

Interim Statement on Comprehensive Income
December 31, 2019
Artsakhbank, CJSC
Address: 1b, Charents Str., Yerevan 0025, RA

(AMD, thousand)

Item	Note	Interim Current Period	From the beginning of the current financial year till the reporting date (incremental)	Current interim comparative period of the previous financial year	From the beginning of the previous year to the comparative reporting date (incremental)
Interest and similar income	3	4,115,409	15,734,866	3,812,946	14,648,674
Interest and similar expenses	3	(1,813,615)	(7,121,319)	(1,843,886)	(7,262,164)
Net interest and similar income		2,301,794	8,613,547	1,969,060	7,386,510
Fee and commission income	4	197,550	642,413	148,645	529,223
Fee and commission expense	4	(51,289)	(170,883)	(47,151)	(168,106)
Net fee and commission income		146,261	471,530	101,494	361,117
Dividend income	4	2,750	3,924	2,500	14,104
Net income from trading operations	5	122,762	341,118	108,829	324,059
Other operating income	6	89,196	398,807	97,698	333,013
Operating income		214,708	743,849	209,027	671,176
Impairment losses	7	13,328	409,269	27,550	2,503,543
General administrative expenses	8	(1,026,067)	(2,798,905)	(1,012,122)	(2,842,935)
Other operating expenses	9	(169,793)	(565,148)	(129,360)	(483,343)
Net profit/(loss) from investments in controlled entities	10				
Profit/ (loss) before tax		1,480,231	6,874,142	1,165,649	7,596,068
Profit tax expense	11	472,799	1,327,799	669,024	1,499,024
Profit/ (loss) after tax		1,007,432	5,546,343	496,625	6,097,044
Basic earnings per share	12	2.38	3.27	1.16	3.59
Diluted earnings per share	12				
Net Profit for the period		1,007,432	5,546,343	496,625	6,097,044
Other comprehensive financial result		(34,095)	(59,433)	22,630	60,060
Revaluation of financial assets at fair value through other comprehensive income		170,474	297,163	22,630	60,060
Profit tax on other comprehensive income		(34,095)	(59,433)	(12,012)	(12,012)
Other comprehensive income, net of tax net of tax		136,379	237,730	10,618	48,048
Comprehensive financial result		1,143,811	5,784,073	507,243	6,145,092

Validation Date: 14 January 2020

Chief Executive Officer

Chief Accountant



A. Balayan

R. Khachatryan

Interim Statement on Financial Position
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(AMD, thousand)

N	Item	Notes	As at the end of the current period	As at the end of the prior financial year (unaudited)
1	Assets			
1.1	Cash and balances with the CBA	13	17,239,087	13,847,004
1.2	Banking standardized bullions of precious metals		150,443	128,643
1.3	Placement with banks and other financial institutions	14	10,898,871	16,142,341
1.4	Financial assets held for trading	15		
1.5	Loans and advances to customers	16	101,302,825	81,327,056
1.6	Financial assets at fair value through other comprehensive	17	4,280,452	6,285,894
1.7	Held-to-maturity investments	18	37,805,863	28,201,449
1.8	Investments in share capital of controlled entities	19		
1.9	Not current assets held for disposal	20	2,714,899	2,719,182
1.10	Property, plant and equipment and other intangible assets	21	3,391,054	3,224,609
1.11	Deferred tax assets		-	-
1.12	Other assets	22	3,780,928	3,806,998
	Total assets		181,564,422	155,683,176
2	Liabilities			
2.1	Deposits and balances from banks and other financial	23	28,807,779	10,933,509
2.2	Current accounts and deposits from customers	24	101,421,860	98,545,953
2.3	Securities issued by the Bank	25		
2.4	Liability held for trading	26		
2.5	Amounts payable	27	47,126	45,599
2.6	Deffered tax liabilities	30	109,847	108,813
2.7	Provisions		63,260	35,892
2.8	Subordinated loan	28	7,694,091	7,730,703
2.9	Other liabilities	29	1,735,103	2,338,126
	Total liabilities		139,879,066	119,738,595
3	Equity			
3.1	Share capital	31	23,261,150	23,261,150
3.2	Share premium			
3.3	Reserves:	32	3,929,130	2,734,698
3.3.1	General reserve		2,142,248	1,142,248
3.3.2	Revaluation reserves		1,786,882	1,592,450
3.4	Retained earnings (loss)	32	14,495,076	9,948,733
3.5	Other equity components			
	Capital owned by parent company			
	Minority capital			
	Total equity		41,685,356	35,944,581
	Total liabilities and equity		181,564,422	155,683,176

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Interim Statement on Changes in Equity
December 31, 2019
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(AMD, thousand)

Equity Name	Share capital			Issue profit/loss	General reserve	Differences in rates from restated foreign transactions	Revaluation of available-for-sale assets	Cash flow hedge	Gains from noncurrent assets revaluation	Retained earnings/loss	Interim dividends	Total	Noncontrolled stock	Total capital
	Share capital	Repurchased capital	Net Amount											
Captions	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Comparative interim period of prior financial year (Cumulative from the beginning of the year) (Table 1)														
1. Balance at the beginning of the previous financial year, as at 1 January 2018	23,261,150		23,261,150		801,231		2,525		1,541,377	4,309,118		29,915,401		29,915,401
1.1 Total impact of changes in accounting policy and adjustment of material errors										(116,412)				(116,412)
2. Restated balance	23,261,150		23,261,150		801,231		2,525		1,541,377	4,192,706		29,915,401		29,798,989
3. Transactions with shareholders (owners) with respect to shares (shareholdings), including:														
3.1 Investments in share capital and increase of share capital														
3.2 Decrease of share capital, as a result of purchased back and withdrawn from circulation shares (stocks, shareholdings), incl.														
4. Comprehensive Income							48,548					48,548		48,548
5. Dividends														
6. Other increase (decrease) of equity components, including:														
6.1 Increase/decrease in derivatives classified as equity components														
6.2 Net receipt (loss) for the previous year (period)										6,097,044		6,097,044		6,097,044
7. Internal movements, including:					341,017					(341,017)				
7.1 Allotment to general reserve					341,017					(341,017)				
7.2 Cover of accumulated loss from general reserve														
7.3 Cover of share discount														
7.4 Decrease in value of property, plant and equipment and other intangible assets caused by revaluation														
7.5 Internal movements of other equity components														
8. Balance at the end of the previous financial year as at 31 December 2018	23,261,150		23,261,150		1,142,248		51,073		1,541,377	9,948,733		35,944,581		35,944,581
Interim period of the current year (Cumulative from the beginning of the year) (Table 2)														
9. Balance at the beginning of the current year, as at January 1, 2019	23,261,150		23,261,150		1,142,248		51,073		1,541,377	9,948,733		35,944,581		35,944,581
9.1 Total impact of changes in accounting policy and adjustment of material errors														
10. Restated balance	23,261,150		23,261,150		1,142,248		51,073		1,541,377	9,948,733		35,944,581		35,944,581
11. Transactions with shareholders (owners) with respect to shares (shareholdings), including:														
11.1 Investments in share capital and increase of share capital														
11.2 Decrease of share capital, as a result of purchased back and withdrawn from circulation shares (stocks, shareholdings), incl.														
12. Other comprehensive income							194,432					194,432		194,432
13. Dividends														
14. Other increase (decrease) of equity components, including:														
14.1 Increase/decrease in derivatives classified as equity components														
14.2 Net receipt (loss) for the reporting year (period)										5,546,343		5,546,343		5,546,343
15. Internal movements, including:					1,000,000					(1,000,000)				
15.1 Allotment to general reserve					1,000,000					(1,000,000)				
15.2 Cover of accumulated loss from general reserve														
15.3 Cover of share discount														
15.4 Decrease in value of property, plant and equipment and other intangible assets caused by revaluation														
15.5 Internal movements of other equity components														
16. Balance at the end of the current reporting period, as at 31 December 2019	23,261,150		23,261,150		2,142,248		245,505		1,541,377	14,495,076		41,685,356		41,685,356

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Interim Statement on Cash Flow
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Item	Previous Period	Reporting Period
1. Cash flows from operating activities	x	x
Net cash flows before changes in operating assets and liabilities	8,684,681	7,424,077
Interests receipts	14,689,769	15,889,761
interests paymets	(7,034,218)	(7,176,115)
Fee and commission receipts	510,227	621,534
Fee and commission payments	(17,731)	(17,728)
Receipt/(loss) from available-for-sale financial assets	6,181	12,258
Receipts/(loss) from foreign exchange	244,703	242,102
Recovery of assets previously written-off	2,834,736	615,179
Salary paid and other related payments	(1,765,694)	(2,011,413)
Other income and expense from operating activities	(783,292)	(751,501)
Cash flows from changes in operating assets and liabilities	(14,227,767)	(6,198,902)
Decrease/(increase) in operating assets including:	(19,287,372)	(10,781,683)
Decrease/(increase) of loans and advances	(12,943,492)	(15,689,030)
Decrease/(increase) of securities held for trading and available-for-sale	(5,613,050)	3,527,880
Decrease/(increase) of finance lease receivables	-	(236,407)
Decrease/(increase) of other operating assets	(730,830)	1,615,874
Increase/(decrease) in operating liabilities including:	5,059,605	4,582,781
Increase/(decrease) of current accounts and deposits from customers	4,954,477	4,534,985
Decrease/(increase) of other operating liabilities	105,128	47,796
Net cash flows from operating activities before income tax paid	(5,543,086)	1,225,175
Income tax paid	(1,399,024)	(2,550,529)
Net cash flows from operating activities	(6,942,110)	(1,325,354)
2. Cash flows from investing activities	x	x
Decrease/(increase) of investments held-to-maturity	(4,915,802)	(10,398,952)
Decrease/(increase) of investments in share capital of other entities	2,526	274
Decrease/(increase) of deposits allocated in other banks	4,000,000	(2,500,000)
Decrease/ (increase) of capital investments in property, plant and equipment and intangible assets	-	(8,691)
Purchases of property, plant and equipment and intangible assets	(103,558)	(1,574,861)
Disposal of property, plant and equipment and intangible assets	3,147	66,400
Net cash flows from other investing activities	944,987	43,365
Net cash flows from investing activities	(68,700)	(14,372,465)
3. Cash flows from financing activities	x	x
Dividends paid	-	-
Increase/(decrease) of borrowings received from the Central Bank of Armenia	-	2,000,000
Increase/(decrease) of borrowings received from banks	5,935,060	14,819,616
Increase/(decrease) of other borrowings received	(369,151)	(239,809)
Increase/(decrease) of securities issued by the Bank	-	-
Investments of shareholders in share capital	-	-
Increase/(decrease) of finance lease payables	-	-
Net cash flows from other financing activities	(8,508)	110,046
Net cash flows from financing activities	5,557,401	16,689,853
Effect of changes in exchange rates on cash and cash equivalents	(129,350)	(28,481)
Net increase/(decrease) of cash and cash equivalents	(1,582,759)	963,553
Cash and cash equivalents at the beginning of the period	11,760,615	10,177,856
Cash and cash equivalents at the end of the period	10,177,856	11,141,409

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Compliance with the Mandatory Ratios set by the Central Bank of the RA

December 31, 2019

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Norms	Actual value	Compulsary value set by the CBA	Any non-compliance for the reporting period
1	2	3	4
The minimum charter capital of the Bank	23,261,150	min 50000	No violations
The minimum total capital of the Bank	46,661,255	min 30000000	No violations
N ₁ Minimum ratio of total capital to risk weighted assets	70.28%	min 12%	No violations
N ₂ ¹ Minimum ratio of high liquid assets to total assets of the Bank	29.83%	min 15%	No violations
N ₂ ² Minimum ratio of high liquid assets to demand liabilities	144.17%	min 60%	No violations
N ₃ ¹ Maximum risk per one borrower	12.57%	max 20%	No violations
N ₃ ² Maximum risk per large borrower	27.34%	max 500%	No violations
N ₄ ¹ Maximum risk per Bank affiliated person	4.25%	max 5%	No violations
N ₄ ² Maximum risk for all Bank affiliated persons	5.86%	max 20%	No violations
Minimum standard reserves allocated with the Central Bank of Armenia:	X		No violations
in AMD		min 2%	
in USD		min 18%	
in EUR		min 18%	
Maximum ratio of the currency position to the Bank's total capital	1.51%	max 10%	No violations
Maximum ratio of each currency position to the Bank's total capital, acc. to each currency:			
in USD	0.75%	max 7%	No violations
in EUR	0.09%	max 7%	No violations
in RUR	0.23%	max 7%	No violations
Other currencies	X	X	

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