

ACCOUNTING ISSUER'S STATEMENT  
DOCUMENTS INCLUDING MATERIAL FACTS AND INFORMATION  
ARMENIAN DEVELOPMENT BANK OPEN JOINT STOCK COMPANY

ARMECONOMBANK OJSC

23/1 Amiryan Str., 0002 Yerevan, Republic of Armenia

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Report including essential facts and events No 4 2019, 15 January 2020

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Class of securities: common shares (stock security) and preference shares (stock security)

Number of securities: common shares – 1,852,533      preference shares- 424,600

Nominal value of securities (currency):      common shares – AMD 10,400  
preference shares – AMD 15,000"

“To the best of our knowledge the financial statements give a true and fair view of ARMECONOMBANK OJSC's assets and liabilities, financial state, income and expenses, and the information included in the Quarterly report of managerial bodies is fair and true”.

Authorized signatories:

<u>Artak Araqelyan</u> (name, surname)	<u>Deputy CEO -Treasurer</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Onik Chichyan</u> (name, surname)	<u>Deputy CEO for Corporate and Retail Business</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Ruben Badalyan</u> (name, surname)	<u>Deputy CEO for Operations</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Astghik Manrikyan</u> (name, surname)	<u>Deputy CEO for International Operations and Development</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Arpine Pilosyan</u> (name, surname)	<u>Deputy CEO for Technologies and Security</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Mikael Poghosyan</u> (name, surname)	<u>Chief Accountant</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Hayk Avetisyan</u> (name, surname)	<u>Head of Strategy and Risk Management Department</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Vrej Jhangiryan</u> (name, surname)	<u>Head of Legal Department</u> (position)	(signature)	<u>15.01.2020 (date)</u>
<u>Aram Khachatryan</u> (name, surname)	<u>CEO</u> (position)	(signature)	<u>15.01.2020 (date)</u>

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Interim Report  
On Financial State  
31 December 2019  
ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

Thous. AMD

	Name	Note	As of the end of current interim period (unaudited)	As of the end of previous fiscal year (audited)
1	Assets			
1.1	Cash and their equivalents	13	41,881,300	38,158,045
1.2	Standard bank precious metal bullions and coins		51,728	116,058
1.3	Due from banks and other financial institutions	14	13,952,543	13,175,950
1.4	Reverse repurchase agreements	14.1	6,222,111	3,882,703
1.5	Financial assets at fair value calculated through profit or loss	15	4,416	17,468
1.5.1	Other financial assets calculated at amortized cost		480,260	
1.6	Loans and advances at amortized value provided to customers	16	176,192,585	133,629,775
1.7	Financial assets at fair value rated through other comprehensive financial results	17	4,846,609	2,298,018
1.7.1	Securities pledged under repurchase agreement	17.1	20,180,825	17,454,208
1.9	Non-current assets held for sale		590,116	802,163
1.10	Fixed assets	20	10,902,317	10,330,854
1.10.1	Intangible assets	20	525,828	506,593
1.10.1	Right-of-use asset	20.1	1,370,872	
1.12	Other assets	21	1,276,963	1,325,562
	<b>Total assets</b>		<b>280,478,563</b>	<b>221,697,397</b>
2	Liabilities			
2.1	Liabilities to banks and financial institutions	22	45,850,670	34,085,791
2.2	Loans and deposits from international financial institutions	22.1	36,707,938	24,059,690
2.3	Loans from RA Central Bank and RA Government	22.2	9,306,047	6,055,317
2.4	Repurchase agreement	22.3	25,623,028	20,519,048
2.5	Liabilities to customers	23	113,474,487	95,828,768
2.3	Subordinate borrowing	23.1	719,787	3,382,149
2.7	Liabilities for current profit tax		325,303	273,836
2.8	Securities issued by the Bank	24	4,452,356	2,060,960
2.9	Financial liabilities at fair value recalculated through profit or loss	25	6,207	
2.10	Amounts payable	26	433,668	280,380
2.11	Deferred tax liabilities	11	1,027,172	849,982
2.12	Reserves	30	100,560	61,891
2.9	Other liabilities	27	1,826,204	1,226,268
	<b>Total Liabilities</b>		<b>241,296,649</b>	<b>188,684,080</b>
3	Capital			
3.1	Chartered capital	28	25,635,343	22,266,343
3.2	Emission income			
3.3	Reserves			
3.3.1	Main reserve		3,105,000	3,000,000
3.3.2	Revaluation reserve		5,113,608	4,556,554
3.4	Undistributed profit(loss)		5,327,963	3,190,420
	<b>Total capital</b>		<b>39,181,914</b>	<b>33,013,317</b>
	<b>Total liabilities and capital</b>		<b>280,478,563</b>	<b>221,697,397</b>

Chairman of the Executive Board (CEO)

A. Khachatryan

Chief Accountant

M. Poghosyan

Approval date: 14 January 2020

Interim Report  
On Financial Results  
31 December 2019  
ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

thous. AMD

Name	Note	Current interim period	Accounting period	Comparable current interim period for the previous financial year	Previous period
Interest and similar income	3	6,035,137	21,254,934	5,066,580	17,664,310
Interest and similar expenses	3	(3,043,974)	(10,941,935)	(2,339,765)	(8,922,279)
Net interest and similar income		2,991,163	10,313,000	2,726,814	8,742,031
Income as commissions and other fees	4	700,937	2,486,894	268,293	2,125,762
Expenses as commissions and other fees	4	(190,684)	(627,211)	(133,007)	(489,913)
Net commission and other fees		510,253	1,859,683	135,286	1,635,849
Dividend income		-	1,462		1,329
Net commercial income	5	617,680	2,223,387	355,724	1,781,172
Other operational income	6	101,176	273,687	76,159	266,673
Operational income		4,220,272	14,671,219	3,293,984	12,427,054
Net allocations to possible asset loss provisions	7	171,472	(594,459)	(169,931)	(435,226)
Total administrative expenses	8	(1,264,711)	(6,727,350)	(1,239,716)	(4,860,644)
Other operational expenses	9	(1,240,784)	(3,086,429)	(1,312,544)	(4,478,468)
Operational profit		1,886,249	4,262,980	571,793	2,652,716
Profit(loss) before taxation		1,886,249	4,262,980	571,793	2,652,716
Profit tax expenses (compensation)	11	(432,073)	(1,084,637)	(111,486)	(574,690)
Profit for period		1,454,176	3,178,343	460,307	2,078,026

Chairman of the Executive Board (CEO)

A. Khachatryan

Chief Accountant

M. Poghosyan

Approval date: 14 January 2020

Interim Report  
On other comprehensive financial results  
31 December 2019  
ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

Thous. AMD

Name	Note	Current interim period	Accounting period	Comparable current interim period for the previous financial year	Previous period
Other comprehensive financial result					
Revaluation of financial assets at fair value calculated through other comprehensive financial result		746,681	533,006	(19,741)	(265,056)
Depreciation of financial assets at fair value calculated through other comprehensive financial result after taxation		(184,552)	(139,920)	(46,433)	(18,811)
Profit on non-current assets after taxation		77	394,468	19,455	4,306
Profit tax from revaluation of other financial assets calculated at fair value through other comprehensive income		(149,336)	(106,601)	186	49,249
Other comprehensive financial result after taxation		412,871	680,954	46,333	(192,690)
Comprehensive financial result		1,867,046	3,859,297	506,640	1,885,335

Chairman of the Executive Board (CEO)

A. Khachatryan

Chief Accountant

M. Poghosyan

Approval date: 14 January 2020

Name	Note	Accounting period (unaudited)	Previous period (unaudited)
<b>1. Cash flows from operations</b>			
Profit of the year		3,178,343	2,078,026
Adjustments			
Expenses from profit tax		1,084,637	574,690
Loss from devaluation of interest –bearing assets		594,459	416,257
Wear and amortization		1,431,655	716,146
Profit(loss) from the disposal of fixed assets		(5,057)	19,421
Net profit from foreign currency conversion		347,492	38,625
Net profit from financial assets available for sale		(772,630)	(741,354)
Other incomes		(315,483)	(8,536)
Cash flows from operating activities before changes in operating assets or liabilities		<b>5,543,416</b>	<b>3,093,275</b>
<b>2. Changes in operational assets and liabilities</b>			
Increase/decrease of operational assets			
Due from financial institutions		(549,370)	(341,402)
Reverse repurchase agreements		(2,335,685)	414,196
Loans to customers		(41,409,868)	(30,617,959)
Other assets		114,750	(141,364)
Liabilities to financial institutions		11,778,507	19,088,374
Repurchase agreements		5,101,278	7,324
Liabilities to customers		17,155,035	4,638,868
Other liabilities		677,602	324,151
Cash used in operating activities before taxation		(3,924,334.59)	(3,489,537)
Paid income tax		(1,020,133)	(768,985)
Net cash used in operating activities;		<b>(4,944,468)</b>	<b>(4,258,522)</b>
<b>3. Cash flows from investment operations</b>			

Decrease/increase in available-for-sale securities at fair value through profit/loss		(5,070,299)	(2,430,234)
Decrease/increase of other financial assets calculated at amortized cost		(481,438)	
Acquisition of fixed assets		(1,206,807)	(2,091,328)
Funds from the sale of fixed assets		170,295	379,887
Acquisition of intangible assets		(92,969)	(235,758)
Net cash (used) / ( received from operation)in investment operation		<b>(6,681,218)</b>	<b>(483,035)</b>
<b>4. Cash flows from financial operations</b>			
Receiving loans from the Central Bank and RA Government		3,250,730	1,618,376
Proceeds / repayments from loans received from international financial institutions		12,475,703	4,147,417
Subordinate debt entries/(repayments)		(2,648,117)	(3,026,027)
Increase/decrease of securities issued by the bank		2,364,251	991,753
Prepayment for shares issue		500,500	
Liabilities on leasing		(687,091)	
Issue of preference shares		3,369,000	3,000,000
Paid dividends		(917,504)	(379,731)
Net cash flows from financial operations		<b>17,707,472</b>	<b>6,351,788</b>
Impact of foreign currency exchange rate fluctuations on cash balances held in foreign currency		(247,782)	(206,725)
Net increase of cash and its equivalents		5,834,004	2,369,576
Cash and equivalents at the beginning of the period	13 2	38,194,407	35,824,831
Cash and equivalents at the end of the period	13 2	40,028,411	38,194,407

Interim Report  
On Cash Flows  
31 December 2019  
ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

Thous. AMD

Chairman of the Executive Board (CEO)      A. Khachatryan

Chief Accountant                                      M. Poghosyan

Approval date:            14 January 2020

Interim Report  
On Equity Changes  
31 December 2019

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Equity elements	Chartered capital			Main reserve	Revaluation of financial assets at fair value rated through other comprehensive financial result	Profit from the revaluation of non current assets	Undistributed profit (loss)	Total	Total capital
	Chartered capital	Net amount	Emission profit/loss						
Articles	1	3	4	5	7	9	10	12	14
Comparable current interim period of the previous financial year (ascending from the beginning of the year) (I table)									
Balance as of the beginning of the financial year 01 January 2018 (audited)	13,708,745	13,708,745	33,438	6,000,000	1,531,277	3,157,777	4,597,371	29,028,608	29,028,608
Reserve amount from changes in IFRS					166,940		(557,248)	(390,306)	(390,306)

Recalculated balance	13,708,745	13,708,745	33,438	6,000,000	1,698,217	3,157,777	4,040,123	28,638,300	26,638,300
Investment in chartered capital and other increase of chartered capital	3,000,000	3,000,000	-	-	-	-	-	3,000,000	3,000,000
Comprehensive income	-	-	-	-	(196,997)	4,306	2,078,026	1,885,335	1,885,335
Dividends	-	-	-	-	-	-	(510,318)	(510,316)	(5)
Internal movements including:	5,557,598	5,557,598	(33,438)	(3,000,000)	-	(106,749)	(2,417,411)	-	-
Internal movements of the equity other elements	5,557,598	5,557,598	(33,438)	(3,000,000)	-	-	(2,524,160)	-	-
Decrease in the growth of value from the revaluation of fixed assets and intangible assets	-	-	-	-	-	(106,749)	(106,749)	-	-
Balance as of the end of interim accounting period 31/12/2018 (audited)	22,266,343	22,266,343	-	3,000,000	1,501,220	3,055,394	3,190,420	33,013,317	33,013,317
Interim period of the current year (ascending from the beginning of the year) (II table)									
Balance as of the beginning of the financial year 01 January 2019 (audited)	22,266,343	22,266,343	-	3,000,000	1,501,220	3,055,334	3,190,420	33,013,317	33,013,317
Recalculated balance	22,266,343	22,266,343	-	3,000,000	1,501,220	3,055,334	3,190,420	33,013,317	33,013,317
Transactions with shares( stock) with shareholders (owners) including:	3,369,000	3,369,000	-	-	-	-	-	3,369,000	3,369,000
Investments in chartered capital and other increase of chartered capital	3,369,000	3,369,000	-	-	-	-	-	3,369,000	3,369,000
Comprehensive income	-	-	-	-	286,485	394,469	3,178,343	3,859,297	3,859,297
Dividends	-	-	-	-	-	-	(1,059,700)	(1,059,700)	(1,059,700)
Internal movements, including	-	-	-	105,000	-	(123,900)	18,900	-	-
Deductions to main reserve	-	-	-	105,000	-	-	(105,000)	-	-
Decrease in the growth of value from the revaluation of fixed assets and intangible assets	-	-	-	-	-	(123,900)	(123,900)	-	-
Balance as of the end of interim accounting period 31.12.2019 (unaudited)	25,635,343	25,635,343	-	3,105,000	1,787,705	3,325,903	5,327,963	39,161,914	39,181,914

Chairman of the Executive Board (CEO)

A. Khachatryan

Chief Accountant

M. Poghosyan

Approval date: 14 January 2020

Estimating ARMECONOMBANK's performance over the accounting quarter, we have to admit that over that period the Bank has had a certain growth of main indicators and development paces.

During the accounting period, "VISA" international payment system granted the Bank with "Contribution in promoting VISA premium benefits" award, "Rossia-1" branch was launched.

The reporting quarter was also effective in terms of cooperation with international financial and credit institutions. ARMECONOMBANK OJSC, Swiss "BlueOrchard Finance S.A." and "Symbiotics S.A" companies signed respectively USD 10 mln. and 5 mln. equivalent AMD loan agreements to finance micro, small and medium enterprises in Armenia.

ARMECONOMBANK OJSC will continue its progress in the area of implementation and development of new loan projects and adoption of new markets of resource attraction.

Being a universal-type Bank, ARMECONOMBANK performs actively in all bank service sectors. The bank holds its positions of steady developer in currency, security and inter-bank markets. The Bank is also active in financing, service rendering, new types of remittances and plastic card service sectors.

The efficiency of measures taken for the execution of the bank's prospective and short- time (current) objectives is conditioned with the existing risk management optimal system.

The risk management culture of the Bank is in continuous progress based on the steady, reliable, effective and safe operational objectives. The effectiveness of the risk management system of the Bank is based on the continuous development works in compliance with the internationally accepted standards, as well as pursuant to the Basel Committee Agreements on Banking Supervision and ISO/IEC 27001 (Information Security

System) international standards and on other similar requirements.

For the effective risk management, the Bank defines the acceptable risk level and risk- income optimal correlation, which will ensure the implementation of current strategic issues and steady development of the Bank.

The risk management process includes phases aimed to identify, assess, control and respond to possible risks in the bank's operations.

The economic and mathematical modelling, regulation, analyses and forecast of processes as well as on the improvement of the instruments of the internal control system allows the Bank to ensure risk-income optimal correlation in conditions of acceptable risk level and to ensure the performance of the requirements of existing standards, and the acceptable levels profitability, reliability, security and the factors of solvency.

The main principles of risk management, assessment and management approaches of separate risk types as well as the methods and models are fixed in the internal legal acts of the bank and paralleled with the assessment of the bank's gross risk and the measures of its optimal management. The Bank's gross risk is managed by an appropriate economic-mathematical through identification and monitoring of material levels of foreign currency, credit, liquidity, and interest rate fluctuation risks and their aggregate – gross risk level.

In compliance with ARMECONOMBANK OJSC Risk Management Policy and with due consideration of the principles of risk management of Basel Committee on Banking Supervision and GARP (Generally Accepted Risk Principles), the following models of assessment and management of basic risks has been adopted:

- Credit risk;
- Interest rate change risk;
- Liquidity risk;
- Foreign currency risk;
- Price risk
- Operational risk.

#### Credit Risk

Credit risk is the possible danger of repayment of a loan, accrued interest, or a part thereof later than due under the agreement or their full or partial loss conditioned by worsening of the borrower's financial condition, devaluation of the collateral, or other similar reasons.

Stress tests of different scenarios widely used in international practice are applied to estimate the impact of possible changes in credit portfolio on the current indicators of the Bank. Within the framework of the aforementioned stress scenario analysis, calculation and analysis of the critical points for deviations from the standards is performed to provide data on the probability of deviations for the day as a unique estimate of credit risk.

On the purpose of monitoring the quality of the loan portfolio, correlation dynamics analysis between average weighted actual interest rates and the ratios of non-performing loans (per loan types), as well as monthly studies on migration flows and their changes in classification of loans (among classes) are carried out.

Thanks to the efficient risk management system the quality loan portfolio remains high and the risk level- low.

#### Interest Rate Change Risk

Interest rate change risk is the probability of negative impact of market interest rate fluctuations on net interest income and capital value.

By means of GAP model, widely used in international practice, interest rate change risk is assessed based on the analysis of disbalance, between assets and liabilities that are sensitive to interest rate fluctuations.

The interest rate change risk based on the Duration Model is assessed using the average weighted time indicators of assets and liabilities, reviewing the duration as an instrument for assessing the sensitivity of present values of assets and liabilities towards the interest rate change. The analysis of gaps of assets and liabilities expressed in individual currencies is performed to assess the impact of interest change rate on net income. The permanent analysis of durations of assets and liabilities enables to hedge the interest rate risk through optimal management of assets and liabilities.

The scenario analysis of impact on Bank's net income and capital, as well as stress tests of different scenarios are performed annually or quarterly, the result of which are included in the Notes enclosed to the published Interim or Annual Financial Statements.

#### Liquidity Risk

Liquidity risk is the probability that the bank may not be able to timely satisfy the claims of its borrowers without suffering additional losses.

A methodology of assessment and management of liquidity indicators based on maturity gaps concept has been implemented in the bank; it allows assessing the impact of maturity gaps of assets and liabilities on the bank's liquidity based on temporal ranges of the indicators for instant, up to 90 days, and up to 1-year accumulating liquidity, which becomes a good basis for making optimal decisions on management of assets and liabilities.

To assess the changes of the standards and the probability of deviations in the event of pre-term withdrawal of term deposits by individuals and a portion of on-demand liabilities (as well as various possible combinations of such portions), scenario stress-test models are employed to calculate the critical points for deviations from liquidity standards as alternative values of the bank's liquidity risk based on the assessment of various probable shock situations on such standards. The assessment of critical points of standard deviation allows to obtain alternative values of the bank's liquidity risk by analyzing the impact of pre-term withdrawal of term deposits by individuals and legal entities and on-demand liabilities on the standards and the probability of their deviations.

Based on quantile analysis methods, the economic-mathematical model of assessment of the risk of concentration of on-demand and term resources attracted by the bank allows to assess the concentration levels of the resources attracted from individuals and corporate entities. Also scenario analysis of stress tests is carried out, which includes the impacts of outflow of on-demand and term deposits of 10% of major customers on the standards as well as the aggregate impact of the outflow of 1% of the deposits of the customers from the above four groups (individuals and corporate entities with term deposits and individuals and corporate entities with on- demand deposits) on the economic

standard. Within the model of liquidity risk management, the scenario analysis of the outflow of means of major individuals and corporate entities is also carried out. Based on analysis results, the impact of the outflow of the means on the current economic standards is assessed.

#### Foreign Currency Risk

Foreign currency risk is the maximum possible loss from revaluation upon foreign currency exchange rate fluctuations. Foreign currency risk management is carried out by an alternative method of hedging, namely VAR methodology accepted in international practice as well as the methods of analysis of scenario of stress test are used. In the analysis of scenario of stress test the impact of rapid fluctuation of foreign currency exchange rate on the standards is reviewed. The scenario analysis of tests of valuation and depreciation of RA dram, as well as the scenario analysis of tests with the combination of the worst variants of foreign currency rate fluctuations per individual currencies are reviewed. For foreign currency risk assessment, an economic-mathematical model of assessment of possible losses caused by foreign currency fluctuations enables to assess the size of possible risk conditioned by the Bank's open positions.

The impact of foreign currency change risk on the Bank's profit is evaluated quarterly and annually by means of scenario analysis of stress tests the results of which are included in notes enclosed in interim and annual financial reports.

#### Price Risk

Price risk is the jeopardy to incur financial losses from adverse changes in market prices of securities, conditioned by security and its issuer, as well as factors related to general fluctuations of market prices of securities in circulation (taking into account the long or short positions of given security).

The possible minimum level of price risk is assured by the following undertaken measures:

- ✓ Analysis of dynamics of structural, volume and price indicators of financial market, liquidity of separate financial Instruments, revelation of existing tendencies,
- ✓ Assessment of possible losses,
- ✓ Application of hedging instruments,
- ✓ Establishment of limits of financial Instruments (per type of security operation, dealer, issuer, stop- loss),
- ✓ Diversification of security portfolio per security, industry sectors, terms, etc.

#### Operational Risk

Each main and auxiliary business operation of a bank contains certain operational risk that may lead to both small and big losses. For this reason, banks attribute great importance to the efficient management of operational risk management. In compliance with the the Bank's internal legal acts regulating the Bank's risk management, operational risk is the probability of direct or indirect losses caused by inadequate or wrong activities of the personnel, weaknesses of organization and performance of the bank's operations, breakdowns as well as by adverse activities and environmental conditions.

From the viewpoint of operational risk management, serious importance is attributed to the implementation of an audit system by means of daily control, regular and subjective revisions and consideration of prudent level of the existing regulation, identification of functions to be improved, revelation of possible risks and appropriate notification of responsible authorities

Taking into account the ongoing steady development strategy of the Bank its future planned performance is directed to strengthening and expansion of Bank's position in Armenian banking market, analysis for stepping into International markets, which mainly envisages future steady growth of assets on the account of attracted resources /deposits, International Loan programs/, as well as accrued profit and equity.

The bank also intends to expand its cooperation with such International financial Institutions as EBRD, IFC, German- Armenian Fund, Black Sea Trade and Development Bank, FMO, Asian Development Bank and BLUEORCHARD MICROFINANCE FUND, SYMBIOTICS» SA, «MICRO, SMALL & MEDIUM ENTERPRISES BONDS» S.A., DEG – Deutsche Investitions, Entwicklungsgesellschaft mbH financial institutions, «INCOFIN CVBA», «EFA Financial Institutions Debt Fund PTE.» Ltd investment institutions. Together with small and medium-size business finance the Bank plans to develop its mortgage finance program, as well as finance programs of other banking sectors.

External trade letter of credit financing program actively implemented parallel with loan projects will continue.

The Bank envisages deriving the profit for future activities from interest income, plus profit from rendered services. New loan attraction technologies are analyzed and implemented at the Bank to increase loan interest income.

The income from rendered services is increased due to their diversification, expansion of the list of plastic card services, provision of individual safekeeping boxes, increase of the number of ATMs in trade and service outlets.

On purpose of realization of above mentioned tasks the Bank will continue its regular technical refurbishment, enhancement of Procedures, implementation of new banking technologies paying special attention to the application of modern digital technologies in the service toolkit, which will allow to ensure fast, high quality and round-the-clock service.

One of the main prerequisites of efficient development for ARMECONOMBANK OJSC is implementation of new bank technologies and leading expertise. Taking this into account the Bank will ensure the continuity of new technologies placement process emphasizing the application of modern digital technologies in the service toolkit, which will allow to ensure fast, high quality and round-the-clock service to customers. All necessary capital investments are envisaged for the aforementioned, which, as a result will enhance technical modernization.

The Bank will render new clearing services, payment system services, plastic card (local and International) services, acceptance of communal payments, etc.

Under its regional policy the Bank will continue to expand its branch network, aimed at assuring the presence of the Bank in the whole territory of Armenia. In line with the territorial expansion, the Bank will continue to carry out repair and reconstruction works in acting branches.



The main negative factors that will have an adverse effect on bank activities are political – economic processes, that is tendencies of further development of country's economy.

To mitigate the above mentioned risks the Bank will carry out weighed attraction and investment policy, trying to forecast development tendencies, diversifying the risk, expanding the list of services, trying to avoid loan and deposit portfolio concentrations.

The Bank's relevant specialized unit pays great attention to issues relating to implementation of the Bank's new Programs, and enhancement of operating ones. Implementation and development of new technologies at the Bank has a scheduled character. The Bank constantly reviews perspective International practice per separate sectors of banking services, market research is made. The bank also elaborates precise procedures for implementation of services and technologies, realizing implementation expertise as well.

Active works are carried out at the Bank as well to improve the quality of new services taking into account the results of customer inquiries.

