***Disclosure 1 "Legal field"***

***"Ardshininvestbank" was established as a closed joint-stock company*** on the basis of the License № 83 obtained on February 2003 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" OJSC together with branch network, as well as in November – all 35 branches of "Agrobank" OJSC.

The bank is the member of

- the Union of Banks of Armenia,
- the Armenaian-Georgian Business Cooperation Association,
- affiliated member of "Master Card Europay",
- the shareholder of SWIFT International Financial Telecommunication System,
- the shareholder of "Armincassation" CJSC,
- the shareholder and full member of "ArCa" processing company,
- exclusive representative of MoneyGram Interantional payment system in Armenia.

The bank has 48 - in all marzes of Armenia, two – in the Nagorno-Karabakh Republic, as well as a representation in Paris.

The bank is located on 13, Grigor Lusavorich. As at March 31, 2007 the Bank has over 1002 employees, 187 out of which are attendants.

During the first quarter of 2007 the Bank carried out the following main operations:

- Exercised active deposit policy and had a big deposit portfolio. Attracted demand and time deposits (Accumulative, Transfer, Holiday, etc.)
- Extended credits nearly to all of the economic sectors
- Rendered payment and settlement services
- Carried out investment operations.

The Bank serviced CONTACT, MONEYGRAM and other settlement and payment systems, and through the net of such Russian banks as "Promsviazbank", "Sberbank", "Socgorbank" and "Fora Bank".

***Disclosure 2 "Accounting standards"***

During reporting period below mentioned accounting policy was applied to the essential principles of drawing up financial statements.

*2.1 Drawing up and presentation of financial statements*

Financial statements given are drawn up in accordance with Accounting Standards of the Republic of Armenia, and statement forms correspond with the requirements of the ASRA 30 "Disclosure in financial statements of banks and similar financial institutions". Financial statements are presented in AMD ( in thousands).

*2.2 Continuity*

Financial statements are drawn up on the basis of continuity principle of Bank's activity, which means that the Bank's assets must be realized 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 with RA Central Bank and other banks. Correspondent account with Central Bank of the RA also includes required reserves at least at 8% rate from attracted funds. The Bank independently manages the funds on this account, though in case of violation of minimal reservation rate Central Bank of the RA imposes a fine at 1% rate of the lacking reserve amount. Cash and cash equivalents are acknowledged and measured in the balance at the real value of acquisition reimbursement.

*2.4 Foreign currency exchange*

Foreign currency assets and liabilities are exchanged into AMD at the rate fixed by Central Bank of the RA. According to ASRA 21, cash assets are recalculated using closing rate, and non-cash assets using current rate of the transaction date. Incomes and expenses from foreign currency assets and liabilities are entered at the current rate of transaction. Profits and losses from revaluation are acknowledged at the statement on financial results (income statement). Rates of exchange fixed by Central Bank of the RA at 31 March 2007 are as follows:

1 US dollar = 362.12 Armenian drams

1 EURO = 483.52 Armenian drams

1 RF rouble = 13.92 Armenian drams

*2.5 Fixed and intangible assets*

Fixed and intangible assets are acknowledged at balance at the initial AMD price, and fixed and intangible assets purchased in foreign currency – at equivalent AMD price on the date of transaction. Depreciation is calculated monthly by linear method during assets' useful life in the following way:

Buildings and edifices 5%

Calculating equipment and computers 100%

Other fixed assets 20%

Fixed assets in the value below 50 thousand AMD 100%

Intangible assets 10%

*2.6 Loans and other advances*

Loans and other advances are acknowledged at the balance at the original cost less reserves on their possible losses fixed by legislation.

*2.7 Reserves*

General and special reserves are established against allocated loans exposed to risk, invested deposits and other amounts receivable, as well as against off-balance contingent liabilities that comprise credit risk for the Bank. Off-balance contingent liabilities reserve is established in liabilities.

General reserve is a reserve that is entered to the balance in contrast to assets, which is established in relation to standard assets and at the expense of allocations made to general reserve.

Special reserve is a reserve that is entered to the balance in contrast to assets, which is established in relation to assets classified as supervised, non-standard, doubtful and bad and at the expense of allocations made to special reserve. Writing off bad assets 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 surplus balance available in reserve is gone to the income account.

*2.8 Securities*

Investments available for sale and held for trading are acknowledged at balance at the original cost and then at the real cost. Results of change in real cost are formed at the expense of profit and loss.

*2.9 REPO agreements*

REPO agreements are entered to the balance by double-entry. REPO agreements are recorded both as securities purchased by REPO agreement, as well as obligation to sell them, and as means allocated against them.

*2.10 Acknowledgement of incomes and expenses*

In general, incomes and expenses are acknowledged in accordance with accruals concept, that is incomes and expenses are acknowledged at the time of operation and not on receipt. Accrued interest incomes from loans are adjusted at the rate of accrued interests for nonperforming loan.

***Disclosure 3 "Interest and similar incomes"***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Interest income on correspondent account with the CBA | | |
| Interest income on other placements with the CBA | 2,901 | 356 |
| Interest income on correspondent accounts with resident banks | | |
| Interest income on placements with resident banks and other financial institutions | 3,252 | 10,481 |
| Interest income on correspondent accounts with non-resident banks | 9,331 | 1,209 |
| Interest income on placements with non-resident banks and other financial institutions | 67,427 | 28,130 |
| Interest income on loans and advances to resident legal entities and institutions | 741,941 | 572,183 |
| Interest income on loans and advances to non-resident legal entities and institutions | 11,061 | 20,549 |
| Interest income on loans and advances to resident individuals | 586,614 | 581,845 |
| Interest income on loans and advances to non-resident individuals | 496 | 321 |
| Interest income on loans and advances to the | 4,342 | 2,761 |

| | | |
|---|---|---|
| employees of the Bank | | |
| Interest income on loans and advances to the related parties | 6,266 | 11,376 |
| Interest income on investments in treasury bills | 62,227 | 26,173 |
| Interest income on investments in other securities | | |
| Other interest income | 4,063 | 198 |
| | *1,499,921* | *1,255,582* |

***Disclosure 4 "Interest and similar expenses"***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Interest expense on resources from the CBA by repurchase agreements | 3,901 | |
| Interest expense on other resources from the CBA | | |
| Interest expense on correspondent accounts with resident banks | | |
| Interest expense on other resources from resident banks and other financial institutions | 9,840 | 266 |
| Interest expense on correspondent accounts with non-resident banks | | |
| Interest expense on other resources from non-resident banks and other financial institutions | 280 | 748 |

| | | |
|---|---|---|
| Interest expense on bank accounts and demand deposits of resident legal entities and institutions | 53,037 | 29,933 |
| Interest expense on bank accounts and demand deposits of resident individuals | 14,217 | 5,901 |
| Interest expense on bank accounts and demand deposits of non-resident legal entities and institutions | 1,453 | 716 |
| Interest expense on bank accounts and demand deposits of non-resident individuals | 426 | 224 |
| Interest expense on demand deposits of other non-residents | | |
| Interest expense on term deposits of resident legal entities and institutions | 167,641 | 122,167 |
| Interest expense on term deposits of resident individuals | 123,019 | 116,021 |
| Interest expense on term deposits of non-resident legal entities and institutions | 3,978 | 1,607 |
| Interest expense on term deposits of non-resident individuals | 16,119 | 13,454 |
| Interest expense on term deposits of other non-residents | | |
| Interest expense on repurchase and swap agreements signed with resident legal entities and institutions | | |

| | | |
|---|---|---|
| Interest expense on repurchase and swap agreements signed with resident individuals | | |
| Interest expense on repurchase and swap agreements signed with non-resident legal entities and institutions | | |
| Interest expense on repurchase and swap agreements signed with non-resident individuals | | |
| Interest expense on due to the RA Government | 22,812 | 19,673 |
| Interest expense on accrued but non-collected interest from non-performing assets | 54,351 | 48,158 |
| Other interest expense | 6,694 | 5,680 |
| | *477,768* | *364,548* |

***Disclosure 5: "Net gain/(loss) from investments held for trading"***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Net gain/(loss) from sale of investments held for trading | | |
| Net gain/(loss) from revaluation of investments held for trading | | |
| | *0* | *0* |

***Disclosure 6: "Net gain/(loss) from investments available-for-sale"***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Net gain/(loss) from sale of investments available-for-sale | 4,984 | -1,107 |
| Net gain/(loss) from revaluation of investments available for sale | 207,305 | 44,792 |
| | *212,289* | *43,685* |

***Disclosure 7: "Net foreign exchange gain/(loss)***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Net gain/(loss) from sale of foreign exchange | 286,386 | 225,872 |
| Net gain/(loss) from revaluation of foreign exchange | -8,253 | -6,706 |
| | *278,133* | *219,166* |

***Disclosure 8: "Other operating income"***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Income from operations with guarantees, letters of acceptance and credit and trustee management | | |
| Net income from disposal of property, plant and equipment | 42 | 13 |

| | | |
|---|---|---|
| Net income from revaluation of property, plant and equipment | | -497 |
| Income on penalties and fines received | 5,956 | 6,365 |
| Income from factoring | | |
| Net income received from operations with precious metals, bullions and commemorative coins | | |
| Extraordinary income | | |
| Other income | 12,366 | 10,069 |
| | *18,364* | *15,950* |

***Disclosure 9:*** "***Net deductions to the provision for possible losses on assets"***

*3.9.1. Provision against correspondent accounts and deposits*

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Opening balance | 123,378 | 26,991 |
| Provision charge | 759,701 | 70,666 |

| | | |
|---|---|---|
| Reversal of provision | 820,639 | 45,014 |
| Net provision charge | -60,938 | 25,652 |
| Closing balance. | *62,440* | *52,643* |

*3.9.2. Provision against loans extended*

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Opening balance, | 297,673 | 296,495 |
| Provision charge | 895,473 | 1,129,878 |
| Reversal of provision | 842,743 | 947,976 |
| Net provision charge | 52,730 | 181,902 |
| Loans recovered from off-balance sheet / Repayment of loans written off to off-balance sheet | 54,354 | 22,430 |
| Loans written off to off-balance sheet | -15,558 | -214,142 |
| Adjustment | -13 | 57 |
| Closing balance | *389,186* | *286,742* |

*3.9.3. Provision against investments held to maturity*

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|

| | |
|---|---|
| Opening balance, | |
| Provision charge | |
| Reversal of provision | |
| Net provision charge | |
| Adjustment | |
| Closing balance | |

*3.9.4. Provision against accounts receivable and other assets*

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Opening balance, | 6,963 | 4,063 |
| Provision charge | 63,809 | 326,717 |
| Reversal of provision | 89,677 | 326,930 |
| Net provision charge | -25,868 | -213 |
| Receivables recovered from off-balance sheet / Repayment of receivables written off to off-balance sheet | 24,215 | 224 |
| Receivables written off to off-balance sheet | -306 | -1,267 |
| Adjustment | | 155 |
| Closing balance. | *5,004* | *2,962* |

*3.9.5.* Total provision against assets

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Opening balance, | 428,014 | 327,549 |
| Provision charge | 1,718,983 | 1,527,261 |
| Reversal of provision | 1,753,059 | 1,319,920 |
| Net provision charge | -34,076 | 207,341 |
| Assets recovered from off-balance sheet / Repayment of assets written off to off-balance sheet | 78,569 | 22,654 |
| Assets written off to off-balance sheet | -15,864 | -215,409 |
| Adjustment | -13 | 212 |
| Closing balance. | *456,630* | *342,347* |

*Provision against off-balance sheet contingent liabilities*

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Opening balance, | 74,229 | 56,279 |
| Provision charge | 184,202 | 141,461 |

| | | |
|---|---|---|
| Reversal of provision | 205,277 | 162,979 |
| Net provision charge | -21,075 | -21,518 |
| Adjustment | 6 | -50 |
| Closing balance | *53,160* | *34,711* |

*3.9.7. Total provision against assets and off-balance sheet contingent liabilities*

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Opening balance, | 502,243 | 383,828 |
| Provision charge | 1,903,185 | 1,668,722 |
| Reversal of provision | 1,958,336 | 1,482,899 |
| Net provision charge | -55,151 | 185,823 |
| Assets recovered from off-balance sheet / Repayment of assets written off to off-balance sheet | 78,569 | 22,654 |
| Assets written off to off-balance sheet | -15,864 | -215,409 |
| Adjustment | -7 | 162 |
| Closing balance | *509,790* | *377,058* |

***Disclosure 10: "General administrative expenses"***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Expenses on calculated salaries and other equivalent payments | 355,338 | 324,211 |
| Expenses on contributions to the state social insurance fund | 48,548 | 45,937 |
| Expenses on retraining and teaching | 295 | 43 |
| Business trip expenses | 3,794 | 4,373 |
| Expenses on rent of the Bank's building and other fixed assets (property, plant and equipment) | 26,881 | 26,167 |
| Insurance expenses | 11 | 12 |
| Maintenance expenses on the Bank's equipment | 9,557 | 5,321 |
| Maintenance and security expenses on the Bank's buildings | 34,004 | 27,656 |
| Expenses on audit and consulting services | 2,500 | 2,000 |
| Expenses on communication mediums | 32,090 | 26,309 |
| Transport expenses | 7,536 | 6,932 |
| Taxes, duties and other mandatory payments | 37,019 | 28,631 |
| Office and organizational expenses | 13,840 | 8,283 |
| Expenses on extending and repayment of loans | 51,125 | 10,778 |
| | *622,538* | *516,653* |

***Disclosure 11: "Other operating expenses"***

| | *01/01/07 31/03/07* | *01/01/06 31/03/06* |
|---|---|---|
| Penalties and fines paid | | 2 |
| Advertising and representation expense | 27,983 | 27,879 |
| Expenses on factoring | | |
| Depreciation expenses on fixed (property, plant and equipment) and intangible assets | 139,178 | 125,740 |
| Expenses on acceptance of guarantees and promissory notes, and operations with letters of credit and powers of attorney | | |
| Extraordinary expenses | | |
| Other operating expenses | 92,338 | 104,610 |
| | *259,499* | *258,231* |

***Disclosure 12: "Profit tax expenses"***

Profit tax rate in the RA is 20%. Differences between Tax law of the RA and National standards relative to present value of certain assets and liabilities result in reduction of temporary differences between calculation procedures for taxing and financial reporting.

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

| | 31/03/07 |
|---|---|
| Profit before taxes | 1,154,680 |
| Profit tax expenses | 230,936 |
| Profit after tax | 946,369 |

A comment on profit tax expenses is given below.

| | 31/03/07 |
|---|---|
| Profit before tax in accordance with ASRA | 1,177,305 |
| Profit before tax in accordance with ASRA adjustments to incomes and expenses on not temporary differences for taxing | |
| Profit before tax in accordance with ASRA adjustments to incomes and expenses temporary differences for taxing | |
| Expense on deferred tax assets | |
| Negative (positive) differences in exchange rates | 8,253 |
| Other cutbacks | 30,878 |
| Other increments | |
| Taxable profit | 1,154,680 |
| Rate of 20% in accordance with the Legislation | 230,936 |

***Disclosure 13: "Cash and balances with the Central Bank of Armenia"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Cash and equivalent payment documents | 4,250,545 | 4,435,939 |
| Correspondent accounts with the CBA | 5,644,972 | 7,794,037 |

| | | |
|---|---|---|
| Deposits in the CBA | | |
| | *9,895,517* | *12,229,976* |

***Disclosure 14: "Other claims on the Central Bank of Armenia"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Repurchase and swap agreements with the CBA | | |
| Other claims on the CBA | | |
| | 380,994 | 327,999 |
| | *380,994* | *327,999* |

***Disclosure 15: "Financial investments held for trading"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Government securities of the Republic of Armenia | | |
| Government securities of other countries | | |
| Non-government securities of the Republic of Armenia | | |
| Non-government securities of other countries | | |
| Factoring receivables | | |
| Derivative instruments | | |
| | *0* | *0* |

***Disclosure 16: "Placements with other banks"***

| | *31/03/07* | *31/12/06* |
|---|---|---|
| Correspondent accounts and demand deposits with resident banks | 70,307 | 131,451 |
| Correspondent accounts and demand deposits with non-resident banks | 3,276,665 | 4,381,943 |
| Term deposits in resident banks | | |
| Term deposits in non-resident banks | 2,897,040 | 7,270,000 |
| Loans to resident banks | | |
| Loans to non-resident banks | | |
| Repurchase and currency swap agreements with resident banks | | |
| Repurchase and currency swap agreements with non-resident banks | | |
| Due from resident banks | | |
| Due from non-resident banks | | 104,357 |
| Provision against deposits, correspondent accounts and loans (Disclosure 9) | -62,440 | -123,379 |
| | *6,181,572* | *12,214,373* |

***Disclosure 17: "Other placements in money market"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Demand deposits in other non-resident financial organizations | | |
| Term deposits in other non-resident financial organozations | | |
| Loans to other resident financial organizations | 181,065 | 272.625 |
| Loans to other non-resident financial organizations | | |
| Repurchase and currency swap agreements with other resident financial organizations | | |
| Repurchase and currency swap agreements with other non-resident financial organizations | | |
| Provision against deposits, correspondent accounts and Loans (Disclosure 9) | -1,811 | -2,726 |
| | *179,254* | *269,899* |

***Disclosure 18: "Loans and other advances to customers"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Loans to resident legal entities and institutions | 19,648,928 | 13,778,505 |
| Loans to non-resident legal entities and institutions | 887,500 | 3,150 |
| Loans to resident individuals | 12,239,628 | 9,676,378 |
| Loans to non-resident individuals | 12,052 | 9,676,378 |
| Loans to employees of the Bank | 68,749 | 68,129 |
| Loans to related parties | 81,941 | 64,038 |
| Repurchase and currency swap agreements with resident legal entities and institutions | | |

| | | |
|---|---|---|
| Repurchase and currency swap agreements with non-resident legal entities and institutions | | |
| Repurchase agreements with resident individuals | | |
| Repurchase agreements with non-resident individuals | | |
| Provision against loans provided (Disclosure 9) | | |
| | -387,375 | -294,947 |
| | *32,551,423* | *23,304,362* |

***Disclosure 19: "Investments available for sale"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Government securities of the Republic of Armenia | 9,410,989 | 14,612,499 |
| Government securities of other countries | | |
| Non-government securities of the Republic of Armenia | 12,008 | 12,008 |
| Non-government securities of other countries | 1,332 | 1,332 |
| Factoring Receivables | | |
| Provisions against receivables and other assets (Disclosure 9) | | |
| | *9,424,329* | *14,625,839* |

***Disclosure 20: "Amounts receivable from banking operations"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Dividends receivable | | |
| Receivables on trustee management | | |
| Letters of credit and bank guarantees | 3,000 | 6,334 |
| Hedging derivatives | | |
| Other receivables | | |
| | 58,805 | 73,373 |
| Provision against receivables and other assets (Disclosure 9) | -920 | -952 |

| | | |
|---|---|---|
| | *60,885* | *78,755* |

***Disclosure 21: "Lease receivables"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Lease receivables | | |
| Financial assets not received | | |
| Provision against receivables and other assets (Disclosure 9) | | |
| | *0* | *0* |

***Disclosure 22: "Investments held to maturity"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Government securities of the Republic of Armenia | | |
| Government securities of other countries | | |
| Non-government securities of the Republic of Armenia | | |
| Non-government securities of other countries | | |
| Factoring receivables | | |
| Provision against impairment of investments held to maturity | | |
| Provision against receivables and other assets (Disclosure 9) | | |
| | *0* | *0* |

***Disclosure 22/1: "Investments in share capital of other entities"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Investments in share capital of other entities accounted for under equity method | | |
| Investments in share capital of other entities accounted for under cost method | | |
| Provision against impairment of investments in share capital of other entities | | |
| | *0* | *0* |

***Disclosure 23: "Capital investments in fixed (property, plant and equipment) and intangible assets of the Bank"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Capital investments in fixed assets | 667,111 | 570,321 |
| Capital investments in intangible assets | | |
| Capital investments in leased fixed assets | 40,024 | 42,248 |
| | *707,135* | *612,569* |

***Disclosure 24: "Fixed (Property, plant and equipment) and intangible assets***

| **Assets in use** | **Land, Buildings, property** | **Computer equipment** | **Motor vehicles** | **Other fixed and intangible assets** | **Total** |
|---|---|---|---|---|---|
| **Carrying value** | | | | | |
| ***Closing data of the prior year*** | 4,784,951 | 677,545 | 156,693 | 295,563 | **5,914,752** |
| Additions | 5,003 | 70,970 | 25,374 | 12,755 | **114,102** |
| Disposals | 461 | 9,776 | 7,091 | 107 | **17,435** |
| ***Closing data of the current year*** | ***4,789,493*** | ***738,739*** | ***174,976*** | ***308,211*** | **6,011,419** |
| Depreciation | | | | | |
| Opening balance | 618,917 | 480,977 | 55,774 | 110,536 | **1,266,204** |
| Accumulated depreciation | 64,841 | 44,709 | 4,802 | 11,280 | **125,632** |
| Accumulated impairment | | | | | |
| Adjustment | | | | | |
| Closing balance | 683,758 | 525,686 | 60,576 | 121,816 | **1,391,836** |
| **Net carrying value** | | | | | |
| At the end of the prior year | 4,166,034 | 196,568 | 100,919 | 185,027 | ***4,648,548*** |
| At the end of the current year | 4,105,735 | 213,053 | 114,400 | 186,395 | ***4,619,583*** |
| **Assets not in use** | | | | | |
| **Carrying value** | | | | | |
| Closing data of the prior year | 59,080 | 104,532 | 7,600 | 6,920 | **178,132** |
| Additions | 729 | 56,360 | 26,228 | 1,085 | **84,402** |
| Disposals | 1,395 | 76,481 | 25,374 | 1,147 | **104,397** |
| ***Closing data of the current year*** | ***58,414*** | ***84,411*** | ***8,454*** | ***6,858*** | **158,137** |

***Disclosure 25: "Interests receivable"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Accrued interest | | |
| | 362,368 | 300,274 |
| Interest income not recognized | -17,647 | -18,004 |
| | *344,721* | *282,270* |

***Disclosure 26: "Other assets"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Receivables | | |
| | 12,041 | 11,896 |
| Advances to employees and suppliers | | |
| | 262,159 | 167,141 |
| Advances to the budget and to mandatory social insurance | | |
| | 109,004 | 1,263 |
| Provision against receivables and other assets (Disclosure 9) | | |
| | -3,812 | -5,571 |
| Future periods expenses | | |
| | 19,907 | 11,707 |
| High-wear items | | |
| | 117,738 | 104,564 |
| Securities sold under repurchase agreements | | |
| | 3,088,508 | |
| Securities sold under currency swap agreements | | |
| Other assets | 76,784 | 83,495 |
| | *3,682,329* | *374,496* |

***Disclosure 27: "Due to the Central Bank of Armenia"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Loans received from the CBA | | |

| | | |
|---|---|---|
| Repurchase and currency swap agreements with the CBA | 3,086,936 | |
| | *3,086,936* | *0* |

***Disclosure 28: "Due to other banks"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Correspondent accounts and demand deposits of resident banks | 16,588 | 14,767 |
| Correspondent accounts and demand deposits of non-resident banks | 174,366 | 311,496 |
| Term deposits of resident banks | | |
| Term deposits of non-resident banks | | |
| Loans from resident banks | | |
| Loans from non-resident banks | | |
| Repurchase and currency swap agreements with resident banks | | |
| Repurchase and currency swap agreements with non-resident banks | | |
| Other amounts due to resident banks | | |
| Other amounts due to non-resident banks | | |
| | *190,954* | *326,263* |

***Disclosure 29: "Other borrowings from money market"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Bank accounts and demand deposits of other resident financial organizations | 597,400 | 265,266 |
| Bank accounts and demand deposits of other non-resident financial organizations | 177,946 | 257,826 |
| Term deposits of other resident financial organizations | 529,990 | 647,480 |
| Term deposits of other non-resident financial organizations | | |
| Loans from other resident financial organizations | | |
| Loans from other non-resident financial organizations | | |
| Repurchase and currency swap agreements with other resident financial organizations | | |
| Repurchase and currency swap agreements with other non-resident financial organizations | | |
| | 1,305,336 | 1,170,572 |

***Disclosure 30: "Funds attracted from customers"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Bank accounts and demand deposits of resident legal entities and institutions | 22,285,184 | 22,807,108 |
| Bank accounts and demand deposits of non-resident legal entities and institutions | 967,049 | 334,498 |

| | | |
|---|---|---|
| Bank accounts and demand deposits of resident individuals | 2,711,028 | 2,952,960 |
| Bank accounts and demand deposits of non-resident individuals | 407,319 | 295,854 |
| Demand deposits of other non-residents | | |
| Term deposits of resident legal entities and institutions | 12,003,923 | 17,354,449 |
| Term deposits of non-resident legal entities and institutions | 139,388 | 312,717 |
| Term deposits of resident individuals | 8,869,010 | 8,810,316 |
| Term deposits of non-resident individuals | 1,062,011 | 1,066,343 |
| Term deposits of other non-residents | | |
| Repurchase and currency swap agreements with resident legal entities and institutions | | |
| Repurchase and currency swap agreements with non-resident legal entities and institutions | | |
| Repurchase and currency swap agreements with resident individuals | | |
| Repurchase and currency swap agreements with non-resident individuals | | |
| | *48,444,912* | *53,934,245* |

***Disclosure 31: "Lease payables"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Lease payables | | |
| Financial expenses not incurred | | |
| | *0* | *0* |

***Disclosure 32: "Other securities issued by the Bank"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Interest bearing securities | | |
| Non-interest bearing securities | | |
| Other securities issued | | |
| | *0* | *0* |

***Disclosure 33: "Amounts payable"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Dividends payable | | |
| Payables on trustee management agreements | | |
| Liabilities on deposits insurance | | |
| | 6,694 | 6,996 |
| Other payables | | |
| | *6,694* | *6,996* |

***Disclosure 34: "Other liabilities"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Settlement liabilities with payment documents | 5,182 | 3,809 |
| Payables and transit accounts | 640,261 | 231,687 |
| Deferred income | 93,059 | 77,776 |
| Other liabilities | 221,767 | 189,316 |
| | *960,269* | *502,588* |

***Disclosure 35: "Share capital"***

In 2003, "Ardshininvestbank" CJSC announced and issued 50 thousand ordinary shares, and as a result the statutory fund came to 2,946,250 thousand AMD. In 2005 and 2006, "Ardshininvestbank" CJSC increased its share capital. As a result, the share capital of "Ardshininvestbank" CJSC was 7,399,982 thousand AMD – 125,440 ordinary shares as at 31 March 2007.

***Disclosure 36: "Revaluation reserves"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|
| Not realized profit/loss from revaluation of investments available for sale | | |
| Fixed assets revaluation reserve | 1,238,315 | 1,238,315 |
| Other reserves | | |
| | *1,238,315* | *1,238,315* |

***Disclosure 36/1: "Accumulated profit"***

| | ***31/03/07*** | ***31/12/06*** |
|---|---|---|

| | | |
|---|---|---|
| Profit (loss) of current period | 946,369 | 2,072,427 |
| Accumulated profit of previous years | 2,072,427 | |
| | *3,018,796* | *2,072,427* |

***Disclosure 37: "On maturity terms of assets and liabilities"***

Disclosure on maturity terms of assets and liabilities is made up on the basis of remaining interval between the date of drawing up the balance sheet and the maturity date of assets and liabilities.

| ***Assets*** | On-demand | *Less than 1 month* | *From 1 to 3 months* | *From 3 months to 1 year* | *From 1 to 5 years* | *More than 5 years* | Perpetual |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| Cash and cash equivalents | *4,239,383* | | | | | | |
| Due from the CBA | *5,869,815* | *156,151* | | | | | |
| Public bonds of the RA | | *1,512,243* | *1,784,461* | *3,691,441* | *1,926,664* | *496,180* | |
| Due from the Government of the RA | | *12,041* | | | | | |
| Due from Armenian banks | *70,307* | | | | | | |
| Due from non-resident banks | *3,276,665* | *2,897,040* | | | | | |
| Due from individuals and private entrepreneurs | | *1,349,375* | *3,076,089* | *5,292,959* | *2,564,150* | *2,494* | *104,232* |
| Due from legal entities and institutions | | *731,921* | *3,085,023* | *8,394,875* | *8,306,612* | *3,714* | *27,354* |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Due from other financial organizations | | | *181,065* | | | | *27,922* |
| Currency swap | | *3,088,508* | | | | | |
| Repurchase agreements with resident individuals | | | | | | | |
| Interests receivable | | *71,832* | *54,027* | *89,292* | *129,570* | | |
| Fixed and intangible assets | | | | | *1,251,879* | *4,623,974* | *135,566* |
| Other assets | | *109,015* | *373* | *1,777* | *494* | | *12,824* |
| ***Liabilities*** | | | | | | | |
| | | | | | | | |
| Due to the CBA | | | | | | | |
| Banks' correspondent accounts | *190,954* | | | | | | |
| Due to the Government of the RA | *2,316* | *140,188* | *14,706* | *401,938* | *1,456,616* | *6,207* | |
| Customers' demand accounts and deposits | *27,020,338* | | | | | | |
| Deposits attracted from customers | | *3,416,671* | *4,628,314* | *14,241,671* | *342,261* | *40,043* | *67,644* |
| Liabilities on repurchase agreements | | *3,086,936* | | | | | |
| Accrued interests payable | | *58,703* | *108,262* | *170,465* | *14,203* | *92* | |
| Other liabilities | *341,896* | *156,152* | | | | | |

***Disclosure 38: "Currency basket"***

Net positions of cash and currency assets and liabilities are reflected in this disclosure.

| | **AMD** | **Hard currency** | **Soft currency** | **Total** |
|---|---|---|---|---|
| Assets | 44,974,899 | 23,127,799 | 87,019 | 68,189,717 |
| Liabilities | 32,454,439 | 23,646,595 | 69,237 | 56,170,271 |
| ***Net foreign currency position*** | **12,520,460** | **-518,796** | **17,782** | **12,019,446** |

***Disclosure 39: "Interest rate risk"***

Average interest rates of time assets and liabilities are reflected in this disclosure.

| | Up to 1 month | | From 1 to 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 |
| **Funds attracted** | 6.9358 | 6.0565 | 6.6685 | 7.9287 | 5.1888 | 6.5574 | 6.6055 | 6.5899 |
| In AMD | 7.4166 | 6.1042 | 6.4622 | 7.9581 | 5.815 | 6.7037 | 5.041 | 5.384 |
| In foreign currency | 6.8719 | 6.0402 | 6.6941 | 7.902 | 4.9648 | 6.4402 | 6.6578 | 6.6313 |
| **Allocated funds** | 20.0864 | 17.7401 | 17.5756 | 16.4005 | 19.2498 | 16.9132 | 17.1092 | 16.3326 |
| In AMD | 19.2252 | 18.4399 | 17.5478 | 17.1581 | 17.0488 | 17.9151 | 17.3343 | 16.4546 |
| In foreign currency | 20.4298 | 16.8917 | 17.5878 | 15.4067 | 20.1502 | 15.6941 | 17.0386 | 16.1347 |

***Disclosure 39/1: "Credit risk"***

Assets exposed to credit risk are reflected by branches in this disclosure.

| Assets | Standard/risk free | Supervised/risky | Non-standard/ average-risky | Doubtful/ High risky |
|---|---|---|---|---|
| Loans, including | **35,668,316** | **227,255** | **73,074** | **48,258** |
| 1. Loans to non-residents | 3,796,592 | | | |
| 2. Loans to residents | 31,871,724 | 227,255 | 73,074 | 48,258 |
| 2.1 Industry | 9,723,869 | 3,427 | | |
| 2.2 Agriculture | 953,594 | 5,876 | 2,983 | 1,303 |
| 2.3 Construction | 3,185,940 | 60,400 | 193 | 2,593 |
| 2.4 Transport and communication | 485,197 | | | |
| 2.5 Trade | 4,713,227 | 10,876 | 402 | 2,449 |
| 2.6 Catering and other services | 1,732,195 | 8,795 | 28,000 | 543 |
| 2.7 Financial sector | 181,065 | | | |
| Including: 2.7.1 Resident banks | | | | |
| 2.8 Consumer loans, including | 10,736,337 | 137,881 | 38,545 | 41,370 |
| 2.8.1 Mortgage loans (pledged real estate) | 46,362 | | 185 | |
| 2.8.2 pledged auto car | 2,114,893 | 25,726 | 7,537 | 3,717 |
| 2.9 Other branches | 160,300 | | 2,951 | |
| Accounts receivable | 3,804,925 | 1,118 | 464 | 435 |
| Investment securities | | | | |

***Disclosure 40: "Conventional events and potential liabilities"***

| | ***31/03/07*** |
|---|---|
| Guarantees provided | 1,677,450 |
| Unused parts of lines of credits, cards and overdrafts | 3,079,584 |
| Letters of credit | 259,483 |

| | |
|---|---|
| | -53,160 |
| Reserve against off-balance contingent liabilities | -7,772 |
| | *4,955,585* |

***Disclosure 42: "Centralization of assets, liabilities and off-balance items"***

In first quarter, as at March 31 2007, time deposits attracted from resident individuals and state-owned and non state-owned legal entities prevailed in total volume of term funds attracted by "Ardshininvestbank" CJSC.

Major portion of guarantees, lines of credit and overdrafts accounted in off- balance sheet was extended to resident legal entities.

***Disclosure 43: "Pledged assets"***

As at March 31, 2007 the sum of pledge provided by "Ardshininvestbank" CJSC amounted to 836,787 AMD. They were put in pledge against funds attracted from Government of the RA in the framework of special program, total amount of which came to 496,690 thousand AMD.

***Disclosure 44: "Affiliated parties"***

"Ardshininvestbank" CJSC extended loans to its affiliated parties, which made 0.23% in total portfolio as at March 31 2007. The major portion of loans extended to affiliated parties was loans to individuals that made 84%. And Loans to legal entities made 16%.