

Statement of financial position

As of 30 September 2023

(thousands of Armenian Drams)

	Notes	30/09/23	31/12/22
Assets			
Cash and cash equivalents	5	10,990,931	3,180,144
Amounts due from banks	6	608,137	110,319
Derivative financial assets		17,346	0
Investment securities	8	6,402,073	4,551,296
Loans to customers	9	78,217,690	56,410,990
Property, equipment and right-of-use assets	10	3,634,732	2,690,070
Intangible assets	11	1,217,686	613,470
Other assets	14	602,795	815,423
Total assets		101,691,390	68,371,710
Liabilities			
Derivative financial liabilities	7	0	2,549
Amounts due to customers	15	25,225,918	582,925
Amounts due to banks	16	8,953,115	7,765,422
Debt securities issued	17	2,676,505	1,451,539
Other borrowed funds	18	6,507,538	3,333,190
Lease liability	19	1,904,801	1,787,052
Current income tax liabilities		936,208	1,504,320
Deferred income tax liabilities	12	2,182,962	2,260,053
Other liabilities	20	1,033,619	950,983
Total liabilities		49,420,666	19,638,032
Equity			
Share capital	21	30,100,000	30,100,000
Retained earnings		22,496,301	19,437,014
Revaluation reserve for investment securities	21	(325,577)	(803,336)
Total equity		52,270,724	48,733,678
Total equity and liabilities		101,691,389	68,371,710

Signed and authorised for release on behalf of the Management Board of the Bank.

Garegin Darbinyan

Executive Director

Tatul Tamrazyan

Chief Accountant

13 October 2023



Statement of profit or loss and other comprehensive income

For the period ended 30 September 2023

(thousands of Armenian Drams)

	Notes	01/07/2023- 30/09/2023	01/01/2023- 30/09/2023	01/07/2022- 30/09/2022	01/01/2022- 30/09/2022
Interest revenue calculated using effective interest rate	23	3,716,930	10,805,869	3,547,016	10,796,288
Interest expense	23	(767,173)	(1,710,444)	(488,234)	(2,082,797)
Net interest income		2,949,756	9,095,425	3,058,782	8,713,491
Credit loss expense	13	(18,106)	(664,220)	1,087,006	(61,239)
Net interest income after credit loss expense		2,931,651	8,431,206	4,145,788	8,652,252
Fee and commission income	24	96,818	135,735	6,785	19,097
Fee and commission expense	24	(32,644)	(51,487)	(67,160)	(81,059)
Net (loss)/gain from financial instruments at fair value through profit or loss		21,520	(13,880)	0	0
<i>Net gain/(loss) from foreign currencies</i>		79,547	209,524	165,067	1,695,050
- dealing		187,627	491,685	201,884	800,852
- translation difference		(108,079)	(282,161)	(36,817)	894,198
Other income		18,747	46,695	7,795	28,144
Non-interest income		183,988	326,586	112,487	1,661,232
Personnel expenses	25	(1,059,053)	(3,159,342)	(914,249)	(2,643,034)
Depreciation and amortisation	10,11	(244,209)	(591,424)	(112,132)	(292,006)
Other operating expense	25	(487,725)	(1,021,854)	(313,198)	(611,882)
Non-interest expense		(1,790,987)	(4,772,620)	(1,339,579)	(3,546,923)
Profit before income tax expense		1,324,651	3,985,172	2,918,696	6,766,561
Income tax expense	12	(287,188)	(925,884)	(360,206)	(823,239)
Profit for the period		1,037,464	3,059,287	2,558,490	5,943,322
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Net change in fair value of debt instruments at fair value through other comprehensive income		179,958	561,453	(129,378)	(521,630)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		5,884	21,179	(559)	(13,010)
Income tax relating to components of other comprehensive income	12	(33,452)	(104,874)	23,389	96,235
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods		152,391	477,759	(106,548)	(438,404)
Other comprehensive (loss)/income for the year, net of tax		152,391	477,759	(106,548)	(438,404)
Other comprehensive income for the year, net of tax		152,391	477,759	(106,548)	(438,404)
Total comprehensive income for the year		1,189,854	3,537,046	2,451,941	5,504,918

Statement of changes in equity
For the period ended 30 September 2023
(thousands of Armenian Drams)

	<i>Notes</i>	<i>Share capital</i>	<i>Revaluation reserve for investment securities</i>	<i>Retained earnings</i>	<i>Total equity</i>
Balance as at 1 January 2022		7,000,000	(351,536)	15,530,279	22,178,743
Total comprehensive income					
Profit for the period		-	-	5,943,322	5,943,322
Other comprehensive (loss)/gain for the period		-	(438,404)	-	(438,404)
Total comprehensive income for the period		-	(438,404)	5,943,322	5,504,918
Debt to equity swap	21	23,100,000	-	-	23,100,000
Dividends paid to shareholders of the Bank	21	-	-	(2,000,000)	(2,000,000)
Balance as at 30 September 2022		30,100,000	(789,940)	19,473,601	48,783,661
 Balance as at 1 January 2023		 30,100,000	 (803,336)	 19,437,014	 48,733,678
Profit for the period		-	-	3,059,287	3,059,287
Other comprehensive (loss)/gain for the period		-	477,759	0	477,759
Total comprehensive income for the period		-	477,759	3,059,287	3,537,046
Dividends paid to shareholders of the Bank	21	-	-	-	-
Balance as at 30 September 2023		30,100,000	(325,577)	22,496,301	52,270,724

Statement of cash flows
For the period ended 30 September 2023
(thousands of Armenian Drams)

	Note	01/01/2023- 30/09/2023	01/01/2022- 30/09/2022
Cash flows from operating activities			
Interest received		10,339,356	9,757,944
Interest paid		(883,058)	(3,199,453)
Fees and commissions received		135,735	9,806
Fees and commissions paid		(51,487)	(56,479)
Benefits from foreign exchange trading operations/(loss)		361,082	880,104
Salary paid-other equivalent payments		(3,273,002)	(2,463,430)
Other operating income, other expenses paid		(1,406,030)	(1,168,750)
Cash flows from changes in operating assets and liabilities		5,222,595	3,759,741
<i>Increase/decrease in operating assets</i>			
Loans to customers		(22,444,247)	(5,540,509)
Other assets		(497,888)	-
<i>Increase/(decrease) in operating liabilities</i>			
Amounts payable under repurchase agreements		(11,759)	-
Amounts due to customers		24,315,580	-
Net cash flows from operating activities before income tax		6,584,281	(1,780,768)
Income tax paid		(1,642,307)	-
Net cash from / (used in) operating activities		4,941,973	(1,780,768)
Cash flows from investing activities			
Investment stocks (increase)/decrease		(1,190,923)	-
Purchase of property and equipment, intangible assets		(1,284,087)	(933,699)
Alienation of property		701	2,798
Net cash from / (used in) investing activities		(2,474,309)	(930,901)
Cash flows from financing activities			
Shareholders' contributions to the authorized capital		-	2,000,000
Increase/(decrease) of issued bonds	42	1,221,235	1,124,806
Increase/(decrease) in other borrowed funds	42	4,323,875	4,837,029
Dividends paid to shareholders of the Bank	42	-	(2,000,000)
Net cash from / (used in) financing activities		5,545,110	5,961,836
Effect of exchange rates changes on cash and cash equivalents		(199,237)	(431,833)
Effect of expected credit losses on cash and cash equivalents		(2,750)	(2,553)
Net increase/(decrease) in cash and cash equivalents		7,810,788	2,815,780
Cash and cash equivalents, beginning		3,180,144	2,412,544
Cash and cash equivalents, ending	7	10,990,931	5,228,324