

State registration with the	Approved by
Ministry of Justice of Azerbaijan Republic	Resolution of June 28, 2004 by the Management Board of the Central Bank of Azerbaijan Republic
Registration No. 3075 August 12, 2004	Protocol No. 11
Minister _____ F.F. Mammadov	Governor of the Management Board _____ E.S. Rustamov

**REGULATIONS ON
BANKING LICENSE AND PERMIT APPLICATION PROCEDURES**

(as amended on April 15, 2010)

1. General provisions

- 1.1. These Regulations have been developed in accordance with the Laws of Azerbaijan Republic «On banks», and «On the Central Bank of Azerbaijan Republic», and other laws and regulations of Azerbaijan Republic, and identifies the filing, format and contents requirements for banking license and permit applications and supporting documentation for banks and local branch offices of foreign banks, as well as branch offices and foreign representative offices of domestic banks, and local representative offices of foreign banks.
- 1.2. Bank, foreign and domestic bank, branch office, local representative office, administrator, fit and proper person, civil integrity, significant share and other terms used herein shall have the meanings ascribed to them in the Law of Azerbaijan Republic «On banks».
- 1.3. Unless otherwise provided herein, all information and lists attached to applications shall be signed by the chairperson of the bank's Supervisory Board.
- 1.4. Documents submitted in accordance herewith (other than notarized documents) shall be certified with the signature of the chairman of the bank's Supervisory Board and the bank's corporate seal (if the bank is a legal entity). If a document has more than one page, it shall be bound and numbered.
- 1.5. All documents shall be machine-completed and shall be signed only by duly authorized individuals, indicating the full name and position. Documents shall be submitted in folders.
- 1.6. All documents submitted by legal entities and individuals shall be legalized in accordance with the applicable laws and their Azerbaijani translations shall be notarized.
- 1.7. Banking license application procedure includes two phases:
 - 1.7.1. the first phase covering the filing and review of the preliminary application for banking license;
 - 1.7.2. the second phase covering the filing and review of the second application for banking license after the bank and domestic branch office of a foreign bank has obtained state registration.
- 1.8. Banking license and permit applications shall be reviewed by the Central Bank of Azerbaijan Republic (hereinafter referred to as the «Central Bank») in accordance with the Law of Azerbaijan Republic «On banks», and the applicant shall be notified of the results of the review in writing.
- 1.9. The Central Bank shall set the requirements with respect to the preliminary paid-in capital of banks and funds equated to paid-in capital for the domestic branch offices of foreign banks, if the preliminary application filed in accordance herewith receives a positive review, and shall notify the applicant to this effect in writing.

1. preliminary banking license application

- 2.1. The preliminary banking license application (Annex 1) shall be signed by all of the **bank's** founders or their duly authorized representatives, and the signatures shall be notarized. The preliminary application shall be accompanied with the following documents:
 - 2.1.1. the proposed amount of the bank's paid-in capital, details of each shareholder's investment in the bank's paid-in capital;
 - 2.1.2. for each holder of the bank's voting shares:

If a legal entity:

 - name, address, line of business, significant equity investments in other legal entities, as well as significant equity investments of other legal entities in the corporate's capital (Annex 4);
 - notarized copies of state registration documents (charter, certificate) and decision of the competent

executive body to procure the proposed equity investment;

- original or notarized copies of the audited financial statements (balance sheet, income statements, cash flow statement) for at least past three financial years (if the legal entity is in existence for a shorter period, the latest financial years or year);

If the holder is a foreign legal entity:

- information described in the third paragraph of sub-clause 2.1.2 hereof (Annex 4);

- documentary evidence of state registration in the country of location, charter (by-laws), audited financial statements for the last three years as a minimum (balance sheet, income statement, cash flow statement) and audit report;

If the holder is an individual:

- full name and citizenship, identification card or other identity document details, place of residence, occupation, as well as significant equity investments in other entities (Annex 5);

- a copy of the identification card or another identity document;

- a notarized copy of the documentary evidence of occupation;

If the holder is an expatriate — positive references from one or several financial institutions of the country of residence (may state how long the person giving references has had business relationships with the person in question, ascertain the person's solvency or describe his/her financial position) and/or bank account statements, in addition to the documents listed in the ninth-twelfth paragraphs of sub-clause 2.1.2 hereof;

2.1.3. if the proposed holder of a significant equity investment in the bank is a legal entity:

- a list of its executive officers;

- a civil integrity application for each executive officer, signed by him, with the signature notarized (Annex 7);

If the executive officer is an expatriate, a statement of record of convictions (if applicable) from the appropriate authorities in his country of residence;

2.1.4. if the legal entity holding a significant equity investment/share is a member of a group of companies, information about this group, including information about holders of significant equity investments in other member companies, information about the administrators of such holders (this information should be written up in a free and accurate form, names of individuals and legal entities should not be abbreviated);

2.1.5. if the proposed holder of a significant equity investment in the bank is an individual, a statement of his civil integrity, signed by him, with the signature notarized (Annex 7);

If the holder of significant equity investment/share is an expatriate, a statement of record of convictions (if applicable) from the appropriate authorities in his country of residence;

2.1.6. a notarized copy of the decision to establish the bank, accept its charter and form executive bodies signed by all founders (Annex 8) and the bank's charter approved by the founders or their authorized representatives.

The charter shall specify the bank's name, location, category of stock issues, their nominal value and quantity, rights of shareholders, composition, term of office and powers of the executive bodies, as well as voluntary liquidation procedures.

2.1.7. a business that summarizes the bank's commercial strategy, envisioned areas of business, organizational structure, including internal control system and financial projections for the first three years (balance sheet, income statements) (Annex 9);

2.1.8. a list of proposed administrators of the bank, as well as notarized copies of documents specifying the professional qualifications and experience of each administrator (education and professional record), a curriculum vitae filled out by these individuals (Annex 6), amount and list of their significant equity investments in the bank and other legal entities, a statement of civil integrity signed by them, with notarized signatures (Annex 7);

If an administrator is an expatriate, a statement of criminal record from the relevant authorities of the country of residence;

2.1.9. if a foreign bank or a foreign bank holding company establishes a local subsidiary bank, the documents listed in clause 2.3 hereof;

2.1.10. a bank document evidencing the payment of the state duty for review of the preliminary application.

2.2. The following documents shall be attached to the preliminary application for opening a **local branch office of a foreign bank** (signed by an authorized representative of the bank):

2.2.1. the bank's charter and a copy of the decision by the competent executive body to establish a branch office;

2.2.2. a list of holders of significant equity investments in the bank, indicating their shares;

2.2.3. if the bank is a member of a group of companies, information about this group, including holders of significant equity investments in the other member entities of the group, information about administrators of such entities (to be written up in a free and accurate form, names of individuals and legal entities not to be abbreviated);

2.2.4. the bank's audited financial statements for at least last three years (balance sheet, income statement, cash flow statement) and the audit report;

2.2.5. the branch office's charter approved by the bank's competent executive body. The charter shall specify, in addition to the branch office's name, location and areas of business, the amount of funds equated to capital allocated to the branch office by the founding bank, types of banking activities, management structure of the branch office and powers of administrators, procedures for the bank's control over the branch office and liquidation of the branch office at the bank's own discretion;

2.2.6. a business plan that summarizes the branch office's commercial strategy, proposed activities, organizational structure, including the internal control system, as well as financial projections for the first three years of the branch office's operations (balance sheet, income statement) (Annex 9);

2.2.7. a documentary evidence of the bank's assumption of the branch office's liabilities signed by the bank's authorized representative;

2.2.8. the documents on proposed administrators for the branch office as specified in sub-clause 2.1.8 hereof;

2.2.9. the documents listed in clause 2.3 hereof;

2.2.10. a bank document evidencing the payment of the state duty for review of the preliminary application.

2.3. The following documents shall be attached to the preliminary application for a banking license for a **local subsidiary bank of a foreign bank and a foreign bank holding company, or a local branch office of a foreign bank**, in addition to the documents listed in clauses 2.1 and 2.2 above:

2.3.1. for a subsidiary bank or a branch office of a foreign bank — a written statement by the bank regulator of the country of the founding foreign bank's origin and location evidencing that the bank has a permit to take deposits and other borrowed funds from individuals and legal entities, as well as that the bank is supervised by the said bank regulator, along with the bank regulator's written permission to establish a subsidiary or a branch office issued to that bank;

2.3.2. for a subsidiary bank of a foreign bank holding company — a written statement by the bank regulator of the country of the bank holding company's origin and location evidencing that the company is supervised, has or controls one or several banks licensed to take deposits and other borrowed funds from individuals and legal entities, and the bank regulator's written permission to establish a subsidiary bank.

2.4. The newly founded bank or the foreign bank opening a branch office in Azerbaijan Republic shall, within 180 calendar days from the date the Central Bank made a positive decision concerning the preliminary application, charge the minimum amount of the preliminary paid-in capital (funds equated to capital) to an account established to this end at the Central Bank, and, having passed state registration in accordance with the applicable laws, shall institute corporate governance systems, and complete the necessary equipment and security arrangements in accordance with the Law of Azerbaijan Republic «On banks».

3. Final banking license application

3.1. The following documents shall be attached to the final banking license application (Annex 2):

- 3.1.1. a notarized copy of documentary evidence of state registration (charter, certificate) of the bank or the branch office of a foreign bank;
- 3.1.2. regulations of the bank approved by the bank's competent executive body;
The regulations shall specify the bank's organizational and management structure, the reporting structure of the bank's business units, as well as other details provided for in the Law of Azerbaijan Republic «On banks»;
- 3.1.3. a notarized copy of the resolution by the general meeting of shareholders to establish the bank, adopt the charter and appoint administrators;
- 3.1.4. if the Central Bank's positive decision regarding the preliminary application for a banking license was qualified, a documentary evidence (documents) of fulfilment of such qualifications/conditions;
- 3.1.5. documentary evidence of formation of corporate governance systems of the bank established in accordance with the Central Bank's relevant regulations;
- 3.1.6. documentary evidence of the bank's completion of technical capacity building and security arrangements (such documents should specify that the workplaces at the bank's office building are equipped with information technology facilities and computing machinery, software applications are available for operating and accounting activities, a cash vault is installed that meets the requirements of the Central Bank's relevant regulations for storing cash and other valuables, the bank is equipped with security alarm systems);
- 3.1.7. a notarized copy of the documentary evidence of the legal address of the bank or the local office of a foreign bank (leasehold, ownership certification, etc.);
- 3.1.8. if any material changes have been made to the information contained in the preliminary application to the Central Bank, a detailed description and explanation of the changes made;
- 3.1.9. a bank document evidencing the payment of the state duty for a banking license.

4. Application for a permit to establish branch offices and foreign representative offices of domestic banks

4.1. The following documents shall be attached to the application for a permit to open a local and foreign branch office and a foreign representative office of a domestic bank (Annex 3):

- 4.1.1. a notarized copy of the decision by the bank's competent executive body to open a branch office or a representative office or an excerpt from the minutes of the meeting (Annex 8);
- 4.1.2. the branch office's or foreign representative office's charter approved by the bank's competent executive body;
The charter, in addition to other information, shall specify the branch office's or representative office's name, address, proposed banking activities, powers of administrators, procedures for the bank's control over the branch office, liquidation of the branch office or representative office at the bank's own discretion;
- 4.1.3. a notarized copy of the documentary evidence of the local branch office's legal address (leasehold, ownership certificate, etc.);
- 4.1.4. a business-plan that summarizes the branch office's commercial strategy, proposed areas of business, organizational structure, as well as financial projections for the first three years of the branch's operations (Annex 9);
- 4.1.5. a notarized copy of the decision by the bank's competent executive body to appoint

administrators (executive officers) of the branch office or foreign representative office, or an excerpt from the relevant minutes of meeting (Annex 8);

4.1.6. a list of proposed administrators of the branch office, as well as notarized copies of documents specifying the professional qualifications and experience of each administrator (education and professional record), a curriculum vitae filled out by these individuals (Annex 6), amount and list of their significant equity investments in the bank and other legal entities, a statement of civil integrity signed by them, with notarized signatures (Annex 7);

4.2. After acquiring an appropriate permit for operation of a foreign branch office or representative office in the country of their location, the domestic bank shall notify the Central Bank to this effect in written form within 5 days. In this case, if any material changes have been made in the information submitted to the Central Bank at the time of preliminary application, a detailed description and explanation of such changes shall also be presented.

4.3. The bank acquiring a permit to open a branch office or a representative office shall present the details of such entities to the state registry within 5 calendar days from the date of acquisition of such permit, in accordance with the Law of Azerbaijan Republic «On state registration and state registry of legal entities».

5. Application for a permit to open local representative offices of foreign banks

5.1. The following documents shall be attached to the application for a permit to open a local representative office of a foreign bank (Annex 1):

5.1.1. the bank's charter and a copy of the decision by the bank's competent executive body to open the local representative office;

5.1.2. information about the bank, its organizational structure and executive bodies of the foreign bank, including the competent executive body that made the decision to open a representative office;

5.1.3. a list of the bank's major shareholders, indicating their share of voting equities;

5.1.4. audited financial statements of the bank for the last three years (balance sheet, income statement, cash flow statement) and the audit report;

5.1.5. the local representative office's charter approved by the bank's competent executive body, indicating the representative office's authorities and address;

5.1.6. a statement of professional qualifications and criminal record of the proposed administrators for the representative office;

5.1.7. a written statement by the bank regulator of the country of the foreign bank's origin and location evidencing that the bank has a permit to take deposits and other borrowed funds from individuals and legal entities, as well as that the bank is supervised by the said bank regulator, along with the bank regulator's written permission to establish a representative office.

5.2. After the local representative office of a foreign bank has acquired state registration, the following documents shall be attached to the permit application:

- notarized copies of the documentary evidence of state registration of the local representative office of the foreign bank (charter and certificate);

- if any material changes have been made in the preliminary application information submitted to the Central Bank, a detailed description and explanation of such changes.

1. Final provisions

6.1. Sample forms presented in Annexes hereto shall be used when applying to the Central Bank in accordance with the Law of Azerbaijan Republic «On banks» for acquisition of a significant share in the bank's paid-in capital of an operating bank, the bank's equity investment in other legal entities, appointment of bank administrators.

6.2. These Regulations shall take effect as of the date of state registration.

Annex 1
to the Regulations on Banking License
and Permit Application Procedures

To the Central Bank of Azerbaijan Republic _____

« ____ » _____ 200 ____

No. _____

PRELIMINARY BANKING LICENSE APPLICATION*

* This format shall be used for the application for a permit to open a local representative office of a foreign bank.

_____ (name of bank/foreign bank)

hereby requests a preliminary consent for a banking license to be issued to

_____ (name and address of bank/local branch office of foreign bank)

as per Resolution No. _____ of « _____ » _____ 200 _____

adopted at the meeting held by _____ (General meeting of shareholders/foreign bank's competent executive body)

Attachment: (list of documents submitted their copies and number of pages of each copy).

I, the undersigned, hereby certify and attest to the authenticity of all information contained in this Application and all other documents attached hereto, and state that all such information, to the best of my knowledge, is accurate and complete. I hereby undertake to promptly notify the Central Bank of Azerbaijan Republic of any material changes in this information.

Full name and signature of the Chairman of the Bank's Supervisory Board/Authorized Representative of Foreign Bank _____

Annex 2
to the Regulations on Banking License
and Permit Application Procedures

To the Central Bank of Azerbaijan Republic _____

« _____ » _____ 200 _____

No. _____

FINAL BANKING LICENSE APPLICATION

This is to request a banking license to be issued to

(name of bank/local branch office of foreign bank)

which acquired state registration (registration number and date) in accordance with the applicable laws of Azerbaijan Republic.

Attachment: (list of documents submitted their copies and number of pages in each copy).

I, the undersigned, hereby certify and attest to the authenticity of the information contained in this Application and all documents attached hereto, and state that this information, to the best of my knowledge, is accurate and complete.

No material changes have been made in the preliminary banking license application information and documents / The following material changes have been made in the preliminary banking license application information and documents (a detailed description of such changes and a list of attachments should be provided).

Full name and signature of the Chairman of the Bank's Supervisory Board/Authorized Representative of Foreign Bank _____

Annex 3
to the Regulations on Banking License
and Permit Application Procedures

To the Central Bank of Azerbaijan Republic _____

« ____ » _____ 200 ____

No. _____

APPLICATION
for a permit to open a branch office or
foreign representative office of a domestic bank

(name of bank/foreign bank)

hereby requests a preliminary consent for a banking license to be issued to

(name and address of bank/local branch office of foreign bank)

as per Resolution No. _____ of « _____ » _____ 200 _____

adopted at the meeting held by _____
(General meeting of shareholders/foreign bank's competent executive body)

Attachment: (list of documents submitted their copies and number of pages of each copy).

I, the undersigned, hereby certify and attest to the authenticity of all information contained in this Application and all other documents attached hereto, and state that all such information, to the best of my knowledge, is accurate and complete. I hereby undertake to promptly notify the Central Bank of Azerbaijan Republic of any material changes in this information.

Full name and signature of the Chairman of the Bank's Supervisory Board/Authorized Representative of Foreign Bank _____

Annex 4
to the Regulations on Banking License
and Permit Application Procedures

To the Central Bank of Azerbaijan Republic _____

« _____ » _____ 200 _____

No. _____

**SUMMARY
of a corporate founder***

* All fields are mandatory; please make a note if no information is available for a field.

As of « _____ » _____ 200 _____

1. Founder _____
(name of legal entity)

2. Address _____
(country, city, street, zip-code)

3. Telephone and fax number(s) _____
(home, office, mobile)

4. E-mail (if available) _____

5. State registration details _____

(document title, number, date, issuing state authority)

6. TIN _____

7. Line of business _____

(provide description of main lines of business)

8. Manager(s) of executive body _____

(full name and position)

9. Equity investment in the proposed bank _____

10. Have there been any major financial problems, including bankruptcy, conservation (receivership), sanitation issues in the past three years?

11. _____

Causes of above described problems _____

Results of addressing these problems _____

11. If applicable, provide a summary of your significant equity investments in other legal

entities:

Name and address of legal entity:

Amount and percentage of the equity investment of the legal entity's total paid-in capital

(percentage)

Line of business

(list lines of business/activities)

12. If applicable, provide a summary of other legal entities' and individuals' in your paid-in capital.

Names and addresses of legal entities

Amount and percentage of equity investment of your paid-in capital

(percentage)

Line of business/Activity

(list lines of business/activities)

Full name and signature of the authorized representative or assignee of the founding legal entity

Annex 5
to the Regulations on Banking License
and Permit Application Procedures

**SUMMARY
of an individual founder***

As of « _____ » _____ 200_____

1. Founder

* All fields are mandatory; please make a note if no information is available for a field.

(full name)

2. Date of birth

3. Place of birth

4. Citizenship

5. Serial number and issuing authority of identification document

6. Place of residence

7. Telephone number(s)

(home, office, mobile)

8. Place of work, position/occupation

9. If applicable, provide a summary of your significant equity investments in other legal entities:

Name and address of legal entity:

Amount and percentage of the equity investment of the legal entity's total paid-in capital

(percentage)

Line of business

(list lines of business/activities)

I, the undersigned, hereby certify and attest to the authenticity and completeness of the information presented in this Summary.

Signature of the individual founder

Annex 6
to the Regulations on Banking License
and Permit Application Procedures

Photo

Administrator's

CURRICULUM VITAE*

1. Name

(last name)

(first name)

(patronymic)

2. Address

(country)

(city/region)

(zip-code)

3. Date of birth

(day)

(month)

(year)

4. Place of birth

(country)

(city/region)

5. Citizenship

(country)

6. Serial number and letters and issuing authority of identification document

7. Telephone number(s)

(home)

(office)

(mobile)

8. Fax number(s) (if available)

9. E-mail address(es) (if available)

* All information presented in this CV should cover activities conducted both in Azerbaijan Republic and foreign countries.

All fields of the CV are mandatory. Please make a note if no information is available for a field.

10. Marital status

Immediate family (spouse, parents, including spouse's parents, grandparents, children, including foster children, siblings):

Full name	Date of birth	Relation

11. Used or changed last names and first names

Specify all other past names, why they were used or changed, as well as how long they were used (pre-nuptial last name, last name in previous marriages, legally and otherwise changed last names, etc.).

Full name	Period of use	Causes of use/change

12. Residence summary

Provide a chronological summary of all places of residence in the past five years (descending from the latest).

Country	City/Region	Street	Zip code	Period of residence	
				from month/year	to month/year

13. Education and professional record

a) Provide a summary of education background

School	Period of education	Major	Number of diploma or other certificate of education

b) List your degrees, titles and publications

Degree, date acquired and number of documentary evidence	Scientific title(s)	Scientific publications

c) Provide any other information you consider important for determining your level of expertise and qualification (e.g., domestic or international seminars, training courses, symposiums and other events).

14. Summary of knowledge

Is the candidate knowledgeable in any of the areas presented below, and, if so, to what extent?

Areas of knowledge *	Level of knowledge			
	excellent	good	satisfactory	none
Banking laws of Azerbaijan Republic				
Civil and tax laws related to banking				
Banking supervision standards				
Corporate governance standards				
Bank reporting and accounting				
Lending practices				
Internal controls and audit				
Payment systems and information technologies				
Currency regulation in Azerbaijan Republic				

15. Military service

Provide the following information about your military service.

Armed forces	Army branch	Rank	Duration of service		Military Commissioner's Office of your registration
			From month/year	To month/year	

If you have not served in the military, please provide a detailed explanation (e.g., the kind of illness,

* The list of areas of knowledge presented in the table is not exhausting and may be expanded by the respondent.

duration of education, etc.) of the reasons (illness, family situation, education, etc.)

16. Employment summary

a) Please provide the following employment or self-employment details in a chronological order (from the latest employment going back). Specify all periods of unemployment and reasons for each termination of employment.

1. Name of entity:

2. Address:

Country

City/Region

Street

Zip-Code

Full name of employer:

Position of employer:

Telephone number:

Your position:

Duration of employment: from _____ to _____

Reasons for termination of employment:

(please describe any instances of employment termination where you were dismissed or offered to resign)

Self-employment:

b) Provide details of your banking experience, including the number of employees under your charge, decision-making authorities with respect to lending, investment and other important issues.

c) Have you ever been dismissed from the position of an administrator at any bank, branch office or department at the Central Bank's demand for replacement for a period of no less than three years? (except reinstatements upon effective court rulings) _____

(Yes/No)

17. Miscellaneous

a) If applicable, please provide the following information about the bank, other financial institution or holding company where you have served (previously and currently) as a member of the Supervisory Board, Audit Committee, Management Board or other executive officer, employee, or a significant shareholder (a direct or indirect holder of a share constituting 10 or more percent of the equity or voting shares, or providing ability to exercise significant influence on decisions of a legal entity where such holder owns a share under a contract).

Name and address of entity	Ownership form	Line of business	Position/Relationship	Amount of shares (equity investment) and percentage of paid-in capital (%)	Period of relationship	
					From month/year	To month/year

b) If applicable, please provide the following information about legal entities (limited liability company, joint stock company, partnership, etc.) where you have served as a member of the Supervisory Board, Inspection Committee (Audit Committee, Inspectorate), Management Board or other executive officer, employee, or a significant shareholder (a direct or indirect holder of a share constituting 10 or more percent of the equity or voting shares, or providing ability to exercise significant influence on decisions of a legal entity where such holder owns a share under a contract). Do not repeat information provided in the section above.

Name and address of entity	Ownership form	Line of business	Position/Relationship	Amount of shares (equity investment) and percentage of paid-in capital (%)	Period of relationship	
					From month/year	To month/year

c) Please provide information about persons who have significant equity investments in a legal entity that has a significant equity investment in the bank.

Names and addresses of significant shareholders	Line of business of significant shareholders	Amount of shares (equity investment) and percentage of paid-in capital (%)	Period of relationship

d) Has your application for any of the following ever been rejected and have you ever revoked your application of your own accord after having received a formal or informal notice of the planned rejection?

	Yes	No
<ul style="list-style-type: none"> • foundation of a financial institution (credit institution, insurance company, etc.) • acquisition of a financial institution or its parent institution • acquisition of a significant equity investment in any financial institution 		

If any of the above questions is answered affirmatively, please specify the reasons of the rejection or revocation of the application, the relevant state authority, application date and other related details.

d) If applicable, please provide detailed information about any instances of cancellation of a permit, certificate or license because of forged or false information contained in the documents submitted to any supervisory or regulatory authority in order to acquire a permit, certificate or special permit (license) for legal entities where you have served as a member of the Supervisory Board, Inspection Committee (Audit Committee, Inspectorate), Management Board or other executive officer, employee, or a significant shareholder (a direct or indirect holder of a share constituting 10 or more percent of the equity or voting shares, or providing ability to exercise significant influence on decisions of a legal entity where such holder owns a share under a contract) in a period of no less than three years.

e) If applicable, please provide information about your role and duties as a member of the Supervisory Board, Inspection Committee (Audit Committee, Inspectorate), Management Board, administrator or a significant shareholder in any financial institution you were affiliated with for one year before financial sanitation, receivership, forced liquidation or bankruptcy proceedings were applied against such institution.

f) If, in the past 3 years, you have been the chief executive officer of a legal entity, the financial statements of which external auditors or controllers appointed in accordance with the applicable laws, refused to sign or signed with qualifications, please provide detailed information about such facts.

g) Have you ever failed to perform in terms of loan payments, collateral, delinquency or other loan-related obligations associated with a loan you took for personal purposes from a financial institution or with a loan from a financial institution that represented you or employed you, or a loan, upon which you acted as an assignee? If so, please provide detailed information about such facts.

h) If applicable, if any criminal investigation was carried out in the past 10 years in connection with the activities of any legal entity where you have served as a member of the Supervisory Board, Inspection Committee (Audit Committee, Inspectorate), Management Board or other executive officer, employee, or a significant shareholder (a direct or indirect holder of a share constituting 10 or more percent of the equity or voting shares, or providing ability to exercise significant influence on decisions of a legal entity where such holder owns a share under a contract), please specify in what capacity you were involved in such an investigation (indicted, witness, etc.).

j) If applicable, please provide the following information about non-governmental organizations, of which you are a shareholder or a member.

Name and address of organization	Activity	Position/Relationship

k) If you have any information to ascertain that you are a fit and proper person or a professional, please provide such information.

I, the undersigned, hereby certify the authenticity of the information contained in this curriculum vitae, and undertake to inform the Central Bank of Azerbaijan Republic of any changes that may be made to this information.

Signature:

Date:

Annex 7
to the Regulations on Banking License
and Permit Application Procedures

**STATEMENT
OF
CIVIL INTEGRITY**

(full name)

I hereby confirm that none of the following facts exists:

1. Significant/major shareholders, chief executive officers of the legal entity, as well as the chief executive officers of the bank's subsidiaries:
 - have not been convicted for a premeditated crime.
2. Administrator:
 - has no criminal convictions, no record of criminal liability for grave and especially grave property and economic activity-related crimes, is not subject to any court-ruled ban for the relevant office or profession, has not been declared bankrupt by the court.

(signature)

(date signed)

Annex 8
to the Regulations on Banking License
and Permit Application Procedures

_____ (name of bank)

_____ (bank's administrative body)

PROTOCOL No. _____

(EXCERPT FROM PROTOCOL No. _____*)

Baku city

« _____ » _____

Chaired by:

(full name and position)

Attendees: (full names and equity investments of shareholders)

Invitees: (full names and positions)

Meeting Agenda.

1. _____
(topics, full names of speakers)

2. _____

3. _____

Issues discussed: (description of the issue, full names of speakers and discussion participants).

Speakers: (brief description of reports and deliberations).

Decisions: (decisions made or a full written description of the issue-related project rejected)

1. _____

Pro:

Con:

2. _____

Pro:

Con:

3. _____

Pro:

Con:

* The excerpt from protocol shall be certified with the signatures of the meeting chairperson and secretary, indicating their full names, the «correct» note and the date of the note, and the bank's corporate seal.

Chairperson _____
(full name) (signature)

Secretary _____
(full name) (signature)

Annex 9
to the Regulations on Banking License
and Permit Application Procedures

(name of bank)

BUSINESS-PLAN*

* Note: This form contains minimum requirements. Every bank is free to develop its Business-Plan in an extended and more descriptive format.

I. Table of contents.

- Name of the bank.
- Summary of incorporation.
- Address of the bank.
- Paid-in capital of the bank.
- Contact person for discussion of the Business-Plan.

II. Commercial Strategy.

- Provide a substantiated description of the bank's business strategy. Specify and describe in detail every strategic area.
- Marketing strategy. The marketing strategy should describe the bank's projected revenues, segments in which the bank is going to operate, number and structure of customers (physical persons and legal entities, individuals and corporate entities, other market actors, state and privately owned legal entities, government and non-government organizations, residents and non-residents, other categories of customers), and anticipated level of earnings. A detailed economic description of the bank's market should be provided. This section should discuss in detail the chief assumptions used for market analysis, economic and competitive component planning employed in developing the marketing strategy, and the foundations of such assumptions.
- Service strategy. List and describe the projected general terms and conditions of banking financial instruments and services, including the bank's subsidiary activities. Describe how the bank is going to offer financial instruments and services; specify which financial instruments will be used for various market actors and describe their differences; and describe the timeframes and costs associated with provision of each financial instrument and service.
- Describe the scope and conditions of transactions with related parties and persons acting on behalf of related parties.
- Deposit policy. Describe the main objectives and components of the bank's deposit policy. The deposit policy should describe the sources, origin, term, economic geography of funding and the effectiveness of financial instruments to be used. Provide a description of measures to identify, measure and minimize risks associated with deposit-taking activities.
- Lending and investment policy. Describe the main principles and forms of implementation of the lending and investment policy. Specify and substantiate what competitive market lending instruments are going to be used. Provide a description of the loan and investment portfolio's structure (by maturity, exposure to risk, collateralization, origin and economic geography).
- Interest rate policy. Describe the procedures for identification and calculation of interest rates and commission fees to be applied to deposits, loans, investments and other areas of business. Provide a description of an action plan to mitigate the adverse effects of market interest rate fluctuations.
- Information technologies. Provide a description and analysis of equipment, computer hardware and software to be used in the bank's operations. Describe the data/information flow and security chart.
- Staffing policy. Provide a detailed description of human resources planning, qualification requirement, training planning, human resources management standards, recruitment and dismissal standards, performance appraisal, motivation and other arrangements.

III. Lines of business of the bank.

- Describe and substantiate the lines of business of the bank, including non-traditional

activities.

IV. Organizational structure

- Provide a description of the organizational structure and chart, along with the objectives, activities and responsibilities of each business unit, as well as the number of staff to be employed in these units (including branch offices and divisions). Describe and substantiate the connections between business units.
- Describe activity plans, procedures and division of authorities of each business unit within the bank's overall management and administration scheme.

V. Internal Control and Audit Systems.

Describe

- Management support;
- Accurate and timely preparation and delivery of information required for the Supervisory Board and Management Board;
- Inspection of the bank's compliance with the existing laws and internal policies (guidelines, plans, by-laws, etc.);
- Compliance with the risk identification, evaluation, management and minimization activity plans;
- Identification of causes of deficiencies in the bank's operations and follow-up on the measures to remove such deficiencies;
- Auditing procedures for asset security, integrity of financial and operations accounting, improvement of operating effectiveness, as well as compliance evaluation;
- Internal audit system and procedures.

VI. Financial projections for three years.*

- Balance sheet:

Assets	Year One	Year Two	Year Three
Cash			
Due from the Central Bank			

* Financial projections presented for a branch office's operations should only contain items and sections related to the branch office.

Due from credit institutions			
Securities and investments			
Total loans and leases to customers			
Loan loss reserves			
Net loans and leases to customers			
Fixed assets (less depreciation)			
Accrued receivable interest			
Intangible assets (less depreciation)			
Other assets			
Total assets			
Liabilities			
Demand deposits			
Term deposits			
Due to credit institutions			
Due to the Central Bank			
Other borrowed liabilities			
Accrued payable interest			
Subordinated debt			
Other liabilities			
Total liabilities			
Capital			
Ordinary stock			
Preferred stock			
Surplus			
Asset revaluation			
Retained earnings			
Total capital			
Total liabilities and capital			

- Income Statement

Interest income	Year One	Year Two	Year Three
Interest on loans to customers			
Due from the Central Bank and credit institutions			
Claims on securities			
Financial leases			
Total interest income			

Interest expenses			
Interest on deposits			
Interest on loans from the Central Bank			
Interest on loans from credit institutions			
Interest on securities			
Other interest expenses			
Total interest expenses			
Net interest income (loss)			
Non-interest income			
Commission fees			
Income from equity investments in other legal entities			
Other non-interest income			
Non-interest expenses			
Salary and allowances			
Fixed asset expenses			
Other operating and non-interest expenses			
Total non-interest expenses			
Net operating profit (loss)			
Provisions to loss reserves (expenses)			
Net profit (loss) before tax and contingency non-banking expenses			
Net profit (loss) before tax			
Tax expenses			
Net profit (loss) after tax			
Contingency items			
Net income for the period			

- Cash Flow Statement

Cash flow from operating activities	Year One	Year Two	Year Three
Net interest and commission fees received (paid)			
Dividends received			
Income (loss) from dealing transactions			
Income (loss) from foreign exchange transactions			
Receipts from other transactions			
Salary and allowances			
Administrative expenses			

Other operating expenses			
Increase (decrease) in operating assets			
Required reserves held with the Central Bank			
Due from credit institutions			
Loans to customers			
Other assets			
Increase (decrease) in operating liabilities			
Due to the Central Bank and credit institutions			
Due to customers			
Other liabilities			
Net cash flow from operating activities before profit tax			
Profit tax expense			
Net cash flow from operating activities			
Cash flow from investment activities			
Net securities purchased (sold)			
Equities purchased (sold)			
Fixed assets purchased (sold)			
Intangible assets purchased (sold)			
Net cash flow from investment activities			
Cash flow from financing activities			
Dividends paid			
Certificates of deposit issued (repurchased, long-term)			
Debt obligations issued (repurchased, long-term)			
Equities issued (repurchased)			
Net cash flow from financing activities			
Decrease/Increase in cash and cash equivalents			
Cash and cash equivalents at year-start			
Cash and cash equivalents at year-end			