

**Independent auditor's report**

To the shareholders of "Areximbank" CJSC

We have audited the accompanying balance sheet of "Areximbank" CJSC (the "Bank") as at 31 December 2005, and the related statements of income, cash flow and changes in shareholders' equity for the year then ended. These financial statements set out on pages 6 to 31 are the responsibility of the Bank management. Our responsibility is to express an opinion on these financial statements based on our audit. In our auditor's report dated 21 January 2006 we expressed unqualified opinion on the financial statements of the Bank as of December 31, 2005.

We conduct our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Bank Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as of December 31, 2005, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Yerevan

20 January 2006

**Grant Thornton Amyot**



## Balance sheet

As of 31 December 2005  
(in thousand of Armenian Drams)

	Notes	2005 (audited)	2004 (audited)
<b>ASSETS</b>			
Cash in hand and balances with the CBA	9	4,535,967	2,157,515
Amounts due from banks and other financial institutions	10	1,691,236	2,625,189
Loans and advances to customers	11	5,959,523	3,370,827
Securities held to maturity	12	444,529	192,653
Property plant and equipment	13	1,052,834	1,951,116
Intangible assets	14	241,064	248,012
Other assets	15	332,790	198,520
<b>Total assets</b>		<b>14,257,943</b>	<b>10,743,832</b>
<b>LIABILITIES AND EQUITY</b>			
Amounts due to banks and other financial institutions	16	620,571	438,748
Amounts due to customers	17	10,287,167	7,065,598
Subordinated notes	18	330,208	-
Other liabilities	19	44,795	59,392
Current income tax liabilities		27,546	21,975
Deferred income tax liabilities	21	37,445	143,116
<b>Total liabilities</b>		<b>11,347,732</b>	<b>7,728,829</b>
Share capital	20	2,497,247	2,497,247
General reserve		5,828	5,828
Revaluation reserve		168,336	587,730
Retained earnings/(accumulated deficit)		238,800	(75,802)
<b>Total equity</b>		<b>2,910,211</b>	<b>3,015,003</b>
<b>Total liabilities and equity</b>		<b>14,257,943</b>	<b>10,743,832</b>

The accompanying notes on pages 10 to 31 form an integral part of these financial statements.

The financial statements were approved on 20 January 2006 by the Board of the bank and signed by the Bank's General Director and Chief Accountant.



"AREXIMBANK" CJSC  
Financial statements as of and for the year ended December 31, 2005

A. JULHAKYAN  
Chief Accountant