



# Armenian Banking Sector Overview

2020 3<sup>rd</sup> quarter results  
November, 2020



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# Basis of Preparation

This report summarizes and analyzes the financial results of the 17 commercial banks of Armenia for the 3<sup>rd</sup> quarter of 2020, as well as provides some insights into the recent developments in the sector.

The financial information has been obtained from the published non-audited reports for the 3<sup>rd</sup> quarter of 2020 and 3<sup>rd</sup> quarter of 2019, and the audited financial statements for 2019, unless stated otherwise. The banks are listed in the alphabetical order throughout the publication. We have used simple headline numbers in our analysis unless stated otherwise; each bank has its own way of reporting performance and this has proved to be the most consistent method of presenting their results.

The general information, such as the number of branches, employee headcount, etc., are mainly taken from the Notes to the Financial Statements prepared by the banks. The official websites of the banks serve as the only alternative source, however they are not always properly updated. Due to this, the figures presented may not necessarily be as of 30 September 2020. There may be figures more up to date or of an earlier date depending on the latest available information published by the banks.

The main source of news is the official websites of the banks and the Central Bank of Armenia, as well as the official press releases published by various news agencies.

# At a Glance

The banking system remains the biggest part of the Armenian financial market. As of 30 September 2020, there were 17 commercial banks operating in the Republic of Armenia. They had 563 branches in Armenia and in Artsakh, from which 262 were located in Yerevan. The total number of employees in the Armenian commercial banks was about 12,649.

## Key Financial Indicators of the Armenian Banking Sector (in million AMD)

Key Financial Indicators*	2020 III Q	2019	2019 III Q	Change 30.09.20/ 31.12.19	Change 30.09.20/ 30.09.19
Assets	6,285,182	5,751,564	5,395,355	9.3%	16.5%
Interest Earning Assets	5,209,850	4,509,020	4,347,992	15.5%	19.8%
Gross Advances to Customers	4,317,064	3,829,941	3,670,136	12.7%	17.6%
Loan portfolio**	3,967,066	3,564,621	3,370,901	11.3%	17.7%
Liabilities	5,378,044	4,917,428	4,576,731	9.4%	17.5%
Deposits***	3,496,418	3,478,608	3,191,219	0.5%	9.6%
Equity	907,138	834,135	818,624	8.8%	10.8%
Charter Capital	479,239	471,218	469,971	1.7%	2.0%
Total Income	438,116	535,233	389,312	-	12.5%
Interest Income	362,482	437,528	319,115	-	13.6%
Non-Interest Income	33,551	43,232	32,578	-	3.0%
Net Interest Income	181,479	216,809	155,623	-	16.6%
Net Non-Interest Income	22,596	28,401	21,702	-	4.1%
Net Operating Income****	246,159	299,682	214,944	-	14.5%
Operating Expenses	(110,142)	(146,084)	(104,293)	-	5.6%
Net Provision Expenses	(63,644)	(57,230)	(34,329)	-	85.4%
Net Profit before Taxes	72,373	96,368	76,322	-	(5.2%)
Net Profit after Taxes	58,560	74,719	60,907	-	(3.9%)
Other Comprehensive Income/(expense)	6,735	6,599	2,592	-	159.8%
Total Comprehensive Income	65,295	81,318	63,499	-	2.8%

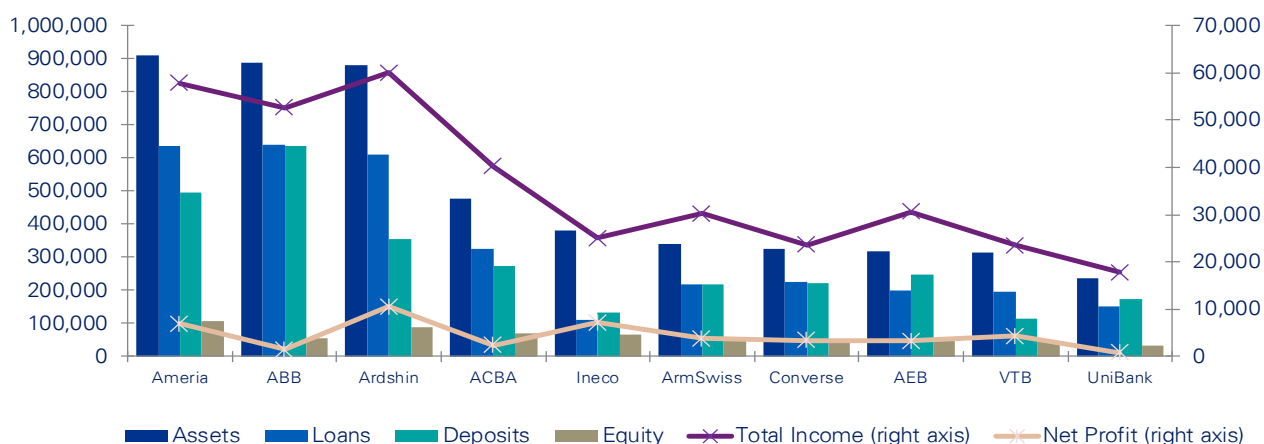
\* The indicators of the financial position are as of the last day of the corresponding period and the indicators of the financial performance are in the ascending order, starting from the beginning of the year.

\*\* Loan portfolio includes loans and the receivables from letters of credits, finance lease and factoring.

\*\*\* Deposits include current accounts.

\*\*\*\* Net operating income is before provisions and administrative expenses.

## Top Ten Banks of the Armenian Banking Sector as of 30 September 2020 (in million AMD)



# Sector Highlights

## Assets

16.5%

Compared with the same period of 2019, the banking system assets grew by **16.5%** and reached **AMD 6,285 billion** as of 30 September 2020.

For the period ended 30 September 2020 the return on assets (ROA) for the Armenian banking system was **1.24%**, which decreased by **0.01** percentage points compared with the same period of 2019.

In 2020 third quarter compared with the second quarter there were a few changes in the list of Top 10 Banks in Armenia by assets. "ArmEconombank" OJSC and "Converse Bank" CJSC moved up by 1 position, while "VTB Bank Armenia" CJSC moved down by 2 positions.

As of 30 September 2020 the total amount of outstanding loans grew by **17.7%** compared with the same period of 2019 and reached **AMD 3,967 billion**.

For the period ended 30 September 2020 the ratio of loan portfolio to total assets for the Armenian banking system was **63.1%**. According to the CBA, as of 30 September 2020 the Armenian banking system liquidity ratio was **27.7%**.

For the reported period the total net provision expenses of the Armenian banking sector increased by **85.4%** compared with the same period of 2019, and amounted to **AMD 63.6 billion**.

The outstanding balance of deposits as of 30 September 2020 increased by **9.6%** compared with the same date of 2019, reaching **AMD 3,496 billion**.

As of 30 September 2020 the loan portfolio/deposit ratio for the Armenian banking system was **1.13**.

As of 30 September 2020 the total equity of banks reached **AMD 907 billion**, which exceeded the same indicator as of 30 September 2019 by **10.8%**.

For the period ended 30 September 2020 the return on equity (ROE) for the Armenian banking system was **8.4%**. The ratio of equity to assets as of the reported date was **14.4%**. According to the CBA, the capital adequacy ratio of Armenian banking system was **17.1%**.

During the period ended 30 September 2020, the banking system had total income of **AMD 438.1 billion**, which exceeded the total income for the same period of 2019 by **12.5%**.

For the period ended 30 September 2020 the net interest margin for the Armenian banking system was **5.5%**. The cost to income ratio for the reported period was **44.7%**.

The net profit before taxes of the banks for the period ended 30 September 2020 was **AMD 72.4 billion**.

The net profit after taxes of the banking system for the period ended 30 September 2020 was **AMD 58.6 billion**, which is **3.9%** lower compared with the same period of 2019.

For the period ended 30 September 2020 the profit margin for the Armenian banking system was **13.4%**.

ROA

1.24%

Liquidity

27.7%

Loan portfolio/  
deposits

1.13

ROE

8.4%

Capital adequacy

17.1%

NIM

5.5%

Cost/  
income

44.7%

PM

13.4%



# Bank Profiles

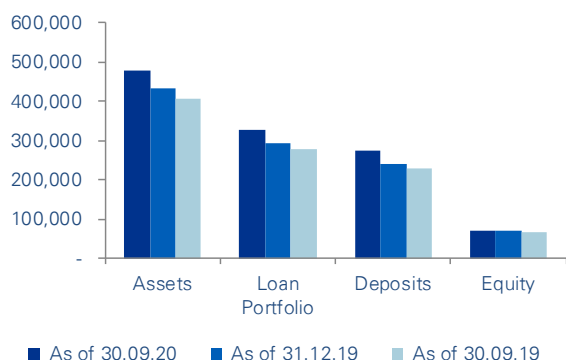
## ACBA - Credit Agricole Bank

### Key Financial Indicators\*

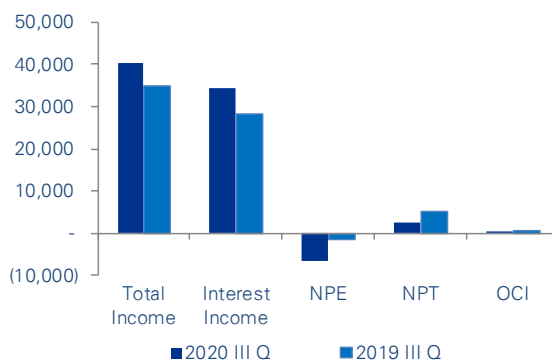
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	478,158	432,613	405,843	7.6%	4	10.5%	17.8%
Interest Earning Assets	385,662	347,096	325,212	7.4%	4	11.1%	18.6%
Loan Portfolio	325,983	294,250	277,953	8.2%	4	10.8%	17.3%
Liabilities	408,723	363,970	338,979	7.6%	4	12.3%	20.6%
Deposits	274,067	240,689	229,998	7.8%	4	13.9%	19.2%
Equity	69,435	68,643	66,864	7.7%	3	1.2%	3.8%
Charter Capital	30,000	30,000	30,000	6.3%	7	-	-
Total Income	40,159	47,719	34,817	9.2%	4	-	15.3%
Interest Income	34,174	39,168	28,247	9.4%	4	-	21.0%
Net Provision Expenses	(6,551)	(875)	(1,360)	10.3%	6	-	381.5%
Net Profit after Taxes	2,391	6,955	5,134	4.1%	9	-	(53.4%)
Total Comprehensive Income	2,493	7,653	5,875	3.8%	11	-	(57.6%)

\* The indicators of the financial position are as of the last day of the corresponding period.

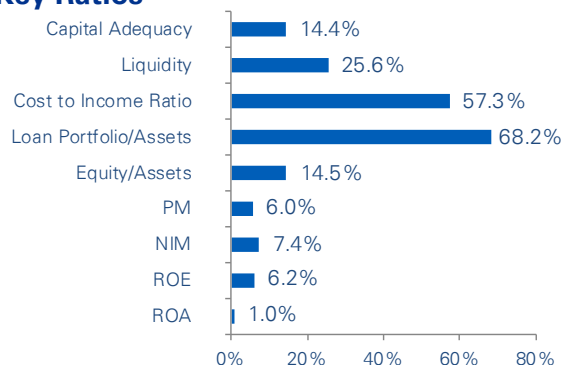
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



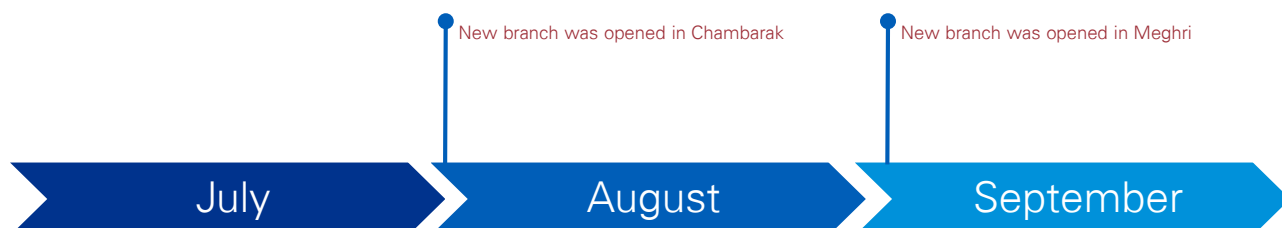
### Key Ratios\*\*



### Rankings

3<sup>rd</sup> rank by the equity

Among the top ten banks by almost all main financial indicators.



\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

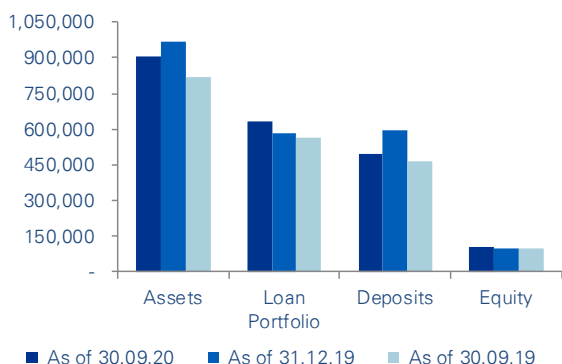
## Ameriabank

### Key Financial Indicators\*

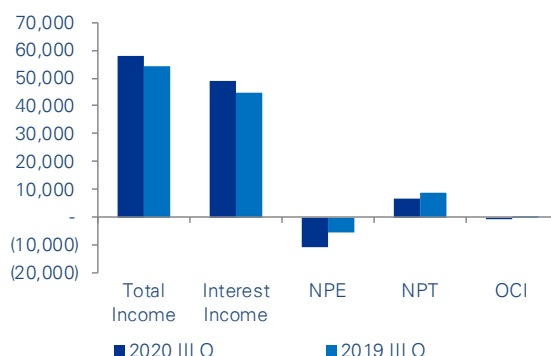
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	908,652	968,081	820,084	14.5%	1	(6.1%)	10.8%
Interest Earning Assets	763,444	688,922	646,122	14.7%	2	10.8%	18.2%
Loan Portfolio	635,037	585,742	566,279	16.0%	2	8.4%	12.1%
Liabilities	800,511	866,854	723,564	14.9%	2	(7.7%)	10.6%
Deposits	495,780	593,223	467,742	14.2%	2	(16.4%)	6.0%
Equity	108,141	101,227	96,520	11.9%	1	6.8%	12.0%
Charter Capital	37,387	37,347	37,347	7.8%	4	0.1%	0.1%
Total Income	57,870	74,218	54,439	13.2%	2	-	6.3%
Interest Income	48,935	60,361	44,869	13.5%	2	-	9.1%
Net Provision Expenses	(10,692)	(7,201)	(5,769)	16.8%	2	-	85.3%
Net Profit after Taxes	6,852	12,115	8,755	11.7%	3	-	(21.7%)
Total Comprehensive Income	6,818	12,432	8,775	10.4%	3	-	(22.3%)

\* The indicators of the financial position are as of the last day of the corresponding period.

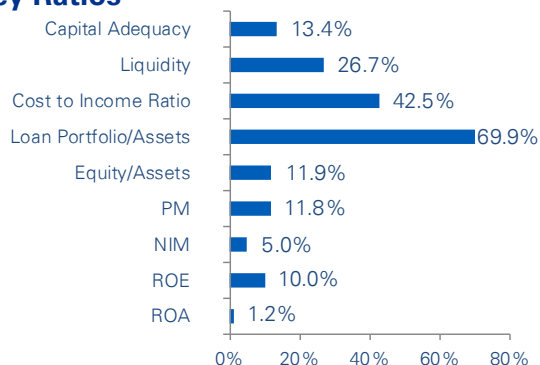
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



### Rankings

- 1<sup>st</sup> rank by the assets
- 1<sup>st</sup> rank by the equity
- 2<sup>nd</sup> rank by the interest earning assets
- 2<sup>nd</sup> rank by the loan portfolio
- 2<sup>nd</sup> rank by the liabilities
- 2<sup>nd</sup> rank by the deposits
- 2<sup>nd</sup> rank by the total income
- 2<sup>nd</sup> rank by the interest income
- 3<sup>rd</sup> rank by the net profit after taxes
- 3<sup>rd</sup> rank by the total comprehensive income

Among the top ten banks by all main financial indicators.

July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

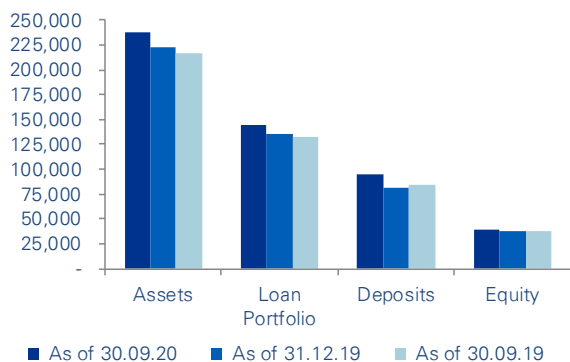
## Araratbank

### Key Financial Indicators\*

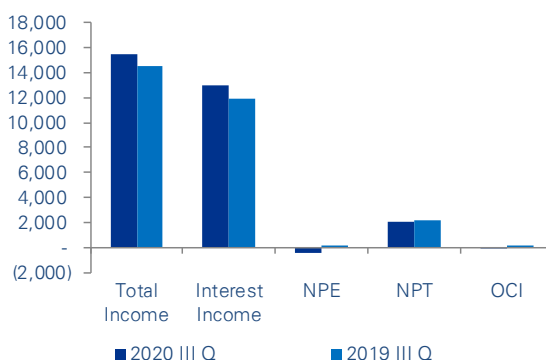
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	237,877	222,446	216,809	3.8%	11	6.9%	9.7%
Interest Earning Assets	203,886	186,556	183,056	3.9%	10	9.3%	11.4%
Loan Portfolio	144,643	135,921	133,030	3.6%	10	6.4%	8.7%
Liabilities	198,461	185,042	179,667	3.7%	11	7.3%	10.5%
Deposits	94,515	81,347	83,739	2.7%	14	16.2%	12.9%
Equity	39,416	37,404	37,142	4.3%	14	5.4%	6.1%
Charter Capital	8,804	8,804	8,804	1.8%	17	-	-
Total Income	15,478	19,349	14,461	3.5%	11	-	7.0%
Interest Income	12,927	16,098	11,864	3.6%	12	-	9.0%
Net Provision Expenses	(385)	(40)	133	0.6%	13	-	388.5%
Net Profit after Taxes	2,080	2,264	2,210	3.6%	11	-	(5.9%)
Total Comprehensive Income	2,021	2,493	2,389	3.1%	13	-	(15.4%)

\* The indicators of the financial position are as of the last day of the corresponding period.

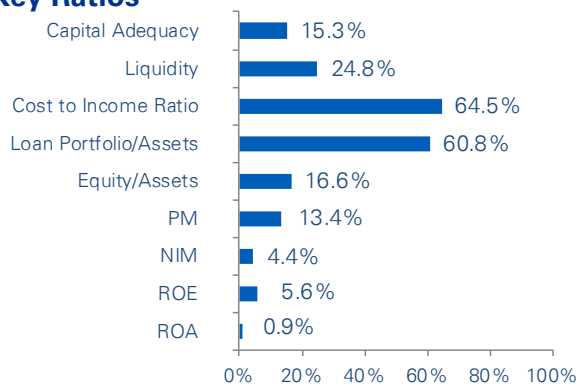
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.



# Bank Profiles (continued)

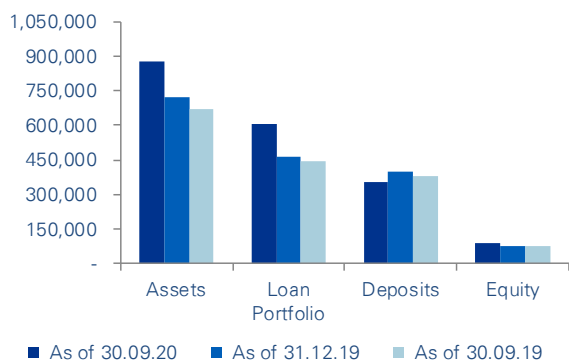
## Ardshinbank

### Key Financial Indicators\*

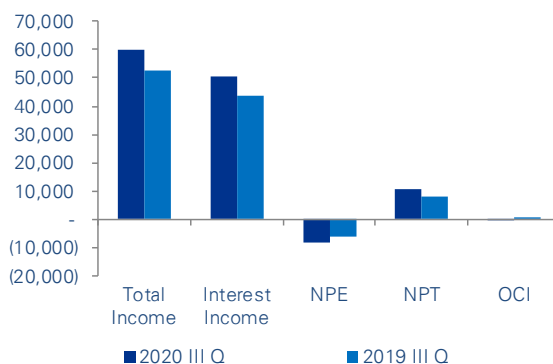
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	880,397	721,138	672,387	14.0%	3	22.1%	30.9%
Interest Earning Assets	725,781	560,079	539,663	13.9%	3	29.6%	34.5%
Loan Portfolio	609,393	467,391	445,067	15.4%	3	30.4%	36.9%
Liabilities	792,567	643,595	596,481	14.7%	3	23.1%	32.9%
Deposits	354,610	396,999	379,460	10.1%	3	(10.7%)	(6.5%)
Equity	87,829	77,543	75,906	9.7%	2	13.3%	15.7%
Charter Capital	52,227	52,227	52,227	10.9%	2	-	-
Total Income	60,020	73,911	52,726	13.7%	1	-	13.8%
Interest Income	50,460	58,711	43,783	13.9%	1	-	15.3%
Net Provision Expenses	(8,135)	(10,614)	(6,032)	12.8%	3	-	34.9%
Net Profit after Taxes	10,479	9,601	8,333	17.9%	1	-	25.8%
Total Comprehensive Income	10,406	10,263	8,588	15.9%	1	-	21.2%

\* The indicators of the financial position are as of the last day of the corresponding period.

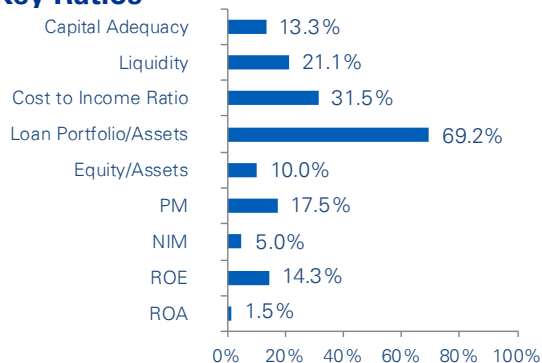
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



### Rankings

- 1<sup>st</sup> rank by the total income
- 1<sup>st</sup> rank by the interest income
- 1<sup>st</sup> rank by the net profit after taxes
- 1<sup>st</sup> rank by the total comprehensive income
- 2<sup>nd</sup> rank by the equity
- 2<sup>nd</sup> rank by the charter capital
- 3<sup>rd</sup> rank by the assets
- 3<sup>rd</sup> rank by the interest earning assets
- 3<sup>rd</sup> rank by the loan portfolio
- 3<sup>rd</sup> rank by the liabilities
- 3<sup>rd</sup> rank by the deposits

Among the top ten banks by all main financial indicators.

July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

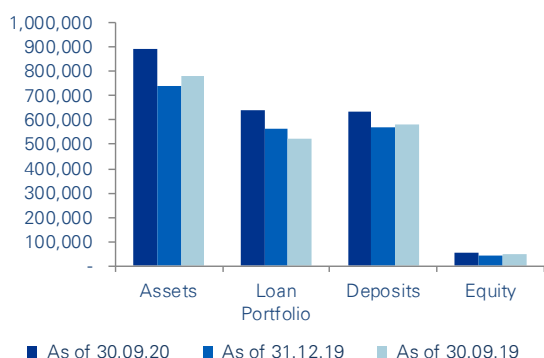
Armbusinessbank

## Key Financial Indicators\*

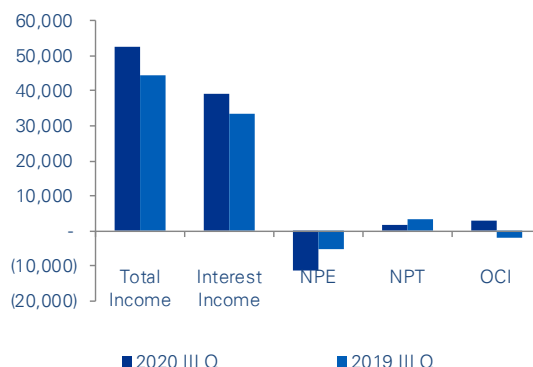
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	888,675	738,192	782,970	14.1%	2	20.4%	13.5%
Interest Earning Assets	764,935	605,150	652,888	14.7%	1	26.4%	17.2%
Loan Portfolio	638,084	563,423	523,140	16.1%	1	13.3%	22.0%
Liabilities	832,490	694,101	731,233	15.5%	1	19.9%	13.8%
Deposits	636,088	572,141	580,831	18.2%	1	11.2%	9.5%
Equity	56,184	44,091	51,737	6.2%	6	27.4%	8.6%
Charter Capital	42,090	40,010	40,010	8.8%	3	5.2%	5.2%
Total Income	52,606	61,747	44,274	12.0%	3	-	18.8%
Interest Income	39,132	46,439	33,610	10.8%	3	-	16.4%
Net Provision Expenses	(11,417)	(11,344)	(5,342)	17.9%	1	-	113.7%
Net Profit after Taxes	1,521	2,304	3,445	2.6%	13	-	(55.8%)
Total Comprehensive Income	4,217	611	1,277	6.5%	6	-	230.2%

\* The indicators of the financial position are as of the last day of the corresponding period.

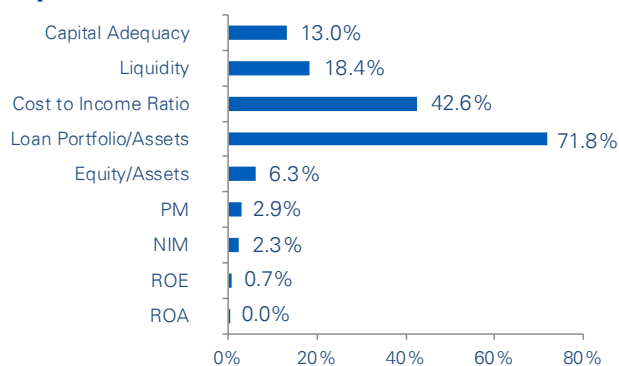
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



### Rankings

- 1<sup>st</sup> rank by the interest earning assets
- 1<sup>st</sup> rank by the loan portfolio
- 1<sup>st</sup> rank by the liabilities
- 1<sup>st</sup> rank by the deposits
- 2<sup>st</sup> rank by the assets
- 3<sup>rd</sup> rank by the charter capital
- 3<sup>rd</sup> rank by the total income
- 3<sup>rd</sup> rank by the interest income

Among the top ten banks by almost all main financial indicators.

July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

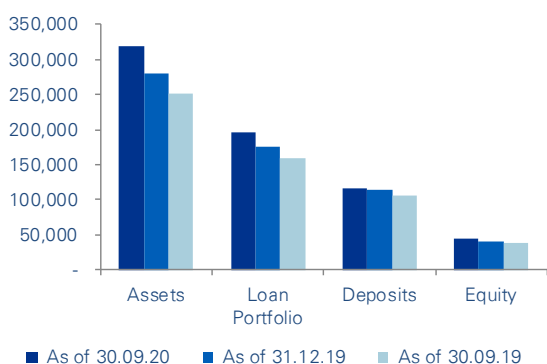
## Armeconombank

### Key Financial Indicators\*

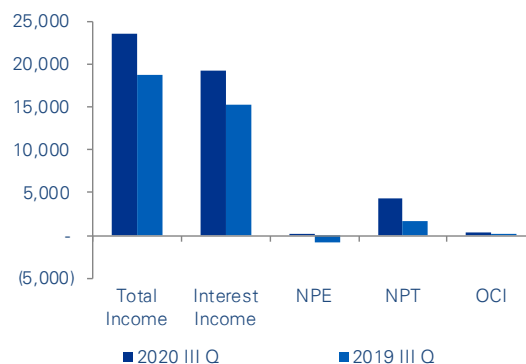
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	319,140	280,683	251,155	5.1%	8	13.7%	27.1%
Interest Earning Assets	257,374	222,085	203,696	4.9%	8	15.9%	26.4%
Loan Portfolio	195,067	176,107	160,145	4.9%	8	10.8%	21.8%
Liabilities	275,477	241,225	213,615	5.1%	6	14.2%	29.0%
Deposits	115,641	113,367	106,198	3.3%	11	2.0%	8.9%
Equity	43,663	39,458	37,540	4.8%	12	10.7%	16.3%
Charter Capital	25,956	25,635	25,635	5.4%	9	1.2%	1.2%
Total Income	23,538	26,217	18,785	5.4%	9	-	25.3%
Interest Income	19,169	21,255	15,220	5.3%	8	-	25.9%
Net Provision Expenses	52	(337)	(766)	-	16	-	(106.8%)
Net Profit after Taxes	4,338	3,326	1,724	7.4%	5	-	151.6%
Total Comprehensive Income	4,751	4,135	1,992	7.3%	5	-	138.5%

\* The indicators of the financial position are as of the last day of the corresponding period.

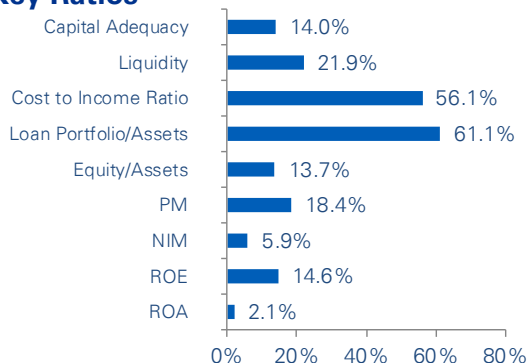
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

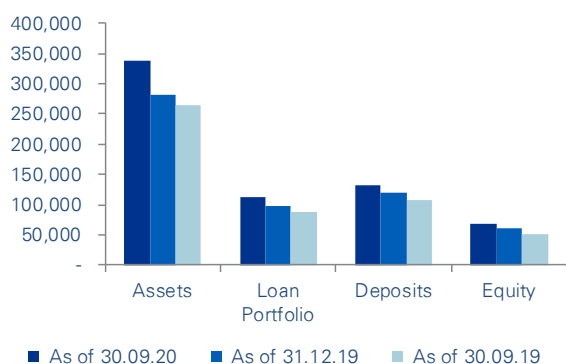
ArmSwissBank

## Key Financial Indicators\*

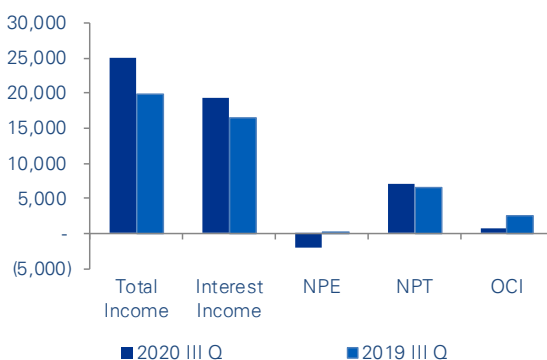
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	338,300	282,149	264,483	5.4%	6	19.9%	27.9%
Interest Earning Assets	314,271	253,202	246,041	6.0%	5	24.1%	27.7%
Loan Portfolio	111,884	96,612	88,430	2.8%	14	15.8%	26.5%
Liabilities	270,666	222,415	212,599	5.0%	8	21.7%	27.3%
Deposits	131,288	120,840	107,037	3.8%	10	8.6%	22.7%
Equity	67,634	59,735	51,884	7.5%	4	13.2%	30.4%
Charter Capital	10,000	10,000	8,753	2.1%	16	-	14.3%
Total Income	25,004	27,795	19,925	5.7%	7	-	25.5%
Interest Income	19,410	22,702	16,545	5.4%	7	-	17.3%
Net Provision Expenses	(2,065)	(769)	186	3.2%	9	-	1212.6%
Net Profit after Taxes	7,106	8,528	6,520	12.1%	2	-	9.0%
Total Comprehensive Income	7,900	10,786	9,041	12.1%	2	-	(12.6%)

\* The indicators of the financial position are as of the last day of the corresponding period.

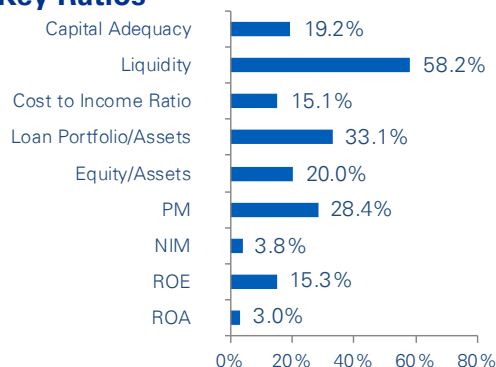
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



### Rankings

2<sup>nd</sup> rank by the net profit after taxes  
2<sup>nd</sup> rank by the total comprehensive income

July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

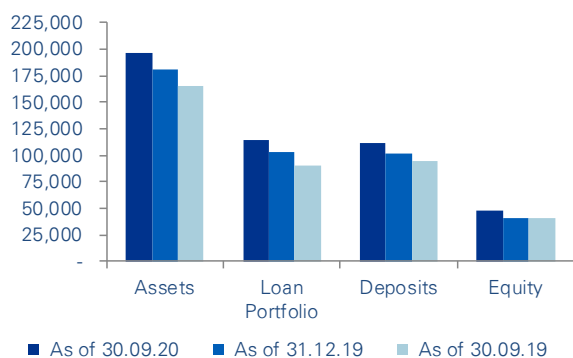
## Artsakh Bank

### Key Financial Indicators\*

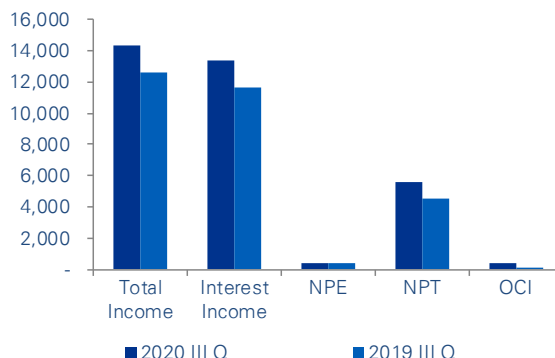
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	196,265	180,366	164,875	3.1%	14	8.8%	19.0%
Interest Earning Assets	171,950	155,537	145,982	3.3%	13	10.6%	17.8%
Loan Portfolio	114,802	102,633	90,458	2.9%	13	11.9%	26.9%
Liabilities	148,899	139,384	124,336	2.8%	14	6.8%	19.8%
Deposits	112,004	101,492	94,309	3.2%	13	10.4%	18.76%
Equity	47,366	40,982	40,539	5.2%	9	15.6%	16.8%
Charter Capital	23,261	23,261	23,261	4.9%	10	-	-
Total Income	14,341	17,192	12,593	3.3%	12	-	13.9%
Interest Income	13,357	15,994	11,619	3.7%	11	-	15.0%
Net Provision Expenses	374	614	396	-	17	-	5.6%
Net Profit after Taxes	5,545	5,772	4,539	9.5%	4	-	22.2%
Total Comprehensive Income	5,918	5,973	4,640	9.1%	4	-	27.5%

\* The indicators of the financial position are as of the last day of the corresponding period.

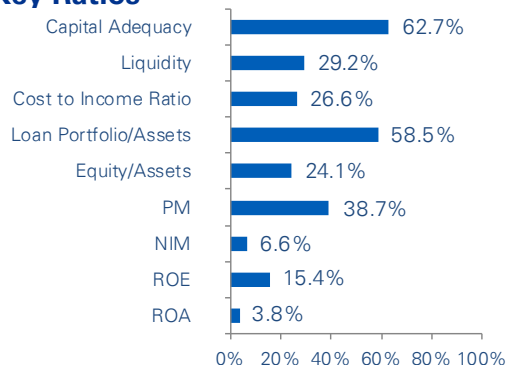
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

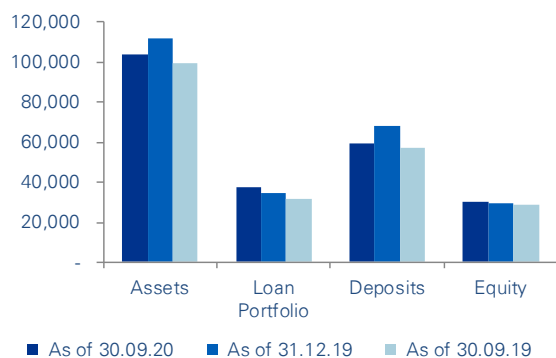
## Byblos Bank Armenia

### Key Financial Indicators\*

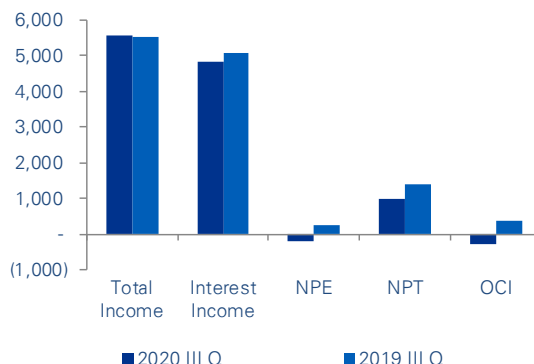
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	103,648	111,469	99,070	1.6%	16	(7.0%)	4.6%
Interest Earning Assets	86,252	93,200	81,612	1.7%	16	(7.5%)	5.7%
Loan Portfolio	37,668	34,518	31,678	0.9%	16	9.1%	18.9%
Liabilities	73,235	81,756	70,141	1.4%	16	(10.4%)	4.4%
Deposits	59,473	68,172	57,454	1.7%	16	(12.8%)	3.5%
Equity	30,413	29,713	28,929	3.4%	17	2.4%	5.1%
Charter Capital	26,249	26,249	26,249	5.5%	8	-	-
Total Income	5,554	7,282	5,542	1.3%	16	-	0.2%
Interest Income	4,815	6,802	5,084	1.3%	16	-	(5.3%)
Net Provision Expenses	(192)	44	236	0.3%	15	-	181.5%
Net Profit after Taxes	985	1,535	1,412	1.7%	15	-	(30.3%)
Total Comprehensive Income	701	2,567	1,784	1.1%	16	-	(60.7%)

\* The indicators of the financial position are as of the last day of the corresponding period.

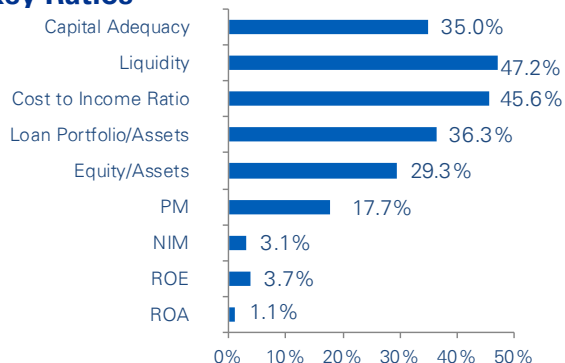
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.



# Bank Profiles (continued)

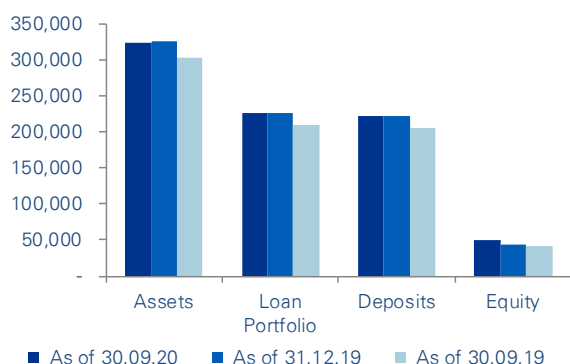
## Converse Bank

### Key Financial Indicators\*

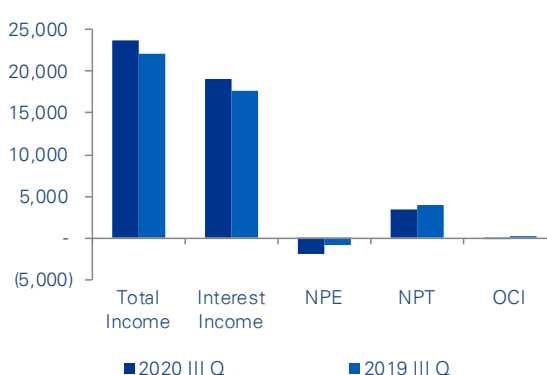
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	324,565	325,629	302,183	5.2%	7	(0.3%)	7.4%
Interest Earning Assets	279,815	267,967	234,249	5.4%	7	4.4%	19.5%
Loan Portfolio	225,920	226,445	210,312	5.7%	5	(0.2%)	7.4%
Liabilities	274,530	281,387	260,113	5.1%	7	(2.4%)	5.5%
Deposits	221,463	222,172	206,101	6.3%	6	(0.3%)	7.5%
Equity	50,035	44,241	42,070	5.5%	8	13.1%	18.9%
Charter Capital	19,948	16,417	16,417	4.2%	13	21.5%	21.5%
Total Income	23,670	30,294	22,174	5.4%	8	-	6.7%
Interest Income	19,136	24,093	17,747	5.3%	9	-	7.8%
Net Provision Expenses	(1,998)	(1,204)	(835)	3.1%	10	-	139.4%
Net Profit after Taxes	3,407	5,452	3,868	5.8%	7	-	(11.9%)
Total Comprehensive Income	3,381	6,057	3,886	5.2%	9	-	(13.0%)

\* The indicators of the financial position are as of the last day of the corresponding period.

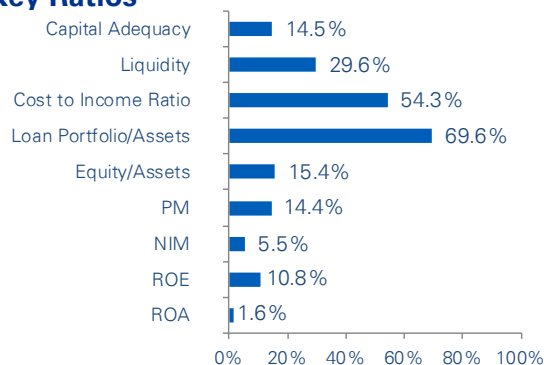
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



### Rankings

Among the top ten banks by almost all main financial indicators.

July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

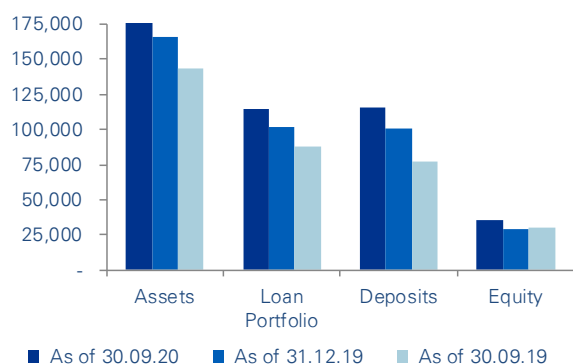
## Evocabank

### Key Financial Indicators\*

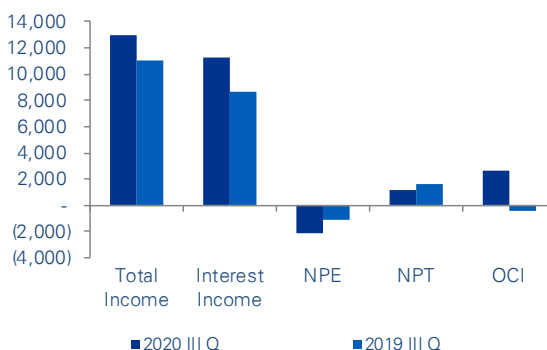
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	200,851	165,118	143,215	3.2%	13	21.6%	40.2%
Interest Earning Assets	160,005	130,031	113,576	3.1%	14	23.1%	40.9%
Loan Portfolio	114,926	101,557	87,394	2.9%	12	13.2%	31.5%
Liabilities	165,476	135,529	113,163	3.1%	13	22.1%	46.2%
Deposits	115,135	100,128	76,926	3.3%	12	15.0%	49.7%
Equity	35,375	29,588	30,052	3.9%	15	19.6%	17.7%
Charter Capital	20,000	17,950	17,950	4.2%	12	11.4%	11.4%
Total Income	12,921	15,669	11,003	2.9%	13	-	17.4%
Interest Income	11,213	11,967	8,675	3.1%	13	-	29.3%
Net Provision Expenses	(2,181)	(1,998)	(1,110)	3.4%	8	-	96.5%
Net Profit after Taxes	1,138	1,739	1,602	1.9%	14	-	(29.0%)
Total Comprehensive Income	3,737	1,109	1,148	5.7%	7	-	225.7%

\* The indicators of the financial position are as of the last day of the corresponding period.

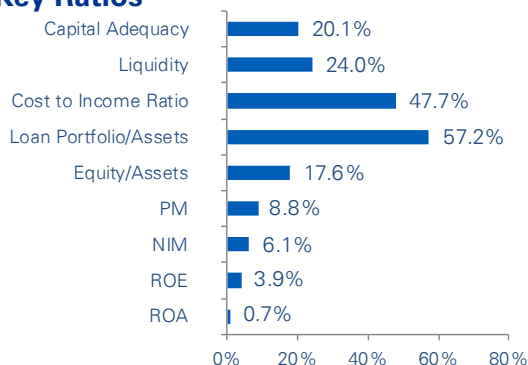
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



Replenished the charter capital by AMD 2 billion



\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

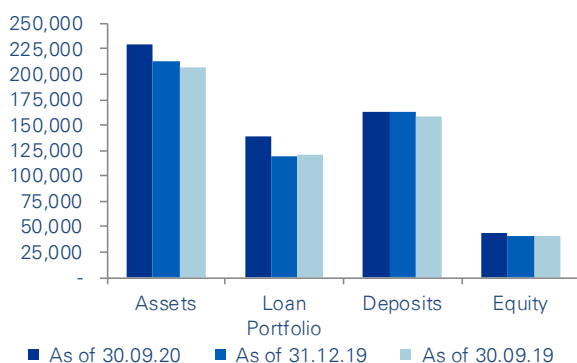
## HSBC Bank Armenia

### Key Financial Indicators\*

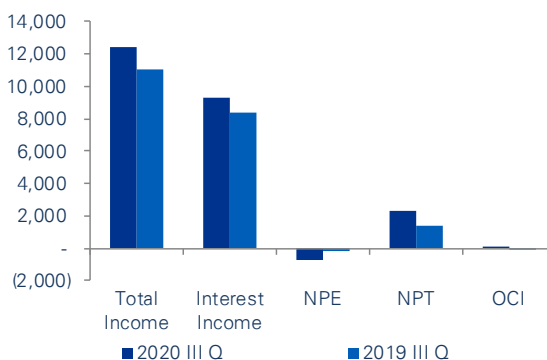
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	229,192	213,576	206,349	3.6%	12	7.3%	11.1%
Interest Earning Assets	186,360	160,689	161,177	3.6%	11	16.0%	15.6%
Loan Portfolio	139,021	118,922	120,844	3.5%	11	16.9%	15.0%
Liabilities	185,335	172,034	165,382	3.4%	12	7.7%	12.1%
Deposits	163,197	162,844	158,079	4.7%	9	0.2%	3.2%
Equity	43,857	41,542	40,968	4.8%	11	5.6%	7.1%
Charter Capital	18,434	18,434	18,434	3.8%	14	-	-
Total Income	12,407	15,238	11,054	2.8%	14	-	12.2%
Interest Income	9,271	11,437	8,369	2.6%	15	-	10.8%
Net Provision Expenses	(683)	(494)	(126)	1.1%	12	-	(441.5%)
Net Profit after Taxes	2,268	1,875	1,407	3.9%	10	-	61.15%
Total Comprehensive Income	2,309	1,959	1,407	3.5%	12	-	64.1%

\* The indicators of the financial position are as of the last day of the corresponding period.

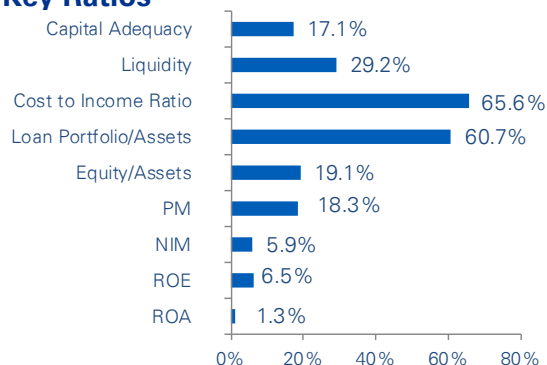
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

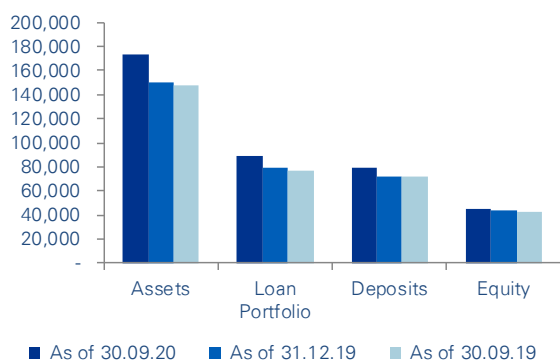
ID Bank

## Key Financial Indicators\*

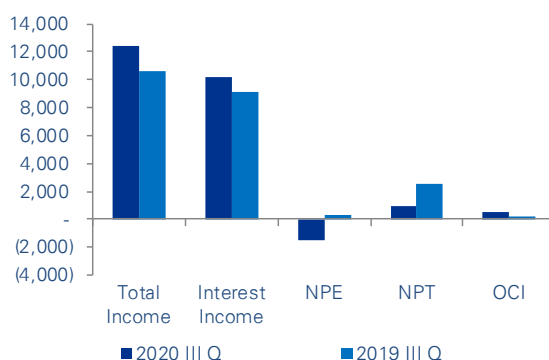
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	173,091	150,057	148,029	2.8%	15	15.4%	16.9%
Interest Earning Assets	142,595	120,918	120,892	2.7%	15	17.9%	18.0%
Loan Portfolio	88,727	79,563	76,435	2.2%	15	11.5%	16.1%
Liabilities	128,144	106,501	105,026	2.4%	15	20.3%	22.0%
Deposits	78,932	71,479	72,127	2.3%	15	10.4%	9.4%
Equity	44,947	43,556	43,003	5.0%	10	3.2%	4.5%
Charter Capital	33,972	33,972	33,972	7.1%	5	-	-
Total Income	12,381	14,566	10,631	2.8%	15	-	16.5%
Interest Income	10,209	12,326	9,073	2.8%	14	-	12.5%
Net Provision Expenses	(1,479)	(137)	349	2.3%	11	-	523.8%
Net Profit after Taxes	926	2,556	2,510	1.6%	16	-	(63.1%)
Total Comprehensive Income	1,391	3,292	2,756	2.1%	15	-	(49.5%)

\* The indicators of the financial position are as of the last day of the corresponding period.

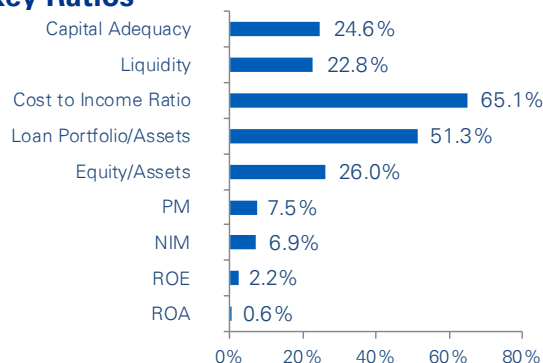
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

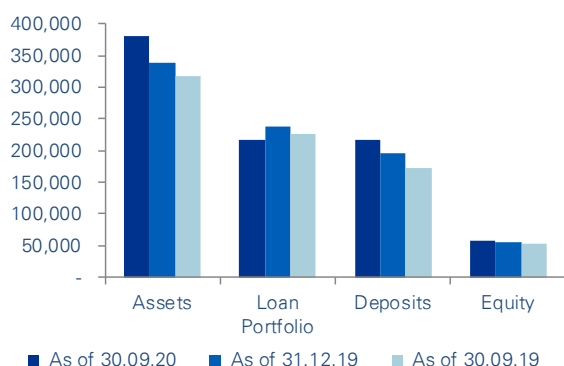
Incobank

## Key Financial Indicators\*

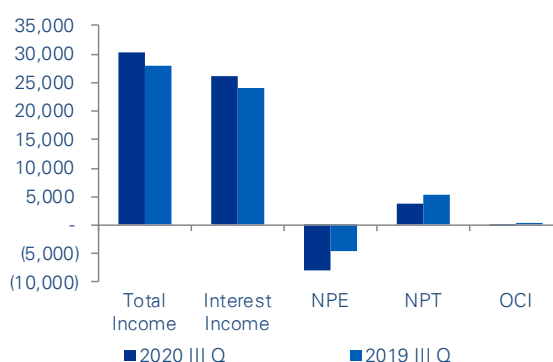
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	380,773	339,113	317,998	6.1%	5	12.3%	19.7%
Interest Earning Assets	296,370	272,329	256,496	5.7%	6	8.8%	15.5%
Loan Portfolio	217,927	238,649	226,698	5.5%	6	(8.7%)	(3.9%)
Liabilities	323,683	282,830	265,413	6.0%	5	14.4%	22.0%
Deposits	217,038	195,657	172,109	6.2%	7	10.9%	26.1%
Equity	57,090	56,284	52,586	6.3%	5	1.4%	8.6%
Charter Capital	14,546	14,546	14,546	3.0%	15	-	-
Total Income	30,199	40,076	27,890	6.9%	6	-	8.3%
Interest Income	26,202	34,659	24,005	7.2%	6	-	9.2%
Net Provision Expenses	(7,882)	(5,578)	(4,647)	12.4%	4	-	69.6%
Net Profit after Taxes	3,774	9,413	5,217	6.4%	6	-	(27.7%)
Total Comprehensive Income	3,630	9,832	5,412	5.6%	8	-	(32.9%)

\* The indicators of the financial position are as of the last day of the corresponding period.

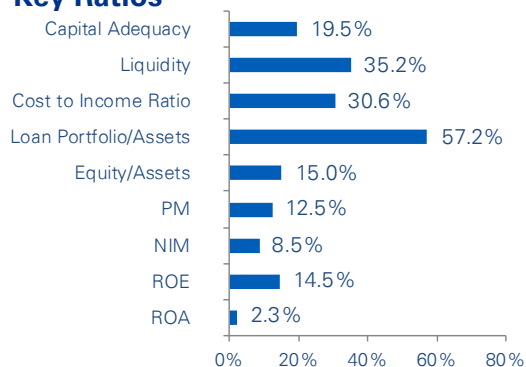
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



### Rankings

Among the top ten banks by almost all main financial indicators.

New branch was opened in Erebuni district, Yerevan

July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

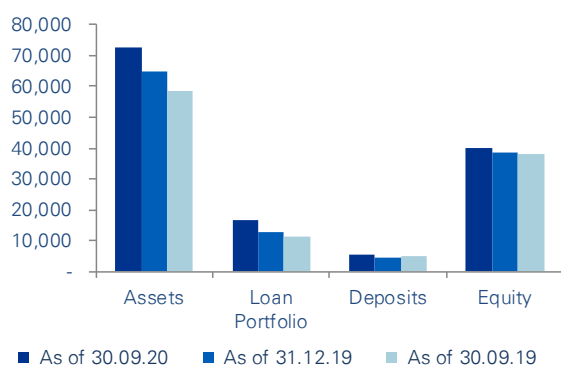
## Mellat Bank

### Key Financial Indicators\*

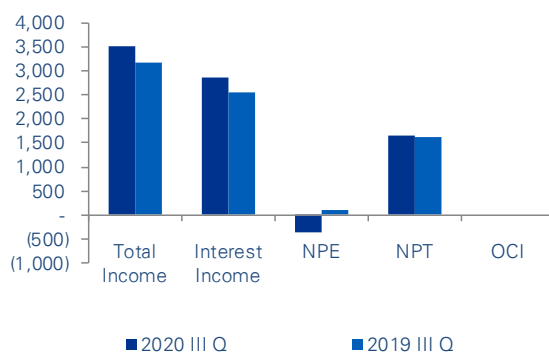
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	72,807	64,623	58,712	1.2%	17	12.7%	24.0%
Interest Earning Assets	51,833	40,829	38,201	1.0%	17	27.0%	35.7%
Loan Portfolio	16,665	12,567	11,453	0.4%	17	32.6%	45.5%
Liabilities	32,673	26,129	20,788	0.6%	17	25.0%	57.2%
Deposits	5,558	4,443	5,049	0.2%	17	25.1%	10.1%
Equity	40,134	38,494	37,924	4.4%	13	4.3%	5.8%
Charter Capital	32,100	32,100	32,100	6.7%	6	-	-
Total Income	3,510	4,197	3,161	0.8%	17	-	11.1%
Interest Income	2,854	3,491	2,542	0.8%	17	-	12.3%
Net Provision Expenses	(367)	78	119	0.6%	14	-	(409.9%)
Net Profit after Taxes	1,640	2,104	1,621	2.8%	12	-	1.2%
Total Comprehensive Income	1,640	2,190	1,621	2.5%	14	-	1.2%

\* The indicators of the financial position are as of the last day of the corresponding period.

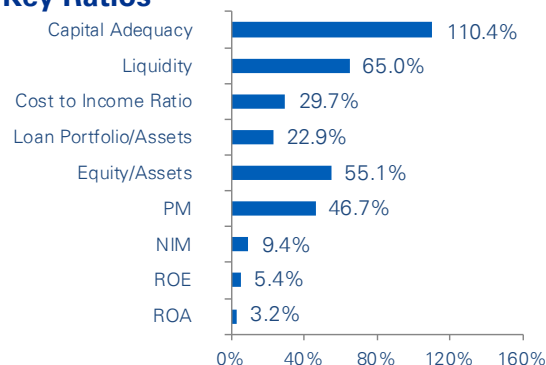
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.



# Bank Profiles (continued)

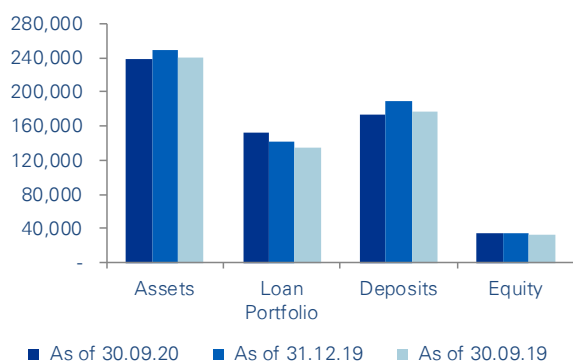
Unibank

## Key Financial Indicators\*

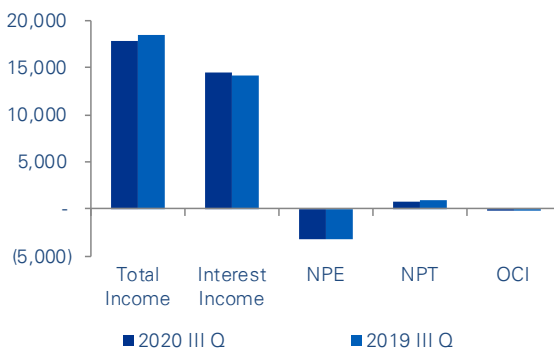
	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	238,088	249,015	240,378	3.8%	10	(4.4%)	(1.0%)
Interest Earning Assets	183,309	182,471	166,377	3.5%	12	0.5%	10.2%
Loan Portfolio	152,088	141,401	134,792	3.8%	9	7.6%	12.8%
Liabilities	203,590	215,190	206,920	3.8%	10	(5.4%)	(1.6%)
Deposits	172,664	189,739	176,682	4.9%	8	(9.0%)	(2.3%)
Equity	34,498	33,826	33,457	3.8%	16	2.0%	3.1%
Charter Capital	20,490	20,490	20,490	4.3%	11	-	-
Total Income	17,842	24,380	18,395	4.1%	10	-	(3.0%)
Interest Income	14,434	19,470	14,131	4.0%	10	-	2.1%
Net Provision Expenses	(3,193)	(3,704)	(3,166)	5.0%	7	-	0.9%
Net Profit after Taxes	768	1,327	974	1.3%	17	-	(21.1%)
Total Comprehensive Income	673	1,663	911	1.0%	17	-	(26.2%)

\* The indicators of the financial position are as of the last day of the corresponding period.

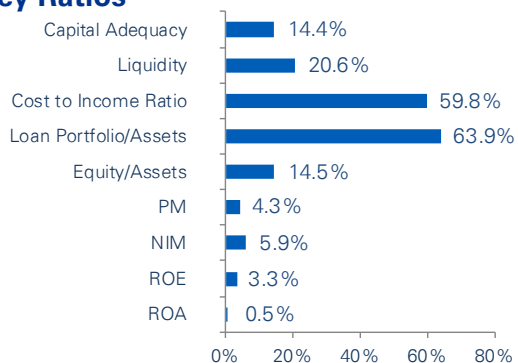
### Key Indicators of the Financial Position



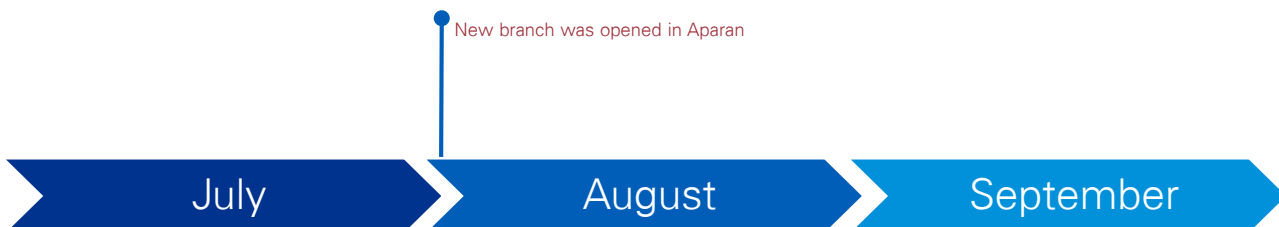
### Key Indicators of the Financial Results



### Key Ratios\*\*



New branch was opened in Aparan



\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Bank Profiles (continued)

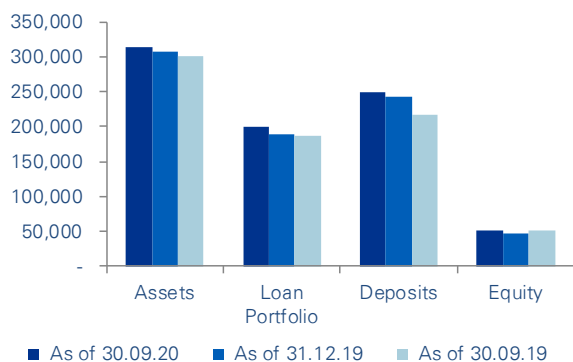
## VTB Bank (Armenia)

### Key Financial Indicators\*

	Amount, mln AMD			Share in total, %	Rank	Change	
	2020 III Q	2019	2019 III Q			2020 Q III/ 2019	2020 Q III/ 2019 Q III
Assets	314,705	307,295	300,816	5.0%	9	2.4%	4.6%
Interest Earning Assets	236,008	221,960	232,751	4.5%	9	6.3%	1.4%
Loan Portfolio	199,233	188,921	186,794	5.0%	7	5.5%	6.7%
Liabilities	263,586	259,486	249,312	4.9%	9	1.6%	5.7%
Deposits	248,965	243,876	217,378	7.1%	5	2.1%	14.5%
Equity	51,119	47,809	51,504	5.6%	7	6.9%	(0.7%)
Charter Capital	63,776	63,776	63,776	13.3%	1	-	-
Total Income	30,616	35,382	27,441	7.0%	5	-	11.6%
Interest Income	26,782	32,556	23,732	7.4%	5	-	12.9%
Net Provision Expenses	(6,849)	(13,672)	(6,594)	10.8%	5	-	3.9%
Net Profit after Taxes	3,340	(2,146)	1,637	5.7%	8	-	104%
Total Comprehensive Income	3,310	(1,697)	1,998	5.1%	10	-	65.7%

\* The indicators of the financial position are as of the last day of the corresponding period.

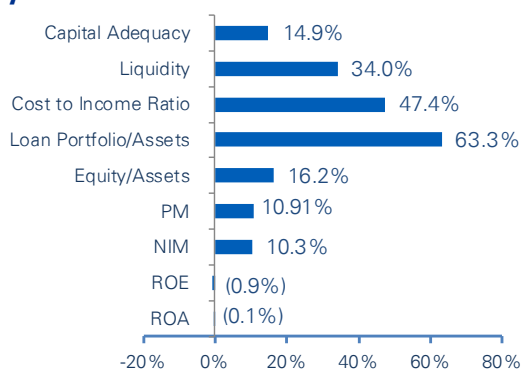
### Key Indicators of the Financial Position



### Key Indicators of the Financial Results



### Key Ratios\*\*



### Rankings

1<sup>st</sup> rank by the charter capital

Among the top ten banks by all main financial indicators.

July

August

September

\*\* The capital adequacy and liquidity ratios are taken from the key prudential ratios reported by the bank as of the end of the reporting period.

# Appendix 1

## Shareholding Structure & General Information

The shareholding structure of the Armenian banks is very different. There are both resident and non-resident shareholders. Meanwhile, almost in all the Armenian banks non-resident shareholders are presented. The non-resident participants, both legal entities and individuals, are mainly from Russia, Switzerland, Iran, Lebanon, Cyprus, France, the United Kingdom, Luxembourg and the USA. There are several international organizations that have shares in several Armenian banks (e.g. ADB and EBRD).

The shareholding structure and information on branches and the staff for each bank is presented below\*.

<b>ACBA-Credit Agricole Bank</b>	
<b>Shareholders (&gt; 5%):</b>	
ACBA Federation cjsc	(95%)
Sacam International SJSC	(5%)
<b>Branches:</b> 62 (18 in Yerevan)	
<b>Staff:</b> 1,500 employees	

<b>Ameriabank</b>	
<b>Shareholders (&gt; 5%):</b>	
Imast Group (CY) Limited	(48.95%)
EBRD	(17.76%)
ADB	(13.94%)
ESPS Holding Limited	(11.83%)
Afeyan Foundation	(7.52%)
<b>Branches:</b> 19 (11 in Yerevan)	
<b>Staff:</b> 1,090 employees	

<b>Ararat Bank</b>	
<b>Shareholders (&gt; 5%):</b>	
Flash Ltd.	(72.73%)
Barsegh Beglaryan	(26.91%)
<b>Branches:</b> 58 (28 in Yerevan)	
<b>Staff:</b> 1,005 employees	

<b>Ardshinbank</b>	
<b>Shareholders (&gt; 5%):</b>	
Arins Group* LLC	(67.97%)
"Region" Financial industrial corporation CJSC	(29.52%)
<b>Branches:</b> 63 (18 in Yerevan)	
<b>Staff:</b> 1,289 employees	

<b>Armbusinessbank</b>	
<b>Shareholders (&gt; 5%):</b>	
Vitaliy Sarkis Grigoryants	(95%)
Arsen Mikayelyan	(5%)
<b>Branches:</b> 62 (29 in Yerevan)	
<b>Staff:</b> 1,208 employees	

<b>Armeconombank</b>	
<b>Shareholders (&gt; 5%):</b>	
Saribek Sukiasyan	(27.86%)
Khachatur Sukiasyan	(16.02%)
Robert Sukiasyan	(17.07%)
Eduard Sukiasyan	(10.67%)
<b>Branches:</b> 51 (29 in Yerevan)	
<b>Staff:</b> 852 employees	

<b>ArmSwissBank</b>	
<b>Shareholders (&gt; 5%):</b>	
"HVS Holding" LLC	(87.53%)
"FMTM Distribution" LLC	(12.47%)
<b>Branches:</b> 1 (1 in Yerevan)	
<b>Staff:</b> 150 employees	

<b>Artsakh Bank</b>	
<b>Shareholders (&gt; 5%):</b>	
Armenian Business Foundation	
CJSC	(51.72%)
Artsakh Investment Fund	(45%)
<b>Branches:</b> 22 (7 in Yerevan)	
<b>Staff:</b> 462 employees	

<b>Byblos Bank Armenia</b>	
<b>Shareholders (&gt; 5%):</b>	
Byblos Bank S.A.L.	(100%)
<b>Branches:</b> 3 (3 in Yerevan)	
<b>Staff:</b> 90 employees	

- The figures presented in different color, bold and italic form are those changed during the 3rd quarter of 2020.

# Appendix 1

## Shareholding Structure & General Information (continued)

### Converse Bank

#### Shareholders (> 5%):

Advanced Global Investments  
LLC (72.89%)  
HayPost Trust  
Management (22.11%)  
The Armenian Saint Apostolic  
Church (5%)

**Branches:** 36 (17 in Yerevan)

**Staff:** 749 employees

### Evocabank

#### Shareholders (> 5%):

Prometey City LLC (95.1%)

**Branches:** 15 (12 in Yerevan)

**Staff:** 338 employees

### HSBC Bank Armenia

#### Shareholders (> 5%):

HSBC Europe BV (70%)  
Wings Establishment (30%)

**Branches:** 8 (8 in Yerevan)

**Staff:** 356 employees

### ID Bank

#### Shareholders (> 5%):

FISTOCO LTD. (59.68 %)  
Credit Bank S.A.L. (40.32 %)

**Branches:** 12 (8 in Yerevan)

**Staff:** 544 employees

### Inecobank

#### Shareholders (> 5%):

Avetis Baloyan (38.1%)  
Karen Safaryan (33%)  
agRIF Cooperatief U.A (10%)  
DWM Funds (5.1%)

**Branches:** 25 (17 in Yerevan)

**Staff:** 843 employees

### Mellat Bank

#### Shareholders (> 5%):

Bank Mellat of I.R.I (100%)

**Branches:** 1 (Yerevan)

**Staff:** 53 employees

### Unibank

#### Shareholders (> 5%):

Uniholding Gigi Limited (87.7 %)

**Branches:** 53 (29 in Yerevan)

**Staff:** 821 employees

### VTB Bank Armenia

#### Shareholders (> 5%):

VTB OJSC (100%)

**Branches:** 72 (28 in Yerevan)

**Staff:** 1,299 employees

- The figures presented in different color, bold and italic form are those changed during the 3rd quarter of 2020.

# Appendix 2

## Structure of the Board

The information regarding the structure of the Board for each bank is presented below:

### ACBA-Credit Agricole Bank

**Chairman:**  
Marat Harutyunyan

**Members:**  
Bruno Charrier  
Arayik Abasyan  
Armen Mkrtchyan  
Hrach Sargsyan  
Tsoghik Asoyan  
Henrik Kochinyan

### Ameriabank

**Chairman:**  
Andrew Mkrtchyan

**Members:**  
Tigran Davtyan  
Richard Ogdon  
Robert von Rekowsky  
Kakhaber Kiknavelidze  
Lindsay Forbes  
Philip Lynch

### Ararat Bank

**Chairman:**  
Grigor Hovhannisyanyan

**Members:**  
Arzik Suvaryan  
Narek Beglaryan  
Koryun Atoyan  
Karen Babajanyan

### Ardshinbank

**Chairman:**  
Karen Safaryan

**Members:**  
Abel Aganbegyan  
Aram Andreasyan  
Garegin Tosunyan  
Vache Gabrielyan  
Dmitrii Ladikov-Roev

### Armbusinessbank

**Chairman:**  
Arsen Mikayelyan

**Members:**  
Arzuman Harutyunyan  
Vitaly Grigoryants  
Sergey Arzumanyan  
Alik Chirkinyan  
Sevak Petrosyan

### Armeconombank

**Chairman:**  
Saribek Sukiasyan

**Members:**  
Ruben Hayrapetyan  
Luiza Petrosyan  
Aram Melikyan  
Vahagn Khachatouryan  
Hrant Suvaryan  
Per Fischer

### ArmSwissBank

**Chairman:**  
Vartan Sirmakes

**Members:**  
Armen Tamazyan  
Raffi Balyozyan  
Gevorg Chakmishyan

### Artsakh Bank

**Chairman:**  
Edward Sandoyan

**Members:**  
Armen Darbinyan  
Levon Ghazaryan  
Artur Osikyan

### Byblos Bank Armenia

**Chairman:**  
Alain Clovis Tohme

**Members:**  
Francois Semaan Bassil  
Alain Wanna  
Selim Stephan  
Vasken Yacoubian

- The names presented in different color, bold and italic form are those changed during the 3rd quarter of 2020.

# Appendix 2

## Structure of the Board (continued)

### Converse Bank

**Chairman:**

Armen Ter-Tachatyan

**Members:**

Arsen Gamaghelyan  
Jose Luis Persico  
Daniel Guillermo Simonutti  
Jorge Alberto Del Aguila  
Juan Carlos Ozcoidi  
Marcelo Wende

### Evocabank

**Chairman:**

Vazgen Gevorgyan

**Members:**

Gegham Gevorgyan  
Felix Dilanyan  
Varazdat Nersisyan  
Armen Manukyan

### HSBC Bank Armenia

**Chairman:**

Wachte Manoukian

**Members:**

David Budd  
Ara Alexanian  
Yulia Shadrina  
Niccolo Polli  
Colin Pickering

### ID Bank

**Chairman:**

Vartan Dilanyan

**Members:**

Karen Margaryan  
Aleksandr Khachatryan  
Elena Khachvankyan  
Alexey Komar

### Inecobank

**Chairman:**

Avetis Baloyan

**Members:**

Karen Safaryan  
Ashot Avetisyan  
Sulkhan Gvalia  
Jan Dewijngaert  
Karina Saroukhanian  
***Aram Kayfajyan***

### Mellat Bank

**Chairman:**

Mohammad Taghi Samadi

**Members:**

Hasan Rousta  
Hossein Bahari  
Saeed Nasri  
Maryam Leilidoust

### Unibank

**Chairman:**

Gagik Zakaryan

**Members:**

George Piskov  
Hrahat Arzumanyan  
Eduard Zamanyan  
David Papazian  
Vardan Atayan  
Artem Konstandyan

### VTB Bank Armenia

**Chairman:**

Oleg Smirnov

**Members:**

Dmitry Pyanov  
Maxim Kondratenko  
Sergey Stepanov  
Ilnar Shaimardanov  
Alexander Ter-Avanesov

- The names presented in different color, bold and italic form are those changed during the 3rd quarter of 2020.



# Appendix 3

## Sector Insights

### Assets

As of 30 September 2020 the assets grew in 16 of the banks and only 1 bank suffered decreases as compared with the same period of 2019. The interest earning assets comprised 82.9% of the total assets of the banks. As of 30 September 2020 the interest earning assets of the banks increased by 19.8% compared with 30 September 2019. In the meantime, the interest income increased by 13.6% as compared with the same period of the previous year. The net interest margin was 5.5% for the reviewed period.

As of 30 September 2020 "AmeriaBank" CJSC had the highest value of assets - about AMD 908.6 billion, which is 14.5% of the total assets of the banking sector. "Mellat Bank" CJSC had the lowest level – AMD 72.8 billion (1.2% in total assets).

It is worth mentioning that the top five banks (ranked by assets) totaled 56.3% of the assets of the banking system as of 30 September 2020.

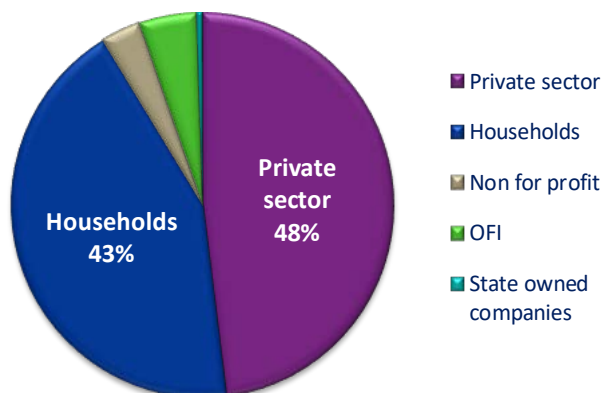
Nevertheless, the banking industry concentration is not high and is defined as unconcentrated according to the Herfindahl-Hirschman Index, which has the value of 0.0880. Compared with the same period of 2019 the HHI has increased by 0.0004 points (0.0876).

### Loan portfolio

The top five banks (ranked by loans) recorded 61.4% of the total loan portfolio as of 30 September 2020.

The major part (94.2%) of the total sum of the outstanding loans was provided to the residents of Armenia, from which 48.5% were companies (only 1% of this amount was provided to the state owned companies), 43.3% - to the households, and only a small part to non for profit organizations and other financial organizations (OFI). Compared with the same period of the previous year the share of loans to households in the total amount of outstanding loans increased by 0.2 percentage points and the share of companies decreased by 0.6 percentage point.

### Structure of loans by creditors\*



As for the base currencies of the loans, it should be noted that households, other financial institutions and non for profit organizations are mainly provided with loans in AMD (77.8%, 76.6%, 63.2% and of the total loans provided to them, respectively) in contrast to companies, which prefer loans in foreign currencies (74.5% of total loans provided to them, respectively).

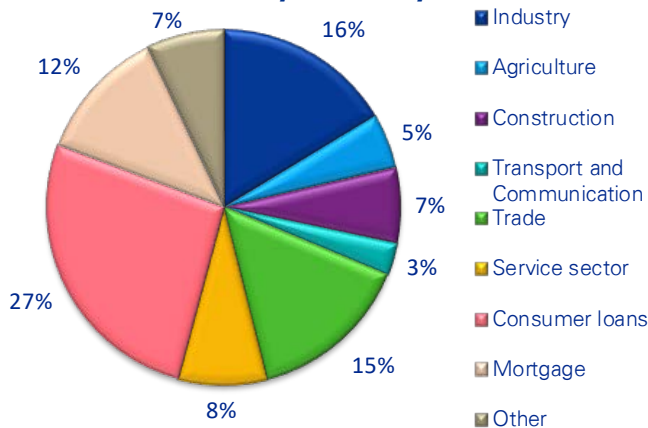
\* The loans structure is presented only based on the loans provided to the residents

# Appendix 3

## Sector Insights (continued)

For the reviewed period, the consumer loans, loans to the industry and trade sectors comprised 26.6%, 16.5% and 14.9% of the total loans of the banks respectively. The biggest growth in lending was in the mortgages (compared to 30 September 2019, the volume of loans grew by 37.2%).

### Structure of loans by economy sectors



The biggest loan portfolio belonged to "Armbusinessbank" CJSC – AMD 638.1 billion, which comprised 16.1% of the portfolio of the banking system for the reported period.

As of 30 September 2020 the loans/deposits ratio was 1.13 compared with 1.06 calculated as of 30 September 2019.

### Net Provision Expenses

As of 30 September 2020 the banking system total net provision expenses increased by 85.4% and reached AMD 63.6 billion.

### Liabilities

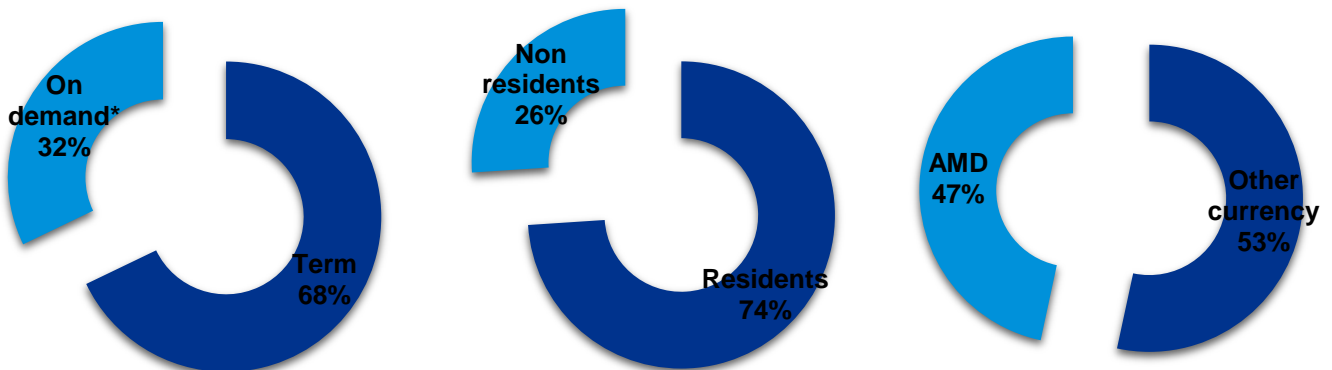
As of 30 September 2020 the banking system total liabilities grew by 17.5%, compared with the same figure as of 30 September 2019, to reach AMD 5,378 billion, of which 65% are deposits.

### Deposits

As of 30 September 2020 the biggest share of term and demand deposits was held by households (72.5% and 46.6%).

The major part of outstanding balance of the deposits was from the residents (74%), 67.9% of which were term deposits. The deposits were held mainly in foreign currencies (53.4%).

### Structure of deposits

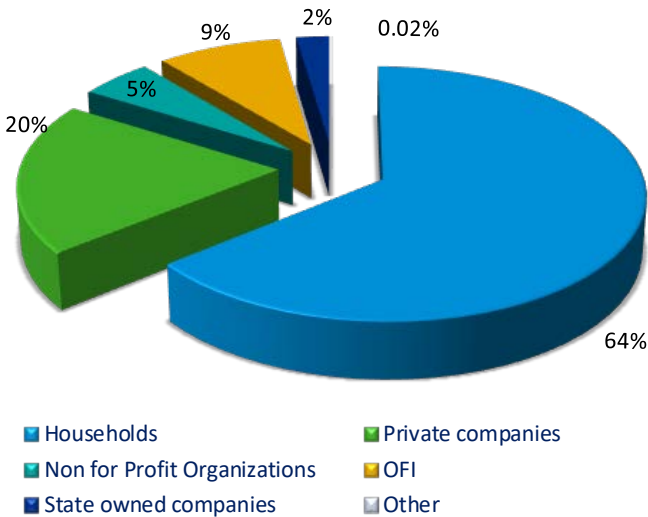


\* The indicators of the deposits duration are presented only based on the deposits from the residents

# Appendix 3

## Sector Insights (continued)

### Structure of deposits\*



As the diagram shows, the households had the biggest share (64.2%) in the total amount of deposits from residents followed by the private companies which held (19.6%) of the total deposits from residents.

The highest level of deposits was held by "Armbusinessbank" CJSC - about AMD 636 billion, which comprises 18.2% of the total deposits of the banking system of Armenia.

As of 30 September 2020 only two banks had a decrease in deposits compared to the same date of 2019.

### Equity

As of 30 September 2020 the equity increased by 10.8% compared to the same period of 2019, while for the same period the charter capital increased by 2%.

The total equity to total assets ratio was 14.4%, which is 0.7 percentage points lower compared to the same ratio of 2019 (15.2%).

As of 30 September 2020 "Ameriabank" CJSC had the highest level of equity - about AMD 108.1 billion, which is 11.9% of the total equity of the banking system. "Byblos Bank Armenia" CJSC had the lowest level – AMD 30.4 billion (3.4% in total equity). 43% of the total equity of the banking system belonged to the top five banks (ranked by the equity) as of 30 September 2020.

### Income

The income from interest was about AMD 362.5 billion, which is about 82.7% (0.7 percent points higher compared with 2019 for the same period) of the total income of the banking system. The total income of the banking system increased by 12.5% compared with the same period of the previous year and reached AMD 438.1 billion. 55.1% of total income of the banking system belonged to the top 5 banks (ranked by the total income).

In the reporting period 16 banks increased their income compared with the same period of 2019, while in one bank the income decreased during the same period.

### Profit/loss

During the reported period 17 banks operating in Armenia were profitable (totaled AMD 72.4 billion profit before taxes).

The net profit after taxes of the banking system for the period ended 30 September 2020 was AMD 58.6 billion.

\* The deposits structure is presented only based on the deposits from the residents

# Appendix 4

## Key Financial Indicators

### Key Indicators of the Financial Position as of 30.09.2020

	AMD Million	Assets	Interest Earning Assets	Gross Advances to Customers	Loans	Liabilities	Deposits	Equity	Charter Capital
1	"ACBA-Credit Agricole Bank" CJSC	478,158	385,662	372,618	325,983	408,723	274,067	69,435	30,000
2	"AmeriaBank" CJSC	908,652	763,444	670,776	635,037	800,511	495,780	108,141	37,387
3	"AraratBank" OJSC	237,877	203,886	160,230	144,643	198,461	94,515	39,416	8,804
4	"Ardshinbank" CJSC	880,397	725,781	659,175	609,393	792,567	354,610	87,829	52,227
5	"ArmBusinessBank" CJSC	888,675	764,935	694,909	638,084	832,490	636,088	56,184	42,090
6	"ArmEconomBank" OJSC	319,140	257,374	205,874	195,067	275,477	115,641	43,663	25,956
7	"ArmSwissBank" CJSC	338,300	314,271	124,869	111,884	270,666	131,288	67,634	10,000
8	"ArtsakhBank" CJSC	196,265	171,950	129,200	114,802	148,899	112,004	47,366	23,261
9	"Byblos Bank Armenia" CJSC	103,648	86,252	51,824	37,668	73,235	59,473	30,413	26,249
10	"Converse Bank" CJSC	324,565	279,815	244,145	225,920	274,530	221,463	50,035	19,948
11	"Evocabank" CJSC	200,851	160,005	117,155	114,926	165,476	115,135	35,375	20,000
12	"HSBC Bank Armenia" CJSC	229,192	186,360	157,192	139,021	185,335	163,197	43,857	18,434
13	"ID Bank" CJSC	173,091	142,595	105,175	88,727	128,144	78,932	44,947	33,972
14	"InecoBank" CJSC	380,773	296,370	218,761	217,927	323,683	217,038	57,090	14,546
15	"Mellat Bank" CJSC	72,807	51,833	19,503	16,665	32,673	5,558	40,134	32,100
16	"UniBank" OJSC	238,088	183,309	168,782	152,088	203,590	172,664	34,498	20,490
17	"VTB Bank Armenia" CJSC	314,705	236,008	216,877	199,233	263,586	248,965	51,119	63,776

# Appendix 4

## Key Financial Indicators (continued)

### Key Indicators of the Financial Results for the period ended 30.09.2020

	AMD Million	Total Income	Interest Income	Non-Interest Income	Net Interest Income	Net Non-Interest Income	Net Operating Income*	Operating Expenses	Net Provision Expenses	Net Profit before taxes	Net Profit after taxes
1	"ACBA-Credit Agricole Bank" CJSC	40,159	34,174	3,462	19,182	2,123	23,828	(13,662)	(6,551)	3,615	2,391
2	"AmeriaBank" CJSC	57,870	48,935	3,743	25,369	2,670	33,232	(14,124)	(10,692)	8,417	6,852
3	"AraratBank" OJSC	15,478	12,927	1,290	6,248	623	8,132	(5,242)	(385)	2,505	2,080
4	"Ardshinbank" CJSC	60,020	50,460	4,660	21,833	3,279	30,012	(9,456)	(8,135)	12,420	10,479
5	"ArmBusinessBank" CJSC	52,606	39,132	5,850	10,393	5,184	23,201	(9,879)	(11,417)	1,905	1,521
6	"ArmEconomBank" OJSC	23,538	19,169	1,827	9,675	1,262	13,479	(7,566)	52	5,965	4,338
7	"ArmSwissBank" CJSC	25,004	19,410	289	7,047	212	12,564	(1,893)	(2,065)	8,606	7,106
8	"ArtsakhBank" CJSC	14,341	13,357	487	7,409	353	8,260	(2,198)	374	6,435	5,545
9	"Byblos Bank Armenia" CJSC	5,554	4,815	103	2,017	29	2,681	(1,222)	(192)	1,267	985
10	"Converse Bank" CJSC	23,670	19,136	2,201	10,358	1,266	13,956	(7,577)	(1,998)	4,381	3,407
11	"Evocabank" CJSC	12,921	11,213	819	5,723	274	6,886	(3,285)	(2,181)	1,421	1,138
12	"HSBC Bank Armenia" CJSC	12,407	9,271	1,840	7,167	1,361	9,823	(6,440)	(683)	2,700	2,268
13	"ID Bank" CJSC	12,381	10,209	1,018	6,444	685	8,282	(5,393)	(1,479)	1,410	926
14	"InecoBank" CJSC	30,199	26,202	2,147	15,245	949	18,044	(5,520)	(7,882)	4,643	3,774
15	"Mellat Bank" CJSC	3,510	2,854	208	2,816	170	3,434	(1,018)	(367)	2,048	1,640
16	"UniBank" OJSC	17,842	14,434	1,572	7,355	1,137	10,328	(6,176)	(3,193)	959	768
17	"VTB Bank Armenia" CJSC	30,616	26,782	2,035	17,197	1,021	20,016	(9,492)	(6,849)	3,676	3,340

\* Net operating income is before provisions and administrative expenses.

# Appendix 4

## Key Financial Indicators (continued)

### Key Indicators of the Financial Position as of 31.12.2019

	AMD Million	Assets	Interest Earning Assets	Gross Advances to Customers	Loans	Liabilities	Deposits	Equity	Charter Capital
1	"ACBA-Credit Agricole Bank" CJSC	432,613	347,096	323,335	294,250	363,970	240,689	68,643	30,000
2	"AmeriaBank" CJSC	968,081	688,922	612,757	585,742	866,854	593,223	101,227	37,347
3	"AraratBank" OJSC	222,446	186,556	148,081	135,921	185,042	81,347	37,404	8,804
4	"Ardshinbank" CJSC	721,138	560,079	507,618	467,391	643,595	396,999	77,543	52,227
5	"ArmBusinessBank" CJSC	738,192	605,150	597,008	563,423	694,101	572,141	44,091	40,010
6	"ArmEconomBank" OJSC	280,683	222,085	190,296	176,107	241,225	113,367	39,458	25,635
7	"ArmSwissBank" CJSC	282,149	253,202	98,684	96,612	222,415	120,840	59,735	10,000
8	"ArtsakhBank" CJSC	180,366	155,537	113,455	102,633	139,384	101,492	40,982	23,261
9	"Byblos Bank Armenia" CJSC	111,469	93,200	51,531	34,518	81,756	68,172	29,713	26,249
10	"Converse Bank" CJSC	325,629	267,967	246,994	226,445	281,387	222,172	44,241	16,417
11	"Evocabank" CJSC	165,118	130,031	102,677	101,557	135,529	100,128	29,588	17,950
12	"HSBC Bank Armenia" CJSC	213,576	160,689	136,200	118,922	172,034	162,844	41,542	18,434
13	"ID Bank" CJSC	150,057	120,918	84,284	79,563	106,501	71,479	43,556	33,972
14	"InecoBank" CJSC	339,113	272,329	239,723	238,649	282,830	195,657	56,284	14,546
15	"Mellat Bank" CJSC	64,623	40,829	12,567	12,567	26,129	4,443	38,494	32,100
16	"UniBank" OJSC	249,015	182,471	164,700	141,401	215,190	189,739	33,826	20,490
17	"VTB Bank Armenia" CJSC	307,295	221,960	200,031	188,921	259,486	243,876	47,809	63,776



# Appendix 4

## Key Financial Indicators (continued)

### Key Indicators of the Financial Results for the period ended 31.12.2019

	AMD Million	Total Income	Interest Income	Non-Interest Income	Net Interest Income	Net Non-Interest Income	Net Operating Income*	Operating Expenses	Net Provision Expenses	Net Profit before taxes	Net Profit after taxes
1	"ACBA-Credit Agricole Bank" CJSC	47,719	39,168	4,806	20,958	2,940	27,644	(17,771)	(875)	8,998	6,955
2	"AmeriaBank" CJSC	74,218	60,361	5,439	30,999	3,938	43,355	(20,184)	(7,201)	15,970	12,115
3	"AraratBank" OJSC	19,349	16,098	1,998	6,932	1,198	9,383	(6,513)	(40)	2,830	2,264
4	"Ardshinbank" CJSC	73,911	58,711	5,847	23,355	3,935	36,643	(13,471)	(10,614)	12,557	9,601
5	"ArmBusinessBank" CJSC	61,747	46,439	6,712	12,876	4,805	26,278	(11,701)	(11,344)	3,233	2,304
6	"ArmEconombank" OJSC	26,217	21,255	2,484	10,309	1,856	14,644	(9,809)	(337)	4,498	3,326
7	"ArmSwissBank" CJSC	27,795	22,702	254	8,558	122	13,520	(2,077)	(769)	10,674	8,528
8	"ArtsakhBank" CJSC	17,192	15,994	461	8,859	322	9,917	(3,353)	614	7,179	5,772
9	"Byblos Bank Armenia" CJSC	7,282	6,802	141	2,850	50	3,239	(1,321)	44	1,961	1,535
10	"Converse Bank" CJSC	30,294	24,093	3,194	12,953	2,173	18,133	(9,967)	(1,204)	6,961	5,452
11	"Evocabank" CJSC	15,669	11,967	1,135	6,084	222	8,873	(4,628)	(1,998)	2,247	1,739
12	"HSBC Bank Armenia" CJSC	15,238	11,437	2,461	8,424	1,888	11,652	(8,741)	(494)	2,417	1,875
13	"ID Bank" CJSC	14,566	12,326	892	7,634	94	9,077	(5,796)	(137)	3,144	2,556
14	"InecoBank" CJSC	40,076	34,659	2,893	21,470	998	24,993	(7,779)	(5,578)	11,636	9,413
15	"Mellat Bank" CJSC	4,197	3,491	477	3,425	363	4,017	(1,415)	78	2,679	2,104
16	"UniBank" OJSC	24,380	19,470	2,251	10,136	1,707	14,502	(9,171)	(3,704)	1,628	1,327
17	"VTB Bank Armenia" CJSC	35,382	32,556	1,788	20,988	1,788	23,814	(12,386)	(13,672)	(2,244)	(2,146)

\* Net operating income is before provisions and administrative expenses.

# Appendix 4

## Key Financial Indicators (continued)

### Key Indicators of the Financial Position as of 30.09.2019

	AMD Million	Assets	Interest Earning Assets	Gross Advances to Customers	Loans	Liabilities	Deposits	Equity	Charter Capital
1	"ACBA-Credit Agricole Bank" CJSC	405,843	325,212	301,209	277,953	338,979	229,998	66,864	30,000
2	"AmeriaBank" CJSC	820,084	646,122	583,025	566,279	723,564	467,742	96,520	37,347
3	"AraratBank" OJSC	216,809	183,056	146,964	133,030	179,667	83,739	37,142	8,804
4	"Ardshinbank" CJSC	672,387	539,663	481,063	445,067	596,481	379,460	75,906	52,227
5	"ArmBusinessBank" CJSC	782,970	652,888	609,504	523,140	731,233	580,831	51,737	40,010
6	"ArmEconomBank" OJSC	251,155	203,696	171,636	160,145	213,615	106,198	37,540	25,635
7	"ArmSwissBank" CJSC	264,483	246,041	94,270	88,430	212,599	107,037	51,884	8,753
8	"ArtsakhBank" CJSC	164,875	145,982	104,896	90,458	124,336	94,309	40,539	23,261
9	"Byblos Bank Armenia" CJSC	99,070	81,612	41,289	31,678	70,141	57,454	28,929	26,249
10	"Converse Bank" CJSC	302,183	234,249	215,057	210,312	260,113	206,101	42,070	16,417
11	"Evocabank" CJSC	143,215	113,576	103,249	87,394	113,163	76,926	30,052	17,950
12	"HSBC Bank Armenia" CJSC	206,349	161,177	138,341	120,844	165,382	158,079	40,968	18,434
13	"ID Bank" CJSC	148,029	120,892	85,260	76,435	105,026	72,127	43,003	33,972
14	"InecoBank" CJSC	317,998	256,496	227,442	226,698	265,413	172,109	52,586	14,546
15	"Mellat Bank" CJSC	58,712	38,201	11,453	11,453	20,788	5,049	37,924	32,100
16	"UniBank" OJSC	240,378	166,377	148,235	134,792	206,920	176,682	33,457	20,490
17	"VTB Bank Armenia" CJSC	300,816	232,751	207,241	186,794	249,312	217,378	51,504	63,776

# Appendix 3

## Key Financial Indicators (continued)

### Key Indicators of the Financial Results for the period ended 30.09.2019

	AMD Million	Total Income	Interest Income	Non-Interest Income	Net Interest Income	Net Non-Interest Income	Net Operating Income*	Operating Expenses	Net Provision Expenses	Net Profit before taxes	Net Profit after taxes
1	"ACBA-Credit Agricole Bank" CJSC	34,817	28,247	3,543	15,107	2,073	20,208	(12,473)	(1,360)	6,375	5,134
2	"AmeriaBank" CJSC	54,439	44,869	3,741	22,899	2,636	31,366	(14,555)	(5,769)	11,042	8,755
3	"AraratBank" OJSC	14,461	11,864	1,421	4,993	876	7,045	(4,572)	133	2,606	2,210
4	"Ardshinbank" CJSC	52,726	43,783	4,138	17,698	2,746	25,248	(8,797)	(6,032)	10,419	8,333
5	"ArmBusinessBank" CJSC	44,274	33,610	4,356	8,597	3,722	18,626	(8,796)	(5,342)	4,488	3,445
6	"ArmEconombank" OJSC	18,785	15,220	1,786	7,322	1,349	10,451	(7,308)	(766)	2,377	1,724
7	"ArmSwissBank" CJSC	19,925	16,545	488	6,021	407	9,319	(1,385)	186	8,120	6,520
8	"ArtsakhBank" CJSC	12,593	11,619	445	6,312	325	7,166	(2,168)	396	5,394	4,539
9	"Byblos Bank Armenia" CJSC	5,542	5,084	100	2,134	37	2,530	(929)	236	1,836	1,412
10	"Converse Bank" CJSC	22,174	17,747	2,281	9,545	1,564	13,256	(7,165)	(835)	5,256	3,868
11	"Evocabank" CJSC	11,003	8,675	771	4,415	156	6,129	(3,018)	(1,110)	2,001	1,602
12	"HSBC Bank Armenia" CJSC	11,054	8,369	1,810	6,126	1,409	8,410	(6,509)	(126)	1,775	1,407
13	"ID Bank" CJSC	10,631	9,073	599	5,754	347	7,061	(4,125)	349	3,284	2,510
14	"InecoBank" CJSC	27,890	24,005	2,065	14,219	671	16,710	(5,520)	(4,647)	6,542	5,217
15	"Mellat Bank" CJSC	3,161	2,542	396	2,508	281	3,012	(1,076)	119	2,055	1,621
16	"UniBank" OJSC	18,395	14,131	2,200	7,186	1,770	11,020	(6,690)	(3,166)	1,164	974
17	"VTB Bank Armenia" CJSC	27,441	23,732	2,437	14,786	1,331	17,389	(9,206)	(6,594)	1,589	1,637

# Appendix 5

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# Appendix 5

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# KPMG Experience in the Armenian Banking Sector

## Audit

### *Current clients*

- ID Bank CJSC
- Inecobank CJSC
- Ardshinbank CJSC
- Byblos Bank Armenia CJSC
- AmeriaBank CJSC

## Tax

### *Current clients*

- ArmBusinessBank CJSC
- HSBC Bank Armenia CJSC

## Advisory

### *Client name*

### *Service description*

Undisclosed Bank	Penetration testing for 4 banks
InecoBank CJSC	IFRS 9 implementation assistance
ID Bank CJSC	IFRS 9 implementation assistance
Ardshinbank CJSC	IFRS 9 implementation assistance
Byblos Bank Armenia CJSC	IFRS 9 implementation assistance
HSBC Bank Armenia CJSC	Staff lending
ID Bank (Anelik Bank) CJSC	KPMG in Armenia provided IT Advisory services to the bank.
Inecobank CJSC	KPMG in Armenia assisted the Bank in HR Advisory Services.
Undisclosed Bank	KPMG in Armenia performed Bank's Top management remuneration and bonus competitiveness survey
Undisclosed Bank	KPMG in Armenia performed Bank's all staff remuneration and bonus competitiveness survey

# Abbreviations

<b>ADB</b>	Asian Development Bank
<b>AMD</b>	Armenian Dram
<b>BV</b>	Besloten Vennootschap, a type of Dutch Private limited liability company
<b>CBA</b>	Central Bank of Armenia
<b>CJSC</b>	Closed Joint Stock Company
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EFSE</b>	European Fund for Southeast Europe
<b>HHI</b>	Herfindahl-Hirschman Index
<b>IFRS</b>	International Financial Reporting Standards
<b>IRI</b>	Islamic Republic of Iran
<b>LLC</b>	Limited Liability Company
<b>NIM</b>	Net Interest Margin
<b>NPE</b>	Net Provision Expenses
<b>NPT</b>	Net Profit after Taxes
<b>OCI</b>	Other Comprehensive Income
<b>OFI</b>	Other Financial Institutions
<b>OJSC</b>	Open Joint Stock Company
<b>PM</b>	Profit Margin
<b>RA</b>	Republic of Armenia
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>SME</b>	Small and Medium Entrepreneurship
<b>S.A.</b>	Société Anonyme (French term for a public limited company)
<b>S.A.L.</b>	Société anonyme libanaise (French term for a public limited company in Lebanon)
<b>USA</b>	The United States of America

## **Herfindahl-Hirschman Index**

Calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. Index below 0.1 indicates an unconcentrated index; index between 0.1 and 0.18 indicates moderate concentration; index above 0.18 indicates high concentration.

## **Equity to assets**

Calculated as the total equity divided by the total assets.

## **Liquidity**

Prudential ratio N12 (High liquid assets/Total assets) calculated and reported by each bank as of the reporting date according to the corresponding regulation of the CBA.

## **Capital adequacy**

Prudential ratio N1 (Total capital/ risk weighted assets) calculated and reported by each bank as of the reporting date according to the corresponding regulation of the CBA.

## **Net interest margin**

Calculated as the net interest income generated during the last 12 months ended by the reporting date divided by the average interest earning assets for the mentioned 12 months.

## **Profit margin**

Calculated as the net profit generated during the reported period divided by the total income for the same period.

## **Return on Assets**

Calculated as the net profit generated during the last 12 months ended by the reporting date divided by the total average assets for the mentioned 12 months.

## **Return on Equity**

Calculated as the net profit generated during the last 12 months ended by the reporting date divided by the average total equity for the mentioned 12 months.





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