



Appendix 5

NOTES TO FINANCIAL STATEMENTS  
(Form 5)

31 March 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 21 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

<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>	
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	
<b>c) Major Participants</b>	
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 2017	31 December 2016
AMD/1 US Dollar	483.45	483.94
AMD/1 EUR	515.99	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

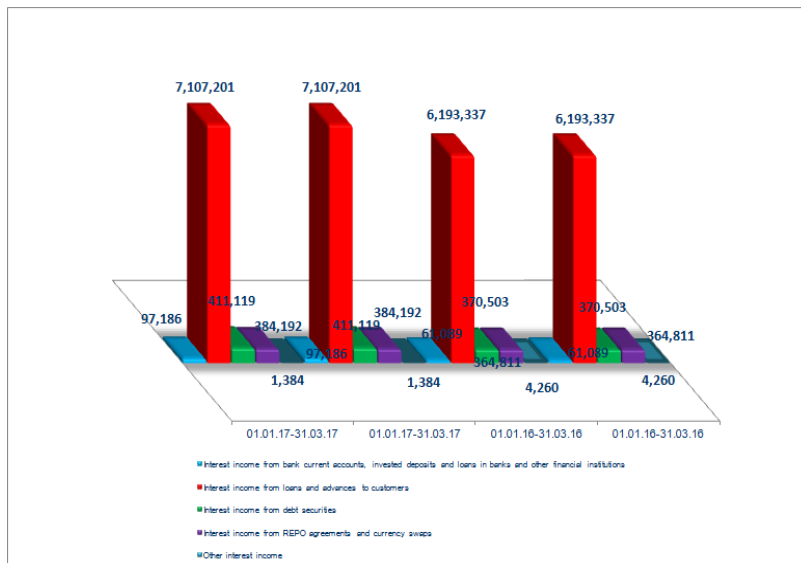
### 2.17 Functional and presentation currency

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.

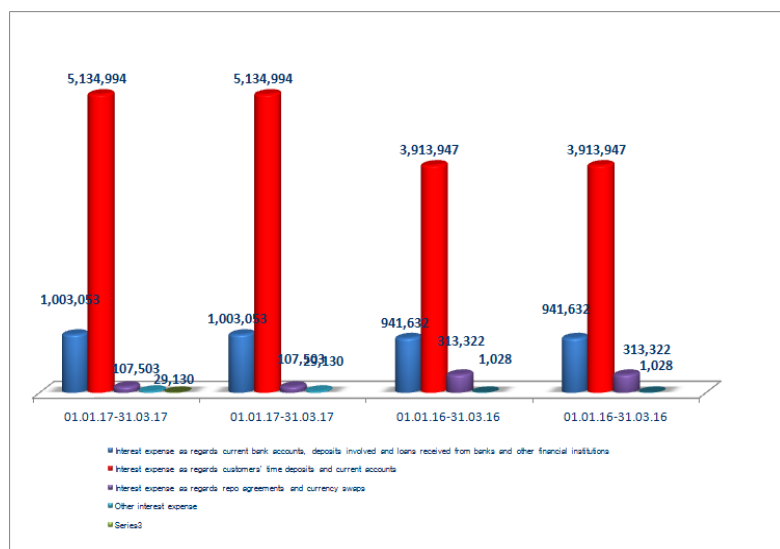
### Note 3. Net Interest and Similar Income

Interest and Similar Income	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	97,186	97,186	61,089	61,089
Interest income from loans and advances to customers	7,107,201	7,107,201	6,193,337	6,193,337
Interest income from debt securities	411,119	411,119	370,503	370,503
Interest income from REPO agreements and currency swaps	384,192	384,192	364,811	364,811
Other interest income	1,384	1,384	4,260	4,260
<b>Total</b>	<b>8,001,082</b>	<b>8,001,082</b>	<b>6,994,000</b>	<b>6,994,000</b>



Interest and Similar Expense	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	1,003,053	1,003,053	941,632	941,632

Interest expense as regards customers' time deposits and current accounts	5,134,994	5,134,994	3,913,947	3,913,947
Interest expense as regards securities issued by the Bank	9,926	9,926		
Interest expense as regards repo agreements and currency swaps	107,503	107,503	313,322	313,322
Other interest expense	29,130	29,130	1,028	1,028
<b>Total</b>	<b>6,284,606</b>	<b>6,284,606</b>	<b>5,169,929</b>	<b>5,169,929</b>
<b>Net interest and similar income</b>	<b>1,716,476</b>	<b>1,716,476</b>	<b>1,824,071</b>	<b>1,824,071</b>



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

Income in the form of Commissions and Other Fees	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Cash operations	56,828	56,828	44,309	44,309
Settlement services	131,744	131,744	87,507	87,507
Guarantee, acceptance, letter of credit, trust management operations	63,752	63,752	71,658	71,658
Transaction in foreign currency and securities				
Plastic card operations	136,730	136,730	136,438	136,438
Other commission payments	237,236	237,236	160,583	160,583
<b>Total</b>	<b>626,290</b>	<b>626,290</b>	<b>500,963</b>	<b>500,963</b>

Expenses in the form of Commissions and Other Payments	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
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Commission payments as regards correspondent and other accounts/bank transactions	52,385	52,385	40,469	40,469
Commission payments as regards transactions with plastic cards/cash transactions	20,554	20,554	52,274	52,274
Payments as regards guarantees, acceptance, letters of credit, trust management transactions			31	31
Commission payments as regards transactions in foreign currency and securities			2,780	2,780
Other commission payments	3,756	3,756	2,243	2,243
<b>Total</b>	<b>76,695</b>	<b>76,695</b>	<b>97,797</b>	<b>97,797</b>

<b>Net Commissions and other payments received</b>	<b>549,595</b>	<b>549,595</b>	<b>403,166</b>	<b>403,166</b>
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**Note 5. Net income from trading transactions**

<b>Income from investments remeasured at fair value and held at fair value</b>	<b>01.01.17-31.03.17</b>	<b>01.01.17-31.03.17</b>	<b>01.01.16-31.03.16</b>	<b>01.01.16-31.03.16</b>
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	24,689	24,689	-144,580	-144,580
Net income from change in fair value of investments held for trading				
<b>Total</b>	<b>24,689</b>	<b>24,689</b>	<b>-144,580</b>	<b>-144,580</b>

<b>Net income from investments available for sale</b>	<b>01.01.17-31.03.17</b>	<b>01.01.17-31.03.17</b>	<b>01.01.16-31.03.16</b>	<b>01.01.16-31.03.16</b>
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities			0	
- derivative instruments				
Net income from change in fair value of investments held for trading				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>From foreign currency transactions</b>	<b>01.01.17-31.03.17</b>	<b>01.01.17-31.03.17</b>	<b>01.01.16-31.03.16</b>	<b>01.01.16-31.03.16</b>
Net income from foreign currency dealings	332,471	332,471	287,184	287,184
Net income from foreign currency revaluation	-21,978	-21,978	87,242	87,242
<b>Total</b>	<b>310,493</b>	<b>310,493</b>	<b>374,426</b>	<b>374,426</b>

<b>From bank standardized precious metal bullions and commemorative coins</b>	<b>01.01.17-31.03.17</b>	<b>01.01.17-31.03.17</b>	<b>01.01.16-31.03.16</b>	<b>01.01.16-31.03.16</b>
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	1,656	1,656	3,500	3,500
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	26,851	26,851	41,340	41,340
<b>Total</b>	<b>28,507</b>	<b>28,507</b>	<b>44,840</b>	<b>44,840</b>

<b>Net income from trading transactions</b>	<b>363,689</b>	<b>363,689</b>	<b>274,686</b>	<b>274,686</b>
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**Note 6. Other operating income**

<b>Other operating income</b>	<b>01.01.17-31.03.17</b>	<b>01.01.17-31.03.17</b>	<b>01.01.16-31.03.16</b>	<b>01.01.16-31.03.16</b>
Fines and penalties received	518,231	518,231	362,214	362,214
Income received from factoring	1,860	1,860	13,304	13,304
Net income from disposal of PPE and intangible assets	588	588	691	691
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	67,041	67,041	420,444	420,444
<b>Total</b>	<b>587,720</b>	<b>587,720</b>	<b>796,653</b>	<b>796,653</b>

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

<b>As regards amounts due from banks</b>		<b>01.01.17-31.03.17</b>	<b>01.01.17-31.03.17</b>	<b>01.01.16-31.03.16</b>	<b>01.01.16-31.03.16</b>
Opening balance	<b>Note 14</b>	59,187	59,187	79,579	79,579
Allocations to the reserve		286,338	286,338	0	0
Return of reserve allocations		-254,717	-254,717	-79,579	-79,579
Net allocations to the reserve		31,621	31,621	-79,579	-79,579
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
<b>Closing balance</b>			<b>90,808</b>	<b>90,808</b>	<b>0</b>

<b>As regards amounts due from financial institutions</b>		<b>01.01.17-31.03.17</b>	<b>01.01.17-31.03.17</b>	<b>01.01.16-31.03.16</b>	<b>01.01.16-31.03.16</b>
Opening balance	<b>Note 14</b>	57,370	57,370	16,528	16,528
Allocations to the reserve		14,827	14,827	0	0
Return of reserve allocations		-21,643	-21,643	-16,528	-16,528
Net allocations to the reserve		-6,816	-6,816	-16,528	-16,528
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
<b>Closing balance</b>		<b>50,554</b>	<b>50,554</b>	<b>0</b>	<b>0</b>

<b>As regards loans and advances provided to the customers</b>		<b>01.10.16-31.12.16</b>	<b>01.01.16-31.12.16</b>	<b>01.10.15-31.12.15</b>	<b>01.01.15-31.12.15</b>
Opening balance	<b>Note 16</b>	4,239,633	4,239,633	5,534,149	5,534,149
Allocations to the reserve		1,931,211	1,931,211	1,850,045	1,850,045
Return of reserve allocations		-1,359,052	-1,359,052	-880,356	-880,356
Net allocations to the reserve		572,159	572,159	969,689	969,689

Return of amounts previously written-off to the off-balance sheet		571,324	571,324	432,901	432,901
Reserve utilization		-801,182	-801,182	-997,419	-997,419
<b>Closing balance</b>		<b>4,581,934</b>	<b>4,581,934</b>	<b>5,939,320</b>	<b>5,939,320</b>

As regards investments		01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Opening balance	<b>Note 18</b>	1,235	1,235	21,895	21,895
Allocations to the reserve		0			0
Return of reserve allocations		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>1,235</b>	<b>1,235</b>	<b>21,895</b>

As regards other assets		01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Opening balance	<b>Note 18</b>	545,321	545,321	160,082	160,082
Allocations to the reserve		1,245,262	1,245,262	812,708	812,708
Return of reserve allocations		-1,251,767	-1,251,767	-440,950	-440,950
Net allocations to the reserve		-6,505	-6,505	371,758	371,758
Return of amounts previously written-off to the off-balance sheet		16,412	16,412	5,310	5,310
Reserve utilization		-9,891	-9,891	-8,161	-8,161
<b>Closing balance</b>			<b>545,337</b>	<b>545,337</b>	<b>528,989</b>

As regards off-balance sheet items containing credit risk		01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Opening balance	<b>Note 30</b>	591,471	591,471	335,674	335,674
Allocations to the reserve		107,339	107,339	131,186	131,186
Return of reserve allocations		-122,644	-122,644	-335,674	-335,674
Net allocations to the reserve		-15,305	-15,305	-204,488	-204,488
<b>Closing balance</b>			<b>576,166</b>	<b>576,166</b>	<b>131,186</b>

<b>Total net allocations to the reserves</b>		<b>575,154</b>	<b>575,154</b>	<b>1,040,852</b>	<b>1,040,852</b>
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#### Note 8. General administrative expenses

General administrative expenses	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Expenses as regards calculated salary and other equivalent payments *	844,642	844,642	777,314	777,314
Expenses as regards social payments	0	0	0	0
Expenses as regards training and tuition	50	50	181	181
Expenses as regards business trips	16,564	16,564	8,214	8,214
Expenses as regards operating lease	40,852	40,852	36,902	36,902
Insurance expenses	17,389	17,389	8,814	8,814
Expenses as regards maintenance and security of Bank's equipment	30,323	30,323	27,429	27,429
Expenses as regards maintenance and security of Bank's buildings	83,956	83,956	78,939	78,939
Expenses as regards audit and other consulting services	6,737	6,737	14,594	14,594



Expenses as regards communication means	27,401	27,401	23,043	23,043
Transportation expenses	13,961	13,961	12,885	12,885
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	58,200	58,200	64,059	64,059
Office and organizational expenses	13,959	13,959	15,514	15,514
Expenses as regards loans provision and return	17,796	17,796	11,922	11,922
Other administrative expenses	45,317	45,317	54,711	54,711
<b>Total</b>	<b>1,217,147</b>	<b>1,217,147</b>	<b>1,134,521</b>	<b>1,134,521</b>

The number of the Bank employees as at 31 December 2016 is 848.

The size of average monthly salary per employee is 206 thous. drams.

#### Note 9. Other Operating Expenses

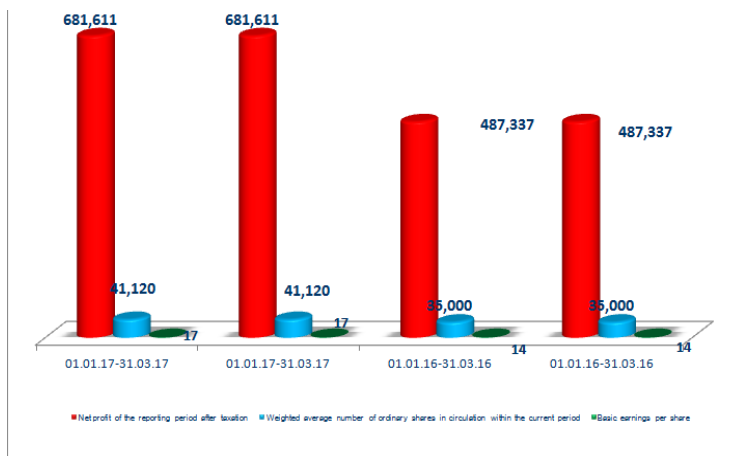
Other Operating Expenses	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Fines and penalties paid	362	362	500	500
Advertising and representation expenses	54,703	54,703	51,126	51,126
Fcatoting expenses				
Fixed and intangible assets amortization expenses	245,075	245,075	242,809	242,809
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	140,091	140,091	72,238	72,238
Other expenses	143,850	143,850	129,139	129,139
<b>Total</b>	<b>584,081</b>	<b>584,081</b>	<b>495,812</b>	<b>495,812</b>

#### Note 11. Profit Tax Expense

Profit tax expense	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Current tax expense	-159,487	-159,487	-140,054	-140,054
Adjustments of current tax for previous periods recognized in the given period				
Deferred tax expense				
<b>Total</b>	<b>-159,487</b>	<b>-159,487</b>	<b>-140,054</b>	<b>-140,054</b>

#### Note 12. Basic Earnings per Share

Basic Earnings per Share	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Net profit of the reporting period after taxation	681,611	681,611	487,337	487,337
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	17	17	14	14
Diluted earnings per share				



**Note. Other Comprehensive Income**

Other Comprehensive Income	01.01.17-31.03.17	01.01.17-31.03.17	01.01.16-31.03.16	01.01.16-31.03.16
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets available for sale	12,547	12,547	205,925	205,925
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
<b>Total</b>	<b>12,547</b>	<b>12,547</b>	<b>205,925</b>	<b>205,925</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	6,329,211	5,214,643
Other placements of cash	1,995,034	2,462,787
Correspondent accounts with the CBA *	40,552,083	52,081,824
<b>Total</b>	<b>48,876,328</b>	<b>59,759,254</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>48,996,328</b>	<b>59,979,254</b>
Standardized precious metal bullions	351,989	44,555
Placements with other banks (Note 14)	8,998,887	5,942,615
<b>Total cash and cash equivalents</b>	<b>58,347,204</b>	<b>65,966,424</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	3,042	2,482
Banks with BBB – (Baa3) and higher rating	819,630	3,306,789
Banks with no rating and rating below BBB-(Baa3)	295,772	146,630
Accrued interest	0	0
<b>Total</b>	<b>1,118,444</b>	<b>3,455,901</b>

Interbank loans and deposits, etc.		
<b>CBA</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Other		
<b>RA Banks</b>		
Loans and deposits	1022159	0
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	22,848
Letters of credit and bank guarantees		
Other		
<b>Banks with BBB – (Baa3) and higher rating</b>		
Loans and deposits	5,592,090	1,142,600
Factoring		
Financial lease		
<b>RA Banks</b>		
RA Banks	0	0
Letters of credit and bank guarantees		
Other	0	0
<b>Banks with no rating and rating below BBB-(Baa3)</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	0
Letters of credit and bank guarantees		
Other	1,346,691	1,320,765
<b>Accrued interest</b>	1358	501
<b>Total</b>	<b>9,080,742</b>	<b>5,942,615</b>
Reserve for possible losses as regards amounts due from Banks (Note 7)	<b>-90,808</b>	<b>-59,187</b>
<b>Net amounts due from banks</b>	<b>8,989,934</b>	<b>5,883,428</b>

Loans and deposits with financial institutions, other amounts due		
<b>RA financial institutions</b>	3,575,612	4,105,670
Loans and deposits	1,485,141	3,095,564
Factoring		

Financial lease		
Repo (repurchase) agreements	2,090,361	1,010,106
Swap		
Letters of credit and bank guarantees		
Other	110	
<b>Financial institutions with BBB – (Baa3) and higher rating</b>		
Loans and deposits	0	0
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>	1,470,538	1,719,590
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	1,470,538	1,719,590
<b>Accrued interest</b>	9,300	24,408
<b>Total</b>	5,055,450	5,849,668
<b>Reserve for possible losses as regards amounts due from financial institutions (Note 7)</b>	-50,554	-57,370
<b>Net amounts due from financial institutions</b>	<b>5,004,896</b>	<b>5,792,298</b>
<b>Net amounts due from banks and financial institutions</b>	<b>13,994,830</b>	<b>11,675,726</b>

**Note 15. Financial Assets Held for Trading**

<b>Government securities</b>	<b>Reporting period</b>	<b>Previous period</b>
<b>RA Government securities, including</b>		
Treasury bonds	19,219,551	21,489,071
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>19,219,551</b>	<b>21,489,071</b>

<b>Non-government securities of RA</b>	<b>Listed</b>	<b>Non-Listed</b>	<b>Listed</b>	<b>Non-Listed</b>
<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>

<b>Non-government securities of other countries</b>	<b>Listed</b>	<b>Non-Listed</b>	<b>Listed</b>	<b>Non-Listed</b>
<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>19,219,551</b>	<b>21,489,071</b>	<b>0</b>	<b>0</b>
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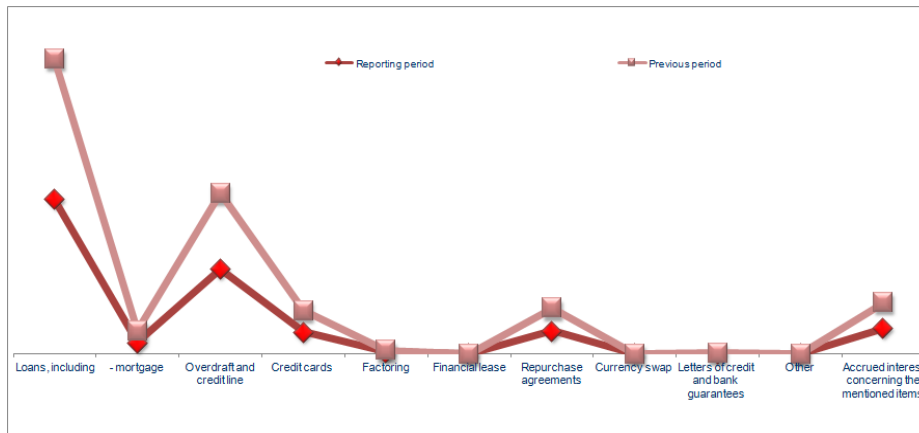
<b>Other financial assets held for trading</b>	<b>Reporting period</b>	<b>Reporting period</b>	<b>Previous period</b>	<b>Previous period</b>
<b>Loans, factoring, accounts receivable</b>				
Borrowers with A-/A3/ or higher rating				
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating				
- Mortgage				
- Consumer loans				
- Other				
<b>Derivative instruments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- Futures				

- Forward				
- Option				
- Swap				
- Other				
<b>Total</b>				

<b>Total financial assets held for trading</b>	<b>19,219,551</b>	<b>21,489,071</b>	<b>0</b>	<b>0</b>
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**Note 16. Loans and other advances to customers**

<b>Issued loans and other advances</b>	<b>Reporting period</b>	<b>Previous period</b>
Loans, including	147,542,437	133,002,005
- to banks		
- to RA Government		
- to local authorities		
- mortgage	10,860,674	11,178,081
<b>Overdraft and credit line</b>	<b>80,987,920</b>	<b>71,942,871</b>
<b>Credit cards</b>	<b>21,053,811</b>	<b>20,000,012</b>
<b>Factoring</b>	<b>1,595,650</b>	<b>1,602,647</b>
<b>Financial lease</b>	<b>-</b>	<b>58</b>
<b>Repurchase agreements</b>	<b>21,720,052</b>	<b>21,719,127</b>
<b>Currency swap</b>	<b>-</b>	<b>-</b>
<b>Letters of credit and bank guarantees</b>	<b>366,164</b>	<b>365,722</b>
<b>Other</b>		
<b>Accrued interest concerning the mentioned items</b>	<b>24,640,400</b>	<b>24,076,403</b>
<b>Total loans</b>	<b>297,906,434</b>	<b>272,708,845</b>
<b>Reserve for possible losses as regards loans and other advances to customers (Note 7)</b>	<b>-4,581,934</b>	<b>-4,239,633</b>
<b>Total net loans</b>	<b>293,324,500</b>	<b>268,469,212</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	291,253,770	266,682,352
	Quantity	61,420	59,212
Non-Performing loans and advances, including		6,652,664	6,026,493
		3371	3568
Overdue	Amount	2,676,630	2,506,503
	Quantity	1807	1922
Accrued interests			
Total loans	Amount	297,906,434	272,708,845
	Quantity	64,791	62,780
Provision for possible losses as regards loans and advances provided to customers (Note 7)		-4,581,934	-4,239,633
<b>Total net loans</b>		<b>293,324,500</b>	<b>268,469,212</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>		16,824,911	10,228,737
<b>Private enterprises, including</b>		203,710,838	187,032,804
- large enterprises		108,069,201	91,895,964
- small and medium enterprises		95,641,637	95,136,840
<b>Natural persons, including</b>		48,804,280	47,405,511
- consumer loans		15,449,286	14,819,947
- mortgage loans		10,860,674	11,163,025
- credit cards		21,070,746	19,989,400
<b>Sole entrepreneurs</b>		3,926,005	3,965,390
Accrued interest		24,640,400	24,076,403
<b>Total loans</b>		<b>297,906,434</b>	<b>272,708,845</b>
Provision for possible losses as regards loans and advances provided to customers		(4,581,934)	(4,239,633)
<b>Total net loans</b>		<b>293,324,500</b>	<b>268,469,212</b>

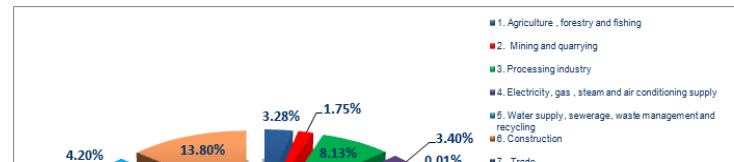
- a) Total loans provided to major borrowers and related persons as of 31.12.2016 made AMD 146.566.317 thous, as of 31.03.2017 – AMD 152.581.763 thous.
- b) Share in total loan portfolio as of 31.12.2016 made 58.83 %, as of 31.03.2017 -55.23 %
- c) Percentage to Capital as of 31.12.2016 was 485.47 %, as of 31.03.2017 – 494.92 % :

Analysis of loan portfolio according to number of borrowers		Reporting period	Previous period
State enterprises		9	9
Private enterprises		384	324
Natural persons		56,476	49,185
Sole entrepreneurs		189	168
<b>Total</b>		<b>57,058</b>	<b>49,686</b>

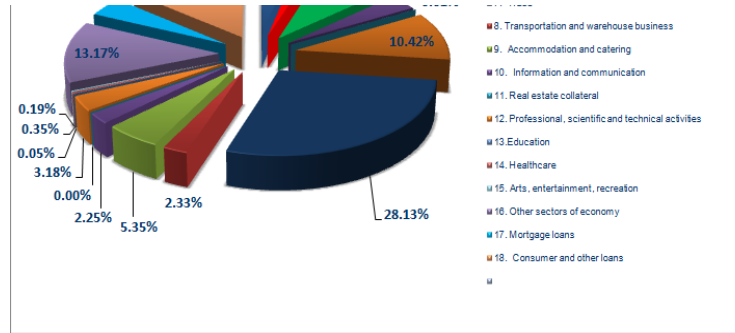
#### Analysis of loan portfolio according to the industry sectors (less the reserve amount for possible losses)

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

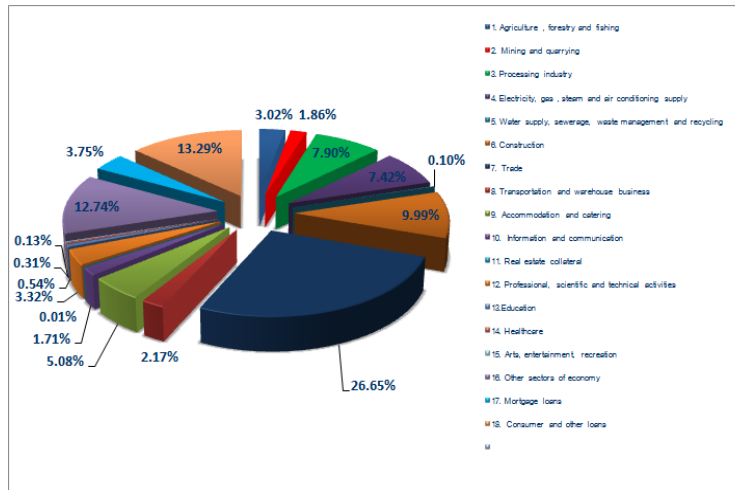


6. Construction	28,421,591	10.42
7. Trade	76,725,186	28.13
8. Transportation and warehouse business	6,343,161	2.33
9. Accommodation and catering	14,581,092	5.35
10. Information and communication	6,140,757	2.25
11. Real estate collateral	11,680	0.00
12. Professional, scientific and technical activities	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
<b>Total</b>	<b>272,708,845</b>	<b>100</b>



31.03.2017

Analysis of loans and advances according to crediting sectors	Previous period	Percentage
1. Agriculture, forestry and fishing	8,991,289	3.02
2. Mining and quarrying	5,555,412	1.86
3. Processing industry	23,525,414	7.90
4. Electricity, gas, steam and air conditioning supply	22,118,597	7.42
5. Water supply, sewerage, waste management and recycling	305,366	0.10
6. Construction	29,746,369	9.99
7. Trade	79,380,079	26.65
8. Transportation and warehouse business	6,470,857	2.17
9. Accommodation and catering	15,146,475	5.08
10. Information and communication	5,086,437	1.71
11. Real estate collateral	38,101	0.01
12. Professional, scientific and technical activities	9,881,789	3.32
13. Education	1,622,752	0.54
14. Healthcare	923,103	0.31
15. Arts, entertainment, recreation	389,944	0.13
16. Other sectors of the economy	37,944,396	12.74
17. Mortgage loans	11,183,662	3.75
18. Consumer and other loans	39,596,392	13.29
<b>Total</b>	<b>297,906,434</b>	<b>100</b>



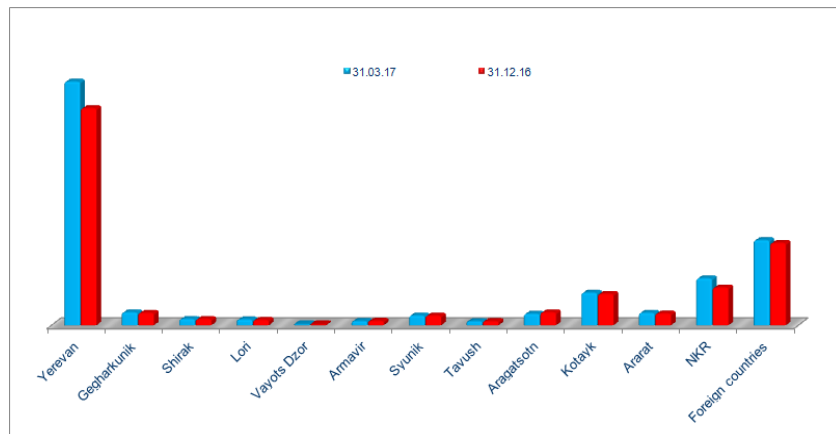
Analysis of the loan portfolio as regards customers' residency

Analysis of the loan portfolio as regards customers' residency	Reporting period	Percentage	Previous period	Percentage
RA residents	241,022,981	82.17	217,919,540	81.17
Non-residents	52,301,519	17.83	50,549,672	18.83
<b>Total</b>	<b>293,324,500</b>	<b>100</b>	<b>268,469,212</b>	<b>100</b>

Region (Marz)	31.03.17	Amount	31.12.16	Amount
	Quantity		Quantity	
Yerevan	16494	149,660,775	16506	133,318,074
Gegharkunik	10498	8,018,479	9707	7,647,228
Shirak	7373	3,908,928	6998	3,875,261
Lori	3016	3,655,893	2841	3,305,726
Vayots Dzor	203	828,859	195	722,985
Armavir	2007	2,653,360	1952	2,747,060



Syunik	1828	6,062,037	1882	5,981,637
Tavush	953	2,539,776	985	2,551,030
Aragatsotn	7072	7,106,960	6898	7,979,852
Kotayk	3983	20,041,481	3862	19,292,209
Ararat	6104	7,693,069	5994	7,289,448
NKR	5212	28,853,364	4919	23,209,030
Foreign countries	48	52,301,519	41	50,549,672
<b>Total</b>	<b>64,791</b>	<b>293,324,500</b>	<b>62,780</b>	<b>268,469,212</b>



**Note 17. Financial assets available for sale**

State securities	Reporting period	Previous period
<b>State obligations</b>	13,056,949	13,398,278
Treasury obligations	13,056,949	13,398,278
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>13,056,949</b>	<b>13,398,278</b>

Non-state securities of RA	listed	unlisted	listed	unlisted
<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		929,496		928,181
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Total non government securities of RA	0	929,496	0	928,181

<b>Non-state 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</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>13,986,445</b>	<b>14,326,459</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>13,986,445</b>	<b>14,326,459</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
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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
<b>Total</b>				<b>46,022</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				-1,235	
<b>Total</b>				<b>44,788</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	14034	0.00005
<b>Total</b>				<b>46,022</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				-1,235	
<b>Total</b>				<b>44,787</b>	

	Reporting period	Previous period
<b>Total financial assets available for sale and investments in other companies' share capital</b>	<b>14,031,232</b>	<b>14,371,246</b>

**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>		

<b>Non-government securities of RA</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 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>	-	-	-	-

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
<b>Initial cost</b>							
<b>Balance at the beginning of the previous period</b>	<b>7,552,674</b>	<b>3,282,276</b>	<b>223,553</b>	<b>1,771,824</b>	-	<b>172,377</b>	<b>13,002,704</b>
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							-
<b>Balance at the end of the previous period</b>	<b>8,331,594</b>	<b>3,482,535</b>	<b>231,570</b>	<b>1,860,698</b>	-	<b>204,175</b>	<b>14,110,572</b>
Increase	6,007	7,592	62	22,681	-	355	36,697
Disposal			-				-
Revaluation*							-
Write-off				112			112
Depreciation adjustment from revaluation							-
<b>Balance at the end of the reporting period</b>	<b>8,337,601</b>	<b>3,490,127</b>	<b>231,632</b>	<b>1,883,267</b>	-	<b>204,530</b>	<b>14,147,157</b>
<b>Accumulated depreciation</b>							
<b>Balance at the beginning of the previous period</b>	<b>580,601</b>	<b>2,129,651</b>	<b>153,103</b>	<b>1,162,603</b>	-	<b>23,829</b>	<b>4,049,787</b>
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
<b>Balance at the end of the previous period</b>	<b>872,427</b>	<b>2,417,005</b>	<b>186,344</b>	<b>1,348,738</b>	-	<b>29,062</b>	<b>4,853,576</b>
Increase	76,326	81,105	3,710	43,279		1,464	205,884
Disposal							
Depreciation adjustment from revaluation							
Write-off				112			112
<b>Balance at the end of the reporting period</b>	<b>948,753</b>	<b>2,498,110</b>	<b>190,054</b>	<b>1,391,905</b>	-	<b>30,526</b>	<b>5,059,348</b>
<b>Net carrying amount</b>							
<b>End of reporting period</b>	<b>7,388,848</b>	<b>992,017</b>	<b>41,578</b>	<b>491,362</b>	-	<b>174,004</b>	<b>9,087,809</b>
<b>End of previous period</b>	<b>7,459,167</b>	<b>1,065,530</b>	<b>45,226</b>	<b>511,960</b>	-	<b>175,113</b>	<b>9,256,996</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>257,253</b>	<b>1,827,089</b>	-	<b>75,239</b>	<b>4,847</b>	<b>2,164,428</b>
Increase	6,771	518,140		60,567	-	585,478
Disposal						-
Impairment						-
Revaluation						-
Written off		6,652				6,652
<b>Balance at the end of previous period</b>	<b>264,024</b>	<b>2,338,577</b>	-	<b>135,806</b>	<b>4,847</b>	<b>2,743,254</b>

Increase	6,771	543,018		60,567	-	610,356
Disposal						-
Revaluation*						-
Impairment						-
Written off		918				918
<b>Balance at the end of the reporting period</b>	<b>264,024</b>	<b>2,369,189</b>	<b>-</b>	<b>135,806</b>	<b>4,847</b>	<b>2,773,866</b>
<i>Accumulated amortization</i>						
<b>Balance at the end of previous period</b>	<b>12,205</b>	<b>134,985</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>147,348</b>
Increase	15,730	160,565		3,336		179,631
Disposal						-
Impairment		6,652				6,652
Revaluation						-
<b>Balance at the end of previous period</b>	<b>27,935</b>	<b>288,898</b>		<b>3,494</b>	<b>-</b>	<b>320,327</b>
Increase	19,687	187,738		4,745		212,170
Disposal						-
Depreciation adjustment from revaluation		918				918
Revaluation						-
<b>Balance at the end of the reporting period</b>	<b>31,892</b>	<b>321,805</b>		<b>4,903</b>	<b>-</b>	<b>358,600</b>
<b>Net carrying amount</b>						
<b>End of reporting period</b>	<b>232,132</b>	<b>2,047,384</b>	<b>-</b>	<b>130,903</b>	<b>4,847</b>	<b>2,415,266</b>
<b>End of previous period</b>	<b>236,089</b>	<b>2,049,679</b>	<b>-</b>	<b>132,312</b>	<b>4,847</b>	<b>2,422,927</b>

Note 21. Deferred tax assets

Deferred tax assets movement	Reporting period	Previous period
<b>Balance at the beginning of the period</b>		221,949
Increase		
Decrease		221,949
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</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	1,166,359	1,688,734
<b>Total</b>	<b>1,166,359</b>	<b>1,688,734</b>
Reserve for possible losses as regards bank transactions (Note 7)	-19,508	-16,887
<b>Net amounts receivable from bank transactions</b>	<b>1,146,851</b>	<b>1,671,847</b>

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	90	68
Receivables as regards suppliers		
Advance payments to the employees	98	54
Advance payments to the suppliers	1,369,802	442,524
Advance payments and overpayments as regards budget and mandator	269,006	258,520
Other receivables and prepayments	9,558,195	9,775,816
<b>Total</b>	<b>11,197,191</b>	<b>10,476,982</b>
Reserve for possible losses as regards other assets (Note 7)	-524,558	-526,591
<b>Total</b>	<b>10,672,633</b>	<b>9,950,391</b>
Other assets		
Warehouse	358,913	377,026

Seized collateral	4,626,534	4,522,347
Future period expenses	25,006	29,103
Other assets	219,423	155,240
Reserve for possible losses as regards other assets (Note 7)	-1,271	-1,843
<b>Total</b>	<b>5,228,605</b>	<b>5,081,873</b>
<b>Total other assets</b>	<b>17,048,089</b>	<b>16,704,111</b>

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

Current accounts	Reporting period	Previous period
RA Banks	3,714,409	1,229,280
Banks with BBB-(Baa3) and higher rating		
Banks with rating below BBB-(Baa3) and no rating	96,853	45,213
Accrued interest		
<b>Total</b>	<b>3,811,262</b>	<b>1,274,493</b>
<b>Interbank loans, deposits and other demands</b>		
<b>RA Central Bank</b>		
Loans*	11,610,540	12,318,459
Repo (repurchase) agreements	19,999,997	27,999,993
Swap		
Other		
<b>RA Banks</b>		
Loans and deposits	0	0
Financial leasing		
Repo (repurchase) agreements	0	5,934,138
Swap	0	17,835
Other	0	0
<b>BBB-(Baa3) and higher rating banks</b>		
Loans and deposits		
Financial leasing		
Repo (repurchase) agreements		
Swap		
Other		
<b>BBB-(Baa3) and lower rating and no rating banks</b>		
Loans and deposits	7,736,522	7,744,868
Financial leasing		
Repo (repurchase) agreements		
Swap	0	24,621
Other	69,219	56,348
<b>Accrued interest</b>	<b>308,961</b>	<b>325,220</b>
<b>Total</b>	<b>39,725,239</b>	<b>54,421,482</b>
<b>Financial institutions</b>		
Current accounts	421,155	1,060,312
Loans and deposits	27,812,310	25,920,681
Repo (repurchase) agreements		
Swap		
Other	17,051	3,967
<b>Accrued interest</b>	<b>295,052</b>	<b>190,234</b>
<b>Total</b>	<b>28,545,568</b>	<b>27,175,194</b>
<b>Total amounts due to banks and other fin. institutions</b>	<b>72,082,069</b>	<b>82,871,169</b>

As of 31.12.2016, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 12.318.459 thous. And accrued interest amounts AMD 308.743 thous.

**Note 24. Amounts due to customers**

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	224,822	371,555
Time deposits		
Loans	692,529	740,954
Repo (repurchase) agreements		
Swap		
Other	40,385	46,201
Accrued interest	4,151	2,685
<b>Total</b>	<b>961,887</b>	<b>1,161,395</b>
<b>Legal entities and institutions of RA (residents)</b>		
Current accounts	21,732,156	22,650,857
Time deposits	27,469,609	26,079,459
Repo (repurchase) agreements		
Swap		
Other	2,213,007	2,890,359
Accrued interest	214,922	329,773
<b>Total</b>	<b>51,629,694</b>	<b>51,950,448</b>
<b>Legal entities and institutions (non-residents)</b>		
Current accounts	15,426,548	11,741,934
Time deposits	3,403,165	202,813
Repo (repurchase) agreements		
Swap		
Other	68,382	97,192
Accrued interest	2,886	300
<b>Total</b>	<b>18,900,981</b>	<b>12,042,239</b>
<b>Sole entrepreneurs of RA (residents)</b>		
Current accounts	83,292	106,123
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>83,292</b>	<b>106,123</b>
<b>Sole entrepreneurs (non-residents)</b>		
Current accounts	48	48
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>48</b>	<b>48</b>
<b>Individuals (residents)</b>		
Current accounts	12,799,984	11,663,260
Time deposits	189,960,326	172,536,972
Repo (repurchase) agreements		
Swap		
Other	200,284	223,959
Accrued interest	2,107,771	2,307,060
<b>Total</b>	<b>205,068,365</b>	<b>186,731,251</b>
<b>Individuals (non-residents)</b>		



Current accounts	2,171,374	1,884,091
Time deposits	8,255,130	7,397,896
Repo (repurchase) agreements		
Swap		
Other	0	0
Accrued interest	69,375	60,675
<b>Total</b>	<b>10,495,879</b>	<b>9,342,662</b>
<b>Total liabilities to customers</b>	<b>287,140,146</b>	<b>261,334,166</b>

The amount of the security of liabilities totaled: as at 31.03.2017 - AMD 18.547.440 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 605.993 thous., accrued interest AMD 2.442 thous.

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

	Reporting period	Previous period
Legal entities residents	85	77
Legal entitie non- residents	4	2
Individuals residents	17,341	16,365
Individuals non-residents	205	208
<b>Total</b>	<b>17,635</b>	<b>16,652</b>

#### Note 26. Liabilities held for trading

Liability held for trading	Reporting period	Previous period
Derivative instrumens held for trading purposes		
Futures		
Forward		
Option		
Swap		
Other		
Hedging derivative instruments		
Other	19,219,551	21,489,071
<b>Total</b>	<b>19,219,551</b>	<b>21,489,071</b>

#### Note 27. Amounts payable

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	140,091	224,269
Other		
<b>Total</b>	<b>140,091</b>	<b>224,269</b>

#### 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		
<b>Balance at the end of the period</b>	<b>474,159</b>	<b>474,159</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	164,608	0
VAT	3,381	22,478
other taxes and dues	232,183	280,044
social insurance payments	0	0
Liabilities to employees as regards salary	257,389	213,729
Payables as regards suppliers	94,081	114,887
Payables as regards completion of chartered capital		
Other liabilities	2,567	2,165
<b>Balance at the end of period</b>	<b>754,209</b>	<b>633,303</b>

**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
	<b>31,374,560</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	1,974,697	1,503,275
Fixed assets revaluation reserve	12,547	471,422
Other reserves		
<b>Total revaluation reserves</b>	<b>1,987,244</b>	<b>1,974,697</b>

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

Reserves	Reporting period	Previous period
Main reserve		
Opening balance	638,508	576,319
Increase		62,189
Decrease		
<b>Closing balance</b>	<b>638,508</b>	<b>638,508</b>

Other reserves		
Opening balance		
Increase		
Decrease		
<b>Closing balance</b>		

**Note 33. Retained earnings**

Retained profit	Reporting period	Previous period
Opening balance	2,807,725	5,858,906
Increase	681,611	1,472,528
Decrease		4,523,709
<b>Closing balance</b>	<b>3,489,336</b>	<b>2,807,725</b>

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

Reserves		Reporting period	Previous period
Opening balance		591,471	335,674
Allocations to the reserve	<b>Note 7</b>	107,339	1,443,120
Use of reserve		(122,644)	(1,187,323)
Net allocations to the reserve		(15,305)	255,797
<b>Closing balance</b>		<b>576,166</b>	<b>591,471</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	19,780,785	20,808,438
Guarantees provided	32,301,272	32,179,463
Letters of credit issued	157,171	156,016
Reserve as regards the mentioned items (Note 7)	(576,166)	(591,471)
<b>Closing balance</b>	<b>51,663,062</b>	<b>52,552,446</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  
 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

**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		132,556
1-5 years		476,080
5-10 years		467,945
<b>Total</b>		<b>1,076,581</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
	01.01.17-31.03.17	01.01.16-31.12.16
Balance as of 01 January	2,846,673	3,868,413
Loans and advances provided during the year	3,272,898	4,034,149
Loans and advances repaid during the year	786,700	5,055,889
<b>Balance</b>	<b>5,332,871</b>	<b>2,846,673</b>
Interest income	134,190	425,194

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

Amounts due to customers	Reporting period	Previous period
	01.01.17-31.03.17	01.01.16-31.12.16
Balance as of 01 January	4,611,136	3,206,724
Amounts received during the year	23,349,043	60,104,050
Amounts paid during the year	21,286,224	58,699,638
<b>Balance</b>	<b>6,673,955</b>	<b>4,611,136</b>
Interest expense	149,609	475,475

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.17-31.03.17	01.01.16-31.12.16
The Board		
Salary	24,204	96,816
bonus		
Executive body		
Salary	47,920	201,792
bonus	141	18,355
Internal audit		
Salary	14,769	37,864
bonus	100	3,360
<b>Total</b>	<b>87,134</b>	<b>358,187</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 thye 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
<b>Assets</b>					
Cash and balances with CBA	59,979,254				<b>59,979,254</b>
Amounts due from banks and other financial institutions	4,199,149	1,530,188	4,622,647	1,323,742	<b>11,675,726</b>
Financial instruments held for trading	21,489,071				<b>21,489,071</b>
Loans and advances to customers	217,919,540	1,257,092	665,605	48,626,975	<b>268,469,212</b>

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
<b>Total assets</b>	<b>329,707,466</b>	<b>3,054,285</b>	<b>5,383,785</b>	<b>54,543,081</b>	<b>392,688,617</b>
<b>Liabilities</b>					-
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
<b>Total liabilities</b>	<b>324,402,398</b>	<b>10,309,081</b>	<b>3,194,092</b>	<b>28,422,138</b>	<b>366,327,709</b>
<b>Net position</b>	<b>5,305,068</b>	<b>(7,254,796)</b>	<b>2,189,693</b>	<b>26,120,943</b>	<b>26,360,908</b>

31.03.2017

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>					
Cash and balances with CBA	48,996,328				48,996,328
Amounts due from banks and other financial institutions	3,574,827	5,917,636	2,123,245	2,379,122	13,994,830
Financial instruments held for trading	19,219,551				19,219,551
Loans and advances to customers	241,022,981	1,726,682	680,593	49,894,244	293,324,500
Securities available for sale	14,017,198		14,034		14,031,232
Securities held to maturity					-
Other assets	12,283,382	240,298	153,132	4,371,277	17,048,089
<b>Total assets</b>	<b>339,114,267</b>	<b>7,884,616</b>	<b>2,971,004</b>	<b>56,644,643</b>	<b>406,614,530</b>
<b>Liabilities</b>					-
Amounts due to banks and other financial institutions	64,162,644	7,807,565	14,920	96,940	72,082,069
Amounts due to customers	257,743,238	2,598,949	3,370,257	23,427,702	287,140,146
Financial liability held for trading	7,604,030			11,615,521	19,219,551
Other liabilities	739,705		14,504		754,209
<b>Total liabilities</b>	<b>330,249,617</b>	<b>10,406,514</b>	<b>3,399,681</b>	<b>35,140,163</b>	<b>379,195,975</b>
<b>Net position</b>	<b>8,864,650</b>	<b>(2,521,898)</b>	<b>(428,677)</b>	<b>21,504,480</b>	<b>27,418,555</b>

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

Loans and advances, including		263,886,865	3,040,417	916,969	624,961
		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	<b>18,802,887</b>	<b>284,432</b>	<b>11,017</b>	<b>13,714</b>
	number	<b>10,175</b>	<b>2,857</b>	<b>225</b>	<b>323</b>
Investment securities	amount	<b>44,787</b>			
	number	<b>3</b>			
Off-balance sheet items	amount	<b>52,405,752</b>	<b>67,769</b>	<b>76,639</b>	<b>2,286</b>
	number	<b>12,304</b>	<b>261</b>	<b>77</b>	<b>54</b>
including guarantees	amount	31,744,315	81	73,015	
	number	327	1	1	
letters of credit	amount	154,456			
	number	1			

31.03.2017

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	<b>288,208,452</b>	<b>3,452,441</b>	<b>1,031,236</b>	<b>632,371</b>	
<b>Loans and advances, including</b>	<b>61,420</b>	<b>2,109</b>	<b>739</b>	<b>523</b>	
1. Agriculture , forestry and fishing	amount	8,549,116	284,219	4,810	13,796
	number	904	36	12	8
2. Mining and quarrying	amount	5,483,909	14,499		
	number	24	1		
3. Processing industry	amount	23,181,062	98,479		
	number	75	2		
4. Electricity, gas , steam and air conditioning supply	amount	21,878,211			9,697
	number	37			2
5. Water supply, sewerage, waste management and recycling	amount	302,312			
	number	6			
6. Construction	amount	29,196,430	220,398	4,894	
	number	111	2	3	
7. Trade	amount	78,236,060	95,758	179,876	9,057
	number	377	15	9	10
8. Transportation and warehouse business	amount	6,308,570	88,708		
	number	29	1		
9. Accommodation and catering	amount	14,991,111	3,466		
	number	68	1		
10. Information and communication	amount	5,035,573			
	number	11			
11. Real property buisness	amount	37,720			
	number	4			



12. Professional, scientific and technical activities	amount	9,780,711			1,141
	number	18			1
13. Education	amount	1,606,387	125		
	number	349	1		
14. Healthcare	amount	913,872			
	number	13			
15. Arts, entertainment, recreation	amount	386,044			
	number	13			
16. Other branches of economy	amount	37,564,954			
	number	36			
17. Mortgage loans	amount	10,486,866	305,212	131,502	42,224
	number	1,912	69	20	20
18. Consumer and other loans	amount	34,269,544	2,341,577	710,154	556,456
	number	57,433	1,981	695	482
Receivables	amount	<b>19,838,865</b>	<b>253,384</b>	<b>15,309</b>	<b>13,924</b>
	number	<b>10,398</b>	<b>461</b>	<b>2,698</b>	<b>251</b>
Investment securities	amount	<b>44,787</b>			
	number	<b>3</b>			
Off-balance sheet items	amount	<b>51,560,138</b>	<b>25,179</b>	<b>75,909</b>	<b>1,836</b>
	number	<b>11,932</b>	<b>205</b>	<b>76</b>	<b>33</b>
including guarantees	amount	31,864,993	73,015		
	number	275	1		
letters of credit	amount	155,599			
	number	1			

Analysis of credit portfolio according to regions and risk exposure

31.03.2017

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	235,906,999	3,452,375	1,031,236	632,371	
2. Non-residents	52,301,453	66			
<b>Total</b>	<b>288,208,452</b>	<b>3,452,441</b>	<b>1,031,236</b>	<b>632,371</b>	

Loans to non-residents 31.03.17

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	<b>52,301,453</b>	<b>66</b>	-	-	
	<b>47</b>	<b>1</b>	-	-	
1. Agriculture, forestry and fishing	amount	516			
	number	1			
2. Mining and quarrying	amount				
	number				
3. Processing industry	amount	1,101			
	number	2			

4. Electricity, gas , steam and air conditioning supply	amount				
	number				
5. Water supply, sewerage, waste management and recycling	amount	272,160			
	number	2			
6. Construction	amount				
	number				
7. Trade	amount	37,233,867			
	number	15			
8. Transportation and warehouse business	amount				
	number				
9. Accommodation and catering	amount				
	number				
10. Information and communication	amount				
	number				
11. Real property business	amount				
	number				
12. Professional, scientific and technical activities	amount				
	number				
13. Education	amount				
	number				
14. Healthcare	amount				
	number				
15. Arts, entertainment, recreation	amount	737			
	number	1			
16. Other branches of economy	amount	14,706,254			
	number	7			
17. Mortgage loans	amount	2,829			
	number	2			
18. Consumer and other loans	amount	83,989	66		
	number	17	1		

31.12.2016

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

31.12.2016

Assets	Working assets		Non-working assets		
	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 business 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 31.03.2017

Non-performing loans/ total loans 2.41 %

Reserve for non-performing loans/total capital 4.98 %

Loan reserve /total loans 1.58 %

Possible loss reserve/Non-performing loans 65.62 %

Large amount advances/capital 494.92 %:

#### 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
<b>Assets</b>				
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
<b>Total assets</b>	<b>209,042,430</b>	<b>179,999,326</b>	<b>3,691,416</b>	<b>392,733,172</b>
<b>Liabilities</b>				
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
<b>Total liabilities</b>	<b>153,809,670</b>	<b>187,751,265</b>	<b>3,277,703</b>	<b>344,838,638</b>
<b>Net position</b>	<b>55,232,760</b>	<b>(7,751,939)</b>	<b>413,713</b>	<b>47,894,534</b>

31.03.2017

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	24,852,653	23,781,615	362,060	48,996,328
Standardized precious metal bullions		351,989		351,989
Amounts due from banks and other financial institutions	3,220,896	4,458,749	6,315,185	13,994,830
Financial instruments kept for trading	18,685,166	534,385		19,219,551
Loans and advances to customers	120,662,904	171,709,384	952,212	293,324,500
Financial assets available for sale	14,031,232			14,031,232
Financial assets held to maturity				-
Other	11,973,969	5,036,835	37,285	17,048,089
<b>Total assets</b>	<b>193,426,820</b>	<b>205,872,957</b>	<b>7,666,742</b>	<b>406,966,519</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	60,191,886	11,641,525	248,658	72,082,069
Amounts due to customers	88,746,093	190,976,269	7,417,784	287,140,146
Issued securities		490,991		490,991
Other liabilities	582,228	171,981		754,209
<b>Total liabilities</b>	<b>149,520,207</b>	<b>203,280,766</b>	<b>7,666,442</b>	<b>360,467,415</b>
<b>Net position</b>	<b>43,906,613</b>	<b>2,592,191</b>	<b>300</b>	<b>46,499,104</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				
- demands				
Other derivative instruments				
- liabilities				
- demands				



<b>Assets</b>											
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			268,469,212
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											-
<b>Total</b>	<b>1,871,189</b>	<b>3,753,974</b>	<b>70,297,647</b>	<b>82,791,786</b>	<b>36,955,731</b>	<b>35,278,410</b>	<b>138,298,328</b>	<b>18,061,681</b>	<b>5,379,872</b>		<b>392,688,618</b>
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
<b>Liabilities</b>											
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											-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>54,559,759</b>	<b>100,172,466</b>	<b>39,866,117</b>	<b>81,079,594</b>	<b>53,070,060</b>	<b>16,090,642</b>	<b>-</b>		<b>344,838,638</b>
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
<b>Net liquidity gap</b>	<b>1,871,189</b>	<b>3,753,974</b>	<b>15,737,888</b>	<b>(17,380,680)</b>	<b>(2,910,386)</b>	<b>(45,801,184)</b>	<b>85,228,268</b>	<b>1,971,039</b>	<b>5,379,872</b>		<b>47,849,980</b>
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	21,363,051	3,982,371	1,071,985	(44,729,199)	40,499,069	42,470,108	47,849,980		344,838,638

31.03.2017

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			
<b>Assets</b>											
Cash in intern. and CBA			48,876,328							120,000	48,996,328
Amounts due from banks and other fin. institutions			1,882,171	8,532,368	106,301	47,862	2,752,682			673,446	13,994,830
Loans provided to customers	1,537,185	5,115,479		67,704,984	34,488,619	33,632,908	138,644,303	12,201,022			293,324,500
Financial assets			-	1,986,070	2,718,898	2,158,813	19,360,624	6,981,591	44,787		33,250,783
held for trade								19,219,551			19,219,551
available for sale				1,986,070	2,718,898	2,158,813	141,073	6,981,591	44,787		14,031,232
held up to maturity											-
Realized under repo agreements											-
Other assets	78,733	249,519	6,248,296	2,522	890	949	5,840,646			4,626,534	17,048,089
*Contractual demands											-
<b>Total</b>	<b>1,615,918</b>	<b>5,364,998</b>	<b>57,006,795</b>	<b>78,225,944</b>	<b>37,314,708</b>	<b>35,840,532</b>	<b>166,598,255</b>	<b>19,182,613</b>	<b>5,464,767</b>		<b>406,614,530</b>
1-st group currency	1,339,186	1,872,947	30,444,228	51,904,399	10,974,247	25,070,476	83,669,091		598,383		205,872,957

2-nd group currency			517,364	6,548,499	122,614	478,265				7,666,742
Variable interest rate										-
Fixed interest rate	1,537,185	5,115,479	1,710,134	69,594,724	25,315,170	35,802,425	162,144,161	19,182,613	673,446	321,075,337
Interest free	78,733	249,519	55,296,661	8,631,220	11,999,538	38,107	4,454,094		4,791,321	85,539,193
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			4,249,468	32,978,193	963,702	11,107,635	9,234,030	13,549,041		72,082,069
Amounts due to customers upon demand	-	-	52,935,067	52,949,232	61,926,586	64,516,188	54,811,375	1,698	-	287,140,146
time liability				52,949,232	61,926,586	64,516,188	54,811,375	1,762,793		235,966,174
Other										-
Liabilities for securities issued by the banks								593,555		593,555
Other liabilities			660,128	94,081						754,209
Off –balance contingent liabilities	7,753	102,925	19,359,545	3,395,381	5,280,931	6,292,029	17,224,498			51,663,062
*Contractual liabilities										-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>57,844,663</b>	<b>86,021,506</b>	<b>62,890,288</b>	<b>75,623,823</b>	<b>64,638,960</b>	<b>13,550,739</b>	<b>-</b>	<b>360,569,979</b>
1-st group currency			28,299,623	33,123,527	52,993,237	54,894,297	33,970,082			203,280,766
2-nd group currency			6,724,750	302,806	111,710	335,368	191,808			7,666,442
Large-scale liability			64,108	22,131,831	9,914,058	39,306	11,461,845			43,611,148
Variable rate liability										-
Fixed rate liability			51,378,125	77,460,695	51,274,767	75,426,267	64,638,960	13,550,739		333,729,553
Interest free			6,466,538	8,560,811	11,615,521	197,556				26,840,426
<b>Net liquidity gap</b>	<b>1,615,918</b>	<b>5,364,998</b>	<b>(837,868)</b>	<b>(7,795,562)</b>	<b>(25,575,580)</b>	<b>(39,783,291)</b>	<b>101,959,295</b>	<b>5,631,874</b>	<b>5,464,767</b>	<b>46,044,551</b>
1-st group currency	1,339,186	1,872,947	2,144,605	18,780,872	(42,018,990)	(29,823,821)	49,699,009	-	598,383	2,592,191
2-nd group currency	-	-	(6,207,386)	6,245,693	10,904	142,897	(191,808)	-	-	300
Variable interest rate	-	-	-	-	-	-	-	-	-	-
fixed rate	1,537,185	5,115,479	(49,667,991)	(7,865,971)	(25,959,597)	(39,623,842)	97,505,201	5,631,874	673,446	(12,654,216)
Cumulative liquidity gap	1,615,918	6,980,916	6,143,048	(1,652,514)	(27,228,094)	(67,011,385)	34,947,910	40,579,784	46,044,551	360,569,979

#### Average balance sheet capital and assets

01/01/17-31/03/17

Average balance sheet asset	<b>374,497,826</b>
Average balance sheet capital	<b>36,988,296</b>

#### Note 42. Collateral accepted

	Reporting period	Previous period
Other securities	14,030,872	7,724,282
Jewels and precious stones	17,283,159	12,257,618
Real estate	152,460,318	142,282,960
Vehicles	14,442,456	14,977,647
Other PPE	24,284,532	18,240,689
Finished production and goods	32,433,543	21,284,426
Cash	18,547,440	30,893,795
Other collateral	19,300,327	18,811,456
Credit guarantee	3,694,515	3,795,273
Other guarantees	28,606,757	17,581,705
Credit warranties	231,392,520	107,535,208
Other warranties	34,675,694	19,386,779
<b>Total</b>	<b>591,152,133</b>	<b>414,771,838</b>

Chairman of the Executive Board

Arsen Mikayelyan

Chief Accountant

Narine Sargsyan

Date of approval 14.04.17