

**Appendix 5 Approved by Resolution N205 of
the Board of the Central Bank of Armenia Dated
on 10 July 2007**

**NOTES TO THE INTERIM REPORTS PUBLISHED IN THE 1st QUARTER OF 2021
“ARMECONOMBANK” OJSC 23/1 AMIRYAN STR., YEREVAN**

ARMECONOMBANK

Note 1. “Legal Field and Corporate Governance”

Legal Field

“ARMECONOMBANK” OJSC (hereinafter the Bank) founded in 1991, is the successor of former USSR “Zhilsotsbank” Armenian Republican Bank (1991-1993 "Armstatecombank) and was reorganized as an open joint stock company in 1995 and operated on the basis of the legislation of the Republic of Armenia (hereinafter RA). The bank was registered by the Central Bank of Armenia (hereinafter the CBA) with No1 License number.

The Head office of the Bank and 30 branches are located in Yerevan, another 22 branches in regions, and 1 in NKR. The legal address of the Bank is 23/1 Amiryan Str., Yerevan.

Main Activities

As a universal financial institution, “ARMECONOMBANK” OJSC offers its customers a comprehensive package of services. The prevailing part of the Bank’s activities falls to lending. The Bank offers lending to almost all sectors of the economy conditioned with the level of the risk and the prospect of the given project. The Bank actively operates in the area of lending with international lending programs. The Bank extends commercial, consumer and mortgage loans.

Business Environment

Political and economic changes are very common in Armenia. As an emerging market, Armenia does not have a perfect business environment and corresponding sub-structures which usually exist in countries having free market economy.

Moreover, these conditions set limits to the volumes of transactions in financial markets and real values of the transactions may not comply with the performed transactions. The main obstacle of further economic development is the low level of economic and institutional development paralleled with territorial instability, centralized economic base and impact of international economic crisis.

International economic crisis led to reduction of GDP of Armenia as well as that of transfers from abroad on which Armenian economy depends much.

Corporate Governance

Bank management bodies are: Shareholders’ General Meeting as the highest body of Bank management, the Board, the Management and the CEO.
Structure and Members of the Board

Chairman of the Board

S. Sukiasyan

Members of the Board

R. Hayrapetyan

A. Melikyan

L. Petrosyan

V. Khachatryan

H. Suvaryan

Per Fischer

Structure and Members of the Bank’s Management

CEO

A. Khachatryan

Deputy CEO

R. Badalyan

Deputy CEO

O. Chichyan

Deputy CEO

A. Arakelyan

Deputy CEO

A. Manrikyan

Deputy CEO

A. Pilosyan

Chief Accountant

M. Poghosyan

Head of Strategy and Risk Management Department

H. Avetisyan

Head of Legal Department

V. Jhangiryan

The Structure of the Bank’s Property and the Number of Shareholders/Participants at the end of the Accounting Period

As of 31.03.2021, the Chartered capital amounts to AMD 26,107,556. It includes 1,897,938 common shares each with AMD 10,400 and 424,600 preferred shares with AMD 15,000 nominal value per share.

Main Participants

Sukiasyan Saribek Albert	27.95%
Sukiasyan Khachatur Albert	15.90%
Sukiasyan Eduard Albert	10.59%
Sukiasyan Robert Albert	17.38%

Remuneration Policy of the Bank’s Management

No special policy for the Bank’s management remuneration is applied at the Bank. The remuneration of top management is made based on the staff list approved by the Board.

Payments to Statutory Auditors

The Bank’s statutory auditors are presented to the General Meeting of the Bank Shareholders and elected by the latter. And the size of their remuneration is established by the Bank Board.

Note 2. “Accounting Policy”

Preparation and Submission of “ARMECONOMBANK” OJSC Financial Statements

Financial statements are formed and submitted in compliance with RA Legislation and sub- legislative acts, the principles of forming of financial statements published by the Board of Financial Accounting Standards, guidelines of applying the principles, and the legal acts approved by the Board of the Central Bank. The financial statements are formed on the basis of the bank’s accounting.

The statements are made in thousands of Armenian drams without decimal units.

The accounting year for financial statements is the period from 1 January to 31 December inclusive.

Financial statements are prepared based on the principle of fair value for financial assets and liabilities carried at fair value and adjusted by financial results, as well as for available-for-sale assets, except the ones the fair value of which can’t be decided. Financial statements for other financial as well as non-financial assets and liabilities are prepared under their historical value.

The financial statements of the Bank (except the Statement on Cash flows) are prepared on accrual basis.

Recognition of Income and Expenses

Interest incomes and expenses for all interest earning financial tools, except tools accounted for real value reappraised by profit/loss, in reports on financial results, using effective interest rate method are recognized as “interest income” and “interest expense.

Registration of interests for overdrafts, overnights, credit lines, corresponding accounts, bank accounts, demand deposits is implemented by linear way, if the bank cannot foresee future cash flows of these assets. Registration of interests of depreciated loans is not stopped. If balance sheet value of the financial asset or group of similar financial assets decreases because of losses from depreciation, the interest income continues to be recognized towards new balance sheet value.

Amounts receivable as fines and penalties are added to incomes every day. Corresponding agreements are basis for calculation of size of added amount.

Based on corresponding agreement amounts payable by the bank as fines and penalties are recognized as expenses every day.

After adjusting the effective interest rate of the given loan, fees charged for the loans provision (along with the correspondent expenses) are charged back

Other incomes and expenses especially rentals, advertisement, building maintenance, technical service liabilities, as well as costs of fuel for vehicles are reflected in the Statement on Financial Results on accrual basis taking into account the relevant contract, or payments of the previous period. The accrual of non-interest expenses up to AMD 10,000 is performed on the last working day of each month, while the accrual of non-interest expenses exceeding AMD 10,000 is made daily. The accrual of expenses on holiday payments is made daily.

Amortized deductions on fixed assets (including those received from financial leasing), capital investments for leased property and intangible assets are performed each day in amounts defined by this policy and are adjusted on the last working day of each month. Amortized deductions on fixed assets out of use are

performed each day and are adjusted on the last working day of each month in the amounts defined by the Bank's Executive Board.

Dividends are entered into the Statement on Financial Results according to accrual principle at the moment they are declared.

Foreign Exchange Operations Accounting

Transactions concluded in foreign currency are recalculated in accordance with operational currency - exchange rate of transaction date. Monetary assets and liabilities denominated in foreign currencies are revaluated at the average exchange rate set by the Central Bank of Armenia on the balance sheet date. The gains and losses from foreign currency transactions and from revaluation of monetary assets and liabilities denominated in foreign currencies are reflected in the Statement on Financial Results as income and expenses. Foreign currency non cash assets and liabilities, presented in their prime value, are translated into their AMD equivalent by the exchange rate of transaction date.

The foreign exchange sale and purchase rates are defined taking into account the rates established at inter-bank market, offer and demand volumes within the territory of the Republic of Armenia, other factors (forecasts based on market research, force-majeure circumstances, etc.). When establishing the exchange rates, the rates operative in foreign exchange International market at that moment and those reflected in other systems are also taken into account, besides the aforementioned factors.

Tax Accounting

Accounting on income tax, value added tax, property tax, land tax and obligatory social insurance payments should be carried out in compliance with RA Tax Legislation.

The income tax of the accounting period comprises current and deferred taxes.

The amount of current income tax is computed in accordance with requirements set forth in RA Legislation, the liability of income tax is accrued towards the tax profit for each day (taking into account non-deductible expenses from income in compliance with the law "On Profit tax") and on the last working day of each month it is being adjusted.

Deferred taxes, if any, occur on temporary differences between the tax base of an asset or liability or its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. Deferred income tax liabilities, if any, resulting from temporary differences are provided for in full. Deferred income tax assets are recorded to the extent that there is a reasonable expectation that these assets will be realized.

Deferred tax is recorded in the financial statement, except taxes, the transaction results of which have already been recorded in the capital, in which case the tax is also recorded in the capital. Deferred tax amounts are recorded on the last working day of each quarter.

Income tax assets and liabilities are offset when the Bank:

- Has a legally enforceable right to set off the recognized amounts of current tax assets and current tax liabilities,
- Has an intention to make the settlement on a net basis, or to realize the asset and settle the liability simultaneously,
- The deferred tax asset and deferred tax liability relate to profit taxes levied by the same taxation authority in each future period in which significant amounts of deferred tax liabilities or assets are anticipated to be settled or recovered.

Cash and Cash Equivalents

The booking of the Bank’s actual cash interflows (deposits) and/or outflows (withdrawals) is made by the nominal value of currencies, on the basis of payment documents duly prepared, stipulated by the procedure regulating teller operations, and other procedures and legal acts of the Bank.

The statement on cash flows is made by indirect method.

Cash and cash equivalents consist of cash drams, funds kept in Central Bank of Armenia (except amounts deposited for mutual settlement through ARCA clearing system) and amounts of other banks, which may be converted into cash in short period and are not exposed to considerable risk of change of value.

Financial Instruments

IFRS 9 “Financial Instruments” entered into force on 01 January 2018 and is applicable for the accounting periods beginning after that date. The Bank has applied the new standard recognizing cumulative impact of transition on the non-distributed profit at the beginning of the accounting year and without recalculating the comparative information.

The Bank recognizes financial assets and liabilities on its balance sheet, when and only when it becomes the counterparty of that Instrument. Financial assets’ regular sales or purchases are accounted as of the date of the transaction.

According to IFRS 9, all financial debts, which do not comply solely with the principle and interest payment standards, during the initial recognition are classified as financial assets calculated at fair value through profit or loss.

For financial debts corresponding solely to the Principle and interest payment standards, the classification during the initial recognition is determined based on the business model pursuant to which these models are managed by:

- instruments held to receive contractual cash flows calculated at amortized value
- instruments available for sale and held for receiving contractual cash flows rated at fair value through other comprehensive income
- instruments held for other purposes, including commercial financial assets –calculated at fair value through profit or loss.

During the initial recognition equity financial assets shall be classified as assets calculated at real value through profit or loss, except when a decision is made, without the right of further review, to classify them into assets calculated at fair value through other comprehensive income.

All the realized and unrealized gains and losses, except dividends, from the equity instruments at fair value amounted through other comprehensive income are recognized on the other comprehensive financial results without further reclassification in the profit or loss.

The financial liabilities are classified as subsequently accounted at amortized value using effective interest rate method, except financial liabilities classified as accounted at fair value through profit or loss. The assets that were previously measured at fair value, after the adoption of the standard have continued to be accounted at fair value.

Debt securities which as of 31.12.2017 were classified as available- for- sale, by IFRS 9 will be classified as accounted at fair value through other comprehensive income, as the Bank expects not only to keep that assets to collect contractual cash flows but also to carry out relatively frequent sales with significant amounts.

Upon the resolution of the Bank’s Executive Board, the Bank may classify a part of the securities portfolio as financial assets calculated at amortized value.

Since the loans have solely met the Principle and interests payment criteria, after the application of the standard they will be measured at amortized value.

Profit and loss occurred from the further measurement:

The profit or loss from the financial assets is recognized as follows:

- The profit or the loss on the financial instrument at fair value calculated through profit or loss is recognized in the profit or loss using effective interest rate method
- Profit or loss on financial assets accounted at fair value through other comprehensive income is recognized in the equity – in other comprehensive financial results, until the given asset is recognized as depreciated. The profit or loss accumulated at that moment, which was previously recognized in the equity, shall be recognized in the profit or loss. Interests on the financial assets accounted at fair value through other comprehensive income shall be recognized in the profit or loss using effective interest rate method.
- Profit or loss on financial assets and liabilities accounted at amortized value shall be recognized in the profit or loss, when the financial asset or the liability is derecognized or recognized as depreciated, as well as during the calculation of amortization.

The Bank derecognizes the financial asset in the cases, when the contractual rights over the cash flows arising from financial assets are repealed or when it transfers the asset in such a deal, according to which all the risks and benefits related to the ownership over the asset are transferred as well, or in which the Bank does not maintain control over the financial asset. The Bank derecognizes the financial liability when contractual obligations are either discharged, cancelled or expired.

Derivative financial instruments include futures, forwards, swaps and options. The initial recognition of the derivative instruments shall be made at fair value available on derivative agreements signing date.

Afterward all derivative instruments are recalculated at fair value. The derivative instruments with positive real value are accounted as assets and the ones with negative real value- liabilities. The changes in fair value of derivative instruments are recognized directly in profit or loss statement.

Repurchase Agreements

Repurchase agreements are used by the Bank as elements of its treasury management and trading business. These agreements are accounted for as financing transactions.

Securities sold under repurchase agreements are accounted for as securities secured by pledge, in which case the securities are reflected in the statement of financial position and the funds attracted under these agreements are included into amounts due to other banks or amounts due to customers.

Securities sold under repurchase agreements are accounted for as securities held-for trading and available-for-sale securities and funds received under these agreements are included into amounts due to other banks or amounts due to customers.

The amounts extended against securities purchased under Repurchase Agreement are accounted for as Due to other banks or Loans and Borrowings to Customers.

Any income or expense arising from purchase and sale of the underlying securities is recognized as interest income or expense, accrued during the period of Repurchase Agreements.

Leases

Under the lease agreement and against certain compensation within the agreed period the right to use the asset is assigned to the lessee. The accounting on leases is carried out in compliance with IFRS 16.

At the beginning of the lease term the Bank recognizes the right-of use asset and relevant liabilities on future lease payments in balance sheet (with the exception of short-term leases and leases of low-value assets).

The right-of –use asset is initially measured at prime cost which includes the following:

- Initial value of the lease liability
- Payments made less discounts received
- Initial direct expenditures on transaction implemented by the lessee
- Expenses related to the disinvestment, transfer, recovery of the asset

Expenses related to the improvements of the leased asset are not included in the initial value of the lease liability is initially measured at present value of the future lease payments outstanding on that date applying the average interest rate of additional borrowings attracted by the lessee.

The lease liability is equal to the present value of the total amount of the below mentioned components:

- Fixed payments within lease term
- Payments variable depending on the index and coefficient within the lease term
- Guaranteed residual value or anticipated purchase price if such an option is available and the realization thereof is almost certain.
- Penalty for preterm termination, if it has been taken into account when defining the lease term

After the initial recognition the right-of-use asset shall be measured at prime cost:

- Less accumulated depreciation, which is calculated by linear method during the lease term of
- Adjusted at the extent of differences occurred from the review of contractual obligations
- After the start of the lease, the lease liability is measured:

- Increasing balance-sheet value for the reflection of interest of the lease liability
- Decreasing balance-sheet value to reflect paid rental fees
- Reappraising balance-sheet value to reflect amendments in the agreement terms.

The adoption of the standard resulted the recognition of right-of-use assets and appropriate liabilities by the Bank for all the previous operational leases (with the exception of leases classified as low-value or with a residual lease term of less than 12 months)

The new standard has been applied by the use of the progressive approach. The Bank decided not to include initial direct expenses in the value of the right-of-use asset for the operational lease agreements that had been effective on the date of initial application of IFRS 16 (January 1, 2019). The Bank measures the right-of-use asset effective as of the aforementioned date at present value of residual lease payments using the attraction interest rate of additional borrowings available on initial application date excluding any prepaid or accrued rental fees existing on transition date.

Financial Assets' Possible Loss Provision

The classification of the Bank's assets and possible loss provisioning are made in conformity with the requirements of RA legislation and with the Procedure of "Classification of loans and debtor liabilities and composition of possible loss provisions" approved by ARMECONOMBANK OJSC Board.

As the published financial reports are drafted, further corrections of provisions in compliance with IFRS are made.

Pursuant to IFRS 9 :

The establishment of loan portfolio reserve assumes assessment of loan risk based on the behavior of time series of sub-portfolios of the loan portfolio and the macroeconomic factors affecting them. "Staging" (loan classification per overdue days) is applied for the assessment.

The size of a reserve for each sub-portfolio is determined through the following formula:

$$\text{RESERVE} = \text{BALANCE} * \text{EAD} * \text{PD} * \text{LGD}$$

Where:

BALANCE- balance amount of the given loan sub-portfolio

EAD- (exposure-at-default) ratio, through which sub-portfolio balance value is adjusted

PD – (probability of default) likelihood of default, that is which part of the sub-portfolio is inclined to default, where the default is equivalent to 90+ overdue days

LGD – (loss-given-default) loss-given value based on the effective interest rate, when the loan becomes default

EAD30 and EAD90 indicators are calculated for the loans included in Stage 1 and Stage 2 classes respectively.

For the calculation of loan reserve appraisal of the loans included in Stage 1 and Stage classes PD12Month and PDLifetime are applied respectively.

The creation of State bond portfolio reserve is implemented based on PD and LGD rates given by Moody's rating agency to Armenia.

Intangible Assets

Intangible assets are initially recorded at their prime cost in AMD. Intangible assets purchased in foreign currency are recorded by the average exchange rate of purchase date fixed by the CBA, and are not re-valuated in case of further changes of the exchange rate.

The prime cost of internally generated intangible assets is defined in the development period of "Intangible Assets" in compliance with IFRS 38 if it is possible to show the correspondence of the internally generated intangible asset to the requirements set by IFRS 38.

Attribution of the item of intangible asset to any category (computer software, licenses and power of attorney, copyrights, etc.) set by the “Card of Accounts of the Banks Operating within the Territory of RA” and “The Application Order of the Card of Accounts of the Banks Operating within the Territory of RA” is made based on the methodical instructions of the Chief accountant, arising from its usage specifications.

The initial cost of internally generated intangible asset comprises the expenses set by IFRS. The initial cost includes only those expenses made during the accounting quarter during which the asset has been recognized.

Subsequent expenditures made on intangible assets, which can be added to the value of an intangible asset in compliance with IFRS, are recorded as capital investments and are added to the value of the asset by the resolution of the Executive Board of the Bank.

Amortization term for each item of intangible assets is defined by the Bank based on the criteria set by IFRS. Namely, to define the amortization term of internally generated computer software, the Bank takes into account the information on the estimated useful lives of software of the same type available in the market at the moment, terms of actual useful lives of software used at the Bank before, other criteria set by the Standard.

The Bank uses the straight-line method to allocate amortization amount of intangible assets over their useful lives.

The amortization period and the amortization method of intangible assets should be set in compliance with IFRS, within the period of the agreement so signed and in case of the absence of such period, the intangible assets **are** not subject to amortization. Amortization method is changed by making corresponding changes in this Policy by the Bank’s Board.

In case of significant fluctuations in fair value of intangible assets, they are revalued based on the resolution of the Bank’s Board.

The disclosure of information required by IFRS on internally generated intangible assets in financial statements is performed separately.

The amortization amount of intangible assets is calculated in accordance with “Profit Tax” law. The annual amortization interest rate is set by the resolution of the Bank’s Board.

Fixed Assets

The unit of fixed assets that complies with the recognition of the standards of the asset is measured at their initial value (prime cost) in AMD, excluding buildings which are recorded at their revaluated value. The fixed assets purchased in foreign currency are registered as of the day of the purchase at the average exchange rate set by the Central Bank of Armenia and shall not be re-valued in case of exchange rate change.

The initial value of the unit of fixed assets comprises its purchase cost, taxes, including VAT, import duties and other obligatory payments, which are not subject to be returned to the Bank by relevant authorities and any expenses related to bringing the asset to working state for its purposeful usage. Any discount or privilege provided is deducted from the purchase cost.

The measurement of value, recognition, further expenses, revaluations and withdrawals on purpose of recording of the unit of purchased fixed assets is made in the order prescribed by RA Legislation, as well as by the Bank’s internal legal acts.

Attribution of the unit of fixed assets to any category (property and stationery communication means, calculating, computer and automated equipment, vehicles, etc.) set by the Card of Accounts of the Banks Operating within the Territory of RA and The Application Order of the Card of Accounts of the Banks Operating within the Territory of RA is made based on the methodical instructions of the Chief accountant, arising from their usage specifications and purposes.

Fixed assets are recorded with the difference of initial value and accumulated depreciation taking into account the accumulated impairment losses. Depreciation is calculated using the straight-line method over the period of the asset’s useful life.

From 1 January 2018, the Bank defines the following terms of useful services:

	Terms of useful services (years)	Annual interest rate (%)
Building	50	2
Computers	5	20
Transportation means	8	12.5
Other fixed assets, transportation means, UPS batteries, ATMs, property, office equipment, (printers, scanners, copying devices), POS terminals, modems,	8	12.5
Network devices	3	33.3
Fixed assets and intangible assets costing up to AMD 50.000	5	20
	Up to the end of the given year	

The depreciation of fixed assets which were in operation until 1 January 2013, connected with review of terms of useful services is calculated as follows: the balance sheet value of fixed assets (initial value minus accumulated depreciation) is distributed by linear method of depreciation calculation in the newly defined residual term of useful service. The latter represents the time difference between the useful life cycle set from 1 January 2013 and the period from the starting date of use until 1 January 2013.

For fixed assets acquired after 01.01.2013 residual value amounts to 0.1% of their initial value, however not more than AMD 20.000, except buildings and transportation means residual value of which amounts to 1% of their initial value.

For fixed assets acquired up to 01.01.2013 the residual value amounts to 0.1% of their balance sheet value, however not more than AMD 20.000, except building and transportation means residual value of which amounts to 1% of their balance sheet value.

Depreciation of fixed assets is calculated in accordance with “Profit Tax” law. Annual interest rate of that group’s fixed assets is set by the resolution of the Bank’s Board.

Depreciation is not calculated for land.

Repairs and maintenance are recognized in the statement on financial results as expenses during the period in which they are incurred.

The expenditures raising the operational efficacy of property, plant and equipment compared with the preliminary evaluated normative indicators are recognized as capital expenditures and are added to the initial value of the asset. The above mentioned expenditures are amortized using the straight-line method over the residual term of the asset’s useful life if they don’t exceed the residual value of property, plant and equipment as of 1 January of the year; otherwise they are amortized during the whole period of useful life.

The outcome occurred from write off or disposal of a fixed asset is determined as a difference between net credits from asset disposal and its balance sheet value and is recognized as an income or loss in the income statement.

In case of significant fluctuation of the real (market) value of the Bank’s fixed assets (25% during financial year) the latter are reassessed based on the decision of the Bank’s Board. The revaluation is conducted by an independent company with relevant license.

The results of revaluation are reflected in the Bank’s balance sheet and Income statement in the manner prescribed by IFRS. The growth occurred in the outcome of revaluation is charged to the undistributed profit along with calculation of amortization during the use of the set by the Bank. The size of charged off amount is determined by the difference between amortization calculated on the basis of revaluated balance sheet value of the asset and amortization calculated on the basis of Initial value of the asset. The charge of the growth occurred in the result of revaluation to undistributed profit is not reflected in the Income statement.

The capital expenses on leased fixed assets are capitalized and amortized by linear method during the residual term of the asset’s useful life. The capital expenses on leased buildings are capitalized and amortized by linear method during 20 years.

Assets recorded as capital investments in the fixed assets are not amortized.

Inventory

The Bank’s inventory includes:

- short-life items,
- goods, including goods which has passed to the Bank as a result of sequestration of pledge
- materials and supplies, which are to be used by the Bank during its performance

Short-life items are assets the useful lives of which do not exceed a year.

The inventories are measured at the lower of cost and net realizable value.

For the determination of the cost of inventory the Bank accepts and applies first in first out (FIFO) formula. According to FIFO formula the inventory units acquired first are sold, used or disposed of first, therefore the assets that remain in inventory by the end of the accounting period are the most recently purchased. The cost of the short-life items is written off at the beginning of their utilization.

Settlements between the Bank and Branches

Reciprocal accounts of the Bank’s Head Office and its branches are compared each day via report received through program. The revealed errors are corrected during that day.

While drafting the balance sheet, the settlement accounts among the Head Office and its branches are brought to zero.

The settlement accounts between the Bank’s Head Office and its branches are closed weekly.

Share Capital and Treasury Stock

Ordinary shares are included in equity (general) capital. Dividends on ordinary shares are recognized in equity capital in the period in which they are declared. Dividends for current year, which are declared after the balance sheet date, are disclosed in the subsequent events note.

Basic earnings per share should be calculated by dividing the net profit for the period attributable to the shareholders by the weighted average number of ordinary shares outstanding during the period.

Under certain circumstances and according to procedure established by the RA Legislation the Bank may repurchase its equity share capital. In this case reimbursement paid is deducted from total shareholders’ equity and is reflected as treasury stock until it is cancelled. When such shares are subsequently sold any reimbursement received is included in shareholders’ equity.

The positive difference between the price paid by investor’s for purchase of common shares and their nominal value is recognized in the equity as emissive fee on extraordinary shares.

Attracted Funds

Attracted funds comprising accounts, issued securities and subordinate borrowings of Government and the Central Bank are initially recognized at the real value of received funds, less direct costs for operations. After initial recognition, attracted funds are accounted for in amortized value using effective interest rate method.

Provisions, Contingent Assets and Liabilities

Contingent liabilities are not recognized in financial statements, but are disclosed in the accompanying notes. However, they are not disclosed if the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in financial statements, but is disclosed in the accompanying notes, when an inflow of economic benefits becomes probable.

Consolidated Financial Statements

In cases set forth by legislation the Bank prepares consolidated financial statements in accordance with IFRS and the Procedure on Compilation of Consolidated Financial Statements Presented to the Central Bank of Armenia by the Banks Acting within the Territory of Armenia" approved by the Board of the Central Bank of Armenia.

Segment Statements

The Bank uses the information of business-segments (per Individuals, organizations and rendered investment services) as a primary presentation form. Geographical segments are considered to be secondary presentation forms.

Issued Corporate Bonds

Issued corporate bonds are initially recognized at their real value, which is the real cost of reimbursement received against them, less the transaction expenses.

Corporate bonds issued afterwards are measured at their amortization value, and any difference between net reimbursement and repaid amounts, is reflected in the income and expense statement in the period of circulation of those securities, applying the effective interest method.

Comparable Information

In case of necessity comparable figures are adjusted in order to ensure the comparability with the current year.

After Balance Sheet Date Events

Respective corrections in the balance sheet, if necessary, after the date of balance sheet formed on the last working day of the fiscal year, are made in the following cases:

If the Bank reveals errors on its own,

Fundamental errors are revealed by an audit organization,

On purpose of reflection of clarifying events after the balance sheet date.

In cases if the Bank reveals errors on its own, if the amount of material error depends on the size or nature of the given transaction or size and nature of the article, and if the change of figures reflected in the balance sheet will be of a little importance, and if non- disclosure of that information will not impact decisions made on the basis of financial statements' data, no amendments will be made in the balance sheet of previous year.

If fundamental errors are discovered or arise after the publication of the Bank's annual financial statements as per the established order, then no adjustments shall be made and the representation of such information is considered to be unrealizable.

Interim Report
On Financial Results
31 March 2021
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

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	Item	Note	As of the end of the current interim period (unaudited)	As of the end of the previous financial year (unaudited)
1	Assets			
1.1	Cash and their equivalents	13	50,720,013	42,583,657
1.2	Standard bank precious metal bullions and coins		443	443
1.3	Due from banks and other financial institutions	14	12,180,805	13,861,019
1.4	Reverse repurchase agreement	14.1	7,551,789	10,175,600
1.5	Financial assets rated at actual value through profit or loss	15		9,402
1.5.1	Other financial assets rated at amortized value		524,166	515,568
1.6	Loans and advances provided to customers at amortized value	16	200,944,054	194,529,341
1.7	Financial assets at fair value rated through other comprehensive financial results	17	6,719,933	4,316,855
1.7.1	Securities pledged under repurchase agreement	17.1	36,202,838	39,384,619
1.9	Non-current assets held for sale		854,753	2,315,795
1.10	Fixed assets	20	10,590,857	10,712,169
1.10.1	Intangible assets	20	581,717	581,733
1.10.1	Right-of-use assets	20.1	1,875,896	2,092,205
1.12	Other assets	21	1,278,146	1,012,682
	Total assets		330,025,410	322,091,088
2	Liabilities			
2.1	Liabilities to banks and other financial institutions	22	45,225,363	42,994,491
2.2	Loans and deposits received from the international financial Institutions	22.1	67,160,127	62,554,371
2.3	Loans received from the CBA and from the RA government	22.2	10,819,863	10,151,725
2.4	Repurchase agreement	22.3	34,175,671	38,125,044
2.5	Liabilities to Customers	23	116,822,788	112,495,412
2.6	Subordinate borrowing	23.1	1,333,833	1,311,068
2.7	Liabilities on current taxes		1,247,640	1,212,106
2.8	Securities issued by the Bank	24	6,437,171	6,185,733
2.9	Financial liabilities at fair value through profit or loss	25	3,448	4,267
2.10	Amounts payable	26	488,740	500,593
2.11	Deferred tax liabilities	11	541,612	680,572
2.12	Reserves	30	62,351	35,218
2.13	Lease liabilities	40	1,548,788	1,674,091
2.14	Other liabilities	27	1,462,379	1,851,074
	Total liabilities		287,329,774	279,775,765
3	Capital			
3.1	Chartered capital	28	26,107,556	25,955,663
3.2	Emission income		289,718	180,180
3.3	Reserves			
3.3.1	Main reserve		3,275,000	3,275,000
3.3.2	Revaluation reserve		3,580,698	3,049,109
3.4	Undistributed profit(loss)		9,442,664	9,855,371
	Total capital		42,695,636	42,315,323
	Total liabilities and capital		330,025,410	322,091,088

Chairman of the Executive Board(CEO)

A. Khachatryan

Chief Accountant

M. Poghosyan

Approval date: 15 April 2021

Interim Report
On Financial Results
"31" March 2021

ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Item	Note	Current interim period (unaudited)	Previous period (unaudited)
Interest and similar income	3	6,542,721	6,410,235
Interest and similar expenses	3	(3,539,319)	(2,992,873)
Net interest and similar income		3,003,402	3,417,362
Income as commissions and other fees	4	682,590	564,249
Expenses as commissions and other fees	4	(228,491)	(179,482)
Net commission and other fees		454,099	384,767
Income from dividends			
Net commercial income	5	309,346	544,477
Other operational income	6	151,922	84,429
Operational income		3,918,769	4,431,035
Net allocations to possible asset loss provisions	7	(1,640,213)	(43,788)
Total administrative expenses	8	(1,747,735)	(1,710,977)
Other operational income	9	(785,700)	(703,488)
Operational profit		(254,879)	1,972,782
Profit/loss before taxation		(254,879)	1,972,782
Profit tax expenses(compensation)	11	37,668	(263,509)
Profit for period		(217,210)	1,709,273

Chairman of the Executive Board(CEO)

Chief Accountant

Approval date: 15 April 2021

Interim Report
 On Other Comprehensive Financial Results
 "31" March 2021
 ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Current interim period (unaudited)	Previous period (unaudited)
Other comprehensive financial results			
Revaluation of financial assets at fair value rated through other comprehensive financial results		646,711	(150,615)
Devaluation of financial assets at fair value rated through other comprehensive financial results after taxation		25,652	8,228
Profit from revaluation of non-current assets after taxation			91,369
Profit tax on the revaluation of financial assets at fair value rated through other comprehensive financial results		(116,408)	70,751
Other comprehensive financial result after taxation		555,955	19,732
Comprehensive financial result		338,745	1,729,005

Chairman of the Executive Board (CEO)

Chief Accountant

Approval date: 15 April 2021

Interim Report
On Equity Changes
31 March 2021

ARMECONOMBANK OJSC 23/1 Amiryar Str., 0002 Yerevan

Thous. AMD

Equity elements	Accounting period		Emission income/loss	Main reserve	Revaluations of financial assets at fair value rated through other comprehensive financial results	Profit from revaluation of non-current assets	Undistributed profit(loss)	Total	Total capital
	Chartered capital	42,583,657							
Articles	1	443	4	5	7	9	10	12	14
Comparable current interim period of the previous financial year (ascending from the beginning of the year) (I table)									
<i>Balance as of the beginning of the financial year as of 01 January 2020 (unaudited)</i>	25,635,343	25,635,343	-	3,105,000	1,787,705	3,325,903	5,327,963	39,181,914	39,181,914
Recalculated balance	25,635,343	25,635,343	-	3,105,000	1,787,705	3,325,903	5,327,963	39,181,914	39,181,914
Transactions with shareholders (owners) regarding to shares, including:	320,320	320,320	180,180	-	-	-	-	500,500	500,500
Investments in chartered capital and other increase of chartered capital	320,320	320,320	180,180	-	-	-	-	500,500	500,500
Comprehensive income	-	-	-	-	(71,637)	91,369	1,709,273	1,729,005	1,729,005
Dividends	-	-	-	-	-	-	(222,304)	(222,304)	(222,304)
Internal movements including:	-	-	-	-	-	(24,361)	24,361	-	-
Deductions to main reserve	-	-	-	-	-	-	-	-	-
Decrease of value from the revaluation of fixed and intangible assets	-	-	-	-	-	(24,361)	24,361	-	-
<i>Balance as of the end of the interim accounting period 31.03.2020(unaudited)</i>	25,955,663	25,955,663	180,180	3,105,000	1,716,068	3,392,911	6,839,293	41,189,115	41,189,115

Interim period of the current year (ascending from the beginning of the year) (II table)									
<i>Balance as of the beginning of the financial year as of 01 January 2021 (unaudited)</i>	25,955,663	25,955,663	180,180	3,275,000	(270,706)	3,319,815	9,855,370	42,315,322	42,315,322
Recalculated balance	25,955,663	25,955,663	180,180	3,275,000	(270,706)	3,319,815	9,855,370	42,315,322	42,315,322
Transactions with shareholders (owners) regarding to shares, including:	151,893	151,893	109,538	-	-	-	-	261,431	261,431
Investments in chartered capital and other increase of chartered capital	-	-	-	-	-	-	-	-	-
Not distributed shares	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	555,954	-	(217,210)	338,744	338,744
Dividends	-	-	-	-	-	-	(219,861)	(219,861)	(219,861)
Internal movements including:	-	-	-	-	-	(24,365)	24,365	-	-
Decrease of value from the revaluation of fixed and intangible assets	-	-	-	-	-	(24,365)	24,365	-	-
Deductions to main reserve	-	-	-	-	-	-	-	-	-
<i>Balance as of the end of the interim accounting period 31.03.2021(unaudited)</i>	26,107,556	26,107,556	289,718	3,275,000	285,248	3,295,450	9,442,664	42,695,636	42,695,636

Chairman of the Executive Board (CEO)

A.Khachatryan

Chief Accountant

M.Poghosyan

Approval date: 15 April 2021

Interim Report
On the Cash Flows
"31" March 2021

ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Accounting period (unaudited)	Previous period (audited)
1. Cash flows from operations			
Profit for the year		(217,210)	1,709,273
<i>Adjustments</i>			
Expenses on profit tax		(37,668)	263,509
Loss from depreciation of interest-bearing assets		1,640,213	43,788
Depreciation and amortisation		395,084	368,543
Net income from disposal of fixed assets		(46,368)	(609)
Net gain from foreign exchange		330,900	2,164
Net income from sale/ purchase of financial assets rated at fair value through profit or loss		(39,025)	(174,556)
Financial assets at fair value rated through other comprehensive financial results		(309,275)	28,662
Cash flows from operations before changes in operational assets and liabilities		1,716,650	2,240,774
Changes in operational assets or liabilities			
Increase/ decrease in operational assets			
Due from financial institutions		1,710,103	2,759,298
Reverse repurchase agreements		2,618,353	(616,223)
Loans to customers		(7,475,681)	(1,491,214)
Other assets		1,193,424	237,519
Liabilities to financial institutions		2,139,688	(5,514,739)
Repurchase agreements		(3,949,373)	(2,720,219)
Liabilities to customers		4,895,363	(4,069,045)
Other liabilities		(648,507)	(341,949)
Cash used in operations before taxation		2,200,020	(9,515,797)
Paid profit tax		(182,167)	(159,589)
Net cash used in operations		2,017,854	(9,675,386)
Cash flows from investments			
Decrease(increase) of securities at fair value rated though profit/loss and available for sale		87,913	(3,355,648)
Acquisition of fixed assets		(107,299)	(284,252)
Proceeds from sale of fixed assets		54,476	13,441
Acquisition of intangible assets		(24,116)	(71,173)
Net cash flows from investments (used)/(gained from)		10,974	(3,697,632)
Cash flows from financial operations			
Loans from RA CB and RA Government		668,138	777,695
Proceeds/repayment of loans received from international financial institutions		5,293,339	2,855,775
Increase (decrease) of securities issued by the Bank		314,259	
Prepayment received for the issue of shares		(261,430)	
Lease liabilities		(182,106)	(174,604)
Issue of shares		261,430	500,500
Dividends paid		(225,951)	(226,986)
Net cash from financial operations		5,867,679	3,732,380
Impact of foreign exchange on cash balances		239,850	329,528
Net increase of cash and equivalents thereof		8,136,356	(9,311,111)
Cash and equivalents thereof as of the beginning of the period	13_2	42,583,657	44,028,411
Cash and equivalents thereof as of the end of the period	13_2	50,720,013	34,717,300

Chairman of the Executive Board(CEO)

A. Khachatryan

Chief Accountant

M.Poghosyan

Approval date: 15 April 2021

Note 3: "Net Interest and Similar Income"


Interest and similar income	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Interest income from the Bank's current accounts, deposits and loans allocated in banks and other financial institutions	190,661	195,819
Interest income from loans and advances to customers	5,367,999	5,513,747
Interest income from debt securities	845,905	586,213
Interest income from REPO agreements	117,397	105,162
Other interest income	20,759	9,294
Total	6,542,721	6,410,235
Interest and Similar Expenses		
Interest expenses from the Bank's current accounts deposits and loans allocated in banks and other financial institutions	1,756,280	1,457,079
Interest expenses on terms deposits and current accounts of customers	1,150,230	1,213,423
Interest expenses under REPO agreements	462,310	232,922
Interest expenses on subordinated borrowings	23,250	10,813
Interest expenses against the interest securities issued by the Bank	107,070	71,207
Interest expenses on lease agreements		2,737
Other interest income	40,179	4,692
Total	3,539,319	2,992,873
Net interest and similar income	3,003,402	3,417,362

Note 4: "Commission and Other Fee Income and Expenses"


Commission and Other Fee Income	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Cashier's operations	46,857	43,234
Settlement services	536,425	403,307
Guarantees, warranties, letters of credit operations, trust management operations	32,803	28,480
Foreign currency and security operations	798	337
Payment card servicing	36,332	35,020
Other commission fees	29,375	53,871
Total	682,590	564,249
Commission and Other Fee Expenses:		
Commission fee from correspondent and other accounts	3,761	2,012
Expenses on payment card operations	148,145	98,439
Guarantees, warranties, letters of credit operations, trust management operations	16,343	14,265
Foreign currency and security operations	16,252	15,772
Other commission fees	43,990	48,994
Total	228,491	179,482
Net commission and other fees received	454,099	384,767

Note 5: Financial assets rated at fair value through profit or loss


Financial assets rated at fair value through profit or loss	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Net income from sale/purchase of financial assets rated at fair value through profit or loss, including	16,182	55,125
Shares		
Debt Securities		
Derivatives	16,182	55,125
Net income from changes in real value of financial assets rated at fair value through profit or loss	309,275	(33,763)
Total	325,457	21,362
Investments at fair value rated through other comprehensive financial assets		
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results, including:	54,457	189,720
Debt securities	54,457	189,720
Derivatives		
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results	(8,309)	(9,605)
Total	46,148	180,115
Foreign currency operations		
Net income from foreign currency sale/purchase	268,640	338,239
Net income from the revaluation of foreign currency	(330,899)	(2,160)
Net income from the sale/purchase of precious standardized bullions and coins		2,020
Net income from the revaluation of precious standardized bullions and coins		4,901
Total	(62,259)	343,000
Net income from commercial operations	309,346	544,477

Note 6 : "Other Operatioanl Income"



Other operational expenses	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Income from penalties and fines	91,813	60,487
Net income from disposal of fixed and intangible assets	46,368	609
Other income *	13,741	23,333
Total	151,922	84,429

The main sources of generation of other income* are the amounts charged for provision of statement,check and deposit books,certificates and from such services for which no special income accounts are envisaged.

Note 7 : " Net Deductions to Possible Asset Losses Provision"



Cash and cash equivalents (Note 13)	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Initial balance	19,822	147,112
Net deductions to reserve	3,118	(144,043)
Return of amounts previously charged to off balance item		
Usage of reserve		
Summary balance	22,940	3,069
"Due to Banks and other Financial institutions" (Note 14)	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Initial balance	255,309	164,262
Net deductions to reserve	(91,070)	(86,167)
Return of amounts previously charged to off balance item		
Usage of reserve		
Summary balance	164,239	78,095
From loans and advances to customers (Note 16)	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Initial balance	2,185,367	2,000,954
Net deductions to reserve	1,491,144	329,791
Return of amounts previously charged to off balance item	44,769	36,634
Usage of reserve	(294,498)	(122,377)
Summary balance	3,426,782	2,245,002
Financial assets rated at fair value through other comprehensive financial assets (Note 17)	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Initial balance	161,973	52,586
Net deductions to reserve	55,072	8,756
Return of amounts previously charged to off balance item		
Usage of reserve		
Summary balance	217,045	61,342
On other assets (Note 21)	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Initial balance	12,925	12,858
Net deductions to reserve	2,660	(1,903)
Return of amounts previously charged to off balance item		167
Usage of reserve		(27)
Summary balance	15,585	11,095
Other financial assets rated at amortized value	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Initial balance	53,143	1,332
Net deductions to reserve	152,155	857
Return of amounts previously charged to off balance item		
Usage of reserve		
Summary balance	205,298	2,189
Post-balance sheet items containing loan exposures (note 30)	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Initial balance	35,218	100,580
Net deductions to reserve	27,133	(63,503)
Usage of reserve		
Summary balance	62,351	37,077
Total net deductions to reserve	1,640,212	43,788

Note 8 : "Total administrative expenses"



"Total administrative expenses"	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Salary and similar payments	1,230,753	1,197,415
Training and tutorship expenses		915
Business trip expenses		7,968
Operational leases expenses	2,703	3,344
Insurance costs	37,402	36,395
Servicing and maintenance of the Bank's equipment	90,200	53,962
Maintenance and safekeeping of Bank buildings	195,711	181,640
Audit and consulting services	13,427	12,400
Communication and transmission costs	27,378	25,494
Transportation costs	34,176	33,874
Taxes (except income tax) penalties and other mandatory payments	78,939	61,233
Office and organizational expenses	30,087	27,517
Վարկերի տրամադրման և վերադարձման գծով ծախսեր	2,251	
Other administrative expenses	4,708	68,820
Total	1,747,735	1,710,977

The average number of the Bank employees and monthly average salary falling to a single employee



	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Average number of Bank employees	851	842
Monthly average salary falling to a single employee (thousand AMD)	445	433

Note 9 : "Other Operational Expenses"



Other operational expenses	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Paid fines and penalties		-
Payments made for collection	86,250	86,250
Advertising and representative expenses	144,424	118,546
Amortization costs of fixed assets and intangible assets	395,083	368,539
Allocations to the Fund of Recovery of Deposits	48,510	48,489
Other expenses	111,433	81,664
Total	785,700	703,488

In other Expenses line of other operational expenses, mainly quarterly fees for VISA admission and costs of acquisition of payment cards are included.

Note 10 : Net gain/losses from investments in controlled units"



There is no data available for this note during the accounting and previous period.

Note 11 : "Profit tax Expenses (Reimbursement)"


Thous. AMD

Expenses on profit tax	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Current tax expenses	217,701	3,661
Corrections of current taxes for the previous period recognized in the current period		43,528
Deferred tax expenses	(255,369)	216,320
Total	(37,668)	263,509

	01/01/2021-31/03/2021	Efficient rate (%)	01/01/2020-31/03/2020	Efficient rate (%)
Profit before taxation	(254,879)		1,972,782	
Profit tax with rate	(45,878)	18.00	355,101	18.00
Non-taxable income from financial assets rated at fair value			(1,548)	(0.01)
Non-deductible expenses	(49,485)	3.49	(131,392)	(1.20)
Foreign currency negative/positive difference	59,563	(4.21)	(390)	(0.00)
Adjustments of calculated tax expenses of the previous year			43,528	0.40
Other privileges	(1,868)	0.13	(1,790)	(0.02)
Profit tax expenses	(37,668)	14.78	263,509	2.40

Calculation of deferred tax on temporary differences


	Balance as of the previous period	Recognized by financial results	Recognized by equity	Balance at the accounting period
Deferred tax assets, including:	298,830	43,551	(116,408)	225,973
Accrued expenses and other liabilities	194,911	19,112	-	214,023
Investment securities	100,544	27,357	(116,408)	11,493
Claims to banks and other financial institutions	3,375	(3,375)	-	-
Cash and their equivalents	-	457	-	457
Deferred tax liabilities, including:	(979,402)	211,818	-	(767,584)
Investment securities	-	-	-	-
Loans and borrowings to customers	(243,262)	188,007	-	(55,255)
Cash and their equivalents	(3,353)	3,353	-	-
Fixed assets	(717,206)	24,840	-	(692,366)
Contingent liabilities	(15,581)	1,566	-	(14,015)
Claims to banks and other financial institutions	-	(5,948)	-	(5,948)
Net deferred tax asset/liability	(680,572)	255,369	(116,408)	(541,611)

Thous. AMD

Basic profit falling to a single share	01/01/2021-31/03/2021	01/01/2020-31/03/2020
Net profit of the accounting period after taxation	(217,210)	1,709,273
Dividends on preferential shares calculated for the current accounting period	224,747	224,747
Net gains(losses) of given period referring to owners of common shares	(441,957)	1,484,526
Net weighted average number of common shares in circulation during the given period	1,897,938	1,852,533
Basic profit falling to a single share	(0.23)	0.80

The basic profit falling to a single share is the correlation between net gain or loss referring to common share owners of the given period and average weighted number of common shares in circulation during the given period.

Note 13 : Cash and cash equivalents



Thous. AMD

Cash and cash equivalents	31/03/2021	31/12/2020
Cash and cash equivalent payment documents	13,598,567	13,003,189
Correspondent accounts with the CBA	35,104,047	24,354,638
Deposit accounts with the CBA		1,400,000
Correspondent accounts with the the resident banks	211,703	123,656
Correspondent accounts with the the non-resident banks	1,828,511	3,721,710
Accrued interests	125	287
Reserves/IFRS/	(22,940)	(19,823)
Cash and balances with the CBA	50,720,013	42,583,657

* Correspondent accounts with the CBA include mandatory provisioning funds calculated against the Bank's attracted funds according to the RA Bank Legislation.

Note 14 : "Due to Banks and other Financial institutions"



Thous. AMD

Current accounts	31/03/2021	31/12/2020
Deposited funds with CBA	292,500	1,292,500
Accrued interest		
Total	292,500	1,292,500
With RA banks		
Loans and deposits	3,452,604	3,396,835
Other	24,684	95,474
With banks having BBB(Baa3) and higher ratings		
Other		
Loans and deposits		
With banks having ratings lower than BBB (Baa3) or no rating at all		
Loans and deposits		
Other	131,716	75,197
Accrued interest	1,239	1,524
Total	3,610,243	3,569,030
Possible loss provision for amounts due from banks (note 7)	(50,075)	(39,263)
Net receivables to banks	3,852,668	4,822,267

Loans and deposits with Financial Institutions, other receivables	31/03/2021	31/12/2020
With RA Financial Institutions:		
Loans and deposits	7,536,953	7,833,288
Other	500,398	864,038
With Financial Institutions having BBB(Baa3) and higher ratings		
Other		
With Financial Institutions having a rating lower than BB(Baa3) or no rating at all		
Other	272,560	395,788
Accrued interest	33,234	28,077
Total	8,343,145	9,121,191
Possible loss provision for receivables due to Financial Institutions	(15,008)	(82,439)
Net receivables to Financial Institutions	8,328,137	9,038,752
Net receivables to banks and Financial Institutions	12,180,805	13,861,019

** As of 31.12.2020 and 31.03.2021 the line "Other amounts due to financial institutions" includes accordingly insurance deposits in the amount of USD 165.862 (AMD 86.678 thousand on 31.12.2020 and AMD 88.101 thousand on 31.03.2021) in "Armenian Card" CJSC, as well as debtor liabilities against clearing systems.

Note 14.1 Reverse Repurchase Agreements



Reverse Repurchase Agreements	31/03/2021	31/12/2020
Repurchase Agreements with Financial Institutions	7,650,945	10,309,207
Reverse Repurchase Agreements with Financial Institutions	(99,156)	(133,607)
Total	7,551,789	10,175,600

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



Thous. AMD

Other financial assets recalculated at fair value through profit/loss	31/03/2021	31/12/2020
Derivative Instruments		
Forward		
Swap		9,402
Total	-	9,402

Possible loss provision for financial assets recalculated at fair rate through profit/loss (Note 7)

Note 16. "Loans and advances to customers calculated at amortized value"



Thous. AMD		
Loans and advances calculated at amortized value	31/03/2021	31/12/2020
Loans, including:	176,907,023	170,140,385
Mortgage loans	20,710,163	19,788,032
Credit cards	26,433,213	25,598,405
Accrued interest on the mentioned items	1,030,600	975,918
Total loans	204,370,836	196,714,708
Reserve for possible loss of customer loans and advances (note 7)	(3,426,782)	(2,185,367)
Total loans and advances at amortized value	200,944,054	194,529,341

Thous. AMD		
Analyses of provided loans and advances per customers	31/03/2021	31/12/2020
State industries	168,583	169,235
Private industries, including:	95,602,068	86,654,433
Major enterprises	51,910,552	43,713,262
Small and medium enterprises	43,691,516	42,941,171
Including business cards	67,359	69,204
Individuals, including:	93,162,907	94,873,208
Consumer loans	35,597,119	40,049,390
Mortgage loans	20,710,163	19,788,032
Credit cards	26,365,594	25,528,256
Private entrepreneurs	14,406,678	14,041,914
Accrued interest	1,030,600	975,918
Total loans	204,370,836	196,714,708
Reserve for customers' loans and advances calculated at amortized value (note7)	(3,426,782)	(2,185,367)
Total loans and advances at amortized value	200,944,054	194,529,341

Thous. AMD		
Analyses of loans and advances provided to the customers per the groups of businesses (segments)	31/03/2021	31/12/2020
State and major enterprises	52,079,135	43,837,581
SME * sector, including	71,753,817	68,077,035
Agriculture	11,558,317	7,143,583
Housekeeping	79,507,284	83,824,174
Accrued interests	1,030,600	975,918
Total loans and advances calculated at amortized value	204,370,836	196,714,708
Reserve for customers' loans and advances calculated at amortized value (note7)	(3,426,782)	(2,185,367)
Total loans and advances calculated at amortized value	200,944,054	194,529,341

**SME sector involves investment loans provided to small and medium enterprises.

Thous. AMD		
Loan liabilities on 20 major borrowers and related parties /without reserve/	31/03/2021	31/12/2020
Customers' loans and advances calculated at amortized value	60,910,496	55,210,034
Balance of off-balance sheet contingent liabilities	6,759,392	5,193,806
Total	67,669,888	60,403,840
Loan investments	204,370,836	196,714,708
Ratio in portfolio	33.11%	30.71%
Total normative capital	42,256,949	41,188,731
Percentage ratio to capital	160.14%	146.65%
Total	67,669,888	60,403,840

Thous. AMD

Loan Investments through International programs	31/03/2021	Quantity
ADB/MSME	423,110	20
ADB/TFP/IBA/Asian Development Bank	307,674	6
ADB/TFP/RCA/Asian Development Bank	580,869	4
ADB/WESSD/Asian Development Bank	2,007,608	137
FMO/MSME/Green/	2,079,667	42
DEG/SME/	1,739,492	67
EBRD/WiB/European Bank for Reconstruction and Development	2,747,809	217
FINSCA/MSE/Finethic SCA	72,599	6
GAF/ KfW /ENERGY	223,246	154
FMO/MSME/Retail/	6,277,581	163
GAF/KfW/SME	6,022,101	801
GAF/KfW/SME/ENERGY	219,229	23
GAF/GOV/SME	3,263	1
INCOFINCVBA/MSE/	3,636,045	102
GLS AI MFF/ME	4,225	6
SICAV-SIF/ME1/Symbiotics Global Financial Inclusion Fund	14,426	8
EIB/APEX	997,693	31
SICAV-SIF/ME2/Symbiotics-Seb Microfinance Fund IV	214	1
Incofin CVSO CVBA-SO/MSE	46,509	1
BS/SME3	2,583,321	111
EFA_HDF/SME	42,714	1
GLI/ME	26,164	2
Total	30,055,559	1,904

Thous. AMD

Loan Investments through International programs	31/12/2020	Quantity
ADB/TFP/IBA/Asian Development Bank	454,581	12
ADB/TFP/RCA/Asian Development Bank	13,134	1
ADB/WESSD/Asian Development Bank	2,369,782	137
BlueOrchard/MSE/	406,446	2
FMO/MSME/Green/	135,472	2
DEG/SME	2,991,072	116
EBRD/WiB/ European Bank for Reconstruction and Development RCA	2,116,146	2
EBRD/WiB/ European Bank for Reconstruction and Development	3,466,356	255
FINSCA/MSE/Finethic SCA	119,556	10
GAF/ KfW /ENERGY	201,976	156
FMO/MSME/Retail/	2,767,623	59
GAF/KfW/SME	6,092,155	833
GAF/KfW/SME/ENERGY	216,993	27
INCOFINCVBA/MSE/	3,228,112	111
SICAV-SIF/ME1/Symbiotics-- Global Financial Inclusion Fund	375,174	96
EIB/APEX	437,396	9
SICAV-SIF/ME2/Symbiotics-Seb Microfinance Fund IV	5,569	2
BS/SME1	5,543	1
BS/SME3	1,902,323	57
EFA_FIDF/SME	485,990	6
GLI/ME	30,958	2
Total	27,822,357	1,896

Thous. AMD

Gaps of extended loans and advances calculated at amortized value per lending sectors (without taking into consideration the reserves for possible loan losses)	31/03/2021	Percentage	31/12/2020	Percentage
Industry	30,209,268	12.42	24,428,020	12.42
Agriculture	12,396,391	4.72	9,287,083	4.72
Construction	14,419,670	6.29	12,376,728	6.29
Transportation and communication	625,752	0.34	662,594	0.34
Commerce	34,837,969	17.90	35,216,623	17.90
Consumer	62,960,795	34.84	68,534,046	34.84
Mortgage loans	20,799,971	10.10	19,868,036	10.10
Service	10,936,055	5.48	10,783,610	5.48
Other	17,184,965	7.91	15,557,968	7.91
Total	204,370,836	100	196,714,708	100.00

Breakdown of loan portfolio per customer residency	31/03/2021	Percentage	31/12/2020	Percentage
RA residents	199,913,454	99.49	193,553,423	99.50
Residents of countries with Baa33 and higher ratings including Italy		-		-
Residents of countries with Baa33and lower ratings or no rating at all		-		-
Ukraine				
Russia				
Accrued interest	1,030,600	0.51	975,918	0.50
Total	200,944,054	100	194,529,341	100.00

Note 16. "Loans and borrowings to customers calculated at amortized value"



31/03/2021						
The structure of customers' loans and borrowings calculated at amortized value per classification stages /FRS 9/	Stage1 /non-depreciated and overdue up to 30 days /		Stage 2 /31-90 days overdue/		Stage 3 /overdue more than 90 days/	
	Gross loans	31 March 2021	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve
Corporate loans	95,727,672	349,281	30,716	1,238	393,287	287,675
Loans to individuals and private entrepreneurs	105,677,106	1,712,930	1,211,731	345,407	1,330,324	730,251
Total	201,404,778	2,062,211	1,242,447	346,645	1,723,611	1,017,926

31/12/2020						
Depreciation reserve gaps of loans and advances to customers calculated at amortized value per	Stage 1 /non-depreciated and overdue up to 30 days /		Stage 2 /31-90 days overdue/		Stage 3 /overdue more than 90 days/	
	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve
Corporate loans	86,794,109	597,774	102,302	32,932	274,610	212,449
Loans to individuals and private entrepreneurs	107,456,085	651,996	1,019,397	143,123	1,068,205	547,093
Total	194,250,194.00	1,249,770.00	1,121,699.00	176,055.00	1,342,815.00	759,542.00

	31/03/2021			
	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
Consumer				
Non-overdue	61,107,926	1,166,095	59,941,831	1.91%
Overdue			0	
1-30 days	239,536	18,102	221,434	7.56%
31- 60 days	244,025	83,134	160,891	34.07%
61- 90 days	232,785	72,017	160,768	30.94%
91-180 days	659,277	323,462	335,815	49.06%
180 and more	477,238	289,724	187,514	60.71%
Total	62,960,787	1,952,534	61,008,253	3.10%
Trade				
Non-overdue	34,803,816	122,463	34,681,353	0.35%
Overdue			0	
1-30 days	6,835	1,323	5,512	19.36%
31- 60 days	4,496	2342	2,154	52.09%
61- 90 days	6,932	3212	3,720	46.34%
91-180 days	2,441	1783	658	73.04%
180 and more	13,445	9,822	3,623	73.05%
Total	34,837,965	140,945	34,697,020	0.40%
Production				
Non-overdue	30,208,496	181,799	30,026,697	0.60%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days	770	700	70	90.91%
180 and more				
Total	30,209,266	182,499	30,026,767	0.60%
Construction				
Non-overdue	14,419,674	17,710	14,401,964	0.12%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
Total	14,419,674	17,710	14,401,964	0.12%
Mortgage				
Non-overdue	20,738,420	717,120	20,021,300	3.46%
Overdue			0	
1-30 days	3,152	983	2,169	
31- 60 days	16,055	6,035	10,020	37.59%
61- 90 days	25039	9413	15,626	37.59%
91-180 days	6,613	5,746	867	
180 and more	10,693	9,290	1,403	
Total	20,799,972	748,587	20,051,385	3.60%
Agriculture				
Non-overdue	12,368,328	3,455	9,258,692	0.03%
Overdue				
1-30 days	17811	266	8014	1.49%
31- 60 days	6,999	242	2,737	3.46%
61- 90 days	1535	53	3,034	3.45%
91-180 days	1,716	1,434	282	83.57%
Total	12,396,389	5,450	9,272,759	0.04%
Other fields				
Non-overdue	28,606,144	286,606	26,530,356	1.00%
Overdue				
1-30 days	3,342	4	1,664	0.12%
31- 60 days	2,863	1141	65,180	
61- 90 days	27,602	12790	3,420	
91-180 days	106,746	78,436	44	73.48%
180 and more	89	81	832	91.01%
Total	28,746,786	379,058	26,601,496	1.32%
TOTAL	204,370,839	3,426,783	196,059,644	1.68%

31.12.2020

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
Consumer				
Non-overdue	66,177,890	492,877	65,685,013	0.74%
Overdue				
1-30 days	508,621	6,049	502,572	1.19%
31- 60 days	508,377	68,329	440,048	13.44%
61- 90 days	384,113	68,819	315,294	17.92%
91-180 days	666,982	315,230	351,752	47.26%
180 and more	288064	160,792	1,609,666	55.82%
Total	68,534,047	1,112,096	67,421,951	1.62%
Trade				
Non-overdue	35,171,158	372,976	34,798,182	1.06%
Overdue			0	
1-30 days	9,450	108	9,342	1.14%
31- 60 days	14,576	5046	9,530	34.62%
61- 90 days	2,585	858	1,727	33.19%
91-180 days	15,098	11710	3,388	77.56%
180 and more	3,756	2,913	843	77.56%
Total	35,216,623	393,611	34,823,012	1.12%
Production				
Non-overdue	24,427,117	112,921	24,314,196	0.46%
Overdue				
1-30 days				
31- 60 days				
61- 90 days	899	111	788	12.35%
91-180 days				
180 and more				
Total	24,428,016	113,032	24,314,984	0.46%
Construction				
Non-overdue	12,376,726	77,055	12,299,671	0.62%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
Total	12,376,726	77,055	12,299,671	0.62%
Mortgage				
Non-overdue	19,775,925	46,263	19,729,662	0.23%
Overdue			0	
1-30 days	26,108	56	26,052	
31- 60 days	6,418	362	6,056	5.64%
61- 90 days	23458	1322	22,136	5.64%
91-180 days	32,710	21,990	10,720	67.23%
180 and more	3,425	2,303	1,122	67.24%
Total	19,868,044	72,296	19,795,748	0.36%
Agriculture				
Non-overdue	9,272,061	13,369	9,258,692	0.14%
Overdue				
1-30 days	8056	42	8014	0.52%
31- 60 days	2863	126	2737	4.40%
61- 90 days	4102	1068	3034	26.04%
91-180 days				
Total	9,287,082	14,605	9,272,477	0.16%
Other fields				
Non-overdue	26,898,950	368,594	26,530,356	1.37%
Overdue				
1-30 days	2,749	1,085	1,664	39.47%
31- 60 days	97,402	32222	65,180	33.08%
61- 90 days	3,577	157	3,420	4.39%
91-180 days	75	31	44	41.33%
180 and more	1,416	584	832	41.24%
Total	27,004,169	402,673	26,601,496	1.49%
TOTAL	196,714,707	2,185,368	194,529,339	1.11%

Note 17. "Financial assets rated at fair value through other comprehensive financial results"



	Thous. AMD	
	31/03/2021	31/12/2020
Government securities		
RA Governmental T-bills	6,049,791	3,557,090
Total	6,049,791	3,557,090

	Thous. AMD			
	31/03/2021		31/12/2020	
	listed	unlisted	listed	unlisted
RA non-state securities				
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Long term debt instruments	558,221		647,844	
Short term debt instruments				
Capital instruments		105,755		105,755
Total non-state securities of RA	558,221	105,755	647,844	105,755
Investments in RA non-governmental securities (reserve for possible losses)				
Net Investments in RA non-governmental securities	558,221	105,755	647,844	105,755

	Thous. AMD			
	31/03/2021		31/12/2020	
	listed	unlisted	listed	unlisted
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Capital instruments		6,166		6,166
Total non-state securities of RA	-	6,166	-	6,166
Financial assets rated at fair value through other comprehensive financial assets	6,608,012	111,921	4,204,934	111,921

Investments in share capital of other entities as of 31.03.2021

	Thous. AMD				
Name of entity	Main activity	Country of registration	Investment date	Investment (thous AMD)	Share %
S.W.I.F.T	Telecommunication	Belgium	13/09/1996	6,166	-
"Armenian Card" CJSC	Payment service	RA	22/02/2000	82,500	6.20
ArCa Credit Reporting CJSC	Information service	RA	23/06/2006	23,255	4.58
Total				111,921	

The balance sheet and real values of the financial assets rated at fair value through other comprehensive financial results (except investments into capital instruments) correspond to each other. The investments into capital instruments in RA are not quoted in any exchange and have a limited market. There are no definite accepted principles and methods to precisely decide the real value of those instruments, and therefore those securities are accounted in their cost price, deducted the reserve amount for depreciation

Note 17.1 : "Securities pledged under repurchase agreement"

	Thous. AMD	
	31/03/2021	31/12/2020
Assets		
Pledged securities	36,398,757	39,428,538
Securities under REPO agreement		
Reserve for pledged securities	(195,919)	(43,919)
Total	36,202,838	39,384,619

Note 18. "Other financial assets calculated at amortized value"



	Thous. AMD	
	31/03/2021	31/12/2020
Other financial assets calculated at amortized value	533,545	524,792
Reserve	(9,379)	(9,224)
Total	524,166	515,568

Note 19. "Investment in the chartered capital of the controlled entities"



There is no data available for this note during the accounting and previous period

Note 20. "Fixed assets and intangible assets"

Name of the entity	Land, buildings	Computer and communication	Vehicles	Other fixed assets	Investments in fixed assets	Right-of-use assets	Total
Balance of the fixed assets as of the end of previous period 31/12/2020	8,399,573	3,835,389	903,061	2,299,221	16,310	3,210,266	18,663,820
Increase		27,303		16,287	63,709	43,667	150,966
Disposal			(48,590)	(5,886)			(54,476)
Written-off						(17,429)	(17,429)
Reclassification	63,709				(63,709)	(97,956)	(97,956)
Balance of fixed assets at the end of accounting period 31/03/2021	8,463,282	3,862,692	854,471	2,309,622	16,310	3,138,548	18,644,925
Balance of accumulated amortization at the end of the previous period 31/12/2020	436,041	2,477,812	386,200	1,441,332	-	1,118,061	5,859,446
Increase	58,107	86,599	26,208	45,312		154,674	370,900
Disposal			(41,523)	(568)			(42,091)
Written-off of amortization						(10,083)	(10,083)
Balance of accumulated amortization at the end of the accounting period 31/12/2020	494,148	2,564,411	370,885	1,486,076	-	1,262,652	6,178,172
Net balance sheet value							-
At the end of the accounting period	7,969,134	1,298,281	483,586	823,546	16,310	1,875,896	12,466,753
At the end of the previous accounting period	7,963,532	1,357,577	516,861	857,889	16,310	2,092,205	12,804,374

The revaluation of fixed assets was carried out by an independent appraiser based on market value. Increase from the revaluation was attributed to the revaluation reserve of the equity.

Intangible Assets

						Thous. AMD
Item	Software programs	License and warranties	Intellectual property rights	Other Intangible Assets	Capital investments in intangible assets	Total
Initial value						
Balance of intangible assets at the end of the previous period 31/12/2020	476,894	451,685	206	30,550	-	959,335
Increase	7,616	16,550				24,166
Reclassification						-
Balance of intangible assets at the end of the accounting period 31/03/2021	484,510	468,235	206	30,550	-	983,501
Intangible balance of accumulated amortization at the end of previous period 31/12/2020	115,392	240,920	84	21,205	-	377,601
Increase	11,019	12,560	4	600		24,183
Disposal						-
Reclassification						-
Balance of accumulated amortization at the end of accounting period 31/03/2021	126,411	253,480	88	21,805	-	401,784
Net balance sheet value						-
At the end of the accounting period	358,099	214,755	118	8,745	-	581,717
At the end of the previous accounting period	361,502	210,765	122	9,345	-	581,734

As of 31.03.2021, the Bank had an intangible asset developed in-house, new "Business Operational Day" software: initial value AMD 750 thous., amortization AMD 750 thous., residual value AMD 0.

Note 21: "Other Assets"



Thous. AMD

	31/03/2021	31/12/2020
Amounts receivable from bank operations		
Amounts receivable from other operations	84,877	69,582
Total	84,877	69,582
Reserve for possible loss provision from bank operations (note 7)	(862)	(1,281)
Net amounts receivable from bank operations	84,015	68,301
Debtor liabilities and prepayments		
Debtor liabilities on the budget	251,971	90,155
Debtor liabilities to suppliers		
Prepayments to employees		21
Prepayments to suppliers	407,787	257,923
Prepayments on the budget and mandatory social insurance payments	37,561	47,211
Other debtor liabilities and prepayments	63,391	64,187
Total	760,710	459,497
Reserve for possible loss provision on other assets (note 7)	(7,607)	(4,597)
Total	753,103	454,900
Reserve	203,577	223,332
Sequestered pledge and available-for-sale assets		
Future period expenses	175,560	202,282
Other assets	69,007	70,914
Reserve for possible loss provision on other assets (note 7)	(7,116)	(7,047)
Total	441,028	489,481
Total other assets	1,278,146	1,012,682

Note 22. "Liabilities to banks and other financial institutions"



Thous. AMD

	31/03/2021	31/12/2020
Current accounts		
RA Banks	1,917	1,887
Banks having BBB(Baa3) and higher rating		
Banks having rating lower than BBB(Baa3) or no rating at all	18,563	19,532
Accrued interest		
Total	20,480	21,419
Interbank loans and deposits, other		
Other		
RA banks		
Loans and deposits	5,312,462	5,226,705
Other	473	685
Banks having BBB(Baa3) and higher rating		
Loans and deposits	106,232	
Other		
Banks having rating lower than BBB(Baa3) or no rating at all		
Loans and deposits	2,263,233	2,317,959
Other	62,594	45,498
Accrued interest	18,804	18,250
Total	7,763,798	7,609,097
Financial Institutions		
Current accounts	2,201,596	1,449,617
Loans and deposits	34,143,178	32,913,566
Other	44,375	60,052
Accrued interest	1,051,936	940,740
Total	37,441,085	35,363,975
Total liabilities to banks and financial institutions	45,225,363	42,994,491

Note 22.1 Loans and advances from international financial institutions



Loans attracted from financial institutions	Project	Currency	Term	31/03/2021	Currency	Term	31/12/2020
BlueOrchard	BlueOrchard/MSME	USD	1-4 years	5,400,065	USD	1-4 years	5,252,350
DEC	DEC/SME	USD	1-7 years	4,302,686	USD	1-7 years	4,819,351
European Bank for Reconstruction and Development	EBRD/WIB	AMD	1-4 years	4,358,275	AMD	1-4 years	4,867,167
European Bank for Reconstruction and Development	EBRD/WiB	AMD	1-5 years	707,271	AMD	1-5 years	694,210
European Bank for Reconstruction and Development	EBRD/TFP/RCA	EUR	1 less than a year	161,480	EUR	1 less than a year	1,211,294
EFA Financial Institution debt fund	EFA_FIDE/SME	USD	1-3 years		USD	1-3 years	1,306,046
Global Impact Investments	GLI/ME	USD	1-4 years	1,597,480	USD	1-4 years	1,592,434
Incofin Investment Management	INCOFIN CVBA/MSE	USD	1-4 years	1,798,863	USD	1-4 years	1,756,361
Incofin Investment Management	Incofin CVSO CVBA-SO/MSE	USD	1-4 years	1,077,327	USD	1-4 years	1,605,694
Dutch Development Bank	FMO/MSME	USD	1-5 years	10,674,021	USD	1-5 years	3,223,136
Dutch Development Bank	FMO/MSME/Green	EUR	1-5 years	3,155,462	EUR	1-5 years	5,262,679
Dutch Development Bank	FMO/MSME/RETAIL	USD	1-5 years	5,407,737	USD	1-5 years	10,360,594
Symbiotics-SEB IV Microfinance Fund	SICAV-SIF/ME1	AMD	1-4 years		AMD	1-4 years	2,031,312
Symbiotics-Globe Financial Inclusion Fund	SICAV-SIF/ME2	AMD	1-4 years		AMD	1-4 years	512,221
Symbiotics Sicav (Lux)- Hortensia Impact Investing Fund	HIF/MSME	AMD	1-4 years	246,341	AMD	1-4 years	241,996
Symbiotics Sicav (Lux)- Global Financial Inclusion Fund	GFI/MSME	AMD	1-4 years	230,812	AMD	1-4 years	241,996
Symbiotics Sicav (Lux)-SEBMF Microfinance Fund VII	SEBMFVII/MSME	AMD	1-4 years	1,910,642	AMD	1-4 years	1,935,965
Symbiotics Sicav (Lux)- Hortensia Impact Investing Fund	SEBMF/MSME	USD	1-4 years	401,424			
Symbiotics Sicav II - ABN AMRO Impact Fund	SAIIF/MSME	USD	1-4 years	535,232			
Dual Return Fund S.I.C.A.V	DRF/ME	USD	1-4 years	2,673,292			
Microfinance Enhancement Facility S.A., SICAV-SIF	MEF/MSME	USD	1-4 years	2,669,645			
Black Sea Trade and Development Bank (BSTDB)	BS-SME3	USD	1-5 years	5,283,508	USD	1-5 years	5,275,296
Asian Development Bank	ADB/TFP/RCA	USD	1 less than a year	1,176,833	USD	1 less than a year	1,139,791
Asian Development Bank	ADB/MSME	USD	1-5 years	7,973,622	USD	1-5 years	3,942,012
Micro, Small and Medium Enterprises Bonds S.A.	MSMEBondsSA/Social/Green	AMD	1-4 years	5,418,109	AMD	1-4 years	5,302,485
Total				67,160,127			62,554,370

Note 22.2 . Loans received from the Central Bank of the Republic of Armenia and RA Government



Program	31/03/2021		31/12/2020	
	Loan amount	accrued interest	Loan amount	accrued interest
"Women Entrepreneurship Support and Development" loan project	1,887,993	40,932	1,827,163	6,382
GAF/ RA SME lending project of European Investment Bank	989,022	32,767	708,532	26,864
GAF /Micro and Small Business Development Project of German-Ar	5,752,666	120,793	5,461,548	13,343
GAF "Renewable Energy Development" project	1,041,343	13,025	1,123,120	29,515
GAF "Access to finance for SMEs" project	251,487	5,764	244,928	1,760
Total	9,922,510	213,280	9,365,291	77,864

Note 22.3 REPO (repurchase) agreements



REPO (repurchase) agreements	31/03/2021	31/12/2020
REPO (repurchase) agreements with financial institutions	34,175,671	38,125,044
Total	34,175,671	38,125,044

Note 23: "Liabilities to Customers"

RA resident corporate entities and institutions	31/03/2021	31/12/2020
Current accounts	26,812,126	21,420,211
Term deposits	8,229,923	8,129,908
Other	676,883	477,035
Accrued interest	396,717	349,775
Total	36,115,649	30,376,929

Non-resident corporate entities, institutions	31/03/2021	31/12/2020
Current accounts	1,518,507	1,890,143
Deposits		
Other	2	2
Accrued interest	195	216
Total	1,518,704	1,890,361

RA resident private entrepreneurs	31/03/2021	31/12/2020
Current accounts	880,154	831,444
Term deposit	41,189	4,199
Other	13,863	13,748
Accrued interest	637	121
Total	935,843	849,512

RA resident individuals	31/03/2021	31/12/2020
Current accounts	17,234,267	19,641,681
Term deposits	54,436,769	53,501,881
Other	1,147,671	883,777
Accrued interest	1,068,844	1,125,326
Total	73,887,551	75,152,665

Non- resident individuals	31/03/2021	31/12/2020
Current accounts	1,003,962	883,602
Term deposits	2,978,472	2,899,316
Other	327,712	387,592
Accrued interest	54,895	55,435
Total	4,365,041	4,225,945
Total liabilities to customers	116,822,788	112,495,412

As of 31.03.2021, the amount necessary to secure obligations was AMD 5.995.305 thousand.

As of 31.03.2021, the amount frozen by court order and tax authorities was AMD 5.191.389 thousand.

Note 23.1 : "Subordinate Borrowing"

As of 31.03.2021, the Bank attract subordiante borrowing` AMD 1.333.833.

Note 24: "Securities issued by the Bank"

	31/03/2021	31/12/2020
Interest securities issued by the Bank	6,437,171	6,185,733
Total	6,437,171	6,185,733

Note 25 : "Financial liabilities at fair value recalculated through profit/loss"

	Thous.AMD	
Financial liability at fair value recalculated through profit/loss	31/03/2021	31/12/2020
Derivative instruments		
Swap	3,448	4,267
Forward		
Other		
Total	3,448	4,267

Note 26: "Amounts Payable"

	Thous.AMD	
Amounts payable	31/03/2021	31/12/2020
Dividends	48,510	446,320
For insurance of deposit	440,230	54,273
Total	488,740	500,593

Note 27: " Other Liabilities"

	Thous.AMD	
Other Liabilities	31/03/2021	31/12/2020
On income tax of non-resident	30,600	62,158
On VAT	3,147	2,350
On other taxes and penalties	117,040	183,335
Salary liabilities to employees	1,103,987	998,449
Credit debts to suppliers	85,238	84,764
Other liabilities	122,367	520,018
Balance at the end of the period	1,462,379	1,851,074

Note 28: "Chartered capital"

The Bank's registered and fully paid share capital totals AMD 25,955,663 thous., including 1,883,333 common shares with a nominal value of AMD 10,400 per share and 424,600 preference shares with a nominal value of AMD 15,000 per share. The chart below shows information on the key shareholders of the

Name of the major shareholder	Participation amount	The size of participation in	Shareholders activity type (for
Sukiasyan Saribek Albert	5,516,150	27.95%	
Sukiasyan Khachatur Albert	3,138,533	15.90%	
Sukiasyan Eduard Albert	2,089,558	10.59%	
Sukiasyan Robert Albert	3,431,449	17.38%	

The shareholders of preference shares of the Bank are entitled to:

Note 29: "Other Equity Components"

There are no data available for this note in the accounting and previous periods.

Note 30: "Reserves, Contingencies, Potential Liabilities"



The Bank's legal liabilities: as of 31.12.2020 there are no such liabilities on which the bank has made provisioning. The Bank carries out activities within the framework of requirements set forth by the legislation.

The Bank's tax liabilities: as of 31.12.2020 the Bank had fully performed its tax liabilities and there is no need for additional provisioning on its tax liabilities.

The Bank's contingent liabilities on off balance sheet items containing credit risks

	Thous.AMD	
	31/03/2021	31/12/2020
Unutilized credit lines	6,148,875	4,861,322
Provided guarantees	7,872,407	7,316,766
Provided letters of credit		
Reserve on the mentioned items (note 7)	(62,351)	(35,218)

Liabilities on operational leases

Note 31 : "Transactions with Related Parties"



In the context of the present note the Bank's related parties are the Bank management, shareholders, entities related to them in the prescribed order set forth by RA law on the "Banks and Banking".

The Bank management comprises the Chairman of the Bank's Board, Deputy Chairman of the Board and the members of the Board, the Chief Executive Officer, the Deputy Chief Executive Officer, Chief Accountant, Deputy Chief Accountant, Head of Internal Audit Department, employees of Internal Audit Department, members of the Bank administration, as well as the heads of the Bank's territorial subdivisions, heads of the Bank's subdivisions, heads of the Bank's administration, departments and divisions

The transactions with the Bank related parties have been made on the basis of the current market conditions and interest rates.

Loans and advances at amortized value to the Bank related parties	31/03/2021	31/12/2020
Bank shareholder	5,209,118	3,941,879
Bank management	319,198	333,870
Financial institutions	352,245	352,061
Total	5,880,561	4,627,810
Interest income	153,534	271,897

Facilities attracted from Bank related entities	31/03/2021	31/12/2020
Bank shareholder	1,039,530	1,128,108
Bank management	868,567	664,407
Financial institutions	175,781	186,170
Total	2,083,878	1,978,685
Interest expense	18,319	24,902

Salary or Similar Payment to the Bank Management	31/03/2021	31/12/2020
Board	60,398	252,771
Salary	60,398	233,671
Awarding		19,100
Executive body	94,794	409,839
Salary	94,794	378,353
Awarding		31,486
Internal Audit	25,352	101,264
Salary	25,352	93,227
Awarding		8,037
Total	180,544	763,874

The credit risk is the possible danger of delay or non-repayment of the loan, accrued interest or a part of it conditioned by the deterioration of the financial

2) The methods of measurement and assessment of credit risk

A loan risk assessment and management methodology has been elaborated at the bank, which gives a possibility to assess the risks connected with the loan based on the calculation results of the relevant model. By simultaneous consideration of mathematical and economic arguments the credit risks assessment model provides a complex risk assessment approach, resulting in facilitation of grounded decision making on loan extension applying also the expert's assessments as exogenous variables. During the preliminary analysis of the borrower's creditworthiness the bank finds out the potential borrower's conformity to the general criteria set forth by its credit policy and if the outcome is positive a scrupulous analysis of factors of creditworthiness is made.

3) Description of models (if available),

In addition to the above mentioned methodology, the Bank applies the "stress test" method, that envisages calculation of the Bank's losses in case of occurrence of various considered shock scenes.

When applying "stress tests", a number of scenarios concerning the risk are being examined and in case of each scenario losses of the Bank are calculated through the relevant method. For the loan risk assessment the following shock scenarios are applied:

1. Written-off of the classified loans to the extent of X%,
2. Classification of Y% of doubtful loans to bad loans,
3. Classification of Z% of standard loans to watchlist,
4. Classification of U% foreign currency standard loans to watchlist,
5. The fact of the loan becoming bad as a result of major borrower's bankruptcy,
6. Classification of K% of total loans to bad loans,
7. Transformation of L% of post-balance sheet conditional liabilities and post-balance sheet term operations into balance sheet items,
8. The scene of simultaneous occurrence of the first (except those classified as doubtful), second, third and seventh scenes, where the parameters of X,Y,Z,U, K, L scenes are (figures from 1-100)

As a result of the application of stress tests, the impact of the mentioned shock situations on the minimum size of the Bank's general capital adequacy standard (N1) is calculated, the possibilities and sizes of breach of those standards, the size of surplus amount transferable to reserve fund are assessed.

The surplus amounts transferable to the reserve fund are calculated in case of various possible scenarios (for different values of each scenario parameter) which are used for the purpose of analysis of possible scenarios drafted on the basis of previous period data. The analysis of more possible scenarios enables to assess the riskiness of loan portfolio undertake measures for the insurance of the minimum level of risk. The analysis of the written-off scenarios of a certain percent of doubtful, standard, and general loans classified on the basis of the minimum size of the Bank's equity and adequacy standards include determination of critical points of breach of a standard which enables to assess the probability (risk) of a breach of a standard on the given date.

4) Determination of the allowable level of loan risk: quantitative analysis and assessment of risk

While generating its loan portfolio, the Bank records and tabulates statistics on centralization of certain types of loans:

- V per sectors of economy,
- V per regions
- V per a single Borrower and related Parties
- V per loan terms
- V per pledge, etc.

5) Loan risk regulation, works performed on mitigation and elimination of credit risk impact

The loan policy adopted by the Bank pursues a goal to maximize the efficiency of allocation of attracted funds as loan providing relevant liquidity and risk diversification under conditions of necessary profitability.

The Bank's loan risk management is performed via procedures regulating this process that set forth the criteria of assessment of the borrower's creditworthiness presented to the borrower, assessment of loan security level, analysis of pledge disposal, restrictions on extension of large loans, forecast of external environmental changes, credit monitoring, control, supervision, etc.

31/03/2021

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Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
Assets					
Cash and balances with the CBA	48,905,568	382,603	960,117	471,726	50,720,013
Standard bank precious metal bullions and coins	443				443
Due from banks and other financial institutions	11,790,722	111,499	275,176	3,408	12,180,805
Reverse repurchase agreements	7,551,789				7,551,789
Customers' loans and advances rated at amortized value	200,944,054				200,944,054
Securities at fair value rated through other comprehensive financial results	6,713,767		6,166		6,719,933
Securities pledged under repurchase agreement	36,202,838				36,202,838
Other financial assets carried at amortized cost	524,166				524,166
Other assets	83,070		994		84,064
Total assets	312,716,417	494,102	1,242,453	475,134	314,928,105

31/12/2020

Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
Assets					
Cash and balances with the CBA	38,897,301	643,911	2,928,232	114,213	42,583,657
Standard bank precious metal bullions and coins	443				443
Due from banks and other financial institutions	13,034,410	79,642	741,943	5,025	13,861,020
Reverse repurchase agreements	10,175,600				10,175,600
Financial assets at fair value recalculated through profit/loss		9,402			9,402
Customers' loans and advances rated at amortized value	194,529,341				194,529,341
Securities pledged under repurchase agreement	39,384,619				39,384,619
Securities at fair value rated through other comprehensive financial results	4,310,689		6,166		4,316,855
Other financial assets carried at amortized cost	515,568				515,568
Other assets	68,588		994		69,582
Total assets	300,916,559	732,955	3,677,335	119,238	305,446,087

Loans allocated in the territory of RA per RA regions:

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RA regions	31/03/2021	31/12/2020
Yerevan	138,322,696	133,860,429
Aragatsotn	3,420,696	3,253,920
Ararat	10,660,549	9,944,887
Armavir	5,040,374	4,833,086
Gegharkunik	5,814,271	5,969,132
Lori	7,854,894	7,937,621
Kotayk	17,154,627	16,171,193
Shirak	5,392,370	5,395,918
Syunik	4,144,943	4,117,445
Vayots Dzor	1,270,966	1,079,485
Tavush	1,026,136	1,071,041
Artsakh	841,532	895,184
Total	200,944,054	194,529,341

Credit Risk Analysis

- 1) To rise the efficiency of loan portfolio security, loans at the bank are provided to the extent of maximum 70-80% of assessed value of pledge and during further repayments of the loan loan/pledge ratio factor decreases. The assessment of pledged properties is made by specialized companies with a license for assessment in AMD, loans are also provided in foreign currency. Within conditions of exchange rate fluctuations and overdue loans in case of deficit of pledge value, arising from the growth of Borrower liabilities on the account of accumulated penalties the risks of the Bank are mitigated due to the fact that, according to the Loan Agreements, the Bank is entitled to satisfy its credit requirements from funds available on the Borrower's bank account and to claim sequestration of loan debt by court order afterwards.
- 2) It should be noted that in the loan portfolio the unsecured loans (without reserves) as of 31.03.2021 did not exceed 8.06%. The bulk of the unsecured loans consists of those provided to the customers of "ARMECONOMBANK" OJSC, which have active account movements and stable cash flows. Credit lines under credit cards also have a significant weight. These loans contain low credit risk, since the credit lines have limited sizes, while the customers have jobs and in some cases guarantees of reputable organizations are
- 3) As of 31.03.2021, loan investments without reserves amounted to AMD 204.370.836. As of 31.03.2021, the volume of loans in the Stage 2, Stage 3 amounted to AMD 2.966.058,4 thousand.
- 4) The provisioning of loan portfolio corresponds to the requirements of IFRS.
- 5) The volume of repo transactions (except extensions) affected in the 1 st quarter of 2021 was AMD 825.883.936 against AMD 156.644.603 of the same period of the previous year. Reverse repo transactions in the 1 st quarter of 2021, made AMD 36.216.281, USD 874.997 against AMD 18.367.377 and USD 1.212.905 of the same period of the previous year.
- 6) The lending procedure at "ARMECONOMBANK" OJSC is performed by a dedicated team of employees with excellent professional qualification and work experience. The engagement of employees is made via competitive examination held by a special competition committee. The announcements of competitions are placed in mass media and in the Bank's Website.
- 7) On the purpose of rising the efficiency of lending process and mitigation of risks connected with commercial loans, loan officers make careful analysis of the Borrower's performance. On the purpose of analysis the specialist of loan extension unit visit the place where the customer's business is located and not only uses the existing accounting documents, but also elaborates and uses his own versions of balance sheet, income expenses, cash flows, capital movement statements.

The balance sheet compiled by the Bank specialist reflects the situation at the time when the analysis is made liquid assets/cash in the pay desk, bank accounts, savings/ accounts receivables/receivable amounts, goods on transit, prepayments made/ .good supplies/raw materials, half ready goods, goods, fixed assets/equipments related to customers business activity, cars, real estate and other property/. The statement of income /expenses is compiled, taking into account the average indicators of customers disposal/average data/, value of goods and services/cost of raw materials, prime cost of goods/, surplus costs/salary, rental fee, transportation expenses, communal expenses, taxes, etc., other income expenses, repayments of extendable loan principal and interest.

During the process of analysis, the following economic ratios and indicators reflecting the financial state of the Borrower are calculated: capital adequacy ratio, liquidity ratio, circulation ratio, surplus, gross margin, net margin, limit of allowable decrease of liquidity volumes. The ratio of loan servicing is also calculated separately.

The loan amount is provided only after checking the conformity of the Borrower's financial state with the requirements of the Bank for those ratios set forth by the internal procedures regulating the lending process.

On the purpose of rising the efficiency of lending process, a regular monitoring of provided loans is performed. The monitoring is performed by the Bank's special unit, Loan Monitoring Division. The day-by-day monitoring of loans is made by loan officers in case of necessity.

Two types of monitoring are performed:

1. Monitoring via actual visits,
3. In case of extension of loans by installments, as well as in case of availability of operative loan, a monitoring (analysis) of previously extended loan is performed before the extension of the consecutive installment or the new loan.
4. Changes related to suppliers, consumer structure, and raw material prices.

5. Other ratio describing the financial state of the Borrower.

During the monitoring process, the relevant specialist discovers cases of non-purposeful usage of loan or provision of untrue information by the Borrower, the Bank may terminate further lending in case the lending is by installments, or may terminate the Loan Agreement and perform preterm repayment of principal, credit line provided for commercial purposes and accrued interest based on its rights under the Pledge Agreement.

The assessment of pledge is made by a specialized company with a license for assessment. The assessment of property reflects the market situations, taking into account the forecast of property prices.

The loan and pledge agreements signed with the customers contain a provision on mandatory security

Collection of written-off loans is made by special units of the Bank, jointly with the problematic loan division

8) Lending process at "ARMECONOMBAK" OJSC includes all relevant impetus for the detection of credit risks.

Credit risk management at the Bank is performed by the following main procedures:

1. Prudential discovery process of lending object,
2. Collection of standard portfolio of loan documentation,
3. Loan monitoring,
4. Problematic loan repayment process.

As result of the above mentioned processes, the following data are discovered and assessed: Borrower's competency, loan purpose, Borrower's creditworthiness and loan repayment sources, risks connected with the Borrower's related parties, Borrower's loan history, experience of entrepreneurial activities, market position, conformity of the pledge object.

The business activity of the customers' finances by the Bank is in many cases interconnected, which enables the Bank to check the correctness of the information presented by the customer comparing that information with the information by another bank customer who acts as a supplier, buyer or competitor of the first.

Market Risk

1) The Bank's own definition of the market risk

Market risk is a foreign currency, interest rate and price risk which depends on the exchange rate and security price fluctuations.

2) The methods of market risk measurement and assessment

Foreign currency risk

Assessment of foreign exchange risk and position management efficiency

The calculations of VAR model of foreign currency risk assessment are made on a daily basis, taking into account previous period data of foreign currency exchange rates and foreign currency position data. As a risk exponent on separate foreign currency position, the possible maximum size of revaluation loss incurred as a result of a day's (ten days) exchange rate fluctuations is reviewed under the conditions of the given reliability level. The calculations of the model are made under 99% reliability level conditions. Under the frames of the model, the correlation matrix of foreign currency exchange rate fluctuations is calculated on the basis of which the assessment of possible maximum loss (risk of foreign currency assets and liabilities package) incurred from foreign currency positions is made.

By the results of the accounting quarter, the possible maximum average daily loss per separate foreign currency positions and foreign currency assets and liabilities portfolio under 99% reliability has formed.

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Accounting period	USD	31 March 2021	EUR	CHF	KZT	AED	RUB	GEL	XAU	Gross VAR
2020 IV Q	5,121.70	177.38	452.73	369.06	24.56	4.54	1,056.52	723.64	0.00	5,700.10
2021 I Q	5,108.30	197.64	159.78	449.21	25.35	5.64	1,366.35	756.20	0.00	5,633.28
increase/decrease	-13.40	20.25	-292.95	80.14	0.79	1.10	309.84	32.55	0.00	-66.83

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

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	AMD	USD	EUR	RUB	Other currency	Total
Cash and their equivalents	16,289,468	28,742,705	4,246,233	1,278,356	163,251	50,720,013
Bank standardized bullions of precious metals and coins	443					443
Receivables to banks and other financial institutions	2,503,948	5,185,559	4,436,066	55,233		12,180,805
Reverse Repurchase Agreements	7,161,309	390,480				7,551,789
Loans and advances to customers calculated at amortized value	125,814,329	63,454,964	11,657,226	17,535		200,944,054
Financial assets at fair value rated through other comprehensive financial results	6,719,933					6,719,933
Securities pledged under repurchase agreements	36,202,838					36,202,838
Other financial assets calculated at amortized value	186	523,980				524,166
Other assets	73,214	7,542	2,491	15	802	84,064
Total assets	194,765,668	98,305,230	20,342,016	1,351,139	164,053	314,928,106
Liabilities						
Liabilities to the banks and other financial institutions	32,248,971	7,877,094	5,065,413	33,837	48	45,225,363
Loans and deposits from international financial institutions	12,573,926	51,269,259	3,316,942			67,160,127
Loans from the CBA and RA	10,819,863					10,819,863
REPO agreements	34,175,671					34,175,671
Liabilities to Customers	67,641,004	41,695,309	5,329,007	2,086,480	70,988	116,822,788
Subordinate borrowing		1,333,833				1,333,833
Liabilities on current taxes	1,247,640					1,247,640
Securities issued by the Bank	2,528,362	3,908,809				6,437,171
Financial liabilities at fair value recalculated through profit/loss	3,448					3,448
Amount payable	488,740					488,740
Deferred tax liabilities	541,612					541,612
Other liabilities	1,377,737	80,590	3,770	37	245	1,462,379
Total liabilities	163,646,974	106,164,893	13,715,132	2,120,354	71,281	285,718,635
Balance-sheet open position	31,118,694	(7,859,663)	6,626,884	(769,215)	92,772	29,209,471
Aggregately payable currency derivatives		6,132,657	(6,852,560)	716,456		(3,448)
Net position	31,118,694	(1,727,006)	(225,676)	(52,760)	92,772	29,206,024

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	AMD	USD	EUR	RUB	Other currency	Total
Assets						
Cash and their equivalents	18,183,427	18,224,707	4,854,946	1,170,327	150,250	42,583,657
Bank standardized bullions of precious metals and coins	443					443
Receivables to banks and other financial institutions	2,200,930	6,548,953	5,012,538	98,578	21	13,861,019
Reverse Repurchase Agreements	9,871,539	304,061				10,175,600
Financial instruments measured at fair value through profit or loss	9,402					9,402
Loans and advances to customers calculated at amortized value	120,643,633	61,852,609	11,994,256	38,843		194,529,341
Securities pledged under repurchase agreement	39,384,619					39,384,619
Financial assets at fair value rated through other comprehensive financial results	3,772,219	479,736	64,900			4,316,855
Other financial assets calculated at amortized value		515,568				515,568
Other assets	59,634	6,480	2,598	68	802	69,582
Other assets	194,125,846	87,932,114	21,929,238	1,307,816	151,073	305,446,086
Liabilities						
Liabilities to the banks and other financial institutions	30,058,834	7,672,647	5,235,821	27,142	48	42,994,491
Loans and deposits from international financial institutions	15,505,052	42,614,887	4,434,431			62,554,370
Loans from the CBA and RA	10,151,725					10,151,725
REPO agreements	38,125,044					38,125,044
Liabilities to Customers	67,558,952	37,887,644	4,943,500	2,037,928	67,388	112,495,412
Subordinated borrowing		1,311,068				1,311,068
Liabilities on current taxes	1,212,106					1,212,106
Securities issued by the Bank	2,389,969	3,795,764				6,185,733
Financial liabilities at fair value recalculated through profit/loss	4,267					4,267
Amount payable	500,593					500,593
Deferred tax liabilities	680,572					680,572
Other liabilities	1,603,255	195,543	24,690	27,370	216	1,851,074
Other liabilities	167,790,369	93,477,553	14,638,441	2,092,439	67,652	278,066,455
Balance-sheet open position	26,335,477	(5,545,440)	7,290,797	(784,624)	83,421	27,379,631
Financial liabilities at fair value recalculated through profit/loss						
Aggregately payable currency derivatives		6,279,303	(7,052,210)	778,041		5,134
Open position	26,335,477	733,863	238,587	(6,582)	83,421	27,384,765

I group foreign currency comprises the following currencies : USD, GBP, EUR, CHF standardized gold bullions and metal account.

II group foreign currency comprises: RUB, KZT, GEL, and AED

Interest Rate Risk

Assessment of interest rate change risk:

The analysis of disbalance shows that the average accumulated disbalance of the 1 st quarter of 2021 (accumulated gap of the sensitive assets and liabilities against the interest rate) is positive forming AMD 11.876.635 thousand against AMD 17.382.630 thousand of the same period of the previous year by decreasing in absolute value by AMD 5.505.995 or 31.7%, that is in average the Bank was sensitive to assets in the 1 st quarter of 2021. In the 1 st quarter of 2021, the average accumulated disbalance has increased in absolute value by AMD 5.172.386 thousand or by 30.3% against the previous quarter.

The average correlation ratio of assets and liabilities sensitive to interest rate changes for the 1 st quarter of 2021 has decreased by 4.0 percentage point, forming 104.9% against 108.9% average value of the 1 st quarter of 2020, that is in 1 st quarter of 2021 the assets sensitive to interest rate changes have formed 104.9% of the liabilities sensitive to interest rate changes

The duration of assets as of the end of 1 st quarter of 2021 was 1.769 year (against the 1.688 year as of the 1 st quarter of 2020) as it increased by 0.081 year or by 4.8% , as compared with the end of the previous quarter (1.665year) the mentioned indicator has increased by 0.104 year or 6.2%.

The duration of liabilities as of the end of the 1 st quarter of 2021 was 1.05 year (against 1.063 year of the 1 st quarter of 2020) increasing by 0.013year or 1.2%. In correlation with the end of the previous quarter (0.99) the indicator has increased by 0.061 year or 6.1%.

The duration gap as of the end of the 1 st quarter of 2021 was 0.836 (against 0.762 of the 1 st quarter of 2020) increasing by 0.075 or 9.8%. In correlation with the end of previous quarter (0.777) the indicator has increased by 0.059 or 7.6%.

Assets and Liabilities with changing interest rates

31/03/2021

Item	up to 1 month		1-3 months		3-6 months		6 months to 1 year		1-5 years		more than 5 years	
	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency
Facilities placed												
Cash and their equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Resources attracted												
Liabilities to banks and other financial institutions, including:												
Resources attracted												
Liabilities to banks and other financial institutions, including:												
- Loans			614,756	1,293,563	488,070	531,170	1,102,876	1,598,749	8,106,271	13,262,121		
Total	-	-	614,756	1,293,563	488,070	531,170	1,102,876	1,598,749	8,106,271	13,262,121	-	-
Net position	-	-	614,756	1,293,563	488,070	531,170	1,102,876	1,598,749	8,106,271	13,262,121	-	-

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Item	up to 1 month		1-3 months		3-6 months		6 months to 1 year		1-5 years		more than 5 years	
	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency
Facilities placed												
Loans and advances provided to customers rated at amortized value												
Total												
Resources attracted												
Liabilities to banks and other financial												
-Loans			488,070	536,207	614,756	1,281,207	1,102,826	682,868	8,607,696	14,490,217		
Total	-	-	488,070	536,207	614,756	1,281,207	1,102,826	682,868	8,607,696	14,490,217	-	-
Net position	-	-	(488,070)	(536,207)	(614,756)	(1,281,207)	(1,102,826)	(682,868)	(8,607,696)	(14,490,217)	-	-

The average interest rates applicable for interest-bearing assets and liabilities as of the end of accounting and previous periods are presented below.

Item	Interest rates of accounting period: 31/03/2021		Interest rates of accounting period: 31/12/2020	
	AMD	Foreign currency	AMD	Foreign currency
Assets				
Balance at CBA				
Receivables to banks and other financial institutions, including:				
- Interbank Loans	5.50%	1.19%	6.39%	1.23%
- Interbank REPO		1.76%		1.76%
- Interbank REPO	4.97%		5.97%	
Loans and advances provided to customers rated at amortized value	13.21%	8.47%	13.89%	8.42%
Financial instruments at fair value through profit or loss	7.95%	6.77%	8.19%	6.95%
Liabilities				
Liabilities to banks and other financial	6.35%	3.76%	7.06%	4.34%
Liabilities to Customers	5.26%	3.55%	5.56%	3.56%

3)Description of models

Foreign Currency Risk

Foreign currency risk is the maximum loss from revaluation arising from exchange rate fluctuation, assessed per separate currencies, as well as for the whole portfolio (hereinafter, portfolio) in the Bank's foreign currency assets and liabilities.

On the purpose of measurement and assessment of foreign currency risk, the VAR (Value at Risk) method (model) accepted in the International practice is used, on the basis of which the size of the maximum possible losses (with trustiness) is calculated per separate types of foreign currency (foreign currency positions), as well as for the whole portfolio. According to the VAR model, the size of possible maximum loss is calculated on the basis of foreign currency open positions time series describing the interest rate fluctuations. On the basis of one day VARs calculated for the Banks' foreign currency assets and liabilities the values of 10 day VARs are assessed for separate foreign currencies and total portfolio.

The calculation of possible maximum loss gives the bank an opportunity to assess the efficiency of its foreign currency operations, taking into account the level of exposure to risk, manage the foreign currency positions, arising from the size of the possible maximum loss, limiting the volumes of foreign currency positions in case of necessity.

The Bank's foreign currency policy is aimed at efficient management of foreign currency positions and is paralleled with justified risk level and is calculated in accordance with foreign currency risk calculation standard methodology during the calculation of standards.

Interest Rate Risk

Interest rate risk is the possibility of negative impact of changes in the market interest rates on the Bank's net interest income or economic value of capital.

The evaluation of the interest rate risk is made via the application of the "Model of gap in assets and liabilities sensitive to interest rate changes" ("GAP model") and the "Duration model", which enable to assess the impact of interest rate changes on the Bank's net interest income and economic value of capital.

The GAP indicator (gap) is calculated as a difference between the assets and liabilities sensitive to interest rate changes. The calculations are made each month for evaluation of the impact of the interest rate changes on the net interest income during the upcoming 3 months period.

Within the frames of the present model the following suppositions are made:

1. During the period under review the structure and volumes of assets and liabilities remain unchanged. That means that the repaid assets and liabilities are again allocated and attracted but in this case by new interest rate
2. The review of interest rate is made in the middle point of each period
3. The interest rates of all assets and liabilities with different maturities change in the same extent that is movement of profitability curves of assets and liabilities occur.

The Bank's sensitivity to the interest rate changes is assessed by the "GAP correlation" indicator (GAP/ASSETS), which is calculated through the correlation of assets and liabilities accumulative gap to assets.

The dynamics and fluctuations of changing interest rates are constantly reviewed and the impact of their probable changes on the Bank's assets and liabilities at changing interest rates is assessed.

On the purpose of mitigation of interest rate risk, the accumulative gap and duration gap of assets and liabilities sensitive to interest rate changes are maintained at acceptable levels of risk.

Taking into account the general tendency of interest rate changes and applying the elaborated models, measures are undertaken for insurance of efficient time and volume correlations of

Price Risk

Price risk is the danger for the Bank to incur financial losses due to unfavorable changes in the market prices of securities conditioned by factors related to general fluctuations of market prices of securities under the circulation in the market, as well as factors related to given security and its issuer (in the conditions of long or short position presence for the present capital instrument).

Possible minimum level of price risk is maintained through the following measures undertaken:

- V Analysis of dynamics of structure, volume and price indicators of financial market and liquidity of separate financial instruments, discovery of the existing tendencies
- V Assessment of possible losses,
- V Application of hedging instruments
- V Setting limits on financial instruments (per type of security operation, per dealer, per issuer, stop-loss),
- V Diversification of security portfolio per issuer, sectors, maturities, etc.

Liquidity Risk

1) The Bank's definition of Liquidity Risk

Liquidity is the Bank's possibility of fully and timely repayment of its obligations

The liquidity risk is the probability that the Bank will not be able to meet its debtors' requirements in time without bearing additional losses which will negatively influence the Bank's profit/capital.

2) Description of the models of assessment and assessment of liquidity risk

For the assessment of liquidity risk the stress test method is used, which envisages the discovery of probability of breaches of liquidity standards of the Bank in case of various shock scenarios considered and calculation of the size of those breaches and maturity gap method, that envisages the calculation of liquidity indicators, by which the assessment of liquidity management quality is made.

When applying the stress tests, a number of scenarios related to the given situation are taken into consideration. During each scenario the sizes of breaches of the Bank's standards are calculated via the relevant method.:

The following shock scenarios are applied for the assessment of liquidity risk:

1. Preterm withdrawal of 25% of term deposits by individuals.
2. Pre-term withdrawal of 25% of term deposits of corporate entities
3. Withdrawal of 25% of all on-demand liabilities.
4. Pre-term simultaneous withdrawal of 25% of term deposit and all on-demand liabilities by individuals.
5. Pre-term withdrawal of X% of term deposit and Y% of all on-demand liabilities by individuals and legal entities (moreover, 3 levels of scenario are observed: mild, medium, and severe which are simultaneous withdrawal situations of 10%, 15% and 20% of term deposits and all on-demand liabilities by individuals and corporate entities).

The possibility of breach in N 21 N22 liquidity standards is discovered under the mentioned conditions and the sizes of such breaches are calculated. The calculation of critical points of the breaches of the standards gives an opportunity to get accurate assessments of the Bank's liquidity risk through the analysis of the impact of call in of Individuals term deposits and on-demand liabilities before termination of the Agreement on standards and assessment of probability of their breaches.

3) Determination of the allowable level of liquidity risk - quantitative analysis and assessment of risk
Liquidity Risk Assessment



Over the 4th quarter of 2020, instant liquidity, up to 90 days accumulative and genera 2021

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Item	Accounting period		Repayment date	up to 3 months	the previous financial months	6-12 months	1-5 years	more than 5 years	Termless	Total
	Non-performing	Term								
Cash and cash equivalents	-	-	50,719,888	125	-	-	-	-	-	50,720,013
Standardized precious metal bullions and coins	-	-	443	-	-	-	-	-	-	443
Receivables to banks and other financial institutions	-	-	73,807	5,182,646	5,001,650	326,512	1,211,336	4,293	380,601	12,180,205
Reverse Repurchase Agreements	-	-	-	7,551,789	-	-	-	-	-	7,551,789
Financial assets at fair value recalculated through profit/loss	-	-	-	-	-	-	-	-	-	-
Other financial assets calculated at amortized value	-	-	-	524,166	-	-	-	-	-	524,166
Loans and advances provided to customers rated at amortized value	1,968,746	232,955	-	17,494,367	25,018,638	24,266,908	87,822,417	44,140,023	-	200,944,054
Financial assets at fair value calculated through other comprehensive financial result	-	-	-	558,221	-	-	892,613	5,157,178	111,921	6,719,893
Securities pledged under repurchase agreements	-	-	-	36,202,838	-	-	-	-	-	36,202,838
Other receivables	1,172	-	-	82,892	-	-	-	-	-	84,064
Total	1,969,918	232,955	50,794,138	67,597,044	30,020,288	24,593,420	89,026,366	49,301,454	492,622	314,826,105
including:										
I group foreign currency	812,255	21,742	33,208,750	8,303,747	13,981,828	7,343,845	37,226,937	17,841,039	88,101	118,826,244
II group foreign currency	-	-	1,317,828	48,461	-	1,728	10,843	-	-	1,382,436
By floating interest rate										
By floating interest rate	-	-	-	-	-	-	-	-	-	-
By fixed interest rate	1,804,427	180,914	280,149	30,535,246	29,652,803	23,977,726	89,926,366	49,301,454	-	225,869,085
Non-interest	165,491	52,041	50,513,989	37,061,798	367,485	615,694	-	-	492,522	89,269,020
On maturity of liabilities repayment										
Liabilities to banks and other financial institutions	-	-	2,335,226	6,819,973	5,120,597	11,085,542	12,330,451	7,533,574	-	45,225,363
Loans and deposits from international financial institutions	-	-	-	3,346,091	2,813,496	6,966,239	54,034,301	-	-	67,180,127
Loans from the RA Government and CBA	-	-	60,502	623,117	670,550	1,097,808	7,766,660	601,226	-	10,819,863
Repurchase Agreements	-	-	-	34,175,671	-	-	-	-	-	34,175,671
Liabilities to customers	-	-	49,608,673	15,201,538	15,313,164	21,558,739	14,424,194	716,480	-	118,822,788
Subordinate borrowings	-	-	-	5,762	-	-	-	1,328,071	-	1,333,833
Securities issued by the Bank	-	-	-	40,529	16,130	1,115,624	5,264,888	-	-	6,437,171
Liabilities on current taxes	-	-	-	1,247,640	-	-	-	-	-	1,247,640
Amounts payable	-	-	220,369	268,371	-	-	-	-	-	488,740
Other liabilities	-	-	1,262,558	189,352	7,411	3,058	-	0	0	1,462,379
Off-balance sheet contingent liabilities	-	-	-	1,096,620	3,146,595	4,122,848	3,877,071	1,778,055	-	14,021,189
Total	-	-	53,487,328	63,014,864	27,067,943	45,049,856	97,097,565	11,057,406	-	289,194,784
including:										
I group foreign currency	-	-	12,781,505	11,012,291	9,692,114	24,842,996	59,864,492	1,951,243	-	119,844,631
II group foreign currency	-	-	779,152	541,764	332,898	376,470	91,485	-	-	2,121,789
Major Liabilities										
By floating interest rate	-	-	-	35,368,446	657,649	2,809,756	24,677,929	-	-	63,513,780
By fixed interest rate	-	-	-	1,908,319	1,019,240	2,701,574	21,375,392	-	-	27,004,625
Non-interest	-	-	32,658,758	56,126,206	22,182,818	38,678,971	72,374,230	9,382,286	-	219,573,061
Net liquidity gap	1,969,918	232,955	(2,693,190)	4,582,380	2,932,345	(21,356,438)	(7,771,189)	37,344,048	492,622	15,733,341
including:										
I group foreign currency	812,255	21,742	20,427,245	(2,708,544)	4,289,714	(17,299,151)	(22,637,545)	15,889,796	88,101	(1,116,387)
II group foreign currency	-	-	638,678	(498,903)	(331,170)	(972,894)	(80,642)	-	-	(739,393)
Floating interest rate	-	-	-	(1,019,240)	(1,019,240)	(2,701,574)	(21,375,392)	-	-	(27,004,625)
Fixed interest rate	1,804,427	180,914	(20,548,421)	(25,580,880)	7,458,895	(14,701,245)	17,652,138	39,919,168	-	6,088,004
Accumulative liquidity gap	1,969,918	2,202,873	(480,317)	4,092,063	7,024,408	(14,332,030)	(22,103,229)	15,240,819	15,733,341	31/12/2020

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Item	Previous accounting period		Repayment date in	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years	Termless	Total
	Non-performing	Term								
Cash and cash equivalents	-	-	41,190,390	1,393,268	-	-	-	-	-	42,583,658
Standardized precious metal bullions and coins	-	-	443	-	-	-	-	-	-	443
Receivables to banks and other financial institutions	-	-	72,614	10,702,649	587,944	1,104,563	9,170	4,901	1,379,178	13,861,019
Reverse Repurchase Agreements	-	-	-	10,175,600	-	-	-	-	-	10,175,600
Financial assets at fair value recalculated through profit/loss	-	-	-	9,402	-	-	-	-	-	9,402
Other financial assets calculated at amortized value	-	-	-	-	515,568	-	-	-	-	515,568
Loans and advances provided to customers rated at amortized value	2,519,990	320,370	-	20,550,839	14,808,603	23,751,925	90,386,260	42,192,353	-	194,529,340
Financial assets at fair value calculated through other comprehensive financial result	-	-	-	110,255	544,636	-	581,142	2,968,901	111,921	4,316,855
Securities pledged under repurchase agreements	-	-	-	39,384,620	-	-	-	-	-	39,384,620
Other receivables	1,172	-	-	68,410	-	-	-	-	-	69,582
Total	2,521,162	320,370	41,263,447	82,395,043	16,456,751	24,856,488	90,975,572	45,166,155	1,491,099	305,446,087
including:										
I group foreign currency	1,048,234	28,596	23,276,912	13,611,264	4,381,777	10,226,847	39,531,352	17,716,225	137,542	109,958,739
II group foreign currency	-	-	1,208,602	101,675	3,049	6,209	26,579	-	-	1,346,113
By floating interest rate										
By floating interest rate	-	-	-	-	-	-	-	-	-	-
By fixed interest rate	2,303,697	272,475	388,660	41,738,035	16,456,751	24,856,488	90,975,572	45,166,155	-	222,157,833
Non-interest	217,465	47,895	40,874,787	40,657,098	-	-	-	-	1,491,099	83,288,354
On maturity of liabilities repayment										
Liabilities to banks and other financial institutions	-	-	1,581,912	7,283,140	6,561,220	8,222,005	12,038,772	7,327,441	-	42,994,490
Loans and deposits from international financial institutions	-	-	-	6,431,485	2,923,460	7,032,349	46,167,075	-	-	62,554,370
Loans from the RA Government and CBA	-	-	69,891	191,497	510,825	1,343,820	7,504,698	534,294	-	10,151,725
REPO agreement	-	-	-	38,125,045	-	-	-	-	-	38,125,045
Liabilities to customers	-	-	46,486,928	14,740,208	12,223,668	23,725,147	14,598,029	721,432	-	112,495,412
Subordinate borrowings	-	-	-	4,433	-	-	-	1,306,635	-	1,311,068
Liabilities on current taxes	-	-	-	1,212,106	-	-	-	-	-	1,212,106
Securities issued by the Bank	-	-	-	101,191	-	-	6,084,542	-	-	6,185,733
Financial liabilities at fair value recalculated through profit/loss	-	-	-	4,267	-	-	-	-	-	4,267
Amounts payable	-	-	221,573	279,021	-	-	-	-	-	500,594
Other liabilities	-	-	1,519,516	315,289	361	15,834	74	-	-	1,831,074
Off-balance sheet contingent liabilities	-	-	-	1,912,106	1,059,942	5,006,995	3,789,050	748,914	-	12,178,067
Total	-	-	49,876,880	70,240,867	23,379,476	45,345,851	90,182,241	10,638,656	-	289,563,971
I group foreign currency	-	-	10,956,130	15,489,973	9,097,390	18,805,130	51,902,162	1,934,267	-	108,185,052
II group foreign currency	-	-	676,608	621,641	295,567	409,906	89,868	-	-	2,093,590
Major Liabilities										
By floating interest rate	-	-	-	38,278,187	1,067,319	2,896,273	22,429,805	1,772,119	-	66,443,703
By fixed interest rate	-	-	-	280,371	989,178	2,780,402	17,568,949	-	-	21,618,900
Non-interest	-	-	14,959,739	64,685,949	19,265,750	37,789,948	63,185,284	9,105,466	-	208,992,136
Net liquidity gap	2,521,162	320,370	(14,959,739)	(63,393,135)	(19,194,986)	(35,563,354)	(76,965,183)	(8,356,552)	-	(218,432,949)
including:										
I group foreign currency	1,048,234	28,596	12,320,782	(1,878,719)	(4,715,613)	(8,578,283)	(12,370,810)	15,781,958	137,542	1,773,687
II group foreign currency	-	-	531,994	(519,966)	(292,518)	(403,697)	(63,290)	-	-	(747,477)
By floating interest rate	-	-	-	(280,371)	(989,178)	(2,780,402)	(17,568,949)	-	-	(21,618,900)
By fixed interest rate	2,303,697	272,475	(14,571,079)	(12,837,914)	(1,308,999)	(12,837,914)	(21,379,288)	36,660,689	-	13,165,697
Accumulative liquidity gap	2,521,162	2,841,532	(5,771,901)	6,382,375	(440,450)	(20,929,813)	(20,136,482)	14,391,017	15,882,116	

Note 33: "Capital and Capital Adequacy Ratio"



The Bank does not have defined internal requirements for the capital level. The Central Bank of RA set forth a 12% capital adequacy ratio to risk weighted for all Armenian banks. The Central bank of Armenia has also defined a minimum amount for total capital forming AMD 30,000,000 thousand. During the accounting period, the Bank has met the established standard requirements on the capital level.

We present the structure of balance sheet capital:

	31 March 2021	
	31.03.2020	31.12.2020
Chartered capital	26,107,556	25,955,663
Emission income/loss	289,718	180,180
Reserves:	6,677,723	6,171,784
Main reserve	3,275,000	3,275,000
Revaluation reserve	3,402,723	2,896,784
Undistributed profit/loss	9,854,832	9,197,719
Total capital	42,929,829	41,505,346

We hereby present the core and general capitals applied for calculation of the main prudential standards defined by the CBA and the capital adequacy indicators per months during the accounting period, with their comparison with the standard requirements.

	Involved in calculation standards						
2021	Main capital	Additional capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	1	2	3 (1+2)	4	5	6	7
January	36,109,324	4,936,045	41,045,369	246,908,521	3,682,709	14.79	12
February	36,862,957	5,186,411	42,049,368	248,218,015	3,055,501	15.36	12
March	37,144,772	5,112,177	42,256,949	250,436,469	2,874,602	15.40	12
	Involved in calculation standards						
2020	Main capital	Additional capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	1	2	3 (1+2)	4	5	6	7
January	31,321,393	6,264,279	37,585,672	233,879,724	3,791,710	14.16	12
February	31,588,434	6,317,687	37,906,121	229,506,140	4,006,775	14.42	12
March	32,382,296	6,325,083	38,707,379	235,813,689	4,241,738	14.27	12
April	33,001,732	6,483,617	39,485,349	234,587,896	4,268,010	14.62	12
May	34,141,025	6,858,335	40,999,360	237,690,754	4,618,789	14.85	12
June	34,557,742	6,727,414	41,285,156	239,876,328	4,689,338	14.80	12
July	34,671,390	6,643,706	41,315,096	244,796,158	5,243,522	14.32	12
August	34,930,419	6,615,519	41,545,938	249,658,663	5,533,107	14.05	12
September	35,387,537	6,600,630	41,988,167	253,112,782	5,616,387	14.00	12
October	35,507,277	6,222,183	41,729,460	259,527,031	5,829,976	13.54	12
November	35,578,530	5,768,407	41,346,937	255,030,103	5,764,471	13.64	12
December	36,191,459	4,997,271	41,188,730	250,164,157	5,481,659	13.92	12

We hereby present the weight of risks of assets and off-balance sheet contingent liabilities, incomplete term operations as of the end of current and previous accounting periods, per the classes of risk weights under

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As of 31/03/2021				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	Total credit risk
0%	99,086,449	378,374		-
10%	7,190,077			719,008
20%	872,599			174,520
30%	84,362			25,309
35%	4,865,825			1,703,039
50%	4,137,702	145,782		2,141,742
75%	29,016,418	240,241		21,942,494
100%	126,008,891	4,389,538	113,493	130,511,922
110%	263,034	35,268		328,132
150%	55,820,216	5,326,214		91,719,645
200%	2,162,552			4,325,104
Total	329,508,125	10,515,417	113,493	253,590,914

As of 31/12/2020				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	Total credit risk
0%	94,723,420	246,076		-
10%	6,894,736			689,474
20%	734,324			146,865
30%	116,079			34,824
35%	4,804,667			1,681,633
50%	3,789,191	75,193		1,932,192
75%	30,556,668	322,856		23,159,643
100%	120,846,877	3,646,940	120,295	124,614,112
110%	288,190	40,292		361,330
150%	56,577,247	5,014,905		92,388,228
200%	2,101,085			4,202,170
Total	321,432,484	9,346,262	120,295	249,210,471

Note 34. "Fair value of Financial Assets and Liabilities"



We hereby present explanations on the assessed fair value of Financial Instruments given in accordance with the requirements of IFRS 32 on "Revelation and Presentation of Financial Instruments".

The fair value of Financial Instruments is the amount by which the asset may be exchanged or the liability may be repaid by well-informed and willing parties during "extended hand distance" deal.

The fair values of RA Government T-Bills and the Central Bank of Armenia securities are determined on the basis of market quotations.

As of 31.03.21 the following methods and assessments were used by the Bank during the evaluation of fair value of each class of financial instrument.

Cash and Balances with the CBA

The balance sheet value of these short-term instruments exactly reflects their fair value.

Loans and advances provided to customers, receivables to banks and other financial institutions.

The fair value of the loan portfolio depends on the credit and interest rate peculiarities of separate loans included in each class of loans that form the loan portfolio. The assessment of loan loss provision considers risks characteristic of classes of loans, depending on such factors, as the state of the sector of economy in which each borrower is engaged, financial state of each borrower and purchased guarantees. Therefore, the loan loss provision is the exact assessment of size that reflects the influence of the loan risk.

Resources attracted from banks and other financial institutions

The balance sheet value is close to the fair value.

Customer deposits and bank accounts

Customer deposits and bank accounts.

As of 31.03.21 the Bank had no financial assets accounted for by the amount exceeding their fair values.

Note 35. "Hedging of Envisaged Future Transactions"



There are no data available for this note in the accounting and previous periods

Note 36. "De-recognition"



There are no data available for this note in the accounting and previous periods.

Note 37. "Pledged assets"



As of 31.03.21, the Bank has no pledged assets.

Note 38. "Accepted Pledge"

As of 31.03.2021, there are no assets accepted as pledge that the Bank is entitled to sell or re-pledge, even in case the customer has not breached its obligations.

We hereby present the assets and warranties accepted as a pledge with their relevant loan investments, without taking into account the reserve amounts.

Collateral type	31/03/2021		31/12/2020	
	Loan amount	Collateral amount	Loan amount	Collateral amount
Real estate	80,509,733	320,096,637	77,029,276	307,563,238
Car	2,368,171	7,398,860	2,230,587	7,271,960
Equipment	2,179,737	11,464,408	1,964,838	10,341,180
Ready made products	6,985,632	13,429,000	8,248,250	13,929,000
Guarantee	65,048,099	341,968,377	66,354,388	334,037,344
Monetary funds	1,591,872	5,668,659	1,964,820	5,828,662
Gold items	16,722,311	19,936,886	14,974,520	18,032,966
Governmental securities	9,842	23,000	9,949	23,000
Other securities	221,038	637,735	244,143	667,645
Other pledge	12,255,452	25,033,814	12,303,862	26,993,020
No collateral available	16,478,950		11,390,075	
Total	204,370,837	745,657,376	196,714,708	724,688,015

Note 39: "Non-performance/Breach of Liabilities"

There are no data available for this note for the accounting and previous periods.

Chairman of the Executive Board(CEO)

A. Khachatryan

Chief Accountant

M.Poghosyan