

**STATEMENT
on financial results (form 1)**

31 December 2005

"Ardshininvestbank" CJSC

(thous. drams)

Item	Notes	Reporting period	The same period of the previous year
Interest and similar income	3	4,733,685	3,397,394
Interest and similar expenses	4	(1,510,360)	(983,736)
Net interest income		3,223,325	2,413,658
Income from dividends			
Commissions and other payments received		1,775,805	1,294,242
Commissions and other payments paid		(21,483)	(14,385)
Net profit/ (loss) from investments provided for resale			
Net profit/ (loss) from investments provided for sale	5	177,150	1,312
Net profit/ (loss) from investments held up to maturity			
Net profit/ (loss) from foreign currency operations	6	1,087,278	636,931
Other operational income	7	52,585	770,658
Operational income		6,294,660	5,102,416
Net provisions against reserves for possible losses from assets	8	(99,190)	(154,070)
Total administrative expenses	9	(2,364,716)	(1,832,386)
Other operational expenses	10	(906,158)	(834,124)
Profit/ (loss) before tax		2,924,596	2,281,836
Profit tax	11	(656,637)	(493,852)
Net profit/ (loss)		2,267,959	1,787,984
Calculated dividends, including			
dividends for preferred stock			
dividends for common stock			
Base profit per share			
Diluted profit per share			

Chairman of the Board
(Director General) _____

A.Andreasyan

Chief Accountant _____

M.Sahakyan

Balance Sheet (form 2)

31 December 2005

"Ardshininvestbank"

(thous. drams)

	Item	Notes	Current period	The end of the previous year
1	Assets			
1.1	Balances with CBA	12	11,669,695	7,263,227
1.2	Other claims on CBA	13	324,767	151,562
1.3	Standardized bullions of precious metals		3,838	3,839
1.4	Accounts and deposits with precious metals			
1.5	Financial investments provided for resale	14	250,217	550,000
1.6	Allocations in other banks	15	3,206,905	5,746,078
1.7	Other allocations in money markets	16	251,175	
1.8	Loans and other claims to customers	17	24,390,609	18,386,653
1.9	Investments for sale	18	8,443,738	12,255
1.10	Amounts to be received from bank operations	19	46,024	59,746
1.11	Amounts to be received from financial leasing			
1.12	Investments held up to maturity	20		1,589,304
1.13	Investments into other`s statutory fund			
1.14	Capital investments in fixed assets and intangible assets of bank	21	265,189	95,423
1.15	Fixed assets and intangible assets	22	4,586,703	3,023,619
1.16	Deferred tax assets			15,873
1.17	Interests received	23	241,940	184,534
1.18	Other assets	24	646,466	1,125,350
	Total assets		54,327,266	38,207,464
2	Liabilities			
2.1	Liabilities to the CBA	25		999,441
2.2	Liabilities to other banks	26	286,673	649,434
2.3	Other borrows received from money markets	27	724,980	497,148
2.4	Deposits from customers	28	41,246,700	26,033,278
2.5	Liabilities to the government RA		1,213,939	1,345,724
2.6	Payable amounts for leasing			
2.7	Deposit certificates issued by the Bank			
2.8	Other securities issued by the Bank			
2.9	Reserves	8	56,279	22,773
2.10	Payable amounts	29	255,599	559,130
2.11	Deferred tax liabilities		298,447	
2.12	Payable interests		267,924	181,791

2.13	Other liabilities	30	1,100,607	2,529,634
	Total liabilities		45,451,148	32,818,353
3	Capital			
3.1	Statutory fund	31	3,020,024	2,946,250
3.2	Reserves		1,394,165	70,051
3.2.1	General reserve		248,891	70,051
3.2.2	Revaluation Reserve		1,145,274	
3.3	Accrual profit (loss)	32	4,461,929	2,372,810
	Total capital		8,876,118	5,389,111
	Total liabilities and capital		54,327,266	38,207,464

Chairman of the Board
(Director General)

_____ A.Andreasyan

Chief Accountant

_____ M.Sahakyan



**STATEMENT
on capital changes (form 3)**

31 December 2005

"Ardshininvestbank" CJSC

From the beginning of previous year till reporting date

(thous. drams)

Names of the equity's items	Statutory fund	General reserve	Revaluation reserves	Accrual profit	Total
Item					
Balance as of 01/01/04 p.	2,946,250			654,877	3,601,127
The cumulative effect of changes in accounting policy and the correction of fundamental errors					-
Balance after recalculation	2,946,250	-	-	654,877	3,601,127
Income and expense recognized directly in the equity		70,051		(70,051)	-
Investments in statutory fund					-
Dividends					-
Net profit/ loss				1,787,984	1,787,984
Balance as of 01/01/05 p.	2,946,250	70,051	-	2,372,810	5,389,111

From the beginning of reporting year till reporting date

Names of the equity's items	Statutory fund	General reserve	Revaluation reserves	Accrual profit	Total
Item					
Balance as of 01/01/05 p.	2,946,250	70,051		2,372,810	5,389,111
The cumulative effect of changes in accounting policy and the correction of fundamental errors					-
Balance after recalculation	2,946,250	70,051	-	2,372,810	5,389,111
Income and expense recognized directly in the equity		178,840	1,145,274	(178,840)	1,145,274
Investments in statutory fund	73,774				73,774

Dividends					-
Net profit/ loss				2,267,959	2,267,959
Balance as of 01/01/06 p.	3,020,024	248,891	1,145,274	4,461,929	8,876,118

Chairman of the Board
(Director General) _____ A.Andreasyan

Chief Accountant _____ M.Sahakyan

**STATEMENT
on cash flow of bank (form 4)**

31 December 2005

"Ardshininvestbank" CJSC

(thous. drams)

Item	From the beginning of current year till reporting date	From the beginning of previous year till reporting date
1. Net cash flow from operational activities	3,299,016	9,004,596
<i>Net cash flows before changes of operational assets and liabilities</i>	2,755,938	2,727,975
Interests received	4,503,346	3,250,791
Interests paid	-1,234,405	-832,913
Recovery of losses	129,734	715,284
Dividends received		
Net commissions received	1,754,322	1,279,857
Salary paid and other equal payments	-1,396,372	-1,068,977
Taxes paid	-1,000,687	-616,067
<i>Net cash flows from changes of operational assets and liabilities</i>	543,078	6,276,621
Decrease (Increase) of allocated means	-6,722,540	-7,445,790
Decrease (Increase) of means attracted	13,799,845	13,286,582
Decrease (Increase) of investments provided for resale and held up for sale	-6,500,129	654,441
Decrease (Increase) of amounts receivable from financial leasing	5,885	5,995
Net cash flows from other operational activities	-39,983	-224,607
2. Net cash flow from investment activities	-702,570	-2,546,186
Decrease (Increase) of investments held up to maturity		-876,514
Decrease (Increase) of investments into other`s statutory fund		1,735
Decrease (Increase) of capital investments in fixed assets and intangible assets	-29,646	-32,722
Acquisition of fixed assets and intangible assets	-692,633	-2,073,161
Disposal of fixed assets and intangible assets	19,709	434,476
Net cash flow from other investment activities		
3. Net cash flow from financial activities	-414,976	726,195
Dividends paid		
Increase (decrease) of loans provided by the CBA		
Increase (decrease) of loans provided by banks	-488,750	726,195
Increase (decrease) of other borrowings		

Increase (decrease) of securities issued by the Bank		
Investments of shareholders in statutory fund	73,774	
Increase (decrease) of payable amounts for financial leasing		
Net cash flows from other financial activities		
Influence of Foreign Exchange rate on cash and cash equivalents	-137,638	-99,075
Net Cash flow	2,043,832	7,085,530
Cash and net resources equaled to cash at the beginning of the period	12,633,070	5,547,540
Cash and net resources equaled to cash at the end of the period	14,676,902	12,633,070

Chairman of the Board
(Director General)

A.Andreasyan

Chief Accountant

M.Sahakyan

Disclosure 1 “Legal field”

“Ardshininvestbank” was established as a closed joint-stock company on the basis of the license № 83 of 27 February 2003 obtained from the Central Bank of Republic of Armenia. In the second quarter of 2003 “Ardshininvestbank” CJSC purchased the considerable part of assets and liabilities of “Ardshinbank” PC, and in the fourth quarter – all 35 branches of “Agrobank” PC. As at 31 December 2005 the Bank has 51 branches. During the year 2005 the Bank carried out the following main operations:

- Attracted demand and fixed-term deposits (Universal, Accumulative, Replenishable, Housing and others),
- Gave credits nearly to all the branches of economy,
- Rendered payment and account services,
- Carried out investment operations.

The Bank operated CONTACT, MONEY GRAMM and other international payment systems. As at 31 December 2005 the Bank has a staff of 1002 employees, from which 257 are attendants.

Disclosure 2 “Accounting standards”

In reporting period undermentioned accounting policy was applied to the essential principles of making up financial statements.

2.1 Making and representing of financial statements

Given financial statements are made in accordance with Accounting Standards of Republic of Armenia and statements’ forms correspond with the requirements of the standard ASRA 30 “Disclosure of financial statements of banks and similar financial institutions”.

Financial statements are represented in AMD (to thousands).

2.2 Continuity

Financial statements are made on the basis of continuity principle of bank’s activity, which means that the Bank’s assets must be negotiated and liabilities must be paid off in the natural course of events of its activity.

2.3 Cash and cash equivalents

Cash and cash equivalents involve cash, correspondent accounts in RA Central Bank and in the other banks. Correspondent account in RA Central also includes attracted funds on which provisions must be made at least at 8% rate. The Bank independently manages the funds on this account, though in case of violation of minimal reservation rate RA Central Bank imposes a fine at 1% rate of the lacking provision amount.

Cash and cash equivalents are acknowledged and measured in the balance at fair value of replacement of acquisition.

2.4 Exchange rate changes

Currency assets and liabilities are exchanged for AMD at the rate fixed by RA Central Bank. According to ASRA 21 cash assets are converted using closing rate, and non-cash assets using current rate of the transaction date. Incomes and expenses from currency assets and liabilities are entered at the current rate of transaction. Profits and losses from revaluation are acknowledged in the statement of income.

Rates of exchange fixed by RA Central Bank at 31 December 2005 are the following:

1 US dollar = 450,19 AMD

1 EURO = 532,35 AMD
1 RF ruble = 15,64 AMD

2.5 Property plant and equipment and intangible assets

Property plant and equipment and intangible assets are acknowledged in the balance at the original cost in AMD, and property plant and equipment and intangible assets purchased for currency – AMD equivalent on the date of transaction. Deterioration is calculated monthly by linear method during assets' useful life in the following way:

Buildings, facilities and portable devices	5%
Counting equipment and computers	100%
Other property plant and equipment	20%
Property plant and equipment in the value below 50 thousand AMD	100%
Intangible assets	10%

2.6 Credits and other advances

Credits and other advances are acknowledged in the balance at the original cost less reserves on their impairment losses.

2.7 Reserves

General and special reserves are made because of allocated at the risk of the bank credits, invested deposits and other receivable amounts, and also in relation to off-balance conditional liabilities that comprise credit risk for the bank.

Off-balance conditional liabilities reserve is entered on the credit side.

General reserve is the reserve that is entered in the balance in contrast to an asset, which is made in relation to assets classified as adjustable, non-standard, doubtful and bad due to distributions to the special reserve. Writing off bad debts is made at the expense of the special reserve. In case of recovery of previously written off assets the special reserve is also restored. Reservation is made and adjusted every banking day, and available in reserve excessive surplus is directed to the income account.

2.8 Securities

Investment securities available for sale or for trading are acknowledged in the balance at the original cost and then at the fair cost. Effects of change in fair cost are made at the expense of profit and loss.

2.9 Repurchase agreements

Repurchase agreements are entered in the balance by dual recording. Repurchase agreements are taken into account both as securities purchased by repurchase agreement and an obligation to sell them, and means given for them.

Reverse repurchase agreements are entered both as attracted funds and pawned securities.

2.10 Acceptance of incomes and expenses

In general incomes and expenses are accepted in accordance with charge principle, that is incomes and expenses are accepted the moment they are made and not by actual reception. Charged interest incomes from credits are adjusted at the rate of charged interests for idle credits.

Disclosure 3 “Interest and similar incomes”

01/01/05	01/01/04
<u>31/12/05</u>	<u>31/12/04</u>

Interest incomes from correspondent accounts with the CBA		40,214
Interest incomes from other funds allocated in the CBA	25,640	14,938
Interest incomes from correspondent accounts with resident banks	144	
Interest incomes from other funds allocated in resident banks and other financial institutions	44,139	15,479
Interest incomes from correspondent accounts with non-resident banks	31,145	16,672
Interest incomes from other funds allocated in non-resident banks and other financial institutions		145,201
Interest incomes from credits and other advances to resident legal entities and companies	2,049,877	1,763,190
Interest incomes from credits and other advances to non-resident legal entities and companies	14,895	107
Interest incomes from credits and other advances to resident individuals	2,213,301	1,301,809
Interest incomes from credits and other advances to non-resident individuals	1,119	4,785
Interest incomes from credits and other advances to bank's employees	11,399	8,578
Interest incomes from credits and other advances to affiliated with the bank persons	11,113	36,750
Interest incomes from investment in government notes	185,662	194,872
Other interest incomes	50	
	4,733,685	3,397,394

Disclosure 4 "Interest and similar expenses"

	01/01/05 31/12/05	01/01/04 31/12/04
Interest expenses in relation to funds attracted from the CBA on repurchase agreements	1,845	1,027
Interest expenses from correspondent accounts with resident banks		9,834
Interest expenses in relation to funds attracted from resident banks and other financial institutions	3,227	7,497
Interest expenses in relation to funds attracted from non-resident banks and other financial institutions	2,154	1,695
Interest expenses in relation to bank accounts and demand deposits of resident legal entities and companies	239,782	102,970
Interest expenses in relation to bank accounts and demand deposits of resident individuals	16,932	7,816
Interest expenses in relation to bank accounts and demand deposits of non-resident legal entities and companies	2,509	3,320
Interest expenses in relation to bank accounts and demand deposits of non-resident individuals	379	2,466
Interest expenses in relation to fixed-term deposits of resident legal entities and companies	537,116	251,768
Interest expenses in relation to fixed-term deposits		

of resident individuals	410,776	402,793
Interest expenses in relation to fixed-term deposits of non-resident legal entities and companies	4,422	7,022
Interest expenses in relation to fixed-term deposits of non-resident individuals	32,950	27,846
Interest expenses in relation to liabilities to the Government of RA	72,180	58,323
Interest expenses on charged, but not collected interests from idle credits	167,088	62,721
Other interest expenses	<u>18,640</u>	<u>36,638</u>
	1,510,360	983,736

Disclosure 5 “Net profit/(loss) from investment available for sale”

	01/01/05	01/01/04
	<u>31/12/05</u>	<u>31/12/04</u>
Net profit/(loss) from realization of the investment securities available for sale	41,393	352
Net profit/(loss) from revaluation of the investment securities available for sale	<u>135,757</u>	<u>960</u>
	177,150	1,312

Disclosure 6 “Net profit/(loss) from currency transactions”

	01/01/05	01/01/04
	<u>31/12/05</u>	<u>31/12/04</u>
Net profit/(loss) from currency purchase	1,224,916	736,003
Net profit/(loss) from currency revaluation	<u>- 137,638</u>	<u>- 99,072</u>
	1,087,278	636,931

Disclosure 7 “Other operating incomes”

	01/01/05	01/01/04
	<u>31/12/05</u>	<u>31/12/04</u>
Net income from the disposal of PPE	-109	69,003
Incomes from fines and penalties	18,932	21,370
Extraordinary incomes	94	630,951
Other incomes	<u>33,668</u>	<u>49,334</u>
	52,585	770,658

Disclosure 8 “Net distributions to reserve of impairment losses”

3.8.1 Correspondent accounts’ and deposits’ reserve

	01/01/05	01/01/04
	<u>31/12/05</u>	<u>31/12/04</u>
initial balance	52,486	11,776
distributions to reserve	-25,495	40,710
returns of distributions to reserve		
net distributions to reserve	<u>-25,495</u>	<u>40,710</u>

final balance	26,991	52,486
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3.8.2 *Granted credits' reserve*

	01/01/05 31/12/05	01/01/04 31/12/04
initial balance	234,207	151,878
distributions to reserve	60,733	124,497
returns of distributions to reserve	1,627	-41,971
net distributions to reserve	62,360	82,526
adjustment	-72	-197
final balance	296.495	234.207

3.8.3 *Accounts' receivable and other assets' reserve*

	01/01/05 31/12/05	01/01/04 31/12/04
initial balance	2,792	6,808
distributions to reserve	30,385	-12,835
returns of distributions to reserve	-29,392	8,838
net distributions to reserve	993	-3,997
adjustment	278	-19
final balance	4,063	2,792

3.8.4 *Total reserve on assets*

	01/01/05 31/12/05	01/01/04 31/12/04
initial balance	289,485	170,462
distributions to reserve	65,623	152,372
returns of distributions to reserve	-27,765	-33,133
net distributions to reserve	37,858	119,239
adjustment	206	-216
final balance	327,549	289,485

3.8.5 *Off-balance conditional liabilities' reserve*

	01/01/05 31/12/05	01/01/04 31/12/04
initial balance	22,773	21,057
distributions to reserve	33,567	1,698
returns of distributions to reserve		
net distributions to reserve	33,567	1,698
adjustment	-61	18
final balance	56,279	22,773

Disclosure 9 "Total administration expenses"

	01/01/05 31/12/05	01/01/04 31/12/04
Expenses on salaries and similar cash payments to employees	1,390,062	1,069,114

Expenses on distributions to the State Social Insurance Fund	165,636	135,059
Expenses on retraining and training	538	1,313
Expenses on travel allowance	40,078	21,575
Expenses on payments for lease of the bank's building and other PPE	144,514	194,143
Insurance expenses	29	
Expenses on banking equipment tending and storage	18,220	18,344
Expenses on economic safety and security of the bank's building	105,752	87,158
Expenses on auditor's and consulting services	7,882	7,279
Expenses on link and communications	102,705	100,507
Transport expenses	28,201	21,410
Expenses on taxes, duties and other obligatory payments	129,602	158,017
Office and organization expenses	32,371	17,302
Expenses on granting and repayment of credits	<u>199,126</u>	<u>1,165</u>
	2,364,716	1,832,386

Disclosure 10 "Other operating expenses"

	01/01/05 31/12/05	01/01/04 31/12/04
Paid fines and penalties	540	5,752
Advertisement and representative expenses	108,518	109,253
Expenses on PPE and intangible assets depreciation	399,627	264,398
Expenses on taking guarantees, promissory notes, letters of credit and trust operations		95
Other expenses	<u>397,473</u>	<u>454,626</u>
	906,158	834,124

Disclosure 11 "Income tax expense"

Income tax rate in RA is 20%. Differences between Tax law of RA and National standards in connection with fair value of a number of assets and liabilities result in cut-back in temporal differences of taxation and closing of financial accounts.

Explanation of the correlation between income tax expense and accounting profit is given below.

	<u>31/12/05</u>
Profit before income tax	3,143,185
Income tax expense	<u>628,637</u>
Profit after income tax	2,514,548

A comment on income tax expense is given below.

	<u>31/12/05</u>
Profit before taxation in accordance with ASRA	2,269,249
Profit before taxation in accordance with ASRA	
Adjustment of incomes and expenses in relation to non-temporal differences with the purpose of taxation	86,030
Profit before taxation in accordance with ASRA	
Adjustment of incomes and expenses in relation to temporal differences with the purpose of taxation	64,147
Expense on deferred tax liabilities	28,000
Negative (positive) difference between rates	137,638

Other cutbacks	-70,518
Taxable profit	<u>3,143,185</u>
Rate in accordance with legislation 20%	628,637

Disclosure 12 “Cash in hand and balances with the CBA”

	<u>31/12/05</u>	<u>31/12/04</u>
Cash in hand and similar payment agreements	4,545,503	3,120,059
Correspondent accounts with the CBA	6,124,192	3,143,168
Deposits in the CBA	<u>1,000,000</u>	<u>1,000,000</u>
	<u>11,669,695</u>	<u>7,263,227</u>

Disclosure 13 “Other claims to the CBA”

	<u>31/12/05</u>	<u>31/12/04</u>
Repurchase agreements and currency swap with the CBA		
Other claims to the CBA	<u>324,767</u>	<u>151,562</u>
	<u>324,767</u>	<u>151,562</u>

Disclosure 14 “Financial investments available for sale”

	<u>31/12/05</u>	<u>31/12/04</u>
RA government securities	<u>250,217</u>	<u>550,000</u>
	<u>250,217</u>	<u>550,000</u>

Disclosure 15 “Deposited means in other banks”

	<u>31/12/05</u>	<u>31/12/04</u>
Correspondent accounts and demand deposits in resident banks	100,870	104,688
Correspondent accounts and demand deposits in non-resident banks	2,598,200	5,143,876
Credits to resident banks	540,228	
Repurchase agreements and currency swap with resident banks		550,000
Deposits, correspondent accounts and credits reserve (disclosure 8)	<u>-32,393</u>	<u>-52,486</u>
	<u>3,206,905</u>	<u>5,746,078</u>

Disclosure 16 “Other flotation in the money market”

	<u>31/12/05</u>	<u>31/12/04</u>
Credits to other resident financial institutions	968	
Repurchase agreements and currency swap with other resident financial institutions	250,217	
Deposits and credits reserve	<u>-10</u>	<u>0</u>
	<u>251,175</u>	<u>0</u>

Disclosure 17 “Credits and other advances to customers”

	<u>31/12/05</u>	<u>31/12/04</u>
Credits to resident legal entities and companies	13,728,999	9,806,142

Credits to non-resident legal entities and companies	701,396	
Credits to resident individuals	10,101,205	8,285,814
Credits to non-resident individuals	6,109	5,795
Credits to bank's employees	48,203	59,682
Credits to affiliated with the bank persons	95,780	463,427
Granted credits reserve	<u>-291,083</u>	<u>-234,207</u>
	24,390,609	18,386,653

Disclosure 18 "Investment securities available for sale"

	<u>31/12/05</u>	<u>31/12/04</u>
RA government securities	8,425,740	
RA corporate securities	16,609	12,172
Private securities of other countries	<u>1,389</u>	<u>83</u>
	8,443,738	12,255

Disclosure 19 "Receivable amounts from banking transactions"

	<u>31/12/05</u>	<u>31/12/04</u>
Letters of credit and bank's guarantees	5,545	1,749
Other receivable amounts	40,958	58,604
Reserve for accounts receivable and other assets (disclosure 8)	<u>-479</u>	<u>-607</u>
	46,024	59,746

Disclosure 20 "Investment securities held to maturity"

	<u>31/12/05</u>	<u>31/12/04</u>
RA government securities		1,589,304
	0	1,589,304

Disclosure 21 "Capital investment in PPE and intangible assets"

	<u>31/12/05</u>	<u>31/12/04</u>
Capital investment in PPE	172,273	33,510
Capital investment in leasehold PPE	<u>92,916</u>	<u>61,913</u>
	265,189	95,423

Disclosure 22 "PPE and intangible assets"

Assets in operation	Land, building and property	Computer equipment	Carrier equipment	Other PPE and intangible assets	Total
Book value					
Final data of last year	911,206	280,266	80,256	258,923	1,530,651
Increase	3,555,877	266,278	86,838	101,847	4,010,840
Alienation	78,555	21,163	36,059	120,030	255,807
Final data current year	4,388,528	525,381	131,035	240,740	5,285,684
Deterioration					
Initial balance	96,472	174,193	16,800	45,503	332,968

Accumulated depreciation	274,517	158,634	11,193	35,105	479,449
Accumulated devaluation					
Adjustment				-10,079	
Final balance	370,989	332,827	27,993	70,529	802,338
Net book value					
End of last year	814,734	106,073	63,456	213,420	1,197,683
End of current year	4,017,539	192,554	103,042	170,211	4,483,346
Assets off operation					
Book value					
Final data of last year	1,835,759	24,917	4,628	6,679	1,871,983
Increase	106,491	347,144	92,388	31,839	577,862
Alienation	1,898,868	328,070	87,791	31,759	2,346,488
Final data current year	43,382	43,991	9,225	6,759	103,357

Disclosure 23 “Receivable interests”

	<u>31/12/05</u>	<u>31/12/04</u>
Charged interests	255,049	192,976
Unacknowledged interest income	-13,109	-8,422
	<u>241,940</u>	<u>184,534</u>

Disclosure 24 “Other assets”

	<u>31/12/05</u>	<u>31/12/04</u>
Accounts receivable	10,794	8,448
Upfront money to employees and suppliers	116,915	32,363
Upfront money for budget and obligatory social insurance	380,761	
Reserve for accounts receivable and other assets (disclosure 8)	-2,900	1,840
Future periods expenses	13,961	26,207
High-wear objects	54,841	35,535
Securities purchased under repurchase agreements		962,871
Other assets	<u>72,094</u>	<u>61,767</u>
	<u>646,466</u>	<u>1,125,350</u>

Disclosure 25 “Amounts due to the CBA”

	<u>31/12/05</u>	<u>31/12/04</u>
Credits from the CBA		
Repurchase agreements and currency swap with the CBA		<u>999,441</u>
	<u>0</u>	<u>999,441</u>

Disclosure 26 “Amounts due to other banks”

	<u>31/12/05</u>	<u>31/12/04</u>
Correspondent accounts and demand deposits of resident banks	16,076	41,770
Correspondent accounts and demand deposits of non-resident banks	270,597	121,824
Credits from resident banks		<u>485,840</u>

286,673 649,434

Disclosure 27 “Other advances from money market”

	<u>31/12/05</u>	<u>31/12/04</u>
Correspondent accounts and demand deposits of other resident financial institutions	337,529	136,369
Correspondent accounts and demand deposits of other non-resident financial institutions	<u>387,451</u>	<u>360,779</u>
	724,980	497,148

Disclosure 28 “Funds attracted from customers”

	<u>31/12/05</u>	<u>31/12/04</u>
Correspondent accounts and demand deposits of resident legal entities and companies	14,624,694	10,080,311
Correspondent accounts and demand deposits of non-resident legal entities and companies	254,691	361,046
Correspondent accounts and demand deposits of resident individuals	1,329,456	696,969
Correspondent accounts and demand deposits of non-resident individuals	228,048	234,304
Fixed-term deposits of resident legal entities and companies	15,381,597	7,844,606
Fixed-term deposits of non-resident legal entities and companies	67,304	85,263
Fixed-term deposits of resident individuals	8,516,723	6,369,566
Fixed-term deposits of non-resident individuals	<u>844,187</u>	<u>361,213</u>
	41,246,700	26,033,278

Disclosure 29 “Receivable amounts”

	<u>31/12/05</u>	<u>31/12/04</u>
Deposit insurance liabilities	5,382	9,130
Other receivable amounts	<u>250,217</u>	<u>550,000</u>
	255,599	559,130

Disclosure 30 “Other liabilities”

	<u>31/12/05</u>	<u>31/12/04</u>
Estimated liabilities under payment documents	15,102	25,653
Accounts payable and transient accounts	756,464	499,018
Future periods incomes	50,946	35,128
Other liabilities	<u>278,095</u>	<u>1,969,835</u>
	1,100,607	2,529,634

Disclosure 31 “Statutory capital”

“Ardshininvestbank” CJSC in 2003 announced and issued 50 thousands common stocks and as a result the statutory fund came to 2,946,250 thousands AMD. In the fourth quarter of 2005

“Ardshininvestbank” CJSC increased its statutory fund by 1,252 common stocks – 73,744 thousands AMD. As a result the statutory fund of “Ardshininvestbank” CJSC as at 31 December 2005 was 3,020,024 thousands AMD – 51,252 common stocks.

Disclosure 32 “Accumulated earnings”

	<u>31/12/05</u>	<u>31/12/04</u>
Profit/(loss) of current term	2,267,959	1,787,984
Retained earnings of previous term	<u>2,194,000</u>	<u>584,826</u>
	4,461,929	2,372,810

Disclosure 32/1 “Revaluation reserves”

	<u>31/12/05</u>	<u>31/12/04</u>
Buildings and equipments revaluation reserve	1,145,274	0
	1,145,274	0

Disclosure 33 “About terms of repayment of assets and liabilities”

Disclosure about terms of repayment of assets and liabilities is made up on the basis of remaining interval between the date of closing the balance sheet and the date of their repayment.

Assets	Till called for	Less than 1 month	1-3 months	From 3 months to 1 year	3 to 5 years	1-5 years	More than 5 years	without time-limit
Cash and cash equivalents	4,528,873							
Claims to the CBA	6,448,959	1,000,000						
RA government securities		99,879	453,176	6,398,381	1,405,682	68,622		
Claims to the RA Government		10,703	91					
Claims to the RA banks	100,870		540,228					
Claims to resident banks	2,598,200							
Claims to individuals and individual entrepreneurs		1,248,905	2,422,927	5,380,427	1,082,827		94,449	
Claims to legal entities and companies		2,106,762	3,413,237	5,455,948	3,464,277		28,542	
Claims to other financial institutions		218	436	314				23,518
Repurchase agreements		250,217						
Receivable interests		21,669	60,812	87,715	71,744			
PPE and intangible assets					925,333	4,360,351		
Other assets		81,310	3,328	653	466			11,188
Liabilities	Till called for	Less than 1 month	1-3 months	From 3 months to 1 year	3 to 5 years	1-5 years	More than 5 years	without time-limit
Amounts due to the CBA			5,382					
Banks’ correspondent accounts	286,673							
Amounts due to the	2,928	56,642	1,083	548,429	1,211,011			

RA Government Customers' demand accounts and deposits	17,098,31					
Deposits attracted from customers		2,022,623	14,942,371	7,833,106	35,211	40,054
Liabilities in relation to securities purchased under repurchase agreements		250,217				
Calculated receivable interests		38,916	125,523	102,708	682	95
Other liabilities	361,193					

Disclosure 34 "Currency basket"

In this disclosure are reflected net positions of cash assets and liabilities.

	In AMD	Freely convertible currency	Currency with limited convertibility	Total
Assets	28,313,939	25,812,605	200,722	54,327,266
Liabilities	19,684,520	25,660,562	106,066	45,451,148
Net currency position	8,629,419	152,043	94,656	8,876,118

Disclosure 35 "Interest rate risk"

In this disclosure average interest rates on fixed-term assets and liabilities are reflected.

	Till 1 month		1-3 months		From 3 months to 1 year		More than 1 year	
	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year
Attracted funds	5.7915	5.6098	6.4365	3.6322	6.4937	6.2900	6.2440	5.9804
In AMD	8.1871	5.9956	7.1122	5.9307	6.7307	5.5165	5.5217	5.0976
In currency	5.5516	5.2855	6.3264	3.2036	6.4431	6.6543	6.9781	7.1173
Allocated funds	15.8303	15.3657	19.9587	18.0118	20.0877	20.2760	19.5451	18.1546
In AMD	11.9105	13.7746	17.8735	18.4038	19.7273	18.3071	19.4908	18.0101
In currency	20.5070	16.5180	20.9869	17.9464	20.1934	21.1425	19.5543	18.2119

Disclosure 36 "Exchange rate risk"

In this disclosure credit risk bearing assets by branches are reflected.

Assets	Standard/ risk free	Adjustable/ with risk	Non-standard/ with average risk	Doubtful/ with high risk
Credits including:	24,911,535	245,592	33,508	32,253
1. Credits to non-residents	707,505			
2. Credits to residents	24,204,030	245,592	33,508	32,253
2.1 Industry	5,464,834	21,013		9,503
2.2 Agriculture	296,327	8,369		1,486
2.3 Building	1,595,924			
2.4 Transport and communications	776,909	5,465		

2.5 Trade	4,683,870	5,782	2,115	
2.6 Catering and other services	1,404,553	10,358		
2.7 Financial sector	541,196			
Including:	540,228			
2.7.1 Resident banks				
2.8 Consumer credit including:	9,323,319	194,605	31,393	21,264
2.8.1 On the security of real estate	1,117,818	39,669	12,097	13,939
2.8.2 On the security of vehicle	1,942,948	40,538	6,391	189
2.9 Other branches	117,098			
Accounts receivable	3,019,977	7,568	19	190
Investment securities				

Disclosure 37 “Centralization of assets? Liabilities and off-balance items”

In total volume of fixed-term funds attracted by “Ardshininvestbank” CJSC in 2005 fixed-term deposits from resident individuals and state-owned and private legal entities are prevalent.

The most part of off-balance given guarantees, credit lines and overdrafts is granted to resident legal entities.

Disclosure 38 “Affiliated parties»

“Ardshininvestbank” CJSC granted credits to its affiliated parties. The granted credits in the general portfolio as at 31 December 2005 were 0,38%.