

3 Net interest and similar income and expense

<u>Interest and similar incomes</u>	01.04.20	30.06.20	01.01.20	30.06.20	01.04.19	30.06.19	01.01.19	30.06.19
Amounts due from banks, financial institutions, bank current accounts		60,024		124,773		19,162		50,962
Loans and advances to customers		2,175,291		4,342,396		1,953,862		3,694,374
Debt securities available-for-sale		2,277,482		4,238,834		1,816,151		3,348,368
Debt securities held to maturity		1,703,143		3,438,354		1,722,054		3,482,849
Reverse repurchase transactions		56,236		120,710		50,316		56,661
Other interest income		74,092		107,647		12,504		29,791
Total interest and similar income		6,346,268		12,372,714		5,574,049		10,663,005
<u>Interest and similar expense</u>								
Amounts due to banks, financial institutions, bank current accounts		394,316		796,176		414,920		750,595
Amounts due to customers		2,345,108		5,489,089		2,160,022		4,247,050
Amounts due to securities issued by the Bank		1,284,831		1,284,831		617,648		1,116,673
Repurchase agreement operations		129,956		243,375		334,943		595,226
Other interest expenses		26,268		54,594		23,064		41,002
Total interest and similar expense		4,180,479		7,868,065		3,550,597		6,750,546
Net interest and similar income and expense		2,165,789		4,504,649		2,023,452		3,912,459

4 Fee and commission income and expense

<u>Fee and commission income</u>	01.04.20	30.06.20	01.01.20	30.06.20	01.04.19	30.06.19	01.01.19	30.06.19
Cash collection		5,672		17,370		10,868		23,060
Wire transfer fees		58,787		126,068		70,552		132,486
Guarantees and letters of credit		25		40		40		481
Foreign currency translation and brokerage operations		13,531		24,617		8,241		241,917
Other fees and commissions		3,931		7,413		3,609		9,927
Total fee and commission income		81,946		175,508		93,310		407,871
<u>Fee and commission expense</u>								
Correspondent and other accounts		8,384		17,120		13,135		21,760
Foreign currency translation and brokerage operations		2,045		4,136		12,212		15,221
Other expenses*		11,196		26,421		3,129		19,697
Total fee and commission expense		21,620		47,677		28,476		56,678
Net fee and commission income		60,326		127,831		64,834		351,193

5. Net income on trading operations

<u>Available for sale investments</u>	01.04.20	30.06.20	01.01.20	30.06.20	01.04.19	30.06.19	01.01.19	30.06.19
Net income on trading with available for sale investments, including		627,017		2,895,676		877,838		1,323,586
shares				16		305		2,675
bonds		627,017		2,237,660		877,533		1,320,911
Total		627,017		2,895,676		877,838		1,323,586
<u>Foreign currency operations</u>								
Net income on trading with foreign currency		174,662		316,496		66,616		128,185
Net income on foreign currency revaluation		(169,128)		(163,338)		(50,223)		(42,347)
Net income/loss on derivatives		21,155		(2,816)		2,023		2,172
Total		26,689		150,342		18,416		88,010
<u>Precious metals bullion bars and coins</u>								
Net income on trading with precious metals bullion bars and coins		1,492		3,421		511		1,213
Net income on revaluation of precious metals bullion bars and coins		4,335		11,702		(695)		398
Total		5,827		15,123		(184)		1,611
Net income on trading operations		659,533		3,061,141		896,069		1,413,207

6 Other operational income

Other operational income	01.04.20	30.06.20	01.01.20	30.06.20	01.04.19	30.06.19	01.01.19	30.06.19
Fines and penalties received		7,950		35,090		29,565		78,001
Net income from sale of fixed and intangible assets				670				
Other income**		8,863		16,432		13,503		22,791
Total other income		16,813		52,192		43,068		100,792

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

Total net provisions made	01.04.20	30.06.20	01.01.20	30.06.20	01.04.19	30.06.19	01.01.19	30.06.19
Loans and advances to customers		(531,624)		(772,246)		820,253		252,644
Total		(531,624)		(772,246)		820,253		252,644

8. Total administrative expenses

Total administrative expenses	01.04.20	30.06.20	01.01.20	30.06.20	01.04.19	30.06.19	01.01.19	30.06.19
Wages and salaries*		415,275		839,565		330,154		615,101
Business trip expenses		265		5,657		8,380		11,240
Insurance expenses		8,671		16,660		8,721		15,892
Fixed assets maintenance		1,304		2,419		1,639		2,828
Building maintenance and security		21,226		43,141		21,196		42,341
Auditing, consulting and other services		6,000		12,000		2,700		5,890
Communication expenses		32,885		64,828		26,446		53,818
Transportation expenses		1,184		2,287		1,581		2,935
Taxes /other than income tax/ duties		4,847		7,565		1,184		3,153
Office and other organizational expenses		1,698		2,934		1,934		2,527
Expenses on granting and gathering loans		4,959		8,999		20,738		23,818
Other administrative expenses**		12,752		22,755		10,068		15,457
Total		511,066		1,028,810		434,741		795,000

* *Average number of staff*

148 **149** **146** **144**

* *Average monthly salary per employee*

628 **875** **550** **547**

9 Other operational expenses

Other operational expenses	01.04.20	30.06.20	01.01.20	30.06.20	01.04.19	30.06.19	01.01.19	30.06.19
Expenses on cash delivery		422		911		360		844
Advertising and representation expenses		1,665		8,594		3,879		13,247
Fixed assets and intangible assets depreciation expenses		39,457		79,371		39,083		77,982
Other expenses****		12,099		24,213		10,291		20,957
Total other operational expenses		53,643		113,089		53,613		113,030

11 Income Tax Expense

The corporate income tax in the Republic of Armenia is levied at the rate of 20%. 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 20%. Numerical reconciliation between the tax expenses and accounting profit is provided below:

Thousand Armenian drams	01.01.20 30.06.20	Effective rate (%)	01.01.19 30.06.19	Effective rate (%)
Profit before tax	5,948,533		2,930,912	
Income tax at the rate of 20%	1,189,707	20	586,182	20
Non-taxable income				
Non-deductible expenses	19,872		20,130	
Foreign exchange (gains)/losses	(154,451)		(39,777)	
Other	44,872		393,465	
Adjustments to income and expenses for tax purposes				
Income tax expense	1,100,000		960,000	

Deferred tax calculation in respect of temporary differences:

Thousand Armenian drams	30.06.20	Recognized in equity	Recognized in income statement	31.12.19
Other liabilities	-			-
Total deferred tax assets	-			-
Cash, cash equivalents and balances	(6,616)			(6,616)
Customer loans and prepayments	133,925			133,925
Amounts due from other financial institutions	7,002			7,002
Investments available for sale	(2,411,776)			(2,411,776)
Financial assets carried at amortized cost (HTM)	36,780			36,780
Fixed assets	(226,455)			(226,455)
Other assets	1,959		-	1,959
Other reserves	(25,053)			(25,053)
Lease obligations	19,396			19,396
Other liabilities	(1,569,197)		(1,631,462)	62,265
Total deferred tax liabilities	(4,040,035)		-	(2,408,573)
Net deferred tax liabilities	(4,040,035)		-	(2,408,573)

13 Cash, cash equivalents and balances with CBA

Thousand Armenian drams	30.06.20	31.12.19
Cash	2,888,957	2,095,228
Cash in ARMs	36,741	60,150
Correspondent accounts with the CBA	19,026,395	17,747,800
Deposited funds in CBA	120,000	360,000
Allowance for impairment	(6,218)	(3,992)
Total cash, cash equivalents and balances with CBA	22,065,875	20,259,186

Standardized bullion bars of precious metals

Thousand Armenian drams	30.06.20	31.12.19
Standardized bullion bars of precious metals	115,596	114,016
Standardized bullion bars of precious metals	115,596	114,016

14 Amounts due from other financial institutions

Thousand Armenian drams	30.06.20	31.12.19
Correspondent accounts	4,036,703	3,055,208
Deposited funds in banks	124,427	129,336
Deposited funds in financial institutions	991,689	940,346
Deposits in banks	572,040	1,375,290
Loans in other fin. Institutions	333,451	390,985
Repurchase agreements in other financial institutions	289,988	279,997
Other accounts	1,321,152	10,233
Accrued interest	2,937	4,066
Allowance for loan impairment	(56,722)	(48,846)
Total amounts due from other financial institutions	7,615,665	6,136,615

16 Loans and advances to customers

Thousand Armenian drams	30.06.20	31.12.19
Loans to customers, including	56,321,035	52,776,148
Factoring	3,573,828	3,693,981
Overdraft	45,265,332	38,519,909
Repurchase agreements	1,485,868	2,608,973
Letters of credit	225,423	0
Financial leasing	765,745	582,406
Other amounts	5,276	12,934
Accrued interest	1,124,351	492,368
Total loans customers	108,766,858	98,686,719
Allowance for loan impairment	(2,284,118)	(2,060,153)
Total loans and advances to customers	106,482,740	96,626,566

Credit investments via international programs

Thousand Armenian drams	30.06.20	31.12.19
GAF/ KIW /ENERGY	4,948,663	3,628,057
EBRD	6,725,727	8,336,324
ADB/TFP/RCA	144,375	420,314
National Mortgage Company RCO CJSC	996,933	988,530
Home for youth RCO CJSC	503,057	497,094
EIB/APEX	82,086	107,389
Total	13,400,841	13,977,708

Loans to individuals comprise the following products:

Thousand Armenian drams	30.06.20	31.12.19
Privately held companies, including	87,383,807	78,338,992
Large entities	46,161,878	44,600,709
Small and medium entities	41,221,929	33,738,283
Individuals	19,050,551	18,655,745
Sole proprietors	1,202,873	1,186,879
Other amounts	5,276	12,935
Accrued interest	1,124,351	492,368
Allowance for loan impairment	(2,284,118)	(2,060,153)
Total loans and advances to customers	106,482,740	96,626,566

Loans to individuals comprise the following products:

Thousand Armenian drams	30.06.20	31.12.19
Mortgage loans	13,318,696	11,673,675
Consumer loans	2,332,384	2,760,115
Repurchase agreements	1,485,868	2,608,973
Other	1,913,603	1,612,982
Total loans and advances to individuals (gross)	19,050,551	18,655,745

Structure of impaired (non performing) loans and borrowings

Thousand Armenian drams	30.06.20	31.12.19
Loans and borrowings, o/w	108,766,858	98,686,719
Impaired (non performing) loans and borrowings, o/w	2,720,245	2,865,352
overdue	92,698	113,463
Total loans	108,766,858	98,686,719
Allowance for loan impairment	(2,284,118)	(2,060,153)
Total net loans	106,482,740	96,626,566

Analysis of loans and borrowings by economy sectors



Thousand Armenian drams	30.06.20	Percentage	31.12.19	Percentage
Industry	37,713,023	34.67%	33,907,015	34.36%
Agriculture	11,712,532	10.77%	11,550,115	11.70%
Construction	13,396,537	12.32%	11,652,184	11.81%
Transport and communication	1,283,743	1.18%	1,736,931	1.76%
Trade	14,777,464	13.59%	11,633,064	11.79%
Consumer	3,873,815	3.56%	5,395,171	5.47%
Mortgage loans	13,412,246	12.33%	11,658,499	11.81%
Services	5,810,181	5.16%	4,925,984	4.99%
Other, o/w	6,985,318	6.42%	6,227,746	6.31%
Total loans	108,766,858	100%	98,686,719	100%
Allowance for loan impairment	(2,284,118)		(2,060,153)	
Total net loans and borrowings	106,482,740		96,626,566	

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

1) total sum	36,737,633
2) percentage in gross loans (n % of loan portfolio),	34.50%
3) percentage in capital (n % of capital):	53.43%

17 Investments available for sale

Thousand Armenian drams	30.06.20	31.12.19
Quoted Investments		
Securities issued by the RA Ministry of Finance	123,486,094	85,768,728
<i>o/w interest</i>	1,734,605	1,594,866
RA corporate bonds	8,112,565	6,598,488
Unquoted Investments		
RA corporate shares	67,529	67,675
Allowance for impairment		
Total Investments	131,666,188	92,434,891

Other financial assets carried at amortized cost

Thousand Armenian drams	30.06.20	31.12.19
Securities issued by the RA Ministry of Finance	60,233,900	60,292,829
Accrued interest	2,019,367	1,995,105
Allowance for impairment	(204,222)	(204,336)
Other financial assets carried at amortized cost	62,049,045	62,083,598

Non current assets held for sale

Thousand Armenian drams	30.06.20	31.12.19
Non current assets held for sale	1,557,404	1,161,904
Non current assets held for sale*	1,557,404	1,161,904

* 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 and 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:

	30.06.20		31.12.19	
	%	Term	%	Term
Securities issued by RA Ministry of Finance (AMD)	5.94-8.56	2022-2050	6.36-10.78	2021-2047
Securities issued by RA Ministry of Finance (USD)	4.30-4.44	2025-2029	3.77-3.95	2025-2029
RA corporate bonds (AMD)	9.00-7.70	2020-2022	5.99-10.06	2019-2022
RA corporate bonds (USD)	4.70-6.50	2021-2025	3.18-5.25	2019-2022

20 Fixed assets, intangible assets

	PPE	Computers and communication facilities	Vehicles	Office equipment	Total
Initial value					
Initial cost as of 1 January, 2019	2,193,757	270,282	124,247	152,309	2,740,595
Additions		25,310		7,153	32,463
Disposals	(22,599)				(22,599)
As of June 30, 2020	2,171,158	295,592	124,247	159,462	2,750,459
ACCRUED DEPRECIATION					
As of 1 January, 2019	360,662	184,091	84,466	121,660	750,879
Additions	16,599	13,808	4,493	5,077	39,977
Disposals					-
As of June 30, 2020	377,261	197,899	88,959	126,737	790,856
CARRYING VALUE					
As of June 30, 2020	1,793,897	97,693	35,288	32,725	1,959,603

Thousand Armenian drams	Computer programmes	Other intangible assets	Total
Initial value as of 1 January, 2019			
	100,301	69,563	169,864
Additions	5,905	1,821	7,726
Devaluation		1,447	1,447
As of June 30, 2020	106,206	69,937	176,143
ACCRUED DEPRECIATION			
As of 1 January, 2019	85,852	19,859	105,711
Additions	5,983	4,378	10,361
Devaluation		1,447	1,447
As of June 30, 2020	91,835	22,790	114,625
CARRYING VALUE			
As of June 30, 2020	14,371	47,147	61,518

22 Other Assets

Thousand Armenian drams	30.06.20	31.12.19
Prepayments and other debtors		
	992,274	1,087,152
Prepayments of other taxes		
	95,463	81,820
Other financial assets		
	0	0
Reserve		
	10,330	9,048
Costs of future period		
	128,394	101,326
Other assets		
	2,677	2,677
Allowance for other receivables and prepayments		
	(2,943)	(2,995)
Total other assets	1,226,195	1,278,828

23 Amounts due to financial institutions

Thousand Armenian drams	30.06.20	31.12.19
Amounts due to CBA		
	7,494,173	3,412,007
Loans from CBA		
	4,385,609	3,326,020
Repurchase agreements		
	3,000,000	0
Accrued interest		
	108,564	85,987
Amounts due to financial institutions		
	55,442,272	47,735,222
Correspondent accounts of other banks		
	100,810	23,987
Loans from banks		
	810,660	959,399
Repurchase agreements from banks		
	25,044,919	15,191,667
Current accounts of other financial institutions		
	926,664	814,285
Loans and deposits from banks and other financial institutions		
	18,025,209	21,989,965
Repurchase agreements from other financial institutions		
	8,575,543	7,140,008
Letters of credit		
	907,616	1,058,545
Other amounts		
	545,084	2,977
Accrued interest		
	505,767	554,389
Total amounts due to CBA and financial institutions	62,936,445	51,147,229

24 Amounts due to customers

Thousand Armenian drams	30.06.20	31.12.19
RA government	20,000	20,000
Other liabilities	20,000	20,000
- resident	20,000	20,000
Legal entities	99,702,549	85,595,006
Current/Settlement accounts	10,663,689	13,160,611
- resident	4,493,027	3,960,467
Term deposits	86,881,328	70,805,935
- resident	10,347,675	256,084
Accrued interest	154,056	256,084
- resident	76,971	110,590
Other liabilities	2,003,476	1,372,376
- resident	2,003,476	1,372,376
Sole proprietors	101,676	24,155
Current accounts	101,676	24,155
- resident	101,676	24,155
Individuals	36,865,949	35,239,346
Current accounts	14,837,580	13,596,555
- resident	2,644,779	2,088,493
Term deposits	21,765,025	21,390,952
- resident	7,037,786	6,754,547
Accrued interest	230,260	203,336
- resident	152,096	136,764
Other liabilities	33,084	48,503
- resident	18,751	34,171
Total amounts due to customers	136,690,174	120,878,507

25 Securities issued by the Bank

Thousand Armenian drams	30.06.20	31.12.19
Securities issued by the Bank	47,787,997	32,489,020
Total securities issued by the Bank	47,787,997	32,489,020

27 Accounts payable

Thousand Armenian drams	30.06.20	31.12.19
Deposit insurance	25,000	18,000
Total other liabilities	25,000	18,000

28 Subordinated debt

Thousand Armenian drams	30.06.20	31.12.19
Subordinated debt	13,379,118	13,353,624
Total subordinated debt	13,379,118	13,353,624

29 Other liabilities

Thousand Armenian drams	30.06.20	31.12.19
Tax liabilities	133,966	224,911
Amounts payable for factoring	239,916	238,184
Income of future period	7,568	3,518
Due to personnel	392,042	337,370
Amounts payable to suppliers	23,770	28,695
Amounts payable for financial leasing	108,160	107,755
Other	6,783	5,628
Total other liabilities	912,205	946,061

30 Equity

Thousand Armenian drams	30.06.20	31.12.19
Statutory capital	16,205,748	16,205,748
Ordinary shares	10,000,200	10,000,200
Share premium	6,205,548	6,205,548
Reserves, including	41,981,827	32,785,206
Main reserve	25,000,000	20,000,000
Gains from the revaluation of non-current assets	1,137,863	1,134,703
Revaluation reserve	15,843,964	11,630,503
Non-distributed profit	10,567,076	10,783,756
current year	4,803,320	4,527,803
previous year	5,763,756	6,235,953
Total capital	68,754,651	59,734,710

As of June 30, 2020 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 June 30, 2020 total normative capital of the bank is AMD 66 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	30.06.20	31.12.19
Undrawn loan commitments	8,710,510	7,450,808
Guarantees provided	4,513,845	1,829,400
Allowance for impairment of liabilities bearing credit risk	(25,127)	(29,794)
Total credit risk related commitments	13,199,028	9,250,214

Transactions with related parties

Thousand Armenian drams	30.06.20		31.12.19	
	Shareholders and related parties	Key management and related parties	Shareholders and related parties	Key management and related parties
Loans and advances to customers				
Loans outstanding as of January 1, gross	9,230,202	723,899	7,113,088	450,817
Loans issued during the year	3,469,028	473,846	12,025,114	484,790
Loan repayments during the year	3,160,218	478,987	9,908,000	191,908
As of June 30, 2020	9,539,012	718,558	9,230,202	723,699
Interest income on loans	356,333	29,401	671,987	44,050
Amounts due to customers				
Deposits outstanding as of January 1	67,653,561	221,567	52,224,433	134,235
Deposits received during the year	131,230,258	12,097,149	76,723,876	8,030,350
Deposits paid during the year	110,557,037	12,112,020	61,294,748	7,943,018
As of June 30, 2020	88,326,782	206,696	67,653,561	221,567
Interest expenses on deposits	3,741,169	1,864	5,806,536	4,173
Amounts due from other financial institutions	2,000,000	-	2,000,000	-
Interest income	80,168	-	-	-
Amounts due to other financial institutions	88,019	-	8,247	-
Bonds issued	22,284,791	961,198	12,575,995	683,304
Subordinated debt	13,379,118	-	13,353,624	-
Income on commissions	1,551	587	18,005	2,781
Other income	510	-	-	-

Compensation of key management was comprised of salaries and rewards:

Thousand Armenian drams	30.06.20	31.12.19
Salaries and other short-term benefits	84,450	376,907
Total key management compensation	84,450	376,907

Risk management

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

30.06.20

Thousand AMD	RA	CIS countries	Non-OECD countries	OECD countries	Total
Assets					
Cash and balances with CBA	22,065,875	-	-	-	22,065,875
Precious metals	115,596	-	-	-	115,596
Amounts due from other financial institutions	3,497,814	1,282,619	-	2,835,232	7,615,665
Loans and advances to customers	104,580,760	756,916	11,128	1,133,936	106,482,740
Investments available for sale	131,666,188	-	-	-	131,666,188
Other financial assets carried at amortized cost	62,049,045	-	-	-	62,049,045
Total	323,975,278	2,039,535	11,128	3,969,168	329,995,109
Liabilities					
Amounts due to financial institutions	37,325,683	541,692	887,171	24,181,899	62,936,445
Amounts due to customers	27,911,281	754,452	96,325,951	11,698,490	136,690,174
Securities issued by the Bank	19,877,978	24,281	24,197,562	3,688,176	47,787,997
Subordinated debt	-	-	10,483,214	2,895,904	13,379,118
Total	85,114,942	1,320,425	131,893,898	42,464,469	260,793,734
Net position	238,860,336	719,110	(131,882,770)	(38,495,301)	69,201,375

31.12.19

Thousand AMD	RA	CIS countries	Non-OECD countries	OECD countries	Total
Assets					
Cash and balances with CBA	20,259,186	-	-	-	20,259,186
Precious metals	114,016	-	-	-	114,016
Amounts due from other financial institutions	3,399,102	1,580,475	-	1,157,038	6,136,615
Loans and advances to customers	94,138,812	826,672	40,637	1,620,445	96,626,566
Investments available for sale	92,434,891	-	-	-	92,434,891
Other financial assets at amortized cost	62,083,598	-	-	-	62,083,598
Total	272,429,605	2,407,147	40,637	2,777,483	277,654,872
Liabilities					
Amounts due to financial institutions	25,006,906	858	946,250	25,193,215	51,147,229
Amounts due to customers	25,248,649	770,981	65,418,264	29,440,613	120,878,507
Securities issued by the Bank	20,814,493	24,147	7,958,089	3,692,291	32,489,020
Subordinated debt	-	-	10,473,453	2,880,171	13,353,624
Total	71,070,048	795,986	84,795,056	61,206,290	217,868,380
Net position	201,359,557	1,611,161	(44,154,419)	(58,428,807)	59,786,492

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	30.06.20	31.12.19
Loans collateralized by securities	5,030,000	4,572,910
Loans collateralized by real estate	52,529,887	47,695,035
Loans collateralized by deposit	2,489,104	2,415,363
Loans collateralized by movable property	2,251,165	3,770,991
Loans collateralized by vehicles	346,506	605,855
Loans collateralized by finished products	2,726,868	2,864,273
Loans collateralized by cash flow	1,643,853	1,491,506
Loans collateralized by pledge of right	3,357,205	3,046,071
Other collateral	38,392,270	32,224,715
Total loans and advances (gross)	108,766,858	98,685,719

Market Risk
Market Risk
Interest Rate risk

Name of article	30.06.20		31.12.19	
	AMD	Foreign currency	AMD	Foreign currency
	%	%	%	%
Assets				
Balance with the CBA	-	-	-	-
Amounts due from banks and other financial institutions, including	9.25%	3.87%	9.82%	5.75%
Interbank loans				
Interbank repurchase agreements				
Interbank interest swap				
Loans and advances to customers	10.73%	7.85%	10.99%	8.10%
Available-for-sale and trading securities	12.09%	6.04%	12.81%	6.28%
Hold-to-maturity securities	13.00%	-	13.00%	-
Liabilities				
Amounts due to banks and other financial institutions	5.90%	3.37%	6.67%	3.24%
Amounts due to customers	9.84%	4.65%	10.53%	4.51%
Amounts due to issued securities	10.25%	5.70%	11.81%	6.19%
Subordinated debt	14.00%	5.27%	14.00%	5.27%

Thousand Armenian drams

Sensitivity of equity

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	-	-	8,448	- 4,706,828	-4,717,376
USD	0.5	-	-	243,900	- 173,347	-417,247
AMD	-0.5	-	-	8,569	5,094,282	5,102,851
USD	-0.5	-	-	249,834	181,302	431,236

Thousand Armenian drams

Sensitivity of equity

31.12.19

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	-	-	10,390	- 2,775,606	-2,765,216
USD	0.5	-	-	-	- 359,402	-359,402
AMD	-0.5	-	-	10,557	2,974,349	2,984,906
USD	-0.5	-	-	-	371,129	371,129

Foreign exchange risk

Thousand Armenian drams

30.06.20

31.12.19

Currency	Change in currency rate in %	Effect on profit before tax	Change in currency rate in %	Effect on profit before tax
USD	5%	132,239	5%	-84,118
EUR	3%	-213	3%	-364

Thousand Armenian drams

30.06.20



	Armenian dram	Freely convertible currencies	Non-freely convertible currencies	Total
Assets				
Cash and balances with the CBA	13,977,181	8,034,470	54,224	22,065,875
Precious metals	-	113,652	1,944	115,596
Amounts due from other financial institutions	2,695,842	4,283,063	636,760	7,615,665
Loans and advances to customers	34,117,181	72,314,485	51,074	106,482,740
Investments available for sale	108,578,712	23,087,476	-	131,666,188
Other financial assets carried at amortized cost	62,049,045	-	-	62,049,045
Total	221,417,961	107,833,146	744,002	329,995,109
Liabilities				
Amounts due to financial institutions	45,773,395	17,130,711	32,339	62,936,445
Amounts due to customers	81,519,302	54,466,720	704,152	136,690,174
Securities issued by the Bank	18,244,077	29,543,920	-	47,787,997
Subordinated debt	8,061,370	5,317,748	-	13,379,118
Total	153,598,144	106,459,099	736,491	260,793,734
Net position as of June 30, 2020	67,819,817	1,374,047	7,511	69,201,375
Credit related commitments as of June 30, 2020	10,108,595	3,090,433	-	13,199,028

Thousand Armenian drams

31.12.19

	Armenian dram	Freely convertible currencies	Non-freely convertible currencies	Total
Assets				
Cash and balances with the CBA	8,768,274	11,448,918	40,994	20,259,186
Precious metals	-	111,817	2,199	114,016
Amounts due from other financial institutions	2,669,135	2,034,098	1,433,382	6,136,615
Loans and advances to customers	25,708,731	70,859,630	58,205	96,626,566
Investments available for sale	72,816,226	19,618,665	-	92,434,891
Other financial assets carried at amortized cost	62,083,598	-	-	62,083,598
Total	172,045,964	104,074,128	1,534,780	277,654,872
Liabilities				
Amounts due to financial institutions	36,344,964	14,802,207	58	51,147,229
Amounts due to customers	57,610,285	61,741,660	1,526,562	120,878,507
Securities issued by the Bank	8,083,712	24,405,308	-	32,489,020
Subordinated debt	8,064,439	5,289,185	-	13,353,624
Total	110,103,400	106,238,360	1,526,620	217,868,380
Net position as of December 31, 2019	61,942,564	-2,164,232	8,160	59,786,492
Credit related commitments as of December 31, 2019	5,011,431	3,338,783	-	9,250,214

Liquidity risk
30.06.20

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						
Assets								
Cash and balances with CBA	-	-	22,065,875	-	-	-	-	22,065,875
Precious metals	-	-	115,596	-	-	-	-	115,596
Amounts due from other financial institutions	-	-	7,125,822	295,087	46,897	147,859	-	7,615,665
Loans and advances to customers	118,304	1,317,082	5,085,132	7,296,104	21,389,206	54,041,994	17,234,918	106,482,740
Investments available for sale			24,944,408	8,544,491	13,903,356	7,671,115	76,602,818	131,666,188
Other financial assets carried at amortized cost				2,012,743	-	-	60,036,302	62,049,045
TOTAL	118,304	1,317,082	59,336,833	18,148,425	35,339,459	61,860,968	153,874,038	329,995,109
Liabilities								
Amounts due to financial institutions	-	-	27,580,372	6,725,358	13,427,208	11,982,014	3,221,493	62,936,445
Amounts due to customers	-	-	29,005,053	2,387,631	24,649,150	73,718,262	6,930,078	136,690,174
Securities issued by the Bank	-	-	-	31,717	2,270,965	40,661,715	4,823,600	47,787,997
Subordinated debt	-	-	73,158	-	-	13,305,960	-	13,379,118
Total			56,658,583	9,144,706	40,347,323	139,667,951	14,975,171	260,793,734
Net position	118,304	1,317,082	2,678,250	9,003,719	(5,007,864)	(77,806,983)	138,898,867	69,201,375
Accumulated gap			2,678,250	11,681,969.00	6,674,105	(71,132,878.00)	67,765,989	

31.12.19

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						
Assets								
Cash and balances with CBA	-	-	20,259,186	-	-	-	-	20,259,186
Precious metals	-	-	114,016	-	-	-	-	114,016
Amounts due from other financial institutions	-	-	5,629,992	372,563	69,467	64,593	-	6,136,615
Loans and advances to customers	151,759	2,299,886	3,540,380	7,469,360	17,906,707	51,853,424	13,405,050	96,626,566
Investments available for sale			18,117,293	5,071,088	4,047,370	7,189,559	58,009,581	92,434,891
Other financial assets carried at amortized cost			0	2,036,878	0	0	60,046,720	62,083,598
TOTAL	151,759	2,299,886	47,660,867	14,949,889	22,023,544	59,107,576	131,461,351	277,654,872
Liabilities								
Amounts due to financial institutions	-	-	21,958,790	4,848,120	8,981,154	12,655,100	2,704,065	51,147,229
Amounts due to customers	-	-	29,023,227	3,752,359	10,373,948	58,313,988	19,414,985	120,878,507
Securities issued by the Bank	-	-	36,864	31,542	2,565,534	24,578,380	5,276,700	32,489,020
Subordinated debt	-	-	76,924	-	-	13,276,700	0	13,353,624
Total			51,095,805	8,632,021	21,920,636	108,824,168	27,395,750	217,868,380
Net position	151,759	2,299,886	(3,434,938)	6,317,868	102,908	(49,716,592)	104,065,601	59,786,492
Accumulated gap			(3,434,938)	2,882,930.00	2,985,838	(46,730,754.00)	57,334,847	

Average assets and capital 30.06.20

Average assets	285,703,699
Average capital	63,845,568

Collateral received

The collateralized loan amount is AMD 107,123,005 thousand as of 30.06.20.

Unfulfillment of obligations/violations