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COMMERCIAL BANKS FUNCTIONING IN ARMENIA

As of 31.12.2012, there were 21 commercial banks with a total of 477 branch offices, and a development bank (All-Armenian Bank), functioning in the territory of the Republic of Armenia. In the period under review the banking sector[1] posted an increment in main prudential indicators.

In the course of 2012, the total capital to GDP ratio and the loans to economy (lease and factoring operations included) to GDP ratio have posted increases of 8.1 pp and 7.3 pp in relation to the previous year and reached 62.2 percent and 38.9 percent, respectively.

TOTAL CAPITAL OF BANKING SECTOR

In the fourth quarter of 2012 total capital of the banking sector grew by 3.2 percent (10.3 percent since the start of the year) and amounted to AMD 400.7 billion, mainly owing to reported net profit of AMD 11.3 billion.

In the period under review the growth rate of assets outpaced the growth rate of total capital by 2.6 pp, pushing the total capital to total assets ratio down by 0.4 pp to 16.2 percent at the end of the quarter.

The total capital adequacy of commercial banks has dropped by 0.4 pp to 16.8 percent at the end of the fourth quarter. This reduction was attributable to risk weighted assets which had a surpassed growth over the total regulatory capital.

TOTAL LIABILITIES OF BANKING SECTOR

In the period under review total liabilities of the banking sector have increased by 6.2 percent (21.4 percent since the start of the year) and amounted to AMD 2 trillion 77 billion. During the quarter 19 banks reported increases and 3 banks reported decreases in total liabilities.

The increment of total capital has been driven by 4.3 percent (21.2 percent since the start of the year) growth of total deposits of natural persons and companies and 10.8 percent (22.0 percent since the start of the year) growth of liabilities to financial institutions.

During the quarter the total amount of demand and term deposits of companies decreased by 3.4 percent (with a reported 3.4 percent growth since the start of the year) and amounted to AMD 388.1 billion. The total amount of demand and term deposits of natural persons has grown by 8.8 percent (33.2 percent since the start of the year) to AMD 744.4 billion.

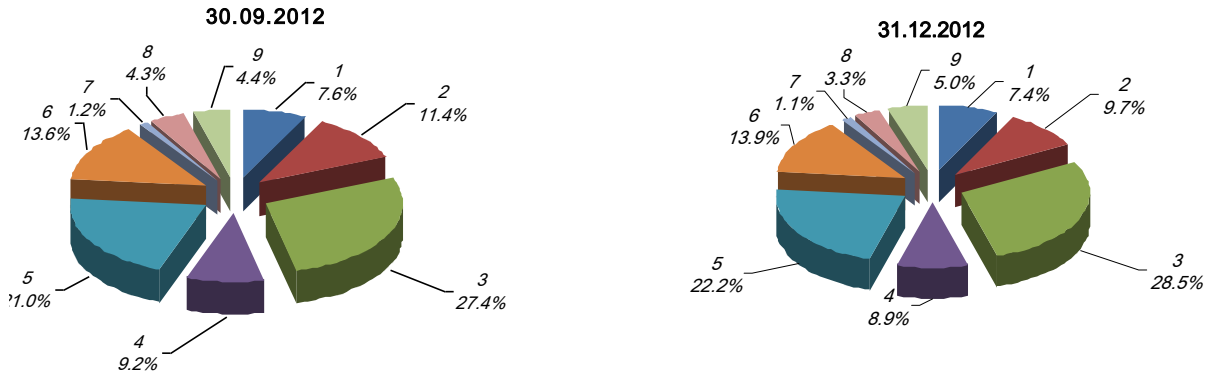
By maturity structure, the share of demand and term deposits of natural persons and companies in total reached, respectively, 31.4 percent and 68.6 percent compared to 34.1 percent and 65.9 percent as of 30.09.2012.

By currency structure, the share of dram deposits grew 7.4 percent (15.2 percent since the start of the year) and the share of foreign currency deposits, by 3.0 percent (24.0 percent since the start of the year). As a result, the share of foreign currency deposits in total deposits portfolio has reduced by 0.9 pp to 70.3 percent, as of the end of the fourth quarter.

The fourth quarter of 2012 saw the share of demand deposits of companies reduce by 1.7 pp but the share of liabilities to financial institutions grow by 1.5 pp.

[1] *This involves 21 commercial banks and the All-Armenian Bank.*

Structure of liabilities of the banking sector



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

TOTAL ASSETS OF BANKING SECTOR

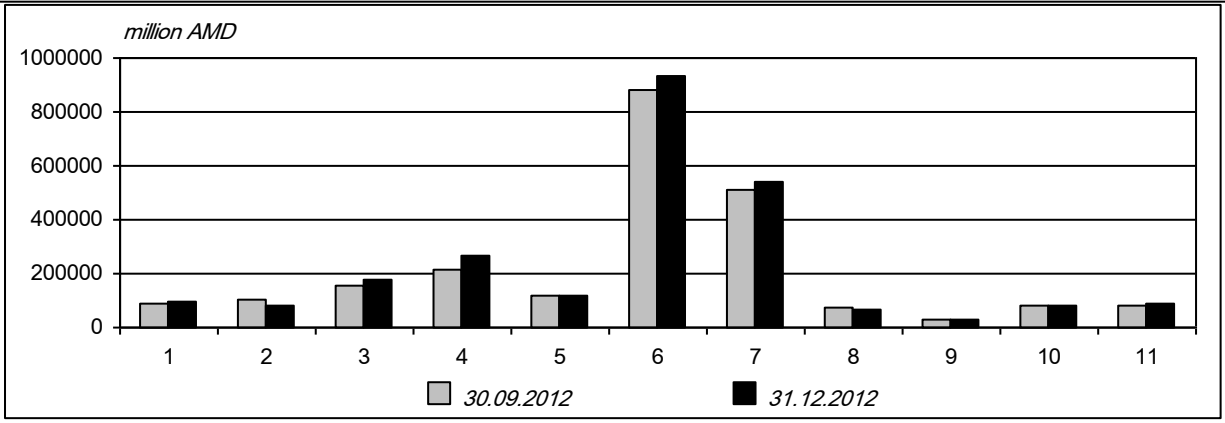
In the period under review total assets of the banking sector have grown by 5.7 percent (19.5 percent since the start of the year) and amounted to AMD 2 trillion 477.8 billion at the end of the quarter. During the quarter 19 banks reported increases and 3 banks reported decreases in assets.

In the assets structure, main increases were reported in respect of loans to the economy (lease and factoring operations included), correspondent accounts with and other claims on the Central Bank, and government securities, by 4.8 percent, 27.7 percent, and 14.3 percent, respectively.

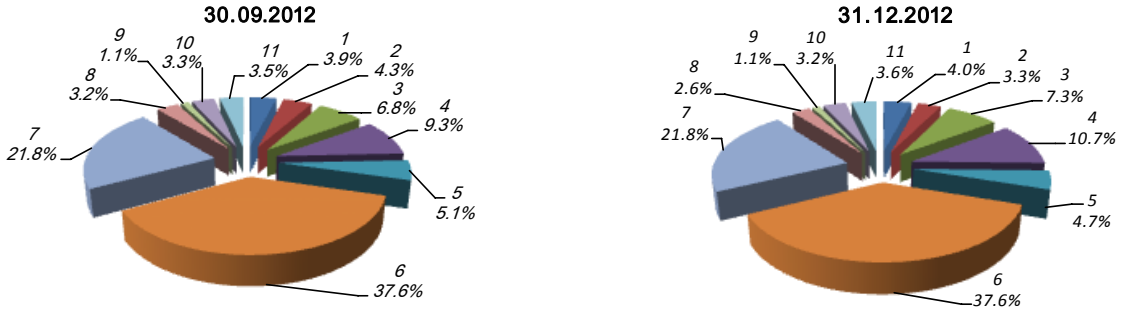
As of 31.12.2012 the portfolio of banking system loans to the economy (lease and factoring operations included) has been AMD 1 trillion 548.6 billion. The amount of loans, and lease and factoring provided to companies and natural persons (interbank lease and factoring operations excluded) has grown by 5.7 percent (28.3 percent since the start of the year), 5.9 percent (27.1 percent since the start of the year) and 19.1 percent (with a reported decrease of 48.7 percent since the start of the year), respectively. The amount of loans to bank affiliated persons and insiders has reduced by 16.2 percent (with a reported growth of 8.0 percent since the start of the year) and reached AMD 63.8 billion.

By currency structure, the amount of dram and foreign currency loans (lease and factoring operations included) has grown by 5.1 percent (15.3 percent since the start of the year) and 4.6 percent (31.6 percent since the start of the year) to AMD 536.8 billion and AMD 1 trillion 11.8 billion at the end of the quarter, respectively. As a result, the share of foreign currency loans in total has dropped by 0.1 pp to 65.3 percent at the end of the quarter.

Assets of the banking sector



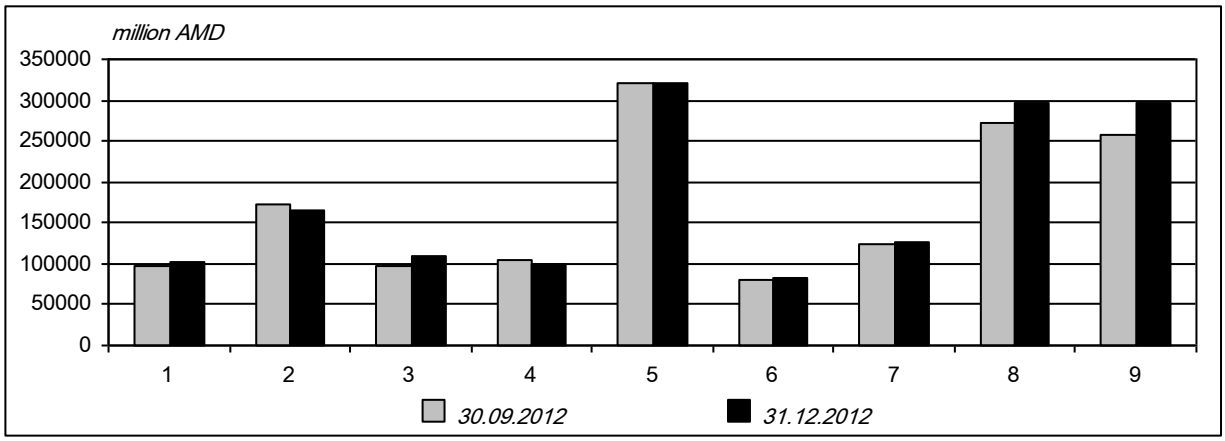
Total assets of the banking sector



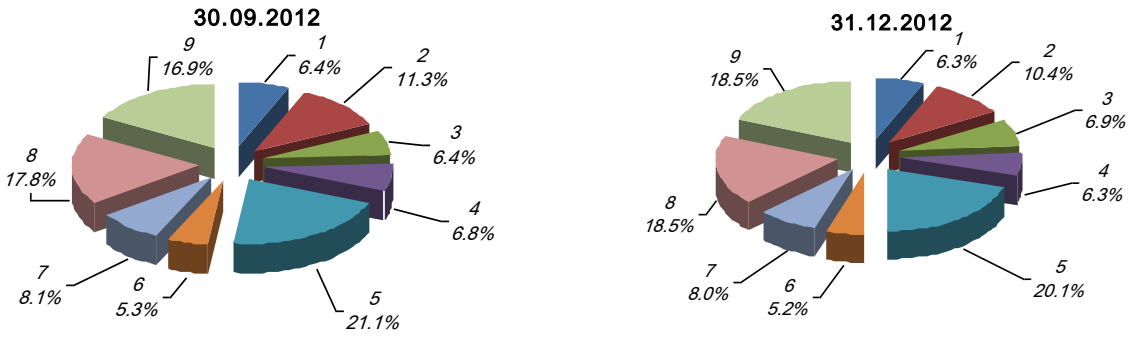
1. Cash
2. Correspondent accounts with banks
3. Government securities
4. Correspondent accounts with and other claims on CBA
5. Claims on banks and other financial institutions
6. Loans to companies
7. Loans to natural persons
8. Loans to bank affiliated persons and insiders
9. Interest receivable
10. Fixed assets
11. Other assets

In the period under review the share of correspondent accounts of commercial banks has dropped by 1.0 pp while the share of correspondent accounts with and other claims on the Central Bank has grown by 1.4 pp.

Banking sector loans to residents, by sectors of economy



Resident loan investment by the banking sector



1. Agriculture, forestry and fishing, 2. Processing industry, 3. Electricity, gas, steam and fine air supply, 4. Construction, 5. Trade, 6. Financial and insurance activities, 7. Mortgage loans, 8. Consumer loans, 9. Other sectors

Almost all sectors of the economy reported growth in lending. Exceptions were a) industry, construction and trade which reported decreases in lending by 3.6 percent, 3.1 percent and 0.3 percent, respectively. Strongest growth was posted in investing in: a) electricity, gas, steam, pure air production and b) consumer loans, which reported, respectively, 12.8 percent and 8.6 percent increase.

No considerable changes were reported with regard to the structure of resident loan investment: loans to trade, consumer loans and loans to processing industry were the largest shares, making up 20.1 percent, 18.5 percent and 10.4 percent, respectively, in total loan investment.

The share of non-performing loans and receivables in total loans and receivables has reduced by 1.4 pp to 3.5 percent at the end of the quarter.

As of 31.12.2012, the shares of "watch" category loans and receivables of the banking system constituted 1.6 percent of the total; "substandard" category loans, 1.1 percent, and "doubtful" category loans, 0.8 percent (as of 30.09.2012, these were 2.8 percent, 1.1 percent, and 1.0 percent, respectively).

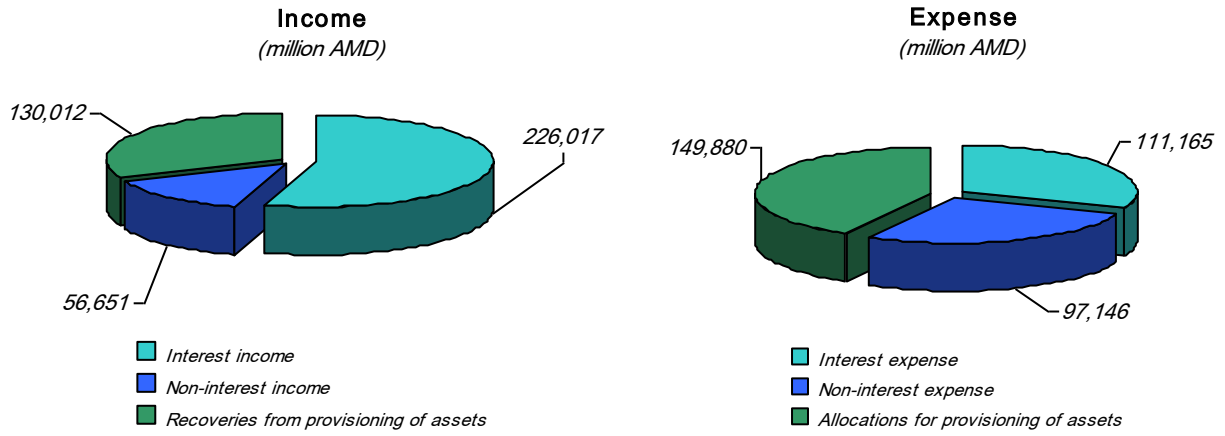
In the period under review, the commercial banks' total liquidity ratio has grown by 0.3 pp to 25.6 percent but the current liquidity ratio has dropped by 1.5 pp to 126.1 percent, respectively.

INCOME AND EXPENSE ACCOUNT OF BANKING SECTOR

In 2012 the banking sector generated net profit [after tax] of AMD 42.4 billion[2]; return on assets amounted to 1.9 percent (annualized); return on equity, 11.2 percent (annualized).[3] During the year 18 banks posted profit and 4 banks posted loss.

According to supervision reports submitted to the Central Bank, gross income and gross expenditure of the banking sector for 2012 amounted to AMD 412.2 billion and AMD 357.6 billion, respectively.

Banking sector income and expense structure



Proceeds from loans to economy accounted for the largest share, 83.6 percent, of interest income; commission fees accounted for 44.7 percent, FX trades accounted for 25.7 percent.

Interest paid on term deposits accounted for 48.3 percent and funds borrowed from banks and non-banks constituted 21.5 percent of interest expense.

Bank employee salary and salary equivalents accounted for 41.7 percent of non-interest expense.

In the fourth quarter of 2012 the share of net provisioning[4] of commercial banks amounted to AMD 2.3 billion or 0.1 percent of average annual amount of total assets.

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[2] The main reason for a large discrepancy between the Central Bank reports and reports submitted according to IFRS is the practice to make provisioning of standard assets to reserves on potential losses at the amount of 1 percent. This is the amount to which extent banks recognize it as expense.

[3] The return on assets (RoA) has been calculated as a ratio of net profit [after tax] and average daily total assets since the start of the year. The return on equity (RoE) has been calculated as a ratio of net profit [after tax] and average daily total capital since the start of the year.

[4] Net provisioning is the expense item "Provisions to assets loss reserve fund" less the income item "Recoveries from assets loss reserve fund", and the indicator 'net provisioning' is used for an analytical purpose. Item "Provisions to assets loss reserve fund" increases when the particular asset category deteriorates; similarly, item "Recoveries from assets loss reserve fund" increases when the particular asset category improves.

CREDIT ORGANIZATIONS

As of 31.12.2012 there were 32 credit organizations, with a total of 130 branch offices, functioning in the territory of the Republic of Armenia.

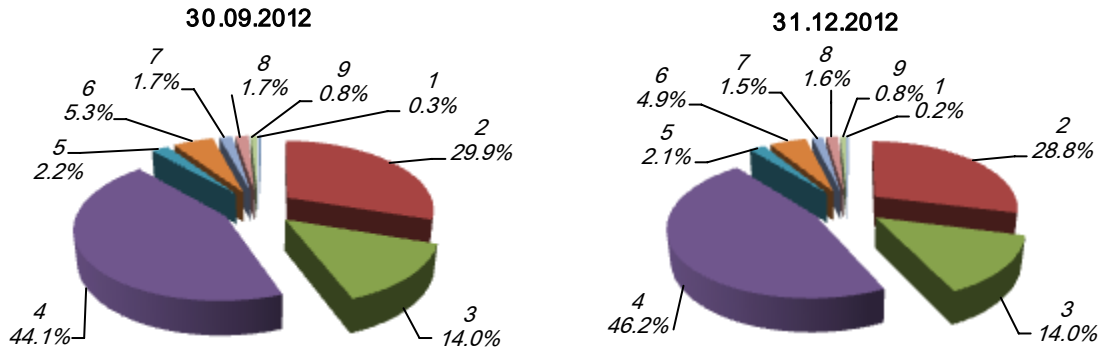
In the period under review, total assets of credit organizations have grown by 7.0 percent (36.1 percent since the start of the year) and amounted to AMD 168.5 billion. In the reporting period, 25 credit organizations reported increases and 7 reported decreases in assets.

In the period under review total lending to the economy (lease and factoring operations included) by credit organizations grew by 9.6 percent (40.2 percent since the start of the year) and reached AMD 113.2 billion at the end of the quarter. The share of loans to natural persons accounted for 68.8 percent in total growth, loans to companies, 20.8 percent, loans to credit organization affiliated parties and employees, 3.1 percent, and leasing, 7.4 percent.

The value of loans to natural persons has increased by 12.2 percent (39.5 percent since the start of the year) and reached AMD 77.8 billion, and the value of loans to companies has grown by 6.5 percent (42.1 percent since the start of the year) and totaled AMD 23.6 billion. The amount of lending to credit organization affiliated parties and employees has reduced by 0.7 percent (with a reported growth of 55.1 percent since the start of the year) to AMD 3.5 billion.

By currency structure, the value of dram loans to the economy (lease and factoring operations included) has grown by 14 percent (35.9 percent since the start of the year) and the value of foreign currency loans (lease and factoring operations included), by 3.3 percent (47.5 percent since the start of the year). As a result, the share of foreign currency loans (lease and factoring operations included) has reduced by 2.4 pp to 38.7 percent in total.

Total assets of credit organizations



1. Cash, 2. Claims on financial institutions, 3. Loans to legal persons, 4. Loans to natural persons, 5. Loans to affiliated parties and insiders, 6. Lease operations, 7. Securities, 8. Fixed assets, 9. Other assets

No significant changes were reported in the structure of claims on financial institutions and loans to the economy and lease operations: the share of claims on financial institutions has reduced by 1.2 pp while the share of loans to the economy and lease operations has grown by 1.6 pp.

As regards risk classification of the loan portfolio, the share of non-performing loans and receivables has reduced by 0.4 pp to 3.7 percent at the end of the quarter; as of 31.12.2012 the share of 'watch' category loans and receivables of credit organizations was 2.1 percent in total; the share of 'substandard' category loans and receivables, 0.9 percent; and the share of 'doubtful' loans and receivables, 0.6 percent (as of 30.09.2012, the figures were 2.5 percent, 0.8 percent and 0.8 percent, respectively).

In the period under review total capital of credit organizations has grown by 6.1 percent (34.2 percent since the start of the year) and reached AMD 62.9 billion, owing to AMD 2.8 billion increment of statutory capital and AMD 946 million worth of net profit.

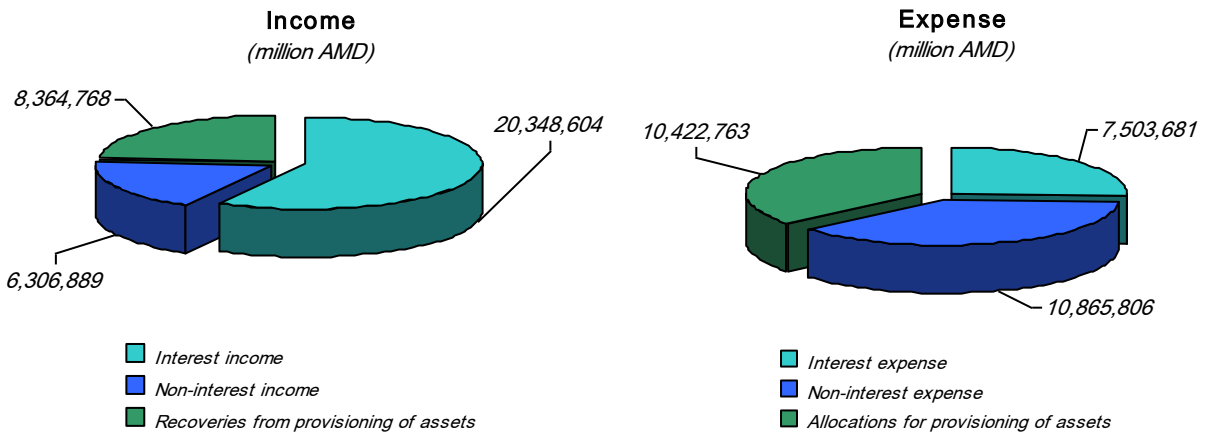
In the period under review total liabilities of credit organizations have increased by 7.6 percent (37.2 percent since the start of the year) and reached AMD 105.7 billion at the end-period. The increment was due to an 8.8 percent growth (AMD 5.0 billion) of total liabilities to financial institutions as well as 5.3 percent increase (AMD 1.3 billion) of demand and term liabilities to companies and natural persons.

As of 31.12.2012, the total amount of demand and term liabilities to natural persons and companies has been AMD 24.9 billion, with demand and term liabilities having grown by 16.8 percent (93.5 percent since the start of the year) and 0.6 percent (with a reported decrement of 11.8 percent since the start of the year), respectively.

In the liabilities structure of credit organizations, the share of demand and term liabilities to companies has reduced by 1.1 percent whereas the liabilities to natural persons have grown by 0.7 pp.

Based on the 2012 results, net profit of credit organizations (profit after tax) has been AMD 4.8 billion (calculated according to the Central Bank regulatory requirements). Since the beginning of the year, 26 credit organizations posted profit and 6 posted loss. Credit organizations' return on profit (annualized) has been 3.3 percent and return on equity (annualized), 8.8 percent.

Credit organization income and expense structure



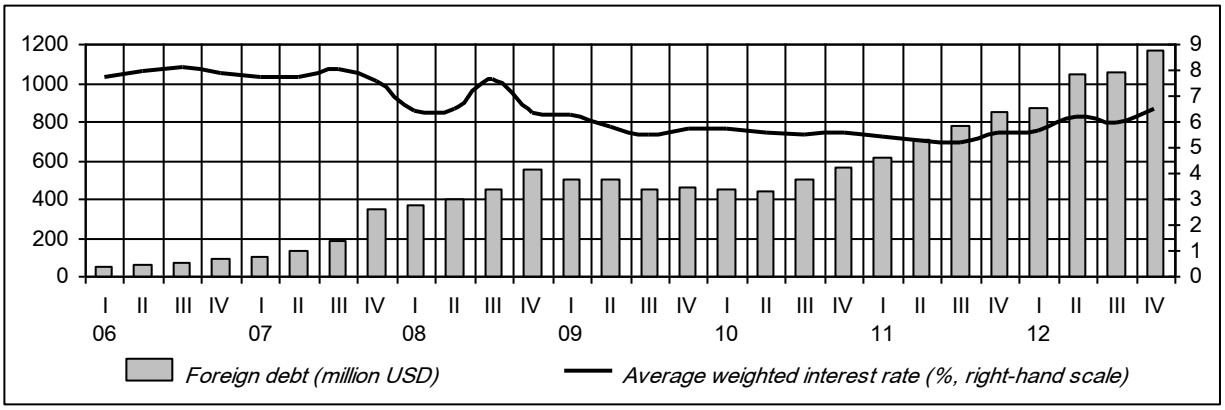
External debt of Armenian commercial banks and credit organizations as of end Q4, 2012

As of the end of the fourth quarter of 2012 loan obligations[*] of Armenian commercial banks and credit organizations to the rest of the world amounted to USD 1170.2 million against USD 1061.3 million recorded at the end of the previous quarter. Over the quarter commercial banks and credit organizations attracted loan resources of USD 759.7 million from the rest of the world and made amortization repayments in the amount of USD 626.9 million on the loans outstanding[**]. Long-term loans accounted for 23.2 percent of total credit resources attracted, with 46.4 percent of them received from international organizations, 25.7 percent from Russia, 12.7 percent from the Netherlands, 6.0 percent from Luxemburg, and the remaining part from elsewhere.

At the end of the fourth quarter of 2012 the main lenders to commercial banks and credit organizations were Russia (with its share of 25.8 percent in total), Luxemburg (7.7 percent), the Netherlands (7.4 percent). About 34.6 percent of loans was disbursed from international financial institutions.

At the end of the fourth quarter of 2012 the average-weighted interest rate of attracted loans rose to 6.4 percent relative to the previous quarter. Around 39.9 percent of external loans are with floating interest rates (LIBOR, EURIBOR, TB). The average maturity of the loans is 5.0 years. The share of short-term loans has grown to 9.5 percent of total loans attracted.

Private debt of commercial banks, 2006 - 2012



[*] *Excluding loans of international financial institutions and other lenders received through the Government in the framework of various programs.*

[**] *The amount of net attraction in previous and reporting periods varies from the actual figure as funds attracted are expressed in different currencies which is why, when expressed in dollar equivalent, they include the exchange rate revaluations.*

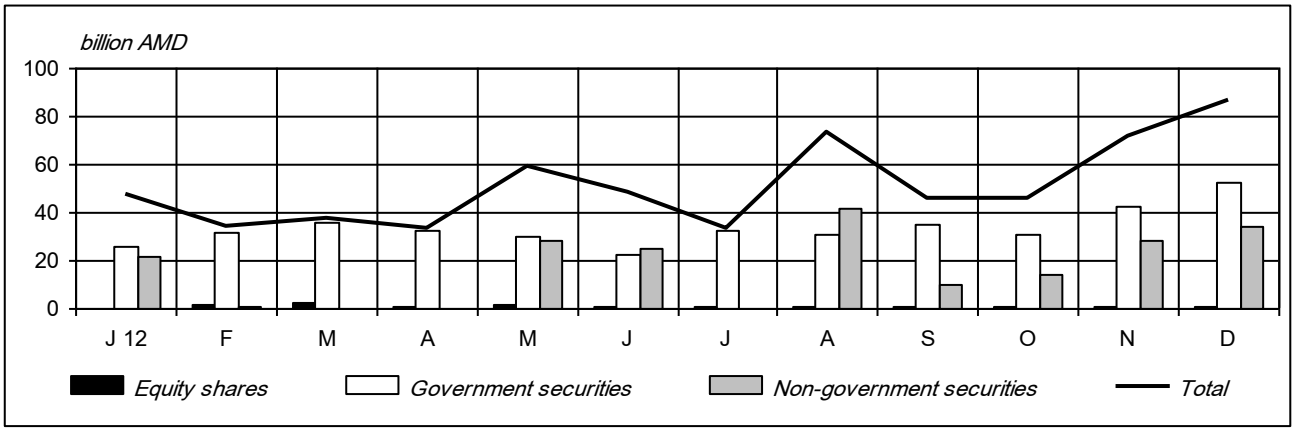
SECURITIES MARKET PARTICIPANTS

As of 31.12.2012, there were **22** banks providing investment services and **9** investment companies and **1** investment fund manager in the Armenian securities market. Of these investment companies, **eight** 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; **seven** are entitled to take and handle orders from customers for carrying out transactions with securities; **seven** are entitled to provide advisory services relating to investment with securities; **seven** are entitled to perform underwriting; **four** are entitled to manage securities portfolios.

As of 31.12.2012, total assets of investment companies have grown by 2.9 percent in relation to the previous quarter (8.2 percent since the start of the year) to AMD 23.6 billion. Total capital of investment companies has increased by 3.9 percent against the previous quarter (17.6 percent since the start of the year) and reached AMD 3.8 billion.

In the fourth quarter the volume of securities trading in the Armenian securities market for investment operations has increased by 33.8 percent to AMD 203.9 billion. The volume of trading in corporate securities has increased by 46.7 percent and reached AMD 76.3 billion. The volume of trading in shares has grown by 14.2 percent to AMD 2.3 billion. The volume of trading in treasury bills has grown by 27.4 percent and amounted to AMD 125.3 billion. Based on the results of the fourth quarter, the operations with treasury bills remained prevailing, making up 61.4 percent of total securities market turnover. The share of operations with corporate bonds and shares constituted 37.4 percent and 1.1 percent, respectively, in total.

Securities trades by investment companies executed in Q4, 2012



In the trades of government securities, the medium-term treasury bills had the largest share, making up 48.8 percent of total operations. The share of long-term and short-term treasury bills in the total traded volume of government securities constituted 36.4 percent and 14.8 percent, respectively.

The volume of securities trades executed in the regulated market by investment service providers constituted 0.9 percent of total investment operations carried out.

The volume of operations carried out in the regulated market has grown by 26 percent (AMD 379 million) and reached AMD 1.8 billion, with trades on treasury bills, corporate securities and shares accounting for 83.2 percent, 4.2 percent and 12.6 percent, respectively, of total operations.

In the structure of investment operations, operations carried out by commercial banks as investment service providers accounted for 73.3 percent and operations carried out by investment companies constituted 26.7 percent, in total.

The volume of repurchase transactions performed as investment activities (including repurchase transactions in the regulated market) has increased by 22.5 percent and amounted to AMD 1.2 trillion, in which rollovers amounted to AMD 259.1 billion.

As of 31.12.2012 the volume of transactions executed as trust management amounted to AMD 2.7 billion, representing around 17.0 percent drop in relation to the previous quarter.

As of December 31, 2012, there were 1681 issuer companies in the Central Depository of Armenia and 88 thousand and 947 individuals as holders of securities issued by companies that run registries. Further, **two** investment service providers run registries of 408 companies and 29 thousand and 435 individuals as holders of securities.

As of 31.12.2012 a total of 17 classes of securities of 14 reporting issuers were admitted to trading in the regulated market. These classes included 12 shares of 11 issuers and 5 bonds of 4 issuers. **Four** of the

issuers were financial institutions. The total volume of shares reached AMD 52.9 billion. The volume of bonds amounted to AMD 2.9 billion. One of the issuers is reportable on both shares and bonds. Commercial banks accounted for 24 percent of equity shares issued.

INSURANCE COMPANIES

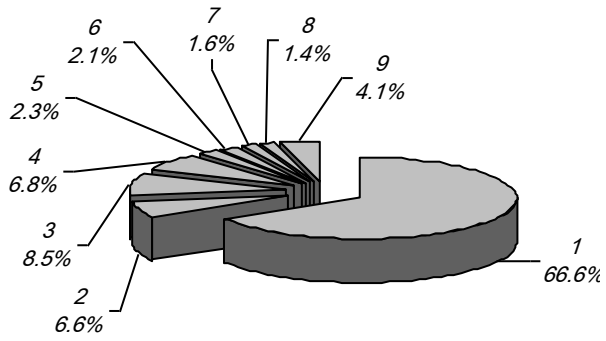
As of 31.12.2012, there have been 9 insurance companies[5] licensed to operate in the territory of the Republic of Armenia.

In the period under review, assets of insurance companies have reduced by 1.1 percent (with a reported growth of 22.0 percent since the start of the year) and amounted to AMD 38.4 at the end of the quarter; liabilities have decreased by 2.2 percent (with a reported growth of 40.9 percent since the start of the year) to AMD 24.7 billion; whereas total capital has grown by 1.0 percent (with a reported decrement of 1.7 percent since the start of the year) to AMD 13.7 billion.

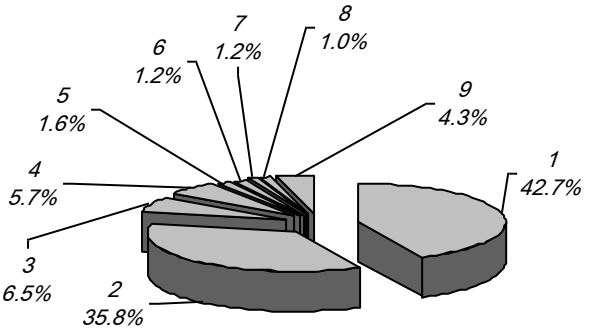
In the assets portfolio of insurance companies, deposits with banks reported the largest share (36.0 percent), followed by accounts receivable in respect of direct insurance (13.5 percent), investment in securities (10.2 percent) and fixed assets (7.4 percent).

In the liabilities portfolio of insurance companies, the share of reserve for unearned insurance premiums accounted for the largest share (44.0 percent), reserves for claims, 16.3 percent, and prepayments on insurance, 7.6 percent.

Accrued insurance premium, by insurance class (2011)



Accrued insurance premium, by insurance class (2012)



1. Mandatory motor insurance against third party liability, 2. Health insurance, 3. Fire and natural disaster insurance, 4. Land vehicle insurance, 5. Cargo (property) insurance, 6. General liability insurance, 7. Assistance insurance, 8. Accidents insurance, 9. Other classes

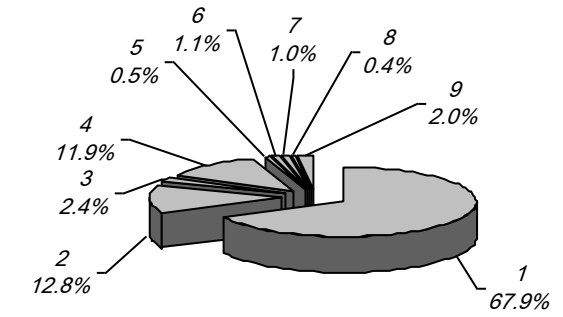
The 2012 results show that net profit of insurance companies calculated based on supervision reports amounted to AMD 411.4 million, with return on assets having reached 1.2 percent and return on equity, 3.0 percent. In the period under review 3 companies posted profit.

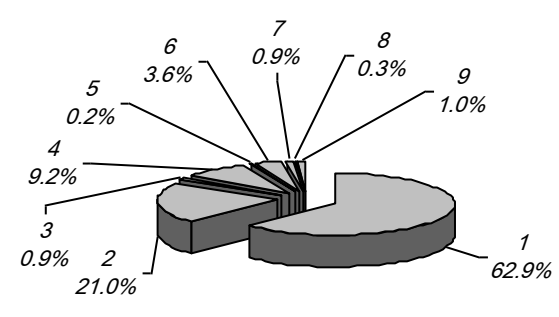
According to IFRS, based on the 2012 results net profit of insurance companies amounted to AMD 961.2 million, with return on assets having reached 2.8 percent and return on equity, 6.5 percent.

The amount of insurance premium totaled AMD 35.5 billion and the amount of premiums transferable to the reinsurer reached AMD 3.2 billion or 8.9 percent of total insurance premium.

In the period under review, insurance indemnities amounted to AMD 14.5 billion, while sums on insurance indemnities from reinsurers reached AMD 784.3 million or 5.4 percent of all insurance indemnities.

[5] *This includes indicators of 7 insurance companies active and reporting as of 31.12.2012.*

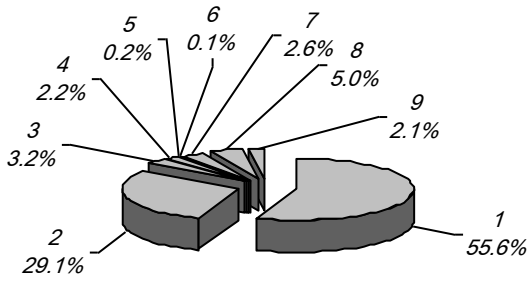


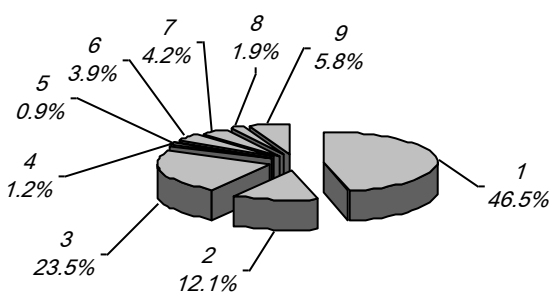


1. Mandatory motor insurance against third party liability, 2. Health insurance, 3. Fire and natural disaster insurance, 4. Land vehicle insurance, 5. Cargo (property) insurance, 6. General liability insurance, 7. Assistance insurance, 8. Accidents insurance, 9. Other classes

As of 31.12.2012, there were 439.0 thousand contracts in use, with a total reported amount of AMD 6.3 trillion. The amount of reinsured risks transferred to reinsurers reached AMD 1.9 trillion or 30.0 percent of insurance sums.

Insurance contracts and insuranec sums, by insurance class





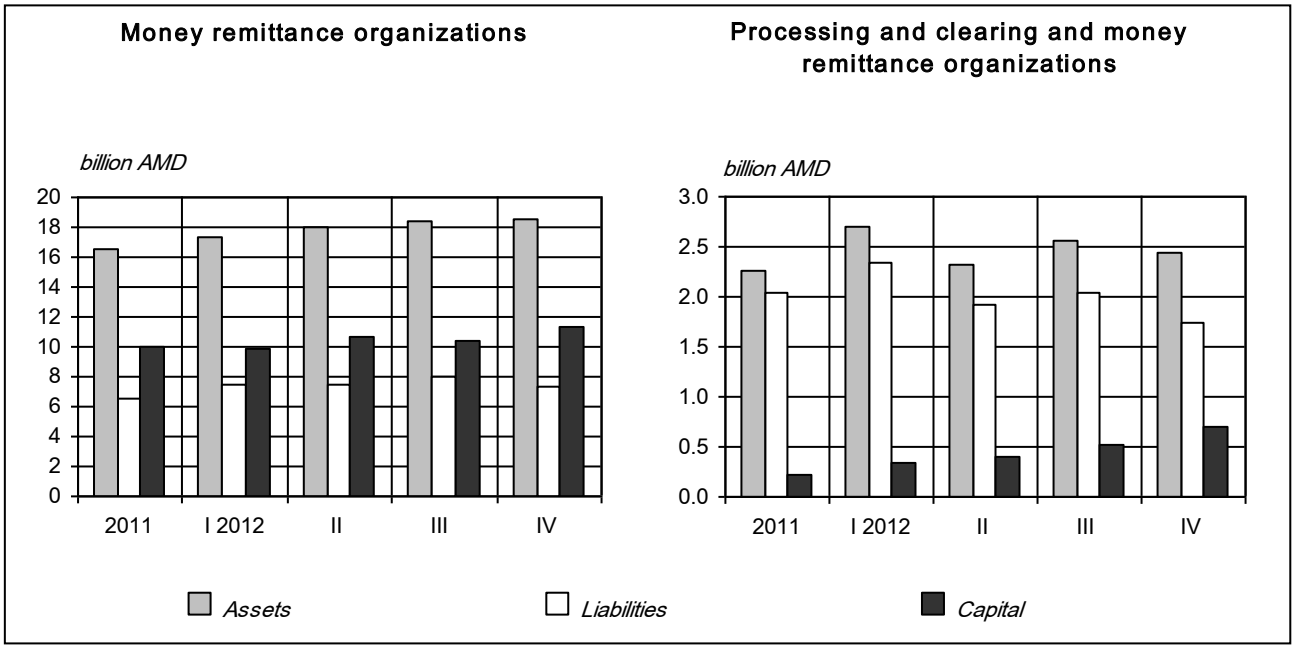
1. Mandatory motor insurance against third party liability, 2. Health insurance, 3. Fire and natural disaster insurance, 4. Land vehicle insurance, 5. Cargo (property) insurance, 6. General liability insurance, 7. Assistance insurance, 8. Accidents insurance, 9. Other classes

PAYMENT AND SETTLEMENT ORGANIZATIONS

As of end of the fourth quarter of 2012, there were 6 money remittance organizations functioning in the Republic of Armenia, **three** of which are permitted to carry out processing and clearing of payment instruments, **two** are permitted to carry out money remittance and only **one** organization licensed to carry out processing and clearing of payment instruments (“Armenian Card” CJSC).

In the period under review, money remittance organizations generated profit of AMD 201 million, with the reported total income of AMD 1.1 billion for the year 2012. The organizations engaged in processing/clearing of payment instruments and money remittance posted profit of AMD 180 million, with the reported total income of AMD 586 million for the year 2012.

Financial performance by payment and settlement organizations, 2012



Three payment and settlement organizations engaged in money remittance served inbound transfers through their membership to international payment systems. The share of money remittance organizations in the total value of international transfers (including commercial banks) has been 0.2 percent for outbound transfers and 0.4 percent for inbound transfers. In the third quarter of the year payment and settlement organizations executed inbound and outbound payments totaling, respectively, AMD 833 million and AMD 50 million. The average value per inbound transfer to the customer through these organizations has been AMD 121 thousand.

Five organizations engaged in processing and clearing of payment instruments as well as money remittances accepted cash payments for public utility fees, two of which provided such services by the use of terminals.

Payment and settlement organizations accept payments for public utility services, phone and cellular phone and Internet fees, installments for credit repayment, fine/penalty amounts and other charges and state dues. In particular, four head-offices of payment and settlement organizations and their branch offices collected funds of AMD 11.0 billion of which AMD 7.8 billion as public utility fees. In the fourth quarter of 2012, two payment and settlement organizations used 823 self-service terminals, through which a total of AMD 12.6 billion-worth of funds (5.1 million transactions in number) were collected, of which AMD 5.7 billion were public utility fees.

Funds of AMD 98 million were collected on a non-cash basis, which almost entirely were public utility fees.

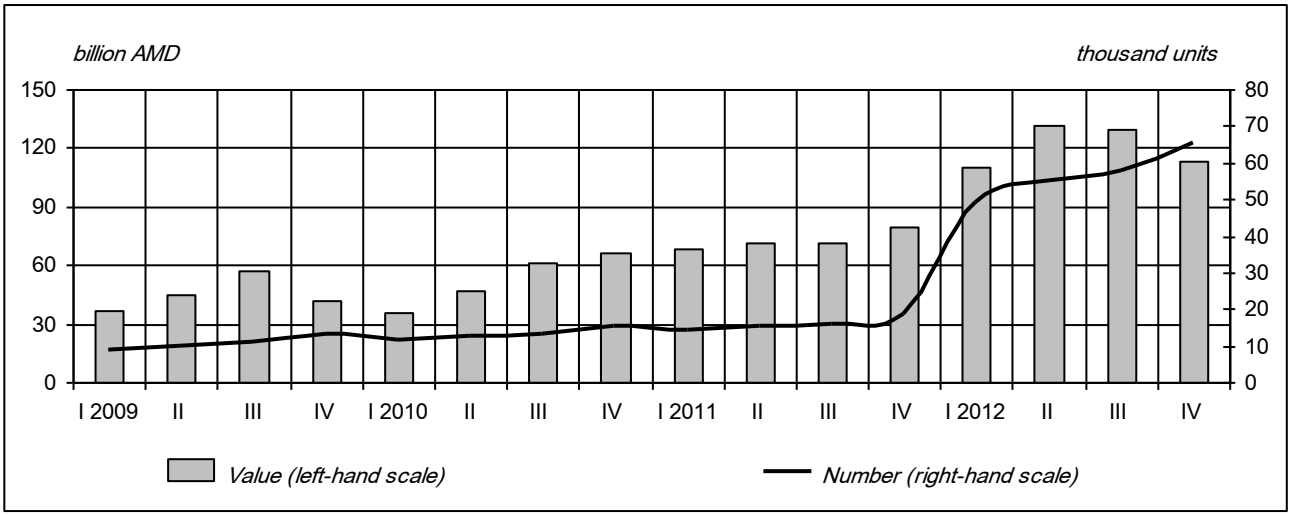
There are payment and settlement organizations that provide processing and clearing services to 12 commercial banks. In cooperation with payment and settlement organizations, these banks collected public utility fees and charges through their branch offices, and a total of nearly 342 thousand transactions reaching AMD 1.0 billion were executed.

In the fourth quarter of 2012 the payment and settlement system of the Republic of Armenia showed trends of sustainable development.

PAYMENT SYSTEMS

In the period under review the average daily value of non-cash payments executed through the banking system has been AMD 113.6 billion, with 65 thousand transactions in number. The average daily value of non-cash payments executed through the Central Bank reached AMD 95.8 billion, with 27 thousand transactions in number. The average daily value of non-cash payments via the Central Bank has increased by 21 percent and the number, by 48 percent.

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



The average daily transfers executed through Electronic Payments System (stock exchange trades excluded) have increased by 5 percent against the fourth quarter of 2011 and reached AMD 30.5 billion, and the number has increased by 50 percent to 26 thousand transactions.

The average daily transfers for stock exchange trades executed through Electronic Payments System have grown by 19 percent (AMD 34.3 billion) against the fourth quarter of 2011 and reached AMD 218.8 billion but the number has reduced by 2 percent to 89 transactions.

The average daily transfers relating to monetary instruments of the Central Bank have amounted to AMD 63.2 billion, with 667 transactions in number.

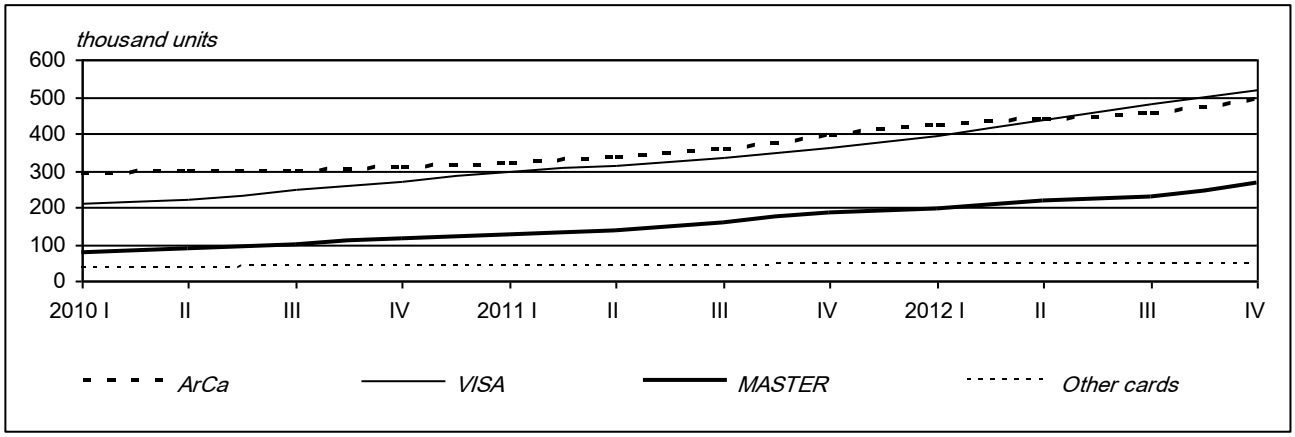
PAYMENT CARDS

As of end of the fourth quarter, 19 commercial banks out of 21 have issued payment cards or provided services connected therewith. These 19 commercial banks are members to the “ArCa” (“Armenian Card” Unified Card Payment System).

In the period under review, 47 more ATMs were installed to serve payment cards, and as of end of the fourth quarter the total number of ATMs reached 1170. The total number of POS terminals installed by commercial banks has increased by 472 and reached 6674.

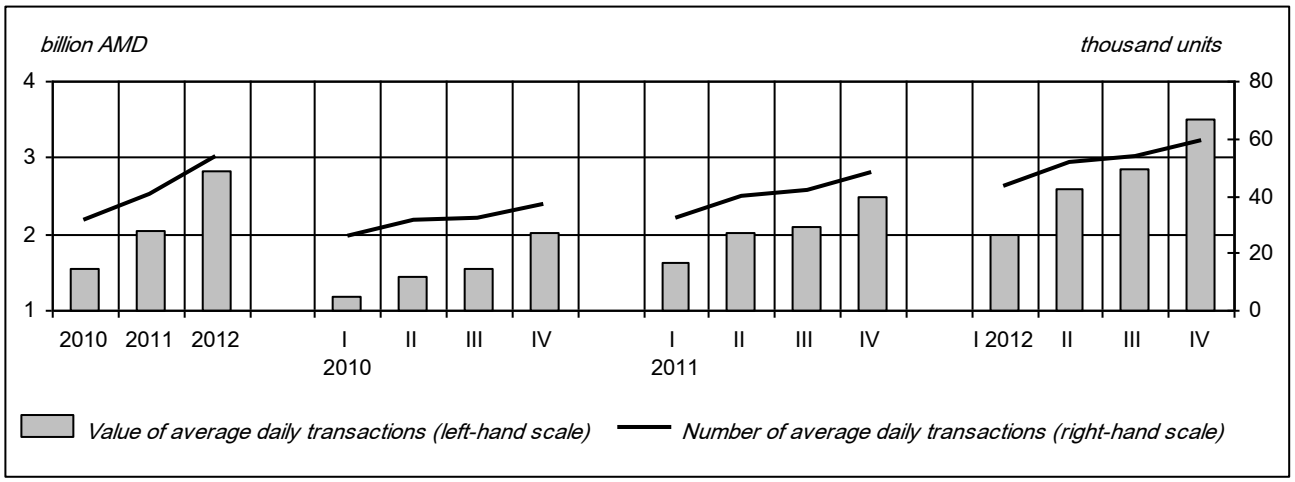
As of end of the fourth quarter, the total number of cards in use has been 1.3 million, which makes up a 10 percent increase. In particular, the number of ArCa cards in use has increased by 8 percent and reached 492 thousand cards in total. The number of international system cards has increased by 11 percent to 831 thousand cards, with VISA having increased by 9 percent to 521 thousand cards and MasterCard having increased by 17 percent to 265 thousand cards.

Payment cards issued by commercial banks in Armenia



In the fourth quarter of 2012 a total of 5.5 million of transactions amounting to AMD 323.3 billion were executed in the Republic of Armenia by the use of payment cards. Of this, the value of non-cash card payments has been AMD 28.4 billion. Of the non-cash turnover, e-payments on Internet amounted to AMD 4.6 billion (including e-commerce for a total of AMD 1.2 billion and card-to-card payments, AMD 3.5 billion). The value of card-based non-cash transactions has increased by 39 percent relative to the same period of the previous year and constituted 9 percent of total cards transactions.

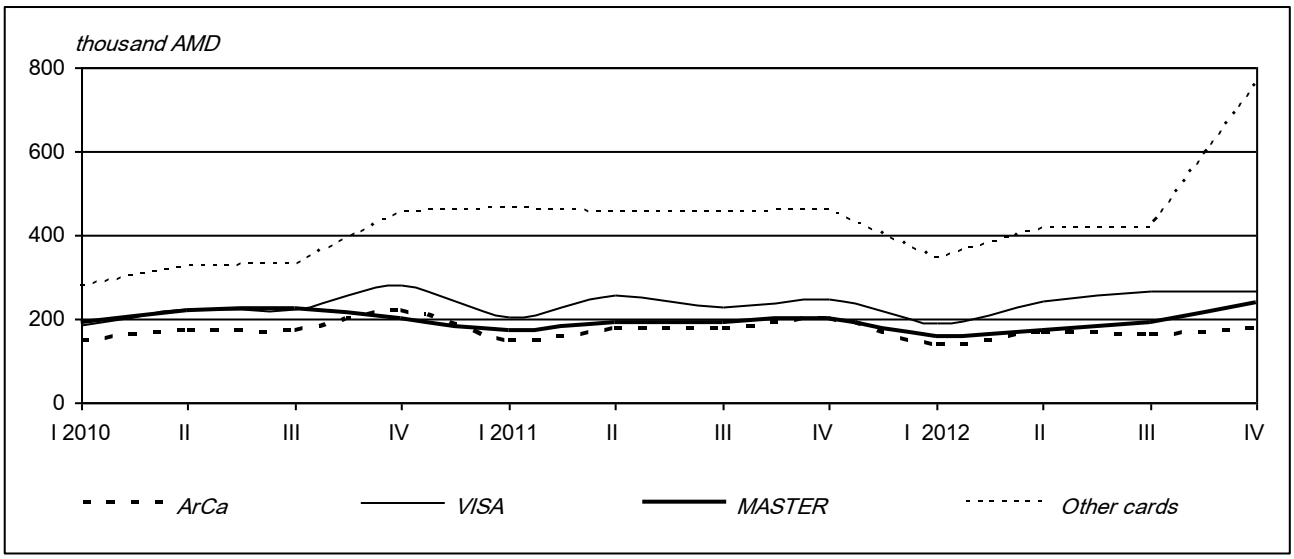
Average daily operations by payment cards executed in Armenia, 2010–2012 and quarters of 2010-2012



Transactions executed by means of card servicing machines (Q4, 2012)

Machines	Transactions			
	value (million AMD)	*number*	*including by means of ArCa cards*	
			value (million AMD)	*number*
Automated teller machines	250337	4549044	69174	1658403
o/w: non-cash	460	91386	57	42702
POS terminals / imprinters	68345	685587	17206	206336
o/w: non-cash	23285	516391	9199	136961
Internet environment	4614	231018	841	76277
Total	323296	5465649	87220	1941016
o/w: non-cash	28360	838795	10097	255940

Value of transactions per payment card issued by local and foreign banks, quarters of 2010-2012



The value of transactions using ArCA cards has increased by 12 percent (AMD 9.4 billion) and the number, by 7 percent (134 more transactions), relative to the fourth quarter of the previous year.

In the fourth quarter of 2012, relative to the fourth quarter of 2011, the value of cards transactions (including cards issued by foreign banks) in the Republic of Armenia has grown by 45 percent and reached AMD 323.3 billion; and the number has increased by 26 percent to make up 5.5 million transactions. Similarly, the value of transactions executed abroad with cards issued by local banks in the Republic of Armenia has grown by 15 percent (AMD 2.2 billion) and reached AMD 17.2 billion; and the number has increased by 31 percent (78 thousand more cards transactions) and reached 332 thousand transactions.

The value of transactions with VISA cards (including VISA cards issued by foreign banks) in the Republic of Armenia has grown by 53 percent (AMD 48.4 billion); the number of such transactions has increased by 39 percent (597 thousand more transactions). The value of transactions with MasterCard cards (including MasterCard cards issued by foreign banks) in the Republic of Armenia has increased by 73 percent (AMD 26.5 billion); the number of such transactions has increased by 44 percent (319 thousand more transactions). The value of transactions with other cards has increased by 85 percent (AMD 15.8 billion).

The value of transactions executed abroad with VISA cards issued by local banks in the Republic of Armenia has reduced by 25 percent (AMD 2.1 billion); the number of such transactions has decreased by 10 percent (15 thousand less transactions). The value of transactions executed abroad with MasterCard cards issued by local banks in the Republic of Armenia has grown by 93 percent (AMD 4.9 billion); the number of such transactions has grown by 93 percent (95 thousand more transactions). However, the value of transactions executed abroad with other international cards has declined by 43 percent or by AMD 618 million.

Transactions by payment cards in Q4, 2012

Card	Transactions in Armenia (cards issued by local and foreign banks)		Transactions abroad (cards issued by local banks)	
	Value (million AMD)	*Number*	*Value (million AMD)*	*Number*
ArCa	87220	1941016	-	-
o/w: non-cash	10097	255940	-	-
VISA	138947	2121821	6249	126974
o/w: non-cash	7078	272329	4304	105645
Mastercard	62708	1042524	10190	197345
o/w: non-cash	8608	274982	7519	172125
Other international cards	34420	360288	806	7298
o/w: non-cash	2577	35544	151	1301
Total	323296	5465649	17245	331617
o/w: non-cash	28360	838795	11973	279071

INTERNATIONAL TRANSFERS SYSTEMS

In the Republic of Armenia money remittances can be executed by commercial banks and money remittance organizations, without having to open a bank account. In the fourth quarter of 2012 the value of inbound remittances to the Republic of Armenia through the banks participating in international transfers systems reached AMD 191.4 billion (755 thousand remittances in number), a 7.8-fold increase compared to the value of outbound transfers. Relative to the fourth quarter of 2011, the value of inbound remittances has increased by 22 percent. The average amount of an inbound remittance to the Republic of Armenia through these systems has been AMD 254 thousand. Net inflow of funds transferred by commercial banks through international money remitters has increased by 20 percent and amounted to AMD 166.7 billion.

In the fourth quarter of 2012, relative to the fourth quarter of 2011, the value of payments to natural persons executed through correspondent accounts of commercial banks operating in the Republic of Armenia reached AMD 74.4 billion, representing a 32 percent increase. The average value per payment has been AMD 5.1 million, which is an AMD 1.5 million increment compared to the previous reference period. In the meantime, outbound remittances by natural persons through the correspondent accounts of commercial banks functioning in the Republic of Armenia have amounted to AMD 61.5 billion, representing a 12.4 percent (AMD 8.7 billion) decrease against the fourth quarter of 2011.

In the fourth quarter of 2012 the Central Bank made amendments to some regulations.

Banks and credit organizations:

1. There were changes and supplements endorsed under the Board of the Central Bank resolution made to Regulation 1 and Regulation 13. According to the change, two types of procedures, depending on the degree of complexity, were established for manager registration to reflect risk profile and scope of responsibility ascribed to the particular manager position. Certain exclusions were introduced to the procedure for written examination designed for bank and credit organization managers, if they have international qualification and chartered so, or if they have served similar positions in international organizations. Also, in certain cases, the Central Bank may apply some exclusions to interviews for bank and credit organization managers.

2. There were changes and supplements endorsed under the Board of the Central Bank resolution made to Regulation 2. This will provide for an improved procedure for calculation of the main prudential standards, making them more sensitive to the risks. There were additional terms to branch offices of foreign banks for attracting deposits. Specifically:
   - the minimum ratio of operational capital to risk weighted assets was defined to reach 12 percent;
   - the terms of liquidity established for branch offices of foreign banks came in differentiated not only by currency but also by amount of deposit acceptable by the branch; as such somewhat stricter terms of liquidity were established for branches that accept deposits not exceeding AMD 30 million;
   - more terms were established with the aim to restrain a single borrower, major borrower and bank affiliated party exposures as well as to restrain foreign currency disposition and outflow of resident funds.

   New requirements suggest that overnights provided to foreign banks can only be included in the calculation of high liquid assets if these banks are rated at least BBB+ (Baa1), with such overnights eligible for the calculation by a maximum of 15 percent of the high liquid assets.

   A new procedure was proposed for calculation of repurchase agreements, securities and derivatives sold under the repurchase agreements as well as more requirements were introduced to the credit risk calculation mechanism.

   It was established that claims which certain international institutions secure under their guaranty can be weighed 0 percent.

3. There were changes and supplements endorsed under the Board of the Central Bank resolution made to Regulation 3. The change covered an addition of a page to the reporting form No. 3 while the reporting form No. 32 was rewritten to reflect the changes and supplements as appropriate.

4. There were changes and supplements endorsed under the Board of the Central Bank resolution made to Procedure on Classification of Loans and Receivables and Provisioning of Assets of Banks.

Insurance market:

There were changes and supplements endorsed under the Board of the Central Bank resolution made to Regulation 3/01, aimed to streamline insurance company manager registration and brand registration procedures.

Further changes and supplements were introduced to Regulation 3/02, Regulation 3/04 and Regulation 3/09 as well as to the Central Bank Board Resolution No. 197-N.

A reporting form on annual state duty payment was rescinded due to non-applicability.

Securities market:

The Central Bank Board resolutions No. 298-N, 299-N and 300-N endorsed amendments to Regulation 4/03, Regulation 5/03 and Regulation 5/04, respectively.

The changes and supplements involved the removal of the reporting form on annual state duty payment mentioned above (as the Central Bank now has an access to the Client-Treasury system) and the new requirement that the Central Depositary and investment service providers report to the Central Bank about the transactions in foreign currency denominated securities as well.

A new reporting form on the treasury bills' yield curve calculation was added to the ones reportable by the Operator to the Central Bank (Regulation 5/03).

There were changes and supplements endorsed under the Board of the Central Bank resolution made to Regulation 10/01. This is aimed to raise the effectiveness in pension fund management and make sure only trusted, experienced and fiduciary-savvy fund managers are eligible to access Armenia's financial market. The requirements to pension fund managers stipulate, among others, that they should have at least one stakeholder in a capacity of an international financial institution or an international reputable fund manager; the participation should be in excess of 50 percent and the institution's or institutions' vote should be decisive in establishing the strategy for a funded pension contribution scheme.

On 13.11.2012 the Board of the Central Bank resolution approved the "Requirements to the Application for Company Brand of Financial Institutions Licensed by the Central Bank".

There were changes and supplements endorsed under the Board of the Central Bank Resolution No. 327-N (dated 27.11.2012) made to Regulation 4/02. The aforementioned amendment prescribed differentiated weights to credit risk which investment funds are exposed to; the credit risk calculation considered a new approach to credit risk to repurchase agreements and securities sold under repurchase agreements in order to make the calculation of the main prudential standards more sensitive to the risks; the credit risk weight has started to include the currency swap and it was established that claims which certain international institutions secure under their guaranty can be weighed 0 percent.

Further changes and supplements endorsed under the Board of the Central Bank Resolution No. 330-N (dated 27.11.2012) were made to Regulation 4/03.

The Board of the Central Bank Resolution No. 331-N (dated 27.11.2012) approved the "Procedure on Exclusion from Requirements set forth in Article 129, Clause 3 of the Republic of Armenia Law on Securities Market and Rescinded Board of the Central Bank Resolution No. 125 (Dated April 16, 2008)".

The Board of the Central Bank Resolution No. 332-N (dated 27.11.2012) approved the "Permitting Additional Types of Activity for Investment Companies and Operational Requirements thereto".

The Board of the Central Bank resolution (dated 25.12.2012) endorsed changes and supplements made to Regulation 4/05 and Regulation 10/05. The amendment was designed to streamline manager registration formalities whether through a simple or more sophisticated manner.

The Board of the Central Bank Resolution No. 272-N (dated 16.10.2012) approved Regulation 5/10, which is aimed to provide for accessibility to central depositary services throughout Armenia and cater to the establishment of account operators. The same resolution that approved Regulation 5/10 however rescinded Decision No. 44 of March 1, 2011 and provided for changes in Regulation 33 and the "Code of Securities Custody", accordingly.

The Board of the Central Bank Resolution No. 243-N (dated 18.12.2012) endorsed changes and supplements made to the procedures on Treasury Bills Custody and on Coding Account Numbers in GSASS.

The Central Bank Chairman Decision No. 1/1302L (dated 12.12.2012) endorsed supplements to the Document "Electronic Formats of Financial Messages" as was approved under the Chairman Decision No. 1/605L (dated 16.09.2005).

There were further changes and supplements made to the following Republic of Armenia Laws:

1. RA Law on Funded Pension Contributions;
2. RA Law on Investment Funds;
3. RA Law on Securities Market;
4. RA Law on Banks and Banking;
5. RA Law on Guaranty of Bank Deposits of Individuals;
6. RA Civil Code;
7. RA Law on State Registration of Property Right;

8. RA Law on Profit Tax;
9. RA Law on Income Tax and Personalized Records on Mandatory Funded Pension Contribution (rewritten as a new edition);
10. RA Law on State Duty;
11. RA Law on Value Added Tax;
12. RA Law on Income Tax; and
13. RA Law on Limited Liability Companies.

The aspects of the aforementioned amendment to the laws were based on the consideration and arguments, as follows:

1) The information as a commercial content was to be aligned with the requirement established by the Central Bank. This proposal came out of the need for sufficient funds with the Central Bank and the possibility of subjecting the managers to moral hazard.
2) The non-application of the 1 percent manager participation requirement of the Central Bank to those pension fund managers whose participation outweighs the respective threshold established by the Central Bank. Specifically, such participation should not be less than AMD 1 billion.
3) There should be an established ceiling of premiums payable to pension fund manager. As a matter of fact, in pursuit of top premiums, managers can find it tempting to artificially increase their portfolios with loanable funds and other assets.
4) The mandatory funded pension contribution scheme should be applied to those born after 1974 as the short timespan for voluntary participation would not provide for a large-scale increment in their funded contributions thus making the occurrence of the event of compensation from the guaranty fund more likely.
5) Participants would be allowed to claim their contributions back ahead of time [when the age of retirement lapses], irrespective of the events now applicable, such as sever health conditions, leave for a permanent residency abroad, termination of the fund's activity and etc.
6) The voluntary pension fund and mandatory funded pension contribution scheme will from now on need to be of an open-ended type. This modification aims to protect the rights of investors who are not allowed to sell their stakes until their age of retirement lapses.
7) The forward pricing method should be applied to open-ended funds (except for mandatory pension funds), which would help to prevent dishonest investor behavior, which is inevitable for funds issuing stakes and purchasing them back on a day to day basis. Whereas two possible options of pricing were allowed for closed funds and interim funds.
8) There was a recommendation for non-chargeability of the repurchase fee by the fund participant in case of liquidation of the fund, transfer of the fund to another fund manager or change in the type of the fund. This recommendation explains the circumstance that in the aforementioned cases the participant steps out of the fund not on a voluntary basis that reflects their investment decisions but rather because they were forced out of the fund. Further on, establishing a repurchase fee might make the participant's stepping out of the fund under such circumstances, as provided for in the law, senseless.
9) As regards the price of exchange of stakes of pension funds, whether or not these are managed by various fund managers, such exchange should be done at the repurchase and allocation price set for the day (time of the day) at which the claim to exchange and allocate new stakes has been lodged, other than at the repurchase and allocation price set for the same day.
10) Arising of the possibility to invest money market funds not only in money market instruments but also in more than 1-year debt securities with the maturity period less than a year.
11) Providing for the possibility for the Central Bank to go without the need to register changes in the operational rules of the pension fund manager but rather have them simply acknowledged as they are.
12) It was defined that the rights over the assets of contractual investment funds need to be registered in the name of the respective investment fund manager, noting that the manager would act on behalf of the stakeholders of the fund and that the change in the structure of und stakeholders would not result in the need to make a change in the registration certificate.

13) There was an exclusion applied to the timing of registration of prospectus of the investment fund and/or registration of operational rules of the investment fund.
14) A constituent clause of the law has stipulated that banks are allowed to take on an account operator's functions as provide for in the Republic of Armenia Law on Funded Pension Contributions Scheme. In addition, where a preliminary consent of the Central Bank concerning the liquidation of the bank is in place, banks can also be authorized to take action to terminate liabilities of the bank in question with respect to creditor, including to *assign such liabilities to other parties*.
15) There is provision whereby the Central Bank may allow the Fund of Guaranty of Bank Deposits of Individuals to perform activities related to their core business or provide similar service provided that this should not any way impede the proper implementation of their statutory duties.
16) It was defined that the client obtaining of the receipt of the base rate of an individual account from the tax inspectorate would pay a state duty, an equivalent to the base rate, which makes up AMD 1,000 (one thousand Armenian drams).
17) 17. It was provided that the transactions on charges obtained as a result of allocation and repurchase (redemption) of securities as issued by the investment fund manager (including by way of services purchased outside) need to go exempt of VAT.

Financial organizations: number and structure

Indicators	31.12.10	31.12.11	31.03.12	30.06.12	30.09.12	31.12.12
Banks	21	22	22	22	22	22
Banks by organizational structure	21	22	22	22	22	22
JSC	3	4	4	4	4	4
CJSC	17	17	17	17	17	17
LLC	1	1	1	1	1	1
Cooperative	0	0	0	0	0	0
Foreign participation	21	21	21	20	20	20
o/w: more than 50 percent	14	15	15	15	15	15
o/w: more than 95 percent	12	12	12	12	12	12
Foreign participation in statutory capital of banks, %	78.9	75.1	75.1	74.5	75.6	75.68
Credit organizations	32	31	32	32	32	32
Foreign participation	15	13	13	13	13	13
o/w: more than 50 percent	10	8	8	8	8	8
o/w: more than 95 percent	9	5	5	5	5	5
Foreign participation in statutory capital of credit organizations, %	36.3	39.2	39.2	35.1	33.5	33.25
Insurance companies	11	9	9	9	7	7
o/w: life insurance	0	0	0	0	0	0
o/w: non-life insurance	11	9	9	9	7	7
Foreign participation	8	7	7	7	4	4
o/w: more than 50 percent	6	5	5	5	3	3
o/w: more than 95 percent	4	3	3	3	3	3
Insurance brokers	5	4	4	4	4	4
Investment service providers in securities market [1]	29	29	29	29	30	30
o/w: investment service provider / bank	21	21	21	21	21	21
o/w: investment service provider company	8	8	8	8	9	9
Reporting issuer companies	15	14	15	15	15	14
Pawnshops	128	137	138	143	145	145
Licensed in the period under review	3	5	1	1	1	3
De-licensed in the period under review	2	2	0	0	0	2
Exchange offices [2]	254	248	252	236	238	238
Licensed in the period under review	3	0	0	0	1	1
De-licensed in the period under review	6	0	1	3	1	1
Currency dealers	2	1	1	0	0	0
Money transfer organizations	10	9	9	7	7	6

[1] Under the Republic of Armenia Law on Securities Market, effective June 30, 2008, professional entities have been re-licensed as investment service providers.

[2] Exchange offices that are active.

Banking Sector Indicators

(million AMD)

Indicators	Q4, 2010	Q1, 2011	Q2, 2011	Q3, 2011	Q4, 2011	Q1, 2012	Q2, 2012	Q3, 2012	Q4, 2012
Average quarterly assets[1]	1497538	1602581	1727526	1831322	1981697	2020903	2174354	2255015	2402395
Average quarterly loans	856369	927986	1025696	1078632	1173574	1266248	1390647	1438628	1502184
Average quarterly liabilities	1184488	1276176	1390297	1490583	1631918	1661825	1808638	1881318	2015263
Average quarterly deposits	637781	684778	726520	811816	895372	905104	960928	1032604	1115606
Average quarterly capital	313050	326405	337229	340739	349779	359078	365715	373696	387132
Average quarterly total capital adequacy ratio	22.6%	21.6%	20.4%	20.0%	18.6%	18.0%	17.1%	17.0%	17.1%
Average quarterly total liquidity ratio	29.3%	29.3%	27.3%	27.7%	28.2%	26.7%	24.4%	25.1%	25.6%
Average quarterly current liquidity ratio	132.3%	138.3%	133.2%	125.3%	122.1%	128.8%	118.3%	123.6%	127.3%

[1] *Average quarterly indicators are calculated based on the median value of each three months in a quarter.*

Main Indicators of Commercial Banks and Changes Thereto[1]

(million AMD)

Indicators	31.12.2011	31.03.2012	30.06.2012	30.09.2012	31.12.2012	Change 31.12.12 – 30.09.12
Net book value	**355925**	**362960**	**369764**	**388466**	**400717**	**12251**
Statutory capital	**233945**	**233945**	**233945**	**250441**	**251627**	**1186**
Profit / loss[2], *o/w:*	**85374**	**92049**	**96281**	**99272**	**108640**	**9368**
Profit (loss) in reporting period	32987	7779	15383	31172	42424	11252
Interest income	175483	54210	108260	166466	226017	59550
Interest expense	81462	24351	51113	79930	111165	31235
Non-interest income	48585	11195	24448	39499	56651	17152
Non-interest expense	81591	21879	45197	68748	97146	28398
Other expense[5]	28028	11394	21013	26115	31932	5817
Total liabilities[3], *o/w:*	**1710796**	**1674144**	**1871214**	**1955336**	**2077109**	**121773**
Correspondent accounts of banks	8665	37405	7863	8257	7292	-965
Other liabilities to banks (including CBA)	384128	306335	401624	402677	453044	50368
Liabilities to other financial institutions	221836	237638	272480	265720	289329	23609
Demand liabilities to legal persons and natural persons	375760	305816	329292	370537	355599	-14938
Term deposits of legal persons and natural persons	558460	603004	657560	715525	776848	61322
Total assets[4], *o/w:*	**2066722**	**2037104**	**2240978**	**2343802**	**2477826**	**134024**
Cash	89164	77293	82525	92467	99041	6574
Correspondent accounts with banks (including CBA)	324034	236199	244440	298008	322723	24716
Other claims on banks (including CBA)	98287	95492	120705	106358	107263	906
Claims on other financial institutions	28167	30220	31930	34915	34999	84
Government securities, including:	167502	148457	146251	158637	181248	22611
Securities issued by CBA	4959	4544	4502	5164	5681	517
Other securities	1210494	1301532	1437401	1467854	1536337	68483
Loans to legal persons and natural persons	**1273676**	**1406880**	**1546126**	**1560170**	**1628744**	**68574**
Loan investment, *o/w:*	1229980	1340477	1480002	1481944	1570371	88428
1. Standard	18774	43106	32012	44146	26525	-17621
2. Watch	15609	12173	23123	18505	18998	493
3. Substandard	9313	11124	10988	15576	12849	-2726

[1] *Calculations cover banks that are under a general supervision framework.*

[2] *Includes profit (loss) of the previous and current period.*

[3] *Data include net provisioning on assets and profit tax.*

[4] *Data do not include the liabilities on securities purchased under repo agreements and the liabilities on currency swap transactions.*

[5] *Data present total balance sheet assets of banks, including tangible assets and other claims as well as interest receivable. These are diminished to the extent of liabilities on securities purchased under repo agreements and on currency swap transactions.*

Main Indicators of Commercial Banks and Changes Thereto

(million AMD)

Indicators	31.12.2011	31.03.2012	30.06.2012	30.09.2012	31.12.2012	Change 31.12.12 – 30.09.12
Net book value	**46844.5**	**48626.8**	**51434.5**	**59253.6**	**62877.1**	**3623.4**
Statutory capital	**37092.8**	**37392.3**	**40320.6**	**47509.8**	**50300.2**	**2790.4**
Profit / loss [1], *o/w:*	**8670.9**	**10098.2**	**9545.2**	**10147.6**	**10981.6**	**834.0**
Profit (loss) in reporting period	2801.8	1486.0	1156.9	3863.7	4809.5	945.8
Interest income	14961.9	4729.0	9621.6	15033.3	20348.6	5315.4
Interest expense	4820.9	1519.5	3357.3	5385.7	7503.7	2118.0
Non-interest income	6184.4	1571.8	3255.4	4495.6	6306.9	1811.3
Non-interest expense	8060.1	2252.6	4893.1	7574.8	10865.8	3291.0
Profit (loss) in reporting period	2143.0	726.7	1774.2	1820.3	2058.0	237.7
Other expense[2]	3320.5	316.0	531.1	884.4	1418.5	534.1
Total liabilities [3], *o/w:*	**77006.5**	**84615.6**	**99690.0**	**98226.4**	**105653.8**	**7427.4**
Correspondent accounts of banks	18073.7	25279.1	34962.2	34463.5	35978.9	1515.4
Other liabilities to banks (including CBA)	21418.5	21990.4	23079.0	22961.2	26510.7	3549.5
Liabilities to other financial institutions	315.5	684.6	707.7	666.8	680.8	14.1
Demand liabilities to legal persons and natural persons	22957.7	21466.3	22388.8	22972.7	24212.1	1239.4
Total assets [4], *o/w:*`	**123851.0**	**133242.8**	**151124.5**	**157480.0**	**168530.8**	**11050.8**
Cash	1192.9	303.4	337.4	443.0	312.4	-130.6
Bank accounts	4702.9	5704.5	6499.2	5816.7	3770.9	-2045.8
Other claims on banks	29464.0	29730.3	34051.9	37957.1	40564.7	2607.6
Claims on other financial institutions	2446.2	2650.7	2941.6	3349.8	4119.5	769.7
Վարկեր	74666.1	83273.6	94146.4	95051.8	104911.8	9860.0
Financial lease	6121.6	6451.1	7249.8	8279.4	8332.0	52.6
Government securities	1751.6	1717.0	2099.0	2610.5	2502.4	-108.1
Other securities	114.9	18.6	25.7	25.3	29.9	4.6
Loan investment, *o/w:*	**105931.8**	**116647.0**	**133318.5**	**137520.6**	**149866.8**	**12346.2**
1. Standard	103357.6	113373.6	128844.4	132190.7	144559.9	12369.3
2. Watch	1703.8	1701.3	2035.2	3038.8	3013.5	-25.3
3. Substandard	680.8	1057.4	1188.5	1119.5	1300.6	181.1
Loan investment, *o/w:*	189.5	514.7	1250.3	1171.6	992.7	-178.8

[1] Date include profit (loss) of the previous and current period.

[2] Data include net provisioning on assets and profit tax.

[3] Data present total balance sheet liabilities of credit organizations; lines also denote other liabilities, liabilities to the Government and interest payable.

[4] Data present total balance sheet assets of banks, including tangible assets and other claims as well as interest receivable. These are diminished to the extent of liabilities on securities purchased under repo agreements and on currency swap transactions.

Main Indicators of Insurance Companies and Changes Thereto

Table 1 *(million AMD)*

Indicators	31.12.2011	31.03.2012	30.06.2012	30.09.2012	31.12.2012	Change 31.12.12 – 30.09.12
Cash	193	67	26	22	212	190
Bank accounts	1426	1262	1383	722	1317	594
Sums receivable on direct insurance	2493	4860	10152	8416	5179	-3237
Sums receivable from coinsurers	2	2	0	0	0	0
Sums receivable from reinsurers	15	85	80	97	87	-10
Claims on indemnity	405	510	441	479	588	109
Claims due to subrogation	164	176	467	636	296	-340
Deposits with banks	14594	13785	13245	13517	13814	296
Loans provided	1095	3169	1078	835	696	-139
Securities sold through repo	2651	2687	2382	2731	2227	-504
Securities	2446	2175	1740	2149	3895	1746
Reserves for possible irrecoverable loss	-397	-599	-619	-650	-493	157
Reinsurer share in insurance reserves	1889	1951	1914	1955	1933	-22
Interest receivable	495	306	314	393	514	121
Future period expense and advances on insurance		1692	2678	2846	2793	-53
Fixed assets	1579	1690	1652	2410	2843	433
Other assets	2392	1843	2218	2238	2467	229
Assets, total	**31442**	**35660**	**39153**	**38798**	**38369**	**-428**
Dram	22473	26656	33742	35291	34846	-445
Foreign currency	8969	9004	5411	3507	3524	17
Sums payable for indemnity, o/w:	145	227	188	274	213	-61
Sums payable to brokers	271	440	566	418	522	105
Insurance amounts returned	61	102	111	161	168	7
Sums payable to coinsurers, reinsurers	1378	1217	1018	1298	1416	118
Loans	257	58	0	493	197	-296
Insurance reserves, including:	8619	15943	19979	18024	16030	-1994
Unearned insurance reserves	5005	12267	16162	13369	10833	-2535
Claims reserves	2724	2793	2934	3774	3006	-768
Mathematical reserve	0	0	0	0	1005	1005
Other reserves	890	883	883	882	1186	304
Repo agreements	2623	2617	2360	2700	2160	-540
Other liabilities	4132	1508	1718	1840	3938	2097
Liabilities, total	**17486**	**22111**	**25939**	**25209**	**24644**	**-565**
Dram	16733	21592	25677	24865	24204	-661
Foreign currency	753	519	262	344	440	96
Statutory capital	11933	12385	10604	10729	11430	701
Undistributed profit / loss in current period	1683	-765	474	1023	369	-654
Undistributed profit / loss in previous period	-115	1545	1550	1261	1261	1
Other	455	385	587	577	665	88
Equity, total	**13956**	**13549**	**13214**	**13589**	**13726**	**137**

Table 2 *(million AMD)*

Indicators	31.12.2011	31.03.2012	30.06.2012	30.09.2012	31.12.2012	Change 31.12.12 – 30.09.12
Insurance amounts	3696072	6208708	7004384	7584924	6295988	-1288936
Gross value of premiums	22372	12412	23835	29300	35525	6225
Premiums transferred to reinsurer	2803	782	1456	2245	3172	927
Gross value of insurance indemnity	8141	2970	5968	9376	14487	5111
Reinsurer's share in insurance indemnity	686	162	290	390	784	394

Main Indicators of Investment Service Providers

(million AMD)

Indicators	31.12.2010	31.03.2011	30.06.2011	30.09.2011	31.12.2011	31.03.2012	30.06.2012	30.09.2012	31.12.2012	Change (31.12.2012) - (30.09.2012)
Net book value	**3196.2**	**3470.4**	**3753.1**	**3193.8**	**3230.0**	**3476.2**	**3148.0**	**3605.1**	**3797.8**	**192.7**
Undistributed profit / loss, o/w:	416.9	649.9	717.7	869.9	801.9	838.7	348.2	603.4	616.6	13.2
Profit in current period	295.8	252.3	478.2	602.8	566.4	46.1	-63.1	292.6	348.5	55.9
Commission and proceeds from provision of IS	24.4	240.0	449.1	463.3	1299.3	284.3	297.4	304.9	334.7	29.8
Net proceeds from sale of securities	1560.5	917.2	1126.6	1575.3	2154.9	125.7	1057.6	1878.5	2238.9	360.4
Statutory capital	2514.8	2578.8	2728.8	2099.6	2099.6	2099.6	2499.6	2659.6	2767.1	107.5
Total liabilities	**16359.9**	**15128.5**	**18730.5**	**17989.5**	**18597.4**	**19745.2**	**19571.1**	**21892.1**	**19811.5**	**-2080.6**
Loans from resident banks	2017.6	1458.0	2360.7	826.2	2318.7	3468.3	3505.8	1576.2	1156.8	-419.4
Liabilities on repo agreements	13879.6	13370.7	15933.6	16839.6	15624.5	16023.7	15689.6	16824.1	17424.0	599.9
Total balance sheet assets	**19556.1**	**18599.0**	**22483.6**	**21183.3**	**21827.4**	**23221.5**	**22719.1**	**22893.9**	**23609.3**	**715.4**
Cash	200.2	208.0	8.1	13.3	5.9	8.4	7.7	6.8	6.5	-0.3
Bank accounts	233.4	507.2	680.7	328.6	688.8	259.8	303.9	627.5	732.5	105.0
Securities sold through repo agreements	14180.6	13619.6	16160.3	17101.0	16330.6	15178.2	15899.0	12926.5	28217.4	15290.9
Securities purchased through repo agreements	0.0	0.0	29.0	18.9	19.6	0.0	0.0	0.0	0.0	0.0
Government securities	1713.4	2416.3	3725.7	1411.3	2372.5	20981.8	20358.7	2967.1	2607.5	-359.6
Other securities	886.8	905.7	851.4	939.5	782.0	798.1	771.2	568.7	889.7	321.0

Operations by Investment Service Providers

(million AMD)

Indicators	2010	2011				2012			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operations by investment bank	**114739.2**	**266369.1**	**510960.8**	**451313.5**	**322029.0**	**491050.8**	**696426.1**	**862097.4**	**1093674.0**
equity shares	547.6	2812.5	6185.9	6599.5	887.7	3849.8	2881.7	1721.2	1899.4
o/w: traded on stock exchange	-	3.2	46.0	7.3	8.3	-	103.4	32.2	79.7
corporate bonds	242.3	4.0	970.5	126.9	18.9	22393.4	53564.8	51798.7	75861.0
o/w: traded on stock exchange	2.1	4.0	6.1	56.7	-	-	1080.0	577.1	948.4
government bonds	44284.7	81936.7	78201.0	84135.0	26797.7	87609.9	76943.7	92102.1	112674.5
o/w: traded on stock exchange	825.3	2824.2	670.1	3714.6	1593.8	1556.5	1281.5	1838.5	2696.3
repo/reverse repo agreements[1]	69665	181616	425603	360452	294325	377198	563036	716475	903239
o/w: traded on stock exchange	621.0	435.7	709.5	472.8	29.8	93.3	66.6	185.3	-
Operations by investment company	**23125.4**	**42851.4**	**55798.9**	**61415.4**	**22979.3**	**55437.1**	**59527.3**	**54457.1**	**78651.7**
equity shares	49.4	388.6	343.3	601.1	25.8	208.5	38.4	319.1	431.3
o/w: traded on stock exchange	19.4	170.0	148.6	13.9	-	186.8	1.0	37.9	386.7
corporate bonds	119.7	224.8	176.7	507.0	126.1	63.1	165.3	228.3	472.6
o/w: traded on stock exchange	119.7	203.0	176.7	380.8	111.1	63.1	165.3	228.3	346.5
government bonds	5121.8	5675.5	7517.6	6540.6	1965.0	5221.1	8151.9	6519.7	12596.1
o/w: traded on stock exchange	-	-	-	-	-	-	-	-	367.9
repo/reverse repo agreements [1]	17834.4	36562.5	47761.3	53766.6	20862.4	49944.4	51171.8	47390.1	65151.7
o/w: traded on stock exchange	621.0	435.7	768.3	567.4	69.0	93.3	66.6	185.3	-

[1] *Repo and reverse repo agreements do not include rollovers.*

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

Bank	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	+	+			
Areximbank-Gazprombank	+	+	+		
Unibank	+	+	+		
Ardshininvestbank	+	+	+		
Armswissbank					
Procredit Bank			+		
All Armenian Bank					