

My America  
My Family

# Contents

01

## OVERVIEW pp. 3-14

Ameriabank at a Glance  
Chairman's Statement  
Chief Executive's Review  
Awards  
Historic Milestones  
Global Partners

02

## STRATEGIC REPORT pp. 15-52

External Environment  
Banking Sector in Armenia  
Ameriabank's Position in the Banking Sector of Armenia  
Retail Banking  
Corporate and Investment Banking (CIB)  
Trading  
Doing Business Responsibly

03

## RISK REPORT pp. 53-70

Risk Management Objectives and Principles  
Risk Management Framework  
Risk Organization and Governance  
Risk Appetite  
Key Risks and Risk Profile

04

## GOVERNANCE REPORT pp. 71-90

Corporate Governance Structure  
Board of Directors  
Board Committees  
Members of the Board of Directors  
Management Board and CEO  
Organizational Chart  
Our People

05

## SUMMARY FINANCIAL STATEMENTS pp. 91-178

Independent Auditors' Report  
Statement of Profit or Loss and Other Comprehensive  
Income Statement of Financial Position  
Statement of Cash Flows  
Statement of Changes in Equity  
Notes to, and Forming Part of, the Financial Statements  
Statement of the Responsible Persons

06

## APPENDIX pp. 179-180

Abbreviations



# Ameriabank at a glance

## The Largest Lender in Armenia

The largest lender of the Armenian economy with 21.7% loan market share among banks

## Omni-Channel Distribution Platform with Focus on Digital

Offloading ratio<sup>1</sup> of 99%, online banking penetration rate of 82%, rapidly increasing number of monthly active users

## Superior Customer and Employee Experience

High service quality and customer satisfaction scores, high employee satisfaction and engagement levels, proven leadership by culture and values

## Best-in-Class ESG Practices

Doing business responsibly and promoting ESG culture, first Green Bond issuer in the country, best practice corporate governance, professional Board and experienced management team

## High Profitability and Sustainable Growth Potential

Consistently high profitability ratios, sustainable high growth of business in recent years, diversified loan portfolio and income sources, effective risk management

## Attractive Macro Fundamentals

One of the fastest growing economies in the region, high GDP growth in 2025, with strong economic growth outlooks

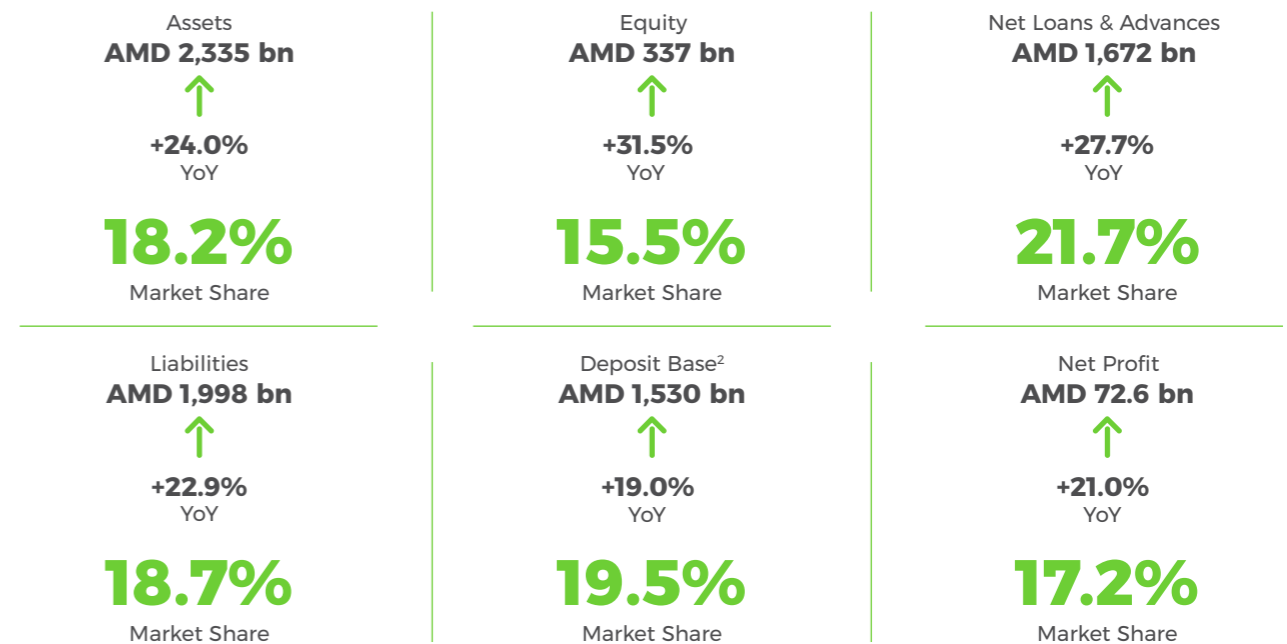
Credit rating:

**S&P BB-**

**Moody's Ba3**

# Performance highlights

A leading bank in Armenian banking sector by key financial indicators:



<sup>1</sup> Share of transactions performed via distant and digital channels in the total number of the bank's transactions  
<sup>2</sup> Current accounts, time deposits and securities issued

# Ameriabank at a glance

Ameriabank is a leading financial institution and a major contributor to the Armenian economy. Being a dynamically developing universal bank, Ameriabank provides a large package of innovative banking services through its Omni-channel distribution platform and with clear focus on digital products. Ameriabank has adopted a customer-focused approach to ensure service quality and modern banking experience in an evolving digital environment. Ameriabank is committed to doing business responsibly and advancing Armenia's transition towards a sustainable future.

# Strong Omni-channel distribution platform with focus on digital:

**99%**

**Offloading Ratio<sup>1</sup>**  
1pp YoY growth

**53%**



(Dec to Dec)

Monthly Active Users by transaction

**47%**

Share of Digital Sales

**82%**

**Online Banking Penetration Rate**  
5pp YoY growth

**50%**

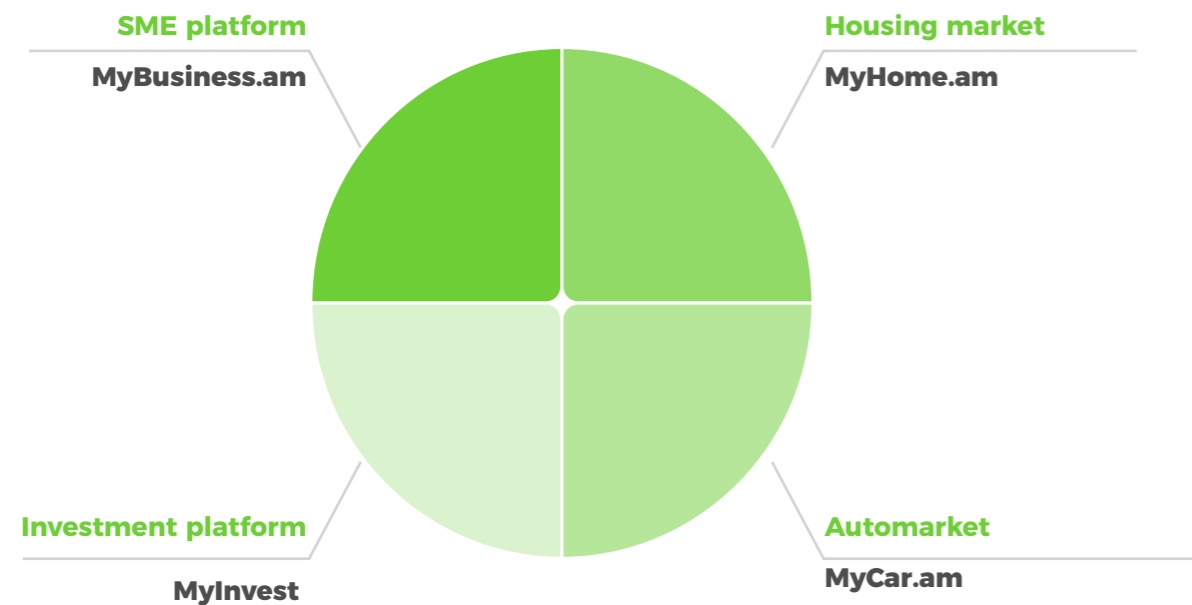


YoY

Mobile and Internet Banking Transactions

**92%**

Digital Conversion Rate<sup>2</sup>



## Superior customer service:

**NPS 79.7%**

**CEI<sup>3</sup> 9.8**

# Our awards

The year 2025 was marked by several notable international recognitions. The prestigious Euromoney magazine once again honored Ameriabank with the “Best Bank in Armenia 2025” Award for Excellence. Since 2011, we have received this distinguished award for the 11th time.

In 2025, we also reaffirmed our leading positions across several industry segments. Global Finance magazine recognized Ameriabank as the “Best Bank in Sustainable Finance” and the “Best Investment Bank” in Armenia, once again confirming our strong performance in sustainable finance solutions, as well as our leadership in investment banking and capital markets activities.

Our achievements in digital banking were further acknowledged by Global Finance magazine, which named Ameriabank the winner in four country categories of the annual Best Digital Bank Awards: Best Transformation, Best Online Products, Best Lending, and Most Innovative Digital Bank.

Finally, for the second consecutive year, Euromoney awarded Ameriabank the “Best Bank for Real Estate in Armenia 2025”, reaffirming our strong position in the mortgage market and our commitment to delivering innovative housing solutions.



### The full list of awards received in 2025:

- Ameriabank named the Best Bank of Armenia for Real Estate by Euromoney
- Ameriabank has won 4 nominations of the Best Digital Banks Awards 2025 by Global Finance magazine:
  - Best in Transformation
  - Best Online Product Offerings
  - Best in Lending
  - Best Innovative Digital Bank
- Ameriabank Receives Euromoney Award for Excellence 2025 as the Best Bank in Armenia
- Ameriabank named the Best Bank in Armenia in sustainable finance for 2025 by Global Finance
- Ameriabank named Best Investment Bank in Armenia for 2025 by Global Finance

<sup>1</sup>Share of transactions performed via distant and digital channels in total number of bank's transactions  
<sup>2</sup>Share of cashless transactions performed via distant and digital channels in total number of cashless transactions  
<sup>3</sup>Client Experience Index with max possible value of 10

# Chairman's Statement



**Andrew Mkrtchyan**

**Chairman of the Board**

In 2025, the global environment remained fluid and complex. Ongoing geopolitical developments, evolving trade relationships, and shifting economic policies continued to reshape international markets. While inflationary pressures moderated further in several major economies, global growth remained uneven, and financial markets continued to adjust to new political and economic realities. In this environment of transformation and uncertainty, resilience, adaptability, and strategic clarity were more important than ever.

Armenia once again demonstrated the resilience and flexibility of its economy. Real GDP growth for 2025 reached 7.2%, marking a clear strengthening compared to the moderate first-half performance and substantially exceeding the initial projections. The Armenian dram remained broadly stable amidst shifting external currency dynamics, reinforcing investor confidence. The year was also marked by strategic infrastructure projects and large technological investments, which laid strong foundation for deeper regional and international engagement and for long-term sustainable development.

The Armenian banking sector remained one of the key pillars of economic progress registering impressive 16.6% YoY growth in assets and 22.7% YoY growth in loans. The system continued to exhibit strong capitalization and solid asset quality. Banks further strengthened their role not only as financial intermediaries, but also as drivers of innovation, digital transformation, and financial inclusion. Continued investments in technology and digital solutions enhanced efficiency and customer experience, positioning the sector for future sustainable growth.

For Ameriabank, 2025 was yet another year of solid progress and strategic advancement. We maintained our position as the biggest lender in the Armenian economy, continuing to expand our loan portfolio while preserving prudent risk management standards. Our net loans and advances portfolio expanded by an impressive 27.7% year-on-year, resulting in 21.7% market share. Our diversified lending strategy enabled us to finance large-scale strategic projects while actively supporting small and medium-sized enterprises, as well as retail customers. This balanced approach ensured sustainable growth and reinforced our strong market presence. For the fourth consecutive year, Ameriabank delivered a record-high profitability with a 21.0% year-on-year increase in net profit, with a return on average equity (ROAE) of 25.0%, reflecting the strength of our business model and operational efficiency.

We further expanded our active client base, driven by enhanced digital capabilities and innovative product offerings. Our continued investment in digital banking resulted in improved service speed, greater automation, and seamless customer journey. Digitalization remains a cornerstone of our strategy, enabling us to broaden access to financial services and contribute meaningfully to financial inclusion across the country.

One of the strongest reflections of our successful performance and long-term sustainability of our strategy was the inclusion of Lion Finance Group in the FTSE 100 Index within just two years of Ameriabank joining the Group. This testifies to the strategic importance of Ameriabank's inclusion in the Group and to its significant contribution to the Group's overall development.

I would like to express my sincere appreciation to the entire Ameriabank team for their professionalism, commitment, and tireless efforts. Their dedication remains the foundation of our achievements. I also extend my gratitude to our clients, partners, regulators, and shareholders for their continued trust and support.

As we look ahead to 2026, we do so with confidence and a clear strategic vision. Ameriabank will continue to build on its strong fundamentals, strengthen its leadership position, and deliver innovative, responsible, and customer-centric banking solutions. We are committed to delivering superior performance and sustainable growth that ensure long-term value creation for all our stakeholders.

**Andrew Mkrtchyan**  
**Chairman of the Board**

# Chief Executive's Review



**Artak Hanesyan**

**Chairman of the Management Board, CEO**

I am proud to highlight that Ameriabank delivered another year of exceptional performance, maintaining robust growth and reaching record-high profitability. These results were attained due to professionalism and dedication of our team, as well as thanks to the resilience and solid growth of Armenian economy. Our continued success reflects the strength, consistency, and effectiveness of our long-term strategy.

In 2025, we delivered robust growth of our core business, further reinforcing our position as the largest lender in the Armenian economy. Our net loans and advances portfolio expanded by 27.7% year-on-year, reaching AMD 1,672 bn, solidifying our leadership position with a market share of 21.7%. This growth was driven by strong performances across all core business segments. The corporate segment loan portfolio\* grew by 28.3% reaching AMD 935bn, while the retail segment loan portfolio\* registered an impressive 27.8% increase to AMD 762 bn. Our asset quality remains sound, with Stage 3 non-performing loans (NPL) standing at 2.1%, reflecting our disciplined approach to risk management in a shifting economic landscape. Additionally, our prudent capital management enabled us to maintain robust capital adequacy, with Tier 1 and Total Capital Adequacy Ratios (CAR) at 14.4% and 17.0%, respectively. In early 2026 we issued and successfully placed our first ever perpetual bonds, ensuring additional capital buffers for pursuing further growth and delivering on our strategic objectives. Our total deposits and bond portfolio grew by 19.0% year-on-year to AMD 1,530 bn, leading to 19.5% market share.

In 2025, we achieved a record profit of AMD 72.6 bn, registering 21.0% year-on-year growth and driving our return on equity (ROE) to 25.0%, which exceeded the market average by 3.6 percentage points. These results were mainly driven by 27.1% year-on-year growth in net interest income, reflecting the sustainability of our profit generation.

As a technology-driven and customer-centric bank, we significantly enhanced our digital banking capabilities, focusing on building long-term relationships through superior service, an ecosystem approach, and innovation. In 2025, we delivered strong results in digital banking. The online banking penetration rate reached 81.6% as of YE, up by 4.5 percentage points year-on-year, and cash offloading rate\*\* climbed to 91.9%. The number of monthly active users based on transactions and

logins grew by 52.5% and 42.9% year-on-year, respectively. Our customer-centric approach is manifested in our high satisfaction rates, with a Net Promoter Score (NPS) of 79.7% and a Client Experience Index (CEI) of 9.8, exceeding our target of 9.5.

Our success and achievements were recognized through prestigious international accolades. Notably, Euromoney once again honored Ameriabank with the "Best Bank in Armenia 2025" Award for Excellence. This marks the 11th time we have received this distinguished recognition since 2011, underscoring the consistency of our performance and our enduring commitment to excellence in the Armenian banking sector. And of course, the most notable recognition of our success was the inclusion of Lion Finance Group in the FTSE 100 Index, reflecting investors' confidence in our long-term growth story.

The year 2025 was also marked by significant funding milestones achieved in cooperation with our long-standing partners, international financial institutions (IFIs), with funds aimed at expanding access to finance for MSMEs, supporting the growth of green financing in Armenia's private sector, and reducing inequalities. These transactions were essential in advancing our sustainable finance agenda and reinforcing our commitment to promoting responsible investments with meaningful economic impact.

Building on the strong foundation established in previous years, we are well-positioned to maintain robust growth, accelerate digital innovation and be the main bank for our customers. We remain confident in our ability to generate long-term, sustainable value for all our stakeholders while continuing to adapt to evolving market dynamics and emerging opportunities.

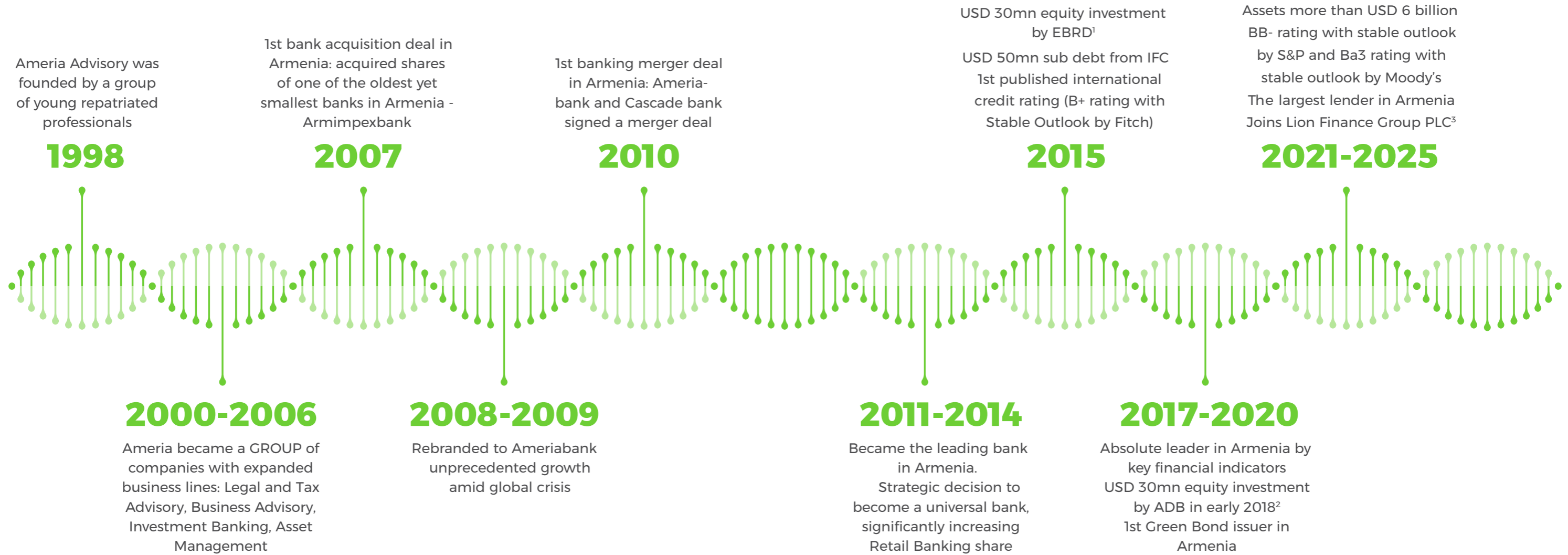
**Artak Hanesyan**  
**Chairman of the Management Board, CEO**

\* Gross loans and advances

\*\*Share of cashless transactions performed via distance and digital channels (IB, MB, POS/VPOS) in the total number of transactions.

# Historic milestones

## Our road to success

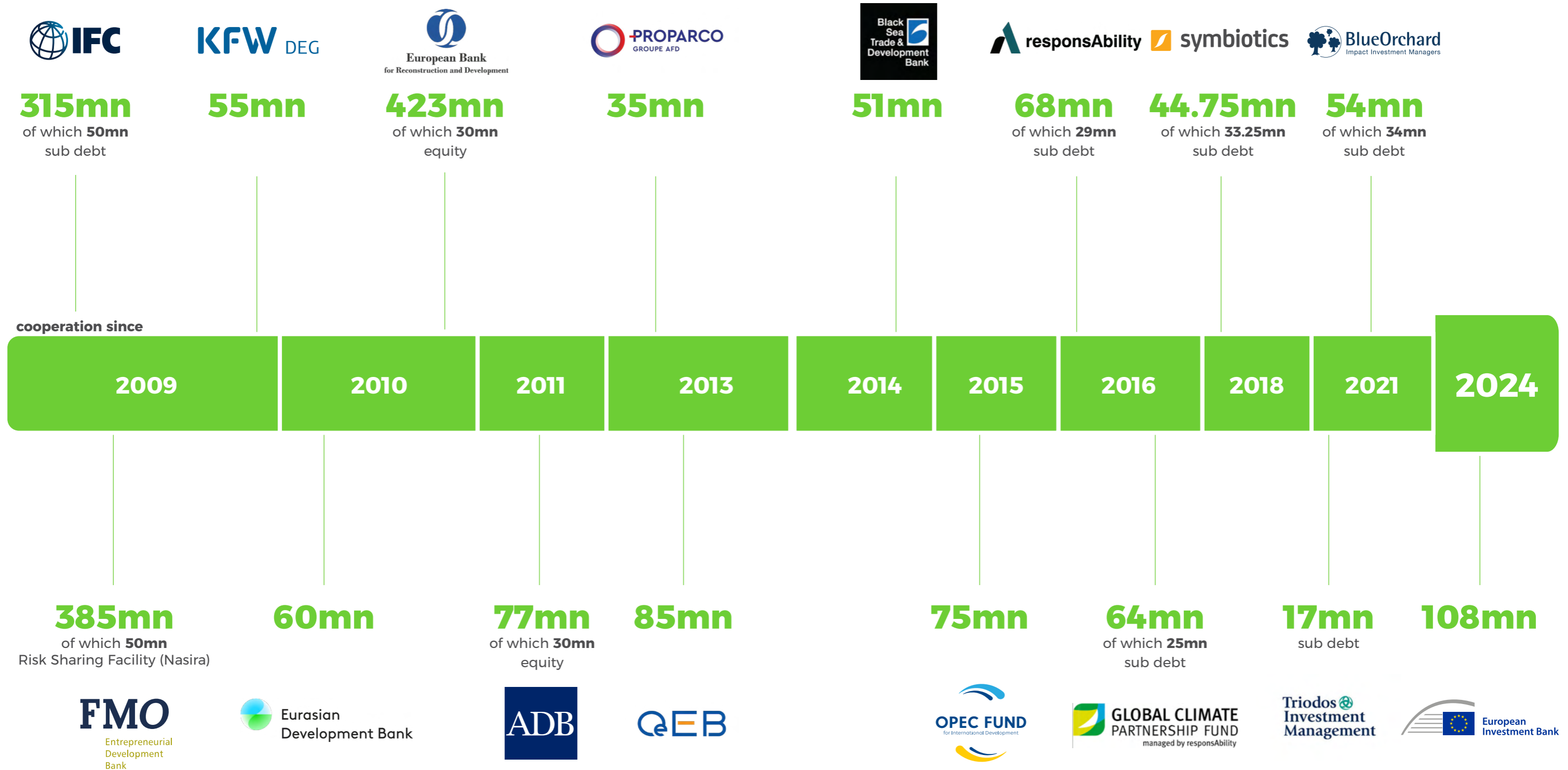


<sup>1</sup> The largest deal with a FI in Armenia  
<sup>2</sup> The first equity investment of ADB in Armenia  
<sup>3</sup> Formerly "Bank of Georgia Group PLC"

# Global partners

Ameriabank's IFI partners and the aggregate amounts of transactions/signed agreements since cooperation start date

All amounts are in USD





# External environment

## Macroeconomic prerequisites

Armenia's economy grew by 7.2% in 2025, substantially exceeding initial projections, underscoring continued above-trend expansion—though with signs that growth momentum remains uneven and increasingly dependent on sector-specific and cyclical drivers rather than broad-based structural gains.

Armenia's 2025 growth profile remained heavily concentrated in domestic-facing sectors, with finance, ICT, construction and real estate accounting for the bulk of incremental output gains, while industry recovered only gradually on an annual basis despite a sharp year-end spike.

## Gross domestic product (GDP, AMD' 000)



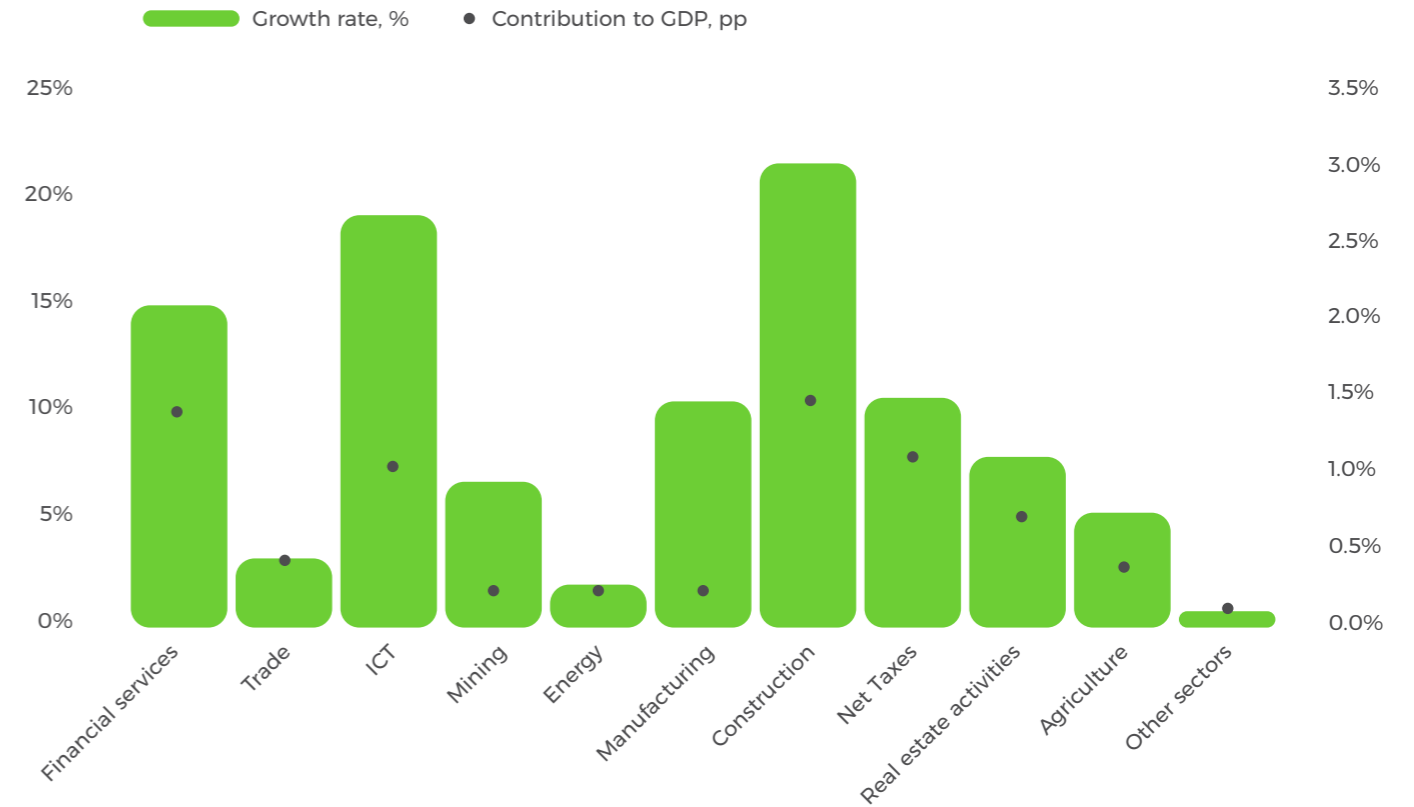
Construction expanded by 21% year-on-year, delivering the largest sectoral contribution of approximately 1.5pp to overall GDP growth. Activity was driven by a combination of public infrastructure programs and private real estate development.

The financial sector expanded by 14.7% year-on-year, contributing approximately 1.3 pp to overall GDP growth. The expansion was underpinned by strong balance-sheet dynamics: lending increased by roughly 23% year-on-year, supported by solid deposit growth (above 15%). A moderate inflation environment (around 3–4%) and a broadly neutral monetary stance sustained positive real income growth and preserved credit demand.

The ICT sector grew by 18.6% year-on-year, contributing around 1.0pp to total GDP growth, confirming its position as one of Armenia's highest-productivity segments.

Industrial output displayed strong volatility throughout 2025. While the sector recorded a sharp increase in year-end, leading the full-year real growth to 4.2%. Trade activity is transitioning from exceptional, re-export-driven expansion toward more domestically anchored growth, reducing volatility but also limiting headline upside.

## GDP growth by main sector contributions.



After recording 7.2% real GDP growth in 2025, Armenia is expected to moderate to around 5–6% growth in 2026. The economy appears to be shifting from a period of above-trend expansion – supported by relocation inflows and re-export activity—toward a more domestically driven and structurally balanced growth path.

In 2025, inflation returned to the Central Bank's target range after the exceptionally low levels recorded in 2024. In December 2025, both headline and average annual inflation converged at 3.3%. This alignment signals a normalization of price dynamics, moving away from the near-zero inflationary environment observed the previous year. Core inflation accelerated to 4.3% year-on-year in December, indicating more persistent price pressures in non-tradable and service-related components. Meanwhile, nominal wage growth strengthened toward yearend, reaching 6.5% year-on-year in December, supporting positive real income growth.

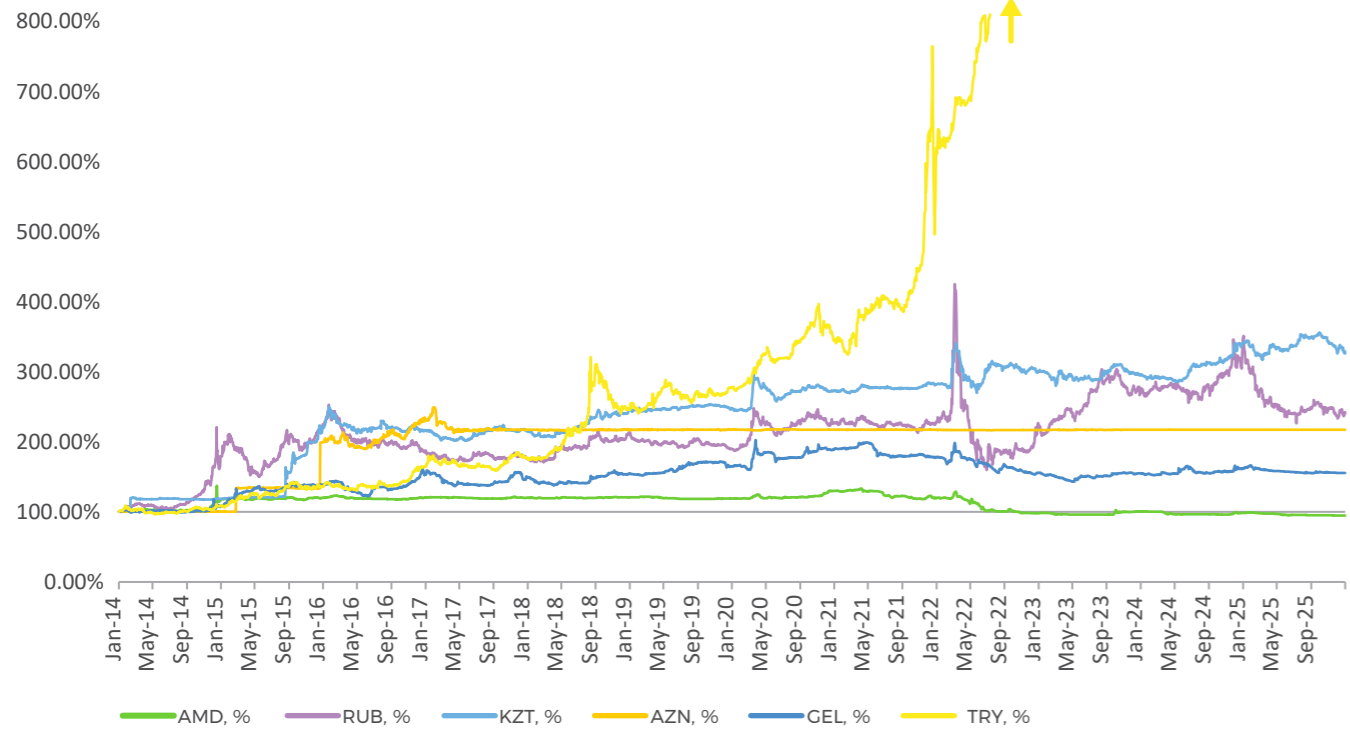
The 2025 inflation environment reflected a gradual recovery in domestic demand, stronger services activity, and the fading of earlier disinflationary effects from imported goods. Food and services were the main contributors to inflation, while transport, education, and tobacco prices also exerted upward

pressure. In response to improved inflation anchoring and a more balanced macroeconomic environment, the Central Bank of Armenia reduced the policy rate by a cumulative 50 basis points during 2025, bringing it to 6.5% by year-end, signaling cautious monetary easing while remaining attentive to underlying inflation risks.

In 2025, Armenia's exchange rate policy continued to be guided by external and regional macroeconomic developments alongside domestic economic conditions. The Central Bank maintained its framework of limited intervention, allowing the exchange rate to adjust to market forces while keeping financial stability. The Armenian dram remained broadly stable against the U.S. dollar throughout the year, despite notable volatility in external trade and capital flows. The average AMD/USD exchange rate stood at around AMD 382 in 2025, reflecting a modest appreciation compared to 2024. Against other major currencies, the dram experienced moderate depreciation, weakening by 2.7% against the euro and 8.6% against the Russian ruble over the year. These movements were largely driven by cross-currency dynamics rather than domestic imbalances. Overall, the AMD remained one of the more stable currencies in the region, supported by strong foreign exchange inflows, prudent monetary policy, and a strengthened external reserve position.

### Most Stable Currency in the Region

(regional currencies vs USD FX rate dynamics)\*\*



### Exchange Rate (AMD/USD) and CPI

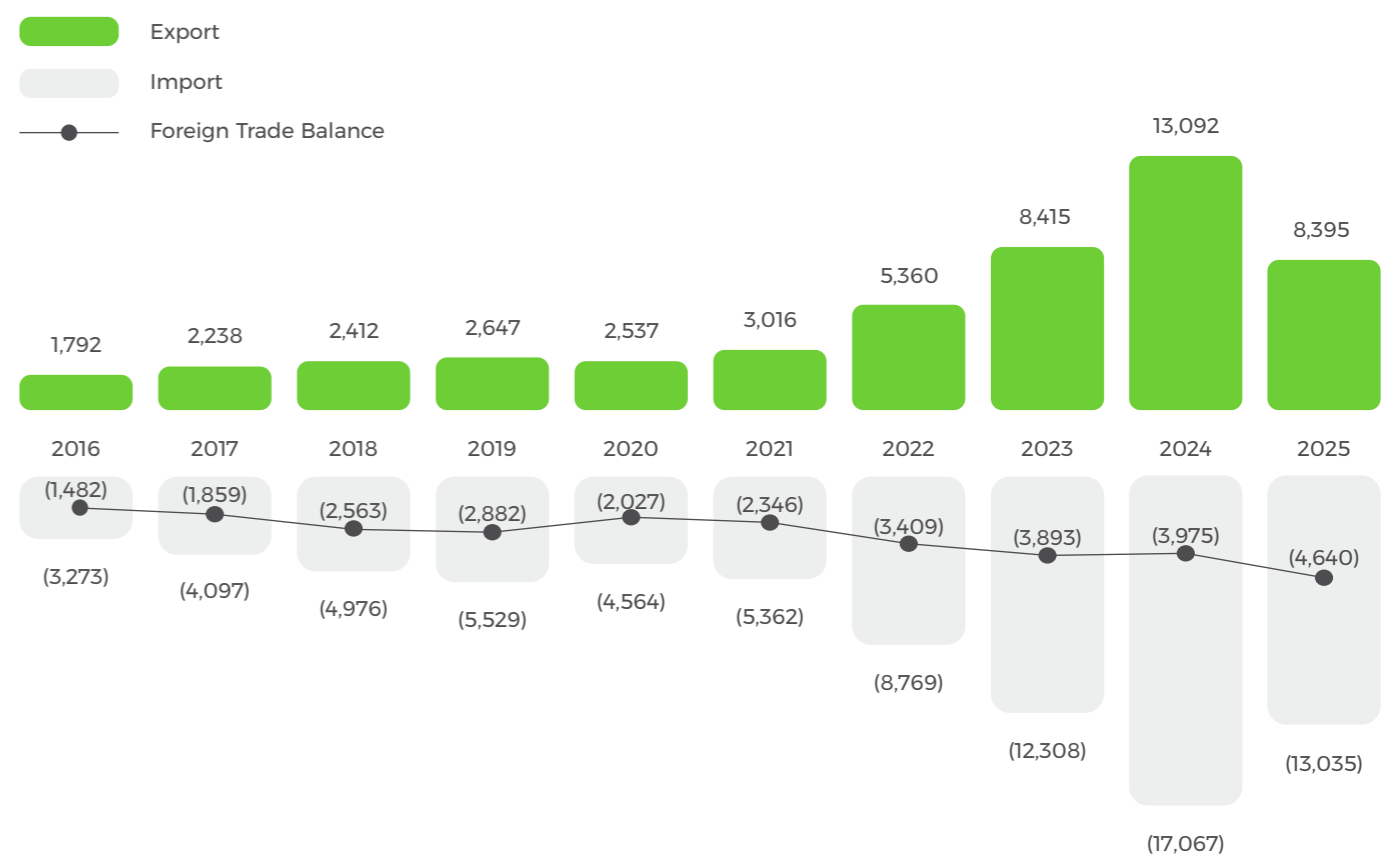
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Average annual</b>	480.5	482.7	483.0	480.4	489.0	503.7	435.7	392.4	392.7	387.1
<b>End of year</b>	483.9	484.1	483.8	479.7	522.6	480.1	393.6	404.8	396.6	381.4
<b>CPI, % (Dec to PY Dec)</b>	-1.1	2.6	1.8	0.7	3.7	7.7	8.3	-0.6	1.5	3.3
<b>CPI, % (12m cumulative)</b>	-1.4	1.0	2.5	1.4	1.2	7.2	8.6	2.0	0.3	3.3

In 2025, Armenia's foreign trade volumes contracted sharply following the exceptionally high base recorded in 2024. Total trade turnover declined significantly year-on-year, reflecting the unwinding of precious metals re-exports that had driven the

surge in 2024. Exports decreased by 35.9% year-on-year, while imports fell by 23.6% year-on-year, bringing overall trade activity back to more sustainable levels.

### Foreign trade

USD, mn



In 2025, capital inflows remained resilient, supporting continued growth in remittance inflows. Net remittances increased by 2.4% year-on-year, reaching USD 5.98 bn, reflecting stable inflows from key partner countries despite monthly volatility toward year-end.

Armenia's public debt-to-GDP ratio declined to 49.0% at end-2025, compared to 50.0% in 2024, supported by strong nominal GDP growth. The total public debt reached USD 14.5 bn, increasing by 8.8% year-on-year. Within the structure, government debt amounted to USD 14.0 bn, with continued reliance on domestic financing. Domestic public debt expanded moderately, while external debt growth remained contained, contributing to improved debt sustainability indicators.

Official foreign currency reserves increased significantly to USD 5.09 bn by year-end, strengthening Armenia's external buffer and supporting exchange rate stability.

In 2025, Armenia's sovereign credit profile remained broadly stable, with major rating agencies reaffirming the country's ratings. Fitch Ratings maintained Armenia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BB-' with a Stable Outlook, reflecting solid growth performance, improved fiscal metrics, and a strengthened external reserve position.

On 26 June 2025 Moody's credit rating agency also reaffirmed Armenia's Credit Rating at Ba3 Level, with "Stable" outlook. Similarly, S&P Global Ratings reaffirmed its 'BB-/B' long- and short-term sovereign credit ratings with a Stable Outlook, highlighting Armenia's strong growth dynamics and moderate debt burden. The stable outlook reflects the balance between resilient economic performance and ongoing external sector sensitivities, including trade normalization effects and regional geopolitical uncertainties.

\*\* daily rate changes with 2014 January as basis. Source: Bloomberg

# The banking sector in Armenia

In 2025, Armenia's banking system remained resilient and highly profitable, supported by continued balance-sheet expansion and still-solid macro conditions, while operating in a more risk-aware environment shaped by rapid credit growth and external uncertainty. Following the exceptional inflow-driven dynamics of 2022, the sector's normalization continued through 2025, with growth increasingly anchored in core banking services.

Total net profit of the banking system reached approximately AMD 421.3 billion in 2025, up around 17% compared with 2024, reflecting ongoing income growth and broad-based profitability across institutions. All banks in the system reported positive net results for the year, with profit distribution showing increases in most major players. The growth in profitability was underpinned by solid expansion in net interest income and a significant rise in total lending activity. Over 2025, the banking system's total loan portfolio increased by roughly 22.7% year-on-year, amounting to about AMD 7.7 trillion. Mortgage lending growth moderated

compared to the exceptionally high rates observed in previous years. Mortgage loans expanded by around 12% in 2025, reaching close to AMD 1.7 trillion,

Banks continued to prioritize innovation, digitalization and customer-base expansion in response to evolving market dynamics. Service diversification and technology adoption remained key strategic themes.

Liquidity and capital positions remained sound, enabling banks to meet obligations and support higher credit demand. Total equity in the banking system increased by around 23%, and a majority of banks maintained comfortably positive capital adequacy metrics. Continued liquidity adequacy, together with growing operating income, contributed to sector resilience.

The number of financial institutions operating in Armenia remained the same for the banks and credit organizations, while the number of funds and investment companies grew by 14.

Financial Institutions Operating in Armenia	2021	2022	2023	2024	2025
<b>Banks</b>	17	18	18	18	17
<b>Credit organizations</b>	46	42	41	43	43
<b>Insurance companies</b>	7	7	8	8	8
<b>Funds and investment companies</b>	53	67	95	120	134

The banking system continued playing a central role in the financial system of Armenia with banks accounting for around 84% of the financial system assets. All 17 operating banks remained among the country's largest taxpayers, consistently ranking with-

in the list of the top 1,000 taxpayers, alongside several major credit organizations. This highlights the sector's substantial contribution to fiscal revenues and its broader role in supporting economic activity.

## Stable Banking Sector & Evolving Financial Landscape

In 2025, Armenia's banking sector remained stable and well-capitalized. Banks strengthened their liquidity positions and continued to meet regulatory requirements set by the CBA, ensuring resilience against external shocks.

The latest regulatory indicators reaffirm the sector's stability and strong financial health:

- The total Capital Adequacy Ratio (CAR, N1/2) stood at 20.8%, comfortably exceeding the regulatory minimum requirement of 16.75% (including Basel III capital buffers).
- Tier 1 Capital to Risk-Weighted Assets (N1/1) reached 18.0%, remaining well above the 14.05% threshold (including Basel III buffers).
- Liquidity metrics also remained robust, with the ratio of high liquid assets to total assets (N2/1) at 29.0%, and high liquid assets to demand liabilities (N2/2) at 95.9%, both significantly above the respective minimum requirements of 15% and 60%.

According to Fitch Ratings, credit metrics are expected to remain above historical norms, underpinned by healthy internal capital generation and resilient earnings.

Armenia's regulatory framework continues to align with Basel-III-style prudential standards and is regarded as relatively stringent compared with many peers in the region, particularly in areas of capital adequacy and liquidity management.

Over the past decade, financial intermediation in Armenia has deepened considerably. The loans-to-GDP ratio is projected to reach approximately 68% by the end of 2025, up from 42.3% ten years earlier and just 9.6% in 2000. A similar trend is observed in the assets-to-GDP ratio, which is expected to stand at around 113% in 2025, compared to 70.3% in 2014 and 22.8% in 2000, reflecting the structural expansion of the banking system relative to the economy.

Dollarization trends have continued to gradually moderate, indicating improved confidence in the national currency and strengthened macro-financial stability. By end-2025, the share of USD-denominated deposits declined further to around 40.5%, compared to higher levels observed in previous years. On the asset side, credit dollarization registered a slight uptick to approximately 31.7% by year-end 2025, compared to 30.9% in 2024. Overall, the medium-term trend remains downward, supporting reduced FX-induced credit risk and improved monetary policy transmission.

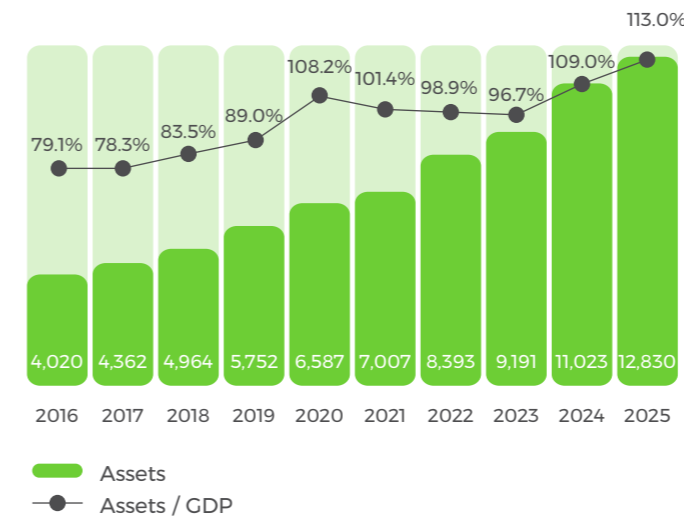
The digital transformation of Armenia's banking sector continued to accelerate in 2025, with expanded mobile and online banking services, growth in cashless and e-commerce payments, and deeper FinTech integration reshaping customer engagement and operational models. At the same time, the Central Bank of Armenia further refined its regulatory and supervisory frameworks—particularly in areas such as cybersecurity, AML/CFT, and operational resilience - to ensure that innovation advances without compromising financial stability.

## 2025: Sustained Growth of Assets and Liabilities

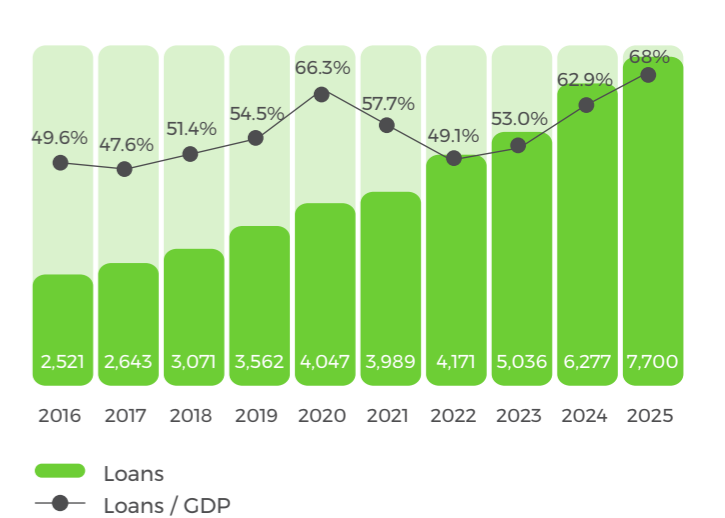
Amid continued normalization following the extraordinary capital inflows of recent years, Armenia's banking sector maintained strong balance-sheet momentum and solid financial performance in 2025. Total equity increased by 22.6%

year-on-year to AMD 2,175 billion, primarily driven by strong internal capital generation, with retained earnings rising by AMD 198 billion, alongside a notable increase in share capital of AMD 158 billion.

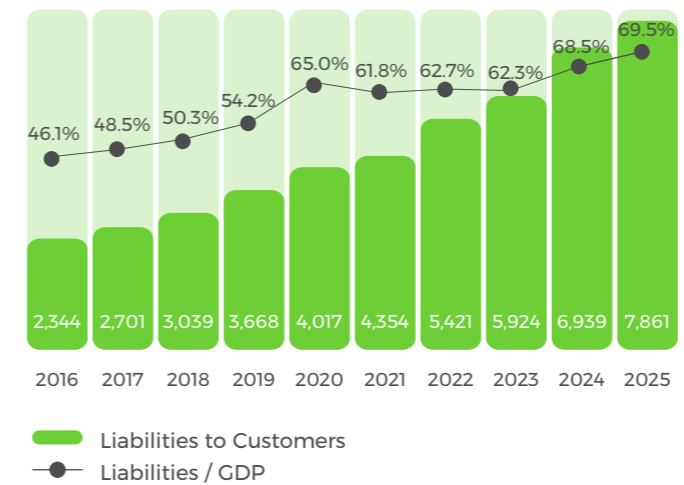
### Assets, bn AMD\*



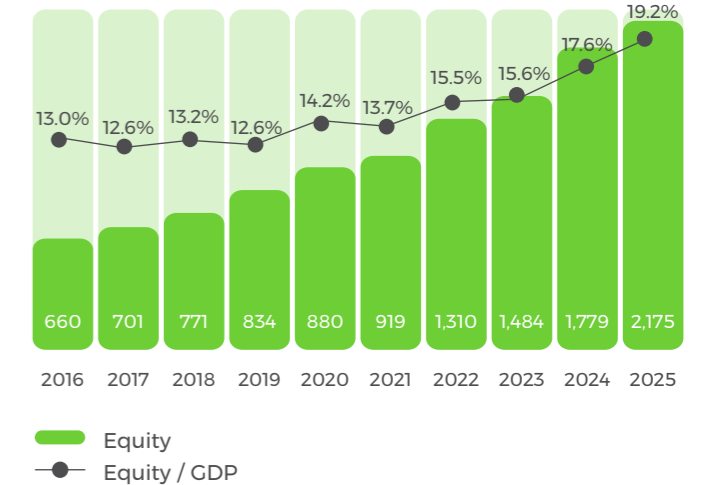
### Loans, bn AMD\*



## Liabilities to Customers /including securities issued by the banks/, bn AMD\*



## Equity, bn AMD\*



Total banking system assets expanded by 16.6% year-on-year to AMD 12.8 trillion, while the net loan portfolio recorded a robust 22.7% increase, reaching AMD 7.7 trillion. As a result, financial intermediation deepened further, with the assets-to-GDP ratio projected at approximately 113%, and the loans-to-GDP ratio

approaching 68% by year-end 2025. Meanwhile, client liabilities grew by 13.0% to AMD 7.9 trillion, supporting continued credit expansion and reflecting sustained confidence in the banking system.

\* source: banks reports 4Q 2025, earlier data updated based on the audited reports

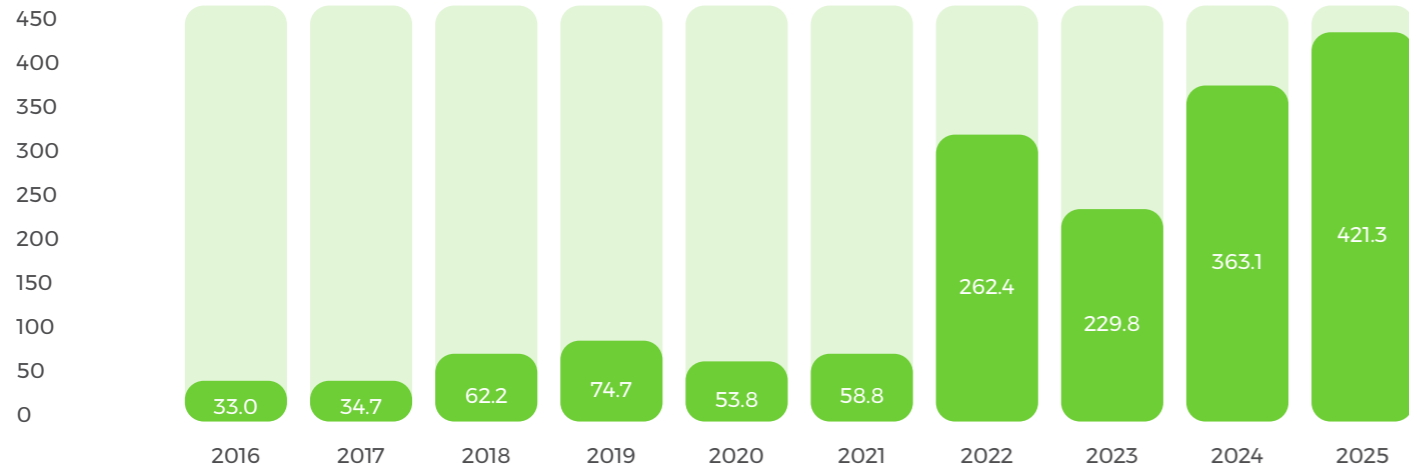
# The Position of Ameriabank in the Banking Sector of Armenia

## Maintaining Above-Average Profitability

In 2025, Armenia's banking sector recorded a net profit of AMD 421.3 billion, marking a 16.8% increase from the previous year. All banks in the system reported positive net results for the year, with profit distribution showing increases in most major players.

This strong performance was primarily attributed to the robust growth in net interest income, with net interest income rising by 24% during the period.

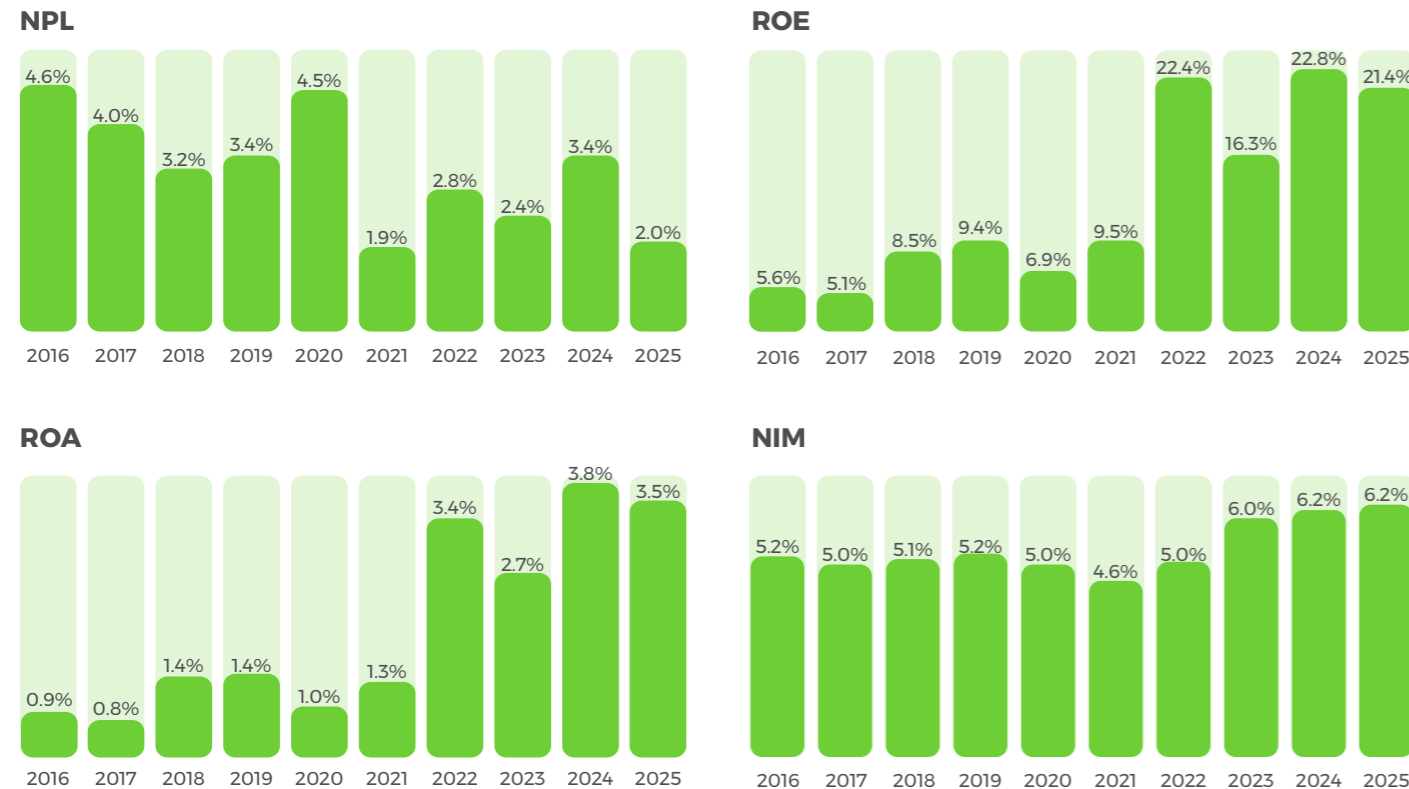
### Profit\*, AMD bn



## Qualitative Indicators of the Armenian Banking Sector\*

The NPL ratio of Armenian banks has historically remained within the 4-5% range, reflecting strong portfolio quality. Although a temporary deterioration was observed during the pandemic period, portfolio quality has improved markedly since 2021. By

2025, the NPL ratio remains at low levels underscoring effective risk management frameworks, and the sector's overall resilience to macroeconomic shocks.



\* Calculated based on banks reports

In 2025, Ameriabank preserved its strong growth momentum and reinforced its leadership as the largest lender in Armenia, maintaining around 22% loan market share and a well-diversified retail/SME-driven franchise.

Strategically, our 2025 priorities continued to center on scalable digital transformation and disciplined balance-sheet growth, while further strengthening compliance and risk governance. This approach aligns with the regulator's continued emphasis on systemic resilience (including the activation of a countercyclical capital buffer effective from 2025) and supports long-term, sustainable value creation.

In 2025, the Bank continued to deliver superior shareholder value, exceeding its medium-term strategic targets for the fourth consecutive year and materially outperforming the sector average. Net profit increased by 21.0% year-on-year to AMD 72.6 billion, reflecting sustained revenue growth and disciplined cost management. ROE stood at 25.0% remaining comfortably above the banking sector average of 21.4%.

The Bank's strong profitability was primarily underpinned by solid growth in core income streams. Net interest income increased by 27.1% year-on-year, exceeding the sector's average growth of 23.8%, reflecting effective balance-sheet expansion and margin management. Net commission income also demonstrated robust dynamics, rising by 21.8% year-on-year and materially outperforming the market average of 9.8%

Earnings performance was further reinforced by resilient asset quality and prudent risk management. By year-end, Tier 1 and Total Capital Adequacy Ratios stood at 14.4% and 17.0%, respectively, ensuring comfortable regulatory buffers. Operational discipline remained a priority, as reflected in a Cost-to-income ratio of 39.0%, while net interest margin reached 7.0%, sustaining strong profitability. Moreover, conservative provisioning policies translated into a very low Cost of credit risk of 0.2%, supporting stable and predictable earnings generation.

We have maintained our leadership across key financial indicators, ranking as the top lender in the market while securing the second position in net profit, assets, liabilities, equity, and customer funding. Additionally, we have preserved strong capital reserves, successfully meeting the heightened capital requirements under Basel III.

Ameriabank's net total loan portfolio expanded by 28% year-on-year, marking a significant increase. In our strategic focus areas, the SME portfolio increased by 24% to AMD 335 billion, underscoring our strong positioning in the business lending segment. The retail portfolio reached AMD 762 billion by the end of 2025, maintaining a robust ten-year CAGR of 31.9%. In the mortgage segment—where Ameriabank has consistently maintained market leadership—we achieved a 23.1% market share. Mortgage loans grew by 13% year-on-year to AMD 393 billion, despite a high base effect from 2024, delivering an impressive ten-year CAGR of 36.6%.

## 2<sup>nd</sup> by Assets: 12.5% CAGR over 10 year



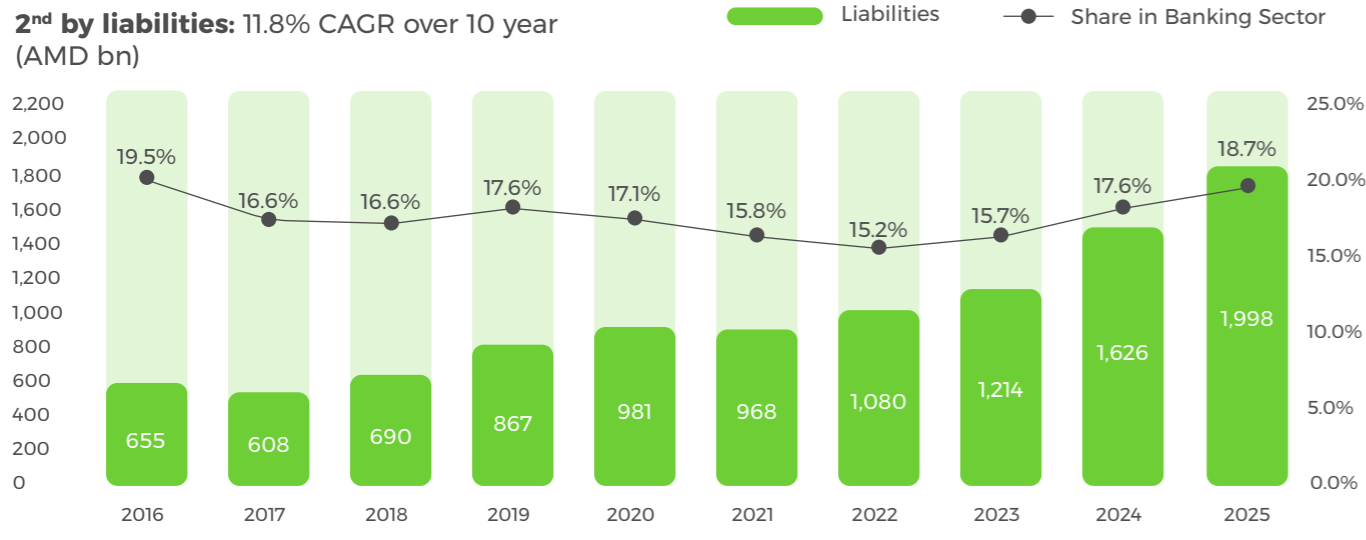
## 1<sup>st</sup> by loans: 12.5% CAGR over 10 year (AMD bn)



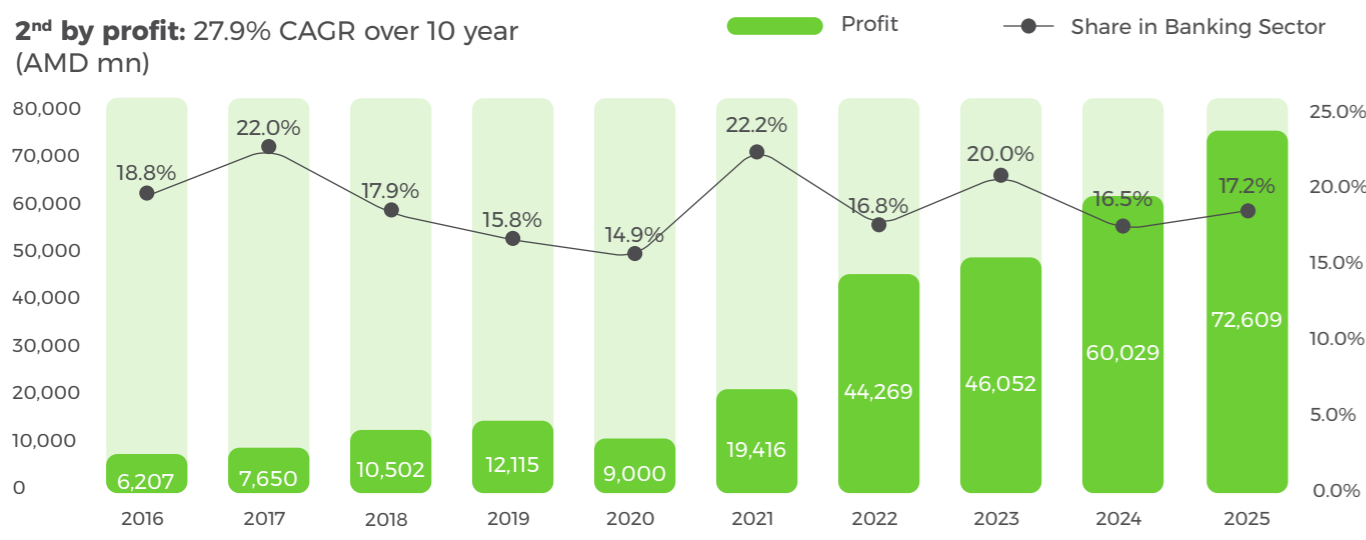
**2<sup>nd</sup> by capital: 18.1% CAGR over 10 year (AMD bn)**



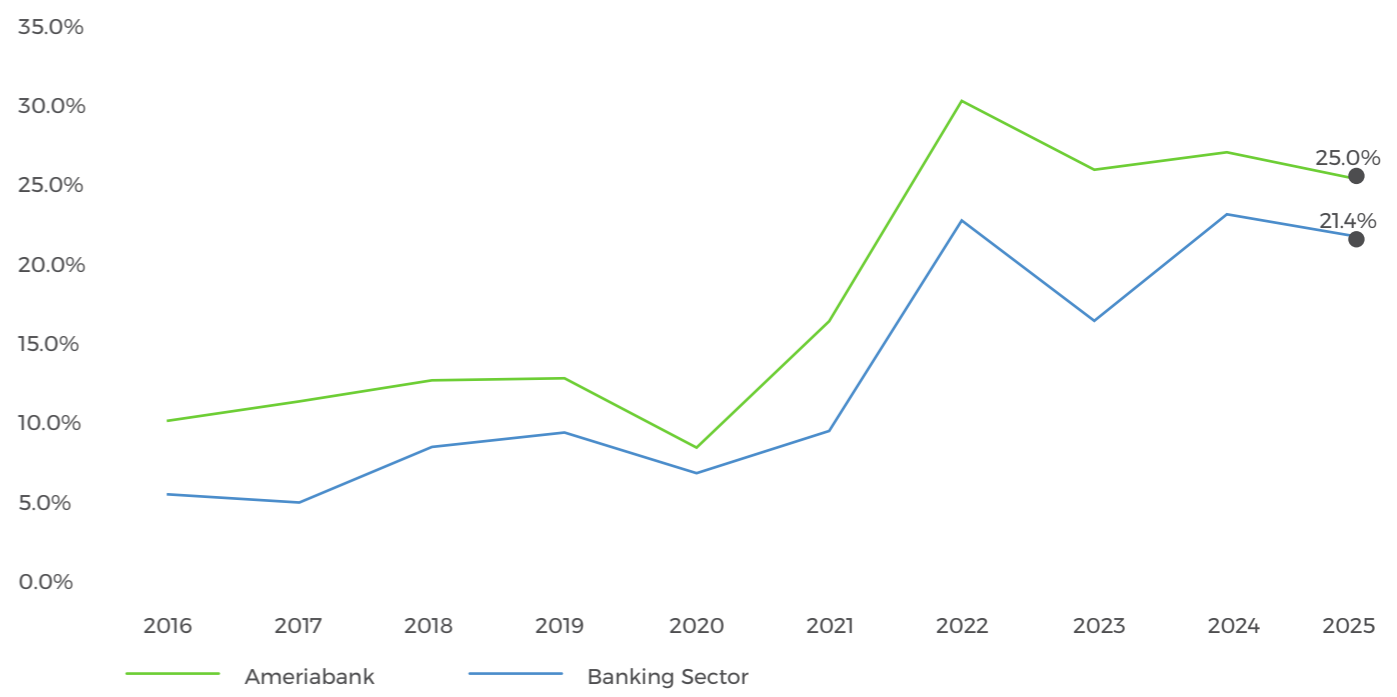
**2<sup>nd</sup> by liabilities: 11.8% CAGR over 10 year (AMD bn)**



**2<sup>nd</sup> by profit: 27.9% CAGR over 10 year (AMD mn)**



**ROE dynamics: Banking sector and Ameriabank**



**ROA dynamics: Banking sector and Ameriabank**



# Retail banking

## 2025 Highlights

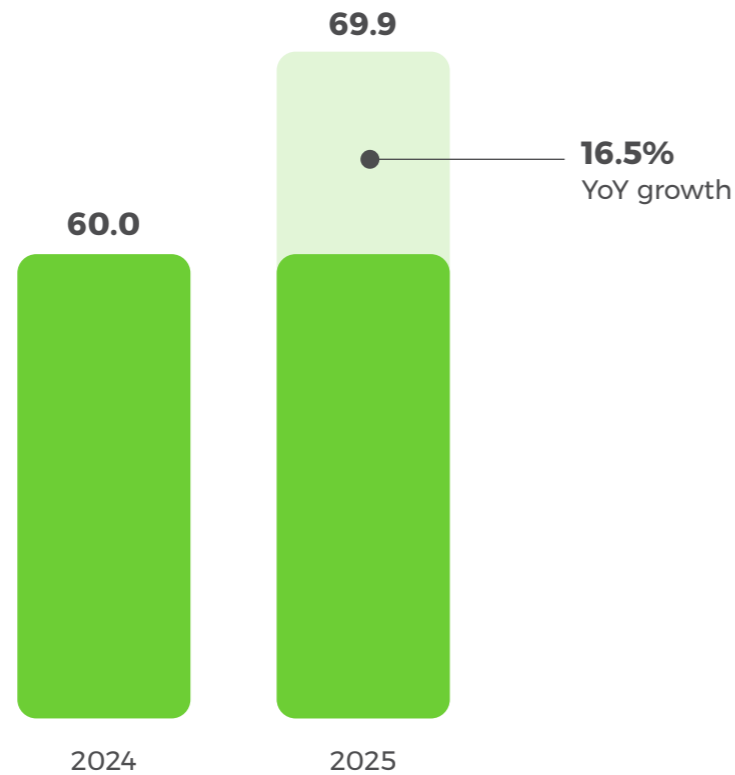
**44.9%**

Share of gross retail loans and advances in total portfolio

**57.0%**

Share of retail deposits and bonds in total portfolio

## Operating Profit before LLC, AMD bn



## Overview

In 2025, Retail Banking continued to evolve with a strong focus on customer centricity, service quality, and digital transformation. The Bank advanced initiatives aimed at improving customer experience and engagement, strengthening retention, and enhancing operational efficiency, while maintaining high standards of compliance and risk management. These efforts were reflected

in stable improvements in customer satisfaction indicators, including the Customer Experience Index (CEI) at 9.8 as of 2025, while NPS at 79.7%. Ongoing investments in digital capabilities and data-driven approaches supported more seamless customer journeys and sustainable growth across retail segments.

## Main Achievements

**↑ 27.8%**  
Loan portfolio  
(growth YoY)

**↑ 20.2%**  
Deposits  
(growth YoY)

**↑ 42.9%**  
MAU by login  
(growth Dec-Dec)

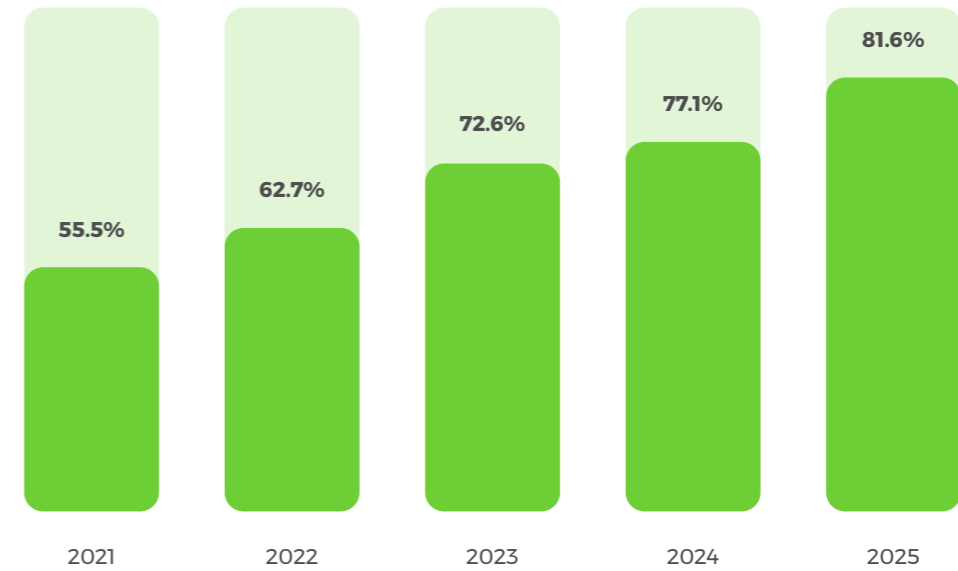
**91.9%**  
Cash Offloading rate

## Major accomplishments in 2025:

1. Redefined the digital customer journey by building and evolving America's integrated platforms and ecosystems (MyAmerica, MyCar, MyHome, MyEventHub, MyInvest, MyTour), enabling users to effortlessly manage financial, lifestyle, and everyday needs within one unified, end-to-end experience.
2. Retail loan portfolio grew from AMD 596.2 bn to AMD 762.1 bn recording 27.8% year-on-year growth, while CCR stood at 0.9%.
3. Retail deposit base grew from AMD 725.8 bn to AMD 872.7 bn recording around 20.2% year-on-year growth.
4. Achieved consistent growth in customer acquisition, overall customer base and digital engagement, underscoring the effectiveness of our customer-centric strategy and the success of our ongoing digital transformation initiatives. The customer base grew by 33% year-on-year, while MAU by login and by transactions increased by 42.9% and 51.3% year-on-year respectively (Dec-Dec), reflecting higher adoption and engagement across our digital platforms.

## Online Banking Penetration

Online Banking Penetration rate for 2025 stood at 81.6%

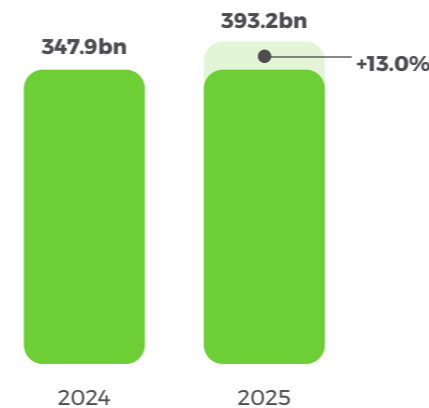


## Retail Loan Portfolio

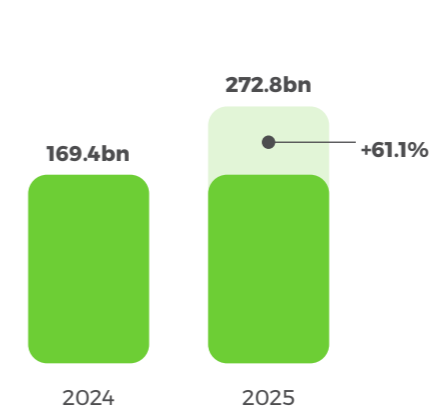
Our total retail loan portfolio increased by 27.8% YoY, continuing its robust growth. Our retail portfolio has been growing steadily over

the recent years, with a CAGR of 26.8% for 2020-2025. As a result, the share of retail loans in the total loan portfolio reached 44.9%.

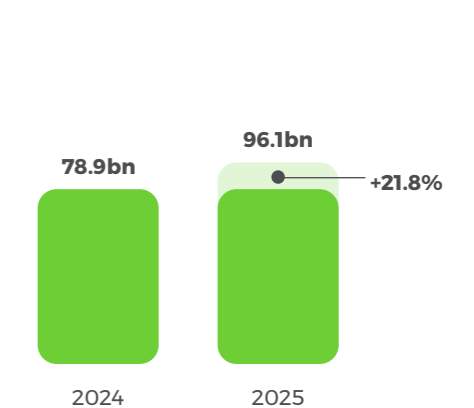
## Mortgage Loans



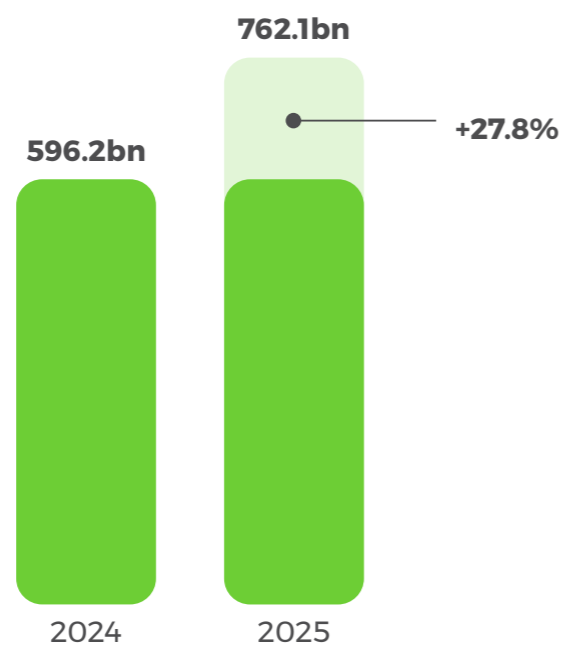
## Consumer Loans



## Business Loans



## Total Retail Loan Portfolio



## Retail Sub-Segments

### Daily banking

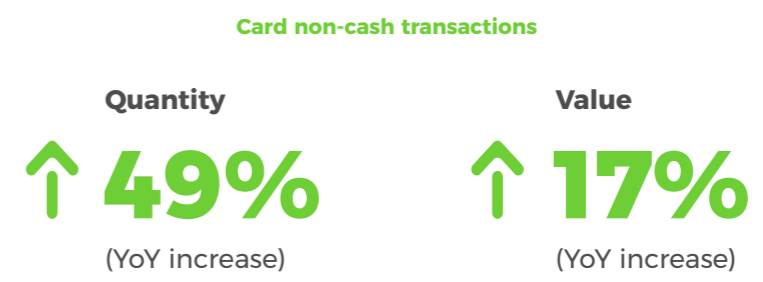
#### Payment cards and promotion of non-cash operations

In 2025, we continued our efforts towards promoting non-cash operations. The number of issued cards increased by 45.2% YoY. Payroll cards remained a priority, and we maintained our position as a market leader in payroll cards.

Our focus was on non-cash and e-payments, as we aimed to be available for our clients anytime anywhere. As a result, the cash offloading rate reached 91.9% and the branch offloading stood at 99%. We were the market leader by the number and volume of non-cash transactions.

Ameriabank achieved significant digital and operational advancements by implementing near-time processing for card-to-card (C2C) transactions, reducing settlement from Day+1 to just a few minutes and enabling customers to access and use received funds almost instantly. At the same time, the bank launched a fully paperless Digital Consumer Finance solution that streamlines the end-to-end customer and merchant journey, eliminates physical contract submissions, and significantly reduces operational workload and paper archiving requirements.

### Card transactions

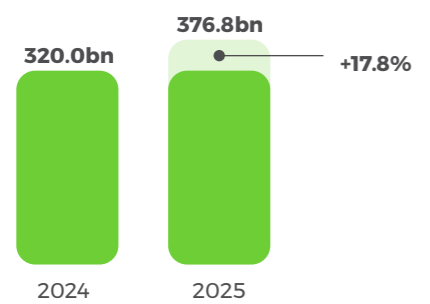


## Retail Deposits

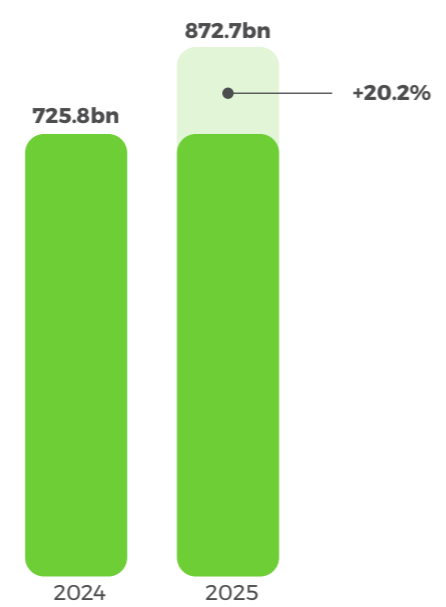
The Retail deposit portfolio is one of the key indicators of our customers' loyalty. In 2025, our retail deposit and bonds total volume increased by 20.2%, reaching AMD 872.7 billion. We registered high growth in both retail demand and time deposits and managed to strengthen our liquidity positions.

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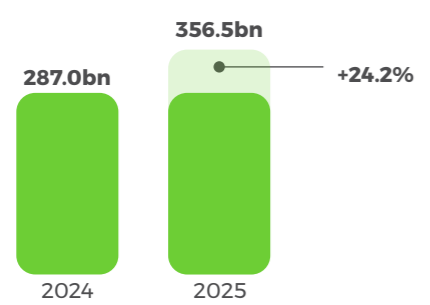
### Demand Deposits



### Total Deposits and Bonds



### Term Deposits



## Client Service and Customer Satisfaction Improvement

A series of strategic initiatives was launched, driven by customer insights and market trends, to enhance customer experience, strengthen retention, and streamline service delivery.

- Loyalty platform MVP launch both for personal and business customer:** A points-based loyalty service within the MyAmeria app that enables clients to earn rewards from non-cash transactions made through the Bank's physical and online terminals. Points can be seamlessly redeemed via QR payments. The program is set to expand next year with the introduction of tier-based management, targeted campaigns, and enhanced point accrual and calculation features.
- Client value management:** Ameriabank has introduced a comprehensive customer journey map supported by a structured cross-sell strategy aimed at strengthening customer retention. Enhancements to the Client Communication Platform (CCP) now integrate transactional and product data, enabling advanced, trigger-based sales communications, with automation of the cross-sell framework currently in progress.
- Middle segment (persona) package relaunch:** Potential persona clients were segmented into three groups based on income, needs, and behavioral patterns, and granted the

Persona package free of charge. They were also provided access to a new Telegram channel and Chatbot, delivering both financial benefits and lifestyle content to enhance engagement.

- Voice biometrics launch:** Ameriabank became the first bank in Armenia to introduce voice-based customer identification in its Contact Center. This innovative technology verifies customers by their voice within seconds, improving authentication accuracy, reducing service time, increasing contact center capacity, and protecting against fraud attempts.
- Customer engagement and retention campaigns:** In 2025, we launched a series of targeted campaigns aimed at enhancing customer experience, deepening engagement, and accelerating digital adoption across key segments.

The "My Ameria, My Family" umbrella campaign showcased more than 15 banking products and transaction-related benefits, offering over 300 prizes to clients and their families. The initiative underscored our strategic shift toward a more family-centric banking model.

Student-focused programs were designed to attract new-to-bank students while strengthening engagement with existing ones. These initiatives included welcome bonuses, cashback offers, public transport tickets, student loans, referral rewards, and scholarships. In parallel, Visa Transportation and Visa Premium campaigns further supported our objectives of enhancing customer experience, increasing engagement, and driving digital adoption.

## Lifetime banking

### MyCar platform

Our car loan portfolio has been growing fast for the last few years and reached to 18.2bn AMD, representing CAGR of 34.4% for the last five years, underscoring strong market penetration and sustained business development. In 2025, we continued strengthening MyCar's technological foundation to ensure scalability, seamless partner integration, and advanced personalization. As

a result, the platform remains the only verified, end-to-end digital ecosystem in the market, enabling customers to search for vehicles, complete their purchase, and manage post-purchase activities within a single seamless journey – allowing the entire car financing process to be conducted fully online and entirely paperless.

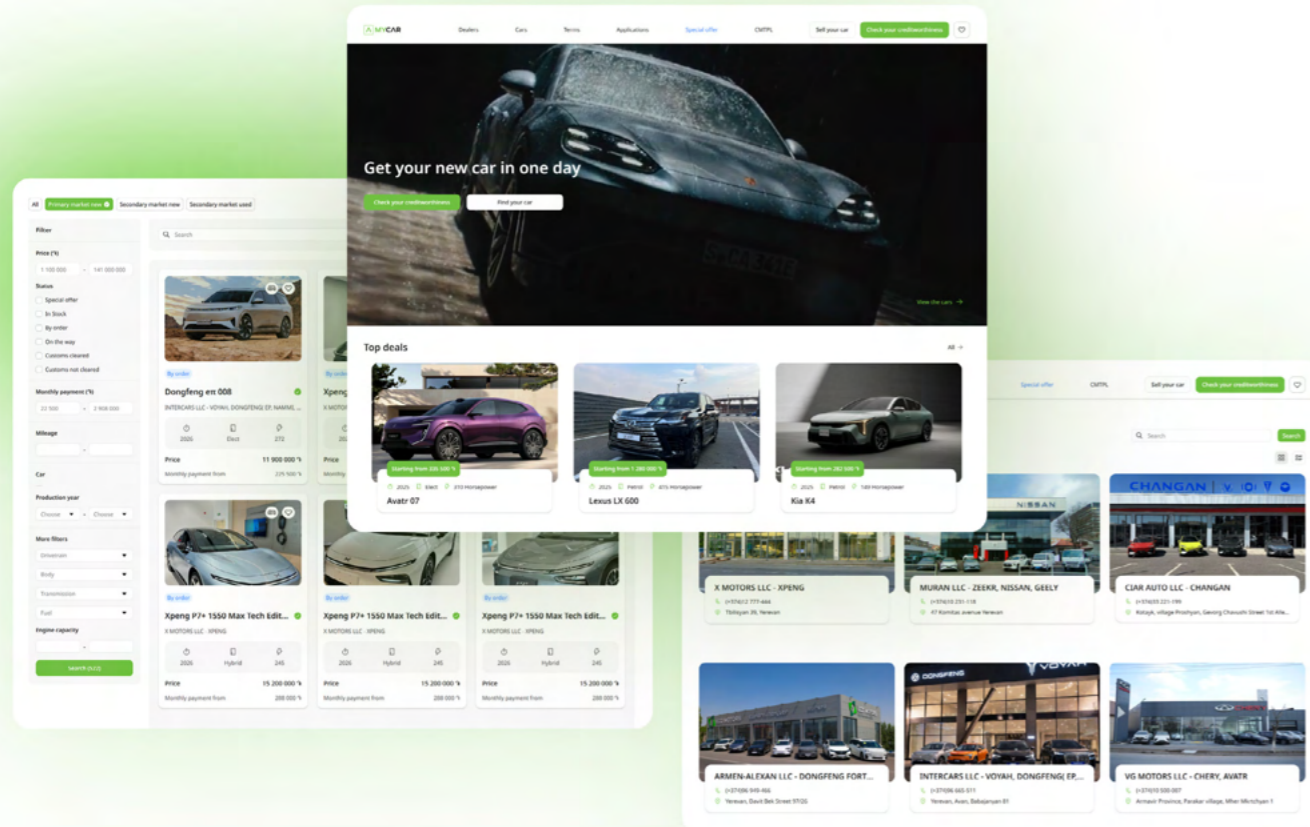
### Main highlights

- 32.3% of primary market loans originated online.
- 29.1% of secondary market loans originated online.
- 70 dealers and 1,251 models were available on MyCar platform as of 2025YE.



**18.2bn** AMD  
Gross car loans book

34.4%  
CAGR from 2020-2025



## Mortgage loans

### MyHome platform

In 2025, our mortgage loan portfolio continued its strong momentum, growing by 45.2bn and reinforcing our leading position in the market with a 23.1% market share. This performance was further validated by Euromoney, which named Ameriabank Armenia's Best Real Estate Bank for the second consecutive year. Building on this recognition, the Bank expanded and diversified strategic partnerships and participated in 105 development projects nationwide, including 35 new initiatives such as the exclusive collaboration with Renshin on the Skyline project—Armenia's first "city within a city"—offering streamlined mortgage solutions for local, Diaspora, and foreign buyers.

Alongside portfolio growth, we significantly enhanced the MyHome digital real estate platform by expanding its geographic reach, enabling private sellers, adding rental and foreign property listings, and introducing advanced tools such as renovation cost calculators, construction progress tracking, and automated NPS/CEI measurements. The platform now also features non-partner developers via affiliated brokers and a broader ecosystem of housing-related services, strengthening its position as the market's most comprehensive real estate platform and driving the shift toward digital channels, with nearly 40.8% of primary-market mortgages processed online.

### Main highlights

- 40.8% of the number of primary market loans originated online during 2025.
- 103 developers and 165 buildings are presented on the MyHome platform as of 2025YE.
- 37 brokers and 2,365 secondary market properties are listed on the MyHome platform as of 2025YE.
- 44 special offers presented on the MyHome platform from housing related partners/shops as of YE.

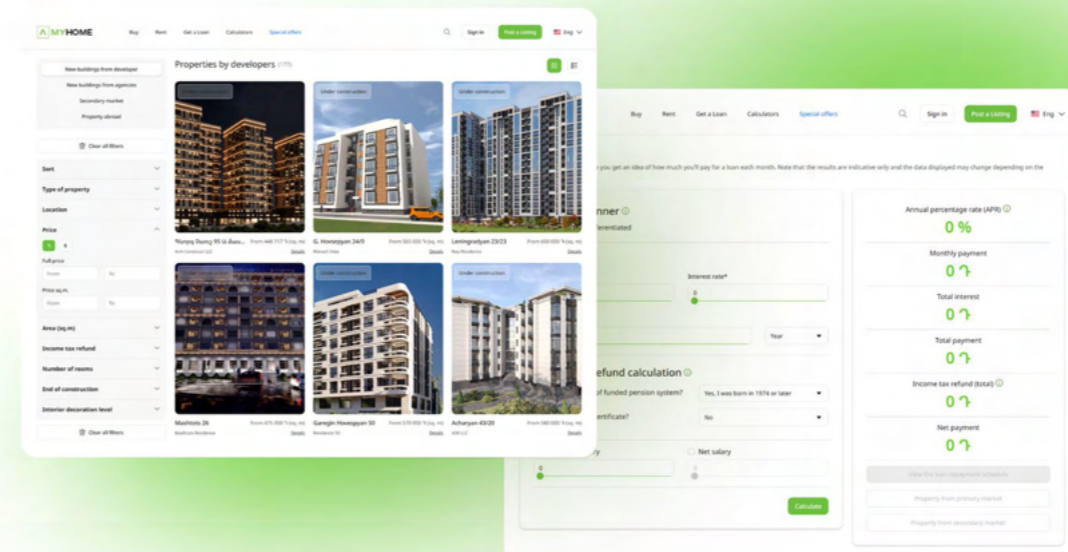
### Key competitive advantages

- Strong cooperation with developers, enabling attractive mortgage offerings.
- Advanced online mortgage platforms, simplifying application and approval processes.
- Flexible schemes implemented by the bank to tailor solutions to customer needs.
- Advantages from government regulations, including income tax return incentives.
- Active participation in numerous government-subsidized mortgage programs

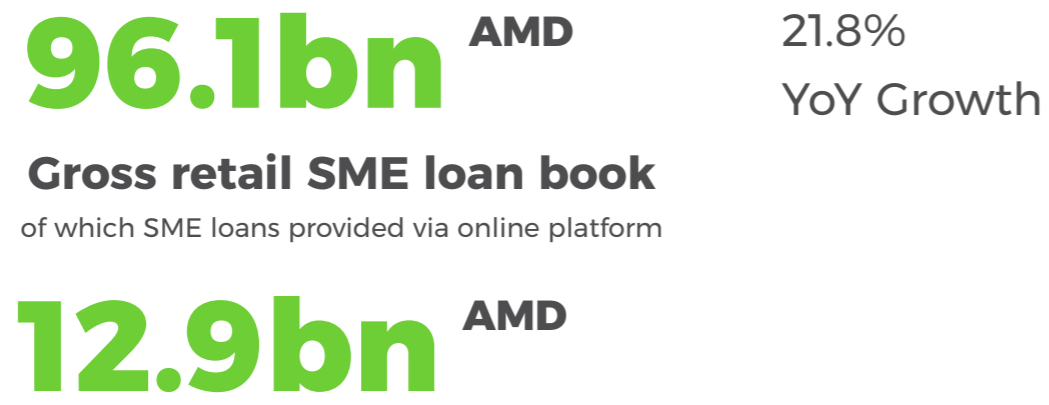


**393.2bn** AMD  
Gross mortgage loan book

27.4%  
CAGR from 2020-2025



**Business banking**

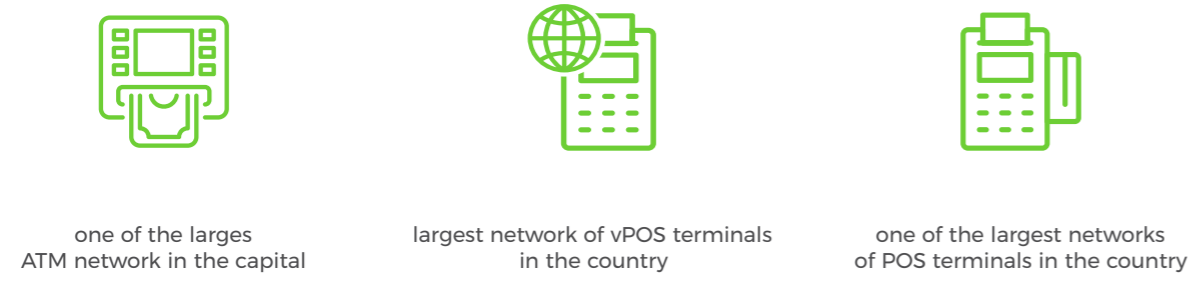


In 2025, Ameriabank significantly advanced its SME banking proposition by delivering a fully digital, end-to-end merchant journey through the MyBusiness platform, including redesigned onboarding, centralized user profiles, and automated POS service management. Ameriabank expanded its digital payments ecosystem by enabling Apple Pay for e-commerce, launching Armenia's

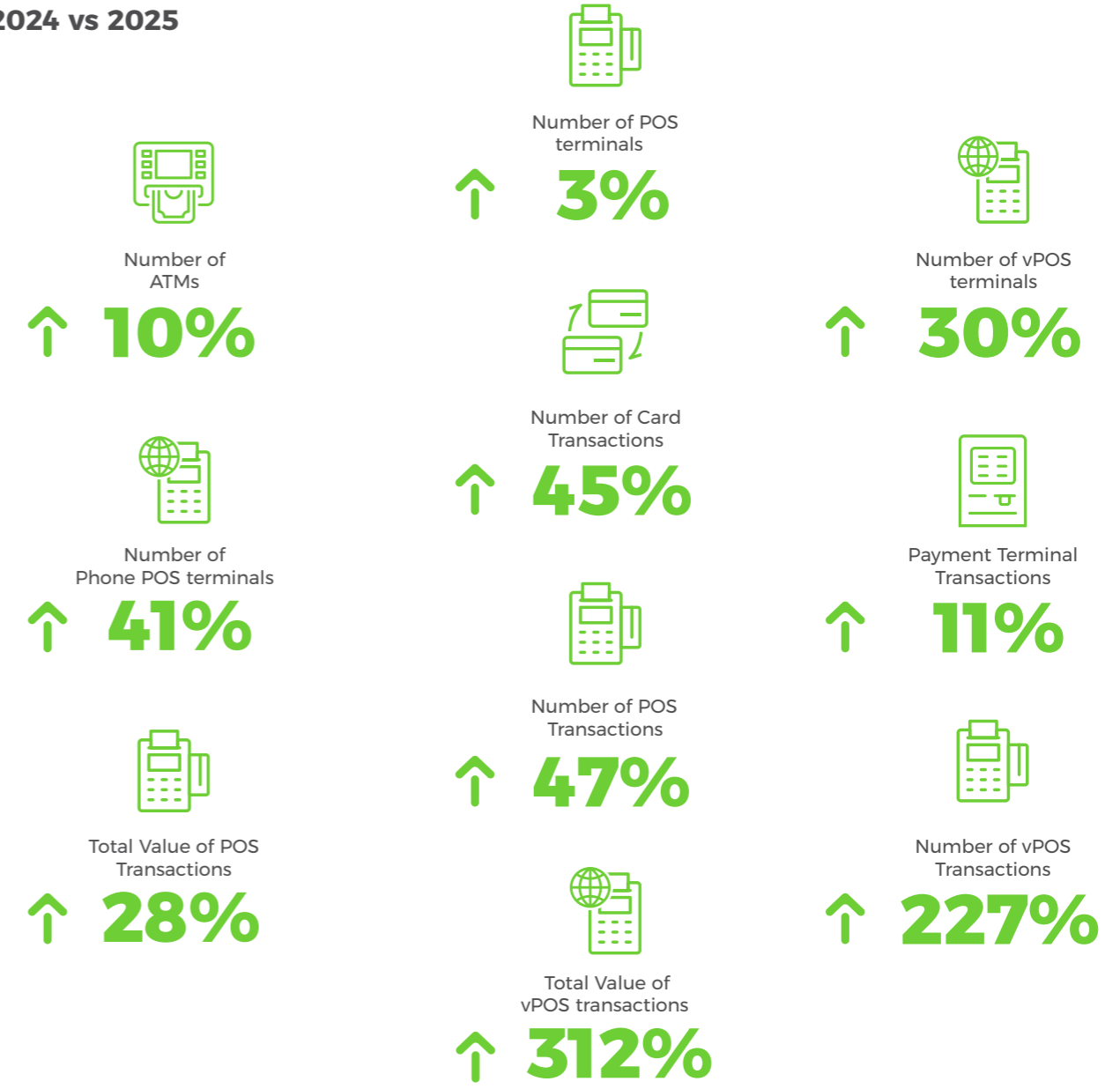
first digital business cards for SMEs, and activating advanced POS solutions such as PhonePOS and vPOS. These enhancements reinforce bank's position as a one-stop, best-in-class digital platform, improving efficiency, accelerating service delivery, and elevating the overall SME customer experience.

- Share of online on-boarded customers through Business platform - 22%
- Share of IB/MB users in total customer base - 67%
- Share of IB/MB opened through Business platform - 30%
- Share of Business cards through Business platform - 75%
- Share digital Business loans - 38%
- Share of POS online applications through Business platform - 76%

**A leading position in the market by e-commerce non-cash operations**



**2024 vs 2025**



**Digital banking**

Following the comprehensive redesign of the MyAmerica's app, we have established a next-generation platform that significantly enhances user experience and engagement, laying the foundation for our long-term vision of a fully integrated super app. The redesigned app transforms MyAmerica from a banking application into a comprehensive digital ecosystem, enabling users to manage financial, lifestyle, and everyday needs in one place such as centralized services for car management, as well as a dedicated events and ticketing section integrated with MyEventHub in MyAmerica. To further enrich the customer experience, we introduced the Stories Section for dynamic product updates, MyPoints loyalty tracking and QR payments at over 5,000 points of sale, and expanded utility, insurance, and billing integrations covering periodic payments, tax information, and condominium fees. In addition, a robust push notification system now provides real-time alerts for utility

debts, incoming transfers, and road police penalties, allowing users to access the relevant payment or account section with a single tap, ensuring seamless and efficient digital interactions.

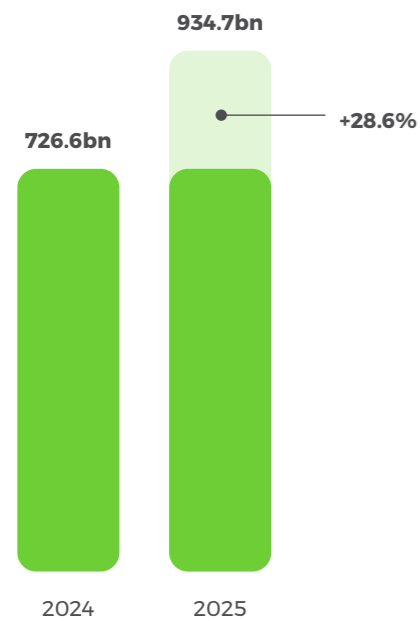
As part of our commitment to a fully inclusive and customer-centric digital ecosystem, we launched the MyAmerica Star app for the kid's segment, a dedicated platform for the kids' segment that fosters early financial literacy and a smooth transition into independent use of the MyAmerica ecosystem. Developed in response to strong parent demand, it provides a secure, educational environment where children learn budgeting and responsible spending, supported by full parental oversight. The platform features the Visa Star card – the first children's payment card in Armenia – along with money requests, child-friendly ATM cash-out, QR payments, game top-ups, and partner discounts.

# Corporate and investment banking (CIB)

## 2025 Highlights

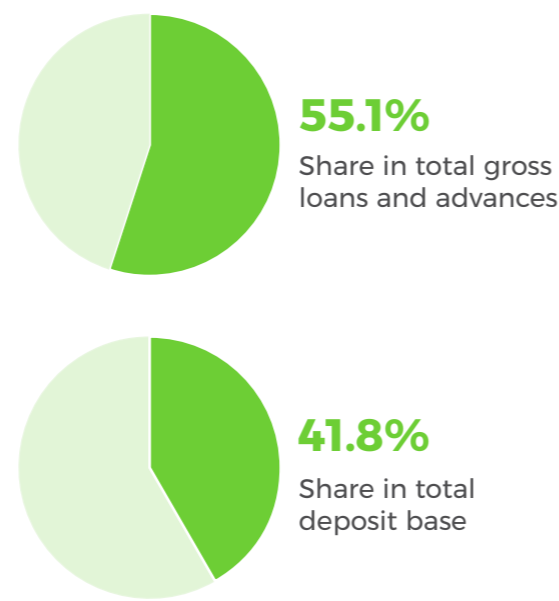
### Corporate gross loans and advances

**935bn** AMD

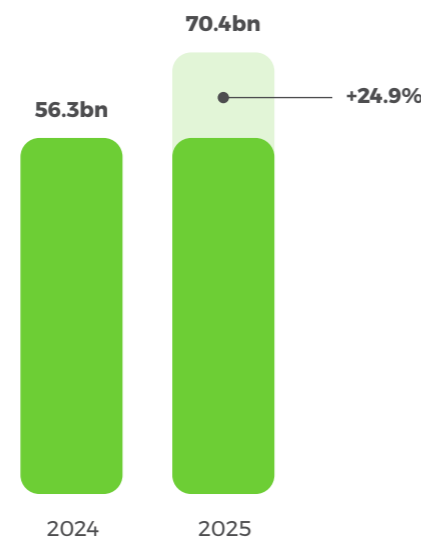


### Corporate deposits and bonds

**640bn** AMD



### Operating Profit before LLC, AMD bn\*



\* Includes profit before LLC, general admin and income tax

## Overview

We are the leading corporate and investment bank in Armenia, holding top positions by all key metrics.

We offer a comprehensive range of lending and transactional products, advisory services in managing and structuring complex transactions, and industry-leading trade finance solutions, with deep sector expertise across all major industries of the economy. We also offer access to additional financial resources via partnerships with International Financial Institutions and government programs.

Our services and solutions are tailored to meet the diverse financial needs of our clients, whether through expert advisory or direct financing. We have a strong track record of serving

the country's largest corporate clients and financing its most strategic projects. With our extensive corporate and investment banking expertise, we take pride in being the bank of choice for leading businesses. While the banking sector has become more diversified in recent years, corporate banking remains our core strength. As demand for sophisticated financial solutions continues to grow, we are committed to further enhancing our offerings.

We strive to maintain our market leadership by further diversifying our portfolio and prioritizing green financing in corporate banking. Our key mid-term targets are a higher share of SME loans & products in our total portfolio and a higher level of non-interest income in our operating income.

## 2025 Achievements

The CIB team registered impressive results in 2025. Total corporate gross loan book grew by 30.3% year-on-year, reaching AMD 874.8 billion. Both corporate SME and large loans contributed to the strong growth, with 24.3% and 32.8% year-on-year book growths respectively. Trade finance total portfolio (balance and off-balance) increased by 40.8% year-on-year due to the high growth of off-balance guarantees. The finance lease portfolio registered 1.5% year-on-year growth reaching AMD 51.1 billion. The corporate loan book remained well-diversified with a balanced exposure to all major sectors of the economy.

In 2025, we continued strengthening our digital transformation efforts within CIB, moving previously launched projects into more advanced stages and expanding automation across key processes. Given the unique and tailored nature of CIB, we further enhanced internal digitalization and automation

initiatives to improve efficiency, accuracy and overall process speed. Several workflows became more structured, enabling smoother coordination across departments. We launched a dedicated digital portal for property valuation process, allowing external valuers to submit and manage information in a secure and fully digital format. This will continue to improve transparency, tracking and operational efficiency.

We also introduced new, very important features and fully automated templates into internet banking for corporate clients, providing faster, and more convenient ways to submit requests to the Bank. These improvements reduced manual steps and enhanced the overall client experience.

Overall, 2025 reflects our continued commitment to using technology to simplify our processes, improve service quality and strengthen operational effectiveness within CIB.

## Corporate Gross Loans and Advances Book Structure

### 2025

**635.7bn** AMD

Large Loans

**51.1bn** AMD

Finance Lease

**239.1bn** AMD

Corporate SME

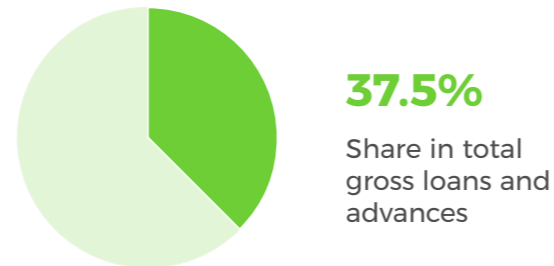
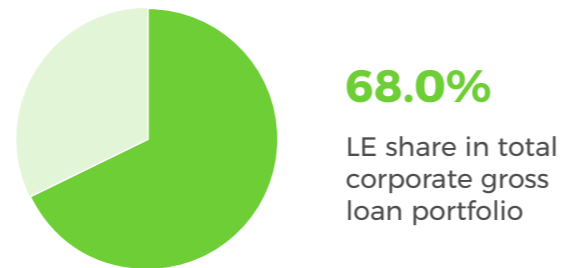
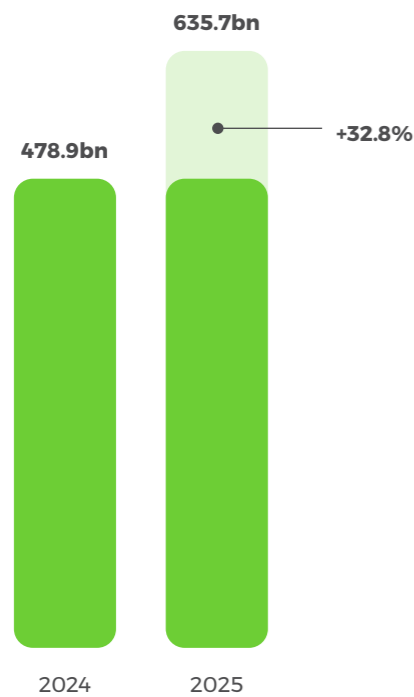
**8.8bn** AMD

Factoring and receivables from LC

# Corporate banking

## Large Enterprise Lending

**635.7bn** AMD  
LE total gross loan portfolio



In 2025, the large corporate loan portfolio reached AMD 635.7 billion, with YOY growth of 32.8%.

The decline in the share of non-performing loans (NPLs) continued in 2024, underscoring the high quality of our loan portfolio. In addition to the 0.9 percentage points decrease registered in 2024, NPL ratio decreased by another 0.7 percentage points in 2025, and as of the year-end, the share of NPLs in the corporate loan portfolio stood at 0.16%.

In 2025, the Bank continued its strategy of financing industries and projects that drive the long-term economic development of the country.

2025 was a year where we saw real, tangible growth across Armenia's economy. Construction stayed strong, with ongoing

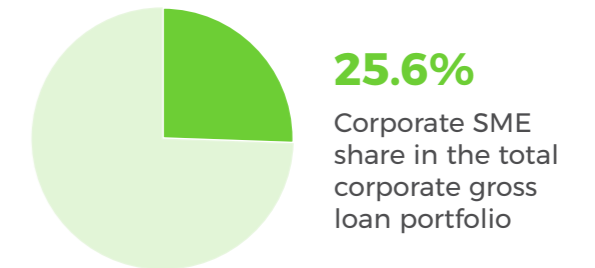
residential and infrastructure projects across the country. Agriculture continued to improve, especially with more businesses investing in modern equipment and focusing on exports. At the same time, sectors like tourism, services, and light manufacturing kept gaining momentum. As the largest bank in the country by corporate lending, we naturally sit close to all of this activity. From the Corporate Bankingside, our job is straightforward—support the sectors that are actually moving the economy forward. We continued to finance major construction projects, while also working closely with agricultural clients who are becoming more efficient and scalable. In parallel, we expanded our support to other growing sectors where we see clear, sustainable demand. We are not trying to grow for the sake of growth. Our focus is to stay balanced, support our clients, and grow alongside the economy.

# Corporate SME lending

## 2025 Highlights

**24.3% YoY Growth**

**239.0bn** AMD  
Corporate SME total gross portfolio



SME lending remained one of the Bank's strategic priorities in 2025. The corporate SME portfolio grew by 24.3% year-over-year, driven by active lending to both existing and new clients. During the last 3 years, corporate SME loan portfolio expanded by 108.1% with a 27.7% compound annual growth rate. The primary focus remained on financing Armenia's strategic sectors—such as energy, construction, intensive agriculture and tourism—through the introduction of new, sector-relevant products.

The growth of the portfolio was driven by our targeted corporate SME lending policy, supported by ongoing efforts to simplify and streamline processes to better align with the needs of

businesses in a rapidly evolving environment. This growth was primarily fueled by increased financing of innovative and green SME projects, as well as initiatives with a strong social impact.

We actively financed Government targeted projects related to production capacities increasing, import of new technologies and stimulating agriculture. We placed greater emphasis on high-tech and energy-efficient projects, offering the most favorable financing terms to support their development. By strengthening our collaboration with partner International Financial Institutions (IFIs), we successfully implemented numerous projects under green economy and green lending programs.

# Finance lease

## Finance lease total portfolio

**51.1bn** AMD

In 2025, the leasing portfolio recorded a growth of 1.5%, reaching AMD 51.1 billion. This growth was primarily driven by several large contracts signed in 2025, under which the delivery of leased assets is scheduled to take place during 2026.

During 2025, leasing agreements totaling AMD 37.2 billion were signed, of which leased assets worth AMD 25.9 billion are currently in the delivery phase.

Through the expansion of financing volumes within leasing operations, we are able to offer our customers flexible and accessible financing solutions. Leasing is an attractive and beneficial financing instrument due to its low-down payment requirements, the

## Finance lease portfolio CAGR (2020-2025)

**31.4%**

absence of collateral pledging procedures, and the more favorable financing terms offered to customers through participation in numerous subsidized programs.

In 2025, the volume of leasing provided under state subsidy programs increased significantly, covering sectors such as manufacturing, mining, healthcare, energy supply, information technologies, and several other industries. Under the "Productivity Promotion Measure" program alone, leasing agreements equivalent to AMD 84.2 billion were signed during 2023-2025, enabling key sectors of the economy to upgrade their equipment under more affordable financing conditions.

# Trade finance and factoring

## 2025 Highlights

### LCs, Guarantees portfolio by year end

**130.1bn** AMD  
up by 40.8%

2025 was a year of substantial growth and notable achievements for Trade Finance at Ameriabank. The portfolio of bank guarantees and LCs totaled USD 340 million by year-end with more than 2,600 new transactions during the year.

In 2025, we kept our focus on growth-driving sectors of the economy – including construction, IT, energy, manufacturing, mining, healthcare, and commodities – while continuing to actively support and facilitate external trade.

We are actively involved in Trade Facilitation Programs with all major IFIs: EBRD (TFP), IFC (GTFP) and ADB (TSCFP). In addition to our issuing bank status with these IFIs, we were the first Armenian bank to receive confirming bank status under the Trade Facilitation Program (TFP) of EBRD and are also the only confirming bank from Armenia under the Global Trade Finance Program of IFC and Trade and Supply Chain Finance Program of ADB.

The large credit limits provided by these IFIs and partner commercial banks for trade finance development enable us to offer our clients the best solutions for operational continuity and development of their businesses. We also continued successful cooperation with our partner international banks, such as Caixabank, Banca Popolare Di Sondrio, Raiffeisenbank, ODDO BHF, Unicredit, Intesa San Paolo and KBC Bank, among others. As of year-end 2025, total trade finance limits obtained by

### Total income from trade finance instruments

**2.7bn** AMD  
up by 39.7%

Ameriabank from major international partner banks and IFIs exceeded AMD 120bn.

We are facilitating trade by issuing local and international payment instruments, servicing export and import operations, providing direct financing of import and export transactions to companies and raising funds from leading global banks and IFIs. Over USD 260mn was attracted from partner banks in 2025 for trade financing purposes.

Factoring is another effective and trustworthy product that the Bank provides to facilitate trade transactions. Due to immediate cash accelerated from accounts receivable, businesses gain agility in meeting operational needs, seizing growth opportunities, and navigating market dynamics with financial flexibility.

During 2025, target sectors of factoring financing were trade, agriculture, energy, construction, transportation, public services and textile production.

In the scope of export factoring, Ameriabank continued its cooperation with the Export Insurance Agency of the Republic of Armenia – which significantly increased the opportunities for exporters to have more reliable and seamless financing options with their overseas partners.

### Factoring portfolio by year end

**8.7bn** AMD  
up by 80.8%

# Investment banking

## 2025 Highlights

### NI arranger and underwriter in Armenia

98bn AMD

18 debt capital market projects

## Overview

2025 marked another milestone year for our Investment Banking business. Ameriabank maintained its undisputed leadership in investment banking by leading several historic transactions in the local market. While recent years have seen a strategic focus on SME and retail banking, Investment Banking remains a key competitive advantage, allowing us to provide tailored solutions to meet the financing needs of our corporate clients.

### Mergers & acquisitions

- Buy-side advisory services
- Sell-side advisory services
- Valuations

### Capital markets

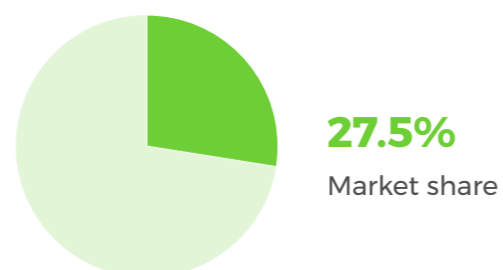
- Debt raising in public capital markets
- Equity raising in public capital markets
- IPO advisory

### Corporate finance

- Debt raising in non-public capital markets
- Equity raising in non-public capital markets
- Rating advisory

### Leading issuer of bonds in the local market

c. 63bn AMD  
14 tranches



We are committed to further diversifying our portfolio and reducing concentration in corporate banking, all while preserving our market-leading position. To support strategic growth and enhance the diversification of funding channels for our clients, we offer a wide range of investment banking tools and products. Our investment banking products and services are channeled via the following business units:

## 2025 Achievements

### Mergers and Acquisitions

The year 2025 was of historic significance for the Mergers & Acquisitions unit of Ameriabank. The M&A unit was a sell-side advisor. Not only was this transaction another challenge where the Bank's M&A team could display its years-long experience, analytical rigor and skills in navigating work structures between multiple stakeholders of various backgrounds, but it also opened up numerous mutually beneficial opportunities to cooperate and expand on both sides and propelled the Bank into new

### Capital Markets

2025 was another outstanding year for our Capital Markets team. The team successfully led 18 debt capital markets projects and bond placements with the total amount of AMD 98 billion.

**Record-Breaking Foreign Currency Bond Issuance:** Ameriabank successfully arranged the placement of USD 80 million in bonds for Viva Armenia CJSC. This landmark transaction is recognized as one of the largest capital market deals and represents the largest volume of foreign currency (USD) bonds ever issued to date in the local Armenian market, marking a major milestone for market depth and capacity.

**Rapid, Debut Placement in Pharmaceutical Sector:** The bond placement for Alfa-Pharm CJSC, the largest pharmacy chain in Armenia, was swiftly completed under Ameriabank's underwriting. The AMD 1.5 billion issue was fully placed on the first day (December 10, 2025), significantly ahead of schedule, underscoring high investor demand. This issuance was particularly notable as it was the first-ever bond offering in the Armenian Pharmaceutical sector, signaling new diversification in the issuer base.

### Corporate Finance

Over the years, Ameriabank's Corporate Finance (CF) unit has cultivated strong and strategic alliances with some of the world's most esteemed and influential financial institutions. Through these trusted partnerships, the unit has successfully secured over USD 1 billion in funding since 2008, reinforcing its pivotal role in driving financial growth and facilitating high-impact transactions.

and strategically significant geographies. This milestone transaction set the stage for a dynamic year ahead. Subsequently, the team conducted multiple valuations across various sectors, including construction, mining, e-commerce, insurance, etc.

Furthermore, the team has been actively orchestrating several high-stakes M&A transactions, serving as both buy-side and sell-side advisors.

**Dual-Tranche Issuance for Diversified Strategic Holding:** Ameriabank launched the placement of a dual-tranche bonds for "Intelligent Management" LLC, a strategic holding company with assets in the medical and insurance sectors, offering both USD 2.5 million and AMD 1 billion denominated tranches. The placement began on December 15, 2025, and the proceeds are intended to finance a modern, multifunctional medical center, demonstrating Ameriabank's role in supporting strategic investments in the healthcare and financial services sectors.

In 2025, Ameriabank retained its leading position in the local market as an issuer as well with a 27.5% market share. In 2025, Ameriabank issued and placed 14 bond tranches with a total volume of AMD 63 billion.

The bond purchase process has also been streamlined and automated for individual investors. Individuals can easily purchase any security offered by Ameriabank online via the MyInvest platform within the MyAmeria application. While institutional investors were the primary participants in previous years, the share of retail investors has grown substantially.

In 2025 the unit remained highly proactive in exploring potential funding opportunities for corporate clients. Leveraging its extensive network and market expertise, the team continued to provide strategic advisory services, identifying and presenting financing solutions tailored to clients' evolving needs.

**VIVA**  
**BONDS**  
 USD  
**80**<sub>mn</sub>  
 Lead Manager  
 February 2025

**AMERIABANK**  
**BONDS**  
 AMD  
**5**<sub>bn</sub>  
 Lead Manager  
 March 2025

**AMERIABANK**  
**BONDS**  
 AMD  
**5**<sub>bn</sub>  
 Lead Manager  
 March 2025

**AMERIABANK**  
**BONDS**  
 AMD  
**12**<sub>bn</sub>  
 Lead Manager  
 September 2025

**AMERIABANK**  
**BONDS**  
 USD  
**15**<sub>mn</sub>  
 Lead Manager  
 September 2025

**AMERIABANK**  
**BONDS**  
 EURO  
**5.25**<sub>mn</sub>  
 Lead Manager  
 June 2025

**AMERIABANK**  
**BONDS**  
 USD  
**10**<sub>mn</sub>  
 Lead Manager  
 April 2025

**AMERIABANK**  
**BONDS**  
 USD  
**10**<sub>mn</sub>  
 Lead Manager  
 April 2025

**AMERIABANK**  
**BONDS**  
 AMD  
**5**<sub>bn</sub>  
 Lead Manager  
 June 2025

**AMERIABANK**  
**BONDS**  
 USD  
**11.6**<sub>mn</sub>  
 Lead Manager  
 October 2025

**AMERIABANK**  
**BONDS**  
 AMD  
**10**<sub>bn</sub>  
 Lead Manager  
 December 2025

**AlfaPharm**  
**BONDS**  
 AMD  
**1.5**<sub>bn</sub>  
 Lead Manager  
 December 2025

**AMERIABANK**  
**BONDS**  
 USD  
**10**<sub>mn</sub>  
 Lead Manager  
 June 2025

**AMERIABANK**  
**BONDS**  
 AMD  
**3.25**<sub>bn</sub>  
 Lead Manager  
 July 2025

**AMERIABANK**  
**BONDS**  
 USD  
**5**<sub>mn</sub>  
 Lead Manager  
 July 2025

**INTELLIGENT MANAGEMENT**  
**BONDS**  
 AMD  
**1**<sub>bn</sub>  
 Lead Manager  
 December 2025

**INTELLIGENT MANAGEMENT**  
**BONDS**  
 USD  
**2.5**<sub>mn</sub>  
 Lead Manager  
 December 2025

**AMERIABANK**  
**BONDS**  
 USD  
**10**<sub>mn</sub>  
 Lead Manager  
 December 2025

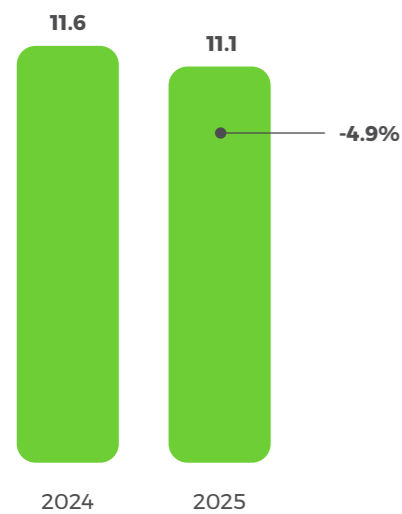
# Trading

## Highlights

- The largest primary security dealer and the leading market maker in Armenian Government Securities, both in local and international markets
- One of the leading FX dealers in the market, excelling in both trading volumes and profitability.
- The leading broker in the local market known for its in-house investment solution, MyInvest, servicing a large number of clients and offering a broad spectrum of brokerage products and services.

## Net non-interest income from Trading operations,

AMD bn



## CAGR 2020-2025

**+28.1%**

## YoY growth in the number of brokerage clients

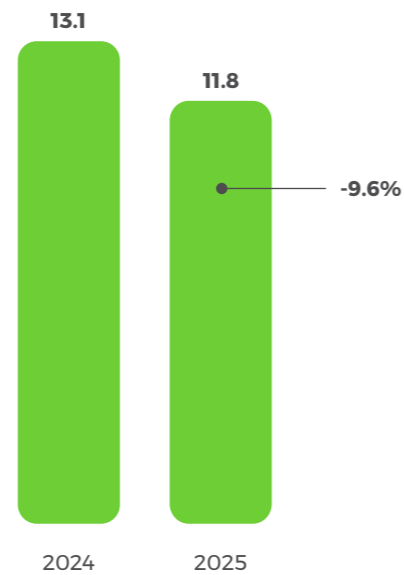
**+57.5%**

Ameriabank continued to demonstrate strong adaptability in navigating evolving global and local financial markets, maintaining its leading role in Armenia's trading operations through active liquidity provision, disciplined risk management, and ongoing product development. In 2025, net foreign exchange gain amounted to AMD 19.6 billion, compared to AMD 23.7 billion in 2024. The Bank's performance across FX, derivatives, money markets, and securities reflected a continued commitment to supporting market infrastructure and delivering effective risk-management solutions for clients.

In 2025, Ameriabank's FX Trading Desk continued to provide a full suite of products in both local and international currencies, including spot, forwards, and swaps. The Bank remained an active market maker in both cash and non-cash markets, providing continuous two-way pricing across 12 major currencies—USD, EUR, GBP, CHF, RUB, CAD, AUD, AED, CNY, SEK, JPY, GEL—and gold, with GEL added to the quoting list in 2025. By expanding coverage and maintaining consistent liquidity provision, Ameri-

## Operating profit,

AMD bn



## CAGR 2020-2025

**+23.2%**

## YoY growth in the number of monthly active users of MyInvest

**+76.0%**

bank supported the transactional and hedging needs of corporates, SMEs, financial institutions, and international investors, further strengthening its position as one of the market's most active liquidity providers.

Building on recent strategic efforts to develop the local derivatives market, Ameriabank continued to deepen activity in AMD-settled forwards and swaps, expanding access to structured hedging solutions for exporters and importers and contributing to improved market depth. In parallel, the Bank expanded its derivative offering by introducing Non-Deliverable Forward (NDF) contracts to its corporate client base—providing an additional instrument for managing currency exposures in various markets.

Market-making activity continued to scale in 2025, reinforcing Ameriabank's leadership in Armenia's capital markets. By year-end, the Bank acted as market maker for 29 corporate bonds and 6 government bonds listed on the AMX, spanning key sectors including telecommunications, utilities, and banking.

Notably, approximately 25% of all issuers listed on the AMX selected Ameriabank as their market maker – a strong endorsement of the Bank's execution capabilities, balance sheet strength, and distribution reach.

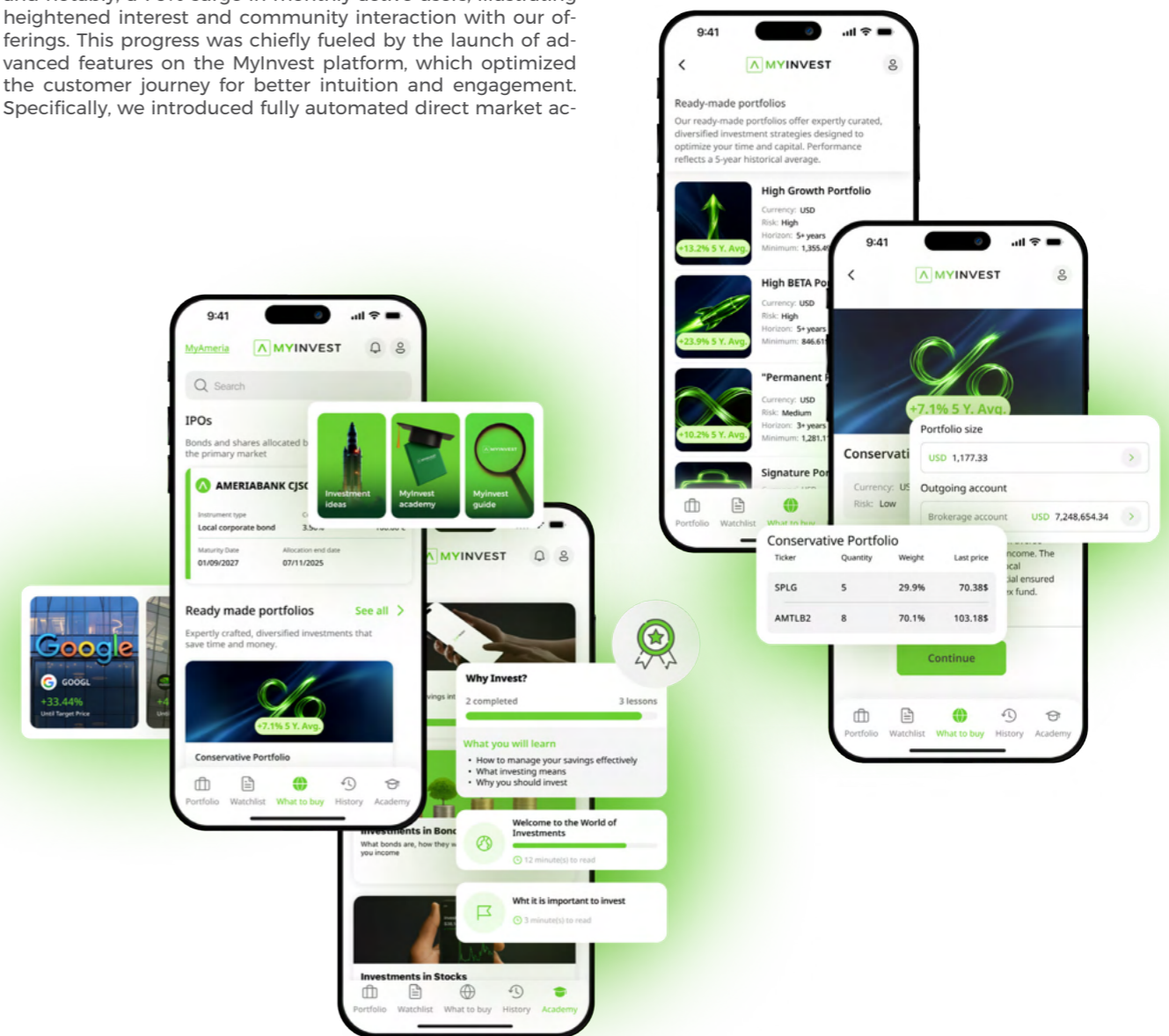
This expanded footprint materially enhances secondary market liquidity, narrows bid-ask spreads, and supports efficient price discovery. For issuers, active market making improves bond tradability and investor confidence; for investors, it reduces transaction costs and exit risk.

Ameriabank's growing role underscores its strategic contribution to deepening Armenia's capital markets, strengthening transparency, and supporting the long-term development of the domestic fixed-income ecosystem.

During 2025, Ameriabank's brokerage division took significant strides forward, capitalizing on the strong framework established in 2024. The year delivered exceptional expansion, with revenues climbing nearly 48% year-on-year, outperforming both planned targets and external expectations. A major milestone was the 57% annual expansion in our total user base, and notably, a 76% surge in monthly active users, illustrating heightened interest and community interaction with our offerings. This progress was chiefly fueled by the launch of advanced features on the MyInvest platform, which optimized the customer journey for better intuition and engagement. Specifically, we introduced fully automated direct market ac-

cess to AMX, along with Investment Ideas, the MyInvest Academy digital learning hub, and pre-built portfolios designed for beginner investors. In addition, we implemented several enhancements, including real-time market data, customizable watchlists, and interactive marketing stories.

Additionally, impactful capital market projects sustained this momentum. Ameriabank successfully managed bond tranches for "Intelligent Management" LLC, "Alfa-Pharm" CJSC, and "Viva Armenia" CJSC. These issuances proved our digital finance capability, offering retail clients a frictionless, automated digital sales avenue. Ameriabank's trading team persisted in refining MyInvest, Armenia's first in-house trading application, granting clients unique 24/7 access to local and global markets. The app now rivals world-class platforms with features like detailed profiles, fundamental analysis tools, and real-time profit tracking. Notably, over 70% of local corporate bond trades on the Armenian exchange are executed via Ameriabank channels.



# Doing business responsibly

Beyond technology, Ameriabank pioneered public education on investment opportunities and economic concepts. This involved creating educational social media videos and a Telegram blog that has reached over 4,000 subscribers. We also introduced

**As a result of the active participation in the local foreign exchange and securities markets in 2025 Ameriabank earned several awards including:**

- Bronze Award at FEAS Champions League Award Ceremony

At the Champions League Award Ceremony held within the framework of the prestigious annual international ConFEAS 2025, Ameriabank got the bronze award in Fixed Income Market

**In line with our strategy and mid-term targets, we have set result-oriented roadmaps, which include:**

- **Digitalizing** the whole brokerage infrastructure and minimizing human involvement in all processes.
- **Maintaining** leading position as the first choice broker in Armenia by constantly improving the quality of our service and by bringing in new distinctive features, markets, instruments and digital channels
- **Increasing** the customer base of our brokerage business, while increasing user engagement and revenue generation
- **Remaining** the leading foreign exchange trader in the local market and continuing product and service line expansion to attract an increasingly larger customer base.

"Investor's Day," a beloved offline event for networking and learning, alongside online webinars for novices. These efforts aim to empower a vast audience with knowledge, reinforcing our commitment to excellence and innovation in the investment sector.

nomination for its bond market activity on the local exchange. This is the first time ever that a company from the financial and banking sector of Armenia wins a Champions League award among 66 esteemed peer members of FEAS (Federation of Euro-Asian Stock exchanges).

- **Continuing** offering qualified and high quality market making services to corporate issuers, increasing the number of quoted securities under market making agreements and maintaining a leading position as a market making service provider in the local market.
- **Maintaining** and improving our position in the market as one of the leading Primary Dealers (Agents) of the Ministry of Finance through active participation in the government bonds' primary auctions and active trading in the secondary market.

## Improving the Quality of Life: Our Social Impact

### Highlights of 2025

- Children's health and education prioritised through the "My America, My Armenia" campaign
- Financial literacy and STEM skills advanced through education programmes and Ameriablog
- Students and universities supported via the "My America, My Future" campaign
- Classical culture promoted through strategic cultural partnerships
- Environmental causes addressed through afforestation and green energy projects

In 2025, approximately AMD 425 mln was channelled into Ameriabank's corporate social responsibility (CSR) and charitable initiatives.

### Investing in a Healthier Future for Armenia

In 2025, Ameriabank implemented the "My America, My Armenia" CSR campaign, inviting both clients and the wider public to shape the Bank's social investment priorities through an open and transparent voting process. With a dedicated allocation of AMD 100 mln, the campaign reflected Ameriabank's belief that impactful social responsibility decisions should be guided by community voices. The participatory initiative engaged more than 55 thousand people, with children's health and education selected by them out of 8 directions proposed as the top priority areas for investment with around 72% and 28% of funding respectively.

Guided by these results, Ameriabank directed over AMD 70 mln towards initiatives in children's healthcare. Throughout the year, the Bank implemented a wide range of programmes aimed at strengthening pediatric healthcare services in Yerevan and across the regions.

In partnership with the French-Armenian Health Foundation (Santé Arménie), Ameriabank enabled access to essential rehabilitation services for children in Syunik living with chronic neurological and orthopedic conditions, allowing families to receive consistent, high-quality care closer to home. At the Nork-Marash Medical Center, the Bank financed the annual maintenance of the Robin Robot—an innovative companion robot designed to reduce stress and anxiety among children undergoing cardiology examinations.

To enhance emergency medical care in remote areas, Ameriabank supported the acquisition of an intensive care ambulance for the Republican Emergency Service of Armenia and

equipped it child-friendly medical equipment, expanding access to lifesaving support for families in Tavush and surrounding communities. Additional initiatives focused on supporting children living with epilepsy, cerebral palsy, asthma, and other long-term conditions, helping ensure timely diagnosis, access to treatment, and continuity of care.

Collectively, these efforts strengthened Armenia's healthcare system, reduced regional disparities in access to medical services, and improved health outcomes for around 20 thousand children with complex medical needs.

Ameriabank also continued its support for long-term partners in the healthcare sector, including Zinvori Tun Rehabilitation Center, Surb Astvacamayr Medical Center CJSC, and Health Fund for the Children of Armenia, among others.

Promoting healthy lifestyles and the development of sports culture remained an important component of Ameriabank's social agenda. In 2025, with the Bank's support, the Dilijan Run Sports Festival was held in Dilijan National Park. The two-day event featured Armenia's only internationally ITRA-rated trail marathon, with race distances ranging from one kilometre to a full marathon. The festival brought together approximately 1K participants and combined competitive sport with community engagement. By encouraging physical activity and outdoor recreation, the initiative contributed to healthier lifestyle habits, supported amateur sports, boosted inbound tourism, and enhanced the international visibility of Dilijan—creating positive ripple effects for local economic and community development.

### Ensuring Educational Opportunities for All in Line with Global Trends

Ameriabank continues to invest in modern teaching tools and digital solutions that enhance the quality of learning environments, with particular attention to underserved and regional communities. The education was highlighted as a key priority area both within the "My America, My Armenia" CSR campaign, as well as beyond it. Advancing STEM education remained a strategic priority for Ameriabank, ensuring that young people outside the capital have equal access to high-quality digital learning opportunities. Through targeted programmes and strategic partnerships, the Bank supported initiatives that strengthen digital literacy, develop technical skills, and prepare the youth for future careers in a rapidly evolving technological landscape.

Collectively, Ameriabank's STEM initiatives engaged approximately 30 thousand young people during the year.

In partnership with Visual Armenia, the Bank supported the integration of smartboards as innovative classroom technologies for usage of Brainograph platform—an interactive learning platform that combines scientific thinking, technology, and

modern pedagogy to make subjects such as history, geography, and others more engaging and accessible. Ameriabank funded the installation of six smart boards in schools in Yerevan, Gyumri and Vanadzor, enabling more interactive teaching and dynamic learning experiences.

In collaboration with the Innovation Center, Ameriabank supported a six-month cybersecurity programme delivered through a structured three-phase model. The initiative began with awareness sessions reaching 600 participants, followed by intensive hard-skills training for 100 students, and will be concluded with internationally recognised OSCC certification for selected top performers. This multi-level approach built foundational knowledge while creating clear pathways for professional growth in a high-demand digital field.

To further strengthen digital competencies among youth, Ameriabank partnered with the Enterprise Incubator Foundation to deliver AI4All, a ten-month educational programme for more than 500 students aged 14 to 18. The programme

introduces participants to artificial intelligence and machine learning through theoretical learning, hands-on projects, and expert-led webinars, while also fostering research skills, critical thinking, and practical application of AI tools.

Ameriabank also served as the innovation partner for Science Week 2025, a flagship six-day science and innovation festival complemented by decentralised regional events throughout the year. The initiative aimed to increase youth professional orientation, raise public awareness of scientific achievements, and encourage creative engagement with science. The festival and its related events attracted around 20 thousand visitors, reinforcing a nationwide culture of innovation and early STEM engagement.

In parallel, Ameriabank intensified its efforts to promote financial literacy among children and adolescents. Through educa-

### Empowering Students and Developing University Infrastructure

Ameriabank continued to invest in the higher education system through the "My America, My Future" scholarship contest, implemented in partnership with Visa. The programme identifies and supports proactive, forward-thinking students with strong analytical and creative abilities and is open to Ameriabank Visa Student cardholders enrolled in accredited public and private universities across Armenia, excluding previous scholarship recipients. Through this initiative, the Bank contributes to equal access to educational opportunities and the development of future leaders.

During 2025, 160 students received scholarships for 6 months, 10 students took part in short-term educational visit to UC Berkeley, 3 students implemented their projects. Moreover, the second "My America, My Future" campaign was launched in 2025 with a goal to fund 200 scholarships during 2026.

Recognising the critical role universities play in shaping Armenia's innovation potential, in 2025 Ameriabank prioritised long-term investment in higher education infrastructure. Support was tailored to the specific needs of each institution and aims to create contemporary, well-equipped academic environments that foster excellence in teaching, learning, and research. 7 Universities were supported within the "My America, My Future" Campaign in

### Promoting Classical Culture

In 2025, Ameriabank supported a wide range of cultural institutions and initiatives aimed at promoting classical arts—particularly among young audiences—while also elevating contemporary Armenian classical art. The Bank's cultural engagement focuses on expanding access, raising public awareness, and creating meaningful opportunities for young people and socially vulnerable groups to engage with the arts.

As part of its commitment to institutional cultural support, Ameriabank established a long-term partnership with the State Philharmonia of Armenia. In addition to the institutional support, as a result of this collaboration, Ameriabank clients can access Philharmonia concerts and events at reduced prices via dedicated group ticketing and subscription options available on the MyAmerica platform, with additional discounts offered to children and students.

tional sessions conducted in schools and community spaces, the Bank helped young people develop essential skills related to money management, financial responsibility, goal-setting, and safe banking practices. In 2025, these initiatives included 10 educational sessions and reached approximately 300 schoolchildren, contributing to the development of a financially informed and confident generation.

Ameriabank also continued running Ameriablog, an online platform covering personal finance, lifestyle, business, and future planning topics. Through weekly publications, the blog provides practical and easy-to-understand content on budgeting, savings, responsible borrowing, and long-term financial planning, supporting improved financial literacy and informed decision-making across diverse audience groups.

2025, including Yerevan State University, Brusov State University, National University of Architecture and Construction of Armenia, Armenian State Pedagogical University, Armenian State Institute of Physical Culture and Sport, Armenian State University of Economics, National Polytechnic University of Armenia.

Ameriabank also continued supporting youth engagement and leadership platforms that strengthen student communities. In October 2025, StudentFest 2025, organised by Teach for Armenia, took place in Yerevan with Ameriabank's support. The festival brought together more than 300 students from universities across Armenia, serving as a vibrant platform for connection, idea exchange, and inspiration.

In parallel, Ameriabank supported initiatives that connect Armenian professionals educated at leading universities worldwide. At the initiative of the Oxford Alumni Business Club in Armenia, graduates of top global universities united to form a professional community aimed at fostering collaboration, knowledge exchange, and development-focused projects for Armenia. By supporting such networks, Ameriabank contributes to mobilising global expertise and strengthening professional ecosystems that benefit the country.

Ameriabank also sponsored the Kapan International Music Festival in Syunik, a major cultural event bringing together distinguished musicians from Armenia and abroad. The festival featured concerts, masterclasses, artist talks, and public discussions, significantly enriching cultural life in the region and expanding access to high-quality classical arts beyond the capital.

In addition to the partnerships mentioned above, Ameriabank also funded cultural education programs implemented by the Armenian State Symphony Orchestra and the Music for Future Foundation, fostering a love for classical music among younger generations while identifying and creating opportunities for emerging talents.

Altogether, cultural initiatives supported by Ameriabank engaged more than 13 thousand participants during the year.

### Promoting a Healthy Environment and Addressing Climate Change

In 2025, Ameriabank cooperated with the Hayastan All-Armenian Fund to implement a project contracted in 2024 aimed at strengthening energy sustainability in Armenia's bordering regions. The initiative promoted the installation of solar-powered water heaters in rural communities, as well as the development of solar PV plants, contributing to cleaner energy use and increased resilience of local infrastructure.

As part of a joint initiative led by the Union of Banks of Armenia, in 2025 Ameriabank joined a 2.5-year afforestation programme implemented by the NGO My Forest Armenia. The programme

aims to establish sustainable, biodiversity-rich forests on community land, increasing green cover and supporting the restoration of degraded ecosystems.

Upon completion of the land-use phase, the newly established forest and the underlying land will be transferred back to the community, ensuring long-term local ownership and stewardship. My Forest Armenia will continue to care for the planted trees, including replacing any that do not survive, thereby ensuring the sustainability and resilience of the new forest ecosystem.

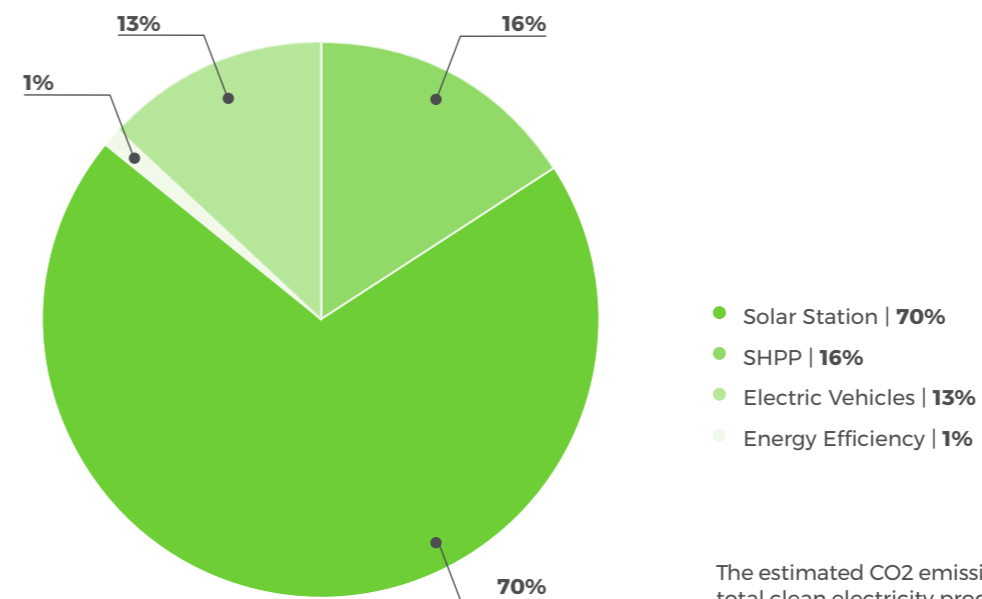
### Green Portfolio and Green Bonds

In line with our commitment to help society transition to a resource-efficient, low-carbon, and environmentally sustainable economy, we continue contributing to the development of sustainable solutions through financing respective services and innovations.

In our green financing efforts, we have developed strong partnerships with IFIs. Overall, since 2009 we have financed more than USD 250 million worth energy efficiency & renewable energy projects with the support of various IFIs and impact investors, such as the Dutch Entrepreneurial Development Bank (FMO), Responsibility Investments AG, the European Bank for Reconstruction and Development (EBRD), French Development Financial Institution (PROPARCO), the International Finance Corporation (IFC), Development Bank of Austria (OeEB), German Investment Corporation (DEG), Global Climate Partnership Fund (GCPF) and others.

In 2020, Ameriabank became the first in Armenia to issue and place Green Bonds with a total volume of 42 million euros. Our Green Bonds are in line with the UN SDGs and promote the following goals: SDG7 Affordable and Clean Energy, SDG9 Industry, Innovation and Infrastructure, and SDG13 Climate Action. We have a well-established Green Bond Framework consistent with the International Capital Market Association's ("ICMA") current Green Bond Principles. Our Green Bond Framework has been assessed by Sustainalytics, which is of the opinion that the Ameriabank CJCS Green Bond Framework is credible and impactful and aligns with the core components of the Green Bond Principles 2018 and the Green Loan Principles. In February 2022, Ameriabank became the first in Armenia to initiate a public offering of green bonds.

### The allocation of funds raised through our green bonds as of YE 2025:



- Solar Station | 70%
- SHPP | 16%
- Electric Vehicles | 13%
- Energy Efficiency | 1%

The estimated CO2 emissions avoided totaled 122,150 tons, while total clean electricity production amounted to 292 million kwh.

## Vision for a Sustainable Future

All our efforts towards doing business responsibly are ultimately aimed at furthering the UN Sustainable Development Goals (SDGs), with a particular focus on those SDGs which are the most relevant to our business.



### SDG 3: Good health and well being

Our contribution:

- Comprehensive medical insurance for staff
- Promotion of healthy lifestyle among staff by encouraging participation in various sports tournaments & corporate gym subscriptions
- Support to children with life-threatening diseases and longterm health conditions through corporate social responsibility programs
- Support in addressing healthcare field issues via infrastructure development support

### SDG 4: Quality education

Our contribution:

- Ongoing learning and development opportunities for staff
- Financial education for the wider public
- Support for talented young people through funded scholarships
- Creating opportunities for youth to access the world's best-in-class expertise

### SDG 7: Affordable and clean energy

Our contribution:

- Financing of renewable energy systems and improved access to clean electricity for communities

### SDG 8: Decent work and economic growth

Our contribution:

- Small and medium business finance
- Funding of sectors and projects with promising development potential
- Funding of large-scale renewable energy projects as part of our green strategy

### SDG 9: Industry, innovation and infrastructure

Our contribution:

- Innovation and fintech development via digital ecosystems
- Investments in IT infrastructure to ensure best customer experience
- Support to the growth and development of tech community in Armenia

### SDG 11: Sustainable cities and communities

Our contribution:

- Investing in Green Assets Portfolio to provide finance for renewable energy, sustainable transport & buildings, waste management, etc.

### SDG 12: Responsible consumption and production

Our contribution:

- Sorting and recycling waste
- Reduced consumption of energy, water and paper

### SDG 13: Climate action

Our contribution:

- Investing in projects facilitating reduction of greenhouse gas emissions



# Risk management objectives and principles

Ameriabank's risk management structure is based on common principles, strong risk culture, solid governance structure and advanced processes and tools.

## Risk management policy of Ameriabank sets:

- Risk management objectives and principles
- Risk appetite framework
- Distribution of authorities between the Bank's decision-making bodies and other functions in relation to risk-bearing operations
- Key benchmarks and criteria of operations
- Governance structure which provides effective oversight in line with the risk appetite framework
- Other provisions

Risk management is implemented by the Bank's Board of Directors, Management Board, Board level committees, managers and other employees, starting from development of the Bank's strategy and involving all aspects of Bank's operations.

Ameriabank's risk management policy is an integral part of the Bank's development strategy and provides the framework for managing risk across its operations. Approved by the Board of Directors, the policy sets out the principles that guide the effective organization of the Bank's activities and aim to minimize potential adverse impacts. The policy is reviewed regularly and updated as needed to reflect changes in the Bank's strategy, the complexity of its business, and the current and expected macroeconomic environment.

According to the established Management Information System (MIS), the Bank's Risk Management Department performs risk reporting regularly on monthly, quarterly and annual basis and reports the results to the Management Board or specialized committees (Credit Committee, Assets and Liabilities Management Committee, etc.), Board of Directors and the Central Bank of Armenia (CBA).

## Primary goals of risk management in the Bank include:

- Achieving optimal quality of financial instruments' portfolios in terms of maximum value for the Bank under acceptable risks
- Making all possible losses and risks predictable, measurable and manageable
- Maintaining all risk ratios at an acceptable level, with proper (expected) cushions above the limits
- Developing risk appetite framework in order to support the strategic goals of the Bank.

## To achieve its risk management objectives, the Bank undertakes the following key activities:

- Identification of potential risks arising from the Bank's operations
- Identification of factors influencing specific types of risk
- Qualitative and quantitative assessment of identified risks
- Establishment of risk parameters and approval of acceptable risk limits

- Collection, processing, and timely reporting of relevant risk information to the appropriate governing bodies
- Approval and implementation of integrated internal risk control and monitoring systems
- Clear definition of the roles and responsibilities of the Board of Directors and the Executive Body in managing specific risks
- Development and oversight of measures and methodologies for risk forecasting, assessment, and mitigation.

The timely identification of risks is supported by several key conditions, including: regular monitoring of the Bank's internal prudential ratios and compliance with established risk limits; ongoing analysis of balance sheet developments; adherence to prudential requirements set by the Central Bank of Armenia (CBA); comprehensive historical, forward-looking, and stress-testing assessments across portfolios and exposures; continuous monitoring of local and global macroeconomic developments supported by model-based analysis; and the existence of internal policies and procedures governing the identification and management of specific risks, clearly outlining the relevant methodologies and control mechanisms.

## The Bank's Risk Management policy is based on the following principles:

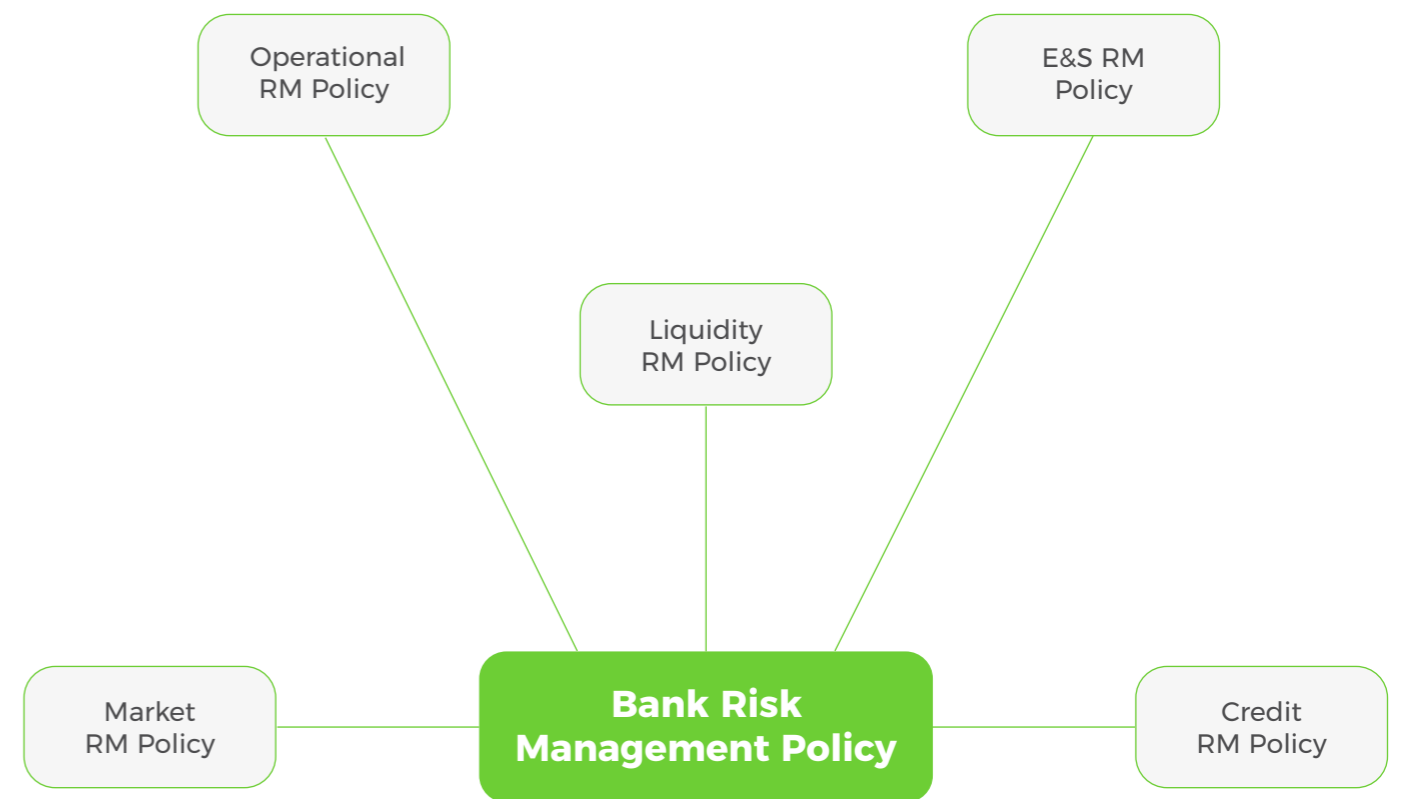
- Unified risk management system is implemented in the Bank as a key element of the Bank's strategic management.
- Risk management in the Bank has a proactive role and permanent and continuous nature. Risks are identified and assessed as part of all processes of the Bank and appropriate measures are constantly being taken to ensure their adequate management.
- The Bank's risk management system is based on a risk/return ratio of maximum accuracy. The Bank selects those risk-generating transactions, which can be effectively assessed and handled.
- The Bank strives to get to know its clients and understand their financial needs. The Bank avoids establishing business relations without adequate information on clients' financial position. We follow the best practice KYC (Know Your Customer) principles in our interaction with clients.
- Significant risk-generating instruments are approved based on the "four-eye" principle, in some cases independent risk management specialists are involved.
- The scope of authorities (including approval limits) and responsibilities is clearly specified and documented for each of the Bank's instruments and processes. Moreover, internal controls are documented for each process.
- Any deviation from the Bank's policies and other internal regulatory acts must be authorized by the body approving the policy in question or the body having the appropriate authority (Management Board, Board of Directors).
- Each business line of the Bank is responsible for identification and regular monitoring of on-going risks.
- Management information systems (MIS) are in place, enabling more effective portfolio management.
- The risk management approach for each banking instrument (approval limits, acceptable parameters, portfolio volume, variances from adopted policies, etc.) is established by relevant internal regulations and/or policies and approved by the Risk Management Department of the Bank.

- Internal Audit regularly assesses the effectiveness of risk management function in the Bank.
- Management bodies regularly analyze and assess the Bank's operations.

## The Bank's Risk Management system includes the following elements:

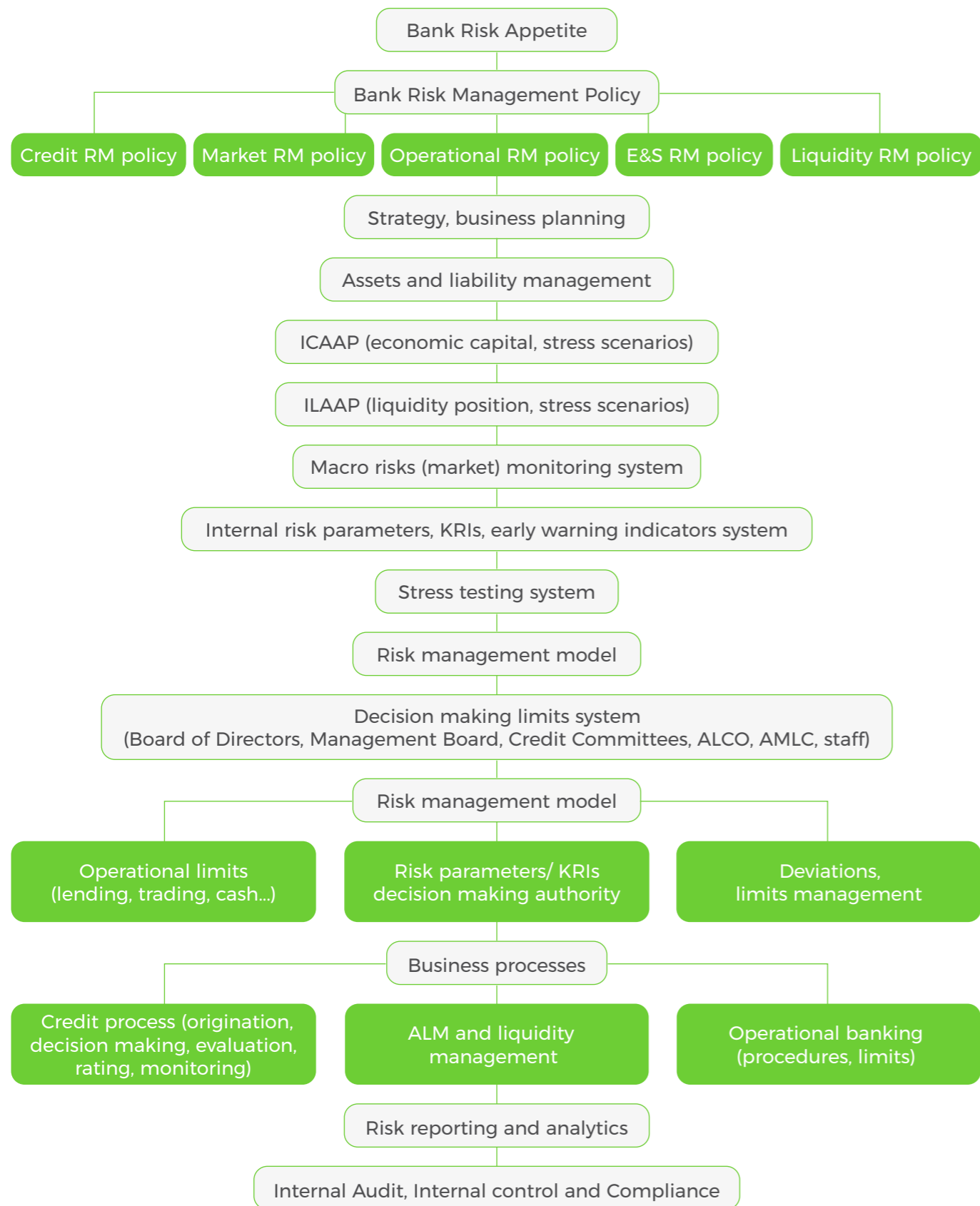
- **Risk appetite:** the Board of Directors defines the acceptable level of losses/risk for each financial year in line with the Bank's goals and expected macroeconomic developments. The risk appetite is structured around all types of risks (credit, market and operational). All risk parameters and limitations are set depending on the risk appetite assigned to each type of risk.

- **Standards and reports:** this structural element includes specification of (i) instruments approval standards, (ii) risk categories, (iii) instrument-specific standards, and (iv) management reporting standards.
- **Limits and rules:** decision-making authorities, portfolio limits and appropriate rules are established for all financial operations of the Bank.
- **Investment guidelines and policies:** the Bank's investment strategies, criteria and acceptable level of variances are established. These guidelines serve as a basis for the Bank's hedging, asset/liabilities management and other policies.
- **Risk/return ratio:** risk-return framework is the basis for investment decisions across all financial instruments of the Bank. Accordingly, appropriate employee incentive mechanisms are developed.

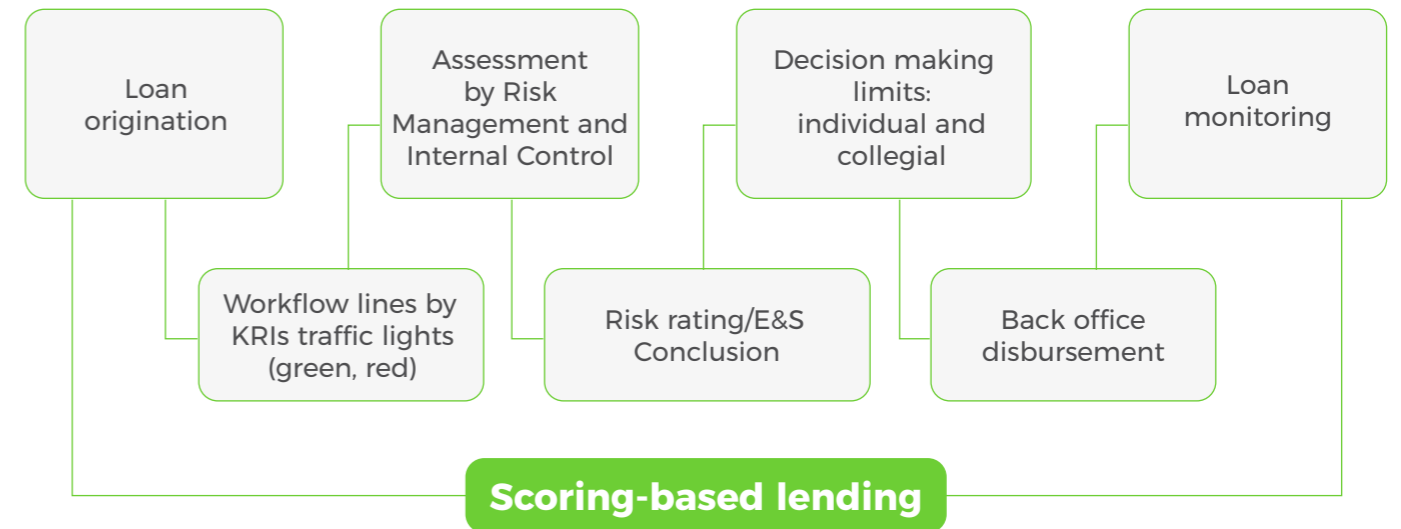


# Risk management framework

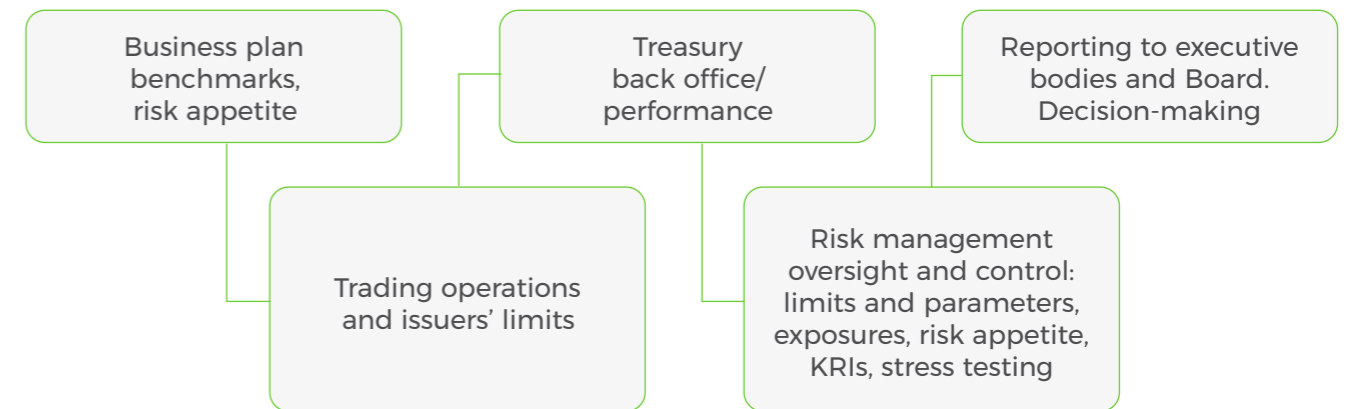
The general structure of the Bank's risk management framework is presented below. It is a well-developed structure with several lines of defense against possible risks coming from external and internal sources.



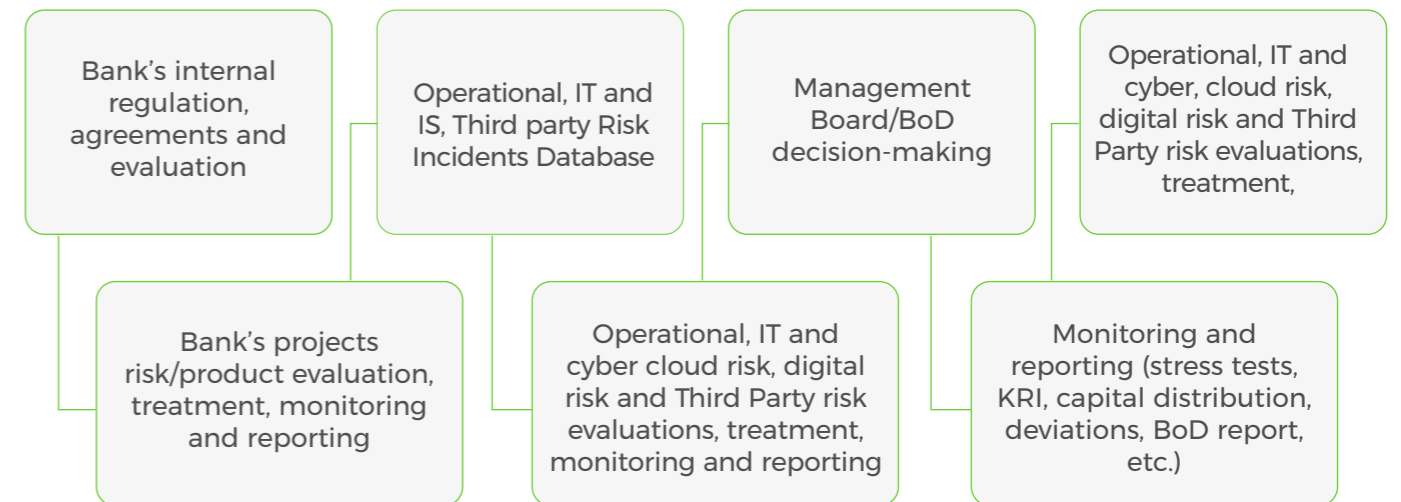
## Credit Risk Management Workflow



## Market Risk Management Workflow



## Operational Risk Management Workflow



# Risk organization and governance

Risk management is embedded across all levels and functions of the Bank and reflects a clear allocation of governance responsibilities and risk-taking authority in line with the Bank's defined risk appetite.

The Board of Directors (BoD) approves the Bank's strategy, as well as its risk management, credit, and other key policies and internal regulations required for their implementation. The BoD defines the Bank's risk appetite, including acceptable risk criteria and limits as set out in the Instruction on Risk Management Parameters

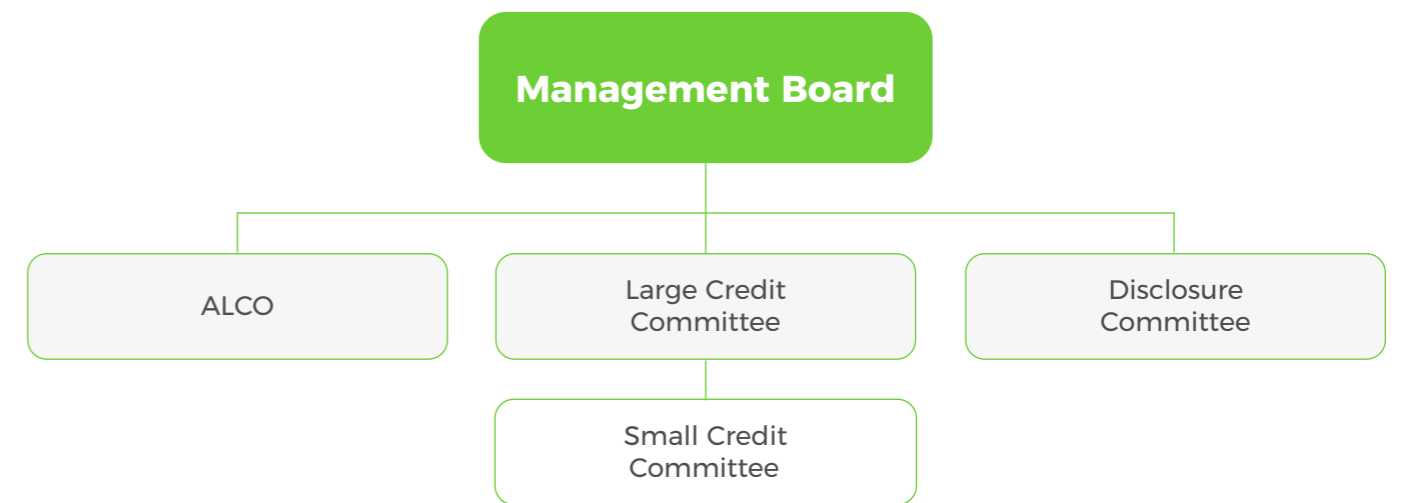
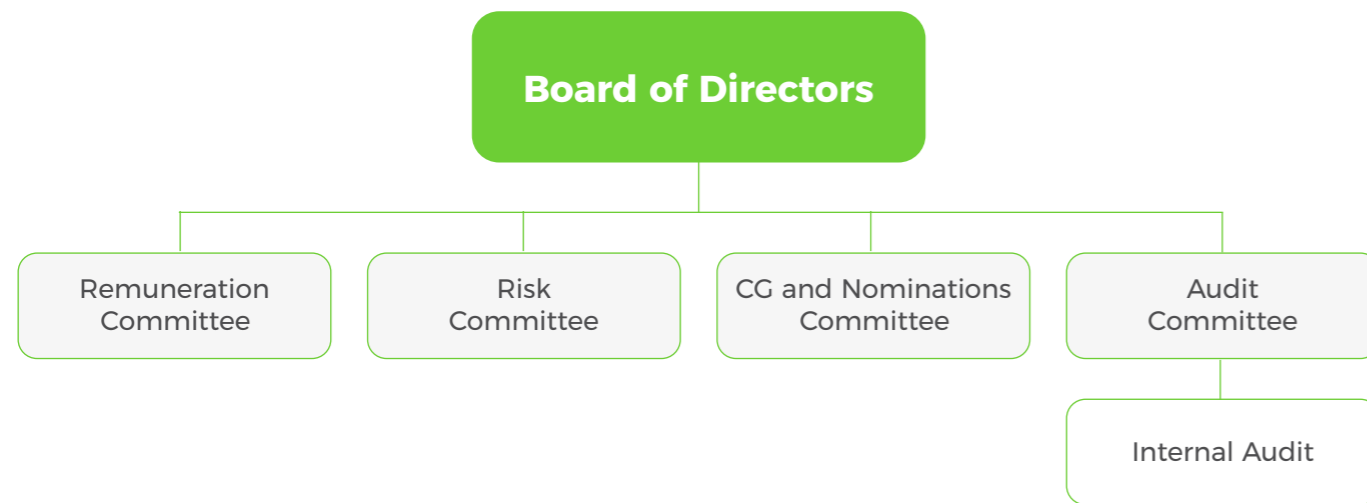
and Internal Standards. It also oversees the effectiveness of the risk management framework, monitors the level of risks assumed by the Bank and their alignment with the approved risk appetite, and approves transactions that exceed the authority limits of the Management Board.

Board committees support the Board of Directors by providing independent review and detailed examination of matters prior to their consideration at the Board level.

stakeholders have clear and timely access to consistent and credible information about the Bank. The Disclosure Committee reviews and assesses whether information is material when it is not possible to easily qualify it as material information pursuant to regulatory rules and standards, approves and reviews the list of the Bank's authorized spokespeople, assesses whether it is permissible to delay disclosure of inside information and decides on such a delay to the extent permissible by law. The Committee also assesses relevant and substantive market-

mors or speculation concerning the Bank and decides what response, if any, and how should be made, approves information subject to disclosure (announcements, releases, etc.) to the extent defined by internal regulations of the Bank and the law.

Lending decision-making limits are distributed among various authorities, including both collegial management bodies of the Bank and individual decision-makers. Limits are set within the general concept of risk appetite distribution among decision-makers and are reviewed on a regular basis.



Risk Committee is a specialized body for oversight and monitoring of risk management function in the Bank at the Board level. The purpose of the Risk Committee is to facilitate effective implementation and continuous development of the risk management system in the Bank, by ensuring effective collaboration between the Board of Directors and executive bodies and quick and agile decision-making with regard to risk-related matters.

The primary objective of the Risk Committee is to oversee and provide supervision in the following areas:

- the Bank's risk management system and culture, integration thereof into the overall management system
- the Bank's policies and other internal regulations on management/assessment of credit, market, operational, strategic, liquidity, and other significant risks, as well as application of those policies and regulations
- the Bank's risk exposure/risk position, risk factors
- capital adequacy and liquidity ratios of the Bank

The executive management, namely the Chairman of the Management Board - CEO, the Management Board and its members undertake risks within the scope of BoD approved policies and perform their day-to-day management, coordinate operations of business lines, carry out risk management under the risk management parameters established by the BoD. The Chairman of the Management Board - CEO and the Management Board report to the Board of Directors. The Management Board may delegate the authorities specified above to specialized collegial bodies - committees (Assets and Liabilities Management Committee, Credit Committee, etc.) for managing risks arising from all main business activities of the Bank.

## Large Credit Committee (LCC)

The main purpose of the Large Credit Committee is to implement the lending policy of the Bank and form a loan portfolio under acceptable level of credit risk. LCC makes decisions based on conclusions of various business lines, risk management and security services within the limit of 10% of total book capital. Loans with non-standard terms are also reviewed and approved by LCC.

## Small Credit Committee (SCC)

The key purpose of the Small Credit Committee is the same as LCC's, subject to a lower limit. SCC reviews and makes decisions on retail and SME loans. Loans with negative opinion from at least one of responsible departments cannot be reviewed or approved by SCC.

## Assets and Liabilities Management Committee (ALCO)

The Assets and Liabilities Management Committee is a permanent corporate collegial body of the Bank entitled to make decisions within the framework of the assets and liabilities management policy. The goal of the ALCO is to ensure sufficient preconditions for efficient and harmonized management of the Bank's assets and liabilities to achieve maximum profitability given the acceptable level of liquidity, risk appetite and capital adequacy limits. Investment policy, interest rates, currency and liquidity management, capital adequacy and risk parameters management issues are reviewed and approved by ALCO.

## Disclosure Committee

The purpose of the Disclosure Committee is to ensure compliance with the Bank's Disclosure Policy and make sure that all

Deviations from approved lending parameters are subject to the same framework of limits depending on type and sum, decisions are made based on voting schemes (simple majority, overwhelming majority). Furthermore, depending on how stable the macro environment is, the Management Board adopts 1 out of 4 possible regimes for approval of loans with deviations: regimes tighten the system of limits in case of risky macroeconomic developments.

The Risk Management department has a wide range of responsibilities, which include but are not limited to the following:

- Developing risk management policy and structure
- Implementing risk management (internal control) system at the level of business processes
- Providing risk management recommendations concerning newly implemented instruments
- Developing, implementing and maintaining risk management decision-making mathematical models
- Providing conclusions on the Bank's transactions within established limits
- Developing and elaborating risk management reports and presenting them to the Bank's management
- Developing and enhancing financial recovery program to optimize Bank's procedures in the event of financial distress.
- Increasing awareness and conducting trainings on risk management in the Bank

Internal Audit assesses the effectiveness of the Bank's risk management system and the Bank departments' adherence to established criteria, provides recommendations for enhancing the system's effectiveness, reports to the Bank's management and Board of Directors on identified risks.

In order to have an effective risk management framework, a management information system (MIS) is established in the Bank, which provides adequate vertical and horizontal information flows for decision-making purposes.

The MIS is designed to provide the Bank's management team with leading, lagging and coincident indicators concerning loan and other portfolios. The Board of Directors and Management Board have access to all reports concerning emerging risks and their implications. In particular, the following data are presented to the Bank's vertical and horizontal line managers in terms of specific instruments via different reporting lines:

- Structure of portfolios/investments
- Yield and maturity structure of portfolios
- Structure of overdue assets and liabilities
- Structure of pledged assets and collateral
- Information concerning non-performing loans and concentrations
- Collectability of defaulted loans
- Other information on effectiveness

# Risk appetite

Risk appetite is the acceptable risk level, which the Bank is ready to undertake in order to achieve its short to mid-term planned targets. From the viewpoint of losses, risk appetite is the extent of potential losses/risk, which the Bank is ready to assume to achieve its short to mid-term goals and programs within the projected microeconomic environment. There is a strategic risk appetite (risk coverage for mid to long-term economic cycles) and a current (operating) risk appetite.

Strategic risk appetite is the maximum amount of the risk, which can be taken to reach 3-year goals under macroeconomic scenario of "acute tension", while operating risk appetite is the maximum amount of the risk, which can be taken to reach 1-year goals under predicted macroeconomic scenario. Both the strategic and the operating risk appetites are determined for the risks that emerge within a year.

Strategic and operating risk appetites are determined for the Bank's principal business directions, such as corporate lending, retail lending, and trade operations. The risk types include:

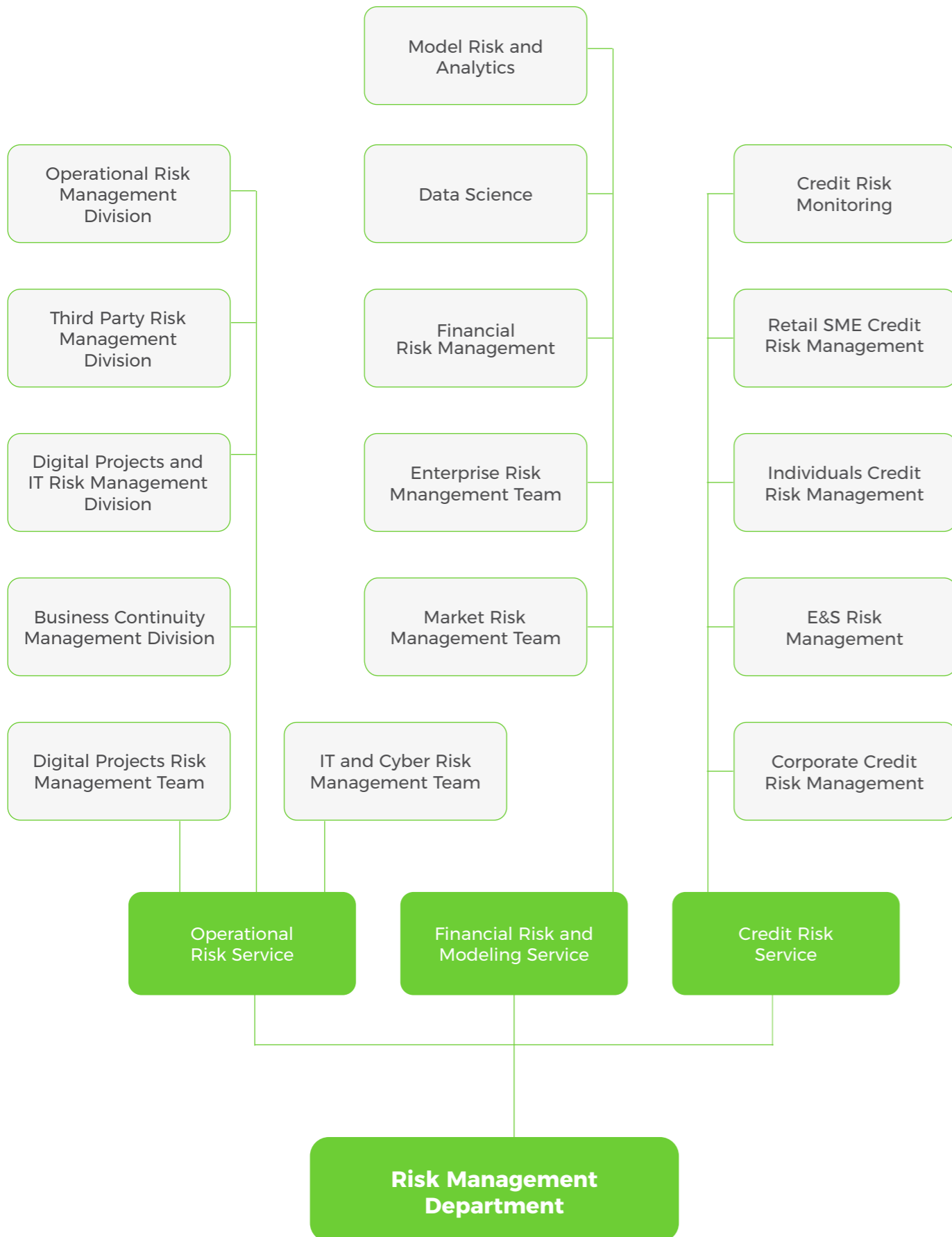
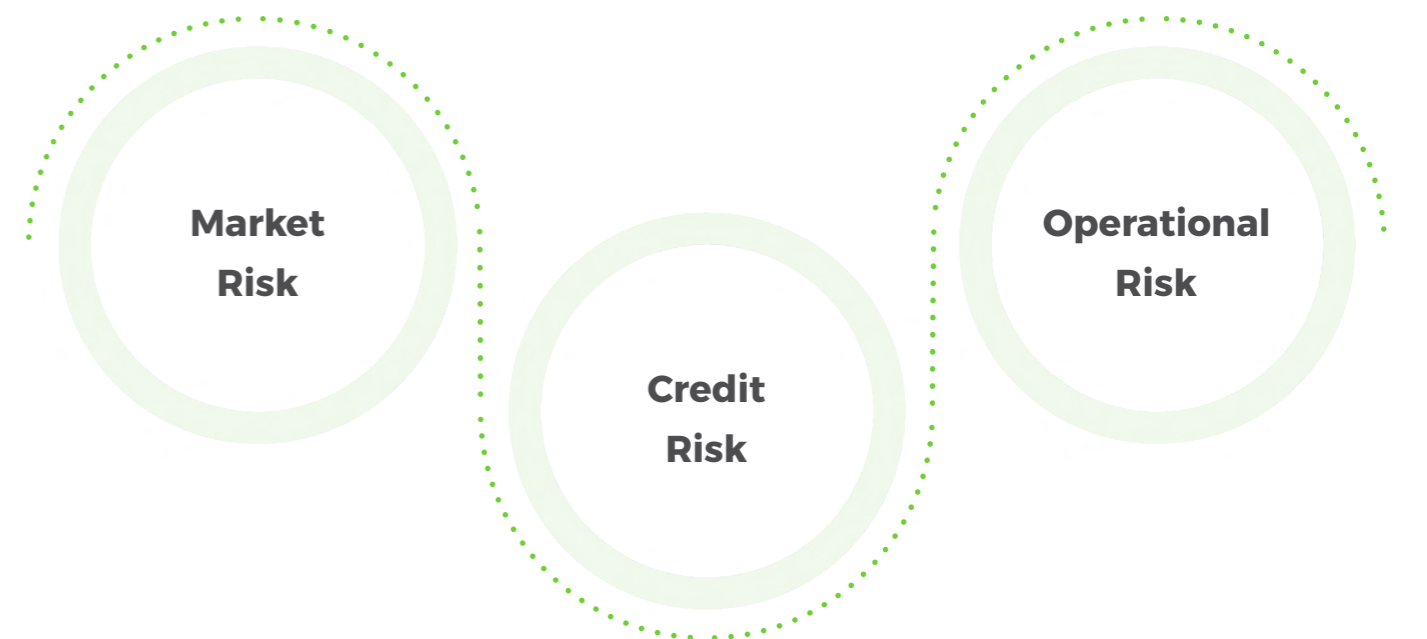
- Credit risk appetite is the total risk appetite approved for corporate and retail lending.
- Market risk appetite is the sum of the risk appetite approved for trade operations (FX risk, securities/ counterparty risk) and the risk appetite envisaged for the current interest rate specified in the Bank's balance sheet.
- Operational and IT Risk Appetite represents the aggregate approved risk appetite for operational, information technology, information security and cyber risks arising from inadequate or failed internal processes, human factors, systems and infrastructure, information security incidents, cyber threats, as well as external events.

The Bank's strategic risk appetite cannot exceed the Bank's risk capacity or envisage any violation of the Regulatory standards. The Bank's strategic risk appetite is approved/ revised by the Board of Directors at least annually.

The Bank's Board of Directors approves the risk appetite for each year. The ranges of risk appetite limits are based on macroeconomic and market expectations developed as a result of discussions on the Bank's strategy, considering planned indicators and stress scenario values of the Bank's respective parameters.

Risk appetite is managed by Assets and Liabilities Management Committee (ALCO) or Large Credit Committee and the Board of Directors, depending on the limit.

## Bank Risk Appetite



# Key risks and risk profile

As part of risk/return approach and distribution of attributable risk appetite, the Bank uses different methods and tools to assess and mitigate risks. The Bank's risks are categorized into credit risks, market risks, operational risks and other risks.

## Credit Risk

The Bank is exposed to credit risk which is the risk of financial loss when a customer or counterparty whom Bank is financed defaults or loses creditworthiness. It is the counterparty risk, issuer risk, country risk and generates the most exposure and capital consumption as long as the Bank is engaged mainly in traditional lending activities. Due to relatively high dollarization of the economy, currency-induced credit risk is also a component of credit risk (risks arising from foreign currency loans to unhedged borrowers). Credit risk also includes concentration risk, which is the risk associated with impairment of credit portfolio quality due to large exposures to single borrowers or groups of related borrowers.

A prudent credit risk management procedure has been established addressing credit risk identification, measurement, monitoring and mitigation. Credit risk management by appropriate credit risk teams – retail and corporate, is performed on both transaction and portfolio level. Special internal risk assessment and rating methodologies are applied. The purpose of credit risk management is to establish effective oversight and quality monitoring of portfolio, as well as develop and maintain a credit risk management framework based on stress-testing, early warning and key risk indicators and parameters, system and sector-specific analysis and monitoring.

The Bank uses a risk-oriented monitoring system to timely react to market developments, identify credit portfolio weaknesses and outline solutions to make well-reasoned risk management decisions. Monitoring processes encompass individual credit exposures, overall portfolio performance and external trends that are likely to affect the portfolio's risk profile. Early warning signals serve as an important early alert system for detection of credit deteriorations, leading to mitigating actions.

The team analyzes portfolio trends on a regular basis, including total credit portfolio exposure, portfolio quality, migration analysis, concentrations and portfolio quality performance and submits credit risk reports to the Credit Committee on a monthly basis. Reports on quality of credit portfolio are presented to the Management Board and Board of Directors on a monthly basis. With its credit risk management system, the Bank is able to identify and mitigate risks in a timely manner.

To manage the risk, the Bank employs a robust credit risk framework that includes

**Risk identification:** Understanding the creditworthiness of borrowers and counterparties through detailed assessments of financial health and repayment capacity.

**Credit limits:** Establishing exposure limits for individual borrowers, industries, etc. to avoid excessive concentrations of risk.

**Risk Assessment Models:** To assess the risk of default, the Bank uses validated rating models for corporate loans and ML-based models for retail loans.

**Collateral management:** the Bank obtains collateral to mitigate potential credit losses. This is reviewed on a regular basis to ensure adequate coverage of exposures.

**Monitoring and reporting:** The monitoring processes cover individual borrower credit exposures, overall portfolio performance and external trends that are likely to affect the risk profile of the portfolio. Ongoing monitoring of credit portfolio quality and regular reporting to the Credit Committee ensures timely identification of changes in credit risk. Key measures used to moni-

tor credit risk include Non-performing loan ratio, credit loss expense ratio, impaired loan coverage ratio, etc.

The bank strives to maintain a conservative approach in managing credit risk, ensuring that capital reserves are adequate to absorb potential losses.

## Market Risk

Market risk assessment and mitigation in the Bank is based on the risk/return approach under appropriate risk appetite framework. The latter is further distributed across the following risks: interest rate risks, price risks, currency risks, equity price risks. Market risk exposure arises from mismatches of maturity, currency and interest rate structure between assets and liabilities, all of which are exposed to market fluctuations of exchange rates, interest rates and yield curves. Market risk also includes the volatility of prices for securities, real estate or other fixed assets owned or used as collateral by the Bank.

At the executive level, market risks are managed by ALCO. The Bank aims to manage market exposures, defines limitations and a decision-making framework in order to keep possible market losses within the set risk appetite. Early warning and key risk indicators in line with a wide range of stress-tests are aimed to build up estimates for different market scenarios and help to understand the limits of adequate market exposures distributed across all market risk sources. Scenarios for stress-tests are regularly updated based on market conditions. The set of risk parameters is closely linked to and incorporated into obligatory actions, responsible persons, zones of risk level as well as reporting and decision-making rules. The whole system of market risk management is reviewed and upgraded on a regular basis in line with the Bank's product line development and market environment.

## Currency Risk

The Bank is exposed to currency risk due to significant volume of assets and liabilities denominated in foreign currency (mostly USD). As a result, exchange rate fluctuations can affect the value of risk-weighted assets (RWA) and put strong pressure on the Bank's capital ratios. In order to mitigate currency risk, the Bank applies a value-at-risk methodology based on both historical and simulated rates considering historical correlations of various currency rates, extreme values and probability distributions. The risk parameters system also includes aggregate open position parameters, which are restricted by risk zones, decision-makers and actions to be taken in case of breach of limit. Several stress-tests, each with 3 main scenarios, are used for early prediction of currency risk, open position loss and any growth of RWA likely to affect the Bank's equity, CAR and liquidity. Additionally, Ameriabank uses a more complicated extreme value approach, which is based on a simulation engine and provides currency risk measures of high confidence level used for hands-on exposure (expected loss) control.

## Interest Rate Risk

is the risk of drop in net interest income over a fixed time horizon due to changes in market interest rates. One major source of exposure is investment portfolio, which is mainly comprised of fixed income instruments. Another source of interest rate risk is the non-zero gap between assets and liabilities under floating

rate as well as maturity mismatch between A&L with fixed rate. Since lending products with floating rate are not well developed in the local market, the Bank is exposed to floating rate volatility. Exposure to interest rate risk is controlled and mitigated via a large number of risk parameters covering fixed rate repricing gap value, expected repricing parameter, unhedged part of floating rate position and securities portfolio. There are more than 30 different layers in the system of interest rate risk parameters with relevant risk zones, limits and managing authorities. Securities portfolio risk is managed by a separate policy covering such aspects as portfolio parameters, eligible asset types, stress-testing, decision-making limits with respect to asset allocation and early warning indicators, all of which are updated on a regular basis in line with the Bank's business growth. The general policy is set by the Board of Directors and managed by ALCO. Management Board ensures limitation of exposure to interest rate risk to specific risk appetite. Possible loss is estimated based on scenario analysis, statistical simulations, value-at-risk and expected shortfall measures.

## Price Risk

The Bank is exposed to price risk in terms of decrease of credit risk collateral coverage brought about by market fluctuations of prices for collateral and equity instruments. The main source of price risk is supposed to be the risk of depreciation of pledged real estate. The price risk also arises due to changes in market prices of equity instruments, commodities, fixed assets, movable collateral and other financial instruments. The price risk is essential in terms of credit risk, when real estate price fluctuations can generate large uncovered credit exposures due to increase of LTV (loan to value) ratio. Another part of credit risk, which is related to price risk, is the risk of decrease of creditworthiness of borrowers involved in international trade who could be exposed to market price risk of different goods and commodities. Possible systemic deterioration of creditworthiness of domestic businesses is part of macro environment risk monitoring. These risks are covered by tightening lending terms, setting limits for deviations and a solid decision-making procedure incorporated in total risk parameters system. The Bank has developed a set of action plans to ensure early response to handle risks connected with possible price shocks estimated within the general stress-testing framework.

## Liquidity Risk

is the risk that the Bank might not be able to meet its debt obligations without incurring essential losses. Liquidity risk can become essential if:

- there are large gaps in the maturity structure of assets and liabilities,
- the balance sheet is not diversified,
- there are large concentrations of exposure to a single major depositor and borrower
- the financial market experiences currency shocks resulting in outflow or conversion of local currency deposits into foreign currency,
- there is liquidity crisis and deposit outflows in the financial markets,
- there are problems with the quality of securities portfolio, or
- certain financial instruments (repos, swaps, overnights, etc.) suddenly become inaccessible.

The Bank strives to ensure an adequate level of highly-liquid assets at all times, taking into account the volume of demand as well as short-term liabilities and total assets. The structure of highly-liquid assets in terms of currency, cash and non-cash funds is subject to the structure of the Bank's liability side. While allocating funds, the Bank tries to ensure diversification of instruments and continuous reduction of concentrations through diversified distribution of funds per clients, groups of clients, tools, industries, etc. The Bank also defines and controls the share of allocated funds in the Bank's total assets. Liquidity risk parameters (such as concentration, assets and liabilities gaps, interest rate gap, highly-liquid assets ratios and others) are set up in risk parameters system managed within the general risk management framework, including risk level limitation, reporting principles, action plans, decision-making policies, responsible persons and stress-testing principles.

## Operational Risk

In accordance with the Basel framework, Ameriabank defines operational risk as the risk of losses from defects or failures in internal processes, people, systems or external events. Operational risk is inherent in all products, processes, systems and third parties.

The operational risk management service acts as a second line of defense. The service provides independent oversight, challenge and advisory support to the first line of defense, while ensuring alignment with the Bank's approved risk appetite and internal governance framework. The operational risk cycle includes the systematic application of policies, procedures, frameworks and practices to the activities of communicating and consulting, establishing the context and, identifying, analyzing, assessing and evaluating, treating, reviewing and monitoring, recording and reporting. This cycle is formally documented, embedded across business units and supported by clearly defined roles, responsibilities, escalation mechanisms and management reporting.

The Bank proactively manages operational risk through a continuous cycle of identification, measurement, and mitigation. A centralized system ensures consistent risk assessments across the organization enables standardized risk assessments, traceability of risks and controls and aggregation of risk information for timely management and Board-level oversight. Before introducing new processes or products, the operational risk service evaluates potential operational risks and the bank's sensitivity to them. These assessments form part of the Bank's approval processes and include the evaluation of key risk drivers, control effectiveness, and residual risk prior to implementation. This risk-based approach, powered by likelihood-impact assessments, plays a crucial role in managing process and system-related risks.

To inform these assessments, the Bank maintains a comprehensive automated database of operational, IT and IS (including cyber, Third party risk incidents and losses. This valuable resource allows operational risk service to analyze risk sources, identify root causes and trends, and perform internal capital calculations for potential future losses. Consequently, the Bank can proactively adjust its operational and IT and IS, Third party risk management framework, particularly in areas like IT and IS, cyberrisks, operational resilience, and third-party risks, to adapt to the evolving business environment.

Moreover, to protect the Bank from major emergencies, insurance policies are held to cover assets, operations, liabilities and its employees in line with best business practices. The Bank insures assets against a range of risks, including fire, explosion, natural disasters, unlawful actions of third persons, as well as obtains third-party liability insurance coverage for its clients.

The Bank also maintains Bankers' Blanket Bond and Directors' and Officers' Liability Insurance.

All employees of the Bank are responsible for managing and controlling the operational risks generated by their activities.

## Strategic Risk

arises when changes in market conditions, customer behavior and technology appear, which may affect the Bank's performance negatively if adaptability to external environment is compromised. Like any other business institution, the Bank is exposed to strategic risks. Strategic risk management framework is based on regular strategic discussions and planning, performance reporting to the Board of Directors and Management Board and ongoing control of all specific directions of development. The strategic planning and implementation processes in the Bank are subject to the Procedure of Strategic Analysis, Business Planning and Monitoring.

At least twice a year, the Bank holds strategy sessions to discuss its strategy, risk appetite, goals and objectives for the upcoming years and submit them to the Board of Directors for review. The strategy sessions are followed by business planning for a 3-year horizon. Once the business plan is approved, it may be revisited only in case of essential changes in the fundamentals and assumptions.

## Environmental, Social and Climate Risk

are actual or potential threat of adverse effects on environment by effluents, emissions, waste, resource depletion, etc., arising from the organization's activities, or the risk that a certain business activity will cause destruction to the surrounding natural environment. Environmental risk management seeks to define what environmental risks exist and then determine how to manage them in a way best suited to protect health and the overall environment.

Social issues may emerge in the workplace of a client/investee's operations and may also impact surrounding communities. Ameriabank CJSC has adopted the best international practices of environmental and social risk management and is committed to ensuring that its clients properly comply with environmental and social obligations as well.

Recognizing the increasing financial implication of Global warming Climate risk has become an integral part of Bank's Environmental and Social Risk management strategy. Bank is actively enhancing its framework specifically addressing climate challenges. To ensure the climate change evolving risk Ameriabank CJSC formally integrated climate risk into its day to day operational though three key pillars:

**Physical risk:** to assess the potential for extreme weather events (such as floods or droughts) to damage physical assets or disrupt the operations of our corporate clients.

**Transitional risk:** to monitoring global shift toward a low-carbon economy, evaluating how new environmental regulations, carbon taxes, and technological advancements might impact the creditworthiness of carbon-intensive industries.

**Strategic Alignment:** to integrate climate stress-testing into longterm business planning, the Bank ensures resilience against the evolving economic landscape and supports the transition to a sustainable future

The key elements of environmental and social risk management system are:

- Environmental and Social Risk Management Policy
- Environmental and Social Risk Management Instruction

- Green Finance Policy
- Green finance Framework
- Green Loans management procedure
- Tools required for assessment are advanced methodologies based on international best practices to implement and monitor these processes

The Bank has an Environmental and Social Risk Management team responsible for implementation, maintenance and day-to-day operation of the system

## Reputational Risk

is the likelihood of losing the organization's reputational capital resulting in decline of the organization's overall value and/or increase of regulatory or other costs. It includes adverse events related to ethics, safety, security, sustainability, quality and innovation. Reputational risks are managed at the Management Board level. In order to ensure sound decision-making different departments, such as Customer Relations Management, Public Relations, Investor Relations, Security and other teams are involved in the processes where the Bank can be exposed to reputational risk. Reputational risks associated with information disclosure and management are mitigated through a dedicated body – Disclosure Committee, by managing inside information, addressing market rumors, etc.

## Compliance Risk

is the risk of compliance-related issues given that the Bank is governed by local regulations as well as creditor covenants. is managed by dedicated business units: Risk Management, Legal Department, and Operational Control and AML teams. The Bank meets regulator's requirements and applies international standards. These risks are covered by internal policies and procedures, three-level decision-making and control structure, including special units, specialized committees and the Management Board.

## Model Risk

Model risk arises from decisions based on incorrect model results, which may arise from inaccurate assumptions, inappropriate variable selection, low-quality data, or deficiencies in model design or implementation.

From a model risk management perspective, the Bank follows a structured model development lifecycle with clearly defined roles and responsibilities. In particular, the Bank has a dedicated Model Risk and Analytics team responsible for independent model validation and ongoing model monitoring.

Model validation is performed prior to model approval and includes an independent assessment of model methodology, data quality, assumptions, performance, and limitations to ensure that models are fit for their intended purpose. In addition, model risk estimation is conducted to quantify potential losses arising from model use and to assess their alignment with the Bank's Risk Appetite limits.

Following implementation, models are subject to continuous monitoring, including periodic performance and stability checks, to identify material deterioration, data shifts, or changes in model outputs and to trigger timely remedial actions where necessary.

The Bank is also exposed to other types of risks, such as compliance risk, legal risk and AML risk.

## Macroeconomic and market conditions

In 2025, the Bank operated in an environment characterized by continued geopolitical and economic uncertainty, though with signs of gradual stabilization. Following the restrictive monetary stance observed in the previous year, major central banks shifted toward cautious monetary easing as inflationary pressures moderated and economic growth remained uneven across regions. Interest rates generally trended downward from their peak levels, while policymakers balanced inflation control with the need to support slowing economic activity. Despite improved inflation dynamics, uncertainty persisted due to geopolitical risks, fiscal pressures, and divergent growth paths among major economies. Inflation concerns tempered expectations for further interest rate cuts, leading to a more cautious market outlook. Financial and commodity markets remained volatile, with oil prices driven mainly by supply-side factors and copper prices linked to global demand expectations. Armenia's economic activity stayed strong, supported by construction, trade, and services, although slower international visitor inflows contributed to a gradual normalization of growth. Inflation in Armenia remains well below target level during 2025. Amid moderate inflation and an average exchange rate, the Central Bank continued monetary easing in 2025, reducing the policy (refinancing) rate by a cumulative 1.25 percentage points. The AMD-denominated yield curve declined across all maturities and responded to the refinancing rate cuts.

Compared to 2024, economic growth remained resilient, supported by construction, trade, and services, while tourism and immigration stabilized, contributing to more stable demand for services. **Armenian banking sector** main indicators as of the year-end: assets growth comprised 16.6%, with the loan portfolio increasing by 22.7%; CAR -20.8%; ROAE - 21.4%; total equity grew by 22.6%.

In 2025, Ameriabank operated under moderate risk pressure, and utilized risk appetite was well below acceptable limits. Accumulated losses were less than a year earlier. ROAE of the Bank was among the highest in the banking sector.

## Risk management system development and actions in 2025

- As part of its ML/AI-based risk model development process, the Bank enhanced the risk assessment and decision-making models used in its automated digital retail lending products. A new architecture was implemented for unsecured consumer lending, consumer finance, SME lending, and BNPL products. The automated lending models are continuously refined through the expansion of data sources and the application of advanced model development techniques. This ongoing enhancement has enabled the Bank to achieve significant portfolio growth while maintaining a low level of overdue loans.
- As part of the ongoing enhancement of its Enterprise Risk Management (ERM) framework, the Bank undertook the development of an enterprise-wide risk register and a material controls framework which will enable effective oversight towards the risk management function as a whole including two-level risk taxonomy, materiality scoping and material controls framework, which will be supported by a comprehensive internal control system to ensure effective identification, assessment, and management of material risks.
- Environmental & Social Risk Management System was significantly enhanced, with improvements in process automation, upgrades to reporting quality, and a comprehensive enhancement of the overall E&S management framework.

- Bank has enhanced financial recovery program by developing early warning indicators, optimizing communication chains and internal procedures within recovery program in order to have more effective recovery procedure during financial distress and to better identify scenarios, which can potentially trigger the soundness of the Bank.

- Operational and IT risk stress test scenarios were enhanced, and relevant internal regulations were updated.

- Recognizing the risks inherent in complex systems and the cloud, the Bank has proactively rolled out a revamped IT risk management framework. This aims to minimize IT disruptions and bolster information security, ensuring greater system resilience and data protection.

- A cyber risk and data risk management methodology along with a framework for identification, assessment, monitoring, and reporting, has been established .

- Further enhancements were made to the Bank's Business Continuity and Civil Defense plans, as part of the Business Continuity Management,

- Aligned with ISO 22301 standards, the BCM integrates risk assessments, business impact analyses, and periodic updates to ensure ongoing relevance and compliance

- The growing reliance on outsourcing for technology and other services has underscored the importance of robust third-party risk management. To enhance our Third-Party Risk Management framework, we strengthened vendor onboarding assessments and implemented more robust critical vendor performance reporting.

- A new internal fraud detection model has been developed, which identifies and records fraudulent customers,

- Fraud risk management framework has been developed to identify, assess, prevent, detect and respond to fraud risks in a consistent and systematic manner across the Bank.

- The GRC tool selection process was conducted through a structured and transparent methodology designed to ensure alignment with business requirements, regulatory obligations and the organization's risk management framework.

- Implementation of early warning system using information from ACRA, State Revenue Committee, the compulsory enforcement service, account turnover

## Credit Risk

### Risks and uncertainties

In 2025, there were no material changes to the Bank's credit risk management policies and practices. The Bank continued to operate under moderate credit risk pressure driven by macroeconomic and geopolitical uncertainty. Despite this challenging environment, the Bank maintained a high-quality credit portfolio.

### Key risk indicators Portfolio quality and coverage

The non-performing loans (NPL) ratio reached 2.09%, reflecting a 0.68 percentage point increase compared with the end of the previous year. The increase was mainly observed in the retail credit portfolio and largely reflects updates to the Bank's accounting policy for the delayed write-off of overdue loans, rather than any deterioration in underlying asset quality. Adjusted for this policy change, NPLs would have increased by only 0.25 percentage points, with the NPL ratio standing at a robust 1.66%.

Despite this moderate increase, the cost of credit risk remained low, rising slightly by 0.03 percentage points year-on-year to 0.22%. The Bank's expected losses continue to be well covered, supported by a strong NPL coverage ratio of 68.5%.

### Collateral

The Bank maintains a comprehensive framework for managing secured lending, ensuring that the loan portfolio is appropriately supported by collateral to mitigate credit risk. Acceptable forms of collateral include real estate, cash, movable property and other eligible assets, all of which are valued in line with the Bank's internal policies and applicable regulatory standards.

The Bank has a largely collateralized portfolio in all segments. As of December 31, 2025, 61.1% of the Bank's loan portfolio was secured by real estate, with the rest being secured by moveable property, fixed assets, production, cash flow and guarantees.

### Concentration

The Bank actively manages credit concentration risk through a well-established diversification strategy. The loan portfolio is diversified across business lines, sectors, customer and products types to reduce exposure to any single risk factor.

As of December 31, 2025, the Retail and SME portfolio was 62.5% of the total loan portfolio, split between mortgage, SME and consumer loans.

The largest concentration was in the mortgage sector, primarily in the low-risk primary real estate market. Other business sectors individually accounted for no more than 15% of the total loan portfolio at the end of 2025.

## Market Risk

### Risks and uncertainties

During 2025 the Bank remained exposed to market risk primarily arising from movements in interest rates and foreign exchange rates. Armenian dram remained stable throughout most of the year, supported by balanced monetary conditions, contained inflation close to the Central Bank of Armenia's target, and continued economic activity driven mainly by the services and construction sectors. Toward the end of the year, mild depreciation pressures emerged amid heightened global uncertainty, moderation in external inflows, and strengthening of the US dollar against major currencies. Interest rate conditions in the local market were characterized by relative stability, as the Central Bank of Armenia largely maintained its refinancing rate during the year, followed by a modest easing toward year-end in response to moderating inflation and slowing global economic momentum. The AMD-denominated yield curve remained generally stable across maturities, with limited downward adjustments reflecting the completion of the easing cycle. The first half of the year was dominated by heightened trade concerns, as the United States raised tariff rates to levels not seen since the 1930s. These measures increased uncertainty around global trade flows and economic growth prospects, leading to tighter financial conditions and elevated volatility in global interest rate markets. In response to weakening growth expectations and moderating inflationary pressures, major central banks adopted a more cautious stance, with policy rates remaining at restrictive levels for longer and market expectations shifting toward delayed or more gradual monetary easing. As a result, global yield curves flattened, and long-term yields declined amid increased demand for safe-haven assets. Despite these external developments, the impact on the local banking sector remained limited, reflecting weak correlation between domestic and global interest rate movements, as well as the Bank's prudent balance sheet structure and manageable maturity mismatches. Overall,

market risk exposures during 2025 were contained and remained within acceptable risk appetite levels.

Overall market risk was managed within acceptable limits set by the risk appetite framework.

### Key Risk Indicators

Total actual losses driven by the market risk in 2025 were below 0.4% of the Bank's equity. Although FX position revaluation for 2025 was negative, it was fully covered by income generated from foreign exchange transactions. Repricing in m-t-m portfolio of fixed income instruments were positive mainly due to declining yield curve both locally and globally. Market risk in securities portfolio was acceptable and within the risk appetite limits due to low duration in mark to market portfolio (below 3.0 years) and repricing portfolio size. Major part of the portfolio consists of local Government bonds and high rated foreign sovereign bonds. Risk from equity instruments repricing is not material amid relatively small portfolio.

## Operational Risk

In 2025, the bank focused on effectively managing escalating geopolitical risks, operational resilience challenges arising from rapid digitalization and IT disruptions. The Bank adapted to the new challenges in a timely and risk-based manner, ensuring the Bank's operational risk, including regulatory risk exposure, remained under control. Key areas of focus for operational risk management included Risk Assessment exercises under which the Bank's top priority processes, products and systems were reviewed and areas of improvement were identified. In addition complementing policies and methodologies were improved to ensure effective execution of the operational risk management program.

## Digital projects and IT risk management

Risks associated with digital projects, cloud services, IT infrastructure and related components were under special focus of operational risk management during 2025. Significant progress achieved in identifying and mitigating potential risks and vulnerabilities through comprehensive IT and IS risk assessments and the implementation of enhanced mitigation actions and security measures. Efforts were focused on strengthening IT system resilience and ensuring compliance with both internal standards and evolving regulatory requirements. As a result, the bank effectively managed its IT and IS risk exposure, maintaining the security and reliability of its digital platforms and services.

## Third-party risk management

In 2025, the Bank further enhanced its Third-Party Risk Management framework to address the growing reliance on vendors. Recognizing that effective risk management requires a strong focus on the entire vendor lifecycle, from initial selection and contracting to ongoing performance management and termination, the bank undertook improvements in several key areas. These included enhanced due diligence, robust contract negotiations covering service level agreements, data security and liability, strong monitoring and ongoing vendor relationship management to ensure alignment and address emerging risks.

## Business Continuity Management

Business Continuity Management focus to ensure the resilience of critical processes/systems and the uninterrupted delivery of critical services. During 2025, the Bank conducted a comprehensive review of critical processes and systems of its mission,

identifying areas for improvement and implementing targeted enhancements to strengthen operational resilience. As a part of the Business Continuity Management, Bank continues development of Ameriabank's Civil Defense and Disaster Risk Management Plans. Civil Defense Plan addresses preparedness, response and recovery measures to protect employees, clients, critical assets and operations in the event of civil emergencies, Disaster Risk Management Plan addresses potential natural and man-made disasters, outlining preventive measures, emergency response strategies, and recovery protocols to safeguard employees, clients, critical assets and operations. Regular drills and scenario-based exercises are conducted to test the plan's effectiveness and ensure readiness for crisis situations. Aligned with ISO 22301 standards, the BCM integrates risk assessments, business impact analyses, and periodic updates to ensure ongoing relevance and compliance. These efforts underscore Ameriabank's commitment to proactively managing risks and ensuring business continuity in a dynamic and uncertain environment.

### Risks and Uncertainties

The current digitalization trends, analytical transformation, geopolitical situation and new competitive environment introduce IT disruption risk, cyber risk, data and privacy risk, third party risk, resilience risk and other forms of risks. As part of the ongoing digitalization process, the Bank has created a culture of rapid experimentation, sharing best practice and finding innovative business solutions.

Globally, banks are turning to outsourcing for an array of technology and other services. Outsourcing helps the Bank become more efficient, but it also leads to new challenges and risks, including: third party risks, business continuity risk, IT and cyber security risks, compliance risk, process risk, data leakage, fraud risk, product risk, conduct risk, artificial intelligence, digital disruption, reputational risks, etc. For mitigation of third party risks, the Bank reviews and assesses third parties in-line with its risk management and control framework.

These risks are identified measured, managed and reported on an ongoing basis. Moreover, the results of these reviews are incorporated in the Bank's reporting activities. The Bank's top management monitors and takes mitigating actions against major current and emerging risks.

### Key Risk Indicators

The Bank's operational risk profile remained stable and operational risks remained low due to the effective implementation of the operational risk management framework. The total value of operational losses in 2025 did not exceed 0.004 % of the capital. 63% of losses occurred in execution delivery & process management. As part of the Bank's rapid digital transformation, the number of digital products, projects, remote banking clients, as well as cardholders of Ameriabank are increasing significantly year on year. Despite these challenges, operational losses are at an acceptable level and remain well within the Bank's risk appetite.

## Liquidity Risk

### Risks and Uncertainties

Liquidity level in Armenian banking sector is well above the regulatory requirements, though there was a slight declining trend amid higher credit demand. New stress testing methodology was integrated to ILAAP for better assessment of liquidity ratios of the Bank within different simultaneous stress scenarios for target horizons. Liquidity parameter updates were conducted by both optimizing parameter limits and adding new parameters to risk management system.

### Key Risk Indicators

All liquidity ratios of the Bank met the regulator's requirements. During 2025, the liquidity risk was within risk appetite limits and was mitigated within the general risk parameters framework, with proactive estimation and management of liquidity risks.

## Environmental, Social and Climate Risk

### Risks and Uncertainties

Environmental, Social and Climate (ESCR) risks management has become more critical for business success of companies. Ameriabank is committed to collaborating with those clients who properly manage their environmental and social risks. The Bank also offers support to its clients in terms of organizing their environmental and social risks management. Ameriabank's ESCR framework encourages clients to do business in a sustainable and environmentally friendly way. IFC, EBRD, ADB and FMO Performance Standards and Performance Requirements, EDFI harmonized ESCR approach are the cornerstones of Ameriabank's ESCR framework and have become a benchmark for environmental, social and climate risk assessment in the lending process. The Bank uses technical reference documents with general and industry-specific examples of Good International Industry Practice to identify and evaluate ESCR risks and implements follow-up mitigation measures and preventive actions.

### Key Risk Indicators

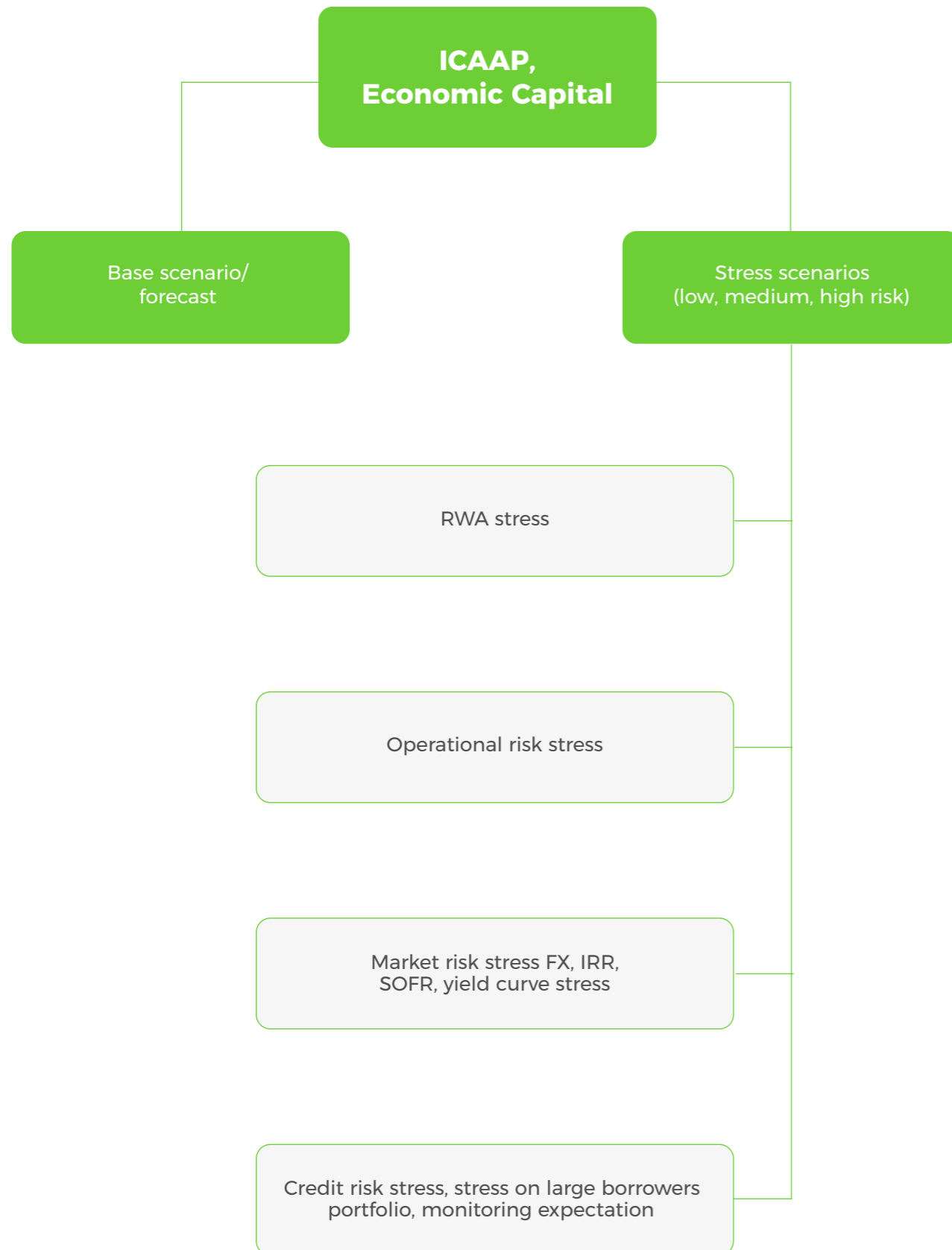
E&S risks of the Bank's loan portfolio are at an acceptable level. Over 52.4% of environmental and social risks are concentrated in low and medium risk categories. There were 1 "High A" risk borrower. The Bank's E&S and lending policies and procedures are designed to reduce negative E&S impact of financed projects by means of setting financing conditions, instructions and terms to be implemented, providing consultancy and involving E&S specialists.

Within the cooperation with investees/clients Ameriabank conducts its business taking into account Environmental and Social Risks based on the IFI standards, international best practices and local legal requirements. The E&S team is responsible for identifying eligible assets, confirming alignment with internal policies, applicable laws, and eligibility criteria.

## Assessment Process (ICAAP)

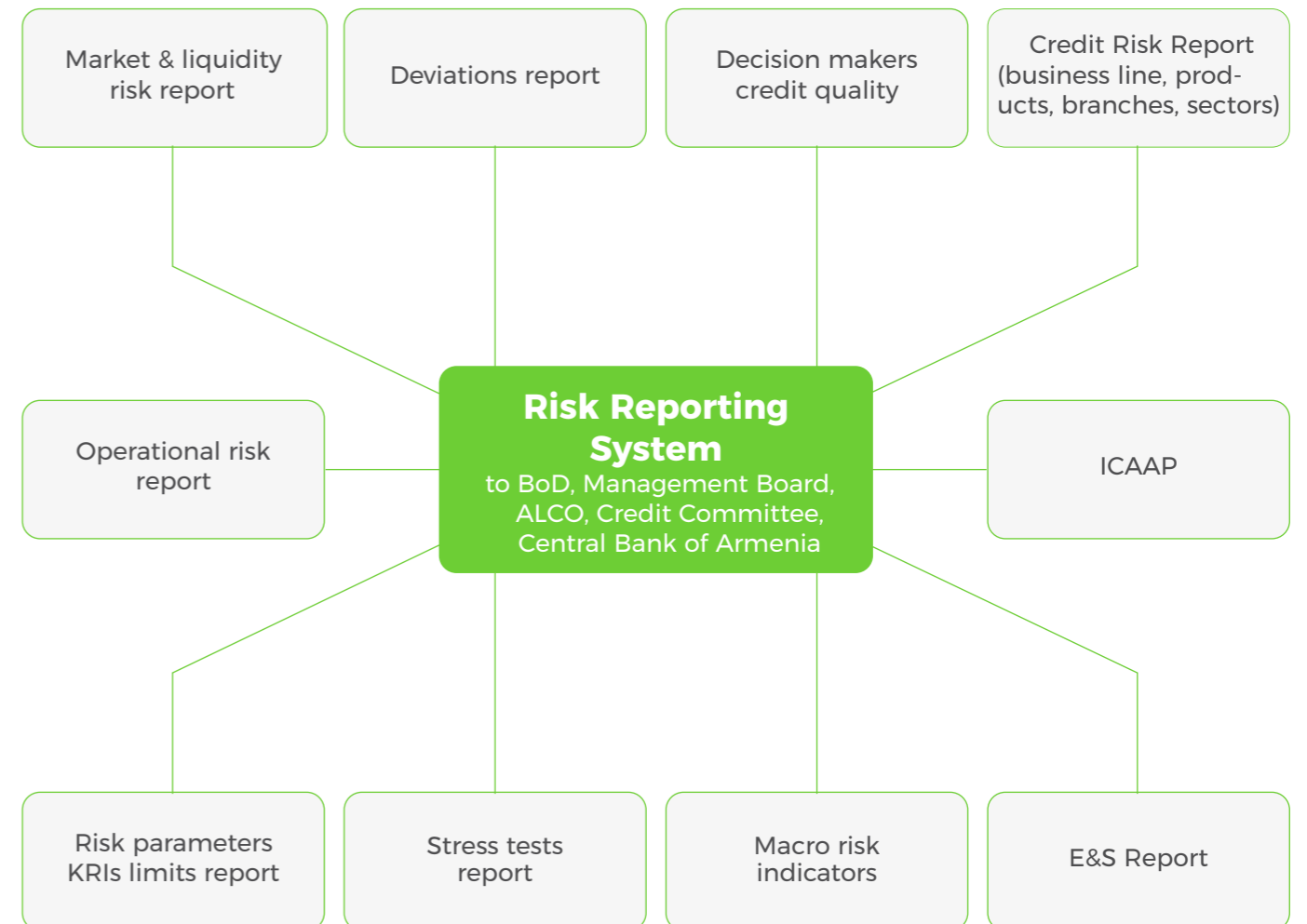
The Bank uses an ICAAP procedure to assess capital needs with-in undertaken risks and determine forward-looking target capital level adequate to risk exposure and environment changes. In order to assess the impact of losses on capital, simultaneous stress-tests are conducted, e.g. simultaneous occurrence of all major risks is considered under four different scenarios. The Bank assesses the size of its capital and adequacy ratio over 12-month time horizon, calculates the minimum required capital attributable to undertaken risks, as well as the capital benchmark and risk-weighted assets (RWA). The types of risks in case of occurrence of which the Bank may incur losses are credit risk (portfolio quality risk, concentration risk), market risk (floating rate, yield curve, fixed rate gap, FX and equity instruments price risk), operational risk, RWA growth and other possible risks. One baseline and three separate stress scenarios are used for possible future loss and capital assessment, covering the range of risky developments starting from low risk optimistic scenario up to crisis scenario. If the assessed expected value of CAR, under the most probable (adequate to macro expectations) scenario, does not meet the current minimum requirements specified by CBA regulations, the Bank undertakes actions to secure an acceptable value of CAR. This parameter is under special control by top-level management bodies of the Bank.

**Stress-testing: Capital ratio under cumulative scenario**



All amounts are in mn AMD

	DEC-25	JUN-25	DEC-24
Tier I	305,929	277,339	237,744
Tier II	55,146	38,091	35,604
<b>Total Regulatory Capital</b>	<b>361,075</b>	<b>315,430</b>	<b>273,348</b>
RWA	2,127,632	1,866,634	1,649,751
<b>Total CAR (Baseline)</b>	<b>16.97%</b>	<b>16.90%</b>	<b>16.57%</b>
<b>CAR (12m expected stress scenario)</b>	<b>16.30%</b>	<b>19.01%</b>	<b>15.97%</b>





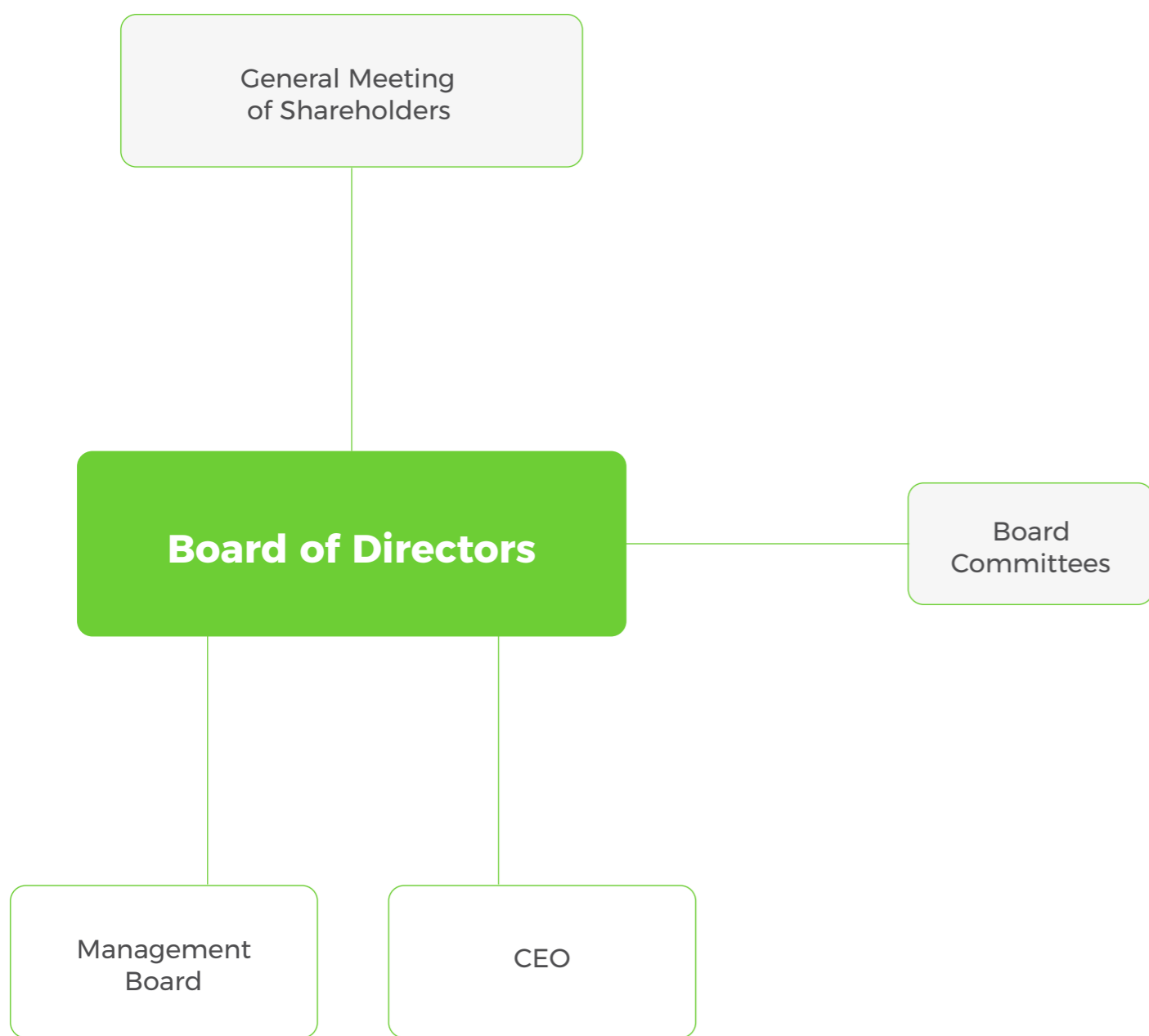
# Corporate governance structure

Open and efficient communication and balancing of the interests of the Bank's shareholders, Board of Directors, executive management and other stakeholders are the cornerstones of corporate governance in Ameriabank.

We continuously monitor emerging trends and implement relevant recommendations to maintain effective and robust corporate

governance, ensuring full alignment with international best practices, applicable legislation, and regulatory requirements.

Ameriabank corporate governance structure comprises the following governing bodies: the General Meeting of Shareholders (GMS), which is the supreme governing body of the Bank, the Board of Directors, the Board Committees, the Management Board, and the CEO.



# Board of directors

The Board of Directors is responsible for the strategic management of the Bank acting within the scope of authorities granted to the Board under the legislation and the Charter of the Bank. The primary objective of the Board is to ensure the long-term success of the Bank while balancing the interests of the Bank's shareholders, executive management, and other stakeholders.

In 2025, the Board held 26 meetings via special Board Portal in the form of voting and Portal discussions. There were 5 in-person meetings to discuss the Bank's strategy and business plan, quarterly performance and financial results.

Apart from the formal Board meetings with strictly-followed agenda and timeline, the Board of Directors, Board Committees, as well as individual Board members held meetings and discussions with the executive management and other key personnel of the Bank on specific issues. Such meetings and discussions are part of formal agenda during our Board members' regular visits to Yerevan and the Bank's Head office. This kind of informal meetings and direct communications have been more frequent in recent years.

The regulation of the Board of Directors of Ameriabank, along with the corresponding regulations for its Board Committees, outline the key goals and objectives, scope of authorities, procedure for preparation, and conducting meetings of the Board and its Committees.

The members of the Board of Directors are appointed by the General Meeting of Shareholders. Shareholders who own 10 and more percent of the placed shares of the Bank may be included in the Board without election, subject to the procedure and terms defined by the Republic of Armenia laws and the Charter of the Bank.

Board Members' office terms are determined by the General Meeting of Shareholders and are limited to a period from 5 to 10 years. The Chairman and Members of the Board can be reelected.

The size and composition of the Board, qualifications of its Members, their skills and expertise have a significant impact on its effectiveness. The Board regularly reviews these matters, both in terms of what is needed now and what might be needed for effective governance in the future. Considering the benefits of diversity at the Board level, current members of the Board have a wide range of skills and experience required to govern the Bank effectively. Geographic diversity together with professional expertise in banking, asset management, advisory, finance and international business are the core components of our Board succession planning.

Timely and full access to information and management processes is instrumental for the effectiveness of the Board. The Bank has a dedicated online platform for Board interaction – a Board Members' Portal. It's a unique and highly secure environment, enabling Board Members to collaborate, participate in daily Board-related activities and access all Board-related data (including resolutions, meeting minutes, presentations, approvals and reports) in one place, arrange voting, interaction with the Board Members, including sharing of reports, documents and information and finalizing meeting minutes.

The Chairman plays an important role by ensuring that all Board Members are well-informed, have the opportunity to contribute fully in all Board discussions and promoting effective communication between the shareholders and the Board, as well as the Board and the Management.

As of December 31, 2025, the Board comprised a Chairman-Authorized Member and six non-executive directors, three out of seven being independent non-executive Directors.

Name, last name	Position	The year of first being elected on the Board
Andrew Mkrtychyan	Chairman of the Board of Directors	2007
Robert von Rekowsky	Non-Executive Director	2012
Archil Gachechiladze	Non-executive Director	2024
Sulkhan Cvalia	Non-Executive Director	2024
Richard Ogdon	Independent non-Executive Director	2020
Tigran Davtyan	Independent non-Executive Director	2020
Tamaz Georgadze	Independent non-Executive Director	2024

# Board committees

The Board relies on its committees significantly, delegating a wide range of matters for preliminary review. Almost all major issues requiring Board approval or consideration are first examined at the Committee level. Such approach enhances the quality of decision-making by enabling the Board to make informed, effective resolutions while allowing more time to focus on strategic, high-level priorities.

The role and functioning of the Committees does not affect or reduce the authority or responsibility of the Board of Directors. Committees have advisory role and the final decisions are made and resolutions are approved at the Board level.

Currently the Bank has four Board-level committees: Audit Committee, Risk Committee, Remuneration Committee and Corporate Governance and Nomination Committee.

	Audit Committee	Corporate Governance & Nomination Committee	Remuneration Committee	Risk Committee
<b>Archil Gachechiladze</b>		member	member	
<b>Robert von Rekowsky</b>		member	head	
<b>Richard Ogdon</b>	member			head
<b>Tamaz Georgadze</b>	head			member
<b>Tigran Davtyan</b>		head	member	
<b>Sulkhan Gvalia</b>	member			member
<b>Andrew Mkrtchyan</b>				

## Audit Committee

The Committee aims to oversee and increase the efficiency of financial reporting, external audit and internal compliance functions at the Bank, as well as to ensure that the interests of shareholders are properly protected.

In 2025, the Audit Committee held 5 meetings during which the Committee hosted the external auditors of the Bank, discussed quarterly IFRS reporting, quarterly Internal Audit reports and other issues related to the internal control systems of the Bank.

## Remuneration Committee

The Committee's main role is to assist the Board in developing and maintaining an effective remuneration system in the Bank, including improvement and oversight of remuneration policy, effective enforcement of applicable remuneration practices to attract and retain the best-qualified directors and exclude any possibility of abuse.

In 2025, the Remuneration Committee held 2 meetings. As a common practice, the Committee held meetings after semi-annual and annual evaluations and made recommendations to the Board on reward pools, executive remuneration, reviewed the report presented by HRM committee on people data, including performance review and market overview.

## Risk Committee

The main purpose of the Risk Committee is to assist the Board of Directors while performing oversight functions in the risk exposure, position and risk factors, advise the Board on the Bank's risk strategy, oversee the Bank's risk management system and culture, address risk and strategy simultaneously, including consideration of risk appetite and monitoring risks.

In 2025, the Risk Committee held 4 meetings reviewing quarterly risk reports and addressing other risk-related issues, including risk appetite and recovery plan of the Bank.

## Corporate Governance and Nomination Committee

The main purpose of the Committee is to create a solid pool of highly experienced and competent candidates with relevant skills and integrity to be engaged on the Board of Directors, its committees and top management, implement corporate governance principles and structure in line with legislative requirements and best practices, as well as ensure continuity and smooth succession planning and workforce optimization.

In 2025, 2 meetings were held, during which the Committee reviewed and discussed succession planning and various projects, making recommendations to the Board.

# Members of the Board of Directors



**Andrew Mkrtchyan**  
Chairman of the Board of Directors

Mr. Mkrtchyan was appointed Chairman of the Board of Directors in November 2013.

As a Founder and Executive Chairman, Mr. Mkrtchyan has been successfully managing Ameria Group for more than 25 years. He has extensive experience in investment banking and management advisory in Armenia, which has been the key to the successful growth and development of the Group. Andrew Mkrtchyan is the first businessman from Armenia to be a Founding Member of World Economic Forum New Champions Chapter. He is a Board Member to a number of private and public organizations.

Mr. Mkrtchyan graduated from Yerevan State University, Department of Economics. He received a scholarship from American Economic Association (AEA) for his scholar studies at Economics Institute, Colorado State University, as well as participated in a number of executive programs in different universities, including Kingston Business School, Harvard Business School, INSEAD and others.



**Archil Gachechiladze**  
Non-executive Director

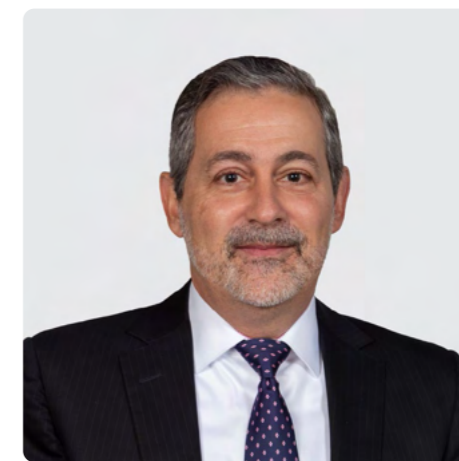
Archil Gachechiladze has more than 20 years of experience in financial services.

He held various senior and executive roles in Georgia as well as abroad. Having spent some time with Lehman Brothers Private Equity (2006 - 2008), he returned to Georgia in 2008 and joined Bank of Georgia as Deputy CEO, Corporate Banking (2009 - 2013) and Deputy CEO, Asset and Wealth Management Business (2013 - 2017).

His subsequent roles with BGEO Group PLC include Deputy CEO, Investment Management, CFO of the Group, and Deputy CEO, Corporate and Investment Banking.

Archil's wider experience includes working at Salford Equity Partners (2002- 2004), EBRD (2001 - 2002) and KPMG Barents (2000 - 2001).

From 2019 Archil is Executive director and CEO of Lion Finance Group PLC and CEO of Bank of Georgia. Archil holds a bachelor's degree in economics from Tbilisi State University and an MBA with distinction from Cornell University. He is also a CFA charterholder and a member of the CFA society in the United Kingdom.



**Robert von Rekowsky**  
Non-executive Director

Robert von Rekowsky was appointed a Board Member in October 2012.

Robert has around 35 years of experience in global asset management. He was Portfolio Manager (VP) and Strategist for Fidelity Investments' Emerging Markets Funds, managing several institutional and retail equity funds for US, Canadian, UK, European and Asian-based investors.

He joined Fidelity's fixed-income division in 1989. He then became a sovereign debt analyst in the Company's high-yield division in 1995. He was an equity analyst and associate fund manager in Fidelity's London office, focused on emerging markets in the EMEA region and European sector research from 1996 to 2003.

Robert returned to Boston in 2004, to take the helm of the Firm's emerging markets equity funds.

Robert holds an MSc in Finance from Brandeis University, a MA in Political Science from Northeastern University and a BA in Political Science from University at Albany (SUNY).



**Tamaz Georgadze**  
Independent non-executive  
Director

Tamaz Georgadze has extensive experience with wide range of international companies. Tamaz worked as an aide to the President of Georgia in the Foreign Relations Department from 1994 to 1995. He had a ten-year career at McKinsey & Company in Berlin, where he served as a Partner from 2009 to 2013. At McKinsey & Company, he conducted engagements with banks in Germany, Switzerland, Russia, Georgia and Vietnam, focusing on strategy, risk identification and management, deposit and investment products, operations and sales.

In 2013, Tamaz founded Raisin, which launched the first global deposit platform in Europe, where he continues to serve as CEO.

Tamaz previously served as an independent non-executive director of BGEO Group PLC, which included positions on their Audit, Nomination and Risk Committees. Currently he is non-executive director at Bank of Georgia, in parallel serving as Independent Non-Executive Director at Lion Finance Group PLC. Tamaz holds two PhDs, one in Economics from Tbilisi State University and the other in Agricultural Economics from Justus-Liebig Universität Gießen, Germany. Tamaz also studied Law at Justus-Liebig Universität Gießen and graduated with honours.



**Richard Ogdon**  
Independent non-executive  
Director

Richard Ogdon is an independent board director with more than 30 years of experience in international finance, investment, and governance.

Since 2020 he has been an Independent Non-Executive Director of Ameriabank where he chairs the Board Risk Committee and is a member of the Board Audit Committee.

Richard is also a Non-Executive Director of Altai-Global, a Mauritius FSC-regulated investment dealer focused on CIS, Middle East, and Indian markets, where he supports governance and regulatory risk oversight.

Previous governance roles included 6 years (2012-2018) at the UK FCA regulated securities firm Sova Capital where he established the Board Audit Committee and Internal Audit functions, and 6 years (2017-2022) at the CIS region's leading sovereign direct investment institution where he acted as director of its international asset management operations overseeing the fund's formal LP communications and reporting to Sovereign Wealth Fund co investors in the GCC.

Earlier in his career Richard was an investment banker in Moscow and London pioneering many of the first international capital markets transactions to come out of the post-Soviet Russian Federation.

Outside finance Richard is a Governor and Chair Finance and Audit Committee of the United World College Dilijan. He has also worked at his alma mater Eton College to launch the college's development fundraising campaign and at an educational charity in Cambridge to introduce private sector and commercial reforms to its business activities.

Richard holds a degree in Classics and Modern Languages from Oxford University (Lincoln College). He is a UK citizen and a member of Impact Boards Emerging Markets.



**Sulkhvan Gvalia**  
Non-executive  
Director

Sulkhvan has extensive experience in banking, starting his career in banking at TbilUniversalBank and serving as its Deputy CEO, before its acquisition by Bank of Georgia in November 2004. He served in various senior roles at Bank of Georgia: Deputy CEO – Chief Risk Officer (2005-2013) and Deputy CEO – Head of Corporate Banking (2013-2016). He is currently Deputy CEO, Chief Financial Officer at Bank of Georgia, and Deputy CEO and CFO of Lion Finance Group PLC.

Prior to his recent appointment, Sulkhvan founded and was the CEO of E-Space Limited – the Georgian company developing electric car charging infrastructure in Georgia.

Sulkhvan holds a bachelor's degree in Law from Tbilisi State University.



**Tigran Davtyan**  
Independent non-executive  
Director

Tigran Davtyan was appointed a Board member in July 2020.

Tigran has considerable executive experience in the Armenian financial sector and academic experience in the leading universities of Armenia.

Tigran held senior management positions at commercial banks of Armenia, acting as CEO, Chairman of Management Board at Inecobank CJSC (2018-2019) and CEO, Chairman of Management Board at Converse Bank CJSC (2009-2016). Prior to that, he was deputy CEO, Head of Financial Markets Department at Converse Bank (2008-2009).

From 2016 to 2018, he was the Director of Financial Policy Department at Eurasian Economic Commission. Tigran was the Team Leader of USAID/EMG Financial Sector Development Project in Armenia (2006-2008) and Team Leader of USAID/IBM BCS Capital Markets Development Program in Armenia (2002-2004).

Tigran was the Board Chairman of the Central Depository of Armenia in 1999-2002. Prior to that, he held the position of Advisor to Prime Minister of Armenia, advising on financial markets (1998-1999).

He started his career as a director of a boutique investment company in 1991, before moving to the Central Bank of Armenia where he held several managerial positions from 1994 until 1998.

He held Project Manager and Director positions in Energy invest PIO SI, WB/IBIC Electricity Distribution and Transmission Project (2004-2006).

Tigran was a member of the Coordinating Council of the Financial and Banking Association of Euro-Asian Cooperation (2016-2020). He was also a Member of the Board of Trustees of Insurance Foundation of Servicemen (National Foundation for Servicemen Insurance) (2017-2020).

Tigran graduated from the Department of Economics of Yerevan State University with the qualification of Economist-Mathematician. He holds a PhD in Economy.

# Management board and CEO

Executive body of Ameriabank is represented by the Management Board and the CEO, which is responsible for all the issues related to daily activities of the Bank, other than those reserved to the sole competence of other bodies defined in the Charter and internal regulations of the Bank. The Management Board consists of the Chairman of the Management Board and 6 other members (including Chief Accountant). The CEO is appointed by the Board of Directors, while other members of the Management Board are appointed by the Board of Directors upon nomination of the CEO.



**Artak Hanesyan**  
Chairman of the Management Board - CEO

Artak Hanesyan has been the CEO of Ameriabank since October 2007. In April 2008, he was appointed as Chairman of the Management Board - CEO of Ameriabank.

Artak has extensive experience as a C-suite executive in the modern banking sector of Armenia. With more than 30 years of experience in banking, he started his career as a loan officer at Arminvestbank (1993-1994). Mr. Hanesyan held several key positions at Converse Bank, serving as CEO (2006-2007), Deputy CEO, coordinating Lending, Trading and Correspondent Relations Departments (1998-2006). Early in his career, he also worked at the Central Bank of Armenia as the Head of the First Division of Supervision Department, Senior Specialist, Specialist at Supervision, Regulation and Licensing Department (1995-1998), as well as headed the Basel Committee secretariat for Armenia.

In 1995, Artak graduated from Yerevan State University, Faculty of International Economic Relations with a Master's degree in Economics.



**Hovhannes Toroyan**  
Member of the Management Board, Chief Financial Officer

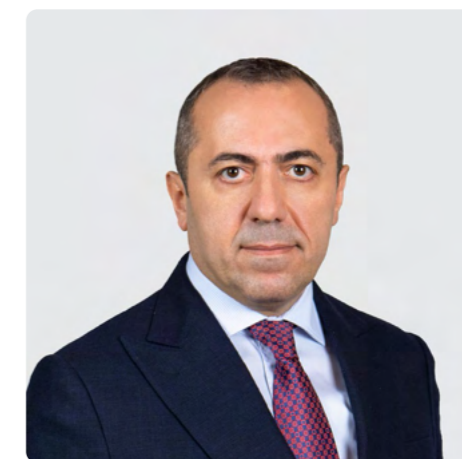
Hovhannes Toroyan has been a member of the Management Board of Ameriabank since November 2022 and serves as Chief Financial Officer of the Bank.

He holds a Master's degree in Simulation of Economy from Yerevan State University and an MBA from Binghamton University (USA). He also earned a PhD in Economics from Yerevan State University of Economics, specializing in relative efficiency assessment of financial institutions using financial and mathematical methods. In addition, he has completed executive and professional training programs at leading institutions, including Harvard University, Columbia University, INSEAD and others.

Mr. Toroyan began his professional career in 2004 in the Armenian banking sector and has extensive experience in finance, capital and liquidity management, research, and strategic oversight. He has also lectured at Yerevan State University and served as a consultant on various professional platforms. Mr. Toroyan worked at the International Monetary Fund before returning to Armenia.

Since joining Ameriabank in 2010, Mr. Toroyan has held a number of senior roles, overseeing strategy, asset and liability management, corporate finance, research and analysis, contributing to the Bank's sound financial governance, transparency, and sustainable growth. He has been a member of several collegial bodies within the Bank.

Mr. Toroyan is the author of multiple research publications, recipient of professional awards and is actively involved in social initiatives aimed at improving quality of life.



**Gagik Sahakyan**  
Member of the Management Board, Corporate and Investment Banking Director

Gagik Sahakyan has been a member of the Management Board of Ameriabank since February 2012.

In 1995, Gagik graduated from Yerevan State University, with a major in Mathematics. He received an MBA degree from the American University of Armenia, College of Business and Management (1995-1997). He has also taken a number of professional courses, including executive training at the Harvard University, Cambridge, MA, Kennedy School of Government (2004), and Harvard Business School in 2018.

Gagik has vast experience working as an advisor and banking executive with key industry players of the Armenian economy. He has stood at the roots of America's development. He joined America as Senior Advisor and later as Partner and Head of Management Advisory Services (1999-2012). As part of the team that led Armimpexbank acquisition deal from its inception to closing, Gagik has taken up key positions at Ameriabank. His professional career with Ameriabank includes positions of Advisor (2008-2010),

Corporate Banking Director (2010-2012), Member of the Management Board-Corporate Banking Director (2012-2019) and Member of the Management Board-Corporate and Investment Banking Director (since 2019 up to present).



**Arman Barseghyan**  
Member of the Management Board,  
Retail Banking Director

Arman Barseghyan has been a member of the Management Board of Ameriabank since September 2012.

Arman graduated from Yerevan Institute of National Economy with a major in International Economics. Later he earned his PhD (Candidate of Science) in Economy at the Institute of Economics under the National Academy of Sciences of the Republic of Armenia.

Arman has broad experience of more than 20 years in retail banking. He started his career in banking in 1997 at the Financial Control Department of HSBC Bank Armenia CJSC. His career path at HSBC Bank Armenia assumed several key positions including Operations Manager at the Financial Control Department (2001-2004), Branch Manager (2004-2008) and Retail Banking Director (2008-2012).

Among other engagements, Arman has served as a director on the board of Armenian Card CJSC (ArCa) - the Armenian national card processing and payment system - up to July 2025.

In June 2012, Arman joined Ameriabank as Retail Banking Director.



**Gohar Khachatryan**  
Member of the Management Board,  
Chief Accountant

Gohar Khachatryan has been the Chief Accountant and Member of the Management Board of Ameriabank since 2008.

Gohar graduated from Yerevan Institute of National Economy with a major in Economics. She has around 30 years of experience holding key positions both in the regulatory body of the banking system and in private banks.

Gohar built sterling career path in the Central Bank of Armenia in the positions of Accountant (1990-1992) in Bookkeeping Division of Operations Department, Economist (1992-1994), Chief Economist (1994) in Economic Analyses Division of Operations Department and Leading Specialist (1994-2000) in Supervision Department.

Afterwards she joined Armimpexbank (currently Ameriabank) as Head of Balance Sheets and Reports Analyses Division, Financial Department (2000); Head of Financial Statements and Expenditures Control Department (2000-2001); Head of Administrative Accounting Division, Department of Finance (2001-2003), Chief Administrative Accountant (2003-2006); Chief Accountant/Admin Accounting Manager (2006-2008). After the acquisition of Armimpexbank by Ameria Group, Mrs. Khachatryan was appointed Chief Accountant/Member of the Management Board (2008-up to present). Gohar is certified as an Expert Accountant by the Chamber of Auditors and Expert Accountants of Armenia.

Gohar has combined her bank career with lecturing activities, and is a co-author of accounting-related publications.



**Andranik Barseghyan**  
Member of the Management Board,  
Risk Management Director

Andranik Barseghyan has been a member of the Management Board of Ameriabank since December 2009.

Andranik graduated from the State Engineering University of Armenia (SEUA), Faculty of Computer Engineering and Informatics. He received a Master's Degree at SEUA, followed by PhD in Engineering (Candidate of Technical Science).

Andranik has authored a number of research papers and publications locally and internationally, some of which focus on bank risk management.

Andranik has a distinguished career in banking, economics and risk management. He started his career in banking technologies in the Department of Bank Technologies Automation at Armagrobank in 1995, initially as Head of the Liquidity and Resources Management Unit, then Head of Bank Risks Regulation Division, and finally Head of the Automation Division (1995-2002). In 2003, Andranik became Head of the Reporting & Analysis Division at Converse Bank. Later he was appointed Head of the Department of Risk Management and member of the Management Board of Converse Bank. Andranik joined Ameriabank's team in 2009 as Risk Management Director and member of the Management Board.



**Armine Ghazaryan**  
Member of the Management Board,  
Chief People and Services Officer

Armine Ghazaryan has been a member of the Management Board of Ameriabank since October 2019.

Armine graduated from Yerevan State University, Faculty of Oriental Studies, with a major in Oriental Languages and Literature in 1999. She received a degree in Public Administration from the Public Administration Academy of the Republic of Armenia in 2009.

She has attended professional and training courses and events organized by a number of internationally acclaimed institutions (such as the Harvard Business School, INSEAD Business School, London Business School, Stanford Graduate School of Business, Skolkovo Business School, Oxford Training LTD, Sberbank Corporate University, KFW Business School, Silicon Valley companies, 15 leading European banks, World Economic Forum, etc.).

Armine began her professional career in 2001, as Credit Department Assistant at Converse Bank CJSC. In 2004-2008, she continued her professional development in HR management as the Head of Personnel Management Division at the same bank. In October 2008, she was appointed Head of Human Resources Management Unit at Ameriabank.

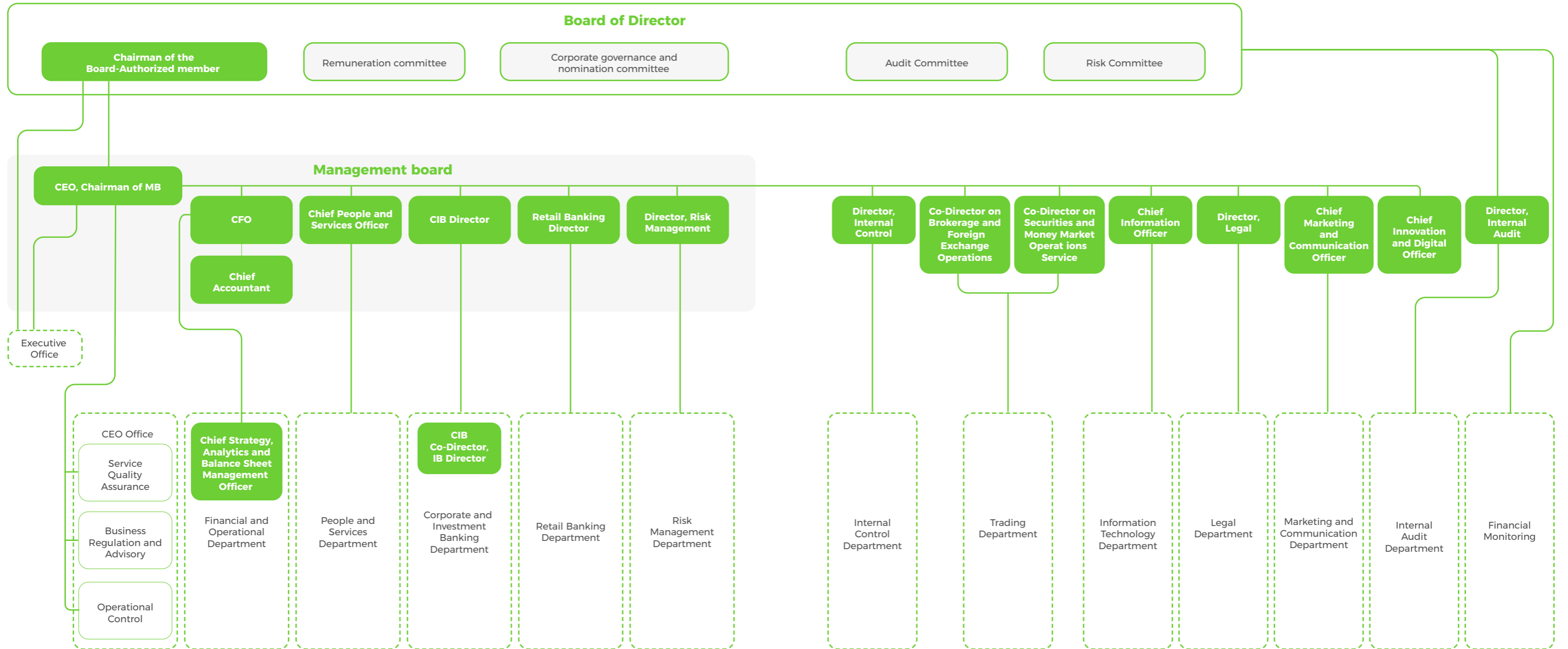
Given her breadth of experience in people management and extensive leadership skills, she was appointed Chief People and Services Officer of the Bank in May 2019. Since October 2019, she has been holding the position of member of the Management Board, Chief People and Services Officer.

# Ameriabank CJSC organizational chart

Approved by resolution N 05/24/06 of Board of Directors from 10 June, 2024

Chairman of The Board of Directors  
Andrew Mkrtchyan

In force since 23 July, 2024



# Our people

## Overview

As one of the top employers in Armenia, Ameriabank is dedicated to fostering a human-centered approach, driving efficiency, and successfully implementing change. We create an inspiring environment where everyone has the opportunity to thrive, understanding that high engagement, motivation, and development contribute to enhanced client and shareholder satisfaction. Our efforts are focused on improving the quality of life within the ecosystem we serve.

We remain committed to promoting workforce diversity by fostering an inclusive environment that values a wide range of backgrounds and experiences—regardless of gender, marital status, age, religious or political beliefs, or disability.

## Talent Acquisition

Ameriabank continues to attracting top talent, with a strong emphasis on professionalism and diversity in age, gender, and skills. We aim to cultivate a dynamic workplace that values a broad range of perspectives, promoting an environment of innovation and high performance.

In line with our 2025 Growth and Digital Transformation Strategy, we focused on enhancing tech and data skills, product expertise and service excellence. Our initiatives aimed to boost team capabilities, cultivate an agile mindset, drive innovation and advancing the bank's digital experience and growth. Over the year, we welcomed 432 new employees, bringing our total workforce to 2326 by year-end. This growth wasn't just about numbers—it was about strengthening our technical, data, and product expertise. A key part of our talent acquisition strategy has been engaging young professionals eager to gain experience at leading financial institutions. Our ongoing collaboration with top universities plays a vital role in this effort. Through these partnerships, we attracted talented, motivated individuals who share our company values. In 2025, 113 interns joined us through these collaborations, with 31 being hired as full-time employees. This partnership not only bolsters our talent pool but also brings fresh ideas and perspectives from the next generation. In addition to university partnerships, we have focused on recruiting new talent through programs like Generation A which targets young individuals aspiring to build careers in banking. This program offers targeted training and mentorship, preparing high-potential candidates for frontline roles within the organization. As part of the 2025 Generation A initiative, we trained 72 participants, 67 of whom were hired as full-time employees.

To enhance our employer brand and engage with the tech, financial, and youth communities, we actively participated in 30 events, including community development initiatives, brand visibility campaigns, tech events, and job fairs. At the Career City Fest, we were nominated in four categories and won four HR-related awards: The Star of the Festival, The Most Impressive EVP Show, Top Employer of the Festival, and The Most Interactive Booth. Our goal was to connect with top tech talent, raise brand awareness, share our perspective, vision, culture and opportunities, and engage with the best professionals across these communities. We are committed to building a strong engagement of young talent that will enable the next generation of leaders at Ameriabank. Through these initiatives, we are building a dynamic and forward-thinking workforce strategies, equipped to navigate the challenges of the fast-changing landscape.

## Performance & Talent Management

The objective of the Company's performance management system is to align employee performance goals with the organiza-

tion's strategic objectives, ensuring effective strategy implementation, ongoing development, and the recognition and retention of employees. It focuses on creating meaningful roles, establishing performance standards, and tracking progress toward achieving strategic goals through KPI assessments. Additionally, it fosters a culture of value-driven behavior, feedback, and personal growth through 360-degree evaluations of corporate competencies.

To support a comprehensive talent management strategy for employee retention and development, we consistently promote up-or-out, ensure succession management, identify HiPos, design tailored development programs, implement engagement enhancement initiatives to retain and keep people motivated and engaged. Data-driven selection, 360° feedback, and performance reviews help us to identify top talent. Succession management focuses on identifying and nurturing internal talent to fill key positions, ensuring business continuity and growth. By prioritizing internal promotion, we support high-potential employees, driving loyalty, engagement, and long-term success. In 2025, 85% of our staff received promotions.

Starting from 2010 Ameriabank has consistently measured employee experience through Staff Satisfaction and Motivation surveys, onboarding and exit surveys, agile pulse checks, and Employee Net Promoter Score (eNPS). While responses are not anonymized, HR ensures the confidentiality of the feedback, and data privacy. At any level within the organization. In 2025, employee satisfaction at Ameriabank reached 81%, with satisfaction regarding leadership and management at 88%, Motivation 84%. The eNPS score at year-end 2025 stood at 51.

To foster a business culture based on high ethical standards, respect for human rights, and valuing employee input, the Company implements grievance and whistleblowing processes, measures employee engagement, and uses this data to create targeted action plans. The Company also enforces a code of conduct, promotes internal communication, organizes corporate events, and offers well-being and CSR programs to encourage employees to act responsibly and with integrity toward each other, as well as customers and partners. Transparency is a key principle in all HR processes, including performance management, talent retention, career advancement, and promotions.

Through these efforts, we strive to foster a motivating and empowering environment that is in line with our corporate values, enabling employees to reach their full potential while contributing to the overall success of the organization.

## Learning & Development

Staying true to our vision of enhancing quality of life, we aim to support the growth of our team in alignment with our company's vision and business strategy. Promoting an agile mindset and future-ready digital skills is a key priority in the Bank's growth and transformation agenda. To stay ahead, the company partners with renowned global organizations to implement specialized programs aimed at advancing digital skills, drawing from the best international practices.

Highlighting the value of international experience and collaboration with professionals from diverse global organizations, more than 130 team members participated in top-tier local and international tech conferences and forums, and around 380 employees completed at least one course in digital skills development.

We place a strong emphasis on the continuous professional development of our employees, offering tailored programs in leadership, management, and service excellence. These programs are delivered in partnership with world-class practitioners and professors, including founders of leading business schools with

years of expertise. Additionally, the company collaborates with various international institutions to provide greater flexibility for employees to participate in distance learning programs and earn internationally recognized certifications from internationally acclaimed institutions such as Matena International School, Skill.am, EricsonCoaching, ICDT, etc., as well as with several international institutions London Business School, IESE Business School, INSEAD Business School, Harvard, Stanford, CFA, ACCA and PMP, to offer flexible distance learning opportunities that support continuous professional growth.

## Employee Benefits

Offering attractive employment conditions, compensation, and a good benefits package company ensures a high level of employee motivation and engagement making us employer-of-choice in the local financial market. We strive to keep our people happy, as we believe that only happy and engaged employees can create seamless solutions to improve the quality of life and work.

To ensure employees' engagement and motivation at work, promote employee well-being, and create a positive work environment we maintain and expand a robust incentive system, which includes financing for learning and development, supporting sport, well-being, and healthy lifestyle, covering health and travel insurances,

Employees benefit from annual leave of 24 working days, paid vacation days, sick leave, maternity leave of 140 days, paternity leave of 5 working days, and paid leave in the event of a family member's loss. Additional paid day-off hours are provided annually, with 40 hours allocated to head office employees and 64 hours to branch network, contact center employees and, other service support employees. Flexible schedules, remote work opportunities, and overtime compensation further support balance and recovery.

To stay aligned with the market trends we continuously participate in market surveys and improve our benefit packages to be one of the best employers in the market. Along with that, we make yearly salary calibrations, apply incentive programs for retail staff, implement other non-financial recognition programs.

Our benefit programs are designed with compliance in mind, ensuring that we meet all applicable legal requirements and regulations. This not only helps us mitigate risk but also promotes trust among our employees since they know that their rights are protected.

We provide a comprehensive employee value proposition that supports learning and career growth through education co-financing, strengthens engagement and unity through biannual corporate events and team-building activities, celebrates people through holiday and anniversary gifts, recognizes individual and team achievements via structured recognition programs, and enhances everyday well-being through exclusive partner discounts for employees and their families.

## Culture and Communication

We stay committed to our core values and principles which are the backbone of our code of ethics and conduct: We think beautiful, we feel responsible, we act united.

We value trust, openness, inclusion, and meaningful dialogue as essential parts of our culture. We believe that transparent communication strengthens connection, empowers people, and gives every employee a real voice in shaping our workplace.

Through continuous dialogue between leadership and teams, we build alignment, engagement, and shared responsibility for our future.

We actively engage employees through CEO Live sessions, Town Halls, and other interactive communication formats that create direct and open channels between people and leadership. These platforms allow us to share strategy, key updates, and priorities, while also listening closely to employee feedback, ideas, and concerns. We encourage open dialogue, where everyone can ask questions, express opinions, and feel heard.

Our CEO Live sessions, hosted on our internal platform Workvivo, are an important part of this open communication ecosystem. They provide regular opportunities for employees across all branches and departments to stay connected to leadership, receive strategic updates, and participate in honest conversations. By enabling employees to submit questions in advance and anonymously, we create a more inclusive space where everyone can engage comfortably and confidently.

We also strengthen leadership visibility and accessibility by involving senior management in these live sessions. By bringing leaders from different business areas, including decentralized teams, into open dialogue with employees, we ensure that perspectives from across the organisation are represented and heard. This approach helps us stay closely connected, aligned, and responsive to the needs of our teams.

Our Town Hall meetings further reinforce unity and shared purpose across the organisation. Large-scale CEO Town Halls bring together managers from all business lines to align on strategy, priorities, and future plans, while smaller CEO Mini-Town Halls in back-office locations allow for more personal, direct conversations. These formats help us stay connected at every level and ensure that leadership remains close to our people.

We also prioritise strong communication with our front-line teams through regular visits by the CEO and management to our branches across regions. These meetings create space for open feedback, deeper understanding, and stronger relationships between leadership and employees, reinforcing a culture of trust, transparency, and mutual respect.

Through these communication platforms and practices, we create an environment where people feel informed, engaged, and valued—building a culture of openness, inclusion, and trust that supports both individual growth and organisational success.

## Priorities for 2026

2026 is expected to be a period of accelerating sustainable growth and innovation, strengthening future-ready workforce, enhancing organizational capabilities by developing talent, empowering leaders and teams, enabling data, AI, technology, and product expertises. The main goals and priorities will focus on:

- FinTech Space: high-performance digitally-enabled culture
- Strategic talent & skills workforce management
- Empowered leaders & agile teams
- Strong and Continuous learning
- Culture, values driven & human-centered employee experience linked to CS
- Scalable, effective and data driven employee experience

Aiming to apply the best international practices and equip teammates with modern digital and professional skills, the organization will closely cooperate with leading local and in-

# People at a glance

ternational partners and implement targeted development programs. Special focus will be placed on data management, data literacy, analytics, and AI, as well as on product, technology, and digital capabilities.

In collaboration with several local and international companies, we plan to release Tech Generation program for young talents and reskilling professionals, as well as the development of professional communities and skills-based assessment and development models.

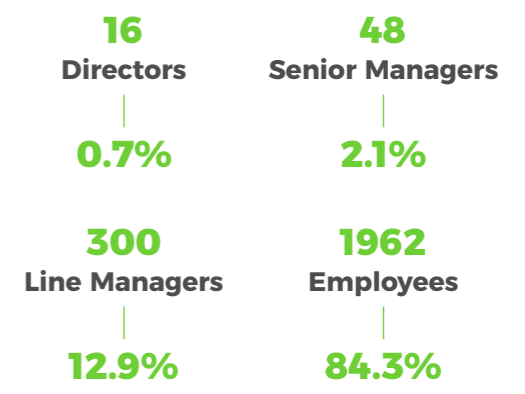
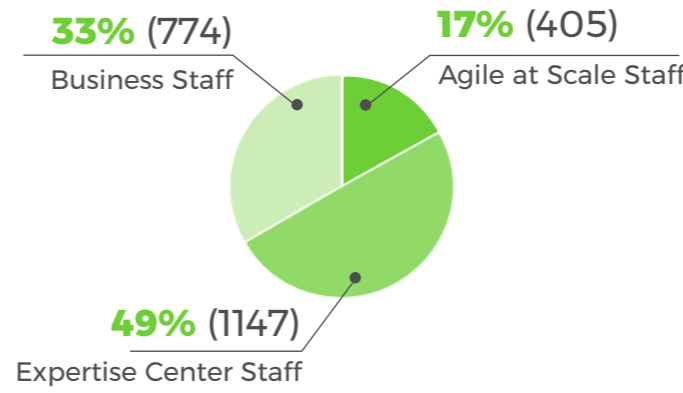
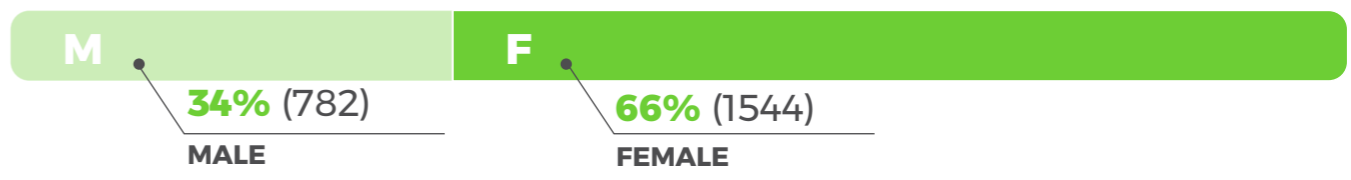
By strengthening leadership, we will implement coaching, mentorship, and succession initiatives and run learning programs that support managers and future leaders in building strong, sustainable teams.

Under engagement actions, we will continue improving feedback culture and implementing feedback-based improvements. We will enhance onboarding, learning, and internal communication programs, review and improve incentive mechanisms, and design new recognition models for target groups. Employer branding and active participation in professional and youth-focused events will further support talent attraction and community building.

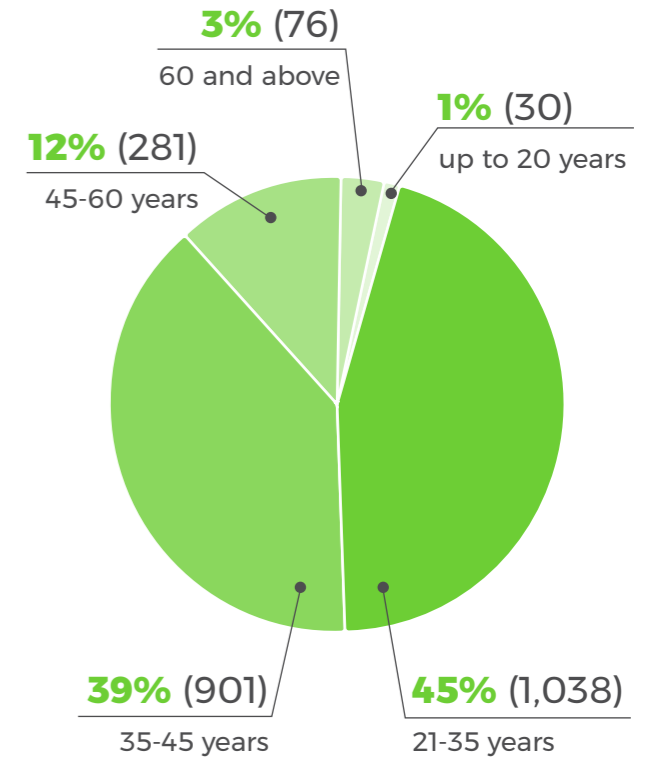
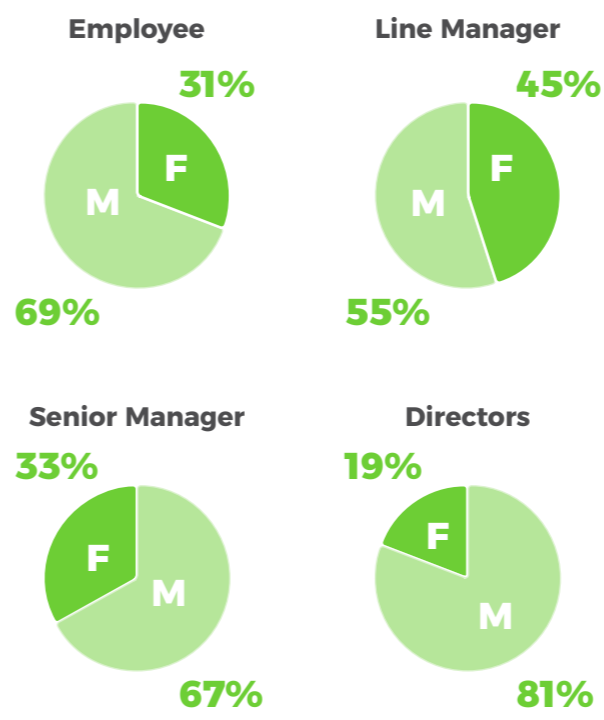
Through automation, optimized processes, and data-driven HR, we will introduce dashboards and management tools to support leaders in making high-quality, timely decisions and to continuously improve employee and manager experience.

## 2,326

Total number of employees (as of YE 2025)



### Gender distribution by position type





05



KPMG Armenia LLC  
 Erebuni Plaza Business Center, 8th floor  
 26/1 Vazgen Sargsyan Street  
 Yerevan 0010, Armenia  
 Telephone + 374 (10) 595 999  
 Internet www.kpmg.am

# Independent Auditors' Report

To the Board of Directors of Ameriabank CJSC

## Opinion

We have audited the consolidated financial statements of Ameriabank CJSC (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements in the Republic of Armenia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Armenia LLC, a company incorporated under the Laws of the Republic of Armenia, a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Ameriabank CJSC  
 Independent Auditors' Report  
 Page 2

## Expected credit losses for loans and advances to legal entities and individuals

Please refer to the Note 20 and Note 31 (c) in the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Loans and advances to customers represent 72% of total assets and are stated net of allowance for expected credit losses (hereinafter, the "ECL") that is estimated on a regular basis and is sensitive to assumptions used, as outlined below.</p> <p>The ECL valuation model requires professional judgement and to make assumptions related to the following key areas:</p> <ul style="list-style-type: none"> <li>timely identification of significant increase in credit risk and default events related to loans and advances to customers (allocation between Stages 1, 2 and 3 in accordance with the IFRS 9 <i>Financial Instruments</i> (hereinafter, "IFRS 9"));</li> <li>assessment of probability of default (PD), including overlays and loss given default (LGD);</li> <li>assessment of adjustment to incorporate forward-looking information;</li> <li>expected cash flows forecast, including from realisation of collateral for loans and advances to customers classified in Stage 3.</li> </ul> <p>Due to the significant volume of loans and advances to customers and complexity and subjectivity over estimating amount of ECL, this area is a key audit matter.</p>	<p>We analysed the key aspects of the Bank's methodology and policies related to ECL estimates for compliance with the requirements of IFRS 9, including through involvement of our internal credit risks specialists.</p> <p>To analyse the adequacy of professional judgement and assumptions made by the management in relation to the ECL estimate, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>for loans to legal entities we assessed and tested the design, implementation and operating effectiveness of the controls over allocation of loans into stages.</li> <li>for loans to individuals we tested the design, implementation and operating effectiveness of controls over calculation of overdue days used as a basis for the allocation of loans into stages.</li> <li>for a sample of loans to legal entities, we tested whether Stages are correctly assigned by the Bank by analysing financial and non-financial information, as well as assumptions and professional judgements applied by the Bank.</li> <li>for loans to legal entities assigned to Stages 1 and 2, where ECL are assessed collectively, we assessed the appropriateness of the related models, and reconciled the model input data to primary sources, on a sample basis.</li> <li>for loans to legal entities in Stages 1 and 2, where ECL are assessed individually, we assessed the appropriateness of the internal credit rating model, and reconciled the model input data to primary sources, on a sample basis. We assessed data inputs for LGD calculation, by agreeing collateral values to external valuation reports and testing the correctness and appropriateness of discounts applied. We assessed the reasonableness of overlays.</li> <li>for a sample of Stage 3 loans to legal entities, where ECL are assessed individually, we assessed the assumptions used by the Bank to forecast future cash flows, including estimated proceeds from collateral and their expected disposal terms based on our understanding and publicly available market information. We specifically focused on those loans and advances to customers that potentially may have the most significant impact on the consolidated financial statements.</li> <li>for loans to individuals, on a sample basis we checked the completeness and accuracy of data inputs into ECL calculation models by agreeing to underlying records and documents.</li> <li>for a sample of Stage 3 loans to individuals, where ECL are assessed individually, we assessed, by comparing to information available in the market, the assumptions used by the Bank to forecast future cash flows, including estimated proceeds from collateral and their expected disposal terms. We have involved our internal valuation specialists to assess the appropriateness of the values of pledged collateral used for LGD calculation, on a sample basis.</li> <li>we assessed the predictive capability of the Bank's ECL calculation methodology by comparing the estimates made as at 1 January 2025 with the actual results for 2025.</li> <li>we assessed the accuracy and relevance of macroeconomic forecasts used in the adjustment to incorporate forward looking information by reperforming regression analysis and agreeing macroeconomic data to publicly available sources.</li> </ul> <p>We also assessed whether the consolidated financial statements disclosures appropriately reflect the Bank's exposure to credit risk.</p>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lusine Sardaryan.

  
Lusine Sardaryan  
Engagement Partner

  
Irina Gevorgyan  
Managing Partner, Director of KPMG Armenia LLC

KPMG Armenia LLC  
11 March 2026




	Notes	2025 AMD'000	2024 AMD'000
Interest income calculated using effective interest rate	6	180,687,463	136,794,320
Other interest income	6	10,306,226	6,795,841
Interest expense	6	(71,749,824)	(49,770,188)
<b>Net interest income</b>		<b>119,243,865</b>	<b>93,819,973</b>
Fee and commission income	7	27,328,743	20,210,576
Fee and commission expense	7	(7,536,224)	(3,957,101)
<b>Net fee and commission income</b>		<b>19,792,519</b>	<b>16,253,475</b>
Net gain on financial instruments at fair value through profit or loss	8	2,744,152	273,779
Net foreign exchange gain	9	19,618,268	23,729,562
Net gain on investment securities measured at fair value through other comprehensive income		172,655	258,605
Other operating income	10	2,990,252	3,866,671
Banking direct expenses	11	(12,510,364)	(8,819,141)
<b>Operating income before impairment and other administrative expenses</b>		<b>152,051,347</b>	<b>129,382,924</b>
Net impairment losses on financial instruments	12	(3,879,494)	(1,586,075)
Other impairments and provisions		(14,228)	(18,752)
<b>Operating income after impairment and before other administrative expenses</b>		<b>148,157,625</b>	<b>127,778,097</b>
Personnel expenses	13	(44,254,713)	(41,887,053)
Other general administrative expenses	14	(15,025,255)	(11,957,780)
<b>Profit before income tax</b>		<b>88,877,657</b>	<b>73,933,264</b>
Income tax expense	15	(16,268,662)	(13,903,928)
<b>Profit for the year</b>		<b>72,608,995</b>	<b>60,029,336</b>
<b>Other comprehensive income/(loss), net of income tax</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Movement in fair value reserve for investment securities:			
- net change in fair value		1,073,723	683,684
- net amount reclassified to profit or loss		(141,577)	(212,056)
<i>Total items that are or may be reclassified subsequently to profit or loss</i>		932,146	471,628
<b>Other comprehensive income for the year, net of income tax</b>		<b>932,146</b>	<b>471,628</b>
<b>Total comprehensive income for the year</b>		<b>73,541,141</b>	<b>60,500,964</b>
<b>Earnings per share</b>			
Basic	30	619.89	512.49
Diluted	30	619.89	512.49

The consolidated financial statements as set out on pages 8 to 96 were approved by the Management Board on 11 March 2026 and were signed on its behalf by:

  
**Artak Hanesyan**  
 Chairman of Management Board - General Director



  
**Mher Kandalyan**  
 Deputy Chief Accountant

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

	Notes	2025 AMD'000	2024 AMD'000
<b>ASSETS</b>			
Cash and cash equivalents	16	109,462,529	198,947,225
Financial assets measured at fair value through profit or loss	17(a)		
- Held by the Group		19,506,233	26,271,864
- Pledged under sale and repurchase agreements		-	3,840,589
Investment securities measured at fair value through other comprehensive income	17(b)		
- Held by the Group		35,791,403	12,719,759
- Pledged under sale and repurchase agreements		-	6,737,551
Investment securities measured at amortised cost	17(c)		
- Held by the Group		178,100,162	116,758,955
- Pledged under sale and repurchase agreements		20,883,372	38,145,422
Loans and advances to banks	18	163,933,651	85,290,615
Amounts receivable under reverse repurchase agreements	19	55,781,510	28,760,592
Loans and advances to customers	20	1,672,455,584	1,309,937,917
Property, equipment and intangible assets	21	24,738,034	20,211,084
Right of use asset	22	12,470,937	10,977,803
Deferred tax asset	15	12,085	1,995,423
Repossessed assets	20	635,895	856,337
Other assets	23	40,995,076	21,056,704
<b>Total assets</b>		<b>2,334,766,471</b>	<b>1,882,507,840</b>
<b>LIABILITIES</b>			
Derivative financial liabilities	17(a)	178,471	487,082
Deposits and balances from banks	24	95,759,071	68,619,504
Amounts payable under repurchase and reverse repurchase agreements	29	23,365,343	45,064,852
Current accounts and deposits from customers	25	1,362,273,949	1,122,212,988
Debt securities issued	26	167,840,072	163,153,204
Other borrowed funds	27	256,571,872	135,933,377
Subordinated borrowings	27	36,909,678	27,996,197
Current tax liability		8,351,651	9,344,009
Provision for credit related commitments	33	784,561	236,484
Lease liability	22	14,692,281	12,839,765
Other liabilities	28	31,091,143	40,332,079
<b>Total liabilities</b>		<b>1,997,818,092</b>	<b>1,626,219,541</b>
<b>EQUITY</b>	30		
Share capital		54,466,380	54,466,380
Share premium		274,861	274,861
Revaluation reserve for investment securities		492,201	(439,945)
Share-based payment reserve		7,118,939	-
Retained earnings		<b>274,595,998</b>	<b>201,987,003</b>
<b>Total equity</b>		<b>336,948,379</b>	<b>256,288,299</b>
<b>Total liabilities and equity</b>		<b>2,334,766,471</b>	<b>1,882,507,840</b>

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

	Notes	2025 AMD'000	2024 AMD'000
<b>Cash flows from operating activities</b>			
Interest receipts		187,548,437	142,734,218
Interest payments		(65,534,340)	(48,872,027)
Fee and commission receipts		27,328,743	20,210,576
Fee and commission payments		(7,536,224)	(3,957,101)
Net receipts from financial assets at fair value through profit or loss		2,412,368	1,371,562
Net receipts from foreign exchange transactions	9	19,757,847	23,664,321
Net other operating payments		(9,552,081)	(4,952,470)
Salaries and other payments to employees		(45,949,766)	(35,556,396)
Other general administrative expenses payments		(8,302,749)	(6,788,827)
<b>(Increase)/decrease in operating assets</b>			
Financial instruments at fair value through profit or loss		10,947,404	(15,598,131)
Loans and advances to banks		(78,111,260)	3,206,079
Amounts receivable under reverse repurchase agreements		(27,070,280)	(13,485,214)
Loans and advances to customers		(363,748,758)	(341,253,250)
Other assets		(19,834,075)	(3,238,602)
<b>(Decrease)/increase in operating liabilities</b>			
Financial instruments at fair value through profit or loss		(849,398)	(725,338)
Deposits and balances from banks		26,367,715	15,554,818
Amounts payable under repurchase agreements		(21,685,653)	27,775,465
Current accounts and deposits from customers		239,267,077	231,249,111
Other liabilities		(376,959)	3,605,914
<b>Net cash used in operating activities before income tax paid</b>		(134,921,952)	<b>(5,055,292)</b>
Income tax paid		(15,475,054)	(12,173,885)
<b>Cash flows used in operating activities</b>		<b>(150,397,006)</b>	<b>(17,229,177)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, equipment and intangible assets	21	(9,842,748)	(9,013,580)
Acquisition of investment securities measured at fair value through other comprehensive income		(24,868,240)	(275,594)
Proceeds from sale and repayment of investment securities measured at fair value through other comprehensive income		9,889,114	5,856,845
Acquisition of investment securities measured at amortised cost		(480,205,961)	(285,276,361)
Proceeds from repayment of investment securities measured at amortised cost		434,772,521	227,407,704
<b>Cash flows used in investing activities</b>		<b>(70,255,314)</b>	<b>(61,300,986)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	22	(1,101,132)	(1,042,880)
Receipt of other borrowed funds and subordinated liabilities	27	158,039,868	129,780,529
Repayment of other borrowed funds and subordinated liabilities	27	(31,846,488)	(25,706,499)
Proceeds from debt securities issued	26	63,451,503	76,234,658
Repayment of debt securities issued	26	(57,083,627)	(28,965,492)
<b>Cash flows from financing activities</b>		<b>131,460,124</b>	<b>150,300,316</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(89,192,196)</b>	<b>71,770,153</b>
Effect of changes in exchange rates on cash and cash equivalents		(292,318)	(6,016,741)
Effect of changes in impairment allowance		(182)	105
Cash and cash equivalents as at the beginning of the year		198,947,225	133,193,708
<b>Cash and cash equivalents as at the end of the year</b>	16	<b>109,462,529</b>	<b>198,947,225</b>

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

AMD'000	Share capital	Share premium	Revaluation reserve for investment securities	Share-based payment reserve	Retained earnings	Total equity
<b>Balance as at 1 January 2023</b>	54,466,380	274,861	(911,573)	-	141,957,667	195,787,335
Profit for the year	-	-	-	-	60,029,336	60,029,336
<b>Other comprehensive income</b>						
<i>Fair value reserve for investment securities</i>						
- net change in fair value	-	-	683,684	-	-	683,684
- net amount reclassified to profit or loss	-	-	(212,056)	-	-	(212,056)
<b>Total comprehensive income for the year</b>	-	-	<b>471,628</b>	-	<b>60,029,336</b>	<b>60,500,964</b>
<b>Balance as at 31 December 2024</b>	<b>54,466,380</b>	<b>274,861</b>	<b>(439,945)</b>	-	<b>201,987,003</b>	<b>256,288,299</b>
<b>Balance as at 1 January 2025</b>	<b>54,466,380</b>	<b>274,861</b>	<b>(439,945)</b>	-	<b>201,987,003</b>	<b>256,288,299</b>
Profit for the year	-	-	-	-	72,608,995	72,608,995
<b>Other comprehensive income</b>						
<i>Fair value reserve for investment securities</i>						
- net change in fair value	-	-	1,073,723	-	-	1,073,723
- net amount reclassified to profit or loss	-	-	(141,577)	-	-	(141,577)
<b>Total comprehensive income for the year</b>	-	-	<b>932,146</b>	-	<b>72,608,995</b>	<b>73,541,141</b>
<b>Transactions with owners, recorded directly in equity</b>						
Equity-settled share-based payment (Note 13)	-	-	-	7,118,939	-	7,118,939
Total transactions with owners	-	-	-	<b>7,118,939</b>	-	<b>7,118,939</b>
<b>Balance as at 31 December 2025</b>	<b>54,466,380</b>	<b>274,861</b>	<b>492,201</b>	<b>7,118,939</b>	<b>274,595,998</b>	<b>336,948,379</b>

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

## 1. Background

### (a) Organisation and operations

Ameriabank CJSC (formerly Armimpexbank CJSC) (the Bank) was established on 8 December 1992 under the laws of the Republic of Armenia. In 2007 the Bank was acquired by TDA Holdings Limited, which purchased a shareholding of 96.15%. TDA Holdings Limited was renamed to Ameria Group (CY) during 2011. In 2013 Ameria Group (CY) Limited increased its share in the Bank to 100%.

During the years 2015-2020 Ameria Group (CY) sold part of its share to European Bank of Reconstruction and Development (EBRD), Asian Development Bank (ADB), ESPS Holding Limited and Afeyan Foundation for Armenia Inc. On 14 July 2020 Ameria Group (CY) was renamed to Imast Group (CY).

During 2021-2023 the Bank had issued total of 298 additional shares, which were purchased by ESPS Holding Limited for AMD 288,996 thousand. On 3 of April 2024 Lion Finance Group PLC (formerly Bank of Georgia Group PLC) and Bank of Georgia JSC acquired 90% of the Bank's shares.

As at 31 December 2025 and 2024 the Bank's shareholding structure was as follows:

	31 December 2025	31 December 2024
Lion Finance Group PLC	60.00%	60.00%
Bank of Georgia JSC	30.00%	30.00%
European Bank of Reconstruction and Development (EBRD)	10.00%	10.00%
	<b>100.00%</b>	<b>100.00%</b>

The principal activities of the Bank are deposit taking and customer account maintenance, lending, issuing guarantees, cash and settlement operations and operations with securities and foreign exchange. The activities of the Bank are regulated by the Central Bank of Armenia (the "CBA"). The Bank has a general banking license and is a member of the state deposit insurance system in the Republic of Armenia. The majority of the Bank's assets and liabilities are located in Armenia.

The Bank has 29 branches (2024: 25 branches) from which it conducts business throughout the Republic of Armenia. The registered address of the head office is 2 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia.

On 21 April 2023 and 28 April 2023, the Bank established two subsidiaries in accordance with the legislation of the Republic of Armenia - Invia CJSC and Dinno CJSC respectively (the Bank and the subsidiaries together referred to as "the Group").

The Bank is the 100% shareholder of both subsidiaries. The subsidiaries are in their start-up stage and main planned activities of these companies are provision of legal consulting and digital services. The financial results of the subsidiaries are consolidated in these consolidated financial statements.

As at 31 December 2025 and 2024 the parent company of the Group is Lion Finance Group PLC. As at 31 December 2025 and 2024 the Group had no ultimate controlling party.

The number of the Bank's employees as at 31 December 2025 was 2,326 (2024: 2,036).

Related party transactions are detailed in Note 35.

### (b) Armenian business environment

The Group's operations are primarily located in Armenia. Consequently, the Group is exposed to the economic and financial markets of Armenia which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development and tend to improve over the last years.

After a prolonged period of military tensions between Armenia and Azerbaijan, peace discussions and the border delimitation process remain ongoing. In August 2025, Armenia and Azerbaijan signed a Joint Declaration expressing a mutual intention to normalize bilateral relations, including commitments to reduce tensions, advance border delimitation discussions, and promote regional stability. However, the practical implementation of the declaration and its long-term impact on economic activity remain uncertain.

At the same time, ongoing military conflict between the Russian Federation and Ukraine contributes to uncertainty in the broader business environment.

In recent years, Armenia's economy has successfully overcome global economic shocks and achieved significant macroeconomic results. This has largely been driven by the relocation of several companies to Armenia in 2022-2023 and a substantial increase in remittances. In 2025, high levels of economic activity, particularly the rapid growth in foreign trade turnover, continued to support this growth. The mentioned factors have resulted in 7.2% increase in GDP in 2025 per Statistical Committee of Republic of Armenia. Although Armenia's economic growth slowed in early 2025 due to a certain neutralization of the driving forces of previous years, however, starting from the second quarter, growth rates have recovered again, due to the mitigation of the decline in the industrial sector

and stable growth in the services, construction, and agriculture sectors. The government's 2021-2026 economic program aims to foster an export-oriented and investment-driven growth model through comprehensive reforms.

On 26 June 2025 Moody's credit rating agency reaffirmed Armenia's Credit Rating at Ba3 Level, with "Stable" outlook. On 16 January 2026, Fitch Ratings has upgraded Armenia's credit rating outlook from "Stable" to "Positive", while affirming the rating at BB-.

The consolidated financial statements reflect management's assessment of the impact of the Armenian business environment on the operations and financial position of the Group. The future business environment may differ from management's assessment.

## 2. Basis of preparation

### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements are prepared on a going concern basis, as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Group.

### (b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except that financial instruments at fair value through profit or loss (FVTPL) and investment securities at fair value through other comprehensive income (FVOCI) are measured at fair value on each reporting date.

### (c) Functional and presentation currency

The functional currency of the Bank and its subsidiaries is the Armenian Dram (AMD) as, being the national currency of the Republic of Armenia, it reflects the economic substance of the majority of underlying events and circumstances relevant to the Group.

The AMD is also the presentation currency for the purposes of these consolidated financial statements. All financial information presented in AMD has been rounded to the nearest thousand, except when otherwise indicated. The official CBA exchange rates as at 31 December 2025 and 2024, were AMD 381.36 and AMD 396.56 to USD 1, and AMD 449.01 and AMD 413.89 to EUR 1, respectively.

### (d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### Judgements

Information about critical judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding - Note 4(e)(i);
- establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition; determining the methodology for incorporating forward-looking information into the measurement of expected credit loss ("ECL") and selection of models used to measure ECL - Note 31(c).

#### Assumptions and estimations uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- impairment of financial instruments: determining inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information - Note 30(c);
- estimates of fair values of financial assets and liabilities - Note 35.

### 3. Changes in material accounting policies

The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective for these consolidated financial statements.

Certain amendments and interpretations apply for the first time in 2025, but do not have significant impact on the Group's consolidated financial statements and accounting policies.

### 4. Material accounting policies

The accounting policies set out below are applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

#### (a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Bank and its subsidiaries at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments at FVOCI, unless the difference is due to impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss.

#### (b) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balances held with the CBA, including obligatory reserves denominated in AMD, unrestricted balances (nostro accounts) held with other banks. Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

#### (c) Interest

##### *Effective interest rate*

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

##### *Amortised cost and gross carrying amount*

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' measured at amortised cost is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

##### *Calculation of interest income and expense*

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, see Note 4(e)(iv).

##### *Presentation*

Interest income calculated using the effective interest method presented in the consolidated statement of profit or loss and other comprehensive income includes:

- interest on financial assets measured at amortised cost;
- interest on debt instruments measured at FVOCI.

Other interest income presented in the consolidated statement of profit or loss and other comprehensive income includes interest income on non-derivative debt financial instruments measured at FVTPL and net investments in finance leases.

Interest expense presented in the consolidated statement of profit or loss and other comprehensive income includes financial liabilities measured at amortised cost.

#### (d) Fees and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate (see Note 4(c)).

Other fee and commission income - including account servicing fees, investment management fees, sales commission, placement fees and syndication fees - is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's consolidated financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Other fee and commission expenses relate mainly to transaction and service fees, which are generated based on actual transactions with customers. The Group classifies expenses directly attributable to revenue generation and not resulting from actual transactions with customers as other operating expenses. All other expenses are classified as general administrative expenses.

#### (e) Financial assets and financial liabilities

##### *i. Classification*

##### *Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt financial assets measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest income using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt financial asset measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

#### Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money - e.g. periodical reset of interest rates.

The Group holds a portfolio of long-term fixed rate loans for which the Group has the option to revise the interest rate following the change of key rate set by the CBA. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding. Instead, the Group considers these loans as in essence floating rate loans (Note 4(e)(iv)).

#### Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

#### ii. Derecognition

##### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### iii. Modification of financial assets and financial liabilities

##### Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

Changes in cash flows on existing financial assets or financial liabilities are not considered as modification, if they result from existing contractual terms, e.g. changes in interest rates initiated by the Group due to changes in the CBA key rate, if the loan agreement entitles the Group to do so.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogizes to the guidance on the derecognition of financial liabilities.

The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial asset;
- change of terms of financial asset that lead to non-compliance with the SPPI criterion.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases. The Group further performs qualitative evaluation of whether the modification is substantial.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest method.

For fixed-rate loans, where the borrower has an option to prepay the loan at par without significant penalty, the Group treats the modification of an interest rate to a current market rate using the guidance on floating-rate financial instruments. This means that the effective interest rate is adjusted prospectively.

Modifications of financial assets, that were modified while they had a loss allowance measured at an amount equal to lifetime ECL did not have material effect on the consolidated statement of profit or loss and other comprehensive income during the years ended 31 December 2025 and 2024.

#### Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- inclusion of conversion option;
- change in the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

#### iv. Impairment

See also Note 31(c).

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- net investments in finance leases;

- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than net investments in finance leases) on which credit risk has not increased significantly since their initial recognition (see Note 31(c)).

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1' financial instruments.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised are referred to as 'Stage 2' financial instruments (if the credit risk has increased significantly since initial recognition, but the financial instruments are not credit-impaired) and 'Stage 3' financial instruments (if the financial instruments are credit-impaired).

#### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the present value of expected payments to reimburse the holder less any amounts that the Group expects to recover.

See also Note 31(c).

#### Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see Note 4(e)(ii)) and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset (see Note 31(c)).
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

#### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and net investments in finance leases are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter Bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

#### **Presentation of allowance for ECL in the consolidated statement of financial position**

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

#### **Write-offs**

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the consolidated statement of profit or loss and other comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### **(f) Loans and advances to customers**

Loans and advances to customers caption in the consolidated statement of financial position include:

- loans to customers, receivables from factoring and receivables from letter of credit measured at amortised cost (see Note 4(e)(i)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method; and
- net investments in finance leases.

#### **(g) Deposits, debt securities issued and subordinated liabilities**

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group designates liabilities at FVTPL.

#### **(h) Financial guarantees and loan commitments**

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 (see Note 4(e)(iii)) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Group has issued no loan commitments that are measured at FVTPL.

For other loan commitments the Group recognises a loss allowance (see Note 4(e)(iii)) in accordance with IFRS 9.

Liabilities arising from financial guarantees and loan commitments are included within provisions.

#### **(i) Repurchase and reverse repurchase agreements**

Securities sold under sale and repurchase (repo) agreements are accounted for as secured financing transactions, with the securities retained in the consolidated statement of financial position and the counterparty liability included in amounts payable under repo transactions. The difference between the sale and repurchase prices represents interest expense and is recognised in profit or loss over the term of the repo agreement using the effective interest method.

Securities purchased under agreements to resell (reverse repo) are recorded as amounts receivable under reverse repo transactions. The difference between the purchase and resale prices represents interest income and is recognised in profit or loss over the term of the repo agreement using the effective interest method.

If assets purchased under an agreement to resell are sold to third parties, the obligation to return securities is recorded as a trading liability and measured at fair value.

#### **(j) Share capital**

##### **(i) Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

##### **(ii) Share premium**

Any amount paid in excess of par value of shares issued is recognised as a share premium.

##### **(iii) Dividends**

The ability of the Group to declare and pay dividends is subject to the rules and regulations of the Armenian legislation.

Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period when they are declared.

#### **(k) Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

#### **(l) Segment reporting**

An operating segment is a component of a Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same Group); whose operating results are regularly reviewed by the Management Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group's segmental reporting is based on the following operating segments: Retail Banking, Corporate and investment Banking, Trading.

#### **(m) Taxation**

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items of other comprehensive income or transactions with shareholders recognised directly in equity, in which case it is recognised within other comprehensive income or directly within equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are not recognised for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### (n) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

##### (ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

#### (o) New standards and interpretations not yet adopted

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended accounting standards in preparing these consolidated financial statements.

##### (i) Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which amended IFRS 9 and IFRS 7.

The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and are related to:

- recognition and derecognition, including accounting for settlement of financial liabilities using an electronic payments system; and
- assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The Group has assessed that the amendments do not have a significant impact on the Group's consolidated financial statements.

##### (ii) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidated statement of profit or loss, consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as "other".

##### (iii) Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7); and
- Annual Improvements to IFRS Accounting Standards - Volume 11.

## 5. Segment information

For management purposes, the Group is organised into three operating segments based on products and services as follows:

Retail Banking	Handling individual and small and micro legal entity customers' deposits, and providing consumer loans, overdrafts, credit cards facilities and small and micro loans.
Corporate and Investment Banking	Handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers and provision of Investment Banking services such as underwriting, financial consulting, etc.
Trading	Currency conversion transactions, management of bonds portfolio, attractions or disbursement of short-term funds through interbank loans and repo agreements for liquidity management, provision of brokerage services, etc.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Income taxes are allocated to operating segment based on proportion of profit before income tax.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present income and profit and certain asset and liability information regarding the Group's operating segments.

	Retail banking AMD'000	Corporate and investment banking AMD'000	Trading AMD'000	Total AMD'000
<b>2025</b>				
Net interest income	52,252,881	49,113,482	17,877,502	119,243,865
Net non-interest income*	9,359,920	12,388,746	11,058,816	32,807,482
Inter-segment income	8,259,592	8,857,498	(17,117,090)	-
<b>Operating income before impairment and other administrative expenses</b>	<b>69,872,393</b>	<b>70,359,726</b>	<b>11,819,228</b>	<b>152,051,347</b>
Net impairment losses on financial instruments	(6,406,252)	2,526,758	-	(3,879,494)
Other impairments and provisions	(7,665)	(6,563)	-	(14,228)
Depreciation and amortisation	(5,677,861)	(721,644)	(323,001)	(6,722,506)
Personnel and other general administrative expenses	(38,271,917)	(10,469,515)	(3,816,030)	(52,557,462)
<b>Profit before income tax</b>	<b>19,508,698</b>	<b>61,688,762</b>	<b>7,680,197</b>	<b>88,877,657</b>
Income tax expense	(3,570,981)	(11,291,855)	(1,405,826)	(16,268,662)
<b>Profit for the year</b>	<b>15,937,717</b>	<b>50,396,907</b>	<b>6,274,371</b>	<b>72,608,995</b>
<b>2025</b>				
Interest earning financial assets	762,086,542	934,682,898	311,598,194	2,008,367,634
Interest bearing financial liabilities	1,016,190,566	885,465,239	41,064,103	1,942,719,908

2024	Retail banking AMD'000	Corporate and investment banking AMD'000	Trading AMD'000	Total AMD'000
Net interest income	38,130,734	41,438,192	14,251,047	93,819,973
Net non-interest income*	11,454,811	12,476,994	11,631,146	35,562,951
Inter-segment income	10,383,863	2,419,111	(12,802,974)	-
<b>Operating income before impairment and other administrative expenses</b>	<b>59,969,408</b>	<b>56,334,297</b>	<b>13,079,219</b>	<b>129,382,924</b>
Net impairment losses on financial instruments	(1,691,073)	104,998	-	(1,586,075)
Other impairments and provisions	(10,103)	(8,649)	-	(18,752)
Depreciation and amortisation	(4,129,675)	(782,540)	(256,738)	(5,168,953)
Personnel and other general administrative expenses	(35,034,363)	(10,402,331)	(3,239,186)	(48,675,880)
<b>Profit before income tax</b>	<b>19,104,194</b>	<b>45,245,775</b>	<b>9,583,295</b>	<b>73,933,264</b>
Income tax expense	(3,592,745)	(8,508,944)	(1,802,239)	(13,903,928)
<b>Profit for the year</b>	<b>15,511,449</b>	<b>36,736,831</b>	<b>7,781,056</b>	<b>60,029,336</b>

2024	Retail banking AMD'000	Corporate and investment banking AMD'000	Trading AMD'000	Total AMD'000
Interest earning financial assets	596,242,170	726,582,795	232,549,853	<b>1,555,374,818</b>
Interest bearing financial liabilities	812,409,831	687,547,155	63,023,136	<b>1,562,980,122</b>

Interest earning assets include financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, interest bearing loans and advances to banks, amounts receivable under reverse repurchase agreements, gross loans and advances to customers and debt instruments at amortised cost.

Interest bearing financial liabilities include deposits and balances from banks (excluding vostro accounts), amounts payable under repurchase agreements, current accounts and deposits from customers, debt securities issued, other borrowed funds, subordinated borrowings.

#### Revenue from contracts with customers

Segment breakdown of revenue from contracts with customers in scope of IFRS 15 for the years ended 31 December 2025 and 2024 was as follows:

2025	Retail banking AMD'000	Corporate and investment banking AMD'000	Trading AMD'000	Total AMD'000
Plastic card servicing fees	17,472,483	-	-	17,472,483
Money transfer	2,200,584	1,434,254	-	3,634,838
Other fee and commission income	584,444	2,352,173	632,888	3,569,505
Income from advisory, arrangement, referral and other services	169,196	1,932,181	-	2,101,377
Income from deposit boxes	101,701	-	-	101,701
<b>Total revenue from contracts with customers</b>	<b>20,528,408</b>	<b>5,718,608</b>	<b>632,888</b>	<b>26,879,904</b>

\* Net non-interest income includes net fee and commission income, other operating income, banking direct expenses, net gain on financial instruments at fair value through profit or loss, net foreign exchange gain and net gain on investment securities measured at fair value through other comprehensive income.

2024	Retail banking AMD'000	Corporate and investment banking AMD'000	Trading AMD'000	Total AMD'000
Plastic card servicing fees	11,663,342	-	-	11,663,342
Money transfer	1,868,835	1,404,151	-	3,272,987
Other fee and commission income	525,934	2,467,625	412,349	3,405,907
Income from advisory, arrangement, referral and other services	105,107	3,035,923	-	3,141,030
Income from deposit boxes	103,486	-	-	103,486
<b>Total revenue from contracts with customers</b>	<b>14,266,704</b>	<b>6,907,699</b>	<b>412,349</b>	<b>21,586,752</b>

Revenue from contracts with customers is generated primarily from customers in Armenia. In 2025 and 2024 no customer represented more than 10% of the Group's total revenue.

## 6. Net interest income

	2025 AMD'000	2024 AMD'000
<b>Interest income calculated using effective interest rate</b>		
<b>Financial assets measured at amortised cost</b>		
Loans and advances to customers	160,712,401	118,941,125
Investment securities measured at amortised cost	13,321,468	10,510,865
Amounts receivable under reverse repurchase agreements	2,798,938	2,114,923
Loans and advances to banks	1,443,182	1,971,135
Receivables from factoring	780,923	987,762
Receivables from letters of credit	7,100	34,539
Other	62,910	74,051
	<b>179,126,922</b>	<b>134,634,400</b>
<b>Financial assets measured at fair value through other comprehensive income</b>		
Investment securities measured at FVOCI	1,560,541	2,159,920
<b>Interest income calculated using effective interest rate</b>	<b>180,687,463</b>	<b>136,794,320</b>
<b>Other interest income</b>		
Receivables from finance leases	7,389,169	5,353,794
Investment securities measured at FVTPL	2,724,681	1,439,748
Derivative financial assets	192,376	2,299
<b>Other interest income</b>	<b>10,306,226</b>	<b>6,795,841</b>
<b>Total interest income</b>	<b>190,993,689</b>	<b>143,590,161</b>
<b>Interest expense</b>		
Current accounts and deposits from customers	41,889,124	29,705,362
Other borrowed funds and subordinated borrowings	10,882,125	4,027,282
Debt securities issued	10,586,191	8,918,961
Deposits and balances from banks	3,945,513	3,116,521
Amounts payable under repurchase agreements	2,514,124	2,381,625
Lease liabilities	1,441,944	1,394,083
Payables under letters of credit and issued guarantees	383,648	225,757
Other	107,155	597
<b>Total interest expense</b>	<b>71,749,824</b>	<b>49,770,188</b>
<b>Net interest income</b>	<b>119,243,865</b>	<b>93,819,973</b>

## 7. Net fee and commission income

	2025 AMD'000	2024 AMD'000
<b>Fee and commission income</b>		
Plastic card servicing fees	17,472,483	11,663,342
Money transfers	3,634,838	3,272,987
Cash withdrawal, account service and distance system services	2,651,917	1,868,340
Guarantee and letter of credit issuance	1,935,069	1,947,445
Brokerage services and underwriting	1,180,619	1,027,800
Settlement operations	340,720	309,713
Other	113,097	120,949
<b>Total fee and commission income</b>	<b>27,328,743</b>	<b>20,210,576</b>
<b>Fee and commission expense</b>		
Plastic card maintenance	6,734,030	3,393,861
Money transfers	610,975	417,532
Charges from cash and non-cash transactions with the Central Bank and other financial institutions	97,659	87,903
Guarantee and letter of credit issuance	27,561	11,505
Other	65,999	46,300
<b>Total fee and commission expense</b>	<b>7,536,224</b>	<b>3,957,101</b>
<b>Net fee and commission income</b>	<b>19,792,519</b>	<b>16,253,475</b>

### (a) Revenue from contracts with customers

The Group's revenue from contract with customers mainly comprises fee and commission income and revenue from provision of advisory and arrangement services. Group recognises majority of revenue from fees and commission and from advisory and arrangement services at a point in time. Majority of revenue is received in cash payment or charged on customer account when transaction takes place. Revenue from contracts with customers recognised in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2025 and 2024 comprised to:

	2025 AMD'000	2024 AMD'000
Fee and commission income	24,676,826	18,342,236
Income from advisory and arrangement services	1,931,138	3,023,508
Income from referrals and other services	170,239	117,522
Income from deposit boxes	101,701	103,486
	<b>26,879,904</b>	<b>21,586,752</b>

### (b) Contract balances

The following table provides information about receivable from contracts with customers.

	2025 AMD'000	2024 AMD'000
Receivable included in other assets	<b>220,523</b>	<b>180,022</b>

## 8. Net gain on financial instruments at fair value through profit or loss

	2025 AMD'000	2024 AMD'000
Net (loss)/gain from currency and interest rate derivative instruments	1,484,312	(73,214)
Net gain from investment securities at fair value through profit or loss	1,259,840	346,993
	<b>2,744,152</b>	<b>273,779</b>

## 9. Net foreign exchange gain

	2025 AMD'000	2024 AMD'000
Net gain on spot transactions	19,757,847	23,664,321
Net loss from revaluation of financial assets and liabilities	(139,579)	65,241
	<b>19,618,268</b>	<b>23,729,562</b>

## 10. Other operating income

	2024 AMD'000	2023 AMD'000
Income from advisory and arrangement services	1,931,138	3,023,508
Income from insurance agency	222,405	192,049
Net income from sale of repossessed assets	218,461	99,202
Income from referrals and other services	170,239	117,522
Income from payment system	126,429	-
Income from deposit boxes	101,701	103,486
Income from payment terminals	25,178	36,944
Income from reimbursement of legal cases	2,599	142,609
Other	192,102	151,351
	<b>2,990,252</b>	<b>3,866,671</b>

## 11. Banking direct expenses

	2025 AMD'000	2024 AMD'000
Payment system charges	5,577,084	3,447,763
Software maintenance	2,243,657	1,658,099
Guarantee payments to Armenian Deposit Guarantee Fund	1,516,030	1,364,300
Collateral registration charges	902,871	568,076
Fees for brokerage services	230,007	168,587
Credit register charges	204,613	150,830
Postal service charges	203,987	138,052
ATM service charge	157,418	144,635
Financial system mediator	155,880	123,525
Encashment	128,942	125,741
Depository services	97,970	102,322
Paid fees and penalties	95,323	88,465
Subscription fee	4,210	57,596
Other	992,372	681,150
	<b>12,510,364</b>	<b>8,819,141</b>

## 12. Net impairment losses on financial instruments

The table below shows the impairment losses on financial instruments recorded in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025:

AMD'000	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	(182)	-	-	(182)
Loans and advances to banks	90,589	-	-	90,589
Loans to legal entities and individuals	2,399,577	407,818	97,537	2,904,932
Receivables from finance leases	258,735	-	(18,436)	240,299
Receivables from factoring	25,852	8,597	-	34,449
Receivables from letter of credit	(53)	-	-	(53)
Investment securities measured at amortised cost	56,140	-	-	56,140
Investment securities measured at fair value through other comprehensive income	(56,795)	-	-	(56,795)
Other financial assets	(90,172)	(200)	152,407	62,035
Credit related commitments	542,577	(1,144)	6,647	548,080
<b>Total credit loss expense</b>	<b>3,226,268</b>	<b>415,071</b>	<b>238,155</b>	<b>3,879,494</b>

The table below shows the impairment losses on financial instruments recorded in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024:

AMD'000	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	105	-	-	105
Loans and advances to banks	(13,697)	-	-	(13,697)
Loans to legal entities and individuals	752,536	(979,506)	2,713,482	2,486,512
Receivables from finance leases	(202,181)	-	(118,856)	(321,037)
Receivables from factoring	(20,307)	-	-	(20,307)
Receivables from letter of credit	(5,996)	-	-	(5,996)
Investment securities measured at amortised cost	14,616	-	-	14,616
Investment securities measured at fair value through other comprehensive income	(29,333)	-	-	(29,333)
Other financial assets	(55,280)	496	(43,216)	(98,000)
Credit related commitments	(425,765)	1,492	(2,515)	(426,788)
<b>Total credit loss expense</b>	<b>14,698</b>	<b>(977,518)</b>	<b>2,548,895</b>	<b>1,586,075</b>

## 13. Personnel expenses

	2025 AMD'000	2024 AMD'000
Wages and salaries	37,135,774	41,887,053
Equity-settled share-based payments	7,118,939	
	<b>44,254,713</b>	<b>41,887,053</b>

### Share based payment arrangements

During 2025 the Group has introduced share-based remuneration policy for senior executives and employees who are considered as material risk takers of the Group, whereby they receive equity instruments of Lion Finance Group PLC ('equity-settled transactions') as consideration for the services provided.

Equity-settled share-based transactions consist of two types of components: fixed and variable. The first is fixed in monetary terms at the date of the contract and shall be paid by award of the number of shares equivalent to the fixed monetary value as at the date of the award. Such awards vest immediately following the award year and do not have additional holding period. The fixed component totals AMD 2,925,388 thousand. The Group has

determined 1 January 2025 as the grant date for the award. The fair value of the shares was estimated at AMD 23,317 per share, based on the five-working-day average share price prior to 25 December 2024 and using average exchange rates for the same period.

Variable share remuneration awarded annually is also fixed in monetary terms. Such awards are subject to vesting period of up to 3 years and holding period of up to 5 years. Total variable component amounts to AMD 7,253,878 thousand, of which the AMD 4,193,551 thousand is recognised for the year ended 31 December 2025. The variable share remuneration is translated into number of shares at award date based on the average price of the Lion Finance Group PLC shares at five business days prior to 25 December of the year immediately preceding date of the award.

For the fixed component, the share-based reserve is recognised at the grant date, as the award vests immediately, following the award year. For the variable component, the share-based reserve is recognised over the vesting period, commencing from the service commencement date.

The cost of equity-settled transactions is recognised over the period in which the performance and/or service conditions are fulfilled, ending on the date when the relevant employee is fully entitled to the award (vesting date). The subsequent holding period does not imply any employment service provision from the share recipient side, therefore, it does not affect the expense recognition period.

The only vesting condition the employees will be required to meet will be service conditions during the predefined term.

## 14. Other general administrative expenses

	2025 AMD'000	2024 AMD'000
Depreciation and amortisation	6,722,506	5,168,953
Advertising and marketing	1,916,930	1,428,927
Staff training and other expenses	1,220,396	800,359
Repairs and maintenance	806,811	701,828
Professional services*	771,840	853,250
Other lease expense	555,072	481,426
Unrecoverable taxes from lease agreements	467,941	435,602
Security	431,516	389,495
Charity and sponsorship	425,270	336,535
Business trips and representation	404,515	315,443
Communications and information services	274,341	242,090
Electricity and utilities	209,128	179,359
Loan recovery charges	196,332	105,736
Insurance	79,196	86,680
Office supplies	66,719	59,683
Taxes other than on payroll and income	58,693	48,255
Other	418,049	324,159
	<b>15,025,255</b>	<b>11,957,780</b>

## 15. Income tax expense

	2025 AMD'000	2024 AMD'000
Current tax expense	(14,482,696)	(13,974,533)
Movement in deferred tax assets and liabilities due to origination and reversal of temporary differences	(1,785,966)	70,605
<b>Total income tax expense</b>	<b>(16,268,662)</b>	<b>(13,903,928)</b>

In 2025 and 2024 the applicable tax rate for current tax is 18%.

\* Included in the professional services for the year ended 31 December 2025 is AMD 70,200 thousand for the audit of the consolidated IFRS financial statements of the Group for the year ended 31 December 2025 and component audit in relation to group audit of Lion Finance Group PLC (2024: AMD 79,800 thousand), and AMD 30,600 thousand for the interim review of the group reporting package (2024: AMD 36,000 thousand). All these fees include VAT.

### Reconciliation of effective tax rate for the year ended 31 December:

	2025 AMD'000	%	2024 AMD'000	%
Profit before income tax	88,877,657		73,933,264	
Income tax at the applicable tax rate	(15,997,978)	(18.0)	(13,307,988)	(18.0)
Non-deductible expenses	(270,684)	(0.3)	(595,940)	(0.8)
<b>Total income tax expense</b>	<b>(16,268,662)</b>	<b>(18.3)</b>	<b>(13,903,928)</b>	<b>(18.8)</b>

### (a) Deferred tax asset and liability

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax asset as at 31 December 2025 and 2024.

The deductible temporary differences do not expire under current tax legislation.

Movements in temporary differences during the years ended 31 December 2025 and 2024 are presented as follows:

	Balance 1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2025
<b>MD'000</b>				
Financial instruments at fair value through profit or loss	(264,561)	(280,065)	-	(544,626)
Investment securities at fair value through other comprehensive income	140,406	-	(197,372)	(56,966)
Loans and advances to customers	(3,200,428)	(1,298,091)	-	(4,498,519)
Other financial instruments at amortised cost	48,155	(42,791)	-	5,364
Property and equipment	124,355	-	-	124,355
Right of use asset	(1,976,005)	50,496	-	(1,925,509)
Lease liabilities	2,311,158	59,062	-	2,370,220
Other assets	57,420	2,561	-	59,981
Other liabilities	4,852,700	(214,683)	-	4,638,017
Other borrowed funds	(97,777)	(62,455)	-	(160,232)
<b>Total deferred tax asset</b>	<b>1,995,423</b>	<b>(1,785,966)</b>	<b>(197,372)</b>	<b>12,085</b>

	Balance 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2024
<b>MD'000</b>				
Financial instruments at fair value through profit or loss	(190,741)	(73,820)	-	(264,561)
Investment securities at fair value through other comprehensive income	215,481	28,453	(103,528)	140,406
Loans and advances to customers	(2,017,101)	(1,183,327)	-	(3,200,428)
Other financial instruments at amortised cost	48,155	-	-	48,155
Property and equipment	79,426	44,929	-	124,355
Right of use asset	(2,084,542)	108,537	-	(1,976,005)
Lease liabilities	2,368,473	(57,315)	-	2,311,158
Other assets	54,045	3,375	-	57,420
Other liabilities	3,652,927	1,199,773	-	4,852,700
Other borrowed funds	(97,777)	-	-	(97,777)
<b>Total deferred tax (liability)/ asset</b>	<b>2,028,346</b>	<b>70,605</b>	<b>(103,528)</b>	<b>1,995,423</b>

Deferred tax assets have been recognised to the extent that it is probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

## 16 Cash and cash equivalents

	2025 AMD'000	2024 AMD'000
<b>Cash on hand</b>	32,627,583	26,755,858
<b>Nostro accounts with the Central Bank of Armenia</b>	30,056,067	96,733,959
<b>Nostro accounts with other banks</b>		
rated Aa1 to Aa3	35,471,965	59,796,037
rated A1 to A3	8,017,840	11,672,310
rated from Baa1 to Baa3	-	783,749
rated from Ba1 to Ba3	1,705,466	355,034
not rated	1,585,382	2,852,234
<b>Total nostro accounts with other banks</b>	<b>46,780,653</b>	<b>75,459,364</b>
<b>Total gross cash and cash equivalents</b>	<b>109,464,303</b>	<b>198,949,181</b>
Credit loss allowance	(1,774)	(1,956)
<b>Total net cash and cash equivalents</b>	<b>109,462,529</b>	<b>198,947,225</b>

The Group uses credit ratings per Moody's rating agency in disclosing credit quality of cash and cash equivalents. Included in the not rated category as at 31 December 2025 are balances held with Russian banks of AMD 1,229,420 thousand (2024: AMD 2,606,586 thousand) which held Baa3 rating per Moody's before withdrawal of ratings of Russian banks. As at 31 December 2025 and 2024 the Bank had no balances with Russian banks included in United States and European Union official sanctions lists.

Cash and cash equivalents are fully in Stage 1 and measured at amortised cost as at 31 December 2025 and 2024.

As at 31 December 2025 the Group had no placement with banks besides the Central Bank of Armenia whose balances exceeded 10% of the Group's equity (2024: one placement with bank in amount of AMD 59,415,677 thousand).

Nostro accounts with the Central Bank of Armenia are related to settlement activity (see Note 18) and are readily available for withdrawal.

The following tables show reconciliations from the opening to the closing balances of the loss allowance for cash and cash equivalents for the years ended 31 December 2025 and 2024.

	2025			
	Stage 1	Stage 2	Stage 3	
<b>AMD'000</b>				
<b>Cash and cash equivalents</b>				
Balance at 1 January	1,956	-	-	1,956
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(1,956)	-	-	(1,956)
New financial assets originated or purchased	1,774	-	-	1,774
<b>Balance at 31 December</b>	<b>1,774</b>	<b>-</b>	<b>-</b>	<b>1,774</b>

	2024			
	Stage 1	Stage 2	Stage 3	
<b>AMD'000</b>				
<b>Cash and cash equivalents</b>				
Balance at 1 January	1,851	-	-	1,851
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(1,851)	-	-	(1,851)
New financial assets originated or purchased	1,956	-	-	1,956
<b>Balance at 31 December</b>	<b>1,956</b>	<b>-</b>	<b>-</b>	<b>1,956</b>

## 17. Investment securities and derivative financial assets

### (a) Financial instruments measured at fair value through profit or loss

	2025 AMD'000	2024 AMD'000
<b>Held by the Group</b>		
<b>Debt and other fixed-income instruments</b>		
Government securities of the Republic of Armenia	5,436,549	13,996,178
Government Eurobonds of the Republic of Armenia	1,643,568	2,181,657
<b>Total government bonds</b>	<b>7,080,117</b>	<b>16,177,835</b>
<b>Corporate bonds of Armenian companies</b>		
- rated from Ba1 to Ba3	5,987,997	5,503,829
- not rated	5,980,144	4,403,460
<b>Total corporate bonds</b>	<b>11,968,141</b>	<b>9,907,289</b>
<b>Total debt and other fixed-income instruments held by the Group</b>	<b>19,048,258</b>	<b>26,085,124</b>
Corporate shares	74,160	71,838
<b>Total investment securities measured at fair value through profit or loss</b>	<b>19,122,418</b>	<b>26,156,962</b>
<b>Pledged under sale and repurchase agreements</b>		
Government securities of the Republic of Armenia	-	3,840,589
<b>Total investment securities pledged under sale and repurchase agreements measured at fair value through profit or loss</b>	<b>19,122,418</b>	<b>29,997,551</b>
	2025 AMD'000	2024 AMD'000
<b>Derivative financial assets</b>		
Currency swaps	383,815	114,902
<b>Total derivative financial assets</b>	<b>383,815</b>	<b>114,902</b>
<b>Total financial assets measured at fair value through profit or loss</b>	<b>19,506,233</b>	<b>30,112,453</b>
<b>Derivative financial liabilities</b>		
Currency swaps	178,471	487,082
<b>Total derivative financial liabilities</b>	<b>178,471</b>	<b>487,082</b>

The Group uses credit ratings per Moody's rating agency in disclosing credit quality of investment securities measured at fair value through profit or loss.

For not rated bonds of Armenian companies the Group has assessed the credit risk to approximate to external rating of B1 according to Moody's as at 31 December 2025 and 2024.

### (b) Investment securities measured at fair value through other comprehensive income

	2025 AMD'000	2024 AMD'000
<b>Held by the Group</b>		
<b>Debt and other fixed-income instruments</b>		
Government securities of the Republic of Armenia	10,457,715	7,216,143
Government Eurobonds of the Republic of Armenia	3,307,630	3,121,123
Government securities of foreign countries rated Aa1	19,034,717	-
<b>Total government bonds</b>	<b>32,800,062</b>	<b>10,337,266</b>
<b>Corporate bonds of Armenian companies</b>		
- not rated	232,277	-
<b>Corporate bonds of foreign companies</b>		
- not rated	2,204,622	1,884,355
<b>Total corporate bonds</b>	<b>2,436,899</b>	<b>1,884,355</b>
<b>Total debt and other fixed-income instruments</b>	<b>35,236,961</b>	<b>12,221,621</b>
<b>Equity investments</b>		
Corporate shares	554,442	498,138
<b>Total investment securities measured at fair value through profit or loss</b>	<b>35,791,403</b>	<b>12,719,759</b>
<b>Pledged under sale and repurchase agreements</b>		
Government securities of the Republic of Armenia	-	6,737,551
<b>Total investment securities pledged under sale and repurchase agreements measured at fair value through other comprehensive income</b>	<b>-</b>	<b>6,737,551</b>
<b>Total investment securities measured at fair value through other comprehensive income</b>	<b>35,791,403</b>	<b>19,457,310</b>

The Group uses credit ratings per Moody's rating agency in disclosing credit quality of investment securities measured at fair value through other comprehensive income.

For not rated corporate bonds of foreign companies the Group has assessed the credit risk to approximate to external rating of Baa3 according to Moody's.

Investment securities measured at fair value through other comprehensive income are fully in Stage 1 as at 31 December 2025 and 2024.

The following tables show reconciliations from the opening to the closing balances of the loss allowance for investment securities measured at fair value through other comprehensive income for the years ended 31 December 2025 and 2024. The loss allowance is not recognised in the consolidated statement of financial position as the carrying amount of debt investment securities measured at fair value through other comprehensive income is their fair value.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Debt investment securities at fair value through other comprehensive income</b>				
Balance at 1 January	104,209	-	-	104,209
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(379,635)	-	-	(379,635)
Assets repaid	(87,336)	-	-	(87,336)
Assets sold	(32,820)	-	-	(32,820)
New assets originated or purchased	442,996	-	-	442,996
<b>Balance at 31 December</b>	<b>47,414</b>	-	-	<b>47,414</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Debt investment securities at fair value through other comprehensive income</b>				
Balance at 1 January	133,542	-	-	133,542
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(1,061)	-	-	(1,061)
Assets repaid	(29,469)	-	-	(29,469)
Assets sold	(30,123)	-	-	(30,123)
New assets originated or purchased	31,320	-	-	31,320
<b>Balance at 31 December</b>	<b>104,209</b>	-	-	<b>104,209</b>

**(i) Non-quoted equity investment securities designated at fair value through other comprehensive income**

Included in financial assets at fair value through other comprehensive income are non-quoted equity securities as follows:

Name	Country of incorporation	Main activity	% controlled		2025 AMD'000	2024 AMD'000
			2025	2024		
ArCa	Republic of Armenia	Payment system	3.75%	3.75%	258,306	232,071
SWIFT	Belgium	Money transfer	0.02%	0.02%	96,794	66,067
Yes EM	Republic of Armenia	National identification platform	7.69%	7.69%	199,342	200,000
					<b>554,442</b>	<b>498,138</b>

As at 31 December 2025 and 2024 investments primarily include mostly mandatory shares in exchanges and clearing houses.

**(c) Investment securities measured at amortised cost**

	2025 AMD'000	2024 AMD'000
<b>Held by the Group</b>		
<b>Debt and other fixed-income instruments</b>		
Government bonds of the Republic of Armenia	122,300,029	38,472,700
Government Eurobonds of the Republic of Armenia	17,841,548	39,611,220
Government securities of foreign countries rated Aaa	34,283,299	35,580,145
<b>Total government bonds</b>	<b>174,424,876</b>	<b>113,664,065</b>
<b>Corporate bonds of Armenian companies</b>		
- rated from Ba1 to Ba3	2,516,262	2,516,513
- not rated	474,158	-
<b>Corporate bond of foreign companies</b>		
- not rated	974,992	812,364
<b>Total corporate bonds</b>	<b>3,965,412</b>	<b>3,328,877</b>
<b>Total debt and other fixed-income instruments Held by the Group</b>	<b>178,390,288</b>	<b>116,992,942</b>
Credit loss allowance	(290,126)	(233,987)
<b>Total net investment securities measured at amortised cost held by the Group</b>	<b>178,100,162</b>	<b>116,758,955</b>
<b>Pledged under sale and repurchase agreements</b>		
<b>Debt and other fixed-income instruments</b>		
Government bonds of the Republic of Armenia	1,825,719	38,145,422
Government Eurobonds of the Republic of Armenia	19,057,653	-
<b>Total investment securities pledged under sale and repurchase agreements measured at amortized cost</b>	<b>20,883,372</b>	<b>38,145,422</b>
<b>Total investment securities measured at amortized cost</b>	<b>198,983,534</b>	<b>154,904,377</b>

The Group uses credit ratings per Moody's rating agency in disclosing credit quality of investment securities measured at amortised cost.

For not rated corporate bonds of foreign companies the Group has assessed the credit risk to approximate to external rating of Baa3 according to Moody's.

As at 31 December 2025, the Group has no counterparty, other than the Governments of the Republic of Armenia and other foreign countries, whose balances exceed 10% of equity (2024: none).

Investment securities measured at amortised cost are fully in Stage 1 as at 31 December 2025 and 2024.

The following tables show reconciliations from the opening to the closing balances of the loss allowance for investment securities measured at amortised cost for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Investment securities at amortised cost</b>				
Balance at 1 January	233,987	-	-	233,987
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	49,358	-	-	49,358
Assets repaid	(653,445)	-	-	(653,445)
Assets sold	-	-	-	-
New assets originated or purchased	660,227	-	-	660,227
<b>Balance at 31 December</b>	<b>290,127</b>	-	-	<b>290,127</b>

AMD'000	2024			Total
	Stage 1	Stage 2	Stage 3	
<b>Investment securities at amortised cost</b>				
Balance at 1 January	219,371	-	-	219,371
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(112,611)	-	-	(112,611)
Assets repaid	(517,406)	-	-	(517,406)
Assets sold	-	-	-	-
New assets originated or purchased	644,633	-	-	644,633
<b>Balance at 31 December</b>	<b>233,987</b>	<b>-</b>	<b>-</b>	<b>233,987</b>

## 18. Loans and advances to banks

	2025 AMD'000	2024 AMD'000
<b>Due from the Central Bank of Armenia</b>		
Credit card settlement deposit with the Central Bank of Armenia	11,635,000	10,322,500
Deposit with the Central Bank of Armenia, obligatory reserves	124,712,923	74,943,993
Loans and deposits with Central Bank of Armenia	25,006,847	-
<b>Loans and deposits with other banks</b>		
Other banks		
- rated from Aa1 to Aa3	107,191	103,322
- rated from Baa1 to Baa3	2,547,931	-
- rated from Ba1 to Ba3	109,310	74,219
- not rated	68,144	9,687
<b>Total loans and deposits with other banks</b>	<b>2,832,576</b>	<b>187,228</b>
<b>Total gross loans and advances to banks</b>	<b>164,187,346</b>	<b>85,453,721</b>
Credit loss allowance	(253,695)	(163,106)
<b>Total net loans and advances to banks</b>	<b>163,933,651</b>	<b>85,290,615</b>

The Group uses credit ratings per Moody's rating agency in disclosing credit quality of loans and advances to banks.

### (a) Balances with the Central Bank of Armenia

The credit card settlement deposit with the Central Bank of Armenia is a non-interest bearing deposit calculated in accordance with regulations issued by the Central Bank of Armenia and withdrawability of which is restricted.

Banks are required to maintain cash deposit (obligatory reserve) with the Central Bank of Armenia for attracted funds. For funds attracted in AMD the obligatory reserve is 4% (2024: 4%) and is maintained fully in AMD. For funds attracted in foreign currencies, the reserve is 15% of the attracted funds (2024: 18% of which 6% in AMD and 12% in respective currency of funds attracted). The Group's ability to withdraw deposit maintained in AMD is not restricted by the statutory legislation; however, if the Group fails to comply with minimum average monthly amount of reserve sanctions may apply. Obligatory reserves maintained in AMD are classified as cash and cash equivalents (see Note 16) as these funds are readily available for withdrawal.

For the obligatory reserve maintained in foreign currencies the Group is required to maintain a minimum balance at the end of each day. These reserves are not considered cash and cash equivalents and are included in Loans and advances to Banks. As at 31 December 2025, included in deposits with the Central Bank of Armenia is the amount of obligatory reserve of AMD 124,712,923 thousand for the amounts attracted in foreign currency (2024: AMD 74,943,993 thousand).

### (b) Concentration of Loans and advances to Banks

As at 31 December 2025 and 2024 the Group has no counterparty except for the Central Bank of Armenia, whose balances exceed 10% of equity.

No loans and advances to banks are past due or impaired. Loans and advances to banks are fully in Stage 1 as at 31 December 2025 and 2024. All the loans and advance to banks are measured at amortised cost as at 31 December 2025 and 2024.

The following tables show reconciliations from the opening to the closing balances of the loss allowance for loans and advances to banks for the years ended 31 December 2025 and 2024.

AMD'000	2025			Total
	Stage 1	Stage 2	Stage 3	
<b>Loans and advances to banks at amortised cost</b>				
Balance at 1 January	163,106	-	-	163,106
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Assets repaid	(163,106)	-	-	(163,106)
New assets originated or purchased	253,695	-	-	253,695
<b>Balance at 31 December</b>	<b>253,695</b>	<b>-</b>	<b>-</b>	<b>253,695</b>

AMD'000	2024			Total
	Stage 1	Stage 2	Stage 3	
<b>Loans and advances to banks at amortised cost</b>				
Balance at 1 January	176,803	-	-	176,803
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Assets repaid	(176,803)	-	-	(176,803)
New assets originated or purchased	163,106	-	-	163,106
<b>Balance at 31 December</b>	<b>163,106</b>	<b>-</b>	<b>-</b>	<b>163,106</b>

## 19. Amounts receivable under reverse repurchase agreements

	2025 AMD'000	2024 AMD'000
Amounts receivable from other small and medium Armenian financial institutions, not rated	45,336,402	27,966,875
Amounts receivable from medium size Armenian banks, rated B1	1,907,544	-
Amounts receivable from medium size Armenian banks, not rated	8,537,564	793,717
<b>Total gross amounts receivable under reverse repurchase agreements</b>	<b>55,781,510</b>	<b>28,760,592</b>
Credit loss allowance	-	-
<b>Total net amounts receivable under reverse repurchase agreements</b>	<b>55,781,510</b>	<b>28,760,592</b>

As at 31 December 2025 the Group has no counterparty, whose balance exceeded 10% of equity (2024: none).

Amounts receivable under reverse repurchase agreements are from reputable Armenian banks and financial institutions. All of them are categorised under Stage 1 and are measured at amortised cost as at 31 December 2025 and 2024. For not rated small and medium Armenian financial institutions and medium size Armenian banks the Group has assessed the credit risk to approximate to external rating of B1 according to Moody's as at 31 December 2025 and 2024.

### Collateral accepted as security for assets

As at 31 December 2025 amounts receivable under reverse repurchase agreements were collateralised by government securities with fair value of AMD 60,739,629 thousand (2024: AMD 31,230,625 thousand).

## 20 Loans and advances to customers

	Notes	2025 AMD'000	2024 AMD'000
Loans to legal entities	20(a)	970,918,395	750,040,207
Loans to individuals	20(a)	665,965,189	517,318,610
Receivables from factoring	20(b)	8,747,585	4,837,914
Receivables from letters of credit	20(c)	532	226,892
<b>Total gross loans and advances to customers at amortised cost</b>		<b>1,645,631,701</b>	<b>1,272,423,623</b>
Receivables from finance lease	20(d)	51,137,740	50,401,341
Credit loss allowance		(24,313,857)	(12,887,047)
<b>Total net loans and advances to customers</b>		<b>1,672,455,584</b>	<b>1,309,937,917</b>

### (a) Loans to legal entities and individuals

	2025 AMD'000	2024 AMD'000
<b>Loans to legal entities</b>		
Loans to large companies	635,741,152	478,881,471
Loans to small and medium size companies	335,177,243	271,158,736
<b>Total loans to legal entities</b>	<b>970,918,395</b>	<b>750,040,207</b>
<b>Loans to individuals</b>		
Mortgage loans	393,166,285	347,937,666
Consumer loans to individuals	272,798,904	169,380,944
<b>Total loans to individuals</b>	<b>665,965,189</b>	<b>517,318,610</b>
<b>Total gross loans to legal entities and individuals</b>	<b>1,636,883,584</b>	<b>1,267,358,817</b>
Credit loss allowance	(23,877,560)	(12,771,488)
<b>Total net loans to legal entities and individuals</b>	<b>1,613,006,024</b>	<b>1,254,587,329</b>

The following tables show reconciliations from the opening to the closing balances of the gross carrying values of loans to legal entities for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Loans to legal entities</b>				
Balance at 1 January	734,914,479	779,078	14,346,650	750,040,207
New assets originated or purchased	442,569,984	-	-	442,569,984
Assets repaid	(221,117,868)	(187,661)	(5,853,257)	(227,158,786)
Transfer to Stage 1	46,946	(23,131)	(23,815)	-
Transfer to Stage 2	(460,487)	3,325,267	(2,864,780)	-
Transfer to Stage 3	(2,616,946)	(482,968)	3,099,914	-
Recoveries	-	-	6,158,085	6,158,085
Amounts written off	-	-	(1,160,656)	(1,160,656)
Net change in asset from interest and foreign exchange revaluation	1,040,135	15,159	(585,733)	469,561
<b>Balance at 31 December</b>	<b>954,376,243</b>	<b>3,425,744</b>	<b>13,116,408</b>	<b>970,918,395</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Loans to legal entities</b>				
Balance at 1 January	567,352,552	8,413,088	16,155,336	591,920,976
New assets originated or purchased	397,332,619	-	-	397,332,619
Assets repaid	(221,196,624)	(4,721,463)	(4,015,331)	(229,933,418)
Transfer to Stage 1	142,348	(8,674)	(133,674)	-
Transfer to Stage 2	(619,686)	625,385	(5,699)	-
Transfer to Stage 3	(3,266,316)	(3,097,116)	6,363,432	-
Recoveries	-	-	743,944	743,944
Amounts written off	-	-	(5,131,480)	(5,131,480)
Net change in asset from interest and foreign exchange revaluation	(4,830,414)	(432,142)	370,122	(4,892,434)
<b>Balance at 31 December</b>	<b>734,914,479</b>	<b>779,078</b>	<b>14,346,650</b>	<b>750,040,207</b>

The following tables show reconciliations from the opening to the closing balances of the loss allowance for loans to legal entities for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Loans to legal entities</b>				
Balance at 1 January	4,819,839	180,434	4,123,892	9,124,165
New assets originated or purchased*	2,848,162	-	-	2,848,162
Assets repaid	(1,423,006)	(20,162)	(4,830,881)	(6,274,049)
Transfer to Stage 1	33,747	(6,360)	(27,387)	-
Transfer to Stage 2	(7,858)	775,223	(767,365)	-
Transfer to Stage 3	(51,702)	(120,105)	171,807	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations	(86,497)	(431,730)	1,255,567	737,340
<b>Recognized in consolidated statement of profit or loss</b>	<b>1,312,846</b>	<b>196,866</b>	<b>(4,198,259)</b>	<b>(2,688,547)</b>
Unwinding of discount	-	-	(22,303)	(22,303)
Recoveries	-	-	6,158,085	6,158,085
Amounts written off	-	-	(1,160,656)	(1,160,656)
Foreign exchange adjustments	9,209	(9,238)	(117,066)	(117,095)
<b>Balance at 31 December</b>	<b>6,141,894</b>	<b>368,062</b>	<b>4,783,693</b>	<b>11,293,649</b>

\* The Group has excluded movement of revolving credit lines and overdrafts from the new assets originated and purchased and assets repaid lines in the movement of gross carrying values and respective loan loss allowance.

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Loans to legal entities</b>				
Balance at 1 January	4,392,691	1,372,960	6,816,506	12,582,157
New assets originated or purchased	2,605,854	-	-	2,605,854
Assets repaid	(1,450,689)	(1,093,485)	(1,154,192)	(3,698,366)
Transfer to Stage 1	74,402	(5,027)	(69,375)	-
Transfer to Stage 2	(32,823)	37,553	(4,730)	-
Transfer to Stage 3	(36,882)	(1,211,451)	1,248,333	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations	(686,548)	1,080,973	1,189,176	1,583,601
<b>Recognized in consolidated statement of profit or loss</b>	<b>473,314</b>	<b>(1,191,437)</b>	<b>1,209,212</b>	<b>491,089</b>
Unwinding of discount	-	-	646,138	646,138
Recoveries	-	-	743,944	743,944
Amounts written off	-	-	(5,131,480)	(5,131,480)
Foreign exchange adjustments	(46,166)	(1,089)	(160,428)	(207,683)
<b>Balance at 31 December</b>	<b>4,819,839</b>	<b>180,434</b>	<b>4,123,892</b>	<b>9,124,165</b>

The following tables show reconciliations from the opening to the closing balances of the gross carrying values of loans to individuals for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Loans to individuals</b>				
Balance at 1 January	510,990,926	2,319,238	4,008,446	517,318,610
New assets originated or purchased*	293,983,301	-	-	293,983,301
Assets repaid	(147,656,208)	(349,824)	(1,753,982)	(149,760,014)
Transfer to Stage 1	709,397	(373,922)	(335,475)	-
Transfer to Stage 2	(2,190,098)	2,223,055	(32,957)	-
Transfer to Stage 3	(15,652,664)	(1,660,124)	17,312,788	-
Recoveries	-	-	4,460,795	4,460,795
Amounts written off	-	-	(1,276,221)	(1,276,221)
Change in balance of asset from interest and foreign exchange	1,352,361	89,395	(203,038)	1,238,718
<b>Balance at 31 December</b>	<b>641,537,015</b>	<b>2,247,818</b>	<b>22,180,356</b>	<b>665,965,189</b>

\* The Group has excluded movement of revolving credit lines and overdrafts from the new assets originated and purchased and assets repaid lines in the movement of gross carrying values and respective loan loss allowance.

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Loans to individuals</b>				
Balance at 1 January	353,821,411	1,002,081	2,421,186	357,244,678
New assets originated or purchased	265,209,778	-	-	265,209,778
Assets repaid	(104,850,025)	(440,991)	(504,111)	(105,795,127)
Transfer to Stage 1	373,138	(109,405)	(263,733)	-
Transfer to Stage 2	(2,303,858)	2,306,871	(3,013)	-
Transfer to Stage 3	(2,895,198)	(111,997)	3,007,195	-
Recoveries	-	-	2,118,577	2,118,577
Amounts written off	-	-	(3,052,132)	(3,052,132)
Change in balance of asset from interest and foreign exchange	1,635,680	(327,321)	284,477	1,592,836
<b>Balance at 31 December</b>	<b>510,990,926</b>	<b>2,319,238</b>	<b>4,008,446</b>	<b>517,318,610</b>

The following tables show reconciliations from the opening to the closing balances of the loss allowance for loans to individuals for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Loans to individuals</b>				
Balance at 1 January	1,632,919	443,993	1,570,411	3,647,323
New assets originated or purchased	1,246,231	-	-	1,246,231
Assets repaid	(625,933)	(101,882)	(1,298,284)	(2,026,099)
Transfer to Stage 1	219,661	(67,673)	(151,988)	-
Transfer to Stage 2	(12,072)	26,872	(14,800)	-
Transfer to Stage 3	(94,246)	(297,592)	391,838	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations	353,090	651,227	5,369,030	6,373,347
<b>Recognized in consolidated statement of profit or loss</b>	<b>1,086,731</b>	<b>210,952</b>	<b>4,295,796</b>	<b>5,593,479</b>
Unwinding of discount	-	-	111,229	111,229
Recoveries	-	-	4,460,795	4,460,795
Amounts written off	-	-	(1,276,221)	(1,276,221)
Foreign exchange adjustments	(101)	(294)	47,701	47,306
<b>Balance at 31 December</b>	<b>2,719,549</b>	<b>654,651</b>	<b>9,209,711</b>	<b>12,583,911</b>

\* The Group has excluded movement of revolving credit lines and overdrafts from the new assets originated and purchased and assets repaid lines in the movement of gross carrying values and respective loan loss allowance.

AMD'000	2024			Total
	Stage 1	Stage 2	Stage 3	
<b>Loans to individuals</b>				
Balance at 1 January	1,356,189	232,922	857,028	2,446,139
New assets originated or purchased	847,503	-	-	847,503
Assets repaid	(335,058)	(84,423)	(197,498)	(616,979)
Transfer to Stage 1	200,908	(22,425)	(178,483)	-
Transfer to Stage 2	(11,225)	20,721	(9,496)	-
Transfer to Stage 3	(21,399)	(17,613)	39,012	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations	(401,507)	315,671	1,850,735	1,764,899
<b>Recognized in consolidated statement of profit or loss</b>	<b>279,222</b>	<b>211,931</b>	<b>1,504,270</b>	<b>1,995,423</b>
Unwinding of discount	-	-	147,473	147,473
Recoveries	-	-	2,118,577	2,118,577
Amounts written off	-	-	(3,052,132)	(3,052,132)
Foreign exchange adjustments	(2,492)	(860)	(4,805)	(8,157)
<b>Balance at 31 December</b>	<b>1,632,919</b>	<b>443,993</b>	<b>1,570,411</b>	<b>3,647,323</b>

**(i) Credit quality of loans to legal entities and individuals**

The following table provides information on the credit quality of loans to legal entities and individuals as at 31 December 2025. Additional information about credit quality of corporate loans and advances to customers based on internal credit rating model is disclosed in Note 31.

	Stage 1 AMD'000	Stage 2 AMD'000	Stage 3 AMD'000	Total AMD'000
<b>Loans to large corporate customers</b>				
- not overdue	633,475,328	1,264,373	-	634,739,701
- overdue more than 90 days	-	-	1,001,451	1,001,451
<b>Total gross loans to large corporate customers</b>	<b>633,475,328</b>	<b>1,264,373</b>	<b>1,001,451</b>	<b>635,741,152</b>
Credit loss allowance	(4,018,116)	(29,178)	(267,307)	(4,314,601)
<b>Total net loans to large corporate customers</b>	<b>629,457,212</b>	<b>1,235,195</b>	<b>734,144</b>	<b>631,426,551</b>
<b>Loans to small and medium size companies</b>				
- not overdue	320,737,426	1,716,263	1,710,218	324,163,907
- overdue less than 30 days	163,489	104,315	142,019	409,823
- overdue more than 30 days and less than 90 days	-	340,793	33,004	373,797
- overdue more than 90 days	-	-	10,229,716	10,229,716
<b>Total gross loans to small and medium size companies</b>	<b>320,900,915</b>	<b>2,161,371</b>	<b>12,114,957</b>	<b>335,177,243</b>
Credit loss allowance	(2,123,779)	(338,884)	(4,516,385)	(6,979,048)
<b>Total net loans to small and medium size companies</b>	<b>318,777,136</b>	<b>1,822,487</b>	<b>7,598,572</b>	<b>328,198,195</b>
<b>Total gross loans to corporate customers</b>	<b>954,376,243</b>	<b>3,425,744</b>	<b>13,116,408</b>	<b>970,918,395</b>
<b>Total net loans to corporate customers</b>	<b>948,234,348</b>	<b>3,057,682</b>	<b>8,332,716</b>	<b>959,624,746</b>
<b>Mortgage loans</b>				
- not overdue	382,187,893	407,328	1,690,771	384,285,992
- overdue less than 30 days	164,868	219,218	49,636	433,722
- overdue more than 30 days and less than 90 days	-	145,271	168,737	314,008
- overdue more than 90 days	-	-	8,132,563	8,132,563
<b>Total gross mortgage loans</b>	<b>382,352,761</b>	<b>771,817</b>	<b>10,041,707</b>	<b>393,166,285</b>
Credit loss allowance	(388,793)	(61,069)	(2,336,283)	(2,786,145)
<b>Total net mortgage loans</b>	<b>381,963,968</b>	<b>710,748</b>	<b>7,705,424</b>	<b>390,380,140</b>
<b>Consumer loans to retail customers*</b>				
- not overdue	258,391,637	327,384	600,163	259,319,184
- overdue less than 30 days	790,928	122,804	105,231	1,018,963
- overdue more than 30 days and less than 90 days	1,689	1,025,813	185,593	1,213,095
- overdue more than 90 days	-	-	11,247,662	11,247,662
<b>Total gross consumer loans to retail customers</b>	<b>259,184,254</b>	<b>1,476,001</b>	<b>12,138,649</b>	<b>272,798,904</b>
Credit loss allowance	(2,330,756)	(593,582)	(6,873,428)	(9,797,766)
<b>Total net consumer loans to retail customers</b>	<b>256,853,498</b>	<b>882,419</b>	<b>5,265,221</b>	<b>263,001,138</b>
<b>Total gross loans to retail customers</b>	<b>641,537,015</b>	<b>2,247,818</b>	<b>22,180,356</b>	<b>665,965,189</b>
<b>Total net loans to retail customers</b>	<b>638,817,466</b>	<b>1,593,167</b>	<b>12,970,645</b>	<b>653,381,278</b>
<b>Total gross loans to customers</b>	<b>1,595,913,258</b>	<b>5,673,562</b>	<b>35,296,764</b>	<b>1,636,883,584</b>
<b>Total net loans to customers</b>	<b>1,587,051,814</b>	<b>4,650,849</b>	<b>21,303,361</b>	<b>1,613,006,024</b>

The following table provides information on the credit quality loans to legal entities and individuals as at 31 December 2024:

	Stage 1 AMD'000	Stage 2 AMD'000	Stage 3 AMD'000	Total AMD'000
<b>Loans to large corporate customers</b>				
- not overdue	475,976,146	90,004	1,708,256	477,774,406
- overdue more than 90 days	-	-	1,107,065	1,107,065
<b>Total gross loans to large corporate customers</b>	<b>475,976,146</b>	<b>90,004</b>	<b>2,815,321</b>	<b>478,881,471</b>
Credit loss allowance	(3,675,323)	(14,877)	(433,527)	(4,123,727)
<b>Total net loans to large corporate customers</b>	<b>472,300,823</b>	<b>75,127</b>	<b>2,381,794</b>	<b>474,757,744</b>
<b>Loans to small and medium size companies</b>				
- not overdue	258,321,378	182,905	2,244,047	260,748,330
- overdue less than 30 days	616,955	108,557	59,941	785,453
- overdue more than 30 days and less than 90 days	-	397,612	729,873	1,127,485
- overdue more than 90 days	-	-	8,497,468	8,497,468
<b>Total gross loans to small and medium size companies</b>	<b>258,938,333</b>	<b>689,074</b>	<b>11,531,329</b>	<b>271,158,736</b>
Credit loss allowance	(1,144,516)	(165,557)	(3,690,365)	(5,000,438)
<b>Total net small and medium size companies</b>	<b>257,793,817</b>	<b>523,517</b>	<b>7,840,964</b>	<b>266,158,298</b>
<b>Total gross loans to corporate customers</b>	<b>734,914,479</b>	<b>779,078</b>	<b>14,346,650</b>	<b>750,040,207</b>
<b>Total net loans to corporate customers</b>	<b>730,094,640</b>	<b>598,644</b>	<b>10,222,758</b>	<b>740,916,042</b>
<b>Mortgage loans</b>				
- not overdue	344,399,552	414,035	633,207	345,446,794
- overdue less than 30 days	342,562	51,600	119,753	513,915
- overdue more than 30 days and less than 90 days	-	681,492	28,116	709,608
- overdue more than 90 days	-	-	1,267,349	1,267,349
<b>Total gross mortgage loans</b>	<b>344,742,114</b>	<b>1,147,127</b>	<b>2,048,425</b>	<b>347,937,666</b>
Credit loss allowance	(216,945)	(84,454)	(341,822)	(643,221)
<b>Total net mortgage loans</b>	<b>344,525,169</b>	<b>1,062,673</b>	<b>1,706,603</b>	<b>347,294,445</b>
<b>Consumer loans to retail customers*</b>				
- not overdue	165,552,774	200,367	252,957	166,006,098
- overdue less than 30 days	684,460	67,619	27,872	779,951
- overdue more than 30 days and less than 90 days	11,578	904,125	85,427	1,001,130
- overdue more than 90 days	-	-	1,593,765	1,593,765
<b>Total gross consumer loans to retail customers</b>	<b>166,248,812</b>	<b>1,172,111</b>	<b>1,960,021</b>	<b>169,380,944</b>
Credit loss allowance	(1,415,974)	(359,539)	(1,228,589)	(3,004,102)
<b>Total net consumer loans to retail customers</b>	<b>164,832,838</b>	<b>812,572</b>	<b>731,432</b>	<b>166,376,842</b>
<b>Total gross loans to retail customers</b>	<b>510,990,926</b>	<b>2,319,238</b>	<b>4,008,446</b>	<b>517,318,610</b>
<b>Total net loans to retail customers</b>	<b>509,358,007</b>	<b>1,875,245</b>	<b>2,438,035</b>	<b>513,671,287</b>
<b>Total gross loans to customers</b>	<b>1,245,905,405</b>	<b>3,098,316</b>	<b>18,355,096</b>	<b>1,267,358,817</b>
<b>Total net loans to customers</b>	<b>1,239,452,647</b>	<b>2,473,889</b>	<b>12,660,793</b>	<b>1,254,587,329</b>

\* Consumer loans to retail customers in both periods mainly include credit cards and overdrafts to retail customers, online consumer loans and loans to retail customers for credit purchases.

## (ii) Analysis of collateral and other credit enhancements

### Loans to legal entities

Loans to legal entities are subject to individual credit appraisal and impairment testing. The general creditworthiness of a legal entity tends to be the most relevant indicator of credit quality of the loan. However, collateral provides additional security and the Group generally requires corporate borrowers to provide it.

The main types of collateral obtained are real estate properties, equipment, inventory and cash collateral.

The Group also obtains guarantees from parent companies for loans to their subsidiaries.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for loan impairment.

The recoverability of loans which are neither past due nor impaired is primarily dependent on the creditworthiness of the borrowers rather than the value of collateral, and the Group does not necessarily update the valuation of collateral as at each reporting date.

### Loans to individuals

Mortgage loans are secured by the underlying housing real estate.

Secured credit card overdrafts are mainly secured by real estate and cars. Other credit card overdrafts are secured by salary. Auto loans are secured by the underlying cars. As at 31 December 2025 consumer loans are secured by real estate, movable property, salary, cash and individual guarantees.

The following tables provide information on the collateral pledged for the loans to customers classified at Stage 3 as at 31 December 2025 and 2024.

31 December 2025	Gross carrying amount	Estimated market value of collateral						Total collateral	Uncovered amount	Associated ECL
		Deposits	Real estate	Vehicles	Other	Surplus				
Loans to legal entities	13,116,408	-	11,567,960	402,050	2,147,162	(5,566,739)	8,550,433	4,565,975	4,783,692	
Mortgage loans	10,041,707	3,568	10,085,287	3,502	35,100	(1,824,102)	8,303,355	1,738,352	2,336,283	
Consumer loans	12,138,649	-	5,343,192	141,378	151,504	(1,102,990)	4,533,084	7,605,565	6,873,428	
<b>Total</b>	<b>35,296,764</b>	<b>3,568</b>	<b>26,996,439</b>	<b>546,930</b>	<b>2,333,766</b>	<b>(8,493,831)</b>	<b>21,386,872</b>	<b>13,909,892</b>	<b>13,993,403</b>	

31 December 2024	Gross carrying amount	Estimated market value of collateral						Total collateral	Uncovered amount	Associated ECL
		Deposits	Real estate	Vehicles	Other	Surplus				
Loans to legal entities	14,346,650	-	13,868,177	340,425	7,941,567	(10,392,178)	11,757,991	2,588,659	4,123,892	
Mortgage loans	2,048,425	-	3,016,626	6,558	2,663	(1,294,283)	1,731,564	316,861	341,822	
Consumer loans	1,960,021	-	1,246,367	55,492	10,837	(794,045)	518,651	1,441,370	1,228,589	
<b>Total</b>	<b>18,355,096</b>	<b>-</b>	<b>18,131,170</b>	<b>402,475</b>	<b>7,955,067</b>	<b>(12,480,506)</b>	<b>14,008,206</b>	<b>4,346,890</b>	<b>5,694,303</b>	

### Repossessed collateral

During the year ended 31 December 2025, the Group obtained certain assets by taking possession of collateral for loans to customers with a carrying amount of AMD 338,087 thousand (2024: AMD 319,633 thousand). Part of the repossessed collateral in the amount of AMD 590,497 thousand was sold during the year ended 31 December 2025 (2024: AMD 264,641 thousand). As at 31 December 2025 and 2024, the repossessed collateral comprises:

	2025 AMD'000	2024 AMD'000
Real estate	726,302	911,336
Land	82,077	133,882
Other	7,557	23,091
Write down to net realisable value	(180,041)	(211,972)
<b>Total repossessed collateral</b>	<b>635,895</b>	<b>856,337</b>

The Group's intention is to sell these assets as soon as it is practicable.

**(iii) Industry and geographical analysis of the loans to legal entities and individuals**

Loans to customers were issued to finance in the following economic sectors:

	2025 AMD'000	2024 AMD'000
Construction	234,985,937	170,338,304
Agriculture, forestry and timber	190,490,551	152,373,391
Wholesale trade	122,482,607	92,087,576
Mining/metallurgy	87,429,310	56,721,565
Retail trade	74,696,181	56,341,876
Real estate	49,753,811	52,845,720
Food and beverage	39,318,191	33,689,218
Energy	36,364,732	33,351,676
Transportation	23,546,380	16,761,852
Communication services	17,999,189	15,723,289
Manufacturing	16,810,953	11,829,864
Hotel services	16,013,015	16,576,420
Finance and investment	15,360,840	5,497,071
Other	45,666,698	35,902,385
Loans to individuals	665,965,189	517,318,610
	<b>1,636,883,584</b>	<b>1,267,358,817</b>
Credit loss allowance	(23,877,560)	(12,771,488)
	<b>1,613,006,024</b>	<b>1,254,587,329</b>

The geographical concentration of Group's loans to legal entities (net loans) is set out below:

	2025 AMD'000	2024 AMD'000
Armenia	957,477,135	737,824,826
OECD and EU	488	831,617
Other foreign countries	2,147,123	2,259,599
	<b>959,624,746</b>	<b>740,916,042</b>

**(iv) Significant credit exposures**

As at 31 December 2025 the Group has five groups of connected borrowers (2024: five), whose loan balances exceed 10% of the Group's equity. The exposure on these loans as at 31 December 2025 is AMD 205,426,949 thousand (2024: AMD 186,787,569 thousand).

**(v) Loan maturities**

The maturity of the loan portfolio is presented in Note 31 (d), which shows the remaining period from the reporting date to the contractual maturity of the loans.

**(b) Receivables from factoring**

	2025 AMD'000	2024 AMD'000
Receivables from factoring	8,747,585	4,837,914
Credit loss allowance	(35,832)	(1,383)
	<b>8,711,753</b>	<b>4,836,531</b>

As at 31 December 2025 the Group has no customers whose balances exceed 10% of the Group's equity (2024: no customer).

The following tables show reconciliations from the opening to the closing balances of the gross carrying values of receivables from factoring for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from factoring</b>				
Balance at 1 January	4,837,914	-	-	4,837,914
New assets originated or purchased	19,823,940	-	-	19,823,940
Assets repaid	(15,838,000)	-	-	(15,838,000)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(32,588)	32,588	-	-
Transfer to Stage 3	-	-	-	-
Net change in asset from interest and foreign exchange revaluation	(76,269)	-	-	(76,269)
<b>Balance at 31 December</b>	<b>8,714,997</b>	<b>32,588</b>	<b>-</b>	<b>8,747,585</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from factoring</b>				
Balance at 1 January	10,990,424	-	-	10,990,424
New assets originated or purchased	23,815,112	-	-	23,815,112
Assets repaid	(30,397,686)	-	-	(30,397,686)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net change in asset from interest and foreign exchange revaluation	430,064	-	-	430,064
<b>Balance at 31 December</b>	<b>4,837,914</b>	<b>-</b>	<b>-</b>	<b>4,837,914</b>

As at 31 December 2025 and 2024 the total gross receivables from factoring are not overdue.

The following tables show reconciliations from the opening to the closing balances of the loss allowance for receivables from factoring for the years ended 31 December 2025 and 2024.

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from factoring</b>				
Balance at 1 January	1,383	-	-	1,383
New assets originated or purchased	81,203	-	-	81,203
Assets repaid	(64,876)	-	-	(64,876)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(66)	66	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	9,591	8,531	-	18,122
<b>Balance at 31 December</b>	<b>27,235</b>	<b>8,597</b>	-	<b>35,832</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from factoring</b>				
Balance at 1 January	21,690	-	-	21,690
New assets originated or purchased	6,808	-	-	6,808
Assets repaid	(8,690)	-	-	(8,690)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(18,425)	-	-	(18,425)
<b>Balance at 31 December</b>	<b>1,383</b>	-	-	<b>1,383</b>

Receivables from factoring are secured by real estate, equipment and vehicles.

(c) Receivables from letters of credit

	2025 AMD'000	2024 AMD'000
Receivables from letters of credit from legal entities	532	226,892
Credit loss allowance	(3)	(56)
	<b>529</b>	<b>226,836</b>

As at 31 December 2025 the Group has no customers (2024: no), whose balances exceed 10% of the Group's equity.

The following tables show reconciliations from the opening to the closing balances of the gross carrying values of receivables from letters of credit for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from letters of credit</b>				
Balance at 1 January	226,892	-	-	226,892
New assets originated or purchased	717,620	-	-	717,620
Assets repaid	(952,228)	-	-	(952,228)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net change in asset from interest and foreign exchange revaluation	8,248	-	-	8,248
<b>Balance at 31 December</b>	<b>532</b>	-	-	<b>532</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from letters of credit</b>				
Balance at 1 January	1,696,838	-	-	1,696,838
New assets originated or purchased	101,811	-	-	101,811
Assets repaid	(1,504,269)	-	-	(1,504,269)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net change in asset from interest and foreign exchange revaluation	(67,488)	-	-	(67,488)
<b>Balance at 31 December</b>	<b>226,892</b>	-	-	<b>226,892</b>

The following tables show reconciliations from the opening to the closing balances of the loss allowance for receivables from letters of credit for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from letters of credit</b>				
Balance at 1 January	56	-	-	56
New assets originated or purchased	177	-	-	177
Assets repaid	(235)	-	-	(235)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	5	-	-	5
<b>Balance at 31 December</b>	<b>3</b>	-	-	<b>3</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from letters of credit</b>				
Balance at 1 January	6,052	-	-	6,052
New assets originated or purchased	25	-	-	25
Assets repaid	(5,650)	-	-	(5,650)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(371)	-	-	(371)
<b>Balance at 31 December</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>56</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from finance lease</b>				
Balance at 1 January	38,214,634	-	53,310	38,267,944
New assets originated or purchased	36,303,316	-	-	36,303,316
Assets repaid	(23,236,489)	-	(163,781)	(23,400,270)
The effect of changes in foreign exchange rates	(921,427)	-	131,229	(790,198)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(252,404)	-	252,404	-
Write off amounts	-	-	(1,456)	(1,456)
Recoveries	-	-	22,005	22,005
<b>Balance at 31 December</b>	<b>50,107,630</b>	<b>-</b>	<b>293,711</b>	<b>50,401,341</b>

**(d) Receivables from finance leases**

	2025 AMD'000	2024 AMD'000
<b>Gross investment in finance leases receivable</b>		
Less than one year	20,932,590	19,541,908
Between one and two years	15,985,881	16,176,499
Between two and three years	10,858,850	11,100,099
Between three and four years	6,231,061	6,485,811
Between four and five years	3,965,456	3,602,140
More than five years	7,976,092	8,387,979
	<b>65,949,930</b>	<b>65,294,436</b>
Unearned finance income	(14,812,190)	(14,893,095)
<b>Gross investment in finance lease receivables</b>	<b>51,137,740</b>	<b>50,401,341</b>
Impairment allowance	(400,462)	(114,120)
<b>Net investment in finance leases</b>	<b>50,737,278</b>	<b>50,287,221</b>

The following tables show reconciliations from the opening to the closing balances of the gross carrying values of receivables from finance leases for the years ended 31 December 2025 and 2024

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from finance lease</b>				
Balance at 1 January	50,107,630	-	293,711	50,401,341
New assets originated or purchased	26,794,171	-	-	26,794,171
Assets repaid	(23,772,285)	-	-	(23,772,285)
The effect of changes in foreign exchange rates	(2,170,735)	-	(165,135)	(2,335,870)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(29,653)	-	29,653	-
Write off amounts	-	-	(9,642)	(9,642)
Recoveries	-	-	60,025	60,025
<b>Balance at 31 December</b>	<b>50,929,128</b>	<b>-</b>	<b>208,612</b>	<b>51,137,740</b>

The following tables show reconciliations from the opening to the closing balances of the loss allowance for receivables from finance leases for the years ended 31 December 2025 and 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Receivables from finance lease</b>				
Balance at 1 January	101,434	-	12,685	114,119
New assets originated or purchased	182,321	-	-	182,321
Assets repaid	(161,758)	-	-	(161,758)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(10,773)	-	10,773	-
Write off amounts	-	-	(9,642)	(9,642)
Recoveries	-	-	60,025	60,025
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations	248,946	-	(29,209)	219,737
The effect of changes in foreign exchange rates	(96)	-	(365)	(461)
Unwinding of discount	-	-	(3,879)	(3,879)
<b>Balance at 31 December</b>	<b>360,074</b>	<b>-</b>	<b>40,388</b>	<b>400,462</b>

AMD'000	2024			Total
	Stage 1	Stage 2	Stage 3	
<b>Receivables from finance lease</b>				
Balance at 1 January	304,837	-	13,423	318,260
New assets originated or purchased	87,300	-	-	87,300
Assets repaid	(55,878)	-	(10,481)	(66,359)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(443)	-	443	-
Write off amounts	-	-	(1,456)	(1,456)
Recoveries	-	-	22,005	22,005
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations	(233,160)	-	(108,818)	(341,978)
The effect of changes in foreign exchange rates	-	-	98,982	98,982
Unwinding of discount	(1,222)	-	(1,412)	(2,634)
<b>Balance at 31 December</b>	<b>101,434</b>	<b>-</b>	<b>12,686</b>	<b>114,120</b>

#### (i) Quality analysis of finance leases

The following table provides information on the credit quality of receivables from finance leases as at 31 December 2025:

	Stage 1 AMD'000	Stage 2 AMD'000	Stage 3 AMD'000	Total AMD'000
<b>Receivables from finance leases</b>				
- not overdue	50,929,130	-	127,737	51,056,867
- overdue less than 30 days	-	-	-	-
- overdue more than 90 days	-	-	80,873	80,873
<b>Total gross receivables from finance leases</b>	<b>50,929,130</b>	<b>-</b>	<b>208,610</b>	<b>51,137,740</b>
Credit loss allowance	(360,074)	-	(40,388)	(400,462)
<b>Total net receivables from finance leases</b>	<b>50,569,056</b>	<b>-</b>	<b>168,222</b>	<b>50,737,278</b>

The following table provides information on the credit quality of receivables from finance leases as at 31 December 2024:

	Stage 1 AMD'000	Stage 2 AMD'000	Stage 3 AMD'000	Total AMD'000
<b>Receivables from finance leases</b>				
- not overdue	50,103,385	-	252,404	50,355,789
- overdue less than 30 days	4,245	-	-	4,245
- overdue more than 90 days	-	-	41,307	41,307
<b>Total gross receivables from finance leases</b>	<b>50,107,630</b>	<b>-</b>	<b>293,711</b>	<b>50,401,341</b>
Credit loss allowance	(101,434)	-	(12,686)	(114,120)
<b>Total net receivables from finance leases</b>	<b>50,006,196</b>	<b>-</b>	<b>281,025</b>	<b>50,287,221</b>

#### (ii) Concentration of receivables from finance leases

As at 31 December 2025 the Group has no customers whose balances exceed 10% of the Group's equity (2024: nil).

#### (iii) Analysis of collateral

Receivables from finance lease are secured by real estate, equipment and vehicles. The following table provides information on the collateral pledged for the receivables from finance lease classified at Stage 3 as at 31 December 2025:

31 December 2025	Estimated market value of collateral							
	Gross carrying amount	Real estate	Vehicles	Other	Surplus	Total collateral	Uncovered amount	Associated ECL
Finance lease	208,611	-	-	853,183	(691,735)	161,447	47,164	40,388
<b>Total</b>	<b>208,611</b>	<b>-</b>	<b>-</b>	<b>853,183</b>	<b>(691,735)</b>	<b>161,447</b>	<b>47,164</b>	<b>40,388</b>

Receivables from finance lease are secured by real estate, equipment and vehicles. The following table provides information on the collateral pledged for the receivables from finance lease classified at Stage 3 as at 31 December 2024:

31 December 2024	Estimated market value of collateral							
	Gross carrying amount	Real estate	Vehicles	Other	Surplus	Total collateral	Uncovered amount	Associated ECL
Finance lease	293,711	-	202,066	542,381	(450,736)	293,711	-	12,686
<b>Total</b>	<b>293,711</b>	<b>-</b>	<b>202,066</b>	<b>542,381</b>	<b>(450,736)</b>	<b>293,711</b>	<b>-</b>	<b>12,686</b>

## 21. Property, equipment and intangible assets

AMD'000	Leasehold improvements	Computers and communication equipment	Fixtures and fittings	Motor vehicles	Intangible assets	Total
<b>Cost</b>						
Balance at 1 January 2025	5,388,272	11,895,982	3,581,681	456,012	14,513,809	35,835,756
Additions	372,203	3,099,815	299,056	72,219	5,999,455	9,842,748
Disposals/write-offs	-	(53,785)	(8,265)	(11,086)	(784,361)	(857,497)
<b>Balance at 1 December 2025</b>	<b>5,760,475</b>	<b>14,942,012</b>	<b>3,872,472</b>	<b>517,145</b>	<b>19,728,903</b>	<b>44,821,007</b>
<b>Depreciation and amortisation</b>						
Balance at 1 January 2024	2,471,527	7,396,246	1,727,593	288,158	3,741,148	15,624,672
Depreciation and amortisation for the year	392,353	1,398,279	347,398	48,949	3,075,013	5,261,992
Disposals/write-offs	-	(37,602)	(4,172)	(10,888)	(751,029)	(803,691)
<b>Balance at 31 December 2025</b>	<b>2,863,880</b>	<b>8,756,923</b>	<b>2,070,819</b>	<b>326,219</b>	<b>6,065,132</b>	<b>20,082,973</b>
<b>Carrying amount At 31 December 2024</b>	<b>2,896,595</b>	<b>6,185,089</b>	<b>1,801,653</b>	<b>190,926</b>	<b>13,663,771</b>	<b>24,738,034</b>

AMD'000	Leasehold improvements	Computers and communication equipment	Fixtures and fittings	Motor vehicles	Intangible assets	Total
<b>Cost</b>						
Balance at 1 January 2024	5,259,606	10,173,807	3,345,128	419,873	8,990,224	28,188,638
Additions	136,206	1,871,658	240,763	47,330	6,261,120	8,557,077
Disposals/write-offs	(7,540)	(149,483)	(4,210)	(11,191)	(737,535)	(909,959)
<b>Balance at 31 December 2024</b>	<b>5,388,272</b>	<b>11,895,982</b>	<b>3,581,681</b>	<b>456,012</b>	<b>14,513,809</b>	<b>35,835,756</b>
<b>Depreciation and amortisation</b>						
Balance at 1 January 2024	2,082,510	6,399,607	1,413,743	257,584	2,528,889	12,682,333
Depreciation and amortisation for the year	396,557	1,143,253	316,293	41,765	1,942,991	3,840,859
Disposals/write-offs	(7,540)	(146,614)	(2,443)	(11,191)	(730,732)	(898,520)
<b>Balance at 31 December 2024</b>	<b>2,471,527</b>	<b>7,396,246</b>	<b>1,727,593</b>	<b>288,158</b>	<b>3,741,148</b>	<b>15,624,672</b>
<b>Carrying amount At 31 December 2024</b>	<b>2,916,745</b>	<b>4,499,736</b>	<b>1,854,088</b>	<b>167,854</b>	<b>10,772,661</b>	<b>20,211,084</b>

## 22. Leases

The Group leases assets such as head office, branch offices and other spaces. The lease of head office, branch office and other spaces typically run for a period of 10 to 20 years.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Information about leases for which the Group is a lessee is presented below:

### (a) Right of use asset

	2025 AMD'000	2024 AMD'000
Balance at 1 January	10,977,803	11,580,789
Additions to right of use assets	2,418,692	712,054
Depreciation charge for the period	(1,460,514)	(1,328,094)
Lease contract modifications	534,956	13,054
<b>Balance at 31 December</b>	<b>12,470,937</b>	<b>10,977,803</b>

### (b) Amounts recognised in profit or loss

	2024 AMD'000	2023 AMD'000
Depreciation of right of use asset	1,460,514	1,328,094
Interest on lease liabilities	1,441,944	1,394,083
Other lease expense	555,072	481,426

### (c) Amounts recognised in the consolidated statement of cash flows

	2025 AMD'000	2024 AMD'000
<b>Total cash outflow for leases</b>	<b>3,098,147</b>	<b>2,918,389</b>

### (d) Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025 AMD'000	2024 AMD'000
<b>Balance at 1 January</b>	<b>12,839,765</b>	<b>13,158,183</b>
<b>Changes from financing cash flows</b>		
Lease repayment	(1,101,132)	(1,042,880)
<b>Total changes from financing cash flows</b>	<b>(1,101,132)</b>	<b>(1,042,880)</b>
<b>Other changes</b>		
Additions to lease liability	2,418,692	712,054
Modification	534,956	13,054
Interest expense	1,441,944	1,394,083
Interest paid	(1,441,944)	(1,394,083)
The effect of change in foreign exchange rates	-	(646)
<b>Balance at 31 December</b>	<b>14,692,281</b>	<b>12,839,765</b>

## 23. Other assets

	2025 AMD'000	2024 AMD'000
Receivables from unsettled transactions	10,652,998	7,902,691
Restricted accounts with clearing houses	1,952,936	1,965,723
Brokerage accounts	1,674,337	1,099,007
Credit loss allowance	(67,741)	(24,003)
<b>Total other financial assets at amortised cost</b>	<b>14,212,530</b>	<b>10,943,418</b>
Prepayments to suppliers and other receivables	26,384,768	9,763,433
Inventories	373,000	298,494
Standard bullions of precious metals	-	31,351
Other	24,778	20,008
<b>Total other non-financial assets</b>	<b>26,782,546</b>	<b>10,113,286</b>
<b>Total other assets</b>	<b>40,995,076</b>	<b>21,056,704</b>

As at 31 December 2025 other financial assets in the amount of AMD 14,255,316 thousand were allocated to Stage 1 and were not overdue (2024: AMD 10,942,461 thousand), AMD 9,295 thousand to Stage 2 and were overdue between 31 and 90 days (2024: AMD 7,875 thousand) and AMD 15,660 thousand to Stage 3 and were overdue over 90 days (2024: AMD 17,085 thousand).

The following tables show reconciliations from the opening to the closing balances of the loss allowance for other financial assets for the years ended 31 December 2025 and 2024.

AMD'000	2025			Total
	Stage 1	Stage 2	Stage 3	
<b>Other financial assets at amortised cost</b>				
Balance at 1 January	12,370	1,124	10,509	24,002
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(84)	84	-	-
Transfer to Stage 3	(2,196)	(283)	2,479	-
Net remeasurement of loss allowance	45,215	(253)	16,820	62,035
Write offs	-	-	(144,078)	(144,078)
Recoveries	-	-	125,781	125,781
<b>Balance at 31 December</b>	<b>55,305</b>	<b>925</b>	<b>11,511</b>	<b>67,741</b>

AMD'000	2024			Total
	Stage 1	Stage 2	Stage 3	
<b>Other financial assets at amortised cost</b>				
Balance at 1 January	67,650	628	9,678	77,956
Transfer to Stage 1	9	(9)	-	-
Transfer to Stage 2	(7)	9	(2)	-
Transfer to Stage 3	(317)	(2)	319	-
Net remeasurement of loss allowance	(54,965)	498	(43,533)	(98,000)
Write offs	-	-	(3,128)	(3,128)
Recoveries	-	-	47,175	47,175
<b>Balance at 31 December</b>	<b>12,370</b>	<b>1,124</b>	<b>10,509</b>	<b>24,003</b>

## 24. Deposits and balances from banks

	2025 AMD'000	2024 AMD'000
Loans from the Central Bank of Armenia	19,367,728	21,682,751
Loans and term deposits from commercial banks		
- with initial maturity period of less than 12 months	65,706,394	35,286,869
- with initial maturity period of more than 12 months	928,175	-
Vostro accounts	9,756,774	11,649,884
	<b>95,759,071</b>	<b>68,619,504</b>

According to the agreement the Central Bank of Armenia provides loans to the Group, which in turn provides loans to qualifying borrowers. The monitoring of the loans is performed by the Directing Office of the German Armenian Foundation program.

As at 31 December 2025 the Group has one counterparty whose balance exceeds 10% of equity amounting to AMD 42,382,934 thousand (2024: none).

## 25. Current accounts and deposits from customers

	2025 AMD'000	2024 AMD'000
<b>Current accounts and demand deposits</b>		
- Legal entities	489,945,581	435,534,065
- Individuals	307,611,860	262,684,032
<b>Term deposits</b>		
- Individuals	349,500,442	280,667,674
- Legal entities	215,216,066	143,327,217
	<b>1,362,273,949</b>	<b>1,122,212,988</b>

As at 31 December 2025, the Group maintained customer current accounts and deposit balances that serve as collateral for loans and credit related commitments granted by the Group amounting to AMD 86,533,700 thousand (2024: AMD 60,107,185 thousand).

As at 31 December 2025, the Group has one customer (31 December 2024: no customer) whose balances exceed 10% of equity. The total amount of these balances as at 31 December 2025 was AMD 40,865,067 thousand.

## 26. Debt securities issued

	2025 AMD'000	2024 AMD'000
Domestic bonds issued	167,840,072	145,745,027
Green bonds issued to international financial institutions	-	17,408,177
	<b>167,840,072</b>	<b>163,153,204</b>

As at 31 December 2025 the Group has issued and placed debt securities denominated in AMD, USD and EUR with nominal amount of AMD 70.6 billion, AMD 89.9 billion and AMD 5.9 billion respectively (2024: AMD, USD and EUR denominated debt securities with nominal amount of AMD 56.5 billion, AMD 84.8 billion and AMD 3.4 billion respectively). As at 31 December 2025 carrying value of the bonds in AMD, USD and EUR was respectively AMD 71,351,153 thousand AMD 90,468,495 thousand and AMD 6,020,424 thousand accordingly (2024: AMD 57,117,983 thousand. AMD 85,256,979 thousand and AMD 3,370,065 thousand accordingly).

In 2025 the Group has issued and placed 14 instalments of debt securities (2024: 14 instalments). The securities with nominal value of AMD 35.7 billion were denominated in AMD and had maturity in 2027-2028 (2024: AMD 35 billion and maturity in 2026-2027), securities with nominal value of AMD 2.4 billion were denominated in EUR with maturity in 2027 (2024: AMD 3.4 billion and maturity in 2026) and securities with nominal value of AMD 25 billion were denominated in USD and had maturity in 2027-2029 (2024: AMD 38 billion and maturity in 2026-2031).

Bonds issued by the Group are listed in Armenia Securities Exchange stock exchange.

### (a) Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025 AMD'000	2024 AMD'000
<b>Balance at 1 January</b>	<b>163,153,204</b>	<b>118,069,175</b>
<b>Changes from financing cash flows</b>		
Sale of debt securities issued	63,451,503	76,234,658
Repayment of debt securities issued	(57,083,627)	(28,965,492)
<b>Total changes from financing cash flows</b>	<b>6,367,876</b>	<b>47,269,166</b>
<b>The effect of changes in foreign exchange rates</b>	<b>(1,709,865)</b>	<b>(2,504,861)</b>
<b>Other changes</b>		
Interest expense	10,586,191	8,918,961
Interest paid	(10,557,334)	(8,599,237)
<b>Balance at 31 December</b>	<b>167,840,072</b>	<b>163,153,204</b>

## 27. Other borrowed funds and subordinated borrowings

	2025 AMD'000	2024 AMD'000
Borrowings from international financial institutions	254,840,587	135,171,897
Borrowings from Armenian financial institutions	1,731,285	761,480
	<b>256,571,872</b>	<b>135,933,377</b>
Subordinated borrowings from international financial institutions	36,909,678	27,996,197
	<b>36,909,678</b>	<b>27,996,197</b>

### (a) Concentration of borrowings from international financial institutions

As at 31 December 2025, the Group has loans from 4 financial institutions (31 December 2024: two), whose balances exceed 10% of equity. As at 31 December 2025 balance of those accounts was AMD 228,059,149 thousand (2024: 122,374,037 thousand). The loans are denominated in AMD, USD and EUR, bear interest rates of 3.6-6.9% and are repayable in 2026 and 2034.

### (b) Subordinated borrowing

As at 31 December 2025 subordinated borrowings represent borrowings received from eight financial institutions:

- AMD 5,842,808 thousand maturing on 3 January 2031;
- AMD 3,257,355 thousand maturing on 2 January 2032;
- AMD 6,747,692 thousand maturing on 2 February 2032;
- AMD 7,322,160 thousand maturing on 30 May 2035;
- AMD 5,959,496 thousand maturing on 18 June 2035;
- AMD 7,780,167 thousand maturing on 2 July 2035.

As at 31 December 2024 subordinated borrowings represented borrowings received from seven financial institutions:

- AMD 3,318,338 thousand maturing on 15 January 2026;
- AMD 5,518,643 thousand maturing on 15 January 2027;
- AMD 6,080,697 thousand maturing on 3 January 2031;
- AMD 3,464,497 thousand maturing on 8 January 2029;
- AMD 3,394,809 thousand maturing on 2 January 2032;
- AMD 6,219,213 thousand maturing on 2 February 2032.

The repayment terms of subordinated borrowings with total amount of AMD 12,301,478 thousand as at 31 December 2024 and maturing in 2026-2029 were amended during the year ended 31 December 2025 and maturity was prolonged till 2035.

The Group considers borrowings received as subordinated borrowings, if in case of bankruptcy, the repayment of the borrowing will be made after repayment in full of all other liabilities of the Group.

#### (c) Covenants

The Group is required to meet certain covenants in connection with borrowing agreements. The Group was in compliance with all covenants as at 31 December 2025 and 2024.

#### (d) Reconciliation of movements of liabilities to cash flows arising from financing activities

AMD '000	Other borrowed funds	Subordinated borrowings
<b>Balance at 1 January 2025</b>	<b>135,933,377</b>	<b>27,996,197</b>
<b>Changes from financing cash flows</b>		
Receipt	150,222,874	7,816,994
Repayments	(31,846,488)	-
<b>Total changes from financing cash flows</b>	<b>118,376,386</b>	<b>7,816,994</b>
The effect of changes in foreign exchange rates	652,481	1,163,831
<b>Other changes</b>		
Interest expense	8,408,721	2,473,404
Interest paid	(6,799,093)	(2,540,748)
<b>Balance at 31 December 2025</b>	<b>256,571,872</b>	<b>36,909,678</b>

AMD '000	Other borrowed funds	Subordinated borrowings
<b>Balance at 1 January 2024</b>	<b>34,473,780</b>	<b>29,732,721</b>
<b>Changes from financing cash flows</b>		
Receipt	129,780,529	-
Repayments	(25,706,499)	-
<b>Total changes from financing cash flows</b>	<b>104,074,030</b>	-
The effect of changes in foreign exchange rates	(1,421,750)	(1,730,640)
<b>Other changes</b>		
Interest expense	1,767,340	2,259,942
Interest paid	(2,960,023)	(2,265,826)
<b>Balance at 31 December 2024</b>	<b>135,933,377</b>	<b>27,996,197</b>

## 28. Other liabilities

	2025 AMD'000	2024 AMD'000
Payables in transit	8,581,234	7,254,461
Trade payables	1,583,877	1,199,254
Payables to deposit guarantee fund	420,935	355,500
Financial liabilities related to factoring contracts	33,633	67,548
Other payables	856,055	1,166,080
<b>Total other financial liabilities</b>	<b>11,475,734</b>	<b>10,042,843</b>
Payables to staff	18,327,140	26,555,998
Other taxes payable	1,285,795	3,723,372
Deferred income	2,474	9,866
<b>Total other non-financial liabilities</b>	<b>19,615,409</b>	<b>30,289,236</b>
<b>Total other liabilities</b>	<b>31,091,143</b>	<b>40,332,079</b>

## 29. Amounts payable under repurchase agreements

	2025 AMD'000	2024 AMD'000
Amounts payable to Central Bank of Armenia	-	30,040,451
Amounts payable to other banks and financial institutions	23,365,343	15,024,401
<b>Total amounts payable under repurchase agreements</b>	<b>23,365,343</b>	<b>45,064,852</b>

Amounts payable to other banks and financial institutions include AMD 6,193,120 thousand payable to financial institutions from sale of securities received as collateral under reverse repurchase agreements. This liability is measured at fair value.

#### (a) Concentration of amounts payable under repurchase agreements

As at 31 December 2025 the Group has no counterparty whose balance exceeds 10% of equity (2024: none, except for Central bank of Armenia).

## 30. Share capital and reserves

#### (a) Issued capital and share premium

As at 31 December 2025 the authorised, issued and outstanding share capital comprises 117,132 ordinary shares (2024: 117,132). All shares have a nominal value of AMD 465 thousand (2024: AMD 465 thousand) and are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual and general meetings of the Group.

#### (b) Nature and purpose of reserves

Revaluation reserve for investment securities

The revaluation reserve for investment securities comprises the cumulative net change in the fair value of investment securities measured at FVOCI, until the assets are derecognised.

#### (c) Dividends

Dividends payable is restricted to the maximum retained earnings of the Group, which are determined according to legislation of the Republic of Armenia.

During 2025 the Group has not declared and paid dividends (2024: none).

#### (d) Earnings per share

The calculation of basic earnings per share at 31 December 2025 was based on the profit attributable to ordinary shareholders of AMD 72,608,995 thousand (2024: AMD 60,029,336 thousand), and a weighted-average number of ordinary shares outstanding of 117,132 (2024: 117,132), calculated as shown below. The Group has no dilutive potential ordinary shares.

	2025 Number of shares	2024 Number of shares
Issued shares at 1 January	117,132	117,132
<b>Weighted average number of shares for the year ended 31 December</b>	<b>117,132</b>	<b>117,132</b>
<b>Earnings per share – basic in AMD '000</b>	<b>619.89</b>	<b>512.49</b>
<b>Earnings per share – diluted in AMD '000</b>	<b>619.89</b>	<b>512.49</b>

## 31. Risk management

Management of risk is fundamental to the business of Banking and is an essential element of the Group's operations. The major risks faced by the Group are those related to market risk, credit risk and liquidity risk.

### (a) Risk management policies and procedures

The risk management policies aim to identify, analyse and manage the risks faced by the Group, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

The Management Board has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

The Risk Management Center is responsible for monitoring and implementation of risk mitigation measures and making sure that the Group operates within the established risk parameters. The Head of the Risk Management Center is responsible for the overall risk management, ensuring the implementation of common principles and methods for identifying, measuring, managing and reporting both financial and non-financial risks. He reports directly to the Management Board and indirectly to the Board of Directors.

Credit, market and liquidity risks both at the portfolio and transactional levels are managed and controlled through a system of Credit Committees and an Asset and Liability Management Committee (ALCO). In order to facilitate efficient and effective decision-making, the Group has established a hierarchy of credit committees depending on the type and amount of the exposure.

Both external and internal risk factors are identified and managed throughout the organisation. Particular attention is given to identifying the full range of risk factors and determination of the level of assurance over the current risk mitigation procedures. Apart from the standard credit and market risk analysis, the Risk Management Center monitors financial and non-financial risks by holding regular meetings with operational units in order to obtain expert judgments in their areas of expertise.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest rate and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

Overall authority for market risk is vested in the ALCO, which is chaired by the General Director. Market risk limits are approved by the Management Board based on recommendations of the Risk Management Center.

The Group manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions. These are monitored on a regular basis and reviewed and approved by the Management Board.

In addition, the Group uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the Group's overall position. Stress tests provide an indication of the potential size of losses that could arise in extreme conditions.

#### (i) Interest rate risk

##### Average effective interest rates

The table below displays average interest rates for interest earning assets and interest-bearing liabilities as at 31 December 2025 and 31 December 2024. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	2025			2024		
	Average effective interest rate, %			Average effective interest rate, %		
	AMD	USD	Other currencies	AMD	USD	Other currencies
<b>Interest earning assets</b>						
Investment securities measured at fair value through profit or loss	10.43%	7.14%	4.27%	10.27%	6.56%	5.10%
Investment securities measured at fair value through other comprehensive income	10.49%	4.59%	11.49%	10.23%	4.36%	11.49%
Investment securities measured at amortised cost	9.57%	8.21%	11.86%	9.80%	8.10%	11.86%
Loans and advances to banks	5.12%	-	17.71%	-	-	-
Amounts receivable under reverse repurchase agreements	7.48%	4.45%	2.31%	8.03%	5.63%	-
Loans and advances to customers	14.62%	8.81%	7.17%	14.56%	8.61%	7.02%
Receivables from finance leases	13.58%	8.87%	7.88%	13.38%	8.83%	7.77%
Receivables from factoring	17.14%	9.22%	10.50%	16.39%	9.37%	10.6%
Receivables from letter of credit	-	-	-	-	-	4.99%
<b>Interest bearing liabilities</b>						
Deposits and balances from banks	6.64%	4.71%	6.89%	6.26%	5.06%	-
Amounts payable under repurchase agreements	-	4.36%	-	7.19%	-	-
Debt securities issued	9.99%	5.12%	3.86%	10.21%	4.93%	3.31%
Term deposits from customers	9.60%	3.70%	1.75%	9.27%	3.39%	1.57%
Subordinated borrowings	-	11.01%	6.93%	-	11.77%	6.23%
Other borrowed funds	8.93%	6.09%	4.88%	8.97%	6.55%	4.42%

#### Interest rate sensitivity analysis

The management of interest rate risk, based on an interest rate gap analysis, is supplemented by monitoring the sensitivity of financial assets and liabilities. An analysis of the sensitivity of net profit or loss and equity (net of taxes) to changes in interest rates (repricing risk), based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities, except for interest bearing cash and cash equivalents and current accounts and demand deposits from customers, and existing as at 31 December 2025 and 2024, is as follows:

	2025 AMD'000	2024 AMD'000
100 bp parallel rise	(305,947)	(443,142)
100 bp parallel fall	305,947	443,142

An analysis of the sensitivity of net profit or loss and equity as a result of changes in the fair value of financial instruments at fair value through profit or loss and fair value through other comprehensive income, based on positions existing as at 31 December 2025 and 2024 and a simplified scenario of a 100 bp symmetrical fall or rise in all yield curves, is as follows:

	2025		2024	
	Net profit or loss AMD'000	Equity AMD'000	Net profit or loss AMD'000	Equity AMD'000
100 bp parallel rise	(89,002)	(163,307)	(62,174)	(40,174)
100 bp parallel fall	89,002	163,307	62,174	40,174

\* Other currencies mainly represent EUR and Russian Rubles.

### Currency risk

The Group has assets and liabilities denominated in several foreign currencies.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Although the Group hedges its exposure to currency risk, such activities do not qualify as hedging relationships in accordance with IFRS Accounting Standards.

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2025.

	USD AMD'000	EUR AMD'000	Other currencies* AMD'000	Total AMD'000
<b>ASSETS</b>				
Cash and cash equivalents	45,254,484	13,302,363	13,882,648	72,439,495
Investment securities at fair value through profit or loss	9,205,675	113,549	-	9,319,224
Investment securities at fair value through other comprehensive income	22,574,625	2,204,621	-	24,779,246
Investment securities at amortised cost	71,463,737	966,152	-	72,429,889
Loans and advances to banks	102,194,803	24,429,068	2,585,680	129,209,551
Amounts receivable under reverse repurchase agreements	11,145,985	6,126,582	-	17,272,567
Loans and advances to customers	482,510,658	200,375,273	1,710,029	684,595,960
Receivables from letters of credit	-	529	-	529
Receivables from finance leases	10,713,159	12,909,816	-	23,622,975
Receivables from factoring	3,056,741	2,272,901	192,115	5,521,757
Other financial assets	6,783,923	249,420	13,642	7,046,985
<b>Total assets</b>	<b>764,903,790</b>	<b>262,950,274</b>	<b>18,384,114</b>	<b>1,046,238,178</b>
<b>LIABILITIES</b>				
Deposits and balances from banks	59,081,728	8,776,502	8,859,482	76,717,712
Amounts payable under repurchase agreements	17,172,223	-	-	17,172,223
Current accounts and deposits from customers	427,033,469	96,688,467	16,040,821	539,762,757
Debt securities issued	90,468,495	6,020,424	-	96,488,919
Subordinated borrowings	9,100,163	27,809,515	-	36,909,678
Other borrowed funds	94,478,277	146,626,182	-	241,104,459
Lease liability	-	-	-	-
Other financial liabilities	1,375,435	391,742	2,987	1,770,164
<b>Total liabilities</b>	<b>698,709,790</b>	<b>286,312,832</b>	<b>24,903,290</b>	<b>1,009,925,912</b>
<b>Net position</b>	<b>66,194,000</b>	<b>(23,362,558)</b>	<b>(6,519,176)</b>	<b>36,312,266</b>
Effect of derivatives	(62,352,165)	20,737,255	8,798,727	(32,816,183)
<b>Net position</b>	<b>3,841,835</b>	<b>(2,625,303)</b>	<b>2,279,551</b>	<b>3,496,083</b>

\* Other currencies mainly include Russian Rubles and GBP.

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2024.

	USD AMD'000	EUR AMD'000	Other currencies* AMD'000	Total AMD'000
<b>ASSETS</b>				
Cash and cash equivalents	71,313,485	16,868,853	8,154,390	96,336,728
Investment securities at fair value through profit or loss	9,187,779	120,667	-	9,308,446
Investment securities at fair value through other comprehensive income	3,121,123	1,884,355	-	5,005,478
Investment securities at amortised cost	75,119,271	777,237	-	75,896,508
Loans and advances to banks	61,653,029	15,508,627	163,832	77,325,488
Amounts receivable under reverse repurchase agreements	793,716	-	-	793,716
Loans and advances to customers	384,278,882	131,730,638	1,139,121	517,148,641
Receivables from letters of credit	-	226,836	-	226,836
Receivables from finance leases	9,380,817	10,569,582	-	19,950,399
Receivables from factoring	941,827	2,096,848	202,776	3,241,451
Other financial assets	5,468,459	178,603	8,847	5,655,909
<b>Total assets</b>	<b>621,258,388</b>	<b>179,962,246</b>	<b>9,668,966</b>	<b>810,889,600</b>
<b>LIABILITIES</b>				
Deposits and balances from banks	36,098,317	11,014,434	1,720,707	48,833,458
Amounts payable under repurchase agreements	-	-	-	-
Current accounts and deposits from customers	381,129,701	88,200,124	19,127,896	488,457,721
Debt securities issued	85,256,979	20,778,243	-	106,035,222
Subordinated borrowings	9,475,505	18,520,692	-	27,996,197
Other borrowed funds	86,326,504	35,938,475	-	122,264,979
Lease liability	-	-	-	-
Other financial liabilities	1,652,686	211,550	2,303	1,866,539
<b>Total liabilities</b>	<b>599,939,692</b>	<b>174,663,518</b>	<b>20,850,906</b>	<b>795,454,116</b>
<b>Net position</b>	<b>21,318,696</b>	<b>5,298,728</b>	<b>(11,181,940)</b>	<b>15,435,484</b>
Effect of derivatives	(23,858,451)	(7,450,020)	11,004,110	(20,304,361)
<b>Net position</b>	<b>(2,539,755)</b>	<b>(2,151,292)</b>	<b>(177,830)</b>	<b>(4,868,877)</b>

A weakening of the AMD, as indicated below, against the following currencies at 31 December 2025 and 2024, would have increased (decreased) equity and profit and loss by the amounts shown below.

This analysis is on net of tax basis, and is based on foreign currency exchange rate variances that the Group considers to be reasonably possible at the end of the reporting period. The income (expense) from variance in foreign currency exchange rates is non-taxable (non-deductible). The analysis assumes that all other variables, in particular interest rates, remain constant.

	2025 AMD'000	2024 AMD'000
10% appreciation of USD against AMD	384,183	(253,976)
10% appreciation of EUR against AMD	(262,530)	(215,129)

A strengthening of the AMD against the above currencies at 31 December 2025 and 2024 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

\* Other currencies mainly include Russian Rubles and GBP.

**(c) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group has policies and procedures for the management of credit exposures (both for recognised financial assets and unrecognised contractual commitments), including guidelines to limit portfolio concentration and the establishment of a Credit Committee and Risk Management Center, which actively monitor credit risk. The credit policy is reviewed and approved by the Management Board.

- The credit policy establishes:
- procedures for review and approval of loan credit applications;
- methodology for the credit assessment of borrowers (legal entities and individuals);
- methodology for the credit assessment of counterparties, issuers and insurance companies;
- methodology for the evaluation of collateral;
- credit documentation requirements;
- procedures for the ongoing control and monitoring of loans and other credit exposures.

Legal entity loan credit applications are originated by the relevant client managers and are then passed on to the Loan Department, which is responsible for the loan portfolio of legal entities. Analysis reports are based on a structured analysis focusing on the customer's business and financial performance. The loan credit application and the report are then independently reviewed by the Risk Management Center and a second opinion is given accompanied by a verification that credit policy requirements are met. The Credit Committee reviews the loan credit application on the basis of submissions by the Loan Department. Individual transactions are also reviewed by the Legal Department depending on the specific risks and pending final approval of the Credit Committee.

The Group continuously monitors the performance of individual credit exposures and regularly reassesses the creditworthiness of its customers. The review is based on the customer's most recent consolidated financial statements and other information submitted by the borrower, or otherwise obtained by the Group. Loans to individuals credit applications are reviewed by the Retail Lending Subdivisions. Starting from 2020 the Group has implemented new machine learning scoring system for portfolio of credit purchase and online consumer loans.

Apart from individual customer analysis, the credit portfolio is assessed by the Risk Management Center with regard to credit concentration and market risks.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets on the consolidated statement of financial position and unrecognised contractual commitment amounts. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

Collateral generally is not held against claims under derivative financial instruments, investments in securities, and Loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activities.

For the analysis of collateral held against loans and advances to customers and concentration of credit risk in respect of loans and advances to customers refer to Note 20.

The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in Note 33.

**Impairment assessment**

From 1 January 2018, the Group calculates ECL based on several probability-weighted scenarios to measure the expected cash shortfalls, discounted at the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECL.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is subsequently recognised based on a credit-adjusted EIR. ECL are only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

**Definition of default**

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay, based on management's judgment (Note 4(e)(iv)). When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

**PD estimation process***Treasury and interbank relationships*

The Group's treasury and interbank relationships and counterparties comprise financial services institutions, groups, broker-dealers, exchanges and clearing-houses. For these relationships, the Group analyses publicly available information such as financial information and other external data, e.g., the external ratings.

*Loans and advances to customers***Bucketing**

In 2022, for PD estimation the Group developed and implemented its own internal credit rating (ICR) model for individually significant large-scale loans, the later consists about 60% of total corporate loan portfolio.

The model of choice is logistic regression where it models the probabilities of a binary response variable, the so-called target (indicator for an occurrence of a default event within a 12 months-long period) against several independent variables.

Within the scope of corporate PD model development 3 scorecards have been constructed:

- Behavioural - that includes scoring parameters constructed based on the behavioural/transactional data from the Group's sources;
- Financial - that includes scoring parameters constructed based on the information from individual financial statements provided to the Group;
- Qualitative - that includes scoring parameters based on the qualitative and other quantitative information accumulated or produced within the Group that reflect the credit risk of the Group's creditors.

The above mentioned three models are linked together to obtain a final score for every creditor included in the development sample as well as all the new creditors that will be included into the corporate portfolio of the Group in the upcoming periods. Based on this, corporate clients are segregated in following PD based ratings:

ICR	PD ranges
1 (the highest score)	0.03% - 0.07%
2	0.07% - 0.13%
3	0.13% - 0.24%
4A	0.24% - 0.43%
4B	0.43% - 0.77%
4C	0.77% - 1.37%
5A	1.37% - 2.44%
5B	2.44% - 4.29%
5C	4.29% - 7.45%
6	7.45% - 12.62%
7	12.62% - 20.59%
8	20.59% - 100%

Where appropriate, the Group applies overlays to the ECL estimate derived from the ICR model in order to incorporate management judgement. Overlays represent adjustments to model-generated ECL results and form part of management's assessment of whether the model output appropriately reflects prevailing economic conditions and relevant risk factors at the reporting date. These adjustments are based on available information and are intended to address limitations inherent in model-based estimates.

Overlay adjustments as at 31 December 2025 and 2024 represent introduction of upper bound for PD estimate for legal entities operating in certain industries. The impact of overlay adjustments on ECL as at 31 December 2025 was AMD 3,573,573 thousand (2024: AMD 2,763,831 thousand) for the loans to corporate customers.

The following table provides information on the credit quality of Stage 1 corporate loans for which the Group implemented ICR model as at 31 December 2025:

AMD'000	2025		
	Gross amount	Credit loss allowance	Net amount
<b>Loans to corporate customers</b>			
Grade 1	12,670,764	913	12,669,851
Grade 2	12,308,626	1,495	12,307,131
Grade 3	13,980,531	4,958	13,975,573
Grade 4: A-C	220,285,917	457,277	219,828,640
Grade 5: A-C	459,611,160	3,809,569	455,801,591
Grade 6	11,349,198	54,900	11,294,298
Grade 7	1,105,556	7,185	1,098,371
Grade 8	-	-	-
<b>Total loans to corporate customers</b>	<b>731,311,752</b>	<b>4,336,297</b>	<b>726,975,455</b>

The following table provides information on the credit quality of Stage 1 corporate loans for which the Group implemented ICR model as at 31 December 2025:

AMD'000	2024		
	Gross amount	Credit loss allowance	Net amount
<b>Loans to corporate customers</b>			
Grade 1	1,768,948	55	1,768,893
Grade 2	6,207,760	890	6,206,870
Grade 3	13,702,801	5,995	13,696,806
Grade 4: A-C	141,901,495	273,874	141,627,621
Grade 5: A-C	312,970,589	3,085,156	309,885,433
Grade 6	26,980,337	243,865	26,736,472
Grade 7	7,241,579	156,152	7,085,427
Grade 8	-	-	-
<b>Total loans to corporate customers</b>	<b>510,773,509</b>	<b>3,765,987</b>	<b>507,007,522</b>

The following table provides information on the credit quality of Stage 1 finance leases for which the Group implemented ICR model as at 31 December 2025:

AMD'000	2025		
	Gross amount	Credit loss allowance	Net amount
<b>Finance lease to corporate customers</b>			
Grade 1	13,416	-	13,416
Grade 2	369,499	174	369,325
Grade 3	134,293	19	134,274
Grade 4: A-C	3,668,231	5,402	3,662,829
Grade 5: A-C	15,108,335	141,468	14,966,867
Grade 6	44,302	109	44,193
Grade 7	-	-	-
Grade 8	-	-	-
	<b>19,338,076</b>	<b>147,172</b>	<b>19,190,904</b>

The following table provides information on the credit quality of Stage 1 finance leases for which the Group implemented ICR model as at 31 December 2024:

AMD'000	2024		
	Gross amount	Credit loss allowance	Net amount
<b>Finance lease to corporate customers</b>			
Grade 1	-	-	-
Grade 2	57,386	3	57,383
Grade 3	-	-	-
Grade 4: A-C	3,157,998	7,016	3,150,982
Grade 5: A-C	12,428,385	31,423	12,396,962
Grade 6	375,332	1,243	374,089
Grade 7	-	-	-
Grade 8	-	-	-
	<b>16,019,101</b>	<b>39,685</b>	<b>15,979,416</b>

The following table provides information on the credit quality of Stage 1 receivables from factoring for which the Group implemented ICR model as at 31 December 2025:

AMD'000	2025		
	Gross amount	Credit loss allowance	Net amount
<b>Finance lease to corporate customers</b>			
Grade 1	-	-	-
Grade 2	-	-	-
Grade 3	208,069	1	208,068
Grade 4: A-C	269,634	80	269,554
Grade 5: A-C	1,483,907	533	1,483,374
Grade 6	4,959,986	23,622	4,936,364
Grade 7	-	-	-
Grade 8	-	-	-
	<b>6,921,596</b>	<b>24,236</b>	<b>6,897,360</b>

As at 31 December 2024 the Group did not implement ICR model for receivables from factoring.

Besides this, the Group also segregates the following loan portfolios.

- corporate loans, which PDs are not calculated based on ICR model;
- mortgages loans;
- consumer loans.

PDs for loans and advances to customers are based on historic information and are calculated through probability transition matrices, based on historical information on ageing of the loan portfolios. The probabilities are calculated as the share of loans transferring between overdue categories from the total number at the beginning of the period. Calculated PDs are further adjusted based on forward looking information.

#### Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12m ECL. For Stage 2 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

For Stage 3 and POCI financial assets exposure at default is equal to the gross amount of the loans.

EAD is derived from the historical behaviour of amortised costs of defaulted loans before the date when the default has occurred.

#### Loss given default

For individually not significant Stage 1, Stage 2 and Stage 3 exposures, the Group calculated LGD on portfolio level. The Group uses historical information on recoveries after the default date for all defaulted loans for LGD calculation purposes. All cash flow information is collected after the default date and discounted to the date of default using effective interest rate of each loan. Cash flow information includes all kind of cash received from defaulted loans (cash received from repayment of loans, cash received from guarantor, cash received from sale of collateral, etc.). For individually significant Stage 1, Stage 2 and Stage 3 exposures the Group calculates LGD individually considering expected cash, including cash flows from realisation of collateral. As at 31 December 2025 the individually calculated LGD ranged from 5%-53.7% (2024: 5%-53.7%).

#### Significant increase in credit risk

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition. The main criterion used by the Group is the information on overdue days of the loans. The Group concludes that there is a significant risk in credit risk of the assets, when payments related to that assets are past due for more than 30 days.

The Group's management also considers the following factors to determine whether there is an increase in credit risk:

- overdue days of the borrower in other financial institutions in Armenia;
- difficulties in the financial conditions of the borrower;
- deterioration of macroeconomic indicators and their possible effect on the borrower's financial performance,
- adverse change of rating by 3 and more notches serves as an early warning indicator for the Group to perform additional review and analysis of the borrower's financial position for identifying indicators of significant increase in credit risk.

#### Write-off

In 2025 the Bank re-assessed the write-off point for loans to legal entities and individuals, increasing days past due from 270 days to 1,000 days for unsecured loans and 1,730 days for secured loans. As at 31 December 2025 the gross loans to legal entities and individuals recovered as a result of change in write-off point amounted to AMD 2,143,047 thousand and AMD 5,224,638 thousand respectively. As at 31 December 2025 the ECL for these loans amounted to AMD 1,481,782 thousand and AMD 4,064, 276 thousand for legal entities and individuals respectively.

#### Forward-looking information and multiple economic scenarios

In its ECL models, the Group relies on a broad range of macroeconomic indicators as forward-looking information, such as:

- consumer price index;
- AMD/RUR exchange rate;
- volumes of export;
- volumes of import,
- real GDP growth;
- industrial production growth;
- net export

The Group obtains the forecasts of macroeconomic data from third party source (Economic Intelligence Unit). Experts of the Group's Credit Risk Department determine the weights attributable to the multiple scenarios.

The table below shows the values of the key macroeconomic indicators/assumptions used in each of the scenarios for the ECL calculations for 2025.

Key drivers	ECL scenario	Assigned probabilities, %	2026	2027
CPI index	Upside	20%	100.464	100.364
	Base case	60%	103.500	103.400
	Downside	20%	106.537	106.437
USD/AMD exchange rate	Upside	20%	362.487	372.487
	Base case	60%	410.000	420.000
	Downside	20%	457.513	467.513
RUR/AMD exchange rate	Upside	20%	7.577	7.340
	Base case	60%	4.540	4.303
	Downside	20%	1.504	1.266
Export, USD million	Upside	20%	10,864.00	10,864.00
	Base case	60%	7,599.00	7,599.00
	Downside	20%	4,334.00	4,334.00
Import, USD million	Upside	20%	15,459.00	15,062.00
	Base case	60%	11,426.00	11,029.00
	Downside	20%	7,392.00	6,995.00
Real GDP growth	Upside	20%	109.7557	109.3625
	Base case	60%	105.1083	104.7637
	Downside	20%	100.4609	100.1348
Net import/fob, USD million	Upside	20%	2,261.000	1,761.000
	Base case	60%	2,800.000	2,300.000
	Downside	20%	3,339.000	2,839.000

The table below shows the values of the key macroeconomic indicators/assumptions used in each of the scenarios for the ECL calculations for 2024.

Key drivers	ECL scenario	Assigned probabilities, %	2025	2026
CPI index	Upside	20%	100.281	98.2801
	Base case	60%	103.400	101.400
	Downside	20%	106.519	104.519
USD/AMD exchange rate	Upside	20%	329.913	390.713
	Base case	60%	377.100	437.900
	Downside	20%	424.288	485.088
RUR/AMD exchange rate	Upside	20%	7.255	7.305
	Base case	60%	4.440	4.490
	Downside	20%	1.625	1.675
Export, USD million	Upside	20%	1,702.625	1,728.382
	Base case	60%	1,471.817	1,497.573
	Downside	20%	1,241.008	1,266.764
Import, USD million	Upside	20%	2,080.511	2,032.927
	Base case	60%	1,821.028	1,773.444
	Downside	20%	1,561.545	1,513.961
Real GDP growth	Upside	20%	109.397	109.107
	Base case	60%	104.858	104.563
	Downside	20%	100.319	100.022
Net import, USD million	Upside	20%	3,380.000	2,968.000
	Base case	60%	3,842.000	3,430.000
	Downside	20%	4,304.000	3,892.000

Along with baseline forecasts (with 60% probability of occurrence) listed in the table above, additionally, the Group uses shocked macroeconomic variables to calculate the ECL under the upside (with 20% probability of occurrence) and downside (20% probability of occurrence) scenarios. These rates are weighted to form final ECL rates.

#### Sensitivity of ECL to future economic conditions

The ECL is sensitive to judgements and assumptions made regarding the formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The tables below show the loss allowance on loans to legal entities and individuals assuming each forward-looking scenario (e.g. base, upside and downside) were weighted 100 percent instead of applying scenario probability weights across the three scenarios as at 31 December 2025 and 2024. For ease of comparison, the table also includes the probability-weighted amounts that are reflected in the consolidated financial statements.

AMD'000	31 December 2025			Probability weighted
	Upside	Base	Downside	
<b>Loans to legal entities</b>				
Gross balance	970,918,395	970,918,395	970,918,395	970,918,395
Credit loss allowance	8,322,527	11,700,000	15,488,668	11,293,649
<b>Loans to individuals</b>				
Gross balance	665,965,189	665,965,189	665,965,189	665,965,189
Credit loss allowance	11,364,269	12,638,478	13,854,506	12,583,911
AMD'000	31 December 2024			Probability weighted
	Upside	Base	Downside	
<b>Loans to legal entities</b>				
Gross balance	750,040,207	750,040,207	750,040,207	750,040,207
Credit loss allowance	6,004,314	8,880,251	11,195,346	9,124,165
<b>Loans to individuals</b>				
Gross balance	517,318,610	517,318,610	517,318,610	517,318,610
Credit loss allowance	2,768,071	3,667,503	4,466,035	3,647,323

#### Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position.

The similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the table below unless they are offset in the consolidated statement of financial position.

The Group receives and accepts collateral in the form of marketable securities in respect of sale and repurchase, and reverse sale and repurchase agreements.

Such collateral is subject to the standard industry terms. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but must be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions upon the counterparty's failure to post collateral.

The above arrangements do not meet the criteria for offsetting in the consolidated statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2025:

AMD'000					
Types of financial assets/liabilities	Gross amounts of recognised financial asset/liability	Gross amount of recognised financial liability/asset offset in consolidated statement of financial position	Net amount of financial assets/liabilities presented in consolidated statement of financial position	Related amounts not offset in consolidated statement of financial position Financial instruments	Net amount
Amounts receivable under reverse repurchase agreements		-	55,781,510	(60,739,629)	-
<b>Total financial assets</b>	<b>55,781,510</b>	-	<b>55,781,510</b>	<b>(60,739,629)</b>	-
Amounts payable under repurchase agreements	55,781,510	-	(17,172,223)	20,883,372	-
<b>Total financial liabilities</b>	<b>(17,172,223)</b>	-	<b>(17,172,223)</b>	<b>20,883,372</b>	-

The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2024:

AMD'000					
Types of financial assets/liabilities	Gross amounts of recognised financial asset/liability	Gross amount of recognised financial liability/asset offset in consolidated statement of financial position	Net amount of financial assets/liabilities presented in consolidated statement of financial position	Related amounts not offset in consolidated statement of financial position Financial instruments	Net amount
Amounts receivable under reverse repurchase agreements	28,760,592	-	28,760,592	(31,230,625)	-
<b>Total financial assets</b>	<b>28,760,592</b>	-	<b>28,760,592</b>	<b>(31,230,625)</b>	-
Amounts payable under repurchase agreements	(45,064,852)	-	(45,064,852)	48,723,562	-
<b>Total financial liabilities</b>	<b>(45,064,852)</b>	-	<b>45,064,852</b>	<b>48,723,562</b>	-

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the consolidated statement of financial position that are disclosed in the above tables are measured in the consolidated statement of financial position on the amortised cost basis.

#### (d) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity management. It is unusual for financial institutions ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The Group maintains liquidity management with the objective of ensuring that funds will be available at all times to honor all cash flow obligations as they become due. The liquidity policy is reviewed and approved by the Board of Directors.

The Group seeks to actively support a diversified and stable funding base comprising long-term and short-term loans from other banks and international financial organisations, core corporate and retail customer deposits, accompanied by diversified portfolios of highly liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management policy requires:

- projecting cash flows by major currencies and considering the level of liquid assets necessary in relation thereto;
- maintaining a diverse range of funding sources;
- managing the concentration and profile of debts;
- maintaining debt financing plans;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any interruption to cash flow;
- maintaining liquidity and funding contingency plans;
- monitoring liquidity ratios against regulatory requirements.

The Assets and Liabilities Department receives information from structural subdivisions regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Assets and Liabilities Department then provides for an adequate portfolio of short-term liquid assets to be maintained, largely made up of short-term liquid trading securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained. The daily liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the Assets and Liabilities Department. Under the normal market conditions, liquidity reports covering the liquidity position are presented to senior management on a weekly basis. Decisions on liquidity management are made by ALCO and implemented by the Assets and Liabilities Department.

The following tables show the undiscounted cash flows on financial liabilities and credit-related commitments on the basis of their earliest possible contractual maturity. The total gross outflow disclosed in the tables is the contractual, undiscounted cash flow on the financial liability or credit related commitment. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

The maturity analysis for financial liabilities as at 31 December 2025 is as follows:

AMD'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Total gross amount outflow	Carrying amount
<b>Financial liabilities</b>								
Deposits and balances from banks	32,780,598	17,143,140	30,177,861	3,326,774	12,606,445	3,284,263	99,319,081	95,759,071
Amounts payable under repurchase agreements	23,365,343	-	-	-	-	-	23,365,343	23,365,343
Current accounts and deposits from customers	835,651,375	70,665,468	110,037,086	234,245,974	144,019,690	13,418,299	1,408,037,892	1,362,273,949
Debt securities issued	760,235	2,128,176	26,776,113	28,339,972	124,430,808	5,892,012	188,327,316	167,840,072
Subordinated borrowings	5,128	679,021	398,140	1,539,549	11,254,865	44,697,671	58,574,374	36,909,678
Other borrowed funds	11,887,736	2,926,071	19,280,431	20,120,658	190,899,749	59,322,156	304,436,801	256,571,872
Lease liability	466,731	227,067	619,475	1,369,944	9,354,414	13,691,382	25,729,013	14,692,281
Other liabilities	11,475,734	-	-	-	-	-	11,475,734	11,475,734
<b>Total financial liabilities</b>	<b>916,392,880</b>	<b>93,768,943</b>	<b>187,289,106</b>	<b>288,942,871</b>	<b>492,565,971</b>	<b>140,305,783</b>	<b>2,119,265,554</b>	<b>1,968,888,000</b>
<b>Credit related commitments</b>	<b>224,489,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224,489,062</b>	<b>224,489,062</b>
<b>Derivative financial liabilities (gross)</b>	<b>82,428,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,428,467</b>	<b>178,471</b>

The maturity analysis for financial liabilities as at 31 December 2023 is as follows:

AMD'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Total gross amount outflow	Carrying amount
<b>Financial liabilities</b>								
Deposits and balances from banks	31,354,471	16,936,693	2,317,519	3,097,939	15,131,296	3,248,512	72,086,430	68,619,504
Amounts payable under repurchase agreements	30,040,451	15,024,401	-	-	-	-	45,064,852	45,064,852
Current accounts and deposits from customers	738,925,027	56,736,624	74,859,749	173,659,454	100,750,543	6,291	1,144,937,688	1,122,212,988
Debt securities issued	547,664	17,738,619	7,370,638	39,634,183	109,710,544	6,483,755	181,485,403	163,153,204
Subordinated borrowings	-	714,887	366,759	1,085,169	18,888,435	17,938,505	38,993,755	27,996,197
Other borrowed funds	382,155	2,589,023	3,116,931	8,669,530	124,876,759	23,449,730	163,084,128	135,933,377
Lease liability	424,285	172,812	551,901	1,197,740	8,415,765	11,046,576	21,809,079	12,839,765
Other liabilities	10,042,843	-	-	-	-	-	10,042,843	10,042,843
<b>Total financial liabilities</b>	<b>811,716,896</b>	<b>109,913,059</b>	<b>88,583,497</b>	<b>227,344,015</b>	<b>377,773,342</b>	<b>62,173,369</b>	<b>1,677,504,178</b>	<b>1,585,862,730</b>
<b>Credit related commitments</b>	<b>146,368,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,368,566</b>	<b>146,368,566</b>
<b>Derivative financial liabilities (gross)</b>	<b>39,083,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,083,615</b>	<b>487,082</b>

Included in current accounts and deposits from customers in the table above and in the table below are term deposits of individuals. In accordance with the legislation of the Republic of Armenia, the Group is obliged to repay term deposits of individuals upon demand of a depositor, forfeiting the accrued interest. These deposits are classified in the table above in accordance with their stated maturity dates. The classification of these deposits in accordance with their stated maturity dates is presented below:

	2025 AMD'000	2024 AMD'000
Demand and less than 1 month	25,967,700	24,260,629
From 1 to 3 months	54,711,280	42,673,639
From 3 to 6 months	63,587,958	53,753,098
From 6 to 12 months	144,553,839	122,097,478
More than 1 year	60,679,665	37,882,830
	<b>349,500,442</b>	<b>280,667,674</b>

The table below shows an analysis, by maturities, of the amounts recognised in the consolidated statement of financial position as at 31 December 2025:

AMD'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Overdue	Total
<b>ASSETS</b>								
Cash and cash equivalents	109,462,529	-	-	-	-	-	-	109,462,529
Financial assets measured at fair value through profit or loss	111,331	340,139	3,428,209	13,196,122	2,302,484	127,948	-	19,506,233
Investment securities measured at fair value through other comprehensive income	19,043,849	2,284,503	923,230	9,708,883	3,276,496	554,442	-	35,791,403
Investment securities measured at amortised cost	34,238,202	8,509,711	40,251,341	95,826,400	20,157,880	-	-	198,983,534
Loans and advances to banks	25,290,548	2,547,654	-	-	-	136,095,449	-	163,933,651
Amounts receivable under reverse repurchase agreements	54,182,255	1,599,255	-	-	-	-	-	55,781,510
Loans to legal entities and individuals	33,650,160	70,641,787	270,281,146	825,920,258	401,445,147	-	11,067,526	1,613,006,024
Receivables from letters of credit	-	529	-	-	-	-	-	529
Receivables from finance leases	1,558,744	2,751,441	11,532,305	28,542,366	6,350,269	-	2,153	50,737,278
Receivables from factoring	2,829,803	2,139,293	3,482,399	260,258	-	-	-	8,711,753
Property, equipment and intangible assets	-	-	-	-	-	24,738,034	-	24,738,034
Right of use asset	-	-	-	-	-	12,470,937	-	12,470,937
Deferred tax asset	-	-	-	-	-	12,085	-	12,085
Repossessed assets	-	-	-	-	-	635,895	-	635,895
Other assets	40,471,432	429,813	51,151	38,487	406	3,787	-	40,995,076
<b>Total assets</b>	<b>320,838,853</b>	<b>91,244,125</b>	<b>329,949,781</b>	<b>973,492,774</b>	<b>433,532,682</b>	<b>174,638,577</b>	<b>11,069,679</b>	<b>2,334,766,471</b>
<b>LIABILITIES</b>								
Derivative financial liabilities	147,521	30,950	-	-	-	-	-	178,471
Amounts payable under repurchase agreements	23,365,343	-	-	-	-	-	-	23,365,343
Deposits and balances from banks	32,721,962	17,015,320	32,921,426	10,866,035	2,234,328	-	-	95,759,071
Current accounts and deposits from customers	414,635,571	132,819,969	247,493,905	546,637,986	20,686,518	-	-	1,362,273,949
Debt securities issued	758,342	2,099,437	52,837,481	107,847,702	4,297,110	-	-	167,840,072
Subordinated borrowings	5,123	667,268	1,838,440	8,885,213	25,513,634	-	-	36,909,678
Other borrowed funds	11,860,284	2,893,282	38,159,903	165,385,250	38,273,153	-	-	256,571,872
Lease liability	465,324	222,732	1,938,557	6,874,568	5,191,100	-	-	14,692,281
Current tax liability	-	-	8,351,651	-	-	-	-	8,351,651
Provision for credit related commitments	784,561	-	-	-	-	-	-	784,561
Other liabilities	9,603,655	1,565,666	19,921,822	-	-	-	-	31,091,143
<b>Total liabilities</b>	<b>494,347,686</b>	<b>157,314,624</b>	<b>403,463,185</b>	<b>846,496,754</b>	<b>96,195,843</b>	<b>-</b>	<b>-</b>	<b>1,997,818,092</b>
<b>Net position</b>	<b>(173,508,833)</b>	<b>(66,070,499)</b>	<b>(73,513,404)</b>	<b>126,996,020</b>	<b>337,336,839</b>	<b>174,638,577</b>	<b>11,069,679</b>	<b>336,948,379</b>

The maturity analysis in the table above reflects the historical behavior and actual repayment pattern of current accounts and deposits from customers and loans and advances to customers. The contractual and historical behaviour duration of these accounts as at 31 December 2025 was as follows respectively: loans to large companies – 4.26 years and 1.95 years, loans to small and medium size companies – 4.52 years and 2.87 years, mortgage loans – 15.56 years and 10.29 years, other consumer loans – 5.74 years and 3.34 years, corporate term deposits – 1.46 years and 2.50 years, retail term deposits – 0.83 years and 1.98 years. For the remaining captions the above table reflects contractual maturities. As at 31 December 2025 contractual maturity of current accounts and deposits from customers of AMD 1,222,028,123 thousand is from on demand to 12 months.

\* For management of negative short-term liquidity position the Group relies on the financial securities, which can be sold or pledged under repo agreements.

The table below shows an analysis, by maturities, of the amounts recognised in the consolidated statement of financial position as at 31 December 2024:

AMD'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Overdue	Total
<b>ASSETS</b>								
Cash and cash equivalents	198,947,225	-	-	-	-	-	-	198,947,225
Financial assets measured at fair value through profit or loss	42,762	896,231	4,034,322	18,402,105	6,665,195	71,838	-	30,112,453
Investment securities measured at fair value through other comprehensive income	-	109,811	7,826,039	7,985,835	3,037,487	498,138	-	19,457,310
Investment securities measured at amortised cost	35,558,682	6,091,558	32,984,994	62,335,698	17,933,445	-	-	154,904,377
Loans and advances to banks	187,228	-	-	-	-	85,103,387	-	85,290,615
Amounts receivable under reverse repurchase agreements	28,760,592	-	-	-	-	-	-	28,760,592
Loans to legal entities and individuals	36,378,357	65,980,557	258,299,942	567,784,380	318,994,558	-	7,149,535	1,254,587,329
Receivables from letters of credit	1,020	225,816	-	-	-	-	-	226,836
Receivables from finance leases	1,414,419	2,380,040	10,864,511	29,162,901	6,465,002	-	348	50,287,221
Receivables from factoring	1,249,584	1,456,922	2,130,025	-	-	-	-	4,836,531
Property, equipment and intangible assets	-	-	-	-	-	20,211,084	-	20,211,084
Right of use asset	-	-	-	-	-	10,977,803	-	10,977,803
Deferred tax asset	-	-	1,995,423	-	-	-	-	1,995,423
Repossessed assets	-	-	-	-	-	856,337	-	856,337
Other assets	20,631,604	352,225	40,547	28,159	238	3,931	-	21,056,704
<b>Total assets</b>	<b>323,171,473</b>	<b>77,493,160</b>	<b>318,175,803</b>	<b>685,699,078</b>	<b>353,095,925</b>	<b>117,722,518</b>	<b>7,149,883</b>	<b>1,882,507,840</b>
<b>LIABILITIES</b>								
Derivative financial liabilities	487,082	-	-	-	-	-	-	487,082
Amounts payable under repurchase agreements	30,040,451	15,024,401	-	-	-	-	-	45,064,852
Deposits and balances from banks	31,328,275	16,765,340	5,234,127	13,074,497	2,217,265	-	-	68,619,504
Current accounts and deposits from customers	365,041,219	132,565,060	195,513,345	422,987,239	6,106,125	-	-	1,122,212,988
Debt securities issued	546,286	17,551,906	45,210,564	95,375,962	4,468,486	-	-	163,153,204
Subordinated borrowings	-	701,756	1,374,129	15,767,912	10,152,400	-	-	27,996,197
Other borrowed funds	381,244	2,559,758	11,290,508	104,996,566	16,705,301	-	-	135,933,377
Lease liability	423,103	169,538	1,693,586	6,192,043	4,361,495	-	-	12,839,765
Current tax liability	-	-	9,344,009	-	-	-	-	9,344,009
Provision for credit related commitments	236,484	-	-	-	-	-	-	236,484
Other liabilities	8,436,700	3,991,357	27,904,022	-	-	-	-	40,332,079
<b>Total liabilities</b>	<b>436,920,844</b>	<b>189,329,116</b>	<b>297,564,290</b>	<b>658,394,219</b>	<b>44,011,072</b>	<b>-</b>	<b>-</b>	<b>1,626,219,541</b>
<b>Net position</b>	<b>(113,749,371)</b>	<b>(111,835,956)</b>	<b>20,611,513</b>	<b>27,304,859</b>	<b>309,084,853</b>	<b>117,722,518</b>	<b>7,149,883</b>	<b>256,288,299</b>

The maturity analysis in the table above reflects the historical behavior and actual repayment pattern of current accounts and deposits from customers and loans and advances to customers. The contractual and historical behaviour duration of these accounts as at 31 December 2024 was as follows respectively: loans to large companies - 4.3 years and 1.6 years, loans to small and medium size companies - 4.1 years and 2.7 years, mortgage loans - 16.1 years and 10.7 years, other consumer loans - 5.9 years and 3.5 years, corporate term deposits - 1.1 years and 2.2 years, retail term deposits - 0.7 years and 2.0 years. For the remaining captions the above table reflects contractual maturities. As at 31 December 2025 contractual maturity of current accounts and deposits from customers of AMD 1,026,098,169 thousand is from on demand to 12 months.

The key measure used by the Group for managing liquidity risk is the ratio of highly liquid assets to demand liabilities. For this purpose highly liquid assets include cash, nostro accounts, debt securities issued by the Government of Armenia, CBA and other corporate debt securities for which there is an active and liquid market, which are not pledged or the use of which is not restricted in any way. Demand liabilities include current accounts and demand deposits of customers, as well as any other liability that is payable on demand. The reported ratios of highly liquid assets to demand liabilities as at 31 December and during the reporting period are as follows:

	2025 AMD'000 Unaudited	2024 AMD'000 Unaudited
At 31 December	78.66%	77.80%
Average for December	80.11%	64.99%

The above ratio is also used to measure compliance with the liquidity limit established by the CBA which is set as not less than 60%.

## 32. Capital management

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

The Central Bank of Armenia sets and monitors capital requirements for the Bank. Under the current capital requirements set by the Central Bank of Armenia, banks have to maintain a minimum total capital of AMD 30,000,000 thousand (2024: AMD 30,000,000 thousand). The Bank is in compliance with minimum total capital requirements as at 31 December 2025 and 2024.

The Bank defines as capital those items defined by statutory regulation as capital for credit institutions. Under the current capital requirements set by the Central Bank of Armenia, which are based on Basle Accord principles, banks have to maintain a ratio of capital to risk weighted assets (statutory capital ratio) above the prescribed minimum level. As at 31 December 2025 and 2024, this minimum level was 11%. The Bank is in compliance with the statutory capital ratio as at 31 December 2025 and 2024.

The following table shows the composition of the capital position calculated in accordance with the Basel Capital Accord 1988, with subsequent amendments including the amendment to incorporate market risks, for December:

	2025 AMD'000 Unaudited	2024 AMD'000 Unaudited
Tier 1 capital	305,928,772	237,744,313
Tier 2 capital	55,145,840	35,603,984
<b>Total capital</b>	<b>361,074,612</b>	<b>273,348,297</b>
<b>Total risk weighted assets</b>	<b>2,127,632,168</b>	<b>1,649,750,778</b>
<b>Total capital expressed as a percentage of risk-weighted assets (total capital ratio)</b>	<b>16.97%</b>	<b>16.57%</b>

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for unrecognised contractual commitments, with some adjustments to reflect the more contingent nature of the potential losses.

## 33. Credit related commitments

The Group has outstanding credit related commitments to extend loans. These credit related commitments take the form of approved loans and credit card limits and overdraft facilities.

The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years.

The Group applies the same credit risk management policies and procedures when granting credit commitments, financial guarantees and letters of credit as it does for granting loans to legal entities and individuals.

The contractual amounts of credit related commitments are set out in the following table by category. The amounts reflected in the table for credit related commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted.

	2025 AMD'000	2024 AMD'000
<b>Contracted amount</b>		
Non-financial guarantees	77,016,487	63,454,300
Credit card commitments	81,640,452	43,596,446
Financial guarantees and letters of credit	53,108,130	28,732,368
Undrawn overdraft facilities	13,508,556	9,444,169
Undrawn loans and credit lines	-	1,141,283
	<b>225,273,625</b>	<b>146,368,566</b>
<b>Impairment allowance</b>	<b>(784,563)</b>	<b>(236,484)</b>

In addition to the above credit related commitments, the Group has undrawn loans and credit lines the withdrawal of which is subject to additional approval by the Group. The Group considers such balances as uncommitted. The total amount of such uncommitted balances as at 31 December 2025 comprised AMD 72,077,001 thousand (2024: AMD 40,848,271 thousand).

The total outstanding contractual credit related commitments above do not necessarily represent future cash requirements, as these credit related commitments may expire or terminate without being funded.

As at 31 December 2025 financial credit related commitments in the amount of AMD 224,868,795 thousand were allocated to Stage 1 (2024: AMD 146,356,650 thousand), AMD 1,893 thousand to Stage 2 (2024: AMD 11,862 thousand) and AMD 402,937 thousand to Stage 3 (2024: AMD 53 thousand).

The following table provides information as at 31 December 2025 and 2024 on credit related commitments of the clients which have respective rating calculated based on ICR model, all these commitments are qualified under Stage 1:

AMD'000	2025 AMD'000	2024 AMD'000
Credit related commitments to corporate customers		
Grade 1	3,300,340	-
Grade 2	1,697,081	53,536
Grade 3	262,729	3,780,897
Grade 4: A-C	7,357,557	14,614,064
Grade 5: A-C	1,731,746	450,153
Grade 6	79	1,111,000
Grade 7	-	-
Grade 8	-	-
	<b>14,349,532</b>	<b>20,009,650</b>

The following tables show reconciliations from the opening to the closing balances of the loss allowance for commitments for the years ended 31 December 2025 and 2024.

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Commitments				
Balance at 1 January	234,943	1,507	33	236,483
New exposures originated	2,530,667	-	-	2,530,667
Exposures expired	(2,254,861)	(3,647)	(28,328)	(2,286,836)
Transfer to Stage 1	23	(23)	-	-
Transfer to Stage 2	(105)	105	-	-
Transfer to Stage 3	(4,233)	-	4,233	-
Net remeasurement of loss allowance	271,085	2,422	30,742	304,249
<b>Balance at 31 December</b>	<b>777,519</b>	<b>364</b>	<b>6,680</b>	<b>784,563</b>

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Commitments				
Balance at 1 January	660,708	16	2,548	663,272
New exposures originated	1,107,134	-	-	1,107,134
Exposures expired	(1,066,110)	(308)	(2,662)	(1,069,080)
Transfer to Stage 1	2	(2)	-	-
Transfer to Stage 2	(1,313)	1,313	-	-
Transfer to Stage 3	(33)	-	33	-
Net remeasurement of loss allowance	(465,445)	489	114	(464,842)
<b>Balance at 31 December</b>	<b>234,943</b>	<b>1,508</b>	<b>33</b>	<b>236,484</b>

## 34. Contingencies

### (a) Litigation

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

### (b) Taxation contingencies

The taxation system in Armenia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. Taxes are subject to review and investigation by tax authorities, which have the authority to impose fines and penalties. In the event of a breach of tax legislation, no liabilities for additional taxes, fines or penalties may be imposed by tax authorities once three years have elapsed from the date of the breach.

These circumstances may create tax risks in Armenia that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Armenian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

## 35. Related party transactions

### (a) Control relationships

The shareholders of the Group as at 30 December 2025 are Lion Finance Group PLC (60%), JSC Bank of Georgia (30%) and EBRD (10%).

### (b) Transactions with key management personnel

Total remuneration included in personnel expenses for the year ended 31 December are as follows:

	2025 AMD'000	2024 AMD'000
Short-term employee benefits	4,241,178	11,494,008
Share based payments	4,805,629	-
	<b>9,046,807</b>	<b>11,494,008</b>

These amounts include benefits to key management personnel accrued in the consolidated statement of profit or loss and other comprehensive income of respective periods.

The outstanding balances and average effective interest rates as at 31 December 2025 and 2024 for transactions with key management personnel are as follows:

	2025 AMD'000	Average effective interest rate, %	2024 AMD'000	Average effective interest rate, %
<b>Consolidated statement of financial position</b>				
Loans and advances to customers – gross	831,292	10.29%	613,449	9.72%
Loans and advances to customers – ECL	(1,306)	-	(684)	-
Other assets	471	-	924	-
Current accounts and deposits from customers	1,106,286	5.30%	1,409,992	3.73%
Bonds	1,601,044	6.60%	1,329,216	6.61%
Other liabilities	2,432,836	-	9,700,053	-

Amounts included in profit or loss in relation to transactions with key management personnel for the year ended 31 December are as follows:

	2025 AMD'000	2024 AMD'000
<b>Profit or loss</b>		
Interest income	61,630	57,832
Interest expense	(149,360)	(94,217)

**(c) Transactions with other related parties**

The outstanding balances and the related average effective interest rates as at 31 December 2025 and related profit or loss amounts of transactions for the year ended 31 December 2025 with other related parties are as follows:

	Major shareholder		Shareholder with significant influence		Subsidiaries of the Major shareholder		Other entities related to Major shareholder and close members to key management and shareholders		Total AMD'000
	AMD'000	Average effective interest rate, %	AMD'000	Average effective interest rate, %	AMD'000	Average effective interest rate, %	AMD'000	Average effective interest rate, %	
<b>Consolidated statement of financial position</b>									
<b>Assets</b>									
Cash and cash equivalents	-	-	1,698,695	-	-	-	-	-	<b>1,698,695</b>
Derivative financial assets	-	-	1,014	-	20,803	-	-	-	<b>21,817</b>
Loans and advances to banks	-	-	109,000	-	-	-	-	-	<b>109,000</b>
Loans and advances to customers – gross	-	-	-	-	-	-	23,924	6.39%	<b>23,924</b>
Loans and advances to customers – ECL	-	-	-	-	-	-	(28)	-	<b>(28)</b>
Other assets	-	-	-	-	-	-	-	-	-
<b>Liabilities</b>									
Derivatives	-	-	221	-	-	-	-	-	<b>221</b>
Balances from banks	-	-	1,297,858	-	419,586	-	-	-	<b>1,717,444</b>
Current accounts and deposits from customers	-	-	-	-	-	-	-	-	-
- Current accounts and demand deposits	-	-	-	-	-	-	1,301,342	0.32%	<b>1,301,342</b>
- Term deposits	-	-	-	-	-	-	1,124,658	4.22%	<b>1,124,658</b>
Bonds issued	-	-	-	-	-	-	502,600	7.36%	<b>502,600</b>
Other borrowed funds	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	5,792	-	<b>5,792</b>
<b>Items not recognised in the consolidated statement of financial position</b>									
Guarantees received	-	-	-	-	-	-	-	-	-
<b>Profit/(loss)</b>									
Interest income	-	-	14,280	-	-	-	1,647	-	<b>15,927</b>
Interest expense	-	-	(176,741)	-	(211)	-	(65,234)	-	<b>(242,186)</b>
Other income	-	-	94,672	-	204,727	-	-	-	<b>299,399</b>
Other expenses	-	-	(17,397)	-	(79,815)	-	-	-	<b>(97,212)</b>

The outstanding balances and the related average effective interest rates as at 31 December 2024 and related profit or loss amounts of transactions for the year ended 31 December 2024 with other related parties are as follows:

	Major shareholder		Shareholder with significant influence		Subsidiaries of the major shareholder		Other entities related to major shareholder and close members to key management and shareholders		Total AMD'000
	AMD'000	Average effective interest rate, %	AMD'000	Average effective interest rate, %	AMD'000	Average effective interest rate, %	AMD'000	Average effective interest rate, %	
<b>Consolidated statement of financial position</b>									
<b>Assets</b>									
Cash and cash equivalents	-	-	349,857	-	-	-	-	-	<b>349,857</b>
Loans and advances to banks	-	-	74,219	-	-	-	-	-	<b>74,219</b>
Loans and advances to customers – gross	-	-	-	-	-	-	1,704,672	13.08%	<b>1,704,672</b>
Loans and advances to customers – ECL	-	-	-	-	-	-	(24,570)	-	<b>(24,570)</b>
Other assets	-	-	-	-	-	-	14,892	-	<b>14,892</b>
<b>Liabilities</b>									
Derivatives	-	-	90,700	-	-	-	-	-	<b>90,700</b>
Deposits and balances from banks	-	-	7,907	-	-	-	-	-	<b>7,907</b>
Current accounts and deposits from customers	-	-	-	-	-	-	-	-	-
- Current accounts and demand deposits	-	-	-	-	-	-	3,456,213	0.04%	<b>3,456,213</b>
- Term deposits	-	-	-	-	-	-	230,556	3.62%	<b>230,556</b>
Bonds issued	-	-	-	-	-	-	300,516	7.38%	<b>300,516</b>
Other borrowed funds	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
<b>Items not recognised in the consolidated statement of financial position</b>									
Guarantees received	-	-	-	-	-	-	-	-	-
<b>Profit/(loss)</b>									
Interest income	-	-	125	-	-	-	210,622	-	<b>210,747</b>
Interest expense	-	-	(44,211)	-	-	-	(425,749)	-	<b>(469,960)</b>
Other income	-	-	286,855	-	3,225	-	-	-	<b>290,080</b>
Other expenses	-	-	(5,045)	-	(24,398)	-	(3,873)	-	<b>(33,316)</b>

## Financial assets and liabilities: fair values and accounting classifications

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument;
- Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data;
- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 31 December 2025 the estimated fair values of all financial instruments except for loans and advances to customers, investment securities at amortised cost and other borrowed funds, subordinated liabilities and issued debt securities approximate their carrying values (2024: same). The fair value of loans and advances to customers and other borrowed funds and subordinated borrowings is categorised in Level 3 fair value hierarchy and fair value of investment securities measured at amortised cost is categorised in Level 1 and 2 in fair value hierarchy.

As at 31 December 2025 and 2024 the Group had outstanding borrowings from the Central Bank of Armenia denominated in AMD and bearing nominal interest rate of 5.5%-8.5% (Note 24). The loans are considered to be separate market segment loans, therefore the Group assesses that the loans are received at market rates.

The table below sets out the carrying amounts and fair values of loans and advances to customers and investment securities at amortised cost as at 31 December 2025 and 2024:

	Carrying amount AMD'000	Fair value AMD'000	Difference AMD'000
<b>2025</b>			
Loans and advances to customers	1,672,455,584	1,679,078,949	(6,623,365)
Investment securities measured at amortised cost	198,983,534	206,280,391	(7,296,857)
Other borrowed funds and subordinated liabilities	(293,481,550)	(299,699,808)	6,218,258
Debt securities issued	(167,840,072)	(169,798,357)	1,958,285
<b>Total</b>	<b>1,410,117,496</b>	<b>1,415,861,175</b>	<b>(5,743,679)</b>
<b>2024</b>			
Loans and advances to customers	1,309,937,917	1,310,304,053	(366,136)
Investment securities measured at amortised cost	154,904,377	156,635,106	(1,730,729)
Other borrowed funds and subordinated liabilities	(163,929,574)	(163,454,256)	(475,318)
Debt securities issued	(163,153,204)	(162,827,976)	(325,228)
<b>Total</b>	<b>1,137,759,516</b>	<b>1,140,656,927</b>	<b>(2,897,411)</b>

The table below analyses financial instruments measured at fair value and financial instruments for which fair values are disclosed as at 31 December 2025 by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position.

AMD'000	Level 1	Level 2	Level 3	Total
<b>Assets and liabilities measured at fair value</b>				
Financial instruments at fair value through profit or loss				
- Investment securities	74,160	-	-	74,160
- Debt and other fixed-income instruments	1,643,568	17,404,690	-	19,048,258
- Derivative assets	-	383,815	-	383,815
- Derivative liabilities	-	(178,471)	-	(178,471)
Amounts payable to other banks and financial institutions from reverse repurchase agreements (Note 29)				
	-	(6,193,120)	-	(6,193,120)
Financial assets at fair value through other comprehensive income				
- Investment securities	22,342,347	12,894,614	554,442	35,791,403
<b>Disclosed fair value of assets and liabilities measured at amortised cost</b>				
Loans and advances to customers	-	-	1,679,078,949	1,679,078,949
Investment securities measured at amortised cost	74,840,104	131,440,287	-	206,280,391
Other borrowed funds and subordinated liabilities	-	-	(299,699,808)	(299,699,808)
Debt securities issued	-	(169,798,357)	-	(169,798,357)
	<b>98,900,179</b>	<b>(14,046,542)</b>	<b>1,379,933,583</b>	<b>1,464,787,220</b>

During the current year, due to changes in market conditions, quoted prices in active markets were available for certain investment securities. Therefore, these securities, with a carrying amount of AMD 1,643,568 thousand measured at FVTPL, AMD 3,307,630 thousand measured at FVOCI were transferred from Level 2 to Level 1 of the fair value hierarchy (2024: no movement between levels).

The table below analyses financial instruments measured at fair value and financial instruments for which fair values are disclosed as at 31 December 2024, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position:

AMD'000	Level 1	Level 2	Level 3	Total
<b>Assets and liabilities measured at fair value</b>				
Financial instruments at fair value through profit or loss				
- Debt and other fixed-income instruments	-	29,997,552	-	29,997,552
- Derivative assets	-	114,901	-	114,901
- Derivative liabilities	-	(487,082)	-	(487,082)
Financial assets at fair value through other comprehensive income				
- Investment securities	-	18,959,172	498,138	19,457,310
<b>Disclosed fair value of assets and liabilities measured at amortised cost</b>				
Loans and advances to customers	-	-	1,310,304,053	1,310,304,053
Investment securities measured at amortised cost	-	121,133,745	-	156,635,106
Other borrowed funds and subordinated liabilities	-	-	(163,454,256)	(163,454,256)
Debt securities issued	-	(145,419,799)	(17,408,177)	(162,827,976)
	-	<b>24,298,489</b>	<b>1,129,939,758</b>	<b>1,189,739,608</b>

“AMERIABANK” CLOSED JOINT STOCK COMPANY

Address: 2 V. Sargsyan str., Yerevan Republic of Armenia

Tel.: (+37410) 56 11 11; Fax: (+37410) 56 11 66

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or transfer of liabilities.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm’s length.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. For financial instruments allocated to Level 2 the Group uses quoted prices for similar instruments in markets that are considered less than active.

The following assumptions are used by management to estimate the fair values of loans and advances to customers: discount rates of 5.84%-14.41% (2024: 7.1%-9.2%) for loans denominated in foreign currency and 12.87%-16.06% (2024: 11.6%-15.2%) for loans denominated in AMD, are used for discounting future cash flows from loans and advances to customers.

The following assumptions are used by management to estimate the fair values of investment securities measured at amortised cost - 7.4%-12.8% (2024: 8.5%-9.2%) for securities denominated in AMD and rates of 3.6%-11.9% (2024: 4.3%-7.3%) for securities denominated in foreign currency.

The following assumptions are used by management to estimate the fair values of other borrowed funds and subordinated borrowings - 10.5%-11.6% (2024: 10.5%-11.6%) for attracted funds denominated in AMD and rates of 3.4%-9.2% (2024: 4.5%-12.5%) for attracted funds denominated in foreign currency.

**STATEMENT OF THE RESPONSIBLE PERSONS OF THE REPORTING ISSUER**

Hereby we state, that to the best of our knowledge

- The information in the 2025 Annual Report of “Ameriabank” CJSC (hereinafter “the Issuer”) is accurate and complete and in all material aspects complies with the requirements of the Republic of Armenia Law on Securities Market and the Central Bank of Armenia Regulation 4/04.
- The presented annual audited financial statements for 2025 are composed in accordance with the International Financial Reporting Standards and, in all material aspects, completely and accurately reflect the Issuer’s assets and liabilities, financial position, profit and loss as of December 31, 2025 as well as Issuer’s financial performance and cash flows for the reporting period.

<b>Artak Hanesyan</b> (name, surname)	Chairman of the Management Board, CEO (position)	 (signature)
<b>Hovhannes Toroyan</b> (name, surname)	Member of the Management Board, CFO (position)	 (signature)
<b>Gohar Khachatryan</b> (name, surname)	Member of the Management Board, Chief Accountant (position)	 (signature)
<b>Gagik Sahakyan</b> (name, surname)	Member of the Management Board, Corporate and Investment Banking Director (position)	 (signature)
<b>Arman Barseghyan</b> (name, surname)	Member of the Management Board, Retail Banking Director (position)	 (signature)
<b>Armine Ghazaryan</b> (name, surname)	Member of the Management Board, Chief People and Services Officer (position)	 (signature)
<b>Andranik Barseghyan</b> (name, surname)	Member of the Management Board, Risk Management Director (position)	 (signature)

**37 Glossary of terms**

Abbreviation	Definition
IFRS	International Financial Reporting Standards
ISAs	International Standards on Auditing
IESBA Code	International Ethics Standards Board for Accountants International Code
CBA	Central Bank of Armenia
ALCO	Asset and Liability Management Committee
ECL	Expected credit loss
PD	Probability of default
LGD	Loss given default
EAD	Exposure at default
FVTPL	Financial instruments at fair value through profit or loss
FVOCI	Fair value through other comprehensive income
EIR	Effective interest rate
SPPI	Solely payments of principal and interest
EPS	Earnings per share
LTECL	Lifetime expected credit loss
12mECL	12-month expected credit loss
POCI	Purchased or originated credit-impaired
ICR	Internal credit rating

# Appendix

## Abbreviations

<b>ACCA</b>	Association of Chartered Certified Accountants	<b>CRM</b>	Customer Relationship Management	<b>IFRS</b>	International Financial Reporting Standards	<b>POS</b>	Point of Sale
<b>ACRA</b>	ACRA Credit Reporting CJSC	<b>CSR</b>	Corporate Social Responsibility	<b>IMF</b>	International Monetary Fund	<b>PP</b>	Percentage Points
<b>ADB</b>	Asian Development Bank	<b>DSCR</b>	Debt-Service Coverage Ratio	<b>INED</b>	Independent Non-Executive Director	<b>PROPARCO</b>	French Financial Development Institution (Promotion et Participation pour la Coopération Économique)
<b>AEA</b>	American Economic Association	<b>EAD</b>	Exposure at Default	<b>INSEAD</b>	European Institute of Business Administration	<b>RA</b>	Republic of Armenia
<b>ALCM</b>	Asset, Liability & Capital Management	<b>ECL</b>	Expected Credit Loss	<b>IPO</b>	Initial Public Offer	<b>REPO</b>	Repurchase agreement
<b>ALCO</b>	Assets and Liabilities Management Committee	<b>E&amp;S</b>	Environmental & Social	<b>IRR</b>	Internal Rate of Return	<b>RM</b>	Risk Management
<b>ALM</b>	Asset & Liability Management	<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amotization	<b>IT</b>	Information Technology	<b>RMD</b>	Risk Management Department
<b>AMD</b>	Armenian Dram	<b>EBRD</b>	European Bank for Reconstruction and Development	<b>KPI</b>	Key Performance Indicator	<b>ROA</b>	Return on Assets
<b>AML</b>	Anti-Money Laundering	<b>ECA</b>	Export Credit Agency	<b>KRI</b>	Key Risk Indicator	<b>ROAE</b>	Return on Average Equity
<b>AMLC</b>	Anti-Money Laundering Center	<b>EDFI</b>	European Development Finance Institutions	<b>L/C</b>	Letter of Credit	<b>ROE</b>	Return on Equity
<b>AMX</b>	Armenian Stock Exchange	<b>EIB</b>	European Investment Bank	<b>LCC</b>	Large Credit Committee	<b>RWA</b>	Risk Weighted Assets
<b>AZN</b>	Azerbaijani Manat	<b>EMEA</b>	Europe, Middle East and Africa	<b>LCR</b>	Liquidity Coverage Ratio	<b>S&amp;P</b>	Standard & Poor's
<b>API</b>	Application Program Interface	<b>EMG</b>	Emerging Markets Group	<b>LE</b>	Large Enterprise	<b>SACP</b>	Stand-Alone Credit Profile
<b>ARCA</b>	Armenian Card	<b>ESG</b>	Environmental, Social and Governance	<b>LGD</b>	Loss Given Default	<b>SBF</b>	French Stock Market Index
<b>ASX</b>	Australian Stock Exchange	<b>EU</b>	European Union	<b>LLC</b>	Limited Liability Company	<b>SCC</b>	Small Credit Committee
<b>ATM</b>	Automated Teller Machine	<b>EUR</b>	Euro	<b>LSE</b>	London Stock Exchange	<b>SDG</b>	Sustainable Development Goals
<b>BA</b>	Bachelor of Arts	<b>FCA</b>	Financial Conduct Authority	<b>LTD</b>	Limited Liability Company	<b>SEHK</b>	Stock Exchange of Hong Kong
<b>BC</b>	Business Center	<b>FI</b>	Financial Institution	<b>LTECL</b>	Lifetime Expected Credit Loss	<b>SEK</b>	Swedish Krona
<b>BCA</b>	Baseline Credit Assessment	<b>FMO</b>	The Netherlands Development Finance Company	<b>LTV</b>	Loan to Value	<b>SEUA</b>	State Engineering University of Armenia
<b>BCS</b>	Business Consulting Services	<b>FX</b>	Foreign Exchange	<b>M&amp;A</b>	Mergers & Acquisitions	<b>SME</b>	Small or Medium-Sized Enterprise
<b>BGEO</b>	Bank of Georgia Group PLC	<b>FY</b>	Financial Year	<b>MA</b>	Master of Arts	<b>SOFR</b>	Secured Overnight Financing Rate
<b>bln</b>	billion	<b>GBF</b>	Green Bond Framework	<b>MB</b>	Management Board	<b>SWOT</b>	Strengths, Weaknesses, Opportunities, and Threats
<b>bn</b>	billion	<b>GCPF</b>	Global Climate Partnership Fund	<b>MBA</b>	Master of Business Administration	<b>TFP</b>	Trade Facilitation Program
<b>BNPL</b>	Buy now pay later	<b>GDP</b>	Green Bond Principles	<b>MIS</b>	Management Information Systems	<b>UCO</b>	Universal Credit Organization
<b>BoD</b>	Board of Directors	<b>GEL</b>	Georgian Lari	<b>ML</b>	Machine Learning	<b>UK</b>	United Kingdom
<b>BPM</b>	Business Process Management	<b>GHG</b>	Greenhouse Gas	<b>mn</b>	Million	<b>UN</b>	United Nations
<b>BS</b>	Bachelor of Science	<b>GMS</b>	General Meeting of Shareholders	<b>NASDAQ</b>	National Association of Securities	<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>CAB</b>	Current Account Balance	<b>GTFP</b>	Global Trade Finance Program	<b>NED</b>	Non-executive Directors	<b>US</b>	United States
<b>CAGR</b>	Compound Annual Growth Rate	<b>HR</b>	Human Resource	<b>NII</b>	Net-Interest Income	<b>USA</b>	United States of America
<b>CAR</b>	Capital Adequacy Ratio	<b>HRM</b>	Human Resource Management	<b>NPA</b>	Non Performing Asset	<b>USAID</b>	United States Agency for International Development
<b>CB</b>	Central Bank	<b>HSBC</b>	Hongkong and Shanghai Banking Corporation Limited	<b>NPL</b>	Non Performing Loan	<b>USD</b>	United States dollar
<b>CBA</b>	Central Bank of Armenia	<b>IB</b>	Internet Banking	<b>NPS</b>	Net Promoter Score	<b>VISA</b>	American Card Payment Organization
<b>CBOT</b>	Chicago Board of Trade	<b>IB</b>	Investment Banking	<b>NYSE</b>	New York Stock Exchange	<b>VPOS</b>	Virtual Point of Sale
<b>CEE</b>	Central and Eastern Europe	<b>IBM</b>	International Business Machines	<b>ODDO BHF</b>	Franco-German Financial Services Group	<b>WB</b>	World Bank
<b>CEI</b>	Client Experience Index	<b>IBOR</b>	Interbank Offered Rate	<b>OeEB</b>	Development Bank of Austria	<b>YE</b>	Year End
<b>CF</b>	Corporate Finance	<b>IBX</b>	Interactive Brokers Platform	<b>OFID</b>	OPEC Fund for International Development	<b>YoY</b>	Year over Year
<b>CFA</b>	Chartered Financial Analyst	<b>ICAAP</b>	Internal Capital Adequacy Assessment Process	<b>OPEC</b>	Organization of The Petroleum Exporting Countries		
<b>CIB</b>	Corporate and Investment Banking	<b>ILAAP</b>	Internal Liquidity Adequacy Assessment Process	<b>OpLoss</b>	Operating Loss		
<b>CIS</b>	Commonwealth of Independent States	<b>ICMA</b>	International Capital Market Association	<b>OTC</b>	Over-The-Counter		
<b>CJSC</b>	Closed Joint-Stock Company	<b>IE</b>	Individual Entrepreneur	<b>PD</b>	Probability of Default		
<b>CPI</b>	Consumer Price Index	<b>IFC</b>	International Finance Corporation	<b>PhD</b>	Doctor of Philosophy		
<b>CPS</b>	Country Partnership Strategy	<b>IFI</b>	International Financial Institution	<b>PMP</b>	Project Management Professional		
<b>CRA</b>	Counterparty Risk Assessment			<b>POCI</b>	Purchased or Originated Credit Impaired		



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