

Accompanying notes to the consolidated financial statements as of 30.09.19

6. Net Interest And Similar Income

Interest And Similar Income	Current period	Previous period
Interest income from bank's current accounts, deposits and loans to banks and other financial institutions	243,142	206,366
Interest income from loans and advances to customers	23,961,329	19,560,148
Interest income from finance lease	1,149,161	1,014,749
Interest income from debt securities	1,103,995	841,454
Interest income from repurchase agreements	137,048	81,187
Income from factoring, creditline	1,541,722	1,794,083
Other interest income	110,321	45,570
Total	28,246,718	23,543,558

Interest And Similar Expense	Current period	Previous period
Interest expense on bank's current accounts, deposits and loans borrowed from banks and other financial institutions	5,433,877	3,727,675
Interest expense on term deposits and current accounts of customers	7,109,469	6,014,937
Interest expense on securities issued from bank	319,576	181,840
Interest expense on repurchase agreements	3,856	23,341
Other interest expense	272,516	213,728
Total	13,139,294	10,161,521

Net Interest And Similar Income	15,107,424	13,382,037
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7. Commission and Other Fee Income and Expense

Commission and Other Fee Income	Current period	Previous period
Cash withdrawal services	117,477	113,511
Settlement services	1,107,574	1,020,235
Guarantees and letters of credits, accreditation management operations fee	84,230	55,394
Finance lease payments	86,884	57,293
Plastic card maintenance	2,074,313	1,790,027
Profit/loss/ from translation of financial assets available for sale	0	0
Other commission fee	72,468	75,678
Total	3,542,946	3,112,139

Commission and Other Fee Expense	Current period	Previous period
Settlement operations / wire transfer fee	222,240	300,608
Cash withdrawal services	180,613	151,157
Plastic card maintenance	1,040,180	702,989
Other commission fee	26,608	22,968
Total	1,469,642	1,177,723

Received Net Commission and Other Fee	2,073,304	1,934,416
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8. Net Trading Income

	Current period	Previous period
Net income from trading in foreign currencies	1,128,002	997,069
Net income from revaluation of foreign currency	-1,051,065	-773,877
Net income from trading in investments at fair value through other comprehensive income, including:		
Net income from change of investments at fair value through other comprehensive income		
Net income from trading in investments at fair value through other comprehensive income	48,096	
Net income from change of investments at fair value through other comprehensive income	1,724,469	1,058,425
Net income from trading in standardized bullions of precious metals and coins		
Net income from revaluation of standardized bullions of precious metals and coins		
Total	1,849,502	1,281,617

8.1. Other Operating Income

	Current period	Previous period
Net income from alienation of property, plant, equipment and other intangible assets	-83,009	-12,798
Fines and penalties received	1,046,803	1,480,615
Income from revaluation of property, plant and equipment	0	0
Other income	207,648	126,989
Total	1,171,442	1,594,806

9. Impairment losses

According to IFRS 9	Group I
Amount at the beginning of the current period 01.01.19	76,264
Net provisions	-72,926
Return	
Written off	0
Amount at the end of the current period 30.09.19	3,338

Amounts Due From Banks and Financial Institutions

According to IFRS 9	Group I
Amount at the beginning of the current period 01.01.19	47,684
Net provisions	-12,095
Return	
Written off	0
Amount at the end of the current period 30.09.19	35,589

Loans and advances to customers

According to IFRS 9	Group I	Group II	Group III	Initially depreciated	Total
Amount at the beginning of the current period 01.01.19	566,746	73,809	6,831,934	79,303	7,551,792
New assets originated or purchased	934,871	-	-	-	934,871
Assets repaid	(90,485)	(10,186)	(3,176,119)	-	(3,276,789)
Transfer to Group I	3,335	(3,335)	-	-	-
Transfer to Group II	(43,553)	43,553	-	-	-
Transfer to Group III	(355,219)	(48,512)	403,731	-	(0)
Impact on period end ECL of exposures transferred between stages during the period	(1,699)	59,829	1,190,280	-	1,248,410
Unwinding of discount	-	-	113,030	-	113,030
Changes to models and inputs used for ECL calculations	190,520	6,425	2,872,589	6,153	3,075,687
Recoveries	0	-	2,234,569	-	2,234,570
Written off	-	-	(3,593,475)	-	(3,593,475)
Foreign exchange adjustments	(3,204)	(363)	(82,854)	-	(86,421)
Amount at the end of the current period 30.09.19	1,201,312	121,222	6,793,685	85,456	8,201,675

Finance lease

According to IFRS 9	Group I	Group II	Group III	Initially depreciated	Total
Amount at the beginning of the current period 01.01.19	10,670	3,904	72,707	-	87,281
New assets originated or purchased	26,260	-	-	-	26,260
Assets repaid	(932)	(143)	(347,580)	-	(348,656)
Transfer to Group I	236	(236)	-	-	-
Transfer to Group II	(465)	465	-	-	-
Transfer to Group III	(13,828)	(3,499)	17,326	-	-
Impact on period end ECL of exposures transferred between stages during the period	(205)	175	78,958	-	78,928
Changes to models and inputs used for ECL calculations	8,506	68	140	0	8,715
Recoveries	0	0	314,620	0	314,620
Written off	0	0	-7,365	0	(7,365)
Foreign exchange adjustments	-176	-4	-257	0	(436)
Amount at the end of the current period 30.09.19	30,067	730	128,549	0	159,347

Investments

According to IFRS 9	Group I
Amount at the beginning of the current period 01.01.19	486,971
Transfer to Stage I	-266,875
Transfer to Stage II	
Transfer to Stage III	
Return	
Written off	
Amount at the end of the current period 30.09.19	220,096

Off Balance Sheet Items, Including Credit Risk

According to IFRS 9	Group I	Group II	Group III	Total
Amount at the beginning of the current period 01.01.19	78,149	838	5,588	84,576
New assets originated or purchased	38,882	-	-	38,882
Assets repaid	(16,780)	(188)	(897)	(17,866)
Transfer to Stage I	313	(313)	-	-
Transfer to Stage II	(671)	671	-	-
Transfer to Stage III	(771)	(306)	1,076	-
Impact on period end ECL of exposures transferred between stages during the period	(128)	496	1,346	1,714
Changes to models and inputs used for ECL calculations	34,032	2	(3,023)	31,011
Return	-	-	-	-
Written off	-	-	-	-
Foreign exchange adjustments	(1,912)	(20)	(33)	(1,965)
Amount at the end of the current period 30.09.19	131,116	1,180	4,056	136,352

10. General Administrative Expenses

	Current period	Previous period
Wages and salaries	7,508,185	6,567,116
Social insurance contributions	2,505	2,250
Repairs and maintenance expenses of tangible assets	512,652	452,849
Business trip expenses	107,020	89,692
Transport, connection and communication expenses	244,418	234,014
Lease expenses	35,834	516,233
Taxes other than on income	175,192	105,281
Consulting and other service expenses	45,552	76,376
Security expenses	250,881	261,598
Office supplies	168,565	184,763
Training costs	44,969	46,198
Insurance expenses	97,881	275,898
Total	9,193,654	8,812,268

10.1 Other Operating Expenses

	Current period	Previous period
Advertising costs	393,484	319,517
Penalties paid	1,675	1,395
Amortization costs of property, plant, equipment and other intangible assets	1,363,189	761,395
Cash collection expenses	109,660	100,404
Insurance expenses of deposits	267,810	212,730
Loss from impairment of assets at fair value through other comprehensive income	0	0
Other expenses	1,292,330	701,104
Total	3,428,148	2,096,546

11. Net Profit/(Loss) From Investments in Controlled Entities

Net Income From Investments in Controlled Entities	Current period	Previous period
Investments in associates	148,470	142,746
Investments in joint controlled entities		
Investments in subsidiary banks		
Investments in other subsidiary entities		
Total	148,470	142,746

12. Income Tax Expense

	Current period	Previous period
Income tax expense	(1,240,537)	(1,592,072)
Any adjustments recognised in the period for current tax of prior periods		
Deferred tax expenses	-	
Current Income Tax	(1,240,537)	(1,592,072)

Deferred Tax Base for Taxable Temporary Differences

	Balance as of the previous period	Recognised in reported results	Recognised in equity	Balance as of the current period
Loans and advances to banks and financial institutions	104,939			104,939
Loans and advances to customers	207,854			207,854
Other liabilities	(126,700)			(126,700)
Investments in associates	25,720			25,720
Contingent liabilities	25,541			25,541
Other borrowed funds	72,529			72,529
Current accounts and deposits from customers	(79,429)			(79,429)
Property, Plant and Equipment	(299,339)			(299,339)
Investments at fair value through other comprehensive income	(419,249)			(419,249)
Other assets	100,781			100,781
Net deferred tax liability	(387,353)	-	-	(387,353)

Earnings Per Share

	Current period	Previous period
Net Profit/(loss) after taxes	5,133,974	5,564,276
The quantity of ordinary shares	2,500	2,500
Earnings Per Share	2,054	2,228

13. Cash On Hand

13.1 Cash and cash equivalents, remainings in CBA	Current period	Previous period
Cash on hand	13,025,566	11,515,230
Other distributions of cash	3,455,342	3,749,290
Current accounts in CBA	38,892,978	46,918,101

Deposits in CBA	460,500	556,000
Interest accrued on current accounts and deposits of CB		
Impairment losses	(3,338)	(75,851)
Total	55,831,048	62,662,771
Cash flow including cash on hand and accounts in CBA	55,373,886	62,106,358
Distributed funds in other banks (Note 14)	14,940,460	10,198,605
Total cash and cash equivalents	70,314,346	72,304,963

14. Amounts Due From Banks and Other Financial Institutions

Current accounts	Current period	Previous period
Requirements towards the banks of Ra	3,104	3,240
Requirements towards the high rating banks: BBB-(Baa3) and over	10,124,217	707,842
Requirements towards the low rating banks, lower than BBB-(Baa3) and requirements towards the banks without rating	272,417	9,487,507
Interest accrued	7	16
Total	10,399,745	10,198,605
Interbank loans and deposits, other requirements		
Requirements towards the CB of RA	-	-
loans and deposits		
factoring		
finance lease		
repurchase agreements		
other		
Requirements towards the banks of Ra	10,011,716	4,701,290
loans and deposits	1,437,350	3,885,948
factoring		
finance lease		
repurchase agreements	3,753,966	
letters of credit and bank guarantees		
other	4,820,400	815,342
Requirements towards the high rating banks: BBB-(Baa3) and over	578,320	486,205
loans and deposits		
factoring		
finance lease		
repurchase agreements		
letters of credit and bank guarantees		
other	578,320	486,205
Requirements towards the low rating banks, lower than BBB-(Baa3) and requirements towards the banks without rating	-	-
loans and deposits		
factoring		
finance lease		
repurchase agreements		
letters of credit and bank guarantees		
other		
Including interest accrued	12,638	23,251
Total	20,989,781	15,386,100
Impairment losses of requirements towards the banks (Note 7)		
Net Requirements Towards The Banks	20,989,781	15,386,100

Loans and Deposits to Financial Institutions, Other Requirements	Current period	Previous period
Requirements towards the financial institutions in RA	1,797,155	1,262,290
loans and deposits	564,678	413,063
factoring		
finance lease		
repurchase agreements	839,078	849,227
letters of credit and bank guarantees		
other	393,399	
Requirements towards the high rating financial institutions: BBB-(Baa3) and over	503,037	-
loans and deposits		
factoring		
finance lease		
repurchase agreements		
letters of credit and bank guarantees		
other	503,037	
Requirements towards the low rating financial institutions, lower than BBB-(Baa3) and requirements towards financial institutions without rating	-	-
loans and deposits		
factoring		

finance lease		
repurchase agreements		
letters of credit and bank guarantees		
other		
Interest accrued	2,007	5,577
Total	2,302,199	1,267,867
Impairment losses of requirements towards the financial institutions (Note 7)	(35,589)	(49,843)
Net Requirements Towards The Financial Institutions	2,266,610	1,218,024
Net Requirements Towards The Banks and The Financial Institutions	23,266,391	16,604,124

15. Financial Assets at Fair Value Through Profit or Loss

State securities	Current period	Previous period
State securities of RA, including:	-	-
Treasury bonds	-	-
Bonds of CB of RA	-	-
Other	-	-
State securities of the high rating countries: BBB-(Baa3) and over	-	-
Treasury bonds	-	-
Bonds of CB of RA	-	-
Other	-	-
State securities of the low rating countries, lower than BBB-(Baa3) and countries without rating	-	-
Treasury bonds	-	-
Bonds of CB of RA	-	-
Other	-	-
Total State Securities	-	-

Non-state securities of RA

	listed	non-listed	listed	non-listed
The high rating issuer: A-/A3/ and over	-	-	-	-
long-term debt instruments	-	-	-	-
short-term debt instruments	-	-	-	-
deposit certificates	-	-	-	-
capital instruments	-	-	-	-
Other	-	-	-	-
Issuer of the "G" and over rating given from the CB of RA	-	-	-	-
long-term debt instruments	-	-	-	-
short-term debt instruments	-	-	-	-
deposit certificates	-	-	-	-
capital instruments	-	-	-	-
Other	-	-	-	-
The low rating issuer, lower than BBB+/Baa1/ and other rating issuer and issuer without rating	231,982	-	-	-
long-term debt instruments	231,982	-	-	-
short-term debt instruments	-	-	-	-
deposit certificates	-	-	-	-
capital instruments	-	-	-	-
Other	-	-	-	-
Total non-state RA securities at fair value through profit or loss	231,982	-	-	-

Non-state securities of other countries

	listed	non-listed	listed	non-listed
The high rating issuer: A-/A3/ and over	-	-	-	-
long-term debt instruments	-	-	-	-
short-term debt instruments	-	-	-	-
deposit certificates	-	-	-	-
capital instruments	-	-	-	-
Other	-	-	-	-
The low rating issuer, lower than BBB+/Baa1/ and other rating issuer and issuer without rating	-	-	-	-
long-term debt instruments	-	-	-	-
short-term debt instruments	-	-	-	-
deposit certificates	-	-	-	-
capital instruments	-	-	-	-
Other	-	-	-	-
Total non-state securities at fair value through profit or loss of other countries	-	-	-	-

Other financial assets at fair value through profit or loss				
Loans. Factoring, Amounts receivable	-	-	-	-
The high rating borrowers: A-/A3/ and over				
The low rating borrowers, lower than BBB+/Baa1/ and other rating borrowers and borrowers without rating				
Mortgage				
Consumer loans				
Other				
Derivatives	118,555		4,368	-
futures				
forward				
option				
swap	118,555		4,368	
Other				
<i>Total</i>	118,555	-	4,368	-
Total Financial Assets at Fair Value Through Profit or Loss	350,537	-	4,368	-

16. Loans and Advances to Customers

<i>Loans and other advances</i>	Current period	Previous period
Loans, including	226,843,205	179,594,035
Government of RA		
Local authorities		
Mortgage		
Credit lines and overdrafts	29,042,866	22,593,161
Factoring	9,407,959	9,921,024
Finance lease	20,399,590	15,234,864
Repurchase agreements		
Letters of credit and bank guarantees	47,597	
Other	572,768	236,053
Including interest accrued	3,438,913	2,637,890
Total Loans	286,313,985	227,579,137
Impairment losses of loans and advances to customers (Note 9)	(8,361,020)	(7,669,264)
Total Net Loans	277,952,965	219,909,873

<i>The structure of impaired/ non-performing/ loans and advances to customers in loans portfolio at the end of the current period</i>	Amount /quantity/ in current period	Amount /quantity/ in previous period
Loans and advances	286,313,985	227,579,137
including impaired/ non-performing/ loans and advances: including overdue	11,442,057	15,681,489
	1,870,395	1,026,251
Impairment losses of loans and advances to customers	(8,361,020)	(7,669,264)
Total Net Loans and Advances	277,952,965	219,909,873

<i>The analyse of loans and advances by customer profile</i>	Current period	Previous period
State owned enterprises	257,552	237,807
Privately held companies	74,945,336	58,487,096
Individuals (natural persons): including	187,338,218	150,426,358
consumer loans	74,418,215	70,046,793
mortgage loans	17,332,599	13,038,206
credit cards	15,421,803	9,764,140
Individual entrepreneurs	23,772,879	18,427,875
Total net loans and advances	286,313,985	227,579,137
<i>Including interest accrued</i>	3,438,913	2,637,890
Impairment losses of loans and advances to customers	(8,361,020)	(7,669,264)
Total Net Loans and Advances	277,952,965	219,909,873

<i>The analyse of loans and advances by industry sectors</i>	Current period	Percentage relationship	Previous period	Percentage relationship
Industry	21,751,853	7.60	19,446,955	8.55
Agriculture	86,746,724	30.30	69,627,403	30.59
Construction	9,850,388	3.44	6,816,732	3.00
Transport and connection	4,348,514	1.52	2,485,283	1.09
Trading	33,787,322	11.80	30,223,662	13.28
Consumer	86,788,017	30.31	70,046,793	30.78
Mortgage loans	16,886,546	5.90	13,038,206	5.73
Service industry	23,193,877	8.10	13,007,776	5.72
Other	2,960,744	1.03	2,886,327	1.27
Total	286,313,986	100	227,579,137	100

17. Financial Assets at Fair Value Through Other Comprehensive Income

<i>State securities</i>	Current period	Previous period

State bonds of RA	16,072,013	21,179,581
Treasury bonds	16,072,013	21,179,581
Bonds of CB of RA		
Other		
State securities of the high rating countries: BBB-(Baa3) and over	-	-
Treasury bonds		
Bonds of CB of RA		
Other		
State securities of the low rating countries, lower than BB+ - (Ba1), countries with other ratings and countries without rating	-	-
Treasury bonds		
Bonds of CB of RA		
Other		
Total State Securities	16,072,013	21,179,581

<i>Non-state securities of RA</i>	<i>listed</i>	<i>non-listed</i>	<i>listed</i>	<i>non-listed</i>
The high rating issuer: A-/A3/ and over				
long-term debt instruments				
short-term loan instruments				
deposit certificates				
capital instruments				
Other				
Issuer of the "G" and over rating given from the CB of RA				
long-term debt instruments				
short-term loan instruments				
deposit certificates				
capital instruments				
Other				
The low rating issuer, lower than BBB+/Baa1/ and other rating issuer and issuer without rating		4,549,606		4,086,125
long-term debt instruments				
short-term loan instruments				
deposit certificates				
capital instruments				
Other		81,212		81,212
Total Non-state Securities of RA	-	4,630,818	-	4,167,337

<i>Non-state securities of other countries</i>	<i>listed</i>	<i>non-listed</i>	<i>listed</i>	<i>non-listed</i>
The high rating issuer: A-/A3/ and over				
long-term debt instruments				
short-term loan instruments				
deposit certificates				
capital instruments				
Other		2,169,007		1,694,687
The low rating issuer, lower than BBB+/Baa1/ and other rating issuer and issuer without rating				
long-term debt instruments				
short-term loan instruments				
deposit certificates				
capital instruments				
Other				
Total Non-state Securities of Other Countries		2,169,007		1,694,687
Impairment losses of financial assets at fair value through other comprehensive income				
Total Financial Assets at Fair Value Through Other Comprehensive Income		22,871,838		27,041,605

18. Other Financial Assets

<i>State securities</i>	Current period	Previous period
State bonds of RA		
Treasury bonds		
Bonds of CB of RA		
Other		
State securities of the high rating countries: BBB-(Baa3) and over	-	-
Treasury bonds		
Bonds of CB of RA		
Other		
State securities of the low rating countries, lower than BB+ - (Ba1), countries with other ratings and countries without rating	-	-
Treasury bonds		
Bonds of CB of RA		
Other		
Total State Securities	-	-

<i>Non-state securities of RA</i>	<i>listed</i>	<i>non-listed</i>	<i>listed</i>	<i>non-listed</i>
The high rating issuer: A-/A3/ and over				
longterm debt instruments				
shortterm loan instruments				
deposit certificates				
capital instruments				

Other				
Issuer of the "G" and over rating given from the CB of RA				
longterm debt instruments				
shortterm loan instruments				
deposit certificates				
capital instruments				
Other				
The low rating issuer, lower than BBB+/Baa1/ and other rating issuer and issuer without rating				
longterm debt instruments				
shortterm loan instruments				
deposit certificates				
capital instruments				
Other				
Total Non-state Securities of RA	-	-	-	-

<i>Non-state securities of other countries</i>	<i>listed</i>	<i>non-listed</i>	<i>listed</i>	<i>non-listed</i>
The high rating issuer: A-/A3/ and over				
longterm debt instruments				
shortterm loan instruments				
deposit certificates				
capital instruments				
Other				
The low rating issuer, lower than BBB+/Baa1/ and other rating issuer and issuer without rating				
longterm debt instruments				
shortterm loan instruments				
deposit certificates				
capital instruments				
Other				
Total Non-state Securities of Other Countries		-		-
Impairment losses of other financial assets				
Total Other Financial Assets		-		-

19. Investments in Share Capital of Controlled Entities

The flow of investments in controlled entities	
Amount at the beginning of the period	
Additions	
Alienation (sales)	
Impairment	
Amount at the end of the period	-

Investments in controlled entities	Current period	Previous period
Investments in associates	780,372	596,093
Investments in joint controlled entities		
Investments in subsidiary banks		
Investments in other subsidiary entities		
Dividends		
Total	780,372	596,093

20. Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment

	Land and buildings	Machinery and equipment	Vehicles	Other property, plant and equipment	Leasehold assets	Capital investments on leased PPE	Total
Cost							
Amount as of the beginning of the previous period	10,307,919	5,792,915	670,202	2,666,726	0	488,214	19,925,976
Additions	-32,398	1,252,420	161,929	374,474		67,568	1,823,993
Disposals		-2,490	-29,990	-5,552			-38,032
Amount as of the end of the previous period	10,275,521	7,042,845	802,141	3,035,648	0	555,782	21,711,937
Additions	355,971	1,238,973	84,130	138,454	2,360,976	12,735	4,191,239
Disposals		-45,919	-46,726	-10,642			-103,287
Revaluation*							0
Reclassification							0
Amount as of the end of the current period	10,631,492	8,235,899	839,545	3,163,460	2,360,976	568,517	25,799,889
Accumulated Depreciation							
Amount as of the beginning of the previous period	604,743	3,301,349	383,212	1,656,478	0	64,690	6,010,472
Depreciation	204,564	446,181	35,076	172,379		17,640	875,840
Disposals	0	-659	-1,396	-1,658			-3,713
Amount as of the end of the previous period	809,307	3,748,871	416,892	1,827,199	0	82,330	6,862,599
Depreciation charge	152,102	411,449	35,839	122,540	398,557	-	1,120,487
Reclassification					197,155	-	197,155
Disposals		-10,226	-6,560	-1,966			-18,752
Amount as of the end of the current period	961,409	4,148,094	446,171	1,947,773	595,712	82,330	8,181,489
Net Carrying Amount							
Amount as of the end of the current period	9,670,083	4,087,805	393,374	1,215,687	1,765,264	486,187	17,618,400
Amount as of the end of the previous period	9,466,214	3,295,974	385,249	1,208,449	0	473,452	14,829,338

Intangible Assets

	Softwares	Licenses	Copyright	Intangible assets	Capital investment in intangible assets	Goodwill	Total
Cost							
Amount as of the beginning of the previous period	714,692	3,213,325	0	131,159	0	18,132	4,077,308
Additions	82,873	407,237		426			490,536
Disposals	-58	-18,138		-58			-18,254
Elimination of accumulated depreciation							0
Reclassification			0				0
Amount as of the end of the previous period	797,507	3,602,424	0	131,527	0	18,132	4,549,590
Additions		397,971		60,458			458,429
Disposals							0
Revaluation							0
Impairment							0
Adjustment of revalued depreciation							0
Reclassification							0
Amount as of the end of the current period	797,507	4,000,395	0	191,985	0	18,132	5,008,019
Accumulated Depreciation							
Amount as of the beginning of the previous period	287,313	374,059	0	62,462	0	0	723,824
Depreciation and amortization	36,276	226,227	0	8,745	0	0	271,248
Disposals	-8	-18,138		-37			-18,183
Elimination of accumulated depreciation							0
Amount as of the end of the previous period	323,581	582,148	0	71,160	0	0	976,889
Additions	27,891	204,471		10,340			242,702
Disposals							0
Adjustment of revalued depreciation							0
Impairment							0
Reclassification							0
Amount as of the end of the current period	351,472	786,619	0	81,500	0	0	1,219,591
Net Carrying Amount							
Amount as of the end of the current period	446,035	3,213,776	0	110,485	0	18,132	3,788,428
Amount as of the end of the previous period	473,926	3,020,276	0	60,367	0	18,132	3,572,701

22. Other Assets

	Current period	Previous period
<i>Amounts receivable from banking operations</i>		
Dividends receivable		
Amounts receivable from accreditation management operations		
Amounts receivable from other operations	373,709	563,112
Total	373,709	563,112

	Current period	Previous period
<i>Amounts receivable and prepayments</i>		
Amounts receivable from budget		23,591
Amounts receivable from suppliers		-
Prepayments to employees	37,500	9,250
Prepayments to suppliers	1,719,510	2,680,120
Prepayments on budget and mandatory social insurance contributions		-
Prepayments on income tax	14,474	
Other amounts receivable and prepayments	271,961	223,113
Total	2,043,445	2,936,074

	Current period	Previous period
<i>Other assets</i>		
Warehouse	330,821	309,043
Charged collateral u. assets held for trading	455,514	327,164
Future costs	183,094	121,731
Other assets	6,909	22,382
Total	976,338	780,320

Impairment losses of other assets		(8,414)
Total other assets	3,393,492	4,271,092

23. Amounts Due to Banks and Other Financial Institutions

	Current period	Previous period
<i>Current accounts</i>		
Amounts due to the banks of Ra	27,379	29,026
Amounts due to the high rating banks: BBB-(Baa3) and over		
Amounts due to the low rating banks, lower than BBB-(Baa3) and amounts due to the banks without rating		
Including: Interest accrued		
Total	27,379	29,026
<i>Interbank loans and deposits, other liabilities</i>		
Amounts due to the CB of RA	14,790,256	14,962,271
loans	14,788,308	14,960,397
repurchase agreements		
other	1,948	1,874
Amounts due to the banks of Ra	1,260	441
loans and deposits		

finance lease		
repurchase agreements		
other	1,260	441
Amounts due to the high rating banks: BBB-(Baa3) and over	16,613,151	17,774,252
loans and deposits	16,613,151	17,774,171
finance lease		
repurchase agreements		
other		81
Amounts due to the low rating banks, lower than BBB-(Baa3) and amounts due to the banks without rating	-	-
loans and deposits		
finance lease		
repurchase agreements		
other		
Including: Interest accrued	1,037,109	367,320
Total	31,404,667	32,736,964
Amounts due to the financial institutions	66,080,053	48,328,036
current accounts	5,848,579	589,878
loans and deposits	59,884,458	47,511,833
repurchase agreements		
other	347,016	226,325
Including: Interest accrued	1,172,087	768,908
Total amounts due to banks and international financial institutions	97,512,099	81,094,026

24. Amounts Due to Customers

<i>Amounts due to government of RA and local authorities</i>	Current period	Previous period
Current accounts		
Term deposits		
Loans	14,334,414	12,512,461
Repurchase agreements		
Other		
Including: Interest accrued	315,041	43,228
Total	14,334,414	12,512,461
<i>Amounts due to resident corporations of RA</i>		
Current accounts	26,058,235	15,737,129
Term deposits	19,777,662	15,389,100
Repurchase agreements		
Other	2,513,002	1,686,106
Including: Interest accrued	289,435	284,269
Total	48,348,899	32,812,335
<i>Amounts due to non resident corporations of RA</i>		
Current accounts	468,222	464,989
Term deposits	1,304,925	1,190,389
Repurchase agreements		
Other	14,600	17,515
Including: Interest accrued	32,562	12,320
Total	1,787,747	1,672,893
<i>Amounts due to resident individual entrepreneurs of RA</i>		
Current accounts	1,772,239	1,183,276
Term deposits	76,932	359,403
Repurchase agreements		
Other	4,946	5,890
Including: Interest accrued	1,883	6,577
Total	1,854,117	1,548,569
<i>Amounts due to non resident individual entrepreneurs of RA</i>		
Current accounts	104	
Term deposits		
Repurchase agreements		
Other		
Including: Interest accrued		
Total	104	-
<i>Amounts due to resident individuals (natural persons) of RA</i>		
Current accounts	27,125,046	9,537,630
Term deposits	118,766,276	120,340,324
Repurchase agreements		
Other	2,089,540	853,771
Including: Interest accrued	2,182,610	1,917,412
Total	147,980,862	130,731,725
<i>Amounts due to non resident individuals (natural persons) of RA</i>		
Current accounts	1,660,892	1,184,461
Term deposits	13,810,904	13,393,329
Repurchase agreements		
Other	220,214	10,441
Including: Interest accrued	254,443	319,455
Total	15,692,010	14,588,231
Total amounts due to customers	229,998,154	193,866,214

25. Securities Issued by The Bank

<i>Securities issued by the bank</i>	Current period	Previous period
Deposit certificates issued by the bank		
Non-interest securities issued by the bank		
Interest securities issued by the bank	6,771,253	5,567,619
Preferred shares /financial liabilities/ issued by the bank		
Other securities issued		
Including: Interest accrued	79,761	115,499
Total	6,771,253	5,567,619

26. Financial Liabilities at Fair Value Through Profit or Loss

<i>Financial liability at fair value through profit or loss</i>	Current period	Previous period
Derivatives held for trading		
futures		
forward		
option		
swap	123,178	49,019
other		
Hedging derivatives		
Other		
Total	123,178	49,019

27. Amounts Payable

<i>Amounts payable</i>	Current period	Previous period
Dividends		
Payables from accreditation management operations		
Payables to Deposit Guarantee fund	94,482	76,062
Other	36,054	31,473
Total	130,536	107,535

29. Other Liabilities

<i>Other liabilities</i>	Current period	Previous period
Amounts payable	1,151,787	1,783,313
Tax payable, other than income tax	766,267	126,555
Due to personnel	1,054,680	1,719,078
Grants related to assets	32,519	14,303
Other	915,110	1,129
Total Other Liabilities	3,920,363	3,644,378

28. Share Capital

As at 31 December 2011 the Bank's registered and paid-in share capital was AMD 30,000,000 thousand. As at 30 June 2019 the respective shareholding is "ACBA FEDERATION" closed joint-stock company. The share capital consists of 2,500 ordinary shares, all of which have a par value of AMD 12,000 thousand. As at 30 September 2019, shareholder, which has 10% of total paid-in capital, may be specified as follow:

	Paid-in share capital	% of total paid-in capital	Activity type for entrepreneur
The respective shareholder			
ACBA FEDERATION	28,500,000	95.00%	closed joint-stock company
Total	28,500,000	95.00%	

28.1. Other Equity Components

<i>Revaluation reserves</i>	Current period	Previous period
Unrealized profit / loss from revaluation of investments at fair value through other comprehensive income	2,773,109	2,032,196
Revaluation reserve of property, plant and equipment	3,009,579	3,047,359
Other reserves	-	-
Total	5,782,688	5,079,555

30. Provisions, Contingent Cases and Potensial Liabilities

<i>Provisions</i>	Current period	Previous period
1 Initial Balance	84,575	-
2 Net Impairment losses	51,777	84,575
3 The final balance	136,352	84,575

30.3 Off Balance Sheet Contingent Liabilities Including Credit Risk

	Current period	Previous period
Undrawn credit lines	25,037,909	20,687,595
Guarantees	5,265,825	4,125,821
Letters of credit	310,580	676,490
Provision (Note 9)		(84,574)
	30,614,314	25,405,332

31. Transactions With Related Parties

<i>Amounts due from other banks</i>	Current period	Previous period
Balance as at 1 January	-	-
Additions during the quarter	-	-
Reductions during the quarter	-	-
Balance as at 30 September	-	-
Interest income	-	-

<i>Loans and advances to customers</i>	Current period	Previous period
Balance as at 1 January	416,523	506,295
Additions during the quarter	207,786	333,509
Reductions during the quarter	233,547	423,281
Balance as at 30 September	390,762	416,523
Interest income	11,966	24,210

<i>Amounts due to banks</i>	Current period	Previous period
Balance as at 1 January	-	-
Additions during the quarter	-	-
Reductions during the quarter	-	-
Balance as at 30 September	-	-
Interest income	-	-

<i>Amounts due to customers</i>	Current period	Previous period
Balance as at 1 January	783,255	665,354
Additions during the quarter	1,147,729	1,388,561
Reductions during the quarter	819,275	1,270,660
Balance as at 30 September	1,111,708	783,255
Interest income	57,846	58,357

32.1 Credit Risk Geographical Sectors

	Current period				Total
	Armenia	CIS countries	OECD countries	Non-OECD countries	
Assets					
Cash and balances with the Central Bank of Armenia	55,831,048				55,831,048
Amounts due from banks and other financial institutions	11,809,925	1,056,097	10,254,593	135,776	23,256,391
Financial assets at fair value through profit or loss	231,982	19	118,536		350,537
Loans and advances to customers	277,934,151	18,707	101	6	277,952,965
Financial assets at fair value through other comprehensive income	20,702,831		2,169,007		22,871,838
Other financial assets					-
Total Assets	388,509,937	1,074,824	12,542,238	135,782	380,262,779
Liabilities					
Amounts due to banks and other financial institutions	42,275,138		55,236,961		97,512,099
Amounts due to customers	215,050,379	2,580,628	9,657,475	2,709,672	229,998,154
Financial liabilities at fair value through profit or loss			123,178		123,178
Total Liabilities	257,325,517	2,580,628	65,017,614	2,709,672	327,633,431
Net GAP	109,184,420	(1,505,804)	(52,475,378)	(2,573,890)	52,629,348

	Previous period				Total
	Armenia	CIS countries	OECD countries	Non-OECD countries	
Assets					
Cash and balances with the Central Bank of Armenia	62,662,771				62,662,771
Amounts due from banks and other financial institutions	5,554,881	298,523	10,460,946	289,774	16,604,124
Financial assets at fair value through profit or loss			4,368		4,368
Loans and advances to customers	219,892,000	16,537	982	354	219,909,873
Financial assets at fair value through other comprehensive income	25,346,918		1,694,687		27,041,605
Other financial assets					-
Total Assets	313,456,570	315,060	12,160,963	290,128	326,222,741
Liabilities					
Amounts due to banks and other financial institutions	36,467,267	2,606,461	42,020,298		81,094,026
Amounts due to customers	179,918,391	2,419,330	9,245,021	2,283,472	193,866,214
Financial liabilities at fair value through profit or loss			49,019		49,019
Total Liabilities	216,385,658	5,025,791	51,314,338	2,283,472	275,009,259
Net GAP	97,070,912	(4,710,730)	(39,153,355)	(1,993,345)	51,213,482

32.2 Market Risk Currency Risk

	Current period			Total
	AMD	I group currency*	II group currency**	
Assets				
Cash and balances with the Central Bank of Armenia	32,694,809	22,589,586	546,653	55,831,048
Amounts due from banks and other financial institutions	5,887,719	16,872,180	496,492	23,256,391
Financial assets at fair value through profit or loss	350,537			350,537
Loans and advances to customers	191,138,776	86,113,565	700,624	277,952,965

Financial assets at fair value through other comprehensive income	3,314,762	19,557,076	-	22,871,838
Other financial assets	-	-	-	-
Total Assets	233,386,803	145,132,407	1,743,789	380,262,779
Liabilities				
Amounts due to banks and other financial institutions	80,700,686	16,811,192	221	97,512,099
Amounts due to customers	106,469,594	121,664,827	1,863,733	229,998,154
Total Liabilities	187,170,280	138,476,019	1,863,954	327,510,253
Net GAP	46,216,523	6,656,388	(120,165)	52,752,526

	Previous period			Total
	AMD	I group currency*	II group currency**	
Assets				-
Cash and balances with the Central Bank of Armenia	20,193,974	41,804,806	663,991	62,662,771
Amounts due from banks and other financial institutions	1,512,896	14,858,292	232,936	16,604,124
Financial assets at fair value through profit or loss	-	4,368	-	4,368
Loans and advances to customers	157,516,263	61,932,816	460,794	219,909,873
Financial assets at fair value through other comprehensive income	4,381,512	22,660,093	-	27,041,605
Other financial assets	-	-	-	-
Total Assets	183,604,645	141,260,375	1,357,721	326,222,741
Liabilities				-
Amounts due to banks and other financial institutions	60,831,785	20,237,457	24,784	81,094,026
Amounts due to customers	86,181,211	105,953,046	1,731,957	193,866,214
Total Liabilities	147,012,996	126,190,503	1,756,741	274,960,240
Net GAP	36,591,649	15,069,872	(399,020)	51,262,501
<i>Contingent Liabilities, including Credit Risk 30.09.19</i>	13,833,746	16,639,257	141,311	30,614,314

Interest Rate Risk

	Current period		Previous period	
	AMD %	Currency %	AMD %	Currency %
Assets				
Balances with the Central Bank of Armenia				
Amounts due from banks and other financial institutions, including:				
interbank loans	5.81		6.50	7.50
interbank repo		6.50		5.78
Loans and advances to customers	5.65		9.55	14.27
Financial assets at fair value through other comprehensive income	14.29		3.77	6.54
Financial assets at fair value through profit or loss	6.28		9.75	
Other financial assets				
Liabilities				
Amounts due to banks and other financial institutions, including:				
Loans	8.47		5.97	8.63
interbank repo		8.47		5.97
Amounts due to customers	5.97		3.04	6.25
Obligations for the securities issued by banks	9.40		5.41	9.32

32.3 Liquidity Risk

	Current period		Maturity							Total
	Non-performing overdue	time	demand and up to 1 month	from 1 to 3 months	from 3 to 12 months	from 1 to 5 years	more than 5 years	No term		
Assets maturity										
Cash and cash equivalents, balances with the Central Bank of Armenia	-	-	55,370,548	-	-	-	-	-	460,500	55,831,048
Amounts due from banks and other financial institutions	-	-	15,523,765	6,445,156	-	-	-	-	1,287,470	23,256,391
Loans and advances to customers	556,918	7,503,857	8,558,134	17,936,738	54,110,956	152,214,569	16,636,640	194,909	257,712,721	
Finance lease	4,959	102,697	166,361	2,617,304	4,838,823	12,510,100			20,240,244	
Financial assets at fair value through other comprehensive income	-	-	-	554,872	18,799,485	1,267,262			2,250,219	22,871,838
Other requirements										-
Total	561,877	7,606,554	79,618,808	27,554,069	77,749,264	165,991,931	16,636,640	4,193,098	379,912,242	
Liabilities maturity										
Amounts due to banks and other financial institutions	-	-	5,814,669	4,996,743	24,884,887	60,918,754	548,765	348,282	97,512,099	
Amounts due to customers	-	-	61,064,389	20,986,447	91,534,916	46,350,383	7,020,414	3,041,605	229,998,154	
Financial liabilities at fair value through profit or loss	-	-	-	4,779	118,399				123,178	
Securities issued by the Bank	-	-	66,879,058	27,008,519	119,535,771	110,022,271	7,569,178	3,389,887	334,404,684	
Total	561,877	7,606,554	12,739,749	545,550	(41,786,506)	55,969,661	9,067,462	803,211	45,507,559	
Net Liquidity GAP			20,908,181	21,453,731	(20,332,775)	35,636,886	44,704,348	45,507,559		
Cumulative Liquidity GAP			20,908,181	42,361,912	22,029,137	57,666,023	102,370,370	147,877,929		
	Previous period		Maturity							Total
	Non-performing overdue	time	demand and up to 1 month	from 1 to 3 months	from 3 to 12 months	from 1 to 5 years	more than 5 years	No term		
Assets maturity										
Cash and cash equivalents, balances with the Central Bank of Armenia	-	-	62,106,771	-	-	-	-	556,000	62,662,771	
Amounts due from banks and other financial institutions	-	-	11,156,898	1,936	3,239,993	1,058,741	-	1,146,556	16,604,124	
Loans and advances to customers	854,863	4,929,985	4,580,646	9,671,624	59,814,279	112,792,696	11,866,260	236,053	204,746,406	
Finance lease	4,954	1,146	605,814	877,221	3,775,197	9,899,135			15,163,467	
Financial assets at fair value through other comprehensive income	-	-	-	-	1,555,489	24,415,955	1,070,161		27,041,605	
Other requirements									-	
Total	859,817	4,931,131	78,450,129	10,550,781	68,384,958	148,166,527	12,936,421	1,938,609	326,218,372	
Liabilities maturity										
Amounts due to banks and other financial institutions	-	-	2,351,890	5,276,208	20,860,021	51,925,925	453,657	226,325	81,094,026	
Amounts due to customers	-	-	56,235,735	18,522,959	81,626,590	28,409,029	6,498,178	2,573,723	193,866,214	
Financial liabilities at fair value through profit or loss	-	-	49,019						49,019	
Securities issued by the Bank	-	-	-	-	-	5,567,619			5,567,619	
Total	-	-	58,636,644	23,799,167	102,486,611	85,902,573	6,951,835	2,800,048	280,576,878	
Net Liquidity GAP	859,817	4,931,131	19,813,484	(13,248,386)	(34,101,653)	62,263,954	5,984,586	(861,439)	45,641,494	
Cumulative Liquidity GAP			25,604,432	12,356,046	(21,745,606)	40,518,348	46,502,933	45,641,494		

Risk Management

Introduction (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risks, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the consolidated statement of financial position.

Credit-related commitments risks

The Group makes available to its customers guarantees which may require that the Group make payments on their behalf. Such payments are collected from customers based on the terms of the letter of credit. They expose the Group to similar risks to loans and these are mitigated by the same control processes and policies.

The maximum exposure to credit risk for the components of the consolidated statement of financial position, including derivatives, before the effect of mitigation through the use of master netting and collateral agreements, is best represented by their carrying amounts.

Where financial instruments are recorded at fair value, the carrying value represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group internal credit ratings. The table below shows the credit quality by class of asset for loans to customers and receivables from finance leases in the consolidated statement of financial position, based on the Group's credit rating system.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchanges, and equity prices.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's consolidated statement of profit or loss.

Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Group also has committed lines of credit that it can assess to meet liquidity needs. In addition, the Group maintains a cash deposit (obligatory reserve) with the CBA, the amount of which depends on the level of customer funds attracted.

Capital Adequacy

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

The Central Bank of Armenia sets and monitors capital requirements for the Bank.

The Group defines as capital those items defined by statutory regulation as capital for credit institutions. Under the current capital requirements set by the Central Bank of Armenia, which are based on Basle Accord principles, banks have to maintain a ratio of capital to risk weighted assets (statutory capital ratio) above the prescribed minimum level.

34. Fair Value of Financial Assets and Liabilities

	Current period		Previous period	
	Balance sheet value	Fair value	Balance sheet value	Fair value
Financial assets				
Amounts due from other financial institutions	23,256,391	23,256,391	16,604,124	16,604,124
Loans and advances to customers	277,952,965	277,952,965	219,909,873	219,909,873
Financial liabilities				
Amounts due to financial institutions	97,512,099	97,512,099	81,094,026	81,094,026
Amounts due to customers	229,998,154	229,998,154	193,866,214	193,866,214

38. Accepted Collateral

Type of collateral	Current period	Previous period
Other securities	2,337,770	2,415,100
Precious jewelry, Gold scrap, Precious stones	6,081,920	6,820,385
Real Estate and property, plant and equipment	229,919,181	192,767,158
Ready-Made Products and Goods	29,813,802	25,391,196
Cash	8,816,512	6,000,145
Other collateral	5,747,690	5,742,127
Total	282,716,875	239,136,111

General Executive Director



H. Andreasyan

Chief Accountant

A. Hakobyan

Report validation date: 21/10/19