

Accompanying notes to the consolidated financial statements as of 30.06.20

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	85,398	199,984
Interest income from loans and advances to customers	19,172,109	15,273,047
Interest income from finance lease	1,001,520	716,818
Interest income from debt securities	676,291	654,135
Interest income from repurchase agreements	316,476	47,698
Income from factoring, creditline	1,226,668	1,045,530
Other interest income	57,761	73,236
Total	22,536,223	18,010,448

<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	4,174,009	3,525,597
Interest expense on term deposits and current accounts of customers	5,350,348	4,648,332
Interest expense on securities issued from bank	146,961	199,615
Interest expense on repurchase agreements	1,123	3,856
Other interest expense	199,688	180,526
Total	9,872,129	8,557,926

Net Interest And Similar Income	12,664,094	9,452,522
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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	73,418	71,054
Settlement services	683,945	713,577
Guarantees and letters of credits, accreditation management operations fee	181,431	58,005
Finance lease payments	47,113	58,862
Plastic card maintenance	1,131,277	1,266,194
Other commission fee	42,622	48,188
Total	2,159,806	2,215,881

<i>Commission and Other Fee Expense</i>	Current period	Previous period
Settlement operations / wire transfer fee	145,547	138,551
Cash withdrawal services	147,671	110,250
Plastic card maintenance	576,434	643,874
Other commission fee	19,389	18,683
Total	889,041	911,358

Received Net Commission and Other Fee	1,270,765	1,304,522
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8. Net Trading Income

	Current period	Previous period
Net income from trading in foreign currencies	1,011,899	679,848
Net income from revaluation of foreign currency	-571,028	-40,210
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	595,518	612,854
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	1,036,389	1,262,492

8.1. Other Operating Income

	Current period	Previous period
Net income from alienation of property, plant, equipment and other intangible assets	-528,053	-76,053
Fines and penalties received	670,838	698,394
Other income	170,426	152,777
Total	313,211	775,118

9. Impairment losses

Cash on hand

According to IFRS 9	Group I
Amount at the beginning of the current period 01.01.20	6,284
Net provisions	-3,750
Return	
Written off	0
Amount at the end of the current period 30.06.20	2,534

Amounts Due From Banks and Financial Institutions

According to IFRS 9	Group I
Amount at the beginning of the current period 01.01.20	28,889
Net provisions	-14,536
Return	
Written off	0
Amount at the end of the current period 30.06.20	14,353

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 01.01.20	1,011,542	108,606	6,194,604	227,007	7,541,759
New assets originated or purchased	1,261,873	-	-	1,636	1,263,510
Assets repaid	(82,176)	(6,875)	(1,284,831)	(7,536)	(1,381,418)
Transfer to Group I	27,111	(27,111)	-	-	-
Transfer to Group II	(115,420)	115,420	-	-	-
Transfer to Group III	(676,047)	(66,176)	742,223	-	-
Impact on period end ECL of exposures transferred between stages during the period	5,039	419,718	1,541,907	-	1,966,664
Unwinding of discount			161,860	-	161,860
Changes to models and inputs used for ECL calculations	1,043,351	15,987	1,166,195	-	2,225,533
Recoveries	-	-	1,191,914	-	1,191,914
Written off	-	-	(2,873,278)	-	(2,873,278)
Foreign exchange adjustments	1,416	577	22,605	-	24,598
Amount at the end of the current period 30.06.20	2,476,688	560,147	6,863,199	221,107	10,121,142

Lease

According to IFRS 9	Group I	Group II	Group III	Initially depreciated	Total
Amount at the beginning of the current period 01.01.20	44,718	5,172	74,386	-	124,276
New assets originated or purchased	41,930	-	-	-	41,930
Assets repaid	(2,877)	(42)	(208,945)	-	(211,863)
Transfer to Group I	1,640	(1,640)	-	-	-
Transfer to Group II	(587)	587	-	-	-
Transfer to Group III	(117)	(3,582)	3,699	-	(0)
Impact on period end ECL of exposures transferred between stages during the period	(227)	3,605	58,353	-	61,731
Changes to models and inputs used for ECL calculations	2,469	140	8,048	0	10,656
Recoveries	0	0	205,974	0	205,974
Written off	0	0	-39,244	0	(39,244)
Foreign exchange adjustments	148	2	7	0	157
Amount at the end of the current period 30.06.20	87,097	4,242	102,277	0	193,616

Investments

According to IFRS 9	Group I
Amount at the beginning of the current period 01.01.20	216,674
Transfer to Stage I	-11,706
Transfer to Stage II	
Transfer to Stage III	
Recoveries	
Written off	
Amount at the end of the current period 30.06.20	204,968

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 01.01.20	111,568	2,343	3,615	117,526
New assets originated or purchased	22,661	-	-	22,661
Assets repaid	(15,727)	(470)	(2,155)	(18,352)
Transfer to Stage I	1,618	(1,618)	-	-
Transfer to Stage II	(63)	63	-	-
Transfer to Stage III	(371)	(280)	651	-
Impact on period end ECL of exposures transferred between stages during the period	(18)	612	2,110	2,704
Changes to models and inputs used for ECL calculations	74,830	92	225	75,147
Recoveries	-	-	-	-
Written off	-	-	-	-
Foreign exchange adjustments	541	2	11	553
Amount at the end of the current period 30.06.20	195,038	744	4,457	200,239

10. General Administrative Expenses

	Current period	Previous period
Wages and salaries	5,613,923	4,745,619

Social insurance contributions	1,836	1,638
Repairs and maintenance expenses of tangible assets	378,569	349,524
Business trip expenses	39,511	62,811
Transport, connection and communication expenses	161,666	161,862
Lease expenses	17,859	5,170
Taxes other than on income	108,171	144,961
Consulting and other service expenses	46,161	27,625
Security expenses	141,593	175,597
Office supplies	98,024	120,742
Training costs	27,313	32,154
Insurance expenses	74,329	61,406
Total	6,708,955	5,889,108

10.1 Other Operating Expenses

	Current period	Previous period
Advertising costs	261,598	269,944
Penalties paid	226	656
Amortization costs of property, plant, equipment and other intangible assets	1,105,911	901,917
Cash collection expenses	68,632	67,832
Insurance expenses of deposits	236,843	173,238
Other expenses	758,456	884,588
Total	2,431,665	2,298,175

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

Net Income From Investments in Controlled Entities	Current period	Previous period
Investments in associates	157,109	87,865
Investments in joint controlled entities		
Investments in subsidiary banks		
Investments in other subsidiary entities		
Total	157,109	87,865

12. Income Tax Expense

	Current period	Previous period
Income tax expense	(817,356)	(746,283)
Any adjustments recognised in the period for current tax of prior periods		
Deferred tax expenses	54,480	
Current Income Tax	(762,896)	(746,283)

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
Other assets	5,338			5,338
Lease receivables	9,496			9,496
Other borrowed funds	7,004			7,004
Other liabilities	3,419			3,419
Other financial instruments	2,644			2,644
Net deferred tax asset	27,901	-	-	27,901
	Balance as of the previous period	Recognised in reported results	Recognised in equity	period
Other assets	230,308			230,308
Loans and advances to customers	360,982			360,982
Other liabilities	(107,038)	(42,271)		(149,309)
Investments in associates	25,720			25,720
Current accounts and deposits from customers	(81,250)			(81,250)
Property, Plant and Equipment	(391,821)			(391,821)
Investments at fair value through other comprehensive income	(587,774)			(587,774)
Other financial instruments	28,983	96,731		125,694
Net deferred tax liability	(521,910)	54,480	-	(467,450)

Earnings Per Share

	Current period	Previous period
Net Profit/(loss) after taxes	1,489,128	2,477,690
The quantity of ordinary shares	2,500	2,500
Earnings Per Share	596	991

13. Cash On Hand

13.1 Cash and cash equivalents, remainings in CB	Current period	Previous period
Cash on hand	8,477,724	11,838,316

Other distributions of cash	5,258,331	4,811,327
Current accounts in CBA	47,846,615	41,704,517
Deposits in CBA	465,000	562,000
Interest accrued on current accounts and deposits of CB		
Impairment losses	(2,534)	(6,284)
Total	62,045,136	58,909,876
<i>Cash flow including cash on hand and accounts in CBA</i>	<i>61,582,670</i>	<i>51,260,396</i>
<i>Distributed funds in other banks (Note 14)</i>	<i>7,630,215</i>	<i>4,654,855</i>
Total cash and cash equivalents	69,212,885	55,915,251

14. Amounts Due From Banks and Other Financial Institutions

<i>Current accounts</i>	Current period	Previous period
Requirements towards the banks of Ra	3,188	3,179
Requirements towards the high rating banks: BBB-(Baa3) and over	7,264,744	4,312,353
Requirements towards the low rating banks, lower than BBB-(Baa3) and requirements towards the banks without rating	361,536	339,295
Interest accrued	747	28
Total	7,630,215	4,664,855
<i>Interbank loans and deposits, other requirements</i>		
Requirements towards the CB of RA	-	-
loans and deposits		
factoring		
lease		
repurchase agreements		
other		
Requirements towards the banks of Ra	12,211,335	21,183,881
loans and deposits	1,447,062	2,878,179
factoring		
lease		
repurchase agreements	10,269,643	17,696,166
letters of credit and bank guarantees		
other	494,630	609,536
Requirements towards the high rating banks: BBB-(Baa3) and over	546,884	-
loans and deposits		
factoring		
lease		
repurchase agreements		
letters of credit and bank guarantees		
other	546,884.00	
Requirements towards the low rating banks, lower than BBB-(Baa3) and requirements towards the banks without rating	35,806	19,375
loans and deposits		
factoring		
lease		
repurchase agreements		
letters of credit and bank guarantees		
other	35,806	19,375
Including interest accrued	18,368	23,501
Total	20,442,608	25,881,612
Impairment losses of requirements towards the banks (Note 7)		
Net Requirements Towards The Banks	20,442,608	25,881,612

<i>Loans and Deposits to Financial Institutions, Other Requirements</i>	Current period	Previous period
Requirements towards the financial institutions in RA	1,780,323	2,041,440
loans and deposits	764,123	572,862
factoring		
lease		
repurchase agreements	831,815	839,077
letters of credit and bank guarantees		
other	184,385	629,501
Requirements towards the high rating financial institutions: BBB-(Baa3) and over	484,397	1,094,109
loans and deposits		
factoring		
lease		
repurchase agreements		
letters of credit and bank guarantees		
other	484,397	1,094,109
Requirements towards the low rating financial institutions, lower than BBB-(Baa3) and requirements towards financial institutions without rating	5,541	1,696

loans and deposits		
factoring		
lease		
repurchase agreements		
letters of credit and bank guarantees		
other	5,541	1,696
Interest accrued	94,806	95,089
Total	2,365,067	3,232,334
Impairment losses of requirements towards the financial institutions (Note 7)	(14,353)	(28,889)
Net Requirements Towards The Financial Institutions	2,350,714	3,203,445
Net Requirements Towards The Banks and The Financial Institutions	22,793,322	29,085,057

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	252,489	-	251,177	-
long-term debt instruments	252,489	-	251,177	-
short-term debt instruments	-	-	-	-
deposit certificates	-	-	-	-
capital instruments	-	-	-	-
Other	-	-	-	-
Total non-state RA securities at fair value through profit or loss	252,489	-	251,177	-

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	53,552		277	-
futures				
forward				
option				
swap	53,552		277	
Other				
<i>Total</i>	53,552	-	277	-
Total Financial Assets at Fair Value Through Profit or Loss	306,041	-	251,454	-

16. Loans and Advances to Customers

<i>Loans and other advances</i>	Current period	Previous period
Loans, including	257,341,974	237,845,373
Government of RA		
Local authorities		
Mortgage		
Credit lines and overdrafts	31,699,444	30,269,340
Factoring	12,321,171	12,813,525
Lease	23,078,545	20,437,127
Repurchase agreements		
Letters of credit and bank guarantees	931	
Other	1,594,675	550,420
Including interest accrued	4,671,183	3,366,097
Total Loans	326,036,740	301,915,785
Impairment losses of loans and advances to customers (Note 9)	(10,314,758)	(7,666,035)
Total Net Loans	315,721,981	294,249,750

<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	326,036,740	301,915,785
overdue	3,256,901	708,511
Impairment losses of loans and advances to customers	(10,314,758)	(7,666,035)
Total Net Loans and Advances	315,721,981	294,249,750

<i>The analyse of loans and advances by customer profile</i>	Current period	Previous period
State owned enterprises	273,056	172,574
Privately held companies	86,885,692	77,983,853
Individuals (natural persons): including	212,543,810	198,403,421
consumer loans	88,088,398	94,253,011
mortgage loans	22,210,292	19,530,847
credit cards	14,354,898	15,142,819
Individual entrepreneurs	26,334,182	25,355,937
Total net loans and advances	326,036,740	301,915,785
<i>Including interest accrued</i>	4,671,183	3,366,097
Impairment losses of loans and advances to customers	(10,314,758)	(7,666,035)
Total Net Loans and Advances	315,721,981	294,249,750

<i>The analyse of loans and advances by industry sectors</i>	Current period	Percentage relationship	Previous period	Percentage relationship
Industry	21,279,685	6.53	23,313,181	7.72
Agriculture	108,872,955	33.39	87,879,060	29.10
Construction	13,210,105	4.05	11,643,284	3.86
Transport and connection	5,260,913	1.61	5,300,110	1.76
Trading	36,934,279	11.33	35,111,769	11.63
Consumer	88,088,398	27.02	94,253,011	31.22
Mortgage loans	22,210,292	6.81	19,530,847	6.47
Service industry	26,719,928	8.20	23,467,657	7.77
Other	3,460,183	1.06	1,416,866	0.47
Total	326,036,740	100	301,915,785	100

17. Financial Assets at Fair Value Through Other Comprehensive Income

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

State bonds of RA	19,751,155	16,212,563
Treasury bonds	19,751,155	16,212,563
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	19,751,155	16,212,563

<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		4,110,713		4,079,615
long-term debt instruments				
short-term loan instruments				
deposit certificates				
capital instruments				
Other		81,212		81,212
Total Non-state Securities of RA	-	4,191,925	-	4,160,827

<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		2,467,236		2,387,059
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		2,467,236		2,387,059
Impairment losses of financial assets at fair value through other comprehensive income				
Total Financial Assets at Fair Value Through Other Comprehensive Income		26,410,316		22,760,449

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

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

<i>Investments in controlled entities</i>	Current period	Previous period
Investments in associates	922,263	749,442
Investments in joint controlled entities		
Investments in subsidiary banks		
Investments in other subsidiary entities		
Dividends		
Total	922,263	749,442

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	9,500,603	7,020,245	439,799	3,038,056	2,206,032	558,831	22,763,566
Additions	310,133	1,440,602	144,025	211,948	45,133	173,239	2,325,080
Disposals	-600	-142,327	-53,865	-27,564			-224,356
Amount as of the end of the previous period	9,810,136	8,318,520	529,959	3,222,440	2,251,165	732,070	24,864,290
Additions	23,839	265,253	70,947	22,413			382,452
Disposals	-1,100,300	-1,715	-6,574	-1,285			-1,109,874
Revaluation*							0
Reclassification		53,254		-53,254			0
Amount as of the end of the current period	8,733,675	8,635,312	594,332	3,190,314	2,251,165	732,070	24,136,868
Accumulated Depreciation							
Amount as of the beginning of the previous period	34,389	3,724,271	54,550	1,829,607	0	85,379	5,728,196
Depreciation	174,348	603,996	48,190	176,243	545,620	64,225	1,612,622
Disposals		-73,473	-7,812	-9,133			-90,418
Amount as of the end of the previous period	208,737	4,254,794	94,928	1,996,717	545,620	149,804	7,250,400
Depreciation charge	87,526	343,051	28,048	91,533	283,967	14,247	848,372
Reclassification							0
Disposals		-506	-1,644	-516			-2,667
Amount as of the end of the current period	296,263	4,597,339	121,332	2,087,734	829,587	163,851	8,096,106
Net Carrying Amount							
Amount as of the end of the current period	8,437,412	4,037,973	473,000	1,102,580	1,421,578	568,219	16,040,762
Amount as of the end of the previous period	9,601,399	4,063,726	435,031	1,225,723	1,705,545	582,466	17,613,890

Intangible Assets

	Softwares	Licenses	Copyright	Other Intangible assets	Capital investment in intangible assets	Goodwill	Total
Cost							
Amount as of the beginning of the previous period	797,507	3,802,424	0	131,527	0	18,132	4,549,590
Additions	17,114	484,078		88,704			589,896
Disposals	-20,871			-596			-21,467
Elimination of accumulated depreciation							0
Revaluation			0				0
Amount as of the end of the previous period	793,750	4,086,502	0	219,635	0	18,132	5,118,019
Additions	223,647	33,219		8,457			265,323
Disposals							0
Revaluation							0
Impairment							0
Adjustment of revalued depreciation							0
Reclassification	953,700	-953,700					0
Amount as of the end of the current period	1,971,097	3,166,021	0	228,092	0	18,132	5,383,342
Accumulated Depreciation							
Amount as of the beginning of the previous period	323,581	582,148	0	71,180	0	0	976,889
Depreciation and amortization	107,741	283,526		11,187			402,454
Disposals	-19,645			-219			-19,864
Elimination of accumulated depreciation							0
Amount as of the end of the previous period	411,677	865,674	0	82,127	0	0	1,359,478
Depreciation charge	82,848	165,732		8,959			257,538
Disposals							0
Adjustment of revalued depreciation							0
Impairment							0
Reclassification							0
Amount as of the end of the current period	494,524	1,031,405	0	91,087	0	0	1,617,016
Net Carrying Amount							
Amount as of the end of the current period	1,476,573	2,134,616	0	137,005	0	18,132	3,786,325
Amount as of the end of the previous period	382,073	3,220,828	0	137,507	0	18,132	3,758,540

22. Other Assets

<i>Amounts receivable from banking operations</i>	Current period	Previous period
Dividends receivable		
Amounts receivable from accreditation management operations		
Amounts receivable from other operations	557,618	1,110,167
Total	557,618	1,110,167

<i>Amounts receivable and prepayments</i>	Current period	Previous period
Amounts receivable from budget		
Amounts receivable from suppliers		
Prepayments to employees	14,206	5,174
Prepayments to suppliers	2,984,245	2,647,636
Prepayments on income tax	157,063	
Other amounts receivable and prepayments	940,501	338,183
Total	4,096,015	2,990,993

<i>Other assets</i>	Current period	Previous period
Warehouse	243,490	385,349
Charged collateral u assets at fair value through other comprehensive income	493,952	501,626
Future costs	345,270	203,081
Other assets	120,785	16,805
Total	1,203,497	1,106,861

Impairment losses of other assets		(1,405)
Total other assets	5,857,131	5,206,616

23. Amounts Due to Banks and Other Financial Institutions

<i>Current accounts</i>	Current period	Previous period
Amounts due to the banks of Ra	28,388	28,228
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	28,388	28,228

<i>Interbank loans and deposits, other liabilities</i>	Current period	Previous period
Amounts due to the CB of RA	19,336,563	13,460,062
loans	19,333,454	13,458,824
repurchase agreements		
other	3,109	1,238
Amounts due to the banks of Ra	234,882	1,049
loans and deposits	233,710	
lease		

repurchase agreements		
other	1,172	1,049
Amounts due to the high rating banks: BBB-(Baa3) and over	12,728,937	11,050,241
loans and deposits	12,728,937	11,048,690
lease		
repurchase agreements		
other		1,551
Amounts due to the low rating banks, lower than BBB-(Baa3) and amounts due to the banks without rating	-	-
loans and deposits		
lease		
repurchase agreements		
other		
Including: Interest accrued	606,230	481,145
Total	32,300,382	24,511,352
Amounts due to the financial institutions	83,668,050	82,610,314
current accounts	7,324,540	6,132,591
loans and deposits	76,129,426	76,214,266
repurchase agreements		
other	214,084	263,458
Including: Interest accrued	2,366,857	2,135,988
Total amounts due to banks and International financial institutions	115,996,820	107,149,894

23.1 Subordinate loan

<i>Subordinate loan</i>	Հաշվետու ժամանակաշրջան	Նախորդ ժամանակաշրջան
Amounts Due International Financial Institutions	4,885,971	4,854,305
Including: Interest accrued	22,271	19,183
ԸՈ՞րաննդ	4,885,971	4,854,305

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	17,904,260	16,009,762
Repurchase agreements		
Other		
Including: Interest accrued	90,000	63,231
Total	17,904,260	16,009,762
<i>Amounts due to resident corporations of RA</i>		
Current accounts	28,492,492	20,513,887
Term deposits	25,940,332	24,159,010
Repurchase agreements		
Other	898,366	1,963,542
Including: Interest accrued	407,697	382,831
Total	55,331,190	46,636,439
<i>Amounts due to non resident corporations of RA</i>		
Current accounts	730,836	374,896
Term deposits	758,063	1,308,057
Repurchase agreements		
Other		
Including: Interest accrued	15,712	18,010
Total	1,488,899	1,682,953
<i>Amounts due to resident individual entrepreneurs of RA</i>		
Current accounts	1,705,378	2,127,479
Term deposits	85,690	89,089
Repurchase agreements		
Other	6,642	8,400
Including: Interest accrued	361	2,533
Total	1,797,710	2,224,968
<i>Amounts due to non resident individual entrepreneurs of RA</i>		
Current accounts	202	1,770
Term deposits		
Repurchase agreements		
Other		
Including: Interest accrued		
Total	202	1,770
<i>Amounts due to resident individuals (natural persons) of RA</i>		
Current accounts	28,477,724	27,072,087
Term deposits	127,848,373	127,097,854
Repurchase agreements		
Other	2,778,876	2,018,737
Including: Interest accrued	2,486,212	2,291,940
Total	159,104,973	156,188,678
<i>Amounts due to non resident individuals (natural persons) of RA</i>		
Current accounts	1,881,304	2,837,125

Term deposits	16,478,351	15,106,485
Repurchase agreements		
Other	165,335	725
Including: Interest accrued	327,474	329,521
Total	18,524,990	17,944,335
Total amounts due to customers	254,152,224	240,688,905

25. Securities Issued by The Bank

Securities issued by the bank	Current period	Previous period
Deposit certificates issued by the bank		
Non-interest securities issued by the bank		
Interest securities issued by the bank	3,433,775	5,873,705
Preferred shares /financial liabilities/ issued by the bank		
Other securities issued		
Including: Interest accrued	105,983	152,759
Total	3,433,775	5,873,705

26. Financial Liabilities at Fair Value Through Profit or Loss

Financial liability at fair value through profit or loss	Current period	Previous period
Derivatives held for trading		
futures		
forward		
option		
swap	26,087	121,756
other		78,334
Hedging derivatives		
Other		
Total	26,087	200,090

27. Amounts Payable

Amounts payable	Current period	Previous period
Dividends	1,700,000	
Payables from accreditation management operations		
Payables to Deposit Guarantee fund	112,716	113,692
Other	1,749	1,355
Total	1,814,465	115,047

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 2020 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 June 2020, 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	28,500,000	95.00%	closed joint-stock company
Total	28,500,000	95.00%	

28.1. Other Equity Components

Revaluation reserves	Current period	Previous period
Unrealized profit / loss from revaluation of investments at fair value through other comprehensive income	2,766,103	2,730,236
Revaluation reserve of property, plant and equipment	2,934,855	3,009,091
Total	5,700,958	5,739,327

29. Other Liabilities

Other liabilities	Current period	Previous period
Amounts payable		-
Tax payable, other than income tax	600,750	473,129
Due to personnel	1,606,191	1,926,560
Grants related to assets	21,110	16,060
Other	2,195,897	1,880,737
Total Other Liabilities	4,423,948	4,296,486

30. Provisions, Contingent Cases and Potensial Liabilities

Provisions	Current period	Previous period
1 Initial Balance		
2 Net Impairment losses		
3 The final balance		

30.3 Off Balance Sheet Contingent Liabilities Including Credit

Risk	Current period	Previous period

Undrawn credit lines	23,917,755	26,385,614
Guarantees	12,288,968	5,883,173
Letters of credit	777,531	71,955
Provision (Note 9)	(200,239)	(117,526)
	36,784,015	32,223,216

31. Transactions With Related Parties

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

<i>Loans and advances to customers</i>	Current period	Previous period
Balance as at 1 January	406,218	416,523
Additions during the year	100,991	296,697
Reductions during the year	125,962	307,002
Balance as at 30 June	381,246	406,218
Interest income	9,104	16,354

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

<i>Amounts due to customers</i>	Current period	Previous period
Balance as at 1 January	1,145,398	783,255
Additions during the year	1,138,873	1,398,200
Reductions during the year	827,418	1,036,057
Balance as at 30 June	1,456,853	1,145,398
Interest income	57,038	79,485

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	62,045,136				62,045,136
Amounts due from banks and other financial institutions	14,093,667	618,280	7,922,497	158,878	22,793,322
Financial assets at fair value through profit or loss	252,489	1,773	51,779		306,041
Loans and advances to customers	315,647,297	61,498	6,910	6,277	315,721,981
Financial assets at fair value through other comprehensive income	23,943,080		2,467,236		26,410,316
Other financial assets					-
Total Assets	415,981,688	681,551	10,448,422	165,155	427,276,796
Liabilities					
Amounts due to banks and other financial institutions	55,772,557		60,224,263		115,996,820
Amounts due to customers	237,248,569	2,840,028	11,430,587	2,633,039	254,152,224
Financial liabilities at fair value through profit or loss	22,244		3,843		26,087
Securities issued by The Bank	3,433,775				3,433,775
Subordinate loan			4,885,971		4,885,971
Total Liabilities	296,477,145	2,840,028	76,544,884	2,633,039	378,494,877
Net GAP	119,504,523	(2,158,477)	(66,096,242)	(2,467,884)	48,781,919
	Previous period				
	Armenia	CIS countries	OECD countries	Non-OECD countries	Total
Assets					
Cash and balances with the Central Bank of Armenia	58,909,876				58,909,876
Amounts due from banks and other financial institutions	23,318,201	726,108	4,823,074	217,673	29,085,057
Financial assets at fair value through profit or loss	251,177	277			251,454
Loans and advances to customers	294,195,139	43,453	5,979	5,179	294,249,750
Financial assets at fair value through other comprehensive income	20,373,390		2,387,059		22,760,449
Other financial assets					-
Total Assets	397,047,783	789,838	7,216,112	222,852	405,256,586
Liabilities					
Amounts due to banks and other financial institutions	46,621,133		60,528,761		107,149,894
Amounts due to customers	224,502,592	2,830,291	10,773,625	2,582,396	240,688,905
Financial liabilities at fair value through profit or loss	80,134		119,956		200,090
Securities issued by The Bank	5,873,705				5,873,705
Subordinate loan			4,854,305		4,854,305
Total Liabilities	277,077,564	2,830,291	76,276,647	2,582,396	358,766,899
Net GAP	119,970,219	(2,060,453)	(69,060,535)	(2,359,544)	46,489,687

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	33,530,753	28,086,924	427,459	62,045,136
Amounts due from banks and other financial institutions	1,294,974	21,226,608	271,740	22,793,322
Financial assets at fair value through profit or loss	306,041			306,041
Loans and advances to customers	217,776,475	97,253,571	691,936	315,721,981
Financial assets at fair value through other comprehensive income	3,044,768	23,365,548	-	26,410,316
Other financial assets	-	-	-	-
Total Assets	255,953,011	169,932,650	1,391,135	427,276,796
Liabilities				
Amounts due to banks and other financial institutions	93,671,146	22,324,940	734	115,996,820
Amounts due to customers	126,513,066	125,473,517	2,165,641	254,152,224
Securities Issued by The Bank	2,072,216	1,361,559	-	3,433,775
Subordinate loan		4,885,971		4,885,971
Total Liabilities	222,256,428	154,045,987	2,166,375	378,468,790
Net GAP	33,696,583	15,886,663	(775,240)	48,808,006

	Previous period			Total
	AMD	I group currency*	II group currency**	
Assets				
Cash and balances with the Central Bank of Armenia	24,455,868	33,377,397	1,076,611	58,909,876
Amounts due from banks and other financial institutions	19,775,372	8,764,825	544,860	29,085,057
Financial assets at fair value through profit or loss	251,454			251,454
Loans and advances to customers	201,987,313	91,427,243	835,194	294,249,750
Financial assets at fair value through other comprehensive income	3,049,196	19,711,253	-	22,760,449
Other financial assets	-	-	-	-
Total Assets	249,519,203	153,280,718	2,456,665	405,256,586
Liabilities				
Amounts due to banks and other financial institutions	87,379,168	19,770,300	426	107,149,894
Amounts due to customers	118,062,508	120,702,090	1,924,307	240,688,905
Securities Issued by The Bank	2,072,571	3,801,134	-	5,873,705
Subordinate loan		4,854,305		4,854,305
Total Liabilities	207,514,247	149,127,829	1,924,733	358,566,809
Net GAP	42,004,956	4,152,889	531,932	46,689,777
Contingent Liabilities, including Credit Risk 30.06.20	21,448,865	15,058,599	276,551	36,784,015

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	4.79	6.00	5.65	5.00
interbank repo		6.00		5.00
Loans and advances to customers	4.68	9.40	5.62	9.35
Financial assets at fair value through other comprehensive income	14.01	6.22	14.18	4.27
Financial assets at fair value through profit or loss	5.60	9.75	6.09	9.75
Other financial assets				
Liabilities				
Amounts due to banks and other financial institutions, including:				
Loans	7.84	4.84	8.29	5.62
interbank repo	7.84	4.84	8.29	5.62
Amounts due to customers				
interbank repo	5.50	3.10	5.65	3.23
Obligations for the securities issued by banks	9.50	5.25	9.50	5.41

32.3 Liquidity Risk

	Current period		Maturity						
	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	Total
Assets maturity									
Cash and cash equivalents, balances with the Central Bank of Armenia	-	-	61,580,136	-	-	-	-	465,000	62,045,136
Amounts due from banks and other financial institutions	-	-	19,615,811	2,847	1,442,472	846,914	-	885,278	22,793,322
Loans and advances to customers	726,190	7,555,959	8,728,662	14,901,898	81,150,211	159,081,038	20,301,129	391,965	292,837,052
Lease	269,298	-	1,211,891	1,493,482	6,639,521	13,270,737	-	-	22,884,929
Financial assets at fair value through other comprehensive income	-	-	-	14,949,797	1,159,672	3,426,826	4,325,573	2,548,448	26,410,316
Financial assets at fair value through profit or loss	-	-	-	-	-	252,489	-	-	306,041
Other requirements	-	-	-	-	-	-	-	-	-
Total	995,488	7,555,959	91,190,052	31,348,024	90,391,876	176,878,005	24,626,702	4,290,691	427,276,796
Liabilities maturity									
Amounts due to banks and other financial institutions	-	-	8,081,284	3,160,478	8,055,928	44,965,808	51,519,238	214,084	115,996,820
Amounts due to customers	-	-	71,840,917	28,711,353	93,115,144	52,360,637	7,131,743	992,430	254,152,224
Financial liabilities at fair value through profit or loss	-	-	24,352	-	1,735	-	-	-	26,087
Securities issued by the Bank	-	-	764,149	41,611	1,299,401	1,328,615	-	-	3,433,775
Subordinate loan	-	-	-	6,319	15,952	-	4,863,700	-	4,885,971
Total	-	-	80,710,702	31,919,760	102,488,159	98,655,060	63,514,682	1,206,514	378,494,877
Net Liquidity GAP	995,488	7,555,959	10,479,350	(571,736)	(12,096,283)	78,222,945	(38,887,980)	3,084,177	48,781,919
Cumulative Liquidity GAP	-	-	19,030,796	18,459,060	6,362,777	84,585,721	45,697,741	48,781,919	-
	Previous period		Maturity						
	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	Total
Assets maturity									
Cash and cash equivalents, balances with the Central Bank of Armenia	-	-	58,347,876	-	-	-	-	562,000	58,909,876
Amounts due from banks and other financial institutions	-	-	26,113,174	1,849,301	85,055	89,591	-	947,936	29,085,057
Loans and advances to customers	494,448	5,817,518	7,290,408	11,578,931	72,147,960	157,608,178	18,951,661	47,797	273,936,899
Lease	46,068	2,812	127,824	1,272,666	5,853,957	13,009,525	-	-	20,312,851
Financial assets at fair value through other comprehensive income	-	-	-	-	77,786	20,214,392	-	2,468,271	22,760,449
Financial assets at fair value through profit or loss	-	-	277	-	-	251,177	-	-	251,454
Other requirements	-	-	-	-	-	-	-	-	-
Total	540,515	5,820,330	91,879,559	14,700,899	78,164,757	191,172,863	18,951,661	4,026,004	405,256,587
Liabilities maturity									
Amounts due to banks and other financial institutions	-	-	7,621,147	9,875,685	22,309,612	59,894,626	7,185,368	263,458	107,149,894
Amounts due to customers	-	-	73,642,095	23,633,442	104,266,738	29,135,408	7,769,015	2,242,208	240,688,905
Financial liabilities at fair value through profit or loss	-	-	91,303	1,540	4,779	102,468	-	-	200,090
Securities issued by the Bank	-	-	-	2,462,981	-	3,410,724	-	-	5,873,705
Subordinate loan	-	-	-	3,325	15,858	-	4,835,122	-	4,854,305
Total	-	-	81,354,544	35,976,973	126,596,987	92,543,225	19,789,505	2,505,666	358,766,900
Net Liquidity GAP	540,515	5,820,330	10,525,014	(21,276,075)	(48,432,229)	98,629,638	(837,844)	1,520,338	46,489,687
Cumulative Liquidity GAP	-	-	16,885,859	(4,390,215)	(62,822,444)	45,807,193	44,969,349	46,489,687	-

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	22,793,322	22,793,322	29,085,057	29,085,057
Loans and advances to customers	315,721,981	315,721,981	294,249,750	294,249,750
Financial liabilities				
Amounts due to financial institutions	115,996,820	115,996,820	107,149,894	107,149,894
Amounts due to customers	254,152,224	254,152,224	240,688,905	240,688,905
Securities issued by the Bank	3,433,775	3,433,775	5,873,705	5,873,705

38. Accepted Collateral

Type of collateral	Current period	Previous period
Other securities	538,770	537,770
Precious jewelry, Gold scrap, Precious stones	4,652,909	5,781,960
Real Estate and property, plant and equipment	249,698,218	235,944,801
Ready-Made Products and Goods	31,513,640	31,425,678
Cash	12,576,401	12,518,192
Other collateral	10,124,592	4,655,623
Total	309,104,530	290,864,024

General Executive Director H. Andreasyan

Chief Accountant A. Hakobyan

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