healthcare, travelling loans, loans for land purchase, repairs and construction, furniture, home appliances, of land, credit lines, other consumer loans issued by statistic units, as well as geographical classification of the amount and average interest rates of microcredits and past due loans across cities and regions of the Republic of Azerbaijan;
- 3.4.6. *'Credit investments across regions and sectors of the economy and interest thereupon'* (Pro-Form BS-3.6.) includes *'balances as of end-period in a national currency'*, *'balances in a foreign currency as of the end-period'*, *'in a national currency over the period'* and *'in a foreign currency over the period'* and reflects sectoral breakdown of loans issued by statistic units to public and private sector enterprises operating across sectors of the economy in cities and regions of the Republic of Azerbaijan and their geographical classification. Amounts of loans issued

in foreign currency should be indicated in manat equivalent. Sectoral breakdown of the economy credited by statistic units should be as follows in the report:

- 3.4.6.1. mining;
 - 3.4.6.2. processing;
 - 3.4.6.3. agriculture, forestry and fishery;
 - 3.4.6.4. power, gas, steam and water supply (including supply with condensed air purification of dirty water and wastes);
 - 3.4.6.5. construction;
 - 3.4.6.6. wholesale and retail trading;
 - 3.4.6.7. transportation and warehousing;
 - 3.4.6.8. information and communication;
 - 3.4.6.9. finance and insurance (including leases);
 - 3.4.6.10. real estate related operations (including mortgage);
 - 3.4.6.11. operations of organizations that have the right for public management and immunity (including defense and mandatory social protection);
 - 3.4.6.12. education;
 - 3.4.6.13. supply of healthcare and social services for the population;
 - 3.4.6.14. professional, scientific-technical activities, recreation and art;
 - 3.4.6.15. households (including goods and services produced by households for private consumption);
 - 3.4.6.16. others (including administrative and supportive, housing and catering services).
- 3.4.7. 'Deposits attracted from the population across regions and interest thereupon' (Pro-Form BS-3.7) includes balances as of the end-period and over the period and records geographical classification of the amount and average interest rates on deposits attracted by statistic units from the population on breakdown on terms (term and demand) and currencies (local and foreign currencies, and foreign currency across currencies) across cities and regions of the Republic of Azerbaijan.
- 3.4.8. 'Deposits attracted from legal entities across regions and interest thereupon' (Pro-Form BS-3.8) includes balances as of the end-period and over the period and records geographical classification of the amount and average interest rates on deposits attracted by statistic units from legal entities on breakdown on terms (term and demand) and currencies (local and foreign currencies, and foreign currency across currencies) across cities and regions of the Republic of Azerbaijan.
- 3.5. The 'Credit and deposit operations among financial institutions' report (Pro-Form BS-4) records interbank credit market and deposits, loans issued to and deposits attracted from non-bank credit institutions (including *credit unions and credit cooperatives*) and other financial institutions by statistic units, and their breakdown

on currencies and terms and includes four reports:

- 3.5.1. The 'Loans issued to banks and placed deposits' section (4.1) includes loans issued by a statistic unit to resident and non-resident banks and placed deposits over the period, average interest rates on them, breakdown of balances on these indicators on terms and currencies (including precious metals) as of the end-period;
- 3.5.2. The 'Loans and deposits attracted from banks' section (4.2) records loans taken and deposits attracted by a statistic unit over the period from other resident and non-resident banks, average interest on them, breakdown of balances on these indicators on terms and currencies (including precious metals) as of the end-period;
- 3.5.3. The 'Loans issued to and deposits attracted from non-bank credit institutions (including *credit unions and credit cooperatives*)' section (4.3) reflects loans issued to and deposits attracted from resident and non-resident non-bank credit institutions (including *credit unions and credit cooperatives*) by a statistic unit, average interest rates on them, breakdown of balances on these indicators on terms and currencies (including precious metals) as of the end-period;
- 3.5.4. The 'Loans issued to and deposits attracted from other financial institutions' section (4.4) records loans issued to and deposits attracted from resident and non-resident other financial institutions (leases, insurance companies, private pension funds, trusts, pawnshops etc.) by a statistic unit, average interest rates on them, breakdown of balances on these indicators on terms and currencies (including precious metals) as of the end-period.
- 3.6. The '*Statistic unit's operations with securities*' report (Pro-Form BS-5) reflects statistic unit's operations with government securities, CBA notes, repo operations, *investment corporate securities* (shares and bonds) and other securities in the securities market.
 - 3.6.1. In Section 1 of the report as of the period start balance on cost of securities the statistic unit placed its securities in are recorded in relevant categories of the report.
 - 3.6.2. In Section 2 of the report cost of securities the statistic unit bought over the period are recorded in relevant categories of the report. Securities bought over the period are classified on primary and secondary markets in this section.
 - 3.6.3. In Section 3 of the report cost of securities the statistic unit bought (placed its assets in) over the period are recorded in relevant categories of the report.
 - 3.6.4. In Section 4 of the report balance on cost of securities the statistic unit placed its assets in as of the end-period are recorded in relevant categories of the report.
 - 3.6.5. Securities the statistic unit bought and sold are recorded in separate rows and average interest rates on securities it owns are recorded in all the above 4 sections.
 - 3.6.6. The S-5 report includes promissory notes, *government securities of foreign countries*, *securities of central banks of foreign countries*, euro bonds and other securities not related to other categories in the report in the 'other securities' category.

- 3.7. The following compliance between reports is ensured when compiling BS reports:
- 3.7.1. BS-3.1 (Credits across regions and interest thereupon) – amount and interest rates in BS-3.1.1 (End-period balances), row 1, column 7-14 equal to relevant amount and interest rates in BS-2.1 (Loans classification), BS-2.1.1 (Loans), row 4, column 1-8.
- 3.7.2. BS-3.1 (Credits across regions and interest thereupon) – amount and interest rates in BS-3.1.1 (Over the period), row 1, column 7-14 equal to relevant amount and interest rates in BS-2.1 (Loans classification), BS-2.1.1 (Loans), row 2, column 1-8.
- 3.7.3. BS-3.1 (Credits across regions and interest thereupon) – amount and interest rates in BS-3.1.1 (End-period balances), row 1, columns 3 and 4 equal to relevant total amount and interest rates in BS-3.6 (Credit investments across regions and sectors of the economy and interest thereupon) – relevant total amount and average interest rates in BS-3.6.1 (End-period balances in national currency), row 1, column 1 and 33, 2 and 34 are the same.
- 3.7.4. BS-3.1 (Credits across regions and interest thereupon) – amount and interest rates in BS-3.1.1 (End-period balances), row 1, column 5 and 6 are the same with relevant total amount and average interest rates in BS-3.6 (Credit investments across regions and sectors of the economy and interest thereupon), BS-3.6.2 (End-period balances in foreign currency), row 1, columns 1 and 33, 2 and 34.
- 3.7.5. BS-3.1 (Credits across regions and interest thereupon) – amount and interest rates in BS-3.1.2 (Over the period), row 1, column 3 and 4 are the same with relevant total amount and average interest rates in BS-3.6 (Credit investments across regions and sectors of the economy and interest thereupon) – BS-3.6.3 (Over the period in national currency), row 1, columns 1 and 33, 2 and 34.
- 3.7.6. BS-3.1 (Credits across regions and interest thereupon) – amount and interest rates in BS-3.1.2 (Over the period), row 1, columns 5 and 6 are the same with relevant total amount and average interest rates in BS-3.6 (Credit investments across regions and sectors of the economy and interest thereupon), BS-3.6.4 (Over the period in foreign currency), row 1, columns 1 and 33, 2 and 34.
- 3.7.7. Amount and interest rates in BS-1 (Deposits and interest thereupon), row 16, columns 1-12 are the same with relevant amount and interest rates in BS-3.7 (Deposits attracted from the population across regions and interest thereupon), BS-3.7.1 (End-period balances), row 1, columns 9-12, 19-24 and 31-32.
- 3.7.8. Amount and interest rates in BS-1 (Deposits and interest thereupon), row 8, columns 1-12 are the same with relevant amounts and interest rates in BS-3.7 (Deposits attracted from the population across regions and interest thereupon) BS-3.7.1 (Over the period), row 1, columns 9-12, 19-24 and 31-32.
- 3.7.9. Amount and interest rates in BS-1 (Deposits and interest thereupon), rows 14-15, columns 1-12 are the same with relevant amount and interest rates in BS-3.8

(Deposits attracted from legal entities across regions and interest thereupon), BS-3.8.1 (End-period balances), row 1, columns 9-12, 19-24 and 31-32.

- 3.7.10. Amount and interest rates in BS-1 (Deposits and interest thereupon), rows 6-7, columns 1-12 are the same with relevant amount and interest rates in BS-3.8 (Deposits attracted from legal entities across regions and interest thereupon), BS-3.8.1 (Over the period), row 1, columns 9-12, 19-24 and 31-32.

- 3.8. Average interest rate is calculated with the below formula in all reports:

$$K = \frac{(k_1 * q_1 + k_2 * q_2 + k_3 * q_3 + \dots + k_n * q_n)}{q_1 + q_2 + q_3 + \dots + q_n} = \frac{\sum_1^n k_n * q_n}{\sum_1^n q_n}$$

where, n – (1, 2, 3,n) numerical order of transactions;

kn – interest to be paid on transaction # n;

qn – n size of transaction # n (operation, deposit, credit).

- 3.9. End-period balance should be fully compliant with the following formula in all reports:

$$Ds_q = D\Delta q + D\Delta r - D\Delta z$$

where, Dsq – end-period balance;

DΔq – period-start balance;

DΔr – over the period increase;

DΔz – over the period decrease;

- 3.10. Foreign currency operations are indicated in manat equivalent under the Central Bank’s official end-period exchange rate in all reports.
- 3.11. Amounts in all reports should be indicated in one digit rounded after full stop, while interest rates in 2 digits rounded after full stop.
- 3.12. When classifying credit investments and deposits attracted from the population across regions, loans issued to individuals and legal entities are related to a borrower’s region of location, while amount of deposits – to regions deposits are attracted from.

4. Submission of the report

- 4.1. Monthly ‘Monetary and financial statistics’ report is consolidated by a statistic unit in electronic Pro-Form across statistic unit’s all units and delivered to the Central Bank within 10 (ten) business days following the reported period. In the event no operation is conducted, the column is left empty.
- 4.2. *The report is approved with electronic signatures of statistic unit’s head, member, chief accountant*

or his/her substitute, or the head of the structural unit responsible for delivery of the report