



Appendix 5

NOTES TO FINANCIAL STATEMENTS  
(Form 5)

31-Mar-15

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 15 branches are located in Yerevan, 17 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

<b>a) The Board</b>	
<b>Chairman of the Board</b>	– Vitaly Grigoryants
<b>Board Members</b>	– Sergey Arzumanyan
	Diana Grigoryan
	Sevak Petrosyan
	Alik Chirkinyan
<b>b) The Executive Board</b>	
<b>Chairman of the Executive Board</b>	- Arsen Mikayelyan
<b>Members of the Executive Board</b>	
Khachik Mkrtchyan	- 1st Deputy Chairman 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
Bagrat Tevosyan	- "Kentron" branch manager

**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:

	31 March 2015	31 December 2014
AMD/1 US Dollar	471.13	474.97

**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

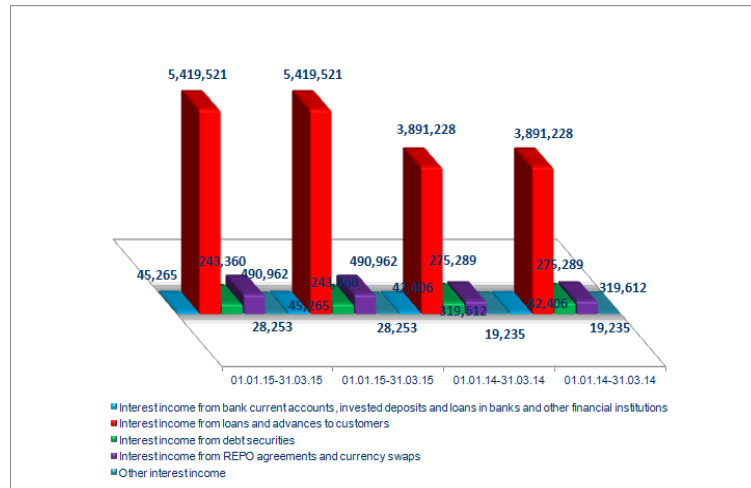
## 2.17 Functional and presentation currency

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.

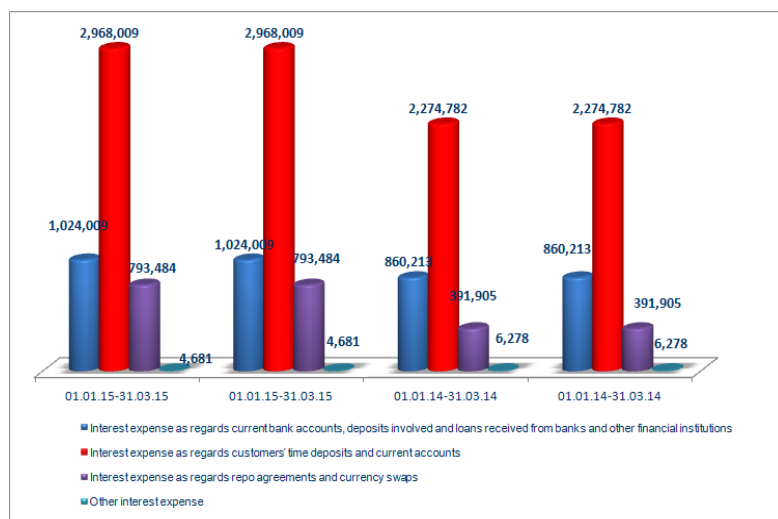
The intermediary financial statements are presented in thousands of AMD.

## Note 3. Net Interest and Similar Income

Interest and Similar Income	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	45,265	45,265	42,406	42,406
Interest income from loans and advances to customers	5,419,521	5,419,521	3,891,228	3,891,228
Interest income from debt securities	243,360	243,360	275,289	275,289
Interest income from REPO agreements and currency swaps	490,962	490,962	319,612	319,612
Other interest income	28,253	28,253	19,235	19,235
<b>Total</b>	<b>6,227,361</b>	<b>6,227,361</b>	<b>4,547,770</b>	<b>4,547,770</b>



Interest and Similar Expense	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	1,024,009	1,024,009	860,213	860,213
Interest expense as regards customers' time deposits and current accounts	2,968,009	2,968,009	2,274,782	2,274,782
Interest expense as regards securities issued by the Bank				
Interest expense as regards repo agreements and currency swaps	793,484	793,484	391,905	391,905
Other interest expense	4,681	4,681	6,278	6,278
<b>Total</b>	<b>4,790,183</b>	<b>4,790,183</b>	<b>3,533,178</b>	<b>3,533,178</b>
<b>Net interest and similar income</b>	<b>1,437,178</b>	<b>1,437,178</b>	<b>1,014,592</b>	<b>1,014,592</b>



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

Income in the form of Commissions and Other Fees	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Cash operations	45,683	45,683	50,804	50,804
Settlement services	65,027	65,027	66,105	66,105
Guarantee, acceptance, letter of credit, trust management operations	33,426	33,426	50,302	50,302
Transaction in foreign currency and securities	420	420		
Plastic card operations	146,840	146,840	203,294	203,294
Other commission payments	180,556	180,556	58,586	58,586
<b>Total</b>	<b>471,952</b>	<b>471,952</b>	<b>429,091</b>	<b>429,091</b>

<b>Expenses in the form of Commissions and Other Payments</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Commission payments as regards correspondent and other accounts/bank transactions	39,861	39,861	32,613	32,613
Commission payments as regards transactions with plastic cards/cash transactions	44,269	44,269	16,131	16,131
Payments as regards guarantees, acceptance, letters of credit, trust management transactions				
Commission payments as regards transactions in foreign currency and securities	501	501	2,311	2,311
Other commission payments	17,972	17,972	42,240	42,240
<b>Total</b>	<b>102,603</b>	<b>102,603</b>	<b>93,295</b>	<b>93,295</b>
<b>Net Commissions and other payments received</b>	<b>369,349</b>	<b>369,349</b>	<b>335,796</b>	<b>335,796</b>

**Note 5. Net income from trading transactions**

<b>Income from investments remeasured at fair value and held at fair value</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	151,417	151,417	-40,557	-40,557
Net income from change in fair value of investments held for trading				
<b>Total</b>	<b>151,417</b>	<b>151,417</b>	<b>-40,557</b>	<b>-40,557</b>

<b>Net income from investments available for sale</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities	0	0	0	0
- derivative instruments				
Net income from change in fair value of investments held for trading	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>From foreign currency transactions</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Net income from foreign currency dealings	229,142	229,142	106,932	106,932
Net income from foreign currency revaluation	-171,367	-171,367	32,561	32,561
<b>Total</b>	<b>57,775</b>	<b>57,775</b>	<b>139,493</b>	<b>139,493</b>

From bank standardized precious metal bullions and commemorative coins	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	12,494	12,494	1,521	1,521
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	-1,180	-1,180	29,257	29,257
<b>Total</b>	<b>11,314</b>	<b>11,314</b>	<b>30,778</b>	<b>30,778</b>
<b>Net income from trading transactions</b>	<b>220,506</b>	<b>220,506</b>	<b>129,714</b>	<b>129,714</b>

**Note 6. Other operating income**

Other operating income	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Fines and penalties received	274,600	274,600	161,853	161,853
Income received from factoring	19,519	19,519	54	54
Net income from disposal of PPE and intangible assets	16,422	16,422	15,375	15,375
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	39,492	39,492	116,441	116,441
<b>Total</b>	<b>350,033</b>	<b>350,033</b>	<b>293,723</b>	<b>293,723</b>

**Note 7. Net allocations to the assets possible loss reserve**

As regards amounts due from banks	Note 14	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Opening balance		0	0	0	0
Allocations to the reserve		0	0		0
Return of reserve allocations		0	0	0	0
Net allocations to the reserve		0	0	0	0
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
<b>Closing balance</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

As regards amounts due from financial institutions	Note 14	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Opening balance		0	0	0	0
Allocations to the reserve		0	0		0
Return of reserve allocations		0	0	0	0
Net allocations to the reserve		0	0	0	0
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
<b>Closing balance</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

As regards loans and advances provided to the customers	Note 16	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Opening balance		4,540,264	4,540,264	2,656,516	2,656,516
Allocations to the reserve		1,084,813	1,084,813	945,854	945,854
Return of reserve allocations		-623,546	-623,546	-1,955,626	-1,955,626
Net allocations to the reserve		461,267	461,267	-1,009,772	-1,009,772
Return of amounts previously written-off to the off-balance sheet		67,049	67,049	1,473,569	1,473,569
Reserve utilization		-327,032	-327,032	-204,838	-204,838
<b>Closing balance</b>		<b>4,741,548</b>	<b>4,741,548</b>	<b>2,915,475</b>	<b>2,915,475</b>

As regards investments	Note 18	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Opening balance		18,406	18,406	3,489	3,489
Allocations to the reserve			0		
Return of reserve allocations			0		
Net allocations to the reserve		0	0	0	
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
<b>Closing balance</b>		<b>18,406</b>	<b>18,406</b>	<b>3,489</b>	<b>3,489</b>

As regards other assets	Note 18	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Opening balance		128,635	128,635	143,349	143,349
Allocations to the reserve		3,231	3,231	61,338	61,338
Return of reserve allocations		-8,966	-8,966	-33,889	-33,889
Net allocations to the reserve		-5,735	-5,735	27,449	27,449
Return of amounts previously written-off to the off-balance sheet				703	703
Reserve utilization				-15,320	-15,320
<b>Closing balance</b>		<b>122,900</b>	<b>122,900</b>	<b>156,181</b>	<b>156,181</b>

As regards off-balance sheet items containing credit risk	Note 30	01.01.15-31.03.15	01.01.15-31.03.15	01.01.14-31.03.14	01.01.14-31.03.14
Opening balance		0	0	0	0
Allocations to the reserve			0		0
Return of reserve allocations		0	0	0	0
Net allocations to the reserve		0	0	0	0
<b>Closing balance</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Total net allocations to the reserves</b>		<b>455,532</b>	<b>455,532</b>	<b>-982,323</b>	<b>-982,323</b>
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**Note 8. General administrative expenses**

<b>General administrative expenses</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Expenses as regards calculated salary and other equivalent payments *	680,124	680,124	606,162	606,162
Expenses as regards social payments	144	144	296	296
Expenses as regards training and tuition	73	73	164	164
Expenses as regards business trips	13,241	13,241	5,934	5,934
Expenses as regards operating lease	29,265	29,265	17,694	17,694
Insurance expenses	9,517	9,517	5,708	5,708
Expenses as regards maintenance and security of Bank's equipment	16,096	16,096	9,723	9,723
Expenses as regards maintenance and security of Bank's buildings	73,650	73,650	74,450	74,450
Expenses as regards audit and other consulting services	16,216	16,216	0	0
Expenses as regards communication means	23,082	23,082	19,784	19,784
Transportation expenses	10,683	10,683	9,587	9,587
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	50,687	50,687	42,402	42,402
Office and organizational expenses	9,357	9,357	7,855	7,855
Expenses as regards loans provision and return	4,640	4,640	5,082	5,082
Other administrative expenses	40,184	40,184	156,380	156,380
<b>Total</b>	<b>976,959</b>	<b>976,959</b>	<b>961,221</b>	<b>961,221</b>

The number of the Bank employees as at 31 March 2015 is 766.

The size of average monthly salary per employee is **214** thous. drams.

**Note 9. Other Operating Expenses**

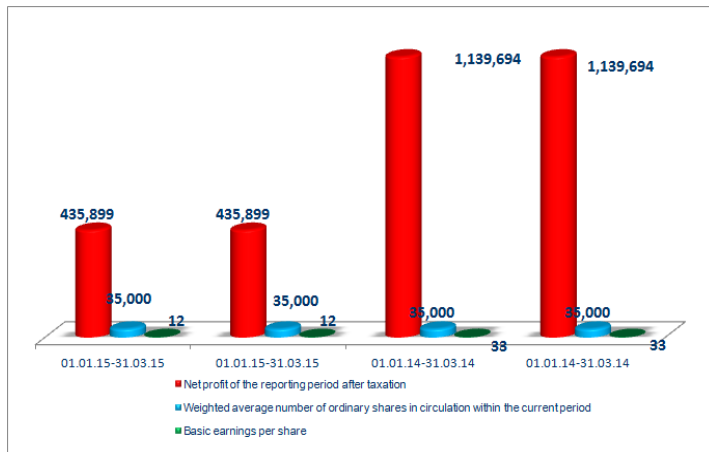
<b>Other Operating Expenses</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Fines and penalties paid	1,150	1,150	0	0
Advertising and representation expenses	46,281	46,281	41,480	41,480
Facototing expenses				
Fixed and intangible assets amortization expenses	209,908	209,908	204,770	204,770
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	52,383	52,383	36,192	36,192
Other expenses	96,070	96,070	84,058	84,058
<b>Total</b>	<b>405,792</b>	<b>405,792</b>	<b>366,500</b>	<b>366,500</b>

**Note 11. Profit Tax Expense**

<b>Profit tax expense</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Current tax expense	121,813	121,813	175,058	175,058
Adjustments of current tax for previous periods recognized in the given period				
Deferred tax expense	-18,929	-18,929	113,675	113,675
<b>Total</b>	<b>102,884</b>	<b>102,884</b>	<b>288,733</b>	<b>288,733</b>

**Note 12. Basic Earnings per Share**

<b>Basic Earnings per Share</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Net profit of the reporting period after taxation	435,899	435,899	1,139,694	1,139,694
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	35,000	35,000	35,000	35,000
Basic earnings per share	12	12	33	33
Diluted earnings per share				



**Note. Other Comprehensive Income**

<b>Other Comprehensive Income</b>	<b>01.01.15-31.03.15</b>	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets available for sale	(247,940)	(247,940)	(212,851)	(212,851)
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
<b>Total</b>	<b>(247,940)</b>	<b>(247,940)</b>	<b>(212,851)</b>	<b>(212,851)</b>

**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	3,243,626	2,495,879
Other placements of cash	1,647,801	2,818,890
Correspondent accounts with the CBA *	28,144,330	22,594,935
<b>Total</b>	<b>33,035,757</b>	<b>27,909,704</b>
Deposit accounts with the CBA		
Deposited means with the CBA **	120,000	220,000
Accrued interest		
<b>Cash means and balances with the CBA</b>	<b>33,155,757</b>	<b>28,129,704</b>
Standardized precious metal bullions	291,352	457,924
Placements with other banks (Note 14)	3,166,500	3,925,069
<b>Total cash and cash equivalents</b>	<b>36,613,609</b>	<b>32,512,697</b>

\* 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	1,617	1,629
Banks with BBB – (Baa3) and higher rating	1,945,777	2,758,684
Banks with no rating and rating below BBB-(Baa3)	113,974	42,344
Accrued interest	0	0
<b>Total</b>	<b>2,061,368</b>	<b>2,802,657</b>

Interbank loans and deposits, etc.	Reporting period	Previous period
<b>CBA</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	830,704	535,130
Other		
<b>RA Banks</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
<b>Banks with BBB – (Baa3) and higher rating</b>		
Loans and deposits	235,770	586,800
Factoring		
Financial lease		
<b>RA Banks</b>		
<b>RA Banks</b>	0	
Letters of credit and bank guarantees		
Other	0	

<b>Banks with no rating and rating below BBB-(Baa3)</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	
Letters of credit and bank guarantees		
Other	38,580	0
<b>Accrued interest</b>	78	482
<b>Total</b>	<b>3,166,500</b>	<b>3,925,069</b>
Reserve for possible losses as regards amounts due from Banks (Note 7)		
<b>Net amounts due from banks</b>	<b>3,166,500</b>	<b>3,925,069</b>

<b>Loans and deposits with financial institutions, other amounts due</b>		
<b>RA financial institutions</b>	2,133,157	1,113,640
Loans and deposits	1,043,252	1,113,640
Factoring		
Financial lease		
Repo (repurchase) agreements	1089905	
Swap		
Letters of credit and bank guarantees		
Other		
<b>Financial institutions with BBB – (Baa3) and higher rating</b>	0	0
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
<b>Financial institutions with no rating and rating below BBB-(Baa3)</b>	775,885	728,844
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	775,885	728,844
<b>Accrued interest</b>	16,942	7,394
<b>Total</b>	<b>2,925,984</b>	<b>1,849,878</b>
Reserve for possible losses as regards amounts due from financial institutions (Note 7)		
<b>Net amounts due from financial institutions</b>	<b>2,925,984</b>	<b>1,849,878</b>
<b>Net amounts due from banks and financial institutions</b>	<b>6,092,484</b>	<b>5,774,947</b>

Note 15. Financial Assets Held for Trading

Government securities	Reporting period	Previous period
<b>RA Government securities, including</b>		
Treasury bonds	13,057,718	12,542,801
Central Bank bonds		
Other		
<b>Government securities of countries with BBB – (Baa3) and higher rating, including</b>		
Treasury bonds		
Central Bank bonds		
Other		
<b>Government securities of countries with no rating and rating below BBB-(Baa3)</b>		
Treasury bonds		
Central Bank bonds		
Other		
<b>Total Government securities</b>	<b>13,057,718</b>	<b>12,542,801</b>

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

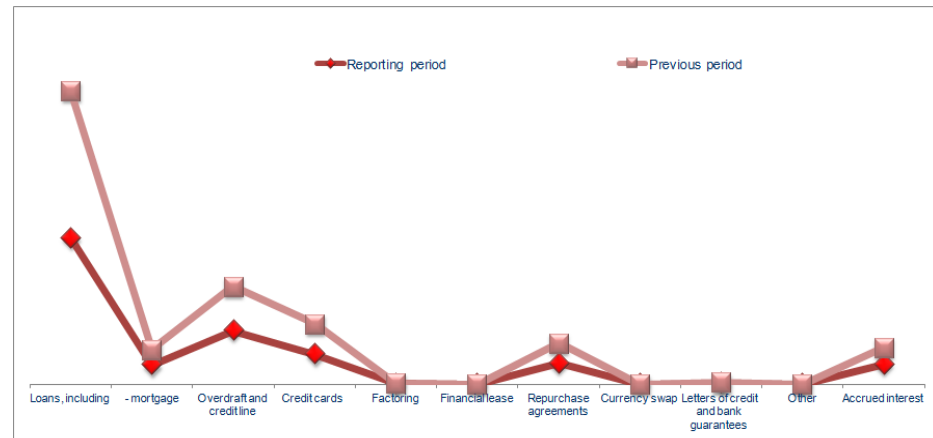
Non-government securities of other countries	Listed	Non-Listed	Listed	Non-Listed
<b>Issuer with A-/A3/ and higher rating</b>				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
<b>Issuer with BBB+/Baa1/ and below rating, other rating and no rating</b>				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
<b>Total non-government securities of other countries held for trading</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total securities held for trading</b>	<b>13,057,718</b>	<b>12,542,801</b>	<b>#REF!</b>	<b>#REF!</b>

Other financial assets held for trading	Reporting period	Reporting period	Previous period	Previous period
<b>Loans, factoring, accounts receivable</b>				
Borrowers with A-/A3/ or higher rating				
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating				
- Mortgage				
- Consumer loans				
- Other				
	0		0	
<b>Derivative instruments</b>				
- Futures				
- Forward				
- Option				
- Swap				
- Other				
<b>Total</b>				

<b>Total financial assets held for trading</b>	<b>13,057,718</b>	<b>12,542,801</b>	<b>0</b>	<b>0</b>
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**Note 16. Loans and other advances to customers**

Issued loans and other advances	Reporting period	Previous period
<b>Loans, including</b>	<b>105,514,912</b>	<b>106,880,311</b>
- to banks		
- to RA Government		
- to local authorities		
- mortgage	13,837,023	11,268,389
<b>Overdraft and credit line</b>	<b>38,707,415</b>	<b>31,938,661</b>
<b>Credit cards</b>	<b>21,572,844</b>	<b>22,150,483</b>
<b>Factoring</b>	<b>394,251</b>	<b>286,435</b>
<b>Financial lease</b>	<b>692</b>	<b>692</b>
<b>Repurchase agreements</b>	<b>14,761,013</b>	<b>14,761,539</b>
<b>Currency swap</b>	<b>-</b>	<b>-</b>
<b>Letters of credit and bank guarantees</b>	<b>555,831</b>	<b>559,055</b>
<b>Other</b>		
<b>Accrued interest concerning the mentioned items</b>	<b>14,277,749</b>	<b>12,378,567</b>
<b>Total loans</b>	<b>195,784,707</b>	<b>188,955,743</b>
<b>Reserve for possible losses as regards loans and other advances to customers (Note 7)</b>	<b>-4,741,548</b>	<b>-4,540,264</b>
<b>Total net loans</b>	<b>191,043,159</b>	<b>184,415,479</b>



**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	190,237,521	184,756,991
	Quantity	70,360	60,726
Non-Performing loans and advances, including		5,547,186	4,198,752
		5501	3668
Overdue	Amount	2,320,782	1,969,808
	Quantity	3855	2966
Accrued interests			
Total loans	Amount	195,784,707	188,955,743
	Quantity	75,861	64,394
Provision for possible losses as regards loans and advances provided to customers (Note 7)		-4,741,548	-4,540,264
<b>Total net loans</b>		<b>191,043,159</b>	<b>184,415,479</b>

**Analysis of provided loans and advances by customer group**

Analysis of the provided loans and advances by customer group	Reporting period	Previous period
<b>State enterprises</b>	5,166,325	6,312,510
<b>Private enterprises, including</b>	123,524,864	119,739,465
- large enterprises	67,169,898	63,578,393
- small and medium enterprises	56,354,966	56,161,072
<b>Natural persons, including</b>	49,815,597	47,450,914
- consumer loans	15,603,315	12,451,448
- mortgage loans	11,211,183	11,268,390
- credit cards	21,319,298	21,865,819
<b>Sole entrepreneurs</b>	3,000,172	3,074,287
Accrued interest	14,277,749	12,378,567
<b>Total loans</b>	<b>195,784,707</b>	<b>188,955,743</b>
Provision for possible losses as regards loans and advances provided to customers	(4,741,548)	(4,540,264)
<b>Total net loans</b>	<b>191,043,159</b>	<b>184,415,479</b>

a) Total loans provided to major borrowers and related persons as of 31.12.2014 made AMD 94.122.190 thousand, as of 31.03.2015 – AMD 90.817.489 thousand.

b) Share in total loan portfolio as of 31.12.2014 made 54.17 %, as of 31.03.2015 - 50.38%

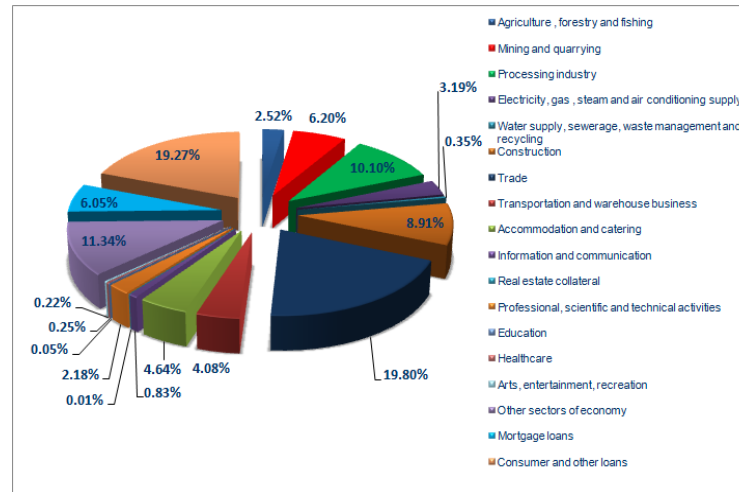
c) Percentage to Capital as of 31.12.2014 was 374.05 %, as of 31.03.2015 – 358.16 %

Analysis of loan portfolio according to number of borrowers	Reporting period	Previous period
State enterprises	13	12
Private enterprises	319	301
Natural persons	61,234	54,832
Sole entrepreneurs	194	212
<b>Total</b>	<b>61,760</b>	<b>55,357</b>

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

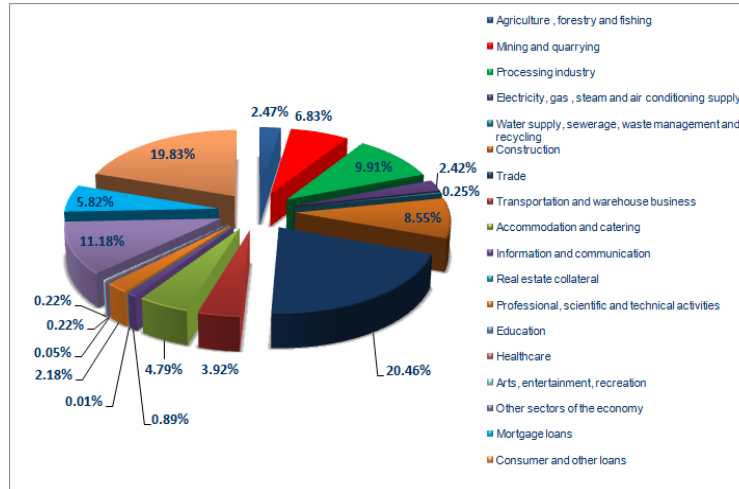
31.12.14

Analysis of loans and advances according to crediting sectors	Reporting period	Percentage
1. Agriculture , forestry and fishing	4,758,146	2.52
2. Mining and quarrying	11,722,318	6.20
3. Processing industry	19,091,252	10.10
4. Electricity, gas , steam and air conditioning supply	6,021,542	3.19
5. Water supply, sewerage, waste management and recycling	655,386	0.35
6. Construction	16,830,790	8.91
7. Trade	37,417,930	19.80
8. Transportation and warehouse business	7,702,674	4.08
9. Accommodation and catering	8,774,884	4.64
10. Information and communication	1,568,660	0.83
11. Real estate collateral	19,359	0.01
12. Professional, scientific and technical activities	4,124,069	2.18
13. Education	102,893	0.05
14. Healthcare	477,342	0.25
15. Arts, entertainment, recreation	420,780	0.22
16. Other sectors of economy	21,425,524	11.34
17. Mortgage loans	11,437,363	6.05
18. Consumer and other loans	36,404,831	19.27
<b>Total</b>	<b>188,955,743</b>	<b>100</b>



31.03.15

Analysis of loans and advances according to crediting sectors	Previous period	Percentage
1. Agriculture , forestry and fishing	4,830,559	2.47
2. Mining and quarrying	13,367,641	6.83
3. Processing industry	19,397,909	9.91
4. Electricity, gas , steam and air conditioning supply	4,731,915	2.42
5. Water supply, sewerage, waste management and recycling	495,102	0.25
6. Construction	16,738,553	8.55
7. Trade	40,048,662	20.46
8. Transportation and warehouse business	7,676,017	3.92
9. Accommodation and catering	9,387,708	4.79
10. Information and communication	1,743,534	0.89
11. Real estate collateral	15,086	0.01
12. Professional, scientific and technical activities	4,271,667	2.18
13. Education	103,767	0.05
14. Healthcare	423,878	0.22
15. Arts, entertainment, recreation	440,094	0.22
16. Other sectors of economy	21,880,193	11.18
17. Mortgage loans	11,400,811	5.82
18. Consumer and other loans	38,831,611	19.83
<b>Total</b>	<b>195,784,707</b>	<b>100</b>

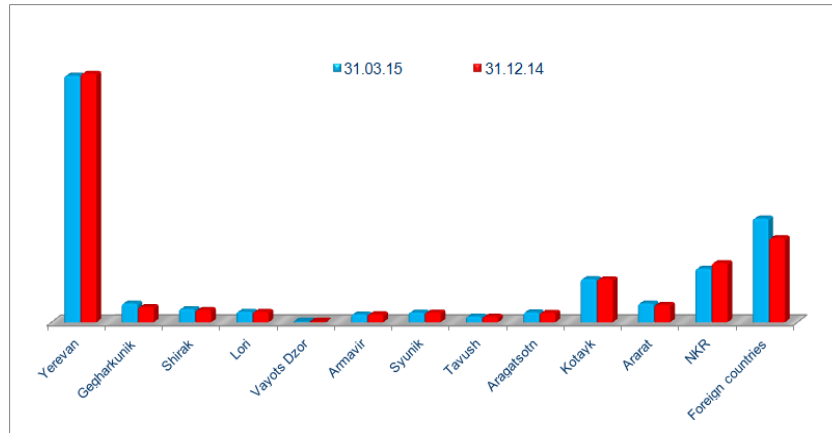




Analysis of the loan portfolio as regards customers' residency

Analysis of the loan portfolio as regards customers' residency	Reporting period	Percentage	Previous period	Percentage
RA residents	154,598,653	80.92	154,817,013	83.95
Non-residents	36,444,506	19.08	29,598,466	16.05
<b>Total</b>	<b>191,043,159</b>	<b>100</b>	<b>184,415,479</b>	<b>100</b>

Region (Marz)	31.03.15		31.12.14	
	Quantity	Amount	Quantity	Amount
Yerevan	21806	86,595,811	19610	87,306,086
Gegharkunik	9805	6,632,616	6206	5,362,702
Shirak	9429	4,690,065	7685	4,326,136
Lori	3907	3,754,814	3561	3,706,533
Vayots Dzor	178	364,017	161	340,143
Armavir	2811	2,823,914	2577	2,846,575
Syunik	2461	3,475,084	2419	3,455,486
Tavush	1471	2,074,648	1329	1,990,124
Aragatsotn	6352	3,513,902	5271	3,375,977
Kotayk	5064	15,198,110	4628	15,132,601
Ararat	6547	6,635,585	5032	6,142,854
NKR	5982	18,840,087	5869	20,831,796
Foreign countries	48	36,444,506	46	29,598,466
<b>Total</b>	<b>75,861</b>	<b>191,043,159</b>	<b>64,394</b>	<b>184,415,479</b>



Note 17. Financial assets available for sale

State securities	Reporting period	Previous period
<b>State obligations</b>	7,688,519	8,758,196
Treasury obligations	7,688,519	8,758,196
Central Bank obligations		
Promissory note		
<b>State obligations of countries with BBB-/Baa3/ or higher rating</b>		
Treasury obligations		
Central Bank obligations		
Other		
<b>State securities of countries with BB+/Ba1/ or below rating or no rating</b>		
Treasury obligations		
Central Bank obligations		
Other		
<b>Possible loss reserve for promissory notes (Note 7)</b>		
<b>Total state securities</b>	<b>7,688,519</b>	<b>8,758,196</b>

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

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

Deposit certificates				
Equity instruments				
Other				
Total non government securities of other countries	0	0	0	0

<b>Total securities available for sale</b>	<b>7,688,519</b>	<b>8,758,196</b>
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<b>Other financial assets available for sale</b>				
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				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Total financial assets available for sale</b>	<b>7,688,519</b>	<b>8,758,196</b>
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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	11457	0.00005
<b>Total</b>				<b>43,445</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				-18,406	
<b>Total</b>				<b>25,039</b>	

**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	11457	0.00005
<b>Total</b>				<b>43,445</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				-18,406	
<b>Total</b>				<b>25,039</b>	

	Reporting period	Previous period
<b>Total financial assets available for sale and investments in other companies' share capital</b>	7,713,558	8,783,235

**Note 18. Investments held to maturity**

Government securities	Reporting period	Previous period
<b>RA state bonds including</b>		
T-bonds		
Bonds of Central bank		
Other		
<b>Government securities of countries with BBB-/Baa3/ or higher rating, including</b>		
T-bonds		
Bonds of Central bank		
Other		
<b>State securities of countries with BB+/Ba1/ or below rating or no rating, including</b>		
T-bonds		
Bonds of Central bank		
Other		
<b>Accrued interest</b>		
<b>Total</b>		

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

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

<b>Impairment of investments held to maturity (reserve for possible losses) (Note 7)</b>				
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<b>Net investments in financial assets held to maturity</b>	0		0	0
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Note 20. Property, Plant, Equipment and Intangible Assets

**Property, plant and equipment**

<b>Title</b>	<b>Buildings</b>	<b>Computer &amp; communication means</b>	<b>Vehicles</b>	<b>Other PPE</b>	<b>Capital investments as regards PPE</b>	<b>Capital investments as regards leased PPE</b>	<b>Total</b>
<b>Initial cost</b>							
<b>Balance at the beginning of the previous period</b>	<b>7,546,950</b>	<b>2,737,074</b>	<b>260,020</b>	<b>1,263,413</b>	-	<b>30,399</b>	<b>11,837,856</b>
Increase	1,733	230,211	-	343,820	-	87,978	663,742
Disposal			6,363				6,363
Write-off							-
Revaluation		24,346		4,989			29,335
Depreciation adjustment from revaluation							-
<b>Balance at the end of the previous period</b>	<b>7,548,683</b>	<b>2,942,939</b>	<b>253,657</b>	<b>1,602,244</b>	-	<b>118,377</b>	<b>12,465,900</b>
Increase	328	31,700	-	29,562	-	8,707	70,297
Disposal			29,350				29,350
Revaluation*							-
Write-off							-
Depreciation adjustment from revaluation							-
<b>Balance at the end of the reporting period</b>	<b>7,549,011</b>	<b>2,974,639</b>	<b>224,307</b>	<b>1,631,806</b>		<b>127,084</b>	<b>12,506,847</b>
<b>Accumulated depreciation</b>							
<b>Balance at the beginning of the previous period</b>	-	<b>1,710,537</b>	<b>120,034</b>	<b>762,239</b>	-	<b>18,544</b>	<b>2,611,354</b>
Increase	290,106	220,186	49,758	197,867		1,447	759,364
Disposal			6,363				6,363
Impairment							-
Depreciation adjustment from revaluation							-
Write-off		20,858		4,981			25,839
<b>Balance at the end of the previous period</b>	<b>290,106</b>	<b>1,909,865</b>	<b>163,429</b>	<b>955,125</b>	-	<b>19,991</b>	<b>3,338,516</b>
Increase	72,633	55,445	10,704	53,060		839	192,681
Disposal			16,719				16,719
Depreciation adjustment from revaluation							-
Write-off							-
<b>Balance at the end of the reporting period</b>	<b>362,739</b>	<b>1,965,310</b>	<b>157,414</b>	<b>1,008,185</b>	-	<b>20,830</b>	<b>3,514,478</b>
<b>Net carrying amount</b>							
<b>End of reporting period</b>	<b>7,186,272</b>	<b>1,009,329</b>	<b>66,893</b>	<b>623,621</b>	-	<b>106,254</b>	<b>8,992,369</b>
<b>End of previous period</b>	<b>7,258,577</b>	<b>1,033,074</b>	<b>90,228</b>	<b>647,119</b>	-	<b>98,386</b>	<b>9,127,384</b>

**Intangible Assets**

	Software	Licenses	Copyright	Other intangible assets	Capital investments as regards intangible assets	Total
<b>Initial cost</b>						
<b>Balance at the beginning of the previous period</b>	<b>147,318</b>	<b>1,085,719</b>	-	<b>52,837</b>	<b>96,777</b>	<b>1,382,651</b>
Increase	28,353	228,729		13,378	41,627	312,087
Disposal						-
Impairment						
Revaluation						
<b>Balance at the end of previous period</b>	<b>175,671</b>	<b>1,314,448</b>	-	<b>66,215</b>	<b>138,404</b>	<b>1,694,738</b>
Increase	-	5,332		5,724	3,233	14,289
Disposal						-
Revaluation*						
Impairment						
Depreciation adjustment from revaluation						
<b>Balance at the end of the reporting period</b>	<b>175,671</b>	<b>1,319,780</b>	-	<b>71,939</b>	<b>141,637</b>	<b>1,709,027</b>
<b>Accumulated amortization</b>						
<b>Balance at the end of previous period</b>	<b>338</b>	<b>33,714</b>	-	-	-	<b>34,052</b>
Increase	1,937	45,103				47,040
Disposal						-
Impairment						
Revaluation						
<b>Balance at the end of previous period</b>	<b>2,275</b>	<b>78,817</b>	-	-	-	<b>81,092</b>
Increase	2,316	14,912				17,228
Disposal						-
Depreciation adjustment from revaluation						-
Revaluation						-
<b>Balance at the end of the reporting period</b>	<b>4,591</b>	<b>93,729</b>	-	-	-	<b>98,320</b>
<b>Net carrying amount</b>						
<b>End of reporting period</b>	<b>171,080</b>	<b>1,226,051</b>	-	<b>71,939</b>	<b>141,637</b>	<b>1,610,707</b>
<b>End of previous period</b>	<b>173,396</b>	<b>1,235,631</b>	-	<b>66,215</b>	<b>138,404</b>	<b>1,613,646</b>

**Note 21. Deferred tax assets**

Deferred tax assets movement	Reporting period	Previous period
<b>Balance at the beginning of the period</b>	168,497	149,158
Increase	18,815	168,497
Decrease		-149,158
<b>Balance at the end of the period</b>	<b>187,312</b>	<b>168,497</b>

**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	1,379,712	1,351,861
<b>Total</b>	<b>1,379,712</b>	<b>1,351,861</b>
Reserve for possible losses as regards bank transactions (Note 7)		
<b>Net amounts receivable from bank transactions</b>	<b>1,379,712</b>	<b>1,351,861</b>

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	380	504
Receivables as regards suppliers		
Advance payments to the employees	2,756	50
Advance payments to the suppliers	565,950	407,053
Advance payments and overpayments as regards budget and mandator	70,042	-236,426
Other receivables and prepayments	10,256,593	11,306,653
<b>Total</b>	<b>10,895,721</b>	<b>11,477,834</b>
Reserve for possible losses as regards other assets (Note 7)	-77,525	-76,779
<b>Total</b>	<b>10,818,196</b>	<b>11,401,055</b>
<b>Other assets</b>		
Warehouse	405,447	212,138
Seized collateral	4,871,794	4,945,324
Future period expenses	45,092	12,656
Other assets	98,863	50,226
Reserve for possible losses as regards other assets (Note 7)	-45,375	-51,856
<b>Total</b>	<b>5,375,821</b>	<b>5,168,488</b>
<b>Total other assets</b>	<b>17,573,729</b>	<b>17,921,404</b>

**Note 23. Amounts due to banks and other financial institutions**

Current accounts	Reporting period	Previous period
RA Banks	6	6
Banks with BBB-(Baa3) and higher rating		
Banks with rating below BBB-(Baa3) and no rating		
Accrued interest		
<b>Total</b>	<b>6</b>	<b>6</b>
<b>Interbank loans, deposits and other demands</b>		
<b>RA Central Bank</b>		
Loans*	3,592,603	24,523,970
Repo (repurchase) agreements	19,800,000	20,715,282
Swap		
Other		
<b>RA Banks</b>		
Loans and deposits	6,096,111	10,296,710
Financial leasing		
Repo (repurchase) agreements	0	0
Other	0	
<b>BBB-(Baa3) and higher rating banks</b>		
Loans and deposits	21,000,000	
Financial leasing		
Repo (repurchase) agreements		
Swap		
Other		
<b>BBB-(Baa3) and lower rating and no rating banks</b>		
Loans and deposits	706,694	474,974
Financial leasing		
Repo (repurchase) agreements		
Swap	0	0
Other	39,180	3,552
<b>Accrued interest</b>	<b>202,529</b>	<b>261,666</b>
<b>Total</b>	<b>51,437,117</b>	<b>56,276,154</b>

Financial institutions		
Current accounts	70,229	30,421
Loans and deposits	39,721,177	25,674,968
Repo (repurchase) agreements		
Swap		
Other	19,190	5,573
Accrued interest	349,240	193,313
<b>Total</b>	<b>40,159,836</b>	<b>25,904,275</b>
<b>Total amounts due to banks and other fin. institutions</b>	<b>91,596,959</b>	<b>82,180,435</b>

As of 31.03.2015, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 3.592.603 thous. And accrued interest amounts - AMD 42.383 thous.

**Note 24. Amounts due to customers**

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	27,780	26,633
Time deposits		
Loans	4,273,690	4,354,946
Repo (repurchase) agreements		
Swap		
Other	30,704	29,677
Accrued interest	81,466	15,352
<b>Total</b>	<b>4,413,640</b>	<b>4,426,608</b>
<b>Legal entities and institutions of RA (residents)</b>		
Current accounts	9,350,249	9,759,097
Time deposits	9,198,016	4,719,396
Repo (repurchase) agreements		
Swap		
Other	4,154,540	3,336,979
Accrued interest	38,811	25,066
<b>Total</b>	<b>22,741,616</b>	<b>17,840,538</b>
<b>Legal entities and institutions (non-residents)</b>		
Current accounts	9,658,101	6,676,349
Time deposits	3,065,396	14,277,713
Repo (repurchase) agreements		
Swap		
Other	407,897	0
Accrued interest	10,280	21,031
<b>Total</b>	<b>13,141,674</b>	<b>20,975,093</b>
<b>Sole entrepreneurs of RA (residents)</b>		
Current accounts	58,816	70,043
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>58,816</b>	<b>70,043</b>
<b>Sole entrepreneurs (non-residents)</b>		
Current accounts	46	47
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		



Accrued interest		
<b>Total</b>	<b>46</b>	<b>47</b>
<b>Individuals (residents)</b>		
Current accounts	7,103,327	6,667,061
Time deposits	92,115,921	89,352,242
Repo (repurchase) agreements		
Swap		
Other	26,582	16,628
Accrued interest	940,205	856,178
<b>Total</b>	<b>100,186,035</b>	<b>96,892,109</b>
<b>Individuals (non-residents)</b>		
Current accounts	884,652	420,792
Time deposits	4,778,382	4,912,538
Repo (repurchase) agreements		
Swap		
Other	0	0
Accrued interest	39,183	31,048
<b>Total</b>	<b>5,702,217</b>	<b>5,364,378</b>
<b>Total liabilities to customers</b>	<b>146,244,044</b>	<b>145,568,816</b>

The amount of the security of liabilities totaled: as at 31.03.2015 - AMD 18.102.892 thous., as at 31.12.2014 - AMD 30.893.795 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 774.055 thous., accrued interest AMD 3.055 thous.

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

	Reporting period	Previous period
Legal entities residents	56	49
Legal entitie non- residents	2	2
Individuals residents	10,017	9,593
Individuals non-residents	128	127
<b>Total</b>	<b>10,203</b>	<b>9,771</b>

#### 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	13,057,718	12,542,801
<b>Total</b>	<b>13,057,718</b>	<b>12,542,801</b>

#### Note 27. Amounts payable

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	52,383	47,944
Other		
<b>Total</b>	<b>52,383</b>	<b>47,944</b>

**Note 28. Deferred tax liabilities**

Deferred tax liabilities movements	Reporting period	Previous period
Balance at the beginning of the period		432,150
Increase		
Decrease		-432,150
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

**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		
<b>Payables as regards budget</b>		
Profit Tax	500,838	379,025
VAT	1,456	8,356
other taxes and dues	160,580	257,773
social insurance payments	0	0
Liabilities to employees as regards salary	144,871	109,263
Payables as regards suppliers	123,494	193,393
Payables as regards completion of chartered capital		
Other liabilities	3,804	3,176
<b>Balance at the end of period</b>	<b>935,043</b>	<b>950,986</b>

**Note 30. Chartered capital**

- a) Bank's chartered capital registered and fully paid – AMD 22.907.500 thous.  
b) The number of issued and allocated ordinary shares - 35.000, nominal value – AMD 654.500  
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	22,907,500	100	Individual
	<b>22,907,500</b>		

**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	70,953	318,893
Fixed assets revaluation reserve	471,422	471,422
Other reserves	1,226	1,226
<b>Total revaluation reserves</b>	<b>543,601</b>	<b>791,541</b>

**Other components of equity****Reserves**

Reserves	Reporting period	Previous period
Main reserve		
Opening balance	309,357	309,357
Increase	94,535	94,535
Decrease		
<b>Closing balance</b>	<b>403,892</b>	<b>403,892</b>

Other reserves	Reporting period	Previous period
Opening balance	791,541	1,595,572
Increase	626,788	2,582,856
Decrease	874,728	3,386,887
<b>Closing balance</b>	<b>543,601</b>	<b>791,541</b>

**Note 33. Retained earnings**

Retained profit	Reporting period	Previous period
Opening balance	3,541,107	5,515,725
Increase	435,899	3,527,416
Decrease *		5,502,034
<b>Closing balance</b>	<b>3,977,006</b>	<b>3,541,107</b>

\* out of which AMD 5.407.500 thous. were allocated for the replenishment of chartered capital, and AMD 94.535 thous. were allocated to the main reserve

**Note 34. Reserves, contingencies and potential liabilities**

Reserves		Reporting period	Previous period
Opening balance	<b>Note 7</b>	-	-
Allocations to the reserve		-	-
Use of reserve		-	-
Net allocations to the reserve		-	-
<b>Closing balance</b>		<b>-</b>	<b>-</b>

**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	5,287,048	7,574,899
Guarantees provided	19,147,997	21,376,978
Letters of credit issued	111,897	
Reserve as regards the mentioned items (Note 7)		
<b>Closing balance</b>	<b>24,546,942</b>	<b>28,951,877</b>

**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

**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		71,126
1-5 years		223,298
5-10 years		209,894
<b>Total</b>		<b>504,318</b>

**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
	<b>01.01.15-31.03.15</b>	<b>01.01.14-31.12.14</b>
Balance as of 01 January	5,052,091	2,007,272
Loans and advances provided during the year	1,722,561	8,254,627
Loans and advances repaid during the year	2,815,515	5,209,808
<b>Balance</b>	<b>3,959,137</b>	<b>5,052,091</b>
Interest income	87,854	290,458

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

Amounts due to customers	Reporting period	Previous period
	01.01.15-31.03.15	01.01.14-31.12.14
Balance as of 01 January	15,748,185	26,061,693
Amounts received during the year	38,161,458	160,766,069
Amounts paid during the year	43,130,508	171,079,577
<b>Balance</b>	<b>10,779,135</b>	<b>15,748,185</b>
Interest expense	312,582	1,185,830

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.15-31.03.15	01.01.14-31.12.14
The Board		
Salary	24,204	101,149
bonus		
Executive body		
Salary	55,123	220,195
bonus	25	18,867
Internal audit		
Salary	16,669	70,977
bonus	50	5,500
<b>Total</b>	<b>96,071</b>	<b>416,688</b>

#### 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

31.12.2014

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>					
Cash and balances with CBA	28,129,704				<b>28,129,704</b>
Amounts due from banks and other financial institutions	1,660,502	729,989	3,358,616	25,840	<b>5,774,947</b>
Financial instruments held for trading	12,542,801				<b>12,542,801</b>
Loans and advances to customers	154,817,013	312,538	1,357,367	27,928,561	<b>184,415,479</b>
Securities available for sale	8,771,778		11,457		<b>8,783,235</b>
Securities held to maturity					-
Other assets	12,610,712	243,864	11,965	5,054,863	<b>17,921,404</b>
<b>Total assets</b>	<b>218,532,510</b>	<b>1,286,391</b>	<b>4,739,405</b>	<b>33,009,264</b>	<b>257,567,570</b>
<b>Liabilities</b>					-
Amounts due to banks and other financial institutions	78,799,432	3,381,003			<b>82,180,435</b>
Amounts due to customers	119,229,345	889,517	2,843,551	22,606,403	<b>145,568,816</b>
Financial liability held for trading				12,542,801	<b>12,542,801</b>
Other liabilities	897,633	47,515	5,838		<b>950,986</b>
<b>Total liabilities</b>	<b>198,926,410</b>	<b>4,318,035</b>	<b>2,849,389</b>	<b>35,149,204</b>	<b>241,243,038</b>
<b>Net position</b>	<b>19,606,100</b>	<b>(3,031,644)</b>	<b>1,890,016</b>	<b>(2,139,940)</b>	<b>16,324,532</b>

31.03.2015

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>					
Cash and balances with CBA	33,155,757				<b>33,155,757</b>
Amounts due from banks and other financial institutions	3,032,784	524,345	2,418,037	117,318	<b>6,092,484</b>
Financial instruments held for trading	13,057,718				<b>13,057,718</b>
Loans and advances to customers	154,598,653	252,512	1,373,528	34,818,466	<b>191,043,159</b>
Securities available for sale	7,702,101		11,457		<b>7,713,558</b>
Securities held to maturity					-
Other assets	12,412,552	231,298	11,076	4,918,803	<b>17,573,729</b>
<b>Total assets</b>	<b>223,959,565</b>	<b>1,008,155</b>	<b>3,814,098</b>	<b>39,854,587</b>	<b>268,636,405</b>
<b>Liabilities</b>					-
Amounts due to banks and other financial institutions	89,413,550	1,947,671	58	235,680	<b>91,596,959</b>
Amounts due to customers	126,400,105	1,132,153	2,728,530	15,983,256	<b>146,244,044</b>
Financial liability held for trading	1,117,105			11,940,613	<b>13,057,718</b>
Other liabilities	882,258	47,131	5,654		<b>935,043</b>
<b>Total liabilities</b>	<b>217,813,018</b>	<b>3,126,955</b>	<b>2,734,242</b>	<b>28,159,549</b>	<b>251,833,764</b>
<b>Net position</b>	<b>6,146,547</b>	<b>(2,118,800)</b>	<b>1,079,856</b>	<b>11,695,038</b>	<b>16,802,641</b>

OECD \* - Organization for Economic Cooperation and Development

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

31.12.2014

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	180,979,214	2,336,315	868,379	231,571	
<b>Loans and advances, including</b>	<b>60,726</b>	<b>2,326</b>	<b>729</b>	<b>613</b>	
1. Agriculture , forestry and fishing	amount 4,316,937	253,965	33,703	26,372	
	number 437	24	5	3	
2. Mining and quarrying	amount 11,581,887	21,098			
	number 48	2			
3. Processing industry	amount 18,882,741	15,951			
	number 100	6			
4. Electricity, gas , steam and air conditioning supply	amount 5,961,327				
	number 28				
5. Water supply, sewerage, waste management and recycling	amount 648,832				
	number 8				
6. Construction	amount 16,461,362	175,520	3,409		
	number 118	5	1		
7. Trade	amount 36,908,335	8,751	100,087	929	
	number 925	4	2	1	
8. Transportation and warehouse business	amount 7,625,647				
	number 21				
9. Accommodation and catering	amount 8,670,432		12,823		
	number 51		1		
10. Information and communication	amount 1,552,973				
	number 35				
11. Real property buisness	amount 19,165				
	number 3				
12. Professional, scientific and technical activities	amount 4,082,828				
	number 23				
13. Education	amount 101,864				
	number 72				
14. Healthcare	amount 471,344	491		346	

	number	21	1		1	
15. Arts, entertainment, recreation	amount	416,572				
	number	11				
16. Other branches of economy	amount	19,379,928				
	number	24				
17. Mortgage loans	amount	10,765,179	330,481	113,335	27,142	
	number	1,894	52	23	10	
18. Consumer and other loans	amount	33,131,861	1,530,058	605,022	176,782	
	number	56,907	2,232	697	598	
Receivables	amount	<b>15,138,871</b>	<b>24,795</b>	<b>58,370</b>	<b>21,110</b>	
	number	<b>4,544</b>	<b>155</b>	<b>370</b>	<b>444</b>	
Investment securities	amount	<b>25,039</b>				
	number	<b>3</b>				
Off-balance sheet items	amount	<b>28,929,131</b>	<b>17,404</b>	<b>2,151</b>	<b>836</b>	<b>2355</b>
	number	<b>26,483</b>	<b>371</b>	<b>76</b>	<b>37</b>	<b>55</b>
including guarantees	amount	21,368,662	7,399			917
	number	290	2			1
letters of credit	amount					
	number					

3/31/2015

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans and advances, including</b>	<b>186,376,237</b>	<b>3,413,561</b>	<b>1,055,446</b>	<b>197,915</b>	
	<b>70,360</b>	<b>3,710</b>	<b>1,115</b>	<b>676</b>	
1. Agriculture , forestry and fishing	4,373,185	302,442	53,450	272	
	953	35	17	1	
2. Mining and quarrying	13,204,423	24,791	1,731		
	34	3	1		
3. Processing industry	19,158,587	35,003	5,527		
	90	10	2		
4. Electricity, gas , steam and air conditioning supply	4,684,596				
	28				
5. Water supply, sewerage, waste management and recycling	490,151				
	8				
6. Construction	16,371,023	164,807	8,406	2,284	
	106	4	2	1	
7. Trade	39,469,020	42,774	106,470		
	1,456	37	3		



8. Transportation and warehouse business	amount	7,599,257				
	number	21				
9. Accommodation and catering	amount	9,276,062	504	13,215		
	number	52	1	1		
10. Information and communication	amount	1,726,099				
	number	38				
11. Real property business	amount	14,935				
	number	3				
12. Professional, scientific and technical activities	amount	4,228,950				
	number	25				
13. Education	amount	102,729				
	number	98				
14. Healthcare	amount	418,140	739		347	
	number	52	2		1	
15. Arts, entertainment, recreation	amount	435,693				
	number	13				
16. Other branches of economy	amount	19,830,053				
	number	25				
17. Mortgage loans	amount	10,396,667	588,693	144,412	31,057	
	number	1,815	132	27	16	
18. Consumer and other loans	amount	34,596,667	2,253,808	722,235	163,955	
	number	65,543	3,486	1,062	657	
Receivables	amount	<b>8,591,346</b>	<b>59,183</b>	<b>54,762</b>	<b>21,530</b>	
	number	<b>4,230</b>	<b>611</b>	<b>175</b>	<b>309</b>	
Investment securities	amount	<b>43,445</b>				
	number	<b>3</b>				
Off-balance sheet items	amount	<b>24,512,861</b>	<b>29,740</b>	<b>1,274</b>	<b>569</b>	<b>2498</b>
	number	<b>24,077</b>	<b>426</b>	<b>43</b>	<b>23</b>	<b>35</b>
including guarantees	amount	19,143,940	3,140			917
	number	257	2			1
letters of credit	amount	111,897				
	number	2				

Analysis of credit portfolio according to regions and risk exposure

31.12.2014

Loans and advances, including	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans, including					
1. Residents of RA	151,380,748	2,336,315	868,379	231,571	
2. Non-residents	29,598,466				
<b>Total</b>	<b>180,979,214</b>	<b>2,336,315</b>	<b>868,379</b>	<b>231,571</b>	

Loans to non-residents 31.12.14

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans and advances, including</b>	<b>29,598,466</b>	-	-	-	-
	<b>46</b>	-	-	-	-
1. Agriculture , forestry and fishing	2,833				
amount					
number	2				
2. Mining and quarrying					
amount					
number					
3. Processing industry	5,778				
amount					
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	14,401,258				
amount					
number	12				
8. Transportation and warehouse business					
amount					
number					
9. Accommodation and catering					
amount					
number					
10. Information and communication	760				
amount					
number	1				
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	3,476				
amount					
number	1				
16. Other branches of economy	15,080,582				
amount					
number	8				
17. Mortgage loans					
amount					
number					
18. Consumer and other loans	103,779				
amount					
number	20				

31.03.2015

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans, including</b>					
1. Residents of RA	149,931,731	3,413,561	1,055,446	197,915	
2. Non-residents	36,444,506				
<b>Total</b>	<b>186,376,237</b>	<b>3,413,561</b>	<b>1,055,446</b>	<b>197,915</b>	

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans and advances, including</b>	36,444,506	-	-	-	-
	48	-	-	-	-
1. Agriculture , forestry and fishing	amount 2,283				
	number 1				
2. Mining and quarrying	amount				
	number				
3. Processing industry	amount 5,158				
	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 21,103,027				
	number 11				
8. Transportation and warehouse business	amount				
	number				
9. Accommodation and catering	amount				
	number				
10. Information and communication	amount 531				
	number 1				
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 3,261				
	number 1				
16. Other branches of economy	amount 15,201,227				
	number 8				
17. Mortgage loans	amount				
	number				
18. Consumer and other loans	amount 129,019				
	number 24				

**Loan portfolio indicators as of 31.03.2015**

Non-performing loans/ total loans 3.07%

Reserve for non-performing loans/total capital 3.16%

Loan reserve /total loans 1.53%

Possible loss reserve/Non-performing loans - 49.79%

Large amount advances/capital - 358.16%:

## 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

31.12.2014

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	25,637,550	2,384,578	107,576	28,129,704
Standardized precious metal bullions		457,924		457,924
Amounts due from banks and other financial institutions	782,124	4,264,505	728,318	5,774,947
Financial instruments kept for trading	12,542,801			12,542,801
Loans and advances to customers	73,650,154	110,684,375	80,950	184,415,479
Financial assets available for sale	8,783,235			8,783,235
Financial assets held to maturity				-
Other	11,628,149	6,268,805	24,450	17,921,404
<b>Total assets</b>	<b>133,024,013</b>	<b>124,060,187</b>	<b>941,294</b>	<b>258,025,494</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	67,362,936	14,817,295	204	82,180,435
Amounts due to customers	36,931,029	107,677,146	960,641	145,568,816
Other liabilities	896,765	54,221		950,986
<b>Total liabilities</b>	<b>105,190,730</b>	<b>122,548,662</b>	<b>960,845</b>	<b>228,700,237</b>
<b>Net position</b>	<b>27,833,283</b>	<b>1,511,525</b>	<b>(19,551)</b>	<b>29,325,257</b>

31.03.2015

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	26,108,306	6,923,730	123,721	33,155,757
Standardized precious metal bullions		291,352		291,352
Amounts due from banks and other financial institutions	2,197,414	3,445,696	449,374	6,092,484
Financial instruments kept for trading	13,057,718			13,057,718
Loans and advances to customers	81,778,552	109,264,607		191,043,159
Financial assets available for sale	7,713,558			7,713,558
Financial assets held to maturity				-
Other	12,158,479	5,390,779	24,471	17,573,729
<b>Total assets</b>	<b>143,014,027</b>	<b>125,316,164</b>	<b>597,566</b>	<b>268,927,757</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	84,380,730	7,180,777	35,452	91,596,959
Amounts due to customers	39,083,975	106,597,025	563,044	146,244,044
Other liabilities	881,666	53,377		935,043
<b>Total liabilities</b>	<b>124,346,371</b>	<b>113,831,179</b>	<b>598,496</b>	<b>238,776,046</b>
<b>Net position</b>	<b>18,667,656</b>	<b>11,484,985</b>	<b>(930)</b>	<b>30,151,711</b>

\* 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		9,422,600		9,422,600
- demands	10,052,300			10,052,300
Other derivative instruments				
- liabilities				
- demands				
<b>Net position according to the derivative financial instruments</b>	<b>10,052,300</b>	<b>(9,422,600)</b>	<b>-</b>	<b>629,700</b>
<b>Net open position*</b>	<b>10,052,300</b>	<b>(9,422,600)</b>	<b>-</b>	<b>629,700</b>

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
	%	%	%	%
<b>Assets</b>				
Balances with CBA				
Amounts due from banks and other financial organizations including				
- interbank loans				
- interbank repo				
- interbank swap				
Loans and advances to customers	6-24	13-15	6-24	13-15
Securities held for trading and available for sale	7.51		8-13.0	
Securities held to maturity				
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	11-18	6-8	4-9.5	4-8.3
Amounts due to customers	1-17.5	1-9.5	1-16	1-9.5
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.

31.12.2014

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		
<b>Assets</b>										
Cash in intern. and CBA			27,909,704						220,000	28,129,704
Amounts due from banks and other fin. institutions			2,945,420	1,213,839	84,192	368,387	577,028		586,081	5,774,947
Loans provided to customers	1,969,808	2,228,944	1,678,408	53,870,911	22,731,164	33,592,667	56,648,202	11,695,375		184,415,479
Financial assets	-	-	-	13,242,829	-	2,491,446	-	5,566,722	25,039	21,326,036
held for trade				12,542,801						12,542,801
available for sale				700,028		2,491,446		5,566,722	25,039	8,783,235
held up to maturity										-
Realized under repo agreements										-
Other assets	34,949	61,697	5,314,024	123,315	68,067	122,262	2,308,505	4,943,261	4,945,324	17,921,404
*Contractual demands										
<b>Total</b>	<b>2,004,757</b>	<b>2,290,641</b>	<b>37,847,556</b>	<b>68,450,894</b>	<b>22,883,423</b>	<b>36,574,762</b>	<b>59,533,735</b>	<b>22,205,358</b>	<b>5,776,444</b>	<b>257,567,570</b>
1-st group currency	853,223	280,358	12,148,198	45,286,513	8,700,771	14,106,802	43,201,903		586,081	125,163,849
2-nd group currency			248,612	669,050						917,662
Variable interest rate										-
Fixed interest rate	1,967,444	2,228,944	1,359,286	55,784,778	22,815,356	36,452,500	57,225,230	15,426,550	586,081	193,846,169
Interest free	37,313	61,697	36,488,270	12,666,116	68,067	122,262	2,308,505	6,778,808	5,190,363	63,721,401
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			39,552	57,186,922	12,312,319	2,192,078	6,597,087	3,852,477		82,180,435
Amounts due to customers	-	-	27,083,484	17,827,296	17,856,658	60,576,192	22,223,643	1,543	-	145,568,816
upon demand			27,083,484							27,083,484
time liability				17,827,296	17,856,658	60,576,192	22,223,643	1,543		118,485,332
Other										-
Liabilities for securities issued by the banks										-
Other liabilities			757,593	193,393						950,986
Off-balance contingent liabilities	14,819	7,926	7,560,470	4,268,534	4,565,938	6,211,298	6,322,892			28,951,877
*Contractual liabilities										-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27,880,629</b>	<b>75,207,611</b>	<b>30,168,977</b>	<b>62,768,270</b>	<b>28,820,730</b>	<b>3,854,020</b>	<b>-</b>	<b>228,700,237</b>
1-st group currency			12,025,103	20,362,814	17,661,201	55,892,494	15,861,962			121,803,574
2-nd group currency			600,904	106,354	31,184	148,443	73,960			960,845
Large amount liability			102,610	49,247,808	6,632,601	22,561,306	5,641,433			84,185,758
Variable rate liability										-
Fixed rate liability			24,408,036	75,014,218	29,993,804	60,924,431	28,820,730	3,854,020		223,015,239
Interest free			3,472,593	193,393	175,173	1,843,839				5,684,998
<b>Net liquidity gap</b>	<b>2,004,757</b>	<b>2,290,641</b>	<b>9,966,927</b>	<b>(6,756,717)</b>	<b>(7,285,554)</b>	<b>(26,193,508)</b>	<b>30,713,005</b>	<b>18,351,338</b>	<b>5,776,444</b>	<b>28,867,333</b>
1-st group currency	853,223	280,358	123,095	24,923,699	(8,960,430)	(41,785,692)	27,339,941	-	586,081	3,360,275
2-nd group currency	-	-	(352,292)	562,696	(31,184)	(148,443)	(73,960)	-	-	(43,183)
Variable interest rate	-	-	-	-	-	-	-	-	-	-
Fixed rate	1,967,444	2,228,944	(23,048,750)	(19,229,440)	(7,178,448)	(24,471,931)	28,404,500	11,572,530	586,081	(29,169,070)
Cumulative liquidity gap	2,004,757	4,295,398	14,262,325	7,505,608	220,054	(25,973,454)	4,739,551	23,090,889	28,867,333	228,700,237

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		
<b>Assets</b>										
Cash in intern. and CBA			33,035,757						120,000	33,155,757
Amounts due from banks and other fin. institutions			2,253,798	2,314,422	101,013	396,192	445,402		581,657	6,092,484
Loans provided to customers	2,320,782	3,226,404		44,983,365	34,905,451	33,148,078	60,880,658	11,578,421		191,043,159
Financial assets			-	-	670,567	1,392,981	1,248,511	17,434,178	25,039	20,771,276
held for trade								13,057,718		13,057,718
available for sale					670,567	1,392,981	1,248,511	4,376,460	25,039	7,713,558
held up to maturity										-
Realized under repo agreements										-
Other assets	39,896	86,962	6,086,379	83,162	87,129	2,233,061	4,085,346		4,871,794	17,573,729
*Contractual demands										-
<b>Total</b>	<b>2,360,678</b>	<b>3,313,366</b>	<b>41,375,934</b>	<b>47,380,949</b>	<b>35,764,160</b>	<b>37,170,312</b>	<b>66,659,917</b>	<b>29,012,599</b>	<b>5,598,490</b>	<b>268,636,405</b>
1-st group currency	877,387	440,490	16,206,498	35,435,586	5,643,399	16,357,371	49,773,776		581,657	125,316,164
2-nd group currency			336,506	261,060						597,566
Variable interest rate										-
Fixed interest rate	2,320,782	3,226,404	1,438,978	47,297,787	35,677,031	34,937,251	62,574,571	29,012,599	581,657	217,067,060
Interest free	39,896	86,962	39,936,956	83,162	87,129	2,233,061	4,085,346	-	5,016,833	51,569,345
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			89,425	50,342,343	3,491,834	6,672,579	27,396,916	3,603,862		91,596,959
Amounts due to customers	-	-	31,392,616	20,403,370	30,988,042	41,785,524	21,672,927	1,565	-	146,244,044
upon demand			31,392,616							31,392,616
time liability				20,403,370	30,988,042	41,785,524	21,672,927	1,565		114,851,428
Other										-
Liabilities for securities issued by the banks										-
Other liabilities			809,615	123,494					1,934	935,043
Off-balance contingent liabilities	6,476	27,605	5,257,025	4,619,916	5,176,186	3,325,296	6,134,438			24,546,942
*Contractual liabilities										-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>32,291,656</b>	<b>70,869,207</b>	<b>34,479,876</b>	<b>48,458,103</b>	<b>49,069,843</b>	<b>3,605,427</b>	<b>1,934</b>	<b>238,776,046</b>
1-st group currency			16,547,960	19,552,066	27,355,281	33,268,693	17,107,179			113,831,179
2-nd group currency			191,027	94,283	50,352	154,341	108,493			598,496
Large-scale liability			5,856,777	40,785,100	10,978,858	11,058,393	5,639,965			74,319,093
Variable rate liability										-
Fixed rate liability			27,956,155	60,262,363	30,424,446	48,427,399	49,069,843	3,605,427		219,745,633
Interest free			4,335,501	10,606,844	4,055,430	30,704			1,934	19,030,413
<b>Net liquidity gap</b>	<b>2,360,678</b>	<b>3,313,366</b>	<b>9,084,278</b>	<b>(23,488,258)</b>	<b>1,284,284</b>	<b>(11,287,791)</b>	<b>17,590,074</b>	<b>25,407,172</b>	<b>5,596,556</b>	<b>29,860,359</b>
1-st group currency	877,387	440,490	(341,462)	15,883,520	(21,711,882)	(16,911,322)	32,666,597	-	581,657	11,484,985
2-nd group currency	-	-	145,479	166,777	(50,352)	(154,341)	(108,493)	-	-	(930)
Variable interest rate			-	-	-	-	-	-	-	-
fixed rate	2,320,782	3,226,404	(26,517,177)	(12,964,576)	5,252,585	(13,490,148)	13,504,728	25,407,172	581,657	(2,678,573)
Cumulative liquidity gap	2,360,678	5,674,044	14,758,322	(8,729,936)	(7,445,652)	(18,733,443)	(1,143,369)	24,263,803	29,860,359	238,776,046

## Average balance sheet capital and assets

01/01/15-31/03/15

Average balance sheet asset	<b>257,864,286</b>
Average balance sheet capital	<b>29,203,027</b>

**Note 42. Collateral accepted**

	Reporting period	Previous period
Other securities	5,529,468	7,724,282
Jewels and precious stones	15,601,413	12,257,618
Real estate	142,931,384	142,282,960
Vehicles	15,049,817	14,977,647
Other PPE	18,026,143	18,240,689
Finished production and goods	18,975,734	21,284,426
Cash	18,102,892	30,893,795
Other collateral	15,321,047	18,811,456
Credit guarantee	3,766,165	3,795,273
Other guarantees	15,381,832	17,581,705
Credit warranties	118,665,324	107,535,208
Other warranties	18,929,198	19,386,779
<b>Total</b>	<b>406,280,417</b>	<b>414,771,838</b>

Chairman of the Executive Board

Arsen Mikayelyan

Chief Accountant

Narine Sargsyan

Date of approval 14.04.15