



Appendix 5

NOTES TO FINANCIAL STATEMENTS (Form 5)

30 June 2017

ARMBUSINESSBANK CJSC, RA, YEREVAN, 48 NALBANDYAN

Note 1. Legal Environment and Corporate Governance

"Armbusinessbank" CJSC, former "Arminvestbank" CJSC (hereinafter the Bank) was founded in 1991, and it is a closed joint-stock company that operates in accordance with the legislation of the Republic of Armenia (hereinafter RA): The Bank was registered on 10.12.1991 by the RA Central Bank (hereinafter, CBA). The license number is 40.

The Bank accepts deposits from and extends loans to the population, makes transfers within the territory of Armenia and abroad, conducts currency conversion operations, as well as renders other banking services to corporates and individuals.

The Bank's head office and 23 branches are located in Yerevan, 22 branches are located in different regions (marzes) of Armenia, and 7 branches – in the Republic of Nagorno Karabakh.

The legal address of the Bank is: 48 Nalbandyan Street, Yerevan.

The Bank is:

- member of the Union of Banks of Armenia
- full member of global Master Card/Europay payment system
- shareholder of SWIFT system
- full member of VISA International payment system
- member of NASDAQ OMX Armenia OJSC
- member of the Union of the participants of Armenia's Mortgage Market
- Shareholder of ArCa processing center

1. Corporate governance

The Bank's managing bodies are:

- General Meeting of the Shareholders - the Supreme governing body
- The Board
- The Executive Board and the Chairman of the Executive Board

a) The Board

Chairman of the Board – Vitaly Grigoryants

Board Members – Sergey Arzumanyan

Diana Grigoryan

Sevak Petrosyan

Alik Chirkinyan

b) The Executive Board

Chairman of the Executive Board - Arsen Mikayelyan

Members of the Executive Board

Manvel Sahakyan - Deputy Chairman of the Executive Board-
Director of Financial Department

Vardan Aghajanyan - Deputy Chairman of the Executive Board-
Director of Operations Department

Nshan Grigoryan - Deputy Chairman of the Executive Board -Director
of Credit Department

Narine Sargsyan - Chief Accountant

Vahan Melkonyan - Director of Treasury Department - Chief Treasurer

Ani Ghambaryan -Director of Risk Management Department

c) Major Participants

Vitaly Grigoryants – 100 %

d) Management Remuneration Policy

Remuneration of the Management is provided in accordance with signed employment contracts and the staff list approved by the Board of the Bank.

Note 2. Accounting Policy

2.1 Preparation of financial statements

The Bank prepares its financial statements in accordance with the International Financial Reporting standards (IFRS), other legal acts regulating the accounting, and the requirements of the accounting policy approved by the Board of the Bank.

2.2 Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Bank's assets should be realised and obligations met during the time of the Bank's operation.

2.3 Comparability

The comparable numbers have been adjusted where required to ensure the comparability with the numbers of the current period.

2.4 Recognition of income and expense

2.4.1 Interest income and expense

Interest income and interest expense in the Statement of Comprehensive Income are recognized on the accrual basis using the effective interest method.

2.4.2 Commissions and other income and expense

Loan origination fees together with correspondent expenses are deferred as an adjustment to the effective yield of the loans. Fees, other income and expense are recognized on an accrual basis during the time of service provision.

2.5 Foreign currency transactions

Foreign currency transactions are translated to the functional currency using the exchange rate as of the transaction date. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency using the exchange rate established as of the balance sheet date.

Gain and loss resulting from the difference between the exchange rate provided by the contract concerning the transaction and the exchange rate as of the transaction date are accounted for in the Statement of Comprehensive Income as a line item "net income from sale and purchase of foreign currency" in net trading income.

The following exchange rates were used by the Bank when preparing the financial statements:

	30 June 2017	31 December 2016
AMD/1 US Dollar	480.47	483.94
AMD/1 EUR	548.12	512.2

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand amounts of correspondent banks, balances with the CBA (excluding funds deposited for the settlement of ArCa payment cards), which can be converted into cash at short notice and which are subject to an insignificant risk of changes in value.

2.7 Amounts due from other banks

In the normal course of business, the Bank maintains current and deposits accounts opened with other banks for various periods of time.

2.8 Securities

On initial recognition, financial assets available for sale are accounted for at initial cost and thereafter remeasured at fair value. When revaluing at fair value, the revaluation result is reflected in the equity

2.9 Loans and advances to customers

Loans and advances are financial assets with fixed payments, which arise when the Bank provides money directly to a debtor with no intention of trading the receivable. Loans granted by the Bank with fixed maturities are initially recognized at fair value plus related transaction costs. Subsequently, loans and advances are measured at amortized cost using the effective interest method. Loans and advances to customers are carried net of any allowance for impairment losses.

2.10 Leasing

Lease payments under an operating lease are recognised in the statement of financial results as expenses on a straight-line basis over the lease term.

2.11 Possible losses reserve

The Bank makes an impairment assessment for financial assets or a group of financial assets as of the each balance sheet date.

2.12 Intangible assets

Intangible assets include computer software, licences and similar items. Intangible assets acquired separately are initially recognized at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation or impairment losses. Intangible assets can have either an identifiable or indefinite useful life. Intangible assets with identifiable useful lives are amortized on a straight-line basis over their useful life, that is 15 years. Intangible assets with indefinite useful lives are not amortized, they are reassessed each year for impairment.

2.13 Property, plant and equipment

Property, plant and equipment ("PPE") are recorded at historical cost less accumulated depreciation.

Depreciation is calculated using the straight-line method based on the estimated useful life of the asset. The following depreciation annual rates have been applied:

	Useful life	Rate
	(years)	(%)
Buildings	30	3.33
Computers	3	33.3
Transportation means	5	20
Automatic teller machines	10	10
Other PPE	5	20
Property and office equipment	5	20

Leasehold improvements are capitalized and depreciated over the shorter of the lease term and their useful lives on a straight-line basis.

The expenditures as regards PPE repairs and maintenance are recognized as an expense in the statement of financial results during the period in which they are incurred.

2.14 Financial instruments

The Bank implements measurement, recognition, use and accounting for the financial instruments according to the order established by the RA legislation as well as the regulations, decrees, orders and acts issued by the Bank.

2.15 Events occurring after the balance sheet date

2.15.1 In case material errors revealed by the auditor result from the differences between the requirements of the International Accounting Standards and RA legislation, then the accounting records are made in accordance with the decisions taken by the managing bodies of the Bank.

2.15.2 In case material errors appear or are revealed after publication of the Bank's annual financial statements according to the established order, then no adjustments are made, and it is considered that repeated presentation of similar information is impracticable.

2.16 Taxation

Income tax on the profit for the reporting year comprises current and deferred taxes. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to taxes paid in respect of previous years. Deferred taxes are calculated taking into account all the temporary differences arising between carrying values of assets and liabilities recognized in the financial statements and the amounts calculated for taxation purposes.

The Bank pays also other taxes during the course of its activity. These taxes are included as a component of other expenses in the statement of comprehensive financial results

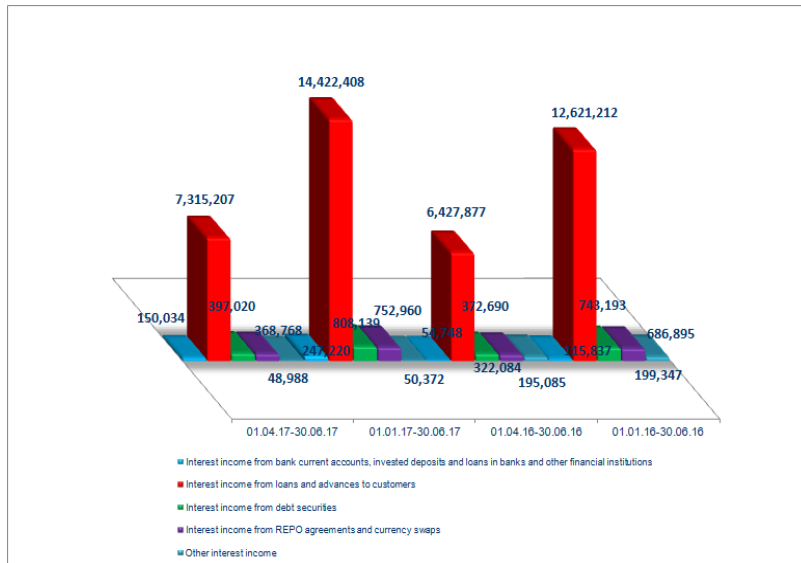
2.17 Functional and presentation currency

The national currency of the Republic of Armenia is RA Dram (AMD). For the purposes of these financial statements, RA Dram is the presentation currency as well.

The intermediary financial statements are presented in thousands of AMD.

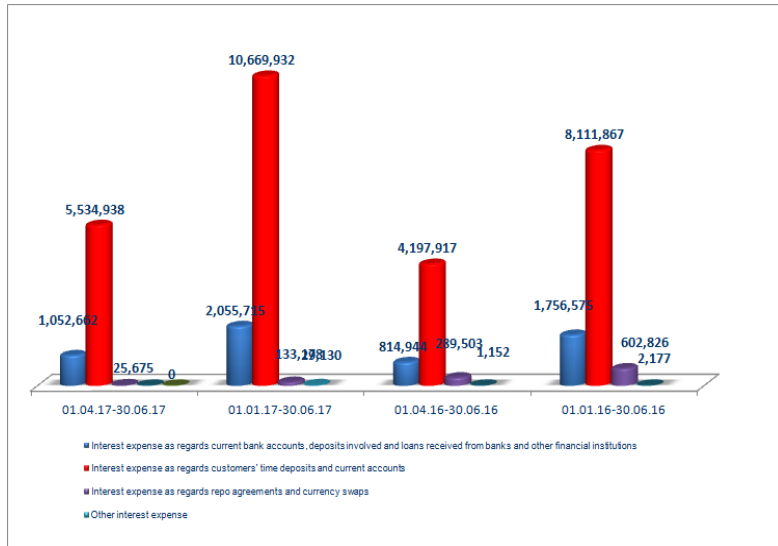
Note 3. Net Interest and Similar Income

Interest and Similar Income	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	150,034	247,220	54,748	115,837
Interest income from loans and advances to customers	7,315,207	14,422,408	6,427,877	12,621,212
Interest income from debt securities	397,020	808,139	372,690	743,193
Interest income from REPO agreements and currency swaps	368,768	752,960	322,084	686,895
Other interest income	48,988	50,372	195,085	199,347
Total	8,280,017	16,281,099	7,372,484	14,366,484



Interest and Similar Expense	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	1,052,662	2,055,715	814,944	1,756,575

Interest expense as regards customers' time deposits and current accounts	5,534,938	10,669,932	4,197,917	8,111,867
Interest expense as regards securities issued by the Bank	14,263	24,189		
Interest expense as regards repo agreements and currency swaps	25,675	133,178	289,503	602,826
Other interest expense	0	29,130	1,152	2,177
Total	6,627,538	12,912,144	5,303,516	10,473,445
Net interest and similar income	1,652,479	3,368,955	2,068,968	3,893,039



Note 4. Income and Expense in the form of Commissions and Other Fees

Income in the form of Commissions and Other Fees	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Cash operations	72,111	128,939	79,828	124,126
Settlement services	209,568	341,312	134,064	221,103
Guarantee, acceptance, letter of credit, trust management operations	42,718	106,470	59,712	131,369
Transaction in foreign currency and securities				
Plastic card operations	198,929	335,659	130,793	268,022
Other commission payments	214,700	451,936	192,323	353,063
Total	738,026	1,364,316	596,720	1,097,683

Expenses in the form of Commissions and Other Payments	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
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Commission payments as regards correspondent and other accounts/bank transactions	49,706	102,091	48,027	88,030
Commission payments as regards transactions with plastic cards/cash transactions	25,746	46,300	50,724	105,717
Payments as regards guarantees, acceptance, letters of credit, trust management transactions	4	4	104	135
Commission payments as regards transactions in foreign currency and securities				
Other commission payments	2,725	6,481	3,300	6,070
Total	78,181	154,876	102,155	199,952

Net Commissions and other payments received	659,845	1,209,440	494,565	897,731
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Note 5. Net income from trading transactions

Income from investments remeasured at fair value and held at fair value	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	0	24,689	-30,791	-175,371
Net income from change in fair value of investments held for trading				
Total	0	24,689	-30,791	-175,371

Net income from investments available for sale	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities			19	19
- derivative instruments				
Net income from change in fair value of investments held for trading				
Total	0	0	19	19

From foreign currency transactions	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Net income from foreign currency dealings	325,399	657,870	261,221	548,405
Net income from foreign currency revaluation	-2,286	-24,264	11,523	98,765
Total	323,113	633,606	272,744	647,170

From bank standardized precious metal bullions and commemorative coins	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	2,403	4,059	4,708	8,208
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	-3,846	23,005	20,200	61,540
Total	-1,443	27,064	24,908	69,748

Net income from trading transactions	321,670	685,359	266,880	541,566
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Note 6. Other operating income

Other operating income	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Fines and penalties received	544,865	1,063,096	396,811	759,025
Income received from factoring	862	2,722	10,276	23,580
Net income from disposal of PPE and intangible assets	14,753	15,341	168	859
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	59,128	126,169	45,352	465,796
Total	619,608	1,207,328	452,607	1,249,260

Note 7. Net allocations to the assets possible loss reserve

As regards amounts due from banks		01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Opening balance	Note 14	59,187	59,187	79,579	79,579
Allocations to the reserve		466,387	466,387	0	0
Return of reserve allocations		-463,918	-463,918	-79,579	-79,579
Net allocations to the reserve		2,469	2,469	-79,579	-79,579
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
Closing balance		61,656	61,656	0	0

As regards amounts due from financial Institutions		01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Opening balance	Note 14	50,554	57,370	16,528	16,528
Allocations to the reserve		23,473	38,300	0	0
Return of reserve allocations		-4,841	-26,484	-16,528	-16,528
Net allocations to the reserve		18,632	11,816	-16,528	-16,528
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
Closing balance		69,186	69,186	0	0

As regards loans and advances provided to the customers		01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Opening balance	Note 16	4,581,934	4,239,633	5,939,320	5,534,149
Allocations to the reserve		1,809,900	3,772,732	2,377,047	4,130,985
Return of reserve allocations		-1,150,274	-2,509,326	-2,211,194	-3,091,550
Net allocations to the reserve		659,626	1,263,406	165,853	1,039,435

Return of amounts previously written-off to the off-balance sheet		448,761	988,464	240,903	769,911
Reserve utilization		-550,776	-1,351,958	-2,191,447	-3,188,866
Closing balance		5,139,545	5,139,545	4,154,629	4,154,629

As regards investments		01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16	
Opening balance	Note 18	1,235	1,235	21,895	21,895	
Allocations to the reserve		0			0	
Return of reserve allocations		0		-21,895	-21,895	
Net allocations to the reserve		0	0	-21,895	-21,895	
Return of amounts previously written-off to the off-balance sheet						
Reserve utilization						
Closing balance			1,235	1,235	0	0

As regards other assets		01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16	
Opening balance	Note 18	545,337	545,321	528,989	160,082	
Allocations to the reserve		1,193,844	2,439,106	1,197,595	2,010,303	
Return of reserve allocations		-1,179,756	-2,431,523	-1,208,742	-1,649,692	
Net allocations to the reserve		14,088	7,583	-11,147	360,611	
Return of amounts previously written-off to the off-balance sheet		5,009	21,421	351	5,661	
Reserve utilization		-5,826	-15,717	-444	-8,605	
Closing balance			558,608	558,608	517,749	517,749

As regards off-balance sheet items containing credit risk		01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16	
Opening balance	Note 34	576,166	591,471	131,186	335,674	
Allocations to the reserve		169,898	277,237	204,666	335,852	
Return of reserve allocations		-112,962	-235,606	0	-335,674	
Net allocations to the reserve		56,936	41,631	204,666	178	
Closing balance			633,102	633,102	335,852	335,852

Total net allocations to the reserves		751,751	1,326,905	241,370	1,282,222
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Note 8. General administrative expenses

General administrative expenses	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Expenses as regards calculated salary and other equivalent payments *	839,988	1,684,630	761,363	1,538,677
Expenses as regards social payments	0	0	0	0
Expenses as regards training and tuition	5,228	5,278	190	371
Expenses as regards business trips	31,975	48,539	23,623	31,837
Expenses as regards operating lease	41,988	82,840	39,400	76,302
Insurance expenses	13,619	31,008	13,400	22,214
Expenses as regards maintenance and security of Bank's equipment	56,765	87,088	33,538	60,967
Expenses as regards maintenance and security of Bank's buildings	65,648	149,604	58,998	137,937
Expenses as regards audit and other consulting services	10,209	16,946	2,500	17,094

Expenses as regards communication means	29,273	56,674	23,486	46,529
Transportation expenses	15,301	29,262	15,871	28,756
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	73,752	131,952	63,845	127,904
Office and organizational expenses	13,574	27,533	14,876	30,390
Expenses as regards loans provision and return	17,314	35,110	15,569	27,491
Other administrative expenses	98,786	144,103	65,036	119,747
Total	1,313,420	2,530,567	1,131,695	2,266,216

The number of the Bank employees as at 30 June 2017 is 875.

The size of average monthly salary per employee is 207 thous. drams.

Note 9. Other Operating Expenses

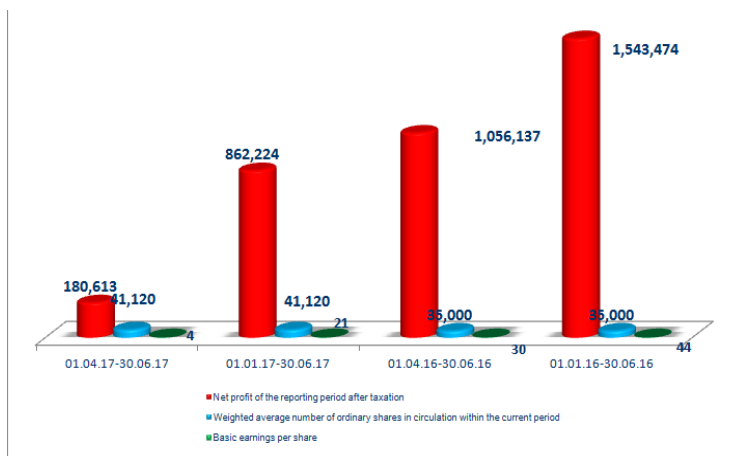
Other Operating Expenses	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Fines and penalties paid	75	437	0	500
Advertising and representation expenses	65,482	120,185	55,557	106,683
Fcatoting expenses				
Fixed and intangible assets amortization expenses	247,233	492,308	238,356	481,165
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	301,108	441,199	77,239	149,477
Other expenses	329,145	472,995	245,516	374,655
Total	943,043	1,527,124	616,668	1,112,480

Note 11. Profit Tax Expense

Profit tax expense	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Current tax expense	64,775	224,262	218,183	358,237
Adjustments of current tax for previous periods recognized in the given period				
Deferred tax expense			18,967	18,967
Total	64,775	224,262	237,150	377,204

Note 12. Basic Earnings per Share

Basic Earnings per Share	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Net profit of the reporting period after taxation	180,613	862,224	1,056,137	1,543,474
Dividends calculated for the current reporting period as regards preference shares	()	()	()	()
Net gain/loss for the current period attributable to the owners of the ordinary shares				
Weighted average number of ordinary shares in circulation within the current period	41,120	41,120	35,000	35,000
Basic earnings per share	4	21	30	44
Diluted earnings per share				



Note. Other Comprehensive Income

Other Comprehensive Income	01.04.17-30.06.17	01.01.17-30.06.17	01.04.16-30.06.16	01.01.16-30.06.16
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets available for sale	194,238	206,785	328,346	534,271
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
Total	194,238	206,785	328,346	534,271

Note 13. Cash means, Cash Equivalents and Balances with the RA Central Bank

Cash, cash equivalents and balances with the CBA	Reporting period	Previous period
Cash means	4,425,919	5,214,643
Other placements of cash	2,166,970	2,462,787
Correspondent accounts with the CBA *	66,978,998	52,081,824
Total	73,571,887	59,759,254
Deposit accounts with the CBA		
Deposited means with the CBA **	120,000	220,000
Accrued interest		
Cash means and balances with the CBA	73,691,887	59,979,254
Standardized precious metal bullions	228,125	44,555
Placements with other banks (Note 14)	6,104,230	5,942,615
Total cash and cash equivalents	80,024,242	65,966,424

* Correspondent accounts with the CBA include funds calculated against amounts involved by the Bank according to the RA bank legislation, subjected to obligatory provisioning

** The deposited amount with CBA represents an insured deposit for settlements realized through ArCa payment system

Note 14. Amounts due from banks and other financial institutions

Current accounts	Reporting period	Previous period
RA banks	3,306	2,482
Banks with BBB – (Baa3) and higher rating	1,162,968	3,306,789
Banks with no rating and rating below BBB-(Baa3)	937,086	146,630
Accrued interest	0	0
Total	2,103,360	3,455,901

Interbank loans and deposits, etc.		
CBA		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Other		
RA Banks		
Loans and deposits	998,768	0
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	22,848
Letters of credit and bank guarantees		
Other		
Banks with BBB – (Baa3) and higher rating		
Loans and deposits	874,800	1,142,600
Factoring		
Financial lease		
RA Banks		
RA Banks	0	0
Letters of credit and bank guarantees		
Other	0	0
Banks with no rating and rating below BBB-(Baa3)		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	0
Letters of credit and bank guarantees		
Other	2,188,720	1,320,765
Accrued interest	238	501
Total	6,165,886	5,942,615
Reserve for possible losses as regards amounts due from Banks (Note 7)	-61,656	-59,187
Net amounts due from banks	6,104,230	5,883,428

Loans and deposits with financial institutions, other amounts due		
RA financial institutions	5,157,633	4,105,670
Loans and deposits	2,581,806	3,095,564
Factoring		

Financial lease		
Repo (repurchase) agreements	2,575,827	1,010,106
Swap		
Letters of credit and bank guarantees		
Other		
Financial institutions with BBB – (Baa3) and higher rating		
Loans and deposits	0	0
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
Financial institutions with no rating and rating below BBB-(Baa3)	1,746,975	1,719,590
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	1,746,975	1,719,590
Accrued interest	13,953	24,408
Total	6,918,561	5,849,668
Reserve for possible losses as regards amounts due from financial institutions (Note 7)	-69,186	-57,370
Net amounts due from financial institutions	6,849,375	5,792,298
Net amounts due from banks and financial institutions	12,953,605	11,675,726

Note 15. Financial Assets Held for Trading

Government securities	Reporting period	Previous period
RA Government securities, including		
Treasury bonds	24,258,254	21,489,071
Central Bank bonds		
Other		
Government securities of countries with BBB – (Baa3) and higher rating, including		
Treasury bonds		
Central Bank bonds		
Other		
Government securities of countries with no rating and rating below BBB-(Baa3)		
Treasury bonds		
Central Bank bonds		
Other		
Total Government securities	24,258,254	21,489,071

Non-government securities of RA	Listed	Non-Listed	Listed	Non-Listed
Issuer with A-/A3/ and higher rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				

Equity instruments				
Other				
Issuer with "C" and higher rating by CBA				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Issuer with BBB+/Baa1/ and below rating, other rating and no rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Total non-government securities of RA held for trading	0	0	0	0

Non-government securities of other countries	Listed	Non-Listed	Listed	Non-Listed
Issuer with A-/A3/ and higher rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Issuer with BBB+/Baa1/ and below rating, other rating and no rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Total non-government securities of other countries held for trading	0	0	0	0

Total securities held for trading	24,258,254	21,489,071	0	0
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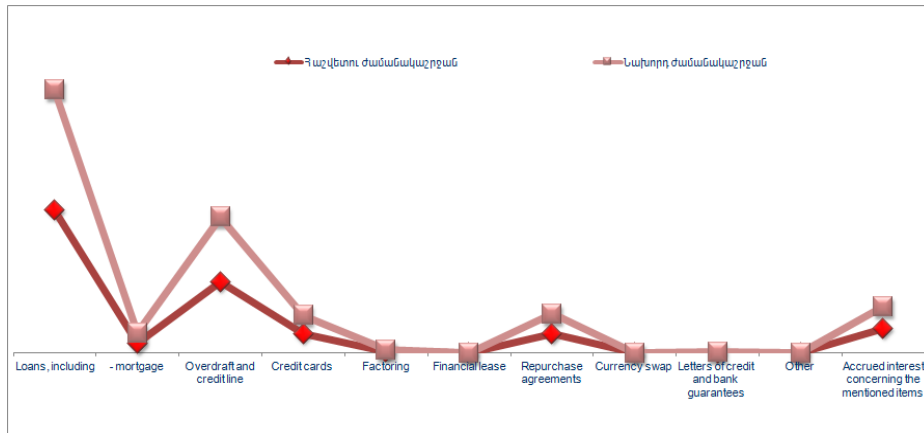
Other financial assets held for trading	Reporting period	Reporting period	Previous period	Previous period
Loans, factoring, accounts receivable				
Borrowers with A-/A3/ or higher rating				
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating				
- Mortgage				
- Consumer loans				
- Other				
Derivative instruments	0	0	0	0
- Futures				

- Forward				
- Option				
- Swap				
- Other				
Total				

Total financial assets held for trading	24,258,254	21,489,071	0	0
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Note 16. Loans and other advances to customers

Issued loans and other advances	Reporting period	Previous period
Loans, including	159,035,720	133,002,005
- to banks		
- to RA Government		
- to local authorities		
- mortgage	10,632,852	11,178,081
Overdraft and credit line	78,947,082	71,942,871
Credit cards	21,549,832	20,000,012
Factoring	1,568,672	1,602,647
Financial lease	-	58
Repurchase agreements	21,719,677	21,719,127
Currency swap	-	-
Letters of credit and bank guarantees	326,855	365,722
Other		
Accrued interest concerning the mentioned items	27,407,761	24,076,403
Total loans	310,555,599	272,708,845
Reserve for possible losses as regards loans and other advances to customers (Note 7)	-5,139,545	-4,239,633
Total net loans	305,416,054	268,469,212



Breakdown of Performing and Non-Performing Loans and Advances to Customers as of the End of the Reporting Period

Breakdown of performing and non-performing loans and advances provided to customers		Reporting period	Previous period
Performing loans and advances	Amount	301,354,924	266,682,352
	Quantity	59,615	59,212
Non-Performing loans and advances, including		9,200,675	6,026,493
		3247	3568
Overdue	Amount	2,815,630	2,506,503
	Quantity	1731	1922
Accrued interests			
Total loans	Amount	310,555,599	272,708,845
	Quantity	62,862	62,780
Provision for possible losses as regards loans and advances provided to customers (Note 7)		-5,139,545	-4,239,633
Total net loans		305,416,054	268,469,212

Analysis of provided loans and advances by customer group

Analysis of the provided loans and advances by customer group		Reporting period	Previous period
State enterprises		20,137,761	10,228,737
Private enterprises, including		211,489,544	187,032,804
- large enterprises		109,410,174	91,895,964
- small and medium enterprises		102,079,370	95,136,840
Natural persons, including		48,669,360	47,405,511
- consumer loans		15,073,259	14,819,947
- mortgage loans		10,616,708	11,163,025
- credit cards		21,466,171	19,989,400
Sole entrepreneurs		2,851,173	3,965,390
Accrued interest		27,407,761	24,076,403
Total loans		310,555,599	272,708,845
Provision for possible losses as regards loans and advances provided to customers		(5,139,545)	(4,239,633)
Total net loans		305,416,054	268,469,212

a) Total loans provided to major borrowers and related persons as of 31.12.2016 made AMD 146.566.317 thous, as of 30.06.2017 – AMD 161.965.060 thous.

b) Share in total loan portfolio as of 31.12.2016 made 58.83 %, as of 30.06.2017 -55.86 %

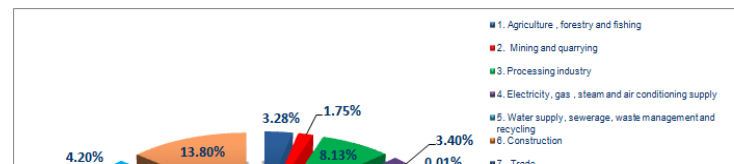
c) Percentage to Capital as of 31.12.2016 was 485.47 %, as of 30.06.2017 – 499.15 % :

Analysis of loan portfolio according to number of borrowers		Reporting period	Previous period
State enterprises		8	9
Private enterprises		358	324
Natural persons		48,700	49,185
Sole entrepreneurs		164	168
Total		49,230	49,686

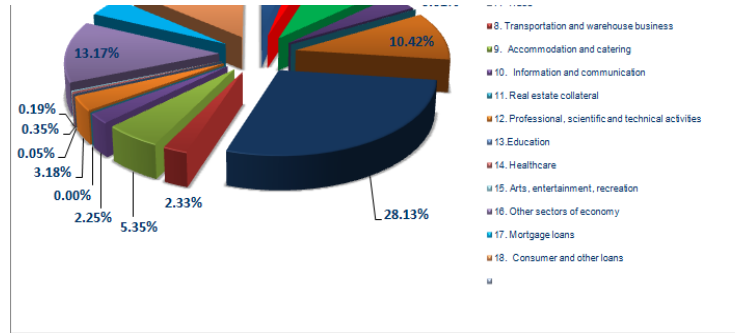
Analysis of loan portfolio according to the industry sectors (less the reserve amount for possible losses)

31.12.16

Analysis of loans and advances according to crediting sectors		Reporting period	Percentage
1. Agriculture , forestry and fishing		8,948,115	3.28
2. Mining and quarrying		4,776,865	1.75
3. Processing industry		22,173,735	8.13
4. Electricity, gas , steam and air conditioning supply		9,276,538	3.40
5. Water supply, sewerage, waste management and recycling		38,214	0.01

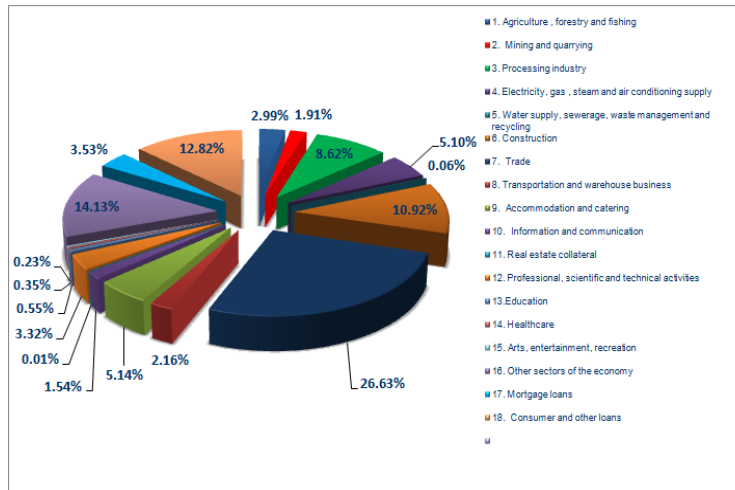


6. Construction	28,421,591	10.42
7. Trade	76,725,186	28.13
8. Transportation and warehouse business	6,343,161	2.33
9. Accommodation and catering	14,581,092	5.35
10. Information and communication	6,140,757	2.25
11. Real estate collateral	11,680	0.00
12. Professional, scientific and technical activities	8,672,078	3.18
13. Education	129,492	0.05
14. Healthcare	959,104	0.35
15. Arts, entertainment, recreation	507,394	0.19
16. Other sectors of economy	35,916,030	13.17
17. Mortgage loans	11,457,750	4.20
18. Consumer and other loans	37,630,063	13.80
Total	272,708,845	100



30.06.2017

Analysis of loans and advances according to crediting sectors	Previous period	Percentage
1. Agriculture, forestry and fishing	9,285,203	2.99
2. Mining and quarrying	5,932,809	1.91
3. Processing industry	26,756,174	8.62
4. Electricity, gas, steam and air conditioning supply	15,827,875	5.10
5. Water supply, sewerage, waste management and recycling	191,040	0.06
6. Construction	33,907,363	10.92
7. Trade	82,701,020	26.63
8. Transportation and warehouse business	6,706,879	2.16
9. Accommodation and catering	15,976,207	5.14
10. Information and communication	4,767,683	1.54
11. Real estate collateral	35,884	0.01
12. Professional, scientific and technical activities	10,302,303	3.32
13. Education	1,712,516	0.55
14. Healthcare	1,079,621	0.35
15. Arts, entertainment, recreation	699,827	0.23
16. Other sectors of the economy	43,888,131	14.13
17. Mortgage loans	10,961,244	3.53
18. Consumer and other loans	39,823,820	12.82
Total	310,555,599	100

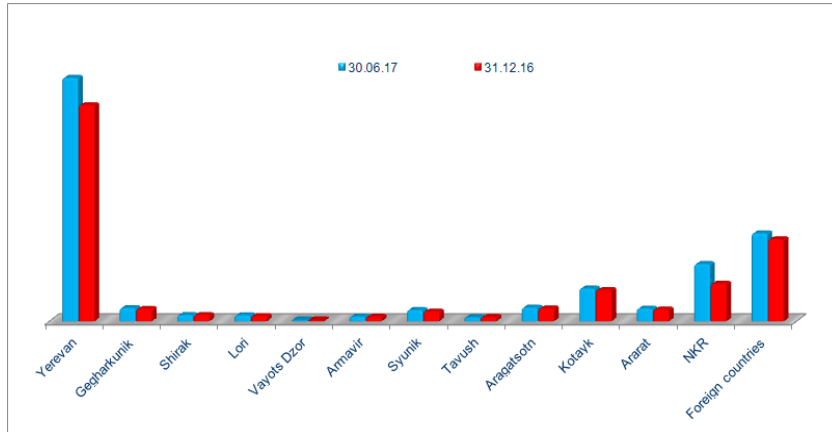


Analysis of the loan portfolio as regards customers' residency

Analysis of the loan portfolio as regards customers' residency	Reporting period	Percentage	Previous period	Percentage
RA residents	251,121,692	82.22	217,919,540	81.17
Non-residents	54,294,362	17.78	50,549,672	18.83
Total	305,416,054	100	268,469,212	100

Region (Marz)	30.06.17	Amount	31.12.16	Amount
	Quantity		Quantity	
Yerevan	15873	150,100,212	16506	133,318,074
Gegharkunik	10284	8,224,198	9707	7,647,228
Shirak	7088	3,875,082	6998	3,875,261
Lori	2995	3,752,667	2841	3,305,726
Vayots Dzor	177	838,753	195	722,985
Armavir	1955	2,904,837	1952	2,747,060

Syunik	1874	7,008,339	1882	5,981,637
Tavush	895	2,505,366	985	2,551,030
Aragatsotn	6544	8,512,184	6898	7,979,852
Kotayk	3938	20,252,002	3862	19,292,209
Ararat	5789	7,846,941	5994	7,289,448
NKR	5407	35,301,111	4919	23,209,030
Foreign countries	43	54,294,362	41	50,549,672
Total	62,862	305,416,054	62,780	268,469,212



Note 17. Financial assets available for sale

State securities	Reporting period	Previous period
State obligations	12,275,148	13,398,278
Treasury obligations	12,275,148	13,398,278
Central Bank obligations		
Promissory note		
State obligations of countries with BBB-/Baa3/ or higher rating		
Treasury obligations		
Central Bank obligations		
Other		
State securities of countries with BB+/Ba1/ or below rating or no rating		
Treasury obligations		
Central Bank obligations		
Other		
Possible loss reserve for promissory notes (Note 7)		
Total state securities	12,275,148	13,398,278

Non-state securities of RA	listed	unlisted	listed	unlisted
Issuer with A-/A3/ or higher rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				

Other				
Issuer with "C" and higher rating by CBA				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Issuer with BBB+/Baa1/ or below rating, other rating or no rating				
Long term debt instruments		638,182		928,181
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Total non government securities of RA	0	638,182	0	928,181

Non-state securities of other countries	<i>listed</i>	<i>unlisted</i>	<i>listed</i>	<i>unlisted</i>
Issuer with A-/A3/ or higher rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Issuer with BBB+/Baa1/ or below rating, other rating or no rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Total non government securities of other countries	0	0	0	0

Total securities available for sale	12,913,330	14,326,459
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Other financial assets available for sale				
Loans, factoring, amounts receivable				
Borrowers with A-/A3/ or higher rating				
Borrowers with BBB+/Baa1 and below rating, other rating and no rating				
Mortgage loans				
Consumer loans				
Other				
Total	0	0	0	0

Total financial assets available for sale	12,913,330	14,326,459
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Investments in other persons' share capital

Reporting period

Company name	Main activity	Country of registration	Investment date	Invested amount (thous. drams)	Share

1. Armenian Card CJSC	Payment and settlement services	RA	20.10.06	12143	2.00
2."ACRA Credit Reporting" CJSC	Payment and settlement services	RA	22.11.07	19845	4.0003
3. SWIFT	Payment and settlement services	Belgium	23.04.12	14034	0.00005
Total				46,022	6
Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)				-1,235	
Total				44,788	

Previous period

Company name	Main activity	Country of registration	Investment date	Invested amount (thous. drams)	Share
1. Armenian Card CJSC	Payment and settlement services	RA	20.10.06	12143	2.00
2."ACRA Credit Reporting" CJSC	Payment and settlement services	RA	22.11.07	19845	4.0003
3. SWIFT	Payment and settlement services	Belgium	23.04.12	14034	0.00005
Total				46,022	6
Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)				-1,235	
Total				44,787	

	Reporting period	Previous period
Total financial assets available for sale and investments in other companies' share capital	12,958,117	14,371,246

Note 18. Investments held to maturity

Government securities	Reporting period	Previous period
RA state bonds including		
T-bonds		
Bonds of Central bank		
Other		
Government securities of countries with BBB-/Baa3/ or higher rating, including		

T-bonds		
Bonds of Central bank		
Other		
State securities of countries with BB+/Ba1/ or below rating or no rating, including		
T-bonds		
Bonds of Central bank		
Other		
Accrued interest		
Total		

Non-government securities of RA	<i>listed</i>	<i>unlisted</i>	<i>listed</i>	<i>unlisted</i>
Issuer with A-/A3/ or higher rating, including				
- long term debt instruments				
- short term debt instruments				
- deposit certificates				
- other				
Issuer having "C-" and higher rating from CBA, including	0	0	0	
- long term debt instruments				
- short term debt instruments				
- deposit certificates				
- other			0	
Issuer with BBB+/Baa1/ and lower rating, other rating and no rating, including				
- long term debt instruments				
- short term debt instruments				
- deposit certificates				
- other				
Accrued interest				
Total	-	-	-	-

Non-government securities of other countries	<i>listed</i>	<i>unlisted</i>	<i>listed</i>	<i>unlisted</i>
Issuer with A-/A3/ or higher rating, including				
- long term debt instruments				
- short term debt instruments				
- deposit certificates				
- other				
Issuer with BBB+/Baa1/ and lower rating, other rating and no rating, including				
- long term debt instruments				
- short term debt instruments				
- deposit certificates				
- other				
Accrued interest				
Total	-	-	-	-

Impairment of investments held to maturity (reserve for possible losses) (Note 7)				
Net investments in financial assets held to maturity	0		0	0

Note 20. Property, Plant, Equipment and Intangible Assets

Property, plant and equipment

Title	Buildings	Computer & communication means	Vehicles	Other PPE	Capital investments as regards PPE	Capital investments as regards leased PPE	Total
Initial cost							
Balance at the beginning of the previous period	7,552,674	3,282,276	223,553	1,771,824	-	172,377	13,002,704
Increase	778,920	200,635	8,017	94,261	-	31,798	1,113,631
Disposal			-				-
Write-off							-
Revaluation		376		5,387			5,763
Depreciation adjustment from revaluation							-
Balance at the end of the previous period	8,331,594	3,482,535	231,570	1,860,698	-	204,175	14,110,572
Increase	16,728	254,904	56,651	97,962	-	26,572	452,817
Disposal			-				-
Revaluation*							-
Write-off	219,178		52,497	112			271,787
Depreciation adjustment from revaluation							-
Balance at the end of the reporting period	8,129,144	3,737,439	235,724	1,958,548	-	230,747	14,291,602
Accumulated depreciation							
Balance at the beginning of the previous period	580,601	2,129,651	153,103	1,162,603	-	23,829	4,049,787
Increase	291,826	287,730	33,241	191,522		5,233	809,552
Disposal							
Depreciation adjustment from revaluation							
Write-off		376		5,387			5,763
Balance at the end of the previous period	872,427	2,417,005	186,344	1,348,738	-	29,062	4,853,576
Increase	152,307	162,512	12,009	83,333		3,079	413,240
Disposal							
Depreciation adjustment from revaluation							
Write-off	3,402		50,669	112			54,183
Balance at the end of the reporting period	1,021,332	2,579,517	147,684	1,431,959	-	32,141	5,212,633
Net carrying amount							
End of reporting period	7,107,812	1,157,922	88,040	526,589	-	198,606	9,078,969
End of previous period	7,459,167	1,065,530	45,226	511,960	-	175,113	9,256,996

Intangible Assets

	Software	Licenses	Copyright	Other intangible assets	Capital investments as regards intangible assets	Total
Initial cost						
Balance at the beginning of the previous period	257,253	1,827,089	-	75,239	4,847	2,164,428
Increase	6,771	518,140		60,567	-	585,478
Disposal						-
Impairment						-
Revaluation						-
Written off		6,652				6,652
Balance at the end of previous period	264,024	2,338,577	-	135,806	4,847	2,743,254

Increase	6,771	649,832		60,567	-	717,170
Disposal						-
Revaluation*						-
Impairment						-
Written off		2,513				2,513
Balance at the end of the reporting period	264,024	2,474,408	-	135,806	4,847	2,879,085
<i>Accumulated amortization</i>						
Balance at the end of previous period	12,205	134,985	-	158	-	147,348
Increase	15,730	160,565		3,336		179,631
Disposal						-
Impairment		6,652				6,652
Revaluation						-
Balance at the end of previous period	27,935	288,898		3,494	-	320,327
Increase	23,645	222,248		6,154		252,047
Disposal						-
Depreciation adjustment from revaluation		2,513				2,513
Revaluation						-
Balance at the end of the reporting period	35,850	354,720		6,312	-	396,882
Net carrying amount						
End of reporting period	228,174	2,119,688	-	129,494	4,847	2,482,203
End of previous period	236,089	2,049,679	-	132,312	4,847	2,422,927

Note 21. Deferred tax assets

Deferred tax assets movement	Reporting period	Previous period
Balance at the beginning of the period		221,949
Increase		
Decrease		221,949
Balance at the end of the period	-	-

Note 22. Other Assets

Amounts receivable from bank transactions	Reporting period	Previous period
Dividends receivable	0	0
Amounts receivable from trust management transactions	0	0
Amounts receivable from other transactions	1,012,738	1,688,734
Total	1,012,738	1,688,734
Reserve for possible losses as regards bank transactions (Note 7)	-11,052	-16,887
Net amounts receivable from bank transactions	1,001,686	1,671,847

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	58	68
Receivables as regards suppliers		
Advance payments to the employees	327	54
Advance payments to the suppliers	1,080,322	442,524
Advance payments and overpayments as regards budget and mandator	276,990	258,520
Other receivables and prepayments	10,741,146	9,775,816
Total	12,098,843	10,476,982
Reserve for possible losses as regards other assets (Note 7)	-542,835	-526,591
Total	11,556,008	9,950,391
Other assets		
Warehouse	420,327	377,026

Seized collateral	4,121,338	4,522,347
Future period expenses	24,978	29,103
Other assets	447,573	155,240
Reserve for possible losses as regards other assets (Note 7)	-4,721	-1,843
Total	5,009,495	5,081,873
Total other assets	17,567,189	16,704,111

Note 23. Amounts due to banks and other financial institutions

Current accounts	Reporting period	Previous period
RA Banks	843,451	1,229,280
Banks with BBB-(Baa3) and higher rating		
Banks with rating below BBB-(Baa3) and no rating	113,682	45,213
Accrued interest		
Total	957,133	1,274,493
Interbank loans, deposits and other demands		
RA Central Bank		
Loans*	12,591,540	12,318,459
Repo (repurchase) agreements	26,799,996	27,999,993
Swap		
Other		
RA Banks		
Loans and deposits	0	0
Financial leasing		
Repo (repurchase) agreements	0	5,934,138
Swap	0	17,835
Other	9,049	0
BBB-(Baa3) and higher rating banks		
Loans and deposits		
Financial leasing		
Repo (repurchase) agreements		
Swap		
Other		
BBB-(Baa3) and lower rating and no rating banks		
Loans and deposits	7,688,399	7,744,868
Financial leasing		
Repo (repurchase) agreements		
Swap	0	24,621
Other	839,102	56,348
Accrued interest	306,144	325,220
Total	48,234,230	54,421,482
Financial institutions		
Current accounts	666,746	1,060,312
Loans and deposits	28,836,387	25,920,681
Repo (repurchase) agreements		
Swap		
Other	2,346	3,967
Accrued interest	435,327	190,234
Total	29,940,806	27,175,194
Total amounts due to banks and other fin. institutions	79,132,169	82,871,169

As of 30.06.2017, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 12.591.540 thous. And accrued interest amounts AMD 292.244 thous.

Note 24. Amounts due to customers

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	534,706	371,555
Time deposits		
Loans	699,402	740,954
Repo (repurchase) agreements		
Swap		
Other	39,023	46,201
Accrued interest	2,505	2,685
Total	1,275,636	1,161,395
Legal entities and institutions of RA (residents)		
Current accounts	29,924,357	22,650,857
Time deposits	33,789,454	26,079,459
Repo (repurchase) agreements		
Swap		
Other	3,041,784	2,890,359
Accrued interest	388,873	329,773
Total	67,144,468	51,950,448
Legal entities and institutions (non-residents)		
Current accounts	13,196,615	11,741,934
Time deposits	396,375	202,813
Repo (repurchase) agreements		
Swap		
Other	91,881	97,192
Accrued interest	5,134	300
Total	13,690,005	12,042,239
Sole entrepreneurs of RA (residents)		
Current accounts	114,903	106,123
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
Total	114,903	106,123
Sole entrepreneurs (non-residents)		
Current accounts	56	48
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
Total	56	48
Individuals (residents)		
Current accounts	14,827,047	11,663,260
Time deposits	203,284,924	172,536,972
Repo (repurchase) agreements		
Swap		
Other	171,082	223,959
Accrued interest	2,055,520	2,307,060
Total	220,338,573	186,731,251
Individuals (non-residents)		

Current accounts	2,669,543	1,884,091
Time deposits	9,492,528	7,397,896
Repo (repurchase) agreements		
Swap		
Other	0	0
Accrued interest	60,100	60,675
Total	12,222,171	9,342,662
Total liabilities to customers	314,785,812	261,334,166

The amount of the security of liabilities totaled: as at 30.06.2017 - AMD 17.321.980 thous., as at 31.12.2016 - AMD 17.911.300 thous.

2. Term liabilities to government include amounts involved from international financial organizations within RAED (Rural Areas Economic Development) program and Millennium Challenge Account program, which totaled AMD 621.513 thous., accrued interest AMD 2.257 thous.

The structure of Bank depositors' (time deposits) by customers number

	Reporting period	Previous period
Legal entities residents	80	77
Legal entitie non- residents	7	2
Individuals residents	18,466	16,365
Individuals non-residents	222	208
Total	18,775	16,652

Note 25. Securities issued by Bank

Securities issued by Bank	Reporting period	Previous period
Fixed-Income securities	591,017	0
Total	591,017	-

Note 26. Liabilities held for trading

Liability held for trading	Reporting period	Previous period
Derivative instruments held for trading purposes		
Futures		
Forward		
Option		
Swap		
Other		
Hedging derivative instruments		
Other	24,258,254	21,489,071
Total	24,258,254	21,489,071

Note 27. Amounts payable

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	201,972	224,269
Other		
Total	201,972	224,269

Note 28. Deferred tax liabilities

Deferred tax liabilities movements	Reporting period	Previous period
Balance at the beginning of the period	474,159	
Increase		474,159
Decrease		
Balance at the end of the period	474,159	474,159

Note 29. Other liabilities

Other liabilities	Reporting period	Previous period
Settlement liabilities as regards cheques and other payment	0	0
Settlement liabilities as regards letters of credit		
Other settlements		
Payables as regards budget		
Profit Tax	229,383	0
VAT	47,608	22,478
other taxes and dues	41,212	280,044
social insurance payments	0	0
Liabilities to employees as regards salary	286,176	213,729
Payables as regards suppliers	86,768	114,887
Payables as regards completion of chartered capital		
Other liabilities	2,272	2,165
Balance at the end of period	693,419	633,303

Note 30. Chartered capital

- a) Bank's chartered capital registered and fully paid – AMD 31.374.560 thous.
b) The number of issued and allocated ordinary shares - 41.120, nominal value – AMD 763.000
c) Major participants as of the end of the reporting period

Major participant	Amount of participation	Share %	Type of activity (for legal entities)
Vitaly Grigoryants	31,374,560	100	Individual
	31,374,560		

Note 32. Revaluation and remeasurement reserves, other components of equity
"Revaluation and remeasurement reserves"**Components:**

Revaluation reserves	Reporting period	Previous period
Unrealized gain/loss from revaluation of investments for sale	1,710,060	1,503,275
Fixed assets revaluation reserve	471,422	471,422
Other reserves		
Total revaluation reserves	2,181,482	1,974,697

Other components of equity**Reserves**

Reserves	Reporting period	Previous period
Main reserve		
Opening balance	638,508	576,319
Increase	52,659	62,189
Decrease		
Closing balance	691,167	638,508

Other reserves		
Opening balance		
Increase		
Decrease		
Closing balance		

Note 33. Retained earnings

Retained profit	Reporting period	Previous period
Opening balance	2,807,725	5,858,906
Increase	862,224	1,472,528
Decrease	52,659	4,523,709
Closing balance	3,617,290	2,807,725

Bank's chartered capital was increased by AMD 8.467.060 in 2016, including AMD 4.461.520 from the retained earnings of the previous periods.

Note 34. Reserves, contingencies and potential liabilities

Reserves		Reporting period	Previous period
Opening balance	Note 7	576,166	335,674
Allocations to the reserve		169,898	1,443,120
Use of reserve		(112,962)	(1,187,323)
Net allocations to the reserve		56,936	255,797
Closing balance		633,102	591,471

Bank's legal liabilities

The Bank carries out its activity within the requirements prescribed by legislation and needs no additional reserves as regards its legal liabilities.

Bank's tax liabilities

The Bank has met its tax obligations and needs no additional reserves as regards its tax liabilities.

Bank's contingent liabilities as regards off-balance items containing credit risk

	Reporting period	Previous period
Unused credit lines	24,177,657	20,808,438
Guarantees provided	33,001,271	32,179,463
Letters of credit issued	166,957	156,016

Reserve as regards the mentioned items (Note 7)	(633,102)	(591,471)
Closing balance	56,712,783	52,552,446

Bank's liability as regards operating lease

The leased premises are as follows:

Yerevan - Artsakh Branch
Talin - Talin Branch
Yerevan - Noragavit Branch
Stepanakert - Khachen Branch
Yerevan - Arshakuni Branch
Masis - Masis Branch
Ashtarak - Ashtarak Branch
Gavar - Gavar Branch
Yerevan - Komitas Branch
Artik - Artik Branch
Sevan - Sevan Branch
Martuni - Alashkert Branch
Artashat - Artashat Branch
Yerevan - Arabkir Branch
Yerevan - Avan Branch
Yerevan - Aparan Branch
Yerevan - Charbakh Branch
Yerevan - Araratyan Branch
Yerevan - Teryan Branch
Yerevan - Yerevan Branch
Yerevan - Tashir Branch
Hrazdan - Hrazdan Branch
Yerevan - Qajaznuni Branch
Yerevan - Nor Aresh Branch

The structure of future total minimum lease amounts payable for operating lease

thous. drams

The structure of minimum lease payments	Amounts payable in drams equivalent to foreign currency	Amounts payable in drams
Up to 1 year		145,274
1-5 years		510,302
5-10 years		230,986
Total		886,562

Note 35. Related party transactions

The related party transactions were conducted according to the market terms and interest rates.

Loans and advances to customers	Reporting period	Previous period
	01.01.17-30.06.17	01.01.16-31.12.16
Balance as of 01 January	2,846,673	3,868,413
Loans and advances provided during the year	6,227,593	4,034,149
Loans and advances repaid during the year	4,293,015	5,055,889
Balance	4,781,251	2,846,673
Interest income	316,892	425,194

The loans have been provided to the Bank's management and their related parties

Amounts due to customers	Reporting period	Previous period
	01.01.17-30.06.17	01.01.16-31.12.16
Balance as of 01 January	4,611,136	3,206,724
Amounts received during the year	40,099,267	60,104,050
Amounts paid during the year	35,733,009	58,699,638
Balance	8,977,394	4,611,136
Interest expense	325,017	475,475

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.17-30.06.17	01.01.16-31.12.16
The Board		
Salary	48,408	96,816
bonus		
Executive body		
Salary	97,506	201,792
bonus	141	18,355
Internal audit		
Salary	29,209	37,864
bonus	100	3,360
Total	175,364	358,187

Note 36. Minimal disclosures concerning financial risks

1. Credit risk

The main objective of credit risks management for the Bank is the timely (sometimes even before provision of the loan) identification, valuation and realization of corresponding steps directed to their reduction.

The Bank evaluates the credit risk in relation of both each borrower and the whole loan portfolio.

According to the methodology developed by the Bank, the creditworthiness of the potential borrower is assessed before provision of the loan. From the viewpoint of prevention of the credit risk, the most important principles to follow are considered to be the security and purpose of the loan. After provision of the loan, monitoring is conducted by the Bank during the whole period of the loan agreement to regularly assess the borrower's solvency and the loan's security as well as to take corresponding measures for restricting the possible credit risk.

Also the Bank's overall loan portfolio is subjected to regular analysis by industry branches, customers, and loan types to ensure the portfolio diversification and quality. Intra-bank normatives restricting credit risk (maximum risk as regards an industry branch, maximum overall loan risk, maximum risk per individual loan types as regards loan portfolio quality, maximum risk as regards a borrower, maximum risk as regards the major borrowers, maximum risk as regards a person related to the Bank, maximum risk as regards all persons related to the Bank, etc.) are established by the corresponding internal legal acts approved by the Bank Board (these normatives are more severe than the corresponding normatives established by the RA Central Bank).

The Bank considers activity of the Loan committee as very important for the containment of credit risk. Loan committee is the body to realize the Bank's credit policy, the purpose of which is management of the Bank's loan activity and formation of the quality loan portfolio. The main objective of the loan committee is making collective professional protocol or final decisions concerning realization and servicing of transactions containing credit risk.

2. Geographical concentrations

31.12.2016

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
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Assets					
Cash and balances with CBA	59,979,254				59,979,254
Amounts due from banks and other financial institutions	4,199,149	1,530,188	4,622,647	1,323,742	11,675,726
Financial instruments held for trading	21,489,071				21,489,071
Loans and advances to customers	217,919,540	1,257,092	665,605	48,626,975	268,469,212
Securities available for sale	14,357,212		14,034		14,371,246
Securities held to maturity					-
Other assets	11,763,240	267,005	81,499	4,592,364	16,704,108
Total assets	329,707,466	3,054,285	5,383,785	54,543,081	392,688,617
Liabilities					-
Amounts due to banks and other financial institutions	74,995,814	7,829,704	642	45,009	82,871,169
Amounts due to customers	239,949,216	2,479,377	3,178,932	15,726,641	261,334,166
Financial liability held for trading	8,838,583			12,650,488	21,489,071
Other liabilities	618,785		14,518		633,303
Total liabilities	324,402,398	10,309,081	3,194,092	28,422,138	366,327,709
Net position	5,305,068	(7,254,796)	2,189,693	26,120,943	26,360,908

30.06.2017

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
Assets					
Cash and balances with CBA	73,691,887				73,691,887
Amounts due from banks and other financial institutions	5,103,753	2,994,794	2,303,599	2,551,459	12,953,605
Financial instruments held for trading	24,258,254				24,258,254
Loans and advances to customers	251,121,692	1,563,677	693,677	52,037,008	305,416,054
Securities available for sale	12,944,083		14,034		12,958,117
Securities held to maturity					-
Other assets	13,048,179	104,810	1,529	4,412,671	17,567,189
Total assets	380,167,848	4,663,281	3,012,839	59,001,138	446,845,106
Liabilities					-
Amounts due to banks and other financial institutions	70,489,054	8,529,314		113,801	79,132,169
Amounts due to customers	288,873,580	2,777,484	3,728,377	19,406,371	314,785,812
Financial liability held for trading	9,484,559			14,773,695	24,258,254
Other liabilities	679,005		14,414		693,419
Total liabilities	369,526,198	11,306,798	3,742,791	34,293,867	418,869,654
Net position	10,641,650	(6,643,517)	(729,952)	24,707,271	27,975,452

OECD * - Organization for Economic Cooperation and Development

Analysis of assets containing credit risk according to industrial branches and exposure

31.12.2016

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	263,886,865	3,040,417	916,969	624,961	
Loans and advances, including	59,212	2,127	763	678	
1. Agriculture , forestry and fishing	amount 8,542,439	248,105	26,587	1,662	
	number 929	36	9	5	
2. Mining and quarrying	amount 4,729,096				
	number 21				
3. Processing industry	amount 21,950,054		271	812	
	number 75		2	1	
4. Electricity, gas , steam and air conditioning supply	amount 9,164,667		13,108	1,456	
	number 33		1	1	
5. Water supply, sewerage, waste management and recycling	amount 37,832				
	number 4				
6. Construction	amount 27,946,825	165,778	3,441		
	number 135	3	2		
7. Trade	amount 75,650,186	228,515	4,242	21,000	
	number 534	23	12	12	
8. Transportation and warehouse business	amount 6,189,175	82,321			
	number 29	1			
9. Accommodation and catering	amount 14,430,000			2,667	
	number 68			1	
10. Information and communication	amount 6,079,350				
	number 32				
11. Real property buisness	amount 11,563				
	number 2				
12. Professional, scientific and technical activities	amount 8,583,035			1,172	
	number 17			1	
13. Education	amount 128,197				
	number 327				

14. Healthcare	amount	949,456			28
	number	20			1
15. Arts, entertainment, recreation	amount	502,320			
	number	15			
16. Other branches of economy	amount	35,556,871			
	number	28			
17. Mortgage loans	amount	10,747,905	299,142	144,121	43,815
	number	1,925	62	27	17
18. Consumer and other loans	amount	32,687,894	2,016,556	725,199	552,349
	number	55,018	2,002	710	639
Receivables	amount	18,802,887	284,432	11,017	13,714
	number	10,175	2,857	225	323
Investment securities	amount	44,787			
	number	3			
Off-balance sheet items	amount	52,405,752	67,769	76,639	2,286
	number	12,304	261	77	54
including guarantees	amount	31,744,315	81	73,015	
	number	327	1	1	
letters of credit	amount	154,456			
	number	1			

30.06.2017

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	298,212,464	5,288,874	1,127,710	787,006	
Loans and advances, including	59,615	2,089	648	510	
1. Agriculture , forestry and fishing	amount	6,569,556	2,338,117	10,389	804
	number	941	35	9	7
2. Mining and quarrying	amount	5,857,763	14,289		
	number	25	1		
3. Processing industry	amount	26,413,069	67,451		680
	number	82	1		1
4. Electricity, gas , steam and air conditioning supply	amount	15,669,596			
	number	40			
5. Water supply, sewerage, waste management and recycling	amount	189,130			
	number	6			
6. Construction	amount	33,300,737	235,413	3,818	

	number	128	3	2	
7. Trade	amount	81,243,281	279,451	56,249	122,406
	number	325	12	7	9
8. Transportation and warehouse business	amount	6,537,974	92,578		
	number	28	2		
9. Accommodation and catering	amount	15,707,109	93,705	3,158	
	number	70	4	1	
10. Information and communication	amount	4,720,006			
	number	11			
11. Real property business	amount	35,525			
	number	4			
12. Professional, scientific and technical activities	amount	10,199,280			
	number	17			
13. Education	amount	1,694,785	551		
	number	353	3		
14. Healthcare	amount	1,068,825			
	number	21			
15. Arts, entertainment, recreation	amount	692,829			
	number	15			
16. Other branches of economy	amount	43,449,249			
	number	42			
17. Mortgage loans	amount	10,340,153	251,077	127,183	35,924
	number	1,894	71	17	13
18. Consumer and other loans	amount	34,523,597	1,916,242	926,913	627,192
	number	55,613	1,957	612	480
Receivables	amount	17,227,764	258,973	3,574	20,336
	number	10,387	419	355	2,639
Investment securities	amount	44,787			
	number	3			
Off-balance sheet items	amount	56,592,866	39,103	77,986	2,828
	number	12,112	180	51	44
including guarantees	amount	32,557,994	73,015		
	number	283	1		
letters of credit	amount	165,287			
	number	1			

Analysis of credit portfolio according to regions and risk exposure

30.06.2017

Loans and advances, including	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risk	Doubtful/ Highly risky	Bad
Loans, including					
1. Residents of RA	243,944,999	5,261,977	1,127,710	787,006	
2. Non-residents	54,267,465	26,897			
Total	298,212,464	5,288,874	1,127,710	787,006	

Loans to non-residents 30.06.17

Assets	Working assets	Non-working assets
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		Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including		54,267,465	26,897	-	-	
		41	2	-	-	
1. Agriculture , forestry and fishing	amount	295				
	number	1				
2. Mining and quarrying	amount					
	number					
3. Processing industry	amount	511				
	number	2				
4. Electricity, gas , steam and air conditioning supply	amount					
	number					
5. Water supply, sewerage, waste management and recycling	amount	164,299				
	number	1				
6. Construction	amount					
	number					
7. Trade	amount	39,135,975				
	number	15				
8. Transportation and warehouse business	amount					
	number					
9. Accommodation and catering	amount					
	number					
10. Information and communication	amount					
	number					
11. Real property businss	amount					
	number					
12. Professional, scientific and technical activities	amount					
	number					
13. Education	amount					
	number					
14. Healthcare	amount					
	number					
15. Arts, entertainment, recreation	amount	421				
	number	1				
16. Other branches of economy	amount	14,925,924				
	number	7				
17. Mortgage loans	amount	2,539				
	number	2				
18. Consumer and other loans	amount	37,501	26,897			
	number	12	2			

31.12.2016

Assets	Working assets	Non-working assets			
Loans, including	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
1. Residents of RA	213,337,453	3,040,157	916,969	624,961	
2. Non-residents	50,549,412	260			
Total	263,886,865	3,040,417	916,969	624,961	

31.12.2016

Assets	Working assets	Non-working assets			
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	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	50,549,412	260	-	-	
	40	1	-	-	
1. Agriculture , forestry and fishing	amount 736				
	number 1				
2. Mining and quarrying	amount				
	number				
3. Processing industry	amount 1,426				
	number 2				
4. Electricity, gas , steam and air conditioning supply	amount				
	number				
5. Water supply, sewerage, waste management and recycling	amount				
	number				
6. Construction	amount				
	number				
7. Trade	amount 35,512,462				
	number 13				
8. Transportation and warehouse business	amount				
	number				
9. Accommodation and catering	amount				
	number				
10. Information and communication	amount				
	number				
11. Real property buisness	amount				
	number				
12. Professional, scientific and technical activities	amount				
	number				
13. Education	amount				
	number				
14. Healthcare	amount				
	number				
15. Arts, entertainment, recreation	amount 1,053				
	number 1				
16. Other branches of economy	amount 14,961,707				
	number 7				
17. Mortgage loans	amount 1,945				
	number 1				
18. Consumer and other loans	amount 70,083	260			
	number 15	1			

Loan portfolio indicators as of 30.06.2017

Non-performing loans/ total loans 3.17 %

Reserve for non-performing loans/total capital 5.27 %

Loan reserve /total loans 1.70 %

Possible loss reserve/Non-performing loans 53.62 %

Large amount advances/capital 499.15 %:

Market risk

Currency risk

For the purposes of currency risk assessment, the Bank applies the VaR (Value at Risk) model well accepted in the international practice. The model ensures definite probability forecast of expected maximum currency fluctuation rate by calculating the maximum value of the Bank eventual losses. For the purposes of currency risk suppression the Bank carried out daily monitoring of currency positions. In the occurrence of open currency positions, the Bank applies hedging instruments for the purposes of risk avoidance.

The Bank's foreign currency risk analysis according to financial assets and liabilities

31.12.2016

	Drams	I group foreign currency*	II group foreign currency**	Total
Assets				
Cash and balances with CBA	40,824,262	18,871,470	283,522	59,979,254
Standardized precious metal bullions		44,555		44,555
Amounts due from banks and other financial institutions	3,155,263	5,433,777	3,086,686	11,675,726
Financial instruments kept for trading	21,489,071			21,489,071
Loans and advances to customers	117,972,539	150,221,281	275,392	268,469,212
Financial assets available for sale	13,828,314	542,932		14,371,246
Financial assets held to maturity				-
Other	11,772,981	4,885,311	45,816	16,704,108
Total assets	209,042,430	179,999,326	3,691,416	392,733,172
Liabilities				
Amounts due to banks and other financial institutions	71,772,984	10,158,806	939,379	82,871,169
Amounts due to customers	81,445,408	177,550,434	2,338,324	261,334,166
Other liabilities	591,278	42,025		633,303
Total liabilities	153,809,670	187,751,265	3,277,703	344,838,638
Net position	55,232,760	(7,751,939)	413,713	47,894,534

30.06.2017

	Drams	I group foreign currency*	II group foreign currency**	Total
Assets				
Cash and balances with CBA	45,784,018	27,564,429	343,440	73,691,887
Standardized precious metal bullions		228,125		228,125
Amounts due from banks and other financial institutions	3,992,715	6,122,567	2,838,323	12,953,605
Financial instruments kept for trading	23,719,492	538,762		24,258,254
Loans and advances to customers	129,298,618	174,509,966	1,607,470	305,416,054
Financial assets available for sale	12,958,117			12,958,117
Financial assets held to maturity				-
Other	12,433,085	5,125,415	8,689	17,567,189
Total assets	228,186,045	214,089,264	4,797,922	447,073,231
Liabilities				
Amounts due to banks and other financial institutions	68,390,879	10,342,661	398,629	79,132,169
Amounts due to customers	108,842,568	201,531,991	4,411,253	314,785,812
Issued securities	102,739	488,278		591,017
Other liabilities	511,328	182,091		693,419
Total liabilities	177,847,514	212,545,021	4,809,882	395,202,417
Net position	50,338,531	1,544,243	(11,960)	51,870,814

* The 1st group foreign currencies include US Dollar, Euro, English Pound sterling, Swiss Franc, Gold metal account

** The 2nd group foreign currencies include Russian Rouble, Ukrainian Hryvnia, UAE Dirham, Singapur Dollar.

Analysis of the Bank's Foreign Currency risk according to the types of derivative financial Instruments

Types of derivative financial instruments	Drams	I group foreign currency*	II group foreign currency**	Total
Futures instruments				
- liabilities				
- demands				
Forward instruments				
- liabilities				
- demands				
Options				
- liabilities				
- demands				
Swaps				
- liabilities				
- demands				
Other derivative instruments				
- liabilities				
- demands				
Net position according to the derivative financial instruments	-	-	-	-
Net open position*	-	-	-	-

Interest rate risk

Efficient assets and liabilities management also assumes a management of assets and liabilities as a result of which the Bank will to the extent possible avoid interest rate risk.

The objective of the interest rate risk management at the Bank is to maintain the target levels of the assets and liabilities interest rate spread and net interest margin.

For the interest rate risk management purposes, the Bank makes calculations on the monthly basis of the both net interest margin and the assets and liabilities interest rate spread, taking into account the assets profitability and the liabilities consumability as well as their time limitation.

To restrict interest rate risk, special mechanisms have been developed as regards assets and liabilities pricing (setting interest rates).

Interest rate risk assessment is based on the model of time gap calculation for assets and liabilities sensitive towards interest rate changes, which allows to evaluate the effect of the interest rate changes on the Bank's expected net interest income.

Interest rate risk is also assessed using the duration method, which shows the change in the economic value of the capital as a result of interest rate changes, taking into account the time inconsistency of the involved liabilities and allocated assets.

Average interest rates for interest-bearing financial assets and liabilities as of the end of the reporting period

Item	Reporting period interest rates		Previous period interest rates	
	Drams	Foreign currency	Drams	Foreign currency
	%	%	%	%
Assets				
Balances with CBA				
Amounts due from banks and other financial organizations		0.14-8.75		9.00
including				
- interbank loans				
- interbank repo				
- interbank swap				
Loans and advances to customers	6-24	12-17	6-24	12-17
Securities held for trading and available for sale	0-13		0-13.0	
Securities held to maturity				
Liabilities				
Amounts due to banks	2-9.5	8.30	2-9.5	8.30
and other financial institutions				
Amounts due to customers	0.01-11.75	0.01-5.75	1-13	1-6.5
Liabilities as regards securities issued by the Bank				

Liquidity risk

The purpose of the Bank's liquidity management is to create an integrity of financial potential, which will enable to meet the well founded money demands of all types of creditors, depositors and other customers without serious problems which may be reflected in the Bank's balance sheet and off-balance sheet items, as well as ensuring the maximum possible profitability level.

To ensure smooth liquidity and efficiently manage the liquidity risk, the Bank implements coordinated management of assets and liabilities, which assumes:

1. availability of sufficient number of highly liquid assets,
2. sustainability of resources, 3. acceptable time gaps for assets and liabilities,
4. possibilities to attract means from external sources.

For correct decision-making concerning the Bank's liquidity management, it is especially important to carry out a time analysis for assets and liabilities, which is implemented through the assets and liabilities time gap calculation model by instant and cumulative separations. Instant liquidity is calculated on the daily basis to make correct situational decisions.

31.12.16

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
Assets										
Cash in intern. and CBA			59,759,254						220,000	59,979,254
Amounts due from banks and other fin. institutions			4,419,446	4,342,152		47,910	2,273,481		592,737	11,675,726
Loans provided to customers	1,780,811	3,487,023		67,869,186	24,295,798	34,427,699	125,656,161	10,952,534		268,469,213
Financial assets	-	-	-	10,543,944	12,656,095	423,693	5,082,651	7,109,147	44,788	35,860,318
held for trade				10,344,787	11,144,285					21,489,072
available for sale				199,157	1,511,810	423,693	5,082,651	7,109,147	44,788	14,371,246
held up to maturity										-
Realized under repo agreements										-
Other assets	90,378	266,951	6,118,947	36,504	3,838	379,108	5,286,035		4,522,347	16,704,108
*Contractual demands										-
Total	1,871,189	3,753,974	70,297,647	82,791,786	36,955,731	35,278,410	138,298,328	18,061,681	5,379,872	392,688,618
1-st group currency	1,814,812	905,000	27,615,436	42,161,086	9,237,670	25,576,587	72,095,998		592,737	179,999,326
2-nd group currency			436,751	3,254,665						3,691,416
Variable interest rate										-
Fixed interest rate	1,780,811	3,487,023	1,461,604	72,410,495	25,807,608	34,899,302	133,012,293	18,061,681	592,737	291,513,554
Interest free	90,378	266,951	68,836,043	10,381,291	11,148,123	379,108	5,286,035	-	4,787,135	101,175,064
Liabilities										
Amounts due to banks and other fin. institutions			2,354,252	46,562,807	1,470,055	8,633,216	9,523,161	14,327,678		82,871,169
Amounts due to customers	-	-	51,687,091	53,494,772	38,396,062	72,446,378	43,546,899	1,762,964	-	261,334,166
upon demand			51,687,091							51,687,091
time liability				53,494,772	38,396,062	72,446,378	43,546,899	1,762,964		209,647,075
Other										-
Liabilities for securities issued by the banks										-
Other liabilities			518,416	114,887						633,303
Off –balance contingent liabilities	70,055	76,639	20,393,626	3,994,329	2,413,151	10,070,998	15,533,648			52,552,446
*Contractual liabilities										-
Total	-	-	54,559,759	100,172,466	39,866,117	81,079,594	53,070,060	16,090,642	-	344,838,638
1-st group currency				25,919,643	34,445,281	24,626,428	69,529,326	33,230,587		187,751,265
2-nd group currency			2,604,020	193,320	132,349	197,746	150,268			3,277,703
Large amount liability			56,969	28,355,060	1,514,189	8,674,738	12,105,285			50,706,241
Variable rate liability										-
Fixed rate liability			49,996,596	85,010,823	32,339,527	80,877,377	53,070,060	16,090,642		317,385,025
Interest free			4,563,163	15,161,643	7,526,590	202,217				27,453,613
Net liquidity gap	1,871,189	3,753,974	15,737,888	(17,380,680)	(2,910,386)	(45,801,184)	85,228,268	1,971,039	5,379,872	47,849,980
1-st group currency	1,814,812	905,000	1,695,793	7,715,805	(15,388,758)	(43,952,739)	38,865,411	-	592,737	(7,751,939)
2-nd group currency	-	-	(2,167,269)	3,061,345	(132,349)	(197,746)	(150,268)	-	-	413,713
Variable interest rate	-	-	-	-	-	-	-	-	-	-
Fixed rate	1,780,811	3,487,023	(48,534,992)	(12,600,328)	(6,531,919)	(45,978,075)	79,942,233	1,971,039	592,737	(25,871,471)
Cumulative liquidity gap	1,871,189	5,625,163	21,365,051	3,982,371	1,071,985	(44,729,199)	40,499,069	42,470,108	47,849,980	344,838,638

30.06.2017

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
Assets										
Cash in intern. and CBA			73,571,887						120,000	73,691,887
Amounts due from banks and other fin. institutions			3,088,109	5,675,304	47,566	358,380	3,115,550		668,696	12,953,605
Loans provided to customers	6,156,464	747,063		56,998,624	36,432,445	29,414,825	162,571,207	13,095,426		305,416,054
Financial assets			-	17,016,930	7,630,322	2,671,922	5,414,747	4,437,663	44,787	37,216,371
held for trade				16,627,932	7,630,322					24,258,254
available for sale				388,998			2,671,922	5,414,747	4,437,663	12,958,117
held up to maturity										-
Realized under repo agreements										-
Other assets	94,459	228,318	6,786,253	865	696	1,449	4,078,131	2,209,658	4,167,360	17,567,189
*Contractual demands										-
Total	6,250,923	975,381	83,446,249	79,691,723	44,111,029	32,446,576	175,179,635	19,742,747	5,000,843	446,845,106
1-st group currency	4,450,455	504,302	35,237,243	44,660,304	17,390,860	20,046,293	91,123,341	25,316	651,150	214,089,264
2-nd group currency			740,364	2,557,982	169,328	952,493	353,455		24,300	4,797,922
Variable interest rate										-
Fixed interest rate	6,146,191	747,063	2,317,601	61,659,432	36,442,853	32,445,127	169,835,243	19,742,747	668,696	330,004,953
Interest free	104,732	228,318	81,128,648	18,032,291	7,668,176	1,449	5,344,392		4,332,147	116,840,153
Liabilities										
Amounts due to banks and other fin. institutions			1,673,240	37,824,097	9,769,413	7,309,779	8,006,174	14,549,466		79,132,169
Amounts due to customers	-	-	64,610,997	70,993,199	39,075,382	73,555,811	66,548,725	1,698	-	314,785,812
upon demand			64,610,997							64,610,997
time liability				70,993,199	39,075,382	73,555,811	66,548,725	1,761,327		251,934,444
Other										-
Liabilities for securities issued by the banks							591,017			591,017
Other liabilities			606,651	86,768						693,419
Off –balance contingent liabilities	2,828	117,089	23,869,583	4,439,182	3,230,104	8,181,793	16,872,204			56,712,783
*Contractual liabilities										-
Total	-	-	66,890,888	108,904,064	48,844,795	80,865,590	75,145,916	14,551,164	-	395,202,417
1-st group currency			33,423,431	57,129,577	34,720,106	45,567,343	41,704,564			212,545,021
2-nd group currency			3,598,052	408,267	223,331	403,962	176,270			4,809,882
Large-scale liability			17,053	37,378,698	103,118	2,022,324	12,503,086			52,024,279
Variable rate liability										-
Fixed rate liability			62,460,428	90,623,277	41,214,473	80,659,610	75,145,916	14,551,164		364,654,868
Interest free			4,430,460	18,280,787	7,630,322	205,980				30,547,549
Net liquidity gap	6,250,923	975,381	16,555,361	(29,212,341)	(4,733,766)	(48,419,014)	100,033,719	5,191,583	5,000,843	51,642,689
1-st group currency	4,450,455	504,302	1,813,812	(12,469,273)	(17,329,246)	(25,521,050)	49,418,777	25,316	651,150	1,544,243
2-nd group currency	-	-	(2,857,688)	2,149,715	(54,003)	548,531	177,185	-	24,300	(11,960)
Variable interest rate	-	-	-	-	-	-	-	-	-	-
fixed rate	6,146,191	747,063	(60,142,827)	(28,963,845)	(4,771,620)	(48,214,483)	94,689,327	5,191,583	668,696	(34,649,915)
Cumulative liquidity gap	6,250,923	7,226,304	23,781,665	(5,430,676)	(10,164,442)	(58,583,456)	41,450,263	46,641,846	51,642,689	395,202,417

Average balance sheet capital and assets

01/01/17-30/06/17

Average balance sheet asset	387,905,113
Average balance sheet capital	36,762,165

Note 42. Collateral accepted

	Reporting period	Previous period
Other securities	17,269,003	7,724,282
Jewels and precious stones	16,803,204	12,257,618

Real estate	158,158,672	142,282,960
Vehicles	14,593,240	14,977,647
Other PPE	26,428,050	18,240,689
Finished production and goods	30,995,179	21,284,426
Cash	17,321,980	30,893,795
Other collateral	48,069,426	18,811,456
Credit guarantee	3,671,927	3,795,273
Other guarantees	29,329,344	17,581,705
Credit warranties	271,388,967	107,535,208
Other warranties	36,316,181	19,386,779
Total	670,345,173	414,771,838

Chairman of the Executive Board

Arsen Mikayelyan

Chief Accountant

Narine Sargsyan

Date of approval 14.07.17