



Appendix 5
NOTES TO FINANCIAL STATEMENTS
(Form 5)

31 December 2021

ARMBUSINESSBANK CJSC, RA, YEREVAN, 48 NALBANDYAN

Note 1. Legal Environment and Corporate Governance

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

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

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

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

The Bank is:

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

1. Corporate governance

The Bank's managing bodies are:

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

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

c) Major Participants

MFM Global Invest AG – 100 %

d) Management Remuneration Policy

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

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

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

2.2 Going Concern

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

2.3 Comparability

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

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

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

2.4.2 Commissions and other income and expense

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

2.5 Foreign currency transactions

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

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

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

	31-Dec-21	31-Dec-20
AMD/1 US Dollar	480.14	522.59
AMD/1 EUR	542.61	641.11

2.6 Cash and cash equivalents

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

2.7 Amounts due from other banks

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

2.8 Securities

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

2.9 Loans and advances to customers at amortized value

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

2.10 Leasing

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

2.11 Possible losses reserve

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

2.12 Intangible assets

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

2.13 Property, plant and equipment

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

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

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

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

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

2.14 Financial instruments

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

2.15 Events occurring after the balance sheet date

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

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

2.16 Taxation

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

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

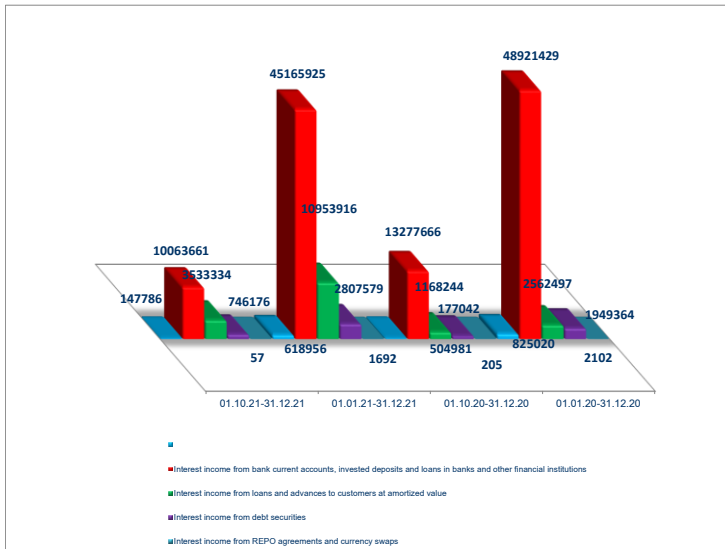
2.17 Functional and presentation currency

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

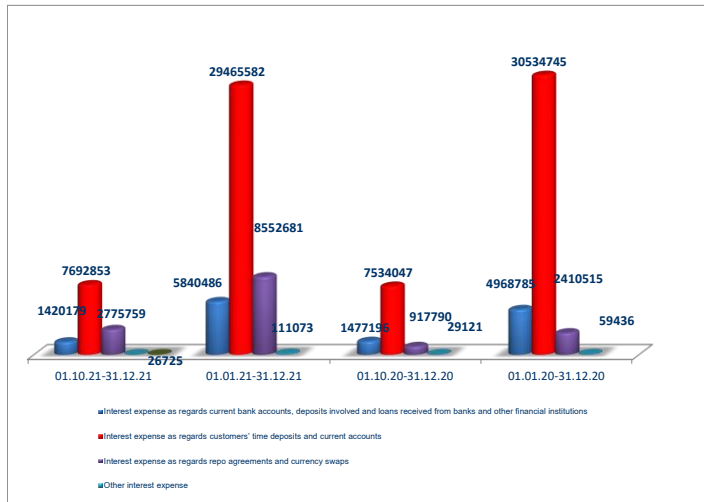
The intermediary financial statements are presented in thousands of AMD.

Note 3. Net Interest and Similar Income

Interest and Similar Income	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Interest income from bank current accounts, invested deposits and loans in banks and other financial institutions	147,786	618,956	177,042	825,020
Interest income from loans and advances to customers at amortized	10,063,661	45,165,925	13,277,666	48,921,429
Interest income from debt securities	3,533,334	10,953,916	1,168,244	2,562,497
Interest income from REPO agreements and currency swaps	746,176	2,807,579	504,981	1,949,364
Other interest income	57	1,692	205	2,102
Total	14,491,014	59,548,068	15,128,138	54,260,412



Interest and Similar Expense	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Interest expense as regards current bank accounts, deposits involved and loans received from banks and other financial institutions	1,420,179	5,840,486	1,477,196	4,968,785
Interest expense as regards customers' time deposits and current accounts	7,692,853	29,465,582	7,534,047	30,534,745
Interest expense as regards securities issued by the Bank	93,926	461,262	160,608	884,511
Interest expense as regards repo agreements and currency swaps	2,775,759	8,552,681	917,790	2,410,515
Other interest expense	26,725	111,073	29,121	59,436
Total	12,009,442	44,431,084	10,118,762	38,857,992
Net interest and similar income	2,481,572	15,116,984	5,009,376	15,402,420



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

Income in the form of Commissions and Other Fees	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Cash operations	119,023	410,177	144,761	918,592
Settlement services	156,505	949,623	427,257	2,583,870
Guarantee, acceptance, letter of credit, trust management operations	149,797	634,598	157,153	940,990
Transaction in foreign currency and securities				
Plastic card operations	291,285	3,037,429	484,448	1,712,253
Other commission payments	166,978	688,814	188,433	1,095,854
Total	883,588	5,720,641	1,402,052	7,251,559

Expenses in the form of Commissions and Other Payments	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Commission payments as regards correspondent and other accounts/bank transactions	33,387	229,760	113,203	603,615
Commission payments as regards transactions with plastic cards/cash transactions	43,490	143,275	73,052	218,068
Payments as regards guarantees, acceptance, letters of credit, trust management transactions			218	22,394
Commission payments as regards transactions in foreign currency and securities				
Other commission payments	6,865	24,114	848	8,993
Total	83,742	397,149	187,321	853,070
Net Commissions and other payments received	799,846	5,323,492	1,214,731	6,398,489

Note 5. Net income from trading transactions

Income from investments remeasured at fair value and held at fair value	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Net income from purchase and sale of investments held for trading, including				
- shares				
- debt securities				
- derivative instruments	590,248	4,011,691	-591,393	-2,778,831
Net income from change in fair value of investments held for trading				
Total	590,248	4,011,691	-591,393	-2,778,831

Net income from investments available for sale	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Net income from purchase and sale of investments available for sale, including				
- shares				
- debt securities	-8,140	74,216	-8,166	81,922
- derivative instruments				
Net income from change in fair value of investments held for trading	24,822	429,312	250,828	1,674,836
Total	16,682	503,528	242,662	1,756,758

From foreign currency transactions	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Net income from foreign currency dealings	778,153	2,710,614	1,296,580	4,707,057
Net income from foreign currency revaluation	-540,122	-4,303,796	846,291	3,352,637
Total	238,031	-1,593,182	2,142,871	8,059,694

From bank standardized precious metal bullions and commemorative coins	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Net income from purchase and sale of bank standardized precious metal bars and commemorative coins	8,354	9,185	1,991	17,974
Net income from revaluation of bank standardized precious metal bullions and commemorative coins	-1,022	-6,224	5,819	39,730
Total	7,332	2,961	7,810	57,704

Net income from trading transactions	852,293	2,924,998	1,801,950	7,095,325
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Note 6. Other operating income

Other operating income	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Fines and penalties received	937,981	3,447,479	1,317,249	3,090,180
Income received from factoring	0	0	24	24
Net income from disposal of PPE and intangible assets	59,427	181,675	25,868	116,601
Net income from revaluation and impairment reversal of PPE and intangible assets				
Other income	473,798	1,009,756	583,811	1,051,248
Total	1,471,206	4,638,910	1,926,952	4,258,053

Note 7. Net allocations to the assets possible loss reserve

As regards amounts due from banks		01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Opening balance	Note 14	57,782	86,026	298,819	244,057
Allocations to the reserve		76,306	292,771	86,548	1,589,086
Return of reserve allocations		-92,648	-337,357	-299,341	-1,747,117
Net allocations to the reserve		-16,342	-44,586	-212,793	-158,031
Return of amounts previously written-off to the off-balance sheet		0	0	0	0
Reserve utilization					
Closing balance		41,440	41,440	86,026	86,026

As regards amounts due from financial institutions		01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Opening balance	Note 14	246,811	284,399	274,240	207,749
Allocations to the reserve		44,092	75,421	46,594	152,323
Return of reserve allocations		-158,841	-227,758	-36,435	-75,673
Net allocations to the reserve		-114,749	-152,337	10,159	76,650
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
Closing balance		132,062	132,062	284,399	284,399

As regards loans and advances provided to the customers		01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Opening balance	Note 16	11,100,948	9,107,949	9,054,224	8,870,316
Allocations to the reserve		6,551,507	20,666,043	8,376,103	25,401,888
Return of reserve allocations		-4,448,677	-12,669,050	-2,011,048	-8,233,922
Net allocations to the reserve		2,102,830	7,996,993	6,365,055	17,167,966
Return of amounts previously written-off to the off-balance sheet		1,834,219	5,879,370	940,807	4,743,552
Reserve utilization		-6,397,410	-14,343,725	-7,252,137	-21,673,885
Closing balance			8,640,587	8,640,587	9,107,949

As regards investments		01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Opening balance	Note 18	0	0	0	0
Allocations to the reserve		0	0	0	0
Return of reserve allocations		0	0	0	0
Net allocations to the reserve		0	0	0	0
Return of amounts previously written-off to the off-balance sheet					
Reserve utilization					
Closing balance			0	0	0

As regards other assets		01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Opening balance	Note 18	55,021	497,412	485,398	485,265
Allocations to the reserve		618,372	9,813,438	1,494,645	5,875,374
Return of reserve allocations		-416,511	-2,904,909	-1,313,693	-5,480,597
Net allocations to the reserve		201,861	6,908,529	180,952	394,777
Return of amounts previously written-off to the off-balance sheet		71,556	276,196	5,011	46,820
Reserve utilization		-269,700	-7,623,399	-173,949	-429,450
Closing balance			58,738	58,738	497,412

As regards off-balance sheet items containing credit risk		01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Opening balance	Note 34	1,044,059	1,288,024	1,267,973	988,680
Allocations to the reserve		290,783	1,273,875	450,252	1,977,071
Return of reserve allocations		-338,999	-1,566,056	-430,201	-1,677,727
Net allocations to the reserve		-48,216	-292,181	20,051	299,344
Reserve utilization					
Closing balance			995,843	995,843	1,288,024

Total net allocations to the reserves		2,125,384	14,416,418	6,363,424	17,780,706
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Note 8. General administrative expenses

General administrative expenses	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Expenses as regards calculated salary and other equivalent payments *	1,654,702	5,570,342	1,401,621	5,897,919
Expenses as regards social payments	0	0	0	0
Expenses as regards training and tuition	246	1,968	1,959	3,560
Expenses as regards business trips	24,649	99,106	2,044	61,228
Expenses as regards operating lease	21,951	77,067	18,493	237,168
Insurance expenses	22,273	61,748	12,115	41,796
Expenses as regards maintenance and security of Bank's equipment	69,991	156,737	38,411	149,831
Expenses as regards maintenance and security of Bank's buildings	85,665	345,600	76,373	327,438
Expenses as regards audit and other consulting services	29,968	59,718	15,855	64,875
Expenses as regards communication means	48,183	202,120	40,765	160,349
Transportation expenses	27,466	99,157	22,788	83,714
Expenses as regards taxes, duties and other obligatory payments (except profit tax)	81,369	303,657	85,113	257,715
Office and organizational expenses	19,141	71,420	23,747	84,641
Expenses as regards loans provision and return	4,538	18,313	4,499	17,896
Other administrative expenses	76,990	292,791	103,740	658,841
Total	2,167,132	7,359,744	1,847,523	8,046,971

The number of the Bank employees as at 31 december 2021 is 1148.

The size of average monthly salary per employee is 292 thous. drams.

Note 9. Other Operating Expenses

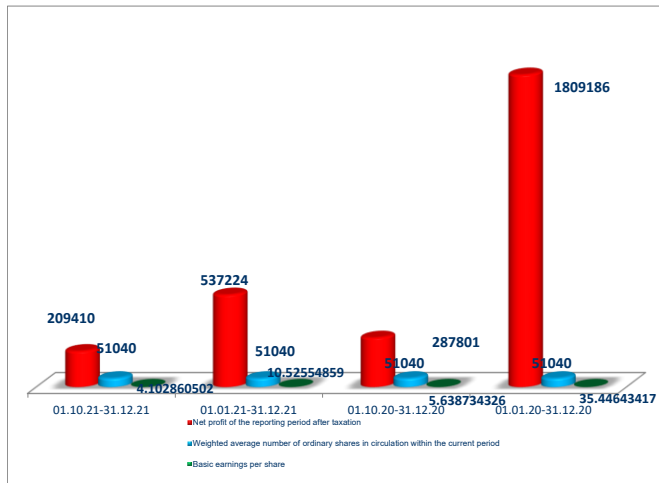
Other Operating Expenses	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Fines and penalties paid	80	40,114	1,221	2,548
Advertising and representation expenses	48,602	213,067	119,845	313,269
Fcatoting expenses				
Fixed and intangible assets amortization expenses	395,792	1,545,327	385,610	1,353,959
Loss from impairment of tangible assets				
Allocations to deposit guarantee fund	234,960	888,596	266,215	1,243,911
Other expenses	336,164	2,423,896	538,250	2,076,617
Total	1,015,598	5,111,000	1,311,141	4,990,304

Note 11. Profit Tax Expense

Profit tax expense	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Current tax expense	87,393	579,998	143,120	527,120
Adjustments of current tax for previous periods recognized in the given period				
Deferred tax expense				
Total	87,393	579,998	143,120	527,120

Note 12. Basic Earnings per Share

Basic Earnings per Share	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Net profit of the reporting period after taxation	209,410	537,224	287,801	1,809,186
Dividends calculated for the current reporting period as regards preference shares	()	()	()	()
Net gain/loss for the current period attributable to the owners of the ordinary shares				
Weighted average number of ordinary shares in circulation within the current period	51,040	51,040	51,040	51,040
Basic earnings per share	4	11	6	35
Diluted earnings per share				



Note. Other Comprehensive Income

Other Comprehensive Income	01.10.21-31.12.21	01.01.21-31.12.21	01.10.20-31.12.20	01.01.20-31.12.20
Exchange rate differences from recalculation of foreign transactions				
Revaluation of financial assets at fair value through other comprehensive income	941,620	(3,148,948)	(1,183,924)	1,511,747
Cash flow hedging				
Gains from PPE revaluations				
Deferred tax expense				
Total	941,620	(3,148,948)	(1,183,924)	1,511,747

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	5,216,759	4,328,978
Other placements of cash	2,921,171	3,169,922
Correspondent accounts with the CBA *	42,320,297	73,133,003
Total	50,458,227	80,631,903
Deposit accounts with the CBA	0	0
Deposited means with the CBA **	1,410,000	810,000
Accrued interest		
Cash means and balances with the CBA	51,868,227	81,441,903
Standardized precious metal bullions	16,812	24,689
Placements with other banks (Note 14)	4,110,283	8,533,117
Total cash and cash equivalents	54,444,957	87,950,095

* 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	1,019	27
Banks with BBB – (Baa3) and higher rating	2,542,523	6,315,423
Banks with no rating and rating below BBB-(Baa3)	1,426,376	978,053
Accrued interest	0	0
Total	3,969,918	7,293,503

Interbank loans and deposits, etc.		
CBA		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Other		
RA Banks		
Loans and deposits	0	0
Factoring		
Financial lease		
Repo (repurchase) agreements	0	0
Swap	0	
Letters of credit and bank quarantees		
Other		
Banks with BBB – (Baa3) and higher rating		
Loans and deposits	0	329,940
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	1,798	0
Letters of credit and bank quarantees		
Other	1	0
Banks with no rating and rating below BBB-(Baa3)		
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap	5,932	16604
Letters of credit and bank quarantees		
Other	174,074	979,025
Accrued interest		71
Total	4,151,723	8,619,143
Reserve for possible losses as regards amounts due from Banks (Note 7)	-41,440	-86,026
Net amounts due from banks	4,110,283	8,533,117

Loans and deposits with financial institutions, other amounts due		
RA financial institutions	12,095,866	27,389,776
Loans and deposits	2,832,826	11,454,097
Factoring		
Financial lease		
Repo (repurchase) agreements	9,263,040	15,882,226
Swap		53453
Letters of credit and bank guarantees		
Other		
Financial institutions with BBB – (Baa3) and higher rating		
Loans and deposits	0	0
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other		
Financial institutions with no rating and rating below BBB-(Baa3)	1,026,861	1,042,975
Loans and deposits		
Factoring		
Financial lease		
Repo (repurchase) agreements		
Swap		
Letters of credit and bank guarantees		
Other	1,026,861	1,042,975
Accrued interest	83,538	60,662
Total	13,206,265	28,493,413
Reserve for possible losses as regards amounts due from financial institutions (Note 7)	-132,062	-284,399
Net amounts due from financial institutions	13,074,203	28,209,014
Net amounts due from banks and financial institutions	17,184,486	36,742,131

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

Government securities	Reporting period	Previous period
RA Government securities, including		
Treasury bonds	30,368,509	40,207,262
Central Bank bonds		
Other		
Government securities of countries with BBB – (Baa3) and higher rating, including		
Treasury bonds		
Central Bank bonds		
Other		
Government securities of countries with no rating and rating below BBB-(Baa3)		
Treasury bonds		
Central Bank bonds		
Other		
Total Government securities	30,368,509	40,207,262

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

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

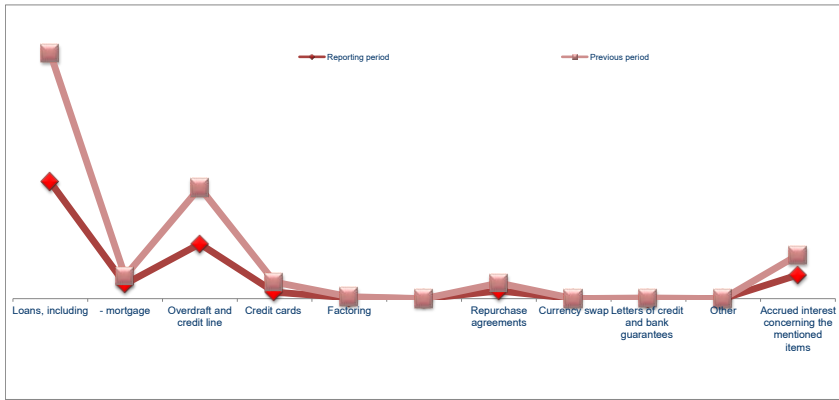
Total securities held for trading	30,368,509	40,207,262	0	0
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Other financial assets held for trading	Reporting period	Reporting period	Previous period	Previous period
Loans, factoring, accounts receivable				
Borrowers with A-/A3/ or higher rating				
Borrowers with BBB+/Baa1/ and lower rating, other rating and no rating				
- Mortgage				
- Consumer loans				
- Other				
Derivative instruments	0		0	
- Futures				
- Forward				
- Option				
- Swap				
- Other				
Total				

Total financial assets at fair value through profit/loss	30,368,509	40,207,262	0	0
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Note 16. Loans and advances to customers at amortized value

Issued loans and other advances	Reporting period	Previous period
Loans, including	338,433,314	372,707,434
- to banks		
- to RA Government		
- to local authorities		
- mortgage	42,508,513	22,847,699
Overdraft and credit line	158,933,492	163,390,055
Credit cards	18,935,908	29,122,902
Factoring	2,487,459	2,972,434
Financial lease	-	-
Repurchase agreements	22,361,478	22,808,523
Currency swap	-	260
Letters of credit and bank guarantees	-	1,960,607
Other	-	-
Accrued interest concerning the mentioned items	68,857,585	57,952,186
Total loans	610,009,236	650,914,401
Reserve for possible losses as regards loans and advances to customers at amortized value (Note 7)	-8,640,587	-9,107,949
Total net loans	601,368,649	641,806,452



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	596,794,522	633,798,009
Quantity	69,675	72,574
Non-Performing loans and advances, including		
Amount	13,214,714	17,116,392
Quantity	3438	4351
Overdue		
Amount	5,166,549	6,992,349
Quantity	2688	2971
Accrued interests		
Total loans		
Amount	610,009,236	650,914,401
Quantity	73,113	76,925
Provision for possible losses as regards loans and advances to customers at amortized value (Note 7)	-8,640,587	-9,107,949
Total net loans	601,368,649	641,806,452

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

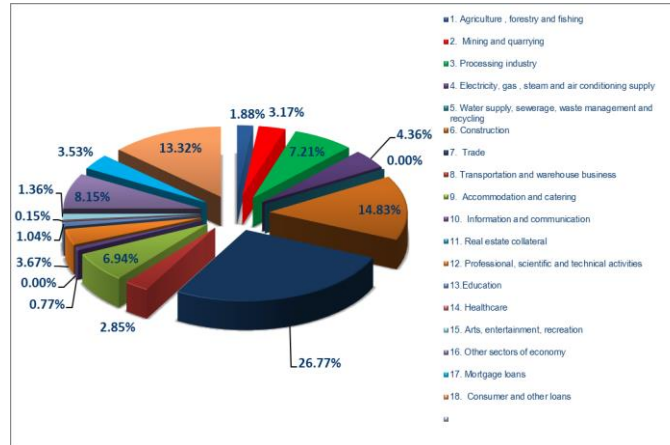
Analysis of the provided loans and advances by customer group	Reporting period	Previous period
State enterprises	3,544,818	21,956,788
Private enterprises, including	423,866,919	460,319,700
- large enterprises	200,436,713	272,273,745
- small and medium enterprises	223,430,206	188,045,955
Natural persons, including	110,343,586	107,087,368
- consumer loans	46,084,874	52,490,385
- mortgage loans	42,508,513	22,847,699
- credit cards	19,064,087	29,480,543
Sole entrepreneurs	3,396,328	3,598,359
Accrued interest	68,857,585	57,952,186
Total loans	610,009,236	650,914,401
Provision for possible losses as regards loans and advances to customers at amortized value	(8,640,587)	(9,107,949)
Total net loans	601,368,649	641,806,452

- a) Total loans provided to major borrowers and related persons as of 31.12.2020 made AMD 243.532.546 thousand, as of 31.12.2021 – AMD 216.081.821 thousand.
- b) Share in total loan portfolio as of 31.12.2020 made 38.37 %, as of 31.12.2021 -37.31 %
- c) Percentage to Capital as of 31.12.2020 was 498.38 %, as of 31.12.2021 – 499.12 % .

Analysis of loan portfolio according to number of borrowers	Reporting period	Previous period
State enterprises	6	7
Private enterprises	463	508
Natural persons	54,002	56,666
Sole entrepreneurs	699	712
Total	55,170	57,893

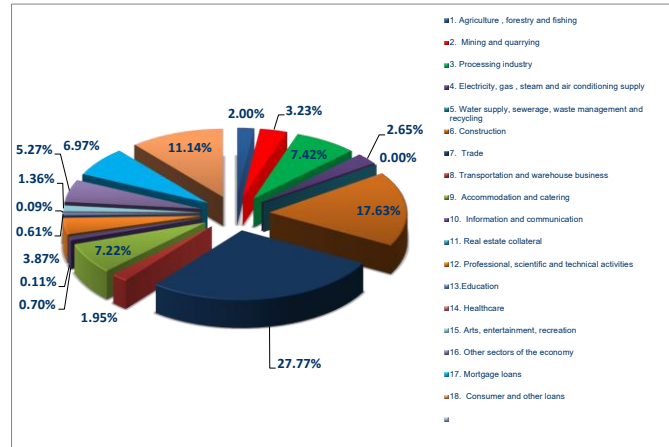
Analysis of loan portfolio according to the industry sectors (less the reserve amount for possible losses)

Analysis of loans and advances according to crediting sectors	Reporting period	Percentage
1. Agriculture , forestry and fishing	12,256,860	1.88
2. Mining and quarrying	20,644,611	3.17
3. Processing industry	46,901,623	7.21
4. Electricity, gas , steam and air conditioning supply	28,348,568	4.36
5. Water supply, sewerage, waste management and recycling	27,463	0.00
6. Construction	96,557,378	14.83
7. Trade	174,227,212	26.77
8. Transportation and warehouse business	18,531,833	2.85
9. Accommodation and catering	45,179,170	6.94
10. Information and communication	5,012,903	0.77
11. Real estate collateral	24,807	0.00
12. Professional, scientific and technical activities	23,910,831	3.67
13. Education	6,777,156	1.04
14. Healthcare	952,735	0.15
15. Arts, entertainment, recreation	8,866,131	1.36
16. Other sectors of economy	53,036,654	8.15
17. Mortgage loans	22,986,047	3.53
18. Consumer and other loans	86,672,419	13.32
Total	650,914,401	100



31.12.21

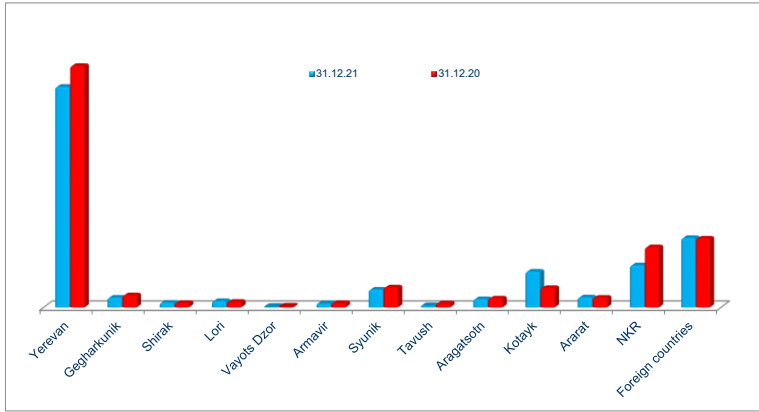
Analysis of loans and advances according to crediting sectors	Previous period	Percentage
1. Agriculture , forestry and fishing	12,198,739	2.00
2. Mining and quarrying	19,692,718	3.23
3. Processing industry	45,290,840	7.42
4. Electricity, gas , steam and air conditioning supply	16,184,637	2.65
5. Water supply, sewerage, waste management and recycling	6,386	0.00
6. Construction	107,514,823	17.63
7. Trade	169,410,720	27.77
8. Transportation and warehouse business	11,882,523	1.95
9. Accommodation and catering	44,071,904	7.22
10. Information and communication	4,272,063	0.70
11. Real estate collateral	693,733	0.11
12. Professional, scientific and technical activities	23,604,139	3.87
13. Education	3,699,057	0.61
14. Healthcare	573,020	0.09
15. Arts, entertainment, recreation	8,311,358	1.36
16. Other sectors of the economy	32,132,050	5.27
17. Mortgage loans	42,508,513	6.97
18. Consumer and other loans	67,962,013	11.14
Total	610,009,236	100



Analysis of the loan portfolio as regards customers' residency

Analysis of the loan portfolio as regards customers' residency	Reporting period	Percentage	Previous period	Percentage
RA residents	504,359,821	83.87	545,547,931	85.00
Non-residents	97,008,828	16.13	96,258,521	15.00
Total	601,368,649	100	641,806,452	100

Region (Marz)	31.12.21		31.12.20	
	Quantity	Amount	Quantity	Amount
Yerevan	21505	305,801,917	23885	334,674,689
Gegharkunik	8432	13,752,884	9763	17,093,446
Shirak	7480	6,726,698	7850	6,331,760
Lori	5188	8,974,541	4835	8,021,200
Vayots Dzor	279	1,244,945	93	1,843,378
Armavir	2886	5,640,063	2579	6,165,494
Syunik	3898	24,960,905	3832	28,085,687
Tavush	1463	2,577,270	1454	5,619,197
Aragatsotn	5538	11,627,814	5876	12,622,472
Kotayk	4747	50,053,589	4196	27,221,409
Ararat	6250	14,157,855	5970	13,717,383
NKR	5393	58,841,340	6530	84,151,816
Foreign countries	54	97,008,828	62	96,258,521
Total	73,113	601,368,649	76,925	641,806,452



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

State securities	Reporting period	Previous period
State obligations	153,596,881	64,925,141
Treasury obligations	153,596,881	64,925,141
Central Bank obligations		
Promissory note		
State obligations of countries with BBB-/Baa3/ or higher rating		
Treasury obligations		
Central Bank obligations		
Other		
State securities of countries with BB+/Ba1/ or below rating or no rating		
Treasury obligations		
Central Bank obligations		
Other		
Possible loss reserve for promissory notes (Note 7)		
Total state securities	153,596,881	64,925,141

Non-state securities of RA	Reporting period	Previous period
Issuer with A-/A3/ or higher rating		
Long term debt instruments		
Short term debt instruments		
Deposit certificates		
Equity instruments		
Other		
Issuer with "C" and higher rating by CBA		
Long term debt instruments		
Short term debt instruments		
Deposit certificates		
Equity instruments		
Other		
Issuer with BBB+/Baa1/ or below rating, other rating or no rating		
Long term debt instruments	1,888,073	2,356,784
Short term debt instruments		
Deposit certificates		
Equity instruments		
Other		
Total non government securities of RA	1,888,073	2,356,784

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

Total financial assets at fair value through other comprehensive	155,484,954	67,281,925
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Other financial assets at fair value through other comprehensive income		
Loans, factoring, amounts receivable		
Borrowers with A-/A3/ or higher rating		
Borrowers with BBB+/Baa1 and below rating, other rating and no rating		
Mortgage loans		
Consumer loans		
Other		
Total	0	0

Total financial assets at fair value through other comprehensive income	155,484,954	67,281,925
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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	22417	0.00005
Total				54,405	6
Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)				0	
Total				54,405	

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	18764	0.00005
Total				50,752	6
Impairment of investments in other companies share capital (reserve for possible losses) (Note 7)				0	
Total				50,752	

	Reporting period	Previous period
Total financial assets at fair value through other comprehensive income and investments in other companies' share capital	155,539,359	67,332,677

Note 18. Other financial assets at amortized value

Government securities	Reporting period	Previous period
RA state bonds including		
T-bonds		
Bonds of Central bank		
Other		
Government securities of countries with BBB-/Baa3/ or higher rating, including		
T-bonds		
Bonds of Central bank		
Other		
State securities of countries with BB+/Ba1/ or below rating or no rating, including		
T-bonds		
Bonds of Central bank		
Other		
Accrued interest		
Total		

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

Non-government securities of other countries	<i>listed</i>	<i>unlisted</i>	<i>listed</i>	<i>unlisted</i>
Issuer with A-/A3/ or higher rating, including				
- long term debt instruments				
- short term debt instruments				
- deposit certificates				
- other				
Issuer with BBB+/Baa1/ and lower rating, other rating and no rating, including				
- long term debt instruments				
- short term debt instruments				
- deposit certificates				
- other				
Accrued interest				
Total	-	-	-	-
Impairment of other financial assets at amortized value (reserve for possible losses) (Note 7)				
Net investments in other financial assets at amortized value	0		0	0

Noncurrent assets held for sale

	Reporting period	Previous period
Seized collateral	7,866,678	6,174,931

Note 20. Property, Plant, Equipment and Intangible Assets

Property, plant and equipment

Title	Buildings	Computer & communication means	Vehicles	Other PPE	Capital investments as regards PPE	Operating lease PPE*	Capital investments as regards leased PPE	Total
Initial cost								
Balance at the beginning of the previous period	10,381,992	4,187,523	298,043	3,598,252	-	922,294	426,824	19,814,928
Increase	51,927	483,493	7,002	306,788	-	141,490	54,714	1,045,414
Disposal								-
Write-off	71,820	61,326		35,925	-		25,992	195,063
Revaluation								-
Depreciation adjustment from revaluation								-
Balance at the end of the previous period	10,362,099	4,609,690	305,045	3,869,115	-	1,063,784	455,546	20,665,279
Increase	-	306,560	6,239	81,536	7,610	59,859	3,133	464,937
Disposal								-
Revaluation*								-
Write-off		31,683	64,501	120				96,304
Depreciation adjustment from revaluation								-
Balance at the end of the reporting period	10,362,099	4,884,567	246,783	3,950,531	7,610	1,123,643	458,679	21,033,912
Accumulated depreciation								
Balance at the beginning of the previous period	1,862,753	3,118,619	136,372	1,682,984	-	168,977	113,978	7,083,683
Increase	382,331	255,480	33,478	160,589		(69,487)	(48,067)	714,324
Disposal								-
Depreciation adjustment from revaluation								-
Write-off	18,897	57,396		24,486			4,008	104,787
Balance at the end of the previous period	2,226,187	3,316,703	169,850	1,819,087		99,490	61,903	7,693,220
Increase	383,866	303,468	34,394	173,059		207,542	14,745	1,117,074
Disposal								-
Depreciation adjustment from revaluation						25,180		25,180
Write-off		31,180	51,708	136				83,024
Balance at the end of the reporting period	2,610,053	3,588,991	152,536	1,992,010		281,852	76,648	8,702,090
Net carrying amount								
End of reporting period	7,752,046	1,295,576	94,247	1,958,521	7,610	841,791	382,031	12,331,822
End of previous period	8,135,912	1,292,987	135,195	2,050,028	-		393,643	12,972,059

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

Intangible Assets

	Software	Licenses	Copyright	Other intangible assets	Capital investments as regards intangible assets	Total
Initial cost						
Balance at the beginning of the previous period	281,391	2,901,803	-	140,419	30,573	3,354,186
Increase	4,209	217,111		17,222	59,993	298,535
Disposal		-				-
Impairment						-
Revaluation						-
Written off		16,423				16,423
Balance at the end of previous period	285,600	3,102,491	-	157,641	90,566	3,636,298
Increase	2,777	203,843		-	1,600	208,220
Disposal		-				-
Revaluation*						-
Impairment						-
Written off		41,104				41,104
Balance at the end of the reporting period	288,377	3,265,230	-	157,641	92,166	3,803,414
Accumulated amortization						
Balance at the end of previous period	118,106	937,778		42,529	-	1,098,413
Increase	19,323	365,443		18,382		403,148
Disposal		-				-
Impairment		16,423				16,423
Revaluation		-				-
Balance at the end of previous period	137,429	1,286,798		60,911	-	1,485,138
Increase	19,637	390,473		18,143		428,253
Disposal		-				-
Depreciation adjustment from revaluation		40,983				40,983
Revaluation		-				-
Balance at the end of the reporting period	157,066	1,636,288		79,054	-	1,872,408
Net carrying amount						
End of reporting period	131,311	1,628,942	-	78,587	92,166	1,931,006
End of previous period	148,171	1,815,693	-	96,730	90,566	2,151,160

Note 21. Deferred tax assets

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

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	736,413	612,950
Total	736,413	612,950
Reserve for possible losses as regards bank transactions (Note 7)	-7,383	-8,028
Net amounts receivable from bank transactions	729,030	604,922

Accounts receivable and prepayments	Reporting period	Previous period
Receivables as regards budget	33	43
Receivables as regards suppliers		
Advance payments to the employees	1,750	0
Advance payments to the suppliers	501,497	628,725
Advance payments and overpayments as regards budget and mandator	246	20,505
Other receivables and prepayments	1,570,677	7,337,244
Total	2,074,203	7,986,517
Reserve for possible losses as regards other assets (Note 7)	-32,113	-471,987
Total	2,042,090	7,514,530
Other assets		
Warehouse	238,267	218,580
Future period expenses	82,633	65,818
Other assets	1,842,066	1,675,232
Reserve for possible losses as regards other assets (Note 7)	-19,242	-17,397
Total	2,143,724	1,942,233
Total other assets	4,914,844	10,061,685

Note 23. Amounts due to banks and other financial institutions

Current accounts	Reporting period	Previous period
RA Banks	11,260	99,359
Banks with BBB-(Baa3) and higher rating	0	0
Banks with rating below BBB-(Baa3) and no rating	40,047	67,813
Accrued interest		
Total	51,307	167,172

Interbank loans, deposits and other demands		
RA Central Bank		
Loans*	16,979,155	20,407,504
Repo (repurchase) agreements	143,499,958	98,399,984
Swap		
Other		
RA Banks		
Loans and deposits	675,013	0
Financial leasing		
Repo (repurchase) agreements	0	0
Swap	0	9,447
Other	10	10
BBB-(Baa3) and higher rating banks		
Loans and deposits		
Financial leasing		
Repo (repurchase) agreements		
Swap	33953	
Other		
BBB-(Baa3) and lower rating and no rating banks		
Loans and deposits	9,602,801	9,406,622
Financial leasing		
Repo (repurchase) agreements		
Swap	57,715	61,239
Other	1,543,660	2,583,571
Accrued interest	367,005	899,087
Total	172,759,270	131,767,464
Financial institutions		
Current accounts	3,236,541	4,462,681
Loans and deposits	52,257,999	54,579,834
Repo (repurchase) agreements		
Swap		
Other	22,729	7,774
Accrued interest	475,608	535,195
Total	55,992,877	59,585,484
Total amounts due to banks and other fin. institutions	228,803,454	191,520,120

As of 31.12.2021, loans received from the Central Bank of Armenia also include loan amounts attracted under international loan programs totaling AMD 16.979.155 thous. And accrued interest amounts AMD 270.071 thous.

Note 24. Amounts due to customers

Amounts due to RA government and local self-managed authorities	Reporting period	Previous period
Current accounts	529,321	355,662
Time deposits		
Loans	134,103	175,018
Repo (repurchase) agreements		
Swap		
Other	103,798	96,568
Accrued interest	322	444
Total	767,544	627,692
Legal entities and institutions of RA (residents)		
Current accounts	54,002,650	42,119,479
Time deposits	43,171,307	65,829,876
Repo (repurchase) agreements	0	0
Swap	0	100,723
Other	1,555,695	4,976,173
Accrued interest	465,441	819,246
Total	99,195,093	113,845,497
Legal entities and institutions (non-residents)		
Current accounts	104,253,587	154,423,685
Time deposits	143,213	873,388
Repo (repurchase) agreements		
Swap		
Other	102,312	4,433,663
Accrued interest	141	1,323
Total	104,499,253	159,732,059
Sole entrepreneurs of RA (residents)		
Current accounts	580,049	382,770
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
Total	580,049	382,770
Sole entrepreneurs (non-residents)		
Current accounts	39	41
Time deposits		
Repo (repurchase) agreements		
Swap		
Other		
Accrued interest		
Total	39	41
Individuals (residents)		
Current accounts	34,476,108	43,073,076
Time deposits	289,543,445	256,338,684
Repo (repurchase) agreements		
Swap		
Other	445,688	332,833
Accrued interest	6,021,587	5,474,021
Total	330,486,828	305,218,614
Individuals (non-residents)		
Current accounts	10,348,601	12,974,766
Time deposits	11,275,046	11,277,845
Repo (repurchase) agreements		
Swap		

Other	0	0
Accrued interest	275,155	302,294
Total	21,898,802	24,554,905
Total liabilities to customers	557,427,608	604,361,578

The amount of the security of liabilities totaled: as at 31.12.2021 - AMD 19.014.069 thous., as at 31.12.2020 - AMD 20.924.018 thous.

2.Term liabilities to government include amounts involved from international financial organizations within RAED (Rural Areas Economic Development) program and Millennium Challenge Account program, which totaled AMD 133.479 thous., accrued interest AMD 322 thous.

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

	Reporting period	Previous period
Legal entities residents	79	82
Legal entitie non- residents	1	2
Individuals residents	31,441	26,751
Individuals non-residents	339	328
Total	31,860	27,163

Note 25. Securities issued by Bank

Securities issued by Bank	Reporting period	Previous period
Fixed-Income securities	10,872,660	2,916,675
Total	10,872,660	2,916,675

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	30,368,509	40,207,262
Total	30,368,509	40,207,262

Note 27. Amounts payable

Amounts payable	Reporting period	Previous period
Dividends		
Trust management agreements		
Deposits insurance	232,895	266,215
Other		
Total	232,895	266,215

Note 28. Deferred tax liabilities

Deferred tax liabilities movements	Reporting period	Previous period
Balance at the beginning of the period	595,416	361,625
Increase	0	233,791
Decrease	595,416	0
Balance at the end of the period	-	595,416

Note 29. Other liabilities

Other liabilities	Reporting period	Previous period
Settlement liabilities as regards cheques and other payment	0	0
Settlement liabilities as regards letters of credit		
Other settlements		
Payables as regards budget		
Profit Tax	334,244	200,107
VAT	34,371	2,016
other taxes and dues	368,079	484,450
social insurance payments	0	0
Liabilities to employees as regards salary	646,286	636,805
Payables as regards suppliers	131,233	131,867
Payables as regards completion of chartered capital		
Other liabilities	937,500	1,012,650
Balance at the end of period	2,451,713	2,467,895

Note 30. Chartered capital

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

Major participant	Amount of participation	Share %	Type of activity (for legal entities)
MFM Global Invest AG	42,090,187	100	
	42,090,187		

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

"Revaluation and remeasurement reserves"

Components:

Revaluation reserves	Reporting period	Previous period
Unrealized gain/loss from revaluation of investments for sale	(1,097,338)	2,051,610
Fixed assets revaluation reserve	468,524	468,524
Other reserves		
Total revaluation reserves	(628,814)	2,520,134

Other components of equity

Reserves

Other reserves	Reporting period	Previous period
Main reserve		
Opening balance	913,027	797,803
Increase	4,400	115,224
Decrease		
Closing balance	917,427	913,027

Note 33. Retained earnings

Retained profit	Reporting period	Previous period
Opening balance	9,768,416	10,260,280
Increase	537,224	1,812,600
Decrease	4,400	2,304,464
Closing balance	10,301,240	9,768,416

Note 34. Reserves, contingencies and potential liabilities

Reserves		Reporting period	Previous period
Opening balance	Note 7	1,288,024	988,680
Allocations to the reserve		1,273,875	1,977,071
Use of reserve		-1,566,056	(1,677,727)
Net allocations to the reserve		-292,181	299,344
Closing balance		995,843	1,288,024

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	13,406,439	29,846,342
Guarantees provided	70,394,453	81,178,532
Letters of credit issued	-	-
Reserve as regards the mentioned items (Note 7)	(995,843)	(1,288,024)
Closing balance	82,805,049	109,736,850

Bank's liability as regards operating lease

The leased premises are as follows:

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

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

thous. drams

The structure of minimum lease payments	Amounts payable in drams equivalent to foreign currency	Amounts payable in drams
Lease		924,559
Total		924,559

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
	01.01.21-31.12.21	01.01.20-31.12.20
Balance as of 01 January	26,964,623	25,168,754
Loans and advances provided during the year	6,062,360	12,124,283
Loans and advances repaid during the year	16,413,305	10,328,414
Balance	16,613,678	26,964,623
Interest income	1,961,468	2,261,526

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

Amounts due to customers	Reporting period	Previous period
	01.01.21-31.12.21	01.01.20-31.12.20
Balance as of 01 January	15,329,065	19,699,543
Amounts received during the year	101,574,822	125,090,727
Amounts paid during the year	109,194,234	129,461,205
Balance	7,709,653	15,329,065
Interest expense	1,902,913	1,442,049

Salary and equivalent payments to the Bank's management	Reporting period	Previous period
	01.01.21-31.12.21	01.01.20-31.12.20
The Board		
Salary	246,361	241,711
bonus		
Executive body		
Salary	265,988	294,134
bonus	5,700	150
Internal audit		
Salary	57,991	57,594
bonus	4,950	100
Total	580,990	593,689

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

31.12.20

Title	RA	OECD* Countries	Non OECD Countries	Total
Assets				
Cash and balances with CBA	81,441,903			81,441,903
Amounts due from banks and other financial institutions	27,404,988	5,223,553	4,113,590	36,742,131
Financial instruments held for trading	40,207,262			40,207,262
Loans and advances to customers at amortized value	545,547,931	1,357,050	94,901,471	641,806,452
Securities available for sale	67,313,913	18,764		67,332,677
Securities held to maturity				-
Other assets	8,783,670	6,942	1,271,073	10,061,685
Total assets	770,699,667	6,606,309	100,286,134	877,592,110
Liabilities				0
Amounts due to banks and other financial institutions	179,360,444	80	12,159,596	191,520,120
Amounts due to customers	419,971,412	15,203,628	169,186,538	604,361,578
Financial liability held for trading	40,207,262			40,207,262
Other liabilities	2,437,575	30,320		2,467,895
Total liabilities	641,976,693	15,234,028	181,346,134	838,556,855
Net position	128,722,974	(8,627,719)	(81,060,000)	39,035,255

31.12.21

Title	RA	OECD* Countries	Non OECD Countries	Total
Assets				
Cash and balances with CBA	51,868,227			51,868,227
Amounts due from banks and other financial institutions	12,250,791	1,006,763	3,926,932	17,184,486
Financial instruments held for trading	30,368,509			30,368,509
Loans and advances to customers at amortized value	504,359,821	1,461,310	95,547,518	601,368,649
Securities available for sale	155,516,942	22,417		155,539,359
Securities held to maturity				-
Other assets	3,659,832	8,237	1,246,775	4,914,844
Total assets	758,024,122	2,498,727	100,721,225	861,244,074
Liabilities				-
Amounts due to banks and other financial institutions	217,511,651	9,358	11,282,445	228,803,454
Amounts due to customers	431,029,515	5,966,369	120,431,724	557,427,608
Financial liability held for trading	30,368,509			30,368,509
Other liabilities	2,434,427	17,286		2,451,713
Total liabilities	681,344,102	5,993,013	131,714,169	819,051,284
Net position	76,680,020	(3,494,286)	(30,992,944)	42,192,790

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

31.12.20

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	627,273,470	10,910,341	3,360,736	261,905	
Loans and advances, including	72,578	2,388	1,714	245	
1. Agriculture , forestry and fishing	amount 11,663,662	347,508	67,137	2,637	
	number 498	11	9	1	
2. Mining and quarrying	amount 20,438,116				
	number 27				
3. Processing industry	amount 46,304,788	55,501	47,033	2,779	
	number 107	5	1	2	
4. Electricity, gas , steam and air conditioning supply	amount 27,739,405	286,363		3,710	
	number 34	8		1	
5. Water supply, sewerage, waste management and recycling	amount 27,188				
	number 4				
6. Construction	amount 95,166,167	182,046	179,279		
	number 179	5	5		
7. Trade	amount 168,921,262	2,790,071	426,074		
	number 852	40	16		
8. Transportation and warehouse business	amount 18,335,731			573	
	number 56			1	
9. Accommodation and catering	amount 44,247,105	314,262	103,451		
	number 85	4	3		
10. Information and communication	amount 4,951,734		8,921		
	number 29		1		
11. Real property buisness	amount 24,559				
	number 3				
12. Professional, scientific and technical activities	amount 23,668,113	3,280			
	number 31	1			

13. Education	amount	6,705,975	1,235	1,658		
	number	444	9	7		
14. Healthcare	amount	943,208				
	number	35				
15. Arts, entertainment, recreation	amount	8,597,009	157,999	5,382		
	number	23	4	1		
16. Other branches of economy	amount	50,910,058	1,806,431			
	number	109	9			
17. Mortgage loans	amount	22,054,533	438,521	144,955	17,136	
	number	2,121	54	24	9	
18. Consumer and other loans	amount	76,574,857	4,527,124	2,376,846	235,070	
	number	67,941	2,238	1,647	231	
Receivables	amount	11,805,303	21,845	8,671	8,085	
	number	12,271	770	485	417	
Investment securities	amount	50,752				
	number	3				
Off-balance sheet items	amount	109,513,803	218,004	994	4,050	
	number	5,852	64	44	9	
including guarantees	amount	80,046,162	175,738		1,250	
	number	954	16		1	
letters of credit	amount					
	number					

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	590,707,742	6,634,141	3,319,907	706,859	
	69,675	1,935	863	640	
1. Agriculture , forestry and fishing	amount	11,625,374	401,716	6,561	667
	number	333	11	3	1
2. Mining and quarrying	amount	19,495,796			-
	number	27			-
3. Processing industry	amount	44,705,176	5,703	92,994	2,853
	number	101	2	2	1
4. Electricity, gas , steam and air conditioning supply	amount	15,735,033			130,821
	number	30			5
5. Water supply, sewerage, waste management and recycling	amount	6,322	-	-	-
	number	3	-	-	-
6. Construction	amount	106,242,536	176,871		
	number	170	2		
7. Trade	amount	163,687,800	2,696,286	713,750	52,998
	number	746	34	17	3
8. Transportation and warehouse business	amount	11,684,065	74,337		
	number	47	1		
9. Accommodation and catering	amount	43,166,368	295,356	109,857	
	number	88	3	4	
10. Information and communication	amount	4,229,347	-	-	
	number	28	-	-	
11. Real property buisness	amount	686,796	-	-	-
	number	4	-	-	-
12. Professional, scientific and technical activities	amount	23,368,110	-	-	-
	number	31	-	-	-
13. Education	amount	3,659,395	1,931	26	260
	number	428	8	1	2
14. Healthcare	amount	567,412	-	-	-
	number	28	-	-	-
15. Arts, entertainment, recreation	amount	7,968,626	-	209,792	-
	number	22	-	4	-
16. Other branches of economy	amount	31,808,954	-	1,453	-
	number	109	-	1	-
17. Mortgage loans	amount	41,726,600	243,394	49,742	13,584
	number	3,270	35	15	7
18. Consumer and other loans	amount	60,344,032	2,738,547	2,135,732	505,676
	number	64,210	1,839	816	621
Receivables	amount	5,165,829	38,234	8,864	5,011
	number	11,956	923	521	547
Investment securities	amount	54,405			
	number	3			
Off-balance sheet items	amount	82,386,922	417,311	708	108
	number	3,986	28	5	3
including guarantees	amount	69,524,849			390,850
	number	1,027			4
letters of credit	amount				
	number				

Analysis of credit portfolio according to regions and risk exposure

31.12.21

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	493,874,329	6,614,916	3,163,717	706,859	
2. Non-residents	96,833,413	19,225	156,190	-	
Total	590,707,742	6,634,141	3,319,907	706,859	

Loans to non-residents 31.12.21

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
	96,833,413	19,225	156,190	-	
Loans and advances, including	51	1	2	-	
1. Agriculture , forestry and fishing	737				
amount					
number	1				
2. Mining and quarrying	530				
amount					
number	1				
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	96,039,079		62,656		
amount					
number	20		1		
8. Transportation and warehouse business					
amount					
number					
9. Accommodation and catering	1,192				
amount					
number	1				
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	9,957				
amount					
number	2				
18. Consumer and other loans	781,918	19,225	93,534	-	
amount					
number	26	1	1	-	

31.12.2020

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

Loans to non-residents 31.12.2020

Assets	Working assets		Non-working assets		
	Standard/Non-risky	Controlled/Risky	Non-standard/ Medium risky	Doubtful/ Highly risky	Bad
Loans and advances, including	96,065,679	28,333	164,509	-	
	58	1	3	-	
1. Agriculture , forestry and fishing	amount 2,456				
	number 3				
2. Mining and quarrying	amount 1,574				
	number 1				
3. Processing industry	amount 4,701				
	number 3				
4. Electricity, gas , steam and air conditioning supply	amount				
	number				
5. Water supply, sewerage, waste management and recycling	amount				
	number				
6. Construction	amount				
	number				
7. Trade	amount 94,840,592		81,506		
	number 24		1		
8. Transportation and warehouse business	amount				
	number				
9. Accommodation and catering	amount 2,373				
	number 1				
10. Information and communication	amount 223,779				
	number 1				
11. Real property buisness	amount				
	number				
12. Professional, scientific and technical activities	amount				
	number				
13. Education	amount				
	number				
14. Healthcare	amount				
	number				
15. Arts, entertainment, recreation	amount 871				
	number 1				
16. Other branches of economy	amount				
	number				
17. Mortgage loans	amount 11,726				
	number 2				
18. Consumer and other loans	amount 977,607	28,333	83,003		
	number 22	1	2		

Market risk

Currency risk

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

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

31.12.2020

	Drams	I group foreign currency*	II group foreign currency**	Total
Assets				
Cash and balances with CBA	47,947,492	32,842,110	652,301	81,441,903
Standardized precious metal bullions		24,689		24,689
Amounts due from banks and other financial institutions	16,318,497	16,987,190	3,436,444	36,742,131
Financial instruments kept for trading	40,207,262			40,207,262
Loans and advances to customers at amortized value	328,544,513	311,584,357	1,677,582	641,806,452
Financial assets at fair value through other comprehensive income	66,008,165	1,324,512		67,332,677
Financial assets held to maturity				-
Other	4,147,454	5,899,722	14,509	10,061,685
Total assets	503,173,383	368,662,580	5,780,836	877,616,799
Liabilities				
Amounts due to banks and other financial institutions	175,520,987	15,790,263	208,870	191,520,120
Amounts due to customers	268,309,910	321,439,959	14,611,709	604,361,578
Securities issued by the bank	257,955	2,658,720		2,916,675
Liabilities at fair value through profit or loss	40,207,262			40,207,262
Other liabilities	2,424,754	43,141		2,467,895
Total liabilities	486,720,868	339,932,083	14,820,579	841,473,530
Net position	16,452,515	28,730,497	(9,039,743)	36,143,269

31.12.2021

	Drams	I group foreign currency*	II group foreign currency**	Total
Assets				
Cash and balances with CBA	29,180,610	21,708,645	978,972	51,868,227
Standardized precious metal bullions		16,812		16,812
Amounts due from banks and other financial institutions	9,452,946	6,359,705	1,371,835	17,184,486
Financial instruments kept for trading	30,368,509			30,368,509
Loans and advances to customers at amortized value	331,326,192	267,625,248	2,417,209	601,368,649
Financial assets at fair value through other comprehensive income	154,683,368	855,991		155,539,359
Financial assets held to maturity				-
Other	4,746,921	136,703	31,220	4,914,844
Total assets	559,758,546	296,703,104	4,799,236	861,260,886
Liabilities				
Amounts due to banks and other financial institutions	213,831,621	14,557,398	414,435	228,803,454
Amounts due to customers	303,389,213	222,786,490	31,251,905	557,427,608
Securities issued by the bank	253,400	10,619,260		10,872,660
Liabilities at fair value through profit or loss	30,368,509			30,368,509
Other liabilities	2,433,278	18,435		2,451,713
Total liabilities	550,276,021	247,981,583	31,666,340	829,923,944
Net position	9,482,525	48,721,521	(26,867,104)	31,336,942

* 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		28,571,745	321,287	28,893,032
- demands		1,492,395	27,316,700	28,809,095
Other derivative instruments				
- liabilities				
- demands				
Net position according to the derivative financial instruments		(27,079,350)	26,995,413	(83,937)
Net open position*		(27,079,350)	26,995,413	(83,937)

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

Amounts due to banks and other fin. institutions			6,387,806	143,490,554	8,415,112	7,891,610	12,212,892	13,122,146		191,520,120
Amounts due to customers	-	-	263,708,952	77,946,031	59,898,855	100,803,134	94,019,163	7,985,443	-	604,361,578
upon demand			263,708,952							263,708,952
time liability				77,946,031	59,898,855	100,803,134	94,019,163	7,985,443		340,652,626
Other										-
Liabilities for securities issued by the banks								2,916,675		2,916,675
Other liabilities				452,252			12,018	2,003,625		2,467,895
Off –balance contingent liabilities	5,044	218,004	29,467,638	22,476,964	9,482,594	23,599,849	24,486,757			109,736,850
*Contractual liabilities										-
Total	-	-	270,096,758	221,888,837	68,313,967	108,706,762	111,152,355	21,107,589	-	801,266,268
1-st group currency			201,045,396	41,147,164	17,037,426	40,692,903	40,009,194			339,932,083
2-nd group currency			11,907,874	795,477	1,045,779	732,563	338,886			14,820,579
Large amount liability				98,821,896	786,423	325,033	19,733,746			119,667,098
Variable rate liability										-
Fixed rate liability			257,792,183	187,836,583	60,069,492	108,014,779	111,152,355	21,107,589		745,972,981
Interest free			12,304,575	34,052,254	8,244,475	691,983				55,293,287
Net liquidity gap	4,658,107	9,928,240	(172,761,442)	(13,323,090)	(15,629,155)	(31,047,490)	121,427,515	171,622,840	1,450,317	76,325,842
1-st group currency	3,413,485	4,593,760	(157,206,907)	49,796,767	(4,323,387)	13,602,991	118,264,223	-	589,565	28,730,497
2-nd group currency	-	-	(9,093,958)	58,761	(974,885)	1,154,785	(184,446)	-	-	(9,039,743)
Variable interest rate	-	-	-	-	-	-	-	-	-	-
Fixed rate	4,626,321	9,906,661	(256,860,987)	(12,703,973)	(15,710,968)	(30,359,569)	121,389,251	171,622,840	589,565	(7,500,859)
Cumulative liquidity gap	4,658,107	14,586,347	(158,175,095)	(171,498,185)	(187,127,340)	(218,174,830)	(96,747,315)	74,875,525	76,325,842	801,266,268

31.12.21

Item description	Non-performing		Time remaining to maturity						open-end	Total
	overdue	time	demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
Assets										
Cash in intern. and CBA			50,458,227						1,410,000	51,868,227
Amounts due from banks and other fin. institutions			4,139,583	9,698,364			2,804,498		542,041	17,184,486
Loans provided to customers	4,230,249	6,430,658		126,168,818	30,300,445	63,819,299	186,623,474	183,795,706		601,368,649
Financial assets				30,368,509	589,507	1,032,083	55,982,557	97,880,807	54,405	185,907,868
held for trade				30,368,509						30,368,509
available for sale					589,507	1,032,083	55,982,557	97,880,807	54,405	155,539,359
held up to maturity										-
Realized under repo agreements										-
Other assets	28,650	35,411	3,255,530	1,537,445	2,039	3,297	52,472			4,914,844
*Contractual demands										-
Total	4,258,899	6,466,069	57,853,240	167,773,136	30,891,991	64,854,679	245,463,001	281,676,513	2,006,446	861,244,074
1-st group currency	2,817,880	3,460,119	24,544,798	73,528,501	13,970,081	43,112,366	134,727,318		542,041	296,703,104
2-nd group currency	183,276		2,240,787	368,451	58,722	1,713,573	234,427			4,799,236
Variable interest rate										-
Fixed interest rate	4,230,249	6,430,658	881,464	136,507,387	30,889,931	64,854,679	245,409,999	281,676,513	542,041	771,422,921
Interest free	28,650	35,411	56,971,876	31,265,749	2,060		53,002		1,464,405	89,821,153
Liabilities										
Amounts due to banks and other fin. institutions			4,812,930	185,369,698	3,493,764	6,249,467	15,763,884	13,113,711		228,803,454
Amounts due to customers	-	-	206,940,960	78,760,770	60,526,424	96,255,305	91,457,026	23,487,123	-	557,427,608
upon demand			206,940,960							206,940,960
time liability				78,760,770	60,526,424	96,255,305	91,457,026	23,487,123		350,486,648
Other										-
Liabilities for securities issued by the banks							2,671,942	8,200,718		10,872,660
Other liabilities				1,533,422			2,610	915,681		2,451,713
Off –balance contingent liabilities	417,311	816	13,225,049	9,968,726	8,433,291	22,945,144	27,814,712			82,805,049
*Contractual liabilities										-
Total	-	-	211,753,890	265,663,890	64,020,188	102,507,382	110,808,533	44,801,552	-	799,555,435
1-st group currency			109,678,214	29,631,149	13,520,577	32,076,129	63,075,514			247,981,583
2-nd group currency			28,799,847	647,689	439,620	1,391,440	387,744			31,666,340
Large-scale liability			77,322	176,816,767	431,755	140,783	21,909,454			199,376,081

