



Ameriabank CJSC

Consolidated Financial Statements

For the fourth quarter of 2025

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Consolidated statement of comprehensive income

31-Dec-2025

Name of the Bank: Ameriabank CJSC

Address: Yerevan, Armenia 0010, V. Sargsyan 2, tel. 56 11 11

(thous. drams)

Item	Notes	01/10/2025- 31/12/2025	01/01/2025- 31/12/2025	01/10/2024- 31/12/2024	01/01/2024- 31/12/2024
Interest income calculated using effective interest rate	4	50,532,967	180,687,463	38,173,081	136,794,320
Other interest income	4	2,620,571	10,306,226	2,012,282	6,795,841
Interest expense	4	(20,359,972)	(71,749,824)	(14,030,742)	(49,770,188)
Net interest income		32,793,566	119,243,865	26,154,621	93,819,973
Fee and commission income	5	8,038,609	27,328,743	6,332,867	20,416,066
Fee and commission expense	5	(2,295,375)	(7,536,224)	(1,453,333)	(3,957,101)
Net fee and commission income		5,743,234	19,792,519	4,879,534	16,458,965
Net gain/(loss) on financial instruments at fair value through profit or loss	6	1,873,511	2,744,152	(474,073)	273,779
Net foreign exchange gain	7	4,370,412	19,618,268	7,774,027	23,729,562
Net gain on investment securities measured at fair value through other comprehensive income		168,300	172,655	56,897	258,605
Other operating income	8	2,199,456	2,990,252	1,878,148	3,866,671
Other operating expenses	8	(2,890,061)	(12,510,364)	(2,465,539)	(9,024,631)
Operating income		44,258,418	152,051,347	37,803,615	129,382,924
Net impairment losses on financial instruments	9	(1,326,743)	(3,879,494)	165,603	(1,586,075)
Other impairments and provisions	9	-	(14,228)	-	(18,752)
Operating income after impairment		42,931,675	148,157,625	37,969,218	127,778,097
Personnel expenses		(12,589,177)	(44,254,713)	(11,202,594)	(41,887,053)
Administrative expenses	10	(3,981,405)	(15,025,255)	(3,750,561)	(11,957,780)
Profit before income tax		26,361,093	88,877,657	23,016,063	73,933,264
Income tax expense	11	(4,784,292)	(16,268,662)	(4,607,145)	(13,903,928)
Profit for the period		21,576,801	72,608,995	18,408,918	60,029,336

Other comprehensive income, net of income tax					
Movement in fair value reserve for investment securities		480,896	932,146	(224,179)	471,628
- Net change in fair value		618,902	1,073,723	(177,524)	683,684
- Net amount reclassified to profit or loss		(138,006)	(141,577)	(46,655)	(212,056)
Other comprehensive income for the period, net of income tax		480,896	932,146	(224,179)	471,628
Total comprehensive income for the period		22,057,697	73,541,141	18,184,739	60,500,964

Earnings per share					
Basic	26	-	619.89	-	512.49
Diluted	26	-	619.89	-	512.49

Validation date 15.01.26

General Director-Chairman of the Management Board

Deputy Chief Accountant

Arak Hanesyan

Mher Kandalyan



Consolidated statement of financial position

31-Dec-2025

Name of the Bank: Ameriabank CJSC

Address: Yerevan, Armenia 0010, V. Sargsyan 2, tel. 56 11 11

(thous. drams)

Item	Notes	31/12/2025	31/12/2024 (audited)
Assets			
Cash and cash equivalents	12	109,462,529	198,947,225
Banking standardized bullions of precious metals		-	31,351
Financial assets measured at fair value through profit or loss	13	19,506,233	30,112,453
- Held by the Bank		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	13	35,791,403	19,457,310
- Held by the Bank		35,791,403	12,719,759
- Pledged under sale and repurchase agreements		-	6,737,551
Investment securities measured at amortised cost	13	198,983,534	154,904,377
- Held by the Bank		178,100,162	116,758,955
- Pledged under sale and repurchase agreements		20,883,372	38,145,422
Loans and advances to banks	14	163,933,651	85,290,615
Amounts receivable under reverse repurchase agreements	15	55,781,510	28,760,592
Loans and advances to customers	16	1,672,455,584	1,309,937,917
Property, equipment and intangible assets	17	24,738,034	20,211,084
Right of use asset	18	12,470,937	10,977,803
Deferred tax asset	11	12,085	1,995,423
Other assets	19	41,630,971	21,881,690
Total assets		2,334,766,471	1,882,507,840
Liabilities			
Derivative financial liabilities	13	178,471	487,082
Deposits and balances from banks	20	95,759,071	68,619,504
Amounts payable under repurchase agreements	25	23,365,343	45,064,852
Current accounts and deposits from customers	21	1,362,273,949	1,122,212,988
Debt securities issued	22	167,840,072	163,153,204
Other borrowed funds	23	256,571,872	135,933,377
Subordinated borrowings	23	36,909,678	27,996,197
Current tax liabilities	11	8,351,651	9,344,009
Provision for credit related commitments		784,561	236,484
Lease liability	18	14,692,281	12,839,765
Other liabilities	24	31,091,143	40,332,079
Total liabilities		1,997,818,092	1,626,219,541
Equity			
Share capital	26	54,466,380	54,466,380
Share premium		274,861	274,861
Revaluation reserve for investment securities		492,201	(439,945)
Additional paid-in capital	33	7,118,939	-
Retained earnings		274,595,998	201,987,003
Total equity		336,948,379	256,288,299
Total liabilities and equity		2,334,766,471	1,882,507,840

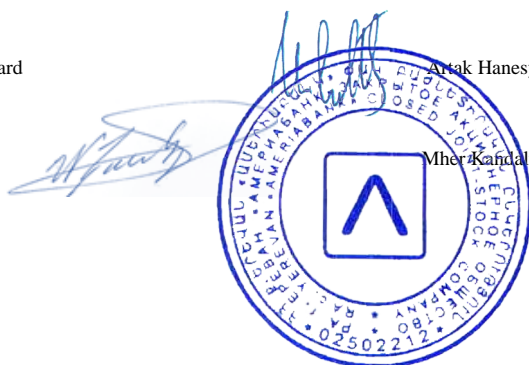
Validation date 15.01.26

General Director-Chairman of the Management Board

Artak Hanesyan

Deputy Chief Accountant

Mher Kandalyan



Consolidated statement of changes in equity
31-Dec-2025

Name of the Bank: Ameriabank CJSC

Address: Yerevan, Armenia 0010, V. Sargsyan 2, tel. 56 11 11

(thous. drams)

Item	Share capital	Share premium	Revaluation reserve for financial assets	Additional paid-in capital	Retained earnings	Total
Previous financial year (cumulative)						
Balance as of 01 January 2024	54,466,380	274,861	(911,573)	-	141,957,667	195,787,335
Profit for the period	-	-	-	-	60,029,336	60,029,336
Other comprehensive gain for the period	-	-	471,628	-	-	471,628
Total comprehensive income for the period	-	-	471,628	-	60,029,336	60,500,964
Issue of share capital	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-
Balance as of 31 December 2024	54,466,380	274,861	(439,945)	-	201,987,003	256,288,299
Current financial year (cumulative)						
Balance as of 01 January 2025	54,466,380	274,861	(439,945)	-	201,987,003	256,288,299
Profit for the period	-	-	-	-	72,608,995	72,608,995
Other comprehensive gain for the period	-	-	932,146	-	-	932,146
Total comprehensive income for the period	-	-	932,146	-	72,608,995	73,541,141
Issue of share capital	-	-	-	-	-	-
Increase in equity arising from share-based payments	-	-	-	7,118,939	-	7,118,939
Total transactions with shareholders	-	-	-	7,118,939	-	7,118,939
Balance as of 31 December 2025	54,466,380	274,861	492,201	7,118,939	274,595,998	336,948,379

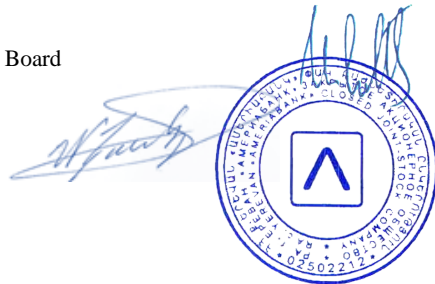
Validation date 15.01.26

General Director-Chairman of the Management Board

Artak Hanesyan

Deputy Chief Accountant

Mher Kandalyan



Consolidated statement of cash flows
31-Dec-2025

Name of the Bank: Ameriabank CJSC

Address: Yerevan, Armenia 0010, V. Sargsyan 2, tel. 56 11 11

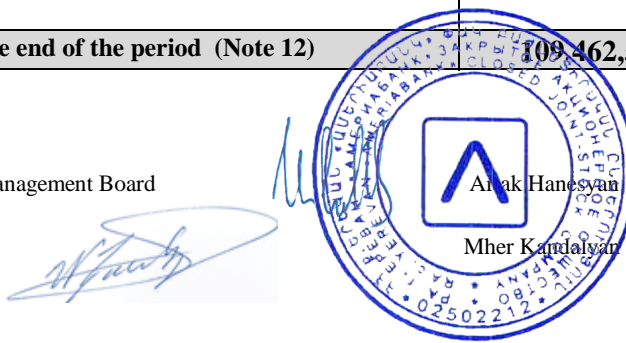
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Item	01/01/2025- 31/12/2025	01/01/2024- 31/12/2024
Cash flows from operational activities	x	x
Interests receipts	187,548,437	142,734,218
Interests payments	(64,092,396)	(47,477,944)
Fee and commissions receipts	27,328,743	20,210,576
Fee and commissions payments	(7,536,224)	(3,957,101)
Net receipts from financial assets at fair value through profit and loss	2,412,368	1,371,562
Net receipts from foreign exchange transactions	19,757,847	23,664,321
Other operating payments	(9,552,081)	(4,952,470)
Salaries and other payments to employees	(45,949,766)	(35,556,396)
Other general administrative expense payments	(8,302,749)	(6,788,827)
(Increase)/decrease in operating assets:		
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	(19,865,426)	(3,387,938)
Increase/(decrease) in other operating liabilities:		
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	(376,960)	3,605,914
Net cash from operating activities before income tax paid	(133,511,359)	(3,810,545)
Income tax paid	(15,475,054)	(12,173,885)
Cash flows from operational activities after profit tax	(148,986,413)	(15,984,430)
Cash flows from investing activities	x	x
Purchases of property and equipment and intangible assets	(9,842,747)	(9,013,580)
Net proceeds from investment securities measured at fair value through other comprehensive income	(14,979,127)	5,581,251
Net proceeds from investment securities measured at amortised cost	(45,433,440)	(57,868,657)
Cash flows used in investing activities	(70,255,314)	(61,300,986)
Cash flows from financing activities	x	x
Repayment of lease liabilities	(2,543,076)	(2,436,963)
Net receipts from other borrowed funds	126,193,380	104,074,030
Net receipts from debt securities issued	6,367,876	47,269,166
Cash flows from financing activities	130,018,180	148,906,232
Effect of changes in exchange rates on cash and cash equivalents	(292,318)	(6,016,740)
Effect of changes in impairment allowance on cash and cash equivalents	(182)	105
Net (decrease)/increase in cash and cash equivalents	(89,516,047)	65,604,181
Cash and cash equivalents at the beginning of the period (Note 12)	198,978,576	133,374,395
Cash and cash equivalents at the end of the period (Note 12)	109,462,529	198,978,576

Validation date 15.01.26

General Director-Chairman of the Management Board

Deputy Chief Accountant



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 of 2024 Bank of Georgia Group PLC and Bank of Georgia JSC acquired 90% of the Bank's shares.

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

	<u>31/12/2025</u>	<u>31/12/2024</u>
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%
	<u>100.00%</u>	<u>100.00%</u>

On 6 February 2025 Bank of Georgia Group PLC announced that it has changed its name to Lion Finance Group PLC.

As at 31 December 2025 and 31 December 2024 the parent company of the Group is Lion Finance Group PLC.

As at 31 December 2025 and 31 December 2024 the Group did not have ultimate controlling party.

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.

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

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

Related party transactions are detailed in Note 31.

(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, the parties met in Washington, D.C., in the presence of President Donald Trump and agreed to establish the "Trump Route for International Peace and Prosperity" (TRIPP), intended to enhance trade, energy transit, and regional connectivity through infrastructure such as railways, oil and gas pipelines, fiber-optic lines, and roads.

At the same time, the continuing Russia–Ukraine conflict 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 2024, high levels of economic activity, particularly the rapid growth in foreign trade turnover, continued to support this growth. The mentioned factors have resulted in 5.9% increase in GDP in 2024. 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. 2025 9-month GDP growth was 6.0% and, taking into account EAI monthly trends, annual growth is expected to be higher, which exceeds the expectations of both international organizations and the government at the beginning of the year. The government's 2021-2026 economic program aims to foster an export-oriented and investment-driven growth model through comprehensive reforms.

On 23 August 2024, Standard & Poor's credit rating agency reaffirmed Armenia's BB- rating with a "Stable" outlook. Additionally in June 2025 Moody's credit rating agency also reaffirmed Armenia's Credit Rating at Ba3 Level, with "Stabile" outlook.

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

The accompanying consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

(b) Basis of measurement

The consolidated financial statements are prepared on the 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 stated at fair value.

(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. The official CBA exchange rates as at 31 December 2025 and 31 December 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 could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 3(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.

Assumptions and estimation 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 27(c);
- estimates of fair values of financial assets and liabilities – Note 32.

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

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 Group 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 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 3 (e)(iv).

Presentation

Interest income calculated using the effective interest method presented in the 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 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 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 3 (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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

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)(iii)).

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial liabilities

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

Reclassification

Financial liabilities are not reclassified subsequent to their initial recognition.

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 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

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

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 in collateral or other credit enhancement;
- 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.

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;
- change in collateral or other credit enhancement;
- 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 27(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 27(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 27(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 3(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 27(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 statement of financial position

Loss allowances for ECL are presented in the 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 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 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.

Non-integral financial guarantee contracts

The Group assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Group considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower’s group.

If the Group determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Group considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Group determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in 'other assets'. The Group presents gains or losses on a compensation right in profit or loss in the line item 'impairment losses on debt financial assets'.

(f) Loans and advances to customers

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

- loans to customers, receivables from factoring and receivables from letter of credit measured at amortised cost (see Note 3(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 3(e)(iv)) 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 3(e)(iv)) 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 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.

(iv) Share-based payment transactions

Senior executives and employees who are considered as material risk takers of the Group receive share-based remuneration, whereby they render services and receive equity instruments of Lion Finance Group PLC ('equity-settled transactions') as consideration for the services provided.

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The awards of shares in monetary terms are measured by reference to the monetary value (as awarded).

The cost of equity-settled transactions is recognised together with the corresponding increase in equity as part of additional paid-in capital, 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 ('the 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 consolidated Income Statement charge or credit for the period represents the movement in cumulative expense recognized as at the beginning and end of that period.

(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 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 standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(i) 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 statement of profit or loss, the 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 financial statements, including for items currently labelled as "other".

(ii) Other accounting standards

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

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

4 Net interest income

	01/10/2025/ 31/12/2025	01/01/2025/ 31/12/2025	01/10/2024/ 31/12/2024	01/01/2024/ 31/12/2024
	AMD'000	AMD'000	AMD'000	AMD'000
Interest income calculated using effective interest rate				
Financial assets measured at amortised cost				
Loans and advances to customers	44,899,592	160,712,401	34,079,497	118,941,125
Investment securities measured at amortised cost	3,533,694	13,321,468	2,555,724	10,510,865
Amounts receivable under reverse repurchase agreements	1,113,121	2,798,938	527,265	2,114,923
Loans and advances to banks	342,990	1,443,182	342,646	1,971,135
Receivables from factoring	247,322	780,923	156,031	987,762
Receivables from letters of credit	4,738	7,100	3,972	34,539
Other	14,811	62,910	15,025	74,051
	50,156,268	179,126,922	37,680,160	134,634,400
Financial assets measured at fair value through other comprehensive income				
Investment securities measures at FVOCI	376,699	1,560,541	492,921	2,159,920
Interest income calculated using effective interest rate	50,532,967	180,687,463	38,173,081	136,794,320
Other interest income				
Receivables from finance leases	2,000,111	7,389,169	1,483,842	5,353,794
Investment securities measured at FVTPL	547,660	2,724,681	527,877	1,439,748
Derivative financial assets	72,800	192,376	563	2,299
Other interest income	2,620,571	10,306,226	2,012,282	6,795,841
Total interest income	53,153,538	190,993,689	40,185,363	143,590,161
Interest expense				
Current accounts and deposits from customers	12,199,459	41,889,124	8,244,413	29,705,362
Other borrowed funds and subordinated borrowings	3,125,118	10,882,125	970,419	4,027,282
Debt securities issued	2,839,661	10,586,191	2,609,566	8,918,961
Deposits and balances from banks	1,347,685	3,945,513	1,125,958	3,116,521
Amounts payable under repurchase agreements	286,062	2,514,124	661,254	2,381,625
Lease liabilities	375,635	1,441,944	343,531	1,394,083
Payables under letters of credit and issued guarantees	140,461	383,648	75,004	225,757
Other	45,891	107,155	597	597
Total interest expense	20,359,972	71,749,824	14,030,742	49,770,188
Net interest income	32,793,566	119,243,865	26,154,621	93,819,973

5 Net fee and commission income

	01/10/2025/ 31/12/2025	01/01/2025/ 31/12/2025	01/10/2024/ 31/12/2024	01/01/2024/ 31/12/2024
	AMD'000	AMD'000	AMD'000	AMD'000
Fee and commission income				
Plastic card servicing fees	5,420,974	17,472,483	3,778,935	11,663,342
Money transfers	1,015,194	3,634,838	909,633	3,272,987
Guarantee and letter of credit issuance	755,584	2,651,917	509,316	1,868,340
Cash withdrawal, account service and distance system services	492,182	1,935,069	489,844	1,947,445
Brokerage services and underwriting	245,788	1,180,619	325,903	1,027,800
Settlement operations	82,889	340,720	83,705	309,713
Other	25,998	113,097	235,531	326,439
Total fee and commission income	8,038,609	27,328,743	6,332,867	20,416,066
Fee and commission expense				
Plastic card maintenance	2,073,742	6,734,030	1,260,604	3,393,861
Money transfers	165,374	610,975	139,444	417,532
Charges from cash and non-cash transactions with the Central Bank and other financial institutions	29,408	97,659	32,365	87,903
Guarantee and letter of credit issuance	9,088	27,561	5,301	11,505
Other	17,763	65,999	15,619	46,300
Total fee and commission expense	2,295,375	7,536,224	1,453,333	3,957,101
Net fee and commission income	5,743,234	19,792,519	4,879,534	16,458,965

6 Net gain / (loss) on financial instruments at fair value through profit or loss

	01/10/2025/ 31/12/2025	01/01/2025/ 31/12/2025	01/10/2024/ 31/12/2024	01/01/2024/ 31/12/2024
	AMD'000	AMD'000	AMD'000	AMD'000
Net gain / (loss) from currency and interest rate derivative instruments	1,564,906	1,484,312	(475,079)	(73,214)
Net gain / (loss) from investment securities at fair value through profit or loss	308,605	1,259,840	1,006	346,993
	1,873,511	2,744,152	(474,073)	273,779

7 Net foreign exchange gain / (loss)

	01/10/2025/ 31/12/2025 AMD'000	01/01/2025/ 31/12/2025 AMD'000	01/10/2024/ 31/12/2024 AMD'000	01/01/2024/ 31/12/2024 AMD'000
Net gain on spot transactions	5,192,483	19,757,847	7,427,907	23,664,321
Net (loss) / gain from revaluation of financial assets and liabilities	(822,071)	(139,579)	346,120	65,241
	4,370,412	19,618,268	7,774,027	23,729,562

8 Net other operating income / expenses

	01/10/2025/ 31/12/2025 AMD'000	01/01/2025/ 31/12/2025 AMD'000	01/10/2024/ 31/12/2024 AMD'000	01/01/2024/ 31/12/2024 AMD'000
Other operating income	AMD'000	AMD'000	AMD'000	AMD'000
Income from advisory and arrangement services	1,878,080	1,931,138	1,577,803	3,023,508
Income from insurance agency	54,111	222,405	41,859	192,049
Net income from sale of repossessed assets	31,966	218,461	79,957	99,202
Income from referrals and other services	64,872	170,239	26,210	117,522
Income from payment system	42,596	126,429	-	-
Income from deposit boxes	23,579	101,701	26,958	103,486
Income from payment terminals	11,309	25,178	12,923	36,944
Income from reimbursement of legal cases	-	2,599	22,480	142,609
Income from insurance	-	-	408	24,525
Other	92,943	192,102	89,550	126,826
Total other operating income	2,199,456	2,990,252	1,878,148	3,866,671
	01/10/2025/ 31/12/2025 AMD'000	01/01/2025/ 31/12/2025 AMD'000	01/10/2024/ 31/12/2024 AMD'000	01/01/2024/ 31/12/2024 AMD'000
Other operating expenses	AMD'000	AMD'000	AMD'000	AMD'000
Payment system charges	862,231	5,577,084	848,090	3,653,253
Software maintenance	599,386	2,243,657	483,144	1,658,099
Guarantee payments to Armenian Deposit Guarantee Fund	420,940	1,516,030	355,509	1,364,300
Collateral registration charges	257,694	902,871	176,125	568,076
Fees for brokerage services	60,910	230,007	49,386	168,587
Credit register charges	88,665	204,613	38,503	150,830
Postal service charges	52,785	203,987	39,280	138,052
ATM service charge	40,899	157,418	37,671	144,635
Financial system mediator	47,107	155,880	35,762	123,525
Encashment	34,199	128,942	33,303	125,741
Depository services	23,339	97,970	25,667	102,322
Paid fees and penalties	26,817	95,323	30,215	88,465
Subscription fee	1,584	4,210	535	57,596
Other	373,505	992,372	312,349	681,150
Total other operating expenses	2,890,061	12,510,364	2,465,539	9,024,631

9 Net impairment losses on financial instruments

The table below shows the impairment losses on financial instruments recorded in the statement of profit or loss and other comprehensive income for the period 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)
Credit related commitments	542,577	(1,144)	6,647	548,080
Other financial assets	(90,172)	(200)	152,407	62,035
Total credit loss expense	3,226,268	415,071	238,155	3,879,494

The table below shows the impairment losses on financial instruments recorded in the statement of profit or loss and other comprehensive income for the period 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	(29,334)	-	-	(29,334)
Credit related commitments	(425,767)	1,494	(2,514)	(426,787)
Other financial assets	(55,280)	496	(43,216)	(98,000)
Total credit loss expense	14,695	(977,516)	2,548,896	1,586,075

10 Other general administrative expenses

	01/10/2025/ 31/12/2025 AMD'000	01/01/2025/ 31/12/2025 AMD'000	01/10/2024/ 31/12/2024 AMD'000	01/01/2024/ 31/12/2024 AMD'000
Depreciation and amortisation	1,808,728	6,722,506	1,394,572	5,168,953
Advertising and marketing	496,759	1,916,930	661,065	1,428,927
Staff training and other expenses	303,161	1,220,396	240,988	800,359
Repairs and maintenance	239,422	806,811	158,756	701,828
Professional services	193,240	771,840	372,941	853,250
Other lease expense	140,832	555,072	133,894	481,426
Unrecoverable taxes from lease agreements	118,925	467,941	104,996	435,602
Charity and sponsorship	73,948	425,270	239,907	336,535
Security	113,217	431,516	102,837	389,495
Business trips and representation	169,355	404,515	90,992	315,443
Loan recovery charges	26,812	196,332	31,645	105,736
Communications and information services	67,657	274,341	60,464	242,090
Electricity and utilities	46,243	209,128	41,132	179,359
Insurance	21,984	79,196	22,449	86,680
Office supplies	19,508	66,719	16,981	59,683
Taxes other than on payroll and income	23,752	58,693	14,166	48,255
Other	117,862	418,049	62,776	324,159
	3,981,405	15,025,255	3,750,561	11,957,780

11 Income tax expense

	01/10/2025/ 31/12/2025 AMD'000	01/01/2025/ 31/12/2025 AMD'000	01/10/2024/ 31/12/2024 AMD'000	01/01/2024/ 31/12/2024 AMD'000
Current tax expense	4,335,483	14,482,696	5,418,132	13,974,533
Movement in deferred tax assets and liabilities due to origination and reversal of temporary differences	448,809	1,785,966	(810,987)	(70,605)
Total income tax expense	4,784,292	16,268,662	4,607,145	13,903,928

In 2025 and 2024 the applicable tax rate for current tax is 18%.

Reconciliation of effective tax rate for the periods ended 31 December:

	01/01/2025 31/12/2025 AMD'000	%	01/01/2024 31/12/2024 AMD'000	%
Profit before income tax	88,877,657		73,933,264	
Income tax at the applicable tax rate	(15,997,978)	(18.00)	(13,307,988)	(18.0)
Non-deductible expenses	(270,684)	(0.30)	(595,940)	(0.81)
Total income tax expense	(16,268,662)	(18.30)	(13,903,928)	(18.81%)

(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 and net deferred tax liability accordingly as at 31 December 2025 and 31 December 2024.

The deductible temporary differences do not expire under current tax legislation.

Movements in temporary differences during the year ended 31 December 2025 and during the year ended 31 December 2024 are presented as follows:

AMD'000	Balance 1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2025
Financial instruments at fair value through profit or loss	(264,561)	15,141	-	(249,420)
Investment securities at fair value through other comprehensive income	140,406	(295,206)	(197,372)	(352,172)
Loans and advances to customers	(3,200,428)	(1,298,091)	-	(4,498,519)
Other financial instruments at amortised cost and provisions	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)
Total deferred tax asset / (liability)	1,995,423	(1,785,966)	(197,372)	12,085

AMD'000	Balance 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2024
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)
Total deferred tax asset	2,028,346	70,605	(103,528)	1,995,423

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.

12 Cash and cash equivalents

	31/12/2025 AMD'000	31/12/2024 AMD'000
Cash on hand	32,627,583	26,755,858
Nostro accounts with the Central Bank of Armenia	30,056,067	96,733,959
Nostro accounts with other banks		
– 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
Total nostro accounts with other banks	46,780,653	75,459,364
Total gross cash and cash equivalents	109,464,303	198,949,181
Credit loss allowance	(1,774)	(1,956)
Total net cash and cash equivalents	109,462,529	198,947,225

As at 31 December 2025, cash and cash equivalents separately include bank standardized bullion of precious metals, the balance of which is AMD 0 thousand (2024: AMD 31,351 thousand).

Cash and cash equivalents are fully in Stage 1 and measured at amortised cost as at 31 December 2025 and 31 December 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 (as at 31 December 2024 1 bank with AMD 59,415,677 thousand).

Nostro accounts with the Central Bank of Armenia are related to settlement activity (see Note 14) 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 31 December 2024, respectively.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents				
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
Balance at 31 December	1,774	-	-	1,774

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents				
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
Balance at 31 December	1,956	-	-	1,956

13 Investment securities and derivative financial assets

(a) Financial instruments measured at fair value through profit or loss

	31/12/2025 AMD'000	31/12/2024 AMD'000
Held by the Group		
Debt and other fixed-income instruments		
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
Total government bonds	7,080,117	16,177,835
Corporate bonds of Armenian companies		
- rated from Ba1 to Ba3	5,987,997	5,503,829
- rated from B1 to B3	-	-
- not rated	5,980,144	4,403,460
Total corporate bonds	11,968,141	9,907,289
Total debt and other fixed-income instruments Held by the Group	19,048,258	26,085,124
Corporate shares	74,160	71,838
Total investment securities measured at fair value through profit or loss	19,122,418	26,156,962

	31/12/2025 AMD'000	31/12/2024 AMD'000
Pledged under sale and repurchase agreements		
Government securities of the Republic of Armenia	-	3,840,589
Total investment securities pledged under sale and repurchase agreements measured at fair value through profit or loss	-	3,840,589
Total investment securities measured at fair value through profit or loss	19,122,418	29,997,551
	31/12/2025 AMD'000	31/12/2024 AMD'000
Derivative financial assets		
Currency and interest swaps	383,815	114,902
Total derivative financial assets	383,815	114,902
Total financial assets measured at fair value through profit or loss	19,506,233	30,112,453
Derivative financial liabilities		
Currency swaps	178,471	487,082
Total derivative financial liabilities	178,471	487,082

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.

(b) Investment securities measured at fair value through other comprehensive income

	31/12/2025 AMD'000	31/12/2024 AMD'000
Held by the Group		
Debt and other fixed-income instruments		
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	19,034,717	-
Total government bonds	32,800,062	10,337,266
Corporate bonds of Armenian companies		
- not rated	232,278	-
Corporate bonds of foreign companies		
- not rated	2,204,622	1,884,355
Total corporate bonds	2,436,899	1,884,355
Total debt and other fixed-income instruments	35,236,961	12,221,621
Equity investments		
Corporate shares	554,442	498,138
Total investment securities measured at fair value through other comprehensive income	35,791,403	12,719,759
Pledged under sale and repurchase agreements		
Government securities of the Republic of Armenia	-	6,737,551
Total investment securities pledged under sale and repurchase agreements measured at fair value through other comprehensive	-	6,737,551

	31/12/2025	31/12/2024
	AMD'000	AMD'000
income		
Total investment securities measured at fair value through other comprehensive income	35,791,403	19,457,310

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 31 December 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 31 December 2024, respectively. The loss allowance is not recognised in the statement of financial position as the carrying amount of debt investment securities measured at fair value through other comprehensive income is their fair value.

	2025			
	Stage 1	Stage 2	Stage 3	Total
AMD'000				
Debt investment securities at fair value through other comprehensive income				
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
Balance at 31 December	47,414	-	-	47,414

	2024			
	Stage 1	Stage 2	Stage 3	Total
AMD'000				
Debt investment securities at fair value through other comprehensive income				
Balance at 1 January	133,543	-	-	133,543
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	31,319	-	-	31,319
Balance at 31 December	104,209	-	-	104,209

(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
Im ID	Republic of Armenia	National identification platform	7.69%	7.69%	199,342	200,000
					554,442	498,138

As at 31 December 2025 and 31 December 2024 investments primarily include mandatory shares in payment systems. The Group's management believes that estimated fair values of these instruments approximates to their costs as at 31 December 2025 and 31 December 2024.

(c) Investment securities measured at amortised cost

	31/12/2025 AMD'000	31/12/2024 AMD'000
Held by the Group		
Debt and other fixed-income instruments		
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	34,283,299	35,580,145
Total government bonds	174,424,876	113,664,065
Corporate bonds of Armenian companies		
- rated from Ba1 to Ba3	2,516,262	2,516,513
- not rated	474,158	-
Corporate bonds of foreign companies		
- not rated	974,992	812,364
Total corporate bonds	3,965,412	3,328,877
Total debt and other fixed-income instruments Held by the Group	178,390,288	116,992,942
Credit loss allowance	(290,126)	(233,987)
Total net investment securities measured at amortised cost held by the Group	178,100,162	116,758,955
Pledged under sale and repurchase agreements		
Debt and other fixed-income instruments		
Government bonds of the Republic of Armenia	1,825,719	38,145,422
Government Eurobonds of the Republic of Armenia	19,057,653	-
Total investment securities pledged under sale and repurchase agreements measured at amortized cost	20,883,372	38,145,422
Total investment securities measured at amortized cost	198,983,534	154,904,377

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 one counterparty (2024: none counterparty except for the Government of the Republic of Armenia) whose balances exceed 10% of equity. The total amount of these balances as at 31 December 2025 was AMD 53,318,016 thousand.

Investment securities measured at amortised cost are fully in Stage 1 as at 31 December 2025 and 31 December 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 31 December 2024, respectively.

AMD'000	2025			Total
	Stage 1	Stage 2	Stage 3	
Investment securities at amortised cost				
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
Balance at 31 December	290,127	-	-	290,127

AMD'000	2024			Total
	Stage 1	Stage 2	Stage 3	
Investment securities at amortised cost				
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
Balance at 31 December	233,987	-	-	233,987

14 Loans and advances to banks

	31/12/2025 AMD'000	31/12/2024 AMD'000
Due from the Central Bank of Armenia		
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	-
Loans and deposits with other banks		
Armenian banks		
- rated from Ba1 to Ba3	-	-
- not rated	-	-
Other Banks		
- rated Aaa	-	-
- rated from Aa1 to Aa3	107,191	103,322

	31/12/2025 AMD'000	31/12/2024 AMD'000
- rated from Ba1 to Ba3	109,310	74,219
- rated from Baa1 to Baa3	2,547,931	-
- not rated	68,144	9,687
Total Loans and deposits with other banks	2,832,576	187,228
Total gross Loans and advances to banks	164,187,346	85,453,721
Credit loss allowance	(253,695)	(163,106)
Total net Loans and advances to banks	163,933,651	85,290,615

(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 withdrawal ability 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% (31 December 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 12) 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 (31 December 2024: AMD 74,943,993 thousand).

(b) Concentration of loans and advances to banks

As at 31 December 2025 and 31 December 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 31 December 2024. All the loans and advance to banks are measured at amortised cost as at 31 December 2025 and 31 December 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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks at amortised cost				
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)

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Amounts written off	-	-	-	-
Foreign currency adjustments	-	-	-	-
New assets originated or purchased	253,695	-	-	253,695
Balance at 31 December	253,695	-	-	253,695

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks at amortised cost				
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
Balance at 31 December	163,106	-	-	163,106

15 Amounts receivable under reverse repurchase agreements

	31/12/2025 AMD'000	31/12/2024 AMD'000
Amounts receivable from Armenian financial institutions, not rated	45,336,402	27,966,875
Amounts receivable from Armenian banks, not rated	10,445,108	793,717
Total gross amounts receivable under reverse repurchase agreements	55,781,510	28,760,592
Credit loss allowance	-	-
Total net amounts receivable under reverse repurchase agreements	55,781,510	28,760,592

As at 31 December 2025 and 31 December 2024 the Group has no counterparty whose balances exceed 10% of equity.

Amounts receivable under reverse repurchase agreements are from 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 31 December 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 (31 December 2024: AMD 27,528,215 thousand).

16 Loans and advances to customers

	Notes	31/12/2025 AMD'000	31/12/2024 AMD'000
Loans to legal entities	16(a)	970,918,395	750,040,207
Loans to individuals	16(a)	665,965,189	517,318,610
Receivables from factoring	16(b)	8,747,585	4,837,914
Receivables from letters of credit	16(c)	532	226,892
Total gross loans and advances to customers at amortised cost		1,645,631,701	1,272,423,623
Receivables from finance lease	16(d)	51,137,740	50,401,341
Credit loss allowance		(24,313,857)	(12,887,047)
Total net loans and advances to customers		1,672,455,584	1,309,937,917

(a) Loans to legal entities and individuals

	31/12/2025 AMD'000	31/12/2024 AMD'000
Loans to legal entities		
Loans to large companies	635,741,152	478,881,471
Loans to small and medium size companies	335,177,243	271,158,736
Total loans to legal entities	970,918,395	750,040,207
Loans to individuals		
Mortgage loans	393,166,285	347,937,666
Consumer loans to individuals	272,798,904	169,380,944
Total loans to individuals	665,965,189	517,318,610
Total gross loans to legal entities and individuals	1,636,883,584	1,267,358,817
Credit loss allowance	(23,877,560)	(12,771,488)
Total net loans to legal entities and individuals	1,613,006,024	1,254,587,329

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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans to legal entities				
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
Balance at 31 December	954,376,243	3,425,744	13,116,408	970,918,395

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans to legal entities				
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)
Balance at 31 December	734,914,479	779,078	14,346,650	750,040,207

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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans to legal entities				
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
Recognized in statement of profit or loss	1,312,846	196,866	(4,198,259)	(2,688,547)
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)	(117,067)	(117,096)
Balance at 31 December	6,141,894	368,062	4,783,692	11,293,648

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans to legal entities				
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
Recognized in statement of profit or loss	473,314	(1,191,437)	1,209,212	491,089
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)
Balance at 31 December	4,819,839	180,434	4,123,892	9,124,165

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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
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
Balance at 31 December	641,537,015	2,247,818	22,180,356	665,965,189

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
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
Balance at 31 December	510,990,926	2,319,238	4,008,446	517,318,610

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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
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
Recognized in statement of profit or loss	1,086,731	210,952	4,295,796	5,593,479
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
Balance at 31 December	2,719,549	654,651	9,209,711	12,583,911

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
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
Recognized in statement of profit or loss	279,222	211,931	1,504,270	1,995,423
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)
Balance at 31 December	1,632,919	443,993	1,570,411	3,647,323

(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 27.

	Stage 1 AMD'000	Stage 2 AMD'000	Stage 3 AMD'000	Total AMD'000
Loans to large corporate customers				
- not overdue	633,475,328	1,264,373	-	634,739,701
- overdue less than 30 days	-	-	-	-
- overdue more than 30 days and less than 90 days	-	-	-	-
- overdue more than 90 days	-	-	1,001,451	1,001,451
Total gross loans to large corporate customers	633,475,328	1,264,373	1,001,451	635,741,152
Credit loss allowance	(4,018,116)	(29,178)	(267,307)	(4,314,601)
Total net loans to large corporate customers	629,457,212	1,235,195	734,144	631,426,551
Loans to small and medium size companies				
- 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
Total gross loans to small and medium size companies	320,900,915	2,161,371	12,114,957	335,177,243
Credit loss allowance	(2,123,779)	(338,884)	(4,516,385)	(6,979,048)
Total net loans to small and medium size companies	318,777,136	1,822,487	7,598,572	328,198,195
Total gross loans to corporate customers	954,376,243	3,425,744	13,116,408	970,918,395
Total net loans to corporate customers	948,234,348	3,057,682	8,332,716	959,624,746

	Stage 1 AMD'000	Stage 2 AMD'000	Stage 3 AMD'000	Total AMD'000
Mortgage loans				
– 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
Total gross mortgage loans	382,352,761	771,817	10,041,707	393,166,285
Credit loss allowance	(388,793)	(61,069)	(2,336,283)	(2,786,145)
Total net mortgage loans	381,963,968	710,748	7,705,424	390,380,140
Consumer loans to retail customers*				
– 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
Total gross consumer loans to retail customers	259,184,254	1,476,001	12,138,649	272,798,904
Credit loss allowance	(2,330,756)	(593,582)	(6,873,428)	(9,797,766)
Total net consumer loans to retail customers	256,853,498	882,419	5,265,221	263,001,138
Total gross loans to retail customers	641,537,015	2,247,818	22,180,356	665,965,189
Total net loans to retail customers	638,817,466	1,593,167	12,970,645	653,381,278
Total gross loans to customers	1,595,913,258	5,673,562	35,296,764	1,636,883,584
Total net loans to customers	1,587,051,814	4,650,849	21,303,361	1,613,006,024

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
Loans to large corporate customers				
not overdue	475,976,146	90,004	1,708,256	477,774,406
overdue less than 30 days	-	-	-	-
– overdue more than 30 days and less than 90 days	-	-	1,107,065	1,107,065
– overdue more than 90 days	-	-	-	-
– Total gross loans to large corporate customers	475,976,146	90,004	2,815,321	478,881,471
– Credit loss allowance	(3,675,323)	(14,877)	(433,527)	(4,123,727)
Total net loans to large corporate customers	472,300,823	75,127	2,381,794	474,757,744
Loans to small and medium size companies				
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
– Total gross loans to small and medium size companies	258,938,333	689,074	11,531,329	271,158,736
– Credit loss allowance	(1,144,516)	(165,557)	(3,690,365)	(5,000,438)
Total net small and medium size companies	257,793,817	523,517	7,840,964	266,158,298
Total gross loans to corporate customers	734,914,479	779,078	14,346,650	750,040,207
Total net loans to corporate customers	730,094,640	598,644	10,222,758	740,916,042
Mortgage loans				

	Stage 1	Stage 2	Stage 3	Total
	AMD'000	AMD'000	AMD'000	AMD'000
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
– Total gross mortgage loans	344,742,114	1,147,127	2,048,425	347,937,666
– Credit loss allowance	(216,945)	(84,454)	(341,822)	(643,221)
Total net mortgage loans	344,525,169	1,062,673	1,706,603	347,294,445
Consumer loans to retail customers*				
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
– Total gross consumer loans to retail customers	166,248,812	1,172,111	1,960,021	169,380,944
– Credit loss allowance	(1,415,974)	(359,539)	(1,228,589)	(3,004,102)
Total net consumer loans to retail customers	164,832,838	812,572	731,432	166,376,842
Total gross loans to retail customers	510,990,926	2,319,238	4,008,446	517,318,610
Total net loans to retail customers	509,358,007	1,875,245	2,438,035	513,671,287
Total gross loans to customers	1,245,905,405	3,098,316	18,355,096	1,267,358,817
Total net loans to customers	1,239,452,647	2,473,889	12,660,793	1,254,587,329

* 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 and 31 December 2024 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 31 December 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
Total	35,296,764	3,568	26,996,439	546,930	2,333,766	(8,493,831)	21,386,872	13,909,892	13,993,403

31 December 2024

	Gross carrying amount	Estimated market value of collateral					Total collateral	Uncovered amount	Associated ECL
		Deposits	Real estate	Vehicles	Equip-ment	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
Total	18,355,096	-	18,131,170	402,475	7,955,067	(12,480,506)	14,008,206	4,346,890	5,694,303

Repossessed collateral

During the period 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 period ended 31 December 2025 (31 December 2024: AMD 264,641 thousand). As at 31 December 2025 and 31 December 2024, the repossessed collateral comprises:

	31/12/2025 AMD'000	31/12/2024 AMD'000
Real estate	726,302	911,336
Land	82,077	133,882
Other	7,519	23,091
Write down to net realisable value	(180,041)	(211,972)
Total repossessed collateral	635,857	856,337

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:

	31/12/2025 AMD'000	31/12/2024 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
Retail trade	74,696,181	56,341,876
Mining/metallurgy	87,429,310	56,721,565
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
Hotel services	16,013,015	16,576,420
Finance and investment	15,360,840	5,497,071
Manufacturing	16,810,953	11,829,864
Communication services	17,999,189	15,723,289
Other	45,666,698	35,902,385
Loans to individuals	665,965,189	517,318,610
	1,636,883,584	1,267,358,817
Credit loss allowance	(23,877,560)	(12,771,488)
	1,613,006,024	1,254,587,329

The geographical concentration of Group's loans to legal entities (net loans) is set out below:

	31/12/2025 AMD'000	31/12/2024 AMD'000
Armenia	957,477,135	737,824,826
OECD and EU	488	831,617
Other foreign countries	2,147,122	2,259,599
	959,624,745	740,916,042

(iv) Significant credit exposures

As at 31 December 2025 the Group has five groups of connected borrowers (31 December 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 (31 December 2024: AMD 186,787,569 thousand).

(v) Loan maturities

The maturity of the loan portfolio is presented in Note 27 (d), which shows the remaining period from the reporting date to the contractual maturity of the loans.

(b) Receivables from factoring

	31/12/2025 AMD'000	31/12/2024 AMD'000
Receivables from factoring	8,747,585	4,837,914
Credit loss allowance	(35,832)	(1,383)
	8,711,753	4,836,531

As at 31 December 2025 the Group has no customers whose balances exceed 10% of the Group's equity (31 December 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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Receivables from factoring				
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)
Balance at 31 December	8,714,997	32,588	-	8,747,585

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Receivables from factoring				
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
Balance at 31 December	4,837,914	-	-	4,837,914

As at 31 December 2025 and 31 December 2024 none of the balances of receivables from factoring were overdue.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Receivables from factoring				
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
Balance at 31 December	27,235	8,597	-	35,832

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Receivables from factoring				
Balance at 1 January	21,690	-	-	21,690

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
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)
Balance at 31 December	1,383	-	-	1,383

Receivables from factoring are secured by real estate, equipment and vehicles.

(c) **Receivables from letters of credit**

	31/12/2025 AMD'000	31/12/2024 AMD'000
Receivables from letters of credit from legal entities	532	226,892
Credit loss allowance	(3)	(56)
	529	226,836

As at 31 December 2025 the Group has no customers (31 December 2024: none), 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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Receivables from letters of credit				
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
Balance at 31 December	532	-	-	532

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Receivables from letters of credit				
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)
Balance at 31 December	226,892	-	-	226,892

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 31 December 2024.

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
Receivables from letters of credit				
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
Balance at 31 December	3	-	-	3

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Receivables from letters of credit				
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)
Balance at 31 December	56	-	-	56

(d) **Receivables from finance leases**

	31/12/2025 AMD'000	31/12/2024 AMD'000
Gross investment in finance leases receivable		
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
	65,949,930	65,294,436
Unearned finance income	(14,812,190)	(14,893,095)
Gross investment in finance lease receivables	51,137,740	50,401,341
Impairment allowance	(400,462)	(114,120)
Net investment in finance leases	50,737,278	50,287,221

The net investment in finance leases comprises

Less than one year	15,812,719	14,650,386
Between one and two years	12,361,922	12,683,621
Between two and three years	8,535,880	8,840,918
Between three and four years	4,720,819	5,045,160

	31/12/2025	31/12/2024
	AMD'000	AMD'000
Between four and five years	2,938,274	2,601,496
More than five years	6,367,664	6,465,640
	50,737,278	50,287,221

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 31 December 2024.

	2025			
	Stage 1	Stage 2	Stage 3	Total
AMD'000				
Receivables from finance lease				
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
Balance at 31 December	50,929,128	-	208,612	51,137,740

	2024			
	Stage 1	Stage 2	Stage 3	Total
AMD'000				
Receivables from finance lease				
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
Balance at 31 December	50,107,630	-	293,711	50,401,341

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 31 December 2024.

	2025			
	Stage 1	Stage 2	Stage 3	Total
AMD'000				
Receivables from finance lease				
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

AMD'000	2025			
	Stage 1	Stage 2	Stage 3	Total
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)	-	(364)	(460)
Unwinding of discount	-	-	(3,879)	(3,879)
Balance at 31 December	360,074	-	40,389	400,463

AMD'000	2024			
	Stage 1	Stage 2	Stage 3	Total
Receivables from finance lease				
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)
Balance at 31 December	101,434	-	12,686	114,120

(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	Stage 2	Stage 3	Total
	AMD'000	AMD'000	AMD'000	AMD'000
Receivables from finance leases				
- not overdue	50,929,130	-	127,738	51,056,868
- overdue less than 30 days	-	-	-	-
- overdue between 30 and 90 days	-	-	-	-
- overdue more than 90 days	-	-	80,873	80,873
Total gross receivables from finance leases	50,929,130	-	208,611	51,137,741
Credit loss allowance	(360,074)	-	(40,388)	(400,462)
Total net receivables from finance leases	50,569,056	-	168,223	50,737,279

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
Receivables from finance leases				
- not overdue	50,103,385	-	252,404	50,355,789
- overdue less than 30 days	4,245	-	-	4,245
- overdue between 30 and 90 days	-	-	-	-
- overdue more than 90 days	-	-	41,307	41,307
Total gross receivables from finance leases	50,107,630	-	293,711	50,401,341
Credit loss allowance	(101,434)	-	(12,686)	(114,120)
Total net receivables from finance leases	50,006,196	-	281,025	50,287,221

(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 (31 December 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:

	Gross carrying amount	Estimated market value of collateral				Total collateral	Net exposure	Associated ECL
		Real estate	Vehicles	Other	Surplus			
31 December 2025								
Finance lease	208,611	-	-	853,183	(691,735)	161,447	47,164	40,388
Total	208,611	-	-	853,183	(691,735)	161,447	47,164	40,388

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:

	Gross carrying amount	Estimated market value of collateral				Total collateral	Net exposure	Associated ECL
		Real estate	Vehicles	Other	Surplus			
31 December 2024								
Finance lease	293,712	-	202,066	542,381	(450,736)	293,712	-	12,686
Total	293,712	-	202,066	542,381	(450,736)	293,712	-	12,686

17 Property, equipment and intangible assets

AMD'000	Leasehold improvements	Computers and communication equipment	Fixtures and fittings	Motor vehicles	Intangible assets	Total
Cost						
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)
Balance at 31 December 2025	5,760,475	14,942,012	3,872,472	517,145	19,728,903	44,821,007
Depreciation and amortisation						
Balance at 1 January 2025	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)
Balance at 31 December 2025	2,863,880	8,756,923	2,070,819	326,219	6,065,132	20,082,973
Carrying amount						
At 31 December 2025	2,896,595	6,185,089	1,801,653	190,926	13,663,771	24,738,034
AMD'000	Leasehold improvements	Computers and communication equipment	Fixtures and fittings	Motor vehicles	Intangible assets	Total
Cost						
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)
Balance at 31 December 2024	5,388,272	11,895,982	3,581,681	456,012	14,513,809	35,835,756
Depreciation and amortisation						
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)
Balance at 31 December 2024	2,471,527	7,396,246	1,727,593	288,158	3,741,148	15,624,672
Carrying amount						
At 31 December 2024	2,916,745	4,499,736	1,854,088	167,854	10,772,661	20,211,084

18 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.

Information about leases for which the Group is a lessee is presented below:

(a) Right of use asset

	31/12/2025 AMD'000	31/12/2024 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
Balance at 31 December	12,470,937	10,977,803

(b) Amounts recognised in profit or loss

	31/12/2025 AMD'000	31/12/2024 AMD'000
Depreciation of right of use asset	1,460,514	1,328,094
Interest on lease liabilities	1,441,944	1,394,083

(c) Amounts recognised in the statement of cash flows

	31/12/2025 AMD'000	31/12/2024 AMD'000
Total cash outflow for leases	2,543,076	2,436,963

(d) Reconciliation of movements of liabilities to cash flows arising from financing activities

	31/12/2025 AMD'000	31/12/2024 AMD'000
Balance at 1 January	12,839,765	13,158,183
Changes from financing cash flows		
Repayments	(2,543,076)	(2,436,963)
Total changes from financing cash flows	(2,543,076)	(2,436,963)
Other changes		
Additions to lease liability	2,418,692	712,054
Modification	534,954	13,055
Interest expense	1,441,944	1,394,083
The effect of change in foreign exchange rates	-	(646)
Balance at 31 December	14,692,279	12,839,765

19 Other assets

	31/12/2025	31/12/2024
	AMD'000	AMD'000
Receivables from unsettled transactions	10,652,998	7,902,691
Brokerage accounts	1,674,337	1,099,007
Restricted accounts with clearing houses	1,952,936	1,965,723
Credit loss allowance	(67,741)	(24,003)
Total other financial assets at amortised cost	14,212,530	10,943,418
Prepayments to suppliers	26,384,768	9,763,433
Reposessed assets	635,895	856,337
Inventories	373,000	298,494
Other	24,778	20,008
Total other non-financial assets	27,418,441	10,938,272
Total other assets	41,630,971	21,881,690

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 31 December 2024.

	2025			
AMD'000	Stage 1	Stage 2	Stage 3	Total
Other financial assets at amortised cost				
Balance at 1 January	12,370	1,124	10,508	24,002
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(83)	84	(1)	-
Transfer to Stage 3	(2,449)	(31)	2,479	(1)
Net remeasurement of loss allowance	(87,640)	(253)	149,929	62,036
Write offs	-	-	(144,079)	(144,079)
Recoveries	-	-	125,781	125,781
Balance at 31 December	(77,802)	924	144,617	67,739

	2024			
AMD'000	Stage 1	Stage 2	Stage 3	Total
Other financial assets at amortised cost				
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
Balance at 31 December	12,370	1,124	10,509	24,003

20 Deposits and balances from banks

	31/12/2025 AMD'000	31/12/2024 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
	95,759,071	68,619,504

According to the agreement the Central Bank of Armenia provides loans to the Group, which in turn grants 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 no counterparty, except for the Central Bank of Armenia, whose balances exceed 10% of equity (31 December 2024: no counterparty).

21 Current accounts and deposits from customers

	31/12/2025 AMD'000	31/12/2024 AMD'000
Current accounts and demand deposits		
– Legal entities	489,945,581	435,534,065
– Individuals	307,611,860	262,684,032
Term deposits		
– Individuals	349,500,442	280,667,674
– Legal entities	215,216,066	143,327,217
	1,362,273,949	1,122,212,988

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 (31 December 2024: AMD 60,107,185 thousand).

As at 31 December 2025, the Group has one customer (31 December 2024: no customers) whose balances exceed 10% of equity. The gross value of the balances as 31 December 2025 is AMD 40,865,067.

22 Debt securities issued

	31/12/2025 AMD'000	31/12/2024 AMD'000
Domestic bonds issued	167,840,072	145,745,027
Green bonds issued to international financial institutions	-	17,408,177
	167,840,072	163,153,204

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 (31 December 2024: AMD, USD and EUR 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 is AMD 71,351,153 thousand, AMD 90,468,495 thousand and 6,020,424 thousand accordingly (31 December 2024 AMD 57,117,983 thousand AMD 85,256,979 thousand and AMD 3,370,066 thousand accordingly).

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

	31/12/2025	31/12/2024
	AMD'000	AMD'000
Balance at 1 January	163,153,204	118,069,175
Changes from financing cash flows		
Sale of debt securities issued	63,451,503	76,234,658
Repayment of debt securities issued	(57,083,626)	(28,965,492)
Total changes from financing cash flows	6,367,877	47,269,166
The effect of changes in foreign exchange rates	(1,709,866)	(2,504,861)
Other changes		
Interest expense	10,586,191	8,918,961
Interest paid	(10,557,334)	(8,599,237)
Balance at 31 December	167,840,072	163,153,204

23 Other borrowed funds and subordinated borrowings

	31/12/2025	31/12/2024
	AMD'000	AMD'000
Borrowings from international financial institutions	254,840,587	135,171,897
Borrowings from Armenian financial institutions	1,731,285	761,480
	256,571,872	135,933,377
Subordinated borrowings from international financial institutions	36,909,678	27,996,197
	36,909,678	27,996,197

(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: AMD 122,374,037 thousand).

(b) Subordinated borrowing

As at 31 December 2025 subordinated borrowings represent borrowings received from seven 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

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 31 December 2024.

(d) **Reconciliation of movements of liabilities to cash flows arising from financing activities**

AMD '000	Other borrowed funds	Subordinated borrowings
Balance at 1 January 2025	135,933,377	27,996,197
Changes from financing cash flows		
Receipt	150,222,873	7,816,994
Repayments	(31,846,487)	-
Total changes from financing cash flows	118,376,386	7,816,994
The effect of changes in foreign exchange rates	652,481	1,163,831
Other changes		
Interest expense	8,408,721	2,473,404
Interest paid	(5,675,498)	(2,501,663)
Other payments	(1,123,595)	(39,085)
Balance at 31 December 2025	256,571,872	36,909,678

AMD '000	Other borrowed funds	Subordinated borrowings
Balance at 1 January 2024	34,473,780	29,732,721
Changes from financing cash flows		
Receipt	129,780,529	-
Repayments	(25,706,499)	-
Total changes from financing cash flows	104,074,030	-
The effect of changes in foreign exchange rates	(1,421,750)	(1,730,640)
Other changes		
Interest expense	1,767,340	2,259,942
Interest paid	(2,960,023)	(2,265,826)
Balance at 31 December 2024	135,933,377	27,996,197

24 Other liabilities

	31/12/2025 AMD'000	31/12/2024 AMD'000
Payables in transit	8,581,234	7,254,461
Financial liabilities related to factoring contracts	33,633	67,548
Tarde payables	1,583,877	1,199,254
Payables to deposit guarantee fund	420,935	355,500
Other payables	856,055	1,166,080
Total other financial liabilities	11,475,734	10,042,843
Payables to staff	18,327,140	26,555,998
Other taxes payable	1,285,795	3,723,372
Deferred income	2,474	9,866
Total other non-financial liabilities	19,615,409	30,289,236

	31/12/2025 AMD'000	31/12/2024 AMD'000
Total other liabilities	31,091,143	40,332,079

25 Amounts payable under repurchase agreements

	31/12/2025 AMD'000	31/12/2024 AMD'000
Amounts payable to Central Bank of Armenia	-	30,040,451
Amounts payable to other Armenian banks	23,365,343	15,024,401
Total amounts payable under reverse repurchase agreements	23,365,343	45,064,852

(a) Concentration of amounts payable under repurchase agreements

As at 31 December 2025 and 31 December 2024, the Group has no counterparty except for the Central Bank of Armenia whose balances exceed 10% of equity.

26 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 (31 December 2024: 117,132). All shares have a nominal value of AMD 465 thousand (31 December 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 are restricted to the maximum retained earnings of the Group, which are determined according to legislation of the Republic of Armenia.

During fourth quarter of 2025 the Group has declared and paid no 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 (31 December 2024: AMD 60,029,336 thousand), and a weighted-average number of ordinary shares outstanding of 117,132 (31 December 2024: 117,132), calculated as shown below. The Group has no dilutive potential ordinary shares.

	2025	2024
	Number of shares	Number of shares
Issued shares at 1 January	117,132	117,132
Weighted average number of shares for the year ended 31 December	117,132	117,132
Earnings per share – basic in AMD ‘000	619.89	512.49
Earnings per share – diluted in AMD ‘000	619.89	512.49

27 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***

Interest rate benchmark reform

Overview

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Analysis of the interest gap position

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Asset and Liabilities Department in its day-to-day monitoring activities. A summary of the interest gap position for major financial instruments is as follows:

AMD'000	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years	Non-interest bearing or overdue	Carrying amount
31 December 2025							
Assets							
Cash and cash equivalents	-	-	-	-	-	109,462,529	109,462,529
Investment securities measured at fair value through other comprehensive income	21,184,887	152,773	-	9,794,668	4,108,379	550,696	35,791,403
Loans and advances to banks	163,933,651	-	-	-	-	-	163,933,651
Amounts receivable under reverse repurchase agreements	55,781,510	-	-	-	-	-	55,781,510
Loans and advances to customers	265,094,529	98,391,442	222,875,240	960,082,709	53,875,652	12,686,452	1,613,006,024
Receivables from letters of credit	532	-	-	-	-	-	532
Receivables from finance leases	5,226,670	5,059,550	8,666,940	27,896,073	3,845,607	42,438	50,737,278
Receivables from factoring	4,963,972	3,428,284	96,475	223,022	-	-	8,711,753
Investment securities measured at amortized cost	42,020,515	22,192,415	11,256,859	96,573,458	26,940,287	-	198,983,534
Total assets	558,206,266	129,224,464	242,895,514	1,094,569,930	88,769,925	122,742,115	2,236,408,214
Liabilities							
Deposits and balances from banks	(53,258,877)	(27,594,744)	(2,912,912)	(9,941,514)	(2,051,024)	-	(95,759,071)
Current accounts and deposits from customers	(104,850,342)	(103,401,331)	(216,219,010)	(131,107,108)	(9,138,716)	(797,557,442)	(1,362,273,949)
Debt securities issued	-	(24,319,399)	(24,268,355)	(113,656,008)	(5,596,310)	-	(167,840,072)
Subordinated borrowings	(661,479)	(380,875)	(1,430,186)	(8,815,326)	(25,621,812)	-	(36,909,678)
Other borrowed funds	(14,598,331)	(18,705,858)	(19,116,343)	(165,461,941)	(38,689,399)	-	(256,571,872)
Lease liabilities	(688,056)	(599,878)	(1,273,730)	(6,937,854)	(5,192,763)	-	(14,692,281)
Total liabilities	(174,057,087)	(175,002,085)	(265,220,536)	(435,919,751)	(86,290,024)	(797,557,442)	(1,934,046,923)
Net position	384,149,181	(45,777,621)	(22,325,022)	658,650,179	2,479,901	(674,815,327)	302,361,291

AMD'000	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years	Non-interest bearing or overdue	Carrying amount
31 December 2024							
Assets							
Cash and cash equivalents	-	-	-	-	-	198,947,225	198,947,225
Investment securities measured at fair value through other comprehensive income	84,508	7,463,087	-	7,976,003	3,933,712	-	19,457,310
Loans and advances to banks	85,290,615	-	-	-	-	-	85,290,615
Amounts receivable under reverse repurchase agreements	28,760,592	-	-	-	-	-	28,760,592
Loans and advances to customers	202,883,261	77,948,038	181,267,409	719,846,076	64,729,102	7,913,443	1,254,587,329
Receivables from letters of credit	226,836	-	-	-	-	-	226,836
Receivables from finance leases	4,794,475	4,617,727	8,635,145	28,451,093	3,759,394	29,388	50,287,222
Receivables from factoring	2,671,282	2,106,724	58,525	-	-	-	4,836,531
Investment securities measured at amortized cost	40,894,031	16,645,965	12,126,985	61,689,328	23,548,068	-	154,904,377
Total assets	365,605,600	108,781,541	202,088,064	817,962,500	95,970,276	206,890,056	1,797,298,037
Liabilities							
Deposits and balances from banks	(49,576,220)	(2,289,076)	(4,034,649)	(10,870,804)	(1,848,755)	-	(68,619,504)
Current accounts and deposits from customers	(94,812,272)	(70,246,617)	(162,821,183)	(96,108,555)	(6,265)	(698,218,096)	(1,122,212,988)
Debt securities issue	(16,144,840)	(5,312,688)	(35,671,881)	(100,298,089)	(5,725,706)	-	(163,153,204)
Subordinated borrowings	(694,620)	(352,997)	(1,008,818)	(15,689,131)	(10,250,631)	-	(27,996,197)
Other borrowed funds	(2,909,251)	(3,020,408)	(8,169,543)	(105,132,318)	(16,701,857)	-	(135,933,377)
Lease liabilities	(592,641)	(534,741)	(1,114,339)	(6,236,549)	(4,361,495)	-	(12,839,765)
Total liabilities	(164,729,844)	(81,756,527)	(212,820,413)	(334,335,446)	(38,894,709)	(698,218,096)	(1,530,755,035)
Net position	200,875,756	27,025,014	(10,732,349)	483,627,054	57,075,567	(491,328,040)	266,543,002

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
Interest earning assets						
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%	14.48%	8.60%	7.00%
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%	17.29%	10.65%	11.71%
Receivables from letter of credit	-	-	-	-	-	4.99%
Interest bearing liabilities						
Deposits and balances from banks	6.64%	4.71%	6.89%	6.26%	5.06%	-
Amounts payable under repurchase agreements	0.00%	4.36%	0.00%	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	0.00%	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 31 December 2024, is as follows:

	31/12/2025	31/12/2024
	AMD'000	AMD'000
100 bp parallel rise	(59,174)	(330,735)
100 bp parallel fall	59,174	330,735

An analysis of the sensitivity of equity as a result of changes in the fair value of financial instruments at fair value through other comprehensive income, based on positions existing as at 31 December 2025 and 31 December 2024 and a simplified scenario of a 100 bp symmetrical fall or rise in all yield curves, is as follows:

	33/12/2025	31/12/2024
	Equity	Equity
	AMD'000	AMD'000
100 bp parallel rise	(163,307)	(53,361)
100 bp parallel fall	163,307	53,361

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	EUR	Other	Total
	AMD'000	AMD'000	currencies	AMD'000
			AMD'000	
ASSETS				
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
Amounts receivable under reverse repurchase agreements	11,145,985	6,126,582	-	17,272,567
Loans and advances to banks	102,194,803	24,429,068	2,585,680	129,209,551
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
Total assets	764,903,790	262,950,274	18,384,114	1,046,238,178

	USD AMD'000	EUR AMD'000	Other currencies AMD'000	Total AMD'000
LIABILITIES				
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
Other financial liabilities	1,375,435	391,742	2,987	1,770,164
Total liabilities	698,709,790	286,312,832	24,903,290	1,009,925,912
Net position	66,194,000	(23,362,558)	(6,519,176)	36,312,266
Effect of derivatives	(62,352,165)	20,737,255	8,798,727	(32,816,183)
Net position	3,841,835	(2,625,303)	2,279,551	3,496,083

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
ASSETS				
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
Amounts receivable under reverse repurchase agreements	793,716	-	-	793,716
Loans and advances to banks	61,653,029	15,508,627	163,832	77,325,488
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
Total assets	621,258,388	179,962,246	9,668,966	810,889,600
LIABILITIES				
Deposits and balances from banks	36,098,317	11,014,434	1,720,707	48,833,458
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
Other financial liabilities	1,652,686	211,550	2,303	1,866,539
Total liabilities	599,939,692	174,663,518	20,850,906	795,454,116
Net position	21,318,696	5,298,728	(11,181,940)	15,435,484
Effect of derivatives	(23,858,451)	(7,450,020)	11,004,110	(20,304,361)
Net position	(2,539,755)	(2,151,292)	(177,830)	(4,868,877)

A weakening of the AMD, as indicated below, against the following currencies at 31 December 2025 and 31 December 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.

	31/12/2025	31/12/2024
	AMD'000	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 31 December 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.

(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 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 16.

The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in Note 29.

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. 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, banks, 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 stage 1 loans, the later consists about 55% 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 consolidated 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 segregated in following PD based ratings:

IRC
1 (the highest score)
2
3
4A
4B
4C
5A
5B
5C
6
7
8

The following table provides information on the credit quality of Stage 1 and Stage 2 corporate loans for which the Group implemented ICR model as at 31 December 2025:

	2025		
	Gross amount	Credit loss allowance	Net amount
AMD'000			
Loans and advances to corporate customers			
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	-	-	-
Total loans and advances to corporate customers	731,311,752	4,336,297	726,975,455

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 2024:

	2024		
	Gross amount	Credit loss allowance	Net amount
AMD'000			
Loans to corporate customers			
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	-	-	-
Total loans and advances to corporate customers	510,773,509	3,765,987	507,007,522

	2025		
	Gross amount	Credit loss allowance	Net amount
AMD*000			
Factoring receivables			
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	-	-	-
	6,921,596	24,236	6,897,360

The following table provides information on the credit quality of Stage 1 and Stage 2 finance leases for which the Group implemented ICR model as at 31 December 2025

	2025		
	Gross amount	Credit loss allowance	Net amount
AMD*000			
Finance lease to corporate customers			
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	-	-	-
Total loans and advances to corporate customers	19,338,076	147,172	19,190,904

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:

	2024		
	Gross amount	Credit loss allowance	Net amount
AMD*000			
Finance lease to corporate customers			
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	-	-	-
	16,019,101	39,685	15,979,416

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 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 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 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 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	Gross amounts of recognised financial asset/liability	Gross amount of recognised financial liability/asset offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position	
				Financial instruments	Net amount
Types of financial assets/liabilities					
Amounts receivable under reverse repurchase agreements	55,781,510	-	55,781,510	(55,781,510)	-
Total financial assets	55,781,510	-	55,781,510	(55,781,510)	-
Amounts payable under repurchase agreements	(23,365,343)	-	(23,365,343)	23,365,343	-
Total financial liabilities	(23,365,343)	-	(23,365,343)	23,365,343	-

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	Gross amounts of recognised financial asset/liability	Gross amount of recognised financial liability/asset offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position	
				Financial instruments	Net amount
Types of financial assets/liabilities					
Amounts receivable under reverse repurchase agreements	28,760,592	-	28,760,592	(28,760,592)	-
Total financial assets	28,760,592	-	28,760,592	(28,760,592)	-
Amounts payable under repurchase agreements	(45,064,852)	-	(45,064,852)	45,064,852	-

AMD'000	Gross amounts of recognised financial asset/liability	Gross amount of recognised financial liability/asset offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position	Financial instruments	Net amount
Types of financial assets/liabilities						
Total financial liabilities	(45,064,852)	-	(45,064,852)		45,064,852	-

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above tables are measured in the 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
Financial liabilities								
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	11,475,730	-	-	-	-	-	11,475,730	11,475,730
Total financial liabilities	916,392,876	93,768,943	187,289,106	288,942,871	492,565,971	140,305,783	2,119,265,550	1,968,887,996
Credit related commitments	224,489,061						224,489,061	224,489,061
Derivative financial liabilities (gross)	82,428,467						82,428,467	178,471

The maturity analysis for financial liabilities as at 31 December 2024 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
Financial liabilities								
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
Total financial liabilities	801,674,053	109,913,059	88,583,497	227,344,015	377,773,342	62,173,369	1,667,461,335	1,575,819,887
Credit related commitments	146,368,566	-	-	-	-	-	146,368,566	146,368,566
Derivative financial liabilities (gross)	39,083,615	-	-	-	-	-	39,083,615	487,082

Included in due to 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:

	31/12/2025	31/12/2024
	AMD'000	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
	349,500,442	280,667,674

The table below shows an analysis, by maturities, of the amounts recognised in the 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	From More than 5 years	No maturity	Overdue	Total
ASSETS								
Cash and cash equivalents	109,462,529	-	-	-	-	-	-	109,462,529
Financial assets measured at fair value through profit or loss	106,849	222,344	2,466,109	13,255,600	3,327,383	127,948	-	19,506,233
Investment securities measured at fair value through other comprehensive income	19,034,716	2,264,367	-	9,854,709	4,083,168	554,443	-	35,791,403
Investment securities measured at amortised cost	34,283,299	8,237,421	32,184,539	97,332,786	26,945,489	-	-	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
Other assets	40,471,432	429,813	51,151	38,487	406	639,682	-	41,630,971
Total assets	320,870,335	90,833,904	319,997,649	975,204,464	442,151,862	174,638,578	11,069,679	2,334,766,471
LIABILITIES								
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
Total liabilities	494,347,686	157,314,624	403,463,185	846,496,754	96,195,843	-	-	1,997,818,092
Net position	(173,477,351)	(66,480,720)	(83,465,536)	128,707,710	345,956,019	174,638,578	11,069,679	336,948,379

The table below shows an analysis, by maturities, of the amounts recognised in the 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
ASSETS								
Cash and cash equivalents	198,947,225	-	-	-	-	-	-	198,947,225
Banking standardized bullions of precious metals	31,351	-	-	-	-	-	-	31,351
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
Other assets	20,600,253	352,225	40,547	28,159	238	860,268	-	21,881,690
Total assets	323,171,473	77,493,160	318,175,803	685,699,078	353,095,925	117,722,518	7,149,883	1,882,507,840
LIABILITIES								
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 commitments	236,484	-	-	-	-	-	-	236,484
Other liabilities	8,436,700	3,991,357	27,904,022	-	-	-	-	40,332,079
Total liabilities	436,920,844	189,329,116	297,564,290	658,394,219	44,011,072	-	-	1,626,219,541
Net position	(113,749,371)	(111,835,956)	20,611,513	27,304,859	309,084,853	117,722,518	7,149,883	256,288,299

The maturity analysis in the tables above reflects the historical behavior and actual repayment pattern of current accounts from customers and deposits from customers and loans and advances to customers.

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%.

28 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 31 December 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 31 December 2024, this minimum level was 11%. The Bank is in compliance with the statutory capital ratio as at 31 December 2025 and 31 December 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
Total capital	361,074,612	273,348,297
Total risk weighted assets	2,127,632,168	1,649,750,778
Total capital expressed as a percentage of risk-weighted assets (total capital ratio)	16.97%	16.57%

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.

29 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.

	31/12/2025	31/12/2024
	AMD'000	AMD'000
Contracted amount		
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
	225,273,625	146,368,566
Impairment allowance	(784,561)	(236,484)

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 (31 December 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 (31 December 2024: AMD 146,356,651 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 tables show reconciliations from the opening to the closing balances of the loss allowance for commitments for the years ended 31 December 2025 and 31 December 2024.

AMD'000	2025			
	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
Balance at 31 December	777,519	364	6,680	784,563

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)
Balance at 31 December	234,943	1,508	33	236,484

30 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.

31 Related party transactions

(a) Control relationships

The shareholders of the Group as at 31 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 fourth quarters of 2025 and 2024 are as follows:

	31/12/2025 AMD'000	31/12/2024 AMD'000
Short-term employee benefits	4,241,178	11,494,008
Share based payments	4,805,629	-
	9,046,807	11,494,008

These amounts include benefits to key management personnel accrued in the 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 31 December 2024 for transactions with key management personnel are as follows:

	31/12/2025 AMD'000	Average effective interest rate, %	31/12/2024 AMD'000	Average effective interest rate, %
Statement of financial position				
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	5.24%
Other liabilities	2,432,836	-	9,700,053	-

Amounts included in profit or loss in relation to transactions with key management personnel for the fourth quarters of 2025 and 2024 financial years are as follows:

	31/12/2025 AMD'000	31/12/2024 AMD'000
Profit or loss		
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:

	Parent company		Shareholder with significant influence		Subsidiaries of the major shareholder company		Other entities related to major shareholder and other related parties		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, %	
Statement of financial position									
Assets									
Cash and cash equivalents	-	-	1,698,695	-	-	-	-	-	1,698,695
Derivative financial assets	-	-	1,014	-	20,803	-	-	-	21,817
Loans and advances to banks	-	-	109,000	-	-	-	-	-	109,000
Loans and advances to customers - gross	-	-	-	-	-	-	23,924	6.39%	23,924
Loans and advances to customers - ECL	-	-	-	-	-	-	(28)	-	(28)
Other asset	-	-	-	-	-	-	-	-	-
Liabilities									
Derivative financial liabilities	-	-	221	-	-	-	-	-	221
Deposits and balances from banks	-	-	1,297,858	-	419,586	-	-	-	1,717,444
Current accounts and deposits from customers	-	-	-	-	-	-	-	-	-
- Current accounts and demand deposits	-	-	-	-	-	-	1,301,342	0.32%	1,301,342
- Term deposits	-	-	-	-	-	-	1,124,658	4.22%	1,124,658
Bonds issued	-	-	-	-	-	-	502,600	7.36%	502,600
Other borrowed funds	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	5,792	-	5,792
Items not recognised in the statement of financial position									
Profit/(loss)									
Interest income	-	-	14,280	-	-	-	1,647	-	15,927
Interest expense	-	-	(176,741)	-	(211)	-	(65,234)	-	(242,186)
Other income	-	-	94,672	-	204,727	-	-	-	299,399
Other expenses	-	-	(17,397)	-	(79,815)	-	-	-	(97,212)

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 fourth quarter of 2024 with other related parties are as follows:

	Parent company		Shareholder with significant influence		Subsidiaries of the major shareholder company		Other entities related to major shareholder and other related parties		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, %	
Statement of financial position									
Assets									
Cash and cash equivalents	-	-	349,857	-	-	-	-	-	349,857
Loans and advances to banks	-	-	74,219	-	-	-	-	-	74,219
Loans and advances to customers - gross	-	-	-	-	-	-	1,704,672	13.08%	1,704,672
Loans and advances to customers - ECL	-	-	-	-	-	-	(24,570)	-	(24,570)
Other asset	-	-	-	-	-	-	14,892	-	14,892
Liabilities									
Derivative financial liabilities	-	-	90,700	-	-	-	-	-	90,700
Deposits and balances from banks	-	-	7,907	-	-	-	-	-	7,907
Current accounts and deposits from customers	-	-	-	-	-	-	-	-	-
- Current accounts and demand deposits	-	-	-	-	-	-	3,456,213	0.04%	3,456,213
- Term deposits	-	-	-	-	-	-	230,556	3.62%	230,556
Bonds issued	-	-	-	-	-	-	300,516	7.38%	300,516
Other borrowed funds	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Items not recognised in the statement of financial position									
Profit/(loss)									
Interest income	-	-	125	-	-	-	210,622	-	210,747
Interest expense	-	-	(44,211)	-	-	-	(425,749)	-	(469,960)
Other income	-	-	286,855	-	3,225	-	-	-	290,080
Other expenses	-	-	(5,045)	-	(24,398)	-	(3,873)	-	(33,316)

32 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 and subordinated liabilities approximate their carrying values (2024: loans and advances to customers and investment securities). 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 2 in fair value hierarchy.

As at 31 December 2025 and 31 December 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 20), 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 31 December 2024:

31/12/2025	Carrying amount AMD'000	Fair value AMD'000	Difference AMD'000
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 borrowings	(293,481,550)	(299,699,808)	6,218,258
Debt securities issued	(167,840,072)	(169,798,357)	1,958,285
Total	1,410,117,496	1,415,861,175	(5,743,679)

31/12/2024	Carrying amount AMD'000	Fair value AMD'000	Difference AMD'000
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 borrowings	(163,929,574)	(163,454,256)	(475,318)
Debt securities issued	(163,153,204)	(162,827,976)	(325,228)
Total	1,137,759,516	1,140,656,927	(2,897,411)

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.

AMD'000	Level 1	Level 2	Level 3	Total
Assets and liabilities measured at fair value				
Financial instruments at fair value through profit or loss				
- Investment securities	74,160	-	-	74,160
- Debt and other fixed-income instruments	-	19,048,258	-	19,048,258
- Derivative assets	-	383,815	-	383,815
- Derivative liabilities	-	(178,471)	-	(178,471)

AMD'000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
– Investment securities	19,034,717	16,202,244	554,442	35,791,403
Disclosed fair value of assets and liabilities measured at amortised cost				
Loans and advances to customers	-	-	1,679,078,949	1,679,078,949
Investment securities measured at amortised cost	34,281,003	171,999,388	-	206,280,391
Other borrowed funds and subordinated borrowings	-	-	299,699,808	299,699,808
Debt securities issued	-	169,798,357	-	169,798,357
	53,389,880	377,253,591	1,979,333,199	2,409,976,670

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.

AMD'000	Level 1	Level 2	Level 3	Total
Assets and liabilities measured at fair value				
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
Disclosed fair value of assets and liabilities measured at amortised cost				
Loans and advances to customers	-	-	1,310,304,053	1,310,304,053
Investment securities measured at amortised cost	35,501,361	121,133,745	-	156,635,106
Other borrowed funds and subordinated borrowings	-	-	(163,454,256)	(163,454,256)
Debt securities issued	-	(145,419,799)	(17,408,177)	(162,827,976)
	35,501,361	24,298,489	1,129,939,758	1,189,739,608

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 Armenian drams, 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 Ameriabank CJSC Notes to, and forming part of, the consolidated financial statements for the fourth quarter 2025 funds and subordinated borrowings – 10.5-11.6% (2024: 10.5% - 11.6%) discount rates are applied to funds denominated in Armenian drams and 3.4%-9.2% (2024: 4.5% - 12.5%) discount rates are applied to funds denominated in foreign currencies.

33 Additional Paid-in Capital

Share-based payments

In 2025 the Bank introduced CJSC Ameriabank Directors' Remuneration Policy and CJSC Ameriabank Material Risk Takers' Remuneration Policy. These policies were introduced as part of ultimate group similar policies where another group company, JSC BGEO Group, has the legal obligation to settle the awards. In granting the awards, the Bank acts as the agent of the parent and the ultimate parent.

Under the new policy, part of the remuneration 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.

As for the variable share remuneration, it is awarded annually in the form of nil-cost options over the shares of Lion Finance Group PLC and is also fixed in monetary terms. Such awards are subject to vesting and holding periods.

34 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
IMF	International Monetary Fund
CBA	Central Bank of Armenia
ALCO	Asset and Liability Management Committee
FCA	Financial Conduct Authority
ECL	Expected credit loss
PD	Probability of default
LGD	Loss given 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 months expected credit loss
POCI	Purchased or originated credit-impaired
EAD	Exposure at default
SOFR	Secured Overnight Financing Rate
LIBOR	London Interbank Offered Rate
EURIBOR	Euro Interbank Offer Rate
ICR	Internal credit rating