

Statement of Financial Position

As of December 31, 2023

(thousand Armenian dram)

Note: 31/12/23 31/12/22

Assets

Cash and cash equivalents	5	10,988,713	3,180,144
Claims against banks	6	970,266	110,319
Financial derivative assets	8	5,258,863	4,551,296
Investment securities pledged against repurchase agreements	8	3,126,409	0
Loans granted to customers	9	89,181,788	56,410,990
Fixed assets and right-of-use assets	10	3,656,299	2,690,069
Intangible assets	11	1,399,673	613,470
Other assets	14	<u>2,410,371</u>	<u>815,423</u>
Total assets		<u>116,992,381</u>	<u>68,371,711</u>

Obligations

Derivative Financial Obligations	7	0	2,549
Liabilities to Customers	15	34,316,341	582,925
Liabilities to banks	16	5,059,015	7,765,422
Issued debt securities	17	5,964,869	1,451,539
Obligations	8	<u>2,952,186</u>	<u>0</u>
Other borrowings	18	7,934,062	3,333,190
Lease Obligations	19	1,754,993	1,787,052
Current profit tax liabilities		1,625,016	1,504,320
Deferred tax liabilities	12	2,007,562	2,260,053
Other obligations	20	<u>1,902,497</u>	<u>950,983</u>
Total liabilities		<u>63,516,542</u>	<u>19,638,032</u>

Own capital

Share capital	21	30,100,000	30,100,000
Undistributed profit		23,813,069	19,437,015
Revaluation reserve for investment securities	21	(437,230)	(803,336)
Total Own capital		<u>53,475,839</u>	<u>48,733,679</u>
Total Liabilities and Own Capital		<u>116,992,381</u>	<u>68,371,711</u>

Signed and certified by the Bank's Management:

Garegin Darbinyan

Executive director/Head of the directorate

Tatul Tamrazyan

Chief accountant

January 15, 2024.

Statement of financial results and other comprehensive financial results for the period completed on December 31, 2023
(thousand Armenian dram)

	<i>Note:</i>	<u>01/10/2023-</u> <u>31/12/2023</u>	<u>01/01/2023-</u> <u>31/12/2023</u>	<u>01/10/2022-</u> <u>31/12/2022</u>	<u>01/01/2022-</u> <u>31/12/2022</u>
Interest income calculated using the effective interest method	23	4,079,372	14,885,241	2,662,431	13,458,719
Interest expense	23	(747,820)	(2,458,264)	(338,998)	(2,421,795)
Net interest income		3,331,552	12,426,977	2,323,433	11,036,924
Credit loss (expense)/recovery	13	295,941	(368,279)	(601,768)	(663,007)
Net interest income after credit loss expenses		<u>3,627,492</u>	<u>12,058,698</u>	<u>1,721,665</u>	<u>10,373,917</u>
Income in the form of commissions	24	70,910	206,644	7,058	26,155
Commission Expenses	24	(33,744)	(85,232)	(75,582)	(156,641)
Net (loss)/profit from financial instruments measured at fair value through profit or loss		75,360	61,480	(1,200)	(1,200)
<i>Net profit/(loss) from exchange rate differences</i>		338,171	547,695	(37,224)	1,657,826
- From purchase and sale transactions		225,165	716,850	185,928	986,780
- From currency revaluation		113,006	(169,155)	(223,152)	671,046
Other operating income		40,585	87,280	17,711	45,855
Non-interest income		<u>491,281</u>	<u>817,867</u>	<u>(89,237)</u>	<u>1,571,995</u>
Staff expenses	25	(1,378,025)	(4,537,367)	(750,839)	(3,393,873)
Depreciation and amortization deductions	10,11	(241,353)	(832,777)	(125,342)	(417,348)
Other operating expenses	25	(576,995)	(1,598,848)	(399,024)	(1,010,906)
Non-interest expenses		<u>(2,196,373)</u>	<u>(6,968,993)</u>	<u>(1,275,204)</u>	<u>(4,822,127)</u>
Profit before income tax		1,922,401	5,907,573	357,224	7,123,785
Income tax expense	12	(605,634)	(1,531,518)	(393,810)	(1,217,049)
Profit for the period		<u>1,316,767</u>	<u>4,376,055</u>	<u>(36,586)</u>	<u>5,906,736</u>
Other comprehensive income					
Other comprehensive income reclassified to profit or loss in subsequent periods:					
Net change in the fair value of debt instruments measured through other comprehensive income at fair value		(158,857)	402,596	(15,818)	(537,448)
Changes in the reserve of expected credit losses on debt instruments measured through other comprehensive income results		22,695	43,874	(517)	(13,527)
Income tax on items of other comprehensive income	12	24,509	(80,365)	2,940	99,175
Other net comprehensive (loss)/profit reclassified as (loss)/profit in subsequent periods		<u>(111,653)</u>	<u>366,106</u>	<u>(13,395)</u>	<u>(451,800)</u>
Other comprehensive (loss)/profit after tax for the period		(111,653)	366,106	(13,395)	(451,800)
Other comprehensive gain/(loss) after tax		(111,653)	366,106	(13,395)	(451,800)
Total comprehensive income for the reporting period		<u>1,205,115</u>	<u>4,742,161</u>	<u>(49,981)</u>	<u>5,454,936</u>

Statement of changes in the own capital for the period completed on December, 31, 2023
(thousand Armenian dram)

	Note.	Share capital	Revaluation reserve of Investment securities	Undistributed profit	Total Capital
The balance as of January 1, 2022		<u>7,000,000</u>	<u>(351,536)</u>	<u>15,530,279</u>	<u>22,178,743</u>
Total comprehensive income					
Profit for the reporting period		-	-	5,906,736	5,906,736
Other comprehensive (loss)/gain for the reporting period		-	<u>(451,800)</u>	-	<u>(451,800)</u>
Total comprehensive income for the reporting period		-	<u>(451,800)</u>	<u>5,906,736</u>	<u>5,454,936</u>
Conversion of liability into own capital	21	21,200,000	-	-	21,200,000
Dividends paid to bank shareholders	21	1,900,000	-	(1,900,000)	0
Conversion of liability into own capital	21	-	-	(100,000)	(100,000)
The balance by December 31, 2023		<u>30,100,000</u>	<u>(803,336)</u>	<u>19,437,015</u>	<u>48,733,679</u>
The balance by January, 01, 2023		<u>30,100,000</u>	<u>(803,336)</u>	<u>19,437,015</u>	<u>48,733,679</u>
Profit for the reporting period		-	-	4,376,055	4,376,055
Other net comprehensive (loss)/profit for the reporting period		-	<u>366,106</u>	-	<u>366,106</u>
Total comprehensive income for the reporting period		-	<u>366,106</u>	<u>4,376,055</u>	<u>4,742,161</u>
Dividends paid to bank shareholders	21	-	-	-	-
The balance by December 31, 2023		<u>30,100,000</u>	<u>(437,230)</u>	<u>23,813,069</u>	<u>53,475,839</u>

Summary Statement of Cash Flows
for the period completed on December 31, 2023
(thousand Armenian dram)

	Note:	01/01/2023- 31/12/2023	01/01/2022- 31/12/2022
Cash flows from operating activities			
Interest earned		14,655,075	13,306,740
Interest paid		(1,386,782)	(2,626,124)
Commission amounts received		206,644	10,841
Commission amounts paid		(85,232)	(154,900)
Profit/(Loss) from foreign exchange trading operations		578,603	1,069,223
Payments for the staff		(4,524,098)	(3,492,680)
Other operating income /(other expenses paid)		<u>(1,728,155)</u>	<u>(939,540)</u>
Net cash flows before the changes in operating assets and liabilities		7,716,055	7,173,560
<i>(Increase)/decrease in operating assets</i>			
Loans granted to customers		(32,638,882)	(5,927,564)
(Increase)/decrease of the requirements to the banks		(862,495)	(118,781)
Other assets		(1,831,137)	(387,155)
<i>(Increase)/decrease in operating liabilities</i>			
Amounts payable under repurchase agreements		2,948,351	0
Customer Current Accounts and Deposits		32,286,301	581,847
Other obligations		1,545,852	612,027
Net cash used in operating activities before profit taxes		9,164,045	1,933,934
Profit tax paid		<u>(1,716,045)</u>	<u>(34,635)</u>
Net cash flow from operating activities		<u>7,448,001</u>	<u>1,899,299</u>
Cash flows from investing activities			
Investment securities (increase)/decrease		(3,809,542)	-
Acquisition of fixed assets and intangible assets		(1,270,653)	(742,949)
Disposal of fixed assets		(280,695)	(619,703)
Net cash flows from investing activities		<u>(5,360,890)</u>	<u>(1,362,652)</u>
Cash flows from financial activities			
Shareholders' contributions to the authorized capital		-	0
Increase/(decrease) in loans received from banks	42	(2,939,067)	2,584,835
Increase/(decrease) of issued bonds	42	4,434,955	1,119,158
Increase/(decrease) in the borrowed funds	42	4,537,276	(2,456,693)
Repayment of lease obligations	42	(428,936)	(193,785)
Dividends paid to shareholders	21	-	(100,000)
Net cash flows from financial activities		<u>5,604,228</u>	<u>953,515</u>
Effect of changes in foreign exchange rates on cash and cash equivalents		119,978	(722,837)
Effect of changes in the expected debt losses on cash and cash equivalents		(2,749)	275
Net increase/(decrease) in cash and cash equivalents		7,808,569	767,600
Cash and cash equivalents at the beginning of the period		<u>3,180,144</u>	<u>2,412,544</u>
Cash and cash equivalents at the end of the period	7	<u>10,988,713</u>	<u>3,180,144</u>