

Issuer Report



OPEN JOINT-STOCK COMPANY

UNIBANK

3rd quarter

Interim report

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Report number 01, 25.01.2022

Yerevan 2022

Executive Board announcement

To the best of our knowledge, the Bank's interim financial statements accurately and fully reflect the Bank's assets and liabilities, financial position, true picture of income and expenses, and the interim report of the governing bodies accurately and fully reflects the Bank's overall position, business results and development, as well as includes description of the main risks to which the Bank has been or is concerned.

Mesrop Hakobyan	Executive Board Chairman – Executive Director		25.01.2022
Ararat Ghukasyan	First Vice - Chairman of the Executive Board		25.01.2022
Gohar Grigoryan	Executive Board Member, Financial Director - Chief Accountant		25.01.2022
Ovsanna Arakelyan	Vice-Chairman of the Executive Board, Legal Service and Overdue Liabilities Collection Director		
David Petrosyan	Executive Board Member, Corporate Business Promotion and Sales Director		
Gurgen Ghukasyan	Executive Board Member, Retail Business Promotion and Sales Director		25.01.2022
Artur Aperyanyan	Executive Board Member, Operational Services and Information Systems Director		25.01.2022

Introduction

The interim report of the governing bodies of Unibank OJSC presents:

- Bank's real business results and development description
- Description of the Bank's possible future development for the next reporting period
- Description of significant events occurred during the reporting period

Summary of financial data of the Issuer.

The indices in absolute value are expressed in thousand AMD

The name of index	2018 (audited)	2019 (audited)	2020 (audited)	2021 (not audited)
Net profit, after deducting the cost of profit tax	931,297	1,326,981	238,576	400,971
Average equity	33,176,713	33,165,728	34,095,834	34,210,683
Return on equity (ROE), %	2.8%	4.0%	0.7%	1.17%
Net profit, after deducting the cost of profit tax	931,297	1,326,981	238,576	400,971
Average total assets	199,485,446	226,843,697	239,228,910	252,332,077
Return on assets (ROA), %	0.5%	0.6%	0.1%	0.16%
Net profit, after deducting the cost of profit tax	931,297	1,326,981	238,576	400,971
Operating income	14,762,553	14,502,166	14,686,123	18,290,273
Net profit margin (NPM), %	6.3%	9.2%	1.6%	2.19%
Operating income	14,762,553	14,502,166	14,686,123	18,290,273
Average total assets	199,485,446	226,843,697	239,228,910	252,332,077
Assets utilization (AU), %	7.4%	6.4%	6.1%	7.25%
Average total assets	199,485,446	226,843,697	239,228,910	252,332,077
Average equity	33,176,713	33,165,728	34,095,834	34,210,683
Equity multiplier (EM)	6.01	6.84	7.02	7.38
Net interest income	10,518,060	10,136,153	10,051,244	10,188,557
Average profitable assets	151,855,857	167,324,156	181,933,869	176,633,818
Net profit margin (NIM)	6.9%	6.1%	5.5%	5.77%
Interest income	20,008,220	19,469,982	19,471,091	20,146,879
Average profitable assets	151,855,857	167,324,156	181,933,869	176,633,818
Yield on profitable assets	13.2%	11.6%	10.7%	11.41%

Interest expenses	9,490,160	9,333,829	9,419,847	9,958,322
Liabilities for which interest expenses are made	164,735,879	191,193,293	202,322,737	213,106,307
Expendability of those liabilities, in connection of which rate	5.8%	4.9%	4.7%	4.67%
Net profit, after deducting the cost of profit tax	931,297	1,326,981	238,576	400,971
The weighted average number of shares	204,896,525	204,896,525	204,896,525	205,264,084
Earnings per share (EPS)	4.5	6.5	1.16	1.95
Spread	7.4%	6.8%	6.0%	6.73%

Assets amounted to 255.8 AMD, increasing by 8.9 billion AMD compared to the end of the previous financial year's indicator. Credit investments amounted to 139.4 billion AMD, or 54.5% of total assets. Liabilities amounted to 221.2 billion AMD, increasing by 8.6 billion AMD compared to the end of the previous financial year.

Liabilities to customers amounted to 191.9 billion AMD, increasing by 12.3 billion AMD compared to the last indicator of the previous year.

Bank's capital:

The capital adequacy ratio stood at 14.71% in December 2021, increasing by 0.23 percentage points from September 2021 due to a increase in risk-weighted assets. The capital adequacy ratio exceeds the minimum level set by the Central Bank of Armenia (12%). As of 31.12.2021, the Regulatory capital amounted to 30.2 billion AMD.

The net profit for the semi-annual results amounted to 400,971 thousand AMD.

Retail business

In the retail business, the Bank's activity was aimed at improving the product line, optimizing business processes, and improving the quality of customer service through feedback amplification.

As part of the Central Bank's policy to reduce interest rates, the Bank has offered its customers more attractive terms. Stable growth was registered in consumer loans for loans for the purchase of goods and household appliances, gold secured loans.

The Bank continued its policy of reducing the cost financing by setting moderate interest rates on time deposits.

Corporate business

In line with the micro-small enterprises development strategy, during the second quarter of 2021, Unibank continued to take active steps to increase the availability of credit resources aimed at this segment. Focusing on the target segments, the efforts of the corporate business unit were actively focused on financing the construction and service sectors, including the hotel and restaurant business.

Service network, customer base

As of 31.12.2021, the service network of Unibank includes 55 branches in Armenia and Artsakh, 94 promo points, 132 ATMs, 142 payment terminals. The Bank has a representative office in Moscow, which supports the attraction of foreign clients.

During 2021 the Bank served more than 330,000 customers throughout the year.

In the field of money transfer services, there is a slight change in the volume, due to the similar volume of international non-commercial transfers of individuals received through the Bank.

Strategic priorities for 2022

As part of Unibank's approved strategy for 2022, the following key priorities are formulated:

- technological improvement, sales development through digital channels,
- further development of artificial intelligence technologies in the lending industry,
- development of a customer-oriented approach and, based on an in-depth analysis of customer needs, formation of a service and product line also for their counterparties,
- ensuring financial performance and improving the position of Unibank in the banking system, increasing the investment attractiveness of the Bank.

A description of significant events that occurred during the reporting period

Today Unibank is a universal Bank, which offers its customers a wide range of modern banking services. In accordance with the strategy developed by the Board of the Bank, the main directions of Unibank's operations are retail business and support to small and medium enterprises.

In the fourth quarter of 2021, the Bank has issued preference shares that enables to get a fixed annual dividend. 12%, a nominal value of 230 4,778,261 preferred shares issued (to be sold).

The yield on Unibank's shares is 12% per annum, minimum purchase package - 1 mln AMD, nominal value of 230 AMD. Issue volumes comprises nearly 1.1 billion drams. The marketmaker is Armbrok company. Shares listing was held at Armenian Stock Exchange market. This process significantly enhances the attractiveness of the securities: according to Armenian legislation, dividends received from listed shares are not subject to taxation started from March 1, 2020.

On November 30, 2021, an Extraordinary General Meeting of Shareholders of Unibank Open Joint-Stock Company was convened to approve the replenishment of the Bank's Articles of Association through a real-time via Zoom application.

In the fourth quarter of 2021, Unibank issued AMD and USD bonds with high coupon yield, 9.8% and 44.8% per annum respectively. AMD bonds issuance volume is 250 million AMD, while that of USD bonds is 5 million USD. In case of AMD, the bonds have a circulation term of 27 months, whereas in case of USD it is 36 months. Coupon income will be paid quarterly. The issue placement ended on 27.12.21, after which the bonds were listed on the Armenia Stock Exchange (AMX) .

SME Banking Club has published the outcomes of a survey of credit products for small and medium-sized businesses of over 200 banks in the CIS and the Caucasus, according to which Unibank is recognized as one of the leading banks in its region.

In the fourth quarter Unibank opened another new branch, Arin Berd, which is located in Yerevan, Erebuni community, 2/1 Titogradyan Street.

The Bank has pursued a conservative policy in lending to large enterprises, assets of the Bank have mainly been placed by short-term, in relatively low-risk sectors. For this purpose, the Bank has regularly analysed the sectors of the economy, as well as developed a scoring model for SME lending, automated the approval of SME loan applications, in order to fulfil the planned indicators for SMEs, Improving the qualification of employees for SME lending.

Vintage analyses, stress tests, internal and external audits allow to timely identify and manage the Bank's financial and operational risks.

The Bank's statutory capital is AMD 21,588,652,530 (twenty one billion five hundred eighty eight million six hundred fifty two thousand five hundred thirty), which includes 172,886,525 (one hundred seventy two million eight hundred eighty six thousand five hundred twenty five) allocated ordinary shares, each with a par value of AMD 100 (one hundred) and 32,010,000 (thirty two million ten thousand) class A convertible preferred shares, with a fixed annual dividend, each with a par value of AMD 100 (one hundred), 4,778,261 (four million seven hundred seventy eight thousand two hundred sixty one) class B convertible preferred shares, with a fixed annual dividend, each with a par value of AMD 230 (two hundred thirty).

The number of declared ordinary shares of the Bank subject to additional allocation is 526,110,475 (five hundred twenty six million one hundred ten thousand four hundred seventy five) shares, each with a par value of AMD 100 (hundred).

The allocation, dividend payment procedure, terms and liquidation value of convertible class A preferred shares with a fixed dividend (hereinafter referred to as class A preferred shares) are as follows:

- Define 12% annual dividend calculated at par value of class A preferred shares, payable not later than three months after the end of the financial year.
- Payment for class A preferred shares to be made in cash, at the price determined by the Board upon issuance, according to emission decision.
- Define the liquidation value of class A preferred shares equivalent to the nominal value.
- Class A preferred dividends are payable only from Bank's net profit and/or from funds generated at its account.
- Class A preferred shares are subject to conversion into ordinary shares at one preferred share to one ordinary share ratio. The conversion is carried out at the request of shareholders not later than within two months after the submission of such request to the Bank. There is no time limit for submitting a conversion request. The conversion is carried out by allocation of additional ordinary shares, as a result of which the class A preferred shares are replaced by the same number of additional ordinary shares.
- Dividends on class A preferred shares, partially or in full are not subject to payment if such a payment leads to a violation of any economic normative ratios of the Central Bank of the RA by the Bank, moreover :
 - a) fully or partially unpaid dividends are not subject to accumulation with a condition of payment at a later stage
 - b) no legal document between the Bank and the owner of class A preferred shares can stipulate any restrictions for the Bank concerning full or partial non-payment of dividends, as well as no legal document can provide a right to grant such restrictions to the owner of class A preferred shares, except if such restrictions concern ordinary shares dividend payments. At the same time, the restriction on ordinary shares dividend payments referred by this

paragraph can only be applied for the period, during which the due dividends on preferred class A shares were not paid in full or in part.

The allocation, dividend payment procedure, terms and liquidation value of convertible class B preferred shares with a fixed dividend (hereinafter referred to as class B preferred shares) are as follows:

- Define 12% annual dividend calculated at par value of class B preferred shares, payable not later than three months after the end of the financial year.
- Payment for class B preferred shares to be made in cash, at the price determined by the Board upon issuance, according to emission decision.
- Define the liquidation value of class B preferred shares equivalent to the nominal value.
- Class B preferred dividends are payable only from Bank's net profit and/or from funds generated at its account.
- Class B preferred shares are subject to conversion into ordinary shares on the terms established by the Board of the Bank, according to emission decision.

The conversion is carried out at the request of shareholders not later than within two months after the submission of such request to the Bank. There is no time limit for submitting a conversion request.

The conversion is carried out by allocation of additional ordinary shares.

- Dividends on class B preferred shares, partially or in full are not subject to payment if such a payment leads to a violation of any economic normative ratios of the Central Bank of the RA by the Bank, moreover :
 - a) fully or partially unpaid dividends are not subject to accumulation with a condition of payment at a later stage
 - b) no legal document between the Bank and the owner of class B preferred shares can stipulate any restrictions for the Bank concerning full or partial non-payment of dividends, as well as no legal document can provide a right to grant such restrictions to the owner of class B preferred shares, except if such restrictions concern ordinary shares dividend payments. At the same time, the restriction on ordinary shares dividend payments referred by this paragraph can only be applied for the period, during which the due dividends on preferred class B shares were not paid in full or in part.

MISSION AND VALUES

“Unibank” OJSC is a dynamically developing and innovative bank that provides a full range of services to retail and corporate clients. The Bank sees its mission in promoting the economic development of the Republic of Armenia, increasing the financial well-being of customers, shareholders and partners, and meeting the public’s demand for high-quality financial services.

OUR VALUES

- attentive and honest attitude towards customers
- strong team spirit and efficiency
- society’s trust
- high brand awareness and reputation
- reliability and stability

WE STRIVE

- to strengthen our position and increase the financial market share
- to ensure high quality of banking services and advance service process

- to increase the availability of demanded banking services
- to introduce a transparent business model and best practice of corporate culture
- to increase the investment attractiveness of the Bank

CORPORATE SOCIAL RESPONSIBILITY

Unibank takes an active part in the social life of the country, following the principle of social responsibility and directing efforts to the development of infrastructures and the creation of new jobs. Unibank is a responsible participant of economic and social programs. The Bank actively supports charity and sponsorship programs aimed at development of education, culture, sports, as well as improving the financial literacy of the population.

CORPORATE ETHICS

Interaction in the Bank is built on respect of the individual and focus on results with the aim successfully solving professional tasks and maintaining constructive relations within the team. We strive to comply with the principles of professional ethics, complying with existing laws, as well as the norms and regulations established in the Bank.

ENVIRONMENTAL PROTECTION

In its activities, the Bank aims to follow the principles of environmental protection. When implementing credit programs, the Bank takes into account the fact of compliance with environmental protection standards and prioritizes lending to environmentally friendly production industries and resource-saving projects. Throughout its operations, the Bank seeks to minimize the funding of projects that have a negative impact on the environment.

RISK MANAGEMENT

Risk management is one of the most important part of Unibank's management. Risk management in Unibank specifies a complex system of interrelated activities which is directed to prevent and minimize potential losses of Bank. The main goal of Risk management of Unibank is to enable the Bank to maintain the aggregate value of risks at the level of risks set by the strategic plan of the Bank and to maximize its return on capital.

Risk Management of Unibank is based on the documents of Committee on Banking Supervision of the Bank for international Settlements (Basel Committee on Banking Supervision), Generally Accepted Risk Principles (GARP), on laws and normative acts of RA and CB of RA, based on principle of breaking-even and directed to maintenance of the optimal relations between banking profitability and the level of risks. Risk is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his responsibilities. The Bank fosters a culture that increases the level of Risk Management related knowledge across the bank, in particular relevant seminars are organized.

In the course of its operation, the Bank is exposed to a number of financial risks, including the analysis, assessment, acquisition and management of a risk or combination of risks.

Credit risk is the probability of non-fulfilment or incomplete fulfilment of credit obligations assumed by the borrowers, as a result of which the Bank will incur a loss;

The Bank regulates the levels of the credit risk by setting limits on one borrower or group of related borrowers as well as by sphere and geographic concentration.

Market risk is the probability of the Bank's loss due to changes in market factors (foreign exchange rates, interest rates).

Liquidity risk is the probability that the Bank will not meet the legal requirements of its creditors in a timely manner, as a result of which the Bank will incur a loss.

Capital adequacy risk is the probability of insufficiency (inadequacy) of the Bank's capital in the event of a change in risk-weighted assets and/or elements of the capital.

Operational risk is the probability of the Bank incurring losses as a result of internal organizational and / or business processes (inadequate or unregulated staff actions, intentional or unintentional transaction errors, other operational or technological malfunctions) or external factors of a man-made nature.

Legal risk is the probability of the Bank incurring losses as a result of non-compliance of the Bank's internal legal acts, business processes, credit products, transactions with the current legislation governing the latter.

Reputation risk is the probability of the Bank losing its current or potential customers, partners or transactions with the latter due to a negative public opinion, which could result in financial losses and / or liquidity problems for the Bank.

Strategic (business model) risk is the probability of the Bank choosing an unrealistic (inappropriate) strategy, as well as the possibility of adverse changes in the assumptions, indicators, objectives and / or other factors underlying the chosen strategy, which may lead to financial losses of the Bank.

The components of the Bank's risk management system are:

- ✓ Strategy,
- ✓ Methodology
- ✓ Control
- ✓ Effectiveness evaluation
- ✓ Modernisation (if necessary).

Banking risk management is the implementation of actions by the competent bodies, subdivisions or persons of the Bank, which will enable to ensure a positive financial result in the presence of banking risks and in case of uncertainty.

The Risk Management System operates on a continuous basis, taking into account the dynamic changes of internal and external environments.

Banking Risk Management is carried out by a vertical three-tier system:

- Strategic level: identification of risks, definition of acceptable appetite, processes and limits,
- Control / control level: monitoring, deviation analysis, evaluation and compliance,
- Tactical level: current risk management within the permissible limits (execution of risky transactions).

The stages of the Banking Risk Management process are:

- Risk identification (definition), including risk factor analysis (segregation),
- Definition of risk assessment methods (by types) and risk assessment (forecasting);

Risk limit, i.e the establishment of principles of diversification, internal limits, as well as the development and adoption of relevant internal legal acts, which, in particular, include the principles of multiple verification, the implementation of the same process on different persons not affiliated with each other and principles of error detection.

Practical management of risk, i.e implementation of appropriate actions, situational response (avoidance, reduction / hedging, transfer / insurance, risk acceptance, etc.),

Risk monitoring, analysis, current (operational) and provision of periodic reports / information in vertical and horizontal formats,

Post-transaction risk control.

Each Risk Management process (limits, management, control, reporting, responsible ones, etc.) is regulated by relevant rules, procedures.

Interim report on the financial result

31/12/21

" UNIBANK" OJSC Yerevan 0025, 12 Charents st, N 53, 1-5

(thousand AMD)

Name	Notes	Current interim period 01.10.21_31.12.21	Reporting period 01.01.21_31.12.21	Previous interim period (checked) 01.10.20_31.12.20	Previous period 01.01.20_31.12.20 (checked)
Interest and similar income	3	4,470,784	20,146,879	5,036,784	19,471,091
Interest and similar expenses	3	(2,516,353)	(9,958,322)	(2,340,860)	(9,419,847)
Net interest and other income		1,954,431	10,188,557	2,695,924	10,051,244
Commission income	4	1,736,905	4,441,491	1,198,576	2,770,901
Commission expenses	4	(177,837)	(705,643)	(179,228)	(614,638)
Net commission income and other payments		1,559,068	3,735,848	1,019,348	2,156,263
Income from dividends					
Net trading income	5	1,550,091	3,665,500	(288,875)	1,118,369
Other Operational income	6	218,104	700,368	932,008	1,360,247
Operational income		5,281,694	18,290,273	4,358,405	14,686,123
Expenses related to loan loss provisioning	7	(2,579,265)	(8,385,017)	(2,593,611)	(5,786,898)
Total administrative expenses	8	(1,008,808)	(3,911,513)	(846,442)	(3,862,403)
Other operational expenses	9	(2,053,974)	(5,440,223)	(1,435,524)	(4,595,106)
Net gain/loss from subsidiaries	10				
Gain (loss) before taxation		(360,353)	553,520	(517,172)	441,716
Profit tax expenses	11	11,949	(152,549)	(12,706)	(203,140)
Gain (loss) after taxation		(348,404)	400,971	(529,878)	238,576
Basic profit per share	12				
Diminished profit per share	12				
Net profit for the period					
Including					
Share of the principle organization					
Uncontrolled share					

Chairman of the Executive Board

Mesrop Hakobyan

Chief Accountant

Gohar Grigoryan



Interim report on the Aggregated Financial result

31/12/21

" UNIBANK" OJSC Yerevan 0025, 12 Charents st, N 53, 1-5

(thousand AMD)

Name	Reporting period 01.01.21_31.12.21	Previous period 01.01.20_31.12.20
Other aggregate financial result		
Rate exchange from the converting of foreign transactions		
Revaluation of financial assets	(190,716)	(141,484)
Cash flow hedging		
Income from the revaluation of non- current assets	(102,555)	408,411
Income tax from other aggregate income	52,789	(48,047)
Other aggregate result after taxation	(240,482)	218,880
Aggregated financial result	160,489	457,456
Including		
Share in the principal organization		
Non controlled share		

Chairman of the Executive Board

Mesrop Hakobyan

Chief Accountant

Gohar Grigoryan



Interim report on the financial result

31/12/2021

" UNIBANK" OJSC Yerevan 0025, 12 Charents st, N 53, 1-5

(thousand AMD)

	Name	Notes	At the end of current interim period dated as of 31.12.2021	At the end of preceding financial year (checked) 31.12.2020
1	Assets			
1.1	Cash and balances with CBA	13	58,273,573	28,450,237
1.2	Amounts due from banks and other financial institutions	14	19,518,322	18,197,520
1.3	Derivative financial assets	14.1	5,239	2,020
1.4	Loans and borrowings to customers	16	139,400,064	156,575,090
1.5	Financial assets available for sale	17	1,649,514	2,563,117
1.6	Investments kept upon repayment period	18	15,232,604	13,986,817
1.7	Fixed and intangible assets	20	13,936,280	12,589,041
1.8	Deferred tax assets	11		
1.9	Prepayment on profit tax	21.1	310,366	127,210
1.10	Other assets	21	7,525,271	5,681,000
	Total assets		255,851,233	238,172,052
2	Liabilities			
2.1	Amounts due to banks and other financial institutions	22	10,908,887	29,573,686
2.2	Derivative financial liabilities	22.1	10,867	30,336
2.3	Amounts due to customers	23	191,869,529	156,805,550
2.4	Loans	23.1	3,121,387	5,905,308
2.5	Securities issued by Bank	24	12,168,789	9,498,202
2.6	Current tax liabilities	27.2	23,764	
2.7	Deferred tax liabilities	11	374,921	312,486
2.8	Other Liabilities	27	2,678,885	2,147,402
	Total Liabilities		221,157,029	204,272,970
3	Equity			
3.1	Share capital	28	21,588,653	20,489,653
3.2	Emission income		9,605,638	9,605,638
3.3	Reserves		2,123,932	2,331,145
3.3.1	General reserve		641,779	608,510
3.3.2	Re-assessment reserve		1,482,153	1,722,635
3.4	Retained gain (loss)		1,375,981	1,472,646
3.5	Other items of equity			
	Total equity		34,694,204	33,899,082
	Total liabilities and equity		255,851,233	238,172,052

Chairman of the Executive Board

Mesrop Hakobyan

Chief Accountant

Gohar Grigoryan



Interim report on the changes in Private Equity (31/12/2021)
"UNIBANK" OJSC Yerevan 0025, 12 Charents st, N 53, 1-5

Name of equity items		Share capital			Emission gain/loss	General reserve	Exchange differences from the recalculation of foreign operations	Recalculation of financial assets	Hedging of cash flow	Profits from the noncurrent assets	Retained profits/loss	Total equity
		1	2	3								
Articles		Share capital	Repurchased capital	Net amount								
Interim period of previous financial year (increasing from the beginning of the year) (I scheme)												
1. Balance at the beginning of preceding financial year as of 01 January 2020 (checked/unchecked)		20,489,653		20,489,653	9,605,638	508,876		52,872		1,450,883	1,717,824	33,825,746
1.1. General result of accounting policy changes and adjustment of considerable mistakes												
2. Recalculated balance		20,489,653		20,489,653	9,605,638	508,876		52,872		1,450,883	1,717,824	33,825,746
3. Operations with the shareholders, via shares, including												
3.1. Investments in the share capital and other increase of the share capital												
3.2. Decrease of share capital, including at the expense of repurchased and out off circulation stocks												
4. Aggregate income												
5. Dividends												
6. Increase/ decrease of equity item, including												
6.1. Increase/ decrease of derivative instruments classified as equity instruments												
7. Internal movements, including												
7.1. Distribution to the General reserve						99,634		(116,017)		334,897	138,942	457,456
7.2. Loss cover accumulated at the expense of general reserve						99,634					(99,634)	
7.3. Cover of emission loss												
7.4. Decrease of growth from the recalculation of fixed assets and intangible assets												
7.5. Internal movements of other equity items								(116,017)		334,897	238,576	573,473
8. Balance at the end of similar interim period of preceding financial year as of 31.12.2020 (checked/unchecked)		20,489,653	-	20,489,653	9,605,638	608,510	-	(63,145)	-	1,785,780	1,472,646	33,899,082

(thousand AMD)

Interim report on cash flow
31/12/2021
UNIBANK OJSC Yerevan 0025, 12 Charents st, N 53, 1-5

thousand AMD

Name	Notes	Previous period 31.12.2020	Reporting period 31.12.2021
1. Cash flows from operating activities		x	x
Net cash flows before changes in operating assets and liabilities		10,270,079	15,674,080
Interest receivable		18,849,305	19,280,211
Interest payable		(9,776,728)	(10,226,887)
Commission receivable		3,233,811	4,042,123
Commission payable		(666,067)	(705,643)
Profit/ loss from financial assets for commercial purposes		1,336,691	1,263,186
Profit/ loss from foreign currency exchange		2,037,726	4,063,559
Return of write off assets		1,854,588	4,431,286
Paid salary and equalled to it other payments		(3,821,540)	(4,044,819)
Other income receivable and other expenses payable from operating activities		(2,777,707)	(2,428,936)
Cash flows from the changes in operating assets and liabilities		(52,521,698)	26,206,670
(Increase)/decrease in operating assets		(11,071,031)	(9,700,727)
including			
(Increase)/decrease in credits/loans		(13,568,076)	(6,992,122)
(Increase)/decrease of share for commercial purposes		1,987,110	(732,220)
(Increase)/decrease of receivable leasing		-	-
Decrease (increase) of other operating assets		509,935	(1,976,385)
(Increase)/decrease of operating liabilities		(41,450,667)	35,907,397
including			
(Increase)/decrease of liabilities to customers		(40,566,623)	34,852,336
(Increase)/decrease of other operating liabilities		(884,044)	1,055,061
Net cash flows used in operating activities before income tax		(42,251,619)	41,880,750
Income tax paid		(669,294)	(285,226)
Net cash flows used in operating activities		(42,920,913)	41,595,524
2. Cash flows from investing activities	x	x	x
(Increase)/decrease of investments held up to repayment period		(410,604)	(1,173,555)
(Increase)/decrease of investments in the share capital of other persons			
(Increase)/decrease of deposits placed in other banks		6,902,338	1,893,582
(Increase)/decrease of statute investments in the fixed assets and intangible assets		(499,028)	(682,667)
Purchase of fixed assets and intangible assets		(688,754)	(612,280)
Amortization of fixed assets and intangible assets		245,910	46,803
Net cash flow from other investment activity		(325,779)	(1,500,037)
Net cash flows used in investing activities		5,224,083	(2,028,154)
Cash flow from financing activities	x	x	x
Dividend paid		(384,120)	(384,120)
(Increase)/decrease in loans received from Central Bank of Republic of Armenia		(337,930)	(2,476,635)
(Increase)/decrease in borrowings received from the Banks		19,012,563	(4,468,060)
(Increase)/decrease in other borrowings		(1,074,556)	(1,352,569)
Increase/decrease in the issuance of securities of the Bank		(757,846)	2,670,587
Investment to share capital			1,099,000
(Increase)/decrease payable leasing		(479,289)	(564,054)
Net cash flow from other financing activities			
Net cash flow from financing activities		15,978,822	(5,475,851)
Exchange differences on cash and cash equivalents		592,538	(4,268,183)
Net increase/ (decrease) in cash and cash equivalents		(21,125,470)	29,823,336
Cash and cash equivalents at the beginning of the year	13_2	49,575,707	28,450,237
Cash and cash equivalents at the end of the year	13_2	28,450,237	58,273,573

Chairman of the Executive Board

Mesrop Hakobyan

Chief Accountant

Gohar Grigoryan



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