

**NOTES TO FINANCIAL STATEMENTS**  
(Form 5)

31-Mar-14

**ARMBUSINESSBANK CJSC, RA, YEREVAN, 48 NALBANDYAN**



**Note 1. Legal Environment and Corporate Governance**

"Armbusinessbank" CJSC, former "Arinvestbank" 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 12 branches are located in Yerevan, 12 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 Board
- The Executive Board and the Chairman

**a) The Board**

**Chairman of the Board** – Vitaly Grigoryants

**Board Members** – Sergey Arzumanyan

Diana Grigoryan

Araik Chirkinyan

Alik Chirkinyan

**b) Executive Board**

**Chairman of the Executive Board** - Arsen Mikaelyan

**Members of the Executive Board**

Khachik Mkrtchyan - 1st Deputy Chairman of the Executive Board

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

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

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

Narine Sargsyan - Chief Accountant

Vahan Melkonyan - Director of Treasury Department - Chief  
Treasurer

Bagrat Tevosyan - "Kentron" branch manager

**c) Major Participants**

Vitaly Grigoryants – 100 %

**d) Management Remuneration Policy**

Remuneration of the Management is provided in accordance with the 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 as needed 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 2013	31 March 2014
AMD/1 US Dollar	405.64	413.31

**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 machine	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

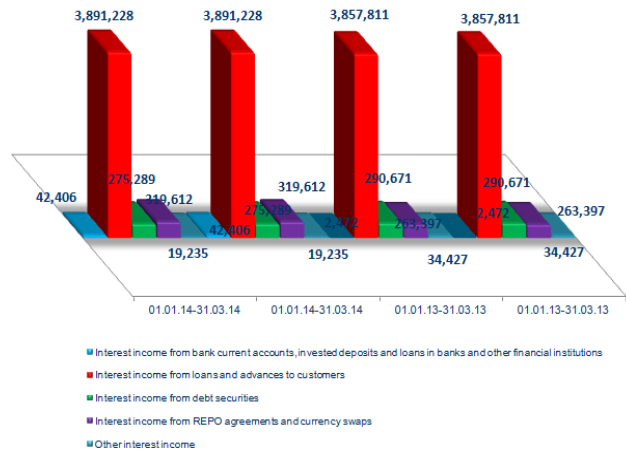
**2.17 Functional and presentation currency**

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.

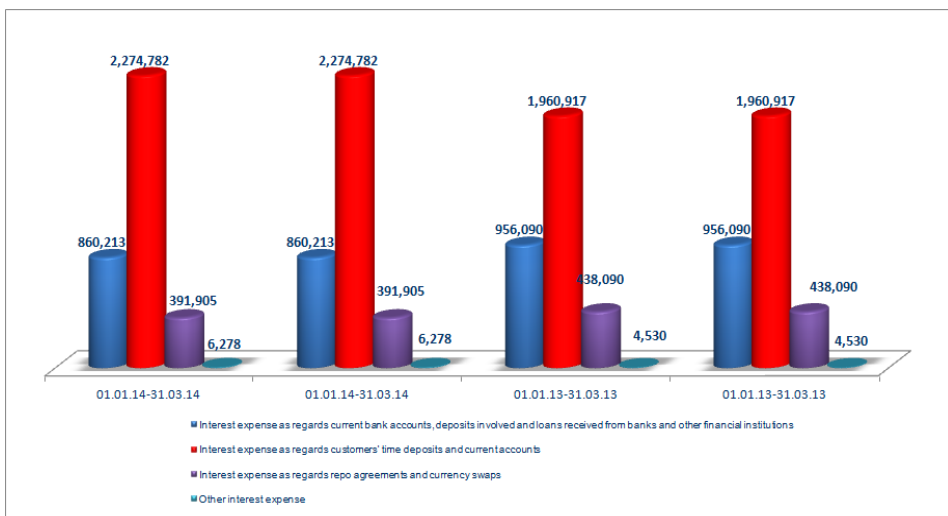
The intermediary financial statements are presented in thousands of AMD.

**Note 3. Net Interest and Similar Income**

<b>Interest and Similar Income</b>	<b>01.01.14-31.03.14</b>	<b>01.01.14-31.03.14</b>	<b>01.01.13-31.03.13</b>	<b>01.01.13-31.03.13</b>
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	42,406	42,406	2,472	2,472
Interest income from loans and advances to customers	3,891,228	3,891,228	3,857,811	3,857,811
Interest income from debt securities	275,289	275,289	290,671	290,671
Interest income from REPO agreements and currency swaps	319,612	319,612	263,397	263,397
Other interest income	19,235	19,235	34,427	34,427
<b>Total</b>	<b>4,547,770</b>	<b>4,547,770</b>	<b>4,448,778</b>	<b>4,448,778</b>



Interest and Similar Expense	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	860,213	860,213	956,090	956,090
Interest expense as regards customers' time deposits and current accounts	2,274,782	2,274,782	1,960,917	1,960,917
Interest expense as regards securities issued by the Bank				
Interest expense as regards repo agreements and currency swaps	391,905	391,905	438,090	438,090
Other interest expense	6,278	6,278	4,530	4,530
<b>Total</b>	<b>3,533,178</b>	<b>3,533,178</b>	<b>3,359,627</b>	<b>3,359,627</b>
<b>Net interest and similar income</b>	<b>1,014,592</b>	<b>1,014,592</b>	<b>1,089,151</b>	<b>1,089,151</b>



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

Income in the form of Commissions and Other Fees	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Cash operations	50,804	50,804	64,414	64,414
Settlement services	66,105	66,105	91,725	91,725
Guarantee, acceptance, letter of credit, trust management operations	50,302	50,302	24,590	24,590
Transaction in foreign currency and securities				
Plastic card operations	203,294	203,294	66,039	66,039
Other commission payments	58,586	58,586	63,384	63,384
<b>Total</b>	<b>429,091</b>	<b>429,091</b>	<b>310,152</b>	<b>310,152</b>

Expenses in the form of Commissions and Other Payments	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Commission payments as regards correspondent and other accounts/bank transactions	32,613	32,613	39,538	39,538
Commission payments as regards transactions with plastic cards/cash transactions	16,131	16,131	27,301	27,301
Payments as regards guarantees, acceptance, letters of credit, trust management transactions				
Commission payments as regards transactions in foreign currency and securities	2,311	2,311	10,414	10,414
Other commission payments	42,240	42,240	21,165	21,165
<b>Total</b>	<b>93,295</b>	<b>93,295</b>	<b>98,418</b>	<b>98,418</b>

<b>Net Commissions and other payments received</b>	<b>335,796</b>	<b>335,796</b>	<b>211,734</b>	<b>211,734</b>
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**Note 5. Net income from trading transactions**

Income from investments remeasured at fair value and held at fair value	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	-40,557	-40,557	615,249	615,249
Net income from change in fair value of investments held for trading				
<b>Total</b>	<b>-40,557</b>	<b>-40,557</b>	<b>615,249</b>	<b>615,249</b>

Net income from investments available for sale	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities	0	0	25,746	25,746
- derivative instruments				
Net income from change in fair value of investments held for trading	0	0	-13,775	-13,775
<b>Total</b>	<b>0</b>	<b>0</b>	<b>11,971</b>	<b>11,971</b>

From foreign currency transactions	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Net income from foreign currency dealings	106,932	106,932	147,238	147,238
Net income from foreign currency revaluation	32,561	32,561	-629,489	-629,489
<b>Total</b>	<b>139,493</b>	<b>139,493</b>	<b>-482,251</b>	<b>-482,251</b>

From bank standardized precious metal bullions and commemorative coins	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	1,521	1,521	9,574	9,574
Net income from revaluation of bank standardized precious metal bars and commemorative coins	29,257	29,257	-7,695	-7,695
<b>Total</b>	<b>30,778</b>	<b>30,778</b>	<b>1,879</b>	<b>1,879</b>

<b>Net income from trading transactions</b>	<b>129,714</b>	<b>129,714</b>	<b>146,848</b>	<b>146,848</b>
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**Note 6. Other operating income**

Other operating income	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Fines and penalties received	161,853	161,853	140,928	140,928
Income received from factoring	54	54		
Net income from disposal of PPE and intangible assets	15,375	15,375	-2,918	-2,918
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	116,441	116,441	26,444	26,444
<b>Total</b>	<b>293,723</b>	<b>293,723</b>	<b>164,454</b>	<b>164,454</b>

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

As regards amounts due from banks		01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Opening balance	<b>Note 14</b>	0	0	31,840	31,840
Allocations to the reserve		0	0	267,898	267,898
Return of reserve allocations		0	0	-277,806	-277,806
Net allocations to the reserve		0	0	-9,908	-9,908
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
<b>Closing balance</b>		<b>0</b>	<b>0</b>	<b>21,932</b>	<b>21,932</b>

As regards amounts due from financial institutions		01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Opening balance	<b>Note 14</b>	0	0	17,458	17,458
Allocations to the reserve		0	0	606	606
Return of reserve allocations		0	0	-20	-20
Net allocations to the reserve		0	0	586	586
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
<b>Closing balance</b>		<b>0</b>	<b>0</b>	<b>18,044</b>	<b>18,044</b>

As regards loans and advances provided to the customers		01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Opening balance	<b>Note 16</b>	2,656,516	2,656,516	2,532,250	2,532,250
Allocations to the reserve		945,854	945,854	1,590,399	1,590,399
Return of reserve allocations		-1,955,626	-1,955,626	-904,673	-904,673
Net allocations to the reserve		-1,009,772	-1,009,772	685,726	685,726
Return of amounts previously written-off to the off-balance sheet		1,473,569	1,473,569	138,331	138,331
Reserve utilization		-204,838	-204,838	-438,557	-438,557
<b>Closing balance</b>		<b>2,915,475</b>	<b>2,915,475</b>	<b>2,917,750</b>	<b>2,917,750</b>

As regards investments	Note 18	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Opening balance		3,489	3,489	13,010	13,010
Allocations to the reserve				20	20
Return of reserve allocations					
Net allocations to the reserve		0	0	20	20
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
<b>Closing balance</b>		<b>3,489</b>	<b>3,489</b>	<b>13,030</b>	<b>13,030</b>

As regards other assets	Note 18	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Opening balance		143,349	143,349	106,560	106,560
Allocations to the reserve		61,338	61,338	209,695	209,695
Return of reserve allocations		-33,889	-33,889	-87,776	-87,776
Net allocations to the reserve		27,449	27,449	121,919	121,919
Return of amounts previously written-off to the off-balance sheet		703	703	708	708
Reserve utilization		-15,320	-15,320	-2,213	-2,213
<b>Closing balance</b>		<b>156,181</b>	<b>156,181</b>	<b>226,974</b>	<b>226,974</b>

As regards off-balance sheet items containing credit risk	Note 30	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Opening balance		0	0	197,260	197,260
Allocations to the reserve				75,223	75,223
Return of reserve allocations		0	0	-94,425	-94,425
Net allocations to the reserve		0	0	-19,202	-19,202
<b>Closing balance</b>			<b>0</b>	<b>0</b>	<b>178,058</b>

<b>Total net allocations to the reserves</b>		<b>-982,323</b>	<b>-982,323</b>	<b>779,141</b>	<b>779,141</b>
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**Note 8. General administrative expenses**

General administrative expenses	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Expenses as regards calculated salary and other equivalent payments *	606,162	606,162	562,412	562,412
Expenses as regards social payments	296	296	4,181	4,181
Expenses as regards training and tuition	164	164	21	21
Expenses as regards business trips	5,934	5,934	3,512	3,512
Expenses as regards operating lease	17,694	17,694	16,958	16,958
Insurance expenses	5,708	5,708	8,552	8,552
Expenses as regards maintenance and security of Bank's equipment	9,723	9,723	10,938	10,938
Expenses as regards maintenance and security of Bank's buildings	74,450	74,450	72,013	72,013
Expenses as regards audit and other consulting services	0	0	10,813	10,813
Expenses as regards communication means	19,784	19,784	23,095	23,095
Transportation expenses	9,587	9,587	19,315	19,315
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	42,402	42,402	50,086	50,086
Office and organizational expenses	7,855	7,855	10,074	10,074
Expenses as regards loans provision and return	5,082	5,082	2,600	2,600
Other administrative expenses	156,380	156,380	39,880	39,880
<b>Total</b>	<b>961,221</b>	<b>961,221</b>	<b>834,450</b>	<b>834,450</b>



The number of the Bank employees as at 31 March 2014 is **662**.

The size of average monthly salary per employee is **224** thous. drams.

**Note 9. Other Operating Expenses**

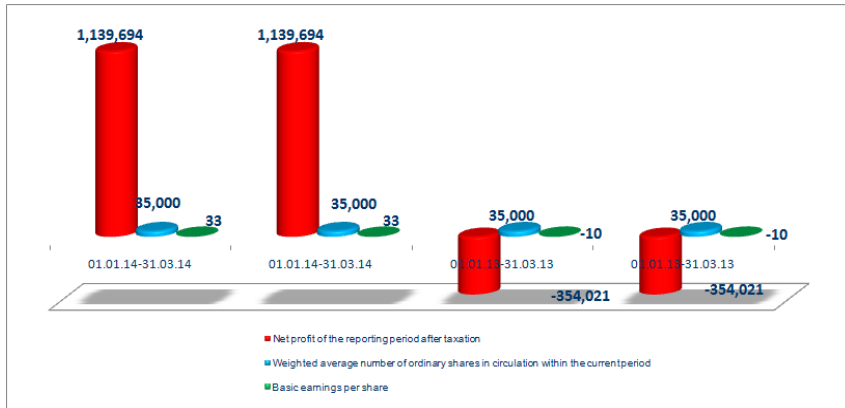
Other Operating Expenses	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Fines and penalties paid	0	0	0	0
Advertising and representation expenses	41,480	41,480	52,135	52,135
Printing expenses				
Fixed and intangible assets amortization expenses	204,770	204,770	202,318	202,318
Loss from impairment of tangible assets				
Allocation to deposit guarantee fund	36,192	36,192	36,235	36,235
Other expenses	84,058	84,058	61,929	61,929
<b>Total</b>	<b>366,500</b>	<b>366,500</b>	<b>352,617</b>	<b>352,617</b>

**Note 11. Profit Tax Expense**

Profit tax expense	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Current tax expense	175,058	175,058	0	0
Deferred tax expense	113,675	113,675	0	0
<b>Total</b>	<b>288,733</b>	<b>288,733</b>	<b>0</b>	<b>0</b>

**Note 12. Basic Earnings per Share**

Basic Earnings per Share	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Net profit of the reporting period after taxation	1,139,694	1,139,694	-354,021	-354,021
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	33	33	-10	-10
Diluted earnings per share				



**Note. Other Comprehensive Income**

Other Comprehensive Income	01.01.14-31.03.14	01.01.14-31.03.14	01.01.13-31.03.13	01.01.13-31.03.13
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets available for sale	(212,851)	(212,851)	38,604	38,604
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
<b>Total</b>	<b>(212,851)</b>	<b>(212,851)</b>	<b>38,604</b>	<b>38,604</b>

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

Cash, cash equivalents and balances with the CBA	Reporting period	Previous period
Cash means	1,856,639	1,701,116
Other placements of cash	1,666,205	2,383,985
Correspondent accounts with the CBA *	30,886,563	30,227,219
<b>Total</b>	<b>34,409,407</b>	<b>34,312,320</b>
Deposit accounts with the CBA		
Deposited means with the CBA **	120,000	420,000
Accrued interest		
<b>Cash means and balances with the CBA</b>	<b>34,529,407</b>	<b>34,732,320</b>
Standardized precious metal bullions	49,172	8,819
Placements with other banks (Note 14)	1,461,271	2,381,221
<b>Total cash and cash equivalents</b>	<b>36,039,850</b>	<b>37,122,360</b>

\* Correspondent accounts with the CBA include means calculated against means 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	5,626	82
Banks with BBB – (Baa3) and higher rating	1,217,760	2,259,853
Banks with no rating and rating below BBB-(Baa3)	25,317	9,257
Accrued interest	0	0
<b>Total</b>	<b>1,248,703</b>	<b>2,269,192</b>

Interbank loans and deposits, etc.	Reporting period	Previous period
<b>CBA</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Other		
<b>RA Banks</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
<b>Banks with BBB – (Baa3) and higher rating</b>	<b>140,280</b>	<b>111,960</b>
Loans and deposits		
Factoring		
Financial lease		
<b>RA Banks</b>		
Letters of credit and bank guarantees		
Other		
<b>Banks with no rating and rating below BBB-(Baa3)</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	72,276	
<b>Accrued interest</b>	<b>12</b>	
<b>Total</b>	<b>1,461,271</b>	<b>2,381,221</b>
Reserve for possible losses as regards amounts due from Banks (Note 7)		
<b>Net amounts due from banks</b>	<b>1,461,271</b>	<b>2,381,221</b>

Loans and deposits with financial institutions, other amounts due		
<b>RA financial institutions</b>	1,171,510	1,437,385
Loans and deposits	1,171,510	1,437,385
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
<b>Financial institutions with BBB – (Baa3) and higher rating</b>	0	0
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
<b>Financial institutions with no rating and rating below BBB-(Baa3)</b>	586,781	620,535
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	586,781	620,535
<b>Accrued interest</b>	18,287	9,610
<b>Total</b>	1,776,578	2,067,530
Reserve for possible losses as regards amounts due from financial institutions (Note 7)		
<b>Net amounts due from financial institutions</b>	1,776,578	2,067,530
	3,237,849	4,448,751
<b>Net amounts due from banks and financial institutions</b>		

Note 15. Financial Assets Held for Trading

Government securities	Reporting period	Previous period
<b>RA Government securities, including</b>		
Treasury bonds	13,621,096	15,482,300
Central Bank bonds		
Other		
<b>Government securities of countries with BBB – (Baa3) and higher rating, including</b>		
Treasury bonds		
Central Bank bonds		
Other		
<b>Government securities of countries with no rating and rating below BBB-(Baa3)</b>		
Treasury bonds		
Central Bank bonds		
Other		
<b>Total Government securities</b>	13,621,096	15,482,300

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

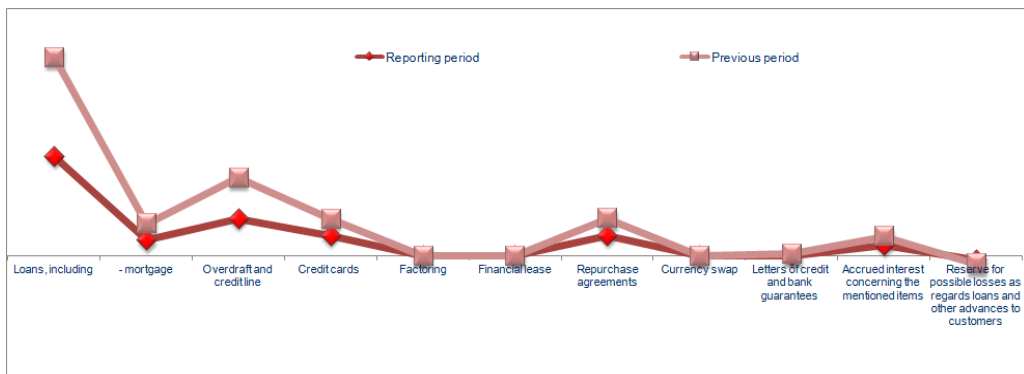
Non-government securities of other countries	Listed	Listed
<b>Issuer with A-/A3/ and higher rating</b>		
Long term debt instruments		
Short term debt instruments		
Deposit certificates		
Equity instruments		
Other		
<b>Issuer with BBB+/Baa1/ and below rating, other rating and no rating</b>		
Long term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

<b>Total securities held for trading</b>	<b>13,621,096</b>	<b>15,482,300</b>
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Other financial assets held for trading	Reporting period	Previous period
<b>Loans, factoring, accounts receivable</b>		
Borrowers with A-/A3/ or higher rating		
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating		
- Mortgage		
- Consumer loans		
- Other		
<b>Derivative instruments</b>	0	0
- Futures		
- Forward		
- Option		
- Swap		
- Other		
<b>Total</b>		
<b>Total financial assets held for trading</b>	<b>13,621,096</b>	<b>15,482,300</b>

Note 16. Loans and other advances to customers

Issued loans and other advances	Reporting period	Previous period
<b>Loans, including</b>	<b>72,435,223</b>	<b>71,998,786</b>
- to banks		
- to RA Government		
- to local authorities		
- mortgage	11,545,558	12,096,515
<b>Overdraft and credit line</b>	<b>27,328,560</b>	<b>29,673,746</b>
<b>Credit cards</b>	<b>15,112,381</b>	<b>11,927,691</b>
<b>Factoring</b>	<b>30,197</b>	
<b>Financial lease</b>	<b>848</b>	<b>1,282</b>
<b>Repurchase agreements</b>	<b>15,055,884</b>	<b>12,382,355</b>
<b>Currency swap</b>	<b>12,200</b>	<b>50,550</b>
<b>Letters of credit and bank guarantees</b>	<b>496,321</b>	<b>917,429</b>
<b>Other</b>		
<b>Accrued interest concerning the mentioned items</b>	<b>7,988,994</b>	<b>6,340,446</b>
<b>Total loans</b>	<b>138,460,608</b>	<b>133,292,285</b>
<b>Reserve for possible losses as regards loans and other advances to customers (Note 7)</b>	<b>-2,915,475</b>	<b>-2,656,516</b>
<b>Total net loans</b>	<b>135,545,133</b>	<b>130,635,769</b>



Breakdown of working and non -working loans and advances provided to customers		Reporting period	Previous period
Working loans and advances	Amount	131,140,759	126,612,550
	Quantity	41,286	35,912
Non-working loans and advances, including		7,319,849	6,679,735
		2214	1423
Overdue	Amount	3,974,735	4,304,153
	Quantity	1604	985
Accrued interests			
Total loans	Amount	138,460,608	133,292,285
	Quantity	43,500	37,335
Provision for possible losses as regards loans and advances provided to customers (Note 7)		-2,915,475	-2,656,516
<b>Total net loans</b>		<b>135,545,133</b>	<b>130,635,769</b>

#### Analysis of the provided loans and advances by customer group

Analysis of the provided loans and advances by customer group	Reporting period	Previous period
<b>State enterprises</b>	713,393	766,031
<b>Private enterprises, including</b>	91,841,957	90,626,089
- large enterprises	47,292,517	30,218,531
- small and medium enterprises	44,549,440	60,407,558
<b>Natural persons, including</b>	35,195,246	32,810,529
- consumer loans	7,472,803	7,545,039
- mortgage loans	11,545,558	12,086,951
- credit cards	15,086,482	11,925,702
<b>Sole entrepreneurs</b>	2,721,018	2,749,190
Accrued interest	7,988,994	6,340,446
<b>Total loans</b>	<b>138,460,608</b>	<b>133,292,285</b>
Provision for possible losses as regards loans and advances provided to customers	(2,915,475)	(2,656,516)
<b>Total net loans</b>	<b>135,545,133</b>	<b>130,635,769</b>

a) Total loans provided to major borrowers and related persons as of 31.03.2014 made AMD 59.357.012 thousand, as of 31.12.2013 – AMD 55.925.751 thousand.

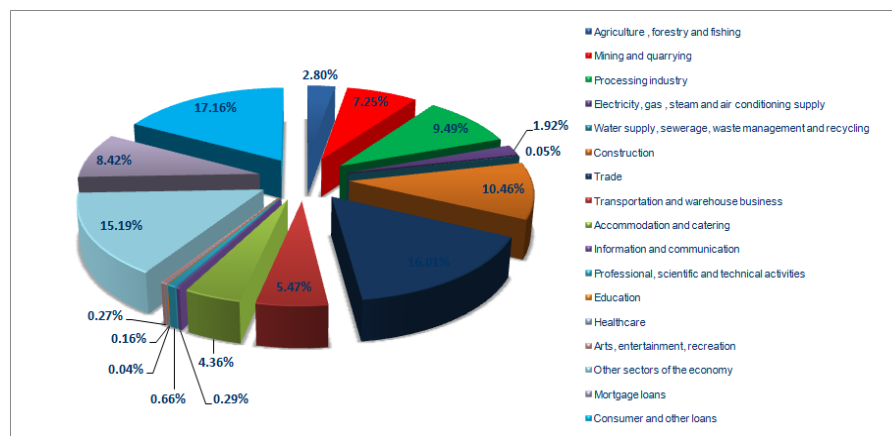
b) Share in total loan portfolio as of 31.03.2014 made 47.78%, as of 31.12.2013 - 46.17 %

c) Capital ratio as of 31.03.2014 was 276.47%, as of 31.12.2013 –262.23 %

Analysis of loan portfolio according to number of borrowers	Reporting period	Previous period
State enterprises	8	8
Private enterprises	499	306
Natural persons	32,423	23,263
Sole entrepreneurs	153	150
<b>Total</b>	<b>33,083</b>	<b>23,727</b>

Analysis of loan portfolio according to the industry sectors (without taking account of the reserve amount for possible losses)

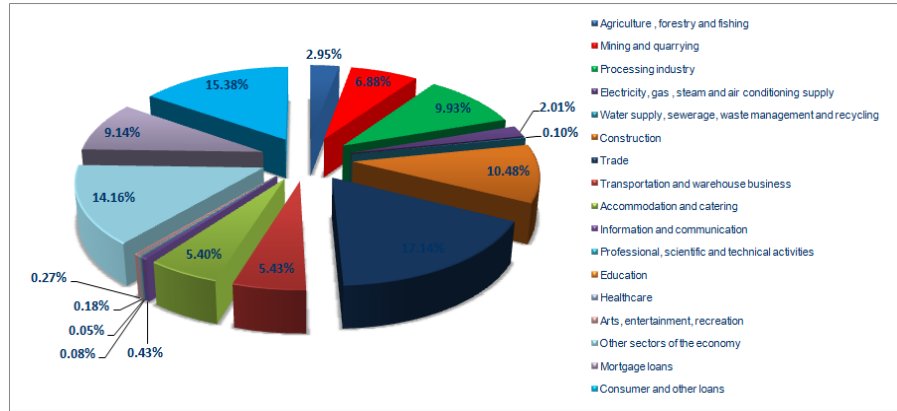
Analysis of loans and advances according to crediting sectors	Previous period	31.03.14 Percentage
1. Agriculture , forestry and fishing	3,877,339	2.80
2. Mining and quarrying	10,043,724	7.25
3. Processing industry	13,142,681	9.49
4. Electricity, gas , steam and air conditioning supply	2,662,331	1.92
5. Water supply, sewerage, waste management and recycling	70,107	0.05
6. Construction	14,479,541	10.46
7. Trade	22,165,184	16.01
8. Transportation and warehouse business	7,574,386	5.47
9. Accommodation and catering	6,032,688	4.36
10. Information and communication	401,888	0.29
12. Professional, scientific and technical activities	913,257	0.66
13. Education	51,643	0.04
14. Healthcare	227,114	0.16
15. Arts, entertainment, recreation	376,176	0.27
16. Other sectors of the economy	21,028,969	15.19
17. Mortgage loans	11,659,937	8.42
18. Consumer and other loans	23,753,643	17.16
<b>Total</b>	<b>138,460,608</b>	<b>100</b>





31.12.13

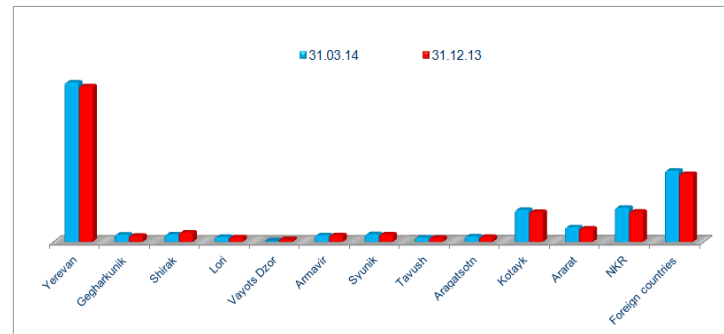
Analysis of loans and advances according to crediting	Previous period	Percentage
1. Agriculture , forestry and fishing	3,936,161	2.95
2. Mining and quarrying	9,170,897	6.88
3. Processing industry	13,230,862	9.93
4. Electricity, gas , steam and air conditioning supply	2,679,522	2.01
5. Water supply, sewerage, waste management and recycling	129,510	0.10
6. Construction	13,964,713	10.48
7. Trade	22,840,431	17.14
8. Transportation and warehouse business	7,234,048	5.43
9. Accommodation and catering	7,191,534	5.40
10. Information and communication	569,248	0.43
12. Professional, scientific and technical activities	110,575	0.08
13. Education	70,741	0.05
14. Healthcare	241,507	0.18
15. Arts, entertainment, recreation	354,009	0.27
16. Other sectors of the economy	18,878,087	14.16
17. Mortgage loans	12,188,552	9.14
18. Consumer and other loans	20,501,888	15.38
<b>Total</b>	<b>133,292,285</b>	<b>100</b>



Analysis of the loan portfolio as regards customers' residency

Analysis of the loan portfolio as regards customers'	Reporting period	Percentage	Previous period	Percentage
RA residents	108,374,032	79.95	104,751,334	80.19
Non-residents	27,171,101	20.05	25,884,435	19.81
<b>Total</b>	<b>135,545,133</b>	<b>100</b>	<b>130,635,769</b>	<b>100</b>

Region (Marz)	31.03.14		31.12.13	
	Quantity	Amount	Quantity	Amount
Yerevan	15288	60,813,842	13234	59,360,991
Gegharkunik	1989	2,776,273	1813	2,344,252
Shirak	4441	2,813,471	3838	3,555,828
Lori	2883	1,887,008	2441	1,768,258
Vayots Dzor	142	310,717	137	969,692
Armavir	2502	2,511,736	2420	2,546,004
Syunik	1948	2,895,750	1680	2,858,843
Tavush	1053	1,616,609	851	1,515,322
Aragatsotn	2605	2,063,066	2216	1,893,698
Kotayk	3760	12,174,950	2908	11,391,221
Ararat	2225	5,516,703	1908	5,060,513
NKR	4632	12,993,907	3860	11,486,712
Foreign countries	32	27,171,101	29	25,884,435
<b>Total</b>	<b>43,500</b>	<b>135,545,133</b>	<b>37,335</b>	<b>130,635,769</b>



Note 17. Financial assets available for sale

State securities	Reporting period	Previous period
<b>State obligations</b>	9,127,563	9,533,881
Treasury obligations	9,127,563	9,529,301
Central Bank obligations		
Promissory note		4,580
<b>State obligations of countries with BBB-/Baa3/ or higher rating</b>		
Treasury obligations		
Central Bank obligations		
Other		
<b>State securities of countries with BB+/Ba1/ or below rating or no rating</b>		
Treasury obligations		
Central Bank obligations		
Other		
Possible loss reserve for promissory notes (Note 7)		
<b>Total state securities</b>	<b>9,127,563</b>	<b>9,533,881</b>

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

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

<b>Total securities available for sale</b>	<b>9,127,563</b>	<b>9,533,881</b>
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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		
<b>Total</b>	<b>0</b>	<b>0</b>

<b>Total financial assets available for sale</b>	<b>9,127,563</b>	<b>9,533,881</b>
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Investments in other persons' share capital

Reporting period

Company name	Main activity	Country of registration	Investment date	Invested amount (thous. drams)	Share
1. Armenian Card CJSC	Payment and settlement services	RA	20.10.06	12143	2.00
2."ACRA Credit Reporting" CJSC	Payment and settlement services	RA	22.11.07	19845	4.0003
3. SWIFT	Payment and settlement services	Belgium	23.04.12	9226	0.00005
<b>Total</b>				<b>41,214</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				<b>-3,489</b>	
<b>Total</b>				<b>37,725</b>	

Previous period

Company name	Main activity	Country of registration	Investment date	Invested amount ¥(thous. drams)	Share
1. Armenian Card CJSC	Payment and settlement services	RA	20.10.06	12143	2.00
2. "ACRA Credit Reporting" CJSC	Payment and settlement services	RA	22.11.07	19845	4.0003
3. SWIFT	Payment and settlement services	Belgium	23.04.12	9226	0.00005
<b>Total</b>				<b>41,214</b>	
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				<b>-3,489</b>	
<b>Total</b>				<b>37,725</b>	

	Reporting period	Previous period
<b>Total financial assets available for sale and investments in other companies' share capital</b>	<b>9,165,288</b>	<b>9,571,606</b>

Note 18. Investments held to maturity

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

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

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

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

Note 20. Property, Plant, Equipment and Intangible Assets

Property, plant and equipment

Title	Buildings	Computer & communication means	Vehicles	Other PPE	Capital investments as regards PPE	Capital investments as regards leased PPE	Total
<b>Initial cost</b>							
Balance at the beginning of the previous period	7,908,178	2,683,902	470,838	1,110,545	-	28,996	12,202,459
Increase	2,330	53,172	31,272	152,868	-	1,403	241,045
Disposal			242,090				242,090
Write-off							
Revaluation	589,278						589,278
Depreciation adjustment from revaluation	(952,836)						(952,836)
<b>Balance at the end of the previous period</b>	<b>7,546,950</b>	<b>2,737,074</b>	<b>260,020</b>	<b>1,263,413</b>	<b>-</b>	<b>30,399</b>	<b>11,837,856</b>
Increase	552	50,482	-	5,544	-	-	56,578
Disposal			6,363				6,363
Revaluation*							
Write-off							

Depreciation adjustment from revaluation							
<b>Balance at the end of the reporting period</b>	<b>7,547,502</b>	<b>2,787,556</b>	<b>253,657</b>	<b>1,268,957</b>	<b>-</b>	<b>30,399</b>	<b>11,888,071</b>
<b>Accumulated depreciation</b>							
<b>Balance at the beginning of the previous period</b>	<b>687,347</b>	<b>1,498,312</b>	<b>160,902</b>	<b>536,645</b>	<b>-</b>	<b>18,106</b>	<b>2,901,312</b>
Increase	265,489	212,225	81,589	225,594		438	785,335
Disposal			122,457				122,457
Impairment							
Depreciation adjustment from revaluation	952,836						952,836
Write-off							
<b>Balance at the end of the previous period</b>	<b>-</b>	<b>1,710,537</b>	<b>120,034</b>	<b>762,239</b>	<b>-</b>	<b>18,544</b>	<b>2,611,354</b>
Increase	72,493	55,920	14,308	50,756		110	193,587
Disposal			6,363				6,363
Depreciation adjustment from revaluation							952,836
Write-off							
<b>Balance at the end of the reporting period</b>	<b>72,493</b>	<b>1,766,457</b>	<b>127,979</b>	<b>812,995</b>	<b>-</b>	<b>18,654</b>	<b>2,798,578</b>
<b>Net carrying amount</b>							
<b>End of reporting period</b>	<b>7,546,950</b>	<b>1,026,537</b>	<b>139,986</b>	<b>501,174</b>	<b>-</b>	<b>11,855</b>	<b>9,089,493</b>
<b>End of previous period</b>	<b>7,546,950</b>	<b>1,026,537</b>	<b>139,986</b>	<b>501,174</b>	<b>-</b>	<b>11,855</b>	<b>9,226,502</b>

#### Intangible Assets

	Software	Licenses	Copyright	Other intangible assets	Capital investments as regards intangible assets	Total
<b>Initial cost</b>						
<b>Balance at the beginning of the previous period</b>	<b>147,318</b>	<b>839,351</b>	<b>-</b>	<b>52,837</b>	<b>4,847</b>	<b>1,044,353</b>
Increase	-	246,368		-	91,930	338,298
Disposal						-
Impairment						
Revaluation						
<b>Balance at the end of previous period</b>	<b>147,318</b>	<b>1,085,719</b>	<b>-</b>	<b>52,837</b>	<b>96,777</b>	<b>1,382,651</b>
Increase	-	32,752		-	9,600	42,352
Disposal						-
Revaluation*						-
Impairment						-
Depreciation adjustment from revaluation						-
<b>Balance at the end of the reporting period</b>	<b>147,318</b>	<b>1,118,471</b>	<b>-</b>	<b>52,837</b>	<b>106,377</b>	<b>1,425,003</b>
<b>Accumulated amortization</b>						
<b>Balance at the end of previous period</b>	<b>276</b>	<b>287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563</b>
Increase	62	33,427				33,489
Disposal						-
Impairment						
Revaluation						
<b>Balance at the end of previous period</b>	<b>338</b>	<b>33,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,052</b>
Increase	-	11,184				11,184
Disposal						-
Depreciation adjustment from revaluation						-
Revaluation						-
<b>Balance at the end of the reporting period</b>	<b>338</b>	<b>44,898</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,236</b>
<b>Net carrying amount</b>						
<b>End of reporting period</b>	<b>146,980</b>	<b>1,073,573</b>	<b>-</b>	<b>52,837</b>	<b>106,377</b>	<b>1,379,767</b>
<b>End of previous period</b>	<b>146,980</b>	<b>1,052,005</b>	<b>-</b>	<b>52,837</b>	<b>96,777</b>	<b>1,348,599</b>

#### Note 21. Deferred tax assets

Deferred tax assets movement	Reporting period	Previous period
<b>Balance at the beginning of the period</b>	149,158	149,158
Increase		
Decrease	-149,158	
<b>Balance at the end of the period</b>	<b>-</b>	<b>149,158</b>

Note 22. Other Assets

Amounts receivable from bank transactions	Reporting period	Previous period
Dividends receivable	0	0
Amounts receivable from trust management transactions	0	0
Amounts receivable from other transactions	1,593,578	1,243,386
<b>Total</b>	<b>1,593,578</b>	<b>1,243,386</b>
Reserve for possible losses as regards bank transactions (Note 7)		
<b>Net amounts receivable from bank transactions</b>	<b>1,593,578</b>	<b>1,243,386</b>

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	9,668	9,558
Receivables as regards suppliers		
Advance payments to the employees	1,392	1,291
Advance payments to the suppliers	391,376	378,464
Advance payments and overpayments as regards budget and ma	519,096	465,053
Other receivables and prepayments	6,452,765	6,285,627
<b>Total</b>	<b>7,374,297</b>	<b>7,139,993</b>
Reserve for possible losses as regards other assets (Note 7)	-156,181	-143,349
<b>Total</b>	<b>7,218,116</b>	<b>6,996,644</b>
Other assets		
Warehouse	234,175	262,889
Seized collateral	5,650,459	5,824,128
Future period expenses	51,566	34,867
Other assets	62,709	81,465
Reserve for possible losses as regards other assets (Note 7)		
<b>Total</b>	<b>5,998,909</b>	<b>6,203,349</b>
<b>Total other assets</b>	<b>14,810,603</b>	<b>14,443,379</b>

Note 23. Amounts due to banks and other financial institutions

Current accounts	Reporting period	Previous period
RA Banks	166	163
Banks with BBB-(Baa3) and higher rating		
Banks with rating below BBB-(Baa3) and no rating		
Accrued interest		
<b>Total</b>	<b>166</b>	<b>163</b>
<b>Interbank loans, deposits and other demands</b>		
<b>RA Central Bank</b>		
loans*	10,382,356	12,339,610
Repo (repurchase) agreements	18,849,997	24,469,985
Swap		
Swap		
<b>RA Banks</b>		
Loans and deposits	16,288,343	4,135,509
Financial leasing		
Repo (repurchase) agreements	2,516,623	0
Other		

<b>BBB-(Baa3) and higher rating banks</b>		
Loans and deposits		
Financial leasing		
Repo (repurchase) agreements		
Swap		
Other		
<b>BBB-(Baa3) and lower rating and no rating banks</b>		
Loans and deposits		
Financial leasing		
Repo (repurchase) agreements		
Swap	0	0
Other	59,279	0
<b>Accrued interest</b>	101,179	146,143
<b>Total</b>	<b>48,197,777</b>	<b>41,091,247</b>
<b>Financial institutions</b>		
Current accounts	88,149	63,574
Loans and deposits	18,565,752	20,358,142
Repo (repurchase) agreements		
Swap		
Other	15,212	14,975
<b>Accrued interest</b>	174,045	181,821
<b>Total</b>	<b>18,843,158</b>	<b>20,618,512</b>
<b>Total amounts due to banks and other fin. institutions</b>	<b>67,041,101</b>	<b>61,709,922</b>

As of 31.03.2014, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 3.757.104 thous. And accrued interest amounts - AMD 43.748 thous.

**Note 24. Amounts due to customers**

<b>Amounts due to RA government and local self-managed authorities</b>	<b>Reporting period</b>	<b>Previous period</b>
Current accounts	122,107	160,262
Time deposits		
Loans	5,468,631	4,502,289
Repo (repurchase) agreements		
Swap		
Other	35,575	37,937
Accrued interest	91,362	16,770
<b>Total</b>	<b>5,717,675</b>	<b>4,717,258</b>
<b>Legal entities and institutions (residents)</b>		
Current accounts	6,800,510	9,200,591
Time deposits	3,039,435	3,732,258
Repo (repurchase) agreements		
Swap		
Other	829,316	396,274
Accrued interest	22,326	23,209
<b>Total</b>	<b>10,691,587</b>	<b>13,352,332</b>
<b>Legal entities and institutions (non-residents)</b>		
Current accounts	7,140,120	11,727,436
Time deposits	13,958,068	16,950,346
Repo (repurchase) agreements		



Swap		
Other	923,083	308,196
Accrued interest	22,154	24,833
<b>Total</b>	<b>22,043,425</b>	<b>29,010,811</b>
<b>Sole entrepreneurs (residents)</b>		
Current accounts	58,109	61,701
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>58,109</b>	<b>61,701</b>
<b>Sole entrepreneurs (non-residents)</b>		
Current accounts	39	61
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>39</b>	<b>61</b>
<b>Individuals (residents)</b>		
Current accounts	4,404,698	4,635,426
Time deposits	65,560,689	59,933,599
Repo (repurchase) agreements		
Swap		
Other	15,162	42,007
Accrued interest	529,455	550,873
<b>Total</b>	<b>70,510,004</b>	<b>65,161,905</b>
<b>Individuals (non-residents)</b>		
Current accounts	514,914	362,037
Time deposits	4,170,762	4,198,674
Repo (repurchase) agreements		
Swap		
Other	0	0
Accrued interest	23,101	21,565
<b>Total</b>	<b>4,708,777</b>	<b>4,582,276</b>
<b>Total liabilities to customers</b>	<b>113,729,616</b>	<b>116,886,344</b>

The amount of the security of liabilities totaled: as at 31.12.2013 - AMD 34.680.265 thous., as at 31.03.2014 - AMD 27.480.321 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 1.154.585 thous., accrued interest - AMD 5.297 thous.

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

	Reporting period	Previous period
Legal entities residents	45	51
Legal entitie non- residents	2	2
Individuals residents	9,522	6,987
Individuals non-residents	124	93
<b>Total</b>	<b>9,693</b>	<b>7,133</b>

**Note 26. Liabilities held for trading**

Liability held for trading	Reporting period	Previous period
Derivative instruments held for trading purposes		
Futures		
Forward		
Option		
Swap		
Other		
Hedging derivative instruments		
Other	13,621,096	15,482,300
<b>Total</b>	<b>13,621,096</b>	<b>15,482,300</b>

**Note 27. Amounts payable**

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	36,192	33,159
Other		
<b>Total</b>	<b>36,192</b>	<b>33,159</b>

**Note 28. Deferred tax liabilities**

Deferred tax liabilities movements	Reporting period	Previous period
Balance at the beginning of the period	432,150	230,756
Increase		432,150
Decrease	-35,483	-230,756
<b>Balance at the end of the period</b>	<b>396,667</b>	<b>432,150</b>

**Note 29. Other liabilities**

Other liabilities	Reporting period	Previous period
Settlement liabilities as regards cheques and other payment documents	6,022	6,554
Settlement liabilities as regards letters of credit		
Other settlements		
<b>Payables as regards budget</b>		
Profit Tax	540,852	365,794
VAT	10,251	15,019
other taxes and dues	112,069	154,785
social insurance payments	0	3,061
Liabilities to employees as regards salary	96,046	74,583
Payables as regards suppliers	123,328	95,791
Payables as regards completion of chartered capital		
Other liabilities	35,918	35,934
<b>Balance at the end of period</b>	<b>924,486</b>	<b>751,521</b>

**Note 30. Chartered capital**

- a) Bank's chartered capital registered and fully paid – AMD 17.500.000 thous.
- b) The number of issued and allocated ordinary shares - 35.000, nominal value – AMD 500.000
- 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	17,500,000	100	
	<b>17,500,000</b>		

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

**Components:**

Revaluation reserves	Reporting period	Previous period
Unrealized gain/loss from revaluation of investments for sale		
Fixed assets revaluation reserve		
Other reserves		
<b>Total revaluation reserves</b>	<b>-</b>	<b>-</b>

**Other components of equity**

**Reserves**

Reserves	Reporting period	Previous period
General reserve		
Opening balance	309,357	309,357
Increase		
Decrease		
<b>Closing balance</b>	<b>309,357</b>	<b>309,357</b>

Other reserves	Reporting period	Previous period
Opening balance	1,595,372	197,987
Increase	628,173	4,632,728
Decrease	841,024	3,235,343
<b>Closing balance</b>	<b>1,382,521</b>	<b>1,595,372</b>

**Note 33. Retained earnings**

Retained profit	Reporting period	Previous period
Opening balance	5,347,078	2,779,049
Increase	1,139,694	2,568,029
Decrease		
<b>Closing balance</b>	<b>6,486,772</b>	<b>5,347,078</b>

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

Reserves		Reporting period	Previous period
Opening balance	Note 7	-	197,260
Allocations to the reserve		-	75,223
Use of reserve		-	(272,483)
Net allocations to the reserve		-	(197,260)
<b>Closing balance</b>		-	-

**Bank's legal liabilities**

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

**Bank's tax liabilities**

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

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

	Reporting period	Previous period
Unused credit lines	5,361,591	4,694,542
Guarantees provided	18,362,714	18,048,213
Letters of credit issued		
Reserve as regards the mentioned items (Note 7)		
<b>Closing balance</b>	<b>23,724,305</b>	<b>22,742,755</b>

**Bank's liability as regards operating lease****The leased premises are as follows:**

Yerevan, Abovyan 43 - Yerevan Branch  
Yerevan, Artsakh Str. 23/6 - Artsakh Branch  
Talin, Gayi 1 - Talin Branch  
Noragavit 1Str., 93/1 - Noragavit Branch  
Stepanakert - Khachen 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		24,186
1-5 years		41,053
5-10 years		12,870
<b>Total</b>		<b>78,109</b>

**Note 35. Related party transactions**

The related party transactions were conducted according to the market terms and interest rates.

Amounts due from banks	Reporting period	Previous period
Balance as of 01 January		
Increase during the year		
Decrease during the year		
	-	-

Loans and advances to customers	Reporting period	Previous period
	01.01.14-31.03.14	01.01.13-31.12.13
Balance as of 01 January	2,007,272	3,236,279
Loans and advances provided during the year	461,712	3,789,692
Loans and advances repaid during the year	435,175	5,018,699
<b>Balance</b>	<b>2,033,809</b>	<b>2,007,272</b>
Interest income	64,761	318,010

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

Amounts due to customers	Reporting period	Previous period
	01.01.14-31.03.14	01.01.13-31.12.13
Balance as of 01 January	26,061,693	2,256,878
Amounts received during the year	12,374,098	166,524,152
Amounts paid during the year	23,182,037	142,719,337
<b>Balance</b>	<b>15,253,754</b>	<b>26,061,693</b>
Interest expense	421,471	314,242

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.14-31.03.14	01.01.13-31.12.13
The Board		
Salary	29,234	73,361
bonus		
Executive body		
Salary	50,074	241,815
bonus	80	840
Internal audit		
Salary	17,775	60,403
bonus	50	3,500
<b>Total</b>	<b>97,213</b>	<b>379,918</b>

#### Note 36. Minimal disclosures concerning financial risks

##### Credit risk

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

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

Also the Bank's overall loan portfolio is subjected to regular analysis by industry branches, customers, and loan types to ensure the portfolio diversification and quality. Intra-bank normatives restricting credit risk (maximum risk as regards an industry branch, maximum overall loan risk, maximum risk per individual loan types as regards loan portfolio quality, maximum risk as regards a borrower, maximum risk as regards the major borrowers, maximum risk as regards a person related to the Bank, maximum risk as regards all persons related to the Bank, etc.) are established by the corresponding internal legal acts approved by the Bank Board (these normatives are more severe than the corresponding normatives established by the RA Central Bank).

The Bank considers activity of the Loan committee as very important for the containment of credit risk. Loan committee is the body to realize the Bank's credit policy, the purpose of which is management of the Bank's loan activity and formation of the quality loan portfolio.

The main objective of the loan committee is making collective professional protocol or final decisions concerning realization and servicing of transactions containing credit risk.

31.03.2014

Description	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>					
Cash and balances with CBA	34,529,407				34,529,407
Amounts due from banks and other financial institutions	1,194,551	439,704	1,560,805	42,789	3,237,849
Financial instruments held for trading	13,621,096				13,621,096
Loans and advances to customers	108,374,032	554,303	990,241	25,626,557	135,545,133
Securities available for sale	9,156,062		9,226		9,165,288
Securities held to maturity					-
Other assets	8,994,951	343,184	1,266	5,471,202	14,810,603
<b>Total assets</b>	<b>175,870,099</b>	<b>1,337,191</b>	<b>2,561,538</b>	<b>31,140,548</b>	<b>210,909,376</b>
<b>Liabilities</b>					
Amounts due to banks and other financial institutions	60,874,984	6,156,423	9,694		67,041,101
Amounts due to customers	87,134,097	641,614	2,095,749	23,858,156	113,729,616
Financial liability held for trading				13,621,096	13,621,096
Other liabilities	713,180	206,346	4,960		924,486
<b>Total liabilities</b>	<b>148,722,261</b>	<b>7,004,383</b>	<b>2,110,403</b>	<b>37,479,252</b>	<b>195,316,299</b>
<b>Net position</b>	<b>27,147,838</b>	<b>(5,667,192)</b>	<b>451,135</b>	<b>(6,338,704)</b>	<b>15,593,077</b>

31.12.2013

Description	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>					
Cash and balances with CBA	34,732,320				34,732,320
Amounts due from banks and other financial institutions	1,446,217	292,760	2,500,195	209,579	4,448,751
Financial instruments held for trading	15,482,300				15,482,300
Loans and advances to customers	104,751,334	259,130	708,773	24,916,532	130,635,769
Securities available for sale	9,562,380		9,226		9,571,606
Securities held to maturity					-
Other assets	8,751,516	217,330	3,340	5,471,193	14,443,379
<b>Total assets</b>	<b>174,726,067</b>	<b>769,220</b>	<b>3,221,534</b>	<b>30,597,304</b>	<b>209,314,125</b>
<b>Liabilities</b>					
Amounts due to banks and other financial institutions	54,686,221	7,018,129	4,796	776	61,709,922
Amounts due to customers	100,270,201	511,706	1,778,398	14,326,039	116,886,344
Financial liability held for trading				15,482,300	15,482,300
Other liabilities	697,946	48,707	4,868		751,521
<b>Total liabilities</b>	<b>155,654,368</b>	<b>7,578,542</b>	<b>1,788,062</b>	<b>29,809,115</b>	<b>194,830,087</b>
<b>Net position</b>	<b>19,071,699</b>	<b>(6,809,322)</b>	<b>1,433,472</b>	<b>788,189</b>	<b>14,484,038</b>

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

Assets	Working assets	Non-working assets			
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	129,775,848	3,632,698	1,645,711	490,876	
	41,286	1,605	361	248	
1. Agriculture , forestry and fishing	amount 3,381,485	243,601	63,966	44,279	
	number 374	26	9	13	
2. Mining and quarrying	amount 9,917,921		20,498		
	number 30		1		
3. Processing industry	amount 12,968,996	18,541	7,218	6,483	
	number 106	5	3	2	
4. Electricity, gas , steam and air conditioning supply	amount 2,635,708				
	number 19				
5. Water supply, sewerage, waste management and recycling	amount 67,066	2,128			
	number 5	2			
6. Construction	amount 13,397,384	328,377	32,380	213,257	
	number 102	16	1	1	
7. Commerce	amount 20,045,987	738,120	790,750	21,755	
	number 203	8	5	4	
8. Transportation and warehouse business	amount 7,494,832	3,463			
	number 23	1			
9. Accommodation and catering	amount 5,954,655		13,593		
	number 40		1		
10. Information and communication	amount 397,869				
	number 28				

11. Financial and insurance business	amount					
	number					
12. Professional, scientific and technical activities	amount	904,124				
	number	8				
13. Education	amount	51,127				
	number	29				
14. Healthcare	amount	224,003			424	
	number	8			2	
15. Arts, entertainment, recreation	amount	372,414				
	number	6				
16. Other branches of economy	amount	20,763,745				
	number	26				
17. Mortgage loans	amount	10,885,278	320,142	150,863	60,025	
	number	1,911	66	19	15	
18. Consumer and other loans	amount	20,313,254	1,978,326	566,443	144,653	
	number	38,368	1,481	322	211	
Receivables	amount	<b>9,848,490</b>	<b>166,437</b>	<b>302,126</b>	<b>53,789</b>	
	number	<b>3,625</b>	<b>166</b>	<b>97</b>	<b>141</b>	
Investment securities	amount	<b>37,725</b>				
	number	<b>3</b>				
Off-balance sheet items	amount	<b>23,657,515</b>	<b>62,436</b>	<b>1,806</b>	<b>953</b>	<b>1595</b>
	number	<b>18,480</b>	<b>295</b>	<b>33</b>	<b>18</b>	<b>13</b>
including guarantees	amount	18,341,815	18,682	917	1,300	
	number	279	1	1	3	
letters of credit	amount					
	number					



31.12.2013

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans and advances, including</b>	<b>125,345,418</b>	<b>3,269,640</b>	<b>1,637,460</b>	<b>383,251</b>	
	<b>35,912</b>	<b>974</b>	<b>332</b>	<b>117</b>	
1. Agriculture , forestry and fishing	amount 3,416,539	264,527	86,077	32,392	
	number 380	16	20	9	
2. Mining and quarrying	amount 9,053,896		22,993		
	number 29		1		
3. Processing industry	amount 13,064,637	17,941	11,380		
	number 103	4	3		
4. Electricity, gas , steam and air conditioning supply	amount 2,652,728				
	number 19				
5. Water supply, sewerage, waste management and recycling	amount 128,215				
	number 6				
6. Construction	amount 12,928,456	306,724	40,429	202,633	
	number 87	15	1	1	
7. Commerce	amount 20,772,841	711,664	742,532	34,125	
	number 196	5	7	5	
8. Transportation and warehouse business	amount 7,142,195		11,646	2,192	
	number 22		1	2	
9. Accommodation and catering	amount 7,100,050	15,288		1,196	
	number 60	1		1	
10. Information and communication	amount 563,556				
	number 31				
11. Financial and insurance business	amount				
	number				
12. Professional, scientific and technical activities	amount 109,469				
	number 5				
13. Education	amount 70,034				
	number 18				
14. Healthcare	amount 239,092				
	number 8				
15. Arts, entertainment, recreation	amount 350,469				
	number 5				
16. Other branches of economy	amount 18,687,686		308		
	number 21		1		
17. Mortgage loans	amount 11,471,917	306,337	153,769	33,870	
	number 1,981	49	18	13	
18. Consumer and other loans	amount 17,593,638	1,647,159	568,326	76,843	
	number 32,941	884	280	86	
Receivables	amount <b>8,591,346</b>	<b>137,550</b>	<b>247,501</b>	<b>7,170</b>	
	number <b>3,222</b>	<b>94</b>	<b>131</b>	<b>78</b>	
Investment securities	amount 37,725				
	number 3				
Off-balance sheet items	amount <b>22,587,123</b>	<b>35,062</b>	<b>86,303</b>	<b>34,236</b>	<b>31</b>
	number <b>13,614</b>	<b>175</b>	<b>23</b>	<b>5</b>	<b>6</b>
including guarantees	amount 17,901,145	27,077	32,240	34,150	
	number 289	4	1	3	
letters of credit	amount				
	number				

Analysis of credit portfolio according to regions and risk exposure

31.03.2014

Loans and advances, including	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans, including					
1. Residents of RA	102,604,747	3,632,698	1,645,711	490,876	
2. Non-residents	27,171,101				
<b>Total</b>	<b>129,775,848</b>	<b>3,632,698</b>	<b>1,645,711</b>	<b>490,876</b>	

31.12.2013

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	99,460,983	3,269,640	1,637,460	383,251	
2. Non-residents	25,884,435				
<b>Total</b>	<b>125,345,418</b>	<b>3,269,640</b>	<b>1,637,460</b>	<b>383,251</b>	

Loan portfolio indicators as of 31.03.2014

Non-performing loans/ total loans - 5.91 %

Reserve for non-performing loans/total capital - 5.81 %

Loan reserve /total loans - 2.23 %

Possible loss reserve/Non-performing loans - 37.83 %

Large amount advances/capital - 276.47 %:

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

31.03.2014

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	14,671,351	19,777,007	81,049	34,529,407
Standardized precious metal bullions		49,172		49,172
Amounts due from banks and other financial institutions	429,232	2,420,182	388,435	3,237,849
Financial instruments kept for trading	13,621,096			13,621,096
Loans and advances to customers	62,150,551	73,046,019	348,563	135,545,133
Financial assets available for sale	9,165,288			9,165,288
Financial assets held to maturity				-
Other	13,551,836	1,217,082	41,685	14,810,603

<b>Total assets</b>	<b>113,589,354</b>	<b>96,509,462</b>	<b>859,732</b>	<b>210,958,548</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	55,141,648	11,897,916	1,537	67,041,101
Amounts due to customers	29,523,387	83,377,989	828,240	113,729,616
Other liabilities	862,615	61,871		924,486
<b>Total liabilities</b>	<b>85,527,650</b>	<b>95,337,776</b>	<b>829,777</b>	<b>181,695,203</b>
<b>Net position</b>	<b>28,061,704</b>	<b>1,171,686</b>	<b>29,955</b>	<b>29,263,345</b>

31.12.2013

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	12,768,196	21,736,984	227,140	34,732,320
Standardized precious metal bullions		8,819		8,819
Amounts due from banks and other financial institutions	411,783	3,668,306	368,662	4,448,751
Financial instruments kept for trading	15,482,300			15,482,300
Loans and advances to customers	57,185,271	73,450,498		130,635,769
Financial assets available for sale	9,571,606			9,571,606
Financial assets held to maturity				-
Other	13,578,663	827,980	36,736	14,443,379
<b>Total assets</b>	<b>108,997,819</b>	<b>99,692,587</b>	<b>632,538</b>	<b>209,322,944</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	50,185,413	11,524,509		61,709,922
Amounts due to customers	29,451,349	86,887,212	547,783	116,886,344
Other liabilities	690,460	61,061		751,521
<b>Total liabilities</b>	<b>80,327,222</b>	<b>98,472,782</b>	<b>547,783</b>	<b>179,347,787</b>
<b>Net position</b>	<b>28,670,597</b>	<b>1,219,805</b>	<b>84,755</b>	<b>29,975,157</b>

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

\*\* The 2nd group of foreign currencies includes 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		2,066,550		2,066,550
- demands	2,078,750			2,078,750
Other derivative instruments				
- liabilities				
- demands				
<b>Net position according to the derivative financial instruments</b>	<b>2,078,750</b>	<b>(2,066,550)</b>	<b>-</b>	<b>12,200</b>
<b>Net open position*</b>	<b>2,078,750</b>	<b>(2,066,550)</b>	<b>-</b>	<b>12,200</b>

## Interest rate risk

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

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

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

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

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

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

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

Item	Reporting period interest rates		Previous period interest rates	
	Drams	Foreign currency	Drams	Foreign currency
	%	%	%	%
<b>Assets</b>				
Balances with CBA				
Amounts due from banks and other financial organizations including				
- interbank loans				
- interbank repo				
- interbank swap				
Loans and advances to customers	6-24	13-15	6-24	13-15
Securities held for trading and available for sale	10.0-13.0		8.0-13.5	
Securities held to maturity				
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	8.00	4-8.0	7.78	8-8.5
Amounts due to customers	1-14.5	1-9.5	1-14.5	1-9.5
Liabilities as regards securities issued by the Bank				

## Liquidity risk

Liquidity risk depends on redemption of deposits allocated in the Bank, as well as on the availability of sufficient means for timely settling liabilities as regards financial instruments. To manage liquidity risk, the Bank controls expected cash flows related to customers bank transactions, which is brought to conformity with the Bank's general management strategy. The Bank has established limits for permissible level of liquidity risk, which is always in control.

The purpose of the Bank's liquidity management is creation of financial capabilities which will enable meeting 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 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 decisions 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.

31.03.2014

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
<b>Assets</b>										
Cash in intern. and CBA			34,507,751						120,000	34,627,751
Amounts due from banks and other fin. institutions			1,326,048	213,440		391,465	797,460		509,436	3,237,849
Loans provided to customers	3,096,814	2,672,468		27,230,163	14,675,623	33,876,122	44,459,341	9,534,602		135,545,133
Financial assets	-	-	-	13,622,144	1,640,969	203,901	3,650,108	3,631,537	37,725	22,786,384

held for trade				13,621,096							13,621,096
available for sale				1,048	1,640,969	203,901	3,650,108	3,631,537	37,725		9,165,288
held up to maturity											-
Realized under repo agreements											-
Other assets	322,669	177,114	1,573,118	2,502,475	204,752	660,950	506,897	2,977,994	5,884,634		14,810,603
*Contractual demands											-
<b>Total</b>	<b>3,419,483</b>	<b>2,849,582</b>	<b>37,406,917</b>	<b>43,568,222</b>	<b>16,521,344</b>	<b>35,132,438</b>	<b>49,413,806</b>	<b>16,144,133</b>	<b>6,551,795</b>		<b>211,007,720</b>
1-st group currency	2,876,064	1,625,195	20,928,959	19,608,152	4,396,560	19,455,447	27,109,649		509,436		96,509,462
2-nd group currency			314,876	194,156		48,708	301,992				859,732
Variable interest rate											-
Fixed interest rate	3,096,814	2,672,468	738,732	27,444,651	16,316,592	34,471,488	48,906,909	13,166,139	509,436		147,323,229
Interest free	322,669	177,114	36,668,185	16,123,571	204,752	660,950	506,897	2,977,994	6,042,359		63,684,491
<b>Liabilities</b>											
Amounts due to banks and other fin. institutions			111,480	44,042,908	4,098,849	3,903,557	9,815,743	5,068,564			67,041,101
Amounts due to customers	-	-	19,181,805	12,164,986	19,884,650	38,497,250	23,999,591	1,334	-		113,729,616
upon demand			19,181,805								19,181,805
time liability				12,164,986	19,884,650	38,497,250	23,999,591	1,334			94,547,811
Other											-
Liabilities for securities issued by the banks											-
Other liabilities			801,158	123,328							924,486
Off –balance contingent liabilities	7,070	59,720	5,315,700	2,101,479	5,157,458	5,804,391	5,278,487				23,724,305
*Contractual liabilities											-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>20,094,443</b>	<b>56,331,222</b>	<b>23,983,499</b>	<b>42,400,807</b>	<b>33,815,334</b>	<b>5,069,898</b>	<b>-</b>		<b>181,695,203</b>
1-st group currency			10,775,439	9,942,916	18,681,107	35,949,384	19,988,930				95,537,776
2-nd group currency			535,423	97,499	10,425	186,430					829,777
Large-scale liability			169,347	29,824,903	13,110,301	13,792,447	3,488,924				60,385,922
Variable rate liability											-
Fixed rate liability			18,933,953	53,686,582	18,725,421	35,159,880	33,815,334	5,069,898			165,391,068
Interest free			1,160,490	2,644,640	5,258,078	7,240,927					16,304,135
<b>Net liquidity gap</b>	<b>3,419,483</b>	<b>2,849,582</b>	<b>17,312,474</b>	<b>(12,763,000)</b>	<b>(7,462,155)</b>	<b>(7,268,369)</b>	<b>15,598,472</b>	<b>11,074,235</b>	<b>6,551,795</b>		<b>29,312,517</b>
1-st group currency	2,876,064	1,625,195	10,153,520	9,665,236	(14,284,547)	(16,493,937)	7,120,719	-	509,436		1,171,686
2-nd group currency	-	-	(220,547)	96,657	(10,425)	(137,722)	301,992	-	-		29,955
Variable interest rate											-
Fixed rate	3,096,814	2,672,468	(18,195,221)	(26,241,931)	(2,408,829)	(688,392)	15,091,575	8,096,241	509,436		(18,067,839)
Cumulative liquidity gap	3,419,483	6,269,065	23,581,539	10,818,539	3,356,384	(3,911,985)	11,686,487	22,760,722	2,639,810		181,695,203

31.12.2013

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
<b>Assets</b>										
Cash in intern. and CBA			34,312,320						420,000	34,732,320
Amounts due from banks and other fin. institutions			2,389,796	193,304	71,904	443,808	850,008		499,931	4,448,751
Loans provided to customers	3,889,940	2,392,582		28,531,082	14,147,953	14,593,430	56,989,921	10,090,861		130,635,769
Financial assets	-	-	-	15,486,880	1,028	1,704,837	3,961,316	3,862,120	37,725	25,053,906
held for trade				15,482,300						15,482,300
available for sale				4,580	1,028	1,704,837	3,961,316	3,862,120	37,725	9,571,606
held up to maturity										-
Realized under repo agreements										-
Other assets	322,204	153,152	515,146	2,112,641	94,604	233,585	5,140,869	5,012,953	5,871,178	14,443,379
*Contractual demands										-
<b>Total</b>	<b>4,212,144</b>	<b>2,545,734</b>	<b>37,217,262</b>	<b>46,323,907</b>	<b>14,315,489</b>	<b>16,975,660</b>	<b>66,942,114</b>	<b>18,965,934</b>	<b>6,828,834</b>	<b>209,314,125</b>
1-st group currency	2,275,368	1,119,163	23,995,498	15,437,804	4,339,062	8,953,320	43,072,441		499,931	99,692,587
2-nd group currency			483,798	148,740						632,538
Variable interest rate										-
Fixed interest rate	3,885,693	2,392,582	1,211,308	33,923,471	14,020,373	14,913,098	67,800,936	13,952,981	499,931	138,647,392
Interest free	326,451	153,152	36,005,954	12,400,436	295,116	2,062,562	(858,822)	5,012,953	6,328,903	70,666,733
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			78,712	33,400,602	6,058,556	5,977,566	13,968,790	2,225,696		61,709,922
Amounts due to customers	-	-	26,628,973	11,769,560	10,573,251	44,742,474	19,715,392	3,456,694	-	116,886,344
upon demand			26,628,973							26,628,973
time liability				11,769,560	10,573,251	44,742,474	19,715,392	3,456,694		90,257,371

Other																					-
Liabilities for securities issued by the banks																					-
Other liabilities			40,449	709,035																2,037	751,521
Off –balance contingent liabilities	5,851	149,781	4,685,978	2,669,985	1,185,821	8,089,208	5,956,131														22,742,755
*Contractual liabilities																					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>26,748,134</b>	<b>45,879,197</b>	<b>16,631,807</b>	<b>50,720,040</b>	<b>33,684,182</b>	<b>5,682,390</b>	<b>2,037</b>												<b>179,347,787</b>
1-st group currency			15,482,630	9,674,561	7,230,075	43,940,972	22,144,544														98,472,782
2-nd group currency			337,593	82,193	23,287	74,166	30,544														547,783
Large-scale liability			7,693,700	24,898,557	3,193,942	29,534,424	10,443,608														75,764,231
Variable rate liability																					-
Fixed rate liability			26,211,088	44,191,272	16,474,870	50,590,223	33,682,896	5,682,390													176,832,739
Interest free			537,046	1,687,925	156,937	129,817	1,286													2,057	2,515,068
<b>Net liquidity gap</b>	<b>4,212,144</b>	<b>2,545,734</b>	<b>10,469,128</b>	<b>444,710</b>	<b>(2,316,318)</b>	<b>(33,744,380)</b>	<b>33,257,932</b>	<b>13,283,544</b>	<b>6,826,797</b>												<b>29,966,338</b>
1-st group currency	2,275,368	1,119,163	8,512,868	5,763,243	(2,891,013)	(34,987,652)	20,927,897	-	499,931												1,219,805
2-nd group currency	-	-	146,205	66,547	(23,287)	(74,166)	(30,544)	-	-												84,755
Variable interest rate	-	-	-	-	-	-	-	-	-												-
fixed rate	3,885,693	2,392,582	(24,999,780)	(10,267,801)	(2,454,497)	(35,677,125)	34,118,040	8,270,591	499,931												(38,185,347)
Cumulative liquidity gap	4,212,144	6,757,878	17,227,006	17,671,716	15,355,398	(18,388,982)	14,868,950	28,638,942	35,465,739												179,347,787

**Note 42. Collateral accepted**

Other guarantees

	Reporting period	Previous period
Other securities	7,425,256	6,419,556
Jewels and precious stones	7,182,586	6,502,684
Real estate	136,496,343	156,287,517
Vehicles	15,822,389	6,184,353
Other PPE	17,361,909	19,395,598
Finished production and goods	21,600,397	30,574,541
Cash	27,480,321	39,270,469
Other collateral	12,749,727	4,505,670
Credit guarantee	3,473,637	
Other guarantees	14,889,077	
Credit warranties	53,294,158	31,398,495
Other warranties	12,573,714	5,840,736
<b>Total</b>	<b>330,349,514</b>	<b>269,140,388</b>

Chairman of the Executive Board

Arsen Mikaelyan

Chief Accountant

Narine Sargsyan

Date of approval 14.04.14