

**“ACBA Leasing”  
Credit Organization CJSC**

**Summary financial statements**

*Year ended 31 December 2019  
together with independent auditor’s report*

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## **Independent auditor's report on the summary financial statements**

To the Shareholder and Board of Directors of  
"ACBA Leasing" Credit Organization CJSC

### ***Opinion***

The summary financial statements, which comprise the summary statement of financial position as of 31 December 2019, and the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, and a related note, are derived from the complete audited financial statements of "ACBA Leasing" Credit Organization CJSC (the Company) for the year ended 31 December 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

### ***Summary financial statements***

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### ***The audited consolidated financial statements and our report thereon***

We expressed an unmodified audit opinion on the audited financial statements in our report dated 7 May 2020.

### ***Management's responsibility for the summary financial statements***

Management is responsible for the preparation of a summary of the complete audited financial statements in accordance with the basis described in Note 1.



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**Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Ernst & Young CJSC

Marija Ignatjeva  
Partner

Eric Hayrapetyan  
General Director

Yerevan, Armenia

7 May 2020



**Summary statement of financial position**

**As at 31 December 2019**

	<b>2019</b> <b>AMD'000</b>	<b>2018</b> <b>AMD'000</b>
<b>Assets</b>		
Cash and cash equivalents	47,101	758,963
Finance lease receivables	20,312,851	15,257,457
Property, equipment and intangible assets	301,515	320,633
Deferred tax assets	27,901	-
Other assets	2,740,316	2,136,260
<b>Total assets</b>	<b>23,429,684</b>	<b>18,473,313</b>
<b>Liabilities</b>		
Loans from banks	8,662,325	5,937,258
Other borrowed funds	8,880,333	7,199,340
Current tax liability	83,160	73,909
Deferred tax liabilities	-	3,366
Other liabilities	1,114,858	1,141,784
<b>Total liabilities</b>	<b>18,740,676</b>	<b>14,355,657</b>
<b>Equity</b>		
Share capital	3,847,439	1,175,215
Retained earnings	841,569	2,942,441
<b>Total equity</b>	<b>4,689,008</b>	<b>4,117,656</b>
<b>Total equity and liabilities</b>	<b>23,429,684</b>	<b>18,473,313</b>

Signed and authorised for release on behalf of the Management Board on 7 May 2020.



Aghasi Gasparyan  
General Manager




Tatul Tamrazyan  
Chief Accountant

**Summary statement of comprehensive income****For the year ended 31 December 2019**

	<b>2019</b> <b>AMD'000</b>	<b>2018</b> <b>AMD'000</b>
<b>Interest income</b>		
Interest income from finance leases	1,651,074	1,393,230
Other interest revenue	142,983	61,116
Interest revenue calculated using effective interest rate	18,560	31,339
<b>Total interest income</b>	<b>1,812,617</b>	<b>1,485,685</b>
<b>Interest expense</b>		
Other borrowed funds	(490,224)	(483,274)
Loans from banks	(371,238)	(233,642)
<b>Total Interest expense</b>	<b>(861,462)</b>	<b>(716,916)</b>
<b>Net interest income</b>	<b>951,155</b>	<b>768,769</b>
Credit loss expense	(15,279)	(2,509)
<b>Net interest income after credit loss expense</b>	<b>935,876</b>	<b>766,260</b>
Fee and commission income	317,748	275,450
Fee and commission expense	(104,047)	(64,743)
Net losses from foreign currency dealing	(17,524)	(10,806)
Other operating income	49,553	36,795
Personnel expenses	(263,197)	(272,107)
Other general administrative expenses	(104,263)	(86,091)
Other operating expenses	(83,197)	(75,610)
<b>Profit before income tax</b>	<b>730,949</b>	<b>569,148</b>
Income tax expense	(159,597)	(123,834)
<b>Profit for the year</b>	<b>571,352</b>	<b>445,314</b>
<b>Total comprehensive income for the year</b>	<b>571,352</b>	<b>445,314</b>

**Summary statement of changes in equity****For the year ended 31 December 2019**

	<i>Share capital AMD'000</i>	<i>Retained earnings AMD'000</i>	<i>Total equity AMD'000</i>
<b>Balance as at 1 January 2018</b>	<b>1,175,215</b>	<b>2,497,127</b>	<b>3,672,342</b>
Total comprehensive income for the year	–	445,314	<b>445,314</b>
<b>Balance as at 31 December 2018</b>	<b>1,175,215</b>	<b>2,942,441</b>	<b>4,117,656</b>
Total comprehensive income for the year	–	571,352	<b>571,352</b>
Increase in nominal value of issued shares	2,672,224	(2,672,224)	–
<b>Balance as at 31 December 2019</b>	<b>3,847,439</b>	<b>841,569</b>	<b>4,689,008</b>

**Summary statement of cash flows****For the year ended 31 December 2019**

	<b>2019</b> <b>AMD'000</b>	<b>2018</b> <b>AMD'000</b>
<b>Cash flows from operating activities</b>		
Interest received	1,778,261	1,483,582
Interest paid	(830,688)	(704,265)
Fees and commissions received	317,748	275,450
Fees and commissions paid	(104,047)	(64,743)
Realised gains less losses from dealing in foreign currencies	(17,524)	(10,806)
Other operating expenses paid	(32,182)	(75,610)
Other operating income received	49,553	36,795
Personnel expenses paid	(256,608)	(253,377)
Other general administrative expenses paid	(70,683)	(101,462)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>833,830</b>	<b>585,564</b>
<i>Net (increase)/decrease in operating assets</i>		
Placements with banks	–	729,459
Finance lease receivables	(6,783,081)	(2,407,878)
Other assets	932,067	(994,442)
<i>Net increase/(decrease) in operating liabilities</i>		
Other liabilities	8,664	469,733
<b>Net cash used in operating activities before income tax</b>	<b>(5,008,520)</b>	<b>(1,617,564)</b>
Income tax paid	(181,613)	(100,367)
<b>Net cash used in operating activities</b>	<b>(5,190,133)</b>	<b>(1,717,931)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, equipment and intangible assets	(10,202)	(19,474)
<b>Net cash used in investing activities</b>	<b>(10,202)</b>	<b>(19,474)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans from banks	16,172,274	9,228,108
Repayment of loans from banks	(13,398,686)	(7,099,681)
Proceeds from other borrowed funds	3,597,300	3,437,749
Repayment of other borrowed funds	(1,885,923)	(4,011,099)
<b>Net cash from financing activities</b>	<b>4,484,965</b>	<b>1,555,077</b>
Effect of exchange rates changes on cash and cash equivalents	2,193	8,399
Effect of expected credit losses on cash and cash equivalents	1,315	(1,317)
<b>Net increase in cash and cash equivalents</b>	<b>(711,862)</b>	<b>(175,246)</b>
Cash and cash equivalents, beginning	758,963	934,209
<b>Cash and cash equivalents, ending</b>	<b>47,101</b>	<b>758,963</b>



**Note 1**

As per law On Credit Organizations of the Republic of Armenia "ACBA Leasing" Credit Organization CJSC should publish its financial statements.

The accompanying summary financial statements, which comprise the summary statement of financial position as of 31 December 2019, and the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year ended 31 December 2019, and related note, are derived from the complete audited financial statements of the Company for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards.

The accompanying summary financial statements do not include all required information, which is presented in complete set of financial statements, particularly summary of significant accounting policies and other clarifying information which is required to disclose according to the International Financial Reporting Standards.

A complete set of financial statements of the Company can be found at "ACBA Leasing" Credit Organization CJSC's website.