

Accompanying notes to the consolidated financial statements as of 31.12.18

6. Net Interest And Similar Income

<i>Interest And Similar Income</i>	Current period	Previous period
Interest income from bank's current accounts, deposits and loans to banks and other financial institutions	233,320	494,580
Interest income from loans and advances to customers	26,582,972	25,565,280
Interest income from finance lease	1,393,230	1,111,587
Interest income from debt securities	1,197,739	1,385,477
Interest income from repurchase agreements	150,830	965,327
Income from factoring, creditline	2,328,022	2,471,518
Other interest income	61,115	71,866
Total	31,947,228	32,065,635

<i>Interest And Similar Expense</i>	Current period	Previous period
Interest expense on bank's current accounts, deposits and loans borrowed from banks and other financial institutions	5,250,054	6,469,427
Interest expense on term deposits and current accounts of customers	8,138,546	7,383,558
Interest expense on securities issued from bank	272,090	875,308
Interest expense on repurchase agreements	23,341	2,962
Other interest expense	304,738	115,179
Total	13,988,768	14,846,434

Net Interest And Similar Income	17,958,459	17,219,201
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7. Commission and Other Fee Income and Expense

<i>Commission and Other Fee Income</i>	Current period	Previous period
Cash withdrawal services	160,677	165,286
Settlement services	1,291,779	1,234,246
Guarantees and letters of credits, accreditation management operations fee	77,642	74,564
Finance lease payments	86,411	70,441
Plastic card maintenance	2,430,848	2,055,195
Profit /loss/ from translation of financial assets available for sale	0	61,727
Other commission fee	98,915	194,970
Total	4,146,273	3,856,429

<i>Commission and Other Fee Expense</i>	Current period	Previous period
Settlement operations / wire transfer fee	306,833	348,627
Cash withdrawal services	213,769	186,650
Plastic card maintenance	1,327,753	877,308
Other commission fee	32,462	29,731
Total	1,880,817	1,442,317

Received Net Commission and Other Fee	2,265,455	2,414,112
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8. Net Trading Income

	Current period	Previous period
Net income from trading in foreign currencies	1,395,245	1,422,277
Net income from revaluation of foreign currency	-1,294,343	670,431
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		
Net income from change of investments at fair value through other comprehensive income	1,751,968	-451,323
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	1,852,870	1,641,385

8.1. Other Operating Income

	Current period	Previous period
Net income from alienation of property, plant, equipment and other intangible assets	112,168	-310,940
Fines and penalties received	2,037,275	2,762,018
Income from revaluation of property, plant and equipment	-245,413	-57,772
Other income	283,698	214,696
Total	2,187,728	2,608,002

9. Impairment losses

Amounts Due From Banks and Financial Institutions

According to IFRS 9	Group I	Group II	Group III	Total
Amount at the beginning of the current period 01.01.18	63,104			63,104
Transfer to Group I	-7,031			-7,031
Transfer to Group II				0
Transfer to Group III				0
Return				0
Written off	0			0
Amount at the end of the current period 31.12.18	56,073			56,073

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 01.01.18	446,908	97,549	11,716,938	2,238,323	14,499,719
Transfer to Group I	2,298,308	-592	-67		2,297,648
Transfer to Group II	-41,320	940,747	-39		899,387
Transfer to Group III	-1,029,249	-338,025	2,155,180	-2,193,678	-1,405,772
Return	0	0	71,546		71,546
Written off	-1,107,903	-625,870	-7,271,270		-9,005,044
Amount at the end of the current period 31.12.18	566,744	73,809	6,672,286	44,645	7,357,484

Finance lease

According to IFRS 9	Group I	Group II	Group III	Total
Amount at the beginning of the current period 01.01.18	10,190	1,664	213,832	225,686
Transfer to Stage I	14,578	0	0	14,578
Transfer to Stage II	-794	13,365	0	12,571
Transfer to Stage III	-8,309	-63	46,333	37,961
Return	-2,716	-1,341	-3,012	-7,069
Written off	-2,061	-9,648	-195,394	-207,103
Amount at the end of the current period 31.12.18	10,888	3,977	61,760	76,625

Investments

According to IFRS 9	Group I	Group II	Group III	Total
Amount at the beginning of the period 01.01.18	176,065			176,065
Transfer to Stage I	180,548			180,548
Transfer to Stage II				-
Transfer to Stage III				-
Return				-
Written off				-
Amount at the end of the current period 31.12.18	356,613			356,613

Other Assets

According to IFRS 9	Group I	Group II	Group III	Total
Amount at the beginning of the current period 01.01.18	4,021			4,021
Transfer to Stage I	4,393			4,393
Transfer to Stage II				0
Transfer to Stage III				0
Return				0
Written off				0
Amount at the end of the current period 31.12.18	8,414			8,414

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 01.01.18	87,283	607	1924	89,814
Transfer to Stage I	-4,068	-29	0	-4,098
Transfer to Stage II	-646	399	0	-248
Transfer to Stage III	-4,420	-138	3,663	-894
Return	0	0	0	0
Written off	0	0	0	0
Amount at the end of the current period 31.12.18	78,149	838	5,587	84,575

10. General Administrative Expenses

	Current period	Previous period
Wages and salaries	9,688,547	8,480,497
Social insurance contributions	3,009	3,788
Repairs and maintenance expenses of tangible assets	1,050,177	364,019
Business trip expenses	190,301	206,152
Transport, connection and communication expenses	330,944	244,990
Lease expenses	693,139	695,883
Taxes other than on income	188,142	253,541
Consulting and other service expenses	132,789	67,586
Security expenses	358,120	342,740
Office supplies	311,435	161,359
Training costs	133,603	79,064
Insurance expenses	330,571	200,063
Other expenses	0	69,654
Total	13,410,777	11,169,336

10.1 Other Operating Expenses

	Current period	Previous period
Advertising costs	516,708	413,727
Penalties paid	23,798	4,458
Amortization costs of property, plant, equipment and other intangible assets	1,059,816	1,062,736
Cash collection expenses	141,523	123,284
Insurance expenses of deposits	288,791	221,900
Loss from impairment of assets at fair value through other comprehensive income	0	0
Other expenses	1,330,794	1,230,902
Total	3,361,430	3,057,007

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

Net Income From Investments in Controlled Entities	Current period	Previous period
Investments in associates	150,873	96,282
Investments in joint controlled entities		
Investments in subsidiary banks		
Investments in other subsidiary entities		
Total	150,873	96,282

12. Income Tax Expense

	Current period	Previous period
Income tax expense	(2,475,115)	(1,764,091)
Any adjustments recognised in the period for current tax of prior periods		(36,995)
Deferred tax expenses	822,060	176,653
Current Income Tax	(1,653,055)	(1,624,433)

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	Effect of IFRS 9	Effect of IFRS 9 on equity	Balance as of the current period
Loans and advances to banks and financial institutions	(14,098)	(2,543)		(16,641)	12,621		(4,020)
Loans and advances to customers	(30,367)	747,004		716,637	(326,072)		390,565
Other liabilities	105,518	180,499		286,017			286,017
investments in associates	6,464	(32,403)	(14,831)	(40,770)			(40,770)
Contingent liabilities	-	(23,155)		(23,155)	17,962		(5,193)
Other borrowed funds	(90,801)	76,682		(14,119)			(14,119)
Current accounts and deposits from customers	27,920	(53,834)		(25,914)			(25,914)
Property, Plant and Equipment	(406,802)	(15,561)	7,169	(415,194)			(415,194)
Investments at fair value through other comprehensive income	(528,988)	(106,846)	71,658	(564,176)		(35,213)	(564,176)
Other assets	122,055	52,217		174,272			174,272
Net deferred tax liability	(809,099)	822,060	63,998	76,957	(295,489)	(35,213)	(253,745)

Earnings Per Share

	Current period	Previous period
Net Profit/(loss) after taxes	6,982,652	5,495,156
The quantity of ordinary shares	2,500	2,500
Earnings Per Share	2,793	2,198

13. Cash On Hand

13.1 Cash and cash equivalents, remainings in CBA	Current period	Previous period
Cash on hand	11,515,230	9,842,428
Other distributions of cash	3,749,290	3,872,100
Current accounts in CBA	46,864,573	53,130,166
Deposits in CBA	556,000	520,000
Interest accrued on current accounts and deposits of CB		
Total	62,685,093	67,364,694
Cash flow including cash on hand and accounts in CBA	62,129,093	66,844,694
Distributed funds in other banks (Note 14)	10,198,605	3,487,212
Total cash and cash equivalents	72,327,698	70,331,906

14. Amounts Due From Banks and Other Financial Institutions

Current accounts	Current period	Previous period
Requirements towards the banks of Ra	3,240	3,349
Requirements towards the high rating banks: BBB-(Baa3) and over	707,842	2,871,621
Requirements towards the low rating banks, lower than BBB-(Baa3) and requirements towards the banks without rating	9,487,507	612,209
Interest accrued	16	34

<i>Total</i>	10,198,805	3,487,212
<i>Interbank loans and deposits, other requirements</i>		
Requirements towards the CB of RA	-	-
loans and deposits		
factoring		
finance lease		
repurchase agreements		
other		
Requirements towards the banks of Ra	4,033,930	6,814,019
loans and deposits	3,885,948	2,894,929
factoring		
finance lease		
repurchase agreements		2,599,552
letters of credit and bank guarantees		
other	147,982	1,319,538
Requirements towards the high rating banks: BBB-(Baa3) and over	544,292	-
loans and deposits		
factoring		
finance lease		
repurchase agreements		
letters of credit and bank guarantees		
other	544,292	-
Requirements towards the low rating banks, lower than BBB-(Baa3) and requirements towards the banks without rating	-	565,840
loans and deposits		
factoring		
finance lease		
repurchase agreements		
letters of credit and bank guarantees		
other		565,840
Including interest accrued	23,251	
Total	14,776,827	10,867,071
Impairment losses of requirements towards the banks (Note 7)	(385)	
Net Requirements Towards The Banks	14,776,442	10,867,071

<i>Loans and Deposits to Financial Institutions, Other Requirements</i>	Current period	Previous period
Requirements towards the financial institutions in RA	1,487,322	3,288,598
loans and deposits	413,725	2,430,041
factoring		
finance lease		
repurchase agreements	849,227	845,883
letters of credit and bank guarantees		
other	224,370	12,674
Requirements towards the high rating financial institutions: BBB-(Baa3) and over	392,744	1,103,124
loans and deposits		
factoring		
finance lease		
repurchase agreements		
letters of credit and bank guarantees		
other	392,744	1,103,124
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	5,577	
Total	1,885,643	4,391,722
Impairment losses of requirements towards the financial institutions (Note 7)	(2,159)	
Net Requirements Towards The Financial Institutions	1,883,484	4,391,722
Net Requirements Towards The Banks and The Financial Institutions	16,659,926	15,258,793

15. Financial Assets at Fair Value Through Profit or Loss

State securities	Current period	Previous period
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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

	<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 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	-	-	-	-
long-term debt instruments				
short-term debt instruments				
deposit certificates				
capital instruments				
Other				
Total non-state RA securities at fair value through profit or loss	-	-	-	-
Non-state securities of other countries				
	<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 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	53,600		27,426	-
futures				
forward				
option				
swap	53,600		27,426	
Other				
Total	53,600	-	27,426	-

Total Financial Assets at Fair Value Through Profit or Loss	53,600	-	27,426	-
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16. Loans and Advances to Customers

<i>Loans and other advances</i>	Current period	Previous period
Loans, including	179,594,035	146,073,087
Government of RA		
Local authorities		
Mortgage		
Credit lines and overdrafts	22,593,161	35,449,748
Factoring	9,921,024	9,007,995
Finance lease	15,234,864	13,058,071
Repurchase agreements		
Letters of credit and bank guarantees		
Other	236,053	135,090
Including interest accrued	2,637,890	2,932,193
Total Loans	227,579,137	203,723,991
Impairment losses of loans and advances to customers (Note 9)	(7,434,109)	(16,601,478)
Total Net Loans	220,145,028	187,122,513

<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	227,579,137	203,723,991
including impaired/ non-performing/ loans and advances: including	15,681,489	21,579,640
overdue	1,026,251	1,179,167
Impairment losses of loans and advances to customers	(7,434,109)	(16,601,478)
Total Net Loans and Advances	220,145,028	187,122,513

<i>The analyse of loans and advances by customer profile</i>	Current period	Previous period
State owned enterprises	237,807	142,268
Privately held companies	58,487,096	64,606,676
Individuals (natural persons): including	150,426,358	123,839,060
consumer loans	70,046,793	43,666,968
mortgage loans	13,038,206	11,509,062
credit cards	9,764,140	10,606,117
Individual entrepreneurs	18,427,875	15,135,987
Total net loans and advances	227,579,137	203,723,991
<i>Including interest accrued</i>	2,637,890	2,932,193
Impairment losses of loans and advances to customers	(7,434,109)	(16,601,478)
Total Net Loans and Advances	220,145,028	187,122,513

<i>The analyse of loans and advances by industry sectors</i>	Current period	Percentage relationship	Previous period	Percentage relationship
Industry	19,446,956	8.55	29,266,290	14.37
Agriculture	69,627,403	30.59	64,926,023	31.83
Construction	6,816,732	3.00	4,493,773	2.20
Transport and connection	2,485,283	1.09	1,396,513	0.68
Trading	30,223,663	13.28	24,622,828	12.07
Consumer	70,046,793	30.78	54,651,882	26.79
Mortgage loans	13,038,206	5.73	11,271,386	5.53
Service industry	13,007,776	5.72	8,633,624	4.23
Other	2,886,327	1.27	4,461,472	2.19
Total	227,579,138	100	203,723,991	100

17. Financial Assets at Fair Value Through Other Comprehensive Income

<i>State securities</i>	Current period	Previous period
State bonds of RA	21,179,581	18,685,513
Treasury bonds	21,179,581	18,685,513
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	21,179,581	18,685,513

<i>Non-state securities of RA</i>	listed	non-listed	listed	non-listed
The high rating issuer: A-/A3/ and over				
long-term debt instruments				
short-term loan instruments				

deposit certificates				81,212
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				
long-term debt instruments		4,086,125		479,210
short-term loan instruments				
deposit certificates				
capital instruments				
Other				81,212
Total Non-state Securities of RA	-	4,167,337	-	560,422
<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		1,694,687		1,453,450
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		1,694,687		1,453,450
Impairment losses of financial assets at fair value through other comprehensive income				
Total Financial Assets at Fair Value Through Other Comprehensive Income		27,041,605		20,699,385

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	596,093	382,467
Investments in joint controlled entities		
Investments in subsidiary banks		
Investments in other subsidiary entities		
Dividends		
Total	596,093	382,467

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	10,203,943	4,798,980	477,861	2,616,812	434,002	499,945	19,031,542
Additions	110,820	1,103,229	221,217	183,581		491	1,619,338
Disposals	-6,844	-109,294	-28,876	-133,667	-434,002	-12,222	-724,905
Amount as of the end of the previous period	10,307,919	5,792,915	670,202	2,666,726	0	488,214	19,925,975
Additions	224,428	1,252,420	161,929	374,474		67,568	2,080,819
Disposals		-2,490	-29,990	-5,552			-38,032
Revaluation*	-256,825						-256,825
Reclassification		0					0
Amount as of the end of the current period	10,275,521	7,042,845	802,141	3,035,647	0	555,782	21,711,937
Accumulated Depreciation							
Amount as of the beginning of the previous period	402,133	2,978,302	382,318	1,546,397	45,813	41,805	5,396,758
Depreciation	202,666	360,747	29,771	160,180	29,921	24,858	808,142
Disposals	-56	-37,700	-28,876	-50,089	-75,734	-1,973	-194,428
Amount as of the end of the previous period	604,743	3,301,349	383,212	1,656,478	0	64,690	6,010,472
Depreciation charge	164,120	413,292	40,066	135,203		24,701	777,382
Reclassification							0
Disposals		-659	-1,396	-1,658			-3,713
Amount as of the end of the current period	768,863	3,713,982	421,882	1,790,023	0	89,391	6,784,141
Net Carrying Amount							
Amount as of the end of the current period	9,506,658	3,328,863	380,259	1,245,625	0	466,391	14,927,798
Amount as of the end of the previous period	9,784,475	2,491,566	286,990	1,010,248	0	423,524	13,996,803

Intangible Assets

	Softwares	Licenses	Copyright	Intangible assets	Capital investment in intangible assets	Goodwill	Total
Cost							
Amount as of the beginning of the previous period	597,428	1,524,335	0	85,936	0	18,132	2,225,830
Additions	117,264	1,756,632		45,280			1,919,176
Disposals		-34,853		-57			-34,910
Elimination of accumulated depreciation							0
Reclassification		0					0
Amount as of the end of the previous period	714,692	3,246,114	0	131,159	0	18,132	4,110,098
Additions	82,873	504,596		426			587,895
Disposals	-58	-18,138		-57			-18,253
Revaluation							0
Impairment							0
Adjustment of revalued depreciation							0
Reclassification							0
Amount as of the end of the current period	797,507	3,732,572	0	131,527	0	18,132	4,679,738
Accumulated Depreciation							
Amount as of the beginning of the previous period	250,432	225,681	0	56,274	0	0	532,388
Depreciation and amortization	36,880	183,073	0	6,235	0	0	226,188

Disposals		-34,675		-57			-34,732
Elimination of accumulated depreciation							0
Amount as of the end of the previous period	287,313	374,059	0	62,482	0	0	723,823
Additions	36,276	237,415		8,745			282,436
Disposals	-8	-18,138		-37			-18,183
Adjustment of revalued depreciation							0
Impairment							
Reclassification							0
Amount as of the end of the current period	323,581	593,336	0	71,180	0	0	988,078
Net Carrying Amount							
Amount as of the end of the current period	473,926	3,139,236	0	60,368	0	18,132	3,691,661
Amount as of the end of the previous period	427,379	2,872,055	0	68,707	0	18,132	3,386,273

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	563,112	481,797
Total	563,112	481,797

	Current period	Previous period
<i>Amounts receivable and prepayments</i>		
Amounts receivable from budget	23,591	-
Amounts receivable from suppliers	-	
Prepayments to employees	9,250	5,529
Prepayments to suppliers	2,680,120	1,207,381
Prepayments on budget and mandatory social insurance contributions		124,516
Other amounts receivable and prepayments	223,113	197,243
Total	2,936,074	1,534,669

	Current period	Previous period
<i>Other assets</i>		
Warehouse	309,043	206,940
Charged collateral L assets held for trading	327,164	361,395
Future costs	121,731	101,934
Other assets	126,886	11,191
Total	884,824	681,460

Impairment losses of other assets	(8,414)	(15,327)
Total other assets	4,375,598	2,882,598

23. Amounts Due to Banks and Other Financial Institutions

	Current period	Previous period
<i>Current accounts</i>		
Amounts due to the banks of Ra	29,026	4,193
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	29,026	4,193
<i>Interbank loans and deposits, other liabilities</i>		
Amounts due to the CB of RA	14,962,271	13,873,268
loans	14,960,397	13,866,746
repurchase agreements		
other	1,874	6,522
Amounts due to the banks of Ra	441	1,555,242
loans and deposits		
finance lease		
repurchase agreements		1,510,896
other	441	44,346
Amounts due to the high rating banks: BBB-(Baa3) and over	17,774,252	16,643,209
loans and deposits	17,774,171	16,643,178
finance lease		
repurchase agreements		
other	81	31
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	367,320	392,466
Total	32,736,964	32,071,719
Amounts due to the financial institutions	48,328,036	36,827,373
current accounts	589,878	1,993,455
loans and deposits	47,511,833	34,550,246
repurchase agreements		
other	226,325	283,672

Including: Interest accrued	768,908	342,444
Total amounts due to banks and international financial institutions	81,094,026	68,903,285

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	12,512,461	13,642,611
Repurchase agreements		
Other		
Including: Interest accrued	43,228	51,441
Total	12,512,461	13,642,611
<i>Amounts due to resident corporations of RA</i>		
Current accounts	15,737,129	16,112,565
Term deposits	15,389,100	19,220,065
Repurchase agreements		
Other	1,686,106	907,884
Including: Interest accrued	284,269	318,478
Total	32,812,335	36,240,514
<i>Amounts due to non resident corporations of RA</i>		
Current accounts	464,989	437,803
Term deposits	1,190,389	1,137,344
Repurchase agreements		
Other	17,515	436
Including: Interest accrued	12,320	22,925
Total	1,672,893	1,575,583
<i>Amounts due to resident individual entrepreneurs of RA</i>		
Current accounts	1,183,276	914,736
Term deposits	359,403	67,384
Repurchase agreements		
Other	5,890	3,574
Including: Interest accrued	6,577	1,730
Total	1,548,569	985,694
<i>Amounts due to non resident individual entrepreneurs of RA</i>		
Current accounts		
Term deposits		
Repurchase agreements		
Other		
Including: Interest accrued		
Total	-	-
<i>Amounts due to resident individuals (natural persons) of RA</i>		
Current accounts	9,537,630	19,211,124
Term deposits	120,340,324	86,940,503
Repurchase agreements		
Other	853,771	828,825
Including: Interest accrued	1,917,412	1,667,056
Total	130,731,725	106,980,452
<i>Amounts due to non resident individuals (natural persons) of RA</i>		
Current accounts	1,184,461	1,258,052
Term deposits	13,393,329	11,901,681
Repurchase agreements		
Other	10,441	19,590
Including: Interest accrued	319,455	307,448
Total	14,588,231	13,179,323
Total amounts due to customers	193,866,214	172,604,177

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	5,567,619	2,971,160
Preferred shares /financial liabilities/ issued by the bank		
Other securities issued		
Including: Interest accrued	115,499	50,589
Total	5,567,619	2,971,160

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	98,251	140,968
other		
Hedging derivatives		
Other		

Total	98,251	140,968
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27. Amounts Payable

<i>Amounts payable</i>	Current period	Previous period
Dividends		
Payables from accreditation management operations		
Payables to Deposit Guarantee fund	76,062	63,406
Other	31,473	3,058
Total	107,535	66,464

29. Other Liabilities

<i>Other liabilities</i>	Current period	Previous period
Amounts payable	1,783,313	2,324,605
Tax payable, other than income tax	137,069	380,014
Due to personnel	1,719,078	1,513,445
Grants related to assets	14,303	
Other	95,119	70,629
Total Other Liabilities	3,748,882	4,288,693

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 31 December 2018 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. As at 31 December 2018, shareholder, which has 10% of total paid-in capital, may be specified as follow:

The respective shareholder	Paid-in share capital	% of total paid-in capital	Activity type for entrepreneur
ACBA FEDERATION	28,056,000	93.52%	closed joint-stock company
Total	28,056,000	93.52%	

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	2,002,994	2,149,032
Revaluation reserve of property, plant and equipment	3,047,098	3,075,772
Other reserves	-	-
Total	5,050,092	5,224,804

30. Provisions, Contingent Cases and Potensial Liabilities

<i>Provisions</i>	Current period	Previous period
1 Initial Balance	0	0
2 Net Impairment losses	84,575	0
3 The final balance	84,575	0

30.3 Off Balance Sheet Contingent Liabilities Including Credit Risk

	Current period	Previous period
Undrawn credit lines	20,698,692	20,381,604
Guarantees	4,315,123	3,769,450
Letters of credit	676,490	564,720
Provision (Note 9)		
	25,690,305	24,715,774

31. Transactions With Related Parties

<i>Amounts due from other banks</i>	Current period	Previous period
Balance as at 1 January	887,020	1,354,540
Additions during the quarter	93,273,795	260,025,021
Reductions during the quarter	94,160,815	260,492,540
Balance as at 31 December	0	887,020
Interest income	-	111

<i>Loans and advances to customers</i>	Current period	Previous period
Balance as at 1 January	501,232	425,086
Additions during the quarter	309,049	443,031
Reductions during the quarter	393,989	366,885
Balance as at 31 December	416,292	501,232
Interest income	24,210	21,958

<i>Amounts due to banks</i>	Current period	Previous period
Balance as at 1 January	990,028	440,353

Additions during the quarter	51,728,533	63,912,058
Reductions during the quarter	52,718,561	63,362,383
Balance as at 31 December	0	990,028
Interest income	-	-

<i>Amounts due to customers</i>	Current period	Previous period
Balance as at 1 January	782,756	817,513
Additions during the quarter	1,373,847	3,686,666
Reductions during the quarter	1,387,083	3,721,423
Balance as at 31 December	769,520	782,756
Interest income	58,357	51,780

32.1 Credit Risk Geographical Sectors

	Current period				
	Armenia	CIS countries	OECD countries	Non-OECD countries	Total
Assets					
Cash and balances with the Central Bank of Armenia	62,685,093				62,685,093
Amounts due from banks and other financial institutions	5,610,683	298,523	10,460,946	289,774	16,659,926
Financial assets at fair value through profit or loss			53,600		53,600
Loans and advances to customers	220,127,155	16,537	982	354	220,145,028
Financial assets at fair value through other comprehensive income	25,346,918		1,694,687		27,041,605
Other financial assets					-
Total Assets	313,769,849	315,060	12,210,215	290,128	326,585,252
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			98,251		98,251
Total Liabilities	216,385,658	5,025,791	51,363,570	2,283,472	275,058,491
Not GAP	97,384,191	(4,710,730)	(39,153,355)	(1,993,345)	51,526,761

	Previous period				
	Armenia	CIS countries	OECD countries	Non-OECD countries	Total
Assets					
Cash and balances with the Central Bank of Armenia	67,364,694				67,364,694
Amounts due from banks and other financial institutions	9,607,984	707,555	4,727,591	215,663	15,258,793
Financial assets at fair value through profit or loss		1,085	26,341		27,426
Loans and advances to customers	187,106,927	15,446	129	11	187,122,513
Financial assets at fair value through other comprehensive income	19,245,935		1,453,450		20,699,385
Other financial assets					-
Total Assets	283,325,540	724,086	6,207,510	215,875	290,472,811
Liabilities					
Amounts due to banks and other financial institutions	23,809,211		45,094,074		68,903,285
Amounts due to customers	159,890,851	1,454,135	8,963,743	2,295,448	172,604,177
Financial liabilities at fair value through profit or loss		15,453	125,515		140,968
Total Liabilities	183,700,062	1,469,688	54,183,332	2,295,448	241,648,430
Not GAP	99,625,478	(745,502)	(47,975,822)	(2,079,773)	48,824,381

	Current period	Non-performing assets				
Assets	Performing assets	Watch/Risk/		NotStandard /Avrisk/	Doubtful /Highrisk/	Loss
	Standard /Norisk/					
Loans including:	215,624,258	2,476,125	2,292,899	7,185,857	24,603,319	
1. Industry	15,919,160	16,750	68,273	3,442,772	1,507,011	
2. Agriculture	65,993,972	1,049,118	1,269,020	1,315,293	14,084,348	
3. Construction	6,816,732	-	-	-	266,833	
4. Transport and connection	2,412,700	58,441	6,720	7,423	334,130	
5. Trading	29,760,034	167,457	79,612	216,559	2,014,299	
6. Public catering and other service industry	11,233,869	78,845	35,891	1,659,171	679,571	
7. Financial sector						
8. Consumer Loans, including:	67,895,844	928,743	698,596	523,610	5,065,504	
9. Other sectors of industry	2,837,965	-	48,362	-	-	
10 Mortgage loans	12,753,982	176,771	86,424	21,029	651,624	
Amounts receivable	12,872,106	235,230	233,508	177,796	-	
Off balance sheet items, including:	25,504,069	71,858	52,173	17,145	45,061	
Guarantees	4,315,123					
Letters of credits	676,490					

	Previous period	Non-performing assets				
Assets	Performing assets	Watch/Risk/		NotStandard /Avrisk/	Doubtful /Highrisk/	Loss
	Standard /Norisk/					
Loans including:	182,027,815	2,330,919	2,164,468	17,200,788	21,267,373	
1. Industry	21,267,443	117,550	20,883	7,860,413	1,575,711	
2. Agriculture	54,952,638	1,305,553	1,494,565	7,173,267	9,771,746	
3. Construction	4,493,434	-	339	-	385,142	
4. Transport and connection	1,391,535	4,519	460	-	400,051	
5. Trading	24,247,686	100,838	101,415	172,888	2,314,842	
6. Public catering and other service industry	8,559,454	31,249	42,555	567	761,825	
7. Financial sector						
8. Consumer Loans, including:	53,294,008	599,603	462,705	1,958,543	5,300,635	

9. Other sectors of industry	2,707,592	90,903	-		
10 Mortgage loans	11,114,026	80,704	41,546	35,110	757,420

Amounts receivable	4,813,600	21,433	9,238	1,072	-
Off balance sheet items, including:	24,635,778	91,859	103,701	49,270	184,069
Guarantees	3,769,450				-
Letters of credits	564,720				

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	20,216,296	41,804,806	663,991	62,685,093
Amounts due from banks and other financial institutions	1,512,896	14,914,094	232,936	16,659,926
Financial assets at fair value through profit or loss	32,770	20,830		53,600
Loans and advances to customers	157,751,418	61,932,816	460,794	220,145,028
Financial assets at fair value through other comprehensive income	4,381,512	22,660,093	-	27,041,605
Other financial assets	-	-	-	-
Total Assets	183,894,892	141,332,639	1,357,721	326,585,252
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	36,881,896	15,142,136	(399,020)	51,625,012

	Previous period			Total
	AMD	I group currency*	II group currency**	
Assets				
Cash and balances with the Central Bank of Armenia	27,899,271	38,167,051	1,298,372	67,364,694
Amounts due from banks and other financial institutions	8,074,572	6,138,097	1,046,124	15,258,793
Financial assets at fair value through profit or loss	27,426		-	27,426
Loans and advances to customers	118,616,523	67,992,607	513,383	187,122,513
Financial assets at fair value through other comprehensive income	6,169,176	14,530,209	-	20,699,385
Other financial assets	-	-	-	-
Total Assets	160,786,968	126,827,964	2,857,879	290,472,811
Liabilities				
Amounts due to banks and other financial institutions	34,185,650	34,716,978	657	68,903,285
Amounts due to customers	71,203,515	99,599,762	1,800,900	172,604,177
Total Liabilities	105,389,165	134,316,740	1,801,557	241,507,462
Net GAP	55,397,803	(7,488,776)	1,056,322	48,965,349
Contingent Liabilities, including Credit Risk 31.12.18	11,185,632	14,442,843	61,830	25,690,305

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:	7.50		5.78	7.79
interbank loans			5.78	10.00
interbank repo				6.37
Loans and advances to customers	14.27		11.10	15.37
Financial assets at fair value through other comprehensive income	6.54		5.73	
Financial assets at fair value through profit or loss				6.37
Other financial assets				3.57
Liabilities				
Amounts due to banks and other financial institutions, including:	8.63		6.31	8.45
Loans	8.63		6.31	8.56
interbank repo				5.50
Amounts due to customers	6.25		3.42	6.30
Obligations for the securities issued by banks	9.32		5.41	9.20
				5.50

32.3 Liquidity Risk

	Current period		Maturity					No term	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		
Assets maturity									
Cash and cash equivalents, balances with the Central Bank of Armenia	-	-	62,129,093	-	-	-	-	556,000	62,685,093
Amounts due from banks and other financial institutions	-	-	11,212,700	1,936	3,239,993	1,058,741	-	1,146,556	16,659,926
Loans and advances to customers	854,863	4,929,985	4,821,029	9,671,624	59,814,279	112,792,696	11,866,260	236,053	204,986,789
Finance lease	4,954	1,146	600,586	877,221	3,775,197	9,899,135	-	-	15,158,239
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	78,763,408	10,550,781	68,384,958	148,166,527	12,936,421	1,938,609	326,531,651
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	-	-	98,251	-	-	-	-	-	98,251
Securities issued by the Bank	-	-	-	-	-	5,567,619	-	-	5,567,619
Total	-	-	58,685,876	23,799,167	102,486,611	85,902,573	6,951,835	2,800,048	280,626,110
Net Liquidity GAP	859,817	4,931,131	20,077,531	(13,248,386)	(34,101,653)	62,263,954	5,984,586	(861,439)	45,905,541
Cumulative Liquidity GAP			25,868,479	12,620,093	(21,481,559)	40,782,395	46,766,980	45,905,541	
Assets maturity									
Cash and cash equivalents, balances with the Central Bank of Armenia	-	-	66,844,694	-	-	-	-	520,000	67,364,694
Amounts due from banks and other financial institutions	-	-	8,472,908	2,575,814	2,481,966	-	-	1,728,105	15,258,793
Loans and advances to customers	830,669	4,796,698	5,297,864	9,132,133	53,604,452	89,101,134	11,474,685	133	174,237,768
Finance lease	17,014	233,242	682,090	982,270	3,616,911	7,353,217	-	-	12,884,745
Financial assets at fair value through other comprehensive income	-	-	-	-	1,984,121	17,108,780	71,822	1,534,662	20,699,385
Other requirements									-
Total	847,683	5,029,940	81,297,556	12,690,217	61,687,450	113,563,131	11,546,507	3,782,900	290,445,385
Liabilities maturity									
Amounts due to banks and other financial institutions	-	-	5,259,409	4,952,312	17,433,254	40,214,019	760,619	283,672	68,903,285
Amounts due to customers	-	-	48,713,146	22,723,899	68,598,613	25,928,907	6,050,960	588,652	172,604,177
Financial liabilities at fair value through profit or loss	-	-	140,968	-	-	-	-	-	140,968
Securities issued by the Bank	-	-	-	-	-	-	2,971,160	-	2,971,160
Total	-	-	54,113,523	27,676,211	86,031,867	66,142,926	9,782,739	872,324	244,619,590
Net Liquidity GAP	847,683	5,029,940	27,184,033	(14,985,994)	(24,344,417)	47,420,205	1,763,768	2,910,576	45,825,795
Cumulative Liquidity GAP			33,061,657	18,075,663	(6,268,754)	41,151,451	42,915,219	45,825,795	

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	16,659,926	16,659,926	15,258,793	15,258,793
Loans and advances to customers	220,145,028	220,145,028	187,122,513	187,122,513
Financial liabilities				
Amounts due to financial institutions	81,094,026	81,094,026	68,903,285	68,903,285
Amounts due to customers	193,866,214	193,866,214	172,604,177	172,604,177

36. Accepted Collateral

Type of collateral	Current period	Previous period
Other securities	2,415,100	2,603,100
Precious jewelry, Gold scrap, Precious stones	6,820,385	8,050,532
Real Estate and property, plant and equipment	192,767,158	178,757,748
Ready-Made Products and Goods	25,391,196	24,383,920
Cash	6,000,145	4,427,611
Other collateral	5,742,127	3,220,855
Total	239,136,111	221,443,766

General Executive Director



Handwritten signature of H. Andriasyan

H. Andriasyan

Chief Accountant

A. Hakobyan

Report validation date: 21/01/19