

INCOME STATEMENT

December 31, 2007

AREXIMBANK CJSC

12 M.Mkrtchyan street, Yerevan, Armenia

(AMD thousand)

NAME	Notes	2007 (audited)	2006 (audited)
Interest and similar incomes	3	1,560,930	1,269,963
Interest and similar expenses	3	(552,046)	(430,574)
Net interest and similar income		1,008,884	839,389
Commission and other fee receipts	4	578,687	560,571
Commission and other fee expenses	4	(85,746)	(76,481)
Net commission and other fee receipts		492,941	484,090
Net income from trading activities	5	227,837	145,785
Other operating incomes	6	110,335	25,503
Operating income		1,839,997	1,494,767
Net provisions to asset loss reserves	7	(37,720)	(4,456)
General administrative expenses	8	(1,054,445)	(864,918)
Other operating expenses	9	(285,512)	(258,035)
Profit before taxation		462,320	367,358
Profit tax expense	11	(104,086)	(92,178)
Profit after taxation		358,234	275,180
Basic profit per share	12	8	6
Diluted profit per share	12	8	6
Net profit for the period		358,234	275,180

Date of issue of the statement:

February 15, 2008

A.Khandkaryan

General Director of the Bank

A.Julhakyan

Chief Accountant of the Bank

BALANCE SHEET

December 31, 2007

AREXIMBANK CJSC

12 M.Mkrtyan street, Yerevan, Armenia

(AMD thousand)

NAME	Notes	31/12/2007 (audited)	31/12/2006 (audited)
Assets			
Cash and balances with the RA Central Bank	13	7,431,238	3,427,047
Due from banks and other financial organizations	14	1,040,908	537,898
Loans and other advanced extended to customers	16	10,038,979	7,438,559
Financial assets available for sale	17	4,066	-
Investments held to maturity	18	388,883	412,709
Fixed assets and intangible assets	20	1,626,286	1,574,918
Other assets	21	426,038	261,136
Total assets		20,956,398	13,652,267
Liabilities			
Liabilities to banks and other financial organizations	22	797,126	550,916
Liabilities to customers	23	16,177,932	9,223,228
Securities issued by bank	24	261,473	289,522
Accounts payable	26	37,328	37,212
Deferred tax liabilities	11	36,267	33,734
Reserves	30	-	10,284
Other liabilities	27	107,051	326,384
Total liabilities		17,417,177	10,471,280
Equity			
Charter capital	28	2,497,248	2,497,248
Reserves:		187,024	175,301
General reserve		19,587	5,828
Revaluation reserve		167,437	169,473
Retained profit		854,949	508,438
Total equity		3,539,221	3,180,987
Total liabilities and equity		20,956,398	13,652,267

Date of issue of the statement:

February 15, 2008

A.Khandkaryan*General Director of the Bank*

Statement of Changes in Equity

December 31, 2007

AREXIMBANK CJSC

12 M.Mkrtchyan street, Yerevan

(AMD thousand)

Components of Equity	Charter capital			Issue income/loss	Reserves			Retained profit/loss	Interim dividends	Other components of equity	Total
	Charter capital	Reposessed capital	Net amount		General reserve	Re-valuation reserve	Re-measurement differences				
Line items	1	2	3	4	5	6	7	8	9	10	11
Previous reporting period (table 1)											
<i>Balance at the start of the previous period as of January 1, 2006 (audited)</i>	2,497,247	-	2,497,247	-	5,828	168,336	-	233,258	-	-	2,904,669
Restated balance	2,497,247	-	2,497,247	-	5,828	168,336	-	233,258	-	-	2,904,669
Incomes and expenses directly recognized in equity, including:	-	-	-	-	-	1,137	-	-	-	-	1,137
Deferred tax effect	-	-	-	-	-	1,137	-	-	-	-	1,137
Deals in shares concluded with shareholders (owners), including:	1	-	1	-	-	-	-	-	-	-	1
Investments in charter capital and other increase in charter	1	-	1	-	-	-	-	-	-	-	1
Net profit for the previous year (period)	-	-	-	-	-	-	-	275,180	-	-	275,180
<i>Balance at the end of the previous period, as of December 31, 2006 (audited)</i>	2,497,248	-	2,497,248	-	5,828	169,473	-	508,438	-	-	3,180,987
Reporting period (table 2)											
Re-stated balance	2,497,248	-	2,497,248	-	5,828	169,473	-	508,438	-	-	3,180,987
Net profit for the reporting year (period)	-	-	-	-	-	-	-	358,234	-	-	358,234
Internal movements, including:	-	-	-	-	13,759	(2,036)	-	(11,723)	-	-	-
Provisions to general reserve	-	-	-	-	13,759	-	-	(13,759)	-	-	-
Internal movements of other equity components	-	-	-	-	-	(2,036)	-	2,036	-	-	-
<i>Balance at the end of the reporting period as of December 31, 2007 (audited)</i>	2,497,248	-	2,497,248	-	19,587	167,437	-	854,949	-	-	3,539,221

Date of issue of the statement:

February 15, 2008

A.Khandkaryan

General Director of the Bank

A.Julhakyan

Chief Accountant of the Bank

CASH FLOW STATEMENT

December 31, 2007

AREXIMBANK CJSC
12 M.Mkrtchyan street, Yerevan, Armenia

(AMD thousand)

NAME	Note	2006 (audited)	2007 (audited)
Cash flow from operating activities		x	x
<i>Net cash flows before changes in operating assets and liabilities</i>		372,484	597,065
Interest received		1,251,433	1,594,902
Interest paid		(406,601)	(533,015)
Commissions received		560,571	578,687
Commissions paid		(59,930)	(85,746)
Gains/(losses) from FX trading		161,984	218,720
Recovery of previously written off assets		35,101	9,828
Salary and other equivalent payments		(483,087)	(531,819)
Other incomes received and other expenses incurred in operating activities		(686,987)	(654,492)
<i>Cash flows from changes in operating assets and liabilities</i>		(1,625,967)	4,013,656
Decrease/(increase) in operating assets		(1,387,206)	(2,731,035)
including: decrease/(increase) in loans and advances		(1,436,257)	(2,633,364)
decrease/(increase) in securities held for trading and available for sale		-	(4,066)
decrease/(increase) in other operating assets		49,051	(93,605)
Increase (decrease) in operating liabilities		(238,761)	6,744,691
including:			
increase/(decrease) in liabilities to customers		(493,507)	6,784,185
increase/(decrease) in other operating liabilities		254,746	(39,494)
Net cash flows from operating activities before profit tax payment		(1,253,483)	4,610,721
Profit tax paid		(92,011)	(131,460)
Net cash flows from operating activities		(1,345,494)	4,479,261
Cash flows from investing activities		x	x
Decrease (increase) in investments held to maturity		(12,183)	16,609
Decrease (increase) in capital investments in fixed assets and intangible assets		(73,399)	(75,280)
Acquisition of fixed assets and intangible assets		(297,797)	(125,435)
Disposal of fixed assets and intangible assets		82	-
Net cash flows from investing activities		(383,297)	(184,106)
Cash flows from financing activities		x	x
Increase (decrease) in borrowings attracted from the RA Central Bank		-	227,845
Increase (decrease) in borrowings attracted from banks		-	12,865
Increase (decrease) in other attracted borrowings		-	10,648
Net cash flows from financing activities		-	251,358
Effect of changes in FX rate on cash and cash equivalents		(16,199)	(35,900)
Net surplus /(deficit) of cash and cash equivalents		(1,744,990)	4,510,613
Starting cash and cash equivalents		5,574,875	3,829,885
Ending cash and cash equivalents	13_2	3,829,885	8,340,498

Date of issue of the statement:

February 15, 2008

A.Khandkaryan

General Director of the Bank

A.Julhakyanyan

Chief Accountant of the Bank