

FINANCIAL ANALYSIS OF THE BANK ATTACHED TO ANNUAL FINANCIAL STATEMENTS**2023****FINANCIAL ANALYSIS OF THE BANK ATTACHED TO ANNUAL FINANCIAL STATEMENTS**

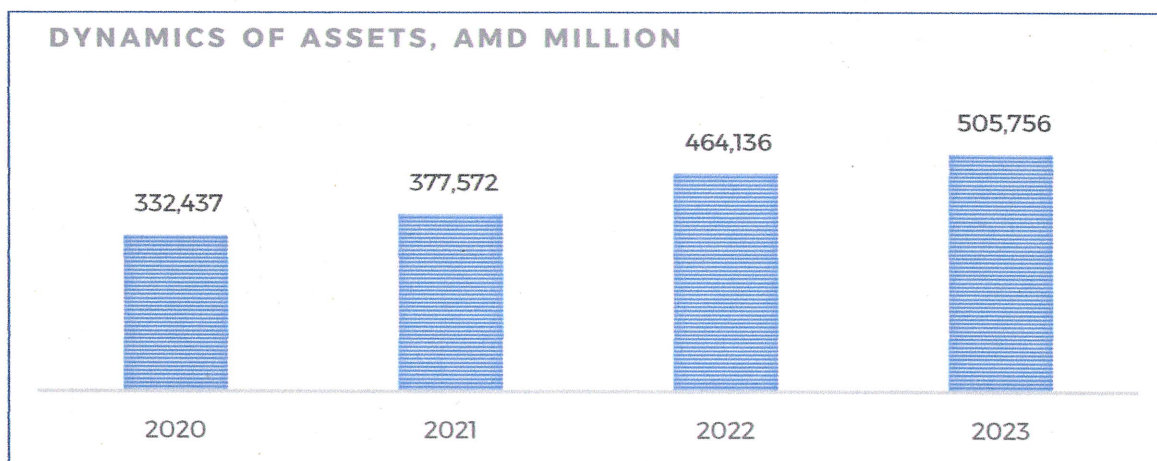
Based on the financial results and profitability ratios of the previous years, within the context of prospective and long-term development, the activities of the Bank in the upcoming years are aimed at the implementation and development of systematic measures and technologies, which will lay a fundamental and stable cornerstone and create prerequisites for the Bank's further development.

The Bank carried on providing high-quality services to customers during the reporting period.

With regard to the main financial indicators, it should be mentioned that in 2023 the Bank experienced an increase in assets and liabilities.

In particular:

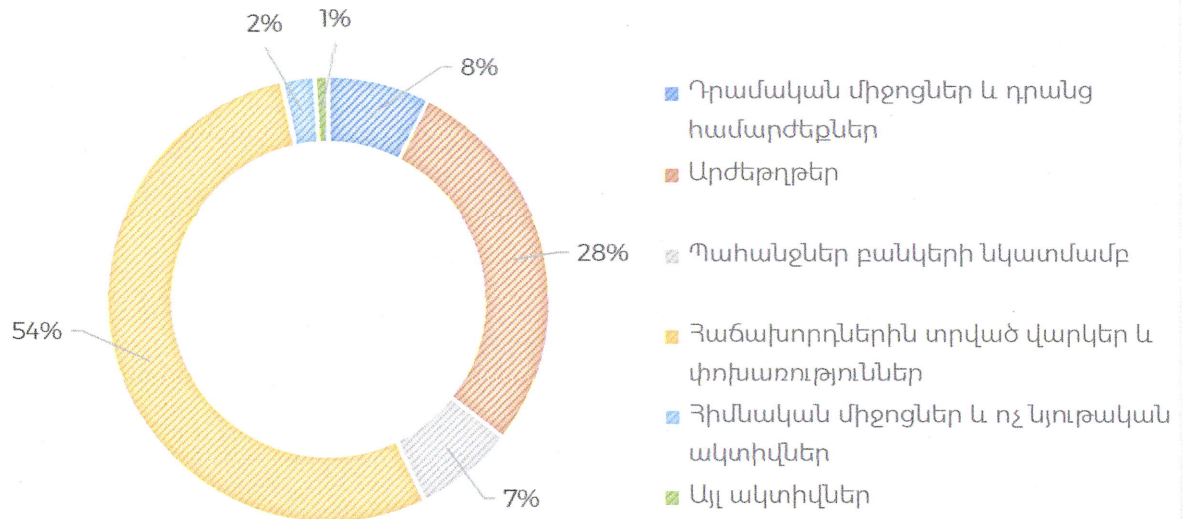
- Total assets of the Bank increased by AMD 42 billion or 9% compared to the previous year and amounted to AMD 506 billion.



- ✓ The total credit portfolio was about AMD 279 billion increasing by 49 AMD billion (21.4%) compared to the previous year and making up 55% of total assets, of which
 - Individual loan portfolio increased by about AMD 31 billion (by 23.8%)
 - Business loan portfolio increased by about AMD 18 billion (by 18.1%)

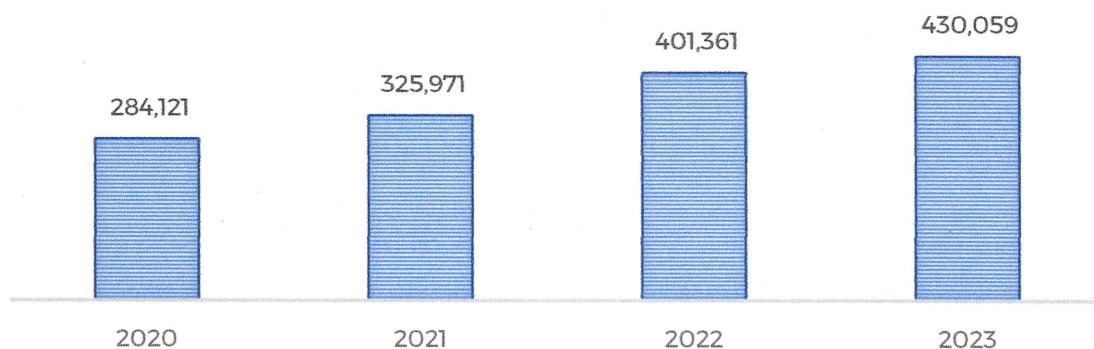
FINANCIAL ANALYSIS OF THE BANK ATTACHED TO ANNUAL FINANCIAL STATEMENTS
2023

THE STRUCTURE OF THE BANK'S ASSETS AS OF THE
END OF 2023



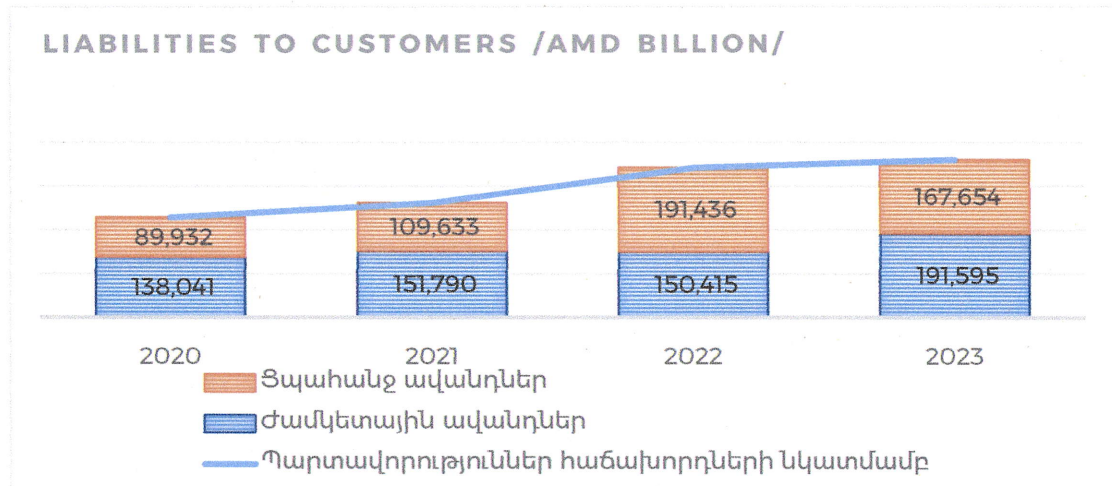
- At the end of the year, the Bank's total liabilities increased by about AMD 28.7 billion or 7.2% compared to the previous year and amounted to AMD 430 billion. This is a sound evidence that the customers trust the Bank, its flexible tariff policy and quality of the services provided.

LIABILITIES, AMD BILLION

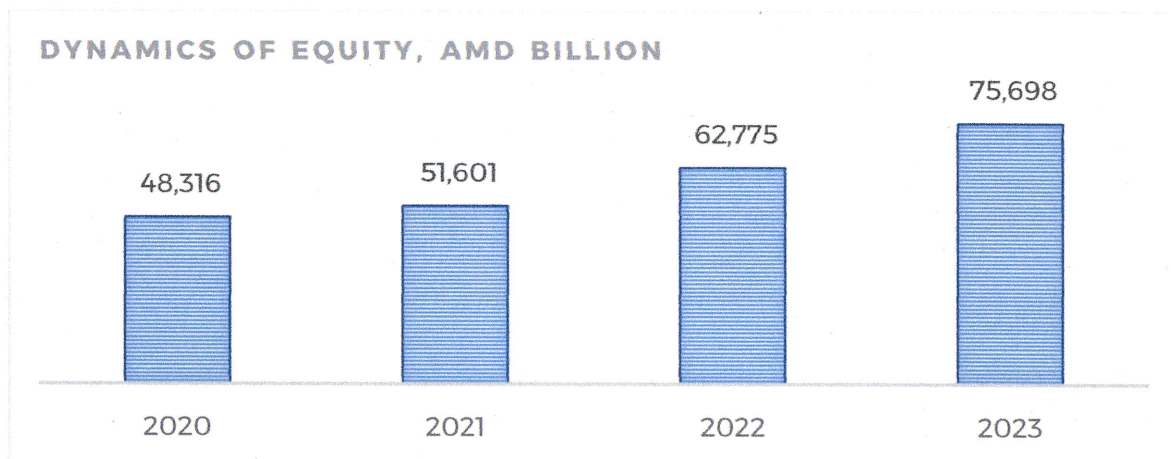


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- ✓ Accounts Payable/Liabilities/ to customers increased by AMD 17.4 billion (by 5%) and accounted for 83.54% of the total liabilities.



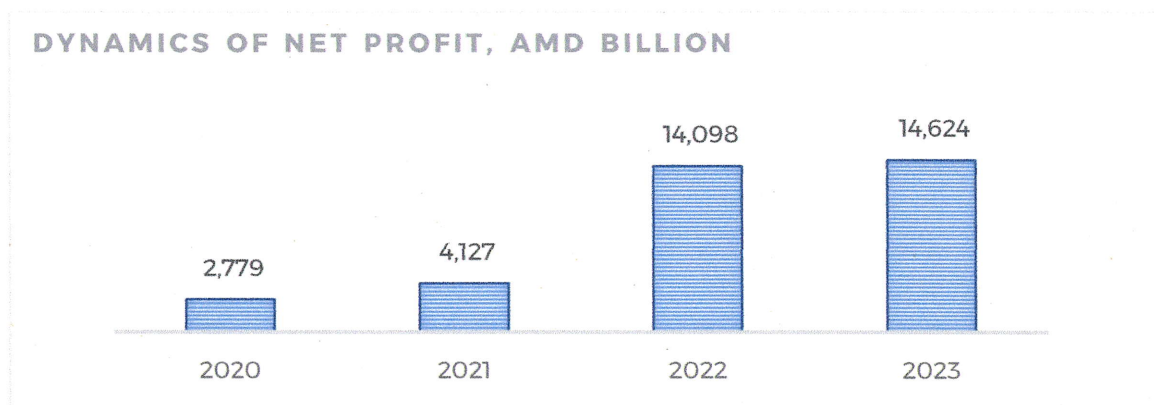
- Equity /net worth/ increased by AMD 12.9 billion or 20.6% compared to the previous year and amounted to AMD 76.7 billion.



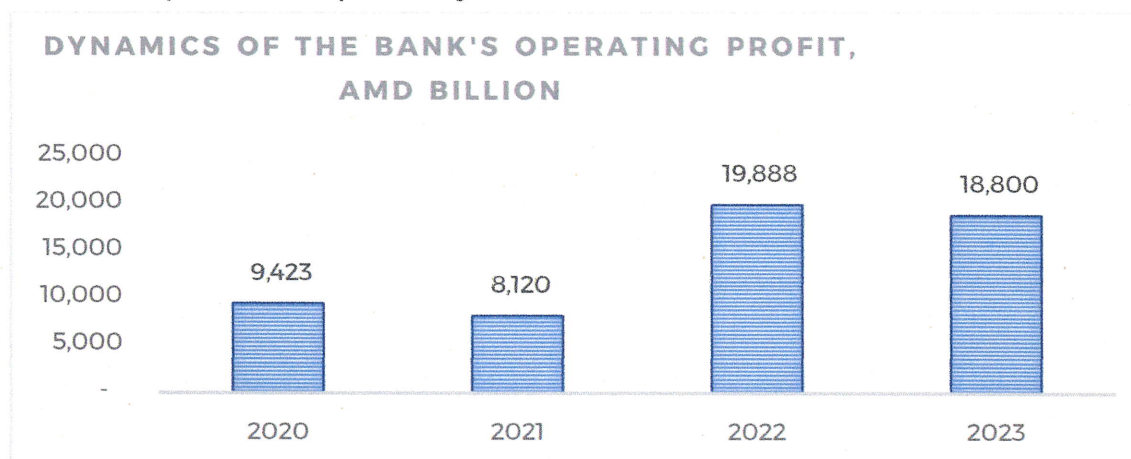
- In 2023, the level of the main economic prudential standards of the Bank indicated its high level of solvency, liquidity, great potential to withstand credit and liquidity risks. During the entire period, the main economic prudential standards were within the permissible limits set by the Central Bank of the Republic of Armenia.

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FINANCIAL RESULTS

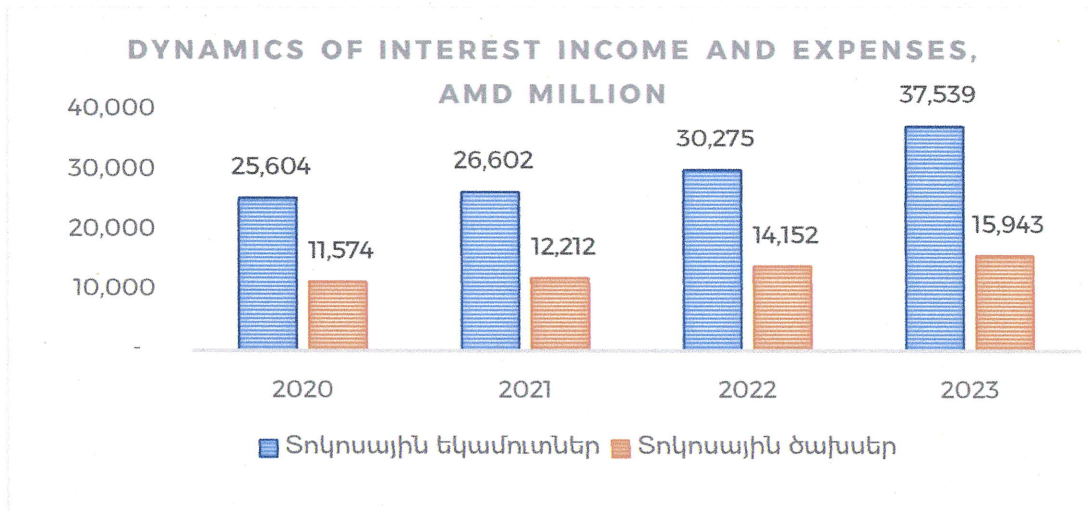
- The net profit of the year amounted to AMD 14.6 billion. In comparison with the results of the previous year, it increased by 3.7%.



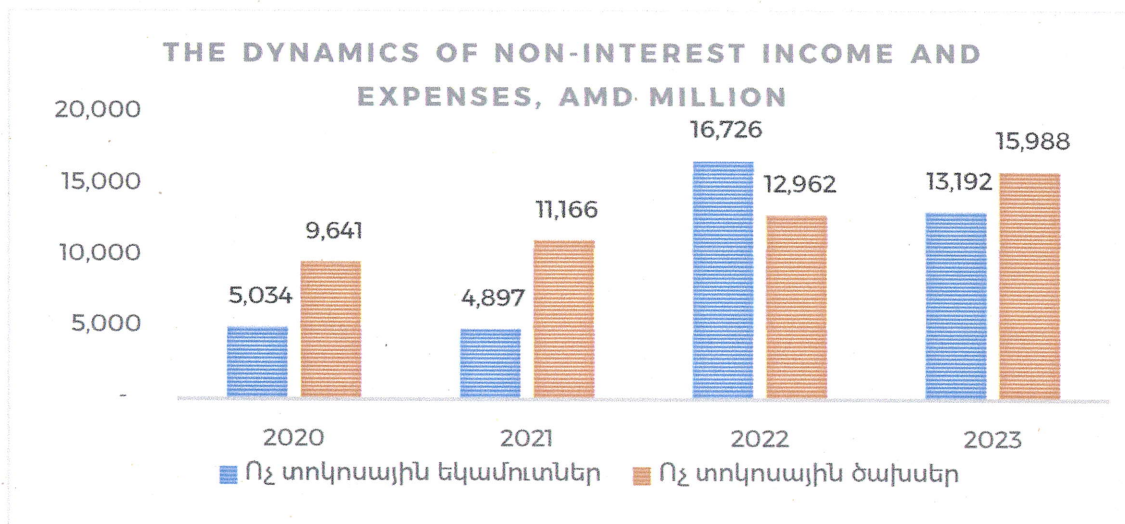
- The operating profit was about AMD 19 billion, decreasing by AMD 1 billion or 5.5% compared to the previous year.



- Interest income amounted to AMD 37.5 billion, increasing by 24% compared to the previous year.
- Interest expenses amounted to AMD 15.9 billion, increasing by 12.7% compared to the previous year.

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- Net interest income amounted to about AMD 21.5 billion, exceeding the same indicator of the previous year by 33.9%.
- Non-interest income amounted to AMD 13.1 billion, decreasing by 21.1% compared to the previous year, mainly due to the decrease in net trading income.
- Non-interest expenses amounted to about AMD 16 billion, increasing by 23.3% compared to the previous year.



- Net deductions amounted to AMD 363 million, last year the same figure was AMD 2.1 billion.
- Cost to Income Ratio was 46% compared to 39.5% last year.

FINANCIAL ANALYSIS OF THE BANK ATTACHED TO ANNUAL FINANCIAL STATEMENTS**2023****RISK MANAGEMENT**

Changes in the national and world economies have an impact on the Bank's activities carried out in both domestic and foreign markets. The challenges of the global economy are increasing day by day, and in order to face them, the Bank carries out regular monitoring of risks, developing appropriate action plans.

Notice No. 30 "Risk Management" is attached to the given financial statements, defining the main risks related to the Bank's activities and the Bank's policy aimed at assessment and management thereof.

The shareholders and management of the Bank are committed to the path they have defined for the Bank's prospective and long-term development: constant modernization of the Bank's activities, expansion of the service network and improvement of the quality of the services provided.

Chairman of the Board**Marcelo Wende****Member of the Board****Arsen Gasparyan**