



Appendix 5

NOTES TO FINANCIAL STATEMENTS
(Form 5)

30-Jun-15

ARMBUSINESSBANK CJSC, RA, YEREVAN, 48 NALBANDYAN

Note 1. Legal Environment and Corporate Governance

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

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

The Bank's head office and 17 branches are located in Yerevan, 20 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
Bagrat Tevosyan	- "Kentron" branch manager

c) Major Participants	
Vitaly Grigoryants	– 100 %

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

Note 2. Accounting Policy

2.1 Preparation of financial statements

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

2.2 Going Concern

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

2.3 Comparability

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

2.4 Recognition of income and expense

2.4.1 Interest income and expense

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

2.4.2 Commissions and other income and expense

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

2.5 Foreign currency transactions

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

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

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

	30 June 2015	31 December 2014
AMD/1 US Dollar	472.53	474.97

2.6 Cash and cash equivalents

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

2.7 Amounts due from other banks

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

2.8 Securities

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

2.9 Loans and advances to customers

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

2.10 Leasing

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

2.11 Possible losses reserve

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

2.12 Intangible assets

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

2.13 Property, plant and equipment

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

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

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

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

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

2.14 Financial instruments

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

2.15 Events occurring after the balance sheet date

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

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

2.16 Taxation

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

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

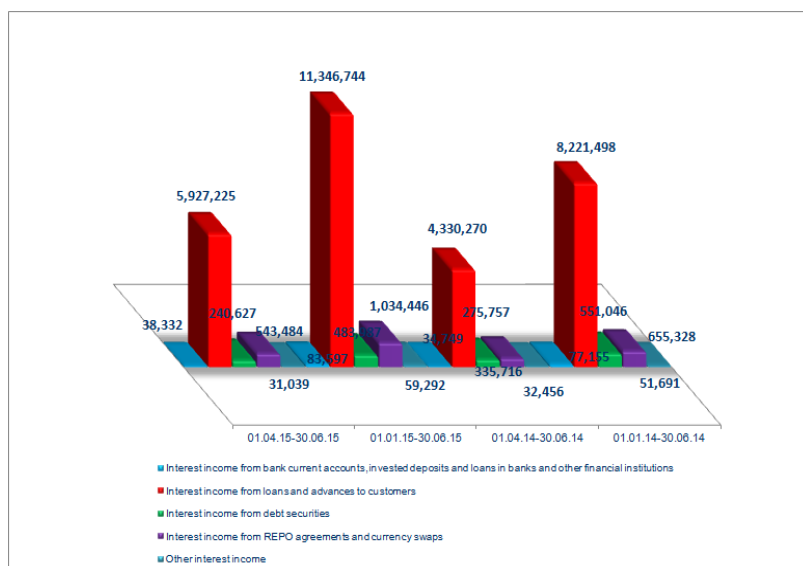
2.17 Functional and presentation currency

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

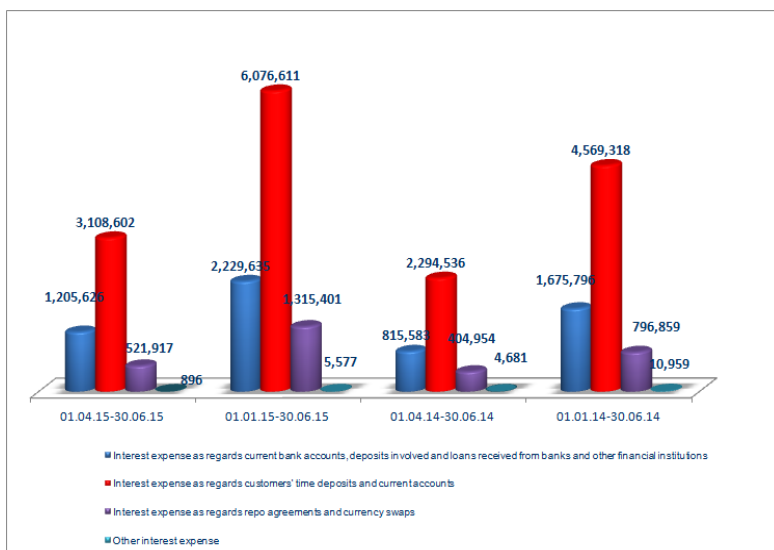
The intermediary financial statements are presented in thousands of AMD.

Note 3. Net Interest and Similar Income

Interest and Similar Income	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	38,332	83,597	34,749	77,155
Interest income from loans and advances to customers	5,927,225	11,346,744	4,330,270	8,221,498
Interest income from debt securities	240,627	483,987	275,757	551,046
Interest income from REPO agreements and currency swaps	543,484	1,034,446	335,716	655,328
Other interest income	31,039	59,292	32,456	51,691
Total	6,780,707	13,008,066	5,008,948	9,556,718



Interest and Similar Expense	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	1,205,626	2,229,635	815,583	1,675,796
Interest expense as regards customers' time deposits and current accounts	3,108,602	6,076,611	2,294,536	4,569,318
Interest expense as regards securities issued by the Bank				
Interest expense as regards repo agreements and currency swaps	521,917	1,315,401	404,954	796,859
Other interest expense	896	5,577	4,681	10,959
Total	4,837,041	9,627,224	3,519,754	7,052,932
Net interest and similar income	1,943,666	3,380,842	1,489,194	2,503,786



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

Income in the form of Commissions and Other Fees	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Cash operations	88,315	133,999	48,278	99,083
Settlement services	105,820	170,848	74,974	141,079
Guarantee, acceptance, letter of credit, trust management operations	73,486	106,912	50,629	100,931
Transaction in foreign currency and securities	624	1,044		
Plastic card operations	139,635	286,475	183,289	386,583
Other commission payments	194,771	375,326	65,145	123,730
Total	602,651	1,074,604	422,315	851,406

Expenses in the form of Commissions and Other Payments	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Commission payments as regards correspondent and other accounts/bank transactions	41,364	81,225	36,658	69,272
Commission payments as regards transactions with plastic cards/cash transactions	48,213	92,482	17,122	33,253
Payments as regards guarantees, acceptance, letters of credit, trust management transactions	1,271	1,271	19	19
Commission payments as regards transactions in foreign currency and securities	143	644	5,910	8,220
Other commission payments	17,072	35,044	48,813	91,053
Total	108,063	210,666	108,522	201,817
Net Commissions and other payments received	494,588	863,938	313,793	649,589

Note 5. Net income from trading transactions

Income from investments remeasured at fair value and held at fair value	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	-68,272	83,145	3,256	-37,301
Net income from change in fair value of investments held for trading				
Total	-68,272	83,145	3,256	-37,301

Net income from investments available for sale	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities	0	0	3,059	3,059
- derivative instruments				
Net income from change in fair value of investments held for trading	0	0	52,925	52,925
Total	0	0	55,984	55,984

From foreign currency transactions	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Net income from foreign currency dealings	195,402	424,544	178,641	285,573
Net income from foreign currency revaluation	59,213	-112,154	-21,868	10,693
Total	254,615	312,390	156,773	296,266

From bank standardized precious metal bullions and commemorative coins	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	2,206	14,700	1,319	2,840
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	-1,895	-3,075	871	30,128
Total	311	11,625	2,190	32,968

Net income from trading transactions	186,654	407,160	218,203	347,917
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Note 6. Other operating income

Other operating income	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Fines and penalties received	302,395	576,995	157,570	319,423
Income received from factoring	20,319	39,838	1,196	1,250
Net income from disposal of PPE and intangible assets	37,298	53,720	1,996	17,371
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	45,653	85,145	45,138	161,579
Total	405,665	755,698	205,900	499,623

Note 7. Net allocations to the assets possible loss reserve

As regards amounts due from banks	Note 14	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Opening balance		0	0	0	0
Allocations to the reserve		0	0		0
Return of reserve allocations		0	0	0	0
Net allocations to the reserve		0	0	0	0
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
Closing balance		0	0	0	0

As regards amounts due from financial institutions	Note 14	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Opening balance		0	0	0	0
Allocations to the reserve		0	0		0
Return of reserve allocations		0	0	0	0
Net allocations to the reserve		0	0	0	0
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
Closing balance		0	0	0	0

As regards loans and advances provided to the customers	Note 16	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Opening balance		4,741,548	4,550,828	2,915,475	2,656,516
Allocations to the reserve		1,326,068	2,215,556	2,270,339	3,216,193
Return of reserve allocations		-983,977	-1,412,198	-2,441,707	-4,397,333
Net allocations to the reserve		342,091	803,358	-171,368	-1,181,140
Return of amounts previously written-off to the off-balance sheet		75,248	364,045	2,309,150	3,782,719
Reserve utilization		-422,648	-981,992	-151,652	-356,490
Closing balance		4,736,239	4,736,239	4,901,605	4,901,605

As regards investments	Note 18	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Opening balance		18,406	18,406	3,489	3,489
Allocations to the reserve			0		
Return of reserve allocations			0		
Net allocations to the reserve		0	0	0	
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
Closing balance		18,406	18,406	3,489	3,489

As regards other assets	Note 18	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Opening balance		122,900	128,635	156,181	143,349
Allocations to the reserve		69,334	72,565	55,327	116,665
Return of reserve allocations		-44,797	-53,763	-75,053	-108,942
Net allocations to the reserve		24,537	18,802	-19,726	7,723
Return of amounts previously written-off to the off-balance sheet		4,357	4,357	213	916
Reserve utilization		-28,603	-28,603	-41,335	-56,655
Closing balance		123,191	123,191	95,333	95,333

As regards off-balance sheet items containing credit risk	Note 30	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Opening balance		294,268	294,268	0	0
Allocations to the reserve			0		
Return of reserve allocations		-294,268	-294,268	0	0
Net allocations to the reserve		-294,268	-294,268	0	0
Closing balance		0	0	0	0

Total net allocations to the reserves		72,360	527,892	-191,094	-1,173,417
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Note 8. General administrative expenses

General administrative expenses	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Expenses as regards calculated salary and other equivalent payments *	748,523	1,428,647	636,881	1,243,043
Expenses as regards social payments	0	0	83	379
Expenses as regards training and tuition	658	731	1,219	1,383
Expenses as regards business trips	13,960	27,201	18,599	24,533
Expenses as regards operating lease	26,814	56,079	17,923	35,617
Insurance expenses	10,012	19,529	5,867	11,575
Expenses as regards maintenance and security of Bank's equipment	20,470	36,566	15,070	24,793
Expenses as regards maintenance and security of Bank's buildings	62,948	136,598	57,625	132,075
Expenses as regards audit and other consulting services	5,000	21,216	200	200
Expenses as regards communication means	24,756	47,838	20,116	39,900
Transportation expenses	14,892	25,575	8,790	18,377
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	52,018	102,849	45,896	88,298
Office and organizational expenses	13,020	22,377	9,548	17,403
Expenses as regards loans provision and return	4,830	9,470	4,763	9,845
Other administrative expenses	180,435	220,619	50,199	206,579
Total	1,178,336	2,155,295	892,779	1,854,000

The number of the Bank employees as at 30 June 2015 is 768.

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

Note 9. Other Operating Expenses

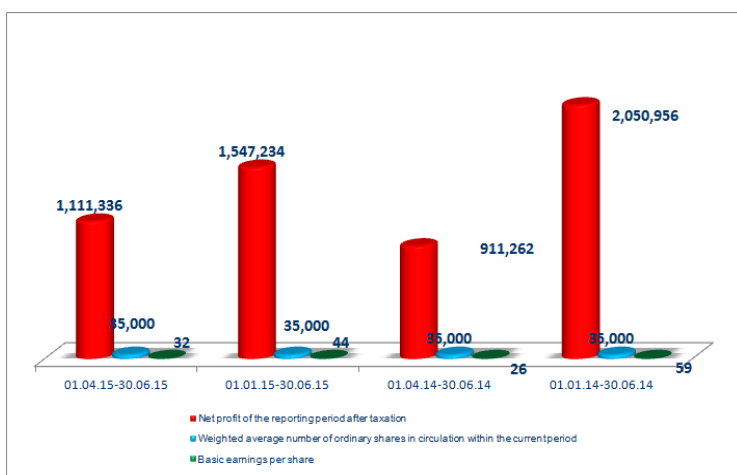
Other Operating Expenses	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Fines and penalties paid	0	1,150	228	228
Advertising and representation expenses	46,776	93,057	39,396	80,876
Fcatoting expenses				
Fixed and intangible assets amortization expenses	207,929	417,837	200,292	405,062
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	54,968	107,351	38,726	74,918
Other expenses	94,833	190,903	79,072	163,130
Total	404,506	810,298	357,714	724,214

Note 11. Profit Tax Expense

Profit tax expense	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Current tax expense	179,469	301,282	175,058	523,445
Adjustments of current tax for previous periods recognized in the given period				
Deferred tax expense	84,566	65,637	62,965	3,311
Total	264,035	366,919	238,023	526,756

Note 12. Basic Earnings per Share

Basic Earnings per Share	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Net profit of the reporting period after taxation	1,111,336	1,547,234	911,262	2,050,956
Dividends calculated for the current reporting period as regards preference shares	()	()	()	()
Net gain/loss for the current period attributable to the owners of the ordinary shares				
Weighted average number of ordinary shares in circulation within the current period	35,000	35,000	35,000	35,000
Basic earnings per share	32	44	26	59
Diluted earnings per share				



Note. Other Comprehensive Income

Other Comprehensive Income	01.04.15-30.06.15	01.01.15-30.06.15	01.04.14-30.06.14	01.01.14-30.06.14
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets available for sale	(80,567)	(328,507)	(44,858)	(257,709)
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
Total	(80,567)	(328,507)	(44,858)	(257,709)

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

Cash, cash equivalents and balances with the CBA	Reporting period	Previous period
Cash means	3,930,259	2,495,879
Other placements of cash	1,835,429	2,818,890
Correspondent accounts with the CBA *	26,482,620	22,594,935
Total	32,248,308	27,909,704
Deposit accounts with the CBA		
Deposited means with the CBA **	120,000	220,000
Accrued interest		
Cash means and balances with the CBA	32,368,308	28,129,704
Standardized precious metal bullions	265,138	457,924
Placements with other banks (Note 14)	1,996,367	3,925,069
Total cash and cash equivalents	34,629,813	32,512,697

* 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	3,015	1,629
Banks with BBB – (Baa3) and higher rating	1,666,861	2,758,684
Banks with no rating and rating below BBB-(Baa3)	19,375	42,344
Accrued interest	0	0
Total	1,689,251	2,802,657

Interbank loans and deposits, etc.	Reporting period	Previous period
CBA		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	535,130
Other		
RA Banks		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
Banks with BBB – (Baa3) and higher rating		
Loans and deposits	204,240	586,800
Factoring		
Financial lease		
RA Banks		
RA Banks	0	
Letters of credit and bank guarantees		
Other	0	

Banks with no rating and rating below BBB-(Baa3)		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	
Letters of credit and bank guarantees		
Other	102,820	0
Accrued interest	56	482
Total	1,996,367	3,925,069
Reserve for possible losses as regards amounts due from Banks (Note 7)		
Net amounts due from banks	3,166,500	3,925,069

Loans and deposits with financial institutions, other amounts due		
RA financial institutions	2,783,102	1,113,640
Loans and deposits	944,295	1,113,640
Factoring		
Financial lease		
Repo (repurchase) agreements	1,838,807	
Swap		
Letters of credit and bank guarantees		
Other		
Financial institutions with BBB – (Baa3) and higher rating	0	0
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
Financial institutions with no rating and rating below BBB-(Baa3)	882,070	728,844
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	882,070	728,844
Accrued interest	23,129	7,394
Total	3,688,301	1,849,878
Reserve for possible losses as regards amounts due from financial institutions (Note 7)		
Net amounts due from financial institutions	3,688,301	1,849,878
Net amounts due from banks and financial institutions	5,684,668	5,774,947

Note 15. Financial Assets Held for Trading

Government securities	Reporting period	Previous period
RA Government securities, including		
Treasury bonds	13,395,534	12,542,801
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	13,395,534	12,542,801

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

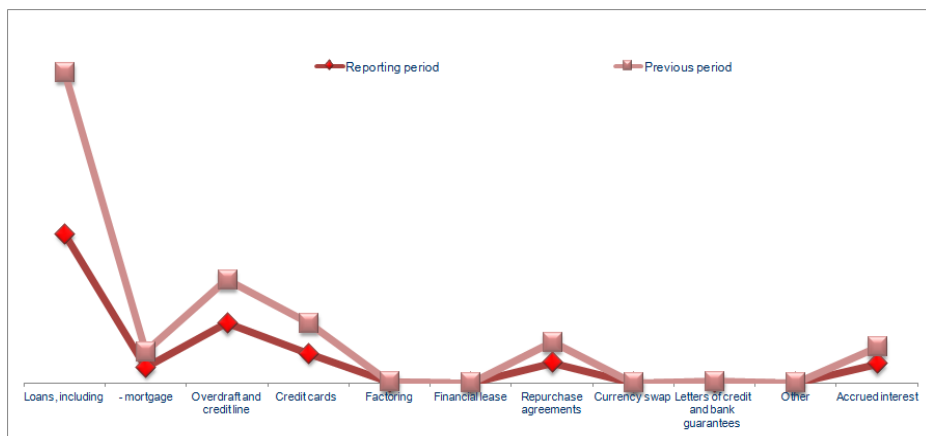
Non-government securities of other countries	Listed	Non-Listed	Listed	Non-Listed
Issuer with A-/A3/ and higher rating				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Issuer with BBB+/Baa1/ and below rating, other rating and 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	13,395,534	12,542,801	0	0

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	
- Futures				
- Forward				
- Option				
- Swap				
- Other				
Total				

Total financial assets held for trading	13,395,534	12,542,801	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	108,780,648	118,606,066
- to banks		
- to RA Government		
- to local authorities		
- mortgage	11,336,148	11,268,389
Overdraft and credit line	43,450,815	31,938,661
Credit cards	21,409,750	22,150,483
Factoring	381,721	286,435
Financial lease	493	692
Repurchase agreements	14,755,295	14,761,539
Currency swap	-	-
Letters of credit and bank guarantees	592,601	559,055
Other		
Accrued interest concerning the mentioned items	13,891,945	12,378,567
Total loans	203,263,268	200,681,498
Reserve for possible losses as regards loans and other advances to customers (Note 7)	-4,736,239	-4,550,828
Total net loans	198,527,029	196,130,670



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	197,815,785	196,482,746
Amount		
Quantity	69,004	60,726
Non-Performing loans and advances, including	5,447,483	4,198,752
Amount		
Quantity	6860	3668
Overdue	2,246,681	1,969,808
Amount		
Quantity	4843	2966
Accrued interests		
Total loans	203,263,268	200,681,498
Amount		
Quantity	75,864	64,394
Provision for possible losses as regards loans and advances provided to customers (Note 7)	-4,736,239	-4,550,828
Total net loans	198,527,029	196,130,670

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	4,413,731	6,312,510
Private enterprises, including	132,320,793	126,027,605
- large enterprises	76,054,576	63,578,393
- small and medium enterprises	56,266,217	62,449,212
Natural persons, including	49,381,001	52,888,529
- consumer loans	15,015,008	12,451,448
- mortgage loans	11,323,808	11,268,390
- credit cards	21,370,210	21,865,819
Sole entrepreneurs	3,255,798	3,074,287
Accrued interest	13,891,945	12,378,567
Total loans	203,263,268	200,681,498
Provision for possible losses as regards loans and advances provided to customers	(4,736,239)	(4,550,828)
Total net loans	198,527,029	196,130,670

a) Total loans provided to major borrowers and related persons as of 31.12.2014 made AMD 94.122.190 thousand, as of 30.06.2015 – AMD 95.802.578 thousand.

b) Share in total loan portfolio as of 31.12.2014 made 54.17 %, as of 30.06.2015 - 50.99%

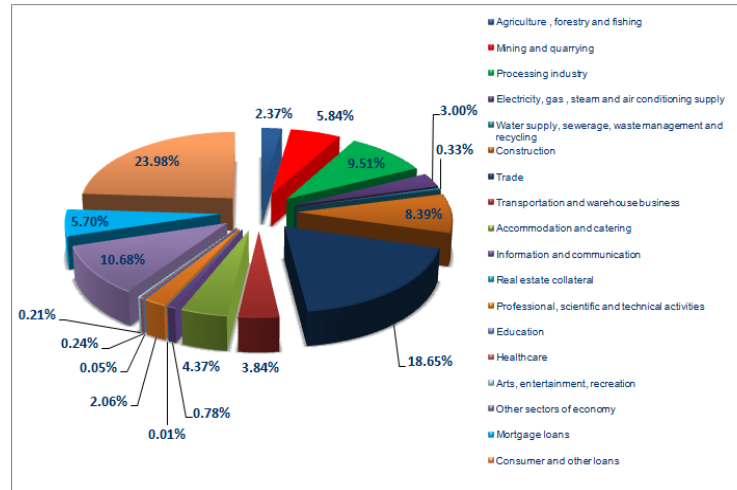
c) Percentage to Capital as of 31.12.2014 was 374.05 %, as of 30.06.2015 – 320.98 %

Analysis of loan portfolio according to number of borrowers	Reporting period	Previous period
State enterprises	10	12
Private enterprises	328	301
Natural persons	62,261	54,832
Sole entrepreneurs	201	212
Total	62,800	55,357

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

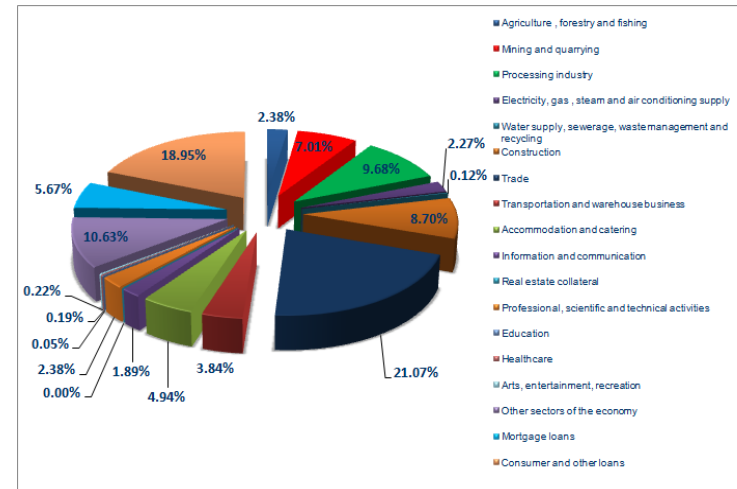
31.12.14

Analysis of loans and advances according to crediting sectors	Reporting period	Percentage
1. Agriculture , forestry and fishing	4,758,146	2.37
2. Mining and quarrying	11,722,318	5.84
3. Processing industry	19,091,252	9.51
4. Electricity, gas , steam and air conditioning supply	6,021,542	3.00
5. Water supply, sewerage, waste management and recycling	655,386	0.33
6. Construction	16,830,790	8.39
7. Trade	37,417,930	18.65
8. Transportation and warehouse business	7,702,674	3.84
9. Accommodation and catering	8,774,884	4.37
10. Information and communication	1,568,660	0.78
11. Real estate collateral	19,359	0.01
12. Professional, scientific and technical activities	4,124,069	2.06
13. Education	102,893	0.05
14. Healthcare	477,342	0.24
15. Arts, entertainment, recreation	420,780	0.21
16. Other sectors of the economy	21,425,524	10.68
17. Mortgage loans	11,437,363	5.70
18. Consumer and other loans	48,130,586	23.98
Total	200,681,498	100



30.06.15

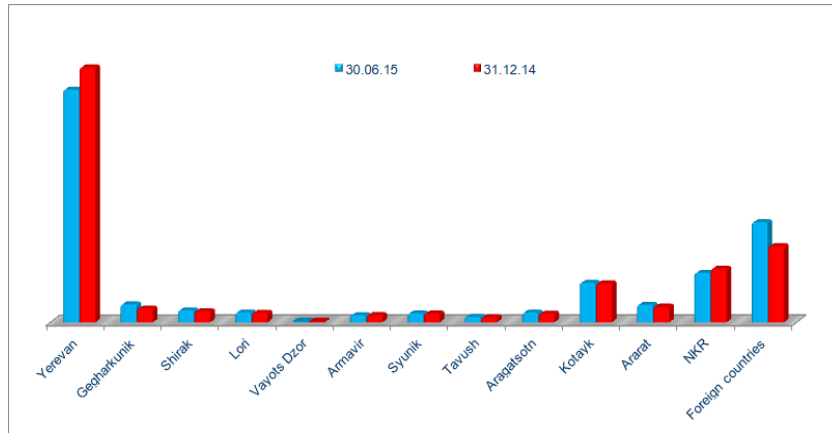
Analysis of loans and advances according to crediting sectors	Previous period	Percentage
1. Agriculture , forestry and fishing	4,846,806	2.38
2. Mining and quarrying	14,251,915	7.01
3. Processing industry	19,668,748	9.68
4. Electricity, gas , steam and air conditioning supply	4,615,860	2.27
5. Water supply, sewerage, waste management and recycling	242,985	0.12
6. Construction	17,685,626	8.70
7. Trade	42,829,527	21.07
8. Transportation and warehouse business	7,810,244	3.84
9. Accommodation and catering	10,038,092	4.94
10. Information and communication	3,832,003	1.89
11. Real estate collateral	9,787	0.00
12. Professional, scientific and technical activities	4,833,089	2.38
13. Education	104,416	0.05
14. Healthcare	387,038	0.19
15. Arts, entertainment, recreation	452,570	0.22
16. Other sectors of the economy	21,602,718	10.63
17. Mortgage loans	11,534,197	5.67
18. Consumer and other loans	38,517,647	18.95
Total	203,263,268	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	159,642,453	80.41	166,532,204	84.91
Non-residents	38,884,576	19.59	29,598,466	15.09
Total	198,527,029	100	196,130,670	100

Region (Marz)	30.06.15		31.12.14	
	Quantity	Amount	Quantity	Amount
Yerevan	21611	90,376,315	19610	99,021,277
Gegharkunik	10363	6,969,142	6206	5,362,702
Shirak	9421	4,677,480	7685	4,326,136
Lori	3923	3,849,526	3561	3,706,533
Vayots Dzor	177	331,290	161	340,143
Armavir	2762	2,764,239	2577	2,846,575
Syunik	2395	3,445,891	2419	3,455,486
Tavush	1445	2,165,688	1329	1,990,124
Aragatsotn	6368	3,758,270	5271	3,375,977
Kotayk	4870	15,343,463	4628	15,132,601
Ararat	6574	6,797,761	5032	6,142,854
NKR	5905	19,163,388	5869	20,831,796
Foreign countries	50	38,884,576	46	29,598,466
Total	75,864	198,527,029	64,394	196,130,670



Note 17. Financial assets available for sale

State securities	Reporting period	Previous period
State obligations	7,824,872	8,758,196
Treasury obligations	7,824,872	8,758,196
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	7,824,872	8,758,196

Non-state securities of RA	<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 "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				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
Total non government securities of RA	0	0	0	0

Non-state securities of other countries	<i>listed</i>	<i>unlisted</i>	<i>listed</i>	<i>unlisted</i>
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	7,824,872	8,758,196
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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	7,824,872	8,758,196
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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	10964	0.00005
Total				42,952	6
Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)				-21,895	
Total				21,057	

Previous period

Company name	Main activity	Country of registration	Investment date	Invested amount ¥thous. drams)	Share
1. Armenian Card CJSC	Payment and settlement services	RA	20.10.06	12143	2.00
2."ACRA Credit Reporting" CJSC	Payment and settlement services	RA	22.11.07	19845	4.0003
3. SWIFT	Payment and settlement services	Belgium	23.04.12	11457	0.00005
Total				43,445	6
Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)				-21,895	
Total				21,550	

	Reporting period	Previous period
Total financial assets available for sale and investments in other companies' share capital	7,845,929	8,779,746

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)				
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Net investments in financial assets held to maturity	0		0	0
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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	7,546,950	2,737,074	260,020	1,263,413	-	30,399	11,837,856
Increase	1,733	230,211	-	343,820	-	87,978	663,742
Disposal			6,363				6,363
Write-off							-
Revaluation		24,346		4,989			29,335
Depreciation adjustment from revaluation							-
Balance at the end of the previous period	7,548,683	2,942,939	253,657	1,602,244	-	118,377	12,465,900
Increase	2,459	117,368	43,338	60,237	-	27,926	251,328
Disposal			74,868				74,868
Revaluation*							-
Write-off				1,995			1,995
Depreciation adjustment from revaluation							-
Balance at the end of the reporting period	7,551,142	3,060,307	222,127	1,660,486		146,303	12,640,365
Accumulated depreciation							
Balance at the beginning of the previous period	-	1,710,537	120,034	762,239	-	18,544	2,611,354
Increase	290,106	220,186	49,758	197,867		1,447	759,364
Disposal			6,363				6,363
Impairment							-
Depreciation adjustment from revaluation							-
Write-off		20,858		4,981			25,839
Balance at the end of the previous period	290,106	1,909,865	163,429	955,125	-	19,991	3,338,516
Increase	145,246	110,820	19,295	106,121		1,688	383,170
Disposal			48,412				48,412
Depreciation adjustment from revaluation							-
Write-off				1,763			1,763
Balance at the end of the reporting period	435,352	2,020,685	134,312	1,059,483	-	21,679	3,671,511
Net carrying amount							
End of reporting period	7,115,790	1,039,622	87,815	601,003	-	124,624	8,968,854
End of previous period	7,258,577	1,033,074	90,228	647,119	-	98,386	9,127,384

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	147,318	1,085,719	-	52,837	96,777	1,382,651
Increase	28,353	228,729		13,378	41,627	312,087
Disposal						-
Impairment						
Revaluation						
Balance at the end of previous period	175,671	1,314,448	-	66,215	138,404	1,694,738
Increase	-	69,827		9,024	3,233	82,084
Disposal		1,201				1,201
Revaluation*						
Impairment						
Depreciation adjustment from revaluation						
Balance at the end of the reporting period	175,671	1,383,074	-	75,239	141,637	1,775,621
Accumulated amortization						
Balance at the end of previous period	338	33,714	-	-	-	34,052
Increase	1,937	45,103				47,040
Disposal						-
Impairment						
Revaluation						
Balance at the end of previous period	2,275	78,817	-	-	-	81,092
Increase	4,632	30,014				34,646
Disposal		1,201				1,201
Depreciation adjustment from revaluation						-
Revaluation						-
Balance at the end of the reporting period	6,907	107,630	-	-	-	114,537
Net carrying amount						
End of reporting period	168,764	1,275,444	-	75,239	141,637	1,661,084
End of previous period	173,396	1,235,631	-	66,215	138,404	1,613,646

Note 21. Deferred tax assets

Deferred tax assets movement	Reporting period	Previous period
Balance at the beginning of the period	183,789	149,158
Increase		183,789
Decrease	-65,637	-149,158
Balance at the end of the period	118,152	183,789

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	2,012,894	915,129
Total	2,012,894	915,129
Reserve for possible losses as regards bank transactions (Note 7)		
Net amounts receivable from bank transactions	2,012,894	915,129

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	351	504
Receivables as regards suppliers		
Advance payments to the employees	14,230	50
Advance payments to the suppliers	434,073	407,053
Advance payments and overpayments as regards budget and mandator	376,784	
Other receivables and prepayments	10,597,484	102,964
Total	11,422,922	510,571
Reserve for possible losses as regards other assets (Note 7)	-75,733	
Total	11,347,189	510,571
Other assets		
Warehouse	390,910	212,138
Seized collateral	4,698,538	4,945,324
Future period expenses	32,267	12,656
Other assets	122,188	50,226
Reserve for possible losses as regards other assets (Note 7)	-47,458	
Total	5,196,445	5,220,344
Total other assets	18,556,528	6,646,044

Note 23. Amounts due to banks and other financial institutions

Current accounts	Reporting period	Previous period
RA Banks	6	6
Banks with BBB-(Baa3) and higher rating		
Banks with rating below BBB-(Baa3) and no rating		
Accrued interest		
Total	6	6
Interbank loans, deposits and other demands		
RA Central Bank		
Loans*	4,030,307	24,523,970
Repo (repurchase) agreements	19,100,000	20,715,282
Swap		
Other		
RA Banks		
Loans and deposits	11,947,506	10,296,710
Financial leasing		
Repo (repurchase) agreements	0	0
Other	0	
BBB-(Baa3) and higher rating banks		
Loans and deposits	21,000,000	
Financial leasing		
Repo (repurchase) agreements		
Swap		
Other		
BBB-(Baa3) and lower rating and no rating banks		
Loans and deposits	472,529	474,974
Financial leasing		
Repo (repurchase) agreements		
Swap	0	0
Other	112,860	3,552
Accrued interest	193,173	261,666
Total	56,856,375	56,276,154

Financial institutions		
Current accounts	99,036	30,421
Loans and deposits	38,634,515	25,674,968
Repo (repurchase) agreements		
Swap		
Other	13,362	5,573
Accrued interest	458,606	193,313
Total	39,205,519	25,904,275
Total amounts due to banks and other fin. institutions	96,061,900	82,180,435

As of 30.06.2015, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 4.030.307 thous. And accrued interest amounts - AMD 90.691 thous.

Note 24. Amounts due to customers

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	37,418	26,633
Time deposits		
Loans	3,279,692	4,354,946
Repo (repurchase) agreements		
Swap		
Other	43,660	29,677
Accrued interest	10,959	15,352
Total	3,371,729	4,426,608
Legal entities and institutions of RA (residents)		
Current accounts	9,157,864	9,759,097
Time deposits	11,194,966	4,719,396
Repo (repurchase) agreements		
Swap		
Other	2,708,347	3,336,979
Accrued interest	65,543	25,066
Total	23,126,720	17,840,538
Legal entities and institutions (non-residents)		
Current accounts	7,704,702	6,676,349
Time deposits	599,722	14,277,713
Repo (repurchase) agreements		
Swap		
Other	244,188	0
Accrued interest	1,157	21,031
Total	8,549,769	20,975,093
Sole entrepreneurs of RA (residents)		
Current accounts	61,952	70,043
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
Total	61,952	70,043
Sole entrepreneurs (non-residents)		
Current accounts	46	47
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		

Accrued interest		
Total	46	47
Individuals (residents)		
Current accounts	8,513,168	6,667,061
Time deposits	98,207,699	89,352,242
Repo (repurchase) agreements		
Swap		
Other	28,336	16,628
Accrued interest	1,096,973	856,178
Total	107,846,176	96,892,109
Individuals (non-residents)		
Current accounts	506,493	420,792
Time deposits	4,811,012	4,912,538
Repo (repurchase) agreements		
Swap		
Other	0	0
Accrued interest	51,410	31,048
Total	5,368,915	5,364,378
Total liabilities to customers	148,325,307	145,568,816

The amount of the security of liabilities totaled: as at 30.06.2015 - AMD 16.182.205 thous., as at 31.12.2014 - AMD 30.893.795 thous.

2. Term liabilities to government include amounts involved from international financial organizations within RAED (Rural Areas Economic Development) program and Millennium Challenge Account program, which totaled AMD 675.901 thous., accrued interest AMD 2.664 thous.

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

	Reporting period	Previous period
Legal entities residents	55	49
Legal entitie non- residents	2	2
Individuals residents	10,514	9,593
Individuals non-residents	155	127
Total	10,726	9,771

Note 26. Liabilities held for trading

Liability held for trading	Reporting period	Previous period
Derivative instruments held for trading purposes		
Futures		
Forward		
Option		
Swap		
Other		
Hedging derivative instruments		
Other	13,395,534	12,542,801
Total	13,395,534	12,542,801

Note 27. Amounts payable

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	54,968	47,944
Other		
Total	54,968	47,944

Note 28. Deferred tax liabilities

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

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	305,501	615,451
VAT	1,097	8,356
other taxes and dues	145,835	257,773
social insurance payments	0	0
Liabilities to employees as regards salary	165,286	109,263
Payables as regards suppliers	147,283	193,393
Payables as regards completion of chartered capital		
Other liabilities	4,807	3,176
Balance at the end of period	769,809	1,187,412

Note 30. Chartered capital

- a) Bank's chartered capital registered and fully paid – AMD 22.907.500 thous.
b) The number of issued and allocated ordinary shares - 35.000, nominal value – AMD 654.500
c) Major participants as of the end of the reporting period

Major participant	Amount of participation	Share %	Type of activity (for legal entities)
Vitaly Grigoryants	22,907,500	100	Individual
	22,907,500		

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	(8,588)	318,693
Fixed assets revaluation reserve	471,422	471,422
Other reserves		1,226
Total revaluation reserves	462,834	791,341

Other components of equity

Reserves

Reserves	Reporting period	Previous period
Main reserve		
Opening balance	403,892	309,357
Increase	172,427	94,535
Decrease		
Closing balance	576,319	403,892

Other reserves	Reporting period	Previous period
Opening balance	791,341	1,595,572
Increase	954,673	2,582,656
Decrease	1,283,180	3,386,887
Closing balance	462,834	791,341

Note 33. Retained earnings

Retained profit	Reporting period	Previous period
Opening balance	3,462,246	5,515,725
Increase	1,547,234	3,448,556
Decrease	172,427	5,502,035
Closing balance	4,837,053	3,462,246

Note 34. Reserves, contingencies and potential liabilities

Reserves		Reporting period	Previous period
Opening balance		294,268	-
Allocations to the reserve	Note 7	-	294,268
Use of reserve		(294,268)	-
Net allocations to the reserve		(294,268)	294,268
Closing balance		-	294,268

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	6,758,117	7,574,899
Guarantees provided	20,849,036	21,376,978
Letters of credit issued	610,314	
Reserve as regards the mentioned items (Note 7)		
Closing balance	28,217,467	28,951,877

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

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		88,003
1-5 years		294,476
5-10 years		243,364
Total		625,843

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
	01.01.15-30.06.15	01.01.14-31.12.14
Balance as of 01 January	5,052,091	2,007,272
Loans and advances provided during the year	2,638,913	8,254,627
Loans and advances repaid during the year	4,586,394	5,209,808
Balance	3,104,610	5,052,091
Interest income	158,750	290,458

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

Amounts due to customers	Reporting period	Previous period
	01.01.15-30.06.15	01.01.14-31.12.14
Balance as of 01 January	15,748,185	26,061,693
Amounts received during the year	50,123,500	160,766,069
Amounts paid during the year	63,051,867	171,079,577
Balance	2,819,818	15,748,185
Interest expense	469,854	1,185,830

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.15-30.06.15	01.01.14-31.12.14
The Board		
Salary	48,408	101,149
bonus		
Executive body		
Salary	110,197	220,195
bonus	632	18,867
Internal audit		
Salary	34,593	70,977
bonus	50	5,500
Total	193,880	416,688

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

31.12.2014

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
Assets					
Cash and balances with CBA	28,129,704				28,129,704
Amounts due from banks and other financial institutions	1,660,502	729,989	3,358,616	25,840	5,774,947
Financial instruments held for trading	12,542,801				12,542,801
Loans and advances to customers	166,532,204	312,538	1,357,367	27,928,561	196,130,670
Securities available for sale	8,768,289		11,457		8,779,746
Securities held to maturity					-
Other assets	1,335,352	243,864	11,965	5,054,863	6,646,044
Total assets	218,968,852	1,286,391	4,739,405	33,009,264	258,003,912
Liabilities					-
Amounts due to banks and other financial institutions	78,799,432	3,381,003			82,180,435
Amounts due to customers	119,229,345	889,517	2,843,551	22,606,403	145,568,816
Financial liability held for trading				12,542,801	12,542,801
Other liabilities	1,134,059	47,515	5,838		1,187,412
Total liabilities	199,162,836	4,318,035	2,849,389	35,149,204	241,479,464
Net position	19,806,016	(3,031,644)	1,890,016	(2,139,940)	16,524,448

30.06.2015

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
Assets					
Cash and balances with CBA	32,368,308				32,368,308
Amounts due from banks and other financial institutions	2,908,546	273,156	2,473,800	29,166	5,684,668
Financial instruments held for trading	13,395,534				13,395,534
Loans and advances to customers	159,642,453	975,245	474,513	37,434,818	198,527,029
Securities available for sale	7,834,965		10,964		7,845,929
Securities held to maturity					-
Other assets	13,454,195	234,406	39,748	4,828,179	18,556,528
Total assets	229,604,001	1,482,807	2,999,025	42,292,163	276,377,996
Liabilities					-
Amounts due to banks and other financial institutions	74,476,178	501,053	21,084,669		96,061,900
Amounts due to customers	134,406,577	1,398,028	2,684,376	9,836,326	148,325,307
Financial liability held for trading	1,407,576			11,987,958	13,395,534
Other liabilities	706,429	47,271	16,109		769,809
Total liabilities	210,996,760	1,946,352	23,785,154	21,824,284	258,552,550
Net position	18,607,241	(463,545)	(20,786,129)	20,467,879	17,825,446

OECD * - Organization for Economic Cooperation and Development

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

31.12.2014

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	192,694,405	2,336,315	868,379	231,571	
Loans and advances, including	60,726	2,326	729	613	
1. Agriculture , forestry and fishing	amount 4,316,937	253,965	33,703	26,372	
	number 437	24	5	3	
2. Mining and quarrying	amount 11,581,887	21,098			
	number 48	2			
3. Processing industry	amount 18,882,741	15,951			
	number 100	6			
4. Electricity, gas , steam and air conditioning supply	amount 5,961,327				
	number 28				
5. Water supply, sewerage, waste management and recycling	amount 648,832				
	number 8				
6. Construction	amount 16,461,362	175,520	3,409		
	number 118	5	1		
7. Trade	amount 36,908,335	8,751	100,087	929	
	number 925	4	2	1	
8. Transportation and warehouse business	amount 7,625,647				
	number 21				
9. Accommodation and catering	amount 8,670,432		12,823		
	number 51		1		
10. Information and communication	amount 1,552,973				
	number 35				
11. Real property buisness	amount 19,165				
	number 3				
12. Professional, scientific and technical activities	amount 4,082,828				
	number 23				
13. Education	amount 101,864				

	number	72				
14. Healthcare	amount	471,344	491		346	
	number	21	1		1	
15. Arts, entertainment, recreation	amount	416,572				
	number	11				
16. Other branches of economy	amount	19,379,928				
	number	24				
17. Mortgage loans	amount	10,765,179	330,481	113,335	27,142	
	number	1,894	52	23	10	
18. Consumer and other loans	amount	44,847,052	1,530,058	605,022	176,782	
	number	56,907	2,232	697	598	
Receivables	amount	15,138,871	24,795	58,370	21,110	
	number	4,544	155	370	444	
Investment securities	amount	25,039				
	number	3				
Off-balance sheet items	amount	28,929,131	17,404	2,151	836	2355
	number	26,483	371	76	37	55
including guarantees	amount	21,368,662	7,399			917
	number	290	2			1
letters of credit	amount					
	number					

6/30/2015

Assets	Working assets		Non-working assets			
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad	
Loans and advances, including	194,026,486	2,969,995	1,272,927	257,621		
	69,004	4,265	1,664	931		
1. Agriculture , forestry and fishing	amount	4,359,225	320,760	54,142	4,494	
	number	1,015	49	14	10	
2. Mining and quarrying	amount	14,079,594	20,559	4,088	939	
	number	47	1	1	1	
3. Processing industry	amount	19,432,898	21,029	7,148	3,629	
	number	95	4	4	2	
4. Electricity, gas , steam and air conditioning supply	amount	4,569,702				
	number	28				
5. Water supply, sewerage, waste management and recycling	amount	240,555				
	number	6				
6. Construction	amount	17,302,219	156,375	20,639	2,461	
	number	111	3	5	1	
7. Trade	amount	42,331,696	26,413	27,613	2,753	
	number	1,567	48	19	2	
8. Transportation and warehouse business	amount	7,732,142				
	number	23				
9. Accommodation and catering	amount	9,921,368		12,566		
	number	46		2		
10. Information and communication	amount	3,793,682				
	number	43				
11. Real property buisness	amount	9,689				
	number	2				
12. Professional, scientific and technical activities	amount	4,784,758				
	number	18				
13. Education	amount	103,372				
	number	129				
14. Healthcare	amount	382,133	211	255	247	
	number	82	1	1	1	
15. Arts, entertainment, recreation	amount	448,044				
	number	14				
16. Other branches of economy	amount	19,703,006	3,105			
	number	24	1			
17. Mortgage loans	amount	10,607,545	459,935	186,142	37,430	
	number	1,861	102	37	15	
18. Consumer and other loans	amount	34,224,858	1,961,608	960,334	205,668	
	number	63,893	4,056	1,581	899	
Receivables	amount	15,813,132	46,793	47,270	11,448	
	number	4,194	235	598	491	
Investment securities	amount	21,057				
	number	3				
Off-balance sheet items	amount	28,193,320	17,529	2,045	2,252	2321
	number	22,755	421	87	39	40
including guarantees	amount	20,847,175	1,861			
	number	273	1			
letters of credit	amount	610,314				
	number	5				

Analysis of credit portfolio according to regions and risk exposure

Loans and advances, including	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
1. Residents of RA	163,095,939	2,336,315	868,379	231,571	
2. Non-residents	29,598,466				
Total	192,694,405	2,336,315	868,379	231,571	

Loans to non-residents 31.12.14

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	29,598,466	-	-	-	-
	46	-	-	-	-
1. Agriculture , forestry and fishing	2,833				
amount					
number	2				
2. Mining and quarrying					
amount					
number					
3. Processing industry	5,778				
amount					
number	2				
4. Electricity, gas , steam and air conditioning supply					
amount					
number					
5. Water supply, sewerage, waste management and recycling					
amount					
number					
6. Construction					
amount					
number					
7. Trade	14,401,258				
amount					
number	12				
8. Transportation and warehouse business					
amount					
number					
9. Accommodation and catering					
amount					
number					
10. Information and communication	760				
amount					
number	1				
11. Real property buisness					
amount					
number					
12. Professional, scientific and technical activities					
amount					
number					
13. Education					
amount					
number					
14. Healthcare					
amount					
number					
15. Arts, entertainment, recreation	3,476				
amount					
number	1				
16. Other branches of economy	15,080,582				
amount					
number	8				
17. Mortgage loans					
amount					
number					
18. Consumer and other loans	103,779				
amount					
number	20				

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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	155,141,909	2,969,995	1,272,929	257,620		
2. Non-residents	38,884,576					
Total	194,026,485	2,969,995	1,272,929	257,620		

Assets	Working assets	Non-working assets				
		Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	38,884,576	-	-	-	-	
	50	-	-	-	-	
1. Agriculture , forestry and fishing	amount 2,061					
	number 1					
2. Mining and quarrying	amount					
	number					
3. Processing industry	amount 6,450					
	number 3					
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 23,409,891					
	number 13					
8. Transportation and warehouse business	amount					
	number					
9. Accommodation and catering	amount					
	number					
10. Information and communication	amount 303					
	number 1					
11. Real property buisness	amount					
	number					
12. Professional, scientific and technical activities	amount					
	number					
13. Education	amount					
	number					
14. Healthcare	amount					
	number					
15. Arts, entertainment, recreation	amount 2,947					
	number 1					
16. Other branches of economy	amount 15,139,797					
	number 7					
17. Mortgage loans	amount					
	number					
18. Consumer and other loans	amount 323,127					
	number 24					

Loan portfolio indicators as of 30.06.2015

Non-performing loans/ total loans 2.89%

Reserve for non-performing loans/total capital 3.28%

Loan reserve /total loans 1.54%

Possible loss reserve/Non-performing loans 53.35%

Large amount advances/capital 363.91%:

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

	Drams	I group foreign currency*	II group foreign currency**	Total
Assets				
Cash and balances with CBA	25,637,550	2,384,578	107,576	28,129,704
Standardized precious metal bullions		457,924		457,924
Amounts due from banks and other financial institutions	782,124	4,264,505	728,318	5,774,947
Financial instruments kept for trading	12,542,801			12,542,801
Loans and advances to customers	85,365,345	110,684,375	80,950	196,130,670
Financial assets available for sale	8,779,746			8,779,746
Financial assets held to maturity				-
Other	352,789	6,268,805	24,450	6,646,044
Total assets	133,460,355	124,060,187	941,294	258,461,836
Liabilities				
Amounts due to banks and other financial institutions	67,362,936	14,817,295	204	82,180,435
Amounts due to customers	36,931,029	107,677,146	960,641	145,568,816
Other liabilities	1,133,191	54,221		1,187,412
Total liabilities	105,427,156	122,548,662	960,845	228,936,663
Net position	28,033,199	1,511,525	(19,551)	29,525,173

30.06.2015

	Drams	I group foreign currency*	II group foreign currency**	Total
Assets				
Cash and balances with CBA	25,424,375	6,722,929	221,004	32,368,308
Standardized precious metal bullions		265,138		265,138
Amounts due from banks and other financial institutions	2,105,475	3,247,531	331,662	5,684,668
Financial instruments kept for trading	13,395,534			13,395,534
Loans and advances to customers	101,547,631	96,893,591	85,807	198,527,029
Financial assets available for sale	7,845,929			7,845,929
Financial assets held to maturity				-
Other	12,874,675	5,672,500	9,353	18,556,528
Total assets	163,193,619	112,801,689	647,826	276,643,134
Liabilities				
Amounts due to banks and other financial institutions	91,158,405	4,886,262	17,233	96,061,900
Amounts due to customers	39,671,787	107,985,139	668,381	148,325,307
Other liabilities	689,915	79,894		769,809
Total liabilities	131,520,107	112,951,295	685,614	245,157,016
Net position	31,673,512	(149,606)	(37,788)	31,486,118

* 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 including				
- interbank loans				
- interbank repo				
- interbank swap				
Loans and advances to customers	6-24	13-15	6-24	13-15
Securities held for trading and available for sale	8.97		8-13.0	
Securities held to maturity				
Liabilities				
Amounts due to banks and other financial institutions	7.5-10.51	8.00	4-9.5	4-8.3
Amounts due to customers	1-17.5	1-9.5	1-16	1-9.5
Liabilities as regards securities issued by the Bank				

Liquidity risk

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

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

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

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

31.12.2014

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
Assets										
Cash in intern. and CBA			27,909,704						220,000	28,129,704
Amounts due from banks and other fin. institutions			2,945,420	1,213,839	84,192	368,387	577,028		586,081	5,774,947
Loans provided to customers	1,969,808	2,228,944	1,678,408	53,870,911	22,731,164	33,592,667	68,363,393	11,695,375		196,130,670
Financial assets	-	-	-	13,242,829	-	2,491,446	-	5,566,722	21,550	21,322,547
held for trade				12,542,801						12,542,801
available for sale				700,028		2,491,446		5,566,722	21,550	8,779,746
held up to maturity										-
Realized under repo agreements										-
Other assets	34,949	61,697	1,290,430	123,315	68,067	122,262			4,945,324	6,646,044
*Contractual demands										-
Total	2,004,757	2,290,641	33,823,962	68,450,894	22,883,423	36,574,762	68,940,421	17,262,097	5,772,955	258,003,912
1-st group currency	853,223	280,358	12,148,198	45,286,513	8,700,771	14,106,802	43,201,903		586,081	125,163,849
2-nd group currency			248,612	669,050						917,662
Variable interest rate										-
Fixed interest rate	1,967,444	2,228,944	1,359,286	55,784,778	22,815,356	36,452,500	68,940,421	15,426,550	586,081	205,561,360
Interest free	37,313	61,697	32,464,676	12,666,116	68,067	122,262	-	1,835,547	5,186,874	52,442,552
Liabilities										
Amounts due to banks and other fin. institutions			39,552	57,186,922	12,312,319	2,192,078	6,597,087	3,852,477		82,180,435
Amounts due to customers	-	-	27,083,484	17,827,296	17,856,658	60,576,192	22,223,643	1,543	-	145,568,816
upon demand			27,083,484							27,083,484
time liability				17,827,296	17,856,658	60,576,192	22,223,643	1,543		118,485,332
Other										-
Liabilities for securities issued by the banks										-
Other liabilities			757,593	429,819						1,187,412
Off -balance contingent liabilities	14,819	7,926	7,560,470	4,268,534	4,565,938	6,211,298	6,322,892			28,951,877
*Contractual liabilities										-
Total	-	-	27,880,629	75,444,037	30,168,977	62,768,270	28,820,730	3,854,020	-	228,936,663
1-st group currency			12,025,103	20,362,814	17,661,201	55,892,494	15,861,962			121,803,574
2-nd group currency			600,904	106,354	31,184	148,443	73,960			960,845
Large amount liability			102,610	49,247,808	6,632,601	22,561,306	5,641,433			84,185,758
Variable rate liability										-
Fixed rate liability			24,408,036	75,014,218	29,993,804	60,924,431	28,820,730	3,854,020		223,015,239
Interest free			3,472,593	429,819	175,173	1,843,839				5,921,424
Net liquidity gap	2,004,757	2,290,641	5,943,333	(6,993,143)	(7,285,554)	(26,193,508)	40,119,691	13,408,077	5,772,955	29,067,249
1-st group currency	853,223	280,358	123,095	24,923,699	(8,960,430)	(41,785,692)	27,339,941	-	586,081	3,360,275
2-nd group currency	-	-	(352,292)	562,696	(31,184)	(148,443)	(73,960)	-	-	(43,183)
Variable interest rate			-	-	-	-	-	-	-	-
Fixed rate	1,967,444	2,228,944	(23,048,750)	(19,229,440)	(7,178,448)	(24,471,931)	40,119,691	11,572,530	586,081	(17,453,879)
Cumulative liquidity gap	2,004,757	4,295,398	10,238,731	3,245,588	(4,039,966)	(30,233,474)	9,886,217	23,294,294	29,067,249	228,936,663

30.06.2015

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			32,248,308						120,000	32,368,308
Amounts due from banks and other fin. institutions			1,984,292	2,094,388	301,262	179,189	542,151		583,386	5,684,668
Loans provided to customers	3,370,688	1,120,228		65,072,649	24,612,080	28,817,937	65,479,999	10,053,448		198,527,029
Financial assets			-	693,438	849,338	-	3,226,139	16,451,491	21,057	21,241,463
held for trade								13,395,534		13,395,534
available for sale				693,438	849,338		3,226,139	3,055,957	21,057	7,845,929
held up to maturity										-
Realized under repo agreements										-
Other assets	39,510	77,856	6,322,683	86,373	77,925	125,823	6,615,188		5,211,170	18,556,528
*Contractual demands										-
Total	3,410,198	1,198,084	40,555,283	67,946,848	25,840,605	29,122,949	75,863,477	26,504,939	5,935,613	276,377,996
1-st group currency	911,338	425,371	14,829,958	38,778,769	7,635,553	14,116,433	35,520,881		583,386	112,801,689
2-nd group currency			345,935	216,748		85,143				647,826
Variable interest rate										-
Fixed interest rate	3,370,688	1,120,228	1,465,043	58,596,008	19,978,731	28,997,126	71,764,100	15,130,326	583,386	201,005,636
Interest free	39,510	77,856	39,090,240	9,350,840	5,861,874	125,823	4,099,377	11,374,613	5,352,227	75,372,360
Liabilities										
Amounts due to banks and other fin. institutions			123,586	45,379,907	10,206,221	7,926,902	25,339,170	7,086,114		96,061,900
Amounts due to customers	-	-	28,889,527	36,055,329	20,667,539	39,815,485	22,895,825	1,602	-	148,325,307
upon demand			28,889,527							28,889,527
time liability				36,055,329	20,667,539	39,815,485	22,895,825	1,602		119,435,780
Other										-
Liabilities for securities issued by the banks										-
Other liabilities			622,526	147,283						769,809
Off-balance contingent liabilities	9,058	15,089	6,735,831	5,729,061	4,468,728	6,980,632	4,279,068			28,217,467
*Contractual liabilities										-
Total	-	-	29,635,639	81,582,519	30,873,760	47,742,387	48,234,995	7,087,716	-	245,157,016
1-st group currency			13,674,692	30,780,754	15,753,022	32,551,108	20,191,719			112,951,295
2-nd group currency			274,093	68,447	56,767	192,279	94,028			685,614
Large-scale liability			430,433	51,633,756	439,441	8,010,769	5,815,793			66,330,192
Variable rate liability										-
Fixed rate liability			26,703,205	72,289,806	25,939,150	47,742,387	48,191,335	7,087,716		227,953,599
Interest free			2,932,434	9,292,713	4,934,610		43,660			17,203,417
Net liquidity gap	3,410,198	1,198,084	10,919,644	(13,635,671)	(5,033,155)	(18,619,438)	27,628,482	19,417,223	5,935,613	31,220,980
1-st group currency	911,338	425,371	1,155,266	7,998,015	(8,117,469)	(18,434,675)	15,329,162	-	583,386	(149,606)
2-nd group currency	-	-	71,842	148,301	(56,767)	(107,136)	(94,028)	-	-	(37,788)
Variable interest rate	-	-	-	-	-	-	-	-	-	-
fixed rate	3,370,688	1,120,228	(25,238,162)	(13,693,798)	(5,960,419)	(18,745,261)	23,572,765	8,042,610	583,386	(26,947,963)
Cumulative liquidity gap	3,410,198	4,608,282	15,527,926	1,892,255	(3,140,900)	(21,760,338)	5,868,144	25,285,367	31,220,980	245,157,016

Average balance sheet capital and assets

01/01/15-30/06/15

Average balance sheet asset	263,974,632
Average balance sheet capital	29,404,627

Note 42. Collateral accepted

	Reporting period	Previous period
Other securities	6,096,601	7,724,282
Jewels and precious stones	16,241,008	12,257,618
Real estate	142,804,349	142,282,960
Vehicles	14,688,881	14,977,647
Other PPE	21,304,859	18,240,689
Finished production and goods	24,629,873	21,284,426
Cash	16,182,205	30,893,795
Other collateral	15,177,586	18,811,456
Credit guarantee	3,806,694	3,795,273
Other guarantees	17,042,342	17,581,705
Credit warranties	125,975,781	107,535,208
Other warranties	24,587,089	19,386,779
Total	428,537,268	414,771,838

Chairman of the Executive Board

Arsen Mikayelyan

Chief Accountant

Narine Sargsyan

Date of approval 14.07.15