

**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 1<sup>st</sup> QUARTER OF 2024  
“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 31 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**

A. Khachatryan

R. Hayrapetyan

L. Petrosyan

H. Suvaryan

Per Fischer

**Structure and Members of the Bank’s Management**

CEO

A. Arakelyan

Deputy CEO

R. Badalyan

Deputy CEO

O. Chichyan

Deputy CEO

A. Harutunyan

Deputy CEO

A. Manrikyan

Deputy CEO

A. Pilosyan

Acting Chief Accountant

N. Galstyan

Acting Head of Risk Management Department

K. Babayan

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 31.03.2024 the Chartered capital amounts to AMD 29,539,335. It includes 11,139,584 common shares each with AMD 2,080 and 424,600 preferred shares with AMD 15,000 nominal value per share.

## Main Participants

Sukiasyan Saribek Albert	25.40%
Sukiasyan Khachatur Albert	13.55%
Sukiasyan Eduard Albert	14.05%

## 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. 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 drafts, 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.

Financial and non-financial guarantees are provided by the Bank.

Financial guarantees are initially measured at fair value. After initial recognition, financial guarantees are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized, less, where appropriate, the cumulative amount of revenue recognized in accordance with the principles of IFRS 15.

Non-financial guarantees (if they contain insurance risk) are accounted for as loan commitments, applying the impairment requirements of IFRS 9 Financial Instruments, because the contracts have legally fixed mechanisms through which, as a direct result of insured losses, the ``Principal'' is adjusted, future payments by the policyholder to the issuing Bank.

### **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 financial assets 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,	8	12.5
(printers, scanners, copying devices), POS terminals, modems,	3	33.3
Network devices	5	20
Fixed assets and intangible assets costing up to AMD 50.000	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.

The procedure for creating a reserve for possible losses on balance sheet and off-balance sheet accounts containing credit risk corresponds to the procedure for forming a reserve for possible losses on loans and loans provided to customers, in accordance with the procedure "Classification of financial assets and formation of reserves for possible losses" of "ARMECONOMBANK" OJSC approved by the Bank's Board.

### **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.

**Statement of Financial Position**  
31 March 2024  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

	Item	Note	As of the end of the current interim period (unaudited)	As of the end of the previous financial year (unaudited)
<b>1</b>	<b>Assets</b>			
1.1	Cash and cash equivalents	13	58,932,037	71,569,317
1.2	Standard bank precious metal bullions and coins		449,851	396,358
1.3	Due from banks and other financial institutions	14	3,672,352	5,926,882
1.4	Reverse repurchase agreement	14.1	13,323,045	12,464,832
1.5	Financial assets rated at actual value through profit or loss	15	170	788
1.5.1	Other financial assets rated at amortized value	18	10,270,243	8,570,306
1.6	Loans and advances provided to customers at amortized value	16	301,355,606	291,399,068
1.7	Financial assets at fair value rated through other comprehensive financial results	17	7,694,102	14,975,902
1.7.1	Securities pledged under repurchase agreement	17.1	52,284,946	36,655,031
1.9	Non-current assets held for sale		2,964,269	2,963,269
1.10	Fixed assets	20	15,603,523	15,391,456
1.10.1	Intangible assets	20	1,063,839	1,054,183
1.10.1	Right-of-use assets	20.1	2,273,825	1,875,558
1.12	Other assets	21	1,536,439	1,639,162
	<b>Total assets</b>		<b>471,424,247</b>	<b>464,882,112</b>
<b>2</b>	<b>Liabilities</b>			
2.1	Liabilities to banks and other financial institutions	22	66,688,414	73,185,058
2.2	Loans and deposits received from the international financial institutions	22.1	41,942,222	48,335,375
2.3	Loans received from the CBA and from the RA government	22.2	37,945,346	37,158,136
2.4	Repurchase agreement		49,196,952	34,127,375
2.5	Liabilities to Customers	23	181,400,451	183,695,686
2.6	Subordinate borrowing	23.1	8,602,592	9,679,494
2.7	Liabilities on current taxes		1,356,688	1,119,763
2.8	Securities issued by the Bank	24	11,152,121	11,295,283
2.9	Financial liabilities at fair value through profit or loss	25	50,677	13,477
2.10	Amounts payable	26	598,775	601,085
2.11	Deferred tax liabilities	11	1,161,144	1,185,308
2.12	Reserves	30	42,312	19,270
2.13	Lease liabilities	40	1,838,342	1,426,082
2.14	Other liabilities	27	3,420,635	2,594,715
	<b>Total liabilities</b>		<b>405,396,671</b>	<b>404,436,107</b>
<b>3</b>	<b>Capital</b>			
3.1	Chartered capital	28	29,539,335	28,132,240
3.2	Emission income		4,517,781	2,265,076
<b>3.3</b>	<b>Reserves</b>			
3.3.1	Main reserve		3,952,000	3,952,000
3.3.2	Revaluation reserve		(36,434)	(379,023)
3.3.3	Other reserve		6,842,749	6,896,366
3.4	Undistributed profit (loss)		21,212,145	19,579,346
	<b>Total capital</b>		<b>66,027,576</b>	<b>60,446,005</b>
	<b>Total liabilities and capital</b>		<b>471,424,247</b>	<b>464,882,112</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 12 April 2024



*(Handwritten signatures of A. Arakelyan and N. Galstyan)*

**Statement of Profit or Loss**  
31 March 2024  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Item	Note	Accounting period (unaudited)	Previous period (unaudited)
Interest and similar income	3	10,942,520	8,965,672
Interest and similar expenses	3	(6,759,210)	(5,320,341)
<b>Net interest and similar income</b>		<b>4,183,310</b>	<b>3,645,331</b>
Income as commissions and other fees	4	1,621,141	1,250,297
Expenses as commissions and other fees	4	(550,704)	(349,188)
<b>Net commission and other fees</b>		<b>1,070,437</b>	<b>901,109</b>
Net commercial income	5	790,721	630,133
Other operational income	6	89,324	124,415
<b>Operational income</b>		<b>6,133,792</b>	<b>5,300,988</b>
Net allocations to possible asset loss provisions	7	(381,388)	184,908
Total administrative expenses	8	(2,515,009)	(2,169,831)
Other operational income	9	(1,040,364)	(849,329)
<b>Operational profit</b>		<b>2,197,031</b>	<b>2,466,736</b>
<b>Profit/loss before taxation</b>		<b>2,197,031</b>	<b>2,466,736</b>
Profit tax expenses(compensation)	11	(395,546)	(439,497)
<b>Profit for period</b>		<b>1,801,485</b>	<b>2,027,239</b>

Chief Executive Officer (CEO)



Acting Chief Accountant

Approval date: 12 April 2024

**Statement of other Comprehensive Income**  
 31 March 2024  
 ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Accounting period (unaudited)	Previous period (unaudited)
<b>Other comprehensive financial results</b>			
Revaluation of financial assets at fair value rated through other comprehensive financial results		491,633	239,408
Devaluation of financial assets at fair value rated through other comprehensive financial results after taxation		(60,550)	(8,953)
Profit tax on the revaluation of financial assets at fair value rated through other comprehensive financial results		(88,494)	(43,093)
<b>Other comprehensive financial result after taxation</b>		<b>342,589</b>	<b>187,362</b>
<b>Comprehensive financial result</b>		<b>2,144,074</b>	<b>2,214,601</b>

Chief Executive Officer (CEO)

Acting Chief Accountant

Approval date: 12 April 2024



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**Statement of Changes in Equity**  
31 March 2024  
ARMECONOMBANK OJSC 23/1 Amiryan 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	Net amount							
Articles	1	3	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 2023 (audited)</i>	26,652,068	26,652,068	745,223	3,663,000	(1,228,475)	3,112,039	16,166,442	49,110,297	49,110,297
<b>Recalculated balance</b>	26,652,068	26,652,068	465,306	3,663,000	(1,228,475)	3,112,039	16,166,442	49,110,297	49,110,297
<b>Transactions with shareholders (owners) regarding to shares, including:</b>	534,716	534,716	465,306	-	-	-	-	1,000,022	1,000,022
Investments in chartered capital and other increase of chartered capital	534,716	534,716	465,306	-	-	-	-	1,000,022	1,000,022
Not distributed shares	-	-	-	-	-	-	-	-	-
<b>Comprehensive income</b>	-	-	-	-	187,362	-	2,027,239	2,214,601	2,214,601
<b>Dividends</b>	-	-	-	-	-	-	(219,861)	(219,861)	(219,861)
<b>Internal movements including:</b>	-	-	-	-	-	(23,999)	23,999	-	-
<b>Deductions to main reserve</b>	-	-	-	-	-	-	-	-	-
Internal movements of equity other elements	-	-	-	-	-	-	-	-	-
Decrease of value from the revaluation of fixed and intangible assets	-	-	-	-	-	(23,999)	23,999	-	-
<i>Balance as of the end of the interim accounting period 31.03.2023(unaudited)</i>	27,186,784	27,186,784	930,612	3,663,000	(1,041,113)	3,088,040	17,997,819	52,105,059	52,105,059

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 2024 (unaudited)</i>	28,132,240	28,132,240	2,265,076	3,952,000	(379,023)	6,896,366	19,579,346	60,446,005	60,446,005
<b>Recalculated balance</b>	28,132,240	28,132,240	2,265,076	3,952,000	(379,023)	6,896,366	19,579,346	60,446,005	60,446,005
<b>Transactions with shareholders (owners) regarding to shares, including:</b>	1,407,095	1,407,095	2,252,705	-	-	-	-	3,659,800	3,659,800
Investments in chartered capital and other increase of chartered capital	1,407,095	1,407,095	2,252,705	-	-	-	-	3,659,800	3,659,800
<b>Comprehensive income</b>	-	-	-	-	342,589	-	1,801,485	2,144,074	2,144,074
<b>Dividends</b>	-	-	-	-	-	-	(222,304)	(222,304)	(222,304)
<b>Internal movements including:</b>	-	-	-	-	-	(53,618)	53,618	-	-
<b>Deductions to main reserve</b>	-	-	-	-	-	-	-	-	-
Decrease of value from the revaluation of fixed and intangible assets	-	-	-	-	-	(173,835)	53,618	-	-
Deductions to main reserve	-	-	-	-	-	-	-	-	-
<i>Balance as of the end of the interim accounting period 31.03.2024(unaudited)</i>	29,539,335	29,539,335	4,517,781	3,952,000	- 36,434	6,842,748	21,212,145	66,027,575	66,027,575

Chief Executive Officer (CEO)



*(Signature)*

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 12 April 2024

**Statement of Cash Flows**  
31 March 2024  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Accounting period (unaudited)	Previous period (unaudited)
<b>I. Cash flows from operations</b>			
<b>Profit for the year</b>		1,801,485	2,027,239
<i>Adjustments</i>			
Expenses on profit tax		395,546	439,497
Loss from depreciation of interest-bearing assets		381,388	(184,908)
Depreciation and amortisation		591,782	463,711
Net income from disposal of fixed assets			(3,170)
Net gain from foreign exchange			
Net income from sale/ purchase of financial assets rated at fair value through profit or loss		4,140	2,521
Financial assets at fair value rated through other comprehensive financial results		13,216	(3,774)
Other income		(253,589)	(3,305)
Interest income		(1,704,122)	(790,597)
Interest expenses		582,891	801,538
<b>Cash flows from operations before changes in operational assets and liabilities</b>		<b>1,812,737</b>	<b>2,748,752</b>
<b>Changes in operational assets or liabilities</b>			
<b>Increase/ decrease in operational assets</b>			
Due from financial institutions		2,175,602	4,458,348
Reverse repurchase agreements		(915,113)	(659,236)
Loans to customers		(12,088,949)	(10,707,598)
Other assets		43,860	35,520
Liabilities to financial institutions		(5,966,836)	1,174,152
Repurchase agreements		15,049,140	1,174,799
Liabilities to customers		(753,333)	(5,976,938)
Other liabilities		838,553	(851,354)
<b>Cash used in operations before taxation</b>		<b>195,661</b>	<b>(8,603,554)</b>
Paid profit tax		(270,190)	(1,054,141)
<b>Net cash used in operations</b>		<b>(74,529)</b>	<b>(9,657,695)</b>
<b>Cash flows from investments</b>			
Decrease(increase) of securities at fair value rated though profit/loss and available for sale		(8,127,647)	(50,153)
Acquisition of fixed assets		(510,173)	(103,603)
Proceeds from sale of fixed assets			6,289
Acquisition of intangible assets		(64,647)	(117,809)
<b>Net cash flows from investments (used)/(gained from)</b>		<b>(8,702,467)</b>	<b>(265,276)</b>
<b>Cash flows from financial operations</b>			
Loans from RA CB and RA Government		199,425	209,711
Proceeds/repayment of loans received from international financial institutions		(5,169,373)	(843,423)
Subordinated loan (repayments)/proceeds		(923,007)	
Increase (decrease) of securities issued by the Bank		2,059	1,391,347
Prepayment received for the issue of shares		3,659,800	1,000,022
Lease liabilities		(262,002)	(198,294)
Dividends paid		(226,311)	(227,167)
<b>Net cash from financial operations</b>		<b>(2,719,409)</b>	<b>1,332,197</b>
Impact of foreign exchange on cash balances		(1,140,875)	(473,531)
<b>Net increase of cash and equivalents thereof</b>		<b>(12,637,280)</b>	<b>(9,064,304)</b>
<b>Cash and equivalents thereof as of the beginning of the period</b>	13_2	<b>71,569,317</b>	<b>69,081,631</b>
<b>Cash and equivalents thereof as of the end of the period</b>	13_2	<b>58,932,037</b>	<b>60,017,327</b>

Chief Executive Officer (CEO)



*(Signature)*  
*(Signature)*

A. Arakelyan

Acting Chief Accountant

N. Galstyan

**Note 3: "Net Interest and Similar Income"**


THOUS. AMD

	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>Interest and similar income</b>		
Interest income from the Bank's current accounts, deposits and loans allocated in banks and other financial institutions	164,690	159,615
Interest income from loans and advances to customers	9,007,833	7,578,743
Interest income from debt securities	1,459,036	1,046,064
Interest income from REPO agreements	292,595	161,581
Other interest income	18,366	19,669
<b>Interest and Similar Expenses</b>	<b>10,942,520</b>	<b>8,965,672</b>
Interest expenses from the Banks' current accounts deposits and loans allocated in banks and other financial institutions	2,945,133	2,635,675
Interest expenses on terms deposits and current accounts of customers	2,458,525	1,539,920
Interest expenses under REPO agreements	866,155	854,612
Interest expenses on subordinated borrowings	252,060	90,184
Interest expenses against the interest securities issued by the Bank.	196,572	161,483
Interest expenses on lease agreements	40,765	38,359
Interest expenses from derivatives with resident banks	-	-
Other interest income		98
<b>Total</b>	<b>6,759,210</b>	<b>5,320,341</b>
<b>Net interest and similar income</b>	<b>4,183,310</b>	<b>3,645,331</b>

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


THOUS. AMD

	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>Commission and Other Fee Income</b>		
Cashier's operations	78,617	72,028
Settlement services	1,148,835	924,340
Guarantees, warranties, letters of credit operations, trust management operations	70,314	52,174
Foreign currency and security operations	2,138	747
Payment card servicing	55,258	44,097
Other commission fees	265,979	156,911
<b>Total</b>	<b>1,621,141</b>	<b>1,250,297</b>
<b>Commission and Other Fee Expenses:</b>		
Commission fee from correspondent and other accounts	1,779	3,454
Expenses on payment card operations	405,051	240,504
operations	8,250	2,919
Foreign currency and security operations	43,961	39,143
Other commission fees	91,663	63,168
<b>Total</b>	<b>550,704</b>	<b>349,188</b>
<b>Net commission and other fees received</b>	<b>1,070,437</b>	<b>901,109</b>

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


THOUS. AMD

	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>Financial assets rated at fair value through profit or loss</b>		
Net income from sale/ purchase of financial assets rated at fair value through profit or loss, including	(18,068)	5,508
Shares		
Debt Securities		
Derivatives	(18,068)	5,508
<b>Net income from changes in real value of financial assets rated at fair value through profit or loss</b>		-
<b>Total</b>	<b>(18,068)</b>	<b>5,508</b>
<b>Investments at fair value rated through other comprehensive financial assets</b>		
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results, including:	310,554	3,238
Debt securities	371,721	8,921
Derivatives		
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results	(61,167)	(5,683)
<b>Total</b>	<b>310,554</b>	<b>3,238</b>
<b>Foreign currency operations</b>		
Net income from foreign currency sale/purchase	475,427	623,912
Net income from the revaluation of foreign currency	(4,139)	(2,525)
Net income from the sale/purchase of precious standardized bullions and coins	12,287	
Net income from the revaluation of precious standardized bullions and coins	14,660	
<b>Total</b>	<b>498,235</b>	<b>621,387</b>
<b>Net income from commercial operations</b>	<b>790,721</b>	<b>630,133</b>

Note 6 : "Other Operatioanl Income"



THOUS. AMD

	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>Other operational expenses</b>		
Income from penalties and fines	65,045	72,498
Net income from disposal of fixed and intangible assets	(4,261)	3,171
Other income *	28,540	48,746
<b>Total</b>	<b>89,324</b>	<b>124,415</b>

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"



THOUS. AMD

	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>Cash and cash equivalents (Note 13)</b>		
Initial balance	30,937	51,255
Net deductions to reserve	9,125	(5,030)
<b>Summary balance</b>	<b>40,062</b>	<b>46,225</b>
<b>"Due to Banks and other Financial institutions" (Note 14)</b>		
Initial balance	148,064	159,680
Net deductions to reserve	(14,607)	57,906
Return of amounts previously charged to off balance item	-	-
Usage of reserve	-	-
<b>Summary balance</b>	<b>133,457</b>	<b>217,586</b>
<b>From loans and advances to customers (Note 16)</b>		
Initial balance	5,620,762	3,558,920
Net deductions to reserve *	286,134	(175,991)
Return of amounts previously charged to off balance item	127,525	271,959
Usage of reserve	(110,465)	(233,725)
<b>Summary balance</b>	<b>5,923,956</b>	<b>3,421,163</b>
<b>Financial assets rated at fair value through other comprehensive financial assets (Note 17)</b>		
Initial balance	137,320	276,555
Net deductions to reserve	(60,550)	(10,919)
Return of amounts previously charged to off balance item	-	-
Usage of reserve	-	-
<b>Summary balance</b>	<b>76,770</b>	<b>265,636</b>
<b>On other assets (Note 21)</b>		
Initial balance	11,614	7,822
Net deductions to reserve	(1,294)	363
Return of amounts previously charged to off balance item	101	106
Usage of reserve	(19)	(6)
<b>Summary balance</b>	<b>10,402</b>	<b>8,283</b>
<b>Other financial assets rated at amortized value</b>		
Initial balance	291,514	270,042
Net deductions to reserve	139,533	14,303
Usage of reserve	-	-
<b>Summary balance</b>	<b>431,047</b>	<b>284,345</b>
<b>Post-balance sheet items containing loan exposures (note 30)</b>		
Initial balance	19,270	103,386
Net deductions to reserve	23,047	(65,540)
Usage of reserve	-	-
<b>Summary balance</b>	<b>42,317</b>	<b>37,846</b>
<b>Total net deductions to reserve</b>	<b>381,388</b>	<b>(184,908)</b>

**Note 8 : "Total administrative expenses"**



Thous. AMD

	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>"Total administrative expenses"</b>		
Salary and similar payments	1,757,344	1,489,273
Training and tutorship expenses	3,004	611
Business trip expenses	16,884	5,407
Insurance costs	48,323	42,582
Servicing and maintenance of the Bank's equipment	93,121	86,538
Maintenance and safekeeping of Bank buildings	225,964	207,789
Audit and consulting services	11,140	5,195
Communication and transmission costs	41,223	28,890
Transportation costs	49,562	37,893
Taxes (except income tax) penalties and other mandatory payments	138,087	106,176
Office and organizational expenses	86,439	132,119
Other administrative expenses	43,918	27,358
<b>Total</b>	<b>2,515,009</b>	<b>2,169,831</b>

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



	01/01/2024-31/03/2024	01/01/2023-31/03/2023
Average number of Bank employees	894	825
Monthly average salary falling to a single employee (thousand AMD)	609	556

**Note 9 : "Other Operational Expenses"**



Thous. AMD

	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>Other operational expenses</b>		
Paid fines and penalties	257	
Payments made for collection	86,350	87,294
Advertising and representative expenses	75,325	75,919
Amortization costs of fixed assets and intangible assets	587,521	463,710
Allocations to the Fund of Recovery of Deposits	61,575	62,947
Other expenses	229,336	159,459
<b>Total</b>	<b>1,040,364</b>	<b>849,329</b>

**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	01/01/2024-31/03/2024	01/01/2023-31/03/2023
Current tax expenses	508,202	438,704
Deferred tax expenses	(112,656)	793
<b>Total</b>	<b>395,546</b>	<b>439,497</b>

	01/01/2024-31/03/2024	Արդյունավետ դրույքաչափ (%)	01/01/2023-31/03/2023	Արդյունավետ դրույքաչափ (%)
Profit before taxation	<b>2,197,031</b>		<b>2,466,736</b>	
Profit tax with rate	395,466	18%	444,012	18%
Non-taxable income		-		-
Non-taxable income from financial assets rated at fair value through other comprehensive income	2,379	0.00	(679)	(0.00)
Other privileges	5,486	0.00		-
Non-deductible expenses	745	0.00	232,163	0.09
Foreign currency negative/positive difference	(2,155)	(0.00)	455	0.00
Adjustments of calculated tax expenses of the previous year		-	(234,035)	-
Other privileges			(2,419)	
<b>Profit tax expenses</b>	<b>395,546</b>	<b>0.18</b>	<b>439,497</b>	<b>0.18</b>

**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
<b>Deferred tax assets, including:</b>	<b>606,737</b>	<b>68,414</b>	<b>(88,494)</b>	<b>586,657</b>
Accrued expenses and other liabilities	292,301	48,729		341,030
Right-of-use assets	127,925	(8,156)		119,769
Investment securities	165,815	25,117	(88,494)	102,438
Claims to banks and other financial institutions	18,227	510		18,737
Cash and their equivalents	2,469	2,214		4,683
<b>Deferred tax liabilities, including:</b>	<b>(1,792,045)</b>	<b>44,242</b>	<b>-</b>	<b>(1,747,803)</b>
Fixed assets	(1,501,340)	28,272		(1,473,068)
Loans and borrowings to customers	(268,500)	11,770		(256,730)
Contingent liabilities	(22,205)	4,200		(18,005)
<b>Net deferred tax asset/liability</b>	<b>(1,185,308)</b>	<b>112,656</b>	<b>(88,494)</b>	<b>(1,161,146)</b>

**Note 12 : "Basic profit falling to a single share"**

Thous. AMD

Basic profit falling to a single share	01/01/2024-31/03/2024	01/01/2023-31/03/2023
<b>Net profit of the accounting period after taxation</b>	1,801,485	2,027,239
Dividends on preferential shares calculated for the	224,747	219,861
Net gains(losses) of given period referring to owners of common shares	1,576,738	1,807,378
Net weighted average number of common shares in circulation during the given period	10,914,086	2,001,710
<b>Basic profit falling to a single share</b>	<b>0.14</b>	<b>0.90</b>

The increase in the number of shares is due to the registration of a stock split in the ratio of 1 share to 5 share.

## Note 13 : Cash and cash equivalents



Thous. AMD

	31/03/2024	31/12/2023
<b>Cash and cash equivalents</b>		
Cash and cash equivalent payment documents	17,038,113	16,529,115
Correspondent accounts with the CBA*	40,529,776	53,348,800
Correspondent accounts with the the resident banks	24,591	51,099
Correspondent accounts with the the non-resident banks	1,379,619	1,671,240
Reserves/IFRS/	(40,062)	(30,937)
<b>Cash and balances with the CBA</b>	<b>58,932,037</b>	<b>71,569,317</b>

\* 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

	31/03/2024	31/12/2023
<b>Current accounts</b>		
Deposited funds with CBA	1,172,500	2,122,500
Reserve/IFRS/	(8,723)	(15,791)
<b>Total</b>	<b>1,163,777</b>	<b>2,106,709</b>
<b>With RA banks</b>		
Loans and deposits		114,087
Other	122	233
<b>With banks having BBB(Baa3) and higher ratings</b>		
Other	117,984	
Loans and deposits		
<b>With banks having ratings lower than BBB (Baa3) or no rating at all</b>		
Loans and deposits		
Other	17,229	146,316
<b>Accrued interest</b>		664
<b>Total</b>	<b>135,335</b>	<b>261,300</b>
Possible loss provision for amounts due from banks (note 7)	(3,101)	(9,759)
<b>Net receivables to banks</b>	<b>132,234</b>	<b>251,541</b>

	31/03/2024	31/12/2023
<b>Loans and deposits with Financial Institutions, other receivables</b>		
<b>With RA Financial Institutions:</b>		
Loans and deposits	411,116	504,484
Other	1,323,180	2,426,267
<b>With Financial Institutions having BBB(Baa3) and higher ratings</b>		
Other		
<b>With Financial Institutions having a rating lower than BB(Baa3) or no rating at all</b>		
Other	662,460	665,458
Accrued interest	1,352	1,586
<b>Total</b>	<b>2,398,108</b>	<b>3,597,795</b>
(Note 7)	(21,767)	(29,163)
<b>Net receivables to Financial Institutions</b>	<b>2,376,341</b>	<b>3,568,632</b>
<b>Net receivables to banks and Financial Institutions</b>	<b>3,672,352</b>	<b>5,926,882</b>

## Note 14.1 Reverse Repurchase Agreements



	31/03/2024	31/12/2023
<b>Reverse Repurchase Agreements</b>		
Repurchase Agreements with Financial Institutions	13,422,911	12,558,183
Reverse Repurchase Agreements with Financial Institutions	(99,866)	(93,351)
<b>Total</b>	<b>13,323,045</b>	<b>12,464,832</b>

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



	31/03/2024	31/12/2023
<b>Other financial assets recalculated at fair value through profit/loss</b>		
Derivative Instruments		
Forward		
<b>Swap</b>	170	788
<b>Total</b>	<b>170</b>	<b>788</b>

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	31/03/2024	31/12/2023
Loans, including:	285,871,689	276,538,217
Mortgage loans	46,205,611	45,800,699
Credit cards	19,057,324	18,601,430
Accrued interest on the mentioned items	2,350,549	1,880,183
<b>Total loans</b>	<b>307,279,562</b>	<b>297,019,830</b>
Reserve for possible loss of customer loans and advances (note 7)	(5,923,956)	(5,620,762)
<b>Total loans and advances at amortized value</b>	<b>301,355,606</b>	<b>291,399,068</b>

THOUS. AMD

Analyses of provided loans and advances per customers	31/03/2024	31/12/2023
<b>State industries</b>	<b>110,281</b>	<b>139,974</b>
<b>Private industries, including:</b>	<b>148,080,931</b>	<b>145,669,815</b>
Major enterprises	70,375,846	67,582,747
Small and medium enterprises	76,524,204	78,087,068
Including business cards	27,282	25,183
<b>Individuals, including:</b>	<b>132,620,744</b>	<b>124,897,740</b>
Consumer loans	54,022,631	47,605,849
Mortgage loans	46,205,611	45,800,699
Credit cards	19,030,042	18,576,189
<b>Private entrepreneurs</b>	<b>24,117,077</b>	<b>24,432,118</b>
<b>Accrued interest</b>	<b>2,350,549</b>	<b>1,880,183</b>
<b>Total loans</b>	<b>307,279,562</b>	<b>297,019,830</b>
Reserve for customers' loans and advances calculated at amortized value (note 7)	(5,923,956)	(5,620,762)
<b>Total loans and advances at amortized value</b>	<b>301,355,606</b>	<b>291,399,068</b>

THOUS. AMD

Analyses of loans and advances provided to the customers per the groups of businesses (segments)	31/03/2024	31/12/2023
State and major enterprises	70,486,107	67,722,721
SME * sector, including	92,948,393	94,018,065
Agriculture	26,618,637	30,622,084
Housekeeping	141,494,513	133,398,861
Accrued interests	2,350,549	1,880,183
<b>Total loans and advances calculated at amortized value</b>	<b>307,279,562</b>	<b>297,019,830</b>
<b>(note 7)</b>	<b>(5,620,762)</b>	<b>(5,620,762)</b>
<b>Total loans and advances calculated at amortized value</b>	<b>301,658,800</b>	<b>291,399,068</b>

\*SME sector involves investment loans provided to small and medium enterprises, individuals, as well as loans provided to the field of agriculture

THOUS. AMD

Loan liabilities on 20 major borrowers and related parties /without reserve/	31/03/2024	31/12/2023
Customers' loans and advances calculated at amortized value	94,669,398	93,222,813
Balance of off-balance sheet contingent liabilities	4,829,286	5,743,609
<b>Total</b>	<b>99,498,684</b>	<b>98,966,422</b>
Loan investments	307,279,562	297,019,830
Ratio in portfolio	32.38%	33.32%
Total normative capital	66,477,238	63,639,930
Percentage ratio to capital	149.67%	155.51%
<b>Total</b>	<b>99,498,684</b>	<b>98,966,422</b>

THOUS. AMD

Loan Investments through International programs	31/03/2024	Quantity
ADB/MSME	5,042,426	62
ADB/TFP/IBA	29,789	2
ADB/WESSD	4,123,753	196
BS/SME3	1,667,158	60
COVID-14	44	1
COVID-19/1/3	100,366	1
COVID-19/2/1	4,789	1
COVID-19/2/2	2,980,938	50
DEG/SME	399,688	20
EBRD/SMEC/Green	663,837	13
EBRD/WIB	436,665	47
EIB/APEX	6,915,832	150
FINSCA/MSE	13,347	2
FMO/MSME/Green	779,584	21
FMO/MSME/Retail	848,400	49
GAF/ KIW /ENERGY	708,769	193
GAF/ KIW/ AGRO	1,620,607	107
GAF/KIW/SME	20,473,013	1,786
GAF/ KIW /CONSUMERENERGY	1,398,853	59
GAF/KIW/SME/ENERGY	1,790,158	1
GLS AI MFF/ME	-	-
INCOFINCVBA/MSE	1,241,475	61
Proparco/SME/Green	10,374,286	555
PRM/SCTTF	3,721	2
<b>Total</b>	<b>61,617,488</b>	<b>3,439</b>

THOUS. AMD

Loan Investments through International programs	31/12/2023	Quantity
ADB/MSME	5,261,287	80
ADB/TFP/IBA	54,393	2
ADB/WESSD	4,443,223	211
BS/SME3	1,817,062	67
COVID-14	51	1
COVID-19/1/3	125,460	1
COVID-19/2/1	5,634	1
COVID-19/2/2	3,010,599	51
DEG/SME	435,152	20
EBRD/SMEC/Green	596,637	10
EBRD/WiB	525,622	70
EIB/APEX	7,686,097	157
FINSCA/MSE	14,696	2
FMO/MSME/Green	817,357	23
FMO/MSME/Retail	1,061,514	51
GAF/ KIW /SME	21,169,473	1,736
GAF/ KIW /ENERGY	743,689	204
GAF/ KIW /SME/ENERGY	1,719,772	44
GAF/ KIW/ AGRO	1,608,505	101
INCOFIN/CBA/MSE	1,362,471	74
Proparco/SME/Green	9,110,469	402
PRM/SCTTF	4,132	2
<b>Total</b>	<b>63,054,728</b>	<b>5,604</b>

Gaps of extended loans and advances calculated at amortized value per lending sectors (without taking into consideration the reserves for possible loan losses)	31/03/2024	Percentage	31/12/2023	Percentage
Industry	16,997,176	5.53	18,175,519	6.12
Agriculture	31,642,457	10.30	30,995,674	10.44
Construction	42,062,270	13.69	38,477,381	12.95
Transportation and communication	1,643,795	0.53	1,673,197	0.56
Commerce	47,398,453	15.43	47,630,296	16.04
Consumer	73,851,451	24.03	66,930,820	22.53
Mortgage loans	46,411,550	15.10	45,990,151	15.48
Service	16,224,904	5.28	16,224,018	5.46
Other	31,047,506	10.10	30,922,774	10.41
<b>Total</b>	<b>307,279,562</b>	<b>100</b>	<b>297,019,630</b>	<b>100</b>

Breakdown of loan portfolio per customer residency	31/03/2024	Percentage	31/12/2023	Percentage
RA residents	298,976,125	99.21	289,455,743	99.33
Residents of countries with Baa33 and higher ratings including Norway			22,459	0.01
France			22,459	0.01
Residents of countries with Baa33 and lower ratings or no rating at all	28,932		40,683	
-Russia	28,932		40,683	
Accrued interest	2,350,549	0.78	1,880,183	0.65
<b>Total</b>	<b>301,355,606</b>	<b>100</b>	<b>291,398,068</b>	<b>100</b>

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



31/03/2024

The structure of customers' loans and borrowings calculated at amortized value per classification stages /IFRS 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	Depreciation reserve	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve
Corporate loans	149,440,911	4,378,477	204,078	157,149		
Loans to individuals and private entrepreneurs	156,025,793	738,430	1,218,406	431,743	390,374	218,157
<b>Total</b>	<b>305,466,704</b>	<b>5,116,907</b>	<b>1,422,484</b>	<b>588,892</b>	<b>390,374</b>	<b>218,157</b>

31/12/2023

Depreciation reserve gaps of loans and advances to customers calculated at amortized value per stages of regression model	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	146,721,590	3,843,917	149,504	46,497	11,658	6,584
Loans to individuals and private entrepreneurs	147,452,917	866,867	2,295,369	579,037	388,792	277,860
<b>Total</b>	<b>294,174,507</b>	<b>4,710,784</b>	<b>2,444,873</b>	<b>625,534</b>	<b>400,450</b>	<b>284,444</b>

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

31/03/2024

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
<b>Consumer</b>				
Non-overdue	73,491,318	974,467	72,516,851	1.33%
Overdue				
1-30 days	112,065	31,684	80,381	28.27%
31- 60 days	87,349	37,724	49,625	43.19%
61- 90 days	71,017	29,460	41,557	41.48%
91-180 days	49,091	34,022	15,069	69.30%
180 and more	40611	28,134	12,477	69.28%
<b>Total</b>	<b>73,851,451</b>	<b>1,135,491</b>	<b>72,715,960</b>	<b>1.54%</b>
<b>Trade</b>				
Non-overdue	47,349,245	412,565	46,936,680	0.87%
Overdue			0	
1-30 days	40,708	364	40,344	0.89%
31- 60 days	491	270	221	54.99%
61- 90 days	127	70	57	55.12%
91-180 days	7,882	6,490	1,392	82.34%
180 and more				
<b>Total</b>	<b>47,398,453</b>	<b>419,759</b>	<b>46,978,694</b>	<b>0.89%</b>
<b>Production</b>				
Non-overdue	16,993,405	113,488	16,879,917	0.67%
Overdue				
1-30 days			0	
31- 60 days	3,771	2,072	1,699	54.95%
61- 90 days				
91-180 days				
180 and more			0	
<b>Total</b>	<b>16,997,176</b>	<b>115,560</b>	<b>16,881,616</b>	<b>0.68%</b>
<b>Construction</b>				
Non-overdue	42,061,556	634,470	41,427,086	1.51%
Overdue				
1-30 days				
31- 60 days	714	392	322	54.90%
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>42,062,270</b>	<b>634,862</b>	<b>41,427,408</b>	<b>1.51%</b>
<b>Mortgage</b>				
Non-overdue	46,339,018	38,881	46,300,137	0.08%
Overdue				
1-30 days	34,263	17	34,246	0.05%
31- 60 days			0	
61- 90 days	38,269	170	38,099	0.44%
91-180 days				
180 and more				
<b>Total</b>	<b>46,411,550</b>	<b>39,068</b>	<b>46,372,482</b>	<b>0.08%</b>
<b>Agriculture</b>				
Non-overdue	31,612,318	3,179,694	28,432,624	10.06%
Overdue				
1-30 days	23,212	5,280	17,932	22.75%
31- 60 days	2,155	928	1,227	43.06%
61- 90 days	611	292	319	47.79%
91-180 days	2,087	1,004	1,083	48.11%
180 and more	2,074	997	1,077	48.07%
<b>Total</b>	<b>31,642,457</b>	<b>3,188,195</b>	<b>28,454,262</b>	<b>10.08%</b>
<b>Other fields</b>				
Non-overdue	48,857,395	341,842	48,515,553	0.70%
Overdue				
1-30 days				
31- 60 days				
61- 90 days	58,810	49,179	9,631	83.62%
91-180 days				
180 and more				
<b>Total</b>	<b>48,916,205</b>	<b>391,021</b>	<b>48,525,184</b>	<b>0.80%</b>
<b>TOTAL</b>	<b>307,279,562</b>	<b>5,923,956</b>	<b>301,355,606</b>	<b>1.93%</b>

31/12/2023

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
<b>Consumer</b>				
Non-overdue	66,579,673	1,060,867	65,518,806	1.59%
Overdue				
1-30 days	132,420	21,827	110,593	16.48%
31- 60 days	40,883	12,682	28,201	31.02%
61- 90 days	55,724	14,377	41,347	25.80%
91-180 days	89,686	64,515	25,171	71.93%
180 and more	32,435	23,545	8,890	72.59%
<b>Total</b>	<b>66,930,821</b>	<b>1,197,813</b>	<b>65,733,008</b>	<b>1.79%</b>
<b>Trade</b>				
Non-overdue	47,297,169	280,708	47,016,461	0.59%
Overdue				
1-30 days	300,186	86,925	213,261	28.96%
31- 60 days				
61- 90 days	24,953	11,606	13,347	
91-180 days	7,987	6,783	1,204	84.93%
180 and more				
<b>Total</b>	<b>47,630,295</b>	<b>386,022</b>	<b>47,244,273</b>	<b>0.81%</b>
<b>Production</b>				
Non-overdue	18,171,218	2,918	18,168,300	0.02%
Overdue				
1-30 days			0	
31- 60 days				
61- 90 days	4,300	26	4,274	0.60%
91-180 days			0	
180 and more			0	
<b>Total</b>	<b>18,175,518</b>	<b>2,944</b>	<b>18,172,574</b>	<b>0.02%</b>
<b>Construction</b>				
Non-overdue	38,465,688	378,884	38,086,804	0.98%
Overdue				
1-30 days	11,693	1	11,692	
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>38,477,381</b>	<b>378,885</b>	<b>38,098,496</b>	<b>0.98%</b>
<b>Mortgage</b>				
Non-overdue	45,990,151	257,280	45,732,871	0.56%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>45,990,151</b>	<b>257,280</b>	<b>45,732,871</b>	<b>0.56%</b>
<b>Agriculture</b>				
Non-overdue	30,954,647	3,259,668	27,694,979	10.53%
Overdue				
1-30 days	21,090	4,031	17,059	19.11%
31- 60 days	3,987	933	3,054	23.40%
61- 90 days	4,073	953	3,120	23.40%
91-180 days	11,180	6,314	4,866	56.48%
180 and more	697	393	304	56.38%
<b>Total</b>	<b>30,995,674</b>	<b>3,272,292</b>	<b>27,723,382</b>	<b>10.56%</b>
<b>Other fields</b>				
Non-overdue	48,818,772	125,526	48,693,246	0.26%
Overdue				
1-30 days	1,218	0	1,218	0.01%
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>48,819,990</b>	<b>125,526</b>	<b>48,694,464</b>	<b>0.26%</b>
<b>TOTAL</b>	<b>297,019,830</b>	<b>5,620,762</b>	<b>291,399,068</b>	<b>1.89%</b>

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


	Thous. AMD	
	31/03/2024	31/12/2023
<b>Government securities</b>		
RA Governmental T-bills	7,381,845	14,863,645
<b>Total</b>	<b>7,381,845</b>	<b>14,863,645</b>

	Thous. AMD			
	31/03/2024		31/12/2023	
	listed	unlisted	listed	unlisted
<b>RA non-state securities</b>				
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Long term debt instruments				
Short term debt instruments				
Capital instruments	200,000	105,755		105,755
<b>Total non-state securities of RA</b>	<b>200,000</b>	<b>105,755</b>		<b>105,755</b>
Investments in RA non-governmental securities (reserve for possible losses)				
<b>Net Investments in RA non-governmental securities</b>	<b>200,000</b>	<b>105,755</b>		<b>105,755</b>

	Thous. AMD			
	31/03/2024		31/12/2023	
	listed	unlisted	listed	unlisted
<b>RA non-state securities</b>				
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Capital instruments		6,502		6,502
<b>Total non-state securities of RA</b>		<b>6,502</b>		<b>6,502</b>
<b>Financial assets rated at fair value through other comprehensive financial assets</b>	<b>7,581,845</b>	<b>112,257</b>	<b>14,863,645</b>	<b>112,257</b>

**Investments in share capital of other entities as of 31.03.2024**

	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	6,502	-
"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
YES EM CJSC	Provision of electronic services	ՀՀ	19/03/2024	200,000	8.33
<b>Total</b>				<b>312,257</b>	

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	
	31/03/2024	31/12/2023
<b>Assets</b>		
<b>Total pledged securities</b>	52,639,010	36,882,318
including:		
Financial assets at amortized cost	5,049,736	6,938,430
Other financial assets rated at amortized value	47,589,274	29,943,888
Reserve for Financial assets at amortized cost	(354,064)	(227,287)
<b>Total</b>	<b>52,284,946</b>	<b>36,655,031</b>

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


	Thous. AMD	
	31/03/2024	31/12/2023
Government securities rated at amortized value	10,069,876	8,488,229
Accumulated interest	277,350	146,304
Reserve of financial assets calculated at amortized value	(76,983)	(64,227)
<b>Total</b>	<b>10,270,243</b>	<b>8,570,306</b>

**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
<b>Balance of the fixed assets at the end of previous period 31/12/2023</b>	<b>12,637,123</b>	<b>4,430,805</b>	<b>1,267,450</b>	<b>2,616,039</b>	<b>59</b>	<b>5,167,177</b>	<b>26,118,653</b>
Increase		458,835		38,319	13,019	637,008	1,147,181
Disposal							-
Written-off		(79,969)		(104,306)	(59)		(184,334)
Reclassification	13,019				(13,019)		-
Revaluation *							-
Disposal (revaluation*)							-
Written-off of amortization							-
Written-off of amortization (from revaluation )							-
<b>Balance of fixed assets at the end of accounting period 31/03/2024</b>	<b>12,650,142</b>	<b>4,809,671</b>	<b>1,267,450</b>	<b>2,550,052</b>		<b>5,804,185</b>	<b>27,081,500</b>
<b>Balance of accumulated amortization at the end of the previous period 31/12/2023</b>	<b>277,981</b>	<b>3,177,882</b>	<b>448,226</b>	<b>1,655,929</b>		<b>3,291,620</b>	<b>8,851,638</b>
Increase	96,333	106,489	36,598	54,369		238,741	532,530
Disposal							-
Reclassification							-
Depreciation							-
Written-off of amortization		(78,516)		(101,498)			(180,014)
Written-off of amortization (from revaluation )							-
<b>Balance of accumulated amortization at the end of the accounting period 31/03/2024</b>	<b>374,314</b>	<b>3,205,855</b>	<b>484,824</b>	<b>1,608,800</b>	<b>-</b>	<b>3,530,361</b>	<b>9,204,154</b>
<b>Net balance sheet value</b>							
<b>At the end of the accounting period</b>	<b>12,275,828</b>	<b>1,603,816</b>	<b>782,626</b>	<b>941,252</b>	<b>-</b>	<b>2,273,824</b>	<b>17,877,346</b>
<b>At the end of the previous accounting period</b>	<b>12,359,142</b>	<b>1,252,923</b>	<b>819,224</b>	<b>960,110</b>	<b>59</b>	<b>1,875,557</b>	<b>17,267,015</b>

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**

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<b>Item</b>	<b>Software programs</b>	<b>License and warranties</b>	<b>Intellectual property rights</b>	<b>Other Intangible Assets</b>	<b>Total</b>
<b>Initial value</b>					
<b>Balance of intangible assets at the end of the previous period 31/12/2023</b>	<b>1,090,373</b>	<b>800,056</b>	<b>206</b>	<b>32,981</b>	<b>1,923,616</b>
Increase	40,003	24,644			<b>64,647</b>
Written-off		(43,481)			<b>(43,481)</b>
Disposal					-
<b>Balance of intangible assets at the end of the accounting period 31/03/2024</b>	<b>1,130,376</b>	<b>781,219</b>	<b>206</b>	<b>32,981</b>	<b>1,944,782</b>
<b>Intangible balance of accumulated amortization at the end of previous period 31/12/2023</b>	<b>315,141</b>	<b>526,696</b>	<b>129</b>	<b>27,467</b>	<b>869,433</b>
Increase	30,680	23,769	4	538	<b>54,991</b>
Disposal					-
Written-off		(43,481)			
Reclassification					-
<b>Balance of accumulated amortization at the end of accounting period 31/03/2024</b>	<b>345,821</b>	<b>506,984</b>	<b>133</b>	<b>28,005</b>	<b>880,943</b>
<b>Net balance sheet value</b>					
<b>At the end of the accounting period</b>	<b>784,555</b>	<b>274,235</b>	<b>73</b>	<b>4,976</b>	<b>1,063,839</b>
<b>At the end of the previous accounting period</b>	<b>775,232</b>	<b>273,360</b>	<b>77</b>	<b>5,514</b>	<b>1,054,183</b>

As of 31.03.2024 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"**

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<b>Amounts receivable from bank operations</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
Amounts receivable from other operations	180,856	72,227
<b>Total</b>	<b>180,856</b>	<b>72,227</b>
Reserve for possible loss provision from bank operations (note 7)	(1,876)	(761)
<b>Net amounts receivable from bank operations</b>	<b>178,980</b>	<b>71,466</b>
<b>Debtor liabilities and prepayments</b>		
Debtor liabilities on the budget	318,714	254,681
Prepayments to employees	2,262	62
Prepayments to suppliers	240,797	197,002
Prepayments on the budget and mandatory social insurance payments	40,808	45,417
Other debtor liabilities and prepayments	28,025	31,308
<b>Total</b>	<b>630,606</b>	<b>528,470</b>
Reserve for possible loss provision on other assets (note 7)	(6,308)	(5,285)
<b>Total</b>	<b>624,298</b>	<b>523,185</b>
Reserve	513,739	493,357
Future period expenses	186,822	197,340
Other assets	34,819	359,382
Reserve for possible loss provision on other assets (note 7)	(2,219)	(5,568)
<b>Total</b>	<b>733,162</b>	<b>1,044,511</b>
<b>Total other assets</b>	<b>1,536,440</b>	<b>1,639,162</b>

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

Thous. AMD

<b>Current accounts</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
RA Banks	15,034	16,874
Banks having BBB(Baa3) and higher rating		
Banks having rating lower than BBB(Baa3) or no rating at all	34,544	38,049
Accrued interest		
<b>Total</b>	<b>49,578</b>	<b>54,923</b>
<b>Interbank loans and deposits, other</b>		
Other		
<b>RA banks</b>		
Loans and deposits	4,086,594	6,263,124
Other		
<b>Banks having BBB(Baa3) and higher rating</b>		
Loans and deposits	635,688	
Other		
<b>Banks having rating lower than BBB(Baa3) or no rating at all</b>		
Loans and deposits	454,668	1,124,938
Other	19,666	1,666
Accrued interest	71,517	59,029
<b>Total</b>	<b>5,268,133</b>	<b>7,448,757</b>
<b>Financial Institutions</b>		
Current accounts	5,327,296	6,505,202
Loans	25,632,467	25,426,195
Deposits	29,236,562	32,381,765
Other	171,712	204,731
Accrued interest	1,002,666	1,163,485
<b>Total</b>	<b>61,370,703</b>	<b>65,681,378</b>
<b>Total liabilities to banks and financial institutions</b>	<b>66,688,414</b>	<b>73,185,058</b>

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



Program	31/03/2024		31/12/2023	
	Loan amount	Accrued interest	Loan amount	Accrued interest
"Women Entrepreneurship Support and Development"	1,788,168	40,395	1,788,378	6,358
GAF/ RA SME lending project of European Investment	8,007,209	262,100	8,006,506	124,401
GAF /Micro and Small Business Development Project of	21,030,950	794,471	20,893,527	396,234
GAF "Renewable Energy Development" project	2,398,494	30,306	2,629,740	69,241
GAF "Access to finance for SMEs" project	1,813,560	48,212	1,719,343	18,023
RA "Agriculture support" project	1,692,615	38,864	1,494,078	12,306
<b>Total</b>	<b>36,730,996</b>	<b>1,214,348</b>	<b>36,531,572</b>	<b>628,563</b>

Note 22.3 REPO (repurchase) agreements



REPO (repurchase) agreements	31/03/2024	31/12/2023
REPO (repurchase) agreements with financial	49,196,952	34,127,375
<b>Total</b>	<b>49,196,952</b>	<b>34,127,375</b>

**Note 23: "Liabilities to Customers"**

	31/03/2024	31/12/2023
<b>RA resident corporate entities and institutions</b>		
Current accounts	54,843,328	55,069,476
Term deposits	20,771,078	18,657,714
Other	1,299,602	1,008,988
Accrued interest	1,065,156	950,062
<b>Total</b>	<b>77,979,164</b>	<b>75,686,240</b>
<b>Non-resident corporate entities, institutions</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
Current accounts	1,155,557	1,189,030
Deposits		
Other	2	2
Accrued interest	28	24
<b>Total</b>	<b>1,155,587</b>	<b>1,189,056</b>
<b>RA resident private entrepreneurs</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
Current accounts	1,961,251	2,137,599
Term deposit	38,606	38,668
Other	23,144	22,132
Accrued interest	662	736
<b>Total</b>	<b>2,023,663</b>	<b>2,199,135</b>
<b>RA resident individuals</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
Current accounts	26,862,971	33,005,229
Term deposits	66,137,907	64,409,517
Other	718,401	693,683
Accrued interest	1,482,884	1,460,792
<b>Total</b>	<b>95,202,163</b>	<b>99,569,221</b>
<b>Non- resident individuals</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
Current accounts	1,425,707	1,942,393
Term deposits	3,529,088	3,042,980
Other	19,896	18,182
Accrued interest	65,183	48,479
<b>Total</b>	<b>5,039,874</b>	<b>5,052,034</b>
<b>Total liabilities to customers</b>	<b>181,400,451</b>	<b>183,695,686</b>

As of 31.03.2024, the amount necessary to secure obligations was AMD 6.084.695 thousand dr, the amount frozen by court order and tax authorities was AMD 211.168 thousand.

**Note 23.1 : "Subordinate Borrowing"**

As of 31.03.2024 the Bank attract subordiante borrowing` AMD 8.602.592 thousand

**Note 24: "Securities issued by the Bank"**

	31/03/2024	31/12/2023
Interest securities issued by the Bank	11,152,121	11,295,283
<b>Total</b>	<b>11,152,121</b>	<b>11,295,283</b>

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

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Financial liability at fair value recalculated through profit/loss	31/03/2024	31/12/2023
Derivative instruments		
Swap		
Forward		
Other	50,677	13,477
<b>Total</b>	<b>50,677</b>	<b>13,477</b>

**Note 26: "Amounts Payable"**

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Amounts payable	31/03/2024	31/12/2023
Dividends	537,200	541,207
For insurance of deposit	61,575	59,878
<b>Total</b>	<b>598,775</b>	<b>601,085</b>

**Note 27: " Other Liabilities"**

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Other Liabilities	31/03/2024	31/12/2023
On income tax of non-resident	52,622	106,978
On VAT	4,490	3,823
On other taxes and penalties	158,137	260,109
Salary liabilities to employees	1,622,681	1,497,356
Credit debts to suppliers	162,344	125,811
Other liabilities	1,420,361	600,638
<b>Balance at the end of the period</b>	<b>3,420,635</b>	<b>2,594,715</b>

**Note 28: "Chartered capital"**

The Bank's registered and fully paid share capital totals AMD 29.539.335 thous., including 11.139.584 common shares with a nominal value of AMD 2080 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 Bank as of the end of the accounting period.

Name of the major shareholder	Participation amount	The size of participation in	Shareholders activity type (for
<b>Sukiasyan Saribek Albert</b>	5,884,264	25.40%	
<b>Sukiasyan Khachatur Albert</b>	3,138,533	13.55%	
<b>Sukiasyan Eduard Albert</b>	3,255,385	14.05%	

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

- a/ participate in the General Meeting of Shareholders of the Bank with the number of votes corresponding to the number and value of preference shares owned by them as prescribed by Law and the Bank's Charter.
- b/ receive quarterly payments (dividends),
- c/ receive any information concerning the Bank activities as prescribed by Law.
- d/ obtain its part of the Bank's property in case of the liquidation of the Bank

**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 31.12.2024 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 31.12.2024 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	
	31/03/2024	31/12/2023
Unutilized credit lines	1,841,533	941,322
Provided guarantees	15,188,358	14,126,256
Provided letters of credit		
Reserve on the mentioned items (note 7)	(42,312)	(19,270)

### 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.

<b>Loans and advances at amortized value to the Bank related parties</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
Bank shareholder	5,902,335	7,127,089
Bank management	451,006	433,611
Financial institutions		
<b>Total</b>	<b>6,353,341</b>	<b>7,560,700</b>
Interest income	153,605	736,674
<b>Facilities attracted from Bank related entities</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
Bank shareholder	7,798,063	10,320,884
Bank management	742,876	919,193
Financial institutions	267,151	259,260
<b>Total</b>	<b>8,808,090</b>	<b>11,499,337</b>
Interest expense	163,454	533,694
<b>Salary or Similar Payment to the Bank Management</b>	<b>31/03/2024</b>	<b>31/12/2023</b>
<b>Board</b>	<b>93,772</b>	<b>434,532</b>
Salary	93,772	407,282
Awarding	-	27,250
<b>Executive body</b>	<b>122,789</b>	<b>641,589</b>
Salary	122,789	469,089
Awarding	-	172,500
<b>Internal Audit</b>	<b>32,203</b>	<b>124,840</b>
Salary	32,203	114,265
Awarding	-	10,575
<b>Total</b>	<b>248,764</b>	<b>1,200,961</b>

*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.

31/03/2024

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Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<b>Assets</b>					
Cash and balances with the CBA	57,576,695	179,516	675,861	499,964	58,932,037
Standard bank precious metal bullions and coins	449,851				449,851
Due from banks and other financial institutions	3,012,075	17,288	538,181	104,807	3,672,352
Reverse repurchase agreements	13,323,045				13,323,045
Financial assets at fair value recalculated through profit/loss	170				170
Customers' loans and advances rated at amortized value	301,326,988	28,618			301,355,606
Securities at fair value rated through other comprehensive	7,687,600		6,502		7,694,102
Securities pledged under repurchase agreement	52,284,946				52,284,946
Other financial assets carried at amortized cost	10,270,243				10,270,243
Other assets	178,630		351		178,981
<b>Total assets</b>	<b>446,110,243</b>	<b>225,423</b>	<b>1,220,896</b>	<b>604,771</b>	<b>448,161,333</b>

31/12/2023

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Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<b>Assets</b>					
Cash and balances with the CBA	69,943,262	1,018,761	501,794	105,500	71,569,317
Standard bank precious metal bullions and coins	396,358				396,358
Due from banks and other financial institutions	5,259,767	619	378,939	287,556	5,926,882
Reverse repurchase agreements	12,464,832				12,464,832
Customers' loans and advances rated at amortized value	291,335,671	40,938	22,459		291,399,068
Securities at fair value rated through other comprehensive	14,969,400		6,502		14,975,902
Securities pledged under repurchase agreement	36,655,031				36,655,031
Other financial assets carried at amortized cost	8,570,306				8,570,306
Other assets	71,097		373		71,470
<b>Total assets</b>	<b>439,666,512</b>	<b>1,060,318</b>	<b>910,067</b>	<b>393,056</b>	<b>442,029,953</b>

## Loans allocated in the territory of RA per RA regions:

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RA regions	31/03/2024	31/12/2023
Yerevan	185,665,918	178,899,461
Kotayk	32,044,303	31,801,851
Ararat	13,874,973	13,097,526
Lori	8,029,102	7,792,218
Gegharkunik	8,620,620	8,297,182
Shirak	9,484,118	9,120,467
Armavir	12,968,671	12,301,384
Syunik	7,322,292	7,209,344
Aragatsotn	9,101,451	9,022,663
Vayots Dzor	2,108,309	1,917,945
Tavush	1,849,876	1,827,788
Artsakh	10,285,973	10,111,239
<b>Total</b>	<b>301,355,606</b>	<b>291,399,068</b>

## 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 31.03.2024 did not exceed 4.40%. 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 available.

3) As of 31.03.2024, loan investments without reserves amounted to AMD 307.279.562 thous. As of 31.03.2024 volume of loans in the Stage 2, Stage 3 amounted to AMD 1.812.858 thous.

4) The provisioning of loan portfolio corresponds to the requirements of IFRS.

5) The volume of repo transactions in the I quarter of 2024 (excluding extensions) is 32.364.188 thousand AMD and 8,018,900 USD, but in the same period of the previous year was 17.506.578 thousand AMD and 9.802.127 USD. The volume of reverse repo transactions in the I quarter of 2024 is 373,465,048 thousand AMD, but in the same period of the previous year was 175,653,734 thousand AMD.

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,
2. Monitoring by phone calls.

**During the process of monitoring the specialists of the loan monitoring division gather information on the following issues:**

1. Information on the changes in the Borrower's market position (competitors, price fluctuations, realization, etc.)
2. 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.
3. Changes related to suppliers, consumer structure, and raw material prices.

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

5. 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.

6. 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.

7. 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 and security department.

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 a 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.

Accounting period	USD	GBP	EUR	CHF	KZT	AED	RUB	GEL	Gross VAR
2023 IQ	9,149.66	116.00	326.95	414.63	21.22	10.55	7,028.14	232.95	12,968.07
2024 IQ	8,192.94	241.29	321.89	431.54	21.55	241.58	1,915.47	269.66	9,269.09
increase/decrease	-956.72	125.30	-5.05	16.91	0.33	231.03	-5,112.67	36.71	-3,698.98

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

31/03/2024							Thous.AMD
	AMD	USD	EUR	RUB	Other currency	Total	
Cash and their equivalents	25,119,864	25,351,359	6,834,981	1,455,169	170,864	58,932,037	
Bank standardized bullions of precious metals and coins	443				449,408	449,851	
Receivables to banks and other financial institutions	2,290,375	1,180,785	179,116	22,076		3,672,352	
Reverse Repurchase Agreements	11,413,876	1,909,169	-			13,323,045	
Financial instruments at fair value through profit or loss	232,745,437	62,775,796	5,799,301	35,072		301,365,606	
Loans and advances to customers calculated at amortized value		170				170	
Financial assets at fair value rated through other comprehensive financial results	7,296,412	397,690				7,694,102	
Securities pledged under repurchase agreements	52,284,946					52,284,946	
Other financial assets calculated at amortized value	8,377,689	1,892,554				10,270,243	
Other assets	169,953	5,726	2,835	467		178,981	
<b>Total assets</b>	<b>339,698,795</b>	<b>93,513,249</b>	<b>12,816,233</b>	<b>1,512,784</b>	<b>620,272</b>	<b>448,161,332</b>	
<b>Liabilities</b>							
Liabilities to the banks and other financial institutions	56,300,834	7,663,826	2,712,557	11,197		66,688,414	
Loans and deposits from international financial institutions	5,348,915	35,519,755	1,073,552			41,942,222	
Loans from the CBA and RA	37,945,346					37,945,346	
REPO agreements	49,196,952					49,196,952	
Liabilities to Customers	130,027,005	42,880,470	6,595,082	1,870,606	27,288	181,400,451	
Subordinate borrowing	3,038,264	3,001,678	2,562,650			8,602,592	
Liabilities on current taxes	1,356,688					1,356,688	
Securities issued by the Bank	4,143,938	7,008,183				11,152,121	
Financial liabilities at fair value recalculated through profit/loss	40,380	10,297				50,677	
Amount payable	598,775					598,775	
Deferred tax liabilities	1,161,144					1,161,144	
Lease liabilities	1,838,342					1,838,342	
Other liabilities	3,321,412	86,847	4,601	6,731	1,044	3,420,635	
<b>Total liabilities</b>	<b>294,317,995</b>	<b>96,171,056</b>	<b>12,948,442</b>	<b>1,888,534</b>	<b>28,332</b>	<b>405,354,359</b>	
<b>Balance-sheet open position</b>	<b>45,380,800</b>	<b>(2,657,807)</b>	<b>(132,209)</b>	<b>(375,750)</b>	<b>591,940</b>	<b>42,806,973</b>	
Financial liabilities at fair value recalculated through profit/loss						-	
<b>Aggregately payable currency derivatives</b>		<b>(102,795)</b>		<b>510,908</b>	<b>(448,499)</b>	<b>(40,380)</b>	
<b>Net position</b>	<b>45,380,800</b>	<b>(2,760,603)</b>	<b>(132,209)</b>	<b>135,158</b>	<b>143,448</b>	<b>42,766,593</b>	

31/12/2023							Thous.AMD
	AMD	USD	EUR	RUB	Other currency	Total	
Cash and their equivalents	26,263,263	38,122,479	3,825,755	3,209,447	148,373	71,569,317	
Bank standardized bullions of precious metals and coins	443				395,915	396,358	
Receivables to banks and other financial institutions	4,222,069	1,346,125	335,043	23,646		5,926,882	
Reverse Repurchase Agreements	10,501,782	1,963,050	-			12,464,832	
Financial instruments at fair value through profit or loss	788					788	
Loans and advances to customers calculated at amortized value	220,664,027	64,450,278	6,270,543	14,221		291,399,069	
Financial assets at fair value rated through other comprehensive financial results	14,557,637	418,265				14,975,902	
Securities pledged under repurchase agreements	36,655,031					36,655,031	
Other financial assets calculated at amortized value	8,570,306					8,570,306	
Other assets	51,523	5,194	14,440	313		71,470	
<b>Total assets</b>	<b>321,486,869</b>	<b>106,305,391</b>	<b>10,445,781</b>	<b>3,247,627</b>	<b>544,288</b>	<b>442,029,955</b>	
<b>Liabilities</b>							
Liabilities to the banks and other financial institutions	62,509,470	7,848,873	2,822,951	3,764		73,185,058	
Loans and deposits from international financial institutions	5,873,678	41,337,854	1,123,843			48,335,375	
Loans from the CBA and RA	37,158,136					37,158,136	
REPO agreements	34,127,375					34,127,375	
Liabilities to Customers	128,477,056	47,734,614	5,115,687	2,336,300	32,029	183,695,686	
Subordinate borrowing	3,037,190	5,742,721	899,583			9,679,494	
Liabilities on current taxes	1,119,763					1,119,763	
Securities issued by the Bank	4,121,014	7,174,269				11,295,283	
Financial liabilities at fair value recalculated through profit/loss	13,477					13,477	
Amount payable	601,085					601,085	
Deferred tax liabilities	1,185,308					1,185,308	
Lease liabilities	1,426,082					1,426,082	
Other liabilities	2,487,635	92,462	7,430	6,165	1,023	2,594,715	
<b>Total liabilities</b>	<b>282,137,269</b>	<b>109,930,793</b>	<b>9,969,494</b>	<b>2,348,229</b>	<b>33,052</b>	<b>404,416,837</b>	
<b>Balance-sheet open position</b>	<b>39,349,600</b>	<b>(3,625,403)</b>	<b>476,287</b>	<b>901,398</b>	<b>511,236</b>	<b>37,613,118</b>	
Financial liabilities at fair value recalculated through profit/loss						-	
<b>Aggregately payable currency derivatives</b>		<b>810,816</b>	<b>(492,690)</b>	<b>67,968</b>	<b>(398,784)</b>	<b>(12,689)</b>	
<b>Net position</b>	<b>39,349,600</b>	<b>(2,814,586)</b>	<b>(16,403)</b>	<b>969,366</b>	<b>112,453</b>	<b>37,600,429</b>	

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

\*\*II group foreign currency" comprises: RUR, 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 I quarter of 2024 (accumulated gap of the sensitive assets and liabilities against the interest rate) is positive forming AMD 31,192,352 thousand against AMD 27,691,220 thousand in the same period of the previous year by increasing in absolute value by AMD 3,501,132 or 12.6%, that is in average, the Bank was sensitive to assets in the I quarter of 2024. In the I quarter of 2024, the average accumulated disbalance has decreased in absolute value by AMD 107.922 thousand AMD or by 0.3% against the previous quarter.

The average correlation ratio of sensitive assets and liabilities to interest rate changes for the I quarter of 2024 has increased by 0.4 percentage point, forming 109.1% against 109.4% average value of the I quarter of 2023, that is in IV quarter of 2023 the assets sensitive to interest rate changes have formed 109.4% of the sensitive liabilities to interest rate changes.

The duration of assets as at the end of I quarter of 2024 was 1.866 year (against the 1.818 year as of the I quarter of 2023) as it increased by 0.049 year or by 2.7% , as compared with the end of the previous quarter (1.779 year) the mentioned indicator has decreased by 0.087 year or 4.9%.

The duration of liabilities as of the end of the I quarter of 2024 was 0.904 year (against 0.976 year of the I quarter of 2023) increasing by 0.072 year or 7.4%. In correlation with the end of the previous quarter (0.978) the indicator has increased by 0.073 year or 7.5%.

The duration gap as of the end of the I quarter of 2024 was 1.076 (against 0.945 of the I quarter of 2023) decreasing by 0.131 or 13.9% . In correlation with the end of previous quarter (0.91) the indicator has increased by 0.166 or 18.2%.

### Assets and Liabilities with changing interest rates

31/03/2024

Thous.AMD

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	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-
Resources attracted												
Liabilities to banks and other financial institutions, including:												
Resources attracted												
Liabilities to banks and other financial institutions, including:												
- Loans			1,511,177	141,370	544,290	1,044,570	2,001,702	531,435	1,075,492	2,100,165		
<b>Total</b>			<b>1,511,177</b>	<b>141,370</b>	<b>544,290</b>	<b>1,044,570</b>	<b>2,001,702</b>	<b>531,435</b>	<b>1,075,492</b>	<b>2,100,165</b>		
<b>Net position</b>	-	-	(1,511,177)	(141,370)	(544,290)	(1,044,570)	(2,001,702)	(531,435)	(1,075,492)	(2,100,165)	-	-

31/12/2023

Thous.AMD

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												
<b>Total</b>												
Resources attracted												
Liabilities to banks and other financial												
-Loans			544,290	1,079,440	1,511,177	149,300	1,985,472	1,220,583	1,617,720	2,564,182		
Total	-	-	544,290	1,079,440	1,511,177	149,300	1,985,472	1,220,583	1,617,720	2,564,182	-	-
Net position	-	-	(544,290)	(1,079,440)	(1,511,177)	(149,300)	(1,985,472)	(1,220,583)	(1,617,720)	(2,564,182)	-	-

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: 31/03/2024		Interest rates of accounting period: 31/12/2023	
	AMD	Foreign currency	AMD	Foreign currency
<b>Assets</b>				
Balance at CBA				
Receivables to banks and other financial institutions, including:	12.75	9.50	13.24	9.50
- Interbank Loans				
-Interbank REPO				
Loans and advances provided to customers rated at amortized value	18.64	10.50	17.22	10.70
Financial instruments at fair value through profit or loss	9.36	5.48	10.07	2.93
<b>Liabilities</b>				
Liabilities to banks and other financial institutions	7.16	6.67	7.63	6.68
Liabilities to Customers	9.50	3.84	9.48	3.79
Securities issued by the Bank	11.33	5.15	11.32	5.15

### 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 1 quarter of 2024, instant liquidity, up to 90 days accumulative and general (up to one year accumulative) liquidity indicators have increased by 8.2, 21.4 and 25.4 percentage point respectively.

Accounting period										Thous. AMD	
Item	Non-performing		Repayment date		up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years	Termless	Total
	Term	Overdue	On -demand								
Cash and cash equivalents	-	-	59,932,016	21	-	-	-	-	-	-	<b>60,032,037</b>
Standardized precious metal bullions and coins	-	-	449,651	-	-	-	-	-	-	-	<b>449,651</b>
Receivables to banks and other financial institutions	-	-	-	1,943,481	59,230	253,905	39,227	-	1,376,509	-	<b>3,072,302</b>
Reverse Repurchase Agreements	-	-	-	13,323,045	-	-	-	-	-	-	<b>13,323,045</b>
Financial assets at fair value recalculated through profit/loss	-	-	-	170	-	-	-	-	-	-	<b>170</b>
Other financial assets calculated at amortized value	-	-	-	-	1,892,554	-	8,358,023	19,696	-	-	<b>10,270,243</b>
Loans and advances provided to customers rated at amortized value	1,739,054	53,548	-	25,146,005	17,566,460	29,317,948	138,980,973	88,551,620	-	-	<b>301,365,606</b>
Financial assets at fair value calculated through other comprehensive financial result	-	-	-	-	397,690	-	3,156,573	3,827,582	312,257	-	<b>7,894,102</b>
Securities pledged under repurchase agreements	-	-	-	52,284,946	-	-	-	-	-	-	<b>52,284,946</b>
Other receivables	456	-	-	178,525	-	-	-	-	-	-	<b>178,981</b>
<b>Total</b>	<b>1,739,510</b>	<b>53,648</b>	<b>69,361,667</b>	<b>82,676,195</b>	<b>19,015,934</b>	<b>29,571,853</b>	<b>150,634,796</b>	<b>92,398,898</b>	<b>1,886,768</b>	<b>-</b>	<b>446,161,333</b>
including:											
I group foreign currency	309,580	3,431	32,965,236	5,989,042	3,629,578	7,231,757	36,722,644	17,807,693	204,009	-	<b>104,890,970</b>
II group foreign currency	-	-	1,882,168	12,747	-	3,091	5,856	20,599	-	-	<b>1,894,464</b>
including:											
By floating interest rate	1,691,683	41,320	-	86,323,931	19,915,934	29,571,853	150,534,796	92,398,898	-	-	<b>380,467,295</b>
Non-interest	58,979	12,385	69,381,667	6,553,252	-	-	-	-	1,688,768	-	<b>67,664,699</b>
<b>On maturity of liabilities repayment</b>											
Liabilities to banks and other financial institutions	-	-	5,571,826	10,154,844	4,410,158	9,947,573	23,801,226	12,802,886	-	-	<b>66,886,419</b>
Loans and deposits from international financial institutions	-	-	-	4,407,581	4,426,069	-	10,350,816	22,757,767	-	-	<b>41,842,223</b>
Loans from the RA Government and CBA	-	-	-	4,841,938	4,897,020	-	4,269,979	1,741,031	-	-	<b>17,849,958</b>
Repurchase Agreements	-	-	-	49,198,951	-	-	-	-	-	-	<b>49,198,951</b>
Liabilities to customers	-	-	80,083,132	23,950,177	21,980,182	34,884,968	19,825,955	576,037	-	-	<b>181,400,461</b>
Subordinate borrowings	-	-	-	707,348	-	-	2,350,408	-	-	-	<b>3,057,756</b>
Securities issued by the Bank	-	-	-	234,063	54,294	-	10,963,764	-	-	-	<b>11,162,121</b>
Lease liabilities	-	-	-	49,069	212,274	-	1,201,080	335,885	-	-	<b>1,838,341</b>
Liabilities on current taxes	-	-	-	1,356,888	-	-	-	-	-	-	<b>1,356,888</b>
Financial liabilities at fair value rated through profit/loss	-	-	-	-	-	-	-	-	-	-	<b>-</b>
Deferred tax liabilities	-	-	-	1,161,144	-	-	-	-	-	-	<b>1,161,144</b>
Amounts payable	-	-	314,896	283,879	179	-	-	-	-	-	<b>608,775</b>
Other liabilities	-	-	3,093,424	316,010	179	11,022	-	-	-	-	<b>3,420,636</b>
Off-balance sheet contingent liabilities	-	-	-	3,701,974	1,757,757	3,255,415	6,086,396	406,815	-	-	<b>16,186,367</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>80,083,276</b>	<b>100,362,380</b>	<b>33,374,738</b>	<b>63,032,047</b>	<b>113,282,002</b>	<b>21,407,492</b>	<b>-</b>	<b>-</b>	<b>420,492,037</b>
including:											
I group foreign currency	-	-	16,881,369	15,063,518	12,636,266	21,735,818	39,731,301	3,103,411	-	-	<b>109,141,716</b>
II group foreign currency	-	-	616,285	666,094	318,899	334,299	49,892	-	-	-	<b>1,666,470</b>
including:											
Major Liabilities	-	-	-	66,847,572	465,601	509,832	28,604,664	7,188,853	-	-	<b>103,616,822</b>
By floating interest rate	-	-	-	1,652,547	1,588,860	2,533,137	3,175,656	-	-	-	<b>8,950,200</b>
By fixed interest rate	-	-	41,172,606	44,258,747	29,366,967	56,245,627	100,601,426	20,664,721	-	-	<b>324,068,286</b>
Non-interest	-	-	11,668,172	11,660,891	4,239,891	4,233,443	9,484,917	742,771	-	-	<b>70,902,272</b>
<b>Net liquidity gap</b>	<b>1,739,510</b>	<b>53,648</b>	<b>(29,681,611)</b>	<b>(7,476,187)</b>	<b>(13,458,804)</b>	<b>(33,480,194)</b>	<b>37,272,794</b>	<b>70,891,376</b>	<b>1,886,768</b>	<b>-</b>	<b>27,695,296</b>
including:											
I group foreign currency	309,680	3,431	16,111,687	(9,008,476)	(9,008,891)	(14,804,081)	(3,008,687)	14,704,282	204,000	-	<b>(4,280,746)</b>
II group foreign currency	-	-	1,665,601	(945,367)	(315,798)	(58,819)	(46,963)	-	-	-	<b>(720,361)</b>
Floating interest rate	-	-	-	(1,652,547)	(1,658,860)	(2,633,137)	(3,175,656)	-	-	-	<b>(8,950,200)</b>
Fixed interest rate	1,691,683	41,320	(41,172,606)	(776,424)	(8,840,053)	(28,673,814)	49,833,387	71,734,147	-	-	<b>45,827,720</b>
<b>Accumulative liquidity gap</b>	<b>1,739,510</b>	<b>1,793,058</b>	<b>(27,886,456)</b>	<b>(35,364,642)</b>	<b>(48,823,448)</b>	<b>(82,283,648)</b>	<b>(45,010,848)</b>	<b>25,980,630</b>	<b>27,695,296</b>	<b>-</b>	<b>-</b>

Previous accounting period										Thous. AMD	
Item	Non-performing		Repayment date in		up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years	Termless	Total
	Term	Overdue	On -demand								
Cash and cash equivalents	-	-	71,569,317	-	-	-	-	-	-	-	<b>71,569,317</b>
Standardized precious metal bullions and coins	-	-	396,358	-	-	-	-	-	-	-	<b>396,358</b>
Receivables to banks and other financial institutions	-	-	-	3,619,193	-	-	-	19,159	2,288,530	-	<b>5,926,882</b>
Reverse Repurchase Agreements	-	-	-	12,464,832	-	-	-	-	-	-	<b>12,464,832</b>
Financial assets at fair value recalculated through profit/loss	-	-	-	788	-	-	-	-	-	-	<b>788</b>
Other financial assets calculated at amortized value	-	-	-	-	-	-	3,819,559	4,750,747	-	-	<b>8,670,306</b>
Loans and advances provided to customers rated at amortized value	1,600,526	54,032	-	20,541,868	16,709,021	28,525,597	135,997,365	87,970,659	-	-	<b>291,399,098</b>
Financial assets at fair value calculated through other comprehensive financial result	-	-	-	418,265	2,719,017	-	5,751,250	5,975,104	112,257	-	<b>14,875,902</b>
Securities pledged under repurchase agreements	-	-	-	36,655,031	-	-	-	-	-	-	<b>36,655,031</b>
Other receivables	12,054	-	-	58,922	27	467	-	-	-	-	<b>71,470</b>
<b>Total</b>	<b>1,612,580</b>	<b>54,032</b>	<b>71,965,676</b>	<b>37,103,968</b>	<b>66,083,098</b>	<b>38,628,064</b>	<b>146,687,342</b>	<b>98,696,810</b>	<b>2,400,787</b>	<b>-</b>	<b>442,029,894</b>
including:											
I group foreign currency	308,553	1,578	42,568,138	6,997,986	3,118,217	6,132,182	38,807,901	19,289,797	171,242	-	<b>117,385,694</b>
II group foreign currency	68	-	3,286,209	25,205	1,419	2,837	8,657	-	-	-	<b>3,324,395</b>
including:											
By floating interest rate	-	-	-	-	-	-	-	-	-	-	<b>-</b>
By fixed interest rate	1,540,385	43,622	17,124	32,036,143	56,083,069	28,525,597	145,587,342	98,696,810	-	-	<b>362,629,792</b>
Non-interest	72,195	10,410	71,948,551	5,067,725	27	467	-	2,400,787	-	-	<b>79,800,162</b>
<b>On maturity of liabilities repayment</b>											
Liabilities to banks and other financial institutions	-	-	6,804,620	9,894,543	6,281,890	8,282,059	29,104,968	12,747,308	-	-	<b>73,195,098</b>
Loans and deposits from international financial institutions	-	-	-	5,917,402	4,083,791	8,881,666	29,123,356	338,658	-	-	<b>49,395,373</b>
Loans from the RA Government and CBA	-	-	-	300,669	4,207,945	4,430,002	26,234,338	1,985,182	-	-	<b>37,168,136</b>
Repurchase Agreements	-	-	-	34,127,374	-	-	-	-	-	-	<b>34,127,374</b>
Liabilities to customers	-	-	86,812,134	29,956,018	29,075,851	35,057,988	20,115,275	579,419	-	-	<b>188,695,686</b>
Subordinate borrowings	-	-	-	66,546	-	-	9,592,854	-	-	-	<b>9,659,400</b>
Securities issued by the Bank	-	-	-	122,508	106,403	-	11,066,371	-	-	-	<b>11,295,282</b>
Lease liabilities	-	-	-	1,426,082	-	-	-	-	-	-	<b>1,426,082</b>
Liabilities on current taxes	-	-	-	-	1,119,763	-	-	-	-	-	<b>1,119,763</b>
Financial liabilities at fair value rated through profit/loss	-	-	-	-	-	1,185,308	-	-	-	-	<b>1,185,308</b>
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	<b>-</b>
Amounts payable	-	-	316,460	284,625	1,447	7,890	485	-	-	-	<b>601,086</b>
Other liabilities	-	-	2,098,658	485,935	1,447	7,890	485	-	-	-	<b>2,694,716</b>
Off-balance sheet contingent liabilities	-	-	-	1,153,262	5,513,232	2,486,318	5,418,880	493,886	-	-	<b>15,087,678</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>86,132,082</b>	<b>74,728,059</b>	<b>41,890,112</b>	<b>60,431,631</b>	<b>121,083,678</b>	<b>26,727,807</b>	<b>-</b>	<b>-</b>	<b>419,299,106</b>
including:											
I group foreign currency	-	-	21,586,393	12,975,841	13,074,987	21,798,794	42,992,645	4,868,331	-	-	<b>117,286,901</b>
II group foreign currency	-	-	777,882	763,317	352,547	400,515	59,644	2,620,961	-	-	<b>4,894,866</b>
including:											
Major Liabilities	-	-	-	20,738,759	3,656,341	5,050,373	19,619,533	8,604,312	-	-	<b>67,890,819</b>
By floating interest rate	-	-	-	5,295,129	5,496,204	-	-	-	-	-	<b>10,791,334</b>
By fixed interest rate	-	-	39,751,240	64,619,430	33,203,168	58,663,231	120,843,391	25,727,373	-	-	<b>342,807,836</b>
Non-interest	-	-	56,380,812	4,611,509	2,692,740	1,768,300	220,283	134	-	-	<b>65,883,778</b>
<b>Net liquidity gap</b>	<b>1,612,580</b>	<b>54,032</b>	<b>(24,168,377)</b>	<b>(37,622,119)</b>	<b>(14,662,864)</b>	<b>(31,905,467)</b>	<b>24,623,686</b>	<b>72,989,008</b>	<b>2,400,787</b>	<b>-</b>	<b>23,730,846</b>
including:											
I group foreign currency	308,653	1,678	20,981,745	(6,877,865)	(9,995,770)	(16,698,612)	(4,164,744)	14,431,486	171,242	-	<b>108,803</b>
II group foreign currency	68	-	2,608,827	(758,112)	(381,128)	(387,879)	(60,867)	(2,620,861)	-	-	<b>(1,870,471)</b>
Floating interest rate	-	-	-	(6,285,120)	(6,484,204)	-	-	-	-	-	<b>(10,779,324)</b>
Fixed interest rate	1,540,385	43,622									

### 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:

	31/03/2024	31/12/2023
Chartered capital	29,539,335	28,132,240
Emission income/loss	4,517,781	2,265,076
Reserves:	10,681,545	10,332,023
Main reserve	3,952,000	3,952,000
Revaluation reserve	6,729,545	6,380,023
Undistributed profit/loss	24,205,187	22,343,082
<b>Total capital</b>	<b>68,943,848</b>	<b>63,072,421</b>

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						
<b>2024</b>	<b>Tier 1 core capital T</b>	<b>Tier 1 capital</b>	<b>Total capital</b>	<b>Credit risk</b>	<b>Market and operational risk</b>	<b>Equivalent effective %</b>	<b>CBA limit %</b>
	<b>1</b>	<b>2</b>	<b>3 (1+2)</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
January	42,724,524	49,093,524	61,942,162	353,644,266	3,524,509	16.06	12
February	43,995,974	50,364,974	64,448,724	353,932,134	3,441,060	16.73	12
March	48,312,117	54,681,117	66,477,238	358,796,886	3,153,980	17.16	12

<b>2023</b>	<b>Main capital</b>	<b>Additional capital</b>	<b>Total capital</b>	<b>Credit risk</b>	<b>Market and operational risk</b>	<b>Equivalent effective %</b>	<b>CBA limit %</b>
	<b>1</b>	<b>2</b>	<b>3 (1+2)</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
January	44,824,426	5,261,613	50,086,039	323,443,745	3,399,041	14.24	12
February	45,733,900	5,321,463	51,055,363	326,738,335	3,407,582	14.38	12
March	46,830,907	5,437,429	52,268,336	330,933,336	3,199,944	14.62	12
April	46,990,487	5,460,341	52,450,828	340,557,595	3,234,614	14.27	12
May	47,540,556	9,381,476	56,922,032	347,716,818	3,306,348	15.17	12
	<b>Tier 1 core capital T</b>	<b>Tier 1 capital</b>	<b>Total capital</b>	<b>Credit risk</b>	<b>Market and operational risk</b>	<b>Equivalent effective %</b>	<b>CBA limit %</b>
June	39,407,127	45,776,127	55,812,143	346,757,004	3,334,852	14.80	11.0
July	40,049,435	46,418,435	56,959,910	352,940,736	3,446,847	14.82	11.0
August	41,047,233	47,416,233	58,558,949	357,479,941	3,499,968	15.04	11.0
September	41,386,258	47,755,258	60,355,619	359,827,109	3,505,626	15.41	11.0
October	41,750,783	48,119,783	61,017,552	360,651,491	3,761,989	15.45	11.0
November	42,383,887	48,752,887	61,644,051	364,078,199	3,696,536	15.50	11.0
December	44,369,376	50,738,376	63,639,930	363,225,329	3,285,008	16.19	11.0

We hereby present the weight of risks of assts 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 Charter 2 approved by the Board of CBA.

As of 31/03/2024				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	
0%	118,256,184			-
10%	15,050,943			1,505,094
20%	816,894			163,379
30%	21,972			6,592
35%	68,486			23,970
50%	1,108,648			554,324
75%	71,235,048	159,110		53,545,619
100%	175,053,424	9,248,141	-	184,301,565
110%	362,907	28,026		430,026
150%	70,115,618	4,181,248	13,791	111,465,986
200%	849,988			1,699,976
<b>Total</b>	<b>452,940,112</b>	<b>13,616,525</b>	<b>13,791</b>	<b>353,696,530</b>

As of 31.12.2023				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	Total credit risk
0%	114,540,714			-
10%	12,271,839			1,227,184
20%	1,247,877			249,575
30%	50,569			15,171
35%	61,643			21,575
50%	944,771			472,386
75%	67,811,043	109,523		50,940,425
100%	169,392,593	9,584,767		178,977,360
110%	326,721	15,260		376,179
150%	73,398,000	4,157,090	19,545	116,361,953
200%	988,402			1,976,804
<b>Total</b>	<b>441,034,172</b>	<b>13,866,640</b>	<b>19,545</b>	<b>350,618,611</b>

## 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 31.03.2024 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 31.03.2024 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 31.03.2024 the Bank has no pledged assets.

## Note 38. "Accepted Pledge"

As of 31.03.2024. 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	31/03/2024		31/12/2023	
	Loan amount	Collateral amount	Loan amount	Collateral amount
Real estate	119,279,989	501,930,034	116,384,578	478,454,518
Car	2,703,670	7,480,829	2,580,196	7,591,069
Equipment	5,275,105	12,965,909	5,143,109	24,024,944
Ready made products	4,529,225	14,986,000	4,787,837	15,136,000
Guarantee	99,917,337	488,616,077	96,445,054	473,195,294
Monetary funds	1,238,982	5,589,295	692,105	7,130,885
Gold items	17,251,566	20,517,801	16,489,411	19,873,563
Standard golds	7,439	11,361	8,965	11,683
Governmental securities	1,262	11,500	1,419	11,500
Other securities	28,686	109,475	17,364	81,112
Other pledge	43,527,874	64,916,718	41,309,697	61,865,319
No collateral available	13,518,427	-	13,160,095	
<b>Total</b>	<b>307,279,562</b>	<b>1,117,134,999</b>	<b>297,019,830</b>	<b>1,087,375,887</b>

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

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

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan