

Statement of financial position

As of 31 December 2023

(thousands of Armenian Drams)

	Notes	31/12/23	31/12/22
Assets			
Cash and cash equivalents	5	10,988,713	3,180,144
Amounts due from banks	6	970,266	110,319
Investment securities	8	5,258,863	4,551,296
Investment securities pledged under repurchase agreements	8	3,126,409	0
Loans to customers	9	89,181,788	56,410,990
Property, equipment and right-of-use assets	10	3,656,299	2,690,069
Intangible assets	11	1,399,673	613,470
Other assets	14	2,410,371	815,423
Total assets		116,992,381	68,371,711
Liabilities			
Derivative financial liabilities	7	0	2,549
Amounts due to customers	15	34,316,341	582,925
Amounts due to banks	16	5,059,015	7,765,422
Debt securities issued	17	5,964,869	1,451,539
Liabilities directly associated with assets held for sale	8	2,952,186	0
Other borrowed funds	18	7,934,062	3,333,190
Lease liability	19	1,754,993	1,787,052
Current income tax liabilities		1,625,016	1,504,320
Deferred income tax liabilities	12	2,007,562	2,260,053
Other liabilities	20	1,902,497	950,983
Total liabilities		63,516,542	19,638,032
Equity			
Share capital	21	30,100,000	30,100,000
Retained earnings		23,813,069	19,437,015
Revaluation reserve for investment securities	21	(437,230)	(803,336)
Total equity		53,475,839	48,733,679
Total equity and liabilities		116,992,381	68,371,711

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

Garegin Darbinyan

Executive Director

Tatul Tamrazyan

Chief Accountant

15 January 2024



Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

(thousands of Armenian Drams)

	Notes	01/10/2023- 31/12/2023	01/01/2023- 31/12/2023	01/10/2022- 31/12/2022	01/01/2022- 31/12/2022
Interest revenue calculated using effective interest rate	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	13	295,941	(368,279)	(601,768)	(663,007)
Net interest income after credit loss expense		3,627,492	12,058,698	1,721,665	10,373,917
Fee and commission income	24	70,910	206,644	7,058	26,155
Fee and commission expense	24	(33,744)	(85,232)	(75,582)	(156,641)
Net (loss)/gain from financial instruments at fair value through profit or loss		75,360	61,480	(1,200)	(1,200)
<i>Net gain/(loss) from foreign currencies</i>		338,171	547,695	(37,224)	1,657,826
- dealing		225,165	716,850	185,928	986,780
- translation difference		113,006	(169,155)	(223,152)	671,046
Other income		40,585	87,280	17,711	45,855
Non-interest income		491,281	817,867	(89,237)	1,571,995
Personnel expenses	25	(1,378,025)	(4,537,367)	(750,839)	(3,393,873)
Depreciation and amortisation	10,11	(241,353)	(832,777)	(125,342)	(417,348)
Other operating expense	25	(576,995)	(1,598,848)	(399,024)	(1,010,906)
Non-interest expense		(2,196,373)	(6,968,993)	(1,275,204)	(4,822,127)
Profit before income tax expense		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		1,316,767	4,376,055	(36,586)	5,906,736
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		(158,857)	402,596	(15,818)	(537,448)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		22,695	43,874	(517)	(13,527)
Income tax relating to components of other comprehensive income	12	24,509	(80,365)	2,940	99,175
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods		(111,653)	366,106	(13,395)	(451,800)
Other comprehensive (loss)/income for the year, net of tax		(111,653)	366,106	(13,395)	(451,800)
Other comprehensive income for the year, net of tax		(111,653)	366,106	(13,395)	(451,800)
Total comprehensive income for the year		1,205,115	4,742,161	(49,981)	5,454,936

Statement of changes in equity
For the year ended 31 December 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		-	-	5,906,736	5,906,736
Other comprehensive (loss)/gain for the period		-	(451,800)	-	(451,800)
Total comprehensive income for the period		-	(451,800)	5,906,736	5,454,936
Debt to equity swap	21	21,200,000	-	-	21,200,000
Dividend capitalization	21	1,900,000	-	(1,900,000)	0
Dividends paid to shareholders of the Bank	21	-	-	(100,000)	(100,000)
Balance as at 31 December 2022		30,100,000	(803,336)	19,437,015	48,733,679
Balance as at 1 January 2023		30,100,000	(803,336)	19,437,015	48,733,679
Profit for the period		-	-	4,376,055	4,376,055
Other comprehensive (loss)/gain for the period		-	366,106	0	366,106
Total comprehensive income for the period		-	366,106	4,376,055	4,742,161
Dividends paid to shareholders of the Bank	21	-	-	-	-
Balance as at 31 December 2023		30,100,000	(437,230)	23,813,069	53,475,839

Statement of cash flows
For the year ended 31 December 2023
(thousands of Armenian Drams)

	<i>Note</i>	01/01/2023- 31/12/2023	01/01/2022- 31/12/2022
Cash flows from operating activities			
Interest received		14,655,075	13,306,740
Interest paid		(1,386,782)	(2,626,124)
Fees and commissions received		206,644	10,841
Fees and commissions paid		(85,232)	(154,900)
Benefits from foreign exchange trading operations/(loss)		578,603	1,069,223
Salary paid-other equivalent payments		(4,524,098)	(3,492,680)
Other operating income received/(other operating expenses paid)		(1,728,155)	(939,540)
Cash flows from changes in operating assets and liabilities		7,716,055	7,173,560
<i>Increase/decrease in operating assets</i>			
Loans to customers		(32,638,882)	(5,927,564)
(Increase)/decrease in amounts due from 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
Current accounts and deposits from customers		32,286,301	581,847
Other liabilities		1,545,852	612,027
Net cash flows from operating activities before income tax		9,164,045	1,933,934
Income tax paid		(1,716,045)	(34,635)
Net cash from / (used in) operating activities		7,448,001	1,899,299
Cash flows from investing activities			
Investment stocks (increase)/decrease		(3,809,542)	-
Purchase of property and equipment, intangible assets		(1,270,653)	(742,949)
Alienation of property		(280,695)	(619,703)
Net cash from / (used in) investing activities		(5,360,890)	(1,362,652)
Cash flows from financing activities			
Shareholders' contributions to the authorized capital		-	0
Proceeds/(repayment) of loans from banks	42	(2,939,067)	2,584,835
Increase/(decrease) of issued bonds	42	4,434,955	1,119,158
Increase/(decrease) in other borrowed funds	42	4,537,276	(2,456,693)
Lease payments	42	(428,936)	(193,785)
Dividends paid to shareholders of the Bank	21	-	(100,000)
Net cash from / (used in) financing activities		5,604,228	953,515
Effect of exchange rates changes on cash and cash equivalents		119,978	(722,837)
Effect of expected credit 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, beginning		3,180,144	2,412,544
Cash and cash equivalents, ending	7	10,988,713	3,180,144