



Appendix 5

NOTES TO FINANCIAL STATEMENTS
(Form 5)

31 December 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 24 branches are located in Yerevan, 22 branches are located in different regions (marzes) of Armenia, and 7 branches – in the Republic of Nagorno Karabakh.

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

The Bank is:

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

1. Corporate governance

The Bank's managing bodies are:

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

a) The Board

Chairman of the Board – Vitaly Grigoryants

Board Members – Sergey Arzumanyan

Diana Grigoryan

Sevak Petrosyan

Alik Chirkinyan

b) The Executive Board

Chairman of the Executive Board - Arsen Mikayelyan

Members of the Executive Board

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

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

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

Narine Sargsyan - Chief Accountant

Vahan Melkonyan - Director of Treasury Department - Chief Treasurer

Ani Ghambaryan -Director of Risk Management Department

c) Major Participants

Vitaly Grigoryants – 100 %

d) Management Remuneration Policy

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

Note 2. Accounting Policy

2.1 Preparation of financial statements

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

2.2 Going Concern

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

2.3 Comparability

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

2.4 Recognition of income and expense

2.4.1 Interest income and expense

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

2.4.2 Commissions and other income and expense

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

2.5 Foreign currency transactions

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

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

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

	31 December 2017	31 December 2016
AMD/1 US Dollar	484.1	483.94
AMD/1 EUR	580.1	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

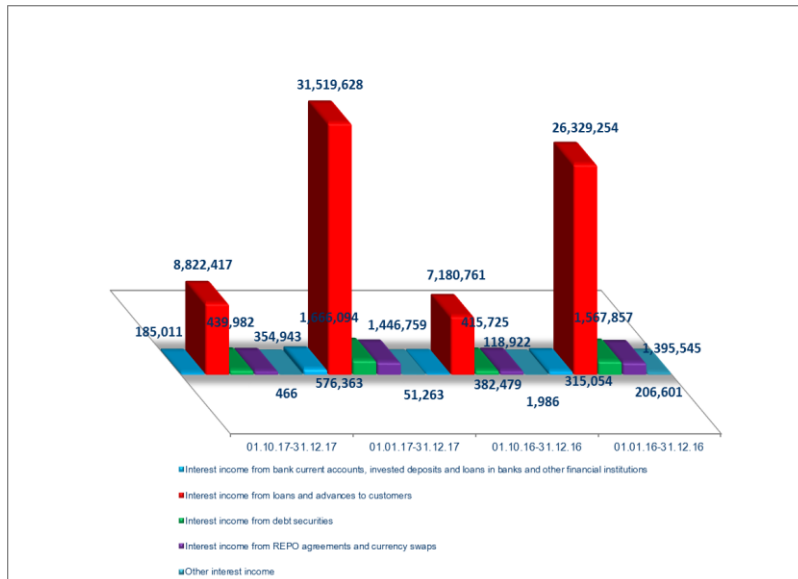
2.17 Functional and presentation currency

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.

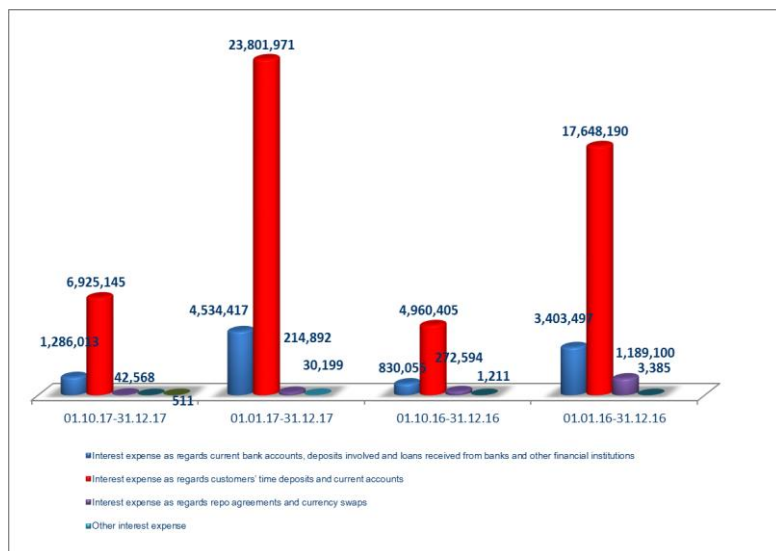
Note 3. Net Interest and Similar Income

Interest and Similar Income	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	185,011	576,363	118,922	315,054
Interest income from loans and advances to customers	8,822,417	31,519,628	7,180,761	26,329,254
Interest income from debt securities	439,982	1,666,094	415,725	1,567,857
Interest income from REPO agreements and currency swaps	354,943	1,446,759	382,479	1,395,545
Other interest income	466	51,263	1,986	206,601
Total	9,802,819	35,260,107	8,099,873	29,814,311



Interest and Similar Expense	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	1,286,013	4,534,417	830,055	3,403,497

Interest expense as regards customers' time deposits and current accounts	6,925,145	23,801,971	4,960,405	17,648,190
Interest expense as regards securities issued by the Bank	59,602	97,593		
Interest expense as regards repo agreements and currency swaps	42,568	214,892	272,594	1,189,100
Other interest expense	511	30,199	1,211	3,385
Total	8,313,839	28,679,072	6,064,265	22,244,172
Net interest and similar income	1,488,980	6,581,035	2,035,608	7,570,139



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

Income in the form of Commissions and Other Fees	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Cash operations	93,243	296,310	106,744	295,131
Settlement services	309,205	897,562	140,236	489,738
Guarantee, acceptance, letter of credit, trust management operations	114,015	294,852	165,861	379,497
Transaction in foreign currency and securities				
Plastic card operations	258,443	867,343	186,555	618,649
Other commission payments	252,212	952,532	183,364	751,264
Total	1,027,118	3,308,599	782,760	2,534,279

Expenses in the form of Commissions and Other Payments	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
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Commission payments as regards correspondent and other accounts/bank transactions	78,806	258,593	50,221	184,025
Commission payments as regards transactions with plastic cards/cash transactions	27,918	102,973	34,735	176,518
Payments as regards guarantees, acceptance, letters of credit, trust management transactions	9,516	14,178	11	146
Commission payments as regards transactions in foreign currency and securities				
Other commission payments	4,424	14,466	3,704	12,385
Total	120,664	390,210	88,671	373,074

Net Commissions and other payments received	906,454	2,918,389	694,089	2,161,205
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Note 5. Net income from trading transactions

Income from investments remeasured at fair value and held at fair value	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	-24,747	20,185	56,041	-120,446
Net income from change in fair value of investments held for trading				
Total	-24,747	20,185	56,041	-120,446

Net income from investments available for sale	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities	3,438	86,363	-205,047	-230,580
- derivative instruments				
Net income from change in fair value of investments held for trading	0	-69,375	206,870	234,308
Total	3,438	16,988	1,823	3,728

From foreign currency transactions	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Net income from foreign currency dealings	453,661	1,450,705	357,563	1,143,458
Net income from foreign currency revaluation	51,189	-4,755	200,117	358,657
Total	504,850	1,445,950	557,680	1,502,115

From bank standardized precious metal bullions and commemorative coins	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	8,180	15,657	5,324	16,044
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	-11,082	20,332	-36,897	22,425
Total	-2,902	35,989	-31,573	38,469

Net income from trading transactions	480,639	1,519,112	583,971	1,423,866
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Note 6. Other operating income

Other operating income	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Fines and penalties received	736,818	2,403,364	455,005	1,609,899
Income received from factoring	451	3,644	2,876	32,748
Net income from disposal of PPE and intangible assets	2,850	27,891	7,866	43,961
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	98,677	289,777	191,511	708,916
Total	838,796	2,724,676	657,258	2,395,524

Note 7. Net allocations to the assets possible loss reserve

As regards amounts due from banks		01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Opening balance	Note 14	67,303	59,187	0	0
Allocations to the reserve		94,564	728,300	59,187	59,187
Return of reserve allocations		-66,035	-691,655	0	0
Net allocations to the reserve		28,529	36,645	59,187	59,187
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
Closing balance			95,832	95,832	59,187

As regards amounts due from financial Institutions		01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Opening balance	Note 14	73,903	57,370	0	0
Allocations to the reserve		6,366	55,795	57,370	57,370
Return of reserve allocations		-1,577	-34,473	0	0
Net allocations to the reserve		4,789	21,322	57,370	57,370
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
Closing balance		78,692	78,692	57,370	57,370

As regards loans and advances provided to the customers		01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Opening balance	Note 16	5,856,008	4,239,633	4,331,848	5,534,149
Allocations to the reserve		2,401,350	8,785,962	4,915,694	11,682,553
Return of reserve allocations		-2,989,301	-7,054,393	-3,867,574	-8,368,994
Net allocations to the reserve		-587,951	1,731,569	1,048,120	3,313,559

Return of amounts previously written-off to the off-balance sheet		1,184,971	2,980,115	1,025,402	2,436,013
Reserve utilization		-829,203	-3,327,492	-2,165,737	-7,044,088
Closing balance		5,623,825	5,623,825	4,239,633	4,239,633

As regards investments		01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Opening balance	Note 18	0	1,235	1,235	21,895
Allocations to the reserve		0		0	1,235
Return of reserve allocations		0	-1,235	0	-21,895
Net allocations to the reserve		0	-1,235	0	-20,660
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
Closing balance			0	0	1,235

As regards other assets		01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Opening balance	Note 18	539,688	545,321	566,706	160,082
Allocations to the reserve		1,441,063	5,164,447	1,338,265	4,689,445
Return of reserve allocations		-1,214,319	-4,936,900	-1,336,729	-4,157,562
Net allocations to the reserve		226,744	227,547	1,536	531,883
Return of amounts previously written-off to the off-balance sheet		20,260	46,469	41,704	55,192
Reserve utilization		-270,307	-302,952	-64,625	-201,836
Closing balance			516,385	516,385	545,321

As regards off-balance sheet items containing credit risk		01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Opening balance	Note 34	655,706	591,471	436,467	335,674
Allocations to the reserve		207,373	709,532	866,758	1,443,120
Return of reserve allocations		-247,581	-685,505	-711,754	-1,187,323
Net allocations to the reserve		-40,208	24,027	155,004	255,797
Closing balance			615,498	615,498	591,471

Total net allocations to the reserves		-368,097	2,039,875	1,321,217	4,197,136
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Note 8. General administrative expenses

General administrative expenses	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Expenses as regards calculated salary and other equivalent payments *	1,127,391	3,619,092	1,024,298	3,292,413
Expenses as regards social payments	0	0	0	0
Expenses as regards training and tuition	1,352	7,028	677	1,068
Expenses as regards business trips	57,993	130,185	30,430	83,917
Expenses as regards operating lease	54,393	184,310	38,855	154,460
Insurance expenses	18,017	65,336	9,186	40,325
Expenses as regards maintenance and security of Bank's equipment	59,961	215,595	70,820	178,047
Expenses as regards maintenance and security of Bank's buildings	71,785	288,503	70,593	274,997
Expenses as regards audit and other consulting services	77,140	111,355	64,452	85,100

Expenses as regards communication means	35,170	124,236	30,339	100,343
Transportation expenses	15,754	58,953	11,821	53,360
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	103,116	310,128	89,580	275,210
Office and organizational expenses	46,634	91,996	37,570	81,186
Expenses as regards loans provision and return	17,487	70,098	20,006	64,984
Other administrative expenses	107,956	507,551	170,110	406,159
Total	1,794,149	5,784,366	1,668,737	5,091,569

The number of the Bank employees as at 31 December 2017 is 898.

The size of average monthly salary per employee is 210 thous. drams.

Note 9. Other Operating Expenses

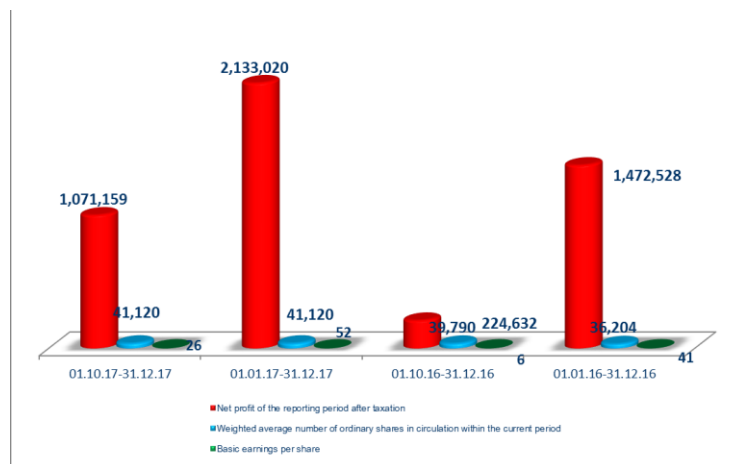
Other Operating Expenses	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Fines and penalties paid	240	677	289	966
Advertising and representation expenses	87,407	245,182	65,406	220,681
Fcatoting expenses				
Fixed and intangible assets amortization expenses	244,881	980,957	249,617	988,498
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	293,904	997,683	268,622	575,649
Other expenses	280,933	960,348	157,692	679,920
Total	907,365	3,184,847	741,626	2,465,714

Note 11. Profit Tax Expense

Profit tax expense	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Current tax expense	310,293	601,104	-15,605	296,321
Adjustments of current tax for previous periods recognized in the given period				
Deferred tax expense			30,319	27,466
Total	310,293	601,104	14,714	323,787

Note 12. Basic Earnings per Share

Basic Earnings per Share	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Net profit of the reporting period after taxation	1,071,159	2,133,020	224,632	1,472,528
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	39,790	36,204
Basic earnings per share	26	52	6	41
Diluted earnings per share				



Note. Other Comprehensive Income

Other Comprehensive Income	01.10.17-31.12.17	01.01.17-31.12.17	01.10.16-31.12.16	01.01.16-31.12.16
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets available for sale	251,280	505,727	(54,455)	1,371,158
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
Total	251,280	505,727	(54,455)	1,371,158

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

Cash, cash equivalents and balances with the CBA	Reporting period	Previous period
Cash means	4,460,159	5,214,643
Other placements of cash	2,576,781	2,462,787
Correspondent accounts with the CBA *	54,978,114	52,081,824
Total	62,015,054	59,759,254
Deposit accounts with the CBA	50,016,638	
Deposited means with the CBA **	120,000	220,000
Accrued interest		
Cash means and balances with the CBA	112,151,692	59,979,254
Standardized precious metal bullions	115,135	44,555
Placements with other banks (Note 14)	9,488,517	5,942,615
Total cash and cash equivalents	121,755,344	65,966,424

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

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

Note 14. Amounts due from banks and other financial institutions

Current accounts	Reporting period	Previous period
RA banks	9,941	2,482
Banks with BBB – (Baa3) and higher rating	3,325,589	3,306,789
Banks with no rating and rating below BBB-(Baa3)	208,987	146,630
Accrued interest	0	0
Total	3,544,517	3,455,901

Interbank loans and deposits, etc.		
CBA		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Other		
RA Banks		
Loans and deposits	0	0
Factoring		
Financial lease		
Repo (repurchase) agreements	2,018,473	
Swap	0	22,848
Letters of credit and bank guarantees		
Other		
Banks with BBB – (Baa3) and higher rating		
Loans and deposits	1,923,600	1,142,600
Factoring		
Financial lease		
RA Banks		
RA Banks	0	0
Letters of credit and bank guarantees		
Other	0	0
Banks with no rating and rating below BBB-(Baa3)		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	0
Letters of credit and bank guarantees		
Other	2,095,798	1,320,765
Accrued interest	1961	501
Total	9,584,349	5,942,615
Reserve for possible losses as regards amounts due from Banks (Note 7)	-95,832	-59,187
Net amounts due from banks	9,488,517	5,883,428

Loans and deposits with financial institutions, other amounts due		
RA financial institutions	6,503,214	4,105,670
Loans and deposits	4,400,183	3,095,564
Factoring		

Financial lease		
Repo (repurchase) agreements	2,103,031	1,010,106
Swap		
Letters of credit and bank guarantees		
Other		
Financial institutions with BBB – (Baa3) and higher rating		
Loans and deposits	0	0
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
Financial institutions with no rating and rating below BBB-(Baa3)	1,329,803	1,719,590
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	1,329,803	1,719,590
Accrued interest	35,189	24,408
Total	7,868,206	5,849,668
Reserve for possible losses as regards amounts due from financial institutions (Note 7)	-78,692	-57,370
Net amounts due from financial institutions	7,789,514	5,792,298
Net amounts due from banks and financial institutions	17,278,031	11,675,726

Note 15. Financial Assets Held for Trading

Government securities	Reporting period	Previous period
RA Government securities, including		
Treasury bonds	24,556,156	21,489,071
Central Bank bonds		
Other		
Government securities of countries with BBB – (Baa3) and higher rating, including		
Treasury bonds		
Central Bank bonds		
Other		
Government securities of countries with no rating and rating below BBB-(Baa3)		
Treasury bonds		
Central Bank bonds		
Other		
Total Government securities	24,556,156	21,489,071

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

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

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

Total securities held for trading	24,556,156	21,489,071	0	0
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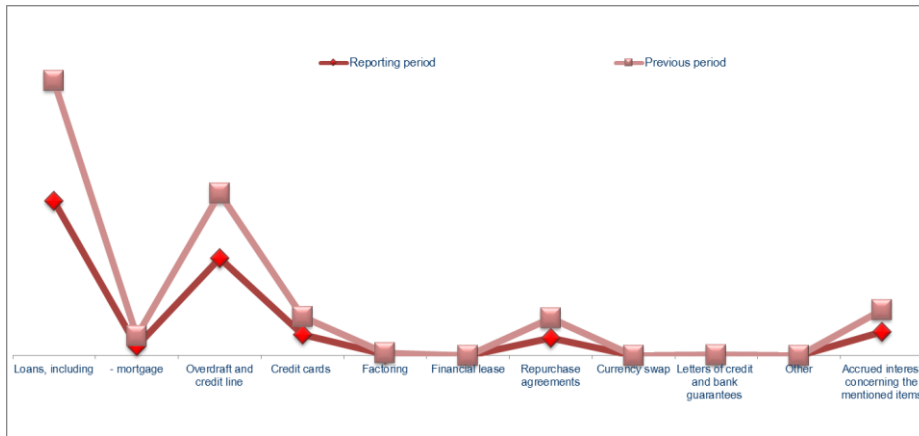
Other financial assets held for trading	Reporting period	Reporting period	Previous period	Previous period
Loans, factoring, accounts receivable				
Borrowers with A-/A3/ or higher rating				
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating				
- Mortgage				
- Consumer loans				
- Other				
Derivative instruments	0	0	0	0
- Futures				

- Forward				
- Option				
- Swap				
- Other				
Total				

Total financial assets held for trading	24,556,156	21,489,071	0	0
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Note 16. Loans and other advances to customers

Issued loans and other advances	Reporting period	Previous period
Loans, including	201,718,417	133,002,005
- to banks		
- to RA Government		
- to local authorities		
- mortgage	10,614,355	11,178,081
Overdraft and credit line	104,301,142	71,942,871
Credit cards	24,285,245	20,000,012
Factoring	1,568,319	1,602,647
Financial lease	-	58
Repurchase agreements	20,480,316	21,719,127
Currency swap	-	-
Letters of credit and bank guarantees	567,242	365,722
Other		
Accrued interest concerning the mentioned items	29,084,129	24,076,403
Total loans	382,004,810	272,708,845
Reserve for possible losses as regards loans and other advances to customers (Note 7)	-5,623,825	-4,239,633
Total net loans	376,380,985	268,469,212



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

Breakdown of performing and non-performing loans and advances provided to customers		Reporting period	Previous period
Performing loans and advances	Amount	374,687,920	266,682,352
	Quantity	55,888	59,212
Non-Performing loans and advances, including		7,316,890	6,026,493
		1,797	3,568
Overdue	Amount	4,818,421	2,506,503
	Quantity	1,431	1,922
Accrued interests			
Total loans	Amount	382,004,810	272,708,845
	Quantity	57,685	62,780
Provision for possible losses as regards loans and advances provided to customers (Note 7)		-5,623,825	-4,239,633
Total net loans		376,380,985	268,469,212

Analysis of provided loans and advances by customer group

Analysis of the provided loans and advances by customer group		Reporting period	Previous period
State enterprises		25,904,305	10,228,737
Private enterprises, including		273,748,657	187,032,804
- large enterprises		145,250,059	91,895,964
- small and medium enterprises		128,498,598	95,136,840
Natural persons, including		51,238,906	47,405,511
- consumer loans		14,795,188	14,819,947
- mortgage loans		10,597,225	11,163,025
- credit cards		24,467,733	19,989,400
Sole entrepreneurs		2,028,813	3,965,390
Accrued interest		29,084,129	24,076,403
Total loans		382,004,810	272,708,845
Provision for possible losses as regards loans and advances provided to customers		(5,623,825)	(4,239,633)
Total net loans		376,380,985	268,469,212

a) Total loans provided to major borrowers and related persons as of 31.12.2016 made AMD 146.566.317 thous, as of 31.12.2017 – AMD 163.050.892 thous.

b) Share in total loan portfolio as of 31.12.2016 made 58.83 %, as of 31.12.2017 –44.86 %

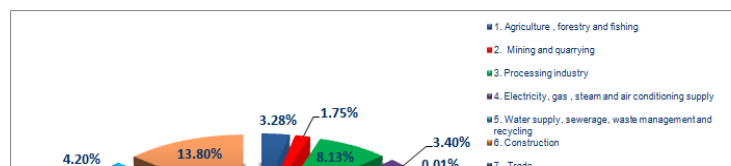
c) Percentage to Capital as of 31.12.2016 was 485.47 %, as of 31.12.2017 – 497.25 % :

Analysis of loan portfolio according to number of borrowers		Reporting period	Previous period
State enterprises		9	9
Private enterprises		365	324
Natural persons		45,365	49,185
Sole entrepreneurs		153	168
Total		45,892	49,686

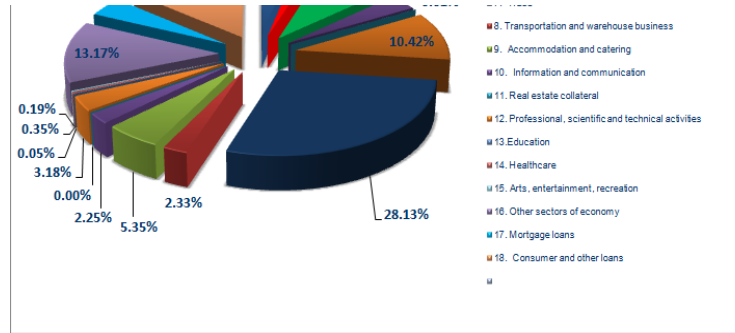
Analysis of loan portfolio according to the industry sectors (less the reserve amount for possible losses)

31.12.16

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

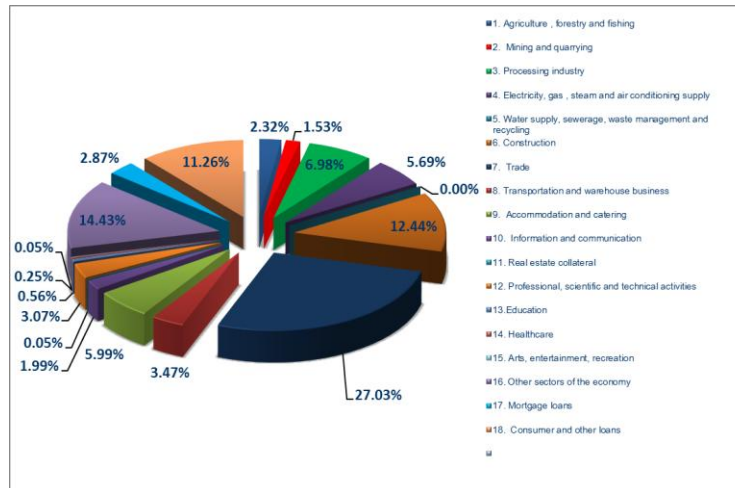


6. Construction	28,421,591	10.42
7. Trade	76,725,186	28.13
8. Transportation and warehouse business	6,343,161	2.33
9. Accommodation and catering	14,581,092	5.35
10. Information and communication	6,140,757	2.25
11. Real estate collateral	11,680	0.00
12. Professional, scientific and technical activities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



31.12.2017

Analysis of loans and advances according to crediting sectors	Previous period	Percentage
1. Agriculture, forestry and fishing	8,874,560	2.32
2. Mining and quarrying	5,836,444	1.53
3. Processing industry	26,658,975	6.98
4. Electricity, gas, steam and air conditioning supply	21,748,714	5.69
5. Water supply, sewerage, waste management and recycling	8,611	0.00
6. Construction	47,511,463	12.44
7. Trade	103,266,591	27.03
8. Transportation and warehouse business	13,272,715	3.47
9. Accommodation and catering	22,891,412	5.99
10. Information and communication	7,610,670	1.99
11. Real estate collateral	183,843	0.05
12. Professional, scientific and technical activities	11,722,104	3.07
13. Education	2,129,712	0.56
14. Healthcare	966,898	0.25
15. Arts, entertainment, recreation	189,114	0.05
16. Other sectors of the economy	55,126,549	14.43
17. Mortgage loans	10,976,985	2.87
18. Consumer and other loans	43,029,450	11.26
Total	382,004,810	100

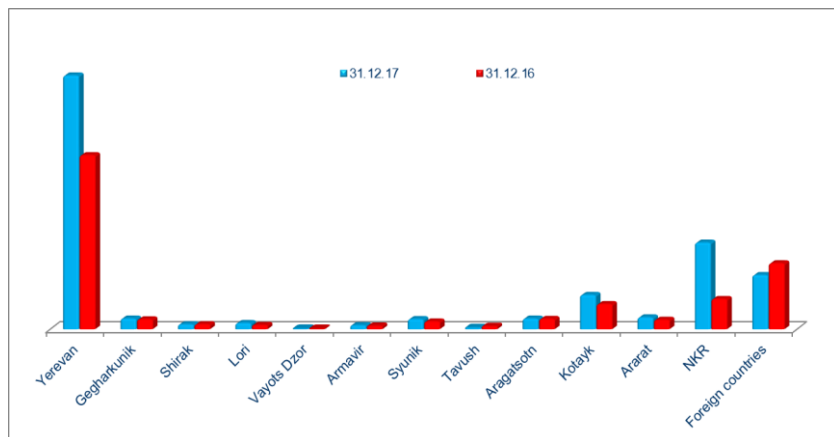


Analysis of the loan portfolio as regards customers' residency

Analysis of the loan portfolio as regards customers' residency	Reporting period	Percentage	Previous period	Percentage
RA residents	334,868,906	88.97	217,919,540	81.17
Non-residents	41,512,079	11.03	50,549,672	18.83
Total	376,380,985	100	268,469,212	100

Region (Marz)	31.12.17		31.12.16	
	Quantity	Amount	Quantity	Amount
Yerevan	15158	194,710,690	16506	133,318,074
Gegharkunik	8338	8,244,789	9707	7,647,228
Shirak	6202	3,858,636	6998	3,875,261
Lori	2869	4,797,513	2841	3,305,726
Vayots Dzor	161	756,433	195	722,985
Armavir	1777	3,113,093	1952	2,747,060

Syunik	1917	7,829,163	1882	5,981,637
Tavush	832	1,545,414	985	2,551,030
Aragatsotn	5925	8,210,347	6898	7,979,852
Kotayk	3805	26,311,411	3862	19,292,209
Ararat	5336	9,134,353	5994	7,289,448
NKR	5325	66,357,064	4919	23,209,030
Foreign countries	40	41,512,079	41	50,549,672
Total	57,685	376,380,985	62,780	268,469,212



Note 17. Financial assets available for sale

State securities	Reporting period	Previous period
State obligations	14,775,495	13,398,278
Treasury obligations	14,775,495	13,398,278
Central Bank obligations		
Promissory note		
State obligations of countries with BBB-/Baa3/ or higher rating		
Treasury obligations		
Central Bank obligations		
Other		
State securities of countries with BB+/Ba1/ or below rating or no rating		
Treasury obligations		
Central Bank obligations		
Other		
Possible loss reserve for promissory notes (Note 7)		
Total state securities	14,775,495	13,398,278

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

Other				
Issuer with "C" and higher rating by CBA				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Issuer with BBB+/Baa1/ or below rating, other rating or no rating				
Long term debt instruments		1,625,584		928,181
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Total non government securities of RA	0	1,625,584	0	928,181

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

Total securities available for sale	16,401,079	14,326,459
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Other financial assets available for sale				
Loans, factoring, amounts receivable				
Borrowers with A-/A3/ or higher rating				
Borrowers with BBB+/Baa1 and below rating, other rating and no rating				
Mortgage loans				
Consumer loans				
Other				
Total	0	0	0	0

Total financial assets available for sale	16,401,079	14,326,459
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Investments in other persons' share capital

Reporting period

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

1. Armenian Card CJSC	Payment and settlement services	RA	20.10.06	12143	2.00
2."ACRA Credit Reporting" CJSC	Payment and settlement services	RA	22.11.07	19845	4.0003
3. SWIFT	Payment and settlement services	Belgium	23.04.12	15170	0.00005
Total				47,158	6
Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)					
Total				47,158	

Previous period

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

	Reporting period	Previous period
Total financial assets available for sale and investments in other companies' share capital	16,448,237	14,371,246

Note 18. Investments held to maturity

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

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

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

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

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

Note 20. Property, Plant, Equipment and Intangible Assets

Property, plant and equipment

Title	Buildings	Computer & communication means	Vehicles	Other PPE	Capital investments as regards PPE	Capital investments as regards leased PPE	Total
Initial cost							
Balance at the beginning of the previous period	7,552,674	3,282,276	223,553	1,771,824	-	172,377	13,002,704
Increase	778,920	200,635	8,017	94,261	-	31,798	1,113,631
Disposal			-				-
Write-off							-
Revaluation		376		5,387			5,763
Depreciation adjustment from revaluation							-
Balance at the end of the previous period	8,331,594	3,482,535	231,570	1,860,698	-	204,175	14,110,572
Increase	29,020	361,485	63,856	361,690	-	96,861	912,912
Disposal			-				-
Revaluation*							-
Write-off	219,178		78,407	112			297,697
Depreciation adjustment from revaluation							-
Balance at the end of the reporting period	8,141,436	3,844,020	217,019	2,222,276	-	301,036	14,725,787
Accumulated depreciation							
Balance at the beginning of the previous period	580,601	2,129,651	153,103	1,162,603	-	23,829	4,049,787
Increase	291,826	287,730	33,241	191,522		5,233	809,552
Disposal							
Depreciation adjustment from revaluation							
Write-off		376		5,387			5,763
Balance at the end of the previous period	872,427	2,417,005	186,344	1,348,738	-	29,062	4,853,576
Increase	301,400	322,559	13,831	166,515		6,778	811,083
Disposal							
Depreciation adjustment from revaluation							
Write-off	3,402		73,754	112			77,268
Balance at the end of the reporting period	1,170,425	2,739,564	126,421	1,515,141	-	35,840	5,587,391
Net carrying amount							
End of reporting period	6,971,011	1,104,456	90,598	707,135	-	265,196	9,138,396
End of previous period	7,459,167	1,065,530	45,226	511,960	-	175,113	9,256,996

Intangible Assets

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

Increase	5,000	434,109		-	-	439,109
Disposal						-
Revaluation*						-
Impairment						-
Written off		2,513				2,513
Balance at the end of the reporting period	269,024	2,770,173	-	135,806	4,847	3,179,850
<i>Accumulated amortization</i>						
Balance at the end of previous period	12,205	134,985	-	158	-	147,348
Increase	15,730	160,565		3,336		179,631
Disposal						-
Impairment		6,652				6,652
Revaluation						-
Balance at the end of previous period	27,935	288,898	-	3,494	-	320,327
Increase	13,897	139,904		5,636		159,437
Disposal						-
Depreciation adjustment from revaluation		2,513				2,513
Revaluation						-
Balance at the end of the reporting period	41,832	426,289	-	9,130	-	477,251
Net carrying amount						
End of reporting period	227,192	2,343,884	-	126,676	4,847	2,702,599
End of previous period	236,089	2,049,679	-	132,312	4,847	2,422,927

Note 21. Deferred tax assets

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

Note 22. Other Assets

Amounts receivable from bank transactions	Reporting period	Previous period
Dividends receivable	0	0
Amounts receivable from trust management transactions	0	0
Amounts receivable from other transactions	1,213,728	1,688,734
Total	1,213,728	1,688,734
Reserve for possible losses as regards bank transactions (Note 7)	-18,647	-16,887
Net amounts receivable from bank transactions	1,195,081	1,671,847

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	59	68
Receivables as regards suppliers		
Advance payments to the employees	30	54
Advance payments to the suppliers	1,209,708	442,524
Advance payments and overpayments as regards budget and mandator	0	258,520
Other receivables and prepayments	10,398,503	9,775,816
Total	11,608,300	10,476,982
Reserve for possible losses as regards other assets (Note 7)	-496,145	-526,591
Total	11,188,611	9,950,391
Other assets		
Warehouse	389,360	377,026

Seized collateral	3,716,481	4,522,347
Future period expenses	22,648	29,103
Other assets	136,502	155,240
Reserve for possible losses as regards other assets (Note 7)	-1,593	-1,843
Total	4,263,398	5,081,873
Total other assets	16,570,634	16,704,111

Note 23. Amounts due to banks and other financial institutions

Current accounts	Reporting period	Previous period
RA Banks	223,482	1,274,493
Banks with BBB-(Baa3) and higher rating	324,846	
Banks with rating below BBB-(Baa3) and no rating		
Accrued interest		
Total	548,328	1,274,493
Interbank loans, deposits and other demands		
RA Central Bank		
Loans*	21,184,523	12,318,459
Repo (repurchase) agreements	36,899,981	27,999,993
Swap		
Other		
RA Banks		
Loans and deposits	8,713,793	0
Financial leasing		
Repo (repurchase) agreements	0	5,934,138
Swap	0	17,835
Other	0	0
BBB-(Baa3) and higher rating banks		
Loans and deposits		
Financial leasing		
Repo (repurchase) agreements		
Swap		
Other		
BBB-(Baa3) and lower rating and no rating banks		
Loans and deposits	0	7,744,868
Financial leasing		
Repo (repurchase) agreements		
Swap	0	24,621
Other	160,245	56,348
Accrued interest	474,522	325,220
Total	67,433,064	54,421,482
Financial institutions		
Current accounts	480,224	1,060,312
Loans and deposits	29,230,834	25,920,681
Repo (repurchase) agreements		
Swap		
Other	4,824	3,967
Accrued interest	865,336	190,234
Total	30,581,218	27,175,194
Total amounts due to banks and other fin. institutions	98,562,610	82,871,169

As of 31.12.2017, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 21.184.523 thous. And accrued interest amounts AMD 435.563 thous.

Note 24. Amounts due to customers

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	89,742	371,555
Time deposits		
Loans	553,276	740,954
Repo (repurchase) agreements		
Swap		
Other	47,979	46,201
Accrued interest	1,955	2,685
Total	692,952	1,161,395
Legal entities and institutions of RA (residents)		
Current accounts	46,088,823	22,650,857
Time deposits	47,603,643	26,079,459
Repo (repurchase) agreements	995,082	
Swap		
Other	4,000,822	2,890,359
Accrued interest	445,408	329,773
Total	99,133,778	51,950,448
Legal entities and institutions (non-residents)		
Current accounts	18,766,874	11,741,934
Time deposits	2,967,099	202,813
Repo (repurchase) agreements		
Swap		
Other	49,085	97,192
Accrued interest	8,050	300
Total	21,791,108	12,042,239
Sole entrepreneurs of RA (residents)		
Current accounts	261,690	106,123
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
Total	261,690	106,123
Sole entrepreneurs (non-residents)		
Current accounts	54	48
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
Total	54	48
Individuals (residents)		
Current accounts	16,755,561	11,663,260
Time deposits	247,267,642	172,536,972
Repo (repurchase) agreements		
Swap		
Other	159,410	223,959
Accrued interest	2,324,506	2,307,060
Total	266,507,119	186,731,251
Individuals (non-residents)		

Current accounts	3,480,499	1,884,091
Time deposits	9,285,925	7,397,896
Repo (repurchase) agreements		
Swap		
Other	0	0
Accrued interest	57,359	60,675
Total	12,823,783	9,342,662
Total liabilities to customers	401,210,484	261,334,166

The amount of the security of liabilities totaled: as at 31.12.2017 - AMD 22.671.881 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 484.040 thous., accrued interest AMD 1.749 thous.

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

	Reporting period	Previous period
Legal entities residents	78	77
Legal entitie non- residents	7	2
Individuals residents	21,164	16,365
Individuals non-residents	271	208
Total	21,520	16,652

Note 25. Securities issued by Bank

Securities issued by Bank	Reporting period	Previous period
Fixed-Income securities	8,967,294	0
Total	8,967,294	-

Note 26. Liabilities held for trading

Liability held for trading	Reporting period	Previous period
Derivative instruments held for trading purposes		
Futures		
Forward		
Option		
Swap		
Other		
Hedging derivative instruments		
Other	24,556,156	21,489,071
Total	24,556,156	21,489,071

Note 27. Amounts payable

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	292,030	224,269
Other		
Total	292,030	224,269

Note 28. Deferred tax liabilities

Deferred tax liabilities movements	Reporting period	Previous period
Balance at the beginning of the period	474,159	
Increase	153,670	474,159
Decrease		
Balance at the end of the period	627,829	474,159

Note 29. Other liabilities

Other liabilities	Reporting period	Previous period
Settlement liabilities as regards cheques and other payment	0	0
Settlement liabilities as regards letters of credit		
Other settlements		
Payables as regards budget		
Profit Tax	296,211	0
VAT	29,830	22,478
other taxes and dues	298,768	280,044
social insurance payments	0	0
Liabilities to employees as regards salary	283,574	213,729
Payables as regards suppliers	165,050	114,887
Payables as regards completion of chartered capital		
Other liabilities	2,294	2,165
Balance at the end of period	1,075,727	633,303

Note 30. Chartered capital

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

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

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

Revaluation reserves	Reporting period	Previous period
Unrealized gain/loss from revaluation of investments for sale	2,009,002	1,503,275
Fixed assets revaluation reserve	471,422	471,422
Other reserves		
Total revaluation reserves	2,480,424	1,974,697

Other components of equity**Reserves**

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

Other reserves		
Opening balance		
Increase		
Decrease		
Closing balance		

Note 33. Retained earnings

Retained profit	Reporting period	Previous period
Opening balance	2,807,725	5,858,906
Increase	2,133,020	1,472,528
Decrease	52,659	4,523,709
Closing balance	4,888,086	2,807,725

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

Note 34. Reserves, contingencies and potential liabilities

Reserves		Reporting period	Previous period
Opening balance	Note 7	655,706	335,674
Allocations to the reserve		207,373	1,443,120
Use of reserve		(247,581)	(1,187,323)
Net allocations to the reserve		(40,208)	255,797
Closing balance		615,498	591,471

Bank's legal liabilities

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

Bank's tax liabilities

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

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

	Reporting period	Previous period
Unused credit lines	21,049,256	20,808,438
Guarantees provided	35,968,014	32,179,463
Letters of credit issued	1,279,062	156,016

Reserve as regards the mentioned items (Note 7)	(615,498)	(591,471)
Closing balance	57,680,834	52,552,446

Bank's liability as regards operating lease

The leased premises are as follows:

Yerevan - Artsakh Branch
Talin - Talin Branch
Yerevan - Hayreniq Branch
Stepanakert - Khachen Branch
Yerevan - Arshakuni Branch
Masis - Masis Branch
Ashtarak - Ashtarak Branch
Gavar - Gavar Branch
Yerevan - Komitas Branch
Artik - Artik Branch
Sevan - Sevan Branch
Martuni - Alashkert Branch
Artashat - Artashat Branch
Yerevan - Arabkir Branch
Yerevan - Avan Branch
Yerevan - Aparan Branch
Yerevan - Charbakh Branch
Yerevan - Araratyan Branch
Yerevan - Teryan Branch
Yerevan - Yerevan Branch
Yerevan - Tashir Branch
Hrazdan - Hrazdan Branch
Yerevan - Qajaznuni Branch
Yerevan - Nor Aresh Branch
Yerevan - Nor Avan Branch
Yerevan - Davtashen 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		244,758
1-5 years		841,430
5-10 years		967,498
Total		2,053,686

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
	01.01.17-31.12.17	01.01.16-31.12.16
Balance as of 01 January	2,846,673	3,868,413
Loans and advances provided during the year	8,788,896	4,034,149
Loans and advances repaid during the year	5,368,816	5,055,889
Balance	6,266,753	2,846,673
Interest income	628,191	425,194

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

Amounts due to customers	Reporting period	Previous period
	01.01.17-31.12.17	01.01.16-31.12.16
Balance as of 01 January	4,611,136	3,206,724
Amounts received during the year	105,245,317	60,104,050
Amounts paid during the year	95,004,381	58,699,638
Balance	14,852,072	4,611,136
Interest expense	993,545	475,475

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.17-31.12.17	01.01.16-31.12.16
The Board		
Salary	96,816	96,816
bonus		
Executive body		
Salary	197,848	201,792
bonus	18,937	18,355
Internal audit		
Salary	57,042	37,864
bonus	4,750	3,360
Total	375,393	358,187

Note 36. Minimal disclosures concerning financial risks**1. Credit risk**

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

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

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

Also the Bank's overall loan portfolio is subjected to regular analysis by industry branches, customers, and loan types to ensure the portfolio diversification and quality. Intra-bank norms 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 norms are more severe than the corresponding norms established by the RA Central Bank).

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

2. Geographical concentrations

31.12.2016

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

31.12.2017

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
Assets					
Cash and balances with CBA	112,151,692				112,151,692
Amounts due from banks and other financial institutions	8,634,061	3,620,986	3,007,646	2,015,338	17,278,031
Financial instruments held for trading	24,556,156				24,556,156
Loans and advances to customers	334,861,601	859,403	776,099	39,883,882	376,380,985
Securities available for sale	16,433,067		15,170		16,448,237
Securities held to maturity					-
Other assets	12,555,815	46,838	145,388	3,822,593	16,570,634
Total assets	509,192,392	4,527,227	3,944,303	45,721,813	563,385,735
Liabilities					-
Amounts due to banks and other financial institutions	98,075,646	161,996		324,968	98,562,610
Amounts due to customers	366,595,538	3,924,560	5,033,991	25,656,395	401,210,484
Financial liability held for trading	24,556,156				24,556,156
Other liabilities	1,060,235		15,491	1	1,075,727
Total liabilities	490,287,575	4,086,556	5,049,482	25,981,364	525,404,977
Net position	18,904,817	440,671	(1,105,179)	19,740,449	37,980,758

OECD * - Organization for Economic Cooperation and Development

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

31.12.2016

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

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

31.12.2017

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	370,822,831	2,380,684	2,657,263	520,207	
	55,888	1,207	347	243	
1. Agriculture , forestry and fishing	8,465,622	243,832	25,159	7,322	
	723	13	3	3	
2. Mining and quarrying	5,760,852			8,701	
	22			1	
3. Processing industry	26,391,428			484	
	83			1	
4. Electricity, gas , steam and air conditioning supply	21,531,227				
	43				
5. Water supply, sewerage, waste management and recycling	8,525				
	3				
6. Construction	45,615,740	186,424	983,405		

	number	134	3	3	
7. Trade	amount	101,854,033	148,890	165,012	600
	number	318	6	2	1
8. Transportation and warehouse business	amount	13,037,925	91,192		885
	number	32	1		1
9. Accommodation and catering	amount	21,453,439		926,186	1,042
	number	82		1	1
10. Information and communication	amount	7,534,564			
	number	15			
11. Real property business	amount	182,004			
	number	7			
12. Professional, scientific and technical activities	amount	11,604,883			
	number	17			
13. Education	amount	2,108,123	88	158	
	number	408	1	2	
14. Healthcare	amount	957,229			
	number	19			
15. Arts, entertainment, recreation	amount	186,586	579		
	number	13	1		
16. Other branches of economy	amount	54,575,285			
	number	52			
17. Mortgage loans	amount	10,605,218	155,402	48,805	15,144
	number	1,923	38	13	5
18. Consumer and other loans	amount	38,950,148	1,554,277	508,538	486,029
	number	51,994	1,144	323	230
Receivables	amount	17,096,993	10,386	3,062	6,122
	number	10,167	373	297	360
Investment securities	amount	47,148			
	number	3			
Off-balance sheet items	amount	57,647,259	24,197	3,952	5,426
	number	12,774	39	15	5
including guarantees	amount	35,588,534		73,015	
	number	354		1	
letters of credit	amount	1,266,271			
	number	1			

Analysis of credit portfolio according to regions and risk exposure

31.12.2017

Loans and advances, including	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risk	Doubtful/ Highly risky	Bad
Loans, including					
1. Residents of RA	329,479,570	2,376,524	2,492,605	520,207	
2. Non-residents	41,343,261	4,160	164,658		
Total	370,822,831	2,380,684	2,657,263	520,207	

Loans to non-residents 31.12.17

Assets	Working assets	Non-working assets
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	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	41,343,261	4,160	164,658	-	-
	36	3	1	-	-
1. Agriculture , forestry and fishing	amount				
	number				
2. Mining and quarrying	amount				
	number				
3. Processing industry	amount				
	number				
4. Electricity, gas , steam and air conditioning supply	amount				
	number				
5. Water supply, sewerage, waste management and recycling	amount				
	number				
6. Construction	amount	212,489			
	number	1			
7. Trade	amount	40,919,578	164,658		
	number	11	1		
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				
	number				
16. Other branches of economy	amount				
	number				
17. Mortgage loans	amount	1,933			
	number	2			
18. Consumer and other loans	amount	209,261	4,160		
	number	22	3		

31.12.2016

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

31.12.2016

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

Loan portfolio indicators as of 31.12.2017

Non-performing loans/ total loans 2.92 %

Reserve for non-performing loans/total capital 5.60 %

Loan reserve /total loans 1.61 %

Possible loss reserve/Non-performing loans 55.03 %

Large amount advances/capital 497.25 %:

Market risk

Currency risk

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

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

31.12.2016

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

31.12.2017

	Drams	I group foreign currency*	II group foreign currency**	Total
Assets				
Cash and balances with CBA	96,953,225	14,720,925	477,542	112,151,692
Standardized precious metal bullions		115,135		115,135
Amounts due from banks and other financial institutions	6,766,970	5,575,206	4,935,855	17,278,031
Financial instruments kept for trading	24,062,117	494,039		24,556,156
Loans and advances to customers	149,179,580	225,406,985	1,794,420	376,380,985
Financial assets available for sale	16,448,237			16,448,237
Financial assets held to maturity				-
Other	11,189,290	5,373,188	8,156	16,570,634
Total assets	304,599,419	251,685,478	7,215,973	563,500,870
Liabilities				
Amounts due to banks and other financial institutions	87,771,546	10,495,411	295,653	98,562,610
Amounts due to customers	163,503,159	230,770,473	6,936,852	401,210,484
Issued securities	102,784	8,864,510		8,967,294
Other liabilities	1,010,535	65,192		1,075,727
Total liabilities	252,388,024	250,195,586	7,232,505	509,816,115
Net position	52,211,395	1,489,892	(16,532)	53,684,755

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

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

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

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

Interest rate risk

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

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

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

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

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

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

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

Item	Reporting period interest rates		Previous period interest rates	
	Drams	Foreign currency	Drams	Foreign currency
	%	%	%	%
Assets				
Balances with CBA				
Amounts due from banks and other financial organizations		7.00		9.00
including				
- interbank loans				
- interbank repo				
- interbank swap				
Loans and advances to customers	6-24	7-16	6-24	12-17
Securities held for trading and available for sale	9-13		0-13.0	
Securities held to maturity				
Liabilities				
Amounts due to banks and other financial institutions	2-9.50	2.75-8.3	2-9.5	8.30
Amounts due to customers	0.01-11.0	0.01-5.50	1-13	1-6.5
Liabilities as regards securities issued by the Bank	14.00	7.5-8.5		

Liquidity risk

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

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

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

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

31.12.16

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
Assets										
Cash in intern. and CBA			59,759,254						220,000	59,979,254
Amounts due from banks and other fin. institutions			4,419,446	4,342,152		47,910	2,273,481		592,737	11,675,726
Loans provided to customers	1,780,811	3,487,023		67,869,186	24,295,798	34,427,699	125,656,161	10,952,534		268,469,213
Financial assets	-	-	-	10,543,944	12,656,095	423,693	5,082,651	7,109,147	44,788	35,860,318
held for trade				10,344,787	11,144,285					21,489,072
available for sale				199,157	1,511,810		423,693	5,082,651	7,109,147	14,371,246
held up to maturity										-
Realized under repo agreements										-
Other assets	90,378	266,951	6,118,947	36,504	3,838	379,108	5,286,035		4,522,347	16,704,108
*Contractual demands										-
Total	1,871,189	3,753,974	70,297,647	82,791,786	36,955,731	35,278,410	138,298,328	18,061,681	5,379,872	392,688,618
1-st group currency	1,814,812	905,000	27,615,436	42,161,086	9,237,670	25,576,587	72,095,998		592,737	179,999,326
2-nd group currency			436,751	3,254,665						3,691,416
Variable interest rate										-
Fixed interest rate	1,780,811	3,487,023	1,461,604	72,410,495	25,807,608	34,899,302	133,012,293	18,061,681	592,737	291,513,554
Interest free	90,378	266,951	68,836,043	10,381,291	11,148,123	379,108	5,286,035	-	4,787,135	101,175,064
Liabilities										
Amounts due to banks and other fin. institutions			2,354,252	46,562,807	1,470,055	8,633,216	9,523,161	14,327,678		82,871,169
Amounts due to customers	-	-	51,687,091	53,494,772	38,396,062	72,446,378	43,546,899	1,762,964	-	261,334,166
upon demand			51,687,091							51,687,091
time liability				53,494,772	38,396,062	72,446,378	43,546,899	1,762,964		209,647,075
Other										-
Liabilities for securities issued by the banks										-
Other liabilities			518,416	114,887						633,303
Off –balance contingent liabilities	70,055	76,639	20,393,626	3,994,329	2,413,151	10,070,998	15,533,648			52,552,446
*Contractual liabilities										-
Total	-	-	54,559,759	100,172,466	39,866,117	81,079,594	53,070,060	16,090,642	-	344,838,638
1-st group currency				25,919,643	34,445,281	24,626,428	69,529,326	33,230,587		187,751,265
2-nd group currency			2,604,020	193,320	132,349	197,746	150,268			3,277,703
Large amount liability			56,969	28,355,060	1,514,189	8,674,738	12,105,285			50,706,241
Variable rate liability										-
Fixed rate liability			49,996,596	85,010,823	32,339,527	80,877,377	53,070,060	16,090,642		317,385,025
Interest free			4,563,163	15,161,643	7,526,590	202,217				27,453,613
Net liquidity gap	1,871,189	3,753,974	15,737,888	(17,380,680)	(2,910,386)	(45,801,184)	85,228,268	1,971,039	5,379,872	47,849,980
1-st group currency	1,814,812	905,000	1,695,793	7,715,805	(15,388,758)	(43,952,739)	38,865,411	-	592,737	(7,751,939)
2-nd group currency	-	-	(2,167,269)	3,061,345	(132,349)	(197,746)	(150,268)	-	-	413,713
Variable interest rate	-	-	-	-	-	-	-	-	-	-
Fixed rate	1,780,811	3,487,023	(48,534,992)	(12,600,328)	(6,531,919)	(45,978,075)	79,942,233	1,971,039	592,737	(25,871,471)
Cumulative liquidity gap	1,871,189	5,625,163	21,363,051	3,982,371	1,071,985	(44,729,199)	40,499,069	42,470,108	47,849,980	344,838,638

31.12.2017

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
Assets										
Cash in intern. and CBA			62,015,054	50,016,638					120,000	112,151,692
Amounts due from banks and other fin. institutions			4,153,560	6,173,706	999,975	2,435,602	2,834,545		680,643	17,278,031
Loans provided to customers	1,366,835	4,191,319		81,877,530	57,654,715	27,564,529	170,984,095	32,741,962		376,380,985
Financial assets			-	-	16,532,980	13,524,963	656,946	10,242,346	47,158	41,004,393
held for trade					16,532,980	8,023,176				24,556,156
available for sale						5,501,787	656,946	10,242,346	47,158	16,448,237
held up to maturity										-
Realized under repo agreements										-
Other assets	14,767	12,798	6,679,760	18,070	95,215	403,936	3,272,183	2,357,424	3,716,481	16,570,634
*Contractual demands										-
Total	1,381,602	4,204,117	72,848,374	138,085,944	75,282,885	43,929,030	177,747,769	45,341,732	4,564,282	563,385,735
1-st group currency	4,015,831	3,177,656	23,791,773	66,950,555	28,386,181	12,425,175	112,257,664		680,643	251,685,478
2-nd group currency			1,539,690	4,834,780	480,303	84,000	252,000		25,200	7,215,973
Variable interest rate										-
Fixed interest rate	1,366,835	4,191,319	2,007,615	121,116,897	66,773,455	42,967,910	173,729,009	45,341,732	680,643	458,175,415
Interest free	14,767	12,798	70,840,759	16,969,047	8,509,430	961,120	4,018,760		3,883,639	105,210,320
Liabilities										
Amounts due to banks and other fin. institutions			1,033,189	59,783,081	5,176,951	2,181,047	8,798,255	21,590,087		98,562,610
Amounts due to customers	-	-	88,657,072	51,993,792	68,903,973	98,283,027	91,612,298	1,760,322	-	401,210,484
upon demand			88,657,072							88,657,072
time liability				51,993,792	68,903,973	98,283,027	91,612,298	1,760,322		312,553,412
Other										-
Liabilities for securities issued by the banks							8,967,294			8,967,294
Other liabilities			831,029	244,698						1,075,727
Off –balance contingent liabilities	5,281	28,297	20,792,450	3,800,553	4,273,472	9,154,464	19,626,317			57,680,834
*Contractual liabilities										-
Total	-	-	90,521,290	112,021,571	74,080,924	100,464,074	109,377,847	23,350,409	-	509,816,115
1-st group currency			46,269,560	43,747,436	38,168,993	45,349,555	76,660,042			250,195,586
2-nd group currency			5,382,282	630,095	325,988	520,532	373,608			7,232,505
Large-scale liability				37,117,523	193,328	131,182	21,103,863			58,545,896
Variable rate liability										-
Fixed rate liability			86,754,496	94,542,481	65,841,187	98,509,204	109,377,847	23,350,409		478,375,624
Interest free			3,766,794	17,479,090	8,239,737	1,954,870				31,440,491
Net liquidity gap	1,381,602	4,204,117	(17,672,916)	26,064,373	1,201,961	(56,535,044)	68,369,922	21,991,323	4,564,282	53,569,620
1-st group currency	4,015,831	3,177,656	(22,477,787)	23,203,119	(9,782,812)	(32,924,380)	35,597,622	-	680,643	1,489,892
2-nd group currency	-	-	(3,842,592)	4,204,685	154,315	(436,532)	(121,608)	-	25,200	(16,532)
Variable interest rate	-	-	-	-	-	-	-	-	-	-
fixed rate	1,366,835	4,191,319	(84,746,881)	26,574,416	932,268	(55,541,294)	64,351,162	21,991,323	680,643	(20,200,209)
Cumulative liquidity gap	1,381,602	5,585,719	(12,087,197)	13,977,176	15,179,137	(41,355,907)	27,014,015	49,005,338	53,569,620	509,816,115

Average balance sheet capital and assets

01/01/17-31/12/17

Average balance sheet asset	434,856,765
Average balance sheet capital	37,254,584

Note 42. Collateral accepted

	Reporting period	Previous period
Other securities	25,028,233	7,724,282
Jewels and precious stones	15,533,019	12,257,618

Real estate	178,646,163	142,282,960
Vehicles	14,984,210	14,977,647
Other PPE	34,703,255	18,240,689
Finished production and goods	29,160,948	21,284,426
Cash	22,671,881	30,893,795
Other collateral	36,550,380	18,811,456
Credit guarantee	1,404,772	3,795,273
Other guarantees	34,563,242	17,581,705
Credit warranties	311,210,728	107,535,208
Other warranties	37,329,277	19,386,779
Total	741,786,108	414,771,838

Chairman of the Executive Board

Arsen Mikayelyan

Chief Accountant

Narine Sargsyan

Date of approval 15.01.18