



Appendix 5

NOTES TO FINANCIAL STATEMENTS
(Form 5)

31 December 2020

ARMBUSINESSBANK CJSC, RA, YEREVAN, 48 NALBANDYAN

Note 1. Legal Environment and Corporate Governance

"Armbusinessbank" CJSC, former "Arminvestbank" CJSC (hereinafter the Bank) was founded in 1991, and it is a closed joint-stock company that operates in accordance with the legislation of the Republic of Armenia (hereinafter RA); The Bank was registered on 10.12.1991 by the RA Central Bank (hereinafter, CBA). The license number is 40.

The Bank accepts deposits from and extends loans to the population, makes transfers within the territory of Armenia and abroad, conducts currency conversion operations, as well as renders other banking services to corporates and individuals.

The Bank's head office and 29 branches are located in Yerevan, 26 branches are located in different regions (marzes) of Armenia, and 5 branches – in the Republic of Nagorno Karabakh.

The legal address of the Bank is: 48 Nalbandyan Street, Yerevan.

The Bank is:

- member of the Union of Banks of Armenia
- full member of global Master Card/Europay payment system
- shareholder of SWIFT system
- full member of VISA International payment system
- member of the Union of the participants of Armenia's Mortgage Market
- Shareholder of ArCa processing center
- Bank runs its own processing center

1. Corporate governance

The Bank's managing bodies are:

- General Meeting of the Shareholders - the Supreme governing body
- The Board
- The Executive Board and the Chairman of the Executive Board

| |
|---|
| a) The Board |
| Chairman of the Board – Arsen Mikayelyan |
| Board Members – Vitaly Grigoryants |
| Arzuman Harutyunyan |
| Sergey Arzumanyan |
| Sevak Petrosyan |
| Alik Chirkinyan |
| b) The Executive Board |
| Chairman of the Executive Board - Artavazd Sargsyan |
| Members of the Executive Board |
| Manvel Sahakyan - First Deputy Chairman of the Executive Board, Member of the Executive Board |
| Nshan Grigoryan - Deputy Chairman of the Executive Board -Director of Credit Department |
| Narine Sargsyan - Chief Accountant |
| Movses Eloyan - Deputy Chairman of the Executive Board -Coordinator of Treasury Department and International Transactions Department |
| Ani Ghambaryan -Director of Risk Management Department |

c) Major Participants

Vitaly Grigoryants – 95 %

Arsen Mikayelyan – 5 %

d) Management Remuneration Policy

Remuneration of the Management is provided in accordance with signed employment contracts and the staff list approved by the Board of the Bank.

Note 2. Accounting Policy**2.1 Preparation of financial statements**

The Bank prepares its financial statements in accordance with the International Financial Reporting standards (IFRS), other legal acts regulating the accounting, and the requirements of the accounting policy approved by the Board of the Bank.

2.2 Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Bank's assets should be realised and obligations met during the time of the Bank's operation.

2.3 Comparability

The comparable numbers have been adjusted where required to ensure the comparability with the numbers of the current period.

2.4 Recognition of income and expense*2.4.1 Interest income and expense*

Interest income and interest expense in the Statement of Comprehensive Income are recognized on the accrual basis using the effective interest method.

2.4.2 Commissions and other income and expense

Loan origination fees together with correspondent expenses are deferred as an adjustment to the effective yield of the loans. Fees, other income and expense are recognized on an accrual basis during the time of service provision.

2.5 Foreign currency transactions

Foreign currency transactions are translated to the functional currency using the exchange rate as of the transaction date. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency using the exchange rate established as of the balance sheet date.

Gain and loss resulting from the difference between the exchange rate provided by the contract concerning the transaction and the exchange rate as of the transaction date are accounted for in the Statement of Comprehensive Income as a line item "net income from sale and purchase of foreign currency" in net trading income.

The following exchange rates were used by the Bank when preparing the financial statements:

| | 31-Dec-20 | 31 December 2019 |
|-----------------|-----------|------------------|
| AMD/1 US Dollar | 522.59 | 479.7 |
| AMD/1 EUR | 641.11 | 537.26 |

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand amounts of correspondent banks, balances with the CBA (excluding funds deposited for the settlement of ArCa payment cards), which can be converted into cash at short notice and which are subject to an insignificant risk of changes in value.

2.7 Amounts due from other banks

In the normal course of business, the Bank maintains current and deposits accounts opened with other banks for various periods of time.

2.8 Securities

On initial recognition, financial assets at fair value through other comprehensive income are accounted for at initial cost and thereafter remeasured at fair value. When revaluating at fair value, the revaluation result is reflected in the equity

2.9 Loans and advances to customers at amortized value

Loans and advances are financial assets with fixed payments, which arise when the Bank provides money directly to a debtor with no intention of trading the receivable. Loans granted by the Bank with fixed maturities are initially recognized at fair value plus related transaction costs. Subsequently, loans and advances are measured at amortized cost using the effective interest method. Loans and advances to customers at amortized value are carried net of any allowance for impairment losses.

2.10 Leasing

Lease payments under an operating lease are recognised in the statement of financial results as expenses according to IFRS 16.

2.11 Possible losses reserve

The Bank makes an impairment assessment for financial assets or a group of financial assets as of the each balance sheet date.

2.12 Intangible assets

Intangible assets include computer software, licences and similar items. Intangible assets acquired separately are initially recognized at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation or impairment losses. Intangible assets can have either an identifiable or indefinite useful life. Intangible assets with identifiable useful lives are amortized on a straight-line basis over their useful life, that is 15 years. Intangible assets with indefinite useful lives are not amortized, they are reassessed each year for impairment.

2.13 Property, plant and equipment

Property, plant and equipment ("PPE") are recorded at historical cost less accumulated depreciation.

Depreciation is calculated using the straight-line method based on the estimated useful life of the asset. The following depreciation annual rates have been applied:

| | Useful life |
|-------------------------------|-------------|
| | (years) |
| Buildings | 30 |
| Computers | 3 |
| Transportation means | 8 |
| Automatic teller machines | 10 |
| Other PPE | 8 |
| Property and office equipment | 8 |

Leasehold improvements are capitalized and depreciated over the shorter of the lease term and their useful lives on a straight-line basis.

The expenditures as regards PPE repairs and maintenance are recognized as an expense in the statement of financial results during the period in which they are incurred.

2.14 Financial instruments

The Bank implements measurement, recognition, use and accounting for the financial instruments according to the order established by the RA legislation as well as the regulations, decrees, orders and acts issued by the Bank.

2.15 Events occurring after the balance sheet date

2.15.1 In case material errors revealed by the auditor result from the differences between the requirements of the International Accounting Standards and RA legislation, then the accounting records are made in accordance with the decisions taken by the managing bodies of the Bank.

2.15.2 In case material errors appear or are revealed after publication of the Bank's annual financial statements according to the established order, then no adjustments are made, and it is considered that repeated presentation of similar information is impracticable.

2.16 Taxation

Income tax on the profit for the reporting year comprises current and deferred taxes. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to taxes paid in respect of previous years. Deferred taxes are calculated taking into account all the temporary differences arising between carrying values of assets and liabilities recognized in the financial statements and the amounts calculated for taxation purposes.

The Bank pays also other taxes during the course of its activity. These taxes are included as a component of other expenses in the statement of comprehensive financial results

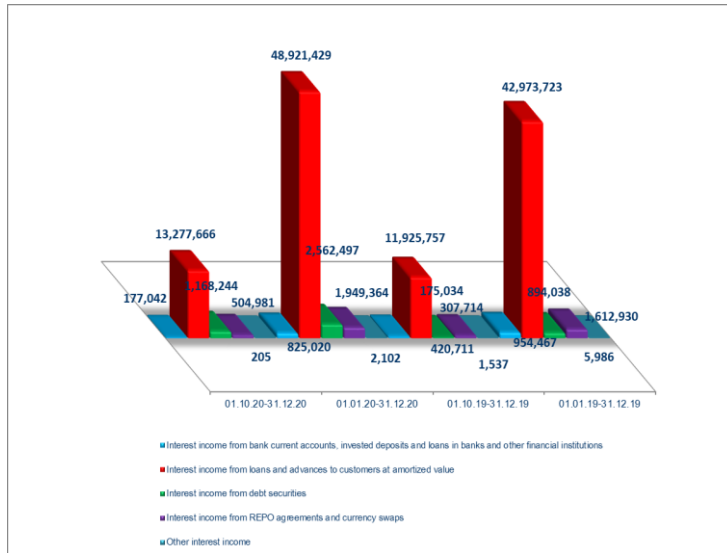
2.17 Functional and presentation currency

The national currency of the Republic of Armenia is RA Dram (AMD). For the purposes of these financial statements, RA Dram is the presentation currency as well.

The intermediary financial statements are presented in thousands of AMD.

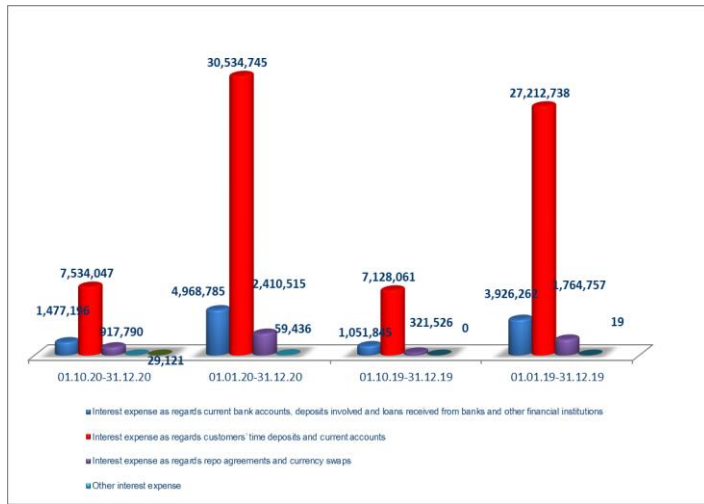
Note 3. Net Interest and Similar Income

| Interest and Similar Income | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|-------------------|-------------------|-------------------|-------------------|
| Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions | 177,042 | 825,020 | 307,714 | 954,467 |
| Interest income from loans and advances to customers at amortized | 13,277,666 | 48,921,429 | 11,925,757 | 42,973,723 |
| Interest income from debt securities | 1,168,244 | 2,562,497 | 175,034 | 894,038 |
| Interest income from REPO agreements and currency swaps | 504,981 | 1,949,364 | 420,711 | 1,612,930 |
| Other interest income | 205 | 2,102 | 1,537 | 5,986 |
| Total | 15,128,138 | 54,260,412 | 12,830,753 | 46,441,144 |



| Interest and Similar Expense | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|-------------------|-------------------|-------------------|-------------------|
| Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions | 1,477,196 | 4,968,785 | 1,051,845 | 3,926,262 |

| | | | | |
|---|-------------------|-------------------|------------------|-------------------|
| Interest expense as regards customers' time deposits and current accounts | 7,534,047 | 30,534,745 | 7,128,061 | 27,212,738 |
| Interest expense as regards securities issued by the Bank | 160,608 | 884,511 | 204,087 | 815,524 |
| Interest expense as regards repo agreements and currency swaps | 917,790 | 2,410,515 | 321,526 | 1,764,757 |
| Other interest expense | 29,121 | 59,436 | 0 | 19 |
| Total | 10,118,762 | 38,857,992 | 8,705,519 | 33,719,300 |
| Net interest and similar income | 5,009,376 | 15,402,420 | 4,125,234 | 12,721,844 |



Note 4. Income and Expense in the form of Commissions and Other Fees

| Income in the form of Commissions and Other Fees | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|-------------------|-------------------|-------------------|-------------------|
| Cash operations | 144,761 | 918,592 | 354,924 | 1,201,139 |
| Settlement services | 427,257 | 2,583,870 | 735,997 | 2,326,471 |
| Guarantee, acceptance, letter of credit, trust management operations | 157,153 | 940,990 | 200,036 | 405,391 |
| Transaction in foreign currency and securities | | | | |
| Plastic card operations | 484,448 | 1,712,253 | 605,421 | 1,448,412 |
| Other commission payments | 188,433 | 1,095,854 | 460,390 | 1,331,302 |
| Total | 1,402,052 | 7,251,559 | 2,356,768 | 6,712,715 |

| Expenses in the form of Commissions and Other Payments | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|-------------------|-------------------|-------------------|-------------------|
|--|-------------------|-------------------|-------------------|-------------------|

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Commission payments as regards correspondent and other accounts/bank transactions | 113,203 | 603,615 | 127,279 | 564,318 |
| Commission payments as regards transactions with plastic cards/cash transactions | 73,052 | 218,068 | 44,824 | 194,052 |
| Payments as regards guarantees, acceptance, letters of credit, trust management transactions | 218 | 22,394 | 4,464 | 36,813 |
| Commission payments as regards transactions in foreign currency and securities | | | | |
| Other commission payments | 848 | 8,993 | 5,905 | 21,312 |
| Total | 187,321 | 853,070 | 182,472 | 816,495 |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Net Commissions and other payments received | 1,214,731 | 6,398,489 | 2,174,296 | 5,896,220 |
|--|------------------|------------------|------------------|------------------|

Note 5. Net income from trading transactions

| Income from investments remeasured at fair value and held at fair value | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Net income from purchase and sale of investments held for trading, including | | | | |
| - shares | | | | |
| - debt securities | | | | |
| - derivative instruments | -591,393 | -2,778,831 | 1,207,727 | 933,168 |
| Net income from change in fair value of investments held for trading | | | | |
| Total | -591,393 | -2,778,831 | 1,207,727 | 933,168 |

| Net income from investments available for sale | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Net income from purchase and sale of investments available for sale, including | | | | |
| - shares | | | | |
| - debt securities | -8,166 | 81,922 | 3,095 | -28,924 |
| - derivative instruments | | | | |
| Net income from change in fair value of investments held for trading | 250,828 | 1,674,836 | 128,723 | 2,207,502 |
| Total | 242,662 | 1,756,758 | 131,818 | 2,178,578 |

| From foreign currency transactions | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Net income from foreign currency dealings | 1,296,580 | 4,707,057 | 1,232,862 | 3,526,369 |
| Net income from foreign currency revaluation | 846,291 | 3,352,637 | -1,037,565 | -895,793 |
| Total | 2,142,871 | 8,059,694 | 195,297 | 2,630,576 |

| From bank standardized precious metal bullions and commemorative coins | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Net income from purchase and sale of bank standardized precious metal bars and commemorative coins | 1,991 | 17,974 | 44,633 | 136,396 |
| Net income from revaluation of bank standardized precious metal bullions and commemorative coins | 5,819 | 39,730 | 3,593 | 28,708 |
| Total | 7,810 | 57,704 | 48,226 | 165,104 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Net income from trading transactions | 1,801,950 | 7,095,325 | 1,583,068 | 5,907,426 |
|---|------------------|------------------|------------------|------------------|

Note 6. Other operating income

| Other operating income | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Fines and penalties received | 1,317,249 | 3,090,180 | 665,409 | 2,296,926 |
| Income received from factoring | 24 | 24 | 0 | 0 |
| Net income from disposal of PPE and intangible assets | 25,868 | 116,601 | 114,533 | 128,419 |
| Net income from revaluation and impairment reversal of PPE and intangible assets | | | | |
| Other income | 583,811 | 1,051,248 | 198,248 | 535,704 |
| Total | 1,926,952 | 4,258,053 | 978,190 | 2,961,049 |

Note 7. Net allocations to the assets possible loss reserve

| As regards amounts due from banks | Note 14 | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Opening balance | | 298,819 | 244,057 | 675,265 | 218,090 |
| Allocations to the reserve | | 86,548 | 1,589,086 | 351,300 | 2,713,351 |
| Return of reserve allocations | | -299,341 | -1,747,117 | -782,508 | -2,687,384 |
| Net allocations to the reserve | | -212,793 | -158,031 | -431,208 | 25,967 |
| Return of amounts previously written-off to the off-balance sheet | | 0 | 0 | 0 | 0 |
| Reserve utilization | | | | | |
| Closing balance | | 86,026 | 86,026 | 244,057 | 244,057 |

| As regards amounts due from financial institutions | Note 14 | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Opening balance | | 274,240 | 207,749 | 197,002 | 30,260 |
| Allocations to the reserve | | 46,594 | 152,323 | 27,651 | 218,730 |
| Return of reserve allocations | | -36,435 | -75,673 | -16,904 | -41,241 |
| Net allocations to the reserve | | 10,159 | 76,650 | 10,747 | 177,489 |
| Return of amounts previously written-off to the off-balance sheet | | | | | |
| Reserve utilization | | | | | |
| Closing balance | | 284,399 | 284,399 | 207,749 | 207,749 |

| As regards loans and advances provided to the customers | Note 16 | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Opening balance | | 9,054,224 | 8,870,316 | 9,893,544 | 8,355,259 |
| Allocations to the reserve | | 8,376,103 | 25,401,888 | 11,622,628 | 20,894,729 |
| Return of reserve allocations | | -2,011,048 | -8,233,922 | -6,170,541 | -10,643,299 |
| Net allocations to the reserve | | 6,365,055 | 17,167,966 | 5,452,087 | 10,251,430 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Return of amounts previously written-off to the off-balance sheet | 940,807 | 4,743,552 | 4,600,281 | 6,721,443 |
| Reserve utilization | -7,252,137 | -21,673,885 | -11,075,596 | -16,457,816 |
| Closing balance | 9,107,949 | 9,107,949 | 8,870,316 | 8,870,316 |

| As regards investments | Note 18 | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|---------|-------------------|-------------------|-------------------|-------------------|
| Opening balance | | 0 | 0 | 420 | 421 |
| Allocations to the reserve | | 0 | 0 | 0 | 0 |
| Return of reserve allocations | | 0 | 0 | -420 | -421 |
| Net allocations to the reserve | | 0 | 0 | -420 | -421 |
| Return of amounts previously written-off to the off-balance sheet | | | | | |
| Reserve utilization | | | | | |
| Closing balance | | 0 | 0 | 0 | 0 |

| As regards other assets | Note 18 | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|---------|-------------------|-------------------|-------------------|-------------------|
| Opening balance | | 485,398 | 485,265 | 483,611 | 480,158 |
| Allocations to the reserve | | 1,494,645 | 5,875,374 | 1,218,738 | 5,612,497 |
| Return of reserve allocations | | -1,313,693 | -5,480,597 | -1,351,206 | -5,844,482 |
| Net allocations to the reserve | | 180,952 | 394,777 | -132,468 | -231,985 |
| Return of amounts previously written-off to the off-balance sheet | | 5,011 | 46,820 | 140,920 | 410,724 |
| Reserve utilization | | -173,949 | -429,450 | -6,798 | -173,632 |
| Closing balance | | 497,412 | 497,412 | 485,265 | 485,265 |

| As regards off-balance sheet items containing credit risk | Note 34 | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|---------|-------------------|-------------------|-------------------|-------------------|
| Opening balance | | 1,267,973 | 988,680 | 958,046 | 939,778 |
| Allocations to the reserve | | 450,252 | 1,977,071 | 446,318 | 1,302,105 |
| Return of reserve allocations | | -430,201 | -1,677,727 | -415,684 | -1,253,203 |
| Net allocations to the reserve | | 20,051 | 299,344 | 30,634 | 48,902 |
| Closing balance | | 1,288,024 | 1,288,024 | 988,680 | 988,680 |

| | | | | | |
|--|--|------------------|-------------------|------------------|-------------------|
| Total net allocations to the reserves | | 6,363,424 | 17,780,706 | 4,929,792 | 10,271,382 |
|--|--|------------------|-------------------|------------------|-------------------|

Note 8. General administrative expenses

| General administrative expenses | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|-------------------|-------------------|-------------------|-------------------|
| Expenses as regards calculated salary and other equivalent payments * | 1,401,621 | 5,897,919 | 1,842,122 | 5,530,332 |
| Expenses as regards social payments | 0 | 0 | 0 | 0 |
| Expenses as regards training and tuition | 1,959 | 3,560 | 2,231 | 7,766 |
| Expenses as regards business trips | 2,044 | 61,228 | 84,661 | 239,570 |
| Expenses as regards operating lease | 18,493 | 237,168 | 20,457 | 84,888 |
| Insurance expenses | 12,115 | 41,796 | 16,714 | 60,468 |
| Expenses as regards maintenance and security of Bank's equipment | 38,411 | 149,831 | 40,262 | 146,639 |
| Expenses as regards maintenance and security of Bank's buildings | 76,373 | 327,438 | 78,651 | 299,825 |
| Expenses as regards audit and other consulting services | 15,855 | 64,875 | 21,303 | 55,532 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Expenses as regards communication means | 40,765 | 160,349 | 37,138 | 141,420 |
| Transportation expenses | 22,788 | 83,714 | 27,141 | 90,639 |
| Expenses as regards taxes, duties and other obligatory payments (except profit tax) | 85,113 | 257,715 | 62,664 | 390,250 |
| Office and organizational expenses | 23,747 | 84,641 | 30,796 | 90,164 |
| Expenses as regards loans provision and return | 4,499 | 17,896 | 4,635 | 25,174 |
| Other administrative expenses | 103,740 | 658,841 | 152,429 | 1,062,893 |
| Total | 1,847,523 | 8,046,971 | 2,421,204 | 8,225,560 |

The number of the Bank employees as at 31 December 2020 is 1205.

The size of average monthly salary per employee is 286 thous. drams.

Note 9. Other Operating Expenses

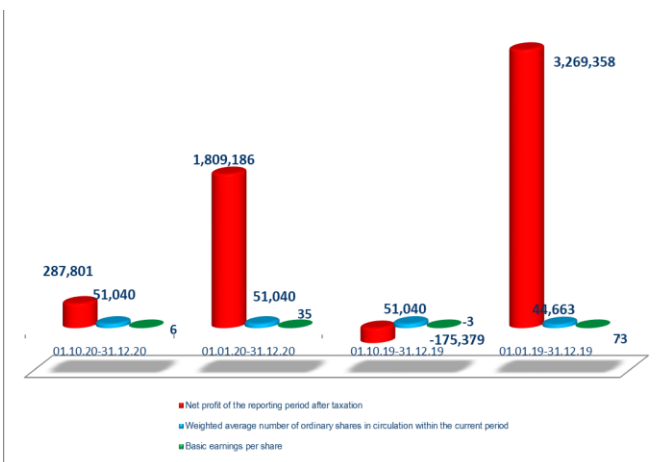
| Other Operating Expenses | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|---|-------------------|-------------------|-------------------|-------------------|
| Fines and penalties paid | 1,221 | 2,548 | 45,660 | 164,010 |
| Advertising and representation expenses | 119,845 | 313,269 | 132,231 | 308,525 |
| Fcatoting expenses | | | | |
| Fixed and intangible assets amortization expenses | 385,610 | 1,353,959 | 478,680 | 1,313,037 |
| Loss from impairment of tangible assets | | | | |
| Allocations to deposit guarantee fund | 266,215 | 1,243,911 | 299,987 | 1,111,461 |
| Other expenses | 538,250 | 2,076,617 | 685,171 | 1,736,122 |
| Total | 1,311,141 | 4,990,304 | 1,641,729 | 4,633,155 |

Note 11. Profit Tax Expense

| Profit tax expense | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|-------------------|-------------------|-------------------|-------------------|
| Current tax expense | 143,120 | 527,120 | 43,442 | 1,087,084 |
| Adjustments of current tax for previous periods recognized in the given period | | | | |
| Deferred tax expense | | | | |
| Total | 143,120 | 527,120 | 43,442 | 1,087,084 |

Note 12. Basic Earnings per Share

| Basic Earnings per Share | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|-------------------|-------------------|-------------------|-------------------|
| Net profit of the reporting period after taxation | 287,801 | 1,809,186 | -175,379 | 3,269,358 |
| Dividends calculated for the current reporting period as regards preference shares | () | () | () | () |
| Net gain/loss for the current period attributable to the owners of the ordinary shares | | | | |
| Weighted average number of ordinary shares in circulation within the current period | 51,040 | 51,040 | 51,040 | 44,663 |
| Basic earnings per share | 6 | 35 | -3 | 73 |
| Diluted earnings per share | | | | |



Note. Other Comprehensive Income

| Other Comprehensive Income | 01.10.20-31.12.20 | 01.01.20-31.12.20 | 01.10.19-31.12.19 | 01.01.19-31.12.19 |
|--|--------------------|-------------------|-------------------|--------------------|
| Exchange rate differences from recalculation of foreign transactions | | | | |
| Revaluation of financial assets at fair value through other comprehensive income | (1,183,924) | 1,511,747 | 515,412 | (1,652,387) |
| Cash flow hedging | | | | |
| Gains from PPE revaluations | | | | |
| Deferred tax expense | | | | |
| Total | (1,183,924) | 1,511,747 | 515,412 | (1,652,387) |

Note 13. Cash means, Cash Equivalents and Balances with the RA Central Bank

| Cash, cash equivalents and balances with the CBA | Reporting period | Previous period |
|--|-------------------|--------------------|
| Cash means | 4,328,978 | 8,022,434 |
| Other placements of cash | 3,169,922 | 2,272,445 |
| Correspondent accounts with the CBA * | 73,133,003 | 86,859,799 |
| Total | 80,631,903 | 97,154,678 |
| Deposit accounts with the CBA | 0 | 0 |
| Deposited means with the CBA ** | 810,000 | 210,000 |
| Accrued interest | | |
| Cash means and balances with the CBA | 81,441,903 | 97,364,678 |
| Standardized precious metal bullions | 24,689 | 159,077 |
| Placements with other banks (Note 14) | 8,533,117 | 24,227,605 |
| Total cash and cash equivalents | 87,950,095 | 109,055,290 |

* Correspondent accounts with the CBA include funds calculated against amounts involved by the Bank according to the RA bank legislation, subjected to obligatory provisioning

** The deposited amount with CBA represents an insured deposit for settlements realized through ArCa payment system

Note 14. Amounts due from banks and other financial institutions

| Current accounts | Reporting period | Previous period |
|--|-------------------------|------------------------|
| RA banks | 27 | 26 |
| Banks with BBB – (Baa3) and higher rating | 6,315,423 | 9,103,002 |
| Banks with no rating and rating below BBB-(Baa3) | 978,053 | 2,638,507 |
| Accrued interest | 0 | 0 |
| Total | 7,293,503 | 11,741,535 |

| Interbank loans and deposits, etc. | | |
|--|------------------|-------------------|
| CBA | | |
| Loans and deposits | | |
| Factoring | | |
| Financial lease | | |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | | |
| RA Banks | | |
| Loans and deposits | 0 | 0 |
| Factoring | | |
| Financial lease | | |
| Repo (repurchase) agreements | 0 | 5,103,969 |
| Swap | | 0 |
| Letters of credit and bank guarantees | | |
| Other | | |
| Banks with BBB – (Baa3) and higher rating | | |
| Loans and deposits | 329,940 | 5,967,360 |
| Factoring | | |
| Financial lease | | |
| Repo (repurchase) agreements | | |
| Swap | 0 | 0 |
| Letters of credit and bank guarantees | | |
| Other | 0 | 0 |
| Banks with no rating and rating below BBB-(Baa3) | | |
| Loans and deposits | | |
| Factoring | | |
| Financial lease | | |
| Repo (repurchase) agreements | | |
| Swap | 16,604 | 65918 |
| Letters of credit and bank guarantees | | |
| Other | 979,025 | 1,586,407 |
| Accrued interest | 71 | 6,473 |
| Total | 8,619,143 | 24,471,662 |
| Reserve for possible losses as regards amounts due from Banks (Note 7) | -86,026 | -244,057 |
| Net amounts due from banks | 8,533,117 | 24,227,605 |

| Loans and deposits with financial institutions, other amounts due | | |
|--|-------------------|-------------------|
| RA financial institutions | 27,389,776 | 19,781,918 |
| Loans and deposits | 11,454,097 | 12,189,144 |

| | | |
|--|-------------------|-------------------|
| Factoring | | |
| Financial lease | | |
| Repo (repurchase) agreements | 15,882,226 | 7,592,490 |
| Swap | 53453 | 284 |
| Letters of credit and bank guarantees | | |
| Other | | |
| Financial institutions with BBB – (Baa3) and higher rating | | |
| Loans and deposits | 0 | 0 |
| Factoring | | |
| Financial lease | | |
| Repo (repurchase) agreements | | |
| Swap | | |
| Letters of credit and bank guarantees | | |
| Other | | |
| Financial institutions with no rating and rating below BBB-(Baa3) | 1,042,975 | 930,291 |
| Loans and deposits | | |
| Factoring | | |
| Financial lease | | |
| Repo (repurchase) agreements | | |
| Swap | | |
| Letters of credit and bank guarantees | | |
| Other | 1,042,975 | 930,291 |
| Accrued interest | 60,662 | 62,947 |
| Total | 28,493,413 | 20,775,156 |
| Reserve for possible losses as regards amounts due from financial institutions (Note 7) | -284,399 | -207,749 |
| Net amounts due from financial institutions | 28,209,014 | 20,567,407 |
| Net amounts due from banks and financial institutions | 36,742,131 | 44,795,012 |

Note 15. Financial assets at fair value through profit/loss

| Government securities | Reporting period | Previous period |
|--|-------------------|-------------------|
| RA Government securities, including | | |
| Treasury bonds | 40,207,262 | 35,387,635 |
| Central Bank bonds | | |
| Other | | |
| Government securities of countries with BBB – (Baa3) and higher rating, including | | |
| Treasury bonds | | |
| Central Bank bonds | | |
| Other | | |
| Government securities of countries with no rating and rating below BBB-(Baa3) | | |
| Treasury bonds | | |
| Central Bank bonds | | |
| Other | | |
| Total Government securities | 40,207,262 | 35,387,635 |

| Non-government securities of RA | Listed | Non-Listed | Listed | Non-Listed |
|---|--------|------------|--------|------------|
| Issuer with A-/A3/ and higher rating | | | | |
| Long term debt instruments | | | | |

| | | | | |
|--|----------|----------|----------|----------|
| Short term debt instruments | | | | |
| Deposit certificates | | | | |
| Equity instruments | | | | |
| Other | | | | |
| Issuer with "C" and higher rating by CBA | | | | |
| Long term debt instruments | | | | |
| Short term debt instruments | | | | |
| Deposit certificates | | | | |
| Equity instruments | | | | |
| Other | | | | |
| Issuer with BBB+/Baa1/ and below rating, other rating and no rating | | | | |
| Long term debt instruments | | | | |
| Short term debt instruments | | | | |
| Deposit certificates | | | | |
| Equity instruments | | | | |
| Other | | | | |
| Total non-government securities of RA held for trading | 0 | 0 | 0 | 0 |

| Non-government securities of other countries | Listed | Non-Listed | Listed | Non-Listed |
|--|-------------------|-------------------|---------------|-------------------|
| Issuer with A-/A3/ and higher rating | | | | |
| Long term debt instruments | | | | |
| Short term debt instruments | | | | |
| Deposit certificates | | | | |
| Equity instruments | | | | |
| Other | | | | |
| Issuer with BBB+/Baa1/ and below rating, other rating and no rating | | | | |
| Long term debt instruments | | | | |
| Short term debt instruments | | | | |
| Deposit certificates | | | | |
| Equity instruments | | | | |
| Other | | | | |
| Total non-government securities of other countries held for trading | 0 | 0 | 0 | 0 |
| Total securities held for trading | 40,207,262 | 35,387,635 | 0 | 0 |

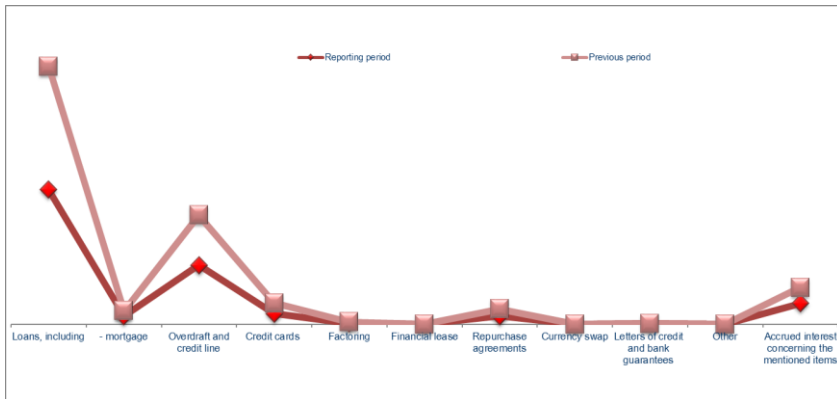
| Other financial assets held for trading | Reporting period | Reporting period | Previous period | Previous period |
|--|-------------------------|-------------------------|------------------------|------------------------|
| Loans, factoring, accounts receivable | | | | |
| Borrowers with A-/A3/ or higher rating | | | | |
| Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating | | | | |
| - Mortgage | | | | |
| - Consumer loans | | | | |
| - Other | | | | |
| Derivative instruments | 0 | | 0 | |

| | | | | |
|--------------|--|--|--|--|
| - Futures | | | | |
| - Forward | | | | |
| - Option | | | | |
| - Swap | | | | |
| - Other | | | | |
| Total | | | | |

| | | | | |
|---|-------------------|-------------------|----------|----------|
| Total financial assets at fair value through profit/loss | 40,207,262 | 35,387,635 | 0 | 0 |
|---|-------------------|-------------------|----------|----------|

Note 16. Loans and advances to customers at amortized value

| Issued loans and other advances | Reporting period | Previous period |
|--|-------------------------|------------------------|
| Loans, including | 372,707,434 | 341,090,738 |
| - to banks | | |
| - to RA Government | | |
| - to local authorities | | |
| - mortgage | 22,847,699 | 14,387,915 |
| Overdraft and credit line | 163,390,055 | 138,790,224 |
| Credit cards | 29,122,902 | 29,690,852 |
| Factoring | 2,972,434 | 3,151,348 |
| Financial lease | - | - |
| Repurchase agreements | 22,808,523 | 19,420,019 |
| Currency swap | 260 | - |
| Letters of credit and bank guarantees | 1,960,607 | 186,724 |
| Other | | |
| Accrued interest concerning the mentioned items | 57,952,186 | 44,011,065 |
| Total loans | 650,914,401 | 576,340,970 |
| Reserve for possible losses as regards loans and advances to customers at amortized value (Note 7) | -9,107,949 | -8,870,316 |
| Total net loans | 641,806,452 | 567,470,654 |



Breakdown of Performing and Non-Performing Loans and advances to customers at amortized value as of the End of the Reporting Period

| Breakdown of performing and non-performing loans and advances provided to customers at amortized | | Reporting period | Previous period |
|--|----------|--------------------|--------------------|
| Performing loans and advances | Amount | 633,798,009 | 563,286,263 |
| | Quantity | 72,574 | 65,975 |
| Non-Performing loans and advances, including | | 17,116,392 | 13,054,707 |
| | | 4351 | 1981 |
| Overdue | Amount | 6,992,349 | 6,162,062 |
| | Quantity | 2971 | 1452 |
| | | | |
| Accrued interests | | | |
| Total loans | Amount | 650,914,401 | 576,340,970 |
| | Quantity | 76,925 | 67,956 |
| Provision for possible losses as regards loans and advances to customers at amortized value (Note 7) | | -9,107,949 | -8,870,316 |
| Total net loans | | 641,806,452 | 567,470,654 |

Analysis of provided loans and advances to customers at amortized value by customer group

| Analysis of the provided loans and advances by customer group | | Reporting period | Previous period |
|---|--|--------------------|--------------------|
| State enterprises | | 21,956,788 | 39,814,666 |
| Private enterprises, including | | 460,319,700 | 403,862,124 |
| - large enterprises | | 272,273,745 | 212,816,701 |
| - small and medium enterprises | | 188,045,955 | 191,045,423 |
| Natural persons, including | | 107,087,368 | 86,199,078 |
| - consumer loans | | 52,490,385 | 39,982,836 |
| - mortgage loans | | 22,847,699 | 13,987,630 |
| - credit cards | | 29,480,543 | 30,869,194 |
| Sole entrepreneurs | | 3,598,359 | 2,454,037 |
| Accrued interest | | 57,952,186 | 44,011,065 |
| Total loans | | 650,914,401 | 576,340,970 |
| Provision for possible losses as regards loans and advances to customers at amortized value | | (9,107,949) | (8,870,316) |
| Total net loans | | 641,806,452 | 567,470,654 |

a) Total loans provided to major borrowers and related persons as of 31.12.2020 made AMD 243.532.546 thous, as of 31.12.2019 – AMD 223.739.775 thous.

b) Share in total loan portfolio as of 31.12.2020 made 38.37 %, as of 31.12.2019 -39.16 %

c) Percentage to Capital as of 31.12.2020 was 498.38 %, as of 31.12.2019 – 493.43 % .

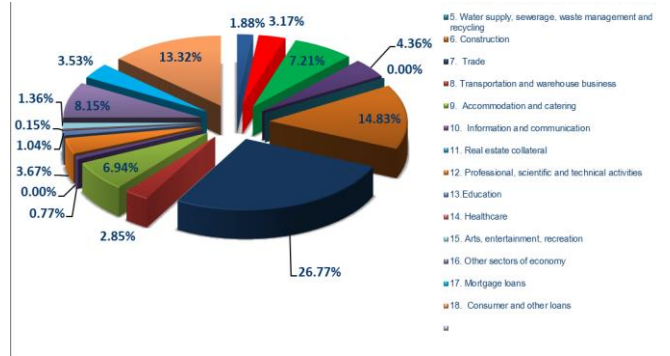
| Analysis of loan portfolio according to number of borrowers | | Reporting period | Previous period |
|---|--|------------------|-----------------|
| State enterprises | | 7 | 8 |
| Private enterprises | | 508 | 463 |
| Natural persons | | 56,666 | 50,567 |
| Sole entrepreneurs | | 712 | 496 |
| Total | | 57,893 | 51,534 |

Analysis of loan portfolio according to the industry sectors (less the reserve amount for possible losses)

| | | 31.12.20 | |
|---|--|------------------|------------|
| Analysis of loans and advances according to crediting sectors | | Reporting period | Percentage |
| 1. Agriculture , forestry and fishing | | 12,256,860 | 1.88 |
| 2. Mining and quarrying | | 20,644,611 | 3.17 |

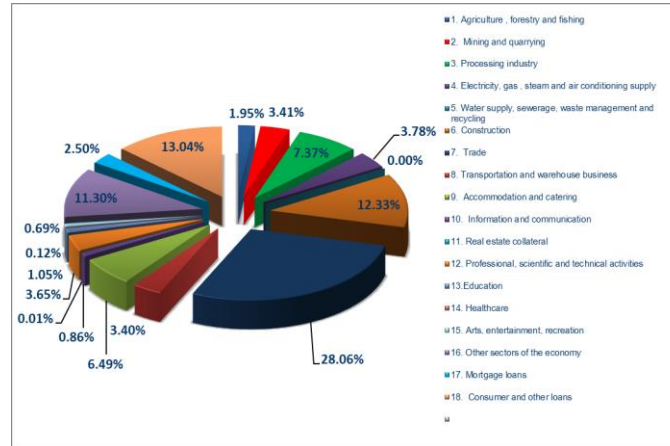
- 1. Agriculture , forestry and fishing
- 2. Mining and quarrying
- 3. Processing industry
- 4. Electricity, gas , steam and air conditioning supply

| | | |
|---|--------------------|------------|
| 3. Processing industry | 46,901,623 | 7.21 |
| 4. Electricity, gas, steam and air conditioning supply | 28,348,568 | 4.36 |
| 5. Water supply, sewerage, waste management and recycling | 27,463 | 0.00 |
| 6. Construction | 96,557,378 | 14.83 |
| 7. Trade | 174,227,212 | 26.77 |
| 8. Transportation and warehouse business | 18,531,833 | 2.85 |
| 9. Accommodation and catering | 45,179,170 | 6.94 |
| 10. Information and communication | 5,012,903 | 0.77 |
| 11. Real estate collateral | 24,807 | 0.00 |
| 12. Professional, scientific and technical activities | 23,910,831 | 3.67 |
| 13. Education | 6,777,156 | 1.04 |
| 14. Healthcare | 952,735 | 0.15 |
| 15. Arts, entertainment, recreation | 8,866,131 | 1.36 |
| 16. Other sectors of economy | 53,036,654 | 8.15 |
| 17. Mortgage loans | 22,986,047 | 3.53 |
| 18. Consumer and other loans | 86,672,419 | 13.32 |
| Total | 650,914,401 | 100 |



31.12.19

| Analysis of loans and advances according to crediting sectors | Previous period | Percentage |
|---|--------------------|------------|
| 1. Agriculture, forestry and fishing | 11,253,294 | 1.95 |
| 2. Mining and quarrying | 19,658,962 | 3.41 |
| 3. Processing industry | 42,455,434 | 7.37 |
| 4. Electricity, gas, steam and air conditioning supply | 21,762,861 | 3.78 |
| 5. Water supply, sewerage, waste management and recycling | 14,782 | 0.00 |
| 6. Construction | 71,052,505 | 12.33 |
| 7. Trade | 161,701,729 | 28.06 |
| 8. Transportation and warehouse business | 19,601,123 | 3.40 |
| 9. Accommodation and catering | 37,386,037 | 6.49 |
| 10. Information and communication | 4,976,927 | 0.86 |
| 11. Real estate collateral | 69,059 | 0.01 |
| 12. Professional, scientific and technical activities | 21,051,006 | 3.65 |
| 13. Education | 6,035,010 | 1.05 |
| 14. Healthcare | 708,569 | 0.12 |
| 15. Arts, entertainment, recreation | 3,966,299 | 0.69 |
| 16. Other sectors of the economy | 65,118,206 | 11.30 |
| 17. Mortgage loans | 14,388,394 | 2.50 |
| 18. Consumer and other loans | 75,140,773 | 13.04 |
| Total | 576,340,970 | 100 |

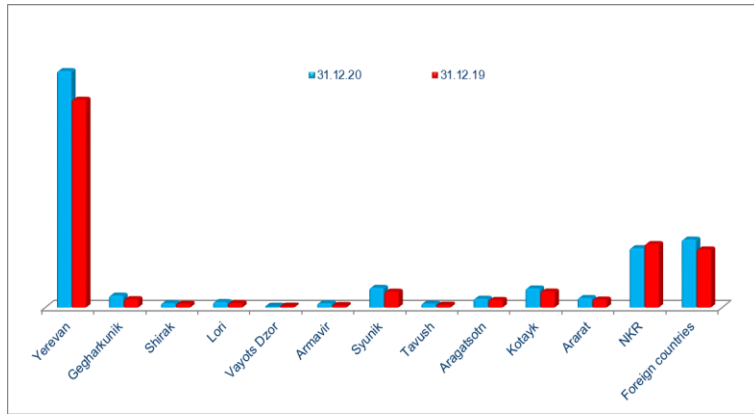


Analysis of the loan portfolio as regards customers' residency

| Analysis of the loan portfolio as regards customers' residency | Reporting period | Percentage | Previous period | Percentage |
|--|--------------------|------------|--------------------|------------|
| RA residents | 545,547,931 | 85.00 | 485,118,374 | 85.49 |
| Non-residents | 96,258,521 | 15.00 | 82,352,280 | 14.51 |
| Total | 641,806,452 | 100 | 567,470,654 | 100 |

| Region (Marz) | 31.12.20 | | 31.12.19 | |
|---------------|----------|-------------|----------|-------------|
| | Quantity | Amount | Quantity | Amount |
| Yerevan | 23885 | 334,674,689 | 21273 | 294,131,453 |
| Gegharkunik | 9763 | 17,093,446 | 8580 | 12,126,953 |
| Shirak | 7850 | 6,331,760 | 7129 | 5,350,925 |

| | | | | |
|-------------------|---------------|--------------------|---------------|--------------------|
| Lori | 4835 | 8,021,200 | 3612 | 6,323,490 |
| Vayots Dzor | 93 | 1,843,378 | 71 | 2,064,276 |
| Armavir | 2579 | 6,165,494 | 1976 | 3,264,149 |
| Syunik | 3832 | 28,085,687 | 3295 | 22,664,343 |
| Tavush | 1454 | 5,619,197 | 767 | 3,852,784 |
| Aragatsotn | 5876 | 12,622,472 | 5397 | 10,965,045 |
| Kotayk | 4196 | 27,221,409 | 3699 | 22,868,536 |
| Ararat | 5970 | 13,717,383 | 5454 | 11,509,805 |
| NKR | 6530 | 84,151,816 | 6626 | 89,996,615 |
| Foreign countries | 62 | 96,258,521 | 77 | 82,352,280 |
| Total | 76,925 | 641,806,452 | 67,956 | 567,470,654 |



Note 17. Financial assets at fair value through other comprehensive income

| State securities | Reporting period | Previous period |
|---|-------------------|------------------|
| State obligations | 64,925,141 | 5,727,946 |
| Treasury obligations | 64,925,141 | 5,727,946 |
| Central Bank obligations | | |
| Promissory note | | |
| State obligations of countries with BBB-/Baa3/ or higher rating | | |
| Treasury obligations | | |
| Central Bank obligations | | |
| Other | | |
| State securities of countries with BB+/Ba1/ or below rating or no rating | | |
| Treasury obligations | | |
| Central Bank obligations | | |
| Other | | |
| Possible loss reserve for promissory notes (Note 7) | | |
| Total state securities | 64,925,141 | 5,727,946 |

| Non-state securities of RA | Reporting period | Previous period |
|--|------------------|-----------------|
| Issuer with A-/A3/ or higher rating | | |
| Long term debt instruments | | |

| | | |
|--|-----------|-----------|
| Short term debt instruments | | |
| Deposit certificates | | |
| Equity instruments | | |
| Other | | |
| Issuer with "C" and higher rating by CBA | | |
| Long term debt instruments | | |
| Short term debt instruments | | |
| Deposit certificates | | |
| Equity instruments | | |
| Other | | |
| Issuer with BBB+/Baa1/ or below rating, other rating or no rating | | |
| Long term debt instruments | 2,356,784 | 2,298,518 |
| Short term debt instruments | | |
| Deposit certificates | | |
| Equity instruments | | |
| Other | | |
| Total non government securities of RA | 2,356,784 | 2,298,518 |

| Non-state securities of other countries | <i>Reporting period</i> | <i>Previous period</i> |
|--|-------------------------|------------------------|
| Issuer with A-/A3/ or higher rating | | |
| Long term debt instruments | | |
| Short term debt instruments | | |
| Deposit certificates | | |
| Equity instruments | | |
| Other | | |
| Issuer with BBB+/Baa1/ or below rating, other rating or no rating | | |
| Long term debt instruments | | |
| Short term debt instruments | | |
| Deposit certificates | | |
| Equity instruments | | |
| Other | | |
| Total non government securities of other countries | 0 | 0 |

| | | |
|---|-------------------|------------------|
| Total financial assets at fair value through other comprehensive | 67,281,925 | 8,026,464 |
|---|-------------------|------------------|

| Other financial assets at fair value through other comprehensive income | | |
|--|----------|----------|
| Loans, factoring, amounts receivable | | |
| Borrowers with A-/A3/ or higher rating | | |
| Borrowers with BBB+/Baa1 and below rating, other rating and no rating | | |
| Mortgage loans | | |
| Consumer loans | | |
| Other | | |
| Total | 0 | 0 |

| | | |
|--|-------------------|------------------|
| Total financial assets at fair value through other comprehensive income | 67,281,925 | 8,026,464 |
|--|-------------------|------------------|

Investments in other persons' share capital

Reporting period

| Company name | Main activity | Country of registration | Investment date | Invested amount (thous. drams) | Share |
|--|---------------------------------|-------------------------|-----------------|--------------------------------|----------|
| 1. Armenian Card CJSC | Payment and settlement services | RA | 20.10.06 | 12143 | 2.00 |
| 2."ACRA Credit Reporting" CJSC | Payment and settlement services | RA | 22.11.07 | 19845 | 4.0003 |
| 3. SWIFT | Payment and settlement services | Belgium | 23.04.12 | 18764 | 0.00005 |
| Total | | | | 50,752 | 6 |
| Impairment of investments in other companies share capital (reserve for possible losses) (Note 7) | | | | 0 | |
| Total | | | | 50,752 | |

Previous period

| Company name | Main activity | Country of registration | Investment date | Invested amount (thous. drams) | Share |
|--|---------------------------------|-------------------------|-----------------|--------------------------------|----------|
| 1. Armenian Card CJSC | Payment and settlement services | RA | 20.10.06 | 12143 | 2.00 |
| 2."ACRA Credit Reporting" CJSC | Payment and settlement services | RA | 22.11.07 | 19845 | 4.0003 |
| 3. SWIFT | Payment and settlement services | Belgium | 23.04.12 | 17472 | 0.00005 |
| Total | | | | 49,460 | 6 |
| Impairment of investments in other companies share capital (reserve for possible losses) (Note 7) | | | | 0 | |
| Total | | | | 49,460 | |

| | Reporting period | Previous period |
|--|-------------------|------------------|
| Total financial assets at fair value through other comprehensive income and investments in other companies' share capital | 67,332,677 | 8,075,924 |

Note 18. Other financial assets at amortized value

| Government securities | Reporting period | Previous period |
|---|------------------|-----------------|
| RA state bonds including | | |
| T-bonds | | |
| Bonds of Central bank | | |
| Other | | |
| Government securities of countries with BBB-/Baa3/ or higher rating, including | | |
| T-bonds | | |

| | | |
|--|--|--|
| Bonds of Central bank | | |
| Other | | |
| State securities of countries with BB+/Ba1/ or below rating or no rating, including | | |
| T-bonds | | |
| Bonds of Central bank | | |
| Other | | |
| Accrued interest | | |
| Total | | |

| Non-government securities of RA | <i>listed</i> | <i>unlisted</i> | <i>listed</i> | <i>unlisted</i> |
|---|---------------|-----------------|---------------|-----------------|
| Issuer with A-/A3/ or higher rating, including | | | | |
| - long term debt instruments | | | | |
| - short term debt instruments | | | | |
| - deposit certificates | | | | |
| - other | | | | |
| Issuer having "C-" and higher rating from CBA, including | 0 | 0 | 0 | |
| - long term debt instruments | | | | |
| - short term debt instruments | | | | |
| - deposit certificates | | | | |
| - other | | | | 0 |
| Issuer with BBB+/Baa1/ and lower rating, other rating and no rating, including | | | | |
| - long term debt instruments | | | | |
| - short term debt instruments | | | | |
| - deposit certificates | | | | |
| - other | | | | |
| Accrued interest | | | | |
| Total | - | - | - | - |

| Non-government securities of other countries | <i>listed</i> | <i>unlisted</i> | <i>listed</i> | <i>unlisted</i> |
|---|---------------|-----------------|---------------|-----------------|
| Issuer with A-/A3/ or higher rating, including | | | | |
| - long term debt instruments | | | | |
| - short term debt instruments | | | | |
| - deposit certificates | | | | |
| - other | | | | |
| Issuer with BBB+/Baa1/ and lower rating, other rating and no rating, including | | | | |
| - long term debt instruments | | | | |
| - short term debt instruments | | | | |
| - deposit certificates | | | | |
| - other | | | | |
| Accrued interest | | | | |
| Total | - | - | - | - |

| | | | | |
|--|----------|--|----------|----------|
| Impairment of other financial assets at amortized value (reserve for possible losses) (Note 7) | | | | |
| Net investments in other financial assets at amortized value | 0 | | 0 | 0 |

Note 20. Property, Plant, Equipment and Intangible Assets

Property, plant and equipment

| Title | Buildings | Computer & communication means | Vehicles | Other PPE | Capital investments as regards PPE | Operating lease PPE* | Capital investments as regards leased PPE | Total |
|--|-------------------|--------------------------------|----------------|------------------|------------------------------------|----------------------|---|-------------------|
| Initial cost | | | | | | | | |
| Balance at the beginning of the previous period | 10,557,112 | 4,024,270 | 243,586 | 3,254,416 | - | | 331,943 | 18,411,327 |
| Increase | 33,915 | 163,253 | 76,059 | 346,425 | - | 922,294 | 115,127 | 1,657,073 |
| Disposal | 209,035 | - | 21,602 | 100 | | | | 230,737 |
| Write-off | | | | | | | | - |
| Revaluation | | | | 2,489 | | | 20,246 | 22,735 |
| Depreciation adjustment from revaluation | | | | | | | | - |
| Balance at the end of the previous period | 10,381,992 | 4,187,523 | 298,043 | 3,598,252 | - | 922,294 | 426,824 | 19,814,928 |
| Increase | 51,927 | 483,493 | 7,002 | 306,788 | - | 141,490 | 54,714 | 1,045,414 |
| Disposal | | | | | | | | - |
| Revaluation* | | | | | | | | - |
| Write-off | 71,820 | 61,326 | | 35,925 | - | | 25,992 | 195,063 |
| Depreciation adjustment from revaluation | | | | | | | | - |
| Balance at the end of the reporting period | 10,362,099 | 4,609,690 | 305,045 | 3,869,115 | - | 1,063,784 | 455,546 | 20,665,279 |
| Accumulated depreciation | | | | | | | | |
| Balance at the beginning of the previous period | 1,484,106 | 2,875,408 | 123,538 | 1,566,776 | - | | 45,369 | 6,095,197 |
| Increase | 378,647 | 243,211 | 32,161 | 118,481 | | 168,977 | 11,077 | 952,554 |
| Disposal | | - | 19,327 | 102 | | | | 19,429 |
| Depreciation adjustment from revaluation | | | | | | | | - |
| Write-off | | | | 2,171 | | | 4,371 | 6,542 |
| Balance at the end of the previous period | 1,862,753 | 3,118,619 | 136,372 | 1,682,984 | - | 168,977 | 52,075 | 7,021,780 |
| Increase | 382,331 | 255,480 | 33,478 | 160,589 | | (69,487) | (48,067) | 714,324 |
| Disposal | | | | | | | | - |
| Depreciation adjustment from revaluation | | | | | | | | - |
| Write-off | 18,897 | 57,396 | | 24,486 | | | 4,008 | 104,787 |
| Balance at the end of the reporting period | 2,226,187 | 3,316,703 | 169,850 | 1,819,087 | | 99,490 | - | 7,631,317 |
| Net carrying amount | | | | | | | | |
| End of reporting period | 8,135,912 | 1,292,987 | 135,195 | 2,050,028 | - | 964,294 | 455,546 | 13,033,962 |
| End of previous period | 8,519,239 | 1,068,904 | 161,671 | 1,915,268 | - | | 374,749 | 12,793,148 |

* Operating lease as regards PPE is reported according to IFRS 16.

Intangible Assets

| | Software | Licenses | Copyright | Other intangible assets | Capital investments as regards intangible assets | Total |
|--|----------------|------------------|-----------|-------------------------|--|------------------|
| Initial cost | | | | | | |
| Balance at the beginning of the previous period | 269,024 | 2,846,893 | - | 135,806 | 4,847 | 3,256,570 |
| Increase | 12,367 | 71,240 | | 4,613 | 25,726 | 113,946 |
| Disposal | | - | | | | - |
| Impairment | | | | | | - |
| Revaluation | | | | | | - |
| Written off | | 16,330 | | | | 16,330 |
| Balance at the end of previous period | 281,391 | 2,901,803 | - | 140,419 | 30,573 | 3,354,186 |
| Increase | 4,209 | 217,111 | | 17,222 | 59,993 | 298,535 |
| Disposal | | - | | | | - |
| Revaluation* | | | | | | - |
| Impairment | | | | | | - |
| Written off | | 16,423 | | | | 16,423 |
| Balance at the end of the reporting period | 285,600 | 3,102,491 | - | 157,641 | 90,566 | 3,636,298 |
| Accumulated amortization | | | | | | |

| | | | | | | |
|---|----------------|------------------|----------|----------------|---------------|------------------|
| Balance at the end of previous period | 99,021 | 629,337 | | 25,707 | - | 754,065 |
| Increase | 19,085 | 324,771 | | 16,822 | | 360,678 |
| Disposal | | - | | | | - |
| Impairment | | 16,330 | | | | 16,330 |
| Revaluation | | - | | | | - |
| Balance at the end of previous period | 118,106 | 937,778 | | 42,529 | - | 1,098,413 |
| Increase | 19,323 | 365,443 | | 80,285 | | 465,051 |
| Disposal | | - | | | | - |
| Depreciation adjustment from revaluation | | 16,423 | | | | 16,423 |
| Revaluation | | - | | | | - |
| Balance at the end of the reporting period | 137,429 | 1,286,798 | | 122,814 | - | 1,547,041 |
| Net carrying amount | | | | | | |
| End of reporting period | 148,171 | 1,815,693 | - | 34,827 | 90,566 | 2,089,257 |
| End of previous period | 163,285 | 1,964,025 | - | 97,890 | 30,573 | 2,255,773 |

Note 21. Deferred tax assets

| Deferred tax assets movement | Reporting period | Previous period |
|---|------------------|-----------------|
| Balance at the beginning of the period | | 0 |
| Increase | | |
| Decrease | | 0 |
| Balance at the end of the period | - | - |

Note 22. Other Assets

| Amounts receivable from bank transactions | Reporting period | Previous period |
|---|------------------|------------------|
| Dividends receivable | 0 | 0 |
| Amounts receivable from trust management transactions | 0 | 0 |
| Amounts receivable from other transactions | 612,950 | 1,002,404 |
| Total | 612,950 | 1,002,404 |
| Reserve for possible losses as regards bank transactions (Note 7) | -8,028 | -15,305 |
| Net amounts receivable from bank transactions | 604,922 | 987,099 |

| Accounts receivable and prepayments | Reporting period | Previous period |
|--|-------------------|-------------------|
| Receivables as regards budget | 43 | 28 |
| Receivables as regards suppliers | | |
| Advance payments to the employees | 0 | 953 |
| Advance payments to the suppliers | 628,725 | 851,461 |
| Advance payments and overpayments as regards budget and mandator | 20,505 | 797 |
| Other receivables and prepayments | 7,337,244 | 6,459,851 |
| Total | 7,986,517 | 7,313,090 |
| Reserve for possible losses as regards other assets (Note 7) | -471,987 | -454,293 |
| Total | 7,514,530 | 6,858,797 |
| Other assets | | |
| Warehouse | 218,580 | 220,686 |
| Seized collateral | 6,174,931 | 4,258,506 |
| Future period expenses | 65,818 | 8,551 |
| Other assets | 1,675,224 | 1,558,642 |
| Reserve for possible losses as regards other assets (Note 7) | -17,397 | -15,667 |
| Total | 8,117,156 | 6,030,718 |
| Total other assets | 16,236,608 | 13,876,614 |

Note 23. Amounts due to banks and other financial institutions

| Current accounts | Reporting period | Previous period |
|---|--------------------|--------------------|
| RA Banks | 99,359 | 280,180 |
| Banks with BBB-(Baa3) and higher rating | 0 | 0 |
| Banks with rating below BBB-(Baa3) and no rating | 67,813 | 53,471 |
| Accrued interest | | |
| Total | 167,172 | 333,651 |
| Interbank loans, deposits and other demands | | |
| RA Central Bank | | |
| Loans* | 20,407,504 | 19,069,090 |
| Repo (repurchase) agreements | 98,399,984 | 36,999,994 |
| Swap | | |
| Other | | |
| RA Banks | | |
| Loans and deposits | 0 | 0 |
| Financial leasing | | |
| Repo (repurchase) agreements | 0 | 2,686,300 |
| Swap | 9,447 | 0 |
| Other | 10 | 10 |
| BBB-(Baa3) and higher rating banks | | |
| Loans and deposits | | |
| Financial leasing | | |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | | |
| BBB-(Baa3) and lower rating and no rating banks | | |
| Loans and deposits | 9,406,622 | 9,594,000 |
| Financial leasing | | |
| Repo (repurchase) agreements | | |
| Swap | 61,239 | 10,714 |
| Other | 2,583,571 | 1,941,145 |
| Accrued interest | 899,087 | 342,645 |
| Total | 131,767,464 | 70,643,898 |
| Financial institutions | | |
| Current accounts | 4,462,681 | 3,323,357 |
| Loans and deposits | 54,579,834 | 32,442,387 |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | 7,774 | 4,936 |
| Accrued interest | 535,195 | 276,497 |
| Total | 59,585,484 | 36,047,177 |
| Total amounts due to banks and other fin. institutions | 191,520,120 | 107,024,726 |

As of 31.12.2020, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 20,407,504 thousand. And accrued interest amounts AMD 829,738 thousand.

Note 24. Amounts due to customers

| Amounts due to RA government and local self-managed authorities | Reporting period | Previous period |
|---|--------------------|--------------------|
| Current accounts | 355,662 | 668,017 |
| Time deposits | | |
| Loans | 175,018 | 275,005 |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | 96,568 | 70,973 |
| Accrued interest | 444 | 775 |
| Total | 627,692 | 1,014,770 |
| Legal entities and institutions of RA (residents) | | |
| Current accounts | 42,119,479 | 47,768,623 |
| Time deposits | 65,829,876 | 56,259,718 |
| Repo (repurchase) agreements | 0 | 0 |
| Swap | 100,723 | 0 |
| Other | 4,976,173 | 7,903,405 |
| Accrued interest | 819,246 | 602,723 |
| Total | 113,845,497 | 112,534,469 |
| Legal entities and institutions (non-residents) | | |
| Current accounts | 154,423,685 | 124,522,146 |
| Time deposits | 873,388 | 908,236 |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | 4,433,663 | 27,387 |
| Accrued interest | 1,323 | 2,098 |
| Total | 159,732,059 | 125,459,867 |
| Sole entrepreneurs of RA (residents) | | |
| Current accounts | 382,770 | 345,791 |
| Time deposits | | |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | | |
| Accrued interest | | |
| Total | 382,770 | 345,791 |
| Sole entrepreneurs (non-residents) | | |
| Current accounts | 41 | 39 |
| Time deposits | | |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | | |
| Accrued interest | | |
| Total | 41 | 39 |
| Individuals (residents) | | |
| Current accounts | 43,073,076 | 25,356,555 |
| Time deposits | 256,338,684 | 277,951,809 |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | 332,833 | 121,463 |
| Accrued interest | 5,474,021 | 6,440,974 |
| Total | 305,218,614 | 309,870,801 |
| Individuals (non-residents) | | |
| Current accounts | 12,974,766 | 10,186,384 |
| Time deposits | 11,277,845 | 13,435,612 |
| Repo (repurchase) agreements | | |
| Swap | | |
| Other | 0 | 0 |

| | | |
|---------------------------------------|--------------------|--------------------|
| Accrued interest | 302,294 | 309,301 |
| Total | 24,554,905 | 23,931,297 |
| Total liabilities to customers | 604,361,578 | 573,157,034 |

The amount of the security of liabilities totaled: as at 31.12.2019 - AMD 19,451,921 thous., as at 31.12.2020 - AMD 20,924,018 thous.

2.Term liabilities to government include amounts involved from international financial organizations within RAED (Rural Areas Economic Development) program and Millennium Challenge Account program, which totaled AMD 175,018 thous., accrued interest AMD 444 thous.

The structure of Bank depositors' (time deposits) by customers number

| | Reporting period | Previous period |
|------------------------------|------------------|-----------------|
| Legal entities residents | 82 | 81 |
| Legal entitie non- residents | 2 | 3 |
| Individuals residents | 26,751 | 26,582 |
| Individuals non-residents | 328 | 430 |
| Total | 27,163 | 27,096 |

Note 25. Securities issued by Bank

| Securities issued by Bank | Reporting period | Previous period |
|---------------------------|------------------|-------------------|
| Fixed-Income securities | 2,916,675 | 10,773,511 |
| Total | 2,916,675 | 10,773,511 |

Note 26. Liabilities at fair value through profit or loss

| Liability held for trading | Reporting period | Previous period |
|--|-------------------|-------------------|
| Derivative instruments held for trading purposes | | |
| Futures | | |
| Forward | | |
| Option | | |
| Swap | | |
| Other | | |
| Hedging derivative instruments | | |
| Other | 40,207,262 | 35,387,635 |
| Total | 40,207,262 | 35,387,635 |

Note 27. Amounts payable

| Amounts payable | Reporting period | Previous period |
|-----------------------------|------------------|-----------------|
| Dividends | | |
| Trust management agreements | | |
| Deposits insurance | 266,215 | 299,987 |
| Other | | |
| Total | 266,215 | 299,987 |

Note 28. Deferred tax liabilities

| Deferred tax liabilities movements | Reporting period | Previous period |
|--|------------------|-----------------|
| Balance at the beginning of the period | 361,625 | 749,180 |

| | | |
|---|----------------|----------------|
| Increase | 233,791 | 375,184 |
| Decrease | 0 | -762,739 |
| Balance at the end of the period | 595,416 | 361,625 |

Note 29. Other liabilities

| Other liabilities | Reporting period | Previous period |
|---|------------------|------------------|
| Settlement liabilities as regards cheques and other payment | 0 | 0 |
| Settlement liabilities as regards letters of credit | | |
| Other settlements | | |
| Payables as regards budget | | |
| Profit Tax | 200,107 | 309,961 |
| VAT | 2,016 | 75,942 |
| other taxes and dues | 484,450 | 457,354 |
| social insurance payments | 0 | 0 |
| Liabilities to employees as regards salary | 636,805 | 407,552 |
| Payables as regards suppliers | 131,867 | 146,560 |
| Payables as regards completion of chartered capital | | |
| Other liabilities | 1,012,650 | 711,069 |
| Balance at the end of period | 2,467,895 | 2,108,438 |

Note 30. Chartered capital

- a) Bank's chartered capital registered and fully paid – AMD 42.090.187 thous.
b) The number of issued and allocated ordinary shares - 51.040, nominal value – AMD 824.651
c) Major participants as of the end of the reporting period

| Major participant | Amount of participation | Share % | Type of activity (for legal entities) |
|--------------------|-------------------------|---------|---------------------------------------|
| Vitaly Grigoryants | 39,985,678 | 95 | Individual |
| Arsen Mikayelyan | 2,104,509 | 5 | Individual |
| | 42,090,187 | | |

Note 32. Revaluation and remeasurement reserves, other components of equity
"Revaluation and remeasurement reserves"

Components:

| Revaluation reserves | Reporting period | Previous period |
|---|------------------|------------------|
| Unrealized gain/loss from revaluation of investments for sale | 2,051,610 | 536,965 |
| Fixed assets revaluation reserve | 468,524 | 471,422 |
| Other reserves | | |
| Total revaluation reserves | 2,520,134 | 1,008,387 |

Other components of equity

Reserves

| Other reserves | Reporting period | Previous period |
|----------------|------------------|-----------------|
| Main reserve | | |

| | | |
|------------------------|----------------|----------------|
| Opening balance | 797,803 | 755,177 |
| Increase | 115,224 | 42,626 |
| Decrease | | |
| Closing balance | 913,027 | 797,803 |

Note 33. Retained earnings

| Retained profit | Reporting period | Previous period |
|------------------------|------------------|-------------------|
| Opening balance | 10,260,280 | 8,156,593 |
| Increase | 1,812,592 | 3,269,358 |
| Decrease | 2,304,464 | 1,165,671 |
| Closing balance | 9,768,408 | 10,260,280 |

Note 34. Reserves, contingencies and potential liabilities

| Reserves | | Reporting period | Previous period |
|--------------------------------|---------------|------------------|-----------------|
| Opening balance | Note 7 | 988,680 | 939,778 |
| Allocations to the reserve | | 1,977,071 | 1,302,105 |
| Use of reserve | | (1,677,727) | (1,253,203) |
| Net allocations to the reserve | | 299,344 | 48,902 |
| Closing balance | | 1,288,024 | 988,680 |

Bank's legal liabilities

The Bank carries out its activity within the requirements prescribed by legislation and needs no additional reserves as regards its legal liabilities.

Bank's tax liabilities

The Bank has met its tax obligations and needs no additional reserves as regards its tax liabilities.

Bank's contingent liabilities as regards off-balance items containing credit risk

| | Reporting period | Previous period |
|---|--------------------|-------------------|
| Unused credit lines | 29,846,342 | 37,740,037 |
| Guarantees provided | 81,178,532 | 54,962,491 |
| Letters of credit issued | - | - |
| Reserve as regards the mentioned items (Note 7) | (1,288,024) | (988,680) |
| Closing balance | 109,736,850 | 91,713,848 |

Bank's liability as regards operating lease

The leased premises are as follows:

Yerevan - Artsakh Branch
Talin - Talin Branch
Yerevan - Hayreniq Branch
Stepanakert - Khachen Branch

Yerevan - Arshakuni Branch
 Masis - Masis Branch
 Ashtarak - Ashtarak Branch
 Gavar - Gavar Branch
 Yerevan - Komitas Branch
 Artik - Artik Branch
 Sevan - Sevan Branch
 Martuni - Alashkert Branch
 Artashat - Artashat Branch
 Yerevan - Arabkir Branch
 Yerevan - Avan Branch
 Yerevan - Aparan Branch
 Yerevan - Charbakh Branch
 Yerevan - Araratyan Branch
 Yerevan - Teryan Branch
 Yerevan - Yerevan Branch
 Yerevan - Tashir Branch
 Hrazdan - Hrazdan Branch
 Yerevan - Qajaznuni Branch
 Yerevan - Nor Aresh Branch
 Yerevan - Nor Avan Branch
 Yerevan - Davtashen Branch
 Yerevan - Noragavit Branch
 Yerevan - Kapan Branch
 Yerevan - Ajapnyak Branch
 Yerevan - Masiv Branch
 Yerevan - Zvartnoc Branch
 Yerevan - Ijevan Branch

The structure of future total minimum lease amounts payable for financial lease

thous. drams

| The structure of minimum lease payments | Amounts payable in drams equivalent to foreign currency | Amounts payable in drams |
|---|---|--------------------------|
| Lease | | 1,009,861 |
| Total | | 1,009,861 |

Note 35. Related party transactions

The related party transactions were conducted according to the market terms and interest rates.

| Loans and advances to customers at amortized value | Reporting period | Previous period |
|--|-------------------|-------------------|
| | 01.01.20-31.12.20 | 01.01.19-31.12.19 |
| Balance as of 01 January | 25,168,754 | 23,173,647 |
| Loans and advances provided during the year | 12,124,283 | 11,273,221 |

| | | |
|---|-------------------|-------------------|
| Loans and advances repaid during the year | 10,328,414 | 9,278,114 |
| Balance | 26,964,623 | 25,168,754 |
| Interest income | 2,261,526 | 2,188,199 |

The loans have been provided to the Bank's management and their related parties

| Amounts due to customers | Reporting period | Previous period |
|----------------------------------|-------------------|-------------------|
| | 01.01.20-31.12.20 | 01.01.19-31.12.19 |
| Balance as of 01 January | 19,699,543 | 16,296,608 |
| Amounts received during the year | 125,090,727 | 236,759,983 |
| Amounts paid during the year | 129,461,205 | 233,357,048 |
| Balance | 15,329,065 | 19,699,543 |
| Interest expense | 1,442,049 | 1,685,385 |

| Salary and equivalent payments to the Bank's management | Reporting period | Previous period |
|---|-------------------|-------------------|
| | 01.01.20-31.12.20 | 01.01.19-31.12.19 |
| The Board | | |
| Salary | 241,711 | 205,935 |
| bonus | | |
| Executive body | | |
| Salary | 294,134 | 360,901 |
| bonus | 150 | 316,000 |
| Internal audit | | |
| Salary | 57,594 | 55,185 |
| bonus | 100 | 4,900 |
| Total | 593,689 | 942,921 |

Note 36. Minimal disclosures concerning financial risks

1. Credit risk

The main objective of credit risks management for the Bank is the timely (sometimes even before provision of the loan) identification, valuation and realization of corresponding steps directed to their reduction.

The Bank evaluates the credit risk in relation of both each borrower and the whole loan portfolio.

According to the methodology developed by the Bank, the creditworthiness of the potential borrower is assessed before provision of the loan. From the viewpoint of prevention of the credit risk, the most important principles to follow are considered to be the security and purpose of the loan. After provision of the loan, monitoring is conducted by the Bank during the whole period of the loan agreement to regularly assess the borrower's solvency and the loan's security as well as to take corresponding measures for restricting the possible credit risk.

Also the Bank's overall loan portfolio is subjected to regular analysis by industry branches, customers, and loan types to ensure the portfolio diversification and quality. Intra-bank norms restricting credit risk (maximum risk as regards an industry branch, maximum overall loan risk, maximum risk per individual loan types as regards loan portfolio quality, maximum risk as regards a borrower, maximum risk as regards the major borrowers, maximum risk as regards a person related to the Bank, maximum risk as regards all persons related to the Bank, etc.) are established by the corresponding internal legal acts approved by the Bank Board (these norms are more severe than the corresponding norms established by the RA Central Bank).

The Bank considers activity of the Loan committee as very important for the containment of credit risk. Loan committee is the body to realize the Bank's credit policy, the purpose of which is management of the Bank's loan activity and formation of the quality loan portfolio.

The main objective of the loan committee is making collective professional protocol or final decisions concerning realization and servicing of transactions containing credit risk.

2. Geographical concentrations

| Title | 31.12.20 | | | |
|---|-------------|-----------------|--------------------|-------------|
| | RA | OECD* Countries | Non OECD Countries | Total |
| Assets | | | | |
| Cash and balances with CBA | 81,441,903 | | | 81,441,903 |
| Amounts due from banks and other financial institutions | 27,404,988 | 5,223,553 | 4,113,590 | 36,742,131 |
| Financial instruments held for trading | 40,207,262 | | | 40,207,262 |
| Loans and advances to customers at amortized value | 545,547,931 | 1,357,050 | 94,901,471 | 641,806,452 |

| | | | | |
|---|--------------------|--------------------|---------------------|--------------------|
| Securities available for sale | 67,313,913 | 18,764 | | 67,332,677 |
| Securities held to maturity | | | | - |
| Other assets | 14,958,593 | 6,942 | 1,271,073 | 16,236,608 |
| Total assets | 776,874,590 | 6,606,309 | 100,286,134 | 883,767,033 |
| Liabilities | | | | 0 |
| Amounts due to banks and other financial institutions | 179,360,444 | 80 | 12,159,596 | 191,520,120 |
| Amounts due to customers | 419,971,412 | 15,203,628 | 169,186,538 | 604,361,578 |
| Financial liability held for trading | 40,207,262 | | | 40,207,262 |
| Other liabilities | 2,437,575 | 30,320 | | 2,467,895 |
| Total liabilities | 641,976,693 | 15,234,028 | 181,346,134 | 838,556,855 |
| Net position | 134,897,897 | (8,627,719) | (81,060,000) | 45,210,178 |

31.12.2019

| Title | RA | OECD* Countries | Non OECD Countries | Total |
|---|--------------------|--------------------|---------------------|--------------------|
| Assets | | | | |
| Cash and balances with CBA | 97,364,678 | | | 97,364,678 |
| Amounts due from banks and other financial institutions | 24,901,319 | 6,575,420 | 13,318,273 | 44,795,012 |
| Financial instruments held for trading | 35,387,635 | | | 35,387,635 |
| Loans and advances to customers at amortized value | 485,118,374 | 1,108,181 | 81,244,099 | 567,470,654 |
| Securities available for sale | 8,058,452 | 17,472 | | 8,075,924 |
| Securities held to maturity | | | | - |
| Other assets | 12,622,669 | 5,946 | 1,247,999 | 13,876,614 |
| Total assets | 663,453,127 | 7,707,019 | 95,810,371 | 766,970,517 |
| Liabilities | | | | |
| Amounts due to banks and other financial institutions | 95,219,258 | - | 11,805,468 | 107,024,726 |
| Amounts due to customers | 423,765,830 | 17,656,113 | 131,735,091 | 573,157,034 |
| Financial liability held for trading | 35,387,635 | | | 35,387,635 |
| Other liabilities | 2,084,216 | 24,222 | | 2,108,438 |
| Total liabilities | 556,456,939 | 17,680,335 | 143,540,559 | 717,677,833 |
| Net position | 106,996,188 | (9,973,316) | (47,730,188) | 49,292,684 |

OECD* - Organization for Economic Cooperation and Development

Analysis of assets containing credit risk according to industrial branches and exposure

31.12.20

| Assets | Working assets | Non-working assets | | | Bad |
|--------|--------------------|--------------------|-------------------------------|------------------------|-----|
| | Standard/Non-risky | Controlled/Risky | Non-standard/ Medium risky | Doubtful/ Highly risky | |
| | | | | | |

| Loans and advances, including | | 627,273,470 | 10,910,341 | 3,360,736 | 261,905 | |
|---|--------|-------------|------------|-----------|---------|--|
| | | 72,578 | 2,388 | 1,714 | 245 | |
| 1. Agriculture , forestry and fishing | amount | 11,663,662 | 347,508 | 67,137 | 2,637 | |
| | number | 498 | 11 | 9 | 1 | |
| 2. Mining and quarrying | amount | 20,438,116 | | | | |
| | number | 27 | | | | |
| 3. Processing industry | amount | 46,304,788 | 55,501 | 47,033 | 2,779 | |
| | number | 107 | 5 | 1 | 2 | |
| 4. Electricity, gas , steam and air conditioning supply | amount | 27,739,405 | 286,363 | | 3,710 | |
| | number | 34 | 8 | | 1 | |
| 5. Water supply, sewerage, waste management and recycling | amount | 27,188 | | | | |
| | number | 4 | | | | |
| 6. Construction | amount | 95,166,167 | 182,046 | 179,279 | | |
| | number | 179 | 5 | 5 | | |
| 7. Trade | amount | 168,921,262 | 2,790,071 | 426,074 | | |
| | number | 852 | 40 | 16 | | |
| 8. Transportation and warehouse business | amount | 18,335,731 | | | 573 | |
| | number | 56 | | | 1 | |
| 9. Accommodation and catering | amount | 44,247,105 | 314,262 | 103,451 | | |
| | number | 85 | 4 | 3 | | |
| 10. Information and communication | amount | 4,951,734 | | 8,921 | | |
| | number | 29 | | 1 | | |
| 11. Real property buisness | amount | 24,559 | | | | |
| | number | 3 | | | | |
| 12. Professional, scientific and technical activities | amount | 23,668,113 | 3,280 | | | |
| | number | 31 | 1 | | | |
| 13. Education | amount | 6,705,975 | 1,235 | 1,658 | | |
| | number | 444 | 9 | 7 | | |
| 14. Healthcare | amount | 943,208 | | | | |
| | number | 35 | | | | |
| 15. Arts, entertainment, recreation | amount | 8,597,009 | 157,999 | 5,382 | | |
| | number | 23 | 4 | 1 | | |
| 16. Other branches of economy | amount | 50,910,058 | 1,806,431 | | | |

| | | | | | |
|------------------------------|--------|--------------------|----------------|--------------|--------------|
| | number | 109 | 9 | | |
| 17. Mortgage loans | amount | 22,054,533 | 438,521 | 144,955 | 17,136 |
| | number | 2,121 | 54 | 24 | 9 |
| 18. Consumer and other loans | amount | 76,574,857 | 4,527,124 | 2,376,846 | 235,070 |
| | number | 67,941 | 2,238 | 1,647 | 231 |
| Receivables | amount | 11,805,303 | 21,845 | 8,671 | 8,085 |
| | number | 12,271 | 770 | 485 | 417 |
| Investment securities | amount | 50,752 | | | |
| | number | 3 | | | |
| Off-balance sheet items | amount | 109,513,803 | 218,004 | 994 | 4,050 |
| | number | 5,852 | 64 | 44 | 9 |
| including guarantees | amount | 80,046,162 | 175,738 | | 1,250 |
| | number | 954 | 16 | | 1 |
| letters of credit | amount | | | | |
| | number | | | | |

31.12.2019

| Assets | Working assets | | Non-working assets | | |
|---|--------------------|------------------|-------------------------------|---------------------------|---------|
| | Standard/Non-risky | Controlled/Risky | Non-standard/ Medium risky | Doubtful/ Highly risky | Bad |
| Loans and advances, including | 557,504,514 | 6,137,797 | 2,503,119 | 1,325,224 | |
| | 65,975 | 1,419 | 297 | 265 | |
| 1. Agriculture , forestry and fishing | amount | 10,450,075 | 582,693 | 34,551 | 3,486 |
| | number | 596 | 12 | 2 | 2 |
| 2. Mining and quarrying | amount | 19,354,317 | 3,451 | 80,234 | - |
| | number | 30 | 1 | 2 | - |
| 3. Processing industry | amount | 41,074,420 | 59,572 | - | 449,461 |
| | number | 104 | 3 | - | 3 |
| 4. Electricity, gas , steam and air conditioning supply | amount | 21,545,232 | - | - | - |
| | number | 38 | - | - | - |
| 5. Water supply, sewerage, waste management and recycling | amount | 13,299 | - | 1,024 | - |
| | number | 4 | - | 1 | - |
| 6. Construction | amount | 70,232,456 | 68,349 | 27,750 | - |
| | number | 221 | 2 | 1 | - |
| 7. Trade | amount | 154,789,936 | 2,504,057 | 1,510,453 | 261,322 |
| | number | 680 | 23 | 3 | 3 |
| 8. Transportation and warehouse business | amount | 19,321,007 | 76,460 | - | - |
| | number | 45 | 2 | - | - |
| 9. Accommodation and catering | amount | 36,586,778 | 294,206 | 78,129 | - |
| | number | 71 | 2 | 1 | - |
| 10. Information and communication | amount | 4,927,157 | - | - | - |
| | number | 18 | - | - | - |
| 11. Real property business | amount | 68,368 | - | - | - |
| | number | 6 | - | - | - |

| | | | | | |
|---|--------|-------------------|------------------|---------------|--------------|
| 12. Professional, scientific and technical activities | amount | 20,840,495 | - | - | - |
| | number | 30 | - | - | - |
| 13. Education | amount | 5,973,174 | 960 | - | 218 |
| | number | 421 | 6 | - | 2 |
| 14. Healthcare | amount | 701,483 | - | - | - |
| | number | 24 | - | - | - |
| 15. Arts, entertainment, recreation | amount | 3,926,636 | - | - | - |
| | number | 23 | - | - | - |
| 16. Other branches of economy | amount | 64,459,942 | - | 5,436 | - |
| | number | 87 | - | 1 | - |
| 17. Mortgage loans | amount | 13,904,652 | 135,873 | 104,059 | 30,845 |
| | number | 1,803 | 34 | 16 | 11 |
| 18. Consumer and other loans | amount | 69,335,087 | 2,412,177 | 661,483 | 579,894 |
| | number | 61,774 | 1,334 | 270 | 244 |
| Receivables | amount | 11,865,264 | 34 | 5,010 | 4,831 |
| | number | 11,229 | 2,412,177 | 396 | 412 |
| Investment securities | amount | 49,460 | 1,334 | | |
| | number | 3 | | | |
| Off-balance sheet items | amount | 91,605,773 | 17,919 | 86,796 | 3,360 |
| | number | 7,452 | 46 | 7 | 3 |
| including guarantees | amount | 54,288,068 | | 84,000 | |
| | number | 404 | | 1 | |
| letters of credit | amount | | | | |
| | number | | | | |

Analysis of credit portfolio according to regions and risk exposure

31.12.19

| Loans and advances, including | Working assets | | Non-working assets | | |
|-------------------------------|--------------------|------------------|-------------------------------|---------------------------|-----|
| | Standard/Non-risky | Controlled/Risky | Non-standard/ Medium risky | Doubtful/ Highly risky | Bad |
| Loans, including | | | | | |
| 1. Residents of RA | 475,405,567 | 6,109,066 | 2,278,517 | 1,325,224 | |
| 2. Non-residents | 82,098,947 | 28,731 | 224,602 | | |
| Total | 557,504,514 | 6,137,797 | 2,503,119 | 1,325,224 | |

Loans to non-residents 31.12.19

| Assets | Working assets | | Non-working assets | | |
|---------------------------------------|--------------------|------------------|-------------------------------|---------------------------|-----|
| | Standard/Non-risky | Controlled/Risky | Non-standard/ Medium risky | Doubtful/ Highly risky | Bad |
| | 82,098,947 | 28,731 | 224,602 | - | |
| Loans and advances, including | 71 | 4 | 2 | - | |
| 1. Agriculture , forestry and fishing | amount | 12,021 | | | |
| | number | 4 | | | |
| 2. Mining and quarrying | amount | 2,624 | | | |
| | number | 1 | | | |
| 3. Processing industry | amount | 8,732 | | | |
| | number | 3 | | | |

| | | | | | |
|---|--------|------------|--------|---------|---|
| 4. Electricity, gas , steam and air conditioning supply | amount | | | | |
| | number | | | | |
| 5. Water supply, sewerage, waste management and recycling | amount | | | | |
| | number | | | | |
| 6. Construction | amount | 2,316,794 | | | |
| | number | 1 | | | |
| 7. Trade | amount | 78,328,231 | | 205,453 | |
| | number | 23 | | 1 | |
| 8. Transportation and warehouse business | amount | | | | |
| | number | | | | |
| 9. Accommodation and catering | amount | 3,358 | | | |
| | number | 1 | | | |
| 10. Information and communication | amount | 270,293 | | | |
| | number | 1 | | | |
| 11. Real property business | amount | | | | |
| | number | | | | |
| 12. Professional, scientific and technical activities | amount | | | | |
| | number | | | | |
| 13. Education | amount | - | | | |
| | number | - | | | |
| 14. Healthcare | amount | | | | |
| | number | | | | |
| 15. Arts, entertainment, recreation | amount | 1,410 | | | |
| | number | 1 | | | |
| 16. Other branches of economy | amount | | | | |
| | number | | | | |
| 17. Mortgage loans | amount | 474 | - | | |
| | number | 1 | - | | |
| 18. Consumer and other loans | amount | 1,155,009 | 28,731 | 19,149 | - |
| | number | 35 | 4 | 1 | - |

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| Assets | Working assets | | Non-working assets | | |
|--------------------|--------------------|-------------------|-------------------------------|---------------------------|-----|
| | Standard/Non-risky | Controlled/Risky | Non-standard/ Medium risky | Doubtful/ Highly risky | Bad |
| Loans, including | | | | | |
| 1. Residents of RA | 531,207,791 | 10,882,008 | 3,196,227 | 261,905 | |
| 2. Non-residents | 96,065,679 | 28,333 | 164,509 | | |
| Total | 627,273,470 | 10,910,341 | 3,360,736 | 261,905 | |

Loans to non-residents 31.12.2020

| Assets | Working assets | | Non-working assets | | |
|---|--------------------|------------------|-------------------------------|---------------------------|-----|
| | Standard/Non-risky | Controlled/Risky | Non-standard/ Medium risky | Doubtful/ Highly risky | Bad |
| Loans and advances, including | 96,065,679 | 28,333 | 164,509 | - | |
| | 58 | 1 | 3 | - | |
| 1. Agriculture , forestry and fishing | amount | 2,456 | | | |
| | number | 3 | | | |
| 2. Mining and quarrying | amount | 1,574 | | | |
| | number | 1 | | | |
| 3. Processing industry | amount | 4,701 | | | |
| | number | 3 | | | |
| 4. Electricity, gas , steam and air conditioning supply | amount | | | | |
| | number | | | | |

| | | | | | |
|---|------------|--------|--------|--|--|
| 5. Water supply, sewerage, waste management and recycling | | | | | |
| amount | | | | | |
| number | | | | | |
| 6. Construction | | | | | |
| amount | | | | | |
| number | | | | | |
| 7. Trade | | | | | |
| amount | 94,840,592 | | 81,506 | | |
| number | 24 | | 1 | | |
| 8. Transportation and warehouse business | | | | | |
| amount | | | | | |
| number | | | | | |
| 9. Accommodation and catering | | | | | |
| amount | 2,373 | | | | |
| number | 1 | | | | |
| 10. Information and communication | | | | | |
| amount | 223,779 | | | | |
| number | 1 | | | | |
| 11. Real property business | | | | | |
| amount | | | | | |
| number | | | | | |
| 12. Professional, scientific and technical activities | | | | | |
| amount | | | | | |
| number | | | | | |
| 13. Education | | | | | |
| amount | | | | | |
| number | | | | | |
| 14. Healthcare | | | | | |
| amount | | | | | |
| number | | | | | |
| 15. Arts, entertainment, recreation | | | | | |
| amount | 871 | | | | |
| number | 1 | | | | |
| 16. Other branches of economy | | | | | |
| amount | | | | | |
| number | | | | | |
| 17. Mortgage loans | | | | | |
| amount | 11,726 | | | | |
| number | 2 | | | | |
| 18. Consumer and other loans | | | | | |
| amount | 977,607 | 28,333 | 83,003 | | |
| number | 22 | 1 | 2 | | |

Loan portfolio indicators as of 30.09.2020

Non-performing loans/ total loans 2.39 %

Reserve for non-performing loans/total capital 4.32 %

Loan reserve /total loans 1.38 %

Possible loss reserve/Non-performing loans 57.86 %

Large amount advances/capital 498.38 %:

Market risk

Currency risk

For the purposes of currency risk assessment, the Bank applies the VaR (Value at Risk) model well accepted in the international practice. The model ensures definite probability forecast of expected maximum currency fluctuation rate by calculating the maximum value of the Bank eventual losses. For the purposes of currency risk suppression the Bank carried out daily monitoring of currency positions. In the occurrence of open currency positions, the Bank applies hedging instruments for the purposes of risk avoidance.

The Bank's foreign currency risk analysis according to financial assets and liabilities

31.12.2020

| | Drams | I group foreign currency* | II group foreign currency** | Total |
|---|------------|---------------------------|-----------------------------|------------|
| Assets | | | | |
| Cash and balances with CBA | 47,947,492 | 32,842,110 | 652,301 | 81,441,903 |
| Standardized precious metal bullions | | 24,689 | | 24,689 |
| Amounts due from banks and other financial institutions | 16,318,497 | 16,987,190 | 3,436,444 | 36,742,131 |

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Financial instruments kept for trading | 40,207,262 | | | 40,207,262 |
| Loans and advances to customers at amortized value | 328,544,513 | 311,584,357 | 1,677,582 | 641,806,452 |
| Financial assets at fair value through other comprehensive income | 66,008,165 | 1,324,512 | | 67,332,677 |
| Financial assets held to maturity | | | | - |
| Other | 10,322,377 | 5,899,722 | 14,509 | 16,236,608 |
| Total assets | 509,348,306 | 368,662,580 | 5,780,836 | 883,791,722 |
| Liabilities | | | | |
| Amounts due to banks and other financial institutions | 175,520,987 | 15,790,263 | 208,870 | 191,520,120 |
| Amounts due to customers | 268,309,910 | 321,439,959 | 14,611,709 | 604,361,578 |
| Securities issued by the bank | 257,955 | 2,658,720 | | 2,916,675 |
| Liabilities at fair value through profit or loss | 40,207,262 | | | 40,207,262 |
| Other liabilities | 2,424,754 | 43,141 | | 2,467,895 |
| Total liabilities | 486,720,868 | 339,932,083 | 14,820,579 | 841,473,530 |
| Net position | 22,627,438 | 28,730,497 | (9,039,743) | 42,318,192 |

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| | Drams | I group foreign currency* | II group foreign currency** | Total |
|---|--------------------|---------------------------|-----------------------------|--------------------|
| Assets | | | | |
| Cash and balances with CBA | 62,651,849 | 33,688,932 | 1,023,897 | 97,364,678 |
| Standardized precious metal bullions | | 159,077 | | 159,077 |
| Amounts due from banks and other financial institutions | 8,036,356 | 28,480,223 | 8,278,433 | 44,795,012 |
| Financial instruments kept for trading | 35,387,635 | | | 35,387,635 |
| Loans and advances to customers at amortized value | 283,608,041 | 278,531,921 | 5,330,692 | 567,470,654 |
| Financial assets at fair value through other comprehensive income | 6,859,917 | 1,216,007 | | 8,075,924 |
| Financial assets held to maturity | | | | - |
| Other | 8,885,885 | 4,964,311 | 26,418 | 13,876,614 |
| Total assets | 405,429,683 | 347,040,471 | 14,659,440 | 767,129,594 |
| Liabilities | | | | |
| Amounts due to banks and other financial institutions | 84,729,004 | 20,401,550 | 1,894,172 | 107,024,726 |
| Amounts due to customers | 247,698,383 | 301,530,164 | 23,928,487 | 573,157,034 |
| Securities issued by the bank | | 10,773,511 | | 10,773,511 |
| Liabilities at fair value through profit or loss | 35,387,635 | | | 35,387,635 |
| Other liabilities | 2,051,397 | 57,041 | | 2,108,438 |
| Total liabilities | 369,866,419 | 332,762,266 | 25,822,659 | 728,451,344 |
| Net position | 35,563,264 | 14,278,205 | (11,163,219) | 38,678,250 |

* The 1st group foreign currencies include US Dollar, Euro, English Pound sterling, Swiss Franc, Gold metal account

** The 2nd group foreign currencies include Russian Rouble, Ukrainian Hryvnia, UAE Dirham, Singapur Dollar.

Analysis of the Bank's Foreign Currency risk according to the types of derivative financial instruments

| Types of derivative financial instruments | Drams | I group foreign currency* | II group foreign currency** | Total |
|---|-------|---------------------------|-----------------------------|------------|
| Futures instruments | | | | |
| - liabilities | | | | |
| - demands | | | | |
| Forward instruments | | | | |
| - liabilities | | | | |
| - demands | | | | |
| Options | | | | |
| - liabilities | | | | |
| - demands | | | | |
| Swaps | | | | |
| - liabilities | | 31,307,828 | | 31,307,828 |

| | | | | |
|---|-------------------|---------------------|------------------|------------------|
| - demands | 16,945,469 | 5,143,065 | 9,118,203 | 31,206,737 |
| Other derivative instruments | | | | |
| - liabilities | | | | |
| - demands | | | | |
| Net position according to the derivative financial instruments | 16,945,469 | (26,164,763) | 9,118,203 | (101,091) |
| Net open position* | 16,945,469 | (26,164,763) | 9,118,203 | (101,091) |

Interest rate risk

Efficient assets and liabilities management also assumes a management of assets and liabilities as a result of which the Bank will to the extent possible avoid interest rate risk.

The objective of the interest rate risk management at the Bank is to maintain the target levels of the assets and liabilities interest rate spread and net interest margin.

For the interest rate risk management purposes, the Bank makes calculations on the monthly basis of the both net interest margin and the assets and liabilities interest rate spread, taking into account the assets profitability and the liabilities consumability as well as their time limitation.

To restrict interest rate risk, special mechanisms have been developed as regards assets and liabilities pricing (setting interest rates).

Interest rate risk assessment is based on the model of time gap calculation for assets and liabilities sensitive towards interest rate changes, which allows to evaluate the effect of the interest rate changes on the Bank's expected net interest income.

Interest rate risk is also assessed using the duration method, which shows the change in the economic value of the capital as a result of interest rate changes, taking into account the time inconsistency of the involved liabilities and allocated assets.

Average interest rates for interest-bearing financial assets and liabilities as of the end of the reporting period

| Item | Reporting period interest rates | | Previous period interest rates | |
|--|---------------------------------|------------------|--------------------------------|------------------|
| | Drams | Foreign currency | Drams | Foreign currency |
| | % | % | % | % |
| Assets | | | | |
| Balances with CBA | | | | |
| Amounts due from banks and other financial organizations | | 3.85 | | 5.25-5.75 |
| including | | | | |
| - interbank loans | | | | |
| - interbank repo | | | | |
| - interbank swap | | | | |
| Loans and advances to customers at amortized value | 2-20 | 6-15 | 2-24 | 7.25-13 |
| Securities held for trading and available for sale | 8-13 | 5.95-8.5 | 7.5-13 | 5.95-8.5 |
| Securities held to maturity | | | | |
| Liabilities | | | | |
| Amounts due to banks | 2-10.5 | 4.0-4.9 | 2-10.5 | 4-6 |
| and other financial institutions | | | | |
| Amounts due to | 0.01-10.5 | 0.01-5.25 | 0.01-10.5 | 0.01-5.15 |
| customers | | | | |
| Liabilities as regards securities issued by the Bank | 10.50 | 5.80 | | 7.5-8.0 |

Liquidity risk

The purpose of the Bank's liquidity management is to create an integrity of financial potential, which will enable to meet the well founded money demands of all types of creditors, depositors and other customers without serious problems which may be reflected in the Bank's balance sheet and off-balance sheet items, as well as ensuring the maximum possible profitability level.

To ensure smooth liquidity and efficiently manage the liquidity risk, the Bank implements coordinated management of assets and liabilities, which assumes:

1. availability of sufficient number of highly liquid assets,
2. sustainability of resources,
3. acceptable time gaps for assets and liabilities,
4. possibilities to attract means from external sources.

For correct decision-making concerning the Bank's liquidity management, it is especially important to carry out a time analysis for assets and liabilities, which is implemented through the assets and liabilities time gap calculation model by instant and cumulative separations. Instant liquidity is calculated on the daily basis to make correct situational decisions.

| Item description | Non-performing | | Time remaining to maturity | | | | | | open-end | Total |
|--|------------------|------------------|----------------------------|---------------------|---------------------|---------------------|--------------------|--------------------|------------------|--------------------|
| | overdue | time | demand | up to 3 months | 3-6 months | 6-12 months | 1-5 years | more than 5 years | | |
| Assets | | | | | | | | | | |
| Cash in intern. and CBA | | | 80,631,903 | | | | | | 810,000 | 81,441,903 |
| Amounts due from banks and other fin. institutions | | | 7,471,915 | 17,341,072 | | 4,605 | 11,334,974 | | 589,565 | 36,742,131 |
| Loans provided to customers | 4,626,321 | 9,906,661 | | 158,347,405 | 43,834,579 | 77,117,121 | 197,012,194 | 150,962,171 | | 641,806,452 |
| Financial assets | - | - | - | 32,223,345 | 8,769,238 | 533,525 | 24,194,821 | 41,768,258 | 50,752 | 107,539,939 |
| held for trade | | | | 31,962,788 | 8,244,474 | | | | | 40,207,262 |
| available for sale | | | | 260,557 | 524,764 | 533,525 | 24,194,821 | 41,768,258 | 50,752 | 67,332,677 |
| held up to maturity | | | | | | | | | | - |
| Realized under repo agreements | | | | | | | | | | - |
| Other assets | 31,786 | 21,579 | 9,231,498 | 653,917 | 80,995 | 4,021 | 37,881 | | 6,174,931 | 16,236,608 |
| *Contractual demands | | | | | | | | | | - |
| Total | 4,658,107 | 9,928,240 | 97,335,316 | 208,565,739 | 52,684,812 | 77,659,272 | 232,579,870 | 192,730,429 | 7,625,248 | 883,767,033 |
| 1-st group currency | 3,413,485 | 4,593,760 | 43,838,489 | 90,943,931 | 12,714,039 | 54,295,894 | 158,273,417 | | 589,565 | 368,662,580 |
| 2-nd group currency | | | 2,813,916 | 854,238 | 70,894 | 1,887,348 | 154,440 | | | 5,780,836 |
| Variable interest rate | | | | | | | | | | - |
| Fixed interest rate | 4,626,321 | 9,906,661 | 931,196 | 175,132,602 | 44,358,524 | 77,655,210 | 232,541,606 | 192,730,429 | 589,565 | 738,472,114 |
| Interest free | 31,786 | 21,579 | 96,404,120 | 33,433,137 | 8,326,288 | 4,062 | 38,264 | - | 7,035,683 | 145,294,919 |
| Liabilities | | | | | | | | | | |
| Amounts due to banks and other fin. institutions | | | 6,387,806 | 143,490,554 | 8,415,112 | 7,891,610 | 12,212,892 | 13,122,146 | | 191,520,120 |
| Amounts due to customers | - | - | 263,708,952 | 77,946,031 | 59,898,855 | 100,803,134 | 94,019,163 | 7,985,443 | - | 604,361,578 |
| upon demand | | | 263,708,952 | | | | | | | 263,708,952 |
| time liability | | | | 77,946,031 | 59,898,855 | 100,803,134 | 94,019,163 | 7,985,443 | | 340,652,626 |
| Other | | | | | | | | | | - |
| Liabilities for securities issued by the banks | | | | | | | 2,916,675 | | | 2,916,675 |
| Other liabilities | | | | 452,252 | | | 12,018 | 2,003,625 | | 2,467,895 |
| Off –balance contingent liabilities | 5,044 | 218,004 | 29,467,638 | 22,476,964 | 9,482,594 | 23,599,849 | 24,486,757 | | | 109,736,850 |
| *Contractual liabilities | | | | | | | | | | - |
| Total | - | - | 270,096,758 | 221,888,837 | 68,313,967 | 108,706,762 | 111,152,355 | 21,107,589 | - | 801,266,268 |
| 1-st group currency | | | 201,045,396 | 41,147,164 | 17,037,426 | 40,692,903 | 40,009,194 | | | 339,932,083 |
| 2-nd group currency | | | 11,907,874 | 795,477 | 1,045,779 | 732,563 | 338,886 | | | 14,820,579 |
| Large amount liability | | | | 98,821,896 | 786,423 | 325,033 | 19,733,746 | | | 119,667,098 |
| Variable rate liability | | | | | | | | | | - |
| Fixed rate liability | | | 257,792,183 | 187,836,583 | 60,069,492 | 108,014,779 | 111,152,355 | 21,107,589 | | 745,972,981 |
| Interest free | | | 12,304,575 | 34,052,254 | 8,244,475 | 691,983 | | | | 55,293,287 |
| Net liquidity gap | 4,658,107 | 9,928,240 | (172,761,442) | (13,223,098) | (15,629,155) | (31,047,490) | 121,427,515 | 171,622,840 | 7,625,248 | 82,500,765 |
| 1-st group currency | 3,413,485 | 4,593,760 | (157,206,907) | 49,796,767 | (4,323,387) | 13,602,991 | 118,264,223 | - | 589,565 | 28,730,497 |
| 2-nd group currency | - | - | (9,093,958) | 58,761 | (974,885) | 1,154,785 | (184,446) | - | - | (9,039,743) |
| Variable interest rate | - | - | - | - | - | - | - | - | - | - |
| Fixed rate | 4,626,321 | 9,906,661 | (256,860,987) | (12,703,981) | (15,710,968) | (30,359,569) | 121,389,251 | 171,622,840 | 589,565 | (7,500,867) |
| Cumulative liquidity gap | 4,658,107 | 14,586,347 | (158,175,095) | (171,498,193) | (187,127,348) | (218,174,838) | (96,747,323) | 74,875,517 | 82,500,765 | 801,266,268 |

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| Item description | Non-performing | | Time remaining to maturity | | | | | | open-end | Total |
|--|----------------|-----------|----------------------------|----------------|------------|-------------|-------------|-------------------|-----------|-------------|
| | overdue | time | demand | up to 3 months | 3-6 months | 6-12 months | 1-5 years | more than 5 years | | |
| Assets | | | | | | | | | | |
| Cash in intern. and CBA | | | 97,154,678 | | | | | | 210,000 | 97,364,678 |
| Amounts due from banks and other fin. institutions | | | 11,971,019 | 22,722,990 | 5,585,007 | 769,550 | 3,201,873 | | 544,573 | 44,795,012 |
| Loans provided to customers | 4,396,875 | 5,569,267 | | 152,256,387 | 64,214,800 | 54,624,358 | 198,293,984 | 88,114,983 | | 567,470,654 |
| Financial assets | | | | 30,390,929 | 4,996,706 | 50,418 | 4,008,741 | 3,967,305 | 49,460 | 43,463,559 |
| held for trade | | | | 30,390,929 | 4,996,706 | - | | | | 35,387,635 |
| available for sale | | | | | | 50,418 | 4,008,741 | 3,967,305 | 49,460 | 8,075,924 |
| held up to maturity | | | | | | | | | | - |
| Realized under repo agreements | | | | | | | | | | - |
| Other assets | 21,647 | 2,797 | 7,588,199 | 1,770,988 | 129,280 | 2,495 | 102,702 | | 4,258,506 | 13,876,614 |

| | | | | | | | | | | | |
|--|------------------|------------------|---------------------|--------------------|-------------------|----------------------|--------------------|-------------------|------------------|--------------------|---|
| *Contractual demands | | | | | | | | | | | - |
| Total | 4,418,522 | 5,572,064 | 116,713,896 | 207,141,294 | 74,925,793 | 55,446,821 | 205,607,300 | 92,082,288 | 5,062,539 | 766,970,517 | |
| 1-st group currency | 3,993,558 | 4,075,527 | 49,506,294 | 120,514,402 | 13,723,556 | 16,715,709 | 137,966,852 | 544,573 | | 347,040,471 | |
| 2-nd group currency | | | 2,234,589 | 8,711,880 | 577,316 | 2,941,604 | 194,051 | | | 14,659,440 | |
| Variable interest rate | | | | | | | | | | | - |
| Fixed interest rate | 3,080,797 | 5,530,720 | 3,699,544 | 146,414,488 | 67,745,526 | 54,284,714 | 200,053,346 | 92,082,288 | 544,573 | 573,435,996 | |
| Interest free | 1,337,725 | 41,344 | 113,014,352 | 60,726,806 | 7,180,267 | 1,162,107 | 5,553,954 | | 4,517,966 | 193,534,521 | |
| Liabilities | | | | | | | | | | | |
| Amounts due to banks and other fin. institutions | | | 5,171,902 | 62,050,124 | 3,921,210 | 6,151,105 | 20,822,634 | 8,907,751 | | 107,024,726 | |
| Amounts due to customers | - | - | 209,381,893 | 73,254,353 | 47,256,146 | 142,475,383 | 88,787,552 | 12,001,707 | - | 573,157,034 | |
| upon demand | | | 209,381,893 | | | | | | | 209,381,893 | |
| time liability | | | | 73,254,353 | 47,256,146 | 142,475,383 | 88,787,552 | 12,001,707 | | 363,775,141 | |
| Other | | | | | | | | | | | - |
| Liabilities for securities issued by the banks | | | | | | | 8,296,841 | 2,476,670 | | 10,773,511 | |
| Other liabilities | | | | 1,399,558 | | | 708,880 | | | 2,108,438 | |
| Off –balance contingent liabilities | 90,156 | 17,919 | 37,317,703 | 11,840,209 | 20,011,976 | 10,607,680 | 11,828,205 | | | 91,713,848 | |
| *Contractual liabilities | | | | | | | | | | | - |
| Total | - | - | 214,553,795 | 136,704,035 | 51,177,356 | 156,923,329 | 112,795,736 | 20,909,458 | - | 693,063,709 | |
| 1-st group currency | | | 142,513,739 | 44,222,633 | 18,835,945 | 70,297,034 | 56,802,915 | | | 332,762,266 | |
| 2-nd group currency | | | 23,083,293 | 1,062,839 | 319,425 | 672,672 | 684,430 | | | 25,822,659 | |
| Large-scale liability | | | | 37,109,028 | 233,188 | | 19,069,090 | | | 56,411,306 | |
| Variable rate liability | | | | | | | | | | | - |
| Fixed rate liability | | | 205,129,439 | 101,990,553 | 44,573,860 | 152,492,560 | 112,056,692 | 20,909,458 | | 637,152,562 | |
| Interest free | | | 9,424,356 | 34,713,482 | 6,603,496 | 4,430,769 | 739,044 | | | 55,911,147 | |
| Net liquidity gap | 4,418,522 | 5,572,064 | (97,839,899) | 70,437,259 | 23,748,437 | (101,476,508) | 92,811,564 | 71,172,830 | 5,062,539 | 73,906,808 | |
| 1-st group currency | 3,993,558 | 4,075,527 | (93,007,445) | 76,291,769 | (5,112,389) | (53,581,325) | 81,073,937 | - | 544,573 | 14,278,205 | |
| 2-nd group currency | - | - | (20,848,704) | 7,649,041 | 257,891 | 2,268,932 | (490,379) | - | - | (11,163,219) | |
| Variable interest rate | - | - | - | - | - | - | - | - | - | - | |
| fixed rate | 3,080,797 | 5,530,720 | (201,429,895) | 44,423,935 | 23,171,666 | (98,207,846) | 87,996,654 | 71,172,830 | 544,573 | (63,716,566) | |
| Cumulative liquidity gap | 4,418,522 | 9,990,586 | (87,849,313) | (17,412,054) | 6,336,383 | (95,140,125) | (2,328,561) | 68,844,269 | 73,906,808 | 693,063,709 | |

Average balance sheet capital and assets

01/01/20-31/12/20

| | |
|-------------------------------|--------------------|
| Average balance sheet asset | 836,836,730 |
| Average balance sheet capital | 55,671,311 |

Note 42. Collateral accepted

| | Reporting period | Previous period |
|-------------------------------|----------------------|----------------------|
| Other securities | 32,954,718 | 22,783,689 |
| Jewels and precious stones | 23,238,180 | 17,473,767 |
| Real estate | 359,600,071 | 268,008,837 |
| Vehicles | 17,228,561 | 15,455,192 |
| Other PPE | 46,467,807 | 35,964,247 |
| Finished production and goods | 36,110,946 | 35,646,207 |
| Cash | 20,924,018 | 19,451,921 |
| Other collateral | 167,069,437 | 102,066,257 |
| Credit guarantee | 268,303 | 1,088,248 |
| Other guarantees | 80,910,229 | 53,874,243 |
| Credit warranties | 606,243,386 | 531,092,045 |
| Other warranties | 148,371,920 | 85,463,387 |
| Total | 1,539,387,576 | 1,188,368,040 |

Chairman of the Executive Board

Artavazd Sargsyan

Chief Accountant

Narine Sargsyan

Date of approval 15.01.21