



AUDIT SERVICE

Auditing and Consulting Company

License № 006 of the Auditing Committee of Republic of Armenia

Executive Director

Mr. E. Galstyan

“ANIV” UCO LLC

35 Nalbandyan Street, ap. 6,

Yerevan, Armenia

Yerevan

06 February 2012

Subject: *Audit of 2011 Annual Financial Statements of “ANIV” Universal Credit Organization LLC.*

Dear Mr. Galstyan

According to our audit we are presenting to Your attention Auditor's Report and Management Letter in Armenian and English languages.

Sincerely Director of

“Audit Service” LLC


Gor Davtyan



Introduction

The audit of 2011 annual Financial Statements of "ANIV" Universal Credit Organization LLC has been carried out in accordance with the International Standards of Audit taking into account relevant local statutory audit and accounting requirements.

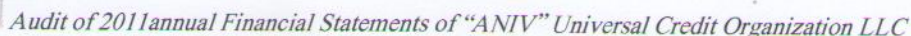
The present document is formed from the following sections:

1. Auditor's Report
2. Management Letter
3. Annex: Company's annual Financial Statements.



Audit of 2011 annual Financial Statements of "ANIV" Universal Credit Organization LLC

Auditor's Report



To the Partners of “ANIV” UCO LLC

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 Company as of December 31, 2012, and of its financial performance and its cash flows for the year then ended and are prepared in accordance with the International Standards of Financial Reports.

06 February 2012

Director of "Audit Service" LLC

Gor Davtyan

Licensed Auditor

Auditor

Gayane Tovmasyan

Auditor

Arshavir Zurabyan





Audit of 2011 annual Financial Statements of "ANIV" Universal Credit Organization LLC

Annex

Company's annual Financial Statements

Statement on Financial Result

December 31, 2011

"ANIV" UCO LLC

35 Nalbandyan street, ap. 6, Yerevan, Armenia

(Thousand AMD)

	Article	Note	Reporting Period	Previous Period
1	Assets			
1,1	Cash and bank accounts	13	6 378	2 371
1,2	Held for trading financial investments	14		
1,3	Funds located on the banks	15	84 150	20 786
1,4	Auctions in money-market	16		
1,5	Loans and other borrowings provided to customers	17	534 034	564 342
1,6	For-sale investments	18		
1,7	Receivable amounts on other transactions	19		
1,8	Receivable amounts on leasing	20		
1,9	To-maturity investments	21		
1,1	Investments in other statutory capital			
1,11	Capital investment in bank's fixed assets and intangible assets			
1,12	Fixed assets and intangible assets	22	4 814	6 242
1,13	Deferred tax assets			
1,14	Receivable interests	23	3 204	3 214
1,15	Other Assets	24	3 892	2 245
	Total Assets		636 472	599 200
2	Liabilities			
2,1	Loans and borrowings received from the banks	25		
2,2	Other Borrowings received from money-market	26		
2,3	Borrowings involved from the clients	27	404 020	367 940
2,4	Liabilities in respect of the RA Government			
2,5	Payable amounts on leasing			
2,6	Securities issued by credit organization	28		
2,7	Reserves			
2,8	Payable amounts	29		
2,9	Deferred tax liabilities			
2,1	Payable interests		4 036	3 901
2,11	Other Liabilities	30	2 459	6 771
	Total Liabilities		410 515	378 612
3	Capital			
3,1	Equity Capital	31	170 000	170 000
3,3	Reserves			
3.3.1	General reserve		3 290	2 290
3.3.2	Reassessment reserves	32		
3,4	Accumulated profit (loss)		52 667	48 298
	Total Capital		225 957	220 588
	Total liabilities and capital		636 472	599 200

Chairman of the Board of Credit Organization:

Executive director

Chief accountant

E. Galstyan

A. Manukyan



Statement on Comprehensive financial results

January 01, 2011-December 31, 2011

"ANIV" UCO LLC

35 Nalbandyan street, ap. 6, Yerevan, Armenia

(Thousand AMD)

Article	Beginning from the reporting period up to reporting date	Beginning the previous year until same period of the previous year
Interests and similar income	81 710	77380
Interests and similar expenses	15 757	14 170
Net Interests income	65 953	63 210
Incomes in the view of dividends		
Incomes in the view of commission and other payments	2 691	3655
Expenses in the view of commission and other payments		
net profit / loss from financial assets reporting in held for trade value by Profit / loss		
Net profit / loss from the investments envisaged for sell.		
net profit / (loss) from investments to-maturity		
net profit / (loss) received from foreign currency transactions	8 973	-13 443
Other operating income	3 260	812
Operating income	80 877	54 234
losses Incurred from loans and other borrowings	-32 203	-5 330
General administrative expenses	41 512	38 671
Other operating expenses	1 793	1 479
Profit before taxation	5 369	8 754
Expense (compensation) on Profit Tax		3 967
Profit after taxation	5 369	4 787
Basic Profit per share		
diluting Profit per share		

ANIV UCO LLC
Executive director

Chief accountant



E. Galstyan

A. Manukyan

Statement on Cash Flow (Direct Method)

January 01, 2011-December 31, 2011

"ANIV" UCO LLC

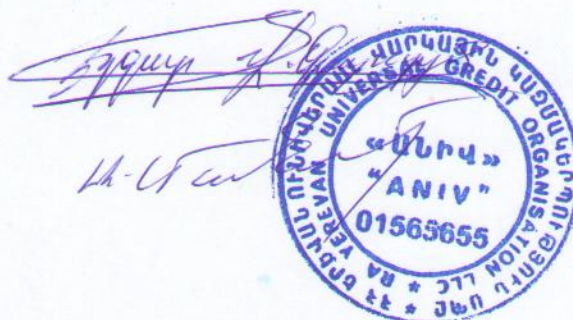
35 Nalbandyan street, ap. 6, Yerevan, Armenia

(Thousand AMD)

Article	Beginning from the current year up to reporting	Beginning from the Previous year up to reporting
1. Net Cash flows from the operational activities	-32 164	-96 148
<i>Net cash flows before changing of operating assets and liabilities</i>	38 000	35 695
Received interests	83 803	74 644
Paid interests	-15 550	-12 600
Recovery of losses	0	0
Received dividends	0	0
Received net commission amounts	3 025	4 386
Salaries and wages	-23 165	-21 455
Paid taxes	-10 113	-9 280
<i>Net cash flows from the changing of operating assets and liabilities</i>	-70 164	-131 843
Allocated funds decrease (increase)	-55 871	-119 379
Increase (decrease) of involved loans	0	0
Decrease (increase) of Securities held for trading and available for sale	0	0
Decrease (increase) of amounts receivable on the leasing	0	0
Net Cash flows from other operational activities	-14 293	-12 464
2. Net cash flows from investment activities	0	-4 889
Decrease (increase) of Securities held to maturity	0	0
Decrease (increase) of investments in other Charter Capital	0	0
Decrease (increase) of Capital investment in fixed assets and intangible assets	0	0
Purchase of Fixes and intangible assets	0	-4 889
Alienation of Fixes and intangible assets	0	0
<i>Net cash flows from other investing activities</i>	0	0
3. Net Cash Flows from Financial activities	36 080	85 540
Paid dividends	0	0
Increase (decrease) of loans received from the banks	0	0
Increase (decrease) of other received borrowings	36 080	85 540
Increase (decrease) of Securities issued by credit organizations	0	0
Shareholder contributions in Charter Foundation	0	0
Increase (decrease) of payable amounts on the leasing	0	0
Net Cash Flows from other Financial activities	0	0
The impact of exchange rate changes on cash and cash equivalents	131	-2 891
Net cash flow	4 047	-18 388
Cash and cash equivalents at beginning of period	2 395	20 783
Cash and cash equivalents at end of period	6 442	2 395

ANIV UCO LLC
Executive director

Chief accountant



E. Galstyan

A. Manukyan

Statement on the Changes of Equity Capital

December 31, 2011

"ANIV" UCO LLC

35 Nalbandyan street, ap. 6, Yerevan, Armenia

(Thousand AMD)

Elements of Equity Capital	Equity Capital			Emission income/loss	General reserve	Exchange rate differences from foreign transaction's re-counting	Available for sale financial assets' revaluation	Cash flows hedging	benefits from the revaluation of non-current assets	Retained profit / loss	Total	Minority share	total capital
	Equity Capital	Re-bought	Net amount										
Articles	1	2	3	4	5	6	7	8	9	10	11	12	13
Previous Reporting Period (Table 1)													
1. Balance at the beginning of the previous period as of 01 January 2010. (verified / unverified)	170 000	0	170 000	0	0	0	0	0	0	45 800	215 800	0	215 800
1.1 The general result of changes in accounting policy and correction of material errors	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Recalculated balance	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Changes in accounting policies, transactions on stocks (shares) with shareholders (owners), including *	0	0	0	0	0	0	0	0	0	0	0	0	0
3.1 Investments in the Equity Capital and other extension of Equity Capital	0		0	0	0	0	0	0	0	0	0	0	0
3.2 Reduction of share capital, that at the account of the purchased and out of circulation shares	0	0	0	0	0	0	0	0	0	0	0	0	0
4. comprehensive income	0	0	0	0	0	0	0	0	0	4 788	4 788	0	4 788
5. Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Other extension (reduction) of Equity Capital' elements, including	0	0	0	0	0	0	0	0	0	0	0	0	0
6.1 an increase / decrease of derivative instruments classified as equity capital instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Internal Moves, including		0	0	0	2 290	0	0	0	0	-2 290	2 290	0	2 290
7.1 Deductions to general reserve	0	0	0	0	2 290	0	0	0	0	-2 290	2 290	0	2 290
7.2 withholding of accumulated loss in the account of General reserve	0	0	0	0		0	0	0	0	0	0	0	0
7.3 withholding of emission loss	0	0	0	0	0	0	0	0	0	0	0	0	0
7.4 Decrease of value from the revaluation of fixed and intangible asset	0	0	0	0	0	0	0	0	0	0	0	0	0
7.5 Internal moves of Equity Capital's other element	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Balance at the end of the previous period as of 31 December 2010. (verified / unverified)	170 000		170 000	0	2 290	0	0	0	0	48 298	220 588	0	220 588
Reporting Period (Table 2)													
1. Balance at the beginning of the previous period as of 01 January 2011. (verified / unverified)	170 000	0	170 000	0	2 290	0	0	0	0	48 298	220 588	0	220 588

1.1 The general result of changes in accounting policy and correction of material errors	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Recalculated balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. transactions on stocks (shares) with shareholders (owners), including	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.1 Investments in the Equity Capital and other extension of Equity Capital	0		0	0	0	0	0	0	0	0	0	0	0	0
3.2 Reduction of share capital, that at the account of the purchased and out of circulation shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. comprehensive income	0	0	0	0	0	0	0	0	0	0	5 369	5 369	0	5 369
5. Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Other extension (reduction) of Equity Capital' elements, including	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6.1 an increase / decrease of derivative instruments classified as equity capital instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Internal Moves, including		0	0	0	1 000	0	0	0	0	0	-1 000	0	0	0
7.1 Deductions to general reserve	0	0	0	0	1 000	0	0	0	0	0	-1 000	3 290	0	3 290
7.2 withholding of accumulated loss in the account of General reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.3 withholding of emission loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.4 Decrease of value from the revaluation of fixed and intangible asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.5 Internal moves of Equity Capital's other element	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Balance at the end of the previous period as of 31 December 2011. (verified / unverified)	170 000		170 000	0	3 290	0	0	0	0	0	52 667	225 957	0	225 957

ANIV UCO LLC
Executive director

Chief accountant



E. Galstyan

A. Manukyan

Statement on the main economic norms of "ANIV" UCO LLC

December 31, 2011

"ANIV" UCO LLC

35 Nalbandyan street, ap. 6, Yerevan, Armenia

(Thousand AMD)

Norms	Actual value	Allowable value of the RA Central Bank's confirmed norms	The number of violations in the reporting quarter
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Minimum value of Charter Capital of credit organization	170 000	150 000	
Minimum value of General (equity) Capital	218 314	150 000	
Norm 1- the minimum value of limit ratio between the amounts of risk weighted assets			
Maximum value of risk on one pawnbroker			

"ANIV" UCO LLC does not involve public offers.

"ANIV" UCO LLC provides in the RA regions business and agricultural loans up to 6 years by following conditions:

Loan Amount: AMD 1 000 000-15 000 000 or its equivalent in to USD.

Loan interest rate is 12% per year, 18% round "Water-to-Market" project of "Millennium Challenge" Foundation and for other loans. Interests are calculated on the outstanding loan balance and paid monthly.

Average quarterly number of "ANIV" UCO LLC employees make 9 persons

ANIV UCO LLC
Executive director

Chief accountant



E. Galstyan

A. Manukyan