

ACCOUNTING ISSUER'S STATEMENT

“ARMENIAN ECONOMY DEVELOPMENT BANK” OPEN JOINT STOCK COMPANY

“ARMECONOMBANK” OJSC

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

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**Quarterly report No 2 2023, 14 July 2023**

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

Number of securities: common shares – 1,008,550 preference share- 424,600

Nominal value of securities (currency): common share – AMD 2,080

preference share – 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>Artashes Harutyunyan</u> (name, surname)	<u>Acting Deputy CEO -Treasurer</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Onik Chichyan</u> (name, surname)	<u>Deputy CEO for Corporate and Retail Business</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Ruben Badalyan</u> (name, surname)	<u>Deputy CEO for Operations</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Astghik Manrikyan</u> (name, surname)	<u>Deputy CEO for International Operations and Development</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Arpine Pilosyan</u> (name, surname)	<u>Deputy CEO for Technologies and Security</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Nona Galstyan</u> (name, surname)	<u>Acting Chief Accountant</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Hayk Avetisyan</u> (name, surname)	<u>Head of Strategy and Risk Management Division</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Vrej Jhangiryan</u> (name, surname)	<u>Head of Legal Division</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>
<u>Artak Arakelyan</u> (name, surname)	<u>Acting CEO</u> (position)	<u>(signature)</u>	<u>14.07.2023 (date)</u>

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Interim Report  
On Financial State  
30 June 2023  
ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

Thous. AMD

	Name	Notes	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	59,565,886	69,081,631
1.2	Standard bank precious metal bullions and coins		443	443
1.3	Due from banks and other financial institutions	14	9,224,034	11,448,430
1.4	Reverse repurchase agreements	14.1	8,898,372	6,381,390
1.5.1	Other financial assets calculated at amortized cost	18	4,530,662	925,066
1.6	Loans and advances at amortized value provided to customers	16	277,701,788	259,413,495
1.7	Financial assets at fair value rated through other comprehensive financial results	17	6,474,195	3,200,122
1.7.1	Securities pledged under repurchase agreements	17.1	36,195,834	43,253,667
1.9	Non-current assets held for sale		3,147,037	1,193,115
1.10	Fixed assets	20	15,111,944	10,574,826
1.10.1	Intangible assets	20	938,432	811,161
1.10.1	Right-of-use asset	20.1	1,863,923	1,956,188
1.12	Other assets	21	1,110,113	1,030,202
	<b>Total assets</b>		<b>409,369,082</b>	<b>359,864,111</b>
2	<b>Liabilities</b>			
2.1	Liabilities to banks and financial institutions	22	69,017,960	59,976,376
2.2	Loans and deposits from international financial institutions	22.1	53,698,365	59,574,028
2.3	Loans from RA Central Bank and RA Government	22.2	28,423,574	27,068,562
2.4	Repurchase agreements	22.3	33,535,093	38,713,408
2.5	Liabilities to customers	23	157,561,153	156,197,592
2.6	Subordinate borrowing	23.1	7,322,564	3,971,329
2.7	Liability for current tax		536,116	806,153
2.8	Securities issued by the Bank	24	9,822,483	8,517,115
2.9	Financial liabilities measured at fair value recalculated through profit/ loss	25		1,083
2.10	Amounts payable	26	617,335	557,794
2.11	Deferred tax liabilities	11	1,226,720	177,446
2.12	Reserves	30	37,919	103,386
2.13	Lease liabilities	40	1,421,972	1,475,813
2.14	Other liabilities	27	3,111,790	3,089,336
	<b>Total Liabilities</b>		<b>366,333,044</b>	<b>360,229,421</b>
3	<b>Capital</b>			
3.1	Chartered capital	28	27,186,784	26,652,068
3.2	Emission income		1,210,529	745,223
3.3	<b>Reserves</b>			
3.3.1	Main reserve		3,952,000	3,663,000
3.3.2	Fair value reserve		(453,813)	(1,228,475)
3.3.3	Other reserves		7,003,602	3,112,039
3.4	Undistributed profit(loss)		19,875,334	16,166,442
	<b>Total capital</b>		<b>58,774,436</b>	<b>49,116,297</b>
	<b>Total liabilities and capital</b>		<b>425,107,480</b>	<b>409,339,718</b>

Acting Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date: 14 July 2023

Interim Report  
On Financial Results  
30 June 2023

ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

thous. AMD

Name	Note	Current interim period (unaudited)	Accounting period (unaudited)	Comparable current interim period of the previous financial year (unaudited)	Previous period (unaudited)
Interest and similar income	3	9,409,839	18,375,511	7,925,065	25,350,454
Interest and similar expenses	3	(5,670,104)	(10,990,445)	(4,899,521)	(9,318,107)
<b>Net interest and similar income</b>		<b>3,739,735</b>	<b>7,385,066</b>	<b>3,025,543</b>	<b>6,032,347</b>
Income as commission and other fees	4	1,491,049	2,741,346	1,010,055	1,862,908
Expenses as commission and other fees	4	(573,530)	(922,718)	(356,569)	(695,100)
<b>Net commission and other fees received</b>		<b>917,519</b>	<b>1,818,628</b>	<b>653,487</b>	<b>1,167,808</b>
Net income from commercial operations	5	589,215	1,219,349	1,169,926	1,778,635
Other operational income	6	148,911	273,326	91,586	253,940
<b>Operational income</b>		<b>5,395,381</b>	<b>10,696,369</b>	<b>4,940,542</b>	<b>9,232,730</b>
Net deductions to possible asset loss provisions	7	1,366,382	1,551,290	360,199	207,487
Total administrative expenses	8	(2,535,042)	(4,704,873)	(2,200,381)	(4,175,902)
Other operational expenses	9	(1,021,491)	(1,870,820)	(775,376)	(1,546,743)
<b>Operational profit</b>		<b>3,205,230</b>	<b>5,671,966</b>	<b>2,324,984</b>	<b>3,717,572</b>
<b>Profit(loss) before taxation</b>		<b>3,205,230</b>	<b>5,671,966</b>	<b>2,324,984</b>	<b>3,717,572</b>
Profit tax expenses (compensation)	11	(558,754)	(998,251)	(545,401)	(860,341)
<b>Profit for period</b>		<b>2,646,476</b>	<b>4,673,715</b>	<b>1,779,583</b>	<b>2,857,231</b>

Acting Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Gastyan

Report approval date:

14 July 2023

Interim Report  
 On other comprehensive financial results  
 31 December 2022  
 “ARMECONOMBANK” OJSC 23/1 Amiryany Str., Yerevan

Thous. AMD

Name	Note	Current interim period (unaudited)	Accounting period (unaudited)	Comparable current interim period of the previous financial year	Previous period (unaudited)
<b>Other comprehensive financial result</b>					
Revaluation of financial assets at fair value calculated through other comprehensive financial result		(138,652)	(1,105,862)	(61,016)	(152,942)
Depreciation of financial assets at fair value calculated through other comprehensive financial result after taxation		(8,953)	(89,236)	(8,020)	(95)
After-tax profits on non-current assets		3,958,162	3,958,162		
Income tax on revaluations of financial assets measured at fair value through other comprehensive income		(146,543)	- 189,6 36,35	26,847	136,704
Other comprehensive financial result after taxation		<b>4,616,793</b>	<b>7,732,825</b>	<b>(130,322)</b>	<b>(622,858)</b>
<b>Comprehensive financial result</b>		<b>7,263,269</b>	<b>9,406,540</b>	<b>1,649,261</b>	<b>2,234,373</b>

Acting Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date: 14 July 2023

Interim Report  
On Cash Flows  
30 June 2023  
ARMECONOMBANK OJSC, 23/1 Amiryan str., Yerevan

thous AMD

Name	Note	Accounting period (unaudited)	Previous period (unaudited)
<b>Cash flows from operations</b>			
<b>Profit of the year</b>		4,673,715	2,857,231
<i>Adjustments</i>			
Expenses from profit tax		998,251	860,341
Profit(loss) from devaluation of interest –bearing assets		(1,551,290)	(207,487)
Wear, amortization, devaluation		996,226	861,266
Profit(loss) from alienation of fixed assets		(12,302)	(34,632)
Net profit from foreign currency conversion		10,269	776,905
Financial assets measured at fair value through profit/loss, net profit		(20,963)	(329,844)
Financial assets measured at fair value through other comprehensive income, net profit		20,394	12,100
Interests receivable		(122,506)	(185,461)
Interests payable		486,557	670,878
<b>Cash flows from operating activities before changes in operating assets or liabilities</b>		<b>5,478,351</b>	<b>5,281,297</b>
<b>Changes in operational assets and liabilities</b>			
<b>Increase/decrease of operational assets</b>			
Due from financial institutions		2,123,18	(8,436)
Reverse repurchase agreements		(2,540,103)	(1,168,139)
Loans to customers		(20,465,563)	(34,083,258)
Other assets		(64,163)	(236,473)
Liabilities towards financial institutions		8,852,731	505,574
Repurchase agreements		(5,154,701)	(24,758)
Liabilities to customers		2,596,802	12,688,353
Other liabilities		40,742	(508,448)
<b>Cash used in operating activities before taxation</b>		<b>(9,132,736)</b>	<b>(17,554,289)</b>
Paid profit tax		(1,273,850)	(658,072)
<b>Net cash used in operating activities</b>		<b>(10,406,585)</b>	<b>(18,212,361)</b>
<b>Cash flows from investment operation</b>			
Decrease(increase) in investment securities		1,218,145	523,746
Acquisition of fixed assets		(185,954)	(281,377)
Proceeds from the sale of fixed assets		15,421	36,642
Acquisition of intangible assets		(224,613)	(63,853)
<b>Net cash (used) / ( received from operation)in investment operation</b>		<b>822,999</b>	<b>215,158</b>
<b>Cash flows from financial operations</b>			
Receipt of loans from the Central Bank of RA and RA Government		1,346,369	5,993,068
Proceeds / repayments from loans received from international financial institutions		(4,951,492)	16,253,176
Repayments/proceeds from subordinated loan		3,403,530	993,236
Increase(decrease) in bonds issued by the bank		1,389,185	(644,291)
Issue of shares		1,000,022	1,000,018
Liabilities on leasing		(476,990)	(404,234)
Paid dividends		(692,972)	(448,984)
<b>Net cash flows from financial operations</b>		<b>1,017,652</b>	<b>22,742,009</b>
Impact of foreign currency exchange rate fluctuations on cash balances held in foreign currency		(949,830)	(6,345,399)
<b>Net increase of cash and its equivalents</b>		<b>(9,515,765)</b>	<b>(1,600,593)</b>
<b>Cash and equivalents at the beginning of the period</b>	<b>13</b>	<b>69,081,631</b>	<b>63,399,890</b>
<b>Cash and equivalents at the end of the period</b>	<b>13</b>	<b>59,565,866</b>	<b>61,799,297</b>
	<b>2</b>		
	<b>2</b>		

Acting Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date: 14 July 2023

On changes in own capital  
31 December 2022  
“ARMECONOMBANK” OJSC, Yerevan, Amiryan str.23/1

Name of elements of own capital	Chartered capital			Main reserve	Evaluation 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
	Charter capital	Net amount	Emission profit/loss						
Articles	1	3	4	5	7	9	10	12	14
<b>Comparable current interim period of the previous financial year (ascending from the beginning of the year) (I table)</b>									
<i>Balance as of the beginning of the financial year 01/01/ 2022 (audited)</i>	26,107,555	26,107,555	289,718	3,481,000	(361,148)	3,214,025	10,513,873	43,245,023	43,245,023
<b>Recalculated balance</b>	26,107,555	26,107,555	289,718	3,481,000	(361,148)	3,214,025	10,513,873	43,245,023	43,245,023
<b>Transactions with shares( stock) with shareholders (owners) including:</b>	544,512	544,512	455,506	-	-	-	-	1,000,018	1,000,018
Investments in charter capital and other increase of chartered capital	544,512	544,512	455,506	-	-	-	-	1,000,018	1,000,018
<b>Comprehensive income</b>	-	-	-	-	(622,858)	-	2,857,231	2,234,373	2,234,373
<b>Dividends</b>	-	-	-	-	-	-	(929,738)	(929,738)	(929,738)
<b>Internal movements including:</b>	-	-	-	182,000	-	(48,734)	(133,266)	-	-
<b>Deductions to the main reserve</b>	-	-	-	182,000	-	-	(182,000)	-	-
<b>A decrease in price value from the revaluation of fixed and intangible assets</b>	-	-	-	-	-	(48,734)	48,734	-	-
<i>Balance at the end of interim accounting period as of 30/06/2022 (unaudited)</i>	26,652,067	26,652,067	745,224	3,663,000	- 964,006	3,165,291	12,308,100	45,549,575	45,549,678

<b>Interim period of the previous financial year (ascending from the beginning of the year) (II table)</b>									
<i>Balance as of the beginning of the financial year 01 January 2022 (audited)</i>	26,652,068	26,652,068	745,223	3,663,000	(1,228,475)	3,112,039	16,166,442	49,110,297	49,110,297
<b>Recalculated balance</b>	26,652,068	26,652,068	745,223	3,663,000	(1,228,475)	3,112,039	16,156,442	49,110,297	49,110,297
<b>Transactions with shares( stock) with shareholders (owners) including:</b>	534,716	534,716	465,306	-	-	-	-	1,000,022	1,000,022
Investments in charter capital and other increase of chartered capital	534,716	544,716	465,306	-	-	-	-	1,000,022	1,000,022
<b>Comprehensive income</b>	-	-	-	-	774,662	3,958,163	45,673,715	9,406,540	9,406,540
<b>Dividends</b>	-	-	-	289,000	-	-	(1,139,233)	(1,139,233)	(1,139,233)
<b>Internal movements including:</b>	-	-	-	289,000	-	(66,600)	(222,400)	-	-
<b>Deductions to the main reserve</b>	-	-	-	289,000	-	-	(289,000)	-	-
<b>A decrease in price value from the revaluation of fixed and intangible assets</b>	-	-	-	-	-	(66,600)	66,600	-	-
<i>Balance at the end of accounting period 30/06/2023 (unaudited)</i>	27,186,784	27,186,784	1,210,529	3,952,000	453,813	7,003,602	19,875,334	56,774,436	58,774,436

Acting Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date 14 July 2023

Estimating ARMECONOMBANK's performance over the accounting quarter, we have to admit that over the accounting trimester the Bank has had a certain growth of main indicators and important qualitative shifts.

During the accounting trimester the Bank has launched "Visa Guru Digital" virtual cards through "AEB Mobile", as well as began to carry out transfers through "Visa Direct" transfer system.

The accounting trimester was effective also in terms of cooperation with international financial-credit institutions of ARMECONOMBANK OJSC with international financial-credit institutions. The existing programs have been expanding and cooperation in the field of new banking services was developed. Thus credit agreement with a total amount of USD 5.0 mln have been signed between investment companies managed by ARMECONOMBANK OJSC and Dual Return Fund S. I. C. A.V. of the Grand Duchy of Luxembourg managed by Swiss Symbiotics Investment Management SA company aimed at financing micro enterprises.

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

ARMECONOMBANK OJSC performs activity 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 existence of an optimal risk management system significantly contributes to increasing the efficiency of measures aimed at the implementation of the Bank's long-term and short-term goals.

The risk management culture in the bank is subject to continuous improvement, based on the objectives of stable, reliable and safe operations under the conditions of an acceptable level of risks and an optimal risk-income ratio.

The effectiveness of the risk management system of the Bank is based on Basel Committee Agreements on Banking Supervision and ISO/IEC 27001 (Information Security Management System), provisions of international standard and on other similar requirements, which are considered to be guarantees of effective operation of the system.

Acceptable levels of risks are defined by the competent management bodies (risk appetite) within which the development of activities, as a result of the implementation of current and strategic goals for the Bank, it will ensure sustainable and effective development.

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 allow 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.

The Bank's gross risk is managed by an appropriate economic-mathematical model 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 and invested in the bank:

- 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 mentioned models enables to hedge the interest rate risk through optimal management of assets and liabilities through analysis of durations of assets and liabilities.

### 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 economic standards. 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 exchange risk is the probability that the bank may have losses due to exchange rate fluctuation.

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 of interim and annual financial reports published by the Bank.

### Price Risk

Price risk is the jeopardy to incur financial losses from adverse changes in market prices of securities, conditioned by equity instrument 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 issuer, industry sectors, terms, etc.

### Operational Risk

Each 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 defined as 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 effective monitoring system of operational risk by means of daily control, assessment of the adequacy of the level of regulation of the existing regulation through periodic and thematic inspections, identification of functions to be improved, revelation of possible risks and appropriate notification to the 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 RA banking market, studying the opportunity of 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 mutual mortgage finance programs, as well as finance programs of new banking sectors.

The main part of the upcoming planned revenue growth is expected to receive from interest income, increasing the revenue generated from the provided services. In order to increase interest income from loans, new credit technologies are studied and implemented.

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, range of services provided through self-service terminals and “AEB Mobile”, “AEB Online” systems.

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 provision of new payment and settlement services, plastic, will be expanded /both local and international/ card service, self-service through terminals, list of services provided by "AEB Mobile", "AEB Online" systems, 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, as well as repair and reconstruction works in acting branches.

The main negative factors that will have certain effect on bank activities are political – economic processes, that is the 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 as much as possible, diversifying the risk, expanding the list of services, trying to avoid loan and deposit portfolio concentrations.

The Bank’s relevant 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 about it 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 to improve the quality of new services, service, taking into account the results of customer inquiries.