



Armenian Banking Sector Overview

2016 4th Quarter Results

February, 2017



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Basis of Preparation

This report summarizes and analyzes the financial results of the 17 commercial banks of Armenia for the four quarters of 2016, as well as provides some insights into the recent developments in the sector.

The financial information has been obtained from the published interim reports for the 4th quarter of 2016 and the audited financial statements dated 31.12.15, unless stated otherwise. The banks are listed in the alphabetical order throughout the publication. We have used simple headline numbers in our analysis unless stated otherwise; each bank has its own way of reporting performance and this has proved to be the most consistent method of presenting their results.

All the key ratios are calculated based on the obtained data unless stated otherwise. There were some changes made to the methodology of calculation of certain ratios, which are stated in the text. Hence, one shall consider this while comparing the ratios reported herein with those of our previous publications.

The general information, such as the number of branches, employee headcount, etc, are mainly taken from the Notes to the Financial Statements prepared by the banks. The official websites of the banks serve as the only alternative source, however they are not always properly updated. Due to this, the figures presented may not necessarily be as of 31 December 2016. There may be figures more up to date or of an earlier date depending on the latest available information published by the banks.

The main source of news is the official websites of the banks and the Central Bank of Armenia, as well as the official press releases published by various news agencies.

At a Glance

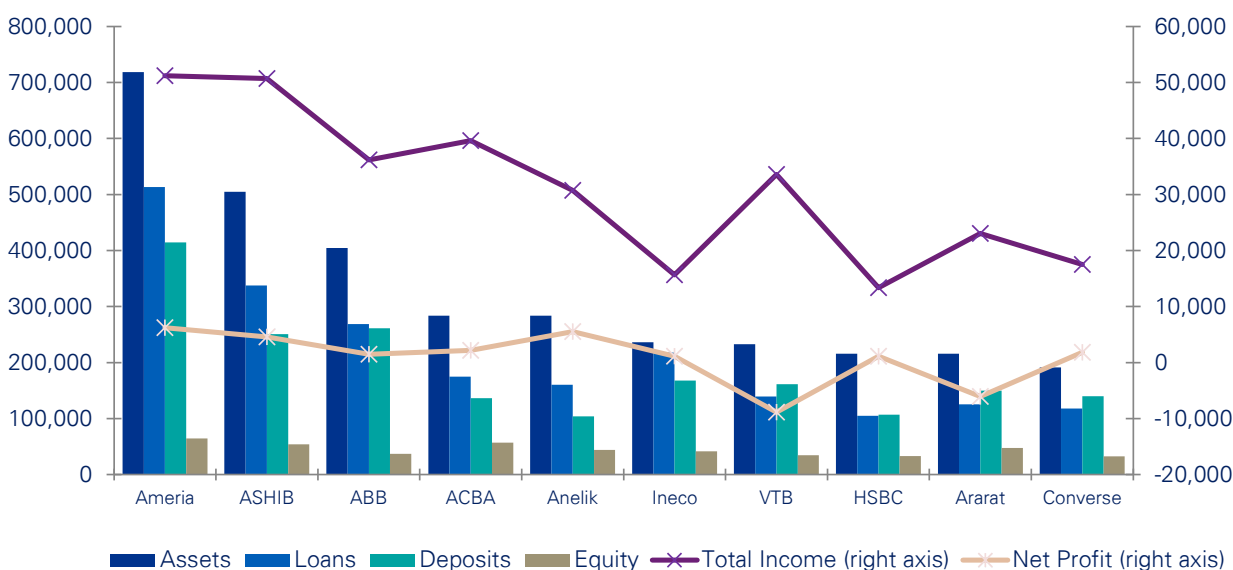
The banking system remains the biggest part of the Armenian financial market. As of 31 December 2016, there were 171 commercial banks operating in the Republic of Armenia. They had 526 branches in Armenia and in Nagorno Karabakh, from which 237 were located in Yerevan. The total number of employees in the Armenian commercial banks was about 11,423.

Key Financial Indicators of the Armenian Banking Sector (in million AMD)

Key Financial Indicators*	2016	2015	Change (2016/2015)
Assets	4,140,548	3,456,695	19.8%
Interest Earning Assets	3,192,557	2,536,994	25.8%
Gross Advances to Customers	2,713,071	2,250,708	20.5%
Loan portfolio**	2,577,794	2,126,631	21.2%
Liabilities	3,471,135	2,917,677	19.0%
Deposits***	2,340,518	1,859,598	25.9%
Equity	669,412	539,018	24.2%
Charter Capital	401,540	319,339	25.7%
Total Income	395,313	380,304	3.9%
Interest Income	327,187	317,271	3.1%
Non-Interest Income	32,153	26,917	19.5%
Net Interest Income	138,444	132,701	4.3%
Net Non-Interest Income	23,599	20,303	16.2%
Net Operating Income****	198,016	189,120	4.7%
Operating Expenses	(114,433)	(108,502)	5.5%
Net Provision Expenses	(61,308)	(63,772)	-3.9%
Net Profit before Taxes	22,274	16,846	32.2%
Net Profit after Taxes	16,026	10,083	58.9%
Other Comprehensive Income	26,367	(5,166)	610.4%
Total Comprehensive Income	42,393	4,916	762.3%

- * The indicators of the financial position are as of the last day of the corresponding period.
- ** Loan portfolio includes loans and the receivables from letters of credits, finance lease and factoring.
- *** Deposits include current accounts.
- **** Net operating income is before provisions and administrative expenses.

Top Ten Banks of the Armenian Banking Sector as of 31 December 2016 (in million AMD)



1. Without "AreximBank-GazPromBank Group" CJSC.

2016 4th quarter interim financial statements of "AreximBank-GazPromBank Group" CJSC were not published. 2016 4th quarter interim financial statements of "Ardshinbank" CJSC did not include the results of "AreximBank-GazPromBank Group" CJSC. In order to maintain the completeness and comparability of the main financial indicators, 3rd quarter interim financial statements of "AreximBank-GazPromBank Group" CJSC were included in the calculations.

Sector Highlights

Compared with the same period of 2015, the banking system assets grew by **19.8%** and reached **AMD 4,141 billion** as of 31 December 2016.

For the period ended 31 December 2016 the return on assets (ROA) for the Armenian banking system was **0.42%**, which increased by 0.12 percentage points compared with the same period of 2015.

During the fourth quarter of 2016 compared with the previous quarter there were some changes in the list of Top 10 Banks in Armenia by assets with "Anelik Bank" CJSC moving up by 5 positions, "InecoBank" CJSC moving up by 1 position, "VTB Bank Armenia" CJSC and "HSBC Bank Armenia" CJSC moving down by 2 positions each, "Converse Bank" CJSC moving down by 1 position and "AraratBank" OJSC getting into the top 10 ranking with moving up by 2 positions and leaving "UniBank" OJSC out of the ranking.

As of 31 December 2016 the total amount of outstanding loans grew by **21.2%** compared with the same period of 2015 and reached **AMD 2,578 billion**.

For the period ended 31 December 2016 the ratio of loan portfolio to total assets for the Armenian banking system was **62.3%**. According to the CBA, as of 31 December 2016 the Armenian banking system liquidity ratio was **32.5%**.

For the reported period the total net provision expenses of the Armenian banking sector decreased by **3.9%** compared with the same period of 2015, and amounted to **AMD 61.3 billion**.

The outstanding balance of deposits as of 31 December 2016 increased by **25.9%** compared with the same date of 2015, reaching **AMD 2,341 billion**.

As of 31 December 2016 the loan portfolio/deposit ratio for the Armenian banking system was **1.10**.

As of December 2016 the total equity of banks reached **AMD 669 billion**, which exceeded the same indicator as of 31 December 2015 by **24.2%**.

For the period ended 31 December 2016 the return on equity (ROE) for the Armenian banking system was **2.65%**. The ratio of equity to assets as of the reported date was **16.2%**. According to the CBA, the capital adequacy ratio of Armenian banking system was **20%**.

During the period ended 31 December 2016, the banking system had total income of **AMD 395 billion**, which exceeded the total income for the same period of 2015 by **3.9%**. For the period ended 31 December 2016 the net interest margin for the Armenian banking system was **4.8%**. The cost to income ratio for the reported period was **57.8%**.

The net profit before taxes of the banks for the period ended 31 December 2016 was **AMD 22.3 billion**.

The net profit after taxes of the banking system for the period ended 31 December 2016 was **AMD 16 billion**, which is higher by **58.9%**, compared with the same date of 2015.

For the period ended 31 December 2016 the profit margin for the Armenian banking system was **4.1%**.

Assets

19.8%

Loans

21.2%

Deposits

25.9%

Equity

24.2%

Total income

3.9%

Profit

58.9%

ROA

0.42%

Liquidity

32.5%

Loan portfolio/
deposits

1.10

ROE

2.65%

Capital adequacy

20%

NIM

4.8%

Cost/
income

57.8%

PM

4.1%

Bank Profiles

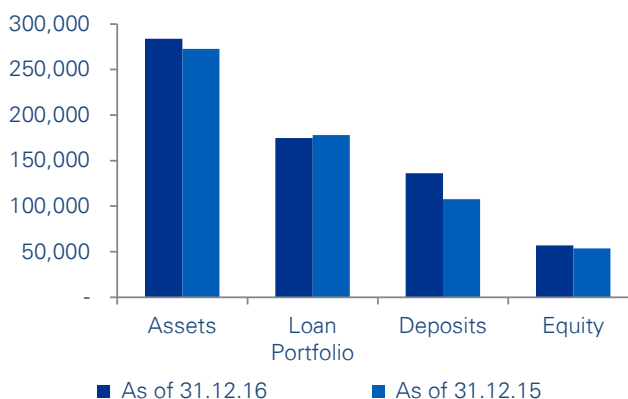
ACBA - Credit Agricole Bank

Key Financial Indicators*

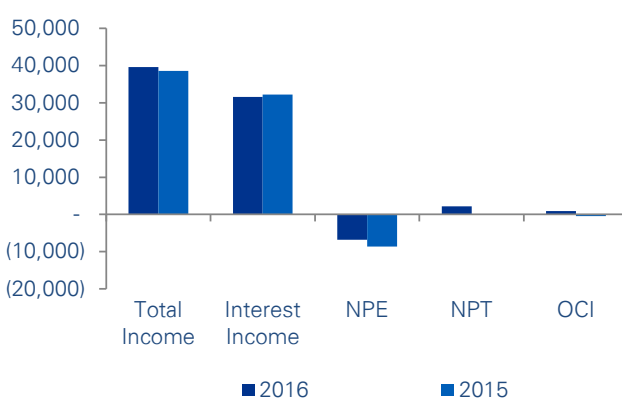
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	283,825	272,853	6.9%	4	4.0%
Interest Earning Assets	214,101	199,138	6.7%	5	7.5%
Loan Portfolio	174,938	177,966	6.8%	5	(1.7%)
Liabilities	226,995	219,141	6.5%	5	3.6%
Deposits	136,192	107,606	5.8%	8	26.6%
Equity	56,830	53,712	8.5%	2	5.8%
Charter Capital	30,000	30,000	7.5%	6	-
Total Income	39,620	38,600	10.0%	3	2.6%
Interest Income	31,567	32,226	9.6%	3	(2.0%)
Net Provision Expenses	(6,802)	(8,638)	11.1%	3	(21.3%)
Net Profit after Taxes	2,168	(40)	13.5%	6	5516.8%
Total Comprehensive Income	3,118	(509)	7.4%	8	712.7%

* The indicators of the financial position are as of the last day of the corresponding period.

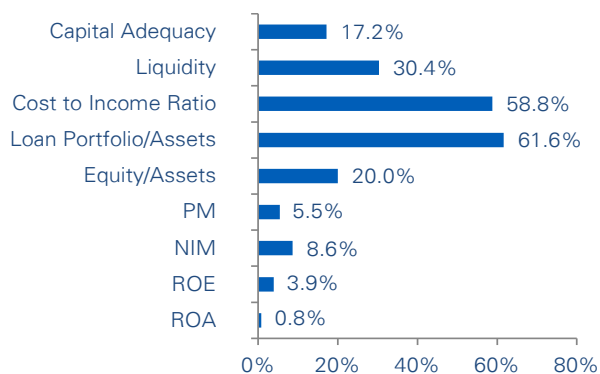
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

2nd rank by the equity
3rd rank by the total income

Among the top ten banks by all main financial indicators.

Dutch Development Bank (FMO) and Acba-Credit Agricole Bank have signed USD 15 million loan agreement.

Black Sea Trade and Development Bank (BSTDB) and Acba-Credit Agricole Bank have signed a new USD 10 million loan agreement.
EFSE and Acba-Credit Agricole Bank have signed a loan agreement of USD 10 million.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

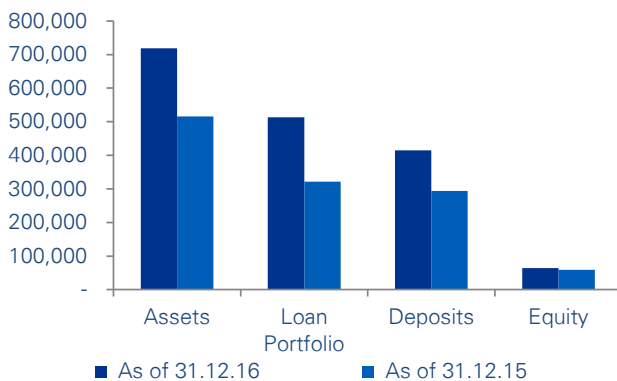
Ameriabank

Key Financial Indicators*

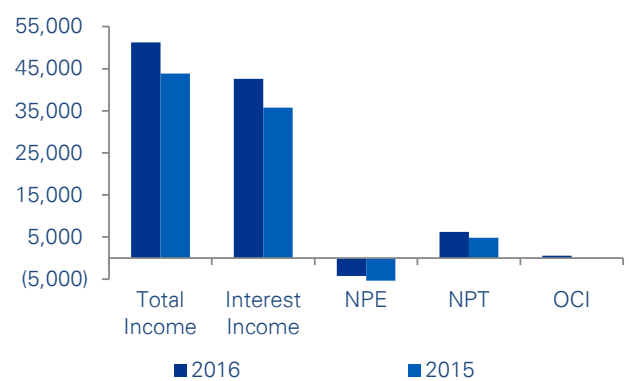
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	718,281	515,874	17.3%	1	39.2%
Interest Earning Assets	575,595	366,359	18.0%	1	57.1%
Loan Portfolio	513,308	321,891	19.9%	1	59.5%
Liabilities	653,872	456,557	18.8%	1	43.2%
Deposits	414,609	294,012	17.7%	1	41.0%
Equity	64,409	59,317	9.6%	1	8.6%
Charter Capital	32,087	32,087	8.0%	4	-
Total Income	51,223	43,839	13.0%	1	16.8%
Interest Income	42,624	35,733	13.0%	2	19.3%
Net Provision Expenses	(4,248)	(6,156)	6.9%	6	(31.0%)
Net Profit after Taxes	6,218	4,815	38.8%	1	29.1%
Total Comprehensive Income	6,777	4,696	16.0%	2	44.3%

* The indicators of the financial position are as of the last day of the corresponding period.

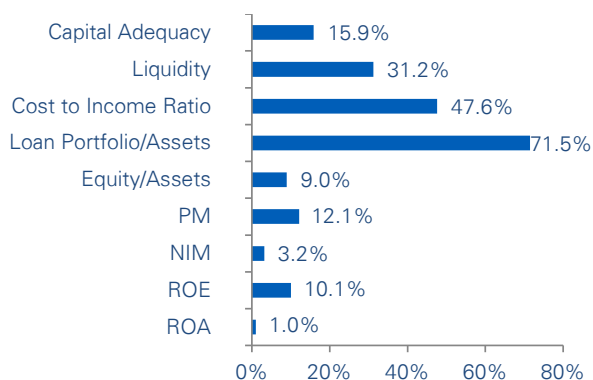
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

- 1st rank by the assets
- 1st rank by the interest earning assets
- 1st rank by the loan portfolio
- 1st rank by the liabilities
- 1st rank by the deposits
- 1st rank by the equity
- 1st rank by the net profit after tax
- 1st rank by the total income
- 2nd rank by the interest income

Among the top ten banks by all main financial indicators.

Proparco (subsidiary of Agence Française de Développement) and Ameriabank have signed a USD 20 million credit facility agreement.

The European Bank for Reconstruction and Development (EBRD) has provided a loan of USD 10 million to Ameriabank for financing women-owned small and medium enterprises (SME).



** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

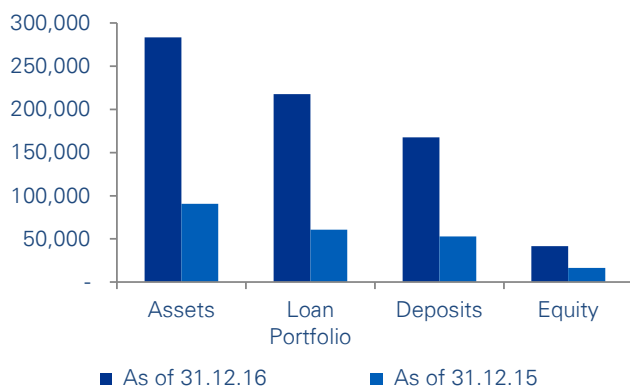
Anelik Bank

Key Financial Indicators*

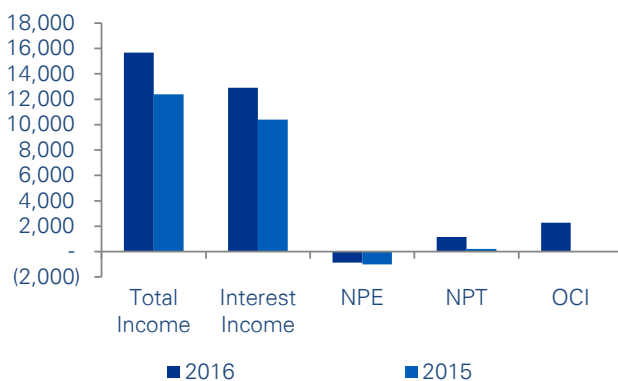
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	283,472	90,768	6.8%	5	212.3%
Interest Earning Assets	244,955	65,539	7.7%	4	273.8%
Loan Portfolio	217,566	60,701	8.4%	4	258.4%
Liabilities	241,858	74,397	7.0%	4	225.1%
Deposits	167,582	53,061	7.2%	4	215.8%
Equity	41,613	16,371	6.2%	6	154.2%
Charter Capital	33,972	13,696	8.5%	2	148.0%
Total Income	15,667	12,382	4.0%	11	26.5%
Interest Income	12,898	10,385	3.9%	10	24.2%
Net Provision Expenses	(875)	(1,001)	1.4%	11	(12.6%)
Net Profit after Taxes	1,150	215	7.2%	9	434.6%
Total Comprehensive Income	3,437	231	8.1%	6	1385.7%

* The indicators of the financial position are as of the last day of the corresponding period.

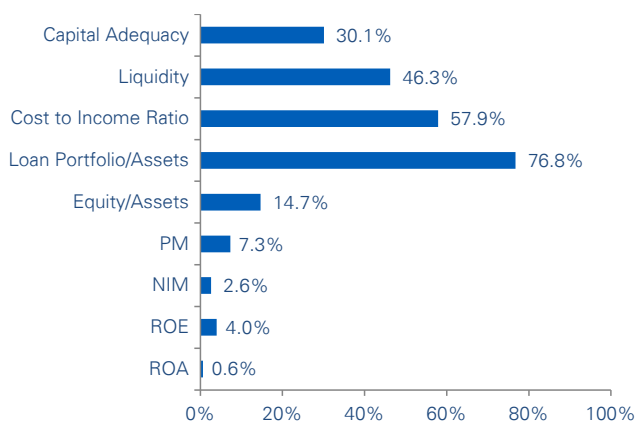
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

2nd rank by charter capital

Among the top ten banks by almost all main financial indicators.

Anelik Bank issued US dollar coupon bonds amounting to USD 5 million with annual yield of 6.5%.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

Araratbank

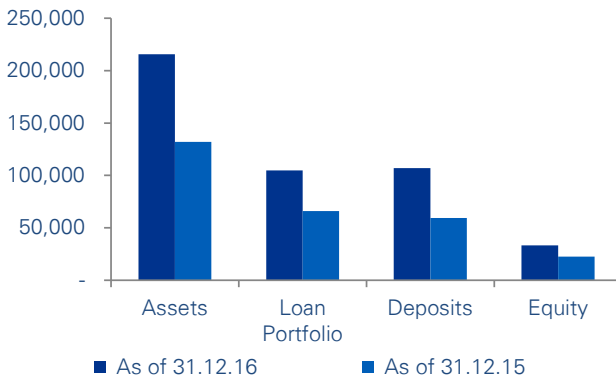
Key Financial Indicators*

	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	215,587	132,027	5.2%	9	63.3%
Interest Earning Assets	154,238	87,728	4.8%	8	75.8%
Loan Portfolio	104,880	66,083	4.1%	11	58.7%
Liabilities	182,415	109,556	5.3%	8	66.5%
Deposits	107,122	59,337	4.6%	10	80.5%
Equity	33,172	22,472	5.0%	11	47.6%
Charter Capital	8,804	6,388	2.2%	15	37.8%
Total Income	13,336	12,501	3.4%	12	6.7%
Interest Income	10,797	10,239	3.3%	12	5.4%
Net Provision Expenses	(1,220)	(961)	2.0%	10	27.0%
Net Profit after Taxes	1,131	942	7.1%	10	20.1%
Total Comprehensive Income	2,201	802	5.2%	11	174.3%

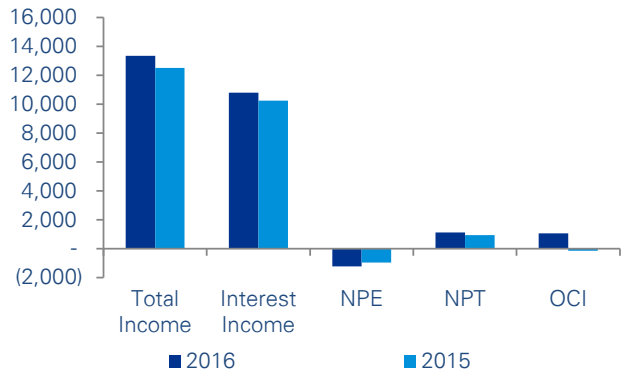
* The indicators of the financial position are as of the last day of the corresponding period.

Note: 2016 4th quarter consolidated interim financial statements of "AraratBank" OJSC included the results of "Armenian Development Bank" OJSC.

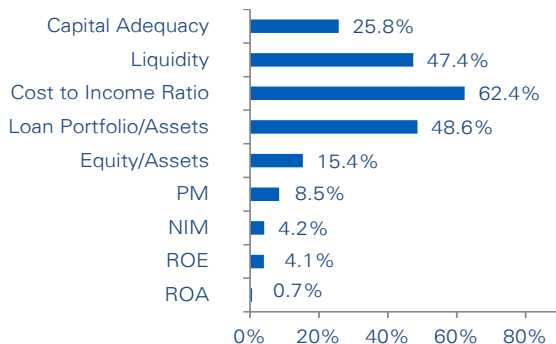
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



The Central Bank has registered the replenishment of charter capital of Araratbank.

The Central Bank has registered the merge agreement between Araratbank and Armenian Development Bank.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

Ardshinbank

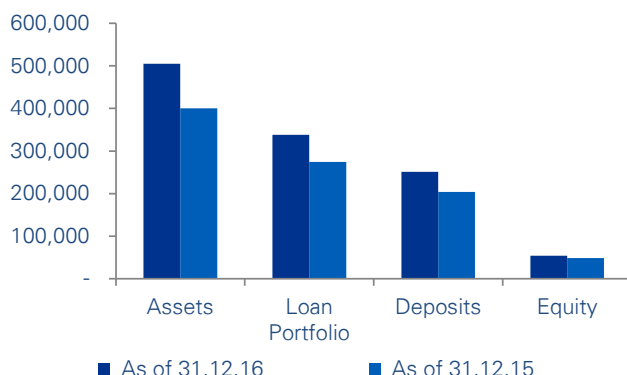
Key Financial Indicators*

	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	504,743	400,406	12.2%	2	26.1%
Interest Earning Assets	380,230	313,668	11.9%	2	21.2%
Loan Portfolio	337,689	274,462	13.1%	2	23.0%
Liabilities	450,738	351,988	13.0%	2	28.1%
Deposits	250,831	204,107	10.7%	3	22.9%
Equity	54,005	48,417	8.1%	3	11.5%
Charter Capital	17,925	17,925	4.5%	12	-
Total Income	50,705	43,708	12.8%	2	16.0%
Interest Income	44,710	38,225	13.7%	1	17.0%
Net Provision Expenses	(5,136)	(4,965)	8.4%	4	3.4%
Net Profit after Taxes	4,560	2,005	28.5%	3	127.4%
Total Comprehensive Income	5,888	1,285	13.9%	4	358.2%

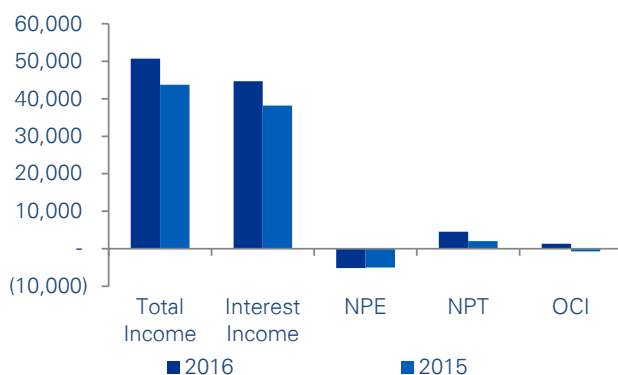
* The indicators of the financial position are as of the last day of the corresponding period.

Note: 2016 4th quarter interim financial statements of "Ardshinbank" CJSC did not include the results of "AreximBank-GazPromBank Group" CJSC.

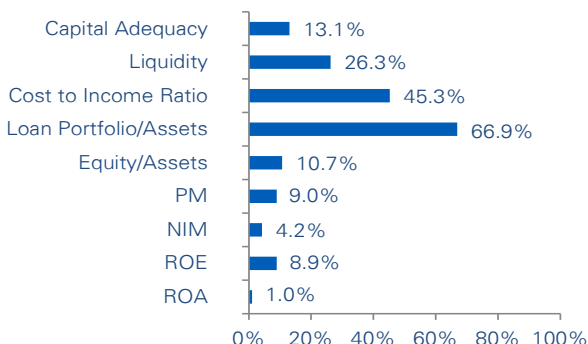
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

- 1st rank by the interest income
- 2nd rank by the total income
- 2nd rank by the assets
- 2nd rank by the interest earning assets
- 2nd rank by the loan portfolio
- 2nd rank by the liabilities
- 3rd rank by the net profit after taxes
- 3rd rank by the deposits
- 3rd rank by the equity

Among the top ten banks by almost all main financial indicators.

The Central Bank has given preliminary approval to Ardshinbank and Areximbank merger agreement signing.



** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

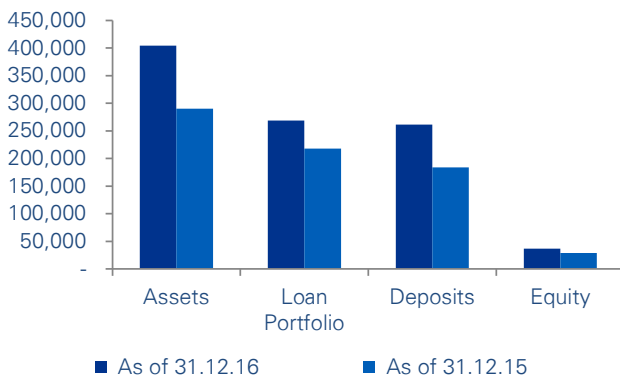
Armbusinessbank

Key Financial Indicators*

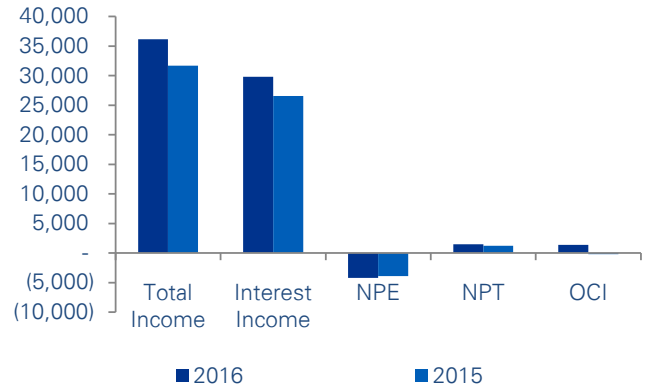
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	404,413	290,141	9.8%	3	39.4%
Interest Earning Assets	316,050	247,258	9.9%	3	27.8%
Loan Portfolio	268,469	217,938	10.4%	3	23.2%
Liabilities	367,618	261,519	10.6%	3	40.6%
Deposits	261,334	183,633	11.2%	2	42.3%
Equity	36,795	28,621	5.5%	7	28.6%
Charter Capital	31,375	22,908	7.8%	5	37.0%
Total Income	36,168	31,687	9.1%	4	14.1%
Interest Income	29,814	26,560	9.1%	4	12.3%
Net Provision Expenses	(4,197)	(3,920)	6.8%	7	7.1%
Net Profit after Taxes	1,473	1,244	9.2%	8	18.4%
Total Comprehensive Income	2,844	1,056	6.7%	9	169.2%

* The indicators of the financial position are as of the last day of the corresponding period.

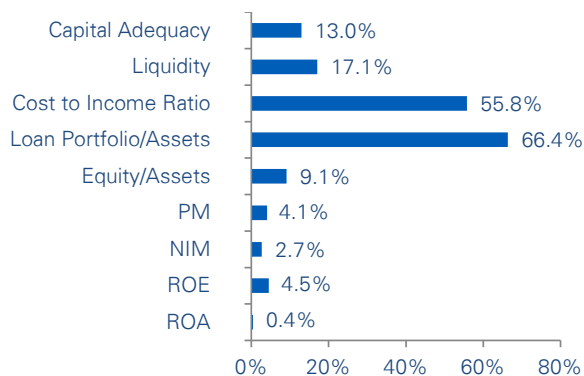
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

- 2nd rank by the deposits
- 3rd rank by the assets
- 3rd rank by the interest earning assets
- 3rd rank by the loan portfolio
- 3rd rank by the liabilities

Among the top ten banks by all main financial indicators.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

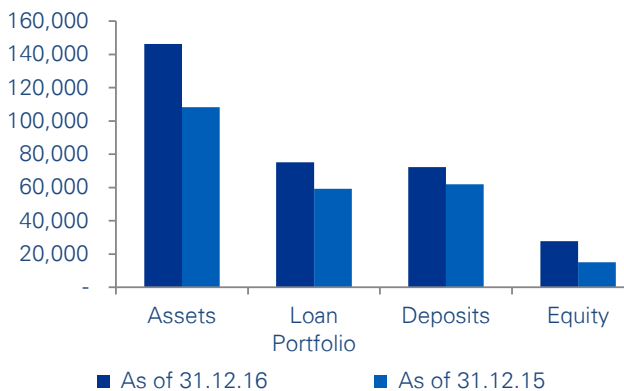
Armeconombank

Key Financial Indicators*

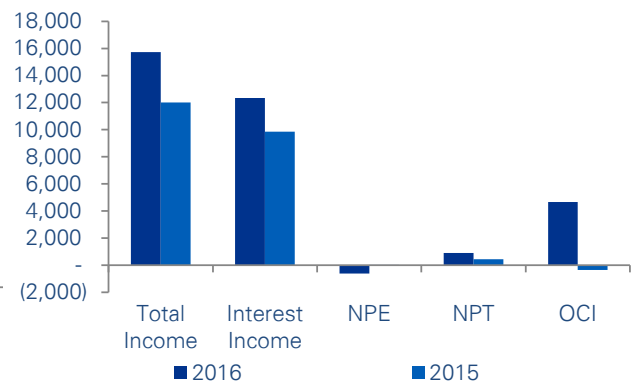
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	146,380	108,395	3.5%	12	35.0%
Interest Earning Assets	114,247	76,002	3.6%	12	50.3%
Loan Portfolio	75,231	59,175	2.9%	12	27.1%
Liabilities	118,671	93,395	3.4%	12	27.1%
Deposits	72,202	61,974	3.1%	12	16.5%
Equity	27,709	15,000	4.1%	15	84.7%
Charter Capital	4,631	2,333	1.2%	17	98.5%
Total Income	15,717	12,008	4.0%	10	30.9%
Interest Income	12,341	9,858	3.8%	11	25.2%
Net Provision Expenses	(611)	5	1.0%	13	(13,320.8%)
Net Profit after Taxes	907	449	5.7%	13	101.8%
Total Comprehensive Income	5,565	91	13.1%	5	6,034.7%

* The indicators of the financial position are as of the last day of the corresponding period.

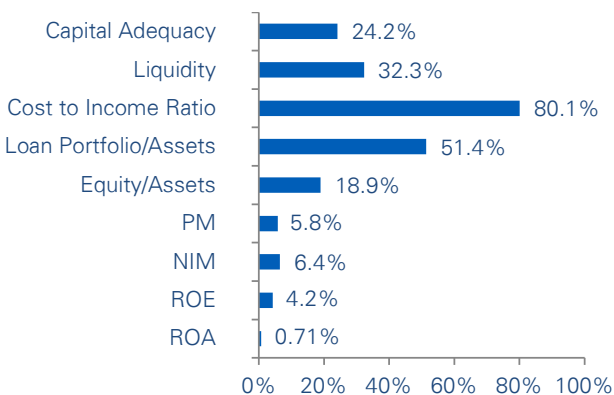
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

5th rank by the total comprehensive income

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

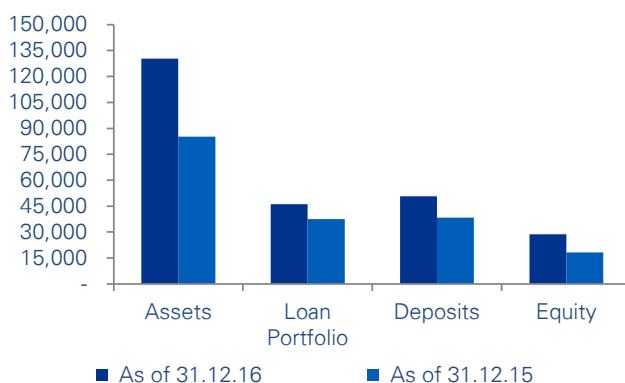
ArmSwissBank

Key Financial Indicators*

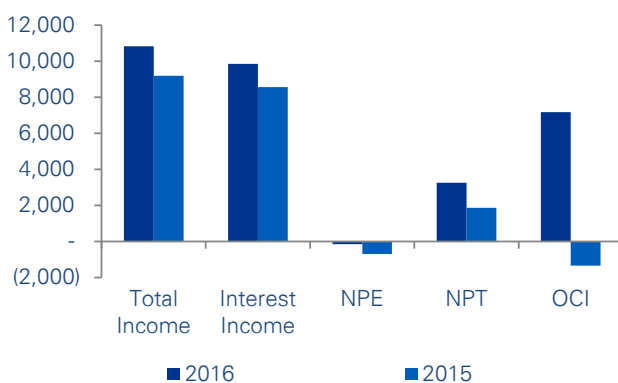
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	130,309	85,261	3.1%	13	52.8%
Interest Earning Assets	110,687	69,311	3.5%	13	59.7%
Loan Portfolio	46,076	37,460	1.8%	15	23.0%
Liabilities	101,648	67,019	2.9%	13	51.7%
Deposits	50,712	38,283	2.2%	14	32.5%
Equity	28,661	18,242	4.3%	14	57.1%
Charter Capital	8,753	8,753	2.2%	16	-
Total Income	10,833	9,191	2.7%	14	17.9%
Interest Income	9,856	8,564	3.0%	14	15.1%
Net Provision Expenses	(161)	(709)	0.3%	16	(77.3%)
Net Profit after Taxes	3,254	1,863	20.3%	4	74.6%
Total Comprehensive Income	10,419	511	24.6%	1	1,939.6%

* The indicators of the financial position are as of the last day of the corresponding period.

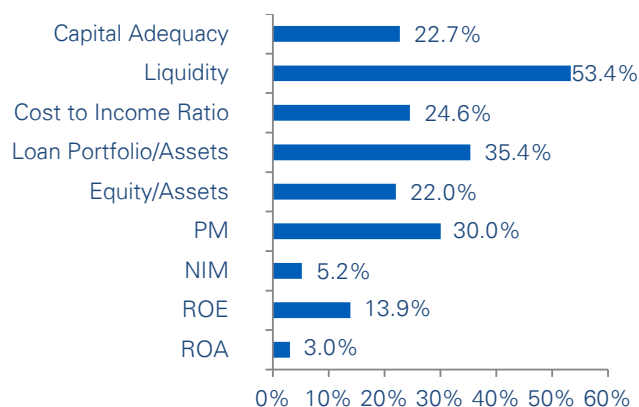
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

1st rank by the total comprehensive income

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

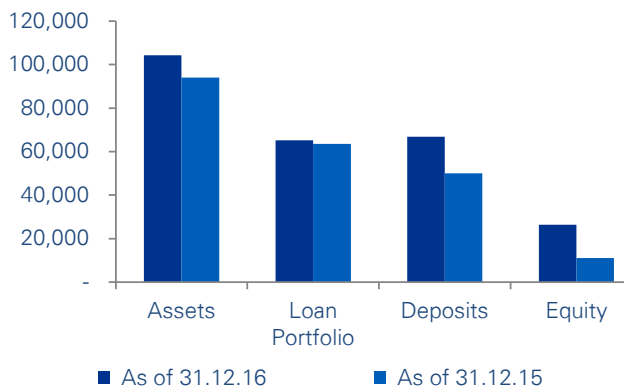
Artsakh Bank

Key Financial Indicators*

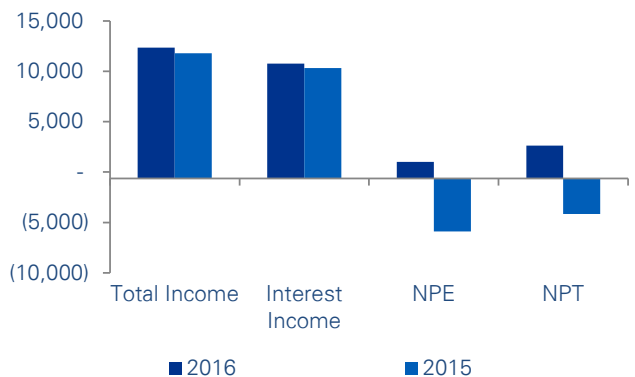
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	104,248	93,998	2.5%	14	10.9%
Interest Earning Assets	86,189	74,555	2.7%	14	15.6%
Loan Portfolio	65,129	63,511	2.5%	13	2.5%
Liabilities	77,924	82,982	2.2%	14	(6.1%)
Deposits	66,785	50,080	2.9%	13	33.4%
Equity	26,325	11,016	3.9%	16	139.0%
Charter Capital	23,261	11,061	5.8%	8	110.3%
Total Income	12,330	11,775	3.1%	13	4.7%
Interest Income	10,764	10,312	3.3%	13	4.4%
Net Provision Expenses	1,004	(5,904)	-	18	(117.0%)
Net Profit after Taxes	2,632	(4,174)	16.4%	5	163.0%
Total Comprehensive Income	2,632	(4,174)	6.2%	10	163.0%

* The indicators of the financial position are as of the last day of the corresponding period.

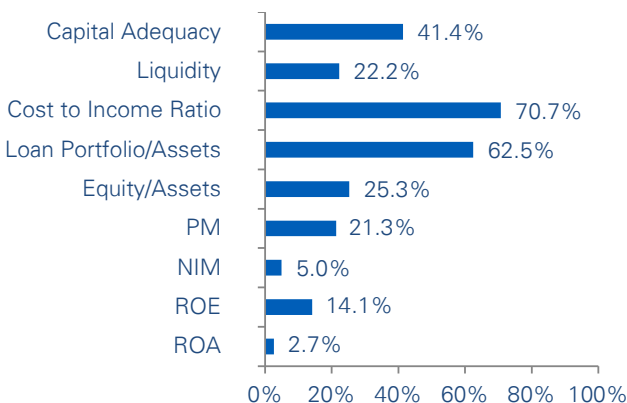
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

5th rank by the net profit after taxes

Artsakhbank has replenished the charter capital through placement of additional ordinary shares.



** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

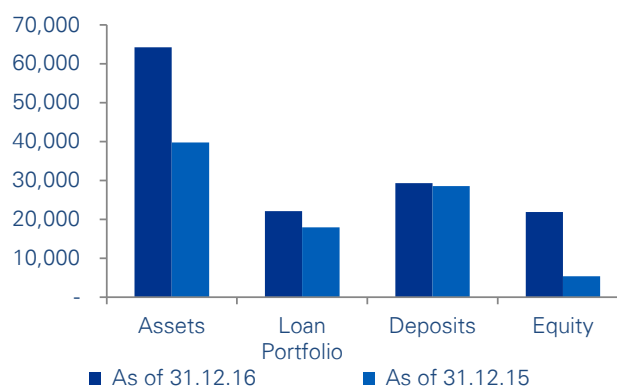
Byblos Bank Armenia

Key Financial Indicators*

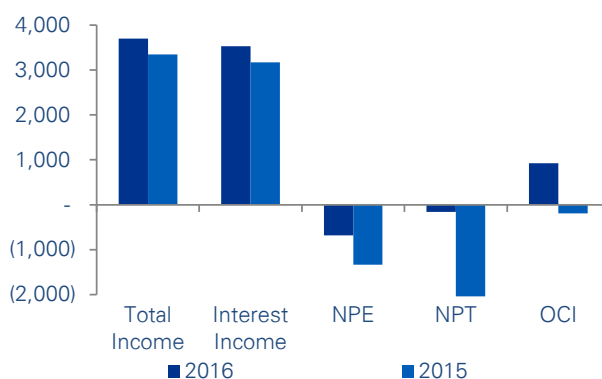
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	64,190	39,738	1.6%	16	61.5%
Interest Earning Assets	47,740	26,654	1.5%	16	79.1%
Loan Portfolio	22,156	17,955	0.9%	16	23.4%
Liabilities	42,313	34,330	1.2%	16	23.3%
Deposits	29,341	28,572	1.3%	16	2.7%
Equity	21,878	5,408	3.3%	17	304.5%
Charter Capital	23,825	8,125	5.9%	7	193.2%
Total Income	3,696	3,344	0.9%	16	10.5%
Interest Income	3,526	3,169	1.1%	16	11.3%
Net Provision Expenses	(680)	(1,336)	1.1%	12	(49.1%)
Net Profit after Taxes	(156)	(2,151)	-	16	92.7%
Total Comprehensive Income	769	(2,339)	1.8%	15	132.9%

* The indicators of the financial position are as of the last day of the corresponding period.

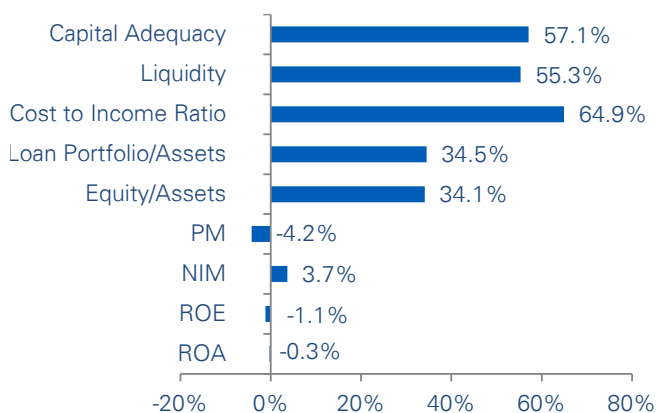
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

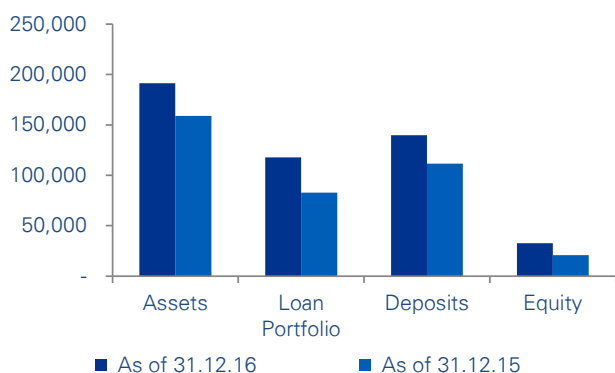
Converse Bank

Key Financial Indicators*

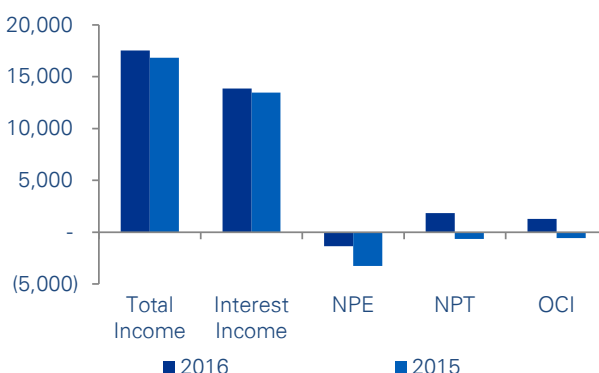
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	191,362	158,903	4.6%	10	20.4%
Interest Earning Assets	136,294	102,605	4.3%	11	32.8%
Loan Portfolio	117,834	82,946	4.6%	10	42.1%
Liabilities	158,829	138,202	4.6%	10	14.9%
Deposits	139,866	111,430	6.0%	7	25.5%
Equity	32,533	20,701	4.9%	12	57.2%
Charter Capital	16,417	7,002	4.1%	13	134.5%
Total Income	17,522	16,827	4.4%	9	4.1%
Interest Income	13,860	13,458	4.2%	9	3.0%
Net Provision Expenses	(1,361)	(3,272)	2.2%	9	(58.4%)
Net Profit after Taxes	1,831	(664)	11.4%	7	376.0%
Total Comprehensive Income	3,119	(1,241)	7.4%	7	351.4%

* The indicators of the financial position are as of the last day of the corresponding period.

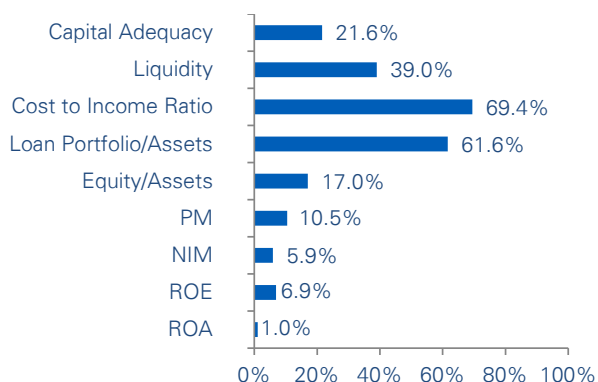
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

Among the top ten banks by almost all main financial indicators.

Converse Bank's charter capital has been replenished by AMD 7 billion.

Converse Bank has increased the charter capital by AMD 2,43 billion, exceeding the regulatory threshold.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

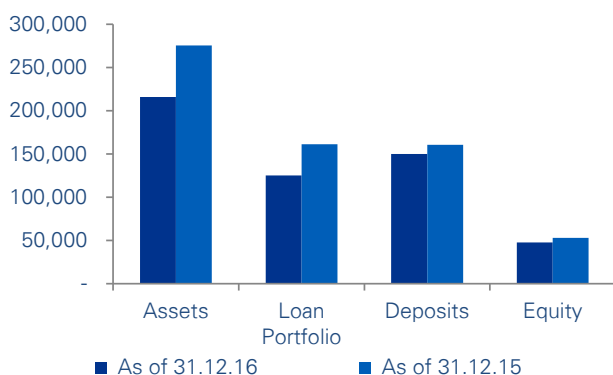
HSBC Bank Armenia

Key Financial Indicators*

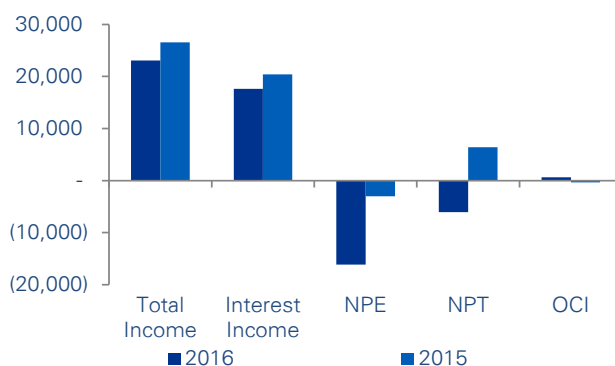
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	215,914	275,406	5.2%	8	(21.6%)
Interest Earning Assets	152,279	184,603	4.8%	9	(17.5%)
Loan Portfolio	125,166	161,206	4.9%	8	(22.4%)
Liabilities	168,304	222,369	4.8%	9	(24.3%)
Deposits	149,833	160,485	6.4%	6	(6.6%)
Equity	47,610	53,036	7.1%	4	(10.2%)
Charter Capital	18,434	18,434	4.6%	10	-
Total Income	23,050	26,569	5.8%	8	(13.2%)
Interest Income	17,649	20,414	5.4%	8	(13.5%)
Net Provision Expenses	(16,134)	(3,012)	26.3%	1	435.6%
Net Profit after Taxes	(6,064)	6,416	-	17	(194.5%)
Total Comprehensive Income	(5,428)	6,072	-	17	(189.4%)

* The indicators of the financial position are as of the last day of the corresponding period.

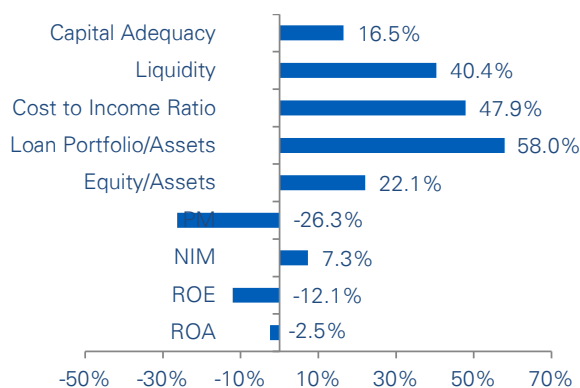
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

4th rank by the total equity

Among the top ten banks by almost all main financial indicators.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

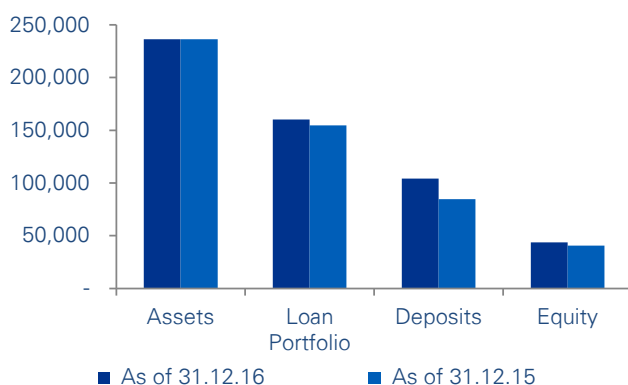
Inecobank

Key Financial Indicators*

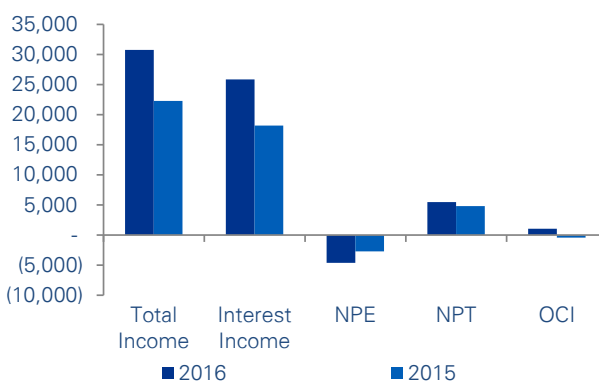
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	236,214	236,402	5.7%	6	(0.1%)
Interest Earning Assets	188,414	170,405	5.9%	6	10.6%
Loan Portfolio	160,155	154,638	6.2%	6	3.6%
Liabilities	192,410	195,636	5.5%	7	(1.6%)
Deposits	104,132	84,711	4.4%	11	22.9%
Equity	43,804	40,766	6.5%	5	7.5%
Charter Capital	14,546	14,546	3.6%	14	-
Total Income	30,744	22,292	7.8%	6	37.9%
Interest Income	25,860	18,198	7.9%	6	42.1%
Net Provision Expenses	(4,609)	(2,693)	7.5%	5	71.1%
Net Profit after Taxes	5,496	4,816	34.3%	2	14.1%
Total Comprehensive Income	6,538	4,416	15.4%	3	48.0%

* The indicators of the financial position are as of the last day of the corresponding period.

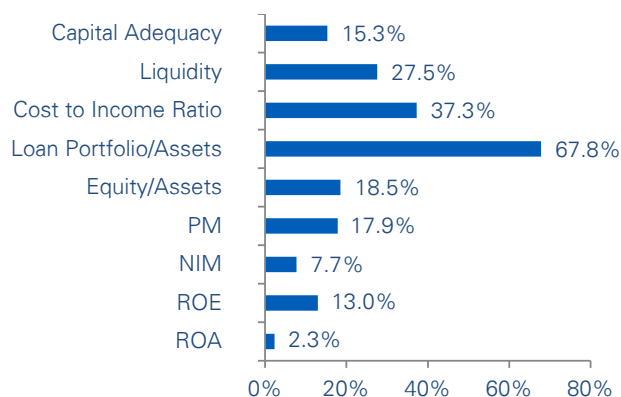
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

2nd rank by the net profit after taxes
3rd rank by the total comprehensive income

Among the top ten banks by almost all main financial indicators.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

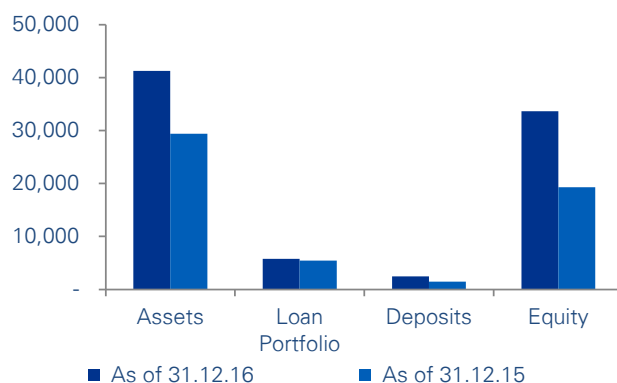
Mellat Bank

Key Financial Indicators*

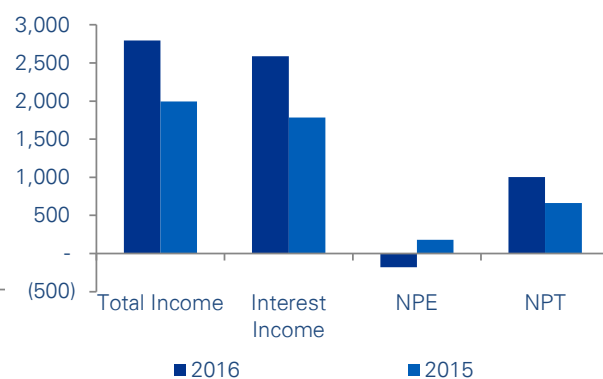
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	41,241	29,409	1.0%	17	40.2%
Interest Earning Assets	28,604	20,016	0.9%	17	42.9%
Loan Portfolio	5,756	5,439	0.2%	17	5.8%
Liabilities	7,569	10,139	0.2%	17	(25.4%)
Deposits	2,478	1,446	0.1%	17	71.3%
Equity	33,673	19,269	5.0%	10	74.7%
Charter Capital	32,100	18,100	8.0%	3	77.3%
Total Income	2,794	1,993	0.7%	17	40.2%
Interest Income	2,589	1,785	0.8%	17	45.0%
Net Provision Expenses	(180)	(180)	0.3%	15	0.0%
Net Profit after Taxes	1,003	662	6.3%	12	51.7%
Total Comprehensive Income	1,003	673	2.4%	13	49.1%

* The indicators of the financial position are as of the last day of the corresponding period.

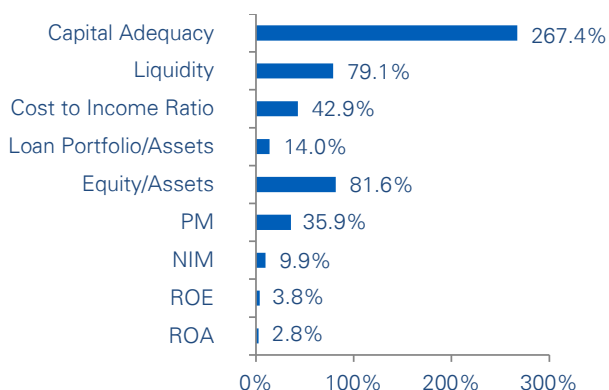
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

3rd rank by charter capital

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

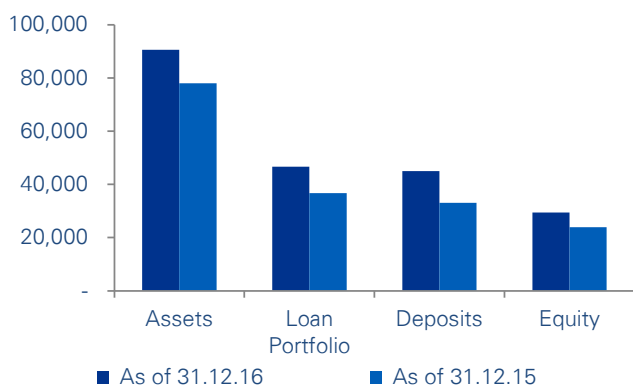
Prometey Bank

Key Financial Indicators*

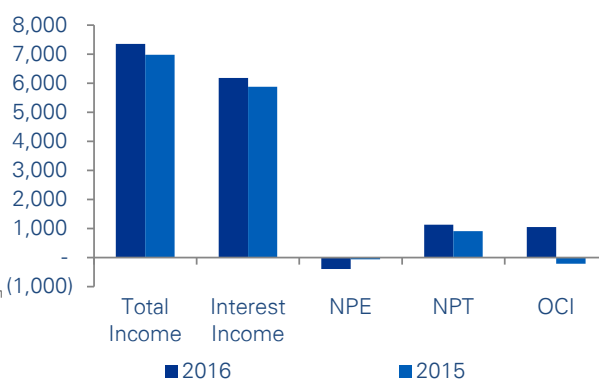
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	90,564	78,011	2.2%	15	16.1%
Interest Earning Assets	66,496	54,748	2.1%	15	21.5%
Loan Portfolio	46,602	36,748	1.8%	14	26.8%
Liabilities	61,133	54,144	1.8%	15	12.9%
Deposits	44,971	33,121	1.9%	15	35.8%
Equity	29,431	23,867	4.4%	13	23.3%
Charter Capital	17,950	14,400	4.5%	11	24.7%
Total Income	7,347	6,975	1.9%	15	5.3%
Interest Income	6,177	5,879	1.9%	15	5.1%
Net Provision Expenses	(395)	(67)	0.6%	14	493.0%
Net Profit after Taxes	1,128	907	7.0%	11	24.4%
Total Comprehensive Income	2,173	694	5.1%	12	212.9%

* The indicators of the financial position are as of the last day of the corresponding period.

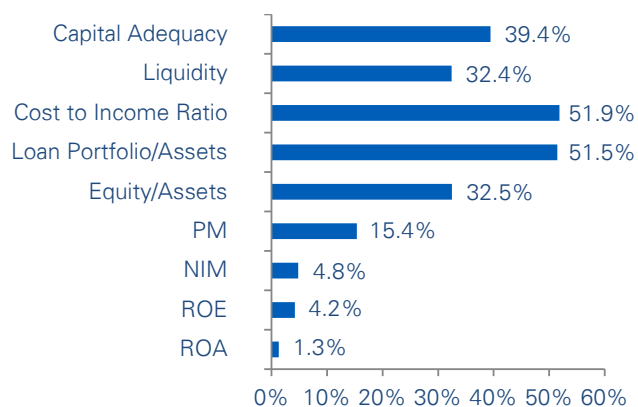
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

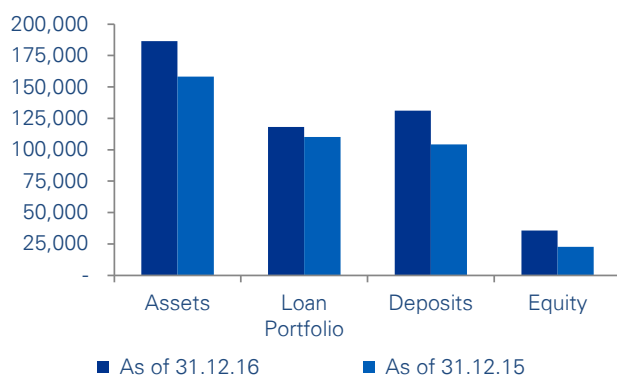
Unibank

Key Financial Indicators*

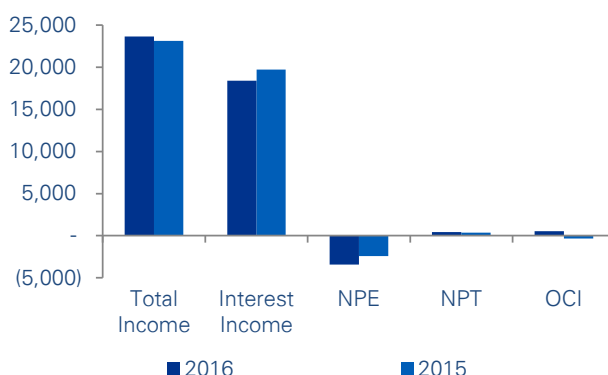
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	186,494	158,140	4.5%	11	17.9%
Interest Earning Assets	138,482	119,976	4.3%	10	15.4%
Loan Portfolio	118,124	110,182	4.6%	9	7.2%
Liabilities	150,783	135,431	4.3%	11	11.3%
Deposits	131,171	104,171	5.6%	9	25.9%
Equity	35,712	22,709	5.3%	8	57.3%
Charter Capital	19,093	14,168	4.8%	9	34.8%
Total Income	23,644	23,111	6.0%	7	2.3%
Interest Income	18,381	19,714	5.6%	7	(6.8%)
Net Provision Expenses	(3,421)	(2,398)	5.6%	8	42.6%
Net Profit after Taxes	426	358	2.7%	14	18.7%
Total Comprehensive Income	957	21	2.3%	14	4,554.1%

* The indicators of the financial position are as of the last day of the corresponding period.

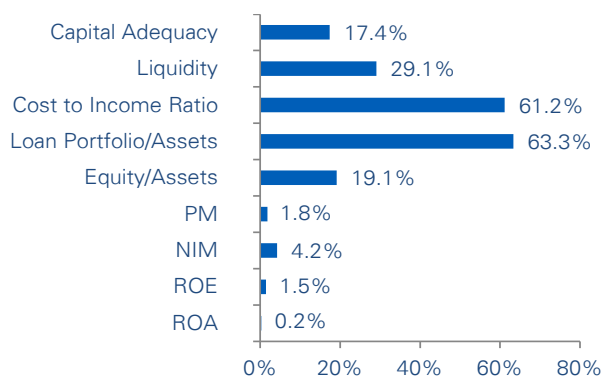
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Unibank placed shares with total amount of AMD 3.3 billion.



** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Bank Profiles (continued)

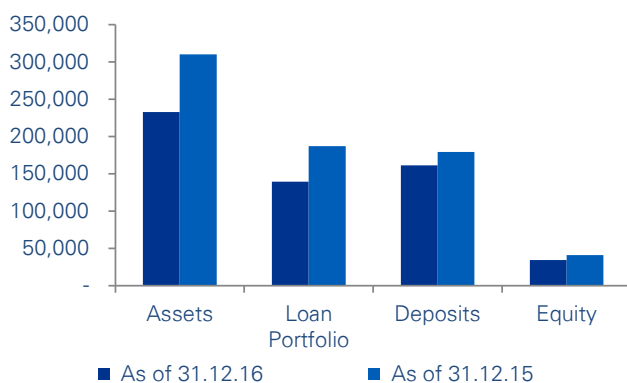
VTB Bank (Armenia)

Key Financial Indicators*

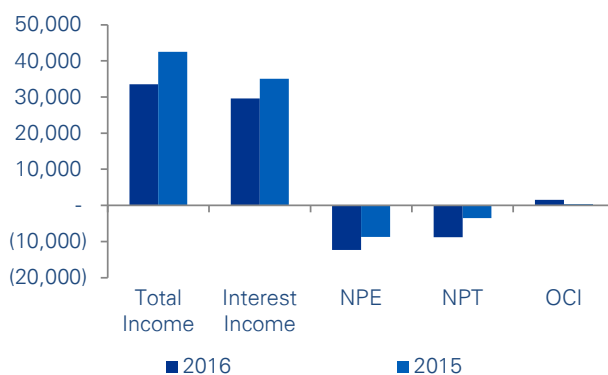
	Amount, mln AMD		Share in total, %	Rank	Change 2016/2015
	2016	2015			
Assets	232,615	310,192	5.6%	7	(25.0%)
Interest Earning Assets	178,041	236,928	5.6%	7	(24.9%)
Loan Portfolio	139,464	187,219	5.4%	7	(25.5%)
Liabilities	198,195	269,280	5.7%	6	(26.4%)
Deposits	161,316	179,359	6.9%	5	(10.1%)
Equity	34,420	40,912	5.1%	9	(15.9%)
Charter Capital	37,776	37,776	9.4%	1	-
Total Income	33,565	42,503	8.5%	5	(21.0%)
Interest Income	29,604	35,052	9.0%	5	(15.5%)
Net Provision Expenses	(12,313)	(8,763)	20.1%	2	40.5%
Net Profit after Taxes	(8,839)	(3,500)	-	18	152.6%
Total Comprehensive Income	(7,327)	(3,174)	-	18	130.8%

* The indicators of the financial position are as of the last day of the corresponding period.

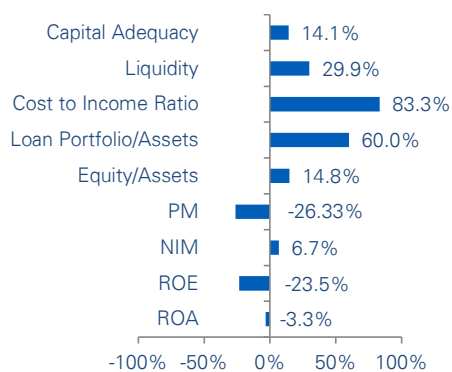
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

1st rank by the charter capital

Among the top ten banks by almost all main financial indicators.

October

November

December

** The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

Appendix 1

Shareholding Structure & General Information

The shareholding structure of the Armenian banks is very different. There are both resident and non-resident shareholders. Meanwhile, almost in all the Armenian banks non-resident shareholders are presented. The non-resident participants, both legal entities and individuals, are mainly from Russia, Switzerland, Iran, Lebanon, Liechtenstein, Cyprus, France, the United Kingdom and the USA. There are several international organizations that have shares in several Armenian banks (e.g. IFC, DEG, EBRD and OPEC Fund for International Development).

The shareholding structure and information on branches and the staff for each bank is presented below*.

ACBA-Credit Agricole Bank	
Shareholders (> 5%):	
Credit Agricole s.A	(15.6%)
Sacam International SJSC	(12.4%)
Mutual Regional Village Associations from different marzes of RA	(71%)
Branches: 57 (16 in Yerevan)	
Staff: 1,316 employees	

Ameriabank	
Shareholders (> 5%):	
Ameria Group (CY) Limited	(65.8%)
EBRD	(20.7%)
ESPS Holding Limited	(13.5%)
Branches: 12 (8 in Yerevan)	
Staff: 621 employees	

Anelik Bank	
Shareholders (> 5%):	
FISTOCO LTD.	(59.68%)
Credit Bank S.A.L.	(40.32%)
Branches: 13 (7 in Yerevan)	
Staff: 374 employees	

Ararat Bank	
Shareholders (> 5%):	
Flash Ltd.	(64.2%)
EBRD	(25%)
Rural Impulse	
Fund II S.A SICAV-SIF	(10%)
Branches: 65 (32 in Yerevan)	
Staff: 913 employees	

Ardshinbank	
Shareholders (> 5%):	
<i>Center for Business Investments LLC</i>	(70.1%)
<i>"Region" Financial industrial corporation CJSC</i>	(28.1%)
Branches: 55 (22 in Yerevan)	
Staff: 1,080 employees	

Armbusinessbank	
Shareholders (> 5%):	
Vitaliy Sarkis Grigoryants	(100%)
Branches: 50 (21 in Yerevan)	
Staff: 848 employees	

Armeconombank	
Shareholders (> 5%):	
<i>Saribek Sukiasyan</i>	(31.32%)
<i>Khachatur Sukiasyan</i>	(13.77%)
<i>Robert Sukiasyan</i>	(11.59%)
<i>Eduard Sukiasyan</i>	(10.64%)
<i>EBRD</i>	(7.56%)
Branches: 46 (24 in Yerevan)	
Staff: 942 employees	

ArmSwissBank	
Shareholders (> 5%):	
"HVS Holding" LLC	(80%)
"Belegingsmachepij Jongo" LLC	(20%)
Branches: -	
Staff: 110 employees	

Artsakh Bank	
Shareholders (> 5%):	
<i>Armenian Business Foundation CJSC</i>	(51.72%)
<i>Artsakh Investment Fund</i>	(32.24%)
<i>Hrach Gabrielyan</i>	(11.02%)
Branches: 22 (7 in Yerevan)	
Staff: 508 employees	

- The figures presented in different color, bold and italic form are those changed during the 4th quarter of 2016.

Appendix 1

Shareholding Structure & General Information (continued)

Byblos Bank Armenia

Shareholders (> 5%):
Byblos Bank S.A.L. (100 %)

Branches: 2 (2 in Yerevan)
Staff: **75** employees

Converse Bank

Shareholders (> 5%):
Advanced Global Investments LLC (80.94%)
HayPost Trust Management (14.06%)
Mother See of Holy Etchmiadzin
Catholicosate (5%)

Branches: 33 (14 in Yerevan)
Staff: **780** employees

HSBC Bank Armenia

Shareholders (> 5%):
HSBC Europe BV (70%)
Wings Establishment (30%)

Branches: 9 (9 in Yerevan)
Staff: **415** employees

Inecobank

Shareholders (> 5%):
Avetis Baloyan (27.4%)
Karen Safaryan (23.7%)
EBRD (22.7%)
DEG (9.6%)
IFC (7.1%)

Branches: 23 (**13** in Yerevan)
Staff: **800** employees

Mellat Bank

Shareholders (> 5%):
Bank Mellat of I.R.I (100%)

Branches: -
Staff: **50** employees

Prometey Bank

Shareholders (> 5%):
Prometey City LLC (59.9 %)
ZakNeftegazstroy
Prometey OJSC (37 %)

Branches: 11 (8 in Yerevan)
Staff: **238** employees

Unibank

Shareholders (> 5%):
Ripatonso Holdings Ltd (88.1 %)

Branches: 45 (23 in Yerevan)
Staff: **767** employees

VTB Bank Armenia

Shareholders (> 5%):
VTB OJSC (100%)

Branches: 67 (24 in Yerevan)
Staff: 1,169 employees

- The figures presented in different color, bold and italic form are those changed during the 4th quarter of 2016.

Appendix 2

Sector Insights

Assets

As of 31 December 2016 the assets grew in almost all the banks, and only three banks suffered decreases as compared with the same period of 2015.

The interest earning assets comprised 77.1% of the total assets of the banks. As of 31 December 2016 the interest earning assets of the banks increased by 25.8% compared with 31 December 2015. In the meantime, the interest income increased by 3.1% as compared with the same period of the previous year.

The net interest margin was 4.8% for the reviewed period.

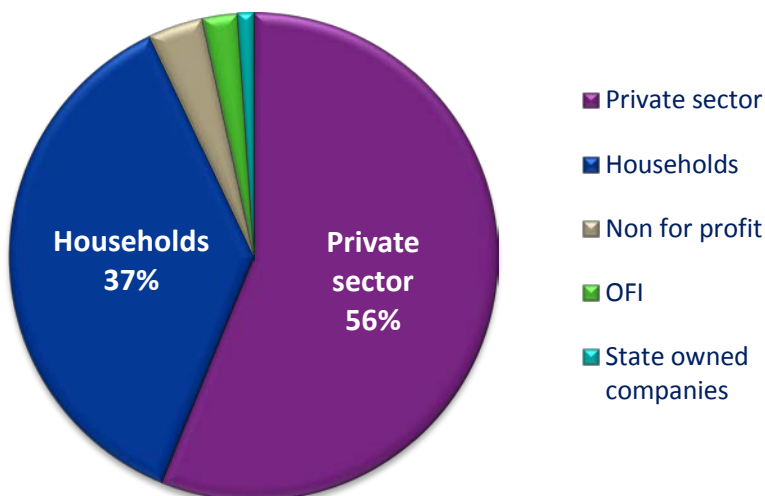
As of 31 December 2016 "AmeriaBank" CJSC had the highest value of assets - about AMD 718 billion, which is 17.3% of the total assets of the banking sector. "Mellat Bank" CJSC had the lowest level – AMD 41.24 billion (1% in total assets). It is worth mentioning that the top five banks (ranked by assets) totaled 53% of the assets of the banking system as of 31 December 2016. Nevertheless, the banking industry concentration is not high and is defined as unconcentrated according to the Herfindahl-Hirschman Index, which has the value of 0.084. Compared with the same period of 2015 the HHI has increased by 0.006 points.

Loan portfolio

The top five banks (ranked by loans) recorded 58.7% of the total loan portfolio as of 31 December 2016.

The major part (87%) of the total sum of the outstanding loans was provided to the residents of Armenia, from which 57.2% were companies (only 1.8% of this amount was provided to the state owned companies), 36.8% - to the households, and only a small part to non for profit organizations and other financial organizations (OFI). Compared with the same period of the previous year the share of loans to households in the total amount of outstanding loans decreased by 2.1 percentage points and the share of companies increased by 1 percentage point.

Structure of loans by creditors



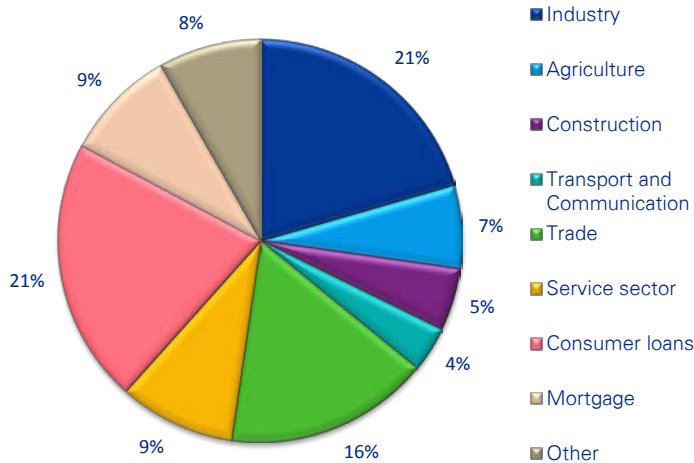
As for the base currencies of the loans, it should be noted that households and other financial institutions are mainly provided with loans in AMD (62.3% and 78% of the total loans provided to them respectively) in contrast to companies and non for profit organizations, which prefer loans in foreign currencies (83.7% and 68.3% of total loans provided to them respectively).

Appendix 2

Sector Insights (continued)

The consumer loans, loans to the industry and loans to trade sector traditionally comprise the major part of the total loans of the banks, 21.2%, 20.5% and 16.4% respectively for the reviewed period. The biggest growth in lending was in the loans to the service sector (compared to the 31 December 2015, the volume of loans grew by 21.3%).

Structure of loans by economy sectors



The biggest loan portfolio belonged to "Ameriabank" CJSC – AMD 513.3 billion, which comprised 19.9% of the portfolio of the banking system for the reported period.

As of 31 December 2016 the loans/deposits ratio was 1.10 compared with 1.14 calculated as of 31 December 2015.

Net Provision Expenses

As of 31 December 2016 the banking system total net provision expenses decreased by 3.9% and reached AMD 61.3 billion.

Liabilities

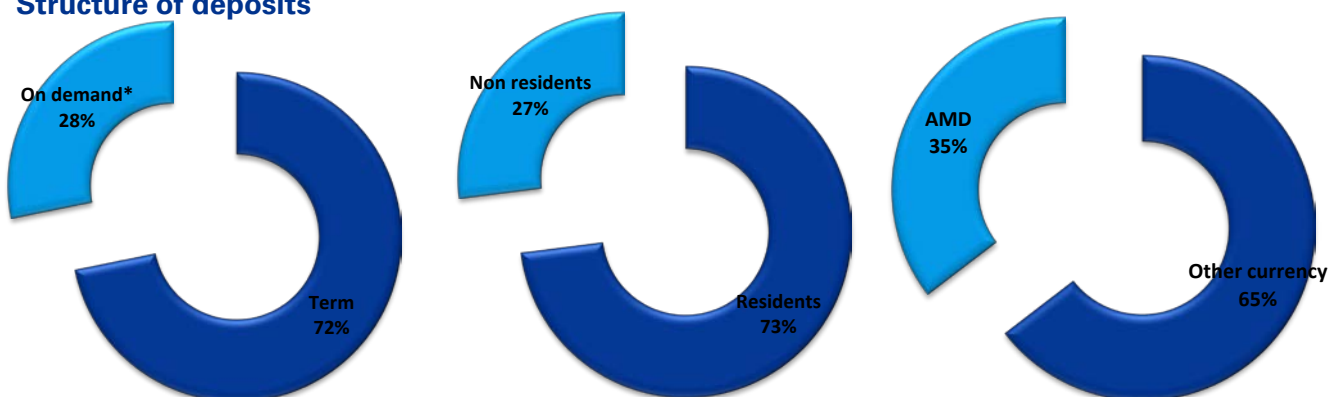
As of 31 December 2016 the banking system total liabilities grew by 19%, compared with the same figure as of 31 December 2015, to reach AMD 3,471 billion, of which 67.4% are deposits.

Deposits

As of 31 December 2016 the biggest share for term deposits was held by households and the biggest share on demand deposits was held by private sector (75.3% and 44.6%).

The major part of outstanding balance of the deposits was from the residents (73%), 71.8% of which were term deposits. The deposits were held mainly in foreign currencies (64.6%).

Structure of deposits

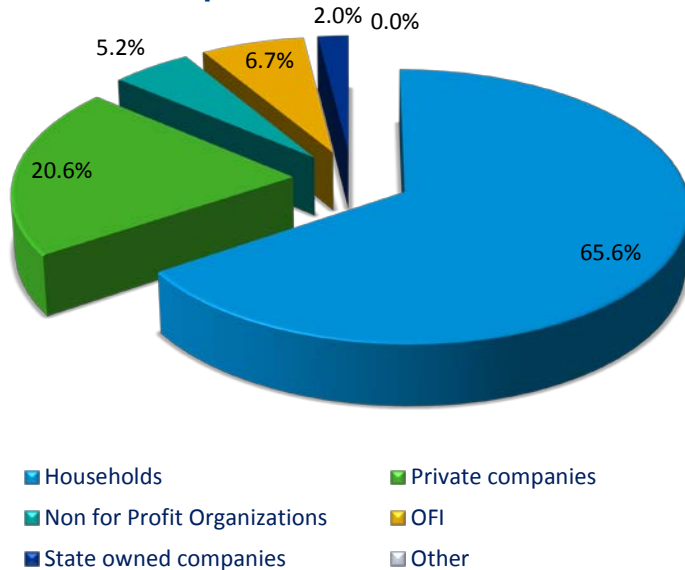


* The indicators of the deposits duration are presented only based on the deposits from the residents

Appendix 2

Sector Insights (continued)

Structure of deposits*



As the diagram shows, the households had the biggest share (65.6%) in the total amount of deposits from residents followed by the private companies which held (20.6%) of the total deposits from residents.

The highest level of deposits was held by "Ameriabank" CJSC - about AMD 414 billion, which comprises 17.7% of the total deposits of the banking system of Armenia.

As of 31 December 2016 two banks had decreases in deposits compared to the same date of 2015.

Equity

As of 31 December 2016 the equity increased by 24.2% compared to the same period of 2015, while for the same period the charter capital increased by 25.7%.

The total equity to total assets ratio was 16.2%, which is 0.6 percentage points higher compared to the same ratio of 2015 (15.6%).

As of 31 December 2016 "Ameriabank" CJSC had the highest level of equity - about AMD 64.4 billion, which is 9.6% of the total equity of the banking system. "Byblos Bank Armenia" CJSC had the lowest level – AMD 21.9 billion (3.3% in total equity). 39.8% of the total equity of the banking system belonged to the top five banks (ranked by the equity) as of 31 December 2016.

Income

The income from interest was about AMD 327 billion, which is about 82.8% (2015 same period 83.4%) of the total income of the banking system.

The total income of the banking system increased by 3.9% compared with the same period of the previous year and reached AMD 395 billion in 2016. 53.4% of total income of the banking system belonged to the top 5 banks (ranked by the total income).

In the reporting period fifteen banks increased their income compared with the same period of 2015, while in two banks the income decreased during the same period.

Profit/loss

During the reported period fourteen banks operating in Armenia were profitable (totaled AMD 41.42 billion profit before taxes), while three banks incurred total losses before taxes of AMD 16.85 billion.

The net profit after taxes of the banking system for the period ended 31 December 2016 was AMD 16 billion.

* The deposits structure is presented only based on the deposits from the residents

Appendix 2

Sector Insights (continued)

Changes in the Banking Prudential Standards

New requirements on the Minimum Total Capital

On 30 December 2014 the Central Bank of Armenia changed the standard on minimal amount of total capital for banks. As a result of the changes, the required minimum amount of total capital increased six times from AMD 5.0 billion to AMD 30.0 billion. For the existing banks, the revised standard entered into force starting from 1 January 2017. Before this date the required minimum amount of total capital will remain AMD 5.0 billion.

For the new establishing banks, the revised standard enters into force immediately. The required amount of total capital for establishing the new bank was stated AMD 30.0 billion.

Due to the specifics of the total capital calculation for reporting to the CBA, there are some differences between amounts of total capital calculated according IFRS and methodology of CBA . The amount of banks' total capital calculated according to the CBA methodology are presented in the table below:

	AMD Million	Reported Total Capital	Amount needed to achieve the new standard	Required growth in total capital to achieve the new standard
1	"ACBA-Credit Agricole Bank" CJSC	48,439	-	-
2	"AmeriaBank" CJSC	81,922	-	-
3	"Anelik Bank" CJSC	33,037	-	-
4	"AraratBank" OJSC	32,270	-	-
5	"Ardshinbank" CJSC	45,104	-	-
6	"ArmBusinessBank" CJSC	30,191	-	-
7	"ArmEconombank" OJSC	30,161	-	-
8	"ArmSwissBank" CJSC	35,048	-	-
9	"ArtsakhBank" CJSC	17,864	12,136	67.9%
10	"Byblos Bank Armenia" CJSC	30,272	-	-
11	"Converse Bank" CJSC	32,078	-	-
12	"HSBC Bank Armenia" CJSC	35,857	-	-
13	"InecoBank" CJSC	35,541	-	-
14	"Mellat Bank" CJSC	31,171	-	-
15	"Prometey Bank" LLC	32,712	-	-
16	"UniBank" OJSC	27,028	2,972	11.0%
17	"VTB Bank Armenia" CJSC	37,916	-	-

Appendix 3

Key Financial Indicators

Key Indicators of the Financial Position as of 31.12.2016

	AMD Million	Assets	Interest Earning Assets	Gross Advances to Customers	Loans	Liabilities	Deposits	Equity	Charter Capital
1	"ACBA-Credit Agricole Bank" CJSC	283,825	214,101	187,601	174,938	226,995	136,192	56,830	30,000
2	"AmeriaBank" CJSC	718,281	575,595	518,161	513,308	653,872	414,609	64,409	32,087
3	"Anelik Bank" CJSC	283,472	244,955	225,836	217,566	241,858	167,582	41,613	33,972
4	"AraratBank" OJSC	215,587	154,238	121,392	104,880	182,415	107,122	33,172	8,804
5	"Ardshinbank" CJSC	504,743	380,230	342,506	337,689	450,738	250,831	54,005	17,925
6	"ArmBusinessBank" CJSC	404,413	316,050	280,145	268,469	367,618	261,334	36,795	31,375
7	"ArmEconomyBank" OJSC	146,380	114,247	98,196	75,231	118,671	72,202	27,709	4,631
8	"ArmSwissBank" CJSC	130,309	110,687	49,708	46,076	101,648	50,712	28,661	8,753
9	"ArtsakhBank" CJSC	104,248	86,189	68,606	65,129	77,924	66,785	26,325	23,261
10	"Byblos Bank Armenia" CJSC	64,190	47,740	24,308	22,156	42,313	29,341	21,878	23,825
11	"Converse Bank" CJSC	191,362	136,294	121,180	117,834	158,829	139,866	32,533	16,417
12	"HSBC Bank Armenia" CJSC	215,914	152,279	126,582	125,166	168,304	149,833	47,610	18,434
13	"InecoBank" CJSC	236,214	188,414	165,144	160,155	192,410	104,132	43,804	14,546
14	"Mellat Bank" CJSC	41,241	28,604	7,309	5,756	7,569	2,478	33,673	32,100
15	"Prometey Bank" LLC	90,564	66,496	54,450	46,602	61,133	44,971	29,431	17,950
16	"UniBank" OJSC	186,494	138,482	124,026	118,124	150,783	131,171	35,712	19,093
17	"VTB Bank Armenia" CJSC	232,615	178,041	154,188	139,464	198,195	161,316	34,420	37,776

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 31.12.2016

	AMD Million	Total Income	Interest Income	Non-Interest Income	Net Interest Income	Net Non-Interest Income	Net Operating Income*	Operating Expenses	Net Provision Expenses	Net Profit before taxes	Net Profit after taxes
1	"ACBA-Credit Agricole Bank" CJSC	39,620	31,567	3,561	17,823	1,741	24,055	(14,138)	(6,802)	3,115	2,168
2	"AmeriaBank" CJSC	51,223	42,624	2,866	14,875	2,256	22,863	(10,883)	(4,248)	7,732	6,218
3	"Anelik Bank" CJSC	15,667	12,898	1,005	4,057	935	6,758	(3,913)	(875)	1,970	1,150
4	"AraratBank" OJSC	13,336	10,797	1,050	5,051	491	7,031	(4,385)	(1,220)	1,426	1,131
5	"Ardshinbank" CJSC	50,705	44,710	2,847	14,565	2,080	19,793	(8,959)	(5,136)	5,698	4,560
6	"ArmBusinessBank" CJSC	36,168	29,814	2,534	7,570	2,161	13,551	(7,557)	(4,197)	1,796	1,473
7	"ArmEconomBank" OJSC	15,717	12,341	1,637	6,111	1,188	9,038	(7,239)	(611)	1,189	907
8	"ArmSwissBank" CJSC	10,833	9,856	215	4,672	150	5,584	(1,371)	(161)	4,052	3,254
9	"ArtsakhBank" CJSC	12,330	10,764	441	3,980	430	5,535	(3,915)	1,004	2,624	2,632
10	"Byblos Bank Armenia" CJSC	3,696	3,526	94	1,363	54	1,493	(969)	(680)	(156)	(156)
11	"Converse Bank" CJSC	17,522	13,860	2,004	7,072	1,240	9,971	(6,919)	(1,361)	1,691	1,831
12	"HSBC Bank Armenia" CJSC	23,050	17,649	3,700	12,345	3,182	17,227	(8,247)	(16,134)	(7,154)	(6,064)
13	"InecoBank" CJSC	30,744	25,860	1,598	13,814	1,100	18,200	(6,780)	(4,609)	6,811	5,496
14	"Mellat Bank" CJSC	2,794	2,589	101	2,405	91	2,600	(1,114)	(180)	1,305	1,003
15	"Prometey Bank" LLC	7,347	6,177	373	2,911	45	3,753	(1,947)	(395)	1,411	1,128
16	"UniBank" OJSC	23,644	18,381	3,986	5,412	3,664	10,353	(6,332)	(3,421)	600	426
17	"VTB Bank Armenia" CJSC	33,565	29,604	3,541	13,839	2,307	16,566	(13,801)	(12,313)	(9,548)	(8,839)

* Net operating income is before provisions and administrative expenses.

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Position as of 31.12.2015

AMD Million	Assets	Interest Earning Assets	Gross Advances to Customers	Loans	Liabilities	Deposits	Equity	Charter Capital
1 "ACBA-Credit Agricole Bank" CJSC	272,853	199,138	179,149	177,966	219,141	107,606	53,712	30,000
2 "AmeriaBank" CJSC	515,874	366,359	330,064	321,891	456,557	294,012	59,317	32,087
3 "Anelik Bank" CJSC	90,768	65,539	61,307	60,701	74,397	53,061	16,371	13,696
4 "AraratBank" OJSC	132,027	87,728	72,580	66,083	109,556	59,337	22,472	6,388
5 "Ardshinbank" CJSC	400,406	313,668	291,705	274,462	351,988	204,107	48,417	17,925
6 "AreximBank-GazPromBank Group" CJSC	93,484	60,297	43,486	41,916	70,349	47,226	23,135	30,591
7 "ArmBusinessBank" CJSC	290,141	247,258	224,045	217,938	261,519	183,633	28,621	22,908
8 "ArmEconBank" OJSC	108,395	76,002	66,303	59,175	93,395	61,974	15,000	2,333
9 "Armenian Development Bank" OJSC	72,277	52,919	44,699	43,048	61,591	53,963	10,687	4,526
10 "ArmSwissBank" CJSC	85,261	69,311	39,368	37,460	67,019	38,283	18,242	8,753
11 "ArtsakhBank" CJSC	93,998	74,555	65,769	63,511	82,982	50,080	11,016	11,061
12 "BTA Bank" CJSC	15,010	8,286	6,277	6,147	9,651	3,021	5,359	6,520
13 "Byblos Bank Armenia" CJSC	39,738	26,654	22,535	17,955	34,330	28,572	5,408	8,125
14 "Converse Bank" CJSC	158,903	102,605	92,094	82,946	138,202	111,430	20,701	7,002
15 "HSBC Bank Armenia" CJSC	275,406	184,603	170,047	161,206	222,369	160,485	53,036	18,434
16 "InecoBank" CJSC	236,402	170,405	155,388	154,638	195,636	84,711	40,766	14,546
17 "Mellat Bank" CJSC	29,409	20,016	12,123	5,439	10,139	1,446	19,269	18,100
18 "Prometey Bank" LLC	78,011	54,748	45,672	36,748	54,144	33,121	23,867	14,400
19 "UniBank" OJSC	158,140	119,976	111,427	110,182	135,431	104,171	22,709	14,168
20 "VTB Bank Armenia" CJSC	310,192	236,928	216,668	187,219	269,280	179,359	40,912	37,776

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 31.12.2015

	AMD Million	Total Income	Interest Income	Non-Interest Income	Net Interest Income	Net Non-Interest Income	Net Operating Income*	Operating Expenses	Net Provision Expenses	Net Profit before taxes	Net Profit after taxes
1	"ACBA-Credit Agricole Bank" CJSC	38,600	32,226	3,265	17,033	2,013	22,155	(13,159)	(8,638)	358	(40)
2	"AmeriaBank" CJSC	43,839	35,733	2,550	14,754	2,063	22,372	(10,194)	(6,156)	6,023	4,815
3	"Anelik Bank" CJSC	12,382	10,385	744	4,220	635	6,107	(4,718)	(1,001)	388	215
4	"AraratBank" OJSC	12,501	10,239	1,002	4,564	509	6,332	(4,132)	(961)	1,239	942
5	"Ardshinbank" CJSC	43,708	38,225	2,805	11,679	2,098	16,456	(8,923)	(4,965)	2,567	2,005
6	"AreximBank-GazPromBank Group" CJSC	10,077	7,726	779	2,141	584	4,297	(316)	(8,827)	(4,846)	(4,735)
7	"ArmBusinessBank" CJSC	31,687	26,560	2,346	7,027	1,669	11,478	(6,014)	(3,920)	1,544	1,244
8	"ArmEconomBank" OJSC	12,008	9,858	1,461	4,541	1,075	6,305	(5,696)	5	614	449
9	"Armenian Development Bank" OJSC	8,596	7,738	271	2,650	172	3,410	(2,053)	(344)	1,013	784
10	"ArmSwissBank" CJSC	9,191	8,564	136	3,639	82	4,211	(1,246)	(709)	2,257	1,863
11	"ArtsakhBank" CJSC	11,775	10,312	419	3,697	326	5,067	(3,345)	(5,904)	(4,182)	(4,174)
12	"BTA Bank" CJSC	2,325	2,034	67	1,120	67	1,411	(939)	(632)	(160)	(131)
13	"Byblos Bank Armenia" CJSC	3,344	3,169	101	482	49	605	(1,395)	(1,336)	(2,125)	(2,151)
14	"Converse Bank" CJSC	16,827	13,458	1,888	6,496	1,231	9,209	(6,554)	(3,272)	(616)	(664)
15	"HSBC Bank Armenia" CJSC	26,569	20,414	3,577	14,153	3,003	19,735	(8,581)	(3,012)	8,141	6,416
16	"InecoBank" CJSC	22,292	18,198	1,280	9,547	1,082	13,444	(4,805)	(2,693)	5,945	4,816
17	"Mellat Bank" CJSC	1,993	1,785	124	1,602	120	1,806	(783)	(180)	842	662
18	"Prometey Bank" LLC	6,975	5,879	358	2,459	38	3,235	(1,978)	(67)	1,190	907
19	"UniBank" OJSC	23,111	19,714	1,335	6,283	1,077	9,422	(6,477)	(2,398)	546	358
20	"VTB Bank Armenia" CJSC	42,503	35,052	2,409	14,614	2,409	22,065	(17,194)	(8,763)	(3,892)	(3,500)

* Net operating income is before provisions and administrative expenses.

Appendix 4

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Appendix 4

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SWIFT: ARMJAM22

KPMG Experience in the Armenian Banking Sector

Audit

Current clients

- ACBA-Credit Agricole Bank CJSC
- Ardshinbank CJSC
- AreximBank-GazPromBank Group CJSC
- Byblos Bank Armenia CJSC
- InecoBank CJSC
- PanArmenian Bank OJSC

Tax

Current clients

- VTB - Armenia Bank CJSC

Advisory

Client name

Service description

HSBC Bank Armenia

Staff landing

Anelik Bank CJSC

KPMG in Armenia provided IT Advisory services to the bank.

Inecobank CJSC

KPMG in Armenia assisted the Bank in HR Advisory Services.

Undisclosed Bank

KPMG in Armenia performed Bank's Top management remuneration and bonus competitiveness survey

Undisclosed Bank

KPMG in Armenia performed Bank's all staff remuneration and bonus competitiveness survey

Converse Bank CJSC

KPMG in Armenia assisted Converse Bank cjsc in developing a marketing plan for attracting corporate customers.

Armimpexbank CJSC

KPMG in Armenia assisted the Bank in the development and implementation of "a one window" system.

Byblos Bank Armenia CJSC

KPMG in Armenia assisted the Bank in obtaining necessary information about the commercial and retail lending market of Armenia.

Ardshinbank CJSC

KPMG in Armenia assisted the Bank in the development and implementation of "a one window" system.

International Undisclosed Bank

KPMG in Armenia assisted in the pre-investment due-diligence to International Bank in its acquisition of an Armenian bank.

Abbreviations

AMD	Armenian Dram
BSTDB	Black Sea Trade and Development Bank
CBA	Central Bank of Armenia
CJSC	Closed Joint Stock Company
DEG	Deutsche Investitions und Entwicklungsgesellschaft
EBRD	European Bank for Reconstruction and Development
GDP	Gross Domestic Product
HHI	Herfindahl-Hirschman Index
IFC	International Finance Corporation
LLC	Limited Liability Company
NfPO	Non for Profit Organizations
NIM	Net Interest Margin
NPE	Net Provision Expenses
NPT	Net Profit after Taxes
OCI	Other Comprehensive Income
OeEB	Development Bank of Austria
OFI	Other Financial Institutions
OJSC	Open Joint Stock Company
OPEC	Organization of the Petroleum Exporting Countries
PM	Profit Margin
RA	Republic of Armenia
ROA	Return on Assets
ROE	Return on Equity
SME	Small and Medium Entrepreneurship

Herfindahl-Hirschman Index

Calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. Index below 0.1 indicates an unconcentrated index; index between 0.1 and 0.18 indicates moderate concentration; index above 0.18 indicates high concentration.

Equity to assets

Calculated as the total equity divided by the total assets.

Liquidity

Prudential ratio N12 (High liquid assets/Total assets) calculated and reported by each bank as of the reporting date according to the corresponding regulation of the CBA.

Capital adequacy

Prudential ratio N1 (Total capital/ risk weighted assets) calculated and reported by each bank as of the reporting date according to the corresponding regulation of the CBA.

Net interest margin

Calculated as the net interest income generated during the last 12 months ended by the reporting date divided by the average interest earning assets for the mentioned 12 months.

Profit margin

Calculated as the net profit generated during the reported period divided by the total income for the same period.

Return on Assets

Calculated as the net profit generated during the last 12 months ended by the reporting date divided by the total average assets for the mentioned 12 months.

Return on Equity

Calculated as the net profit generated during the last 12 months ended by the reporting date divided by the average total equity for the mentioned 12 months.



Contacts

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