



# BAKER TILLY ARMENIA

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29 April 2013  
N 011309

**CONFIRMED BY:**



**GEVORGYAN**

**Managing Partner  
Baker Tilly Armenia CJSC**

**License for auditing N054 awarded by Ministry of  
Finance and Economy of the Republic of Armenia**

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of "Armbusinessbank" CJSC

We have audited the accompanying financial statements of "Armbusinessbank" CJSC (hereinafter – the Bank) as at December 31, 2012, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and Cash Flow statement, as well as the summary of the accounting policies and other explanatory notes.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards. This responsibility includes development, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements free from material misstatement due to fraud or error, selection and implementation of appropriate accounting policies, as well as preparation of reasonable accounting estimates relevant to present circumstances.

### *Auditor's responsibility*

Our responsibility is to express an opinion of the given financial statements based on the conducted audit. We have carried out the audit according to the International Standards on Auditing. These standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements.

Audit includes performing procedures to obtain audit evidence about the amounts and disclosures presented in the financial statements. The choice of the procedures depends on the auditor's judgment, including the assessment of the risks arising from the misstatements in the financial statements whether due to fraud or an error. In making those risk assessment, the auditor considers the internal control of the Bank over the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the present circumstances, but not for the purpose of expression of an opinion regarding the effectiveness of the Bank's internal control. The audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates carried out by the management, as well as evaluation of the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate enough to provide a basis for our audit opinion.

### **Auditor's Opinion on the Financial Statements**

In our opinion the financial statements give a true and fair view of "Armbusinessbank" CJSC's financial position as at 31 December, 2012, and of its annual financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Notes 16 and 22 to the financial statements concerning the loan portfolio and other assets, which indicate their material concentration as regards organizations cooperating with the Bank's Shareholder. Bank management asserts that the mentioned assets are realizable and no problem may arise in their respect which will have a material negative effect on the Bank's financial situation.

G. Assilian   
Auditor

26.04.2013