Grant Thornton

Financial Statements and Independent Auditor's Report

"First Mortgage Company" universal credit organization limited liability company

31 December 2012

Contents

	Page
Independent auditor’s report	1
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Accompanying notes to the financial statements	7

Independent auditor's report

Գրանթ Թորնթոն ՓԲԸ
ՀՀ, ք. Երեւան 0012
Վաղարշյան 8/1
Հ. + 374 10 260 964
Ֆ.+ 374 10 260 961

Grant Thornton CJSC
8/1 Vagharshyan Str.
0012 Yerevan, Armenia
T + 374 10 260 964
F + 374 10 260 961
www.grantthornton.am

To the Shareholders of "First Mortgage Company" universal credit organization limited liability company:

We have audited the accompanying financial statements of "First Mortgage Company" universal credit organization limited liability company (the "Company"), which comprise the statement of financial position as at December 31, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the "First Mortgage Company" universal credit organization limited liability company as of December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Gagik Gyulbudaghyan
Managing partner

Armen Vanyan
Auditor

Grant Thornton CJSC
7 June 2013
Yerevan

Statement of comprehensive income

In thousand Armenian drams	Notes	**Year ended December 31, 2012**	Year ended December 31, 2011
Interest and similar income	6	**544,766**	561,456
Interest and similar expense	6	**(290,785)**	(291,910)
Net interest income		**253,981**	269,546
Fee and commission income	7	**3,970**	8,273
Fee and commission expense	7	**(1,524)**	(2,300)
Net fee and commission income		**2,446**	5,973
Gains less losses from foreign currencies transactions		**563**	515
Other income	8	**18,375**	40,061
Impairment (charge)/reversal for credit losses	13	**17,997**	(24,552)
Staff costs	9	**(70,959)**	(78,422)
Depreciation of property and equipment	15	**(21,207)**	(19,838)
Amortization of intangible assets	16	**(542)**	(446)
Other expenses	10	**(48,715)**	(53,793)
Profit before income tax		**151,939**	139,044
Income tax expense	11	**(30,769)**	(27,291)
Profit for the year		**121,170**	111,753
Other comprehensive income		**-**	-
Total comprehensive income for the year		**121,170**	111,753

The accompanying notes on pages 7 to 39 are an integral part of these financial statements.

Statement of financial position

In thousand Armenian drams	Notes	Year ended December 31, 2012	Year ended December 31, 2011
ASSETS			
Cash and cash equivalents	12	**32,551**	78,102
Loans to customers	13	**4,518,004**	4,066,899
Investments available for sale	14	**3,680**	3,680
Property, plant and equipment	15	**369,438**	388,364
Intangible assets	16	**903**	1,445
Deferred income tax asset	11	**-**	850
Other assets	17	**37,265**	45,760
TOTAL ASSETS		**4,961,841**	4,585,100
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to CBA and other financial institutions	18	**2,310,635**	1,868,172
Borrowings	19	**1,748,456**	1,835,831
Current income tax liability		**2,148**	15,324
Deferred tax liability	11	**5,346**	-
Other liabilities	20	**10,533**	9,041
Total liabilities		**4,077,118**	3,728,368
Equity			
Charter capital	21	**730,000**	730,000
Retained earnings		**154,723**	126,732
Total equity		**884,723**	856,732
TOTAL LIABILITIES AND EQUITY		**4,961,841**	4,585,100

The financial statements from pages 3 to 39 were approved by the Management of the Company on 07 June, 2013 and signed by the Company's CEO and Chief Accountant.

The accompanying notes on pages 7 to 39 are an integral part of these financial statements.

David Atanessian
Chief Executive Officer

Gayane Korekyan
Chief accountant

Statement of changes in equity

In thousand Armenian drams	Charter capital	Retained earnings	Total
As of January 1, 2011	730,000	58,677	788,677
Dividends to shareholders	-	(43,698)	(43,698)
Transactions with owners	-	(43,698)	(43,698)
Profit for the year	-	111,753	111,753
Total comprehensive income for the year	-	111,753	111,753
As of December 31, 2011	**730,000**	**126,732**	**856,732**
Dividends to shareholders	**-**	**(93,179)**	**(93,179)**
Transactions with owners	**-**	**(93,179)**	**(93,179)**
Profit for the year	**-**	**121,170**	**121,170**
Total comprehensive income for the year	**-**	**121,170**	**121,170**
As of December 31, 2012	**730,000**	**154,723**	**884,723**

Statement of cash flows

In thousand Armenian drams	Year ended December 31, 2012	Year ended December 31, 2011
Cash flows from operating activities		
Interest received	**566,546**	559,758
Interest paid	**(289,068)**	(292,165)
Fees and commissions received	**3,970**	8,273
Fees and commissions paid	**(1,524)**	(2,300)
Realised gains less losses from transactions in foreign currencies	**563**	515
Other income received	**12,746**	31,404
Salaries and benefits paid	**(73,203)**	(78,936)
Other operating expenses paid	**(47,200)**	(54,383)
Cash flows from operating activities before changes in operating assets and liabilities	**172,830**	172,166
Net (increase)/decrease in operating assets		
Amounts due to financial institutions	**-**	371,431
Loans to customers	**(358,167)**	(333,203)
Other assets	**10,460**	(3,026)
Net decrease in operating liabilities		
Other liabilities	**(85,094)**	(101,086)
Net cash flow from/(used) in operating activities before income tax	**(259,971)**	106,282
Income tax paid	**(37,749)**	(20,345)
Net cash from/(used in) operating activities	**(297,720)**	85,937
Cash flows from investing activities		
Purchase of property and equipment	**(2,281)**	(261,864)
Net cash used in investing activities	**(2,281)**	(261,864)
Cash flows from financing activities		
Dividends paid to shareholders	**(93,179)**	(43,698)
Amounts due from financial institutions	**438,493**	247,137
Borrowings	**(92,296)**	(232,121)
Net cash from/(used in) financing activities	**253,018**	(28,682)
Net decrease in cash and cash equivalents	**(46,983)**	(204,609)
Cash and cash equivalents at the beginning of the year	**78,102**	277,739
Effect of exchange rate changes on cash and cash equivalents	**1,432**	4,972
Cash and cash equivalents at the end of the year (Note 12)	**32,551**	78,102

Accompanying notes to the financial statements

1 Principal activities

"First Mortgage Company" UCO LLC (the "Company") is a limited liability company, which was incorporated in 2004. The Company is regulated by the legislation of the Republic of Armenia (RA). The Company was registered on 13 April 2004 under license number 7, granted by the Central Bank of Armenia (the "CBA"). The Company is supervised by the CBA.

The Company's main activity is mortgage loan extension.

The Company's office is located in Yerevan. The registered office of the Company is located at: 10 V. Sargsyan Str., N122, Yerevan, Republic of Armenia.

2 Armenian business environment

Armenia continues to undergo political and economic changes. As an emerging market, Armenia does not possess a developed business and regulatory infrastructure that generally exists in a more mature free market economy. In addition, economic conditions continue to limit the volume of activity in the financial markets, which may not be reflective of the values for financial instruments. The main obstacle to further economic development is a low level of economic and institutional development, along with a centralized economic base.

There are still uncertainties about the economic situation of countries, collaborating with the RA, due to the forecasted slowdown in the world economy, which may lead to the shortage of money transfers from abroad, as well as to the decline in the prices of mining products, upon which the economy of Armenia is significantly dependant. In times of more severe market stress the situation of Armenian economy and of the Company may be exposed to deterioration. However, as the number of variables and assumptions involved in these uncertainties is big, management cannot make a reliable estimate of the amounts by which the carrying amounts of assets and liabilities of the Company may be affected.

Accordingly, the financial statements of the Company do not include the effects of adjustments, which might have been considered necessary.

3 Basis of preparation

3.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as developed and published by the International Accounting Standards Board (IASB), and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

3.2 Basis of measurement

The financial statements have been prepared on a fair value basis for financial assets and liabilities at fair value through profit or loss and available for sale assets, except those for which a reliable measure of fair value is not available. Other financial assets and liabilities are stated at amortized cost and non-financial assets and liabilities are stated at historical cost. .

3.3 Functional and presentation currency

Functional currency of the Company is the currency of the primary economic environment in which the Company operates. The Company's functional currency and the Company's presentation currency is Armenian Drams ("AMD"), since this currency best reflects the economic substance of the underlying events and transactions of the Company. The Company prepares statements for regulatory purposes in accordance with legislative requirements and Accounting Standards of the Republic of Armenia. These financial statements are based on the Company's books and records as adjusted and reclassified in order to comply with IFRS. The financial statements are presented in thousands of AMD, which is not convertible outside Armenia.

3.4 Changes in accounting policies

In the current period the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on January 1, 2012.

The standards and interpretations which became effective in the current year didn't affect the financial statements presented by the Company.

3.5 Standards and Interpretations not yet applied by the Company

At the date of authorization of these financial statements, certain new Standards, amendments and interpretations to the existing Standards have been published but are not yet effective. The Company has not early adopted any of these pronouncements.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effect date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

New standards, amendments and interpretations to the existing Standards that are not yet effective

IAS 32 (Amendment) *Offsetting Financial Assets and Financial Liabilities*

The amendments to IAS 32 add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities in the following two areas:

- The meaning of 'currently has a legally enforceable right of set-off': the amendments clarify that a right of set-off is required to be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties, and that the right must also exist for all counterparties.
- Since there was diversity in practice related to the interpretation of 'simultaneous settlement' in IAS 32, the IASB has therefore clarified the principle behind net settlement and included an example of a gross settlement system with characteristics that would satisfy the IAS 32 criterion for net settlement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

IFRS 7 (Amendment) *Offsetting Financial Assets and Financial Liabilities*

The amendment adds qualitative and quantitative disclosures to IFRS 7 relating to gross and net amounts of recognized financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position.
The amendments are effective for annual reporting periods beginning on or after 1 January 2013, and are required to be applied retrospectively.

IFRS 9 *Financial Instruments*

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. IFRS 9 is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

The IASB has issued an amendment to IFRS 9 which deferred the mandatory effective date of IFRS from 1 January 2013 to 1 January 2015. This means that all the phases of the project to replace IAS 39 will now have the same mandatory effective date. The amendments also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. This relief was originally only available to companies that chose to apply IFRS 9 prior to 2012. Additional transition disclosures will now be required to help understand the initial application of the Standard.

Management have yet to assess the impact of this new standard on the Organization's financial statements.

IFRS 13 *Fair Value Measurement*

IFRS 13 does not address which items are required to be measured at fair value, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. This IFRS shall be applied prospectively and there is no requirement for presenting comparative information for the periods prior to initial application of this IFRS. The Organization's management have to assess the impact of this new standard on the financial statements.

IAS 1 *Presentation of Financial Statements*

The IAS 1 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Organization's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

Annual Improvements to IFRSs 2009-2011 Cycle

The amendments to IFRSs contained in Annual Improvements 2009-2011 Cycle are effective for annual periods beginning on or after January 1, 2013, although early application is permitted.

The brief descriptions of the issues addressed are presented below:

IAS 1 *Presentation of Financial Statements*

The amendment provides clarification of the requirements for comparative information when an entity either provides a third statement of financial position as required by IAS 8 or voluntarily.

The following issues are addressed for opening statement of financial position

- Comparative information for the opening statement of financial position is required when an entity changes accounting policies, or makes retrospective restatements or reclassifications, in accordance with IAS 8, and
- The appropriate date for the opening statement of financial position is the beginning of the preceding period. Related notes to this opening statement of financial position are no longer required to be presented

The amendment also clarifies issues related to comparative information beyond the minimum requirements, particularly

- addresses whether an entity should be required to present a complete set of financial statement when it provides financial statements beyond the minimum comparative information requirements (i.e., additional comparative information)
- explains that additional financial statement information need not be presented in the form of a complete set of financial statements for periods beyond the minimum requirements. Any additional information presented should however be presented in accordance with IFRSs and the entity should present comparative information in the related notes for that additional information.

IAS 16 *Property, plant and Equipment*

The amendment addresses the classification of servicing equipment. It clarifies that major spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise.

IAS 32 *Financial Instruments: Presentation*

The amendment clarifies that income tax relating to distribution to equity holders and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes.

4 Summary of significant accounting policies

The following significant accounting policies have been applied in the preparation of the financial statements. The accounting policies have been consistently applied.

4.1 Recognition of income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Expense is recognized to the extent that it is probable that the economic benefits will flow from the Company and the expense can be reliably measured. The following specific criteria must also be met before revenue is recognized:

Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss, are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

Fee and commission income and expense

Loan origination fees for loans issued to customers are deferred (together with related direct costs) and recognised as an adjustment to the effective yield of the loans. Fees, commissions and other income and expense items are generally recorded on an accrual basis when the service has been provided. Other service fees are recorded based on the applicable service contracts.

4.2 Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transactions. Gains and losses resulting from the translation of trading assets are recognised in the statement of comprehensive income in net trading income, while gains less losses resulting from translation of non-trading assets are recognized in the statement of comprehensive income in other income or other expense. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Differences between the contractual exchange rate of a certain transaction and the prevailing average exchange rate on the date of the transaction are included in gains less losses from trading in foreign currencies in net trading income.

The exchange rates at year-end used by the Company in the preparation of the financial statements are as follows:

	December 31, 2012	December 31, 2011
AMD/1 US Dollar	**403.58**	385.77
AMD/1 Euro	**532.24**	498.72

4.3 Taxation

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the comprehensive income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. In the case when financial statements are authorized for issue before appropriate tax returns are submitted, taxable profits or losses are based on estimates. Tax authorities might have more stringent position in interpreting tax legislation and in reviewing tax calculations. As a result tax authorities might claim additional taxes for those transactions, for which they did not claim previously. As a result significant additional taxes, fines and penalties could arise. Tax review can include 3 calendar years immediately proceeding the year of a review. In certain circumstances tax review can include even more periods.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposed, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

The Republic of Armenia also has various operating taxes, which are assessed on the Company's activities. These taxes are included as a component of other expenses in the statement of comprehensive income.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and amounts due from banks, which can be converted into cash at short notice and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost.

4.5 Amounts due from banks

In the normal course of business, the Company maintains advances or deposits for various periods of time with banks. Loans and advances to banks with a fixed maturity term are subsequently measured at amortized cost using the effective interest method. Those that do not have fixed maturities are carried at amortized cost based on maturities estimated by management.

4.6 Financial instruments

The Company recognizes financial assets and liabilities on its statement of financial position when it becomes a party to the contractual obligation of the instrument. Regular way purchases and sales of financial assets and liabilities are recognised using settlement date accounting. Regular way purchases of financial instruments that will be subsequently measured at fair value between trade date and settlement date are accounted for in the same way as for acquired instruments.

When financial assets and liabilities are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition all financial liabilities, other than liabilities at fair value through profit or loss are measured at amortized cost using effective interest method. After initial recognition financial liabilities at fair value through profit or loss are measured at fair value.

The Company classified its financial assets into the following categories: loans and receivables and available-for-sale financial instruments. The classification of investments between the categories is determined at acquisition based on the guidelines established by the management. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments, which arise when the Company provides money directly to a debtor with no intention of trading the receivable.

Loans granted by the Company with fixed maturities are initially recognized at fair value plus related transaction costs. Where the fair value of consideration given does not equal the fair value of the loan, for example where the loan is issued at lower than market rates, the difference between the fair value of consideration given and the fair value of the loan is recognized as a loss on initial recognition of the loan and included in the comprehensive income statement as losses on origination of assets. Subsequently, the loan carrying value is measured using the effective interest method. Loans to customers that do not have fixed maturities are accounted for under the effective interest method based on expected maturity. Loans to customers are carried net of any allowance for impairment losses.

Available-for-sale financial instruments

Investments available for sale represent debt and equity investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income. However, interest calculated using the effective interest method is recognised in the statement of comprehensive income. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payment is established.

4.7 Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Criteria used to determine that there is objective evidence of an impairment loss may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty (for example, equity ratio, net income percentage of sales), default or delinquency in interest or principal payments, breach of loan covenants or conditions, deterioration in the value of collateral, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The Company may measure impairment on the basis of an instrument’s fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not the foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Company’s internal credit grading system that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If future write-off is later recovered, the recovery is credited to the allowance account.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement on comprehensive income, is transferred from equity to the statement of comprehensive income. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the statement of comprehensive income. Reversals of impairment losses on debt instruments are reversed through the statement of comprehensive income if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

4.8 Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Company has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and
- the Company either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

4.9 Leases

Operating - Company as leasee

Leases of assets under which the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term and included into other operating expenses.

4.10 Property, plant and equipment

Property, plant and equipment ("PPE") are recorded at historical cost less accumulated depreciation. If the recoverable value of PPE is lower than its carrying amount, due to circumstances not considered to be temporary, the respective asset is written down to its recoverable value.

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

	Useful life (years)	Rate (%)
Building	30	3.33
Computers	3	33.33
Vehicles	5	20
Office equipment	1-5	20-100
Other fixed assets	1-5	20-100

Repairs and maintenance are charged to the comprehensive income statement during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is incurred and when it satisfies the criteria for asset recognition. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

4.11 Intangible assets

Intangible assets include computer software and other intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic lives of 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end.

Costs associated with maintaining computer software programmes are recorded as an expense as incurred.

4.12 Borrowings

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

4.13 Pensions

The Company does not have any pension arrangements separate from the State pension system of the Republic of Armenia, which requires current contributions by the employer calculated as a percentage of current gross salary payments; such expense is charged in the period the related salaries are earned. In addition, the Company has no post-retirement benefits or significant other compensated benefits requiring accrual.

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

4.15 Equity

Charter capital

External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial statements are authorised for issue.

4.16 Offsetting

Financial assets and liabilities, and income and expenses, are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

5 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

The most significant areas of judgements and estimates with regards to these financial statements are presented below:

Related party transactions

In the normal course of business the Company enters into transactions with its related parties. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis.

Allowance for impairment of loans and receivables

The Company reviews its problem loans and advances at each reporting date to assess whether an allowance for impairment should be recorded in the comprehensive income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances against individually significant loans and advances, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This take into consideration factors such as any deterioration in country risk, industry, and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

Tax legislation

Armenian tax legislation is subject to varying interpretations. Refer to Note 22

6 Interest and similar income and expense

In thousand Armenian drams	2012	2011
Loans to customers	**543,844**	542,962
Cash and cash equivalents	**922**	14,989
Interest accrued on impaired financial assets	**-**	3,505
Total interest and similar income	**544,766**	561,456
Borrowings	**127,839**	130,147
Amounts due to financial institutions	**162,946**	161,763
Total interest and similar expense	**290,785**	291,910

7 Fee and commission income and expense

In thousand Armenian drams	2012	2011
Commission from servicing loans of “Habitat for Humanity” foundation (note 19)	**2,848**	5,594
Other commission income	**1,122**	2,679
Total fee and commission income	**3,970**	8,273
Accounts maintenance	**411**	908
Commission expense in respect of ACRA	**339**	776
Cash collection	**774**	616
Total fee and commission expense	**1,524**	2,300

8 Other income

In thousand Armenian drams	2012	2011
Foreign currency translation net gain of non-trading assets and liabilities	**5,628**	8,657
Income from fines and penalties	**11,990**	19,885
Other income	**757**	11,519
Total other income	**18,375**	40,061

9 Staff costs

In thousand Armenian drams	2012	2011
Wages and salaries	**65,152**	72,661
Social security contributions	**5,807**	5,761
Total staff costs	**70,959**	78,422

10 Other expenses

In thousand Armenian drams	2012	2011
Fixed assets maintenance	**9,515**	7,834
Advertising costs	**616**	12,749
Business trip expenses	**6,123**	-
Communications	**3,257**	3,707
Operating lease	**4,340**	4,708
Taxes, other than income tax, duties	**6,987**	7,359
Consulting and other services	**6,133**	6,965
Representative expenses	**3,849**	3,251
Office supplies	**618**	626
Insurance costs	**359**	312
Losses from impairment of assets	**-**	58
Financial system mediator expenses	**3,305**	3,215
Other expenses	**3,614**	3,009
Total other expense	**48,716**	53,793

11 Income tax expense

In thousand Armenian drams	2012	2011
Current tax expense	**24,573**	29,902
Deferred tax	**6,196**	(2,611)
Total income tax expense	**30,769**	27,291

The corporate income tax within the Republic of Armenia is levied at the rate of 20% (2011: 20%). Differences between IFRS and RA statutory tax regulations give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for profit tax purposes. Deferred income tax is calculated using the principal tax rate of 20%.

Numerical reconciliation between the tax expenses and accounting profit is provided below:

In thousand Armenian drams	2012	Effective rate (%)	2011	Effective rate (%)
Profit before tax	**151,939**		139,044	
Income tax at the rate of 20%	**30,388**	**20**	27,809	20
Non-deductible expenses	**1,507**	**1**	1,214	1
Foreign exchange gains	**(1,126)**	**(1)**	(1,732)	(1)
Income tax expense	**30,769**	**20**	27,291	20

Deferred tax calculation in respect of temporary differences:

In thousand Armenian drams	As of December 31, 2011	Recognized in statement of comprehensive income	As of December 31, 2012
Other liabilities	**1,773**	**(137)**	**1,636**
Total deferred tax assets	**1,773**	**(137)**	**1,636**
Contingent liabilities	**(116)**	**(5)**	**(121)**
Loans to customers	**(92)**	**(3,220)**	**(3,312)**
Amounts due from banks and other assets	**(161)**	**(2,991)**	**(3,152)**
Investments available-for-sale	**(554)**	**157**	**(397)**
Total deferred tax liability	**(923)**	**(6,059)**	**(6,982)**
Net deferred tax asset/(liability)	**850**	**(6,196)**	**(5,346)**

In thousand Armenian drams	As of December 31, 2010	Recognized in statement of comprehensive income	As of December 31, 2011
Other liabilities	1,982	(209)	1,773
Total deferred tax assets	1,982	(209)	1,773
Contingent liabilities	-	(116)	(116)
Loans to customers	(1,626)	1,534	(92)
Amounts due from banks and other assets	(1,497)	1,336	(161)
Investments available-for-sale	(620)	66	(554)
Total deferred tax liability	(3,743)	2,820	(923)
Net deferred tax asset/(liability)	(1,761)	2,611	850

12 Cash and cash equivalents

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
Cash on hand	**1,151**	1,571
Bank accounts	**31,400**	76,531
Total cash and cash equivalents	**32,551**	78,102

Non-cash transactions performed by the Company during 2012 are represented by:

- repayment of AMD 1,752 thousand loan liabilities by transfer of right of ownership to collateral (2011: 46,708 AMD thousand)

13 Loans to customers

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
Loans to customers	**4,566,945**	4,121,980
Less allowance for loan impairment	**(48,941)**	(55,081)
Total loans to customers	**4,518,004**	4,066,899

As of 31 December 2012 accrued interest income included in loans to customers amounted to AMD 24,695 thousand (2011: AMD 21,279 thousand).

As of 31 December 2012 the average effective interest rates on loans to customers was 12.87% for loans in AMD and 13.36% for loans in USD (2011: 13.31% for loans in AMD and 13.64% for loans in USD).

As of December 31, 2012, the total amount of the ten largest third party entities and parties related with them comprises AMD 313,877 thousand (7% of gross loan portfolio) (2011: AMD 374,672 thousand or 8%). An allowance of AMD 3,296 thousand (2011: AMD 8,773 thousand) was made against these loans.

Loans by classes may be specified as follows:

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
Mortgage	**4,405,787**	3,903,581
Consumer	**123,140**	181,191
Car	**1,586**	3,110
Business	**36,432**	34,098
	4,566,945	4,121,980
Less allowance for loan impairment	**(48,941)**	(55,081)
Total loans to customers	**4,518,004**	4,066,899

Reconciliation of allowance account for losses on loans by class is as follows:

In thousand Armenian drams	**Mortgage loans**	**Consumer loans**	**Car loans**	**Business loans**	**2012 Total**
At 1 January 2012	**52,897**	**1,812**	**31**	**341**	**55,081**
Charge/(reversal) for the year	**(17,840)**	**(165)**	**(15)**	**23**	**(17,997)**
Amounts written off	**-**	**(33)**	**-**	**-**	**(33)**
Recoveries	**11,839**	**51**	**-**	**-**	**11,890**
At 31 December 2012	**46,896**	**1,665**	**16**	**364**	**48,941**
Collective impairment	**46,896**	**1,665**	**16**	**364**	**48,941**

In thousand Armenian drams	Mortgage loans	Consumer loans	Car loans	Business loans	2011 Total
At 1 January 2011	43,695	886	44	497	45,122
Charge/(reversal) for the year	24,440	281	(13)	(156)	24,552
Amounts written off	(17,023)	-	-	-	(17,023)
Recoveries	1,785	645	-	-	2,430
At 31 December 2011	52,897	1,812	31	341	55,081
Individual impairment	7,093	-	-	-	7,093
Collective impairment	45,804	1,812	31	341	47,988
	52,897	1,812	31	341	55,081
Gross amount of loans individually determined to be impaired, before deducting any individually assessed impairment allowance	28,935	-	-	-	28,935

Loans by customer profile may be specified as follows:

In thousand Armenian drams	**As of December 31, 2012**	As of December 31, 2011
Privately held companies	**38,017**	34,967
Individuals	**4,528,928**	4,084,772
Sole proprietors	**-**	2,241
	4,566,945	4,121,980
Less allowance for loan impairment	**(48,941)**	(55,081)
Total loans to customers	**4,518,004**	4,066,899

Loans to individuals comprise the following products:

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
Mortgage loans	**4,405,788**	**3,903,581**
Consumer loans	**123,140**	**181,191**
Total loans to individuals (gross)	**4,528,928**	**4,084,772**

At 31 December 2012 and 2011 the estimated fair value of loans to customers approximates their carrying value. Refer to Note 24.

Maturity analysis of loans to customers is disclosed in Note 25.

Credit, currency and interest rate analyses of loans to customers are disclosed in Note 26. The information on related party balances is disclosed in Note 23.

14 Investments available for sale

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
Equity instruments issued by the RA organizations	**3,680**	3,680
Total investments available for sale	**3,680**	3,680

All unquoted available-for-sale RA equities are recorded at cost since its fair value cannot be reliably estimated. There is no market for these investments and the Company intends to hold it for the long term. These financial assets are not impaired.

15 Property, plant and equipment

In thousand Armenian drams	Buildings	Computers	Vehicles	Office equipment and other fixed assets	Capital investments in PPE	Total
COST						
At January 1, 2011	-	8,007	21,519	32,877	116,193	178,596
Additions	255,105	2,576	520	3,296	-	261,497
Reclassification	116,193	-	-	-	(116,193)	-
At December 31, 2011	**371,298**	**10,583**	**22,039**	**36,173**	**-**	**440,093**
Additions	**-**	**1,305**	**436**	**540**	**-**	**2,281**
At December 31, 2012	**371,298**	**11,888**	**22,475**	**36,713**	**-**	**442,374**
DEPRECIATION						
At January 1, 2011	-	4,803	21,519	5,569	-	31,891
Depreciation charges	11,311	1,996	14	6,517	-	19,838
At December 31, 2011	**11,311**	**6,799**	**21,533**	**12,086**	**-**	**51,729**
Depreciation charges	**12,378**	**2,008**	**344**	**6,477**	**-**	**21,207**
At December 31, 2012	**23,689**	**8,807**	**21,877**	**18,563**	**-**	**72,936**
CARRYING VALUE						
At December 31, 2012	**347,609**	**3,081**	**598**	**18,150**	**-**	**369,438**
At December 31, 2011	359,987	3,784	506	24,087	-	388,364
At December 31, 2010	-	3,204	-	27,308	116,193	146,705

Fully depreciated items

As at 31 December 2012 fixed assets included fully depreciated and amortized assets in amount of AMD 9,812 thousand (2011: AMD 8,188 thousand).

As at 31 December 2012 and 2011 the Company does not possess liabilities in respect of capital investments.

Restrictions on title of fixed assets

As at 31 December 2012 the Company's building is pledged as security for the Company's loans (see note 18).

16 Intangible assets

In thousand Armenian drams

	Acquired software	Other	Total
COST			
At January 1, 2011	4,299	28	4,327
Additions	367	-	367
At December 31, 2011	**4,666**	**28**	**4,694**
Additions	**-**	**-**	**-**
At December 31, 2012	**4,666**	**28**	**4,694**
AMORTISATION			
At January 1, 2011	2,775	28	2,803
Amortisation charge	446	-	446
At December 31, 2011	**3,221**	**28**	**3,249**
Amortisation charge	**542**	**-**	**542**
At December 31, 2012	**3,763**	**28**	**3,791**
CARRYING VALUE			
At December 31, 2012	**903**	**-**	**903**
At December 31, 2011	1,445	-	1,445
At December 31, 2010	1,524	-	1,524

17 Other assets

In thousand Armenian drams	**As of December 31, 2012**	As of December 31, 2011
Prepayments and other debtors	**24,591**	2,184
Settlements with employees	**133**	144
Other prepaid taxes and mandatory fees	**600**	1,291
Future expenses	**118**	113
Repossessed property	**11,790**	41,988
Materials	**33**	40
Total other assets	**37,265**	45,760

As at 31 December 2012 other assets amounting to AMD 11,790 thousand (2011: AMD 41,988 thousand) is a repossessed property, which is property held as collateral for loans extended by the Company.

18 Amounts due to CBA and other financial institutions

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
Loans from CBA	**603,978**	810,697
Loan from resident banks	**105,314**	122,582
Loans from other financial institutions	**1,601,343**	934,893
Total amounts due to financial institutions	**2,310,635**	1,868,172

Obligations of CBA include loans received within the scope of "Development of a sustainable housing market" project of German-Armenian fund. They have fixed interest rates.

Loan from a resident bank represents loan received from RA commercial bank which is secured by the Company's building (Note 15).

As at 31 December 2012 and 2011 loans from financial institutions include loans received from "National Mortgage Company" UCO CJSC and "Home for Youth" UCO CJSC for refinancing of the qualified and mortgage loans.

As of 31 December 2012 the average effective interest rates on amounts due to financial institutions was 8.31 % for borrowings in AMD (2011: 7.85%) and 11% for borrowings in USD (2011: 10.75%).

The Company has not had any defaults of principal, interest or other breaches with respect to its liabilities during the period (2011: nil).

19 Borrowings

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
RA Government	**4,901**	4,008
Borrowings from foreign countries' state agencies	**1,545,700**	1,621,177
Borrowings from other institutions	**159,617**	139,029
Borrowings from participant	**38,238**	71,617
Total borrowings	**1,748,456**	1,835,831

Borrowings from foreign countries' state agencies represent the loan received from Overseas Private Investment Corporation, USA. This loan is being used solely for extension of mortgage loans in US dollars.

Borrowings from other institutions represent the loans received from "Habitat for Humanity" foundation within the scope of joint projects for providing housing opportunities for low-income families. As of 31 December 2012 this amount does not include the borrowing in amount of AMD 117,131 thousand (2011: AMD 121,938 thousand), since according to the agreement the Company does not bear the risks related to the non-collectability of the loans provided by the resources of this agreement. Consequently the balance of the borrowed funds has not been included in the statement of financial position rather has been offset with the amount of loans provided. The income related to the servicing the loans are included in the commission income (note 7).

All borrowings carry fixed interest rates.

As of 31 December 2012 the average effective interest rates on borrowings was 6.95% for borrowings in USD (2011: 7%).

The Company has not had any defaults of principal, interest or other breaches with respect to its liabilities during the period (2011: nil).

20 Other liabilities

In thousand Armenian drams	As of December 31, 2012	As of December 31, 2011
Accounts payables	**5,352**	3,792
Total financial liabilities	**5,352**	3,792
Tax payable, other than income tax	**177**	58
Income of future period	**65**	80
Due to personnel	**2,826**	5,070
Other liabilities	**2,113**	41
Total other liabilities	**10,533**	9,041

21 Equity

As at 31 December 2012 the Company's registered and paid-in charter capital was AMD 730,000 thousand. In accordance with the Company's statues, the charter capital consists of 20,000 shares, all of which have a par value of AMD 36,500 each.

The respective participants as at 31 December 2012 and 2011 may be specified as follows:

In thousand Armenian drams	Paid-in charter capital	% of total paid-in capital
Nishan Atinizian	**328,500**	**45**
Margrit Atinizian	**328,500**	**45**
Davit Atanessian	**73,000**	**10**
	730,000	**100**

In 2012, the Company did not replenish its charter capital. (2011: nil).

The participants of the Company are entitled to dividends and any profit distribution in Armenian Drams.

In May 2012 the Company's annual General Meeting declared dividends in respect of the year ended December 31, 2011 totaling AMD 93,179 thousand.

22 Contingent liabilities and commitments

Tax and legal matters

The taxation system in Armenia is characterized by frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among various taxation authorities and jurisdictions.

Often tax authorities claim additional taxes for transactions and accounting methods, for which they did not claim previously. As a result additional fines and penalties could arise. Tax review can include 3 calendar years immediately proceeding the year of a review. In certain circumstances tax review can include earlier periods.

Management believes that the Company has complied with all regulations and has completely settled all its tax liabilities.

As of 31 December 2012 there were no legal actions and complaints taken against the Company. Therefore, the Company has not made any respective provision related to such tax and legal matters.

Loan commitment

In the normal course of business, the Company is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the balance sheet.

As of 31 December the nominal or contract amounts were:

In thousand Armenian drams	**As of December 31, 2012**	As of December 31, 2011
Undrawn loan commitments	**60,447**	57,973
Total commitments and contingent liabilities	**60,447**	57,973

Operating lease commitments – Company as a lessee

In the normal course of business the Company enters into other lease agreements for its office facilities.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

In thousand Armenian drams	**As of December 31, 2012**	As of December 31, 2011
Not later than 1 year	**1,764**	5,208
Later than 1 year and not later than 5 years	**6,976**	7,320
Total operating lease commitments	**8,740**	12,528

Insurance

The insurance industry in Armenia is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. Until the Company obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Company's operations and financial position. However, as at 31 December 2012 the Company's building and vehicle are insured.

23 Transactions with related parties

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. For the purpose of the present financial statements, related parties include shareholders, members of Company's Management as well as other persons and enterprises related with and controlled by them respectively.

The ultimate controlling party of the Company is the shareholder and the President of the Board of Directors of the Company Nishan Atinizian.

A number of organizational transactions are entered into with related parties in the normal course of business. These include loans, deposits and other transactions.

The volumes of related party transactions, outstanding balances at the year end, and related expense and income for the year are as follows:

In thousand Armenian drams

	2012		2011	
	Participants and related parties	**Key management personnel and related parties**	Participants and related parties	Key management personnel and related parties
Loans to customers				
Loans outstanding at January 1, gross	**38,159**	**75,459**	36,856	88,598
Loans issued during the year	**1,290**	**75,292**	39,017	36,572
Loan repayments during the year	**(8,041)**	**(74,157)**	(37,714)	(49,711)
Loans outstanding at December 31, gross	**31,408**	**76,594**	38,159	75,459
Less: allowance for loan impairment	**(471)**	**(827)**	(382)	(890)
Loans outstanding at December 31	**30,937**	**75,767**	37,777	74,569
Interest income on loans	**1,290**	**6,521**	2,369	6,198
Impairment charge/(reversal of impairment) for credit losses	**89**	**(63)**	13	4
Borrowings				
Borrowings at January 1	**-**	**71,617**	-	-
Borrowings received during the year	**45,646**	**74,094**	-	73,398
Borrowings repaid during the year	**(45,646)**	**(99,992)**	-	(1,781)
Borrowings at December 31	**-**	**45,719**	-	71,617
Interest expense on borrowings	**452**	**6,034**	-	485
Comprehensive income statement items				
Consulting expenses	**-**	**333**	-	300
Lease expenses	**4,340**	**-**	4,708	-
Business trip expenses	**-**	**6,123**	-	-

The loans issued to the related parties of the Company repayable monthly over 10 years and have average interest rates of 8.7% (2011: 8.6%). The loans are collateralised by real estate and without security. The fair value of those collaterals amounts to AMD 697,441 thousand (2011: AMD 698,441 thousand).

Lease expenses represent lease payments in respect of premises leased from the party related to the Company's participants.

Compensation of key management personnel was comprised of the following:

In thousand Armenian drams	2012	2011
Salaries and other short-term benefits	**40,454**	47,230
Social security costs	**2,527**	3,092
Total key management compensation	**42,981**	50,322

24 Fair value of financial instruments

Financial instruments not measured at fair value

In thousand Armenian drams	**As of December 31, 2012**		As of December 31, 2011	
	Carrying value	**Fair value**	Carrying value	Fair value
FINANCIAL ASSETS				
Cash and cash equivalents	**32,551**	**32,551**	78,102	78,102
Loans to customers	**4,518,004**	**4,518,004**	4,066,899	4,066,899
FINANCIAL LIABILITIES				
Amounts due to CBA and other financial institutions	**2,310,635**	**2,310,635**	1,868,172	1,868,172
Borrowings	**1,748,456**	**1,748,456**	1,835,831	1,835,831
Other financial liabilities	**5,352**	**5,352**	3,792	3,792

Cash and cash equivalents, amounts due from and due to CBA and other financial institutions

For assets and liabilities maturing within one month, the carrying amount approximates fair value due to the relatively short-term maturity of these financial instruments. For the assets and liabilities maturing in over one month, the fair value was estimated as the present value of estimated future cash flows discounted at the appropriate year-end market rates.

Loans to customers

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Fair value approximates carrying amounts as current interest rates for new instruments reflect interest rate for instruments originated previously.

Borrowings

The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. Fair value approximates carrying amounts as current interest rates for new instruments reflect interest rate for instruments originated previously.

25 Maturity analysis of assets and liabilities

The table below shows an analysis of main financial assets and liabilities analyzed according to when they are expected to be recovered or settled. See Note 26 for the Company's contractual undiscounted repayment obligations.

In thousand Armenian drams	As of December 31, 2012							
	Demand and less than 1 month	**From 1 to 3 months**	**From 3 to 12 months**	**Subtotal less than 12 months**	**From 1 to 5 years**	**More than 5 years**	**Subtotal over 12 months**	**Total**
ASSETS								
Cash and cash equivalents	**32,551**	**-**	**-**	**32,551**	**-**	**-**	**-**	**32,551**
Loans to customers	**36,995**	**68,825**	**285,754**	***391,574***	**1,809,198**	**2,317,232**	***4,126,430***	**4,518,004**
Investments available for sale	**-**	**-**	**-**	**-**	**-**	**3,680**	***3,680***	**3,680**
	69,546	**68,825**	**285,754**	***424,125***	**1,809,198**	**2,320,912**	***4,130,110***	**4,554,235**
LIABILITIES								
Amounts due to CBA and other financial institutions	**20,530**	**58,239**	**207,802**	***286,571***	**1,219,725**	**804,339**	***2,024,064***	**2,310,635**
Borrowings	**10,521**	**49,940**	**116,837**	***177,298***	**717,058**	**854,100**	***1,571,158***	**1,748,456**
Other financial liabilities	**5,352**	**-**	**-**	***5,352***	**-**	**-**	**-**	**5,352**
	36,403	**108,179**	**324,639**	***469,221***	**1,936,783**	**1,658,439**	***3,595,222***	**4,064,443**
Net position	**33,143**	**(39,354)**	**(38,885)**	***(45,096)***	**(127,585)**	**662,473**	***534,888***	**489,792**
Accumulated gap	**33,143**	**(6,211)**	**(45,096)**		**(172,681)**	**489,792**		

In thousand Armenian drams	As of December 31, 2011							
	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	Subtotal less than 12 months	From 1 to 5 years	More than 5 years	Subtotal over 12 months	Total
ASSETS								
Cash and cash equivalents	78,102	-	-	*78,102*	-	-	-	78,102
Loans to customers	42,646	58,689	267,573	*368,908*	1,530,167	2,167,824	*3,697,991*	4,066,899
Investments available for sale	-	-	-	-	-	3,680	*3,680*	3,680
	120,748	58,689	267,573	*447,010*	1,530,167	2,171,504	*3,701,671*	4,148,681
LIABILITIES								
Amounts due to CBA and other financial institutions	11,247	36,874	182,394	*230,515*	1,064,354	573,303	*1,637,657*	1,868,172
Borrowings	7,235	42,079	162,370	*211,684*	640,805	983,342	*1,624,147*	1,835,831
Other financial liabilities	3,792	-	-	*3,792*	-	-	-	3,792
	22,274	78,953	344,764	*445,991*	1,705,159	1,556,645	*3,261,804*	3,707,795
Net position	98,474	(20,264)	(77,191)	*1,019*	(174,992)	614,859	*439,867*	440,886
Accumulated gap	98,474	78,210	1,019		(173,973)	440,886		

26 Risk management

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks.

Risk is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to operating risks.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

Executive Body

The Executive Body has the responsibility to monitor the overall risk process within the Company. The Executive Body has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. It is responsible for the fundamental risk issues and manages and monitors relevant risk decisions.

Risk Manager

The Risk Manager is responsible for monitoring compliance with risk principles, policies and limits, across the Company.

Company Treasury

Company Treasury is responsible for managing the Company's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

26.1 Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit risk is the most important risk for the Company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Company's asset portfolio. The credit risk management and control are centralised in credit risk management team of Company and reported to the Board of Directors regularly.

The carrying amounts of the Company's financial assets best represent the maximum exposure to credit risk related to them, without taking account of any collateral held or other credit enhancements.

26.1.1 Risk concentrations of the maximum exposure to credit risk

Geographical sectors

The following table breaks down the Company's main credit exposure at their carrying amounts, as categorized by geographical region as of 31 December.

In thousand Armenian drams	**As of December 31, 2012**			
	Armenia	**Other non-OECD countries**	**OECD countries**	**Total**
ASSETS				
Cash and cash equivalents	**32,551**	**-**	**-**	**32,551**
Loans to customers	**4,462,681**	**23,914**	**31,409**	**4,518,004**
Investments available for sale	**3,680**	**-**	**-**	**3,680**
	4,498,912	**23,914**	**31,409**	**4,554,235**
LIABILITIES				
Amounts due to CBA and other financial institutions	**2,310,635**	**-**	**-**	**2,310,635**
Borrowings	**202,756**	**-**	**1,545,700**	**1,748,456**
Other financial liabilities	**4,344**	**-**	**1,008**	**5,352**
	2,517,735	**-**	**1,546,708**	**4,064,443**
Net position	**1,981,177**	**23,914**	**(1,515,299)**	**489,792**

In thousand Armenian drams	As of December 31, 2011			
	Armenia	Other non-OECD countries	OECD countries	Total
ASSETS				
Cash and cash equivalents	78,102	-	-	78,102
Loans to customers	4,009,151	38,160	19,588	4,066,899
Investments available for sale	3,680	-	-	3,680
	4,090,933	38,160	19,588	4,148,681
LIABILITIES				
Amounts due to CBA and other financial institutions	1,868,172	-	-	1,868,172
Borrowings	214,654	-	1,621,177	1,835,831
Other financial liabilities	2,828	-	964	3,792
	2,085,654	-	1,622,141	3,707,795
Net position	2,005,279	38,160	(1,602,553)	440,886

Assets and liabilities have been classified based on the country in which the counterparty is located.

Spheres of activity

The following table breaks down the Company's main credit exposure at their carrying amounts, as categorized by the spheres of activity of the counterparties as of 31 December.

In thousand Armenian drams	Financial institutions	Mortgage	Consumer sector	Service sector	Other	Total
Cash and cash equivalents	**32,551**	**-**	**-**	**-**	**-**	**32,551**
Loans to customers	**-**	**4,358,891**	**121,475**	**36,068**	**1,570**	**4,518,004**
Investments available for sale	**3,680**	**-**	**-**	**-**	**-**	**3,680**
As at 31 December 2012	**36,231**	**4,358,891**	**121,475**	**36,068**	**1,570**	**4,554,235**
As at 31 December 2011	81,782	3,850,710	179,352	2,219	34,618	4,148,681

26.1.2 Risk limit control and mitigation policies

The Company manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower and groups of borrowers. The exposure to any one borrower including Banks and financial organizations is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

Collateral

The Company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory;

In addition, in order to minimise the credit loss the Company will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

The analysis of loan portfolio by collateral is represented as follows:

In thousand Armenian drams	**As of December 31, 2012**	As of December 31, 2011
Loans collateralized by immovable property	**4,302,794**	3,971,220
Loans collateralized by movable property	**2,193**	8,402
Unsecured loans	**248,978**	127,486
Other collateral	**12,980**	14,872
Total loans to customers (gross)	**4,566,945**	4,121,980

The amounts presented in the table above are carrying values of the loans, and do not necessarily represent the fair value of the collaterals. Estimates of market values of collaterals are based on valuation of the collateral at the date when loans were provided. Generally they are not updated unless loans are assessed as individually impaired.

26.1.3 Impairment and provisioning policies

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. The Company addresses impairment assessment into areas: individually assessed allowances and collectively assessed allowances.

Individually assessed allowances

The Company determines the allowances appropriate for each individually significant loan on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the realizable value of collateral, and the timing of the expected cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Collectively assessed allowances

Allowances are assessed collectively for losses on loans that are not significant (including credit cards, residential mortgages and unsecured consumer lending) and for individually significant loans where there is not yet objective evidence of individual impairment. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

The collective assessment takes account of impairment that is likely to be present in the portfolio even though there is not yet objective evidence of the impairment in an individual assessment. Impairment losses are estimated by taking into consideration of the following information: historical losses on the portfolio, current economic conditions, the approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance, and expected receipts and recoveries once impaired.

Loans not impaired

The table below shows the credit quality by class of asset for not impaired loans, based on the historical counterparty default rates.

In thousand Armenian drams	**As of December 31, 2012**	As of December 31, 2011
Loans to customers		
Mortgage	**0.12%**	0.2%
Consumer	**0.12%**	0.18%

Past due but not impaired loans

Past due loans and advances include those that are only past due by a few days. The majority of the past due loans are not considered to be impaired. Analysis of past due loans by age and by class is provided below.

In thousand Armenian drams					**As of December 31, 2012**
	Less than 30 days	**31 to 60 days**	**61 to 90 days**	**More than 91 days**	**Total**
Loans to customers					
Mortgage	**771**	**11,744**	**-**	**2,952**	**15,467**
Consumer	**390**	**-**	**-**	**362**	**752**
Total	**1,161**	**11,744**	**-**	**3,314**	**16,219**

In thousand Armenian drams					As of December 31, 2011
	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total
Loans to customers					
Mortgage	-	-	2,454	-	2,454
Total	-	-	2,454	-	2,454

26.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The Company classifies exposures to market risk into either trading or non-trading portfolios. As of 31 December, 2012 the Company does not hold trading portfolio (2011: nil). Non-trading positions are managed and monitored using other sensitivity analyses. Except for the concentrations within foreign currency, the Company has no significant concentration of market risk.

26.2.1 Market risk – Non-trading

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. At 31 December 2012the Company does not hold floating rate financial assets or liabilities (2011: nil), whereas available-for-sale financial assets consist from equity instruments only.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The tables below indicate the currencies to which the Company had significant exposure at 31 December 2012 on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculated the effect of a reasonably possible movement of the currency rate against the Armenian dram, with all other variables held constant on the comprehensive income statement (due to the fair value of currency sensitive non-trading monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in comprehensive income statement, while a positive amount reflects a net potential increase.

In thousand Armenian drams	**As of December 31, 2012**		As of December 31, 2011	
Currency	**Change in currency rate in %**	**Effect on profit before tax**	Change in currency rate in %	Effect on profit before tax
USD	**+5%**	**11,973**	+5%	5,702
USD	**-5%**	**(11,973)**	-5%	(5,702)

The Company's exposure to foreign currency exchange risk is as follow:

In thousand Armenian drams	**Armenian Dram**	**Freely convertible currencies**	**Non-freely convertible currencies**	**Total**
ASSETS				
Cash and cash equivalents	**10,063**	**22,268**	**220**	**32,551**
Loans to customers	**2,461,619**	**2,056,385**	**-**	**4,518,004**
Investments available for sale	**3,680**	**-**	**-**	**3,680**
	2,475,362	**2,078,653**	**220**	**4,554,235**
LIABILITIES				
Amounts due to CBA and other financial institutions	**2,205,321**	**105,314**	**-**	**2,310,635**
Borrowings	**10,145**	**1,738,311**	**-**	**1,748,456**
Other financial liabilities	**4,344**	**1,008**	**-**	**5,352**
	2,219,810	**1,844,633**	**-**	**4,064,443**
Net position as at 31 December 2012	**255,552**	**234,020**	**220**	**489,792**
Commitments and contingent liabilities as at 31 December 2012	**-**	**60,447**	**-**	**60,447**
Total financial assets	2,084,745	2,063,768	168	4,148,681
Total financial liabilities	1,758,796	1,948,999	-	3,707,795
Net position as at 31 December 2011	325,949	114,769	168	440,886
Commitments and contingent liabilities as at 31 December 2011	-	57,973	-	57,973

Freely convertible currencies represent mainly US dollar amounts, but also include currencies from other OECD countries.

26.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily bases. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

The liquidity management of the Company requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring balance sheet liquidity ratios against regulatory requirements.

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted repayment obligations. See note 25 for the expected maturities of these liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately.

In thousand Armenian drams	**As of December 31, 2012**					
	Demand and less than 1 month	**From 1 to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**More than 5 years**	**Total**
FINANCIAL LIABILITIES						
Amounts due to CBA and other financial institutions	**25,363**	**86,661**	**335,696**	**1,659,130**	**954,719**	**3,061,569**
Borrowings	**10,521**	**70,859**	**192,094**	**1,047,469**	**1,087,126**	**2,408,069**
Other financial liabilities	**5,352**	**-**	**-**	**-**	**-**	**5,352**
Total undiscounted financial liabilities	**41,236**	**157,520**	**527,790**	**2,706,599**	**2,041,845**	**5,474,990**

In thousand Armenian drams	As of December 31, 2011					
	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
FINANCIAL LIABILITIES						
Amounts due to CBA and other financial institutions	16,743	61,248	286,481	1,416,216	705,545	2,486,233
Borrowings	7,460	64,724	179,855	952,491	1,317,999	2,522,529
Other financial liabilities	3,792	-	-	-	-	3,792
Total undiscounted financial liabilities	27,995	125,972	466,336	2,368,707	2,023,544	5,012,554

26.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Board of Directors. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements, including the minimal requirements of the Central Bank of Armenia on internal control system;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- risk mitigation.

27 Capital adequacy

The Central Bank of Armenia has set the minimum value of the total normative capital amounting to AMD 300,000 thousand from January 1, 2012.

The Organization maintains an actively managed capital base to cover risks inherent in the business.

The primary objectives of the Organization's capital management are to ensure that the Organization complies with externally imposed capital requirements and that the Organization maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The minimum ratio between total capital and risk weighted assets required by the Central Bank of Armenia is 10%. Regulatory capital consists of Tier 1 capital, which comprises share capital, retained earnings including current year profit, general reserve and corresponding decreases defined by the CBA. The risk-weighted assets are measured by means of risk weights classified according to the estimate of credit risks.

As of 31 December 2012 the amount of regulatory capital, risk weighted assets and capital adequacy ratio calculated in accordance with the requirements of Central Bank of Armenia are provided below.

In thousand Armenian drams	Not audited 2012	2011
Tier 1 capital	**679,916**	654,463
Total regulatory capital	**679,916**	654,463
Risk-weighted assets	**4,134,003**	4,081,798
Capital adequacy ratio	**16.4%**	16.0%

The Organization has complied with all externally imposed capital requirements through the period.

The Central Bank of Armenia has set the minimal required total capital at AMD 600,000 thousand from July 1, 2013 for the credit organizations trading in foreign currency.

Grant Thornton

www.grantthornton.am