



**Appendix 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Form 5)**

30 June 2023

**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 21 branches are located in Yerevan, 23 branches are located in different regions of Armenia, and 4 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

<b>a) The Board</b>
<b>Chairman of the Board</b> – Alfred W. Moeckli
<b>Board Members</b> – Tigran Mirzoyan
Ariel Sergio Davidoff
Gerard Hofmann
Patrick Joseph Swint
Christoph Mauchle
Aram Ghazaryan
<b>b) The Executive Board</b>
<b>Chairman of the Executive Board</b> - Gevorg Tarumyan
<b>Members of the Executive Board</b>
Azamat Khakui - Director of Corporate Center, Executive Board
Tigran Bostanyan - Director of Corporate Business Management Department, Executive Board member
Grigor Petrosyan - Director of Risk Management and Control Department, Member of Executive Board
Ruben Melkonyan - Director of Finance, Executive Board member
<b>c) Major Participants</b>
MFM Global Invest AG – 75 %

Home for youth UCO CJSC – 25 %

**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:

	30-Jun-23	31-Dec-22
AMD/1 US Dollar	386.06	393.57
AMD/1 EUR	418.95	420.06

**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

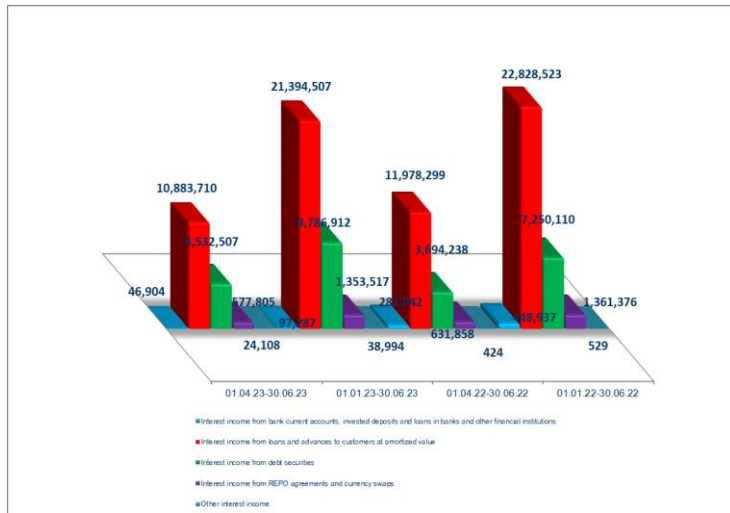
### 2.17 Functional and presentation currency

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.

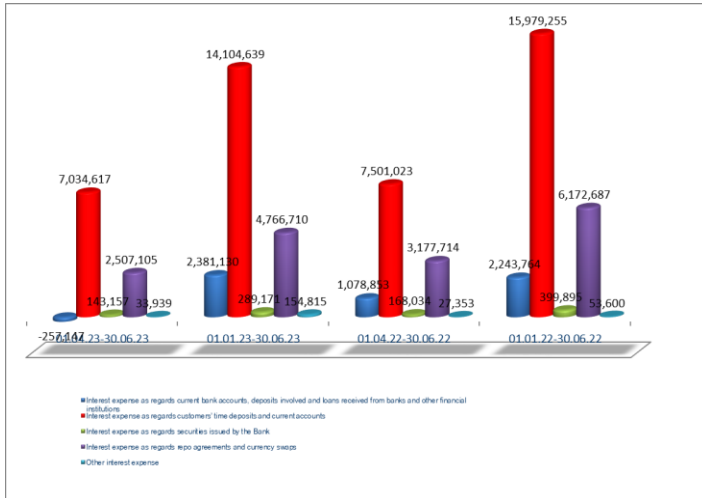
### Note 3. Net Interest and Similar Income

Interest and Similar Income	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	46,904	97,287	282,042	448,937
Interest income from loans and advances to customers at amortized	10,883,710	21,394,507	11,978,299	22,828,523
Interest income from debt securities	4,532,507	8,786,912	3,694,238	7,250,110
Interest income from REPO agreements and currency swaps	577,805	1,353,517	631,858	1,361,376
Other interest income	24,108	38,994	424	529
<b>Total</b>	<b>16,065,034</b>	<b>31,671,217</b>	<b>16,586,861</b>	<b>31,889,475</b>



Interest and Similar Expense	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	-257,147	2,381,130	1,078,853	2,243,764
Interest expense as regards customers' time deposits and current accounts	7,034,617	14,104,639	7,501,023	15,979,255
Interest expense as regards securities issued by the Bank	143,157	289,171	168,034	399,895
Interest expense as regards repo agreements and currency swaps	2,507,105	4,766,710	3,177,714	6,172,687

Other interest expense	33,939	154,815	27,353	53,600
<b>Total</b>	<b>9,461,671</b>	<b>21,696,465</b>	<b>11,952,977</b>	<b>24,849,201</b>
<b>Net interest and similar income</b>	<b>6,603,363</b>	<b>9,974,752</b>	<b>4,633,884</b>	<b>7,040,274</b>



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

Income in the form of Commissions and Other Fees	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Cash operations	91,888	184,524	137,892	228,145
Settlement services	82,915	151,185	78,213	165,754
Guarantee, acceptance, letter of credit, trust management operations	132,217	394,250	127,703	226,860
Transaction in foreign currency and securities				
Plastic card operations	421,931	832,331	269,886	512,810
Other commission payments	309,267	540,906	227,693	389,487
<b>Total</b>	<b>1,038,218</b>	<b>2,103,196</b>	<b>841,387</b>	<b>1,523,056</b>

Expenses in the form of Commissions and Other Payments	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Commission payments as regards correspondent and other accounts/bank transactions	28,512	55,701	17,208	48,864

Commission payments as regards transactions with plastic cards/cash transactions	96,765	144,947	66,785	153,779
Payments as regards guarantees, acceptance, letters of credit, trust management transactions				
Commission payments as regards transactions in foreign currency and securities				
Other commission payments	3,100	7,515	4,444	16,692
<b>Total</b>	<b>128,377</b>	<b>208,163</b>	<b>88,437</b>	<b>219,335</b>

<b>Net Commissions and other payments received</b>	<b>909,841</b>	<b>1,895,033</b>	<b>752,950</b>	<b>1,303,721</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>01.04.23-30.06.23</b>	<b>01.01.23-30.06.23</b>	<b>01.04.22-30.06.22</b>	<b>01.01.22-30.06.22</b>
Net income from purchase and sale of investments held for trading, including				
- shares	-	-	-	-
- debt securities	-	-	-	-
- derivative instruments	-	-	0	71,145
Net income from change in fair value of investments held for trading	61,728	11,186	285,740	-1,654,515
<b>Total</b>	<b>61,728</b>	<b>11,186</b>	<b>285,740</b>	<b>-1,583,370</b>

<b>Net income from investments available for sale</b>	<b>01.04.23-30.06.23</b>	<b>01.01.23-30.06.23</b>	<b>01.04.22-30.06.22</b>	<b>01.01.22-30.06.22</b>
Net income from purchase and sale of investments available for sale, including	0	0	0	0
- shares	0	0	0	0
- debt securities	70,617	77,660	16,673	20,521
- derivative instruments	0	0		
Net income from change in fair value of investments held for trading	191,360	194,284	-33,249	-23,804
<b>Total</b>	<b>261,977</b>	<b>271,944</b>	<b>-16,576</b>	<b>-3,283</b>

<b>From foreign currency transactions</b>	<b>01.04.23-30.06.23</b>	<b>01.01.23-30.06.23</b>	<b>01.04.22-30.06.22</b>	<b>01.01.22-30.06.22</b>
Net income from foreign currency dealings	503,189	1,325,315	2,025,771	6,888,380
Net income from foreign currency revaluation	-68,828	-461,177	-20,190,007	-20,135,650
<b>Total</b>	<b>434,361</b>	<b>864,138</b>	<b>-18,164,236</b>	<b>-13,247,270</b>

<b>From bank standardized precious metal bullions and commemorative coins</b>	<b>01.04.23-30.06.23</b>	<b>01.01.23-30.06.23</b>	<b>01.04.22-30.06.22</b>	<b>01.01.22-30.06.22</b>
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	0	49	-133	-133
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	-228	344	-3,990	-1,260
<b>Total</b>	<b>-228</b>	<b>393</b>	<b>-4,123</b>	<b>-1,393</b>

<b>Net income from trading transactions</b>	<b>757,838</b>	<b>1,147,661</b>	<b>-17,899,195</b>	<b>-14,835,316</b>
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**Note 6. Other operating income**

Other operating income	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Fines and penalties received	527,892	1,238,931	1,071,143	2,093,904
Income received from factoring	14	14	0	0
Net income from disposal of PPE and intangible assets	248,361	329,108	70,903	91,876
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	86,333	171,500	22,729,267	38,741,962
<b>Total</b>	<b>862,600</b>	<b>1,739,553</b>	<b>23,871,313</b>	<b>40,927,742</b>

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

As regards amounts due from banks	Note 14	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Opening balance		108,349	109,105	136,455	41,440
Allocations to the reserve		161,806	281,406	130,648	338,031
Return of reserve allocations		-111,109	-231,465	-171,064	-283,432
Net allocations to the reserve		50,697	49,941	-40,416	54,599
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization		0	0	0	0
<b>Closing balance</b>		<b>159,046</b>	<b>159,046</b>	<b>96,039</b>	<b>96,039</b>

As regards amounts due from financial institutions	Note 14	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Opening balance		39,364	31,000	87,466	132,062
Allocations to the reserve		86,246	102,258	40,673	29,457
Return of reserve allocations		-96,214	-103,862		-33,380
Net allocations to the reserve		-9,968	-1,604	40,673	-3,923
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization		0	0	0	0
<b>Closing balance</b>		<b>29,396</b>	<b>29,396</b>	<b>128,139</b>	<b>128,139</b>

As regards loans and advances provided to the customers	Note 16	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Opening balance		65,757,972	66,373,385	37,155,423	32,647,278
Allocations to the reserve		19,649,357	28,514,894	13,716,671	35,258,543
Return of reserve allocations		-15,623,726	-24,720,950	-5,642,677	-7,523,630
Net allocations to the reserve		4,025,631	3,793,944	8,073,994	27,734,913
Return of amounts previously written-off to the off-balance sheet		11,041,352	20,431,245	4,710,085	6,281,993
Reserve utilization		-12,525,574	-22,299,193	-5,091,151	-21,815,833
<b>Closing balance</b>		<b>68,299,381</b>	<b>68,299,381</b>	<b>44,848,351</b>	<b>44,848,351</b>

As regards investments		01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Opening balance	Note 18	87,808	88,379	0	0
Allocations to the reserve		12,072	13,728	67,514	67,514
Return of reserve allocations		-1,264	-3,491	0	0
Net allocations to the reserve		10,808	10,237	67,514	67,514
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization		0	0	0	0
<b>Closing balance</b>		<b>98,616</b>	<b>98,616</b>	<b>67,514</b>	<b>67,514</b>

As regards other assets		01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Opening balance	Note 18	125,574	59,685	119,325	58,738
Allocations to the reserve		1,280,726	1,457,823	430,963	688,202
Return of reserve allocations		-73,317	-167,057	-108,445	-301,135
Net allocations to the reserve		1,207,409	1,290,766	322,518	387,067
Return of amounts previously written-off to the off-balance sheet		25,818	43,584	10,425	28,540
Reserve utilization		-1,246,377	-1,281,611	-337,949	-360,026
<b>Closing balance</b>		<b>112,424</b>	<b>112,424</b>	<b>114,319</b>	<b>114,319</b>

As regards off-balance sheet items containing credit risk		01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Opening balance	Note 34	1,151,336	1,370,710	1,106,248	995,843
Allocations to the reserve		1,086,860	1,564,223	413,685	836,888
Return of reserve allocations		-952,469	-1,649,206	-566,667	-879,465
Net allocations to the reserve		134,391	-84,983	-152,982	-42,577
<b>Closing balance</b>		<b>1,285,727</b>	<b>1,285,727</b>	<b>953,266</b>	<b>953,266</b>

Total net allocations to the reserves		5,418,968	5,058,301	8,311,301	28,197,593
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**Note 8. General administrative expenses**

General administrative expenses	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Expenses as regards calculated salary and other equivalent payments *	1,784,456	3,570,649	1,439,827	2,819,355
Expenses as regards social payments	0	0	0	0
Expenses as regards training and tuition	5,469	11,227	1,631	1,720
Expenses as regards business trips	14,062	27,523	8,188	13,855
Expenses as regards operating lease	21,143	42,439	20,638	41,987
Insurance expenses	43,929	52,166	32,055	52,847
Expenses as regards maintenance and security of Bank's equipment	27,426	47,581	39,843	52,494
Expenses as regards maintenance and security of Bank's buildings	85,915	190,294	85,592	180,390
Expenses as regards audit and other consulting services	36,050	68,234	18,790	36,260
Expenses as regards communication means	76,924	149,592	50,708	99,192
Transportation expenses	16,178	42,391	24,859	47,227



Expenses as regards taxes, duties and other obligatory payments (except profit tax)	108,072	212,329	93,836	179,707
Office and organizational expenses	21,196	43,863	24,071	40,856
Expenses as regards loans provision and return	5,739	11,424	7,837	12,418
Other administrative expenses	248,633	420,248	125,216	178,820
<b>Total</b>	<b>2,495,192</b>	<b>4,889,960</b>	<b>1,973,091</b>	<b>3,757,128</b>

The number of the Bank employees as at 30 June 2023 is 1095.

The size of average monthly salary per employee is 344 thous. drams.

#### Note 9. Other Operating Expenses

Other Operating Expenses	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Fines and penalties paid	0	3,247	70	16,876
Advertising and representation expenses	35,574	69,022	53,753	85,882
Factoring expenses				
Fixed and intangible assets amortization expenses	510,459	988,198	388,962	776,943
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	202,848	401,258	245,300	510,285
Other expenses	365,478	2,778,009	324,441	661,279
<b>Total</b>	<b>1,114,359</b>	<b>4,239,734</b>	<b>1,012,526</b>	<b>2,051,265</b>

#### Note 11. Profit Tax Expense

Profit tax expense	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Current tax expense	-	-	3,600	3,600
Adjustments of current tax for previous periods recognized in the given period	-	-	-	-
Deferred tax expense	18,922	102,421	-	-
<b>Total</b>	<b>18,922</b>	<b>102,421</b>	<b>3,600</b>	<b>3,600</b>

#### Note 12. Basic Earnings per Share

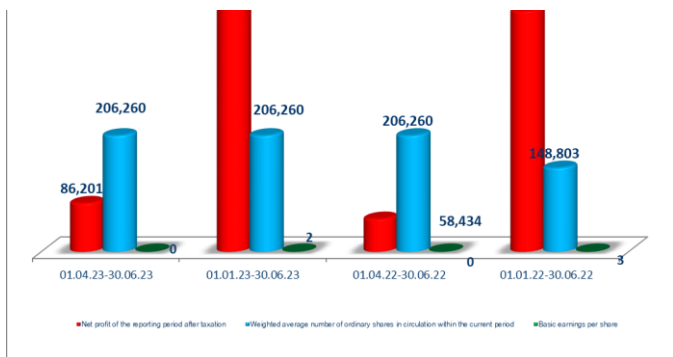
Basic Earnings per Share	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Net profit of the reporting period after taxation	86,201	466,583	58,434	426,835
Dividends calculated for the current reporting period as regards preference shares	( )	( )	( )	( )
Net gain/loss for the current period attributable to the owners of the ordinary shares	0	0		
Weighted average number of ordinary shares in circulation within the current period	206,260	206,260	206,260	148,803
Basic earnings per share	0	2	0	3
Diluted earnings per share				

466,583



426,835





**Note. Other Comprehensive Income**

Other Comprehensive Income	01.04.23-30.06.23	01.01.23-30.06.23	01.04.22-30.06.22	01.01.22-30.06.22
Exchange rate differences from recalculation of foreign transactions	-	-	-	-
Revaluation of financial assets at fair value through other comprehensive income	1,742,224	2,344,451	-528,300	-1,344,187
Cash flow hedging	-	-	-	-
Gains from PPE revaluations	-	-	-	-
Deferred tax expense	-	-	-	-
<b>Total</b>	<b>1,742,224</b>	<b>2,344,451</b>	<b>-528,300</b>	<b>-1,344,187</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	9,003,607	5,427,721
Other placements of cash	2,578,683	3,432,719
Correspondent accounts with the CBA *	56,156,713	77,838,856
<b>Total</b>	<b>67,739,003</b>	<b>86,699,296</b>
Deposit accounts with the CBA	0	0
Deposited means with the CBA **	1,565,000	1,487,500
Accrued interest	0	0
<b>Cash means and balances with the CBA</b>	<b>69,304,003</b>	<b>88,186,796</b>
Standardized precious metal bullions	6,036	12,577
Placements with other banks (Note 14)	31,843,928	12,830,682
<b>Total cash and cash equivalents</b>	<b>67,745,039</b>	<b>86,711,873</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

Current accounts	Reporting period	Previous period
RA banks	106	16
Banks with BBB – (Baa3) and higher rating	650,488	438,911
Banks with no rating and rating below BBB-(Baa3)	3,071,667	7,931,016
Accrued interest	-	-
<b>Total</b>	<b>3,722,261</b>	<b>8,369,943</b>

Interbank loans and deposits, etc.		
<b>CBA</b>		
Loans and deposits	0	0
Factoring	0	0
Financial lease	0	0
Repo (repurchase) agreements	0	0
Swap	0	0
Other	0	0
<b>RA Banks</b>	<b>25,973,308</b>	<b>4,389,491</b>
Loans and deposits	8,600,610	2,361,420
Factoring		
Financial lease		
Repo (repurchase) agreements	17,372,698	2,025,253
Swap	0	2,818
Letters of credit and bank guarantees	0	0
Other	0	0
<b>Banks with BBB – (Baa3) and higher rating</b>	<b>0</b>	<b>0</b>
Loans and deposits	0	0
Factoring	0	0
Financial lease	0	0
Repo (repurchase) agreements	0	0
Swap	0	0
Letters of credit and bank guarantees	0	0
Other	0	0
<b>Banks with no rating and rating below BBB-(Baa3)</b>	<b>2,293,305</b>	<b>172,284</b>
Loans and deposits	2,170,000	0
Factoring	0	0
Financial lease	0	0
Repo (repurchase) agreements	0	0
Swap	0	0
Letters of credit and bank guarantees	0	0
Other	123,305	172,284
<b>Accrued interest</b>	<b>14,100</b>	<b>8,069</b>
<b>Total</b>	<b>32,002,974</b>	<b>12,939,787</b>
Reserve for possible losses as regards amounts due from Banks (Note 7)	-159,046	-109,105
<b>Net amounts due from banks</b>	<b>31,843,928</b>	<b>12,830,682</b>

Loans and deposits with financial institutions, other amounts due		
<b>RA financial institutions</b>	<b>5,707,112</b>	<b>6,525,994</b>
Loans and deposits	0	1,680,239
Factoring		

Financial lease		
Repo (repurchase) agreements	5,707,112	4,845,755
Swap	-	-
Letters of credit and bank guarantees	-	-
Other	-	-
<b>Financial institutions with BBB – (Baa3) and higher rating</b>		
Loans and deposits	-	-
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>	<b>828,699</b>	<b>1,308,405</b>
Loans and deposits	-	-
Factoring	-	-
Financial lease	-	-
Repo (repurchase) agreements	-	-
Swap	-	-
Letters of credit and bank guarantees	-	-
Other	828,699	1,308,405
<b>Accrued interest</b>	<b>18,634</b>	<b>8,892</b>
<b>Total</b>	<b>6,554,445</b>	<b>7,843,291</b>
Reserve for possible losses as regards amounts due from financial institutions (Note 7)	-29,396	-31,000
<b>Net amounts due from financial institutions</b>	<b>6,525,049</b>	<b>7,812,291</b>
<b>Net amounts due from banks and financial institutions</b>	<b>38,368,977</b>	<b>20,642,973</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	0	0
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>0</b>	<b>0</b>

<b>Non-government securities of RA</b>	<b>Reporting period</b>	<b>Previous period</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>

Non-government securities of other countries	Reporting period	Previous period
<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>Total securities held for trading</b>	<b>0</b>	<b>0</b>

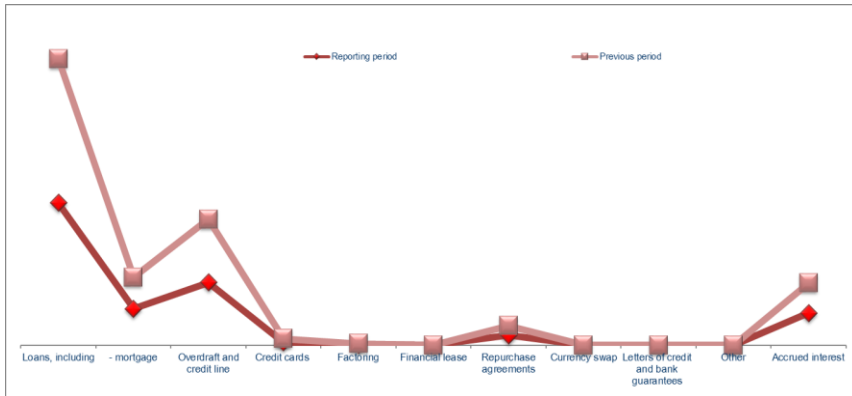
Other financial assets held for trading	Reporting period	Previous period
<b>Loans, factoring, accounts receivable</b>		
Borrowers with A-/A3/ or higher rating	-	-
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating	-	-
- Mortgage	-	-
- Consumer loans	-	-
- Other	-	-
<b>Derivative instruments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

- Forward	-	-
- Option	-	-
- Swap	-	-
- Other	-	-
<b>Total</b>		

<b>Total financial assets at fair value through profit/loss</b>	<b>0</b>	<b>0</b>
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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	320,497,257	324,102,351
- to banks		
- to RA Government		
- to local authorities		
- mortgage	82,365,216	70,576,647
<b>Overdraft and credit line</b>	<b>140,980,903</b>	<b>142,843,430</b>
<b>Credit cards</b>	<b>6,661,020</b>	<b>7,918,912</b>
<b>Factoring</b>	<b>1,678,957</b>	<b>2,007,459</b>
Financial lease	-	-
Repurchase agreements	22,070,996	22,070,853
Currency swap	0	0
Letters of credit and bank guarantees	0	0
Other		
Accrued interest concerning the mentioned items	72,595,227	67,039,175
<b>Total loans</b>	<b>564,484,360</b>	<b>565,982,180</b>
Reserve for possible losses as regards loans and advances to customers at amortized value (Note 7)	-68,299,381	-66,373,385
<b>Total net loans</b>	<b>496,184,979</b>	<b>499,608,795</b>



**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	433,372,623	444,959,793
	87,570	89,104
Non-Performing loans and advances, including	131,111,737	121,022,387
	7803	8925
Overdue amount	51,446,095	46,837,576
Quantity	5107	4045
Accrued interests		
Total loans	564,484,360	565,982,180
	95,373	98,029
Provision for possible losses as regards loans and advances to customers at amortized value (Note 7)	-68,299,381	-66,373,385
<b>Total net loans</b>	<b>496,184,979</b>	<b>499,608,795</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>	2,177,171	2,428,392
<b>Private enterprises, including</b>	334,566,782	350,389,923
- large enterprises	162,934,840	182,776,072
- small and medium enterprises	171,631,942	167,613,851
<b>Natural persons, including</b>	153,329,428	143,951,969
- consumer loans	61,843,513	58,295,519
- mortgage loans	140,980,903	142,843,430
- credit cards	8,257,997	11,070,374
<b>Sole entrepreneurs</b>	1,815,752	2,172,721
Accrued interest	<b>72,595,227</b>	<b>67,039,175</b>
<b>Total loans</b>	<b>564,484,360</b>	<b>565,982,180</b>
Provision for possible losses as regards loans and advances to customers at amortized value	-68,299,381	-66,373,385
<b>Total net loans</b>	<b>496,184,979</b>	<b>499,608,795</b>

a) Total loans provided to major borrowers and related persons as of 31.12.2022 made AMD 177.310.989 thous, as of 30.06.2023 – AMD 161.036.634 thous.

b) Share in total loan portfolio as of 31.12.2022 made 31.33 %, as of 30.06.2023 -32.45 %

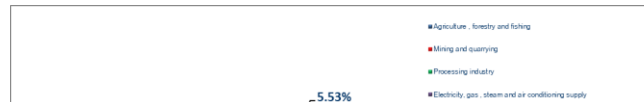
c) Percentage to Capital as of 31.12.2022 was 152.66 %, as of 30.06.2023 – 129.28 % .

Analysis of loan portfolio according to number of borrowers	Reporting period	Previous period
State enterprises	5	4
Private enterprises	320	352
Natural persons	69,663	71,906
Sole entrepreneurs	553	591
<b>Total</b>	<b>70,541</b>	<b>72,853</b>

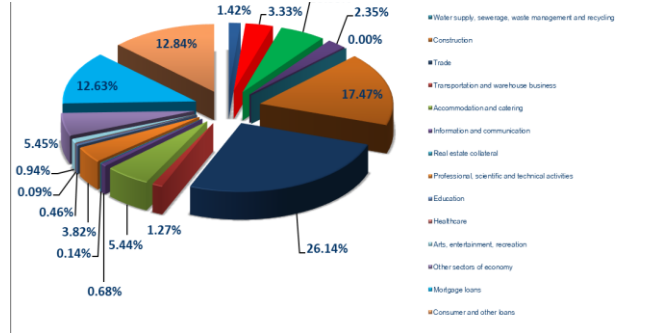
#### Analysis of loan portfolio according to the industry sectors (less the reserve amount for possible losses)

31.12.22

Analysis of loans and advances according to crediting sectors	Reporting period	Percentage
1. Agriculture , forestry and fishing	8,041,563	1.42
2. Mining and quarrying	18,846,127	3.33
3. Processing industry	31,302,363	5.53

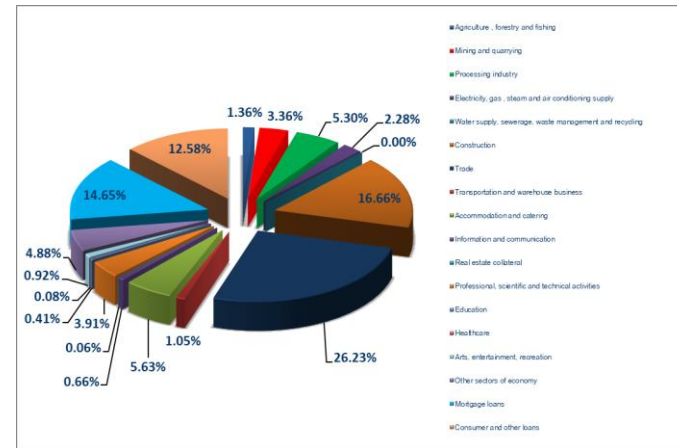


4. Electricity, gas, steam and air conditioning supply	13,305,795	2.35
5. Water supply, sewerage, waste management and recycling	3,014	0.00
6. Construction	98,855,547	17.47
7. Trade	147,963,674	26.14
8. Transportation and warehouse business	7,171,836	1.27
9. Accommodation and catering	30,797,166	5.44
10. Information and communication	3,859,915	0.68
11. Real estate collateral	771,916	0.14
12. Professional, scientific and technical activities	21,616,615	3.82
13. Education	2,604,056	0.46
14. Healthcare	516,482	0.09
15. Arts, entertainment, recreation	5,334,100	0.94
16. Other sectors of economy	30,843,570	5.45
17. Mortgage loans	71,485,459	12.63
18. Consumer and other loans	72,662,982	12.84
<b>Total</b>	<b>565,982,180</b>	<b>100</b>



30.06.23

Analysis of loans and advances according to crediting sectors	Previous period	Percentage
1. Agriculture, forestry and fishing	7,654,594	1.36
2. Mining and quarrying	18,976,498	3.36
3. Processing industry	29,896,451	5.30
4. Electricity, gas, steam and air conditioning supply	12,895,688	2.28
5. Water supply, sewerage, waste management and recycling	1,997	0.00
6. Construction	94,019,469	16.66
7. Trade	148,061,302	26.23
8. Transportation and warehouse business	5,924,327	1.05
9. Accommodation and catering	31,780,156	5.63
10. Information and communication	3,697,866	0.66
11. Real estate collateral	355,778	0.06
12. Professional, scientific and technical activities	22,051,908	3.91
13. Education	2,308,018	0.41
14. Healthcare	423,837	0.08
15. Arts, entertainment, recreation	5,200,902	0.92
16. Other sectors of the economy	27,530,035	4.88
17. Mortgage loans	82,694,667	14.65
18. Consumer and other loans	71,010,867	12.58
<b>Total</b>	<b>564,484,360</b>	<b>100</b>



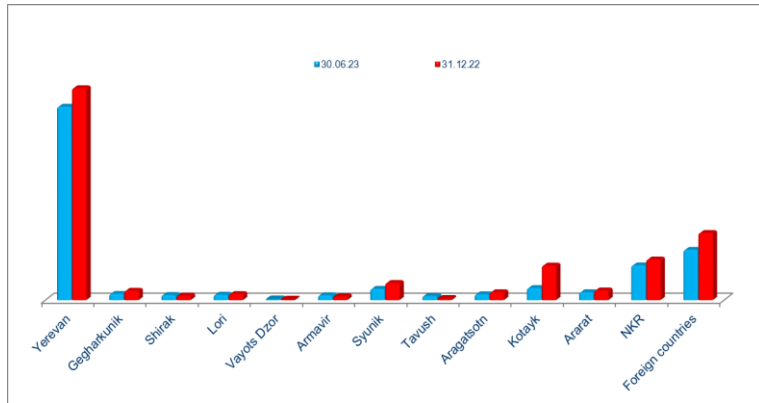
Analysis of the loan portfolio as regards customers' residency

Analysis of the loan portfolio as regards customers' residency	Reporting period	Percentage	Previous period	Percentage
RA residents	423,469,990	85.35	430,803,915	86.23
Non-residents	72,714,989	14.65	68,804,880	13.77
<b>Total</b>	<b>496,184,979</b>	<b>100</b>	<b>499,608,795</b>	<b>100</b>

Region (Marz)	30.06.23		31.12.22	
	Quantity	Amount	Quantity	Amount
Yerevan	36594	279,001,734	38061	283,037,027
Gegharkunik	11047	9,212,460	10348	8,361,468
Shirak	9691	7,620,785	9690	7,254,032
Lori	6540	8,026,346	6955	10,217,238



Vayots Dzor	194	1,650,864	205	1,445,568
Armavir	3534	7,209,935	3447	6,923,251
Syunik	4016	16,505,776	4169	16,918,434
Tavush	1882	6,260,699	1991	5,893,677
Aragatsotn	5688	8,644,100	6083	9,693,383
Kotayk	5058	17,561,876	5387	18,907,687
Ararat	6889	11,533,156	7014	10,631,329
NKR	4179	50,242,259	4629	51,520,821
Foreign countries	61	72,714,989	50	68,804,880
<b>Total</b>	<b>95,373</b>	<b>496,184,979</b>	<b>98,029</b>	<b>499,608,795</b>



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

State securities	Reporting period	Previous period
<b>State obligations</b>	59,351,007	42,607,565
Treasury obligations	59,351,007	42,607,565
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>	0	0
<b>Total state securities</b>	<b>59,351,007</b>	<b>42,607,565</b>

Non-state securities of RA	Reporting period	Previous period
<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	591,077	602,726
Short term debt instruments	-	-
Deposit certificates	-	-
Equity instruments	-	-
Other	-	-
<b>Total non government securities of RA</b>	<b>591,077</b>	<b>602,726</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>-</b>	<b>-</b>

<b>Total financial assets at fair value through other comprehensive</b>	<b>59,942,084</b>	<b>43,210,291</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>59,942,084</b>	<b>43,210,291</b>
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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	19349	0.00005
<b>Total</b>				<b>51,337</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				0	
<b>Total</b>				<b>51,337</b>	

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	19968	0.00005
<b>Total</b>				<b>51,956</b>	<b>6</b>
<b>Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)</b>				0	
<b>Total</b>				<b>51,956</b>	

	Reporting period	Previous period
<b>Total financial assets at fair value through other comprehensive income and investments in other companies' share capital</b>	<b>59,993,421</b>	<b>43,262,247</b>

Note 18. Other financial assets at amortized value

Government securities	Reporting period	Previous period
<b>RA state bonds including</b>	<b>133,344,931</b>	<b>125,610,938</b>
T-bonds	128,545,475	121,308,107
Bonds of Central bank		
Other	4,799,456	4,302,831
<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>850,745</b>	<b>959,304</b>
<b>Provision for possible losses as regards securities held to maturity (Note 7)</b>	<b>(98,616)</b>	<b>(88,379)</b>
<b>Total</b>	<b>134,097,060</b>	<b>126,481,863</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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Impairment of other financial assets at amortized value (reserve for possible losses) (Note 7)				
<b>Net investments in other financial assets at amortized value</b>	<b>134,097,060</b>	<b>126,481,863</b>	<b>0</b>	<b>0</b>

Noncurrent assets held for sale

	Reporting period	Previous period
Seized collateral	11,969,445	7,593,247

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>								
Balance at the beginning of the previous period	10,362,099	4,884,567	246,783	3,950,531	7,610	1,123,643	458,679	21,033,912
Increase	-	390,353	9,911	95,744	-	(93,230)	17,762	420,540
Disposal	-	-	11,459	-	-	-	-	11,459
Write-off	6,220,475	-	-	-	-	-	-	6,220,475
Revaluation	-	1,151	-	48,293	-	-	30,428	79,872
Depreciation adjustment from revaluation	2,875,696	-	-	-	-	-	-	2,875,696
<b>Balance at the end of the previous period</b>	<b>13,706,878</b>	<b>5,273,769</b>	<b>245,235</b>	<b>3,997,982</b>	<b>7,610</b>	<b>1,030,413</b>	<b>446,013</b>	<b>24,707,900</b>
Increase	-	332,984	3,291	98,753	9,831	222,222	25,490	692,571
Disposal	-	-	-	-	-	-	-	-
Revaluation*	-	-	-	-	-	-	-	-
Write-off	-	2,609	-	-	105	-	9,161	11,875
Depreciation adjustment from revaluation	-	-	-	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>13,706,878</b>	<b>5,604,144</b>	<b>248,526</b>	<b>4,096,735</b>	<b>17,336</b>	<b>1,252,635</b>	<b>462,342</b>	<b>25,388,596</b>
<b>Accumulated depreciation</b>								
Balance at the beginning of the previous period	2,610,053	3,588,991	152,536	1,992,010	-	281,852	76,648	8,702,090
Increase	453,500	312,889	25,393	174,088	-	97,250	14,681	1,077,801
Disposal	-	-	11,459	-	-	-	-	11,459
Depreciation adjustment from revaluation	2,875,696	-	-	-	-	-	-	2,875,696
Write-off	-	714	-	44,559	-	-	6,277	51,550
<b>Balance at the end of the previous period</b>	<b>187,857</b>	<b>3,901,166</b>	<b>166,470</b>	<b>2,121,539</b>	<b>-</b>	<b>379,102</b>	<b>85,052</b>	<b>6,841,186</b>
Increase	361,107	177,473	9,637	82,604	-	57,257	7,455	695,533
Disposal	-	-	-	-	-	-	-	-
Depreciation adjustment from revaluation	-	-	-	-	-	-	-	-
Write-off	-	1,602	-	-	-	-	3,233	4,835
<b>Balance at the end of the reporting period</b>	<b>548,964</b>	<b>4,077,037</b>	<b>176,107</b>	<b>2,204,143</b>	<b>-</b>	<b>436,359</b>	<b>89,274</b>	<b>7,531,884</b>
<b>Net carrying amount</b>								
End of reporting period	13,157,914	1,527,107	72,419	1,892,592	17,336	816,276	373,068	17,856,712
End of previous period	13,519,021	1,372,603	78,765	1,876,443	7,610	651,311	360,961	17,866,714

Intangible Assets

	Software	Licenses	Copyright	Other intangible assets	Capital investments as regards intangible assets	Total
Initial cost						

<b>Balance at the beginning of the previous period</b>	<b>288,377</b>	<b>3,265,230</b>	<b>-</b>	<b>157,641</b>	<b>92,166</b>	<b>3,803,414</b>
Increase	14,372	210,649		17,302	20,332	262,655
Disposal		-				-
Impairment						-
Revaluation						-
Written off	27,653	50,611		7,189		85,453
<b>Balance at the end of previous period</b>	<b>275,096</b>	<b>3,425,268</b>	<b>-</b>	<b>167,754</b>	<b>112,498</b>	<b>3,980,616</b>
Increase	(8,712)	262,411		35,326	168,362	457,387
Disposal		-				-
Revaluation*						-
Impairment						-
Written off		9,037				9,037
<b>Balance at the end of the reporting period</b>	<b>266,384</b>	<b>3,678,642</b>	<b>-</b>	<b>203,080</b>	<b>280,860</b>	<b>4,428,966</b>
<b>Accumulated amortization</b>						
<b>Balance at the end of previous period</b>	<b>157,066</b>	<b>1,636,288</b>		<b>79,054</b>	<b>-</b>	<b>1,872,408</b>
Increase	20,615	441,617	-	12,690		474,922
Disposal		-				-
Impairment	27,653	50,611		7,189		85,453
Revaluation		-				-
<b>Balance at the end of previous period</b>	<b>150,028</b>	<b>2,027,294</b>		<b>84,555</b>	<b>-</b>	<b>2,261,877</b>
Increase	10,349	250,434	-	7,438		268,221
Disposal		-				-
Depreciation adjustment from revaluation		9,037				9,037
Revaluation		-				-
<b>Balance at the end of the reporting period</b>	<b>160,377</b>	<b>2,268,691</b>		<b>91,993</b>	<b>-</b>	<b>2,521,061</b>
<b>Net carrying amount</b>						
<b>End of reporting period</b>	<b>106,007</b>	<b>1,409,951</b>	<b>-</b>	<b>111,087</b>	<b>280,860</b>	<b>1,907,905</b>
<b>End of previous period</b>	<b>125,068</b>	<b>1,397,974</b>	<b>-</b>	<b>83,199</b>	<b>112,498</b>	<b>1,718,739</b>

**Note 21. Deferred tax assets**

Deferred tax assets movement	Reporting period	Previous period
<b>Balance at the beginning of the period</b>	0	442,330
Increase	-	-
Decrease	-	442,330
<b>Balance at the end of the period</b>	-	-

**Note 22. Other Assets**

Amounts receivable from bank transactions	Reporting period	Previous period
Dividends receivable	-	-
Amounts receivable from trust management transactions	-	-
Amounts receivable from other transactions	8,175,026	966,699
<b>Total</b>	<b>8,175,026</b>	<b>966,699</b>
Reserve for possible losses as regards bank transactions (Note 7)	-84,965	-16,714
<b>Net amounts receivable from bank transactions</b>	<b>8,090,061</b>	<b>949,985</b>

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	1	3
Receivables as regards suppliers		
Advance payments to the employees	2,144	2,735
Advance payments to the suppliers	545,159	608,890

Advance payments and overpayments as regards budget and mandator	778,418	774,123
Other receivables and prepayments	106,126	1,332,821
<b>Total</b>	<b>1,431,848</b>	<b>2,718,572</b>
Reserve for possible losses as regards other assets (Note 7)	-13,555	-20,714
<b>Total</b>	<b>1,418,293</b>	<b>2,697,858</b>
<b>Other assets</b>		
Warehouse	206,283	201,953
Future period expenses	105,672	61,576
Other assets	1,285,264	2,164,138
Reserve for possible losses as regards other assets (Note 7)	-13,904	-22,257
<b>Total</b>	<b>1,583,315</b>	<b>2,405,410</b>
<b>Total other assets</b>	<b>11,091,669</b>	<b>6,053,253</b>

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

Current accounts	Reporting period	Previous period
RA Banks	2,624	923
Banks with BBB-(Baa3) and higher rating	-	-
Banks with rating below BBB-(Baa3) and no rating	639	2,217
Accrued interest		
<b>Total</b>	<b>3,263</b>	<b>3,140</b>
<b>Interbank loans, deposits and other demands</b>		
<b>RA Central Bank</b>		
Loans*	55,332,359	58,194,402
Repo (repurchase) agreements	85,999,944	84,999,953
Swap		
Other		
<b>RA Banks</b>		
Loans and deposits	-	-
Financial leasing		
Repo (repurchase) agreements	4,069,424	-
Swap	-	58,178
Other	27,678	620,182
<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	7,335,135	7,477,832
Financial leasing		
Repo (repurchase) agreements		
Swap	-	-
Other	1,234,098	1,174,235
Accrued interest	678,171	743,065
<b>Total</b>	<b>154,676,809</b>	<b>153,267,847</b>
<b>Financial institutions</b>		
Current accounts	2,678,979	5,378,345
Loans and deposits	16,710,370	15,806,468

Repo (repurchase) agreements		
Swap		
Other	13,485	18,308
<b>Accrued interest</b>	164,443	120,029
<b>Total</b>	<b>19,567,277</b>	<b>21,323,150</b>
<b>Total amounts due to banks and other fin. institutions</b>	<b>174,247,349</b>	<b>174,594,137</b>

As of 30.06.2023, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 8.581.656 thous. And accrued interest amounts AMD 163.051 thous.

**Note 24. Amounts due to customers**

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	196,166	155,848
Time deposits		
Loans	64,923	82,354
Repo (repurchase) agreements		
Swap		
Other	114,508	110,554
Accrued interest	110	150
<b>Total</b>	<b>375,707</b>	<b>348,906</b>
<b>Legal entities and institutions of RA (residents)</b>		
Current accounts	66,580,241	68,780,904
Time deposits	20,191,116	24,373,599
Repo (repurchase) agreements	-	-
Swap	-	-
Other	2,299,654	2,649,268
Accrued interest	1,020,197	630,813
<b>Total</b>	<b>90,091,208</b>	<b>96,434,584</b>
<b>Legal entities and institutions (non-residents)</b>		
Current accounts	46,038,183	20,669,142
Time deposits	217,461	174,509
Repo (repurchase) agreements		
Swap		
Other	15,761	3,447
Accrued interest	3,082	172
<b>Total</b>	<b>46,274,487</b>	<b>20,847,270</b>
<b>Sole entrepreneurs of RA (residents)</b>		
Current accounts	814,283	852,238
Time deposits	19,733	12,429
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest	261	5
<b>Total</b>	<b>834,277</b>	<b>864,672</b>
<b>Sole entrepreneurs (non-residents)</b>		
Current accounts	2,711	759
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
<b>Total</b>	<b>2,711</b>	<b>759</b>
<b>Individuals (residents)</b>		
Current accounts	37,559,335	38,534,785



Time deposits	280,927,192	272,479,866
Repo (repurchase) agreements		
Swap		
Other	2,752,775	1,962,241
Accrued interest	6,335,467	5,792,709
<b>Total</b>	<b>327,574,769</b>	<b>318,769,601</b>
<b>Individuals (non-residents)</b>		
Current accounts	15,487,519	16,255,737
Time deposits	8,860,770	9,038,433
Repo (repurchase) agreements		
Swap		
Other	-	-
Accrued interest	175,804	231,742
<b>Total</b>	<b>24,524,093</b>	<b>25,525,912</b>
<b>Total liabilities to customers</b>	<b>489,677,252</b>	<b>462,791,704</b>

The amount of the security of liabilities totaled: as at 30.06.2023 - AMD 20.323.209 thous., as at 31.12.2022 - AMD 20.604.955 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 64.414 thous., accrued interest AMD 110 thous.

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

	Reporting period	Previous period
Legal entities residents	67	70
Legal entitie non- residents	1	1
Individuals residents	31,119	30,695
Individuals non-residents	270	303
Individual entrepreneurs	2	2
<b>Total</b>	<b>31,459</b>	<b>31,071</b>

#### Note 25. Securities issued by Bank

Securities issued by Bank	Reporting period	Previous period
Fixed-Income securities	8,843,578	9,010,976
<b>Total</b>	<b>8,843,578</b>	<b>9,010,976</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	0	0
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 27. Amounts payable**

Amounts payable	Reporting period	Previous period
Dividends	-	-
Trust management agreements	-	-
Deposits insurance	202,848	208,606
Other	-	-
<b>Total</b>	<b>202,848</b>	<b>208,606</b>

**Note 28. Deferred tax liabilities**

Deferred tax liabilities movements	Reporting period	Previous period
Balance at the beginning of the period	-	-
Increase	1,651,015	1,548,594
Decrease	794,004	794,004
<b>Balance at the end of the period</b>	<b>857,011</b>	<b>754,590</b>

**Note 29. Other liabilities**

Other liabilities	Reporting period	Previous period
Settlement liabilities as regards cheques and other payment	-	-
Settlement liabilities as regards letters of credit	-	-
Other settlements	-	-
<b>Payables as regards budget</b>	-	-
Profit Tax	-	-
VAT	69,619	9,164
other taxes and dues	318,513	366,880
social insurance payments	-	-
Liabilities to employees as regards salary	586,905	582,898
Payables as regards suppliers	113,034	147,876
Payables as regards completion of chartered capital	-	-
Other liabilities	940,960	763,286
<b>Balance at the end of period</b>	<b>2,029,031</b>	<b>1,870,104</b>

**Note 30. Chartered capital**

- a) Bank's chartered capital registered and fully paid – AMD 170.092.515 thous.  
b) The number of issued and allocated ordinary shares - 206.260 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)
MFM Global Invest AG	127,568,562	75	
Home for youth UCO CJSC	42,523,953	25	
	<b>170,092,515</b>	<b>100</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	(448,552)	(2,793,003)
Fixed assets revaluation reserve	5,576,596	5,576,596
Other reserves	-	-
<b>Total revaluation reserves</b>	<b>5,128,044</b>	<b>2,783,593</b>

#### Other components of equity

##### Reserves

Other reserves	Reporting period	Previous period
Main reserve		
Opening balance	917,427	917,427
Increase	-	-
Decrease	-	-
<b>Closing balance</b>	<b>917,427</b>	<b>917,427</b>

#### Note 33. Retained earnings

Retained profit	Reporting period	Previous period
Opening balance	(12,967,158)	(13,705,452)
Increase	466,583	738,294
Decrease	-	-
<b>Closing balance</b>	<b>(12,500,575)</b>	<b>(12,967,158)</b>

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

Reserves		Reporting period	Previous period
Opening balance		1,151,336	995,843
Allocations to the reserve		1,086,860	1,815,195
Use of reserve		-952,469	-1,440,328
Net allocations to the reserve		134,391	374,867
<b>Closing balance</b>		<b>1,285,727</b>	<b>1,370,710</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	11,969,634	12,263,296
Guarantees provided	54,238,074	63,622,461
Letters of credit issued	-	-
Reserve as regards the mentioned items (Note 7)	(1,285,727)	(1,370,710)
<b>Closing balance</b>	<b>64,921,981</b>	<b>74,515,047</b>

**Bank's liability as regards operating lease**

**The leased premises are as follows:**

Yerevan - Artsakh Branch  
Vanadzor - Lori Branch  
Tashir - Dzoraget 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 - Artashisyan Branch  
Yerevan - Teryan Branch  
Hrazdan - Hrazdan Branch  
Yerevan - Qajaznuni Branch  
Yerevan - Nor Aresh Branch  
Yerevan - Erebuni Branch  
Yerevan - Davtashen 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		921,862
<b>Total</b>		<b>921,862</b>

**Note 35. Related party transactions**

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

<b>Loans and advances to customers at amortized value</b>	<b>Reporting period</b>	<b>Previous period</b>
	<b>01.01.23-30.06.23</b>	<b>01.01.22-31.12.22</b>
Balance as of 01 January	2,545,304	16,613,678
Loans and advances provided during the year	1,097,139	3,266,761
Loans and advances repaid during the year	1,423,693	17,335,135
<b>Balance</b>	<b>2,218,750</b>	<b>2,545,304</b>
Interest income	121,600	527,030

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

<b>Amounts due to customers</b>	<b>Reporting period</b>	<b>Previous period</b>
	<b>01.01.23-30.06.23</b>	<b>01.01.22-31.12.22</b>
Balance as of 01 January	7,479,715	7,709,653
Amounts received during the year	7,299,074	278,553,330
Amounts paid during the year	6,464,999	278,783,268
<b>Balance</b>	<b>8,313,790</b>	<b>7,479,715</b>
Interest expense	92,282	801,019

<b>Salary and equivalent payments to the Bank's management</b>	<b>Reporting period</b>	<b>Previous period</b>
	<b>01.01.23-30.06.23</b>	<b>01.01.22-31.12.22</b>
The Board		
Salary	160,390	290,601
bonus	-	-
Executive body		
Salary	345,327	277,062
bonus	10,300	100
Internal audit		
Salary	21,363	50,046
bonus	50	2,675
<b>Total</b>	<b>537,430</b>	<b>620,484</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

	<b>31.12.22</b>			
<b>Title</b>	<b>RA</b>	<b>OECD* Countries</b>	<b>Non OECD Countries</b>	<b>Total</b>

<b>Assets</b>				
Cash and balances with CBA	88,186,796			<b>88,186,796</b>
Amounts due from banks and other financial institutions	11,474,889	1,622,682	7,545,402	<b>20,642,973</b>
Financial instruments held for trading		-	-	-
Loans and advances to customers at amortized value	430,803,915	1,228,254	67,576,626	<b>499,608,795</b>
Securities available for sale	43,242,279	19,968	-	<b>43,262,247</b>
Securities held to maturity	126,481,863	-	-	<b>126,481,863</b>
Other assets	4,805,619	4,783	1,242,851	<b>6,053,253</b>
<b>Total assets</b>	<b>704,995,361</b>	<b>2,875,687</b>	<b>76,364,879</b>	<b>784,235,927</b>
<b>Liabilities</b>				-
Amounts due to banks and other financial institutions	165,931,753	6,978	8,655,406	<b>174,594,137</b>
Amounts due to customers	416,417,765	7,863,984	38,509,955	<b>462,791,704</b>
Financial liability held for trading		-	-	-
Other liabilities	1,854,754	15,350	-	<b>1,870,104</b>
<b>Total liabilities</b>	<b>584,204,272</b>	<b>7,886,312</b>	<b>47,165,361</b>	<b>639,255,945</b>
<b>Net position</b>	<b>120,791,089</b>	<b>(5,010,625)</b>	<b>29,199,518</b>	<b>144,979,982</b>

30.06.23

Title	RA	OECD* Countries	Non OECD Countries	Total
<b>Assets</b>				
Cash and balances with CBA	69,304,003	-	-	<b>69,304,003</b>
Amounts due from banks and other financial institutions	31,763,148	1,251,265	5,354,564	<b>38,368,977</b>
Financial instruments held for trading	-	-	-	-
Loans and advances to customers at amortized value	423,469,990	1,297,932	71,417,057	<b>496,184,979</b>
Securities available for sale	59,974,073	19,348	-	<b>59,993,421</b>
Securities held to maturity	134,097,060	382,755	-	<b>134,479,815</b>
Other assets	3,293,598	2,694	7,795,377	<b>11,091,669</b>
<b>Total assets</b>	<b>721,901,872</b>	<b>2,953,994</b>	<b>84,566,998</b>	<b>809,422,864</b>
<b>Liabilities</b>				-
Amounts due to banks and other financial institutions	165,665,746	10,639	8,570,964	<b>174,247,349</b>
Amounts due to customers	418,955,421	34,335,351	36,386,480	<b>489,677,252</b>
Financial liability held for trading	-	-	-	-
Other liabilities	2,009,341	19,690	-	<b>2,029,031</b>
<b>Total liabilities</b>	<b>586,630,508</b>	<b>34,365,680</b>	<b>44,957,444</b>	<b>665,953,632</b>
<b>Net position</b>	<b>135,271,364</b>	<b>(31,411,686)</b>	<b>39,609,554</b>	<b>143,469,232</b>

OECD \* - Organization for Economic Cooperation and Development

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

31.12.22

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>440,569,005</b>	<b>10,092,756</b>	<b>7,146,997</b>	<b>41,800,037</b>	
	<b>89,106</b>	<b>5,331</b>	<b>1,730</b>	<b>1,862</b>	
1. Agriculture , forestry and fishing	amount	7,778,458	147,481	29,431	-
	number	176	9	4	-
2. Mining and quarrying	amount	22,723,939	1,794	-	1,265,529
	number	33	1	-	2
3. Processing industry	amount	18,744,246	1,383,704	1,527,775	-
	number	66	17	6	-
4. Electricity, gas , steam and air conditioning supply	amount	11,712,219	1,309,566	-	-
	number	21	5	-	-
5. Water supply, sewerage, waste management and recycling	amount	2,984	-	-	-
	number	2	-	-	-
6. Construction	amount	73,711,962	429,138	-	8,042,704
	number	128	10	-	28
7. Trade	amount	92,515,835	1,630,450	578,195	25,177,981
	number	577	29	17	20
8. Transportation and warehouse business	amount	6,711,871	6,301	-	66,395
	number	36	2	-	2
9. Accommodation and catering	amount	16,420,467	2,544	2,149	4,590,171
	number	62	1	1	22
10. Information and communication	amount	3,815,900	-	4,379	-
	number	23	-	1	-
11. Real property buisness	amount	764,196	-	-	-
	number	3	-	-	-
12. Professional, scientific and technical activities	amount	21,400,458	-	-	-
	number	24	-	-	-
13. Education	amount	2,571,447	3,478	1,502	928
	number	387	14	7	7

14. Healthcare	amount	509,005	-	1,997	-	
	number	22	-	1	-	
15. Arts, entertainment, recreation	amount	5,280,760	-	-	-	
	number	17		-	-	
16. Other branches of economy	amount	23,519,590	3,597	3,171,323	1,009,551	
	number	94	2	2	3	
17. Mortgage loans	amount	69,185,661	1,142,182	374,475	201,626	
	number	4,735	83	27	25	
18. Consumer and other loans	amount	63,200,007	4,032,521	1,455,771	1,445,152	
	number	82,700	5,158	1,664	1,753	
Receivables	amount	<b>5,035,864</b>	<b>30,602</b>	<b>6,998</b>	<b>3,279</b>	
	number	<b>10,221</b>	<b>547</b>	<b>367</b>	<b>518</b>	
Investment securities	amount	<b>4,988,105</b>				
	number	7				
Off-balance sheet items	amount	<b>73,137,048</b>	<b>965,017</b>	<b>87,002</b>	<b>325,980</b>	
	number	<b>2,959</b>	<b>63</b>	<b>9</b>	<b>15</b>	
including guarantees	amount	61,104,447	930,796	86,440	323,004	
	number	1,165	15	2	3	
letters of credit	amount					
	number					

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Assets	Working assets	Non-working assets			
		Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky
<b>Loans and advances, including</b>	<b>429,366,635</b>	<b>16,425,486</b>	<b>39,647,073</b>	<b>10,745,785</b>	
	<b>87,570</b>	<b>5,388</b>	<b>1,495</b>	<b>920</b>	
1. Agriculture , forestry and fishing	amount	5,395,922	1,156,786	595,664	359
	number	109	16	8	3
2. Mining and quarrying	amount	18,113,688	183,683	358,045	-
	number	19	3	1	-
3. Processing industry	amount	15,051,296	5,603,738	36,073	1,919,983
	number	73	8	2	8
4. Electricity, gas , steam and air conditioning supply	amount	11,904,432	766,488	-	-
	number	18	2	-	-
5. Water supply, sewerage, waste management and recycling	amount	1,977	-	-	-
	number	1			
6. Construction	amount	68,687,700	1,007,026	7,613,196	1,664,741



	number	104	15	22	6
7. Trade	amount	88,354,553	2,206,802	27,892,168	888,709
	number	534	30	17	7
8. Transportation and warehouse business	amount	5,305,486	-	453,124	-
	number	40	-	1	-
9. Accommodation and catering	amount	17,174,880	90,119	479,436	5,184,983
	number	61	1	3	20
10. Information and communication	amount	3,589,815	1,348	56,238	-
	number	21	1	1	-
11. Real property business	amount	352,220	-	-	-
	number	3	-	-	-
12. Professional, scientific and technical activities	amount	20,732,204	75,336	780,175	-
	number	15	3	4	-
13. Education	amount	2,181,328	91,824	314	-
	number	372	17	2	-
14. Healthcare	amount	417,329	-	-	1,254
	number	20	-	-	1
15. Arts, entertainment, recreation	amount	5,148,912	-	-	-
	number	18	-	-	-
16. Other branches of economy	amount	23,416,559	43,527	6,009	564,579
	number	78	8	2	4
17. Mortgage loans	amount	80,420,144	970,250	169,541	71,817
	number	5,300	93	15	8
18. Consumer and other loans	amount	63,118,190	4,228,559	1,207,090	449,360
	number	80,784	5,191	1,417	863
Receivables	amount	12,228,654	35,435	8,612	4,366
	number	11,795	802	419	368
Investment securities	amount	51,337			
	number	3			
Off-balance sheet items	amount	62,758,229	2,149,560	2,146	12,044
	number	2,554	152	11	16
including guarantees	amount				
	number	50,991,803	2,141,457	1,440	54,025
	number	1,049	115	1	2
letters of credit	amount				
	number				

Analysis of credit portfolio according to regions and risk exposure

30.06.23

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	382,589,969	16,425,344	13,713,666	10,741,011	
2. Non-residents	46,776,666	142	25,933,407	4,774	
<b>Total</b>	<b>429,366,635</b>	<b>16,425,486</b>	<b>39,647,073</b>	<b>10,745,785</b>	

Loans to non-residents 30.06.23

Assets	Working assets	Non-working assets
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	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans and advances, including</b>	<b>46,776,666</b>	<b>142</b>	<b>25,933,407</b>	<b>4,774</b>	
	<b>56</b>	<b>1</b>	<b>3</b>	<b>1</b>	
1. Agriculture , forestry and fishing	amount	-	-	-	-
	number	-	-	-	-
2. Mining and quarrying	amount	-	-	-	-
	number	-	-	-	-
3. Processing industry	amount	-	-	-	-
	number	-	-	-	-
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	46,606,441	-	25,933,407	-
	number	8	-	3	-
8. Transportation and warehouse business	amount	3,901	-	-	-
	number	1	-	-	-
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	-	-	-	-
	number	-	-	-	-
16. Other branches of economy	amount	-	-	-	-
	number	-	-	-	-
17. Mortgage loans	amount	115,371	-	-	-
	number	7	-	-	-
18. Consumer and other loans	amount	50,953	142	-	4,774
	number	40	1	-	1

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Assets	Working assets	Non-working assets			Bad
Loans, including	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	
1. Residents of RA	396,641,625	10,083,312	7,146,997	16,931,981	
2. Non-residents	43,927,380	9,444	-	24,868,056	
<b>Total</b>	<b>440,569,005</b>	<b>10,092,756</b>	<b>7,146,997</b>	<b>41,800,037</b>	

Loans to non-residents 31.12.22

Assets	Working assets	Non-working assets		
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	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
<b>Loans and advances, including</b>	<b>43,927,380</b>	<b>9,444</b>	-	<b>24,868,056</b>	
	<b>44</b>	<b>1</b>	-	<b>5</b>	
1. Agriculture , forestry and fishing	amount	-	-	-	-
	number	-	-	-	-
2. Mining and quarrying	amount	-	-	-	-
	number	-	-	-	-
3. Processing industry	amount	-	-	-	-
	number	-	-	-	-
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	43,886,373	-	24,731,602	
	number	7	-	3	
8. Transportation and warehouse business	amount	4,503	-	-	
	number	1	-	-	
9. Accommodation and catering	amount	-	-	-	-
	number	-	-	-	-
10. Information and communication	amount	-	-	-	-
	number	-	-	-	-
11. Real property buisness	amount	-	-	-	-
	number	-	-	-	-
12. Professional, scientific and technical activities	amount	-	-	-	-
	number	-	-	-	-
13. Education	amount	-	-	-	-
	number	-	-	-	-
14. Healthcare	amount	-	-	-	-
	number	-	-	-	-
15. Arts, entertainment, recreation	amount	-	-	-	-
	number	-	-	-	-
16. Other branches of economy	amount	-	-	-	-
	number	-	-	-	-
17. Mortgage loans	amount	16,249	-	-	
	number	3	-	-	
18. Consumer and other loans	amount	20,255	9,444	136,454	
	number	33	1	2	

#### 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

31.12.22

	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				

Cash and balances with CBA	39,900,582	47,991,000	295,214	88,186,796
Standardized precious metal bullions	-	12,577	-	12,577
Amounts due from banks and other financial institutions	7,507,536	7,648,598	5,486,839	20,642,973
Financial instruments kept for trading	-	-	-	-
Loans and advances to customers at amortized value	326,596,982	171,059,376	1,952,437	499,608,795
Financial assets at fair value through other comprehensive income	42,659,521	602,726	-	43,262,247
Financial assets held to maturity	124,435,260	2,046,603	-	126,481,863
Other	6,025,485	22,058	5,710	6,053,253
<b>Total assets</b>	<b>547,125,366</b>	<b>229,382,938</b>	<b>7,740,200</b>	<b>784,248,504</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	161,260,260	12,711,654	622,223	174,594,137
Amounts due to customers	301,948,254	153,561,911	7,281,539	462,791,704
Securities issued by the bank	255,046	8,755,930	-	9,010,976
Liabilities at fair value through profit or loss	-	-	-	-
Other liabilities	1,840,876	29,228	-	1,870,104
<b>Total liabilities</b>	<b>465,304,436</b>	<b>175,058,723</b>	<b>7,903,762</b>	<b>648,266,921</b>
<b>Net position</b>	<b>81,820,930</b>	<b>54,324,215</b>	<b>(163,562)</b>	<b>135,981,583</b>

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	Drams	I group foreign currency*	II group foreign currency**	Total
<b>Assets</b>				
Cash and balances with CBA	32,154,185	36,943,744	206,074	69,304,003
Standardized precious metal bullions	-	6,036	-	6,036
Amounts due from banks and other financial institutions	5,631,558	28,979,629	3,757,790	38,368,977
Financial instruments kept for trading	-	-	-	-
Loans and advances to customers at amortized value	338,816,104	156,115,323	1,253,552	496,184,979
Financial assets at fair value through other comprehensive income	54,932,527	5,060,894	-	59,993,421
Financial assets held to maturity	122,615,726	11,481,334	-	134,097,060
Other	11,066,315	20,907	4,447	11,091,669
<b>Total assets</b>	<b>565,216,415</b>	<b>238,607,867</b>	<b>5,221,863</b>	<b>809,046,145</b>
<b>Liabilities</b>				
Amounts due to banks and other financial institutions	163,826,771	10,354,835	65,743	174,247,349
Amounts due to customers	310,880,016	173,585,683	5,211,553	489,677,252
Securities issued by the bank	255,520	8,588,058	-	8,843,578
Liabilities at fair value through profit or loss	-	-	-	-
Other liabilities	1,988,752	40,279	-	2,029,031
<b>Total liabilities</b>	<b>476,951,059</b>	<b>192,568,855</b>	<b>5,277,296</b>	<b>674,797,210</b>
<b>Net position</b>	<b>88,265,356</b>	<b>46,039,012</b>	<b>(55,433)</b>	<b>134,248,935</b>

\* The 1st group foreign currencies include US Dollar, Euro, English Pound sterling, Swiss Franc, Canadian Dollar, Chinese Yuan, Japanese Yen, Gold metal account

\*\* The 2nd group foreign currencies include Russian Rouble, Georgian Lari, Hong Kong 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				
including				
- interbank loans		2,25-6,25		6,60
- interbank repo	4,15-4,25		11,15	
- interbank swap				
Loans and advances to customers at amortized value	5-19	6-16,5	5-19	6-16,5
Securities held for trading and available for sale	6,5-13	5,95-7,5	6,5-13	5,95-7,5
Securities held to maturity	8,0-11,75		8,0-11,5	
<b>Liabilities</b>				
Amounts due to banks	1-10,77	4,20-4,35	1-9,60	3,5-4,5
and other financial institutions				
Amounts due to				
customers	0,00-10,75	0,00-6,0	0,01-10,75	0,01-6,00
Liabilities as regards securities issued by the Bank	10,50	5,8-6,6366	10,50	5,8-6,6366

#### 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.

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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
<b>Assets</b>										
Cash in intern. and CBA			86,699,296						1,487,500	88,186,796
Amounts due from banks and other fin. institutions			9,063,727	8,733,432			2,337,806		508,008	20,642,973
Loans provided to customers	15,343,083	42,330,317		66,340,757	34,873,765	48,219,596	128,286,809	164,214,468		499,608,795
Financial assets					3,063,562	3,396,238	57,276,536	23,551,579	51,956	87,339,871
held for trade										-
available for sale					3,063,562	3,396,238	13,198,912	23,551,579	51,956	43,262,247
held up to maturity							44,077,624	82,404,239		126,481,863
Realized under repo agreements										-
Other assets	17,539	23,675	3,405,932	1,595,756	774,175	236,176				6,053,253
*Contractual demands										-
<b>Total</b>	<b>15,360,622</b>	<b>42,353,992</b>	<b>99,168,955</b>	<b>76,669,945</b>	<b>38,711,502</b>	<b>51,852,010</b>	<b>187,901,151</b>	<b>187,766,047</b>	<b>2,047,464</b>	<b>701,831,688</b>
1-st group currency	3,388,841	3,029,387	50,980,584	66,331,117	6,523,159	27,405,038	71,216,804		508,008	229,382,938
2-nd group currency	189,277	474,892	5,671,127	125,891	5,291	1,264,139	9,583			7,740,200
Variable interest rate										-
Fixed interest rate	15,343,083	42,330,317	3,166,385	62,422,374	32,871,149	51,817,787	187,901,151	187,766,047	508,008	584,126,301
Interest free	17,539	23,675	96,002,570	14,247,571	5,840,353	34,223	-	-	1,539,456	117,705,387
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			7,181,101	88,170,636	6,603,758	3,922,137	10,348,950	58,367,555		174,594,137
Amounts due to customers	-	-	148,057,038	54,672,799	50,793,974	99,695,577	108,047,799	1,524,517	-	462,791,704
upon demand			148,057,038							148,057,038
time liability				54,672,799	50,793,974	99,695,577	108,047,799	1,524,517		314,734,666
Other										-
Liabilities for securities issued by the banks				102,436			2,217,850	6,690,690		9,010,976
Other liabilities				757,137	372,351		740,616			1,870,104
Off -balance contingent liabilities	323,865	1,151,604	12,023,238	9,329,674	12,501,675	21,938,095	17,246,896			74,515,047
*Contractual liabilities										-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>155,238,139</b>	<b>149,703,008</b>	<b>57,770,083</b>	<b>105,835,564</b>	<b>125,828,055</b>	<b>59,892,072</b>	<b>-</b>	<b>648,266,921</b>
1-st group currency			55,874,310	17,788,968	17,684,751	29,971,180	53,739,514			175,058,723
2-nd group currency			4,544,360	1,481,023	422,328	801,888	654,163			7,903,762
Large amount liability				85,565,986	156,704	659,437	57,554,617			143,936,744
Variable rate liability										-
Fixed rate liability			147,156,527	129,061,916	45,849,416	105,725,157	125,828,055	59,892,072		613,513,143
Interest free			8,081,612	14,641,092	11,920,667	110,407				34,753,778
<b>Net liquidity gap</b>	<b>15,360,622</b>	<b>42,353,992</b>	<b>(56,069,184)</b>	<b>(67,033,063)</b>	<b>(19,058,581)</b>	<b>(53,983,554)</b>	<b>(53,983,554)</b>	<b>62,073,096</b>	<b>127,873,975</b>	<b>2,047,464</b>
1-st group currency	3,388,841	3,029,387	(4,893,726)	48,542,149	(11,161,592)	(2,566,142)	17,477,290		508,008	54,324,215
2-nd group currency	189,277	474,892	1,126,767	(1,355,132)	(417,037)	462,251	(644,580)			(163,562)
Variable interest rate			-	-	-	-	-			-
Fixed rate	15,343,083	42,330,317	(143,990,142)	(66,639,542)	(12,978,267)	(53,907,370)	62,073,096	127,873,975	508,008	(29,386,842)
Cumulative liquidity gap	15,360,622	57,714,614	1,645,430	(65,387,633)	(84,446,214)	(138,429,768)	(76,356,672)	51,517,303	53,564,767	648,266,921

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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
<b>Assets</b>										
Cash in intern. and CBA			67,739,003						1,565,000	69,304,003
Amounts due from banks and other fin. institutions			3,977,473	31,562,393			2,316,360		512,751	38,368,977
Loans provided to customers	21,569,968	33,786,782		75,092,026	47,187,075	34,882,899	118,318,711	165,347,518		496,184,979
Financial assets			-	1,477,582	2,505,641	4,491,879	66,646,640	118,917,402	51,337	194,090,481
held for trade										-
available for sale				1,094,827	2,505,641	4,491,879	24,699,736	27,150,001	51,337	59,993,421
held up to maturity				382,755			41,946,904	91,767,401		134,097,060
Realized under repo agreements										-
Other assets	21,427	29,700	9,514,489	1,513,898	12,155					11,091,669
*Contractual demands										-
<b>Total</b>	<b>21,591,395</b>	<b>33,816,482</b>	<b>81,230,965</b>	<b>109,645,899</b>	<b>49,704,871</b>	<b>41,691,138</b>	<b>184,965,351</b>	<b>284,264,920</b>	<b>2,129,088</b>	<b>809,040,109</b>
1-st group currency	3,887,148	23,746,043	39,115,605	48,102,972	21,408,006	9,598,106	49,895,325		512,751	196,265,956
2-nd group currency	326	89	1,774,575	2,247,218	1,020,622	23,858	155,175			5,221,863
Variable interest rate										-
Fixed interest rate	21,569,968	33,786,782	1,925,689	106,738,467	49,692,716	41,691,138	184,965,351	284,264,920	512,751	725,147,782
Interest free	21,427	29,700	79,305,276	2,907,432	12,155		-	-	1,616,337	83,892,327
<b>Liabilities</b>										
Amounts due to banks and other fin. institutions			3,885,568	91,568,529	1,422,856	8,393,827	8,198,542	60,778,027		174,247,349
Amounts due to customers	-	-	170,445,308	66,644,270	57,282,595	89,456,966	104,326,514	1,521,599	-	489,677,252
upon demand			170,445,308							170,445,308
time liability				66,644,270	57,282,595	89,456,966	104,326,514	1,521,599		319,231,944
Other										-
Liabilities for securities issued by the banks				2,280,558			6,563,020			8,843,578
Other liabilities				113,034			10,135	1,905,862		2,029,031
Off-balance contingent liabilities	12,044	2,151,706	11,847,026	7,219,480	8,481,266	22,188,719	13,021,740			64,921,981
*Contractual liabilities										-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>174,330,876</b>	<b>160,606,391</b>	<b>58,705,451</b>	<b>97,860,928</b>	<b>120,993,938</b>	<b>62,299,626</b>	<b>-</b>	<b>674,797,210</b>
1-st group currency			75,895,379	23,559,621	13,305,400	28,930,075	50,878,380			192,568,855
2-nd group currency			2,602,800	867,551	426,754	885,706	494,485			5,277,296
Large-scale liability				86,116,296	84,470	574,377	55,230,926			142,006,069
Variable rate liability										-
Fixed rate liability			167,469,192	157,730,364	58,705,451	96,991,831	120,993,938	62,299,626		664,190,402
Interest free			6,861,684	2,876,027		869,097				10,606,808
<b>Net liquidity gap</b>	<b>21,591,395</b>	<b>33,816,482</b>	<b>(93,099,911)</b>	<b>(50,960,492)</b>	<b>(9,000,580)</b>	<b>(56,169,790)</b>	<b>63,971,413</b>	<b>221,965,294</b>	<b>2,129,088</b>	<b>134,242,899</b>
1-st group currency	3,887,148	23,746,043	(36,779,774)	24,543,351	8,102,606	(19,331,969)	(983,055)	-	512,751	<b>3,697,101</b>
2-nd group currency	326	89	(828,225)	1,379,667	593,868	(861,848)	(339,310)	-	-	<b>(55,433)</b>
Variable interest rate	-	-	-	-	-	-	-	-	-	-
fixed rate	21,569,968	33,786,782	(165,543,503)	(50,991,897)	(9,012,735)	(55,300,693)	63,971,413	221,965,294	512,751	<b>60,957,380</b>
Cumulative liquidity gap	21,591,395	55,407,877	(37,692,034)	(88,652,526)	(97,653,106)	(153,822,896)	(89,851,483)	132,113,811	134,242,899	<b>(124,316,063)</b>

Average balance sheet capital and assets

01/01/23-30/06/23

Average balance sheet asset	<b>812,254,092</b>
Average balance sheet capital	<b>125,629,957</b>

Note 42. Collateral accepted

	Reporting period	Previous period
Other securities	30,090,092	30,198,177
Jewels and precious stones	22,477,192	22,456,744
Real estate	456,366,708	442,568,142

Vehicles	16,821,867	16,657,667
Other PPE	43,513,541	44,118,797
Finished production and goods	29,326,434	32,092,320
Cash	20,323,209	21,604,955
Other collateral	119,109,496	120,339,359
Credit guarantee	241,921	252,165
Other guarantees	53,996,153	63,370,296
Credit warranties	484,874,216	486,718,590
Other warranties	176,651,219	214,081,340
<b>Total</b>	<b>1,453,792,048</b>	<b>1,494,458,552</b>

Chairman of the Executive Board

Gevorg Tarumyan

Deputy Chief Accountant

Kristine Selimyan

Date of approval 20.07.23