



Armenian Banking Sector Overview

2017 4th Quarter Results

February, 2018



Contents

	Page
Basis of Preparation	3
At a Glance	4
Sector Highlights	5
Bank Profiles	6
Appendix 1: Shareholding Structure & General Information	23
Appendix 2: Sector Insights	25
Appendix 3: Key Financial Indicators	28
Appendix 4: Bank Contact Details	32
KPMG Experience in the Armenian Banking Sector	34
Abbreviations	35
Glossary of Terms	36

Basis of Preparation

This report summarizes and analyzes the financial results of the 17 commercial banks of Armenia for the four quarters of 2017, as well as provides some insights into the recent developments in the sector.

The financial information has been obtained from the published interim reports for the 4th quarter of 2017 and the audited financial statements dated 31.12.16, unless stated otherwise. The banks are listed in the alphabetical order throughout the publication. We have used simple headline numbers in our analysis unless stated otherwise; each bank has its own way of reporting performance and this has proved to be the most consistent method of presenting their results.

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

The general information, such as the number of branches, employee headcount, etc., are mainly taken from the Notes to the Financial Statements prepared by the banks. The official websites of the banks serve as the only alternative source, however they are not always properly updated. Due to this, the figures presented may not necessarily be as of 31 December 2017. There may be figures more up to date or of an earlier date depending on the latest available information published by the banks.

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

At a Glance

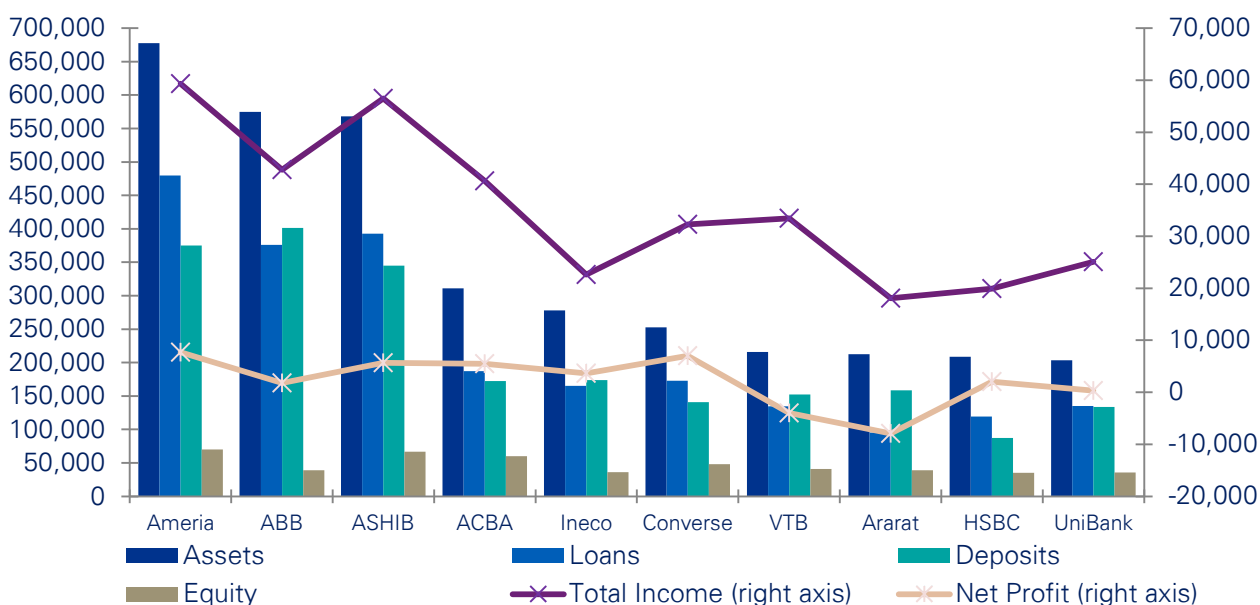
The banking system remains the biggest part of the Armenian financial market. As of 31 December 2017, there were 17 commercial banks operating in the Republic of Armenia. They had 528 branches in Armenia and in Nagorno Karabakh, from which 237 were located in Yerevan. The total number of employees in the Armenian commercial banking banks was about 11,175.

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

Key Financial Indicators*	2017	2016	Change (2017/2016)
Assets	4,362,083	4,089,501	6.7%
Interest Earning Assets	3,419,736	3,150,729	8.5%
Gross Advances to Customers	2,818,197	2,669,150	5.6%
Loan portfolio**	2,649,574	2,556,297	3.6%
Liabilities	3,661,061	3,427,103	6.8%
Deposits***	2,555,793	2,325,991	9.9%
Equity	701,023	662,398	5.8%
Charter Capital	423,724	370,949	14.2%
Total Income	439,389	404,794	8.5%
Interest Income	362,721	326,156	11.2%
Non-Interest Income	32,281	27,412	17.8%
Net Interest Income	161,469	141,028	14.5%
Net Non-Interest Income	22,165	19,559	13.3%
Net Operating Income****	228,021	211,813	7.7%
Operating Expenses	(121,433)	(108,204)	12.2%
Net Provision Expenses	(58,201)	(64,912)	(10.3%)
Net Profit before Taxes	48,387	38,697	25.0%
Net Profit after Taxes	38,228	33,079	15.6%
Other Comprehensive Income	11,480	25,930	(55.7%)
Total Comprehensive Income	49,708	59,010	(15.8%)

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

Top Ten Banks of the Armenian Banking Sector as of 31 December 2017 (in million AMD)



Sector Highlights

Assets

6.7%

Compared with the same period of 2016, the banking system assets grew by **6.7%** and reached **AMD 4,362 billion** as of 31 December 2017.

For the period ended 31 December 2017 the return on assets (ROA) for the Armenian banking system was **0.9%**, which increased by 0.48 percentage points compared with the same period of 2016.

During the fourth quarter of 2017 compared with the previous quarter there were a few changes in the list of Top 10 Banks in Armenia by assets. "ArmBusinessBank" CJSC moved up by 1 position, as a result of which "Ardshinbank" CJSC moved down by 1 position. "AraratBank" OJSC moved up by 1 position, as a result of which "HSBC Bank Armenia" CJSC moved down by 1 position.

ROA
0.9%

Loans

3.6%

As of 31 December 2017 the total amount of outstanding loans grew by **3.6%** compared with the same period of 2016 and reached **AMD 2,650 billion**.

For the period ended 31 December 2017 the ratio of loan portfolio to total assets for the Armenian banking system was **60.7%**. According to the CBA, as of 31 December 2017 the Armenian banking system liquidity ratio was **32.1%**.

Liquidity
32.1%

Deposits

9.9%

For the reported period the total net provision expenses of the Armenian banking sector decreased by **10.3%** compared with the same period of 2016, and amounted to **AMD 58.2 billion**.

The outstanding balance of deposits as of 31 December 2017 increased by **9.9%** compared with the same date of 2016, reaching **AMD 2,556 billion**.

As of 31 December 2017 the loan portfolio/deposit ratio for the Armenian banking system was **1.04**.

Loan portfolio/
deposits
1.04

Equity

5.8%

As of 31 December 2017 the total equity of banks reached **AMD 701 billion**, which exceeded the same indicator as of 31 December 2016 by **5.8%**.

For the period ended 31 December 2017 the return on equity (ROE) for the Armenian banking system was **5.6%**. The ratio of equity to assets as of the reported date was **16.1%**. According to the CBA, the capital adequacy ratio of Armenian banking system was **18.5%**:

ROE
5.6%

Capital adequacy
18.5%

Total income

8.5%

During the period ended 31 December 2017, the banking system had total income of **AMD 439 billion**, which exceeded the total income for the same period of 2016 by **8.5%**. For the period ended 31 December 2017 the net interest margin for the Armenian banking system was **4.9%**. The cost to income ratio for the reported period was **53.3%**.

The net profit before taxes of the banks for the period ended 31 December 2017 was **AMD 48.4 billion**.

NIM
4.9%

Cost/
income
53.3%

Profit

15.6%

The net profit after taxes of the banking system for the period ended 31 December 2017 was **AMD 38.2 billion**, which is **15.6%** higher compared with the same date of 2016.

For the period ended 31 December 2017 the profit margin for the Armenian banking system was **8.7%**.

PM
8.7%

Bank Profiles

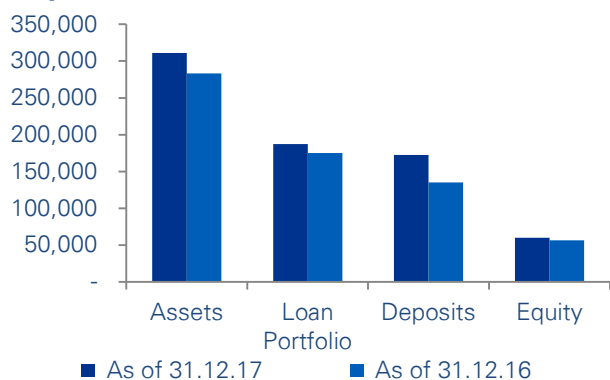
ACBA - Credit Agricole Bank

Key Financial Indicators*

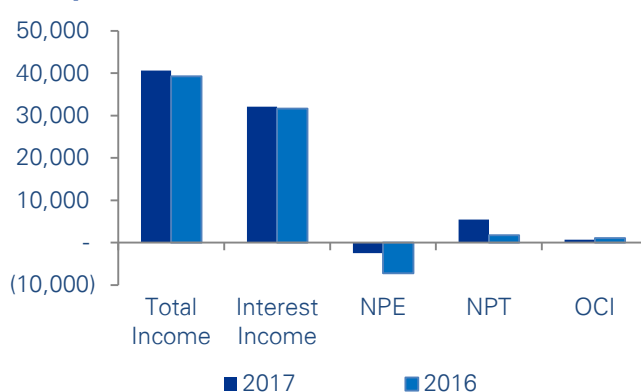
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	311,023	283,272	7.1%	4	9.8%
Interest Earning Assets	223,749	213,881	6.5%	4	4.6%
Loan Portfolio	187,381	174,983	7.1%	4	7.1%
Liabilities	250,806	226,677	6.9%	4	10.6%
Deposits	172,604	135,309	6.8%	5	27.6%
Equity	60,217	56,595	8.6%	3	6.4%
Charter Capital	30,000	30,000	7.1%	7	-
Total Income	40,663	39,267	9.3%	4	3.6%
Interest Income	32,066	31,618	8.8%	4	1.4%
Net Provision Expenses	(2,440)	(7,236)	4.2%	7	(66.3%)
Net Profit after Taxes	5,491	1,760	14.4%	4	212.0%
Total Comprehensive Income	6,238	2,820	12.5%	5	121.2%

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

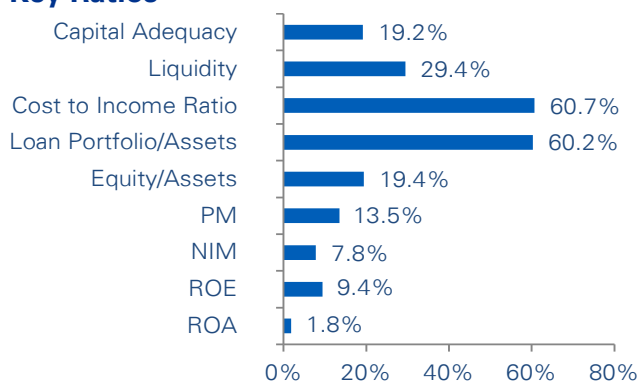
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

3rd rank by the equity

Among the top ten banks by all main financial indicators.

The Bank and The Armenian Agricultural Development Foundation signed a memorandum on cooperation within the framework of agricultural credit subsidy program

Fitch assigned B+ rating to the bonds issued by the Bank

October

November

December

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

Bank Profiles (continued)

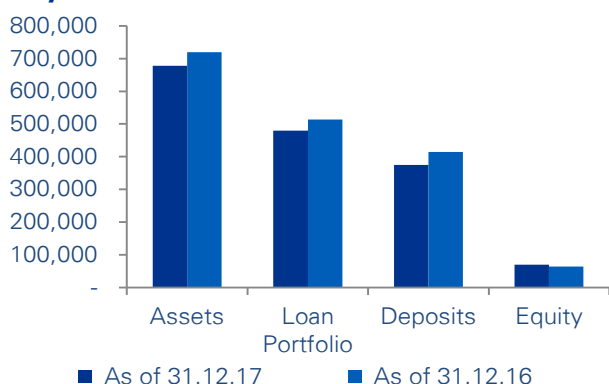
Ameriabank

Key Financial Indicators*

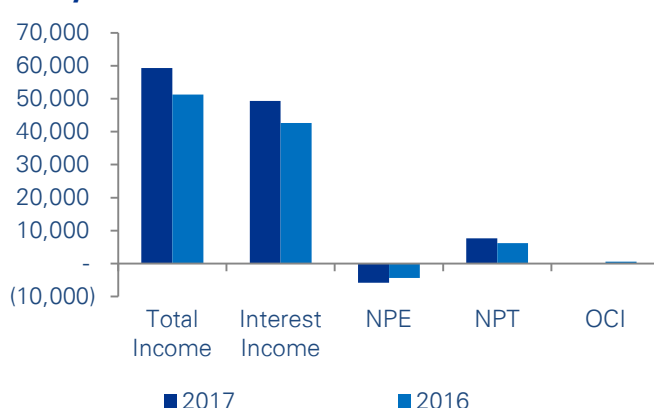
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	677,722	719,363	15.5%	1	(5.8%)
Interest Earning Assets	556,854	576,664	16.3%	1	(3.4%)
Loan Portfolio	479,641	513,219	18.1%	1	(6.5%)
Liabilities	607,781	654,966	16.6%	1	(7.2%)
Deposits	375,171	414,609	14.7%	2	(9.5%)
Equity	69,941	64,398	10.0%	1	8.6%
Charter Capital	32,087	32,087	7.6%	5	-
Total Income	59,298	51,310	13.5%	1	15.6%
Interest Income	49,297	42,624	13.6%	1	15.7%
Net Provision Expenses	(5,812)	(4,338)	10.0%	5	34.0%
Net Profit after Taxes	7,689	6,207	20.1%	1	23.9%
Total Comprehensive Income	7,720	6,766	15.5%	3	14.1%

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

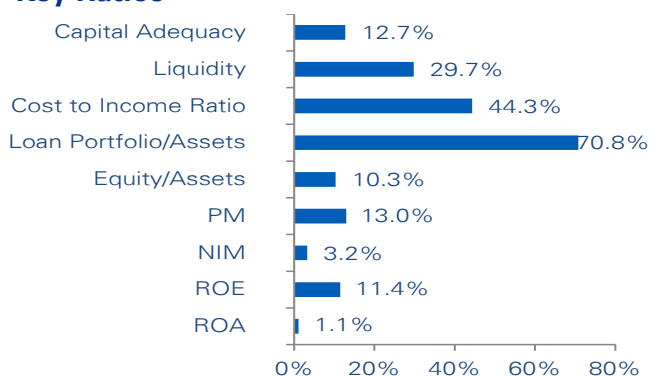
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

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

Among the top ten banks by all main financial indicators.

A new branch was opened in Yerevan

The Bank and FMO signed a USD 30 million loan agreement aimed at financing SMEs led by young entrepreneurs

October

November

December

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

Bank Profiles (continued)

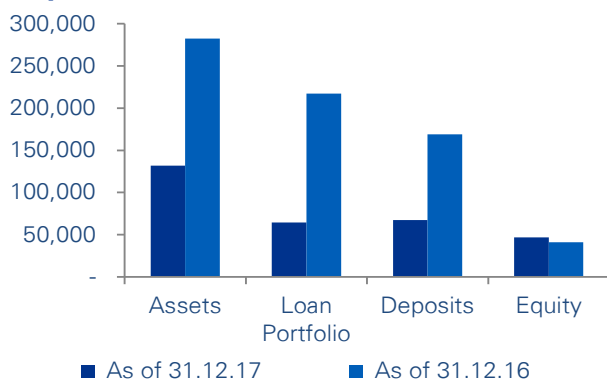
Anelik Bank

Key Financial Indicators*

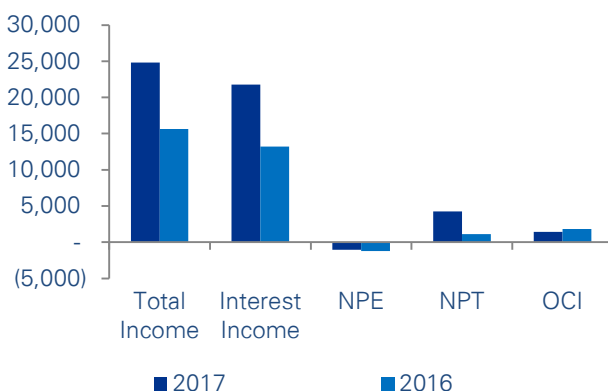
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	131,931	282,453	3.0%	14	(53.3%)
Interest Earning Assets	107,848	244,047	3.2%	14	(55.8%)
Loan Portfolio	64,520	217,099	2.4%	13	(70.3%)
Liabilities	85,125	241,331	2.3%	14	(64.7%)
Deposits	67,320	169,139	2.6%	13	(60.2%)
Equity	46,806	41,122	6.7%	5	13.8%
Charter Capital	33,972	33,972	8.0%	3	-
Total Income	24,825	15,628	5.6%	8	58.8%
Interest Income	21,785	13,210	6.0%	8	64.9%
Net Provision Expenses	(1,054)	(1,222)	1.8%	10	(13.7%)
Net Profit after Taxes	4,267	1,117	11.2%	5	282.1%
Total Comprehensive Income	5,684	2,945	11.4%	6	93.0%

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

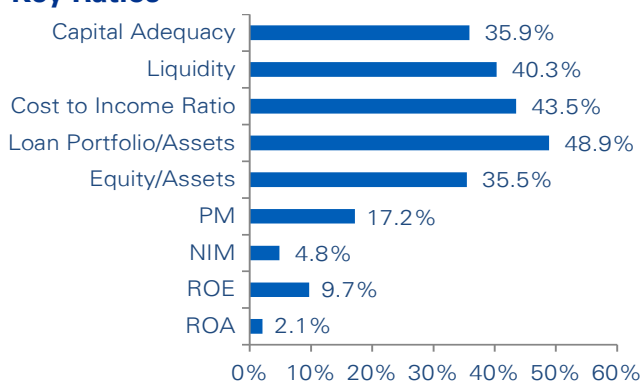
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

3rd rank by charter capital

October

November

December

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

Bank Profiles (continued)

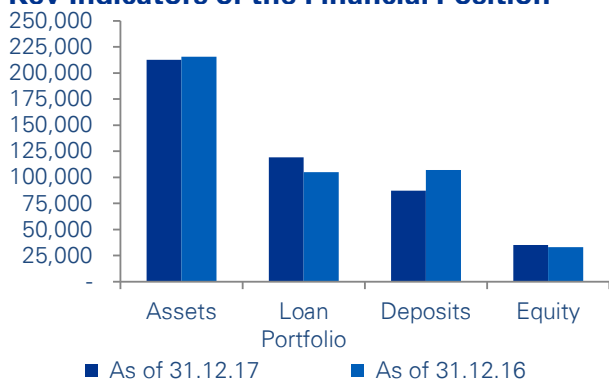
Araratbank

Key Financial Indicators*

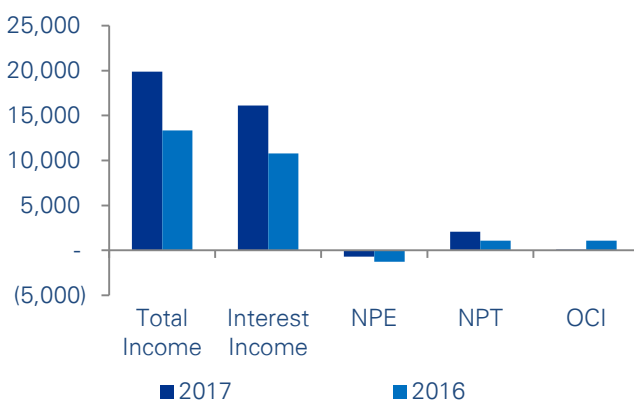
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	212,602	215,560	4.9%	8	(1.4%)
Interest Earning Assets	162,118	154,224	4.7%	8	5.1%
Loan Portfolio	119,167	104,880	4.5%	9	13.6%
Liabilities	177,319	182,430	4.8%	7	(2.8%)
Deposits	87,190	107,122	3.4%	12	(18.6%)
Equity	35,283	33,131	5.0%	12	6.5%
Charter Capital	8,804	8,804	2.1%	16	-
Total Income	19,895	13,336	4.5%	10	49.2%
Interest Income	16,103	10,797	4.4%	10	49.1%
Net Provision Expenses	(704)	(1,265)	1.2%	12	(44.3%)
Net Profit after Taxes	2,060	1,089	5.4%	9	89.1%
Total Comprehensive Income	2,152	2,159	4.3%	10	(0.3%)

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

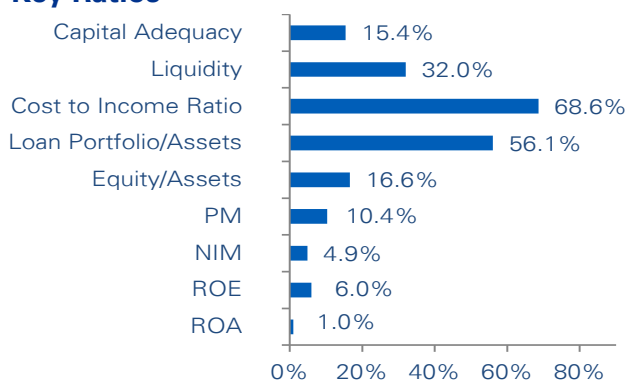
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



October

November

December

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

Bank Profiles (continued)

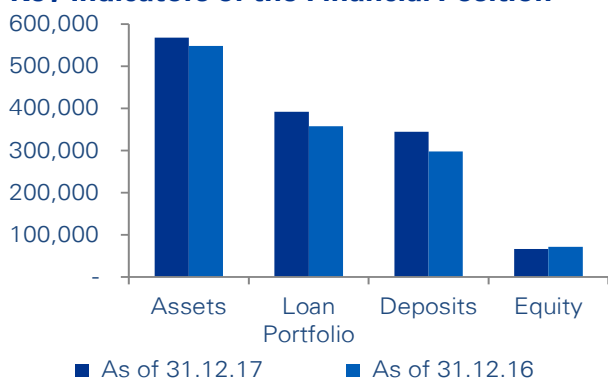
Ardshinbank

Key Financial Indicators*

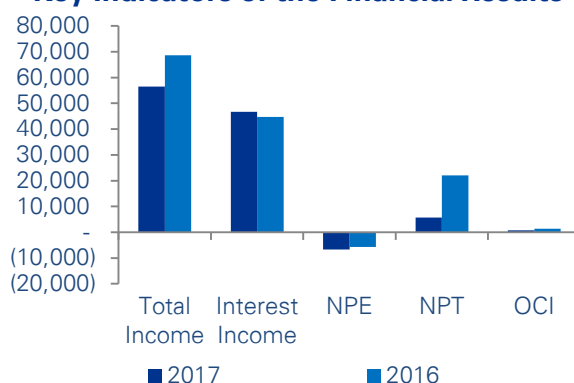
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	568,273	548,410	13.0%	3	3.6%
Interest Earning Assets	459,655	406,562	13.4%	2	13.1%
Loan Portfolio	392,528	358,005	14.8%	2	9.6%
Liabilities	501,664	476,942	13.7%	3	5.2%
Deposits	344,969	297,676	13.5%	3	15.9%
Equity	66,609	71,468	9.5%	2	(6.8%)
Charter Capital	50,227	17,925	11.9%	1	180.2%
Total Income	56,503	68,616	12.9%	2	(17.7%)
Interest Income	46,707	44,710	12.9%	2	4.5%
Net Provision Expenses	(6,674)	(5,697)	11.5%	3	17.2%
Net Profit after Taxes	5,691	22,023	14.9%	3	(74.2%)
Total Comprehensive Income	6,381	23,350	12.8%	4	(72.7%)

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

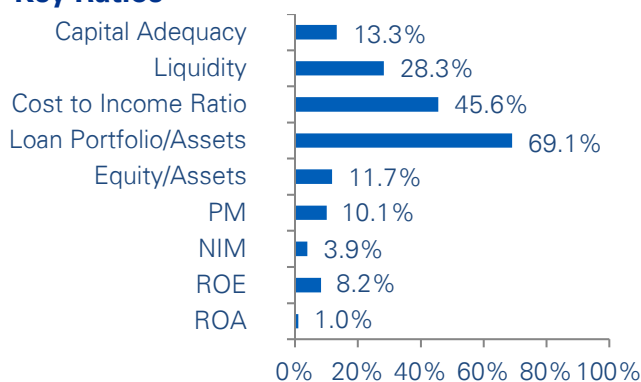
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

- 1st rank by the charter capital
 - 2nd rank by the interest earning assets
 - 2nd rank by the loan portfolio
 - 2nd rank by the equity
 - 2nd rank by the total income
 - 2nd rank by the interest income
 - 3rd rank by the assets
 - 3rd rank by the liabilities
 - 3rd rank by the deposits
 - 3rd rank by the net profit after taxes
- Among the top ten banks by all main financial indicators.

The Bank signed USD 25 million trade finance agreement with City Bank and Asian Development Bank

October

November

December

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

Bank Profiles (continued)

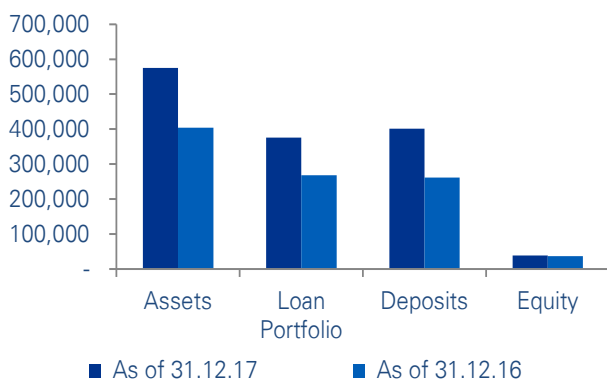
Armbusinessbank

Key Financial Indicators*

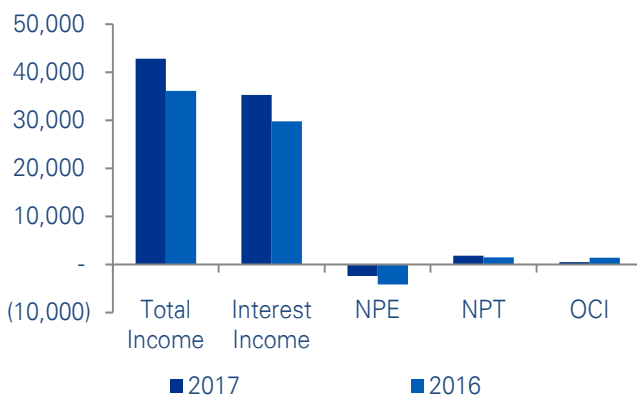
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	574,944	404,413	13.2%	2	42.2%
Interest Earning Assets	434,380	316,050	12.7%	3	37.4%
Loan Portfolio	375,983	268,469	14.2%	3	40.0%
Liabilities	535,828	367,618	14.6%	2	45.8%
Deposits	401,210	261,334	15.7%	1	53.5%
Equity	39,116	36,795	5.6%	7	6.3%
Charter Capital	31,375	31,375	7.4%	6	-
Total Income	42,812	36,168	9.7%	3	18.4%
Interest Income	35,260	29,814	9.7%	3	18.3%
Net Provision Expenses	(2,438)	(4,197)	4.2%	8	(41.9%)
Net Profit after Taxes	1,814	1,473	4.7%	10	23.2%
Total Comprehensive Income	2,320	2,844	4.7%	9	(18.4%)

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

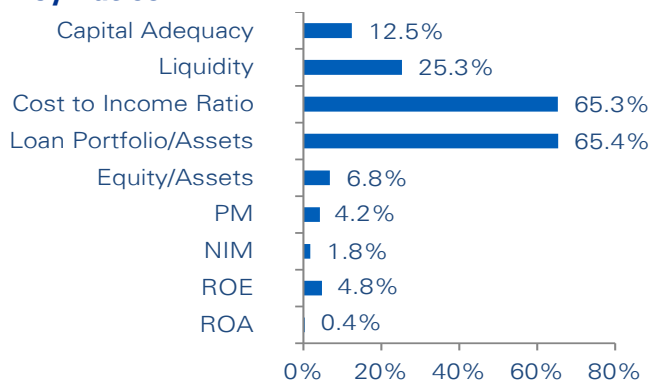
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

- 1st rank by the deposits
- 2nd rank by the assets
- 2nd rank by the liabilities
- 3rd rank by the interest earning assets
- 3rd rank by the loan portfolio
- 3rd rank by the total income
- 3rd rank by the interest income

Among the top ten banks by all main financial indicators.

A new branch was opened in Yerevan

October

November

December

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

Bank Profiles (continued)

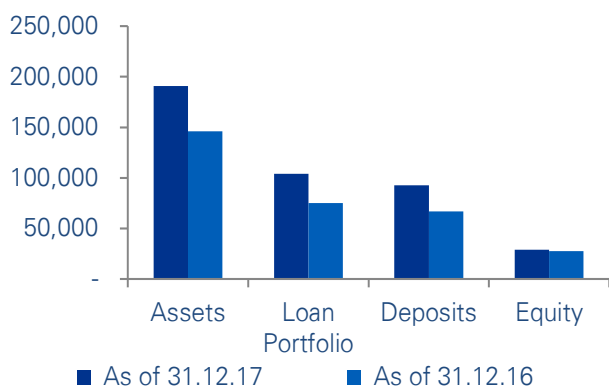
Armeconombank

Key Financial Indicators*

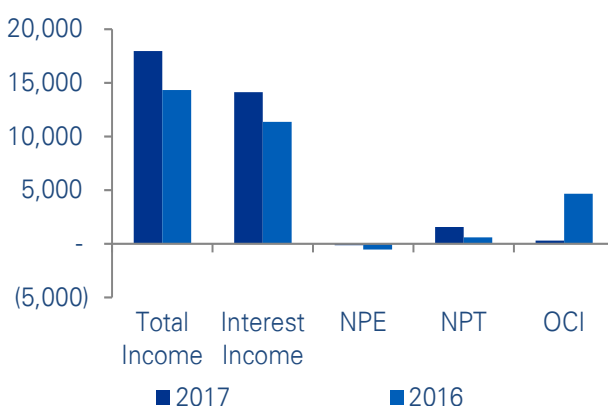
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	190,803	146,182	4.4%	11	30.5%
Interest Earning Assets	143,117	114,046	4.2%	11	25.5%
Loan Portfolio	104,217	75,048	3.9%	10	38.9%
Liabilities	161,774	118,613	4.4%	11	36.4%
Deposits	92,710	66,802	3.6%	10	38.8%
Equity	29,029	27,569	4.1%	16	5.3%
Charter Capital	13,709	4,631	3.2%	15	196.0%
Total Income	17,971	14,326	4.1%	12	25.4%
Interest Income	14,122	11,360	3.9%	11	24.3%
Net Provision Expenses	(156)	(561)	0.3%	14	(72.2%)
Net Profit after Taxes	1,549	590	4.1%	12	162.4%
Total Comprehensive Income	1,829	5,248	3.7%	11	(65.2%)

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

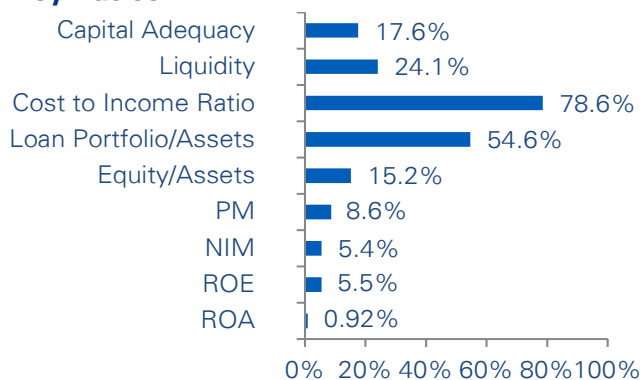
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



The Bank received a USD 10 million loan from a Belgian investment company INCOFIN CVBA to finance SME-s

The Bank received a USD 10 million loan from a German development financing company DEG to finance SME-s

October

November

December

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

Bank Profiles (continued)

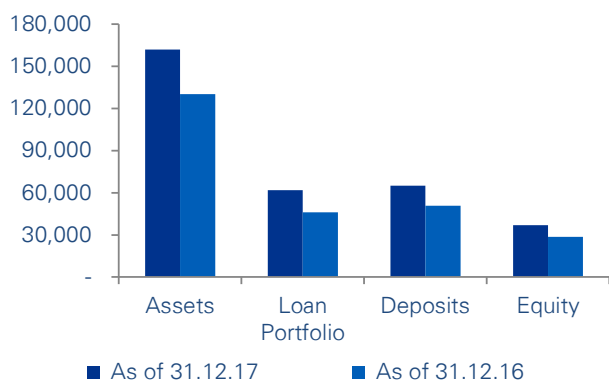
ArmSwissBank

Key Financial Indicators*

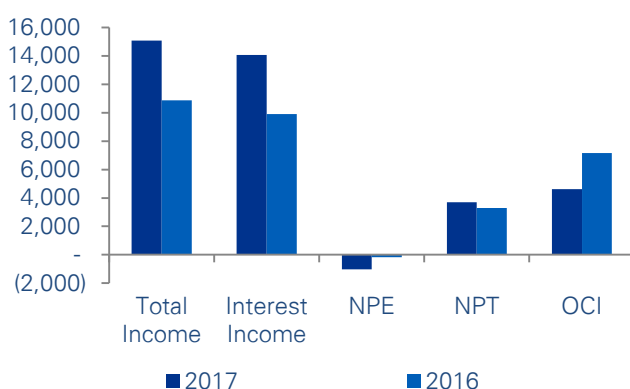
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	162,020	130,253	3.7%	12	24.4%
Interest Earning Assets	148,397	110,675	4.3%	10	34.1%
Loan Portfolio	61,863	46,077	2.3%	14	34.3%
Liabilities	125,032	101,562	3.4%	12	23.1%
Deposits	65,110	50,700	2.5%	14	28.4%
Equity	36,988	28,691	5.3%	9	28.9%
Charter Capital	8,753	8,753	2.1%	17	-
Total Income	15,067	10,871	3.4%	13	38.6%
Interest Income	14,073	9,894	3.9%	12	42.2%
Net Provision Expenses	(1,035)	(161)	1.8%	11	542.0%
Net Profit after Taxes	3,688	3,284	9.6%	6	12.3%
Total Comprehensive Income	8,297	10,449	16.7%	1	(20.6%)

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

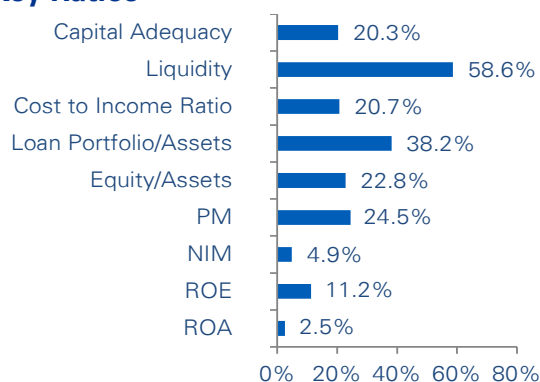
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

1st rank by the total comprehensive income

October

November

December

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

Bank Profiles (continued)

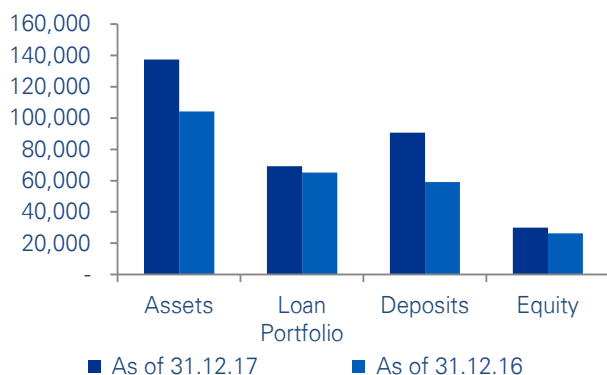
Artsakh Bank

Key Financial Indicators*

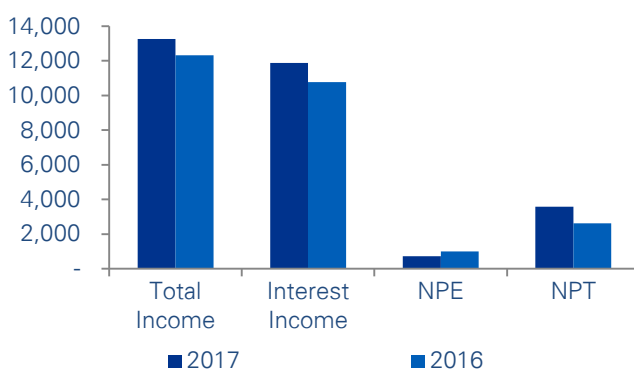
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	137,339	104,248	3.1%	13	31.7%
Interest Earning Assets	109,049	86,189	3.2%	13	26.5%
Loan Portfolio	69,276	65,129	2.6%	12	6.4%
Liabilities	107,424	77,924	2.9%	13	37.9%
Deposits	90,653	59,056	3.5%	11	53.5%
Equity	29,915	26,325	4.3%	15	13.6%
Charter Capital	23,261	23,261	5.5%	9	-
Total Income	13,259	12,330	3.0%	14	7.5%
Interest Income	11,883	10,764	3.3%	14	10.4%
Net Provision Expenses	725	1,004	-	17	(27.9%)
Net Profit after Taxes	3,588	2,632	9.4%	8	36.3%
Total Comprehensive Income	3,588	2,632	7.2%	8	36.3%

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

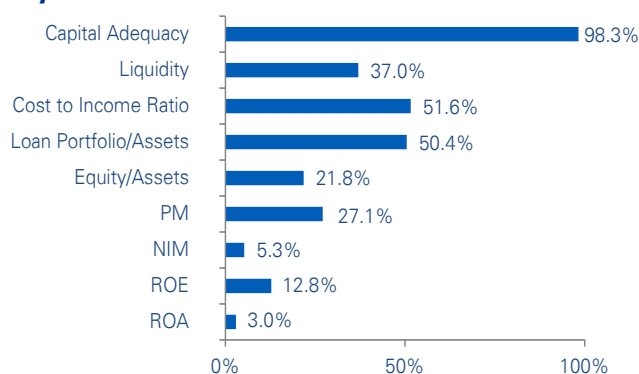
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



October

November

December

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

Bank Profiles (continued)

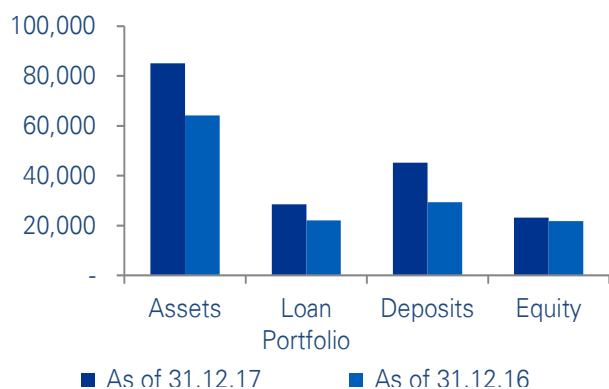
Byblos Bank Armenia

Key Financial Indicators*

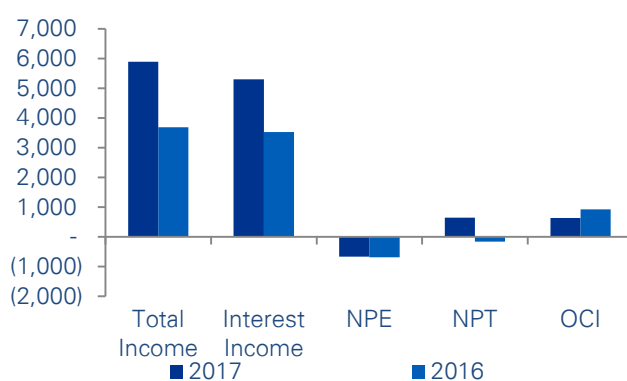
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	85,120	64,190	2.0%	16	32.6%
Interest Earning Assets	75,962	47,740	2.2%	16	59.1%
Loan Portfolio	28,541	22,156	1.1%	16	28.8%
Liabilities	61,954	42,313	1.7%	16	46.4%
Deposits	45,270	29,341	1.8%	16	54.3%
Equity	23,166	21,878	3.3%	17	5.9%
Charter Capital	23,825	23,825	5.6%	8	-
Total Income	5,894	3,696	1.3%	16	59.5%
Interest Income	5,298	3,526	1.5%	16	50.3%
Net Provision Expenses	(664)	(680)	1.1%	13	(2.3%)
Net Profit after Taxes	650	(156)	1.7%	14	(515.6%)
Total Comprehensive Income	1,288	769	2.6%	13	67.5%

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

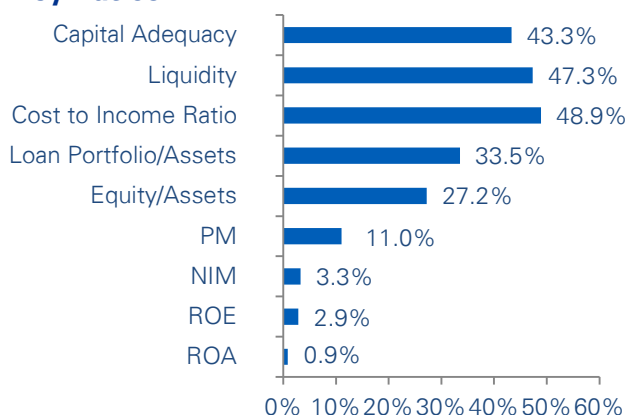
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



October

November

December

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

Bank Profiles (continued)

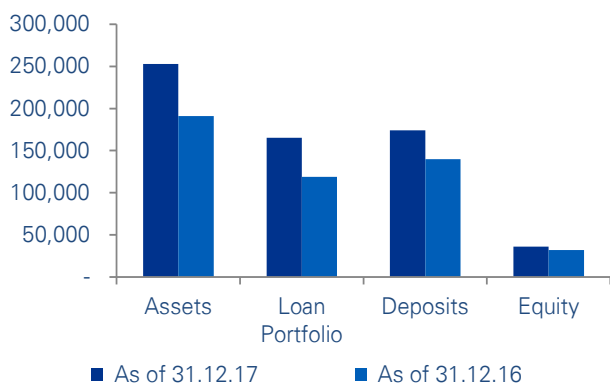
Converse Bank

Key Financial Indicators*

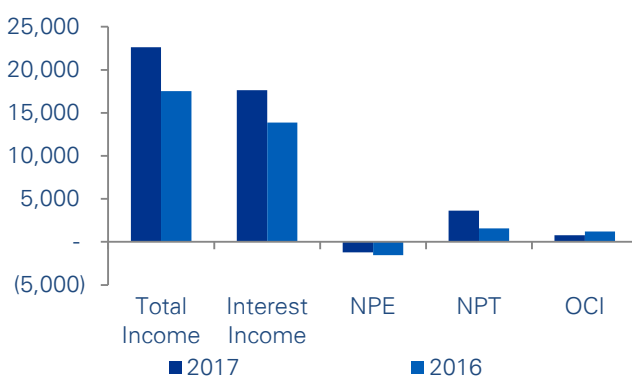
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	252,736	190,993	5.8%	6	32.3%
Interest Earning Assets	202,716	136,460	5.9%	6	48.6%
Loan Portfolio	165,168	119,025	6.2%	6	38.8%
Liabilities	216,736	158,815	5.9%	6	36.5%
Deposits	173,914	139,680	6.8%	4	24.5%
Equity	36,000	32,178	5.1%	10	11.9%
Charter Capital	16,417	16,417	3.9%	13	-
Total Income	22,607	17,523	5.1%	9	29.0%
Interest Income	17,624	13,860	4.9%	9	27.2%
Net Provision Expenses	(1,213)	(1,544)	2.1%	9	(21.5%)
Net Profit after Taxes	3,626	1,565	9.5%	7	131.7%
Total Comprehensive Income	4,384	2,764	8.8%	7	58.6%

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

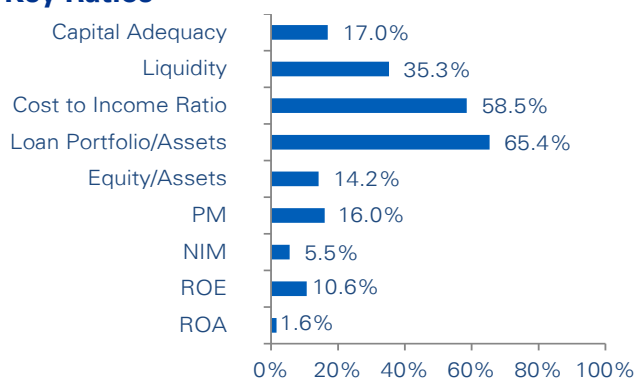
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



October

November

December

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

Bank Profiles (continued)

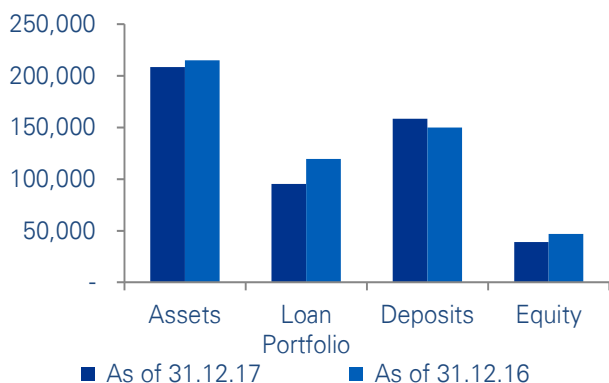
HSBC Bank Armenia

Key Financial Indicators*

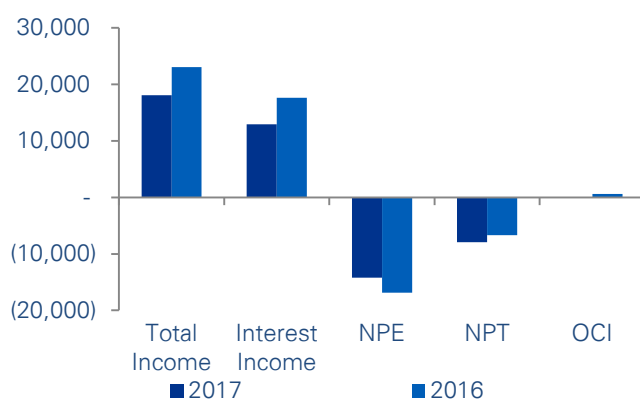
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	208,649	215,161	4.8%	9	(3.0%)
Interest Earning Assets	130,612	151,526	3.8%	12	(13.8%)
Loan Portfolio	95,431	119,590	3.6%	11	(20.2%)
Liabilities	169,663	168,154	4.6%	9	0.9%
Deposits	158,579	149,833	6.2%	6	5.8%
Equity	38,986	47,007	5.6%	8	(17.1%)
Charter Capital	18,434	18,434	4.4%	11	-
Total Income	18,071	23,050	4.1%	11	(21.6%)
Interest Income	12,956	17,649	3.6%	13	(26.6%)
Net Provision Expenses	(14,186)	(16,887)	24.4%	1	(16.0%)
Net Profit after Taxes	(7,941)	(6,667)	-	17	19.1%
Total Comprehensive Income	(8,023)	(6,030)	-	17	33.0%

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

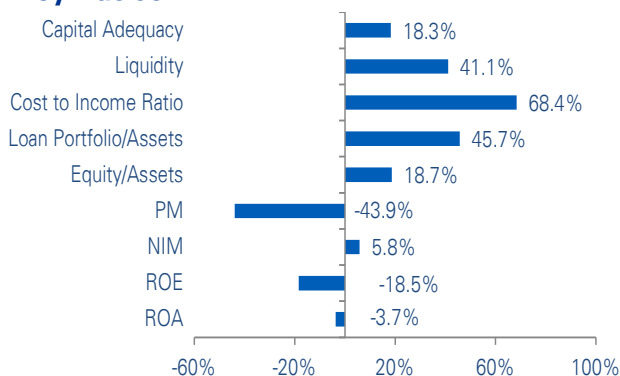
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



The Bank provided a EUR 55 million loan to "Electric Networks of Armenia"

October

November

December

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

Bank Profiles (continued)

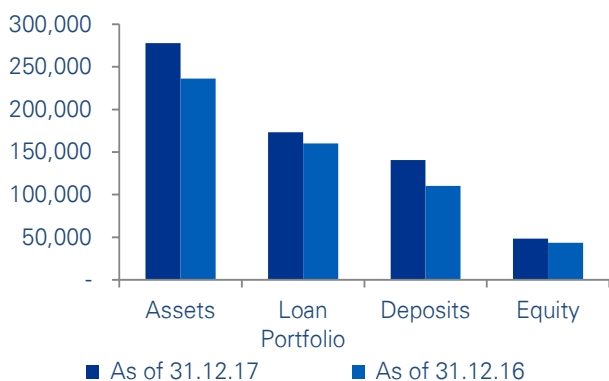
Inecobank

Key Financial Indicators*

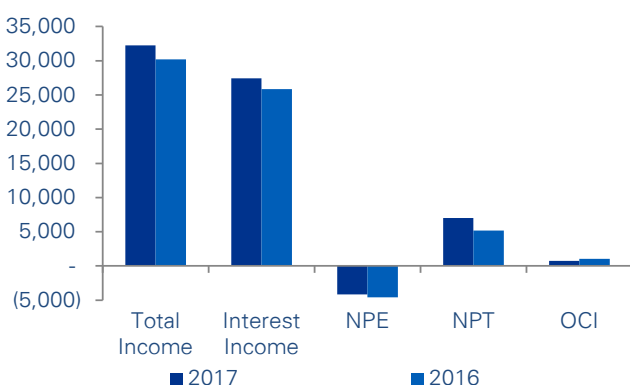
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	277,842	236,196	6.4%	5	17.6%
Interest Earning Assets	219,400	186,901	6.4%	5	17.4%
Loan Portfolio	173,066	160,155	6.5%	5	8.1%
Liabilities	229,599	192,731	6.3%	5	19.1%
Deposits	140,774	110,360	5.5%	8	27.6%
Equity	48,243	43,465	6.9%	4	11.0%
Charter Capital	14,546	14,546	3.4%	14	-
Total Income	32,251	30,212	7.3%	6	6.7%
Interest Income	27,407	25,833	7.6%	5	6.1%
Net Provision Expenses	(4,145)	(4,586)	7.1%	6	(9.6%)
Net Profit after Taxes	7,025	5,158	18.4%	2	36.2%
Total Comprehensive Income	7,778	6,199	15.6%	2	25.5%

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

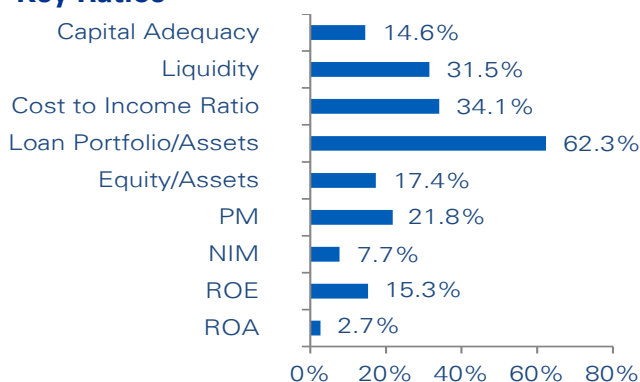
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

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

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



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

Bank Profiles (continued)

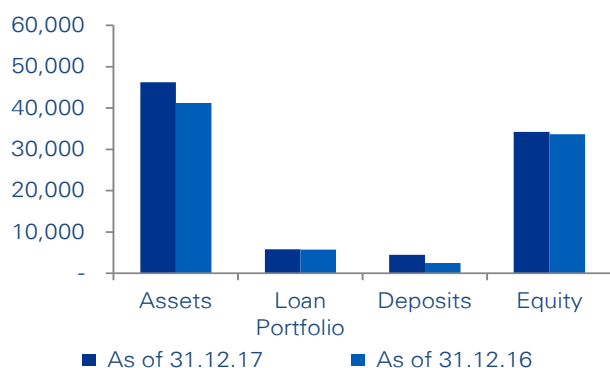
Mellat Bank

Key Financial Indicators*

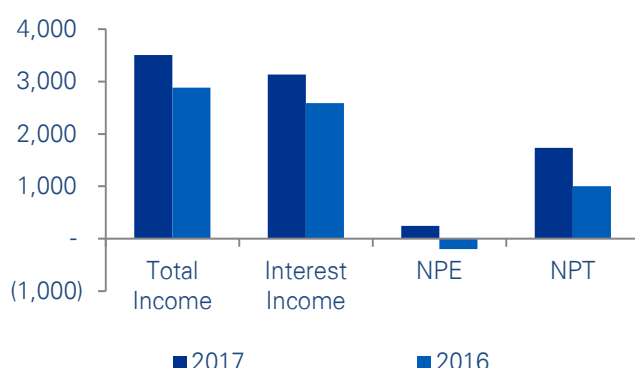
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	46,266	41,242	1.1%	17	12.2%
Interest Earning Assets	37,044	28,605	1.1%	17	29.5%
Loan Portfolio	5,824	5,756	0.2%	17	1.2%
Liabilities	12,019	7,569	0.3%	17	58.8%
Deposits	4,483	2,475	0.2%	17	81.1%
Equity	34,247	33,673	4.9%	13	1.7%
Charter Capital	32,100	32,100	7.6%	4	-
Total Income	3,506	2,884	0.8%	17	21.6%
Interest Income	3,131	2,589	0.9%	17	20.9%
Net Provision Expenses	244	(197)	-	16	(223.8%)
Net Profit after Taxes	1,737	1,004	4.5%	11	73.1%
Total Comprehensive Income	1,737	1,004	3.5%	12	73.1%

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

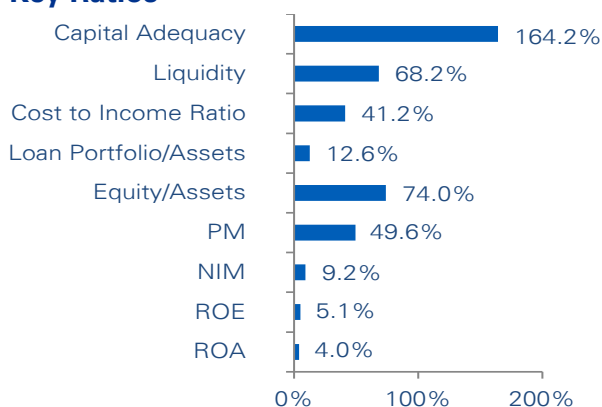
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



October

November

December

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

Bank Profiles (continued)

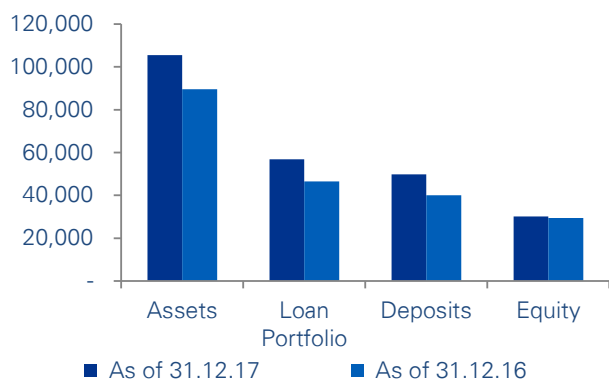
Evocabank

Key Financial Indicators*

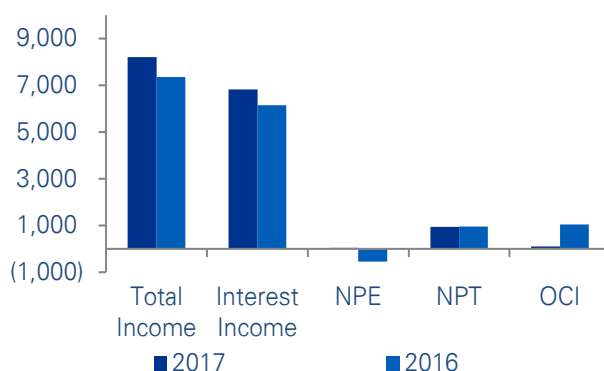
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	105,532	89,495	2.4%	15	17.9%
Interest Earning Assets	77,855	65,354	2.3%	15	19.1%
Loan Portfolio	56,880	46,537	2.1%	15	22.2%
Liabilities	75,352	60,146	2.1%	15	25.3%
Deposits	49,776	40,101	1.9%	15	24.1%
Equity	30,180	29,350	4.3%	14	2.8%
Charter Capital	17,950	17,950	4.2%	12	-
Total Income	8,199	7,346	1.9%	15	11.6%
Interest Income	6,820	6,153	1.9%	15	10.8%
Net Provision Expenses	44	(546)	-	15	(108.0%)
Net Profit after Taxes	938	958	2.5%	13	(2.2%)
Total Comprehensive Income	1,046	2,003	2.1%	14	(47.8%)

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

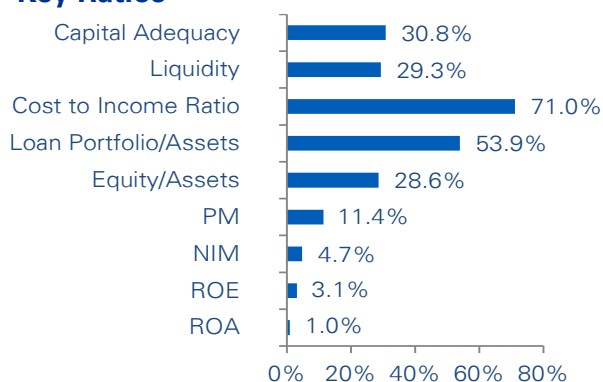
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Prometei Bank was rebranded into Evocabank.

Garegin Nzhdeh Branch was reopened.

A new branch was opened in Yerevan.

October

November

December

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

Bank Profiles (continued)

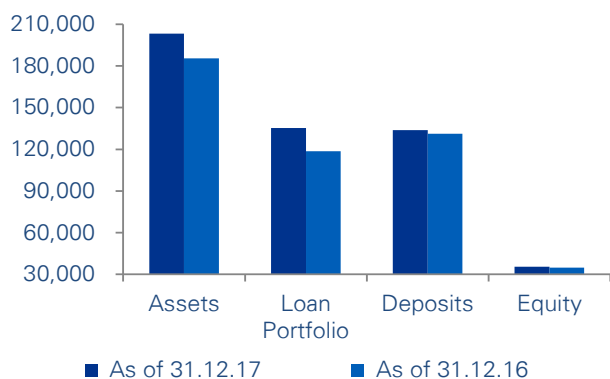
Unibank

Key Financial Indicators*

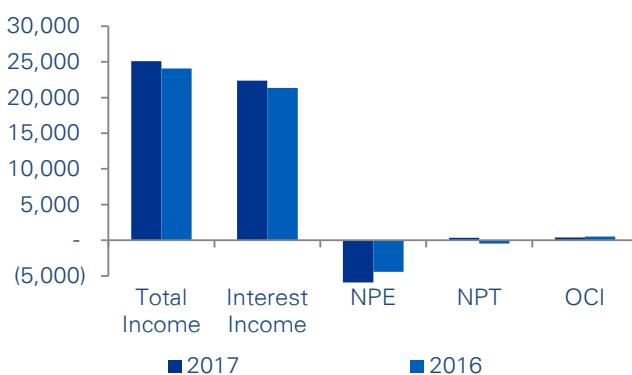
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	203,221	185,396	4.7%	10	9.6%
Interest Earning Assets	160,857	139,027	4.7%	9	15.7%
Loan Portfolio	135,285	118,627	5.1%	7	14.0%
Liabilities	167,633	150,553	4.6%	10	11.3%
Deposits	133,882	131,138	5.2%	9	2.1%
Equity	35,588	34,843	5.1%	11	2.1%
Charter Capital	20,490	19,093	4.8%	10	7.3%
Total Income	25,103	24,090	5.7%	7	4.2%
Interest Income	22,355	21,330	6.2%	7	4.8%
Net Provision Expenses	(5,928)	(4,437)	10.2%	4	33.6%
Net Profit after Taxes	328	(443)	0.9%	15	(173.9%)
Total Comprehensive Income	734	89	1.5%	15	727.8%

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

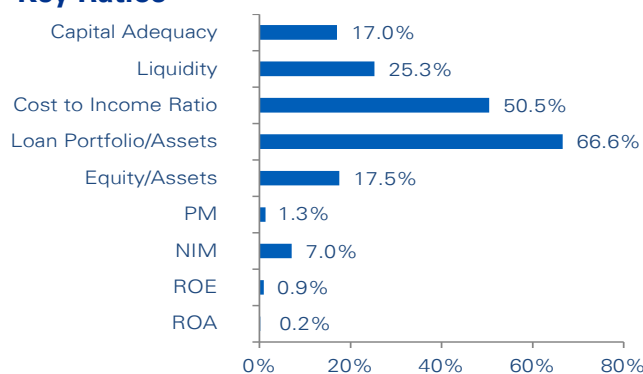
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Vardan Atayan was appointed Advisor to the Chairman of the Board, while Mesrop Hakobyan - the Head of the Executive Board

The Bank successfully passed the SWIFT certification procedure

October

November

December

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

Bank Profiles (continued)

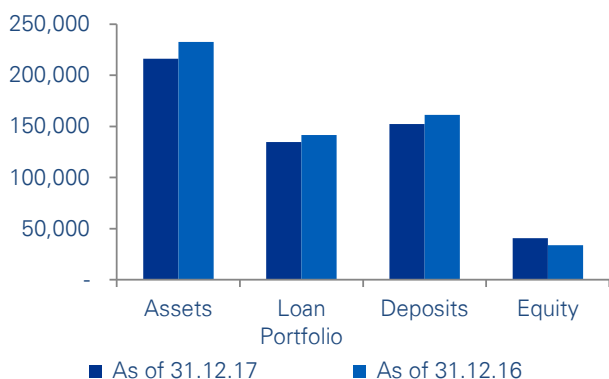
VTB Bank (Armenia)

Key Financial Indicators*

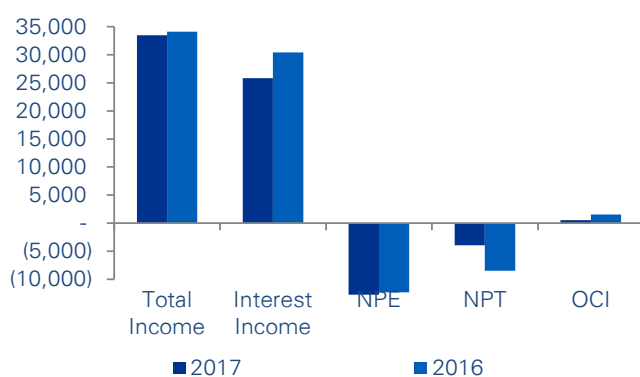
	Amount, mln AMD		Share in total, %	Rank	Change 2017 / 2016
	2017	2016			
Assets	216,060	232,672	5.0%	7	(7.1%)
Interest Earning Assets	170,124	172,779	5.0%	7	(1.5%)
Loan Portfolio	134,806	141,543	5.1%	8	(4.8%)
Liabilities	175,351	198,761	4.8%	8	(11.8%)
Deposits	152,179	161,316	6.0%	7	(5.7%)
Equity	40,710	33,911	5.8%	6	20.0%
Charter Capital	47,776	37,776	11.3%	2	26.5%
Total Income	33,465	34,141	7.6%	5	(2.0%)
Interest Income	25,834	30,424	7.1%	6	(15.1%)
Net Provision Expenses	(12,763)	(12,362)	21.9%	2	3.2%
Net Profit after Taxes	(3,972)	(8,513)	-	16	(53.3%)
Total Comprehensive Income	(3,445)	(7,001)	-	16	(50.8%)

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

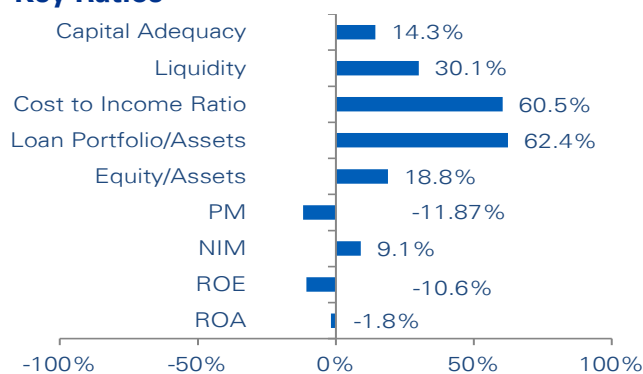
Key Indicators of the Financial Position



Key Indicators of the Financial Results



Key Ratios**



Rankings

2nd rank by the charter capital

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

The Bank increased its chartered capital by AMD 10 billion by placing additional shares

October

November

December

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

Appendix 1

Shareholding Structure & General Information

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

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

ACBA-Credit Agricole Bank

Shareholders (> 5%):
 Credit Agricole S.A (15.6%)
 Sacam International SJSC (12.4%)
"ACBA FEDERATION" CJSC (72%)

Branches: 58 (17 in Yerevan)
Staff: 1,348 employees

Ameriabank

Shareholders (> 5%):
 Ameria Group (CY) Limited (65.8%)
 EBRD (20.7%)
 ESPS Holding Limited (13.5%)

Branches: 14 (9 in Yerevan)
Staff: 695 employees

Anelik Bank

Shareholders (> 5%):
 FISTOCO LTD. (59.68 %)
 Credit Bank S.A.L. (40.32 %)

Branches: 14 (8 in Yerevan)
Staff: 405 employees

Ararat Bank

Shareholders (> 5%):
 Flash Ltd. (72.73%)
 Beglaryan Barsegh (18.33%)

Branches: 61 (30 in Yerevan)
Staff: 884 employees

Ardshinbank

Shareholders (> 5%):
"Arins Group" LLC (69.95 %)
"Region" Financial industrial corporation CJSC (27.52 %)

Branches: 64 (19 in Yerevan)
Staff: 1,154 employees

Armbusinessbank

Shareholders (> 5%):
 Vitaliy Sarkis Grigoryants (100%)

Branches: 53 (24 in Yerevan)
Staff: 898 employees

Armeconombank

Shareholders (> 5%):
Saribek Sukiasyan (28.32%)
 Khachatur Sukiasyan (13.77%)
Robert Sukiasyan (14.25%)
Eduard Sukiasyan (10.66%)
 EBRD (5.04%)

Branches: 50 (26 in Yerevan)
Staff: 872 employees

ArmSwissBank

Shareholders (> 5%):
 "HVS Holding" LLC (80%)
 "Belegingsmachepij Jongo" LLC (20%)

Branches: 1 (Yerevan)
Staff: 110 employees

Artsakh Bank

Shareholders (> 5%):
 Armenian Business Foundation CJSC (51.72%)
Artsakh Investment Fund (43.55%)

Branches: 23 (8 in Yerevan)
Staff: 492 employees

- The figures presented in different color, bold and italic form are those changed during the 4nd quarter of 2017.

Appendix 1

Shareholding Structure & General Information (continued)

<p>Byblos Bank Armenia</p> <p>Shareholders (> 5%): Byblos Bank S.A.L. (100 %)</p> <p>Branches: 2 (2 in Yerevan) Staff: 80 employees</p>	<p>Converse Bank</p> <p>Shareholders (> 5%): Advanced Global Investments LLC (80.94%) HayPost Trust Management (14.06%) Mother See of Holy Etchmiadzin Catholicosate (5%)</p> <p>Branches: 32 (14 in Yerevan) Staff: 710 employees</p>	<p>HSBC Bank Armenia</p> <p>Shareholders (> 5%): HSBC Europe BV (70%) Wings Establishment (30%)</p> <p>Branches: 7 (7 in Yerevan) Staff: 414 employees</p>
<p>Inecobank</p> <p>Shareholders (> 5%): <i>Avetis Baloyan (30.00%)</i> <i>Karen Safaryan (25.92%)</i> EBRD (22.70%)</p> <p>Branches: 23 (15 in Yerevan) Staff: 822 employees</p>	<p>Mellat Bank</p> <p>Shareholders (> 5%): Bank Mellat of I.R.I (100%)</p> <p>Branches: 1 (Yerevan) Staff: 51 employees</p>	<p>Evocabank</p> <p>Shareholders (> 5%): <i>Prometey City LLC (59.87%)</i> <i>ZakNeftegazstroy (37%)</i> <i>Prometey OJSC</i></p> <p>Branches: 11 (8 in Yerevan) Staff: 254 employees</p>
<p>Unibank</p> <p>Shareholders (> 5%): Uniholding Gigi Limited (87.7 %)</p> <p>Branches: 45 (23 in Yerevan) Staff: 785 employees</p>	<p>VTB Bank Armenia</p> <p>Shareholders (> 5%): VTB OJSC (100%)</p> <p>Branches: 67 (23 in Yerevan) Staff: 1,201 employees</p>	

- The figures presented in different color, bold and italic form are those changed during the 2nd quarter of 2017.

Appendix 2

Sector Insights

Upcoming changes in the banking industry

Banks that report under IFRSs must apply IFRS 9 Financial Instruments in their 2018 financial statements. The introduction of new requirements for the classifications and measurement of financial instruments and the accounting for expected credit losses in IFRS 9 Financial Instruments will be a significant change to the financial reporting of the banks. It will impact many stakeholders, including investors, regulators, analysts and auditors. To be ready, banks must complete a large multi-disciplinary project combining the skills of finance, risk and IT.

Assets

As of 31 December 2017 the assets grew in 12 of the banks and 5 banks suffered decreases as compared with the same period of 2016.

The interest earning assets comprised 78.4% of the total assets of the banks. As of 31 December 2017 the interest earning assets of the banks increased by 8.5% compared with 31 December 2016. In the meantime, the interest income increased by 11.2% as compared with the same period of the previous year.

The net interest margin was 4.9% for the reviewed period.

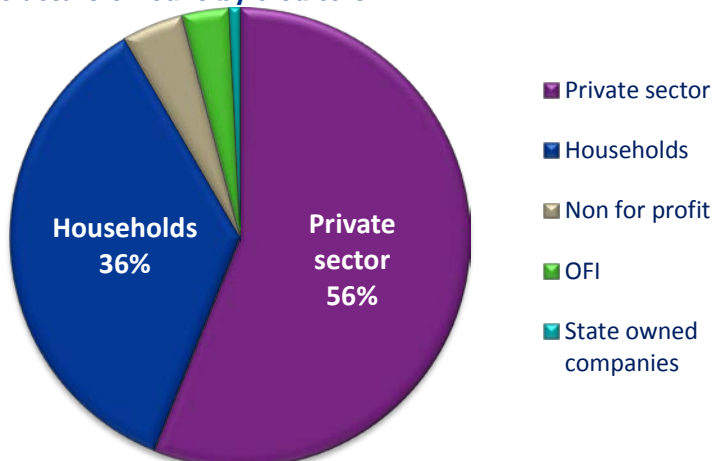
As of 31 December 2017 "AmeriaBank" CJSC had the highest value of assets - about AMD 677.7 billion, which is 15.5% of the total assets of the banking sector. "Mellat Bank" CJSC had the lowest level – AMD 46.3 billion (1.1% in total assets). It is worth mentioning that the top five banks (ranked by assets) totaled 55.2% of the assets of the banking system as of 31 December 2017. Nevertheless, the banking industry concentration is not high and is defined as unconcentrated according to the Herfindahl-Hirschman Index, which has the value of 0.087. Compared with the same period of 2016 the HHI has decreased by 0.001 points.

Loan portfolio

The top five banks (ranked by loans) recorded 60.7% of the total loan portfolio as of 31 December 2017.

The major part (92.4%) of the total sum of the outstanding loans was provided to the residents of Armenia, from which 56.8% were companies (only 1.3% of this amount was provided to the state owned companies), 35.6% - to the households, and only a small part to non for profit organizations and other financial organizations (OFI). Compared with the same period of the previous year the share of loans to households in the total amount of outstanding loans decreased by 1.3 percentage points and the share of companies decreased by 0.4 percentage point.

Structure of loans by creditors*



As for the base currencies of the loans, it should be noted that households and other financial institutions are mainly provided with loans in AMD (67.3% and 75.9% of the total loans provided to them, respectively) in contrast to companies and non for profit organizations, which prefer loans in foreign currencies (81.3% and 60.6% of total loans provided to them, respectively).

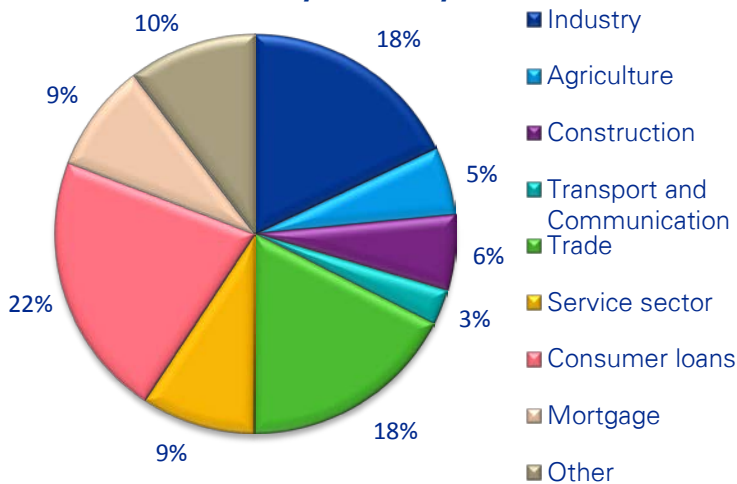
* The loans structure is presented only based on the loans provided to the residents

Appendix 2

Sector Insights (continued)

The consumer loans, loans to the industry and loans to the trade sector traditionally comprise the major part of the total loans of the banks, 21.5%, 18% and 17.7% respectively for the reviewed period. The biggest growth in lending was in the construction sector (compared to the 31 December 2016, the volume of loans grew by 39.8%).

Structure of loans by economy sectors



The biggest loan portfolio belonged to "Ameriabank" CJSC – AMD 479.6 billion, which comprised 18.1% of the loan portfolio of the banking system for the reported period.

As of 31 December 2017 the loans/deposits ratio was 1.04 compared with 1.10 calculated as of 31 December 2016.

Net Provision Expenses

As of 31 December 2017 the banking system total net provision expenses decreased by 10.3% and reached AMD 58.2 billion.

Liabilities

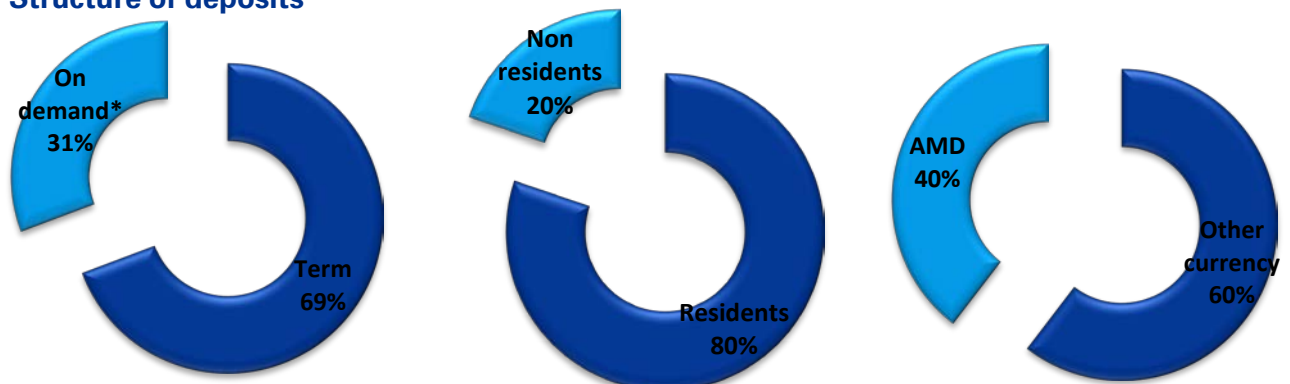
As of 31 December 2017 the banking system total liabilities grew by 6.8%, compared with the same figure as of 31 December 2016, to reach AMD 3,661.1 billion, of which 69.8% are deposits.

Deposits

As of 31 December 2017 the biggest share of term deposits was held by households (74.8%), while the biggest share of demand deposits was held by private sector (46.1%).

The major part of outstanding balance of the deposits was from the residents (80.2%), 69.3% of which were term deposits. The deposits were held mainly in foreign currencies (60.4%).

Structure of deposits

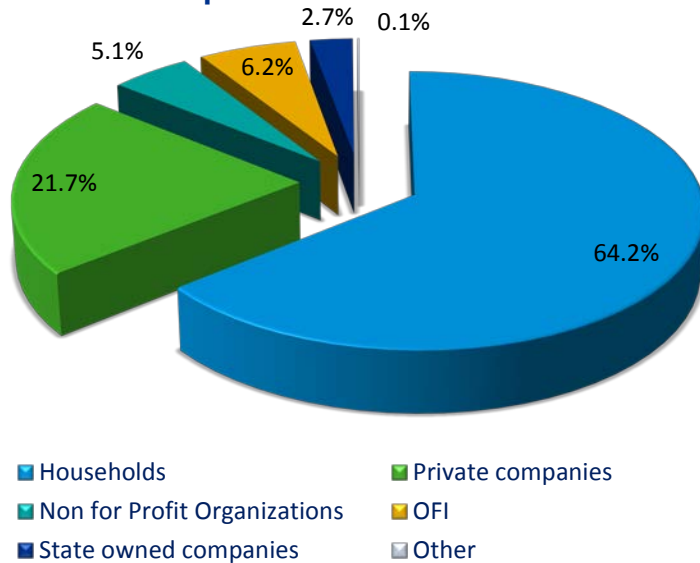


* The indicators of the deposits duration are presented only based on the deposits from the residents

Appendix 2

Sector Insights (continued)

Structure of deposits*



As the diagram shows, the households had the biggest share (64.2%) in the total amount of deposits from residents followed by the private companies which held (21.7%) of the total deposits from residents.

The highest level of deposits was held by "Armbusinessbank" CJSC - about AMD 401.2 billion, which comprises 15.7% of the total deposits of the banking system of Armenia.

As of 31 December 2017 4 banks had a decrease in deposits compared to the same date of 2016.

Equity

As of 31 December 2017 the equity increased by 5.8% compared to the same period of 2016, while for the same period the charter capital increased by 14.2%.

The total equity to total assets ratio was 16.1%, which is 0.1 percentage points lower compared to the same ratio of 2016 (16.2%).

As of 31 December 2017 "Ameriabank" CJSC had the highest level of equity - about AMD 69.9 billion, which is 10% of the total equity of the banking system. "Byblos Bank Armenia" CJSC had the lowest level – AMD 23.2 billion (3.3% in total equity). 41.6% of the total equity of the banking system belonged to the top five banks (ranked by the equity) as of 31 December 2017.

Income

The income from interest was about AMD 362.7 billion, which is about 82.6% (2016 same period 80.6%) of the total income of the banking system.

The total income of the banking system increased by 8.5% compared with the same period of the previous year and reached AMD 439.4 billion in 2017. 53% of total income of the banking system belonged to the top 5 banks (ranked by the total income).

In the reporting period fourteen banks increased their income compared with the same period of 2016, while in three banks the income decreased during the same period.

Profit/loss

During the reported period fifteen banks operating in Armenia were profitable (totaled AMD 62.6 billion profit before taxes), while two banks incurred total losses before taxes of AMD 14.2 billion. The net profit after taxes of the banking system for the period ended 31 December 2017 was AMD 38.2 billion.

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

Appendix 3

Key Financial Indicators

Key Indicators of the Financial Position as of 31.12.2017

	AMD Million	Assets	Interest Earning Assets	Gross Advances to Customers	Loans	Liabilities	Deposits	Equity	Charter Capital
1	"ACBA-Credit Agricole Bank" CJSC	311,023	223,749	202,639	187,381	250,806	172,604	60,217	30,000
2	"AmeriaBank" CJSC	677,722	556,854	489,855	479,641	607,781	375,171	69,941	32,087
3	"Anelik Bank" CJSC	131,931	107,848	71,938	64,520	85,125	67,320	46,806	33,972
4	"AraratBank" OJSC	212,602	162,118	132,790	119,167	177,319	87,190	35,283	8,804
5	"Ardshinbank" CJSC	568,273	459,655	400,830	392,528	501,664	344,969	66,609	50,227
6	"ArmBusinessBank" CJSC	574,944	434,380	393,261	375,983	535,828	401,210	39,116	31,375
7	"ArmEconomBank" OJSC	190,803	143,117	121,394	104,217	161,774	92,710	29,029	13,709
8	"ArmSwissBank" CJSC	162,020	148,397	65,673	61,863	125,032	65,110	36,988	8,753
9	"ArtsakhBank" CJSC	137,339	109,049	86,012	69,276	107,424	90,653	29,915	23,261
10	"Byblos Bank Armenia" CJSC	85,120	75,962	39,833	28,541	61,954	45,270	23,166	23,825
11	"Converse Bank" CJSC	252,736	202,716	175,714	165,168	216,736	173,914	36,000	16,417
12	"HSBC Bank Armenia" CJSC	208,649	130,612	105,998	95,431	169,663	158,579	38,986	18,434
13	"InecoBank" CJSC	277,842	219,400	175,951	173,066	229,599	140,774	48,243	14,546
14	"Mellat Bank" CJSC	46,266	37,044	10,123	5,824	12,019	4,483	34,247	32,100
15	"Evocabank" CJSC	105,532	77,855	65,839	56,880	75,352	49,776	30,180	17,950
16	"UniBank" OJSC	203,221	160,857	139,319	135,285	167,633	133,882	35,588	20,490
17	"VTB Bank Armenia" CJSC	216,060	170,124	141,030	134,806	175,351	152,179	40,710	47,776

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 31.12.2017

	AMD Million	Total Income	Interest Income	Non-Interest Income	Net Interest Income	Net Non-Interest Income	Net Operating Income*	Operating Expenses	Net Provision Expenses	Net Profit before taxes	Net Profit after taxes
1	"ACBA-Credit Agricole Bank" CJSC	40,663	32,066	3,905	17,096	2,257	24,046	(14,588)	(2,440)	7,018	5,491
2	"AmeriaBank" CJSC	59,298	49,297	3,577	18,364	2,785	27,573	(12,224)	(5,812)	9,537	7,689
3	"Anelik Bank" CJSC	24,825	21,785	860	8,512	704	11,397	(4,960)	(1,054)	5,382	4,267
4	"AraratBank" OJSC	19,895	16,103	1,397	7,716	480	10,592	(7,265)	(704)	2,622	2,060
5	"Ardshinbank" CJSC	56,503	46,707	4,128	17,024	2,840	25,533	(11,649)	(6,674)	7,210	5,691
6	"ArmBusinessBank" CJSC	42,812	35,260	3,309	6,581	2,918	13,743	(8,969)	(2,438)	2,336	1,814
7	"ArmEconomBank" OJSC	17,971	14,122	2,042	6,980	1,440	10,227	(8,037)	(156)	2,035	1,549
8	"ArmSwissBank" CJSC	15,067	14,073	272	6,298	161	7,181	(1,489)	(1,035)	4,657	3,688
9	"ArtsakhBank" CJSC	13,259	11,883	514	5,149	360	6,370	(3,288)	725	3,807	3,588
10	"Byblos Bank Armenia" CJSC	5,894	5,298	110	2,045	42	2,573	(1,258)	(664)	650	650
11	"Converse Bank" CJSC	22,607	17,624	2,433	9,340	1,681	13,571	(7,944)	(1,213)	4,415	3,626
12	"HSBC Bank Armenia" CJSC	18,071	12,956	3,623	8,203	3,157	12,852	(8,788)	(14,186)	(10,121)	(7,941)
13	"InecoBank" CJSC	32,251	27,407	1,824	15,686	1,167	19,872	(6,782)	(4,145)	8,944	7,025
14	"Mellat Bank" CJSC	3,506	3,131	159	3,012	152	3,380	(1,392)	244	2,232	1,737
15	"Evocabank" CJSC	8,199	6,820	634	3,390	108	4,243	(3,014)	44	1,273	938
16	"UniBank" OJSC	25,103	22,355	839	10,550	505	12,963	(6,541)	(5,928)	494	328
17	"VTB Bank Armenia" CJSC	33,465	25,834	2,656	15,522	1,406	21,904	(13,244)	(12,763)	(4,103)	(3,972)

* Net operating income is before provisions and administrative expenses.

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Position as of 31.12.2016

	AMD Million	Assets	Interest Earning Assets	Gross Advances to Customers	Loans	Liabilities	Deposits	Equity	Charter Capital
1	"ACBA-Credit Agricole Bank" CJSC	283,272	213,881	187,317	174,983	226,677	135,309	56,595	30,000
2	"AmeriaBank" CJSC	719,363	576,664	518,072	513,219	654,966	414,609	64,398	32,087
3	"Anelik Bank" CJSC	282,453	244,047	217,580	217,099	241,331	169,139	41,122	33,972
4	"AraratBank" OJSC	215,560	154,224	121,378	104,880	182,430	107,122	33,131	8,804
5	"Ardshinbank" CJSC	548,410	406,562	360,279	358,005	476,942	297,676	71,468	17,925
6	"ArmBusinessBank" CJSC	404,413	316,050	280,145	268,469	367,618	261,334	36,795	31,375
7	"ArmEconombank" OJSC	146,182	114,046	97,995	75,048	118,613	66,802	27,569	4,631
8	"ArmSwissBank" CJSC	130,253	110,675	49,696	46,077	101,562	50,700	28,691	8,753
9	"ArtsakhBank" CJSC	104,248	86,189	68,606	65,129	77,924	59,056	26,325	23,261
10	"Byblos Bank Armenia" CJSC	64,190	47,740	24,308	22,156	42,313	29,341	21,878	23,825
11	"Converse Bank" CJSC	190,993	136,460	121,346	119,025	158,815	139,680	32,178	16,417
12	"HSBC Bank Armenia" CJSC	215,161	151,526	125,829	119,590	168,154	149,833	47,007	18,434
13	"InecoBank" CJSC	236,196	186,901	162,056	160,155	192,731	110,360	43,465	14,546
14	"Mellat Bank" CJSC	41,242	28,605	7,309	5,756	7,569	2,475	33,673	32,100
15	"Evocabank" CJSC	89,495	65,354	54,385	46,537	60,146	40,101	29,350	17,950
16	"UniBank" OJSC	185,396	139,027	124,571	118,627	150,553	131,138	34,843	19,093
17	"VTB Bank Armenia" CJSC	232,672	172,779	148,278	141,543	198,761	161,316	33,911	37,776

Appendix 3

Key Financial Indicators (continued)

Key Indicators of the Financial Results for the period ended 31.12.2016

AMD Million	Total Income	Interest Income	Non-Interest Income	Net Interest Income	Net Non-Interest Income	Net Operating Income*	Operating Expenses	Net Provision Expenses	Net Profit before taxes	Net Profit after taxes
1 "ACBA-Credit Agricole Bank" CJSC	39,267	31,618	3,248	17,674	1,608	23,683	(13,733)	(7,236)	2,714	1,760
2 "AmeriaBank" CJSC	51,310	42,624	2,866	14,875	2,256	22,950	(10,883)	(4,338)	7,729	6,207
3 "Anelik Bank" CJSC	15,628	13,210	594	4,495	524	6,845	(4,152)	(1,222)	1,470	1,117
4 "AraratBank" OJSC	13,336	10,797	1,050	5,052	491	7,031	(4,385)	(1,265)	1,381	1,089
5 "Ardshinbank" CJSC	68,616	44,710	2,847	14,565	2,080	37,704	(8,959)	(5,697)	23,049	22,023
6 "ArmBusinessBank" CJSC	36,168	29,814	2,534	7,570	2,161	13,551	(7,557)	(4,197)	1,796	1,473
7 "ArmEconombank" OJSC	14,326	11,360	1,480	5,504	1,114	8,104	(6,767)	(561)	776	590
8 "ArmSwissBank" CJSC	10,871	9,894	215	4,710	150	5,622	(1,371)	(161)	4,090	3,284
9 "ArtsakhBank" CJSC	12,330	10,764	441	3,980	430	5,535	(3,915)	1,004	2,624	2,632
10 "Byblos Bank Armenia" CJSC	3,696	3,526	94	1,363	54	1,493	(969)	(680)	(156)	(156)
11 "Converse Bank" CJSC	17,523	13,860	2,004	7,072	1,240	9,972	(6,919)	(1,544)	1,509	1,565
12 "HSBC Bank Armenia" CJSC	23,050	17,649	3,700	12,345	3,182	17,227	(8,386)	(16,887)	(8,046)	(6,667)
13 "InecoBank" CJSC	30,212	25,833	1,598	13,821	1,076	17,679	(6,576)	(4,586)	6,517	5,158
14 "Mellat Bank" CJSC	2,884	2,589	101	2,409	91	2,694	(1,208)	(197)	1,288	1,004
15 "Evocabank" CJSC	7,346	6,153	373	2,887	45	3,752	(1,947)	(546)	1,259	958
16 "UniBank" OJSC	24,090	21,330	1,037	8,361	747	10,832	(6,813)	(4,437)	(419)	(443)
17 "VTB Bank Armenia" CJSC	34,141	30,424	3,231	14,345	2,310	17,141	(13,662)	(12,362)	(8,884)	(8,513)

* Net operating income is before provisions and administrative expenses.

Appendix 4

Bank Contact Details

ACBA-Credit Agricole Bank

Director: Hakob Andreasyan
Address: 82-84 Arami str.,
Yerevan
Tel./Fax: (+37410) 318888
543485
TELEX: -
E-mail: acba@acba.am
Website: acba.am
SWIFT: AGCAAM22

Ameria bank

Director: Artak Hanesyan
Address: 9 Grigor Lusavorchi str.,
Yerevan, RA
Tel./Fax: (+37410) 561111,
513133
TELEX: -
E-mail: info@ameriabank.am
Website: ameriabank.am
SWIFT: ARMIAM22

Anelik Bank

Acting Director: Ruben Melikyan
Address: 13 Vardanants str.,
Yerevan, RA
Tel./Fax: (+37410) 593333,
(+37460) 273333
TELEX: ANELSU
E-mail: anelik@anelik.am
Website: anelik.am
SWIFT: ANIKAM22

Ararat Bank

Director: Ashot Osipyan
Address: 19 Pushkin str.,
Yerevan, RA
Tel./Fax: (+37410) 592323,
547894
TELEX: -
E-mail:
araratbank@araratbank.am
Website: araratbank.am
SWIFT: ARMCAM22

Ardshinbank

Director: Mher Grigoryan
Address: 13 G. Lusavorchi str.,
Yerevan, RA
Tel./Fax: (+37412) 222222,
59 05 82
TELEX: 243-286 LALA AM
E-mail: ashb@ardshinbank.am
Website: www.ardshinbank.am
SWIFT: ASHBAM22

Armbusinessbank

Director: Arsen Mikaelyan
Address: 48 Nalbandyan str.
Yerevan, RA
Tel./Fax: (+37460) 372500,
(+37410) 592020,
TELEX: 243134 IBANK.AM
E-mail:
info@armbusinessbank.am
Website: armbusinessbank.am
SWIFT: ARMNAM 22

Armeconombank

Director: Aram Khachatryan
Address: 23/1 Amiryan str.,
Yerevan, RA
Tel./Fax: (+37410) 510910,
538904, +374 8000 8686
TELEX: 243274 MOZG AM
E-mail: bank@aeb.am
Website: aeb.am
SWIFT: ARECAM22

ArmSwissBank

Director: George Machanyan
Address: 10 Vazgen Sargsyan
str., Yerevan, RA
Tel./Fax: (+37460) 757000,
529591
TELEX: -
E-mail: info@armswissbank.am
Website: armswissbank.am
SWIFT: ARSGAM22

Artsakh Bank

Director: Artak Balayan
Address: 1b Charents str.,
Yerevan, RA; 25 Knunyancheri,
Stepanakert, NKR
Tel./Fax: (+37460)747769,
+(37460)747739,
+(37447)943412, +(37447)971542
TELEX: (684) 243 385 BANK AM
E-mail: info@artsakhbank.am
Website: artsakhbank.com
SWIFT: ARTSAM22

Byblos Bank Armenia

Acting Director: Hayk Stepanyan
Address: 18/3 Amiryan str.,
Yerevan, RA
Tel./Fax: (+37410) 530362,
535296
TELEX: -
E-mail: infoarm@byblosbank.com
Website: byblosbankarmenia.am
SWIFT: BYBAAM22

Converse Bank

Director: Artur Hakobyan
Address: 26/1V. Sargisyan str.,
Yerevan, RA
Tel./Fax: (+37410) 511211,
511212
TELEX: 243139 PBCON RU,
111 780 HOR RU
E-mail: post@conversebank.am
Website: conversebank.am
SWIFT: COVBAM22

HSBC Bank Armenia

Director: Paul Edgar
Address: 66 Teryan str.,
Yerevan, RA
Tel./Fax: (+37410) 655000,
655001
TELEX: 515000
E-mail: hsbc.armenia@hsbc.com
Website: hsbc.am
SWIFT: MIDLAM22

Appendix 4

Bank Contact Details (continued)

Inecobank

Acting Director: Garnik Tadevosyan
Address: 17 Tumanyan str., Yerevan, RA
Tel./Fax: (+37410) 510510, 510573
TELEX: -
E-mail: inecobank@inecobank.am
Website: inecobank.am
SWIFT: INJSAM22

Mellat Bank

Director: Seied Gholamreza Mousavi
Address: 5a Tumanyan str., Yerevan, RA
Tel./Fax: (+37460) 388888 (+37410) 540885
TELEX: 581523
E-mail: mellat@mellatbank.am
Website: mellatbank.am
SWIFT: BKMTAM22

Evocabank

Director: Emil Soghomonyan
Address: 44/2 Hanrapetutian str., Yerevan, RA
Tel./Fax: (+37410) 605555,
TELEX: -
E-mail: hello@evocabank.am
Website: evocabank.am
SWIFT: PRMLAM22

Unibank

Director: Mesrop Hakobyan
Address: 12/53 Charents str., Yerevan, RA
Tel./Fax: (+37410) 592259, 555140
TELEX: 243313 UNI AM
E-mail: unibank@unibank.am
Website: unibank.am
SWIFT: UNIJAM22

VTB Bank Armenia

Director: Yuri Gusev
Address: 35 Moskovyan str., Yerevan, RA
Tel./Fax: (+3748000) 8787, (+37410) 565578
TELEX: -
E-mail: headoffice@vtb.am
Website: vtb.am
SWIFT: ARMJAM22

KPMG Experience in the Armenian Banking Sector

Audit

Current clients

- Anelik Bank CJSC
- Ardshinbank CJSC
- Byblos Bank Armenia CJSC
- InecoBank CJSC

Tax

Current clients

- VTB - Armenia Bank CJSC
- HSBC Bank Armenia

Advisory

Client name

InecoBank CJSC

Anelik Bank CJSC

Ardshinbank CJSC

Byblos Bank Armenia CJSC

HSBC Bank Armenia

Anelik Bank CJSC

Inecobank CJSC

Undisclosed Bank

Undisclosed Bank

Converse Bank CJSC

Armimpexbank CJSC

Byblos Bank Armenia CJSC

Ardshinbank CJSC

International Undisclosed Bank

Service description

IFRS 9 implementation assistance

IFRS 9 implementation assistance

IFRS 9 implementation assistance

IFRS 9 implementation assistance

Staff lending

KPMG in Armenia provided IT Advisory services to the bank.

KPMG in Armenia assisted the Bank in HR Advisory Services.

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

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

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

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

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

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

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

Abbreviations

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

Glossary

Herfindahl-Hirschman Index

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

Equity to assets

Calculated as the total equity divided by the total assets.

Liquidity

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

Capital adequacy

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

Net interest margin

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

Profit margin

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

Return on Assets

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

Return on Equity

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



Contacts

The contacts at KPMG in connection with this report are:

Tigran Gasparyan

Managing Partner

KPMG in Armenia

Tel: +374 56 67 62
tgasparyan@kpmg.co.am

Zaruhi Furunjyan

Head of Advisory, Senior Manager

KPMG in Armenia

Tel: +374 56 67 62
zfurunjyan@kpmg.co.am



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation

© 2018 KPMG Armenia cjsc, a company incorporated under the Laws of the Republic of Armenia, a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.