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## Araratbank Intends to Become Open Joint-Stock Company.

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The Armenian commercial bank, Araratbank, intends to increase its capital by 1 bln drams by an open issue of shares, the Chairman of the Bank's Governing Board, Ashot Osipyan, told ArmInfo. The transformation of Araratbank into an open joint-stock bank proceeds from the adopted strategic development plan. "Within the frames of these plans, we seriously study the market prospects and prepare a program of transfer to a public status", he said. Along with it, Osipyan stressed, negotiations for selection of an investment company, that will deal with distribution of the Bank's securities in an open market, are underway. "It is yet early to talk about a specification, much depends on the market, on the situation in the financial market, in the exchange market and on the degree of successful functioning of the capital market in the country", A. Osipyan said.

According to him, the own capital of the Bank in December, 2006, was increased by 1.08 bln drams to 3,8 bln drams by the end of the year. "Our plans for 2007 are very aggressive from viewpoint of both the increase of assets and extension of the branch network, as well as the cooperation with international organizations. The Bank implements the international standards of risk-management, the new credit products, it also works over special products for exporters", A. Osipyan underlined.

To note, upon successful completion of the selection procedure, in 2007 the Araratbank will participate in the credit program of the German KfW state Bank for the hypothec market development. As a result of activation of this direction, the Bank's hypothec portfolio will be increased from the present 300 mln drams to 1 bln drams. The Bank extends the credit market segments. As priority spheres of crediting, it has chosen the financing of such areas of economy as energy, construction, the processing industry. The Bank develops the business of charge cards with increase of the number of card-holders 10 times to 10,000. In this sphere, the Bank will shortly advance a special product to the market. "We aim at reaching an equilibration of the credit portfolio as an important component of the risk-management policy. All the economy branches of the country will be presented in the credit portfolio for this purpose.

It is envisaged to increase the portfolio of business and consumer credits in 2007 by nearly 4 times, the Bank's assets will grow 1,8 times to 15,0 bln", A. Osipyan said, having also noted the Bank's activation in the consumer crediting market. "As a universal bank, we shall also develop the retail products and the network of branches. Ten branches in different towns of Armenia will join the functioning branches in Yerevan and Stepanakert. We intend to open 2 new branches in Yerevan till the end of March. Further, a branch network will appear in Abovyan, Vanadzor, Gyumri, Armavir. Negotiations on acquisition of office buildings and premises are underway", A. Osipyan said.

As he underlined, the Bank has been earlier working to the expense of the own capital and had insufficient volume of attracted means: "The Bank successfully manages this important task for the attraction of new clients and extension of the deposit base. In view of this, we are preparing interesting projects for depositors. In February, we shall announce new kinds of deposits, deposit and card products".

The Bank has completed the pilot program for the creation of an electron banking system, which arouse the interest and high assessment of the clients.

More attention is paid to the attraction and preparation of a professional staff via contests and trainings.

>From the viewpoint of growth of non-percent incomes, in 2006 the Bank has started to serve the Treasury and the communal payments, it has become a dealer of state bonds and it shortly envisages to become the Government's agent for the state internal debt control. The volumes of transactions with state bonds have exceeded 4.5 bln drams within the two last month, 2006. The Bank shows more activity in a work in the currency market. "Our task in 2007 is to become a market-maker in the internal currency market, assuring permanent direct and reverse currency quotations", A. Osipyan said.

To remind, the Araratbank is an assignee of Armsvyazbank, having been withdrawn from the regime of temporary administration of RA CB in October, 2004.

The Bank has successfully passed the procedure of financial recovery, the Bank's shares were acquired by the "Flash" Company, the country's biggest oil-trader. In autumn, 2006, Ashot Osipyan, one of the successful bank top-managers, has become the head of the Bank.

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