



### 3 Net interest and similar income and expense

<u>Interest and similar incomes</u>	<u>01.01.23</u> <u>31.03.23</u>	<u>01.01.22</u> <u>31.03.22</u>
Amounts due from banks, financial institutions, bank current accounts	71,009	36,758
Loans and advances to customers	3,139,679	2,688,947
Debt securities available-for-sale	3,156,535	3,380,405
Debt securities held to maturity	2,239,601	2,276,516
Reverse repurchase transactions	71,800	19,079
Other interest income	179,897	96,478
<b>Total interest and similar income</b>	<b>8,858,521</b>	<b>8,498,183</b>
 <u>Interest and similar expense</u>	 <u>01.01.23</u> <u>31.03.23</u>	 <u>01.01.22</u> <u>31.03.22</u>
Amounts due to banks, financial institutions, bank current accounts	979,232	828,612
Amounts due to customers	3,255,355	3,079,947
Amounts due to securities issued by the Bank	951,788	1,043,346
Repurchase agreement operations	1,731,554	1,402,557
Other interest expenses	557	1,780
<b>Total interest and similar expense</b>	<b>6,918,486</b>	<b>6,356,242</b>
<b>Net interest and similar income and expense</b>	<b>1,940,035</b>	<b>2,141,941</b>

### 4 Fee and commission income and expense

<u>Fee and commission income</u>	<u>01.01.23</u> <u>31.03.23</u>	<u>01.01.22</u> <u>31.03.22</u>
Cash collection	7,484	22,090
Wire transfer fees	95,788	64,911
Guarantees and letters of credit	12,800	7,294
Foreign currency translation and brokerage operations	8,619	10,364
Other fees and commissions	37,132	32,977
<b>Total fee and commission income</b>	<b>161,823</b>	<b>137,636</b>
 <u>Fee and commission expense</u>	 <u>01.01.23</u> <u>31.03.23</u>	 <u>01.01.22</u> <u>31.03.22</u>
Correspondent and other accounts	14,615	24,340
Foreign currency translation and brokerage operations	13	1,993
Other expenses*	20,939	17,943
<b>Total fee and commission expense</b>	<b>35,567</b>	<b>44,276</b>
<b>Net fee and commission income</b>	<b>126,256</b>	<b>93,360</b>

### 5. Net income on trading operations

<u>Available for sale investments</u>	<u>01.01.23</u> <u>31.03.23</u>	<u>01.01.22</u> <u>31.03.22</u>
Net income on trading with available for sale investments, including	18,331	(151)
bonds	18,331	(151)
shares	0	0
<b>Total</b>	<b>18,331</b>	<b>(151)</b>
 <u>Foreign currency operations</u>	 <u>01.01.23</u> <u>31.03.23</u>	 <u>01.01.22</u> <u>31.03.22</u>
Net income on trading with foreign currency	265,755	246,769
Net income on foreign currency revaluation	(69,195)	(105,131)
Net income/loss on derivatives	4,269	(6,557)
<b>Total</b>	<b>200,829</b>	<b>135,081</b>
 <u>Precious metals bullion bars and coins</u>	 <u>01.01.23</u> <u>31.03.23</u>	 <u>01.01.22</u> <u>31.03.22</u>
Net income on trading with precious metals bullion bars and coins	5,640	5,883
Net income on revaluation of precious metals bullion bars and coins	(783)	61,399
<b>Total</b>	<b>4,857</b>	<b>67,282</b>
<b>Net income on trading operations</b>	<b>224,017</b>	<b>202,212</b>

## 6 Other operational income

	01.01.23	01.01.22
	31.03.23	31.03.22
Other operational income		
Fines and penalties received	56,972	53,420
Net income from sale of fixed and intangible assets	3,759	36,239
Other income**	30,403	18,371
<b>Total other income</b>	<b>91,134</b>	<b>108,030</b>

## 7 Impairment charge/(recovery of impairment) for credit losses

	01.01.23	01.01.22
	31.03.23	31.03.22
Total net provisions made		
Loans and advances to customers	(606,657)	(24,713)
<b>Total</b>	<b>(606,657)</b>	<b>(24,713)</b>

## 8. Total administrative expenses

	01.01.23	01.01.22
	31.03.23	31.03.22
Total administrative expenses		
Wages and salaries*	512,895	458,953
Business trip expenses	1,401	4,431
Insurance expenses	17,252	8,967
Fixed assets maintenance	1,929	1,454
Building maintenance and security	15,199	14,208
Auditing, consulting and other services	24,418	9,000
Communication expenses	30,363	27,684
Transportation expenses	359	1,015
Taxes /other than income tax/ duties	2,714	2,299
Office and other organizational expenses	1,916	1,558
Expenses on granting and gathering loans	12,083	7,460
Other administrative expenses**	8,022	5,826
<b>Total</b>	<b>628,551</b>	<b>542,855</b>

* Average number of staff	<u>157</u>	<u>149</u>
* Average monthly salary per employee	<u>907</u>	<u>761</u>

## 9 Other operational expenses

	01.01.23	01.01.22
	31.03.23	31.03.22
Other operational expenses		
Expenses on cash delivery	501	444
Advertising and representation expenses	7,527	9,322
Fixed assets and intangible assets depreciation expenses	55,414	51,759
Other expenses****	14,650	15,853
<b>Total other operational expenses</b>	<b>78,092</b>	<b>77,378</b>

## 11 Income Tax Expense



The corporate income tax in the Republic of Armenia is levied at the rate of 18%. Differences between IFRS and RA statutory tax regulations give rise to certain temporary differences between the book value of certain assets and liabilities for financial reporting purposes and for profit tax purposes. Deferred income tax is calculated using the principal tax rate of 18%. Numerical reconciliation between the tax expenses and accounting profit is provided below:

Thousand Armenian drams	01.01.23 31.03.23	Effective rate (%)	01.01.22 31.12.22	Effective rate (%)
<b>Profit before tax</b>	675,975		5,216,268	
Profit tax	121,676	18	938,928	18
Non-deductible expenses	6,778		39,313	
Foreign exchange (gains)/losses	(65,710)		(1,002,607)	
Other	117,256		1,484,366	
<b>Income tax expense</b>	<b>180,000</b>		<b>1,480,000</b>	

### Deferred tax calculation in respect of temporary differences:

Thousand Armenian drams	31.03.23	Recognized in equity	Recognized in Income statement	31.12.22
Amounts due from other financial institutions	5,646			5,646
Customer loans and prepayments	220,792			220,792
Investments available for sale	3,791,303			4,109,554
Investment securities	102,339			102,339
Fixed assets	(177,723)			(177,723)
Other assets	(14,792)			(14,792)
Other reserves				
Lease obligations	(14,344)			(14,344)
Other liabilities	68,334			68,334
<b>Total deferred tax liabilities</b>	<b>3,981,555</b>			<b>4,299,806</b>

## 13 Cash, cash equivalents and balances with CBA

Thousand Armenian drams	31.03.23	31.12.22
Cash	1,842,214	2,878,394
Cash in ARMs	52,425	69,569
Correspondent accounts with the CBA	24,716,010	22,789,055
Deposited funds in CBA	120,000	260,000
Allowance for impairment	(9,654)	(10,182)
<b>Total cash, cash equivalents and balances with CBA</b>	<b>26,720,995</b>	<b>25,986,836</b>

## Standardized bullion bars of precious metals

Thousand Armenian drams	31.03.23	31.12.22
Standardized bullion bars of precious metals	13,363	38,239
<b>Standardized bullion bars of precious metals</b>	<b>13,363</b>	<b>38,239</b>

## 14 Amounts due from other financial institutions

Thousand Armenian drams	31.03.23	31.12.22
Correspondent accounts	1,896,420	1,685,095
Deposited funds in financial institutions	96,950	1,116,230
Deposits in banks	4,117,887	1,141,353
Loans in banks	116,538	118,049
Loans in banks other financial institutions	1,256,657	838,678
Academics in other fin. Institutions	1,294,132	0
Repurchase agreements in other financial institutions	3,187,676	2,286,692
Other accounts	41,662	3,513,592
Accrued interest	44,811	47,348
Allowance for loan impairment	(59,979)	(14,119)
<b>Total amounts due from other financial institutions</b>	<b>11,992,754</b>	<b>10,732,918</b>

## 16 Loans and advances to customers

Thousand Armenian drams	31.03.23	31.12.22
<b>Loans to customers, including</b>	51,029,274	46,682,701
<b>Factoring</b>	2,652,379	2,587,505
<b>Credit lines and overdraft</b>	74,325,608	72,113,970
<b>Repurchase agreements</b>	217,694	178,067
<b>Financial leasing</b>	4,157,685	4,107,822
<b>Other amounts</b>	598,741	581,319
<b>Accrued interest</b>	2,433,767	1,993,591
<b>Total loans customers</b>	<b>135,415,148</b>	<b>128,244,975</b>
<b>Allowance for loan impairment</b>	(3,865,458)	(3,606,746)
<b>Total loans and advances to customers</b>	<b>131,549,690</b>	<b>124,638,229</b>

### Loans to individuals comprise the following products:

Thousand Armenian drams	31.03.23	31.12.22
<b>Privately held companies, including</b>	<b>106,876,611</b>	<b>103,136,237</b>
Large entities	38,516,080	38,687,718
Small and medium entities	68,360,531	64,448,519
<b>Individuals</b>	<b>23,353,327</b>	<b>20,369,444</b>
<b>Sole proprietors</b>	<b>2,152,702</b>	<b>2,164,384</b>
<b>Other amounts</b>	<b>598,741</b>	<b>581,319</b>
<b>Accrued interest</b>	<b>2,433,767</b>	<b>1,993,591</b>
<b>Allowance for loan impairment</b>	(3,865,458)	(3,606,746)
<b>Total loans and advances to customers</b>	<b>131,549,690</b>	<b>124,638,229</b>

### Loans to individuals comprise the following products:

Thousand Armenian drams	31.03.23	31.12.22
Mortgage loans	20,553,435	17,711,078
Consumer loans	1,974,702	1,875,703
Repurchase agreements	217,694	178,067
Other	607,496	604,596
<b>Total loans and advances to individuals (gross)</b>	<b>23,353,327</b>	<b>20,369,444</b>

### Structure of impaired (non performing) loans and borrowings

Thousand Armenian drams	31.03.23	31.12.22
<b>Loans and borrowings, o/w</b>	<b>135,415,148</b>	<b>128,244,975</b>
<b>Impaired (non performing) loans and borrowings, o/w</b>	<b>4,045,124</b>	<b>4,817,949</b>
overdue	150,642	201,565
<b>Total loans</b>	<b>135,415,148</b>	<b>128,244,975</b>
Allowance for loan impairment	(3,865,458)	(3,606,746)
<b>Total loans</b>	<b>131,549,690</b>	<b>124,638,229</b>

## Analysis of loans and borrowings by economy sectors



Thousand Armenian drams	31.03.23	%	31.12.22	%
Industry	54,298,571	40.10%	54,989,254	42.88%
Agriculture	9,495,911	7.01%	9,559,875	7.45%
Construction	15,904,637	11.75%	13,398,149	10.45%
Transport and communication	1,151,293	0.85%	1,117,283	0.87%
Trade	20,729,554	15.31%	18,896,080	14.73%
Consumer	2,235,790	1.65%	2,082,566	1.62%
Mortgage loans	20,854,588	15.25%	17,793,727	13.87%
Services	8,566,318	6.33%	8,096,026	6.31%
Other	2,380,486	1.76%	2,310,014	1.80%
<b>Total loans</b>	<b>135,415,148</b>	<b>100%</b>	<b>128,244,975</b>	<b>100%</b>
Allowance for loan impairment	(3,865,458)		(3,606,746)	
<b>Total net loans and borrowings</b>	<b>131,549,690</b>		<b>124,638,229</b>	

Loans to large 10 exposures and parties related with them are introduced in the note 16.

1) total sum	47,996,525
2) percentage in gross loans (n % of loan portfolio),	35.44%
3) percentage in capital (n % of capital):	91.56%

## 17 Investments available for sale

Thousand Armenian drams	31.03.23	31.12.22
<b>Quoted Investments</b>		
RA corporate shares	44,575	44,575
Securities issued by the RA Ministry of Finance	124,486,700	122,539,308
<i>o/w interest</i>	1,838,805	1,015,008
RA corporate bonds	2,355,073	2,220,260
<b>Unquoted Investments</b>		
RA corporate shares	19,575	19,575
<b>Total Investments</b>	<b>126,905,923</b>	<b>124,823,718</b>

## Other financial assets carried at amortized cost

Thousand Armenian drams	31.03.23	31.12.22
Securities issued by the RA Ministry of Finance	84,782,176	84,831,784
RA corporate bonds		2,846,827
Accrued interest	1,386,050	
Allowance for impairment	(517,858)	(524,426)
<b>Other financial assets carried at amortized cost</b>	<b>85,650,368</b>	<b>87,154,185</b>

## Non current assets held for sale

Thousand Armenian drams	31.03.23	31.12.22
Non current assets held for sale	1,640,722	1,719,742
<b>Non current assets held for sale*</b>	<b>1,640,722</b>	<b>1,719,742</b>

\* The non-current asset became the property of the bank as a result of takeover of the collateral, which the bank does not intend to keep in the future will sell as soon as possible.

All debt securities have fixed coupons.

The real value of unquoted available-for-sale debt securities is measured using a valuation technique, which is based on available observable market data.

Available for sale securities by effective interest rates and maturity date comprise.

	31.03.23		31.12.22	
	%	Term	%	Term
Securities issued by RA Ministry of Finance (AMD)	11.58-11.78	2024-2050	11.05-12.01	2023-2050
Securities issued by RA Ministry of Finance (USD)	6.53-7.55	2025-2031	6.54-6.76	2025-2031
RA corporate bonds (AMD)	11.30-12.00	2023-2024	9.00-11.75	2023-2027
RA corporate bonds (USD)	3.30-5.50	2023-2024	3.30-9.37	2023-2025

## 20 Fixed assets, intangible assets



	PPE	Computers and communication facilities	Vehicles	Office equipment	Total
<b>Initial value</b>					
Initial cost as of 1 January, 2023	2,017,192	321,322	114,256	166,848	<b>2,619,618</b>
Additions	3,304	3,360		10,700	<b>17,364</b>
Disposals	1,715				<b>1,715</b>
<b>As of March 31, 2023</b>	<b>2,018,781</b>	<b>324,882</b>	<b>114,256</b>	<b>177,548</b>	<b>2,635,267</b>
<b>ACCRUED DEPRECIATION</b>					
As of 1 January, 2023	694,105	223,523	65,425	131,790	<b>1,114,843</b>
Additions	34,566	8,022	2,862	1,751	<b>47,201</b>
Disposals	1,143				<b>1,143</b>
<b>As of March 31, 2023</b>	<b>727,528</b>	<b>231,545</b>	<b>68,287</b>	<b>133,541</b>	<b>1,160,901</b>
<b>CARRYING VALUE</b>					
<b>As of March 31, 2023</b>	<b>1,291,253</b>	<b>93,137</b>	<b>45,969</b>	<b>44,007</b>	<b>1,474,366</b>

Thousand Armenian drams

	Computer programmes	Other intangible assets	Total
<b>Initial value as of 1 January, 2023</b>	141,678	80,230	<b>221,908</b>
Additions		20,211	<b>20,211</b>
Devaluation			<b>0</b>
<b>As of March 31, 2023</b>	<b>141,678</b>	<b>100,441</b>	<b>242,119</b>
<b>ACCRUED DEPRECIATION</b>			
As of 1 January, 2023	96,564	42,943	<b>139,507</b>
Additions	4,641	3,086	<b>7,727</b>
Devaluation			<b>0</b>
<b>As of March 31, 2023</b>	<b>101,205</b>	<b>46,029</b>	<b>147,234</b>
<b>CARRYING VALUE</b>			
<b>As of March 31, 2023</b>	<b>40,473</b>	<b>54,412</b>	<b>94,885</b>

## 22 Other Assets

Thousand Armenian drams

	31.03.23	31.12.22
Prepayments and other debtors	3,672,395	3,509,615
Prepayments of other taxes	624,762	381,992
Reserve	5,769	6,179
Costs of future period	123,681	69,495
Other assets	2,670	2,667
Allowance for other receivables and prepayments	<b>(13,820)</b>	<b>(11,153)</b>
<b>Total other assets</b>	<b>4,415,457</b>	<b>3,958,795</b>

## 23 Amounts due to financial institutions

Thousand Armenian drams

	31.03.23	31.12.22
<b>Amounts due to CBA</b>	<b>77,966,607</b>	<b>22,861,156</b>
Loans from CBA	22,918,037	22,861,156
Repurchase agreements	55,048,570	
Accrued interest		
<b>Amounts due to financial institutions</b>	<b>53,521,884</b>	<b>110,706,819</b>
Correspondent accounts of other banks	36,578	17,252
Loans from banks	2,143,735	2,296,123
Repurchase agreements from banks	6,316,552	64,875,010
Other liabilities from banks		
Letters of credit	4,765,218	3,503,712
Accrued interest		
Current accounts of other financial institutions	9,539,179	2,269,513
Loans and deposits from other financial institutions	25,359,471	26,899,204
Repurchase agreements from other financial institutions	5,352,410	10,107,603
Other amounts	8,741	740,402
Accrued interest		
<b>Total amounts due to CBA and financial institutions</b>	<b>131,488,491</b>	<b>133,569,975</b>

## 24 Amounts due to customers

Thousand Armenian drams	31.03.23	31.12.22
<b>Legal entities</b>	<b>93,909,968</b>	<b>85,894,939</b>
Current/Settlement accounts	14,966,366	16,094,041
- resident	12,857,577	11,801,570
Term deposits	69,621,362	64,187,322
- resident	15,428,784	13,723,623
Accrued interest	540,802	426,231
- resident	511,671	389,141
Other liabilities	8,781,438	5,187,345
- resident	8,765,482	5,170,958
<b>Sole proprietors</b>	<b>88,641</b>	<b>71,586</b>
Current accounts	80,513	63,556
- resident	63,556	63,556
Term deposits	7,620	7,618
- resident	7,620	7,618
Accrued interest	508	412
- resident	508	412
<b>Individuals</b>	<b>28,661,684</b>	<b>27,334,355</b>
Current accounts	9,086,268	8,467,732
- resident	2,935,373	2,478,045
Term deposits	19,038,447	18,393,073
- resident	11,040,752	10,379,404
Accrued interest	292,889	307,182
- resident	195,352	222,750
Other liabilities	242,080	166,368
- resident	227,998	166,281
<b>Total amounts due to customers</b>	<b>122,660,293</b>	<b>113,300,880</b>

## 25 Securities issued by the Bank

Thousand Armenian drams	31.03.23	31.12.22
Securities issued by the Bank	52,709,445	52,408,743
<b>Total securities issued by the Bank</b>	<b>52,709,445</b>	<b>52,408,743</b>

## 27 Accounts payable

Thousand Armenian drams	31.03.23	31.12.22
Deposit insurance	31,756	32,993
<b>Total other liabilities</b>	<b>31,756</b>	<b>32,993</b>

## 28 Subordinated debt

Thousand Armenian drams	31.03.23	31.12.22
Subordinated debt	34,037,539	34,484,130
<b>Total subordinated debt</b>	<b>34,037,539</b>	<b>34,484,130</b>

## 29 Other liabilities

Thousand Armenian drams	31.03.23	31.12.22
Amounts payable for profit tax		
Tax liabilities	268,914	327,776
Amounts payable for factoring	193,732	193,732
Income of future period	1,175	824
Due to personnel	328,625	242,212
Amounts payable to suppliers	115,663	99,817
Amounts payable for financial leasing	12,462	23,499
Other	1,587	988
<b>Total other liabilities</b>	<b>922,158</b>	<b>888,848</b>

### 30 Equity



Thousand Armenian drams	31.03.23	31.12.22
<b>Statutory capital</b>	<b>16,205,748</b>	<b>16,205,748</b>
Ordinary shares	10,000,200	10,000,200
Share premium	6,205,548	6,205,548
<b>Reserves, including</b>	<b>19,045,774</b>	<b>17,615,685</b>
Main reserve	35,000,000	35,000,000
Gains from the revaluation of non-current assets	1,134,703	1,134,703
Revaluation reserve	(17,088,929)	(18,519,118)
<b>Non-distributed profit</b>	<b>17,171,407</b>	<b>16,283,265</b>
current year	888,142	6,727,975
previous year	16,283,265	9,555,290
<b>Total capital</b>	<b>52,422,929</b>	<b>50,104,598</b>

As of March 31, 2023 the Bank's share capital consists of 16,667 ordinary shares. "HVS Holding" S.a.r.l. is a shareholder of 14,588 shares out of a total of 16,667 shares of the bank, and "FMTM Distribution" LLC is a shareholder of 2,079 shares. Significant shareholders of the bank are "HVS Holding" S.a.r.l., which owns 87.53% of the voting shares, and "FMTM Distribution", which owns 12.47% of the voting shares.

As of March 31, 2023 total normative capital of the bank is AMD 77 bln.

The replenishment of the equity capital of the Bank was implemented by AMD and the shareholder has the right to get dividends and distribute it in AMD.

#### Contingent liabilities related to off balance sheet line items bearing credit risk.

Thousand Armenian drams	31.03.23	31.12.22
Undrawn loan commitments	9,913,333	10,129,592
Guarantees provided	9,940,413	8,546,479
Allowance for impairment of liabilities bearing credit risk	(167,467)	(149,478)
<b>Total credit risk related commitments</b>	<b>19,686,279</b>	<b>18,526,593</b>

#### Transactions with related parties

Thousand Armenian drams	31.03.23		31.12.22	
	Shareholders and related parties	Key management and related parties	Shareholders and related parties	Key management and related parties
<b>Loans and advances to customers</b>				
Loans outstanding as of January 1, gross	5,088,602	477,671	3,746,945	477,653
Loans issued during the year	892,507	287,243	5,206,328	470,543
Loan repayments during the year	565,153	125,907	3,864,671	470,525
<b>As of March 31</b>	<b>5,415,956</b>	<b>639,007</b>	<b>5,088,602</b>	<b>477,671</b>
Interest income on loans	114,227	14,369	380,685	48,240
<b>Amounts due to customers</b>				
Deposits outstanding as of January 1	61,067,364	213,849	71,617,610	154,433
Deposits received during the year	35,390,543	1,306,934	87,453,931	5,080,782
Deposits paid during the year	37,085,773	1,296,975	97,984,177	5,021,368
<b>As of March 31</b>	<b>59,392,134</b>	<b>220,808</b>	<b>61,067,364</b>	<b>213,849</b>
Interest expenses on deposits	1,253,473	2,603	5,102,060	5,973
Interest income			31,335	
Amounts due to other financial institutions	6,426		6,349	
Bonds issued	29,046,690	220,180	28,952,530	232,876
Subordinated debt	34,037,539		34,484,130	
Income on commissions	76,024	23,874	8,823	551
Other income				

Compensation of key management was comprised of salaries and rewards:

Thousand Armenian drams	31.03.23	31.12.22
Salaries and other short-term benefits	109,902	321,725
<b>Total key management compensation</b>	<b>109,902</b>	<b>321,725</b>





Credit risk

Maximum exposure of credit risk  
Geographical Sectors

The following table breaks down the Bank’s main credit exposure by book value categorized by geographical regions

31.03.23					
Thousand AMD	RA	CIS countries	Non-OECD countries	OECD countries	Total
<b>Assets</b>					
Cash and balances with CBA	26,720,995				26,720,995
Precious metals	13,363				13,363
Amounts due from other financial institutions	5,944,530	2,989,765	79,268	2,979,191	11,992,754
Loans and advances to customers	129,604,191	416,586	30,138	1,498,774	131,549,690
Investments available for sale	119,876,284			7,029,639	126,905,923
Other financial assets carried at amortized cost	85,650,368				85,650,368
<b>Total</b>	<b>367,809,731</b>	<b>3,406,351</b>	<b>109,406</b>	<b>11,507,604</b>	<b>382,833,093</b>
<b>Liabilities</b>					
Amounts due to financial institutions	114,319,483	1,486,372	657,278	15,025,358	131,488,491
Amounts due to customers	60,310,003	1,005,911	49,463,131	11,881,247	122,660,293
Securities issued by the Bank	19,594,400	19,866	30,086,380	3,008,800	52,709,445
Subordinated debt			32,093,862	1,943,677	34,037,539
<b>Total</b>	<b>194,223,886</b>	<b>2,512,149</b>	<b>112,300,651</b>	<b>31,859,082</b>	<b>340,895,768</b>
<b>Net position</b>	<b>173,585,845</b>	<b>894,202</b>	<b>(112,191,245)</b>	<b>(20,351,477)</b>	<b>41,937,325</b>

31.12.22					
Thousand AMD	RA	CIS countries	Non-OECD countries	OECD countries	Total
<b>Assets</b>					
Cash and balances with CBA	25,986,836				25,986,836
Precious metals	38,239				38,239
Amounts due from other financial institutions	5,096,714	1,952,139	113,925	3,570,140	10,732,918
Loans and advances to customers	120,676,499	485,341	8,141	3,468,248	124,638,229
Investments available for sale	114,936,454			9,887,264	124,823,718
Other financial assets at amortized cost	87,154,185				87,154,185
<b>Total</b>	<b>353,888,927</b>	<b>2,437,480</b>	<b>122,066</b>	<b>16,925,652</b>	<b>373,374,125</b>
<b>Liabilities</b>					
Amounts due to financial institutions	109,028,982	394,415	938,229	23,208,349	133,569,975
Amounts due to customers	49,218,581	779,058	49,795,920	13,507,321	113,300,880
Securities issued by the Bank	19,313,528	30,904	30,077,281	2,987,030	52,408,743
Subordinated debt			32,121,093	2,363,037	34,484,130
<b>Total</b>	<b>177,561,091</b>	<b>1,204,377</b>	<b>112,932,523</b>	<b>42,065,737</b>	<b>333,763,728</b>
<b>Net position</b>	<b>176,327,836</b>	<b>1,233,103</b>	<b>(112,810,457)</b>	<b>(25,140,085)</b>	<b>39,610,397</b>

Control of risk limits and mitigating policy

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

Collateral

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances is determined by the type of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

The analysis of loan portfolio by collateral is represented as follows:

Thousand Armenian drams	31.03.23	31.12.22
Loans collateralized by securities	8,801,687	8,438,025
Loans collateralized by real estate	70,040,024	68,044,223
Loans collateralized by deposit	4,319,743	4,123,657
Loans collateralized by movable property	15,166,497	14,057,637
Loans collateralized by vehicles	1,679,148	1,639,765
Loans collateralized by finished products	14,502,962	13,459,377
Loans collateralized by cash flow	2,497,597	2,433,550
Loans collateralized by pledge of right	7,657,986	5,023,016
Other collateral	10,749,504	11,025,723
<b>Total loans and advances (gross)</b>	<b>135,415,148</b>	<b>128,244,975</b>

Market Risk

Market Risk  
Interest Rate risk



Name of article	31.03.23		31.12.22	
	AMD	Foreign currency	AMD	Foreign currency
	%	%	%	%
Assets				
Balance with the CBA				
Amounts due from banks and other financial institutions,including	12.78%	3.85%	12.12%	3.07%
Interbank loans				
Interbank repurchase agreements				
Interbank interest swap				
Loans and advances to customers	12.02%	7.65%	11.76%	7.73%
Available-for-sale and trading securities	11.31%	5.99%	11.33%	5.27%
Held-to-maturity securities	11.85%	5.61%	11.85%	5.61%
Liabilities				
Amounts due to banks and other financial institutions	9.68%	6.84%	10.00%	7.75%
Amounts due to customers	10.01%	4.77%	9.91%	4.82%
Amounts due to issued securities	9.38%	5.56%	9.38%	5.53%
Subordinated debt	12.22%	5.50%	12.35%	5.27%

Thousand Armenian drams		Sensitivity of equity					31.03.23
Currency	Change in basis points	Up to 6 months	6 months to 1 year	1 year to 5 years	more than 5 years	Total	
AMD	0.5	-	- -	54,342	- 3,438,757	-3,483,099	
USD	0.5	-	- -	89,834	- 210,035	-299,999	
AMD	-0.5	-	-	55,256	3,649,577	3,704,833	
USD	-0.5	-	-	91,004	217,023	308,027	

Thousand Armenian drams		Sensitivity of equity					31.12.22
Currency	Change in basis points	Up to 6 months	6 months to 1 year	1 year to 5 years	more than 5 years	Total	
AMD	0.5	-	- -	57,090	- 3,357,028	-3,414,118	
USD	0.5	-	- -	93,193	- 214,213	-307,406	
AMD	-0.5	-	-	58,110	3,562,350	3,620,469	
USD	-0.5	-	-	94,409	221,514	316,023	

Foreign exchange risk

Thousand Armenian drams		31.03.23		31.12.22	
Currency	Change in currency rate in %	Effect on profit before tax	Change in currency rate in %	Effect on profit before tax	
USD	5%	2,186	5%	103,088	
EUR	3%	2,834	3%	9,862	

Thousand Armenian drams

31.03.23



	Armenian dram	Freely convertible currencies	Non-freely convertible currencies	Total
<b>Assets</b>				
Cash and balances with the CBA	7,914,245	18,764,955	41,795	26,720,995
Precious metals	-	13,363	-	13,363
Amounts due from other financial institutions	2,852,806	8,834,998	304,950	11,992,754
Loans and advances to customers	84,748,540	46,154,506	646,644	131,549,690
Investments available for sale	107,788,668	19,117,255	-	126,905,923
Other financial assets carried at amortized cost	82,267,276	3,383,092		85,650,368
<b>Total</b>	<b>285,571,535</b>	<b>96,268,169</b>	<b>993,389</b>	<b>382,833,093</b>
<b>Liabilities</b>				
Amounts due to financial institutions	107,661,048	23,306,273	521,170	131,488,491
Amounts due to customers	77,287,709	45,086,786	285,798	122,660,293
Securities issued by the Bank	26,655,668	26,053,777	-	52,709,445
Subordinated debt	30,142,096	3,895,443	-	34,037,539
<b>Total</b>	<b>241,746,521</b>	<b>98,342,279</b>	<b>806,968</b>	<b>340,895,768</b>
<b>Net position as of March 31, 2023</b>	<b>43,825,014</b>	<b>(2,074,110)</b>	<b>186,421</b>	<b>41,937,325</b>
<b>Credit related commitments as of March 31, 2023</b>	<b>18,122,518</b>	<b>1,583,761</b>		<b>19,886,279</b>

Thousand Armenian drams

31.12.22

	Armenian dram	Freely convertible currencies	Non-freely convertible currencies	Total
<b>Assets</b>				
Cash and balances with the CBA	9,752,115	16,181,112	53,608	25,986,836
Precious metals		38,239		38,239
Amounts due from other financial institutions	3,366,985	6,673,187	692,745	10,732,918
Loans and advances to customers	78,395,076	45,271,865	971,288	124,638,229
Investments available for sale	104,526,312	20,297,406		124,823,718
Other financial assets carried at amortized cost	83,934,586	3,219,599		87,154,185
<b>Total</b>	<b>279,975,074</b>	<b>91,681,409</b>	<b>1,717,642</b>	<b>373,374,125</b>
<b>Liabilities</b>				
Amounts due to financial institutions	115,994,162	16,689,609	886,204	133,569,975
Amounts due to customers	68,415,233	44,292,947	592,700	113,300,880
Securities issued by the Bank	26,486,434	25,922,309		52,408,743
Subordinated debt	30,144,616	4,339,514		34,484,130
<b>Total</b>	<b>241,040,445</b>	<b>91,244,379</b>	<b>1,478,904</b>	<b>333,763,728</b>
<b>Net position as of December 31, 2022</b>	<b>38,934,629</b>	<b>437,030</b>	<b>238,738</b>	<b>39,610,397</b>
<b>Credit related commitments as of December 31, 2022</b>	<b>16,684,966</b>	<b>1,941,637</b>		<b>18,626,603</b>

## Liquidity risk



The following table shows the assets and liabilities by expected maturity.

31.03.23

Thousand Armenian drams	Impaired		On demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
	Overdue	Not overdue but impaired						
<b>Assets</b>								
Cash and balances with CBA			26,720,995					26,720,995
Precious metals			13,363					13,363
Amounts due from other financial institutions			8,987,155	920,372	1,615,723	469,504		11,992,754
Loans and advances to customers	219,890	1,806,162	7,482,623	8,794,319	26,862,125	55,696,062	30,688,509	131,549,690
Investments available for sale			68,112,267	413,206	8,596,963	10,126,707	39,656,780	126,905,923
Other financial assets carried at amortized cost			1,542	1,016,784	359,394	11,906,805	72,365,843	85,650,368
<b>TOTAL</b>	<b>219,890</b>	<b>1,806,162</b>	<b>111,317,945</b>	<b>11,144,681</b>	<b>37,434,205</b>	<b>78,199,078</b>	<b>142,711,132</b>	<b>382,833,903</b>
<b>Liabilities</b>								
Amounts due to financial institutions			75,896,933	2,020,586	19,913,013	14,858,874	18,799,085	131,488,491
Amounts due to customers			35,073,090	6,905,822	16,717,158	63,743,245	220,978	122,660,293
Securities issued by the Bank				12,450,146	7,083	40,252,216		52,709,445
Subordinated debt			152,739	-	1,942,400	11,942,400	20,000,000	34,037,539
<b>Total</b>			<b>111,122,762</b>	<b>21,376,554</b>	<b>38,579,654</b>	<b>130,796,735</b>	<b>39,020,063</b>	<b>340,895,768</b>
<b>Net position</b>	<b>219,890</b>	<b>1,806,162</b>	<b>195,183</b>	<b>(10,231,873)</b>	<b>(1,145,449)</b>	<b>(52,597,657)</b>	<b>103,691,069</b>	<b>41,937,325</b>
<b>Accumulated gap</b>			<b>195,183</b>	<b>(10,036,690)</b>	<b>(11,182,139)</b>	<b>(63,779,796)</b>	<b>39,911,273</b>	

31.12.22

Thousand Armenian drams	Impaired		On demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
	Overdue	Not overdue but impaired						
<b>Assets</b>								
Cash and balances with CBA			25,986,836					25,986,836
Precious metals			38,239					38,239
Amounts due from other financial institutions			9,109,744	1,294,355	210,304	118,514		10,732,918
Loans and advances to customers	209,791	2,876,860	7,268,460	8,476,232	24,591,240	52,280,579	28,935,066	124,638,229
Investments available for sale			75,915,690	5,940,011	3,228,181	5,818,251	33,921,584	124,823,718
Other financial assets carried at amortized cost			1,662	2,158,460	669,678	11,961,468	72,362,917	87,154,185
<b>TOTAL</b>	<b>209,791</b>	<b>2,876,860</b>	<b>118,320,632</b>	<b>17,869,059</b>	<b>28,699,403</b>	<b>70,178,812</b>	<b>135,219,567</b>	<b>373,374,124</b>
<b>Liabilities</b>								
Amounts due to financial institutions			80,792,429	6,365,086	15,361,721	15,733,283	15,317,455	133,569,975
Amounts due to customers			31,212,728	3,622,600	15,803,801	62,440,628	221,125	113,300,880
Securities issued by the Bank				245,165	11,707,048	40,456,530		52,408,743
Subordinated debt			548,430	8,000,000	1,967,850	1,967,850	22,000,000	34,484,130
<b>Total</b>			<b>112,553,587</b>	<b>18,232,852</b>	<b>44,840,420</b>	<b>120,598,291</b>	<b>37,538,580</b>	<b>333,763,728</b>
<b>Net position</b>	<b>209,791</b>	<b>2,876,860</b>	<b>5,767,045</b>	<b>(363,793)</b>	<b>(16,141,017)</b>	<b>(50,419,479)</b>	<b>97,680,988</b>	<b>39,610,396</b>
<b>Accumulated gap</b>			<b>5,767,045</b>	<b>5,403,252.10</b>	<b>(10,737,764)</b>	<b>(61,157,243)</b>	<b>36,523,745</b>	

## Average assets and capital

31.03.23

Average assets	392,965,567
Average capital	52,758,821

## Collateral received

The collateralized loan amount is AMD 132,917,551 thousand as of 31.03.23

## Unfulfillment of obligations/violations

There are no cases of violation of contractual obligations in the Bank.