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Banks functioning in the Republic of Armenia

As of 30.06.2009, there have been 22 commercial banks with a total of 383 branch offices, functioning in the territory of the Republic of Armenia.

Total capital of commercial banks

In the second quarter of 2009, total capital of commercial banks has grown by 4.5 percent (AMD 10.8 billion) and amounted to AMD 249.7 billion, as of 30.06.2009.

The increase in total capital has been attributable to the replenishment by two commercial banks of their statutory capital by AMD 12.0 billion.

As a result of the increase in statuitory capital, the total capital to total assets ratio has grown by 1.1 percentage point and made up 22.3 percent at the end of the quarter.

In the period under review, the total capital adequacy ratio has grown by 1.8 prcentage point to make uo 28.0 percent. The growth of this indicator was due to the fact that, in the second quarter, coupled with the growing of the regulatory capital, the volume of risk weighted assets has reduced by AMD 42.2 billion as a result of more prudent lending policies implemented by commercial banks in the times of the financial and economic crisis.

Total liabilities of commercial banks

In the period under review, the total liabilities of the banking system have declined by 2.4 percent (AMD 21.0 billion) and amounted to AMD 868.0. Increases of total liabilities were reported in 10 banks and decreases of liabilities, in 12 banks.

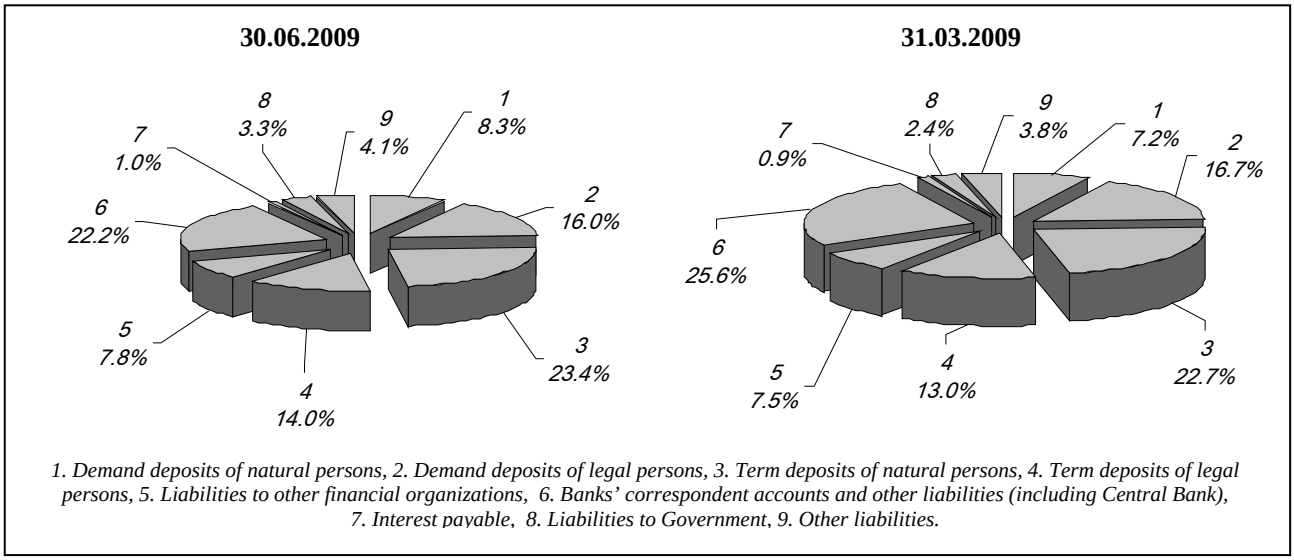
In the structure of bank liabilities, loro correspondent accounts of commercial banks have decreased by 48.6 percent (AMD 4.9 billion) and other liabilities to banks, by 13.8 percent (AMD 30.1 billion).

In the structure of liabilities, increases were reported with regard to liabilities to the Government, by 36.0 percent (AMD 7.6 billion) and with regard to total deposits (both demand and term deposits) of legal persons and natural persons, by 0.8 percent (AMD 4.4 billion).

As of 30.06.2009, the total amount of deposits has been AMD 534.9 billion.

Demand and term deposits of natural persons have grown by 3.4 percent (AMD 9.0 billion) and demand and term deposits of legal persons have declined by 1.7 percent (AMD 4.6 billion).

Structure of comercial bank assets



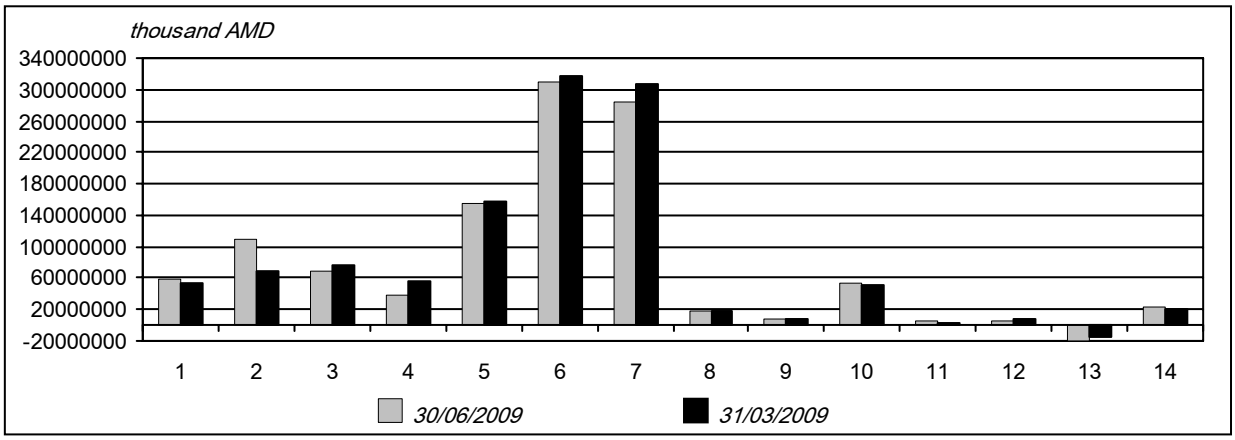
1. Demand deposits of natural persons, 2. Demand deposits of legal persons, 3. Term deposits of natural persons, 4. Term deposits of legal persons, 5. Liabilities to other financial organizations, 6. Banks' correspondent accounts and other liabilities (including Central Bank), 7. Interest payable, 8. Liabilities to Government, 9. Other liabilities.

As a result of the above developments, the share of banks' loro correspondent accounts and other liabilities to banks (includinf Central Bank) has shraunk by 3.4 percentage points, whereas the shares of demand deposits of natural persons, term deposits of legal persons and liabilities to Government have increased each by about 1 percentage point.

Total assets of commercial banks

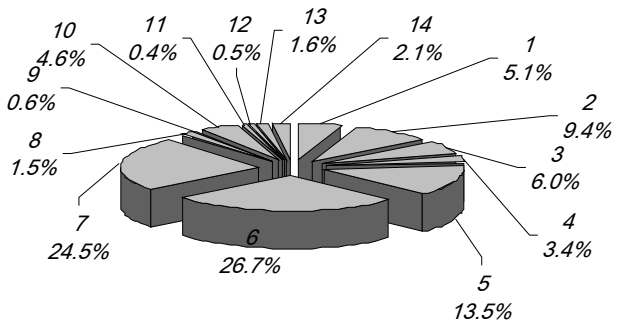
During the second quarter of 2009, total assets of commercial banks have reduced by 0.9 percent (AMD 10.2 billion) and reached AMD 1 trillion 117.7 billion. In the period under review, 10 banks reported an increase, and 12 banks reported a decrease, of assets. The main decreases on assets were reported with regard to claims on banks (excluding loro correspondent accounts), by 39.0 percent (AMD 18.7 billion) and economy lending, by 5.0 percent (AMD 31.8 billion).

Commercial bank assets

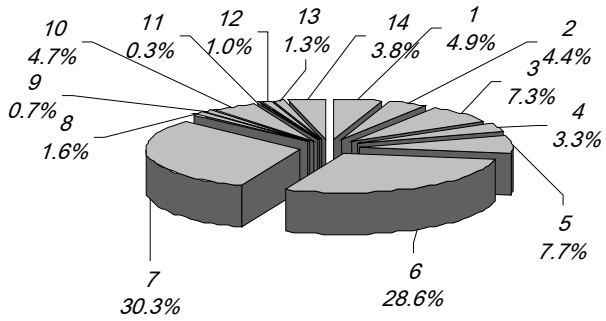


Structure of commercial bank assets

30.06.2009



31.03.2009



1. Cash
2. Correspondent accounts with banks
3. Government securities (including repurchase agreements)
4. Claims on banks and other financial organizations
5. Correspondent accounts with CBA and other claims on CBA
6. Loans to legal persons
7. Loans to natural persons
8. Loans to bank insiders
9. Accrued interest receivable
10. Fixed assets
11. Other securities
12. Leasing and factoring (excluding inter-bank)
13. Reserve fund
14. Other assets

Banks posted a large increase with regard to nostro correpondent accounts, by 59.4 percent (AMD 40.3 billion).

In the times of the global financial and economic crisis, the Armenian banking system is more cautious in implementing a credit policy, and the volume of highly liquid assets has increased in the banking sector, as a result.

Loans to legal persons have decreased by 2.7 percent (AMD 8.5 billion), loans to natural persons, by 7.4 percent (AMD 22.6 billion) and loans to bank insiders, by 3.8 percent (AMD 668 million).

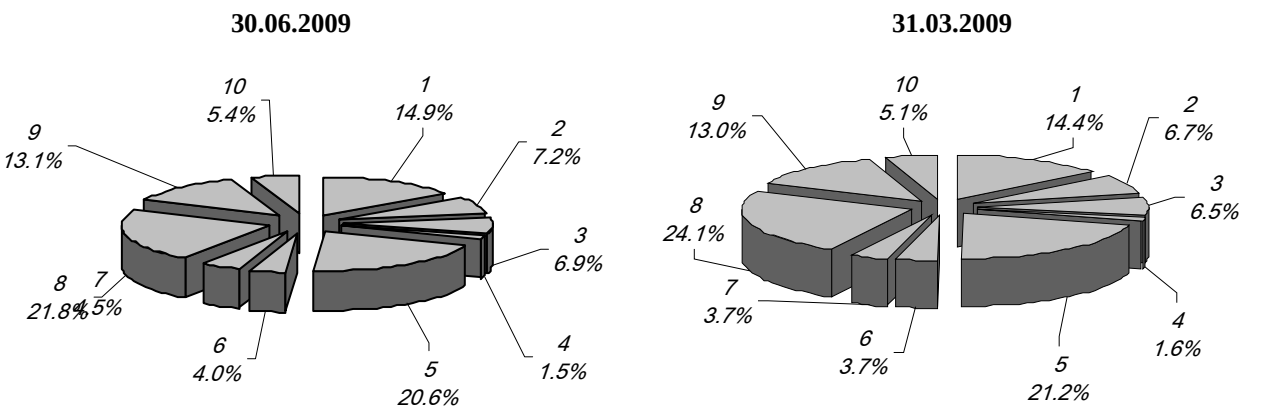
At the end of the first half of 2009, the portfolio of banking system lending to the economy has been AMD 609.0 billion, of which 50.7 percent constituted loans to legal persons, 46.5 percent loans to natural persons and 2.8 percent loans to bank insiders.

During the second quarter, banking system loans and accounts receivable (including inter-bank deposits and loans, repurchase agreements, leasing, and factoring) have decreased by a total of 2.8 percent (AMD 19.1 billion) and amounted to AMD 656.9 billion. Dram loans and receivables have reduced by 8.1 percent and amounted to AMD 318.6 billion, while foreign currency loans and accounts receivable have grown by 2.8 percent and amounted to AMD 338.3 billion. As a result, the share of dram loans and accounts receivable in total has dropped by 2.8 percentage points to make up 48.5 percent.

Loans to and accounts receivable from non-residents have increased by 65.4 percent, while loans to and accounts receivable from residents have decreased by 4.2 percent, having amounted to AMD 21.9 billion and AMD 635.0 billion, respectively.

In the structure of resident loan investment, the shares of consumer loans, trade loans and mortgage loans have reduced by AMD 21.0 billion, AMD 9.4 billion and AMD 3.2 billion, respectively. As a result, by sectors of the economy, the share of consumer loans has reduced by 2.3 percentage points in the structure of resident loan investment.

Commercial bank resident loan portfolio, by sectors of the economy



1. Industry, 2.Agriculture, 3. Construction, 4. Transport and Communications, 5. Trade, 6. Public catering and other services, 7. Financial sector, 8. Consumer loans, 9. Mortgage loans, 10. Other sectors

During the quarter, the share of the "standard" category assets of commercial banks has shrunk by 1.8 percentage point to 91.4 percent of total loans and accounts receivable. As of 30.06.2009, the "watch" category loans and receivables of the banking system have constituted 5.2 percent of the total; the "substandard" category loans and receivables, 2.6 percent, and the "doubtful" category loans and receivables, 0.9 percent.

In the period under review, the total liquidity ratio of commercial banks has increased by 2.9 percentage points and the current liquidity ratio has increased by 9.9 percentage points, having reached 32.0 percent and 145.3 percent, respectively.

Income and expense account of commercial banks

In the first half of 2009, commercial banks have reported a total loss of AMD 408 million (after payment of the profit/loss profit tax). Over the first six months, 13 commercial banks have operated with profit and 9 commercial banks have incurred loss.

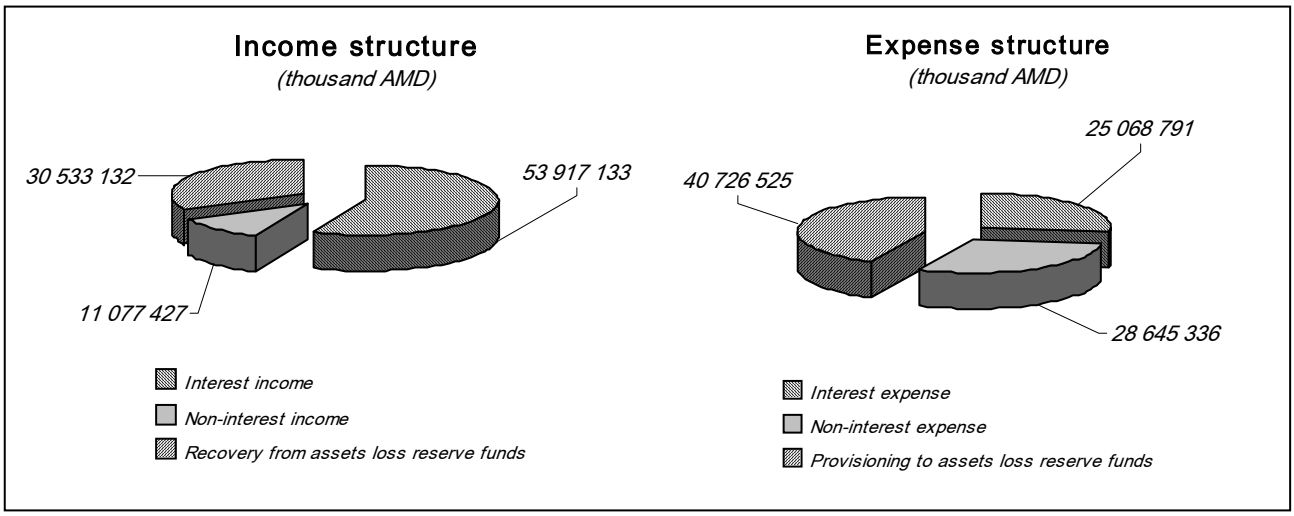
Commercial banks have reported a total of AMD 95.5 billion gross income and a total of AMD 94.4 billion expenditures. As of 30.06.2009, the pre-tax profit of the banking system has been AMD 1.1 billion.

In the first half of 2009, in the structure of gross income of the banking system proceeds of loans to economy accounted for 85.2 percent of interest income and commission fees accounted for 57.3 percent of non-interest income.

In the structure of gross expense of the banking system, interest paid on term deposits accounted for 48.0 percent of interest expense, bank employee salary and salary equivalents accounted for 43.5 percent of non-interest expense.

In the first half of 2009, the share of net provisioning (AMD 10.2 billion) constituted 0.9 percent of total assets of the banking sector.

Commercial bank income and expense structure in H1, 2009

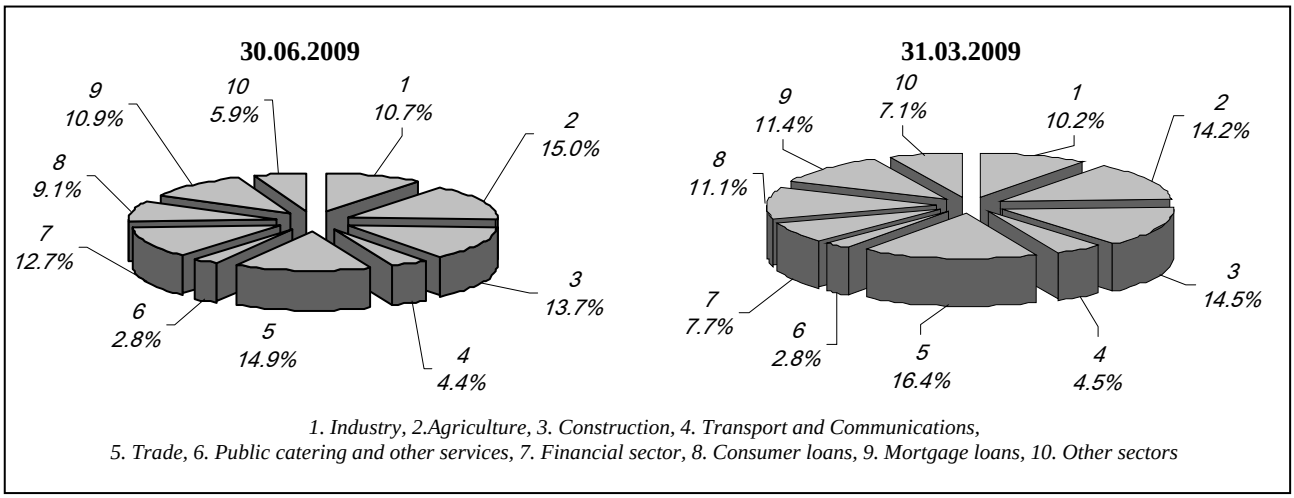


Credit organizations *

In the second quarter of 2009, an activity license has been granted to the National Mortgage Company CJSC. As of 30.06.2009, there have been 26 credit organizations, with a total of 51 branch offices, functioning in the territory of the Republic of Armenia.

In the period under review, total assets of credit organizations have decreased by 12.5 percent (AMD 2.2 billion) to AMD 71.8 billion. During the quarter, 13 credit organizations reported an increase of assets and 12 credit organizations reported decreases.

Credit organization resident loan portfolio, by sectors of the economy



1. Industry, 2.Agriculture, 3. Construction, 4. Transport and Communications,
5. Trade, 6. Public catering and other services, 7. Financial sector, 8. Consumer loans, 9. Mortgage loans, 10. Other sectors

In the period under review, the total lending to the economy by credit organizations has decreased by 5.7 percent or AMD 3.2 billion to amount to AMD 53.2 billion. The dram loans have reduced by 9.3 percent (AMD 2.4 billion) and foreign currency loans, by 2.7 percent (AMD 817 million). Loans to natural persons have reduced by 7.7 percent to amount to AMD 32.6 billion and loans to legal persons, by 2.9 percent to amount to AMD 20.0 billion. The total volume of leasing has shrunk by 2.3 percent to AMD 5.5 billion.

The total volume of credit organizations' loans to and accounts receivable on residents remained unchanged, AMD 67 billion. As of the end of the first half of 2009, agriculture lending has been the largest share (15.0 percent) of the loan portfolio.

In terms of risk classification of the loan portfolio, the share of standard loans and receivables in total has reduced during the quarter by 0.5 percentage point to 92.1 percent.

** The section provides data of 25 credit organizations as the National Mortgage Company UCO CJSC received an activity license on 16.06.2009.*

The total capital of credit organizations has grown by 1.9 percent (AMD 386 million) to AMD 20.6 billion. Four credit organizations have paid a total of AMD 1.1 billion into the statutory fund.

The net profit of the first half of the year has amounted to AMD 1.7 billion. Since the beginning of the year, 17 credit organizations have been profitable and 8 incurred loss.

The total liabilities of credit organizations have decreased by 4.8 percent (AMD 2.6 billion) and, as of 30.062009, amounted to AMD 51.2 billion. The main decrease was recorded with regard to liabilities to banks and other financial institutions, by 4.9 percent or AMD 1.9 billion. As of 30.06.2009, liabilities to banks and other financial institutions have amounted to AMD 36.0 billion and liabilities to natural persons and legal persons, to AMD 10.4 billion.

External debt of Armenian commercial banks and credit organizations at the end of the second quarter of 2009

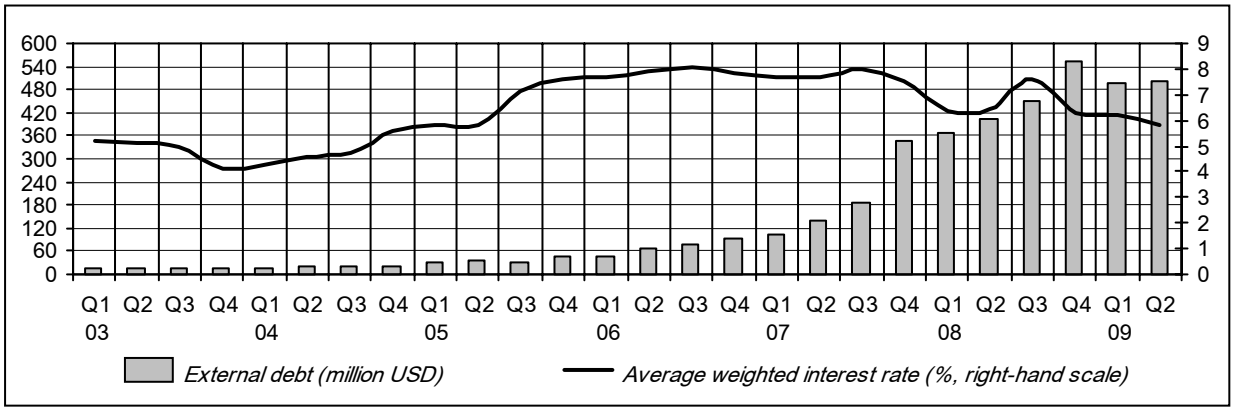
As of the end of the second quarter of 2009, loan obligations[1] of Armenian commercial banks and credit organizations to the rest of the world have amounted to USD 499.7 million against USD 500.3 million recorded at the end of the previous quarter. During the second quarter of 2009, commercial banks and credit organizations have attracted USD 46.4 million worth of loan resources from the rest of the world and made amortization repayments in the amount of USD 52.4 million against loans outstanding.

At the end of the second quarter of 2009, the main lenders to commercial banks and credit organizations were Russia (with its share of 15.2 percent in total versus 17.2 percent in the previous quarter), France (10.4 percent versus 10.5 percent), Germany (9.2 percent versus 8.5 percent) and Latvia (8.5 percent versus 9.5 percent). About 28.2 percent of the loans were received from international financial organizations.

Loans attracted from the rest of the world have been allocated in the following sectors of the economy: financial and industry sector (USD 138 million each), trade sector (USD 71 million), and consumer and mortgage loans sector (USD 66 million).

At the end of the second quarter of 2009, the average-weighted interest rate of loans has reduced against the previous yearend to 5.8 percent. About 69.2 percent of external loans are with floating interest rates (LIBOR, EURIBOR, CBA securities). The average maturity of the loans is about 4.3 years. The share of short-term loans has increased to 5.5 percent of total loans received (compared with 4.7 percent at the end of the previous quarter).

External private debt of the Armenian commercial banks, 2003 - 2009



Insurance companies

During the second quarter of 2009, an insurance company "Unireso" CJSC started its operations in the insurance market. As of 30.06.2009, there have been 12 insurance companies functioning in the territory of the Republic of Armenia.

In the period under review, assets of insurance companies have grown by 12.5 percent and amounted to AMD 13.9 billion and liabilities have grown by 26.9 percent and amounted to AMD 4.6 billion as of 30.06.2009. Total capital of insurance companies has increased by 6.5 percent to amount to AMD 9.3 billion. Such an increase in liabilities was driven by the 103.4 percent or AMD 930.0 million increment of insurance premiums transferable to reinsurers. One insurance company accounted for the largest share (as high as 73.5 percent) in the increment of insurance premiums transferable to reinsurers.

In the assets structure of insurance companies, deposits with banks accounted for the largest share (51.5 percent in total), accounts receivable in respect of direct insurance constituted 16.8 percent share, investment in securities accounted for 9.0 percent and bank accounts made up 7.1 percent.

In the liabilities structure of insurance companies, the reserve for unearned insurance premiums accounted for the largest share (41.6 percent) and accounts payable to reinsurers accounted for 39.7 percent.

According to the figures of the first six months of 2009, insurance companies' profit after profit tax has amounted to AMD 908.7 million. As such, 9 insurance companies have been profitable, and 3 incurred loss. The profit of insurance companies reached a total of AMD 1.0 billion.

Accrued premiums amounted to AMD 4.2 billion. Premiums under risks transferred to reliable reinsurers amounted to AMD 2.3 billion or 54.8 percent in total insurance premiums.

Insurance indemnities have reached AMD 812.6 million, while sums on insurance indemnities from reinsurers have reached AMD 294.9 million or 36.3 percent in total insurance indemnities.

As of 30.06.2009, insurance companies have reported 47.6 thousand insurance contracts in use, with sums insured under these contracts totaling AMD 2.62 trillion. Sums reinsured transferable to reinsurers from sums insured have reached AMD 2.24 trillion.

Securities market participants

As of 30.06.2009, there have been 22 banks and 9 investment companies engaged in providing investment services in the Armenian securities market. All these 9 investment companies are entitled to carry out transactions with securities on their behalf or on their customers' behalf and to their expense or to their customers' expense. Eight investment companies out of 9 are entitled to take and handle orders from customers for carrying out transactions with securities; five out of 9 can provide advisory services relating to investment with securities; six companies are entitled to perform securities allocation activities; four companies are entitled to manage securities portfolios; and four companies are entitled to perform securities custody activities.

As of 30.06.2009, total assets of investment companies have amounted to AMD 8.8 billion, growing by 25 percent in relation to the first quarter of the year. The capital of investment companies remained unchanged, making up AMD 2.7 billion.

During the second quarter of 2009, the volume of securities trading in the Armenian securities market for investment operations has grown by 210 percent against the previous quarter, to make up AMD 245.4 billion. The volume of trading in shares has grown 3.8-fold against the previous quarter, reaching AMD 119.4 billion. The volume of trading in treasury bills has grown by 163 percent against the previous quarter and reached AMD 112.3 billion. The volume of trading in corporate securities, however, has decreased by 15 percent in relation to the first quarter, making up AMD 13.7 billion. According to the results of the second quarter, operations on shares and treasury bills prevailed in the total securities market operations, constituting 49 percent and 46 percent, respectively, of the total securities market turnover.

In the trading of government securities, the medium-term treasury bills have reported the largest share, 51 percent of the operations. The share of short-term and long-term treasury bills in the total traded volume of government securities constituted 27 percent and 22 percent, respectively.

During the second quarter of 2009, the volume of operations performed in the regulated market by investment service providers reached 3 percent of total investment operations carried out.

The volume of operations carried out in the regulated market has decreased by 17 percent in relation to the previous quarter and amounted to AMD 5.7 billion, with operations on corporate securities, repurchase transactions and treasury bills accounting for 49 percent, 43 percent and 7 percent, respectively, in total operations.

In the structure of operations performed as investment activities outside the regulated market, operations by investment companies accounted for 53 percent and operations by commercial banks as investment service provider accounted for 47 percent in total.

The volume of repurchase transactions performed as investment activities (including repurchase transactions in the regulated market) has grown by 66 percent compared to the previous quarter to amount to AMD 153.5 billion, of which AMD 80.7 billion were rollovers.

As of 30.06.2009, the volume of transactions executed as trust management has been AMD 1.6 billion, growing by 11 percent in relation to the end of the previous quarter.

At the end of the period under review, there have been 1335 issuer companies in the Central Depository of Armenia that maintained registries of holders of nominal securities and 126602 individuals as owners of securities issued by companies maintaining registries.

As of 30.06.2009, securities of 19 reporting issuers have been admitted to trading in the regulated market. Seven of them were banks, one an investment company. Nine of reporting issuers issued shares (for a total value of AMD 24.0 billion) and eleven issued bonds (for a total value of AMD 8.4 billion). "Ararat Bank" JSC issued equity shares as well as debt securities. A considerable part of debt securities (as much as 45 percent) issued covered companies engaged in the financial sector.

Changes in financial system regulatory framework

In the second quarter of 2009, the Central Bank introduced changes to the following regulations concerning banking and other financial activities:

- Supplements were made to Regulation 3 'Bank Statements, Bank Reporting and Publication of Reports' and Regulation 15 'Credit Organization Statements, Credit Organization Reporting and Publication of Reports' to compile information on operations with all types of equity shares and debt securities performed by organizations other than investment service providers in the secondary market of securities and to use such information for supervisory, analytical and statistical purposes. To this effect, one new form of statment has been included in each of the Regulations mentioned above to substitute the procedure on 'Statement of and reporting on operations performed in the secondary market of securities'.
- There has been a supplement made to Regulation 2 'Regulation of Banking and Prudential Standards for Banking' under the Central Bank Board Resolution, stating that reserve requirement shall not apply to the Economy Stabilization Facility Component 1 funds, as approved by the Republic of Armenia Government Resolution No 717 A, dated June 26, 2009, as well as the funds attracted by the National Mortgage Company universal credit organization CJSC for refinancing purposes.
- The Board of the Central Bank has approved Regulation 9/01 'Licensing of Credit Bureaus; Space, Technical, Safety and Software Requirements to Credit Bureaus' based on the Republic of Armenia Law on Circulation of credit information and Credit Bureaus Activity. The Regulation provides the list of documents subject to presentation when credit bureaus are to be licensed; it establishes the grounds based on which granting an activity license is waived; as well as it specifies a template to registry of credit bureau licenses, how it should be maintained, what information should it include, and the space, technical, safety and software requirements to credit bureaus.
- The Board of the Central Bank has approved Regulation 9/02 'Terms and Conditions for Provision of Database to the Central Bank or Another Credit Bureau'. The Regulation establishes that the credit bureau will only provide database to a credit bureau, which has been duly licensed by the Central Bank, or will provide database to the Central Bank if other credit bureaus decline to receive or acquire such database. A credit bureau that intends to provide its database to another credit bureau shall, before providing or making such database available with another credit bureau, eliminate all available duplicate of the database and shall not maintain any such data existing with it.
- There have been changes and supplements made to the Procedure on 'Operation of Electrionic Information System and Maintenance of Data on Deposits and Depositors by Banks' under the Central Bank Board Resolution, whereby banks shall provide, on a monthly basis but not later than the 5-th working day of the next month, database on their depositors to the Central Bank. To determine the accuracy of the information received, the Central Bank will, when implementing on-site examinations, compare the available data with the data maintained in electronic information system of the bank with regard to deposits and depositors of that bank.
- There have been changes and supplements made to Regulation 11 'Licensing, Regulation and Control of FX Trades Auctions in the Territory of the Republic of Armenia' (as approved by the Central Bank Board Resolution No 444 N, dated August 30, 2005) under the Central Bank Board Resolution No 84-N, dated April 7, 2009. The amendment sets out the details of information on the foreign currency trades as well as the procedure of publication of such information. The purpose of the amendment is to reduce inconsistency of the information framework among the participants of the currency trades industry, as well as to harmonize the composition and publication of

information on currency trades by the stock exchange with the composition and publication of information on securities admitted to trading in the regulated market.

During the second quarter of 2009, the following measures were taken for the securities market regulation:

- The Central Bank Regulation 5/06 'Volume of Information to be Posted by the Regulated Market Operator on its own Internet Website; Procedure of Publication of Such Information' has been approved under the Central Bank Board Resolution No 83-N, dated April 7, 2009. This is called to raise the level of transparency in the securities market, hence enhance the confidence in the securities market as well as help the securities market participants to make right decisions.
- There have been changes and supplements made to Regulation 4/03 'Statements of Investment Service Providers; Reporting to the Central Bank' under the Central Bank Board Resolution No 115-N, dated May 5, 2009. The amendment establishes that all investment service providers will henceforth disclose information on their activities (with respect to investment services) using a single approach under one unified regulation (previously, statements on operations with government securities and repurchase agreements performed in the secondary market were reported by banks, government agents, dealers under the requirement of another regulation).

During the second quarter of 2009, the following changes were made by the Central Bank to the regulatory framework of the insurance market:

- There have been changes and supplements made to Regulation 3/09 'Classification of Insurance Company Assets and Establishment and Use of Assets Provisioning' under the Central Bank Board Resolution No 160-N, dated June 2, 2009. The purpose of the amendment is to regularize aspects as well as inconsistencies in connection with the use of the regulation (the composition of assets subject to classification was made clearer, some more definitions were made to prevent possible ambiguity) and to make sure information on the assets subject to classification is complete and accurate and sufficient enough for using it for supervisory, analytical and statistical purposes.
- Draft to the following Central Bank Board resolutions has been approved under the Central Bank Board Resolution No 161-N, dated June 2, 2009: a/ Resolution No 314 N, dated October 2, 2007 on changes and supplements to the chart of account of insurance companies; b/ Resolution No 366 N, dated November 16, 2007 on changes and supplements to Regulation 3/04 'Statements of Insurance Companies; Information included in the Statements and Reporting'. New accounts have been added to the chart of accounts of insurance companies, to reflect the changes made to insurance company reporting to the Central Bank and to Regulation 3/09 'Classification of Insurance Company Assets and Establishment and Use of Assets Provisioning', accordingly. These efforts have been made to increase the effectiveness in supervisory and analytical processes.
- Regulation 3/10 'Minimum Requirements to Internal Control Systems of insurance Companies' has been approved under the Central Bank Board Resolution No 163-N, dated June 2, 2009. The regulation establishes minimum requirements to internal control mechanisms and policies in insurance companies in order to make sure increased risk management systems are in place and to promote the stability and further development of the Armenian insurance market.
- Draft to a Central Bank Board resolution has been approved under the Central Bank Board Resolution No 159-N, dated June 2, 2009 to make supplements to Regulation 3/04 'Statements of Insurance Companies; Information included in the Statements and Reporting', whereby the form of statement on transactions performed in the secondary market of securities (irrespective of the type of securities) by insurance companies as well as the procedure of reporting are specified. The information compiled pursuant to the new form of statement will be used for supervisory, analytical and statistical purposes. This resolution, when finally approved, will simplify the statements included in the procedure 'Statement of and reporting on operations performed in the secondary market of bonds' that were in use before. Further, the scope of these statements was enlarged to some extent to cover shares and bonds rated below C-.

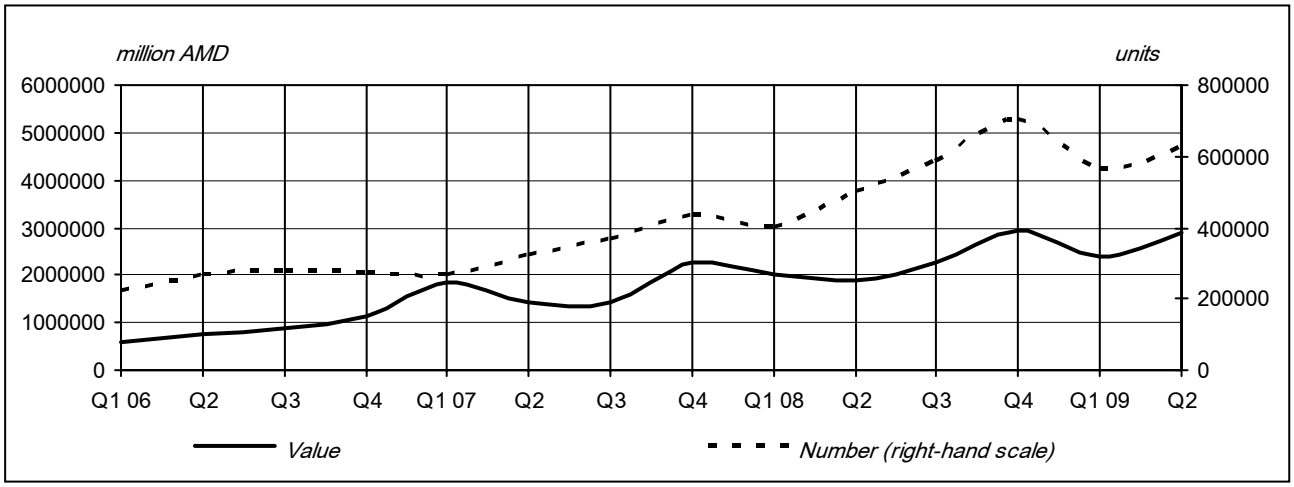
Developments in payment and settlement relations in Q2 2009

In the second quarter of 2009, the value of non-cash payment turnover in the Republic of Armenia has been AMD 8033 billion (a total of 1558502 transactions in number), of which AMD 2893 billion (627239 transactions in number) had been via the Central Bank's payment systems. In the second quarter of 2009, the value of non-cash payments carried out via the Central Bank's systems has grown by 21.4 percent (AMD 510 billion) in relation to the same quarter of the previous year, and the number of non-cash transactions has increased by 11.4 percent (by 64395 transactions in number). The value of transfers made via the Central Bank's payment systems has grown by 54 percent (AMD 1015 billion), and the volume has increased by 121102 in number (by 23 percent) in relation to the second quarter of 2008.

The average daily value of transfers (excluding stock exchange transactions) using the Central Bank payment systems has been nearly AMD 45 billion, with 9800 transfer transactions in number. Relative to the first quarter of 2009, the average daily value of transfers has grown by AMD 7.9 billion (the volume of transfers has increased by 1006 in number). The average daily value of transfers on stock exchange transactions made up AMD 77 billion (representing a 15 percent increase).

In the second quarter of 2009, transfers initiated by and addressed to the Treasury constituted 43 percent of total value and 47 percent of total number of transactions of payments executed through the Central Bank (excluding transfers on stock exchange transactions). The total value of transfers addressed to and initiated by the Treasury through the Central Bank has grown by 99 percent (AMD 620 billion), and the total number of transfers has increased by 17214 in number (by 6 percent). The volume of these payments has increased by 70 percent (AMD 512 billion) in relation to the second quarter of 2008.

Value and number of payments executed via the Central Bank systems (excluding stock exchange transactions)



In the second quarter of 2009, a total of 2156250 transactions amounting to AMD 98.2 billion have been executed in the Republic of Armenia by using payment cards. Of this amount, the value of non-cash card payments has been nearly AMD 7 billion. Of the non-cash turnover, e-payments on Internet amounted to AMD 1.3 billion (including e-commerce for a total of AMD 0.4 billion and card-to-card payments of AMD 0.9 billion). At the end of the second quarter of 2009, the total number of cards in circulation has been 502106, representing 3.9 percent increase (18863 cards in number) relative to the end of the first quarter of 2009. In the period under review, the value of card-based non-cash payments has accounted for about 7.3 percent of total transactions by cards. Overall, the value of card-based non-cash transactions has grown by 10.4 percent (AMD 0.7 billion) in relation to the same period of the previous year.

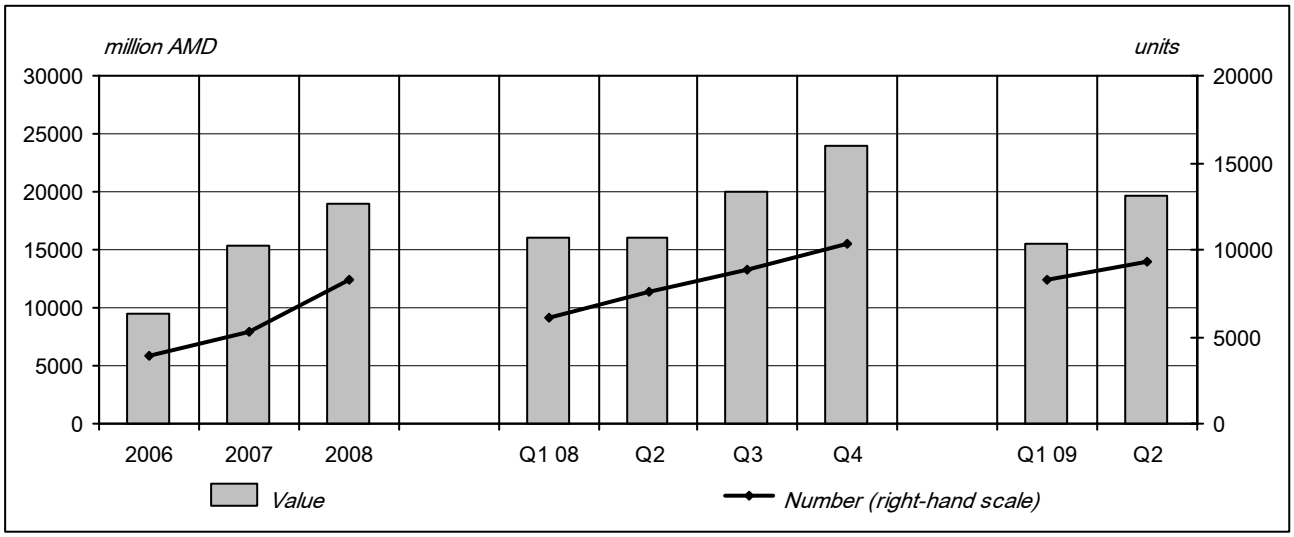
In the period under review, private remittances to natural persons executed through commercial banks and money transfer organizations have reduced by 28.7 percent in relation to the second quarter of 2008 and amounted to AMD 125.3 billion. The value of outbound transfers has reduced by 48 percent and amounted to AMD 47.86. Relative to the first quarter of 2009, money transfers have grown by 45 percent and outbound transfers, by 9.6 percent.

Electronic payment system

In the second quarter of 2009, the vast majority of payments via the Central Bank payment systems were executed using the Electronic Payments System. Electronic payments of the system participants (excluding transfers related to stock exchange transactions) have averaged 43.6 percent in value and 94.8 percent in number of total payments. The value of electronic payments has grown by 27.4 percent (AMD 271 billion) and the number of electronic payments has increased by 12 percent (64410 transactions) in relation to the previous period. Relative to the same period of 2008, the value of electronic payments has grown by 23 percent (AMD 238 billion). Further, stock exchange trades-related transfers have amounted to AMD 4947 billion (representing 15 percent percent increase). In the structure of total electronic payments by commercial banks (excluding transfers related to stock exchange transactions), the value of electronic payments made up round 66 percent (representing some 3.8 percent increase in relation to the previous period and representing 15 percent increase in relation to the second quarter of 2008), and the number has reached 99.8 percent of the total payments.

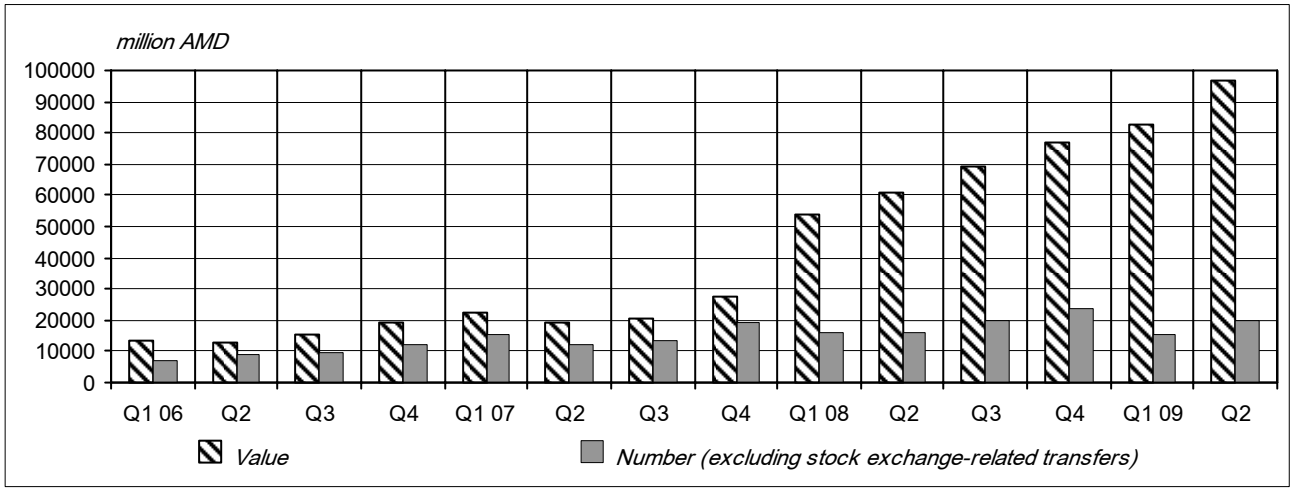
In the second quarter of 2009, relative to the first quarter of 2009, the average daily number of transfers using the Electronic Payments System has increased by 1667 transactions, having reached a total of 9292, while the value of such transfers has shrunk by AMD 4.2 billion and amounted to AMD 19.7 billion. The average daily transfers related to stock exchange trades have amounted nearly to AMD 77 billion (representing an AMD 0.6 billion increase).

Average daily transfers executed via Electronic Payments System (excluding stock exchange transactions)



The average amount per electronic transfer in the Electronic Payments System, excluding stock exchange trading-related transfers, has grown by about AMD 0.3 million in relation to the previous quarter and reached AMD 2.1 million. The average amount of a stock exchange trades-related transfer by commercial banks using the Electronic Payments System has made up AMD 1597 million.

Stock exchange-related transfers executed via Electronic Payments System in average daily payments



Rejections in the Electronic Payments System constituted 0.1 percent of the number and 0.08 percent of the value of initiated payments (577 transfers with a total value of AMD 4.8 billion). Rejections due to insufficient liquidity constituted 0.09 percent of the number and 0.07 percent of the value of initiated payments (540 transfers with a total value of AMD 4.7 billion).

Gross paper-based payments system

During the second quarter of 2009, the paper-based payments have accounted for 53.3 percent in value and 5 percent in number of total bank payments executed via the Central Bank systems (relative to the previous quarter, the value of the transactions has grown by 15 percent but the number has reduced by 0.7 percent).

Payments executed by the Central Bank, commercial banks and the Treasury via the Central Bank systems

Period	Gross				Government securities accounting and settlements system		Total, via the CBA*		Stock exchange-related transfers	
	Electronic*		Paper							
	Value (million AMD)	Number	Value (million AMD)	Number	Value (million AMD)	Number	Value (million AMD)	Number	Value (million AMD)	Number
2008										
Q1	1024878	389728	745062	12179	240876	1764	2010816	403671	2422627	3026
Share in payments (%)	50.97	96.54	37.05	3.02	11.98	0.44	100	100		
Q2	1022887	488017	691740	16625	163687	1495	1878314	506137	2886558	3236
Share in payments (%)	54.46	96.42	36.83	3.29	8.71	0.29	100	100		
Q3	1275574	564371	798290	22434	172482	1376	2246326	588181	3172312	3683
Share in payments (%)	56.78	95.95	35.54	3.8	7.68	0.23	100	100		
Q4	1536657	662776	1281886	38309	131764	1191	2950307	702276	3399058	3837
Share in payments (%)	52.08	94.38	43.45	5.45	4.47	0.17	100	100		
Total	4859976	2104892	3516978	89547	708809	5826	9085763	2200265	11880556	13782
Share in payments (%)	23.18	95.07	16.77	4.04	3.38	0.26	100	100		
2009										
Q1	989806	530280	1333397	31860	59875	704	2383078	562844	4298084	3462
Share in payments (%)	41.54	94.21	55.95	5.66	2.51	0.13	100	100		
Q2	1260960	594690	1543120	31625	88900	924	2892981	627239	4946925	3097
Share in payments (%)	43.59	94.81	53.34	5.04	3.07	0.15	100	100		

** Excluding transfers related to stock exchange trades.*

The average daily paper-based payments executed via the Central Bank systems numbered 494 transactions, for a total value of AMD 24 billion (relative to the first quarter of 2009, the average daily value of transfers has grown by AMD 3.1 billion). The average amount of a paper-based payment has grown by about AMD 6.9 million and reached AMD 48.8 million. The growth of these paper-based payments is determined mainly by repurchase transactions.

In the second quarter of 2009, there have been 6 paper-based transfers with a total value of AMD 9 billion executed between commercial banks.

Government securities accounting and settlement system

As of the end of the second quarter of 2009, there have been 5 agent banks and 17 dealer banks functioning in the territory of the Republic of Armenia as members of the Government Securities Accounting and Settlement System (GSASS), together with the Deposit Guarantee Fund, the Central Depositary of Armenia, the NASDAQ OMX Armenia JSC, one non-bank dealer, the Ministry of Finance of Armenia (as the issuer of government bonds), the Treasury Direct and the Central Bank of Armenia (as the issuer of Central Bank securities).

The GSASS has generated 594 instructions for a total value of nearly AMD 54.4 billion for primary allocation and redemption of government securities. This was an increase of AMD 20 billion in relation to the first quarter of 2009 (where the payments for allocation of securities have grown by AMD 22 billion, while the payments for redemption of securities have decreased by AMD 2 billion). Banks have transferred AMD 34.9 billion in return for government securities purchased at the primary allocation, while the Treasury has transferred AMD 19.5 billion for the redemption

of government securities. The Treasury Direct has made payments of AMD 1077 million for government securities, of which about AMD 503 million for allocation, and about AMD 574 million for redemption of government securities.

The GSASS has generated 6 instructions for a total of value of AMD 5 billion for primary allocation and redemption of the Central Bank securities. This has been an AMD 2 billion increase in relation to the first quarter of 2009 (where payments for the redemption of securities have grown by AMD 3.7 billion, while payments for the allocation of securities have reduced by AMD 1.6 billion). The amount mentioned has derived totally from the transfer for the redemption of the Central Bank securities.

In the first second of 2009, the GSASS participants have made 324 transfers with a total value of AMD 29.4 billion for securities trades in the secondary market (on a principle of delivery versus payment). The volume of these operations has declined by about 29.6 percent in comparison with the previous period. The operations of free delivery executed via the system have amounted to AMD 98.9 billion in nominal value and operations related to pledge have amounted to AMD 1.7 billion.

Payment cards

As of the end of the second quarter of 2009, there have been 21 commercial banks that issued plastic cards or provided card services to customers. 19 commercial banks were members of the "Armenian Card" ("ArCa") Unified Card Payment System.

In the period under review, 34 more ATMs were installed to serve payment cards, and as of the end of the second quarter of 2009 the total number of ATMs has been 625. The number of ATMs serving "ArCa" cards has increased to 536. The total number of POS terminals installed by commercial banks has been 2391, of which 422 are installed in branch offices of commercial banks. The total number of imprinters set has been 31 as of the reporting period.

Cards issued (serviced) by commercial banks operating in the Republic of Armenia

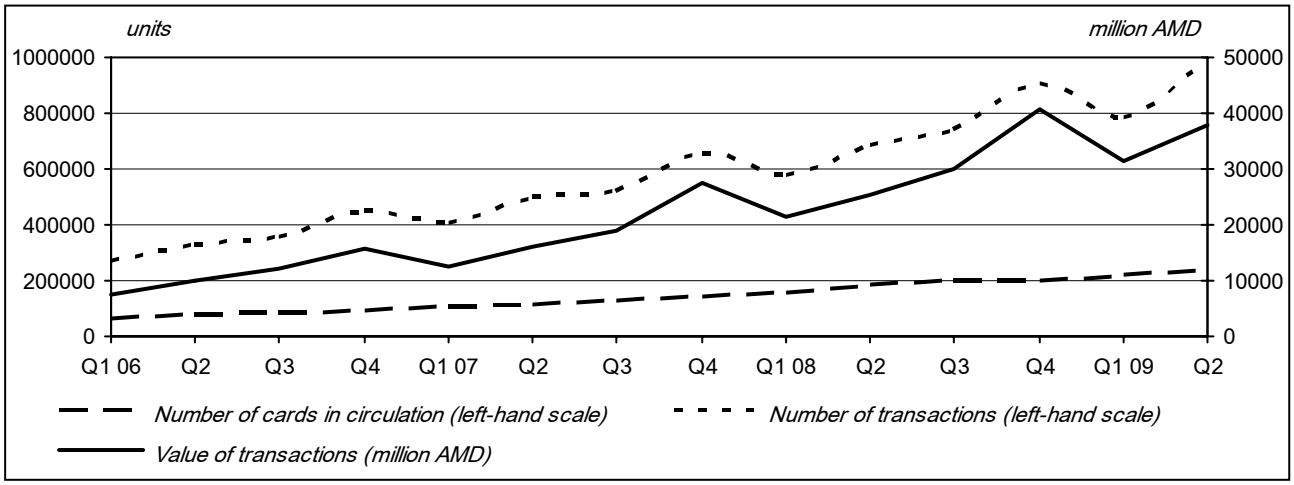
Banks	ArCa	MASTER CARD	VISA	AMEX	Other
Armbusinessbank	+				
Anelik Bank	+	+	+		
Ararat Bank	+	+			
Ameria Bank	+	+	+		
VTB-Armenia Bank	+		+		
Armeconombank	+	+			
Prometey Bank	+	+			
BTA Bank	+	+			
Armenian Development Bank	+	+			
Converse Bank	+	+	+		+
Ineco Bank	+	+			
Mellat Bank	+				
Byblos Armenia Bank	+	+			
HSBC Bank Armenia	+	+	+		+
ACBA-Credit Agricole Bank	+		+		
Artsakh Bank	+	+			
Cascade Bank	+	+			
Areximbank		+	+	+	
Unibank	+		+		
Ardshininvestbank	+	+	+		
ProCredit Bank			+		

As of the end of the second quarter of 2009, there have been 238946 ArCa cards in use, representing an increase of 8.6 percent (19013 more cards) in relation to the end of the first quarter of 2009. The number of international system cards increased slightly, with VISA international cards having grown by 2.9 percent (4997 more cards) to have reached 175352, and MasterCard international cards having grown by 4.9 percent (2448 more cards) to have reached 52398. The number of other international cards has reduced by 17.7 percent (7595 less cards).

In the second quarter of 2009, the value of card transactions has grown by 15.3 percent (AMD 13 billion) and the number, by 20 percent (362787 transactions) in relation to the first quarter of 2009. Relative to the second quarter, the value of card transactions has grown by 33.4 percent (AMD 23.6 billion).

In the second quarter of 2009, a total of 989053 transactions reaching AMD 37.9 billion have been carried out using ArCa cards. Both the value and number of transactions using ArCa cards have grown, respectively, by about 20.4 percent (AMD 6.4 billion) and by 26.3 percent (205930 transactions), in relation to the previous period.

ArCA cards development dynamics



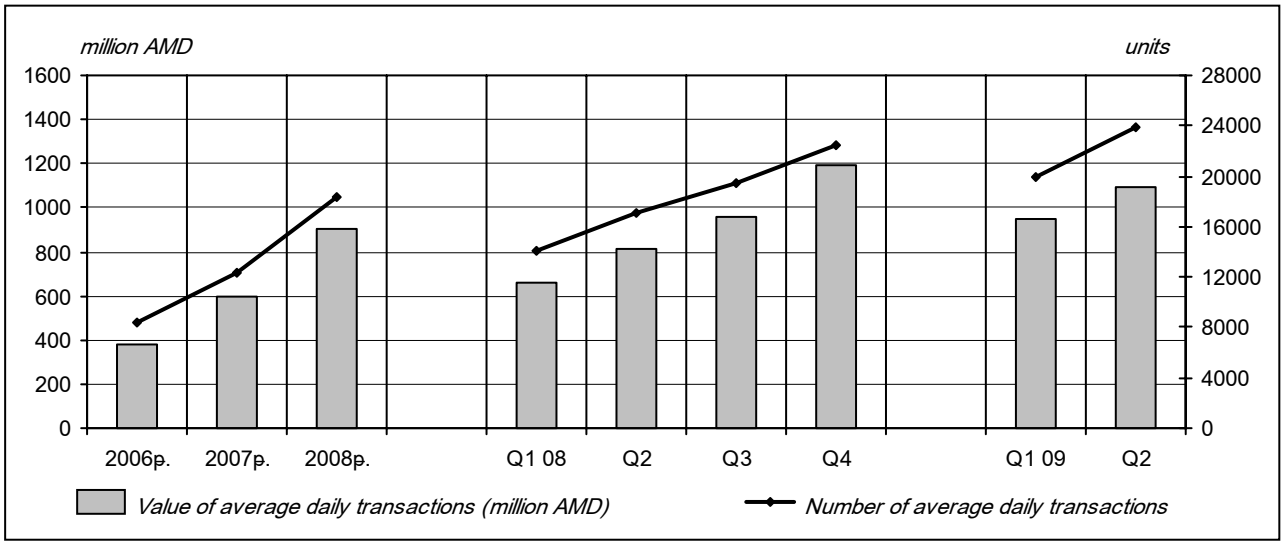
In the second quarter of 2009, a total of 640478 transactions reaching AMD 35.6 billion have been carried out using VISA cards, and a total of 295749 transactions reaching AMD 15 billion have been carried out using MasterCard cards. The value and number of transactions using VISA and MasterCard have grown, respectively, by 15.4 percent (AMD 4.7 billion) and by 11.9 percent (AMD 1.6 billion), in relation to the first quarter of 2009.

Transactions executed through card servicing devices (in the second quarter of 2009)

Device	Transactions			
	value (million AMD)	*number*	***Including by ArCA cards***	
			value (million AMD)	*number*
Automated teller machines	75 904	1 808 306	31 448	848 710
o/w, non-cash	712	10 893	17	3 198
POS – terminals / imprinters	20 977	291 050	6 182	117 753
o/w, non-cash	5 156	161 370	1 593	47 504
Internet	1 336	56 878	321	22 590
Total	98 217	2 156 234	37 951	989 053
o/w, non-cash	7 205	229 141	1 931	73 292

A total of 230970 transactions reaching AMD 9.6 billion have been carried out using other international cards. Relative to the previous period, this represented an AMD 0.2 billion increase.

Average daily transactions by payment cards in Armenia 2006–2008, 2008–2009, by quarters



In the second quarter of 2009, the average daily value of transactions using plastic cards has been AMD 1091 million, with an average daily number of 23958 transactions. Relative to the second quarter of 2008, the average daily number of these transactions has increased by 40 percent (6831 transactions) and the value, by 33.4 percent (AMD 273 million). The average monthly value of transactions using one card has reached AMD 46,000 (the monthly number of transactions using one card has been 1.4).

International money transfer systems

Remittances of natural persons without opening bank accounts are carried out through the mediation of commercial banks and money transfer organizations licensed by the Central Bank and functioning in the territory of the Republic of Armenia.

To make money transfers of their customers fast and effective, commercial banks are members to a total of 19 international remittance systems.

Money transfer systems

Systems	Number of banks as members	Number of organizations as members	Share in inbound transfers, %
UNISTREAM	3		49.63
ANELIK	8	1	8.87
CONTACT	4	2	9.96
MIGOM	7	2	8.18
BISTRAYA POCHTA	6	1	4.37
MONEY GRAM	11	1	5.82
LIDER	6		2.66
INTEREXPRESS	2	1	2.36
ZOLOTAYA CORONA	2		2.91
BLIZKO	2	2	1.54
PRIVAT MONEY TRANSFER	3		0.98
BTF-Sauz	1		0.92
FASTER	1	1	0.57
ALUR	3		0.35
AVERS	2		0.02
XPRESS MONEY	1		0.02
INTEL EXPRESS	1		-
RIA MONEY TRANSFER	2		-
JIVIE DENGI	1		-
MONEY TUN	-	1	0.14
Travelex	-	1	0.25
STEFI	-	1	0.46

In the second quarter of 2009, the value of funds flown into the Republic of Armenia through the banks participating in these systems has amounted to AMD 83.8 billion (383725 remittances), which exceeded the value of outbound transfers 8.6-fold. As a result, the net inflow of funds through commercial banks has been AMD 74 billion. Relative to the first quarter of 2009, the value of inbound remittances to the Republic of Armenia has grown by 68 percent (AMD 30 billion) but declined by 25 percent (AMD 24 billion) in relation to the second quarter of 2008. The average size of an incoming remittance to the Republic of Armenia through these systems has reached AMD 218 thousand, representing an AMD 30 thousand increase in relation to the previous quarter.

The value of payments to natural persons executed through correspondent accounts of commercial banks operating in the Republic of Armenia has amounted to nearly AMD 40 billion, representing an 18 percent increase (AMD 6 billion), in relation to the previous period, but representing a 39 percent decrease (AMD 26 billion) in relation to the same period of 2008. The average value per payment has reduced by AMD 117 thousand to AMD 1.68 million. In the meantime, outbound remittances by natural persons through the correspondent accounts of commercial banks operating

in the Republic of Armenia have amounted to AMD 37.7 billion, down by 54 percent (AMD 45 billion) in relation to the second quarter of 2008.

In the second quarter of 2009, the value of gross transfers to the Republic of Armenia executed through correspondent accounts (via SWIFT, telex, facsimile) of the Armenian commercial banks has amounted to AMD 525 billion, with a total of 43850 remittances in number. The average value per transfer has amounted to AMD 12 million, representing a 44 percent increase in relation to the same quarter of the previous year.

Payment and settlement organizations

As of the end of the second quarter of 2009, there have been 9 payment and settlement organizations functioning in the territory of the Republic of Armenia, of which 2 are licensed only to carry out money remittances and 7 are licensed to do processing and clearing of payment instruments, in addition to money remittance.

The payment and settlement organizations ensure inbound payments through their membership to international payment systems. In the reporting period, these organizations have provided AMD 1.1 billion-worth payments to their customers in the Republic of Armenia, of which AMD 1 billion-worth of payments made through the membership to international payment systems. The total value of outbound transfers made by these organizations reached AMD 0.1 billion. The share of money remittance organizations in the total value of international transfers, without opening a bank account, has been 1 percent. In the reporting period, the average value of one inbound transfer to the customer through these organizations reached AMD 87 thousand. The average value of one payment through the money transfer systems has decreased by AMD 16 thousand in relation to the same period of the previous year.

Six organizations dealing with processing and clearing of payment instruments as well as money remittances use automated self-service terminals to accept cash payments for services of public importance. Through such automated systems, these organizations collect public utility fees and charges, for as much as 18 organizations. As of the end of the second quarter of 2009, there have been 637 self-service terminals installed, through which a total of AMD 3385 million-worth of funds (through 1079008 transactions) have been collected.

There are payment and settlement organizations that provide processing and clearing services to 8 commercial banks. These banks have collected AMD 255 million-worth of public utility fees and charges through 72321 transactions carried out, while the processing related to these operations were carried out by payment and settlement organizations.

In the period under review, the “ArCa” processing center carried out the processing of operations by cards in the total value of AMD 77.9 billion through card service devices (some 13.7 percent increase in relation to the previous quarter and 34 percent increase in relation to the second quarter of 2008). The value of operations by cards issued from foreign banks reached AMD 3.4 billion, while the value of operations by cards issued from Armenian banks through processing centers of other Armenian banks (including through centers abroad) reached AMD 6.41 billion.

Macroeconomic indicators
January–June 2009

(based on the data provided from the National Statistics Service of Armenia)

Real sector

Item	*January- April*	*January - May*	*January- June*	*Real growth index for January-June 2009 to January-June 2008 (%)*
Gross Domestic Product *(mln drams)*	638939.3	839356.6	1119369.6	83.7
GDP deflator *(%)*	-	-	-	102.1
GDP per employee *(thous. drams, accrual)*[1]	587.6	766.9	1018.3	83.9
Industrial production *(mln drams)*	176967.6	226890.9	281487.8	88.5
Electricity production *(mln kWh)*	1878.5	2319.4	2788.3	89.4
Gross agricultural output *(mln drams)*	57028.4	81129.2	123493.4	97.5
Retail trade turnover *(mln drams)*	262210.5	335508.7	413523.8	100.0
Capital construction *(mln drams)*	51508.5	72971.1	124593.7	46.5
Service *(mln drams)*	216733.0	274733.7	339787.4	100.9
Average monthly nominal salary per employee *(drams)*	96790	97202	97665	110.1[1]
Economically active population *(thous. people)*	1164.4	1172.6	1178.3	-
Registered unemployed *(thous. people)*	77	78.2	79.1	-
Unemployment rate *(%)*	6.6	6.7	6.7	-

External sector

Item	*January-April (million USD)*	*January-May (million USD)*	*January-June (million USD)*	*January-June 2009 to January-June 2008 (%)*
Export *FOB)*	175.6	220.1	281.4	54.1
Import *(CIF)*	893.5	1092.0	1378.6	72.5
Trade balance deficit	717.9	871.9	1097.2	79.4

Price indexes

Period	*CPI*	*Producer price index*	*Capital construction price index*	*Agricultural product sales price index*
	to previous month, (%)			
January	101.2	97.4	101.8	94.0
February	98.2	98.4	99.4	95.0
March	101.4	108.1	98.0	98.4
April	103.2	103.9	97.8	98.8
May	101.6	105.5	100.3	96.7
June	99.7	101.8	104.2	73.8
January-June 2009 to January-June 2008	102.7	96.9	120.3	88.6

Inflation

Period	2007	2008	2009	2009
	to previous month, (%)			*to December of previous year (%)*
January	2.4	2.4	1.2	1.2
February	0.2	1.1	-1.8	-0.7
March	-0.6	1.4	1.4	0.7
April	0.1	1.1	3.2	3.9
May	2.1	1.3	1.6	5.5
June	-0.3	-0.5	-0.3	5.2
July	-3.2	-2.2		
August	-1.5	-0.7		
September	0.7	0.5		
October	3.1	0.7		
November	2.1	0.1		
December	1.5	0.1		
Annual *(to December of the previous year)*	6.6	5.2		
Annual *(to the previous year)*	4.4	9.0		

Commodities most contributing to inflation[1]

Item	to previous month %	contribution, percentage point
CPI	**99.7**	-
Foodstuff (including alcohol and tobacco), o/w:	**98.6**	**-0.73**
Vegetables and potato	89.5	-0.49
Egg	93.3	-0.12
Bread	99.4	-0.09
Non-foodstuff	**102.0**	**0.32**
Personal cars and petrol	106.85	0.23
Detergents	103.66	0.05
Garment and knitwear	101.49	0.04
Items of culture	97.17	-0.03
Services	**100.4**	**0.12**
Medical service	100.6	0.1
Transport	101.2	0.1

Change in core inflation[1]

	2007	2008	2009
	to previous month, %		
January	0.19	0.40	-0.29
February	-0.07	0.83	-0.53
March	-0.06	0.66	1.14
April	0.31	1.26	1.46
May	0.28	0.55	0.41
June	-0.16	0.30	0.25
July	-0.19	0.02	
August	-0.16	0.06	
September	0.51	0.48	
October	0.80	0.10	
November	0.85	0.25	
December	0.30	0.08	
	to the same month of previous year, %		
January	1.97	2.91	4.63
February	2.21	3.77	3.02
March	2.07	4.54	3.33
April	2.05	5.66	3.47
May	2.14	5.94	3.37
June	2.05	6.47	3.36
July	1.03	6.75	
August	1.18	6.97	
September	1.32	6.99	
October	1.94	6.21	
November	2.45	5.56	
December	2.70	5.37	

10 items most contributing to core inflation

Item	***Contribution to core inflation, percentage point***
to the same month of previous year, %	
Core inflation, o/w:	**3.36**
Surgery services by hospitals	0.6
Air fare	0.3
Services by resort and other health-care centers, lodgment and treatment	0.3
Fresh whitefish	0.2
Poultry	0.2
Vitamin C	0.2
Boiled sausage	0.1
Sausage	0.1
School tuition	0.1
Services by diagnostic centers	0.1

[1] *According to the CBA estimates based on the information received from the NSSA.*

CENTRAL BANK RELATIONS WITH THE TREASURY

(million AMD)

Period	Claims on Government			Government Accounts and Deposits					Net claims on Government
	Government short term bonds	Government medium and long term bonds	Total	Central Government accounts and deposits in drams	Central Government accounts in FX	PIU funds in drams	PIU funds in FX	Total	
2008									
December [1]	0	8393	8393	103895	518	2	435	104849	**-96457**
2009									
January	0	8475	8475	111133	522	0	433	112087	**-103612**
February	0	8147	8147	84881	522	0	434	85837	**-77690**
March	0	8560	8560	67742	629	0	522	68893	**-60333**
April	0	16513	16513	56492	635	0	526	57652	-41139
May	0	23358	23358	48202	635	0	895	49733	-26374
June	0	25521	25521	225906	57532	32	1051	284520	-258999

[1] *Includes CBA closing entries.*

CENTRAL BANK SURVEY

(million AMD)

Indicators	D - 08 [3]	J - 09	F - 09	M - 09[3]	A - 09	M - 09	J – 09[3]
(balance at the end of period)							
NET FOREIGN ASSETS [1,2]	***473916***	***426071***	***373805***	***359470***	***323122***	***323358***	***584688***
NET DOMESTIC ASSETS	***-24186***	***-25865***	***21601***	***32265***	***61143***	***75628***	***-176767***
Government	-96457	-103612	-77690	-60333	-41139	-26374	-258999
Banks	80625	75162	80334	75190	57487	56123	49964
including repo agreements	60724	55285	60260	56086	38006	35662	33703
CBA foreign currency swap (attracted)	0	0	0	0	0	0	0
deposits (-)	0	0	0	-1000	-800	0	-7651
reverse repos (-)	0	0	0	0	0	0	0
CBA foreign currency swap (allocated) (-)	0	0	0	0	0	0	0
Securities issued by the CBA (-)	-1437	0	0	0	0	0	0
Other assets net	-6916	2586	18957	17407	44795	45879	32268
MONETARY BASE	***449731***	***400206***	***395406***	***391735***	***384265***	***398986***	***407922***
Currency outside the CBA	344503	302102	253327	234085	238928	248821	258926
Required reserves (in drams)	38519	24448	23660	38211	19966	21991	24996
Required reserves (in FX)	65914	72850	117964	119042	124851	127728	123541
Other accounts	795	807	455	397	520	446	458
Other assets (in drams)	774	652	452	397	494	444	443
Other assets (in FX)	21	154	3	0	26	2	15
(changes to the previous period)							
NET FOREIGN ASSETS	-	***-47846***	***-52266***	***-14335***	***-36348***	***236***	***261330***
NET DOMESTIC ASSETS	-	***-1679***	***47466***	***10664***	***28878***	***14485***	***-252394***
Government	-	-7156	25923	17357	19193	14765	-232625
Banks	-	-5463	5172	-5144	-17704	-1363	-6159
o/w; deposits (-)	-	0	0	1000	-200	-800	7651
Securities issued by CBA	-	-1437	0	0	0	0	0
Other assets net	-	9502	16371	-1549	27388	1083	-13,611
MONETARY BASE	-	***-49525***	***-4800***	***-3671***	***-7470***	***14721***	***8935***
Currency outside the CBA	-	-42402	-48775	-19242	4843	9893	10105
Required reserves (in drams)	-	-14071	-788	14551	-18246	2026	3004
Required reserves (in FX)	-	6936	45114	1078	5809	2876	-4187
Other accounts	-	11	-351	-58	123	-74	12
Other accounts (in drams)	-	-121	-200	-55	97	-50	-1
Other accounts (in FX)	-	133	-151	-3	26	-24	13
(percentage changes to the previous period)							
NET INTERNATIONAL RESERVES	-	***-10.1***	***-12.3***	***-3.8***	***-10.1***	***0.1***	***80.8***
NET DOMESTIC ASSETS	-	***-6.9***	***183.5***	***49.4***	***89.5***	***23.7***	***-333.7***
Government	-	-7.4	25.0	22.3	31.8	35.9	-882.0
Banks	-	-6.8	6.9	-6.4	-23.5	-2.4	-11.0
Securities issued by CBA (-)	-	-100.0	0.0	0.0	0.0	0.0	0.0
Other assets net	-	137.4	633.2	-8.2	157.3	2.4	-29.7
MONETARY BASE	-	***-11.0***	***-1.2***	***-0.9***	***-1.9***	***3.8***	***2.2***
Currency outside the CBA	-	-12.3	-16.1	-7.6	2.1	4.1	4.1
Required reserves (in drams)	-	-36.5	-3.2	61.5	-47.7	10.1	13.7
Required reserves (in FX)	-	10.5	61.9	0.9	4.9	2.3	-3.3
Other accounts	-	1.4	-43.5	-12.8	30.9	-14.2	2.8

[1] *Excludes privatization accounts. Net international reserves (NIR) are the difference between foreign assets in convertible currency and foreign liabilities in convertible currency and Armenian drams.*

[2] *NIR of the CBA are calculated using program exchange rates (USD 1 = AMD 385.00, SDR 1 = USD 1.5403, EUR 1 = USD 1.4182, GBP 1 = USD 1.4511).*

[3] *Includes CBA closing entries.*

OTHER DEPOSITARY INSTITUTIONS SURVEY [1]

(million AMD)

Indicators	D - 08	J - 09	F - 09	M - 09	A - 09	M - 09	J - 09
NFA (in convertible currency)	**-182042**	**-166950**	**-173476**	**-230343**	**-195471**	**-181516**	**-168882**
Foreign assets in convertible currency	95129	101999	109980	113062	131698	139606	163097
Foreign liabilities in convertible currency	-259546	-252255	-265229	-326680	-309733	-303823	-318693
Foreign liabilities in drams	-17626	-16694	-18227	-16725	-17437	-17300	-13285
NDA	**573086**	**551914**	**572329**	**655648**	**620077**	**609307**	**594946**
Claims on Government	58299	53573	54170	48206	38689	35462	33322
Claims on Government	75770	74223	75018	71038	63488	62543	64057
Liabilities to Government	-17471	-20650	-20847	-22832	-24799	-27081	-30735
Net claims on the CBA	49836	44491	78388	96940	101170	109839	117624
Claims on the CBA	133727	124148	165077	180122	167634	173134	178895
Liabilities to the CBA	-83891	-79658	-86689	-83182	-66464	-63295	-61271
Economy	692475	676514	669551	717097	706482	694765	684890
Enterprises	307659	299006	296681	333904	332164	329595	327787
in drams	127457	121557	110980	104520	100257	97598	94244
in FX	177713	174783	182539	226311	229644	229408	230831
Securities	2489	2666	3162	3073	2263	2589	2711
Households	371056	364606	359649	368059	359096	350948	340771
in drams	288934	283790	274363	264648	254443	243518	234745
in FX	82121	80816	85286	103411	104653	107430	106026
Non profit organizations	9491	9399	9431	11249	11328	10611	10311
in drams	523	492	500	486	477	520	503
in FX	8968	8907	8931	10763	10851	10091	9808
Other financial institutions	4269	3503	3790	3884	3894	3611	6022
in drams	3235	2694	3447	3212	3238	2817	5218
in FX	1034	810	344	672	656	793	804
Other assets net	-227524	-222664	-229781	-206595	-226265	-230760	-240890
Foreign assets in drams	5785	5768	4990	4765	5143	4597	10357
Foreign assets (in non-convertible currency)	127	77	81	55	97	134	177
Foreign liabilities (in non-convertible currency)	-4	-19	-4	-16	-5	-4	-4
Investments in equity	1702	1706	1697	1749	1757	1810	1822
Claims between other deposit institutions (net)	0	0	0	0	0	0	0
Interbank claims	437	48	128	24004	668	108	101
Claims between credit organizations (net)	0	0	0	0	0	0	0
Other assets	79061	83409	81869	80489	87653	94953	95020
Bonds issued	-4672	-5687	-5664	-5530	-5891	-5880	-9389
Capital accounts	-254742	-254507	-258903	-260147	-256213	-259594	-271456
Other liabilities	-55217	-53458	-53976	-51965	-59475	-66884	-67517
DEPOSITS	**391044**	**384965**	**398853**	**425305**	**424606**	**427790**	**426064**
Dram deposits	221236	198228	156972	145215	143480	142322	142767
Demand deposits	98919	89306	80642	86703	76831	81729	86556
Term deposits	122317	108922	76330	58512	66648	60593	56211
FX deposits	169808	186737	241881	280090	281126	285468	283297
Demand deposits	67219	73404	88489	77928	81112	82309	78854
Term deposits	102589	113332	153392	202162	200014	203160	204443

[1] *Indicators of commercial banks and credit organizations are included.*

DEPOSITARY INSTITUTIONS SURVEY [1]

(million AMD)

Indicators	D- 08 [6]	J - 09	F - 09	M - 09 [6]	A - 09	M - 09	J – 09[6]
(balance at the end of period)							
NET FOREIGN ASSETS [2]	***291874***	***259121***	***200329***	***129127***	***127651***	***141842***	***415807***
NET DOMESTIC ASSETS	***415914***	***401887***	***428402***	***508772***	***514951***	***513078***	***246919***
Government	-38157	-50039	-23519	-12127	-2450	9088	-225678
Economy	692805	676838	669895	717452	706886	695177	685366
Enterprises and organizations	307659	299006	296681	333904	332164	329595	327787
o/w accrued interests	2411	2483	2344	3096	3385	3760	3535
Households	371386	364930	359993	368414	359500	351360	341246
o/w accrued interests	4594	5070	5073	6075	6194	6444	6263
Non-profit organizations	9491	9399	9431	11249	11328	10611	10311
o/w accrued interests	46	35	42	55	53	48	36
Other financial institutions	4269	3503	3790	3884	3894	3611	6022
o/w accrued interests	18	15	15	23	25	27	35
Other assets net	-238734	-224912	-217974	-196553	-189485	-191187	-212769
DRAM BROAD MONEY [3]	*537958*	*474117*	*386848*	*357809*	*361450*	*369450*	*379413*
BROAD MONEY [4]	***707788***	***661008***	***628731***	***637899***	***642602***	***654920***	***662726***
Currency in circulation	315949	275237	229423	212197	217476	226684	236203
Demand deposits in drams [5]	99692	89958	81095	87100	77325	82173	87000
o/w accrued interests	43	61	78	44	69	92	53
Term deposits in drams	122317	108922	76330	58512	66648	60593	56211
o/w accrued interests	1968	1895	1305	1239	1277	1166	1129
FX deposits	169830	186891	241884	280090	281152	285470	283312
Demand [5]	67240	73559	88492	77928	81138	82310	78869
o/w accrued interests	11	20	33	16	21	33	16
Term	102589	113332	153392	202162	200014	203160	204443
o/w accrued interests	1643	1804	1781	2284	2638	2911	2934
(changes to the previous period)							
NET FOREIGN ASSETS	-	***-32752***	***-58792***	***-71202***	***-1476***	***14191***	***273965***
NET DOMESTIC ASSETS	-	***-14027***	***26515***	***80370***	***6178***	***-1873***	***-266159***
Government	-	-11882	26520	11393	9677	11538	-234766
Economy	-	-15967	-6943	47557	-10566	-11709	-9811
Enterprises and organizations	-	-8653	-2325	37223	-1741	-2569	-1808
o/w accrued interests	-	72	-139	752	289	375	-225
Households	-	-6456	-4937	8421	-8914	-8140	-10114
o/w accrued interests	-	476	3	1002	120	249	-181
Non-profit organizations	-	-92	32	1818	79	-717	-300
o/w accrued interests	-	-11	7	12	-1	-6	-12
Other financial institutions	-	-766	287	94	9	-283	2411
o/w accrued interests	-	-3	0	8	2	2	8
Other assets net	-	13822	6938	21421	7068	-1702	-21582
DRAM BROAD MONEY	-	-63841	-87269	-29038	3640	8000	9964
BROAD MONEY	-	-46779	-32277	9168	4702	12318	7806
Armenian dram in circulation	-	-40711	-45814	-17226	5279	9207	9519
Demand deposits and loans in dram	-	-9734	-8864	6005	-9774	4848	4827
o/w accrued interests	-	18	18	-34	25	23	-39
Term deposits and loans in dram	-	-13396	-32592	-17817	8136	-6055	-4383
o/w accrued interests	-	-74	-590	-66	38	-111	-37
FX deposits and loans	-	17062	54992	38206	1062	4318	-2158
Demand	-	6318	14933	-10564	3210	1173	-3441
o/w accrued interests	-	9	14	-17	5	12	-17
Term	-	10743	40059	48770	-2148	3146	1284
o/w accrued interests	-	161	-23	503	354	272	23

(percentage changes to the previous period)							
NET FOREIGN ASSETS	-	***-11.2***	***-22.7***	***-35.5***	***-1.1***	***11.1***	***193.1***
NET DOMESTIC ASSETS	-	***-3.4***	***6.6***	***18.8***	***1.2***	***-0.4***	***-51.9***
Government	-	-31.1	53.0	48.4	79.8	470.9	-2583.2
Economy	-	-2.3	-1.0	7.1	-1.5	-1.7	-1.4
Enterprises and organizations	-	-2.8	-0.8	12.5	-0.5	-0.8	-0.5
Households	-	-1.7	-1.4	2.3	-2.4	-2.3	-2.9
Non-profit organizations	-	-1.0	0.3	19.3	0.7	-6.3	-2.8
Other financial institutions	-	-17.9	8.2	2.5	0.2	-7.3	66.8
Other assets net	-	5.8	3.1	9.8	3.6	-0.9	-11.3
DRAM BROAD MONEY	-	-11.9	-18.4	-7.5	1.0	2.2	2.7
BROAD MONEY	-	-6.6	-4.9	1.5	0.7	1.9	1.2
Armenian dram in circulation	-	-12.9	-16.6	-7.5	2.5	4.2	4.2
Demand deposits and loans in dram	-	-9.8	-9.9	7.4	-11.2	6.3	5.9
Term deposits and loans in dram	-	-11.0	-29.9	-23.3	13.9	-9.1	-7.2
FX deposits and loans	-	10.0	29.4	15.8	0.4	1.5	-0.8
Demand	-	9.4	20.3	-11.9	4.1	1.4	-4.2
Term	-	10.5	35.3	31.8	-1.1	1.6	0.6

[1] *Includes indicators of CBA, commercial banks and credit organizations.*

[2] *NFA include only assets in convertible currency and external liabilities in convertible currency and in dram. NIR of the CBA are calculated using program exchange rates (USD 1 = AMD 385.00, SDR 1 = USD 1.5403, EUR 1 = USD 1.4182, GBP 1 = USD 1.4511); NFA of commercial banks and credit organizations are calculated using actual exchange rates.*

[3] *Includes currency in circulation, residents' demand and term deposits and loans only in drams.*

[4] *Includes currency in circulation, residents' demand and term deposits and loans in drams, and deposits and loans in FX.*

[5] *Including accounts.*

[6] *CBA closing entries are included.*

BANKING SYSTEM INDICATORS

	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
Average quarterly assets[1] *(thous. AMD)*	850365487	926861897	991797918	1057798117	1104517748
Average quarterly credits *(thous. AMD)*	502875266	570440278	614075032	613596656	620678104
Average quarterly liabilities *(thous. AMD)*	660611691	717806691	765421307	820005684	863753558
Average quarterly deposits *(thous. AMD)*	437691544	469850761	454852487	485098750	519116157
Average quarterly capital *(thous. AMD)*	189753796	209055206	226376610	237792433	240764190
Average quarterly total capital adequacy indicator *(%)*	26.4%	26.8%	27.3%	27.9%	27.2%
Average quarterly total liquidity indicator *(%)*	28.7%	26.6%	24.2%	27.4%	31.0%
Average quarterly current liquidity indicator *(%)*	96.4%	93.8%	97.7%	123.0%	143.6%

[1] *Average quarterly indicators are calculated using the median 3-month value of a quarter.*

FINANCIAL MARKET INTEREST RATES

Indicators	2008 [4]	2009					
	D	J	F	M	A	M	J
LOANS TO							
Up to 1 year							
Legal persons							
AMD	13.0	15.0	14.7	15.3	14.8	14.1	14.4
USD	14.0	14.7	13.1	14.6	14.7	15.0	13.4
Natural persons							
AMD	20.6	21.4	21.2	21.6	21.7	21.7	21.3
USD	13.1	18.1	16.4	16.8	18.4	18.4	18.9
Over 1 year							
Legal persons							
AMD	13.9	15.8	16.7	16.8	15.7	16.5	16.3
USD	15.2	15.4	15.6	16.0	15.7	16.4	16.5
Natural persons							
AMD	18.7	18.3	18.5	18.6	19.2	19.2	19.3
USD	20.5	18.7	18.3	18.4	19.5	19.0	19.0
DEPOSITS							
Up to 1 year							
Legal persons							
AMD	7.3	7.8	7.5	7.6	7.4	8.0	8.3
USD	7.7	6.1	8.0	7.2	6.6	6.1	6.8
Natural persons							
AMD	8.4	8.6	9.0	11.0	10.4	11.0	11.1
USD	5.7	4.8	5.7	5.6	6.1	5.7	5.6
Over 1 year							
Legal persons							
AMD	8.7	9.7	9.6	10.6	7.7	11.6	14.1
USD	9.0	8.9	8.9	9.9	8.3	9.6	7.5
Natural persons							
AMD	9.5	9.7	10.0	10.2	9.9	9.8	10.8
USD	8.0	9.2	9.9	7.9	8.1	7.1	8.8
v							
AMD	14.5	13.9	14.5	13.7	14.8	14.8	15.8
USD	16.2	15.0	17.7	17.2	17.9	16.3	16.3
Yield on securities issued by the CBA [2,3]	-	-	-	-	-	-	-
Yield on Government short-term securities [3]	9.1	9.4	9.8	10.7	11.1	11.3	10.7
Yield on Government medium-term securities [3]	-	10.5	10.5	-	12.9	13.6	13.8
Yield on Government long-term securities [3]	-	-	-	12.9	-	-	15.5

[1] *Presents loans over 1 year of maturity.*

[2] *Includes securities with any maturity.*

[3] *Includes weighted average yield on primary market securities*

[4] *Includes interest rates for the last month of the year.*

THE CBA FINANCIAL MARKET OPERATIONS

(million AMD)

Period	REPO[1]	Reverse REPO[1]	Deposits attracted[1]	Lombard facility[1]	Buying of T-bills	Selling of T-bills
2008						
January	52586.1	-	132800.0	-	-	-
February	30332.4	-	86650.0	-	-	-
March	43941.0	-	56100.0	-	-	-
April	91219.7	-	4800.0	-	-	-
May	72239.2	-	44150.0	-	-	-
June	88627.1	-	49180.0	-	-	-
July	100162.0	-	55960.0	-	-	-
August	55082.6	-	65800.0	-	-	-
September	66306.4	-	69850.0	-	-	-
October	129691.0	-	51050.0	-	-	-
November	158162.5	-	20650.0	-	-	-
December	251788.7	-	7100.0	-	5260.3	-
2009						
January	218853.7	-	6500.0	-	-	-
February	228412.4	-	9100.0	-	-	-
March	232990.2		26860.0			
April	213687.9	-	124250.0	-	9175.6	-
May	145137.3	-	33250.0	-	7229.2	-
June	84370.0	-	114858.4	-	3500.0	-

[1] *Repayments are not deducted.*

INTEREST RATES OF THE CBA FINANCIAL MARKET OPERATIONS

(%)

Period	Type of operation		
	REPO	Deposits attracted	Lombard facility
27.12.2003-08.03.2004	9.00	5.00	20.00
09.03.2004-06.04.2004	6.00	3.00	20.00
07.04.2004-13.07.2004	6.00	1.00	20.00
14.07.2004-22.08.2004	5.00	1.00	20.00
23.08.2004-17.10.2004	4.00	1.00	16.00
18.10.2004-09.01.2005	3.75	1.00	16.00
10.01.2005-13.06.2005	4.50	1.75	16.00
14.03.2005-09.08.2005	3.75	1.75	16.00
10.08.2005-25.12.2005	3.00	1.00	16.00
26.12.2005-05.02.2006	3.50	1.00	16.00
06.02.2006-15.03.2006	4.00	1.00	16.00
16.03.2006-02.04.2006	4.00	1.00	12.00
03.04.2006-03.05.2006	4.00	1.00	8.00
04.05.2006-31.07.2006	4.00	1.00	7.00
01.08.2006-31.08.2006	4.25	1.00	7.00
01.09.2006-02.10.2006	4.50	1.50	7.50
03.10.2006-02.04.2007	4.75	1.75	7.75
03.04.2007-02.07.2007	4.50	1.50	7.50
03.07.2007-02.10.2007	4.75	1.75	7.75
03.10.2007-04.11.2007	5.00	2.00	8.00
05.11.2007-04.12.2007	5.25	2.25	8.25
05.12.2007-04.02.2008	5.75	2.75	8.75
05.02.2008-04.03.2008	6.00	3.00	9.00
04.03.2008-02.04.2008	6.25	3.25	9.25
03.04.2008-05.05.2008	6.50	3.50	9.50
06.05.2008-03.06.2008	6.75	3.75	9.75
04.06.2008-02.07.2008	7.00	4.00	10.00
03.07.2008-04.08.2008	7.25	4.25	10.25
05.08.2008-02.09.2008	7.50	4.50	10.50
03.09.2008-02.12.2008	7.75	4.75	10.75
03.12.2008-13.01.2009	7.25	4.25	10.25
14.01.2009-10.02.2009	7.00	4.00	10.00
11.02.2009-03.03.2009	6.75	3.75	9.75
04.03.2009-07.04.2009	7.75	4.75	10.75
08.04.2009-12.05.2009	7.50	4.50	10.50
13.05.2009-22.05.2009	7.25	4.25	10.25
23.05.2009-09.06.2009	6.25	3.25	9.25
10.06.2009-	6.00	3.00	9.00

INTERBANK REPO MARKET TURNOVER

Indicators	up to 7 days		8-14 days		15-28 days		28 days and over		Total	
	mln drams	%	mln drams	%	mln drams	%	mln drams	%	mln drams	%
January 2009	***8078.46***	***7.81***	***4686.85***	***8.03***	***1052.32***	***8.14***			***13817.622***	***7.91***
Max interest rate		9.00		8.50		8.25				9.00
Min interest rate		6.00		7.75		7.75				6.00
Standard deviation		0.63		0.22		0.21				0.52
February	***8809.48***	***7.84***	***1249.76***	***8.05***	***1355.76***	***8.05***	***137.56***	***8.45***	***11552.559***	***7.89***
Max interest rate		8.50		8.50		8.50		8.50		8.50
Min interest rate		6.75		7.75		7.75		8.00		6.75
Standard deviation		0.36		0.18		0.24		0.29		0.58
March	***13537.51***	***8.90***	***371.67***	***8.96***	***374.86***	***9.00***			***14284.039***	***8.90***
Max interest rate		11.00		9.25		9.00				11.00
Min interest rate		7.75		8.50		9.00				7.75
Standard deviation		0.43		0.38		-				0.54
April	15608.09	8.70	1399.50	8.39	125.00	8.25			***17132.587***	***8.67***
Max interest rate		9.50		9.00		8.25				9.50
Min interest rate		7.81		7.50		8.25				7.50
Standard deviation		0.35		0.50						0.37
May	17707.27	7.98	1880.03	8.25	100.00	7.50			***19687.300***	***8.00***
Max interest rate		8.50		8.75		7.50				8.75
Min interest rate		6.55		7.50		7.50				6.55
Standard deviation		0.45		0.27						0.60
June	18507.04	7.14	2912.28	7.44	100.00	7.50	4398.76	8.96	***25918.076***	***7.48***
Max interest rate		8.75		8.75		7.50		9.50		9.50
Min interest rate		6.00		6.75		7.50		7.25		6.00
Standard deviation		0.47		0.51				0.93		0.58
Total	**82247.84**	**8.05**	**12500.09**	**7.99**	**3107.94**	**8.17**	**4536.32**	**8.95**	**102392.183**	**8.08**
Max interest rate		11.00		9.25		9.00		9.50		11.00
Min interest rate		6.00		6.75		7.50		7.25		6.00
Standard deviation		0.59		0.34		0.38		0.29		0.55

AVERAGE AMD/USD EXCHANGE RATE IN THE FOREIGN EXCHANGE MARKET

Date	D - 08	J - 09	F - 09	M - 09	A - 09	M- 09	J- 09
1	305.31	-	-	-	369.85	-	369.91
2	305.72	-	305.28	305.75	370.58	-	369.93
3	306.45	-	305.19	372.11	370.85	-	369.93
4	306.82	-	305.36	372.95	-	372.61	370.01
5	307.82	-	305.29	366.38	-	372.56	369.80
6	-	-	305.30	360.67	371.49	372.79	-
7	-	-	-	-	372.06	372.67	-
8	308.08	306.26	-	-	372.65	372.54	370.10
9	308.41	306.04	305.94	359.37	373.85	-	370.53
10	308.49	306.07	305.23	361.28	374.57	-	370.45
11	308.50	-	305.51	369.73	-	372.47	370.17
12	308.37	305.66	305.25	369.89	-	373.19	369.63
13	-	305.68	305.19	369.84	-	373.27	-
14	-	305.48	-	-	374.98	373.59	-
15	308.55	305.35	-	-	375.54	373.70	369.08
16	308.62	305.36	305.22	370.34	375.92	-	367.69
17	308.34	-	305.22	372.11	373.52	-	367.04
18	308.34	-	305.26	374.66	372.84	373.78	367.11
19	308.31	305.27	305.41	372.89	-	373.18	366.32
20	-	305.57	305.44	372.02	372.10	372.82	-
21	-	305.60	-	-	371.34	372.48	-
22	308.35	305.45	-	-	370.46	372.37	365.02
23	308.37	305.42	305.86	370.61	371.42	-	362.18
24	308.35	-	305.69	369.36	-	-	361.19
25	308.37	-	305.48	368.79	-	372.01	360.90
26	308.42	305.35	306.04	366.22	-	371.70	360.38
27	308.44	305.17	305.83	366.11	371.70	370.89	-
28	-	-	305.83	-	372.07	-	-
29	308.01	304.78	-	-	372.22	370.28	360.29
30	306.73	305.21	-	366.66	370.90	370.28	360.06
31	306.73	305.21	-	367.77	-	-	-
Period end	**306.73**	**305.21**	**305.83**	**367.77**	**370.90**	**370.28**	**360.06**
Period average	**307.83**	**305.50**	**305.47**	**365.71**	**372.42**	**372.46**	**366.71**

ARMENIA'S INTERNATIOONAL RESERVES STRUTURE [1]

(million USD)

Indicators	2008	2009					
	D [3]	J	F	M[3]	A	M	J[3]
Gross international reserves *(excluding privatization account)*	1406.8	1259.5	1141.1	1343.3	1242.0	1258.5	1963.1
Gross international reserves	1406.8	1259.5	1141.1	1343.3	1242.0	1258.5	1963.1
Gold	0	0	0	0	0	0	0
SDR holdings in the IMF	2.9	2.8	2.8	12.0	4.4	2.4	1.2
Reserve position with the IMF	0	0	0	0	0	0	0
Foreign currency [2]	1403.9	1256.7	1138.3	1331.4	1237.7	1256.1	1961.9

[1] Calculated using actual exchange rates.

[2] Includes assets in convertible currency only.

The CBA closing entries are included.

INTERNATIONAL INVESTMENT POSITION OF ARMENIAN COMMERCIAL BANKS AND CREDIT ORGANIZATIONS

(million USD)

Indicators	Balance as of 31.03.09	Change					Balance as of 30.06.09
		Due to operations	Due to price changes	Due to exchange rate changes	Other adjustments	Total changes	
Assets	**320.8**	**164.8**	**0.0**	**9.4**	**0.0**	**174.2**	**495.0**
Direct investments abroad	5.5	0.0	0.0	0.1	0.0	0.1	5.7
Equity capital	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Reinvested profits	4.5	0.0	0.0	0.1	0.0	0.1	4.7
Other capital							
Portfolio investments	0.6	0.0	0.0	0.5	0.0	0.5	1.1
Shares	0.5	0.0		0.5		0.5	1.0
Debt liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Bonds	0.1	0.0		0.0		0.0	0.1
Money market instruments	0.0	0.0		0.0		0.0	0.0
Other investments	314.7	164.7	0.0	8.8	0.0	173.5	488.3
Loans	24.1	-4.6	0.0	0.1	0.0	-4.5	19.6
Long-term	7.5	-0.6		0.0		-0.6	7.0
Short-term	16.6	-4.0		0.1		-3.9	12.6
Available funds and deposits	282.4	138.7	0.0	7.9	0.0	146.6	429.0
Currency	83.2	16.6		2.0		18.6	101.7
Deposits	199.2	122.2	0.0	5.9	0.0	128.1	327.3
Long-term	1.7	0.9		0.1		1.0	2.6
Short-term	197.6	121.3		5.9		127.1	324.7
Other assets	8.2	30.6	0.0	0.8	0.0	31.4	39.6
Long-term							
Short-term	8.2	30.6		0.8		31.4	39.6
Liabilities	**1,280.1**	**35.0**	**0.0**	**13.0**	**0.0**	**48.0**	**1,328.1**
Direct investments in Armenia	340.5	23.7	0.0	7.3	0.0	31.0	371.4
Equity capital	288.9	23.7	0.0	6.5	0.0	30.2	319.1
Reinvested profits	43.5	0.0	0.0	0.7	0.0	0.7	44.2
Other capital	8.0	0.0	0.0	0.1	0.0	0.2	8.1
Portfolio investments	14.8	10.0	0.0	0.2	0.0	10.2	25.0
Shares	8.1	0.0	0.0	0.2	0.0	0.2	8.3
Debt liabilities	6.7	10.0	0.0	0.0	0.0	10.0	16.7
Bonds	6.7	10.0	0.0	0.0	0.0	10.0	16.7
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	924.8	1.2	0.0	5.6	0.0	6.8	931.6
Loans	525.8	-19.4	0.0	0.9	0.0	-18.5	507.3
Long-term	501.5	-22.3	0.0	0.7	0.0	-21.6	479.9
Short-term	24.3	2.9	0.0	0.2	0.0	3.1	27.4
Available funds and deposits	394.5	1.4	0.0	4.0	0.0	5.4	399.9
Long-term	88.8	-4.3	0.0	0.3	0.0	-4.0	84.8
Short-term	305.7	5.7	0.0	3.7	0.0	9.4	315.1
Other liabilities	4.5	19.2	0.0	0.7	0.0	19.9	24.4
Long-term							
Short-term	4.5	19.2	0.0	0.7	0.0	19.9	24.4
Investment position net	**-959.3**	**129.8**	**0.0**	**-3.6**	**0.0**	**126.2**	**-833.1**

COMMERCIAL BANK AND CREDIT ORGANIZATION EXTERNAL ASSETS AND LIABILITIES BY CURRENCY COMPOSITION

(million USD)

	Q1 2009						Q2 2009					
		Foreign currency						Foreign currency				
	AMD	USD	EUR	RUR	Other	Total	AMD	USD	EUR	RUR	Other	Total
Assets	**8.0**	**199.8**	**91.0**	**18.5**	**3.4**	**312.8**	**31.2**	**321.4**	**109.5**	**26.3**	**6.7**	**463.8**
Equity securities	0.0	0.4	0.0	5.5	0.0	6.0	0.6	0.4	0.0	1.0	0.0	1.5
Debt securities	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1
Cash	-	59.5	17.9	5.5	0.3	83.2	-	66.2	24.7	10.3	0.5	101.7
Loans, including overdrafts and credit cards	7.3	14.8	2.0	0.0	0.0	16.8	3.8	14.9	0.6	0.2	0.0	15.7
Deposits	0.0	118.7	70.4	7.1	3.0	199.2	0.0	225.1	83.5	12.9	5.8	327.3
Other	0.7	6.4	0.7	0.4	0.1	7.5	26.7	14.7	0.8	1.8	0.3	17.5
Liabilities	**385.1**	**835.5**	**54.1**	**4.2**	**1.2**	**895.1**	**426.2**	**821.5**	**65.4**	**12.9**	**2.0**	**901.9**
Equity securities	340.6	-	-	-	-	-	327.4	-	-	-	-	0.0
Debt securities	0.0	6.7	0.0	0.0	0.0	6.7	0.0	16.7	0.0	0.0	0.0	16.7
Loans, including overdrafts and credit cards	10.8	509.0	11.6	0.0	0.0	520.6	9.8	488.6	10.8	3.9	0.0	503.3
Deposits	32.0	318.1	42.1	3.5	1.2	364.9	25.0	312.9	53.6	8.6	2.0	377.2
Other	1.6	1.7	0.4	0.7	0.1	2.9	63.9	3.3	1.0	0.3	0.0	4.7
Net position*	**-377.1**	**-635.7**	**36.9**	**14.3**	**2.2**	**-582.2**	**-395.0**	**-500.1**	**44.1**	**13.4**	**4.6**	**-438.0**

** Unlike commercial banks' NFA in broad money, 'Equity Securities' in the liabilities side, non-convertible currency, and foreign assets and liabilities of credit organizations are also included here.*

INDIVIDUALS' REMITTANCES VIA THE BANKING SYSTEM, BY COUNTRY

(thousand USD)

Country	2008														
	Q1			Q2			Q3			Q4			Total		
	Inflow	Outflow	Net flow	Inflow	Outflow	Net flow	Inflow	Outflow	Net flow	Inflow	Outflow	Net flow	Inflow	Outflow	Inflow, net
Russia	224560	35929	188632	345318	45927	299391	477611	38917	438694	414336	43765	370571	1461825	164538	1297287
USA	32602	41707	-9104	71806	52768	19038	33578	30992	2586	26638	48668	-22031	164624	174135	-9511
Ukraine	4762	4739	23	8753	4379	4374	11913	4241	7672	7727	5344	2383	33155	18702	14452
Kazakhstan	4190	240	3950	5321	321	5000	6995	735	6260	7797	703	7094	24302	1998	22303
Germany	6391	6319	71	7642	24182	-16539	9463	7943	1520	6430	7942	-1512	29927	46387	-16460
Spain	4072	2618	1454	3504	3678	-174	4255	3953	302	1871	3939	-2067	13702	14188	-485
France	2859	2827	32	4674	5940	-1267	5550	11785	-6235	3997	5194	-1196	17080	25746	-8666
UAE	24693	57747	-33054	6367	44867	-38501	7599	32376	-24778	6138	44913	-38775	44796	179904	-135108
China	369	22129	-21759	391	23090	-22699	612	30803	-30191	445	22427	-21982	1818	98449	-96632
Turkey	1034	17671	-16637	711	20507	-19796	1143	29994	-28851	831	23129	-22297	3719	91301	-87582
Other	59794	56691	3103	115491	75602	39889	89819	106432	-16612	210563	70393	140170	475667	309117	166550
Total	365325	248616	116709	569978	301262	268716	648537	298172	350366	686775	276417	410358	2270615	1124466	1146148

(thousand USD)

Country	2009					
	Q1			Q2.		
	Inflow	Outflow	Net flow	Inflow	Outflow	Net flow
Russia	146247	24365	121882	214851	26429	188422
USA	18310	22504	-4193	33230	19482	13748
Ukraine	3795	2830	965	6174	3549	2624
Kazakhstan	3576	251	3326	5295	704	4591
Germany	3948	4564	-616	5824	6152	(328)
Spain	1488	1299	189	2789	1374	1414
France	2110	3761	-1650	2957	2438	518
UAE	3843	18888	-15045	3562	15958	(12396)
China	310	10400	-10091	372	11401	(11029)
Turkey	593	8178	-7585	793	7944	(7151)
Other	77562	34459	43103	61526	32242	29284
Total	**261782**	**131498**	**130284**	**337372**	**127673**	**209699**

INDIVIDUALS' REMITTANCES VIA THE BANKING SYSTEM FOR NON-COMMERCIAL PURPOSES, BY COUNTRY

(thousand USD)

Country	2008														
	Q1			Q2			Q3			Q4			Total		
	Inflow	Outflow	Net flow	Inflow	Outflow	Inflow	Outflow	Net flow	Inflow	Outflow	Inflow	Outflow	Net flow	Inflow	Outflow
Russia	212714	25180	187533	331936	31620	300316	458254	30722	427533	368162	35237	332925	1371066	122759	1248307
USA	13246	9338	3908	16804	7267	9537	16570	7525	9045	14338	7980	6358	60958	32110	28848
Ukraine	4655	2570	2085	8308	2555	5754	11771	2628	9144	7579	3227	4351	32314	10980	21334
Kazakhstan	2889	145	2744	4366	247	4119	6122	242	5880	6155	393	5762	19532	1027	18506
Germany	3488	1649	1839	3329	1291	2037	3571	1644	1927	2870	1703	1167	13257	6287	6970
Spain	2904	610	2294	3354	738	2616	3358	783	2575	1748	699	1048	11363	2830	8533
France	1836	1039	797	2756	1159	1598	2808	1153	1655	1614	1932	-319	9015	5283	3731
UAE	2102	2676	-574	1852	2009	-157	3718	2089	1629	4307	3147	1160	11979	9921	2058
China	135	2816	-2681	84	1320	-1235	226	1721	-1495	141	1842	-1701	587	7699	-7112
Turkey	825	1096	-271	560	1853	-1292	765	2603	-1837	389	2313	-1925	2539	7864	-5325
Other	20907	7215	13692	29590	8338	21253	29213	10639	18574	22988	9288	13700	102698	35479	67218
Total	265701	54334	211367	402940	58395	344545	536376	61748	474628	430290	67763	362527	1635307	242240	1393067

(thousand USD)

°ñÎñÝ»ñ	2009					
	Q1			Q2		
	Inflow	Outflow	Net flow	Inflow	Outflow	Net flow
èáõë³ëï³Ý	140991	20738	120252	208395	21470	186925
Russia	11478	5349	6129	14700	4865	9836
USA	3735	2042	1694	6148	2633	3515
Ukraine	2815	161	2654	4375	246	4130
Kazakhstan	2227	875	1352	2859	769	2090
Germany	1294	444	851	1703	343	1360
Spain	1332	834	498	1730	553	1177
France	1827	1546	280	901	1011	(110)
UAE	125	982	-857	171	1287	(1116)
China	208	1029	-821	542	1240	(698)
Turkey	17814	6317	11497	21373	6340	15034
Other	183846	40317	143529	262898	40757	222141

CENTRAL BANK BALANCE SHEET

(as of June 30 2009)

Balance Sheet

(thousand AMD)

	30.06.09	*31.03.09*
Assets		
Assets in foreign currency		
Cash	74,681,363	77,675,830
Funds allocated with banks and other financial institutions	268,937,071	370,106,747
Financial instruments at fair value which, when re-measured, generate gains and losses that are recognized in financial account	362,431,751	41,944,921
Assets available for sale	917	917
Holdings with the IMF	51,847,796	54,983,252
Other assets	365,440	380,321
	758,264,338	**545,091,988**
Assets in local currency		
Loans and reverse repurchase agreements	58,089,989	76,545,570
Assets available for sale	119,178,805	97,217,646
Fixed assets	11,531,764	10,616,562
Intangible assets	366,104	362,405
Other assets	7,940,518	7,368,399
	197,107,180	**192,110,582**
Assets, total	**955,371,518**	**737,202,570**
Liabilities and Equity		
Liabilities in foreign currency		
Deposits and account balances of financial institutions and other institutions	125,341,868	144,672,441
Liabilities to Government	58,665,614	1,154,563
Liabilities to the IMF	45,152,005	48,243,049
Financial instruments at fair value which, when re-measured, generate gains and losses that are recognized in financial account	867	111,745
Other borrowing	25,968,007	15,871,175
Other liabilities	151,065	145,970
	255,279,426	**210,198,943**
Liabilities in local currency		
Notes and coins in circulation	258,926,322	234,084,828
Deposits and account balances of financial institutions and other institutions	44,790,050	47,372,623
Liabilities to Government	225,938,200	67,741,810
Liabilities to the IMF	140,241,700	139,416,534
Debt securities issued	-	-
Other liabilities	855,252	725,269
	670,751,524	**489,341,064**
Liabilities, total	**926,030,950**	**699,540,007**
Equity		
Capital issued	100,000	100,000
General reserve	9,870,486	9,870,486
Additional statutory capital	85,663,194	85,663,194
Revaluation reserve for assets available for sale	(1,322,049)	150,273
Loss accrued	(64,971,063)	(58,121,389)
Equity, total	**29,340,568**	**37,662,563**
Liabilities and accrued deficit, total	**955,371,518**	**737,202,570**

Balance Sheet approved by the Board on August 25, 2009 and signed thereafter.

ARTHUR JAVADYAN — *Chairman*

HAYKANUSH HAKOBYAN — *Chief Accountant*

ARMENIA'S INTERNATIONAL RESERVES

By virtue of Article 52 of the Republic of Armenia, the Central Bank hereby presents

I N F O R M A T I O N

On condition and composition of Armenia's international reserves

Q2, 2009 (closing entries included)

Beginning of quarter	**SDR**	**USD**
I. Gross foreign assets		1,343,317,935.78
o/w:		
International reserves (gross foreign assets in convertible currency)		1,343,317,308.38
o/w:		
SDR with the IMF	7,997,996.00	11,957,599.66
Reserve position with the IMF	0.00	0.00
II. Foreign assets net		925,856,488.94
o/w: in convertible currency		925,855,861.54

End of quarter		
I. Gross foreign assets		1,963,073,631.15
o/w:		
International reserves (gross foreign assets in convertible currency)		1,963,073,016.09
o/w:		
SDR with the IMF	768,474.00	1,192,845.48
Reserve position with the IMF	0.00	0.00
II. Foreign assets net		1,514,526,610.32
o/w: in convertible currency		1,514,525,995.25

ARTHUR JAVADYAN
Chairman