

**BOARD OF CENTRAL BANK  
OF REPUBLIC OF ARMENIA**

November 11, 2003

N 385-N

**On approval of Regulation on “Presentation of Prospective development programs to the Central Bank of the Republic of Armenia by the banks operating in the Republic of Armenia”, “Form of Prospective Development programs of banks operating in the Republic of Armenia”**

Having regard to the Article 42.1 of the Law of the Republic of Armenia on Banks and Banking, and being guided by the Article 20 of the Law of the Republic of Armenia on The Central Bank of the Republic of Armenia, the Board of the Central Bank of the Republic of Armenia decides:

1. To approve;

1.1. Regulation on “Presentation of Prospective development programs to the Central Bank of the Republic of Armenia by the banks operating in the Republic of Armenia” in accordance with Appendix 1 hereto (attached).

1.2. “Form of Prospective Development programs of banks operating in the Republic of Armenia” in accordance with the Appendix 2 hereto (attached).

2. To repeal the Central Bank Board Resolution N316-N (October 11, 2002) on approval of Regulation on “Presentation of Prospective development programs to the Central Bank of the Republic of Armenia by the banks operating in the Republic of Armenia”, “Form of Prospective Development programs of banks operating in the Republic of Armenia”.

3. This Resolution enters into force on the 10<sup>th</sup> day following its publication.

**Chairman of the Central Bank  
of the Republic of Armenia**

**T. Sargsyan**

November 17, 2003

Yerevan

## **REGULATION**

### **ON “PRESENTATION OF PROSPECTIVE DEVELOPMENT PROGRAMS TO THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA BY THE BANKS OPERATING IN THE REPUBLIC OF ARMENIA”**

1. This Regulation defines the procedure and frequency of presentation of prospective development programs (hereinafter The program) to the Central Bank of the Republic of Armenia by banks operating in the Republic of Armenia.
2. The program is a complex document the purposes and problems of which are;
  - a) to serve as a summary document for interested persons (participants, managers of banks and other interested persons) by which the nature of banking and specifications in the market of banking service may be evaluated.
  - b) To assist managers of banks to explain, clarify and to examine the probable perspectives of banking development and to serve for managers of banks as a base by which the results and productiveness of factual banking may be assessed,
  - c) To assist the bank to discursively execute preliminary mentioned purposes and problems during three planned years.
3. The following principles are laid in the base of The program;
  - a) Realism (existence of sufficient grounds for executing proposed purposes and problems),
  - b) Evaluativeness (Opportunity to evaluate the results of performance),
  - c) Compliancy (Existence of reasonable consequential connection between separate chapters of the program and the parts of chapters and of general logical duration of the program),
  - d) Concreteness (the virtual presentation of the heading, the absence of additional information out of the heading, virtual viewing of the problems).

Other principles that do not contradict the mentioned principles may also be laid in the base of the program.

4. Banks present their programs for following three years to the Central bank of the Republic of Armenia every calendar year by 15<sup>th</sup> of February of.

- 4.1. Factual and forecasted items of financial statements included in the program are presented in accordance with the statements presented to the Central Bank of The republic of Armenia pursuant to the

Regulation 3 on “Banks reports, the submission and publication” approved by the Central Bank of the Republic of Armenia Board Resolution 26 February, 2008 N 50-N.

(4.1. amended according to the CBA Board resolution No. 367-N on 20.12.2011)

5. The program is adopted by the Board of the bank. The tables and graphics attached to the program are composed on the base of program forecasts of indexes in semi-annual and annual basis. All the forecasting indexes , except for macro economical indexes, shall be justified by concrete calculations and shall reflect the policy fixed in the program.
6. The program and the data provided by the program are presented to the Central bank of the Republic of Armenia both by documents (paper-form) and in electronic sticks. The tables are completed pursuant to the forms approved by the Central Bank of the Republic of Armenia.
7. The presented program includes at least the form data of Prospective development program of banks operating in the Republic of Armenia stated by the 2nd Appendix. The program may contain additional data other than the form data of the program prescribed in Appendix 2. In case the program presented by bank considerably exceed the volume mentioned in the program form prescribed by Appendix 2, the additional data shall play a reasonable and important role in the program.
8. The program may be used by the Central Bank of the Republic of Armenia for evaluation the strategic management level of a bank.
9. In case a banking strategy modification took place the bank shall present the reviewed program to the Central Bank of the Republic of Armenia, moreover banks may do modification in the tables attached to the program only till the last day of June. The modification after the mentioned day may be done only in case of significant temptations of macro economical environment (for example, in case of significant temptations of gross domestic product, prices, exchange rates, percentage rate) as well as by initiative of the Central Bank of the Republic of Armenia. The justification of strategy modification is mentioned in the reviewed program.

**(“9.” amended according to the CBA Board resolution No. 367-N on 20.12.2011)**

10. The reviewed version of the program is presented to the Central Bank of the Republic of Armenia within ten days from approving by the authority body of a bank.

**(“10.” amended according to the CBA Board resolution No. 367-N on 20.12.2011).**

**(The Appendix amended according to the CBA Board resolution No. 367-N on 20.12.2011).**

**“Form of Prospective Development programs of banks operating in the Republic of Armenia”**

**SECTION 1.**

**INTRODUCTION**

(Total 3 to 5 pages)

**CHAPTER 1.**

**INTRODUCTORY REMARKS**

Here shall be presented the general position of the board of banks operating in the Republic of Armenia on factual developments of bank in previous one year and possible developments of a bank in planned time period and on general strategy of a bank. (1 to 2 pages).

**CHAPTER 2.**

**THE DESCRIPTION OF BANK**

Here shall be presented general information about the bank, including, the foundation date of the bank, its organizational- legal form, the amount of branches and geographical replacements, other information by the bank’s discretion (1 to 2 pages). The structure of a bank is presented schematically (1 page).

**CHAPTER 3.**

**ADOPTED POSTULATES OF PROSPECTIVE DEVELOPMENT BANK PROGRAM**

Here shall be presented the main presumptions laid the basis of prospective development bank program adoption, data on the adopting person or a person coordinating the process of adoption (the occupied position and telephone number) (1 page).

**SECTION 2**  
**THE DESCRIPTION OF A BANK**

**CHAPTER 4**  
**THE MISSION OF BANK**

Here shall be presented the mission of bank – its perspective purpose, for which the bank exists.

The mission shall reflect the bank's role in a long term future period, its place and specifications in banking service market.

**CHAPTER 5**  
**PURPOSES OF THE BANK**

1. Here shall be mentioned the mid time period purposes adopted by the bank by their priority. The purposes may be both qualifying, and quantifying and general, but realistic and from the perspective of their performance results evaluating (measuring). The purposes shall reflect the role and place of the bank for the mid time period, as well as its specification in the banking service market.
2. Here shall be presented the justification of selection of purposes mentioned in the 5<sup>th</sup> rule. In case the purposes mentioned in the 1<sup>st</sup> point are reviewed the reasons and justification of their review shall be presented, in case they are not reviewed – the justification that they remained the same.

**CHAPTER 6**  
**THE PRINCIPLES OF BANKING OPERATION**

Here shall be presented the principles that are followed by the bank when executing its policy, including the policy in the following fields;

1. In the field of relations between consumers and partners,
2. In the relation between managers of bank and the workers (for example, it maybe describe which working culture the bank anticipated to introduce in the bank),

3. On bank's discretion other fields.

## **CHAPTER 7**

### **THE MAIN DIRECTION OF BANKING**

Here shall be described the field of banking functions and services for the planned period. Particularly;

1. Contracts and service types and/or semitypes that consist the significant volume in the operation of the bank (for example, within term deposits – family, personal deposits subtypes, consumer loans or financial leasing subtypes and other),
2. Purposive parts of financial services market – by economy fields, territories,
3. The main groups of consumers by territories, residency, legal occupation and/or other requisites.

## **CHAPTER 3**

### **CASE STUDY ANALYSIS**

(Total 6 to 13 pages)

## **CHAPTER 8**

### **THE PURPOSES AND PROBLEMS OF THE PREVIOUS PLANING TIME PERIOD**

Presented (1 to 2 pages);

1. The purposes of the previous planning time period by their priority,
2. The problems of the previous planning time period by their priority.

## **CHAPTER 9**

### **PERFORMANCE ANALYSIS OF THE PREVIOUS PLANNING TIME PERIOD**

1. Here shall be presented (1 to 3 pages) problem solving duration of the previous planning time period (previous one year), described the main reasons of not performing or not well performing the problems.
2. Here shall be analyzed (2 to 5 pages) the operation of the bank and affection of appearances that took place in the bank's internal environment within the previous one year, deviation ( in case the deviation data forms the forecasted 10% or more) reasons of forecasts and factual data (by the 1<sup>st</sup> January of the current year) of

the previous one year, the reasons of forecasted but in fact not performed measures by the following form

- a) Capitalization of a bank,
  - b) Involvement of means,
  - c) The distribution of means and the investment operation of bank,
  - d) The profitability of the bank, its benefits and costs.
  - e) The amount of customers, the dynamic of change of the latter.
  - f) Management system of a bank, including;
    - fa) internal rules of procedure on corporate governance of bank.
    - fb) internal supervision system.
    - fc) the presentation of more substantial risks for a bank in the previous time period, the assessment of those risks and the measures directed to deter those.
  - g) the allocation of territorial substances.
  - h) Human resource management: the number and qualification of employees, the qualification requirements for employees, their replacement, job promotion mechanisms.
  - i) Innovations (in the list of service provision and in their provision mechanisms, in banking technologies, research performance, application of clearing instruments), technical equipment.
  - j) Marketing policy.
3. Here shall be researched (1 to 2pages) by following fields, the affect of appearances, that took place in the outside environment during the previous one year, on the policy of bank and the results of the operation of a bank;
- a) In the international markets,
  - b) In the economy of the Republic of Armenia,
  - c) In the financial banking sphere of the Republic of Armenia by specifying the affect of the competing participants behavior.
  - d) Legislative (Republic of Armenia Laws, legal act adopted by other state bodies and legal acts adopted by the Central Bank of the Republic of Armenia) field.

## **CHAPTER 10**

### **THE STRONG AND WEAK SIDES OF BANKS**

Here shall be taken from the done research of Rule 9 and presented in a summary the weak and strong sides of banks that had a negative or positive effect on the duration of performing the tasks of the previous time period.

## **SECTION 4**

### **THE FORECAST OF EXTERNAL ENVIRONMENT**

(total 3 to 4 pages)

## **CHAPTER 11**

### **THE FORECAST OF POSSIBLE APPEARANCES IN THE EXTERNAL ENVIRONMENT OF BANK**

1. Here shall be described those main appearances that are forecasted by the bank in the external environment, the changes, and the risks related to those, with which the bank may interfere in the planned time period. Particularly;
  - a) In the international markets. Here shall be described the political and economical events that took place in the international markets, that may affect on the operation of the bank. When describing may be used the indicators and indexes forecasting financial markets in the main partner countries, those are; economical growth, inflation (index of consumer prices, deflator of gross domestic product, index of salary), exchange rate, average rate of investment means and allocation, import and export, the change dynamic of direct and portfolio investments volume, index of securities prices, international banking debt, international banking deposits, level of foreign exchange reserves and etc.).
  - b) In the internal economy. Here shall be described the political and economical events that took place in the Republic of Armenia, that may affect on the operation of the bank. When describing may be used the macro economical indexes of the Republic of Armenia – economical growth, exchange rate, inflation, the assessment of efficiency and increase of various economical spheres crediting by the bank.
  - c) In the financial markets. Here shall be described the expectations of the appearances that took place in the financial banking sphere of the Republic of Armenia and their possible affects on the bank operation, including;
    - ca) the forecasted tendency affect of price indexes (rates, exchange rate, percentage margin, securities



benefit and etc.) of financial market target parts.

cb) the affect on bank's competing position in the targeted parts ( main competitors, their description and evaluation, shares, strong and weak sides), possible behaviors and etc.

cc) the effect of new institutes that are invested or are being invested in the banking system (credit register, deposit guarantee fund, etc.).

cd) in the legislative (Laws of the Republic of Armenia, legal acts adopted by other state bodies and legal acts adopted by the Central Bank of the Republic of Armenia) field.

2. The research shall be done from the perspective of the changes, appearances forecasted by the bank in the above mentioned fields only how they affect on the operation of the bank viewing those as possibilities, obstacles, risks, threats of banking operation development. Avoid describing very abstract intentions and affects (for example to avoid such expressions as “ The international markets are growing too fast, and the bank shall introduce new technologies” instead admit the following option: “Insertion of electronic banking services in the international practice will affect on bank's security and on the protection of customers interests, thus, the bank is anticipates to insert.....”. Avoid describing appearances without presenting the possible affect of bank operation. In case the development totally with bank evaluations will not affect on the ban operation in any one field of the mentioned ones (for example, the appearances that take place in the international markets), then, the reasons shall be mentioned in short.

## **CHAPTER 12**

### **POSSIBILITIES AND THREATS OF THE BAN IN THE EXTERNAL ENVIRONMENT**

Here the forecasted appearances in the external environment shall be taken from the made research in the 11<sup>th</sup> summary and presented in a summary as further development possibilities for banks and threats, dangers, risks preventing the development.

## **CHAPTER 5**

### **PROSPECTIVE DEVELOPMENT**

(total 4 to 7 pages)

## **CHAPTER 13**

### **MAIN PROBLEMS OF THE BANK**

Here shall be presented executing tasks for the planned time period. The tasks shall be very concrete and from

the perspective of their performance results- assessable (measurable). All the tasks shall be directed to the purposes, arisen from the performance of the previous time period tasks, from weak and strong sides of the bank, external opportunities and dangers (1 to 2 pages).

## **CHAPTER 14**

### **WAYS OF SOLVING BANK PROBLEMS**

1. Here shall be presented forecasted ways of solving carried out tasks in the planned time period (substantive carried out appearances, carrying out ways), forecasting results of banking operation. Selected ways shall be consistent with internal strong and weak sides already analyzed and presented by the bank, external opportunities and threats by presenting to avoid weak sides and possibilities of using strong sides in solving tasks.
2. The ways of solving tasks in the planned time period are presented by the bank with the following sides of the operation by giving the justification of their selection;
  - a) The ways of bank capitalization (the description of executing measures for securing necessary and sufficient level of the capitalization and the justification of their reality, external sources, internal sources).
  - b) The policy of resource mobilization. The forecasted volume of duties and structure (main parts of resource mobilization market, mobilization terms (Terms, rates and etc.), groups of customers) and measures directed to attract those parts of the market and customer groups.
  - c) The policy of resource allocation: For allocation of resources the structure and term of allocating means of the selecting parts of financial market (terms, rates and etc.) customer groups) and measures directed to attraction of those parts and customer groups.
    - ca) forecasted volume and structure justification of assets
    - cb) the description of credit portfolio by credit types and economic branches, securing mechanisms of credit procedure reliability,
    - cc) forecasted schemes of means allocation in the international lending markets,
    - cd) means allocation in the non traditional banking operations (financial leasing, factoring, trust manager and etc.),
    - ce) mean allocation in the Central bank of the Republic of Armenia and other banks.
    - cf) investment operation.
  - d) Forecasted financial results of banking operation: the forecasted structure of cost and benefits, profit, the

forecasted level of profitability indexes and their justification: the policy of dividends payment.

- e) Improving ways of bank management system.
  - Ea) Structure, systems, mechanisms, dividing functions, the development prospects of corporate culture.
  - eb) improvement perspectives of internal security system,
  - ec) risk management policy. The presentation of more substantial risks for the bank in the planned time period, the assessment of those risks and measures directed to those deterrence.
- f) territorial policy, allocation of territorial departments and restructuring.
- g) Measures directed to improve human resource management policy.
  - ga) Education and training of employees (indicate those specializations for which the demand of qualified employees will grow next year),
  - gb) measures directed to grow the job productivity and improvement of salary paying system.
- h) Functions and services of the bank: forecasted new services, tools, technologies (by customers, territory, market parts, spheres) and measures directed to secure those (the justification of their investment),
- i) Marketing policy: which marketing technologies will use or emphasize the bank to secure banks planned operation (to enlarge the service volume, new instruments, to introduce services, to improve the quality of services), to examine the demand direction.

## **SECTION 6**

### **TASK PERFORMANCE ASSESMENT AND SUPERVISION**

#### **CHAPTER 15**

##### **INTERNAL REGULATION OF STRATEGY PLANNING PROCEDURE**

Here shall be presented strategy planning procedure and the internal document list (Regulations, procedures), directions and etc.), by which regulated the drafting, executing and performing supervision of prospective development program and in this working plans, cost estimates.

#### **CHAPTER 16**

##### **THE SUPERVISION OF PROGRAM PERFORMANCE**

Here shall be described who performs the evaluation of prospective development program, performance

supervision, and by which procedure it is performed.

## CHAPTER 17

### ***THE TABLES ATTACHED TO THE PROGRAM***

1. Present the following tables attached to the program:
  - a) Expectations of macro economical indexes if the Republic of Armenia (Appendix 1).
  - b) the forecasted balance of a bank (Appendix 2).
  - c) The forecasts of banks costs and benefits (Appendix 3).
  - d) the forecasted term scheme of bank credit investments, loans, debts, the off-balanced items and reserves extent calculated for investments in the investment securities, (Appendix 4).
  - e) productivity indexes of bank management (Appendix 5).
  - f) forecasted indexes of banking service customers, new technology introduction Appendix 6:  
***(“1” amended according to the CBA Board Resolution 20.12.11 N 367-N)***
2. The tables attached to the program should be completed by the following way and date (for example assume the program should be presented to the Central Bank of the Republic of Armenia on 15<sup>th</sup> February, 20XX).
  - a) The actual value as of last year, December 31<sup>st</sup> (in our example 31<sup>st</sup> of December, 20XX-1),
  - b) June 30 of the first planned year (in our example – June 30, 20XX),
  - c) December 31<sup>st</sup> of the first planned year (in our example – 31<sup>st</sup> of December, 20XX),
  - d) June 30<sup>th</sup> of the second planned year (in our example – June 30, 20XX+1),
  - e) December 31<sup>st</sup> of the second planned year (in our example – 31<sup>st</sup> of December, 20XX+1),
  - f) June 30<sup>th</sup> of the third planned year (in our example – June 30, 20XX+2),
  - g) 3 December 31<sup>st</sup> of the third planned year (in our example – 31<sup>st</sup> of December, 20XX+1).  
***(“2” amende according to the CBA Boar Resolution 20.12.11 N 367-N)***
3. The tables attached to the program should be presented to the Central bank of the Republic of Armenia secured with EXCEL format (the information delivered in other format is considered as not delivered).  
***(“3” amended according to the CBA Board Resolution. 20.12.11 N 367-N)***

**Appendix 1**  
**Form of Prospective Development programs of**  
**banks operating in the Republic of Armenia**  
**by Appendix 2**

### **THE EXPECTATIONS OF MACRO ECONOMIC INDICATORS OF THE REPUBLIC OF ARMENIA**

<i>Indicators</i>	Measurement unit	1 <sup>st</sup> unit	2 <sup>nd</sup> unit	3 <sup>rd</sup> unit
1. Growth in real Gross Domestic Product (%)	(%)			
2. Inflation (December to December of previous year)	(%)			
3. Money supply growth (% ,December to December of previous year)	(%)			
4. Import (million US dollar)	Million US dollar			
5. Export (million US dollar)	Million US dollar			
6. the budget deficit (% from the gross domestic product)	(%)			
7. Currency (Armenian dram/US dollar), the end of the	Armenian dram/US			

timeperiod	dollar			
8. the profitability of state bonds	(%)			
9. the primary allocation volumes of state bonds	Billion Armenian dram			
10. Ժամկետային սպանդների միջին տոկոսադրույք	(%)			
In AMD	(%)			
Foreign currency	(%)			
11. Average percentage of loans	(%)			
In AMD	(%)			
Foreign currency	(%)			

*(the Appendix amended by the Central Bank of Armenia Board Resolution 20.12.11 N 367-N)*

**Appendix 2**  
**Form of Prospective Development programs of**  
**banks operating in the Republic of Armenia**  
**by Appendix 2**

**THE FORECASTING BALANCE**

	Actual dimension as of the 31 <sup>st</sup> of December of the previous year	As of June 30 of the first planning year	As of December 31 <sup>st</sup> of the first planning year	As of June 30 <sup>th</sup> of the second planning year	As of December 31 <sup>st</sup> of the second planning year	As of June 30 <sup>th</sup> of the third planning year	As of December 31 <sup>st</sup> of the third planning year
<b>ASSET</b>							
1. Cash flows							
-including foreign currency							
Correspondent accounts in the Central Bank of the Republic of Armenia							
Correspondent accounts in banks							
- including non resident							
-including foreign currency							
Deposits and loans allocated in the banks, in the Central Bank of the Republic of Armenia and in other							

financial credit organizations							
- including in non resident banks and other non resident financial credit organizations							
- including other resident financial credit organizations							
- including in the Central Bank of the Republic of Armenia							
-including foreign currency							
Natural persons loans							
- including non residents							
-including foreign currency							
Legal persons loans							
- including non residents							
-including foreign currency							
Loans given to banks related persons and employees							
- including non residents							
-including foreign currency							
State bonds							
- including non residents							
Securities sold with repo agreements							
Repo agreements							
Other securities							
- including non residents							
Financial leasing							
- including non residents							
Factoring							
- including non residents							
Calculated receivable percents							
Fixed assets							
Contingency fund							
Other assets							
- including non residents							
-including foreign currency							
<b>Total assets</b>							
<b>Passives</b>							
Correspondent accounts							
- including non residents							
-including foreign currency							
Deposits and loans attracted from the							

Central Bank of the Republic of Armenia and banks							
- including non residents							
- including funds attracted from the international programs through the Central bank of the Republic of Armenia							
-including foreign currency							
Deposits and loans attracted from other financial credit organizations							
- including non residents							
-including funds involved from international financial credit organizations							
-including foreign currency							
Natural persons on demand means and accounts							
- including non residents							
-including foreign currency							
On demand funds and accounts of legal persons and entities							
- including non residents							
-including foreign currency							
Term deposits of natural persons							
- including non residents							
-including foreign currency							
Term deposits of legal persons and entities							
- including non residents							
-including foreign currency							
Liabilities to treasury							
- including accounts of program implementation office							
-including loans from treasury							
Liabilities towards the securities purchased with repo agreements							
Means attracted with repo agreements							
Calculated receivable percents							
Other liabilities							
- including non residents							
-including foreign currency							
<b>Total liabilities</b>							
Actual completed statutory capital							

- including non residents							
The general reserve							
Own shares bought back by the bank							
Retained profit (loss) of the ongoing period							
Retained profit (loss) of the previous period							
Reassessment reserves							
<b>Total capital</b>							
<b>Total passives</b>							
Notification							
Received pledge							
Received guarantee							
Provided guarantee							
Total of provided guarantee							
Derivative instruments							
-including futures, forwards							
-option							
Asset management (trust)							

1. "Including foreign currency" lines relate to the main articles.

2. "other assets" line includes also calculated receivable/payable percents, the non securitized share in others statutory capital.

3. "Liabilities towards the treasury" line shall not include tax liabilities and liabilities towards social security state organization of the Republic of Armenia. This account includes "Project Implementation Offices Accounts", "Treasury Loans", "Other liabilities to the government" accounts and accrued interest for them of "Liabilities to the Government of the Republic of Armenia" balance sheet, semicharter 34.

4. *(4<sup>th</sup> paragraph is repealed 20.12.11 N 367-n)*

5. Complete the information related to the sole entrepreneurs under natural persons.

*(The appendix was edited, changes 20.12.11 N 367-n)*

**Appendix 3**  
**Form of Prospective Development programs of**  
**banks operating in the Republic of Armenia**  
**by Appendix 2**

**COST AND BENEFIT FORECASTS OF A BANK**

The name	Actual dimension as of the 31st of December of the	Actual dimension as of 30 June of the planned	As of December 31st of the first planning year	As of June 30 of the second planning year	As of December 31st of thesecond planning year	As of June 30 of the second planning year	As of December 31st of the third planning year
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	previous year	year					
<b>1. percentage benefits</b>							
Correspondent accounts in banks and the Central Bank of the Republic of Armenia							
Percents obtained from the allocated means in the banks, the Central bank of the Republic of Armenia and other financial credit organizations							
Including from banks							
Including from other financial credit organizations							
Including means allocated from the Central Bank of the Republic of Armenia							
From loans given to the natural persons							
From loans given to the legal entities							
From loans givent to the persons related to the bank and the employees of the bank							
Percents received from credit cards							
Including from natural persons							
Percents received from state bonds							
Interests obtained from buyback agreements							
Interests obtained from other securities							
Interests obtained from financial leasings							
Interests obtained from acreditives							
Other interest benefits							
<b>Total interest benefits</b>							

<b>2.interest costs</b>							
Paid interests for correspondent accounts							
Banking accounts and on demand deposits of legal persons and entities							
Banking accounts and on demand deposits of natural persons							
Paid interests for means involved from banks and the Central bank of the Republic of Armenia							
Including means involved through the Central Bank of the Republic of Armenia from international programs							
Including interests paid on buy back agreements to the Central Bank of the Republic of Armenia							
Interests paid for involved means from financial credit organizations							
-including interests paid for means involved from international organizations							
Interests paid for on demand deposits of legal persons and entities							
Interests paid for on demand deposits of natural persons							
Interest expenses in respect of the obligations to the Treasury							
Including for accounts of program implementation offices							
Including for loans received from the treasury							
Interest costs for securities issued by a bank							
Interests paid on liabilities of buyback agreements							

Interests paid for financial leasing							
Interest costs for guaranteed funds							
Other interest costs							
<b>Total interest costs</b>							
<i>Net interest income</i>							
<b>3. non interest income</b>							
Received comissions							
Income received from guarantees, transactions with selfwritings, letters of credits, asset management							
Income received from treasury service and other provided services							
Net income from derivative hedging instruments							
Net income received from factoring							
Income received from investments in other organizations							
Including dividends from investments							
Including from investments net income/cost in associated organizations							
including net profit/loss from investments in the joint-controlled units							
including net profit/loss from investments in subsidiary banks							
including net profit/loss from investments in other subsidiary companies							
Net income received from securities sale							
including state securities							
Including non state securities							
Net incomes acquired by							

buy back agreements from repurchasing of securities							
Net incomes from state securities repurchasing							
Net incomes from non state securities repurchasing							
Net incomes from the sale of foreign currency							
Positive (negative) exchange difference received from reassessment of foreign currency							
Net income received from sale of fixed assets							
Net income received from reassessment of fixed assets							
Net income received from reassessment of financial assets that are held for trading purposes and are easy salable							
Including net income received from reassessment of state securities							
Including net incomes received from reassessment of non state securities							
Net income received from transactions with banking standardized bullions and commemorative coins of precious metals							
Other non interest income							
<b>Total non interest income</b>							
<b>4. non interest costs</b>							
Calculated salary and other fees equaled to that (given other comoensations and financing of social demands)							
Including administrative employees							
Maintenance expenses							
Allocations to the social security state fund of the							

Republic of Armenia							
Taxes fines and other mandatory fees							
Amortization deductions							
Bank building rental fee and other fixed assets							
maintenance costs of buildings							
Expenses of giving and returning loans							
A/dvertising costs							
Office and publication expenses							
Auditorial and advisory service expenses							
Costs of banks equipment services and its maintenance							
Transportation costs							
Costs of connection and communication							
Paid fines, penalties							
Education costs							
Including in the abroad							
Paid commission fees							
Insurance costs							
guarantees, notes acceptance, Letters of Credit and fiduciary transactions costs							
Other non interestable costs							
<b>Other non interestable costs</b>							
<b><i>Total non interestable income</i></b>							
<b>5. allocations of assets possible loss reserves</b>							
To the general reserve of possible losses of loans and receivables							
To the special reserve of possible losses of loans and receivables							
To the possible loss reserve							

of securities							
To the reserves of banking guarantees and other conditional liabilities							
<b>Total allocations</b>							
<b>6. The return of deductions done to the reserves of possible losses</b>							
From general reserve of possible loss of loans and debitorial debts							
From special reserve of possible losses of loans and debitorial debts							
From securities possible loss reserve							
From reserves of banking guarantees and other conditional liabilities							
<b>Total return</b>							
<i>Total leftover</i>							
<b>Income before taxation</b>							
<b>Income tax</b>							
<b>Net profit</b>							
<b>Calculated dividends</b>							
<b>Including; by privileged shares</b>							
<b>For ordinary shares</b>							
<b>Not allocated income</b>							
<b>Number of employees</b>							
<b>Including administrative employees</b>							
<b>Number of bank branches</b>							

1. The funds of the Central bank of the Republic of Armenia located in the line "Interests received from funds allocated In Banks, in the Central Bank of the Republic of Armenia and other financial institutions" includes interests received from buyback agreements, deposits and other allocated funds.

2. *(2<sup>nd</sup> part repealed 20.12.11 number 367-N)*

3. The line "Including; administrative employees" includes those bank employees who directly involved in the performance of the operations determined in the Articles 34 and 35 of the Law of the Republic of Armenia on Banks and Banking. The number of service employees is equal to the general number of employees minus the

number of administrative employees.

4. The line “Other non interest income” includes also received fines, penalties, unusual income.

*(The appendix amended 20.12.11 number 367-N)*

**Appendix 4**  
**Form of Prospective Development programs of**  
**banks operating in the Republic of Armenia**  
**by Appendix 2**

**PREDICTING TERM OUTLINE OF CREDIT INVESTMENTS OF A BANK**

1. In this table the actual dimension is calculated as of December 31 <sup>st</sup> of the previous year				(thousand AMD)
	terms			Total
	Up to 1 year	From 1 to 5 years	5 and more years	
1. total loans, deposits, factoring, leasing, repo agreements (2+3)				
2. loans, deposits, factoring, leasing, repo agreements given to the non residents				
3. loans, deposits, factoring, leasing, repo agreements by branches given to residents, including				
<b>3.1. Agriculture, forestry and fishing</b>				
<b>3.2. Mining industry and exploitation of open minings</b>				
<b>3.3. Manufacturing</b>				
<b>3.4. Provision of electricity, gas, steam and good quality air</b>				
<b>3.5. Water supply, sewerage, wastemanagement and recycling</b>				
<b>3.6. Construction</b>				
<b>3.7. Trading</b>				
<b>3.8. Transportation and storage</b>				
<b>3.9. Residence and food service activities</b>				
<b>3.10. Information and communication</b>				
<b>3.11. financial and insurance operation</b>				
Banks				
Credit organizations				
Insurance companies				
Investment companies				

Other financial organizations				
<b>3.12. Transactions related to the real estate</b>				
<b>3.13. Professional, scientific and technical activity</b>				
<b>3.14. Education</b>				
<b>3.15. Health</b>				
<b>3.16. Culture, entertainment, leisure</b>				
<b>3.17. Other branches of economy</b>				
<b>3.18. mortgage loans, including</b>				
Mortgage loans on purchasing a real estate				
Mortgage loans for a real estate renovation				
<b>3.19. Consumer loans, including</b>				
Credit cards				
Car loans				
Loans on purchasing household and computer equipments				
Credit with gold pledge				
Other consumer loans				
<b>2. This table completed for December 31<sup>st</sup> of the 1<sup>st</sup> planning year</b>				(thousand AMD)
	Terms			Total
	Up to 1 year	From 1 to 5 years	5 and more years	
1. total loans, deposits, factoring, leasing, repo agreements				
(2+3)				
2. loans, deposits, factoring, leasing, repo agreements given to non residents				
3. loans, deposits, factoring, leasing, repo agreements by branches given to residents, including				
<b>3.1. Agriculture, forestry and fishing</b>				
<b>3.2. Mining industry and exploitation of open minings</b>				
<b>3.3. Manufacturing</b>				
<b>3.4. Provision of electricity, gas, steam and good quality air</b>				
<b>3.5. Water supply, sewerage, wastemanagement and recycling</b>				
<b>3.6. Construction</b>				
<b>3.7. Trading</b>				
<b>3.8. Transportation and storage</b>				



<b>3.9. Residence and food service activities</b>				
<b>3.10. Information and communication</b>				
<b>3.11. Insurance and financial operation</b>				
Banks				
Credit organizations				
Insurance companies				
Investment companies				
Other financial organizations				
<b>3.12. Transactions related to the real estate</b>				
<b>3.13. Profesional, scientific and technical activity</b>				
<b>3.14. Education</b>				
<b>3.15. Health</b>				
<b>3.16. Culture, entertainment, leisure</b>				
<b>3.17. Other branches of economy</b>				
<b>3.18. Mortgage loans, including</b>				
Mortgage loans on purchasing a real estate				
Mortgage loans for a real estate renovation				
<b>3.19. Consumer loans, including</b>				
Card loans				
Car loans				
Loans on purchasing household and computer equipments				
Credit with gold pledge				
Other consumer loans				
<b>3. this table is complete for December 31<sup>st</sup> of the second planning year</b>				(thousand AMD)
	Terms			Total
	Up to 1 year	From 1 to 5 years	5 and more years	
1.total loans, deposits, factoring, leasing, repo agreements (2+3)				
2. loans, deposits, factoring, leasing, repo agreements given to non residents				
3. loans, deposits, factoring, leasing, repo agreements by branches given to residents, including				
<b>3.1. Agriculture, forestry and fishing</b>				
<b>3.2.Mining industry and exploitation of open minings</b>				
<b>3.3. Manufacturing</b>				

<b>3.4. Provision of electricity, gas, steam and good quality air</b>				
<b>3.5. Water supply, sewerage, waste management and recycling</b>				
<b>3.6. Construction</b>				
<b>3.7. Trade</b>				
<b>3.8. Transportation and storage</b>				
<b>3.9. Residence and food service activities</b>				
<b>3.10. information and communication</b>				
<b>3.11. insurance and financial operations</b>				
Trade banks				
Credit organizations				
Insurance companies				
Investment companies				
Other financial organizations				
<b>3.12. Transactions related to the real estate</b>				
<b>3.13. Professional, scientific and technical activity</b>				
<b>3.14. Education</b>				
<b>3.15. Health</b>				
<b>3.16. Culture, entertainment, leisure</b>				
<b>3.17. other branches of economy</b>				
<b>3.18. Mortgage loans, including;</b>				
Mortgage loans for purchasing a real estate				
Mortgage loans for a real estate renovation				
<b>3.19. Consumer loans, including</b>				
Card loans				
Car credits				
Loans on purchasing household and computer equipments				
Credits with gold pledge				
Other consumer loans				
<b>4. This table is completed for the 31<sup>st</sup> December of the planned year</b>				(thousand drams)
	Terms			Total
	Up to 1 year	1 to 5 years	5 or more years	
1. Total loans, deposits, factoring, leasing, repo agreements (2+3)				
2. Loans, deposits, factoring, leasing, repo agreements given to non residents				
3. Loans, deposits, factoring, leasing, repo agreements given to residents, by branches by branches,				









3. Average risky										
4. High risky										
5. Uncertain										
Termless										
Total										

*(The appendix ammend. 23.01.07 number 14-N, am. 20.12.11 number 367-N)*

**Appendix 5**  
**Form of Prospective Development programs of**  
**banks operating in the Republic of Armenia**  
**by Appendix 2**

**INDEXES OF BANK MANAGEMENT PRODUCTIVITY**

The index	The method of calculation	Actual dimension as of December 31st of the previous year	July 1st of the first planned year	January 1st of the second planned year	July 1st of the second planned year	January 1st of the third planned year	July 1st of the third planned year	January 1st of the fourth planned year
1 Economical productivity of bank management	Net profit/զուրկ շահույթ/gross expenses (interest and non interest)							
2 Profitability by assets	Net profit/gross expenses							
3 Profitability by capital	net profit/general capital							
4 The efficiency of the staff structure	Number of workers / number of service employees							
5	Net profit/ number of employees							
5.1	Productivity of management Gross assets / number of employees							
5.2	Gross assets / number of branches							

6	Training of the stuff	training expenses / number of employees							
7	Salary of the stuff	Salary of administrative employees and other fees/number of administrative employees							
7.1		Calculated salaries and other equaled wages /assets							
	Wages of the stuff	Salaries of administrative employees an other equaled fees /number of administrative employees							
8	Sales promotion	Advertisement expenses/general expenses							
9	other expenses on bank's discretion								

*(The appendix amend., am. 20.12.11 number 367-N)*

**Appendix 6**  
**Form of Prospective Development programs of**  
**banks operating in the Republic of Armenia**  
**by Appendix 2**

**FORECASTED INDEXES CONNECTED TO CUSTOMER USING BANKING SERVICES, USAGE OF  
NEW PAYMENT TECHNOLOGIES**

	Actual index as	December 31 <sup>st</sup>	December 31 <sup>st</sup>	December 31 <sup>st</sup>
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	of December 31 <sup>st</sup> of the previous year	of the first planned year	of the second planning year	of the third planning year
<b>Headquarter of the bank /number of branches</b>				
<i>- including; in provinces of the Republic of Armenia (except for Yerevan)</i>				
<b>Number of customers, -including;</b>				
Legal persons				
Natural persons				
<b>Number of customers, including credit accounts - including</b>				
Accounts of legal persons				
Accounts of natural persons				
<b>provided/number of current cards - including</b>				
Calculating (debit) cards				
Credit cards				
Prepaid card				
<b>Number of customers using cards, -including</b>				
Legal persons				
Natural persons				
<b>Means of card service (are excluded pluralistically included)</b>				
Placed POS terminals				
<i>- including POS-terminals in the provinces of the Republic of Armenia (except for Yerevan)</i>				
Placed AGMs				
<i>- including AGM in the provinces of the Republic of Armenia (except for Yerevan)</i>				
<b>The amount of operations by the cardholders of the bank in the Republic of Armenia and abroad (million AMD drams), - including</b>				
Withdrawal of cash				

- including withdrawal of cash abroad				
Non cash transactions by terminals				
- including non cash transactions abroad				
Non cash transactions in the virtual environment				
Cash entry (cach-in)				
- including, cash entry abroad				
<b>Number of customers using bank-customer and other similar systems - including;</b>				
Legal person				
Natural person				
<b>The volume of transactions initiated with bank-customer and other systems initiated by customers (million AMD)</b>				
- including; the command was initiated abroad				
<b>International transfers of natural persons (million AMD), - including</b>				
To the Republic of Armenia				
To the abroad				
<b>International transfers of non bank legal persons (million AMD), - including</b>				
To the Republic of Armenia				
To the abroad				

*(Appendix was edited 20.12.11 number 367-N)*

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