

ACCOUNTING ISSUER'S STATEMENT

ARMENIAN ECONOMY DEVELOPMENT BANK OPEN JOINT STOCK COMPANY

ARMECONOMBANK OJSC

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

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Quarterly report No 3 2023, 13 October 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>Deputy CEO for Finance</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Onik Chichyan</u> (name, surname)	<u>Deputy CEO for Corporate and Retail Business</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Ruben Badalyan</u> (name, surname)	<u>Deputy CEO for Operations</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Astghik Manrikyan</u> (name, surname)	<u>Deputy CEO for International Operations and Development</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Arpine Pilosyan</u> (name, surname)	<u>Deputy CEO for Technologies and Security</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Nona Galstyan</u> (name, surname)	<u>Acting Chief Accountant</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Hayk Avetisyan</u> (name, surname)	<u>Head of Strategy and Risk Management Division</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Vrej Jhangiryan</u> (name, surname)	<u>Head of Legal Division</u> (position)	(signature)	<u>13.10.2023</u> (date)
<u>Artak Arakelyan</u> (name, surname)	<u>CEO</u> (position)	(signature)	<u>13.10.2023</u> (date)

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Interim Report
On Financial State
30 September 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	67,941,941	69,081,631
1.2	Standardized bank precious metal bullions and coins		443	443
1.3	Due from banks and other financial institutions	14	7,160,262	11,448,430
1.4	Reverse repurchase agreements	14.1	10,925,676	6,381,390
1.5.1	Other financial assets calculated at amortized cost	18	5,616,686	925,066
1.6	Loans and advances at amortized value provided to customers	16	292,180,052	259,413,495
1.7	Financial assets at fair value rated through other comprehensive financial results	17	15,171,699	3,200,122
1.7.1	Securities pledged under repurchase agreements	17.1	32,653,031	43,253,667
1.9	Non-current assets held for sale		2,915,645	1,193,115
1.10	Fixed assets	20	15,506,165	10,574,826
1.10.1	Intangible assets	20	1,057,268	811,161
1.10.1	Right-of-use assets	20.1	2,125,878	1,956,188
1.12	Other assets	21	1,431,671	1,100,184
	Total assets		454,686,417	409,339,718
2	Liabilities			
2.1	Liabilities to banks and financial institutions	22	70,008,423	59,976,376
2.2	Loans and deposits from international financial institutions		52,732,142	59,574,028
2.3	Loans from RA Central Bank and RA Government	22.2	36,136,371	27,068,562
2.4	Repurchase agreements	22.3	33,535,093	38,713,408
2.5	Liabilities to customers	23	175,920,392	156,197,592
2.6	Subordinate borrowing	23.1	9,491,817	3,971,329
2.7	Liability for current tax		849,607	806,153
2.8	Securities issued by the Bank	24	11,169,308	8,517,115
2.9	Financial liabilities measured at fair value recalculated through profit/ loss	25		1,083
2.10	Amounts payable	26	600,708	557,794
2.11	Deferred tax liabilities	11	1,249,125	177,446
2.12	Reserves	30	37,590	103,386
2.13	Lease liabilities	40	1,649,816	1,475,813
2.14	Other liabilities	27	3,704,553	3,089,336
	Total Liabilities		394,228,575	360,229,421
3	Capital			
3.1	Chartered capital	28	27,186,784	26,652,068
3.2	Emission income		1,210,529	745,223
3.3	Reserves			
3.3.1	Main reserve		3,952,000	3,663,000
3.3.2	Fair value reserve		17,993	(1,228,475)
3.3.3	Other reserves		6,949,984	3,112,039
3.4	Undistributed profit(loss)		21,140,552	16,166,442
	Total capital		60,457,842	49,110,297
	Total liabilities and capital		454,686,417	409,339,718

Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date: 13 October 2023

Interim Report
On Financial Results
30 September 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	10,081,692	28,457,203	8,456,775	23,807,229
Interest and similar expenses	3	(6,083,229)	(17,073,654)	(5,189,177)	(14,507,284)
Net interest and similar income		3,998,483	11,383,549	3,267,598	9,299,945
Income as commission and other fees	4	1,585,516	4,326,862	1,321,959	3,184,867
Expenses as commission and other fees	4	(607,609)	(1,530,327)	(398,709)	(1,093,809)
Net commission and other fees received		977,907	2,796,535	923,250	2,091,058
Net income from commercial operations	5	543,513	1,762,862	1,397,542	3,176,177
Other operational income	6	183,671	456,997	119,943	373,883
Operational income		5,703,574	16,399,943	5,708,333	14,941,063
Net deductions to possible asset loss provisions	7	(306,254)	1,245,036	(23,360)	184,127
Total administrative expenses	8	(2,460,807)	(7,165,680)	(2,098,134)	(6,274,036)
Other operational expenses	9	(1,029,015)	(2,899,835)	(749,147)	(2,295,690)
Operational profit		1,907,498	7,579,464	2,837,692	6,555,264
Profit(loss) before taxation		1,907,498	7,579,464	2,837,692	6,555,264
Profit tax expenses (compensation)	11	(471,151)	(1,469,402)	(581,341)	(1,441,682)
Profit for period		1,436,347	6,110,062	2,256,350	5,113,582

Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Gastyan

Report approval date: 13 October 2023

Interim Report
On other comprehensive financial results
30 September 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	Previous period (unaudited)
Other comprehensive financial result					
Revaluation of financial assets at fair value calculated through other comprehensive financial result		569,626	1,623,162	(207,743)	(967,210)
Depreciation of financial assets at fair value calculated through other comprehensive financial result after taxation		4,712	(84,524)	41,355	41,260
After-tax profits on non-current assets		0	3,958,162		
Income tax on revaluations of financial assets measured at fair value through other comprehensive income		(102,533)	(292,169)	37,394	174,098
Other comprehensive financial result after taxation		471,806	5,204,631	(128,994)	(751,852)
Comprehensive financial result		1,908,153	11,314,693	2,127,356	4,361,730

Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date: 13 October 2023

Interim report
On changes in own capital
30 September 2023

ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

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

Comparable current interim period of the previous financial year (ascending from the beginning of the year) (I table)

<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
Recalculated balance	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
Transactions with shares(stock) with shareholders (owners) including:	544,512	544,512	455,505	-	-	-	-	1,000,017	1,000,017
Investments in charter capital and other increase of chartered capital	544,512	544,512	455,505	-	-	-	-	1,000,017	1,000,017
Comprehensive income		-	-	-	(751,852)		5,113,582	4,361,730	4,361,730
Dividends		-	-	-		-	(1,154,485)	(1,154,485)	(1,154,485)
Internal movements including:	-	-	-	182,000	-	(73,103)	(108,897)	-	-
Deductions to the main reserve		-	-	182,000			(182,000)	-	-
A decrease in price value from the revaluation of fixed and intangible assets		-				(73,103)	73,103	-	-
<i>Balance at the end of interim accounting period as of 30/09/2022 (unaudited)</i>	26,652,067	26,652,067	745,223	3,663,000	-1,113,000	3,140,922	14,364,073	47,462,285	47,462,285

Interim period of the previous financial year (ascending from the beginning of the year) (II table)

<i>Balance as of the beginning of the financial year 01 January 2023 (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
Recalculated balance	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 41,595,619
Transactions with shares(stock) with shareholders (owners) including:	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
Comprehensive income		-	-	-	1,246,468	3,958,162	6,110,062	11,314,692	11,314,692
Dividends		-	-	-		-	(967,169)	(967,169)	(967,169)
Internal movements including:	-	-	-	289,000	-	(120,217)	(168,783)	-	-
Deductions to the main reserve				289,000			(289,000)	-	-
A decrease in price value from the revaluation of fixed and intangible assets		-				(120,217)	120,217	-	-
<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	17,993	6,949,984	21,140,552	60,457,842	60,457,842

Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date 13 October 2023

Interim report
On cash flows
30 September 2023
ARMECONOMBANK OJSC 23/1 Amiryan Str., Yerevan

Name	Note	Accounting period (unaudited)	Previous period (unaudited)
Cash flows from operations			
Profit of the year		6,110,062	5,113,582
<i>Adjustments</i>			
Expenses from profit tax		1,469,402	1,441,682
Profit(loss) from devaluation of interest –bearing assets		(1,245,036)	(184,127)
Wear, amortization, devaluation		1,578,043	1,309,975
Profit(loss) from alienation of fixed assets		(48,338)	(34,632)
Net profit from foreign currency conversion		10,269	776,905
Financial assets measured at fair value through profit/loss, net profit		(20, 811)	(316,951)
Financial assets measured at fair value through other comprehensive income, net profit		51,417	15,791
Interests receivable		(1,207,660)	(1,009,894)
Interests payable		1,505,495	1,385,737
Cash inflows from operating activities before changes in operating assets or liabilities		8,237,723	8,539,243
Changes in operational assets and liabilities			
Increase/decrease of operational assets			
Due from financial institutions		4,281,936	627,083
Reverse repurchase agreements		(4,534,330)	(1,246,054)
Loans to customers			(47, 326,080)
		(33,877,380)	
Other assets		83,408	23,003
Liabilities towards financial institutions		9,511,285	4,912,708
Repurchase agreements		(8,046,846)	4,921,142
Liabilities to customers		20,183,591	24,653,995
Other liabilities		(550,977)	750,734
Cash used in operating activities before taxation		(4,711,590)	(4,144,225)
Paid profit tax		(1,511,635)	(859,452)
Net cash used in operating activities		(6,223,226)	(5,003,677)
Cash flows from investment operation			
Decrease(increase) in investment securities		(3,426,521)	(5,345,238)
Acquisition of fixed assets		(892,325)	(451,949)
Proceeds from the sale of fixed assets		77,198	36,642
Acquisition of intangible assets		(404,853)	(113,206)
Net cash (used) / (received from operation)in investment operation		(4,646,501)	(5,863,841)
Cash flows from financial operations			
Receipt of loans from the Central Bank of RA and RA Government		8,645,141	6,351,467
Proceeds/ repayments from loans received from international financial institutions		(6,783,204)	14,362,142
Proceeds/repayments from subordinated loan		5,402,602	1,009,236
Increase(decrease) in bonds issued by the bank		2,482,853	342,333
Advance payment received for issuing shares		1,171,830	(1,000,018)
Issue of shares		1,000,022	1,000,018
Liabilities on leasing		(737,304)	(610,328)
Paid dividends		(923,666)	(1,123,229)
Net cash flows from financial operations		10,258,274	20,331,621
Impact of foreign currency exchange rate fluctuations on cash balances held in foreign currency		(528,237)	(6,961,372)
Net increase of cash and its equivalents		(1,139,690)	2,502,732
Cash and equivalents at the beginning of the period	13	69,081,631	63,399,890
	2		
Cash and equivalents at the end of the period	13	67,941,941	65,902,622
	2		

Chairman of the Executive Board (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Report approval date 13 October 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 completed the placement of AMD bonds with an annual coupon yield of 11.25% and USD bonds with an annual coupon yield of 5.00%, as well as joined to pension and benefit cashback program from non-cash transactions.

Within the framework of the ninth annual trade finance awards organized by the Asian Development Bank, the Bank received "The 2023 leading partner bank in Armenia" award.

The accounting trimester was also effective in terms of cooperation of ARMECONOMBANK OJSC with international financial and lending institutions. The existing programs expanded and cooperation was developed in the field of new banking services.

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 other similar requirements, which are considered to be one of the guarantees of effective operation of the system.

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

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 Excluding or minimizing the losses caused by possible risks during the Bank's activity in the conditions of the considered development strategy of the Bank and ensuring the requirements of the applicable regulatory framework.

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 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 and different possible scenarios 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 also 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 Risk

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

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

The interest rate 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 change. The analysis of gaps of assets and liabilities expressed in individual currencies is performed to assess the impact of interest rate on net income.

The mentioned models enable 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 of individuals and legal entities 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. A scenario analysis of stress tests is also 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 framework of liquidity management, scenario analyzes of the outflow of funds of large corporate and individual clients who have invested more than a certain threshold amount of funds, as well as their groups, are also considered, as a result of which the impact of the outflow of funds on the current level of norms is also 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 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. Stress scenarios of AMD devaluation and devaluation are considered, as well as the worst scenario combination of exchange rate fluctuations of individual currencies, in which case the possible loss will be the maximum.

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 environmental activities and 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 thereof.

Taking into account the ongoing steady development strategy of the Bank, its future planned performance will be 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 (GAF), 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 and other organizations. Along with lending to small and medium-sized enterprises, the implementation of joint mortgage lending programs, as well as lending programs for new sectors will develop more quickly.

The letter of credit financing programs for foreign trade actively implemented in parallel with the credit program with international financial and credit organizations will continue.

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 and list of service points, the number of self-service terminals installed 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.

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 internal and external economy.

To mitigate the above mentioned risks, the Bank will carry out a balanced 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’ pays great attention to issues related to implementation of the Bank’s new Programs, and enhancement of existing 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.