



## Appendix 5

### NOTES TO FINANCIAL STATEMENTS (Form 5)

31 March 2019

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 27 branches are located in Yerevan, 23 branches are located in different regions (marzes) of Armenia, and 7 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

Diana Grigoryan

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

Vardan Aghajanyan - Deputy Chairman of the Executive Board-  
Director of Operations Department

Nshan Grigoryan - Deputy Chairman of the Executive Board -Director  
of Credit Department

Narine Sargsyan - Chief Accountant

Aliona Stratan - Deputy Chairman of the Executive Board - Director of  
Regional Development & IT Department

Movses Eloyan - Deputy Chairman of the Executive Board - Director of Financial 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 March 2019	31 December 2018
AMD/1 US Dollar	486.44	483.75
AMD/1 EUR	545.3	553.65

**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

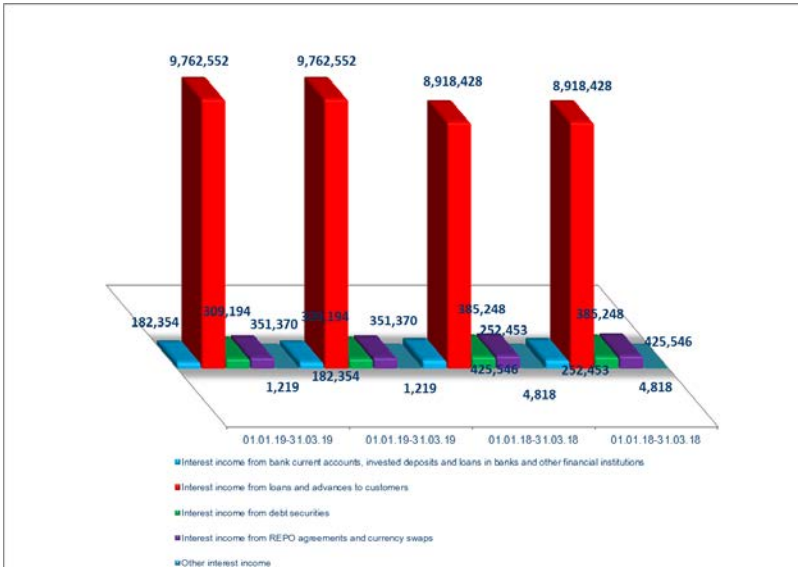
**2.17 Functional and presentation currency**

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.

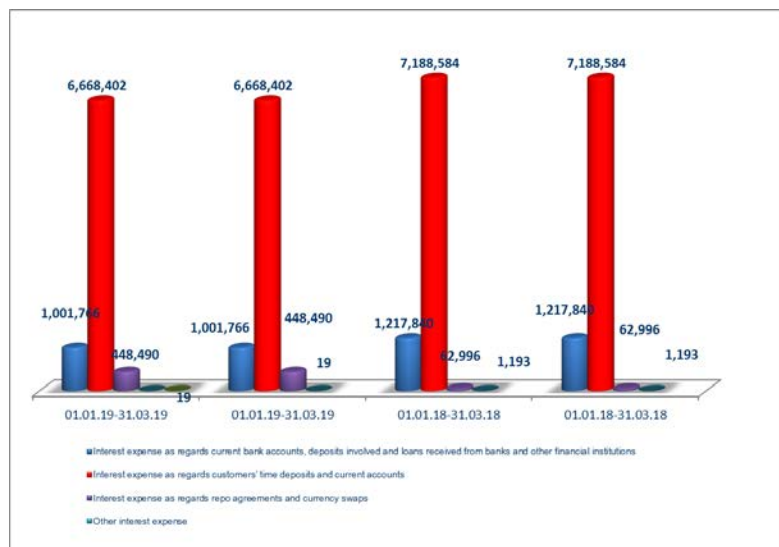
The intermediary financial statements are presented in thousands of AMD.

**Note 3. Net Interest and Similar Income**

Interest and Similar Income	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	182,354	182,354	252,453	252,453
Interest income from loans and advances to customers at amortized value	9,762,552	9,762,552	8,918,428	8,918,428
Interest income from debt securities	309,194	309,194	385,248	385,248
Interest income from REPO agreements and currency swaps	351,370	351,370	425,546	425,546
Other interest income	1,219	1,219	4,818	4,818
<b>Total</b>	<b>10,606,689</b>	<b>10,606,689</b>	<b>9,986,493</b>	<b>9,986,493</b>



Interest and Similar Expense	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	1,001,766	1,001,766	1,217,840	1,217,840
Interest expense as regards customers' time deposits and current accounts	6,668,402	6,668,402	7,188,584	7,188,584
Interest expense as regards securities issued by the Bank	206,000	206,000	199,223	199,223
Interest expense as regards repo agreements and currency swaps	448,490	448,490	62,996	62,996
Other interest expense	19	19	1,193	1,193
<b>Total</b>	<b>8,324,677</b>	<b>8,324,677</b>	<b>8,669,836</b>	<b>8,669,836</b>
<b>Net interest and similar income</b>	<b>2,282,012</b>	<b>2,282,012</b>	<b>1,316,657</b>	<b>1,316,657</b>



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

Income in the form of Commissions and Other Fees	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Cash operations	295,575	295,575	195,336	195,336
Settlement services	431,180	431,180	271,407	271,407
Guarantee, acceptance, letter of credit, trust management operations	93,811	93,811	60,096	60,096
Transaction in foreign currency and securities			2	2
Plastic card operations	209,145	209,145	252,198	252,198

Other commission payments	255,508	255,508	195,686	195,686
<b>Total</b>	<b>1,285,219</b>	<b>1,285,219</b>	<b>974,725</b>	<b>974,725</b>

<b>Expenses in the form of Commissions and Other Payments</b>	<b>01.01.19-31.03.19</b>	<b>01.01.19-31.03.19</b>	<b>01.01.18-31.03.18</b>	<b>01.01.18-31.03.18</b>
Commission payments as regards correspondent and other accounts/bank transactions	127,221	127,221	74,216	74,216
Commission payments as regards transactions with plastic cards/cash transactions	49,446	49,446	48,034	48,034
Payments as regards guarantees, acceptance, letters of credit, trust management transactions	14,820	14,820	9,756	9,756
Commission payments as regards transactions in foreign currency and securities				
Other commission payments	5,032	5,032	5,361	5,361
<b>Total</b>	<b>196,519</b>	<b>196,519</b>	<b>137,367</b>	<b>137,367</b>

<b>Net Commissions and other payments received</b>	<b>1,088,700</b>	<b>1,088,700</b>	<b>837,358</b>	<b>837,358</b>
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#### Note 5. Net income from trading transactions

<b>Income from Investments remeasured at fair value and held at fair value</b>	<b>01.01.19-31.03.19</b>	<b>01.01.19-31.03.19</b>	<b>01.01.18-31.03.18</b>	<b>01.01.18-31.03.18</b>
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	-9,123	-9,123		
Net income from change in fair value of investments held for trading				
<b>Total</b>	<b>-9,123</b>	<b>-9,123</b>		

<b>Net income from investments available for sale</b>	<b>01.01.19-31.03.19</b>	<b>01.01.19-31.03.19</b>	<b>01.01.18-31.03.18</b>	<b>01.01.18-31.03.18</b>
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities	-4,129	-4,129		
- derivative instruments				
Net income from change in fair value of investments held for trading	407,590	407,590	0	0
<b>Total</b>	<b>403,461</b>	<b>403,461</b>	<b>0</b>	<b>0</b>

<b>From foreign currency transactions</b>	<b>01.01.19-31.03.19</b>	<b>01.01.19-31.03.19</b>	<b>01.01.18-31.03.18</b>	<b>01.01.18-31.03.18</b>
Net income from foreign currency dealings	670,118	670,118	400,535	400,535
Net income from foreign currency revaluation	30,935	30,935	58,379	58,379
<b>Total</b>	<b>701,053</b>	<b>701,053</b>	<b>458,914</b>	<b>458,914</b>

From bank standardized precious metal bullions and commemorative coins	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	13,112	13,112	23,724	23,724
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	4,565	4,565	-2,417	-2,417
<b>Total</b>	<b>17,677</b>	<b>17,677</b>	<b>21,307</b>	<b>21,307</b>

<b>Net income from trading transactions</b>	<b>1,113,068</b>	<b>1,113,068</b>	<b>480,221</b>	<b>480,221</b>
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**Note 6. Other operating income**

Other operating income	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Fines and penalties received	471,041	471,041	673,889	673,889
Income received from factoring	0	0	449	449
Net income from disposal of PPE and intangible assets	5,320	5,320	1,638	1,638
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	103,970	103,970	68,983	68,983
<b>Total</b>	<b>580,331</b>	<b>580,331</b>	<b>744,959</b>	<b>744,959</b>

**Note 7. Net allocations to the assets possible loss reserve**

As regards amounts due from banks	Note 14	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Opening balance		218,090	218,090	95,832	95,832
Allocations to the reserve		978,060	978,060	292,764	292,764
Return of reserve allocations		-900,678	-900,678	-189,395	-189,395
Net allocations to the reserve		77,382	77,382	103,369	103,369
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
<b>Closing balance</b>		<b>295,472</b>	<b>295,472</b>	<b>199,201</b>	<b>199,201</b>

As regards amounts due from financial institutions	Note 14	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Opening balance		30,260	30,260	78,692	78,692
Allocations to the reserve		15,807	15,807	12,299	12,299
Return of reserve allocations		-8,051	-8,051	-20,442	-20,442
Net allocations to the reserve		7,756	7,756	-8,143	-8,143
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
<b>Closing balance</b>		<b>38,016</b>	<b>38,016</b>	<b>70,549</b>	<b>70,549</b>

As regards loans and advances provided to the customers	Note 16	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Opening balance		8,355,259	8,355,259	5,623,825	5,623,825
Allocations to the reserve		2,772,428	2,772,428	4,091,847	4,091,847
Return of reserve allocations		-1,347,525	-1,347,525	-4,013,814	-4,013,814
Net allocations to the reserve		1,424,903	1,424,903	78,033	78,033
Return of amounts previously written-off to the off-balance sheet		468,641	468,641	1,295,176	1,295,176
Reserve utilization		-1,665,357	-1,665,357	-1,045,087	-1,045,087
<b>Closing balance</b>		<b>8,583,446</b>	<b>8,583,446</b>	<b>5,951,947</b>	<b>5,951,947</b>

As regards investments	Note 18	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Opening balance		421	421	0	0
Allocations to the reserve		0	0	0	0
Return of reserve allocations		-1	-1	0	0
Net allocations to the reserve		-1	-1	0	0
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
<b>Closing balance</b>		<b>420</b>	<b>420</b>	<b>0</b>	<b>0</b>

As regards other assets	Note 18	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Opening balance		480,158	480,158	516,385	516,385
Allocations to the reserve		1,190,555	1,190,555	1,440,985	1,440,985
Return of reserve allocations		-1,176,205	-1,176,205	-1,421,611	-1,421,611
Net allocations to the reserve		14,350	14,350	19,374	19,374
Return of amounts previously written-off to the off-balance sheet		6,350	6,350	7,177	7,177
Reserve utilization		-6,139	-6,139	-32,246	-32,246
<b>Closing balance</b>		<b>494,719</b>	<b>494,719</b>	<b>510,690</b>	<b>510,690</b>

As regards off-balance sheet items containing credit risk	Note 34	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Opening balance		939,778	939,778	615,498	615,498
Allocations to the reserve		347,019	347,019	219,856	219,856
Return of reserve allocations		-278,336	-278,336	-149,411	-149,411
Net allocations to the reserve		68,683	68,683	70,445	70,445
<b>Closing balance</b>		<b>1,008,461</b>	<b>1,008,461</b>	<b>685,943</b>	<b>685,943</b>

<b>Total net allocations to the reserves</b>	<b>1,593,073</b>	<b>1,593,073</b>	<b>263,078</b>	<b>263,078</b>
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#### Note 8. General administrative expenses

General administrative expenses	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Expenses as regards calculated salary and other equivalent payments	1,363,591	1,363,591	939,538	939,538
Expenses as regards social payments	0	0	0	0
Expenses as regards training and tuition	973	973	323	323



Expenses as regards business trips	37,398	37,398	23,695	23,695
Expenses as regards operating lease	62,770	62,770	68,336	68,336
Insurance expenses	11,780	11,780	6,992	6,992
Expenses as regards maintenance and security of Bank's equipment	9,238	9,238	32,286	32,286
Expenses as regards maintenance and security of Bank's buildings	71,020	71,020	73,615	73,615
Expenses as regards audit and other consulting services	3,793	3,793	2,717	2,717
Expenses as regards communication means	30,323	30,323	34,541	34,541
Transportation expenses	18,452	18,452	16,100	16,100
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	120,754	120,754	82,245	82,245
Office and organizational expenses	16,432	16,432	13,445	13,445
Expenses as regards loans provision and return	8,063	8,063	15,772	15,772
Other administrative expenses	205,639	205,639	209,856	209,856
<b>Total</b>	<b>1,960,226</b>	<b>1,960,226</b>	<b>1,519,461</b>	<b>1,519,461</b>

The number of the Bank employees as at 31 March 2019 is 949.

The size of average monthly salary per employee is 231 thousand drams.

#### Note 9. Other Operating Expenses

Other Operating Expenses	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Fines and penalties paid	18,792	18,792	0	0
Advertising and representation expenses	67,215	67,215	88,251	88,251
Factoring expenses				
Fixed and intangible assets amortization expenses	274,634	274,634	281,477	281,477
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	215,302	215,302	246,412	246,412
Other expenses	287,281	287,281	244,253	244,253
<b>Total</b>	<b>863,224</b>	<b>863,224</b>	<b>860,393</b>	<b>860,393</b>

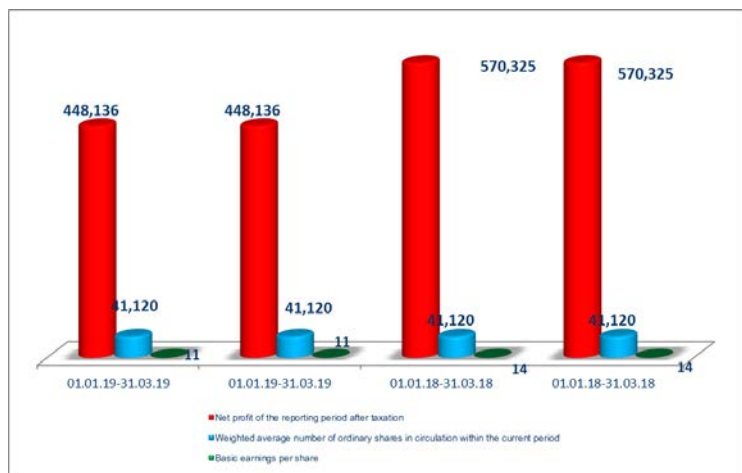
#### Note 11. Profit Tax Expense

Profit tax expense	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Current tax expense	199,452	199,452	165,938	165,938
Adjustments of current tax for previous periods recognized in the given period				
Deferred tax expense				
<b>Total</b>	<b>199,452</b>	<b>199,452</b>	<b>165,938</b>	<b>165,938</b>

#### Note 12. Basic Earnings per Share

Basic Earnings per Share	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Net profit of the reporting period after taxation	448,136	448,136	570,325	570,325
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	41,120	41,120	41,120	41,120
Basic earnings per share	11	11	14	14
Diluted earnings per share				



**Note. Other Comprehensive Income**

Other Comprehensive Income	01.01.19-31.03.19	01.01.19-31.03.19	01.01.18-31.03.18	01.01.18-31.03.18
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets at fair value through other comprehensive income	(583,404)	(583,404)	228,353	228,353
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
<b>Total</b>	<b>(583,404)</b>	<b>(583,404)</b>	<b>228,353</b>	<b>228,353</b>

**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	6,378,781	4,378,021
Other placements of cash	1,763,201	2,698,895
Correspondent accounts with the CBA *	132,551,568	109,194,765
<b>Total</b>	<b>140,693,550</b>	<b>116,271,681</b>
Deposit accounts with the CBA	0	0
Deposited means with the CBA **	110,000	210,000
Accrued interest		
<b>Cash means and balances with the CBA</b>	<b>140,803,550</b>	<b>116,481,681</b>
Standardized precious metal bullions	1,100,660	154,475

Placements with other banks (Note 14)	29,251,815	21,591,292
<b>Total cash and cash equivalents</b>	<b>147,833,222</b>	<b>127,503,012</b>

\* 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**

<b>Current accounts</b>	<b>Reporting period</b>	<b>Previous period</b>
RA banks	47	3,643
Banks with BBB – (Baa3) and higher rating	4,564,011	8,462,195
Banks with no rating and rating below BBB-(Baa3)	1,474,954	2,611,018
Accrued interest	0	0
<b>Total</b>	<b>6,039,012</b>	<b>11,076,856</b>

<b>Interbank loans and deposits, etc.</b>		
<b>CBA</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Other		
<b>RA Banks</b>		
Loans and deposits	0	0
Factoring		
Financial lease		
Repo (repurchase) agreements	9,567,754	0
Swap	0	0
Letters of credit and bank guarantees		
Other		
<b>Banks with BBB – (Baa3) and higher rating</b>		
Loans and deposits	12,408,000	9,291,010
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	0
Letters of credit and bank guarantees		
Other	0	0
<b>Banks with no rating and rating below BBB-(Baa3)</b>		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	0	0
Letters of credit and bank guarantees		
Other	1,522,424	1,434,717
<b>Accrued interest</b>	10097	6799
<b>Total</b>	<b>29,547,287</b>	<b>21,809,382</b>
Reserve for possible losses as regards amounts due from Banks (Note 7)	-295,472	-218,090

<b>Net amounts due from banks</b>	<b>29,251,815</b>	<b>21,591,292</b>
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<b>Loans and deposits with financial institutions, other amounts due</b>		
<b>RA financial institutions</b>	2,801,052	1,980,892
Loans and deposits	522,288	1,071,435
Factoring		
Financial lease		
Repo (repurchase) agreements	2,278,764	909,457
Swap		
Letters of credit and bank guarantees		
Other		
<b>Financial institutions with BBB – (Baa3) and higher rating</b>		
Loans and deposits	0	0
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
<b>Financial institutions with no rating and rating below BBB-(Baa3)</b>	978,844	1,013,131
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	978,844	1,013,131
<b>Accrued interest</b>	21,669	20,574
<b>Total</b>	<b>3,801,565</b>	<b>3,014,597</b>
<b>Reserve for possible losses as regards amounts due from financial institutions (Note 7)</b>	<b>-38,016</b>	<b>-30,260</b>
<b>Net amounts due from financial institutions</b>	<b>3,763,549</b>	<b>2,984,337</b>
<b>Net amounts due from banks and financial institutions</b>	<b>33,015,364</b>	<b>24,575,629</b>

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

<b>Government securities</b>	<b>Reporting period</b>	<b>Previous period</b>
<b>RA Government securities, including</b>		
Treasury bonds	29,913,193	23,252,698
Central Bank bonds		
Other		
<b>Government securities of countries with BBB – (Baa3) and higher rating, including</b>		
Treasury bonds		
Central Bank bonds		
Other		
<b>Government securities of countries with no rating and rating below BBB-(Baa3)</b>		
Treasury bonds		

Central Bank bonds		
Other		
<b>Total Government securities</b>	<b>29,913,193</b>	<b>23,252,698</b>

<b>Non-government securities of RA</b>	<b>Listed</b>	<b>Non-Listed</b>	<b>Listed</b>	<b>Non-Listed</b>
<b>Issuer with A-/A3/ and higher rating</b>				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
<b>Issuer with "C" and higher rating by CBA</b>				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
<b>Issuer with BBB+/Baa1/ and below rating, other rating and no rating</b>				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
<b>Total non-government securities of RA held for trading</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Non-government securities of other countries</b>	<b>Listed</b>	<b>Non-Listed</b>	<b>Listed</b>	<b>Non-Listed</b>
<b>Issuer with A-/A3/ and higher rating</b>				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
<b>Issuer with BBB+/Baa1/ and below rating, other rating and no rating</b>				
Long term debt instruments				
Short term debt instruments				
Deposit certificates				
Equity instruments				
Other				
<b>Total non-government securities of other countries held for trading</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Total securities held for trading</b>	<b>29,913,193</b>	<b>23,252,698</b>	<b>0</b>	<b>0</b>
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<b>Other financial assets held for trading</b>	<b>Reporting period</b>	<b>Reporting period</b>	<b>Previous period</b>	<b>Previous period</b>
<b>Loans, factoring, accounts receivable</b>				
Borrowers with A-/A3/ or higher rating				

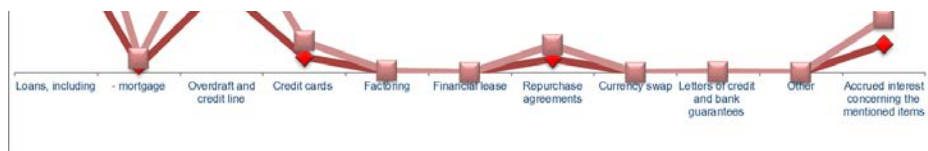
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating				
- Mortgage				
- Consumer loans				
- Other				
<b>Derivative instruments</b>		0		0
- Futures				
- Forward				
- Option				
- Swap				
- Other				
<b>Total</b>				

<b>Total financial assets at fair value through profit/loss</b>	29,913,193	23,252,698	0	0
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**Note 16. Loans and advances to customers at amortized value**

<b>Issued loans and other advances</b>	<b>Reporting period</b>	<b>Previous period</b>
Loans, including	238,043,969	223,511,127
- to banks		
- to RA Government		
- to local authorities		
- mortgage	11,303,113	11,333,671
<b>Overdraft and credit line</b>	138,816,320	132,864,129
<b>Credit cards</b>	24,886,851	25,039,910
<b>Factoring</b>	1,486,602	1,515,202
<b>Financial lease</b>	-	-
<b>Repurchase agreements</b>	22,229,219	22,252,849
<b>Currency swap</b>	-	-
<b>Letters of credit and bank guarantees</b>	511,454	509,863
<b>Other</b>		
<b>Accrued interest concerning the mentioned items</b>	44,655,709	40,811,194
<b>Total loans</b>	470,630,124	446,504,274
<b>Reserve for possible losses as regards loans and advances to customers at amortized value (Note 7)</b>	-8,583,446	-8,355,259
<b>Total net loans</b>	462,046,678	438,149,015





#### 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	456,013,294	433,333,643
	Quantity	58,380	55,557
Non-Performing loans and advances, including		14,616,830	13,170,631
		2199	1858
Overdue	Amount	6,405,362	6,311,113
	Quantity	1509	1356
Accrued interests			
Total loans	Amount	470,630,124	446,504,274
	Quantity	60,579	57,415
Provision for possible losses as regards loans and advances to customers at amortized value (Note 7)		-8,583,446	-8,355,259
<b>Total net loans</b>		<b>462,046,678</b>	<b>438,149,015</b>

#### 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
<b>State enterprises</b>	35,741,251	34,619,588
<b>Private enterprises, including</b>	324,541,721	308,695,021
- large enterprises	161,893,589	158,532,320
- small and medium enterprises	162,648,132	150,162,701
<b>Natural persons, including</b>	63,748,918	60,542,257
- consumer loans	21,547,255	18,404,021
- mortgage loans	11,284,208	11,314,911
- credit cards	29,732,476	29,677,299
<b>Sole entrepreneurs</b>	1,942,525	1,836,214
Accrued interest	44,655,709	40,811,194
<b>Total loans</b>	<b>470,630,124</b>	<b>446,504,274</b>
Provision for possible losses as regards loans and advances to customers at amortized value	(8,583,446)	(8,355,259)
<b>Total net loans</b>	<b>462,046,678</b>	<b>438,149,015</b>

a) Total loans provided to major borrowers and related persons as of 31.12.2018 made AMD 172.032.614 thous, as of 31.03.2019 – AMD 171.332.873 thous.

b) Share in total loan portfolio as of 31.12.2018 made 39.80 %, as of 31.03.2019 -37.32 %

c) Percentage to Capital as of 31.12.2018 was 498.77 %, as of 31.03.2019 – 498.43% :

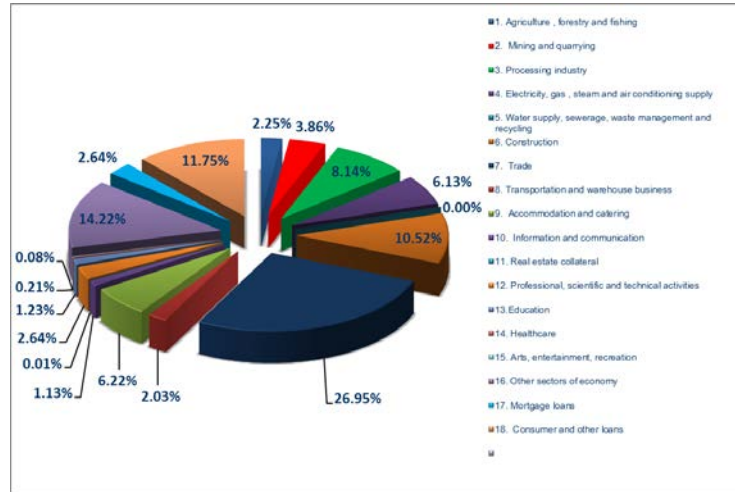
Analysis of loan portfolio according to number of borrowers	Reporting period	Previous period
State enterprises	7	6
Private enterprises	378	367
Natural persons	46,815	44,846
Sole entrepreneurs	142	130

<b>Total</b>	<b>47,342</b>	<b>45,349</b>
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**Analysis of loan portfolio according to the industry sectors (less the reserve amount for possible losses)**

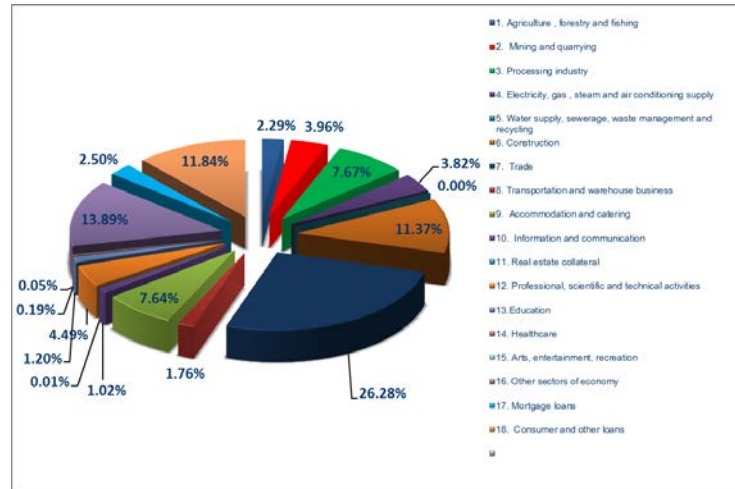
**31.12.18**

<b>Analysis of loans and advances according to crediting sectors</b>	<b>Reporting period</b>	<b>Percentage</b>
1. Agriculture , forestry and fishing	10,057,215	2.25
2. Mining and quarrying	17,237,292	3.86
3. Processing industry	36,326,633	8.14
4. Electricity, gas , steam and air conditioning supply	27,352,130	6.13
5. Water supply, sewerage, waste management and recycling	11,696	0.00
6. Construction	46,961,260	10.52
7. Trade	120,319,044	26.95
8. Transportation and warehouse business	9,070,790	2.03
9. Accommodation and catering	27,767,754	6.22
10. Information and communication	5,038,682	1.13
11. Real estate collateral	34,161	0.01
12. Professional, scientific and technical activities	11,800,785	2.64
13. Education	5,469,996	1.23
14. Healthcare	958,668	0.21
15. Arts, entertainment, recreation	377,558	0.08
16. Other sectors of economy	63,479,535	14.22
17. Mortgage loans	11,768,956	2.64
18. Consumer and other loans	52,472,119	11.75
<b>Total</b>	<b>446,504,274</b>	<b>100</b>



**31.03.19**

<b>Analysis of loans and advances according to crediting sectors</b>	<b>Previous period</b>	<b>Percentage</b>
1. Agriculture , forestry and fishing	10,798,108	2.29
2. Mining and quarrying	18,634,238	3.96
3. Processing industry	36,098,365	7.67
4. Electricity, gas , steam and air conditioning supply	17,991,777	3.82
5. Water supply, sewerage, waste management and recycling	10,509	0.00
6. Construction	53,501,427	11.37
7. Trade	123,680,744	26.28
8. Transportation and warehouse business	8,273,623	1.76
9. Accommodation and catering	35,959,333	7.64
10. Information and communication	4,820,709	1.02
11. Real estate collateral	41,159	0.01
12. Professional, scientific and technical activities	21,153,093	4.49
13. Education	5,643,232	1.20
14. Healthcare	914,599	0.19
15. Arts, entertainment, recreation	214,426	0.05
16. Other sectors of the economy	65,378,098	13.89
17. Mortgage loans	11,772,464	2.50
18. Consumer and other loans	55,744,220	11.84
<b>Total</b>	<b>470,630,124</b>	<b>100</b>



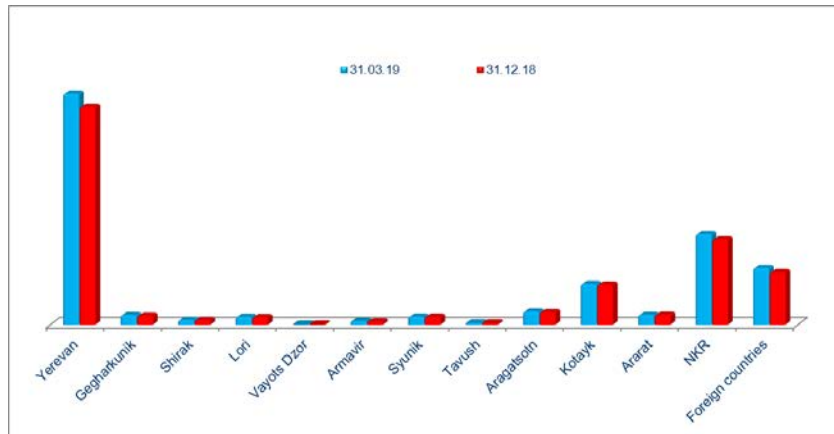
**Analysis of the loan portfolio as regards customers' residency**

<b>Analysis of the loan portfolio as regards customers' residency</b>	<b>Reporting period</b>	<b>Percentage</b>	<b>Previous period</b>	<b>Percentage</b>
RA residents	407,547,091	88.20	387,399,749	88.42
Non-residents	54,499,587	11.80	50,749,266	11.58



<b>Total</b>	<b>462,046,678</b>	<b>100</b>	<b>438,149,015</b>	<b>100</b>
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Region (Marz)	31.03.19		31.12.18	
	Quantity	Amount	Quantity	Amount
Yerevan	15340	221,845,766	14857	209,129,313
Gegharkunik	8928	9,593,814	8114	9,021,321
Shirak	6971	4,724,701	6338	4,715,273
Lori	2997	7,885,969	2858	7,595,147
Vayots Dzor	209	347,804	197	382,571
Armavir	1933	3,836,793	1804	3,232,881
Syunik	2321	8,038,331	2197	8,003,761
Tavush	836	2,042,170	805	2,011,073
Aragatsotn	5734	12,937,784	5524	12,407,306
Kotayk	3889	39,393,939	3706	38,767,630
Ararat	5446	9,754,416	5236	9,914,525
NKR	5922	87,145,604	5726	82,218,948
Foreign countries	53	54,499,587	53	50,749,266
<b>Total</b>	<b>60,579</b>	<b>462,046,678</b>	<b>57,415</b>	<b>438,149,015</b>



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

State securities	Reporting period	Previous period
<b>State obligations</b>	9,455,080	10,684,163
Treasury obligations	9,455,080	10,684,163
Central Bank obligations		
Promissory note		
<b>State obligations of countries with BBB-/Baa3/ or higher rating</b>		
Treasury obligations		
Central Bank obligations		
Other		
<b>State securities of countries with BB+/Ba1/ or below rating or no rating</b>		
Treasury obligations		
Central Bank obligations		
Other		
<b>Possible loss reserve for promissory notes (Note 7)</b>		

<b>Total state securities</b>	<b>9,455,080</b>	<b>10,684,163</b>
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<b>Non-state securities of RA</b>	<i>Reporting period</i>	<i>Previous period</i>
<b>Issuer with A-/A3/ or higher rating</b>		
Long term debt instruments		
Short term debt instruments		
Deposit certificates		
Equity instruments		
Other		
<b>Issuer with "C" and higher rating by CBA</b>		
Long term debt instruments		
Short term debt instruments		
Deposit certificates		
Equity instruments		
Other		
<b>Issuer with BBB+/Baa1/ or below rating, other rating or no rating</b>		
Long term debt instruments	1,841,007	1,872,284
Short term debt instruments		
Deposit certificates		
Equity instruments		
Other		
<b>Total non government securities of RA</b>	<b>1,841,007</b>	<b>1,872,284</b>

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

<b>Total financial assets at fair value through other comprehensive</b>	<b>11,296,087</b>	<b>12,556,447</b>
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<b>Other financial assets at fair value through other comprehensive income</b>		
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		

<b>Total</b>	<b>0</b>	<b>0</b>
<b>Total financial assets at fair value through other comprehensive income</b>	<b>11,296,087</b>	<b>12,556,447</b>

Investments in other persons' share capital

**Reporting period**

<b>Company name</b>	<b>Main activity</b>	<b>Country of registration</b>	<b>Investment date</b>	<b>Invested amount (thous. drams)</b>	<b>Share</b>
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	17673	0.00005
<b>Total</b>				<b>49,661</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				<b>-420</b>	
<b>Total</b>				<b>49,241</b>	

**Previous period**

<b>Company name</b>	<b>Main activity</b>	<b>Country of registration</b>	<b>Investment date</b>	<b>Invested amount (thous. drams)</b>	<b>Share</b>
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	17673	0.00005
<b>Total</b>				<b>49,661</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				<b>-421</b>	
<b>Total</b>				<b>49,240</b>	

	<b>Reporting period</b>	<b>Previous period</b>
<b>Total financial assets at fair value through other comprehensive income and investments in other companies' share capital</b>	<b>11,345,328</b>	<b>12,605,687</b>

**Note 18. Other financial assets at amortized value**

<b>Government securities</b>	<b>Reporting period</b>	<b>Previous period</b>
<b>RA state bonds including</b>		

T-bonds		
Bonds of Central bank		
Other		
<b>Government securities of countries with BBB-/Baa3/ or higher rating, including</b>		
T-bonds		
Bonds of Central bank		
Other		
<b>State securities of countries with BB+/Ba1/ or below rating or no rating, including</b>		
T-bonds		
Bonds of Central bank		
Other		
<b>Accrued interest</b>		
<b>Total</b>		

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

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

Impairment of other financial assets at amortized value (reserve for possible losses) (Note 7)				
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Net investments in other financial assets at amortized value	0		0	0
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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
<b>Initial cost</b>								
<b>Balance at the beginning of the previous period</b>	<b>8,141,436</b>	<b>3,844,020</b>	<b>217,019</b>	<b>2,222,276</b>	-		<b>301,036</b>	<b>14,725,787</b>
Increase	2,415,676	298,820	73,791	1,080,133	-		30,907	3,899,327
Disposal		346	-					346
Write-off		118,224	47,224	47,993				213,441
Revaluation								
Depreciation adjustment from revaluation								-
<b>Balance at the end of the previous period</b>	<b>10,557,112</b>	<b>4,024,270</b>	<b>243,586</b>	<b>3,254,416</b>	-		<b>331,943</b>	<b>18,411,327</b>
Increase	-	22,208	75,114	34,560	7,316	881,258	13,686	1,034,142
Disposal	209,035	-	21,602	100				230,737
Revaluation*								-
Write-off								-
Depreciation adjustment from revaluation								-
<b>Balance at the end of the reporting period</b>	<b>10,348,077</b>	<b>4,046,478</b>	<b>297,098</b>	<b>3,288,876</b>	<b>7,316</b>	<b>881,258</b>	<b>345,629</b>	<b>19,214,732</b>
<b>Accumulated depreciation</b>								
<b>Balance at the beginning of the previous period</b>	<b>1,170,425</b>	<b>2,739,564</b>	<b>126,421</b>	<b>1,515,141</b>	-		<b>35,840</b>	<b>5,587,391</b>
Increase	313,681	152,959	(2,883)	51,635			9,529	524,921
Disposal		168						168
Depreciation adjustment from revaluation								-
Write-off		16,947						16,947
<b>Balance at the end of the previous period</b>	<b>1,484,106</b>	<b>2,875,408</b>	<b>123,538</b>	<b>1,566,776</b>	-		<b>45,369</b>	<b>6,095,197</b>
Increase	94,662	58,510	7,219	22,959			2,647	185,997
Disposal		-	19,327	102				19,429
Depreciation adjustment from revaluation								-
Write-off								-
<b>Balance at the end of the reporting period</b>	<b>1,578,768</b>	<b>2,933,918</b>	<b>111,430</b>	<b>1,589,633</b>	-		<b>48,016</b>	<b>6,261,765</b>
<b>Net carrying amount</b>								
<b>End of reporting period</b>	<b>8,769,309</b>	<b>1,112,560</b>	<b>185,668</b>	<b>1,699,243</b>	<b>7,316</b>	<b>881,258</b>	<b>297,613</b>	<b>12,952,967</b>
<b>End of previous period</b>	<b>9,073,006</b>	<b>1,148,862</b>	<b>120,048</b>	<b>1,687,640</b>	-		<b>286,574</b>	<b>12,316,130</b>

\* 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
<b>Initial cost</b>						
<b>Balance at the beginning of the previous period</b>	<b>269,024</b>	<b>2,770,173</b>	-	<b>135,806</b>	<b>4,847</b>	<b>3,179,850</b>
Increase	-	172,514		-	-	172,514
Disposal						-
Impairment						-
Revaluation						-
Written off		95,794				95,794

<b>Balance at the end of previous period</b>	<b>269,024</b>	<b>2,846,893</b>	<b>-</b>	<b>135,806</b>	<b>4,847</b>	<b>3,256,570</b>
Increase	-	2,634		-	-	2,634
Disposal		-				-
Revaluation*						-
Impairment						-
Written off		2,172				2,172
<b>Balance at the end of the reporting period</b>	<b>269,024</b>	<b>2,847,355</b>	<b>-</b>	<b>135,806</b>	<b>4,847</b>	<b>3,257,032</b>
<b>Accumulated amortization</b>						
<b>Balance at the end of previous period</b>	<b>41,832</b>	<b>426,289</b>	<b>-</b>	<b>9,130</b>	<b>-</b>	<b>477,251</b>
Increase	57,189	298,492		16,577		372,258
Disposal						-
Impairment		95,444				95,444
Revaluation						-
<b>Balance at the end of previous period</b>	<b>99,021</b>	<b>629,337</b>		<b>25,707</b>	<b>-</b>	<b>754,065</b>
Increase	4,771	79,720		4,145		88,636
Disposal		-				-
Depreciation adjustment from revaluation		2,172				2,172
Revaluation		-				-
<b>Balance at the end of the reporting period</b>	<b>103,792</b>	<b>706,885</b>		<b>29,852</b>	<b>-</b>	<b>840,529</b>
<b>Net carrying amount</b>						
<b>End of reporting period</b>	<b>165,232</b>	<b>2,140,470</b>	<b>-</b>	<b>105,954</b>	<b>4,847</b>	<b>2,416,503</b>
<b>End of previous period</b>	<b>170,003</b>	<b>2,217,556</b>	<b>-</b>	<b>110,099</b>	<b>4,847</b>	<b>2,502,505</b>

**Note 21. Deferred tax assets**

Deferred tax assets movement	Reporting period	Previous period
<b>Balance at the beginning of the period</b>		0
Increase		
Decrease		0
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

**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	2,449,240	1,639,221
<b>Total</b>	<b>2,449,240</b>	<b>1,639,221</b>
Reserve for possible losses as regards bank transactions (Note 7)	-25,041	-16,392
<b>Net amounts receivable from bank transactions</b>	<b>2,424,199</b>	<b>1,622,829</b>

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	17	28
Receivables as regards suppliers		
Advance payments to the employees	1,311	0
Advance payments to the suppliers	1,063,808	1,024,632
Advance payments and overpayments as regards budget and mandator	127,419	0
Other receivables and prepayments	6,546,293	6,613,856
<b>Total</b>	<b>7,738,848</b>	<b>7,638,516</b>
Reserve for possible losses as regards other assets (Note 7)	-467,518	-462,063
<b>Total</b>	<b>7,271,330</b>	<b>7,176,453</b>
Other assets		

Warehouse	307,094	318,529
Seized collateral	3,466,023	3,566,477
Future period expenses	36,581	17,583
Other assets	179,875	153,167
Reserve for possible losses as regards other assets (Note 7)	-2,160	-1,703
<b>Total</b>	<b>3,987,413</b>	<b>4,054,053</b>
<b>Total other assets</b>	<b>13,682,942</b>	<b>12,853,335</b>

**Note 23. Amounts due to banks and other financial institutions**

Current accounts	Reporting period	Previous period
RA Banks	176,417	65,463
Banks with BBB-(Baa3) and higher rating	0	0
Banks with rating below BBB-(Baa3) and no rating	58	182
Accrued interest		
<b>Total</b>	<b>176,475</b>	<b>65,645</b>
<b>Interbank loans, deposits and other demands</b>		
<b>RA Central Bank</b>		
Loans*	18,434,293	18,745,465
Repo (repurchase) agreements	37,999,778	30,999,986
Swap		
Other		
<b>RA Banks</b>		
Loans and deposits	0	0
Financial leasing		
Repo (repurchase) agreements	0	0
Swap	0	0
Other	0	1,511,699
<b>BBB-(Baa3) and higher rating banks</b>		
Loans and deposits		
Financial leasing		
Repo (repurchase) agreements		
Swap		
Other		
<b>BBB-(Baa3) and lower rating and no rating banks</b>		
Loans and deposits	6,810,142	7,739,985
Financial leasing		
Repo (repurchase) agreements		
Swap	0	0
Other	1,682,389	414
Accrued interest	606,273	397,939
<b>Total</b>	<b>65,532,875</b>	<b>59,395,488</b>
<b>Financial institutions</b>		
Current accounts	1,393,406	3,670,404
Loans and deposits	24,676,593	24,471,344
Repo (repurchase) agreements		
Swap		
Other	1,553	2,822
<b>Accrued interest</b>	<b>606,293</b>	<b>566,391</b>
<b>Total</b>	<b>26,677,845</b>	<b>28,710,961</b>
<b>Total amounts due to banks and other fin. institutions</b>	<b>92,387,195</b>	<b>88,172,094</b>

As of 31.03.2019, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 18.434.293 thous. And accrued interest amounts AMD 540.619 thous.

**Note 24. Amounts due to customers**

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	141,294	220,497
Time deposits		
Loans	336,028	362,052
Repo (repurchase) agreements		
Swap		
Other	51,670	53,837
Accrued interest	1,042	1,205
<b>Total</b>	<b>530,034</b>	<b>637,591</b>
<b>Legal entities and institutions of RA (residents)</b>		
Current accounts	45,871,126	64,991,642
Time deposits	41,317,056	32,161,984
Repo (repurchase) agreements	0	0
Swap	0	8,940
Other	4,993,164	4,673,346
Accrued interest	389,205	345,497
<b>Total</b>	<b>92,570,551</b>	<b>102,181,409</b>
<b>Legal entities and institutions (non-residents)</b>		
Current accounts	125,508,936	61,788,635
Time deposits	933,971	927,312
Repo (repurchase) agreements		
Swap		
Other	5,511	250,804
Accrued interest	4,495	2,138
<b>Total</b>	<b>126,452,913</b>	<b>62,968,889</b>
<b>Sole entrepreneurs of RA (residents)</b>		
Current accounts	187,298	416,186
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>187,298</b>	<b>416,186</b>
<b>Sole entrepreneurs (non-residents)</b>		
Current accounts	56	127
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>56</b>	<b>127</b>
<b>Individuals (residents)</b>		
Current accounts	25,062,527	22,525,210
Time deposits	252,507,101	253,823,373
Repo (repurchase) agreements		
Swap		
Other	141,983	163,044
Accrued interest	4,582,989	3,960,720
<b>Total</b>	<b>282,294,600</b>	<b>280,472,347</b>



Individuals (non-residents)		
Current accounts	12,445,361	15,726,826
Time deposits	12,334,118	11,362,067
Repo (repurchase) agreements		
Swap		
Other	0	0
Accrued interest	197,612	141,888
<b>Total</b>	<b>24,977,091</b>	<b>27,230,781</b>
<b>Total liabilities to customers</b>	<b>527,012,543</b>	<b>473,907,330</b>

The amount of the security of liabilities totaled: as at 31.03.2019 - AMD 25.847.634 thous., as at 31.12.2018 - AMD 29.974.151 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 336.028 thous., accrued interest AMD 1.042 thous.

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

	Reporting period	Previous period
Legal entities residents	97	92
Legal entities non-residents	4	3
Individuals residents	23,218	22,264
Individuals non-residents	347	319
<b>Total</b>	<b>23,666</b>	<b>22,678</b>

#### Note 25. Securities issued by Bank

Securities issued by Bank	Reporting period	Previous period
Fixed-Income securities	10,924,318	11,462,171
<b>Total</b>	<b>10,924,318</b>	<b>11,462,171</b>

#### 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	29,913,193	23,252,698
<b>Total</b>	<b>29,913,193</b>	<b>23,252,698</b>

#### Note 27. Amounts payable

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	215,302	179,934
Other		
<b>Total</b>	<b>215,302</b>	<b>179,934</b>

**Note 28. Deferred tax liabilities**

Deferred tax liabilities movements	Reporting period	Previous period
Balance at the beginning of the period	749,180	627,829
Increase		121,351
Decrease		
<b>Balance at the end of the period</b>	<b>749,180</b>	<b>749,180</b>

**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		
<b>Payables as regards budget</b>		
Profit Tax	618,734	419,282
VAT	5,180	14,731
other taxes and dues	286,602	368,338
social insurance payments	0	0
Liabilities to employees as regards salary	349,054	339,657
Payables as regards suppliers	993,603	138,008
Payables as regards completion of chartered capital		
Other liabilities	1,984	850
<b>Balance at the end of period</b>	<b>2,255,157</b>	<b>1,280,866</b>

**Note 30. Chartered capital**

- a) Bank's chartered capital registered and fully paid – AMD 31.374.560 thous.  
b) The number of issued and allocated ordinary shares - 41.120, nominal value – AMD 763.000  
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	29,805,832	95	Individual
Arsen Mikayelyan	1,568,728	5	Individual
	<b>31,374,560</b>		

**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	1,605,948	2,189,352
Fixed assets revaluation reserve	471,422	471,422
Other reserves		
<b>Total revaluation reserves</b>	<b>2,077,370</b>	<b>2,660,774</b>

**Other components of equity**

**Reserves**

Other reserves	Reporting period	Previous period
Main reserve		
Opening balance	755,177	691,167
Increase		64,010
Decrease		
<b>Closing balance</b>	<b>755,177</b>	<b>755,177</b>

**Note 33. Retained earnings**

Retained profit	Reporting period	Previous period
Opening balance	8,156,593	4,888,082
Increase	448,136	3,332,520
Decrease		64,010
<b>Closing balance</b>	<b>8,604,729</b>	<b>8,156,593</b>

**Note 34. Reserves, contingencies and potential liabilities**

Reserves		Reporting period	Previous period
Opening balance		939,778	676,042
Allocations to the reserve	<b>Note 7</b>	347,019	449,190
Use of reserve		(278,336)	(185,454)
Net allocations to the reserve		68,683	263,736
<b>Closing balance</b>		<b>1,008,461</b>	<b>939,778</b>

**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	43,817,702	32,183,176
Guarantees provided	51,683,213	54,825,209
Letters of credit issued	-	-
Reserve as regards the mentioned items (Note 7)	(1,008,461)	(939,778)
<b>Closing balance</b>	<b>94,492,454</b>	<b>86,068,607</b>

**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

**The structure of future total minimum lease amounts payable for operating lease**

thous. drams

The structure of minimum lease payments	Amounts payable in drams equivalent to foreign currency	Amounts payable in drams
Up to 1 year		256,726
1-5 years		818,576
5-10 years		753,082
<b>Total</b>		<b>1,828,384</b>

**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
	01.01.19-31.03.19	01.01.18-31.12.18
Balance as of 01 January	23,173,647	6,266,753
Loans and advances provided during the year	2,611,704	27,387,913
Loans and advances repaid during the year	2,747,576	10,481,019
<b>Balance</b>	<b>23,037,775</b>	<b>23,173,647</b>
Interest income	524,456	1,344,235

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

Amounts due to customers	Reporting period	Previous period
	01.01.19-31.03.19	01.01.18-31.12.18
Balance as of 01 January	16,296,608	14,852,072
Amounts received during the year	51,131,382	177,796,728
Amounts paid during the year	46,656,633	176,352,192
<b>Balance</b>	<b>20,771,357</b>	<b>16,296,608</b>
Interest expense	441,725	1,570,978

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.19-31.03.19	01.01.18-31.12.18
The Board		
Salary	37,074	96,816
bonus		
Executive body		
Salary	102,791	225,497
bonus	289,150	17,451
Internal audit		
Salary	13,054	55,987
bonus	50	4,750
<b>Total</b>	<b>442,119</b>	<b>400,501</b>

### 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 normatives 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 normatives are more severe than the corresponding normatives 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

31.12.2018

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>					
Cash and balances with CBA	116,481,681				116,481,681

Amounts due from banks and other financial institutions	2,094,013	12,325,574	7,607,205	2,548,837	24,575,629
Financial instruments held for trading	23,252,698				23,252,698
Loans and advances to customers at amortized value	387,399,749	1,455,059	1,602,877	47,691,330	438,149,015
Securities available for sale	12,588,014		17,673		12,605,687
Securities held to maturity					-
Other assets	11,599,300	29,597	8,690	1,215,748	12,853,335
<b>Total assets</b>	<b>553,415,455</b>	<b>13,810,230</b>	<b>9,236,445</b>	<b>51,455,915</b>	<b>627,918,045</b>
<b>Liabilities</b>					-
Amounts due to banks and other financial institutions	78,496,472	7,784,689		1,890,933	88,172,094
Amounts due to customers	383,707,533	10,489,162	5,986,692	73,723,943	473,907,330
Financial liability held for trading	23,252,698				23,252,698
Other liabilities	1,264,526		16,337	1	1,280,864
<b>Total liabilities</b>	<b>486,721,229</b>	<b>18,273,851</b>	<b>6,003,029</b>	<b>75,614,877</b>	<b>586,612,986</b>
<b>Net position</b>	<b>66,694,226</b>	<b>(4,463,621)</b>	<b>3,233,416</b>	<b>(24,158,962)</b>	<b>41,305,059</b>

31.03.2019

Title	RA	CIS countries	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>					
Cash and balances with CBA	140,803,550				140,803,550
Amounts due from banks and other financial institutions	12,310,993	14,645,844	3,687,214	2,371,313	33,015,364
Financial instruments held for trading	29,913,193				29,913,193
Loans and advances to customers at amortized value	407,547,091	1,626,245	1,476,661	51,396,681	462,046,678
Securities available for sale	11,327,655		17,673		11,345,328
Securities held to maturity					-
Other assets	12,391,023	66,800	7,818	1,217,301	13,682,942
<b>Total assets</b>	<b>614,293,505</b>	<b>16,338,889</b>	<b>5,189,366</b>	<b>54,985,295</b>	<b>690,807,055</b>
<b>Liabilities</b>					-
Amounts due to banks and other financial institutions	83,541,197	7,004,808		1,841,190	92,387,195
Amounts due to customers	375,582,483	37,460,170	5,662,016	108,307,874	527,012,543
Financial liability held for trading	29,913,193				29,913,193
Other liabilities	2,244,454		10,702	1	2,255,157
<b>Total liabilities</b>	<b>491,281,327</b>	<b>44,464,978</b>	<b>5,672,718</b>	<b>110,149,065</b>	<b>651,568,088</b>
<b>Net position</b>	<b>123,012,178</b>	<b>(28,126,089)</b>	<b>(483,352)</b>	<b>(55,163,770)</b>	<b>39,238,967</b>

OECD \* - Organization for Economic Cooperation and Development

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

31.12.18

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	428,882,043	4,968,258	2,213,710	2,085,004	
<b>Loans and advances, including</b>	55,557	1,264	309	285	
1. Agriculture , forestry and fishing	amount 8,876,335	619,401	6,341	195,109	
	number 574	8	4	8	
2. Mining and quarrying	amount 16,892,919			69,495	
	number 23			1	
3. Processing industry	amount 35,495,347	13,493	64,911	172,987	
	number 76	1	1	3	
4. Electricity, gas , steam and air conditioning supply	amount 27,078,609				
	number 33				
5. Water supply, sewerage, waste management and recycling	amount 11,579				
	number 5				
6. Construction	amount 45,079,886	164,582		619,498	
	number 177	2		3	
7. Trade	amount 116,149,541	1,338,540	1,084,231	27,071	
	number 312	9	7	3	
8. Transportation and warehouse business	amount 8,879,771	91,192			
	number 27	1			
9. Accommodation and catering	amount 26,202,260	1,071,651	63,110		
	number 51	1	2		
10. Information and communication	amount 4,988,295				
	number 13				
11. Real property buisness	amount 33,820				
	number 9				
12. Professional, scientific and technical activities	amount 11,682,777				
	number 16				
13. Education	amount 5,415,296				
	number 435				
14. Healthcare	amount 949,082				
	number 18				

15. Arts, entertainment, recreation	amount	373,782			
	number	10			
16. Other branches of economy	amount	62,839,613	4,638		
	number	57	2		
17. Mortgage loans	amount	11,424,354	103,736	60,146	18,294
	number	1,839	31	12	12
18. Consumer and other loans	amount	46,508,777	1,561,025	934,971	982,550
	number	51,882	1,209	283	255
Receivables	amount	<b>9,814,719</b>	<b>5,693</b>	<b>16,946</b>	<b>2,108</b>
	number	<b>10,577</b>	<b>559</b>	<b>513</b>	<b>405</b>
Investment securities	amount	<b>49,240</b>			
	number	<b>3</b>			
Off-balance sheet items	amount	<b>86,058,187</b>	<b>4,246</b>	<b>5,230</b>	<b>944</b>
	number	<b>8,984</b>	<b>45</b>	<b>10</b>	<b>12</b>
including guarantees	amount	54,254,129	1,600	529	
	number	419	1	1	
letters of credit	amount				
	number				

31.03.2019

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans and advances, including</b>	<b>451,324,713</b>	<b>5,634,073</b>	<b>3,298,744</b>	<b>1,789,148</b>	
	<b>58,380</b>	<b>1,625</b>	<b>336</b>	<b>238</b>	
1. Agriculture , forestry and fishing	amount	9,604,322	202,023	384,019	193,652
	number	607	13	2	9
2. Mining and quarrying	amount	18,447,896			
	number	26			
3. Processing industry	amount	35,632,962	850	12,290	35,667
	number	75	1	1	1
4. Electricity, gas , steam and air conditioning supply	amount	17,811,859			
	number	33			
5. Water supply, sewerage, waste management and recycling	amount	10,404			
	number	5			
6. Construction	amount	51,479,569	224,203	7,440	619,498
	number	177	4	1	3
7. Trade	amount	119,116,720	592,992	2,046,634	
	number	325	10	10	
8. Transportation and warehouse business	amount	8,090,575	91,192		



	number	30	1		
9. Accommodation and catering	amount	32,891,693	2,359,053	66,134	
	number	49	3	2	
10. Information and communication	amount	4,772,502			
	number	14			
11. Real property business	amount	38,364	2,166		
	number	9	1		
12. Professional, scientific and technical activities	amount	20,941,562			
	number	16			
13. Education	amount	5,586,271	480		
	number	429	3		
14. Healthcare	amount	905,453			
	number	21			
15. Arts, entertainment, recreation	amount	212,281			
	number	10			
16. Other branches of economy	amount	64,717,529	6,155		
	number	58	3		
17. Mortgage loans	amount	11,256,908	267,430	36,970	27,402
	number	1,771	62	12	8
18. Consumer and other loans	amount	49,807,843	1,887,529	745,257	912,929
	number	54,725	1,524	308	217
Receivables	amount	<b>11,830,436</b>	<b>12,027</b>	<b>3,291</b>	<b>10,665</b>
	number	<b>11,233</b>	<b>554</b>	<b>472</b>	<b>485</b>
Investment securities	amount	49,241			
	number	3			
Off-balance sheet items	amount	<b>94,461,287</b>	<b>29,416</b>	<b>246</b>	<b>1,505</b>
	number	<b>8,143</b>	<b>59</b>	<b>5</b>	<b>6</b>
including guarantees	amount	51,143,554			1,000
	number	400			1
letters of credit	amount				
	number				

Analysis of credit portfolio according to regions and risk exposure

31.03.19

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	397,055,498	5,605,938	3,096,507	1,789,148	
2. Non-residents	54,269,215	28,135	202,237		
<b>Total</b>	<b>451,324,713</b>	<b>5,634,073</b>	<b>3,298,744</b>	<b>1,789,148</b>	

Loans to non-residents 31.03.19

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	54,269,215	28,135	202,237	-	
	47	3	3	-	

1. Agriculture , forestry and fishing	amount				
	number				
2. Mining and quarrying	amount				
	number				
3. Processing industry	amount	6,525			
	number	2			
4. Electricity, gas , steam and air conditioning supply	amount				
	number				
5. Water supply, sewerage, waste management and recycling	amount				
	number				
6. Construction	amount			7,440	
	number			1	
7. Trade	amount	53,872,020		192,184	
	number	16		1	
8. Transportation and warehouse business	amount				
	number				
9. Accommodation and catering	amount				
	number				
10. Information and communication	amount				
	number				
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	2,387			
	number	1			
16. Other branches of economy	amount				
	number				
17. Mortgage loans	amount	901			
	number	1			
18. Consumer and other loans	amount	387,382	28,135	2,613	
	number	27	3	1	

31.12.2018

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	378,343,999	4,942,899	2,027,847	2,085,004	
2. Non-residents	50,538,044	25,359	185,863		
<b>Total</b>	<b>428,882,043</b>	<b>4,968,258</b>	<b>2,213,710</b>	<b>2,085,004</b>	

Loans to non-residents 31.12.2018

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	50,538,044	25,359	185,863	-	
	48	4	1	-	
1. Agriculture , forestry and fishing	amount				
	number				

2. Mining and quarrying	amount				
	number				
3. Processing industry	amount	6,937			
	number	2			
4. Electricity, gas, steam and air conditioning supply	amount				
	number				
5. Water supply, sewerage, waste management and recycling	amount				
	number				
6. Construction	amount		8,567		
	number		1		
7. Trade	amount	50,247,258		185,863	
	number	15		1	
8. Transportation and warehouse business	amount				
	number				
9. Accommodation and catering	amount				
	number				
10. Information and communication	amount				
	number				
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	2,712			
	number	1			
16. Other branches of economy	amount				
	number				
17. Mortgage loans	amount	1,034			
	number	1			
18. Consumer and other loans	amount	280,103	16,792		
	number	29	3		

#### Loan portfolio indicators as of 31.03.2019

Non-performing loans/ total loans 3.18%

Reserve for non-performing loans/total capital 9.10%

Loan reserve /total loans 1.84 %

Possible loss reserve/Non-performing loans 57.93%

Large amount advances/capital 498.43%:

#### 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

31.12.2018

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	58,474,285	57,674,413	332,983	116,481,681
Standardized precious metal bullions		154,475		154,475
Amounts due from banks and other financial institutions	1,084,124	12,420,740	11,070,765	24,575,629
Financial instruments kept for trading	23,252,698			23,252,698
Loans and advances to customers at amortized value	211,389,888	224,077,182	2,681,945	438,149,015
Financial assets at fair value through other comprehensive income	11,865,127	740,560		12,605,687
Financial assets held to maturity				-
Other	7,636,024	5,209,350	7,961	12,853,335
<b>Total assets</b>	<b>313,702,146</b>	<b>300,276,720</b>	<b>14,093,654</b>	<b>628,072,520</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	74,133,402	11,167,186	2,871,506	88,172,094
Amounts due to customers	186,649,375	276,035,991	11,221,964	473,907,330
Securities issued by the bank	102,724	11,359,447		11,462,171
Liabilities at fair value through profit or loss	23,252,698			23,252,698
Other liabilities	1,242,565	38,299		1,280,864
<b>Total liabilities</b>	<b>285,380,764</b>	<b>298,600,923</b>	<b>14,093,470</b>	<b>598,075,157</b>
<b>Net position</b>	<b>28,321,382</b>	<b>1,675,797</b>	<b>184</b>	<b>29,997,363</b>

31.03.2019

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	65,246,388	75,035,187	521,975	140,803,550
Standardized precious metal bullions		1,100,660		1,100,660
Amounts due from banks and other financial institutions	6,585,955	13,748,501	12,680,908	33,015,364
Financial instruments kept for trading	29,913,193			29,913,193
Loans and advances to customers at amortized value	219,883,118	238,530,431	3,633,129	462,046,678
Financial assets at fair value through other comprehensive income	10,613,506	731,822		11,345,328
Financial assets held to maturity				-
Other	7,163,866	5,541,817	977,259	13,682,942
<b>Total assets</b>	<b>339,406,026</b>	<b>334,688,418</b>	<b>17,813,271</b>	<b>691,907,715</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	81,649,412	10,485,291	252,492	92,387,195
Amounts due to customers	199,116,853	310,343,999	17,551,691	527,012,543
Securities issued by the bank		10,924,318		10,924,318
Liabilities at fair value through profit or loss	29,913,193			29,913,193
Other liabilities	2,227,675	27,482		2,255,157
<b>Total liabilities</b>	<b>312,907,133</b>	<b>331,781,090</b>	<b>17,804,183</b>	<b>662,492,406</b>
<b>Net position</b>	<b>26,498,893</b>	<b>2,907,328</b>	<b>9,088</b>	<b>29,415,309</b>

\* 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				
- demands				
Other derivative instruments				
- liabilities				
- demands				
<b>Net position according to the derivative financial instruments</b>				
<b>Net open position*</b>				

#### 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 %
<b>Assets</b>				
Balances with CBA				
Amounts due from banks and other financial organizations		6.5-7		6.75
including				
- interbank loans				
- interbank repo				
- interbank swap				
Loans and advances to customers at amortized value	2-24	7.25-13	6-24	7-16
Securities held for trading and available for sale	9-13		9-13	
Securities held to maturity				
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	5.5-9	4-8.3	2-10.5	4-6.5
Amounts due to customers	0.01-10.5	0.01-5.5	0.01-10.5	0.01-5.5
Liabilities as regards securities issued by the Bank		7.5-8.0	14.00	7.0-8.5

#### 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.

31.12.18

31.12.16

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		
<b>Assets</b>										
Cash in intern. and CBA			116,271,681						210,000	116,481,681
Amounts due from banks and other fin. institutions			11,391,744	11,343,056	198,000	158,676	869,443		614,710	24,575,629
Loans provided to customers	4,298,717	4,968,257		109,064,409	53,677,556	56,040,026	165,212,564	44,887,486		438,149,015
Financial assets	-	-	-	14,835,659	8,541,159	99,451	4,080,323	8,252,553	49,240	35,858,385
held for trade				14,835,659	8,417,039					23,252,698
available for sale						124,120				12,605,687
held up to maturity							99,451	4,080,323	49,240	
Realized under repo agreements										-
Other assets	28,116	4,298	7,958,523	935,804	48,243	79,432	182,781		3,616,138	12,853,335
*Contractual demands										-
<b>Total</b>	<b>4,326,833</b>	<b>4,972,555</b>	<b>135,621,948</b>	<b>136,178,928</b>	<b>62,464,958</b>	<b>56,377,585</b>	<b>170,345,111</b>	<b>53,140,039</b>	<b>4,490,088</b>	<b>627,918,045</b>
1-st group currency	4,204,891	4,550,596	74,050,681	66,015,652	26,199,915	23,241,916	101,413,060	600,009		300,276,720
2-nd group currency			1,314,495	11,992,842	48,924		313,650		20,910	14,093,654
Variable interest rate										-
Fixed interest rate	4,298,717	4,968,257	7,948,208	120,407,465	53,999,676	56,298,153	170,162,330	53,140,039	614,710	471,837,555
Interest free	28,116	4,298	127,673,740	15,771,463	8,465,282	79,432	182,781	-	3,875,378	156,080,490
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			5,250,505	48,126,679	7,902,601	2,235,014	8,387,744	16,269,551		88,172,094
Amounts due to customers	-	-	169,877,550	56,289,596	45,147,618	78,258,005	122,571,373	1,763,188	-	473,907,330
upon demand			169,877,550							169,877,550
time liability				56,289,596	45,147,618	78,258,005	122,571,373	1,763,188		304,029,780
Other										-
Liabilities for securities issued by the banks				674,546			10,787,625			11,462,171
Other liabilities			1,142,856	138,008						1,280,864
Off –balance contingent liabilities	6,174	4,246	31,804,055	6,300,147	20,708,140	9,445,147	17,800,698			86,068,607
*Contractual liabilities										-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>176,270,911</b>	<b>105,228,829</b>	<b>53,050,219</b>	<b>80,493,019</b>	<b>141,746,742</b>	<b>18,032,739</b>	<b>-</b>	<b>574,822,459</b>
1-st group currency			114,771,875	34,324,577	18,547,323	36,910,968	94,046,180			298,600,923
2-nd group currency			10,296,757	1,955,417	270,797	511,562	1,058,937			14,093,470
Large amount liability				31,166,484	325,205	20,360	18,587,234			50,099,283
Variable rate liability										-
Fixed rate liability			170,484,702	89,682,740	42,993,155	79,690,002	141,746,742	18,032,739		542,630,080
Interest free			5,786,209	15,546,089	10,057,064	803,017				32,192,379
<b>Net liquidity gap</b>	<b>4,326,833</b>	<b>4,972,555</b>	<b>(40,648,963)</b>	<b>30,950,099</b>	<b>9,414,739</b>	<b>(24,115,434)</b>	<b>28,598,369</b>	<b>35,107,300</b>	<b>4,490,088</b>	<b>53,095,586</b>
1-st group currency	4,204,891	4,550,596	(40,721,194)	31,691,075	7,652,592	(13,669,052)	7,366,880	-	600,009	1,675,797
2-nd group currency	-	-	(8,982,262)	10,037,425	(221,873)	(108,729)	(745,287)	-	20,910	184
Variable interest rate	-	-	-	-	-	-	-	-	-	-
Fixed rate	4,298,717	4,968,257	(162,536,494)	30,724,725	11,006,521	(23,391,849)	28,415,588	35,107,300	614,710	(70,792,425)
Cumulative liquidity gap	4,326,833	9,299,388	(31,349,575)	(399,476)	9,015,263	(15,100,171)	13,498,198	48,605,498	53,095,586	574,822,459

31.03.2019

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		
<b>Assets</b>										
Cash in intern. and CBA			140,693,550						110,000	140,803,550
Amounts due from banks and other fin. institutions			6,380,386	19,055,925	5,939,108		1,019,363		620,582	33,015,364
Loans provided to customers	6,308,185	4,413,779		135,935,999	30,617,875	63,538,408	166,770,011	54,462,421		462,046,678
Financial assets held for trade			-	126,001	10,004,240	20,010,877	3,996,130	7,072,032	49,241	41,258,521
available for sale					10,004,240					29,913,193
held up to maturity					126,001		101,924	3,996,130	7,072,032	49,241
Realized under repo agreements										-
Other assets	27,937	5,656	6,292,418	3,527,945	113,874	2,495	196,933		3,515,684	13,682,942
*Contractual demands										-
<b>Total</b>	<b>6,336,122</b>	<b>4,419,435</b>	<b>153,366,354</b>	<b>158,645,870</b>	<b>46,675,097</b>	<b>83,551,780</b>	<b>171,982,437</b>	<b>61,534,453</b>	<b>4,295,507</b>	<b>690,807,055</b>
1-st group currency	4,203,302	4,317,019	87,875,676	88,054,072	17,081,782	28,313,530	104,238,746		604,291	334,688,418
2-nd group currency			1,723,788	14,373,434	90,607	1,302,082	300,800		22,560	17,813,271
Variable interest rate										-
Fixed interest rate	6,308,185	4,413,779	1,891,115	148,428,581	26,105,087	83,549,260	171,053,854	61,534,453	620,582	503,904,896
Interest free	27,937	5,656	151,475,239	10,217,289	20,570,010	2,520	928,583		3,674,925	186,902,159
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			1,571,217	55,355,426	602,566	9,792,271	8,848,390	16,217,325		92,387,195
Amounts due to customers	-	-	213,659,662	47,741,208	49,672,901	89,395,599	124,778,608	1,764,565	-	527,012,543
upon demand			213,659,662							213,659,662
time liability				47,741,208	49,672,901	89,395,599	124,778,608	1,764,565		313,352,881
Other										-
Liabilities for securities issued by the banks							10,924,318			10,924,318
Other liabilities				1,380,791			874,366			2,255,157
Off –balance contingent liabilities	1,751	29,416	43,317,731	20,570,483	5,347,605	15,700,649	9,524,819			94,492,454
*Contractual liabilities										-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>215,230,879</b>	<b>104,477,425</b>	<b>50,275,467</b>	<b>99,187,870</b>	<b>145,425,682</b>	<b>17,981,890</b>	<b>-</b>	<b>632,579,213</b>
1-st group currency			153,522,329	19,445,676	25,987,023	47,717,380	85,108,682			331,781,090
2-nd group currency			14,543,975	609,655	308,713	1,137,137	1,204,703			17,804,183
Large-scale liability				38,657,568	65,454		18,316,203			57,039,225
Variable rate liability										-
Fixed rate liability			211,021,411	93,193,077	29,314,474	98,387,020	145,425,682	17,981,890		595,323,554
Interest free			4,209,468	11,284,348	20,960,993	800,850				37,255,659
<b>Net liquidity gap</b>	<b>6,336,122</b>	<b>4,419,435</b>	<b>(61,864,525)</b>	<b>54,168,445</b>	<b>(3,600,370)</b>	<b>(15,636,090)</b>	<b>26,556,755</b>	<b>43,552,563</b>	<b>4,295,507</b>	<b>58,227,842</b>
1-st group currency	4,203,302	4,317,019	(65,646,653)	68,608,396	(8,905,241)	(19,403,850)	19,130,064	-	604,291	2,907,328
2-nd group currency	-	-	(12,820,187)	13,763,779	(218,106)	164,945	(903,903)	-	22,560	9,088
Variable interest rate			-	-	-	-	-	-	-	-
fixed rate	6,308,185	4,413,779	(209,130,296)	55,235,504	(3,209,387)	(14,837,760)	25,628,172	43,552,563	620,582	(91,418,658)
Cumulative liquidity gap	6,336,122	10,755,557	(51,108,968)	3,059,477	(540,893)	(16,176,983)	10,379,772	53,932,335	58,227,842	632,579,213

**Average balance sheet capital and assets**

01/01/19-31/03/19

Average balance sheet asset	<b>666,859,941</b>
Average balance sheet capital	<b>42,331,006</b>

**Note 42. Collateral accepted**

	Reporting period	Previous period
Other securities	19,793,193	19,792,605
Jewels and precious stones	15,067,881	14,038,813

Real estate	222,350,327	206,007,018
Vehicles	15,205,315	14,989,653
Other PPE	32,580,468	32,259,575
Finished production and goods	34,370,971	33,844,444
Cash	25,847,634	29,974,151
Other collateral	47,543,535	42,583,038
Credit guarantee	1,481,399	1,450,786
Other guarantees	50,201,814	53,374,423
Credit warranties	386,428,332	362,494,182
Other warranties	71,388,700	74,132,027
<b>Total</b>	<b>922,259,569</b>	<b>884,940,715</b>

Chairman of the Executive Board

Artavazd Sargsyan

Chief Accountant

Narine Sargsyan

Date of approval 15.04.19