

“ARMECONOMBANK” OJSC 2025 2<sup>nd</sup>

Quarter Interim Financial Report

**Appendix 5 Approved by Resolution  
N205 of the Board of the Central Bank  
of Armenia Dated on 10 July 2007**

**NOTES TO THE INTERIM REPORTS PUBLISHED IN THE 2<sup>nd</sup> QUARTER OF 2025  
“ARMECONOMBANK” OJSC 23/1 AMIRYAN STR., YEREVAN**

**ARMECONOMBANK**

## **Note 1. “Legal Field and Corporate Governance”**

### **Legal Field**

“ARMECONOMBANK” OJSC (hereinafter the Bank) founded in 1991, is the successor of former USSR “Zhilsotsbank” Armenian Republican Bank (1991-1993 “Armstatecombank”) and was reorganized as an open joint stock company in 1995 and operated on the basis of the legislation of the Republic of Armenia (hereinafter RA). The bank was registered by the Central Bank of Armenia (hereinafter the CBA) with No1 License number.

The Head office of the Bank and 31 branches are located in Yerevan, another 22 branches in regions. The legal address of the Bank is 23/1 Amiryan Str., Yerevan.

### **Main Activities**

As a universal financial institution, “ARMECONOMBANK” OJSC offers its customers a comprehensive package of services. The prevailing part of the Bank’s activities falls to lending. The Bank offers lending to almost all sectors of the economy conditioned with the level of the risk and the prospect of the given project. The Bank actively operates in the area of lending with international lending programs. The Bank extends commercial, consumer and mortgage loans.

### **Business Environment**

Political and economic changes are very common in Armenia. As an emerging market, Armenia does not have a perfect business environment and corresponding sub-structures which usually exist in countries having free market economy.

Moreover, these conditions set limits to the volumes of transactions in financial markets and real values of the transactions may not comply with the performed transactions. The main obstacle of further economic development is the low level of economic and institutional development paralleled with territorial instability, centralized economic base and impact of international economic crisis.

International economic crisis led to reduction of GDP of Armenia as well as that of transfers from abroad on which Armenian economy depends much.

### **Corporate Governance**

Bank management bodies are: Shareholders’ General Meeting as the highest body of Bank management, the Board, the Management and the CEO.

Structure and Members of the Board

#### **Chairman of the Board**

S. Sukiasyan

#### **Members of the Board**

H. Suvaryan

A. Khachatryan

L. Petrosyan

A. Melikyan

Per Fischer

**Structure and Members of the Bank’s Management**

CEO

A. Arakelyan

Deputy CEO

R. Badalyan

Deputy CEO

O. Chichyan

Deputy CEO

V. Ghazaryan

Deputy CEO

A. Pilosyan

Chief Accountant

N. Galstyan

Head of Legal Department

V. Jhangiryan

Head of Risk Department

H. Matevosyan

**The Structure of the Bank’s Property and the Number of Shareholders/Participants at the end of the Accounting Period**

As of 30/06/2025 the Chartered capital amounts to AMD 31,578,015 thous. It includes 12,119,719 common shares each with AMD 2,080 and 424,600 preferred shares with AMD 15,000 nominal value per share.

## Main Participants

Sukiasyan Saribek Albert	25.99%
Sukiasyan Eduard Albert	13.01%
Sukiasyan Khachatur Albert	12.45%

### Remuneration Policy of the Bank’s Management

No special policy for the Bank’s management remuneration is applied at the Bank. The remuneration of top management is made based on the staff list approved by the Board.

### Payments to Statutory Auditors

The Bank’s statutory auditors are presented to the General Meeting of the Bank Shareholders and elected by the latter. And the size of their remuneration is established by the Bank Board.

## Note 2. “Accounting Policy”

### Preparation and Submission of “ARMECONOMBANK” OJSC Financial Statements

Financial statements are formed and submitted in compliance with RA Legislation and sub- legislative acts, the principles of forming of financial statements published by the Board of Financial Accounting Standards, guidelines of applying the principles, and the legal acts approved by the Board of the Central Bank. The financial statements are formed on the basis of the bank’s accounting.

The statements are made in thousands of Armenian drams without decimal units.

The accounting year for financial statements is the period from 1 January to 31 December inclusive.

Financial statements are prepared based on the principle of fair value for financial assets and liabilities carried at fair value and adjusted by financial results, as well as for available-for-sale assets, except the ones the fair value of which can’t be decided. Financial statements for other financial as well as non-financial assets and liabilities are prepared under their historical value.

The financial statements of the Bank (except the Statement on Cash flows) are prepared on accrual basis.

### Recognition of Income and Expenses

Interest incomes and expenses for all interest earning financial tools, except tools accounted for real value reappraised by profit/loss, in reports on financial results, using effective interest rate method are recognized as “interest income” and “interest expense.

Registration of interests for overdrafts, overnights, credit lines, corresponding accounts, bank accounts, demand deposits is implemented by linear way, if the bank cannot foresee future cash flows of these assets. Registration of interests of depreciated loans is not stopped. If balance sheet value of the financial asset or group of similar financial assets decreases because of losses from depreciation, the interest income continues to be recognized towards new balance sheet value.

Amounts receivable as fines and penalties are added to incomes every day. Corresponding agreements are basis for calculation of size of added amount.

Based on corresponding agreement amounts payable by the bank as fines and penalties are recognized as expenses every day.

After adjusting the effective interest rate of the given loan, fees charged for the loans provision (along with the correspondent expenses) are charged back

Other incomes and expenses especially rentals, advertisement, building maintenance, technical service liabilities, as well as costs of fuel for vehicles are reflected in the Statement on Financial Results on accrual basis

taking into account the relevant contract, or payments of the previous period. The accrual of non-interest expenses up to AMD 10,000 is performed on the last working day of each month, while the accrual of non-interest expenses exceeding AMD 10,000 is made daily. The accrual of expenses on holiday payments is made daily.

Amortized deductions on fixed assets (including those received from financial leasing), capital investments for leased property and intangible assets are performed each day in amounts defined by this policy and are adjusted on the last working day of each month. Dividends are entered into the Statement on Financial Results according to accrual principle at the moment they are declared.

### **Foreign Exchange Operations Accounting**

Transactions concluded in foreign currency are recalculated in accordance with operational currency - exchange rate of transaction date. Monetary assets and liabilities denominated in foreign currencies are revaluated at the average exchange rate set by the Central Bank of Armenia on the balance sheet date. The gains and losses from foreign currency transactions and from revaluation of monetary assets and liabilities denominated in foreign currencies are reflected in the Statement on Financial Results as income and expenses. Foreign currency non cash assets and liabilities, presented in their prime value, are translated into their AMD equivalent by the exchange rate of transaction date.

The foreign exchange sale and purchase rates are defined taking into account the rates established at inter-bank market, offer and demand volumes within the territory of the Republic of Armenia, other factors (forecasts based on market research, force-majeure circumstances, etc.). When establishing the exchange rates, the rates operative in foreign exchange International market at that moment and those reflected in other systems are also taken into account, besides the aforementioned factors.

### **Tax Accounting**

Accounting on income tax, value added tax, property tax, land tax and obligatory social insurance payments should be carried out in compliance with RA Tax Legislation.

The income tax of the accounting period comprises current and deferred taxes.

The amount of current income tax is computed in accordance with requirements set forth in RA Legislation, the liability of income tax is accrued towards the tax profit for each day (taking into account non-deductible expenses from income in compliance with the law "On Profit tax") and on the last working day of each month it is being adjusted.

Deferred taxes, if any, occur on temporary differences between the tax base of an asset or liability or its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. Deferred income tax liabilities, if any, resulting from temporary differences are provided for in full. Deferred income tax assets are recorded to the extent that there is a reasonable expectation that these assets will be realized.

Deferred tax is recorded in the financial statement, except taxes, the transaction results of which have already been recorded in the capital, in which case the tax is also recorded in the capital. Deferred tax amounts are recorded on the last working day of each quarter.

Income tax assets and liabilities are offset when the Bank:

- Has a legally enforceable right to set off the recognized amounts of current tax assets and current tax liabilities,
- Has an intention to make the settlement on a net basis, or to realize the asset and settle the liability simultaneously,

- The deferred tax asset and deferred tax liability relate to profit taxes levied by the same taxation authority in each future period in which significant amounts of deferred tax liabilities or assets are anticipated to be settled or recovered.

### **Cash and Cash Equivalents**

The booking of the Bank’s actual cash interflows (deposits) and/or outflows (withdrawals) is made by the nominal value of currencies, on the basis of payment documents duly prepared, stipulated by the procedure regulating teller operations, and other procedures and legal acts of the Bank.

The statement on cash flows is made by indirect method.

Cash and cash equivalents consist of cash drafts, funds kept in Central Bank of Armenia (except amounts deposited for mutual settlement through ARCA clearing system) and amounts of other banks, which may be converted into cash in short period and are not exposed to considerable risk of change of value.

### **Financial Instruments**

IFRS 9 “Financial Instruments” entered into force on 01 January 2018 and is applicable for the accounting periods beginning after that date. The Bank has applied the new standard recognizing cumulative impact of transition on the non-distributed profit at the beginning of the accounting year and without recalculating the comparative information.

The Bank recognizes financial assets and liabilities on its balance sheet, when and only when it becomes the counterparty of that Instrument. Financial assets’ regular sales or purchases are accounted as of the date of the transaction.

According to IFRS 9, all financial debts, which do not comply solely with the principle and interest payment standards, during the initial recognition are classified as financial assets calculated at fair value through profit or loss.

For financial debts corresponding solely to the Principle and interest payment standards, the classification during the initial recognition is determined based on the business model pursuant to which these models are managed by:

- instruments held to receive contractual cash flows calculated at amortized value
- instruments available for sale and held for receiving contractual cash flows rated at fair value through other comprehensive income
- instruments held for other purposes, including commercial financial assets –calculated at fair value through profit or loss.

During the initial recognition equity financial assets shall be classified as assets calculated at real value through profit or loss, except when a decision is made, without the right of further review, to classify them into assets calculated at fair value through other comprehensive income.

All the realized and unrealized gains and losses, except dividends, from the equity instruments at fair value amounted through other comprehensive income are recognized on the other comprehensive financial results without further reclassification in the profit or loss.

The financial liabilities are classified as subsequently accounted at amortized value using effective interest rate method, except financial liabilities classified as accounted at fair value through profit or loss. The assets that were previously measured at fair value, after the adoption of the standard have continued to be accounted at fair value.

Debt securities which as of 31.12.2017 were classified as available- for- sale, by IFRS 9 will be classified as accounted at fair value through other comprehensive income, as the Bank expects not only to keep that assets to collect contractual cash flows but also to carry out relatively frequent sales with significant amounts.

Upon the resolution of the Bank’s Executive Board, the Bank may classify a part of the securities portfolio as financial assets calculated at amortized value.

Since the loans have solely met the Principle and interests payment criteria, after the application of the standard they will be measured at amortized value.

Profit and loss occurred from the further measurement:

The profit or loss from the financial assets is recognized as follows:

- The profit or the loss on the financial instrument at fair value calculated through profit or loss is recognized in the profit or loss using effective interest rate method
- Profit or loss on financial assets accounted at fair value through other comprehensive income is recognized in the equity – in other comprehensive financial results, until the given asset is recognized as depreciated. The profit or loss accumulated at that moment, which was previously recognized in the equity, shall be recognized in the profit or loss. Interests on the financial assets accounted at fair value through other comprehensive income shall be recognized in the profit or loss using effective interest rate method.
- Profit or loss on financial assets and liabilities accounted at amortized value shall be recognized in the profit or loss, when the financial asset or the liability is derecognized or recognized as depreciated, as well as during the calculation of amortization.

The Bank derecognizes the financial asset in the cases, when the contractual rights over the cash flows arising from financial assets are repealed or when it transfers the asset in such a deal, according to which all the risks and benefits related to the ownership over the asset are transferred as well, or in which the Bank does not maintain control over the financial asset. The Bank derecognizes the financial liability when contractual obligations are either discharged, cancelled or expired.

Derivative financial instruments include futures, forwards, swaps and options. The initial recognition of the derivative instruments shall be made at fair value available on derivative agreements signing date.

Afterward all derivative instruments are recalculated at fair value. The derivative instruments with positive real value are accounted as assets and the ones with negative real value- liabilities. The changes in fair value of derivative instruments are recognized directly in profit or loss statement.

Financial and non-financial guarantees are provided by the Bank.

Financial guarantees are initially measured at fair value. After initial recognition, financial guarantees are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized, less, where appropriate, the cumulative amount of revenue recognized in accordance with the principles of IFRS 15.

Non-financial guarantees (if they contain insurance risk) are accounted for as loan commitments, applying the impairment requirements of IFRS 9 Financial Instruments, because the contracts have legally fixed mechanisms through which, as a direct result of insured losses, the “Principal” is adjusted, future payments by the policyholder to the issuing Bank.

## Repurchase Agreements

Repurchase agreements are used by the Bank as elements of its treasury management and trading business. These agreements are accounted for as financing transactions.

Securities sold under repurchase agreements are accounted for as securities secured by pledge, in which case the securities are reflected in the statement of financial position and the funds attracted under these agreements are included into amounts due to other banks or amounts due to customers.

Securities sold under repurchase agreements are accounted for as securities held-for trading and available-for-sale securities and funds received under these agreements are included into amounts due to other banks or amounts due to customers.



The amounts extended against securities purchased under Repurchase Agreement are accounted for as Due to other banks or Loans and Borrowings to Customers.

Any income or expense arising from purchase and sale of the underlying securities is recognized as interest income or expense, accrued during the period of Repurchase Agreements.

## Leases

Under the lease agreement and against certain compensation within the agreed period the right to use the asset is assigned to the lessee. The accounting on leases is carried out in compliance with IFRS 16.

At the beginning of the lease term the Bank recognizes the right-of use asset and relevant liabilities on future lease payments in balance sheet (with the exception of short-term leases and leases of low-value assets).

The right-of –use asset is initially measured at prime cost which includes the following:

- Initial value of the lease liability
- Payments made less discounts received
- Initial direct expenditures on transaction implemented by the lessee
- Expenses related to the disinvestment, transfer, recovery of the asset

Expenses related to the improvements of the leased asset are not included in the initial value of the lease liability is initially measured at present value of the future lease payments outstanding on that date applying the average interest rate of additional borrowings attracted by the lessee.

The lease liability is equal to the present value of the total amount of the below mentioned components:

- Fixed payments within lease term
- Payments variable depending on the index and coefficient within the lease term
- Guaranteed residual value or anticipated purchase price if such an option is available and the realization thereof is almost certain.
- Penalty for preterm termination, if it has been taken into account when defining the lease term

After the initial recognition the right-of-use asset shall be measured at prime cost:

- Less accumulated depreciation, which is calculated by linear method during the lease term of
- Adjusted at the extent of differences occurred from the review of contractual obligations
- After the start of the lease, the lease liability is measured:
- Increasing balance-sheet value for the reflection of interest of the lease liability
- Decreasing balance-sheet value to reflect paid rental fees
- Reappraising balance-sheet value to reflect amendments in the agreement terms.

The adoption of the standard resulted the recognition of right-of-use assets and appropriate liabilities by the Bank for all the previous operational leases (with the exception of leases classified as low-value or with a residual lease term of less than 12 months)

The new standard has been applied by the use of the progressive approach. The Bank decided not to include initial direct expenses in the value of the right-of-use asset for the operational lease agreements that had been effective on the date of initial application of IFRS 16 (January 1, 2019). The Bank measures the right-of-use asset effective as of the aforementioned date at present value of residual lease payments using the attraction interest rate of additional borrowings available on initial application date excluding any prepaid or accrued rental fees existing on transition date.

## Financial Assets' Possible Loss Provision



The classification of the Bank’s assets and possible loss provisioning are made in conformity with the requirements of RA legislation and with the Procedure of “Classification of financial assets and composition of possible loss provisions” approved by ARMECONOMBANK OJSC Board.

As the published financial reports are drafted, further corrections of provisions in compliance with IFRS are made.

Pursuant to IFRS 9 :

The establishment of loan portfolio reserve assumes assessment of loan risk based on the behavior of time series of sub-portfolios of the loan portfolio and the macroeconomic factors affecting them. “Staging” (loan classification per overdue days) is applied for the assessment.

The size of a reserve for each sub-portfolio is determined through the following formula:

$$\text{RESERVE} = \text{BALANCE} * \text{EAD} * \text{PD} * \text{LGD}$$

Where:

BALANCE- balance amount of the given loan sub-portfolio

EAD– (exposure-at-default) ratio, through which sub-portfolio balance value is adjusted

PD – (probability of default) likelihood of default, that is which part of the sub-portfolio is inclined to default, where the default is equivalent to 90+ overdue days

LGD – (loss-given-default) loss-given value based on the effective interest rate, when the loan becomes default

EAD30 and EAD90 indicators are calculated for the loans included in Stage 1 and Stage 2 classes respectively.

For the calculation of loan reserve appraisal of the loans included in Stage 1 and Stage classes PD12Month and PD Lifetime are applied respectively.

The creation of State bond portfolio reserve is implemented based on PD and LGD rates given to Armenia by international credit agencies (Moody's, Fitch, S&P).

### **Intangible Assets**

Intangible assets are initially recorded at their prime cost in AMD. Intangible assets purchased in foreign currency are recorded by the average exchange rate of purchase date fixed by the CBA, and are not re-valuated in case of further changes of the exchange rate.

The prime cost of internally generated intangible assets is defined in the development period of “Intangible Assets” in compliance with IFRS 38 if it is possible to show the correspondence of the internally generated intangible asset to the requirements set by IFRS 38.

Attribution of the item of intangible asset to any category (computer software, licenses and power of attorney, copyrights, etc.) set by the “Card of Accounts of the Banks Operating within the Territory of RA” and “The Application Order of the Card of Accounts of the Banks Operating within the Territory of RA” is made based on the methodical instructions of the Chief accountant, arising from its usage specifications.

The initial cost of internally generated intangible asset comprises the expenses set by IFRS. The initial cost includes only those expenses made during the accounting quarter during which the asset has been recognized.

Subsequent expenditures made on intangible assets, which can be added to the value of an intangible asset in compliance with IFRS, are recorded as capital investments and are added to the value of the asset.

Amortization term for each item of intangible assets is defined by the Bank based on the criteria set by IFRS. Namely, to define the amortization term of internally generated computer software, the Bank takes into account the information on the estimated useful lives of software of the same type available in the market at the moment, terms of actual useful lives of software used at the Bank before, other criteria set by the Standard.

The Bank uses the straight-line method to allocate amortization amount of intangible assets over their useful lives.

The amortization period and the amortization method of intangible assets should be set in compliance with IFRS, within the period of the agreement so signed and in case of the absence of such period, the intangible assets are not subject to amortization. Amortization method is changed by making corresponding changes in this Policy by the Bank’s Board.

In case of significant fluctuations in fair value of intangible assets, they are revalued based on the resolution of the Bank’s Board.

The disclosure of information required by IFRS on internally generated intangible assets in financial statements is performed separately.

The amortization amount of intangible assets is calculated in accordance with “Profit Tax” law.

### Fixed Assets

The unit of fixed assets that complies with the recognition of the standards of the asset is measured at their initial value (prime cost) in AMD, excluding buildings which are recorded at their revaluated value. The fixed assets purchased in foreign currency are registered as of the day of the purchase at the average exchange rate set by the Central Bank of Armenia and shall not be re-valued in case of exchange rate change.

The initial value of the unit of fixed assets comprises its purchase cost, taxes, including VAT, import duties and other obligatory payments, which are not subject to be returned to the Bank by relevant authorities and any expenses related to bringing the asset to working state for its purposeful usage. Any discount or privilege provided is deducted from the purchase cost.

The measurement of value, recognition, further expenses, revaluations and withdrawals on purpose of recording of the unit of purchased fixed assets is made in the order prescribed by RA Legislation, as well as by the Bank’s internal legal acts.

Attribution of the unit of fixed assets to any category (property and stationery communication means, calculating, computer and automated equipment, vehicles, etc.) set by the Card of Accounts of the Banks Operating within the Territory of RA and The Application Order of the Card of Accounts of the Banks Operating within the Territory of RA is made based on the methodical instructions of the Chief accountant, arising from their usage specifications and purposes.

Fixed assets are recorded with the difference of initial value and accumulated depreciation taking into account the accumulated impairment losses. Depreciation is calculated using the straight-line method over the period of the asset’s useful life.

From 1 January 2018, the Bank defines the following terms of useful services:

Terms of useful services (years )	Annual interest rate (%)
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Building	50	2
Computers	5	20
Transportation means	8	12.5
Other fixed assets, transportation means, UPS batteries, ATMs, property, office equipment,	8	12.5
(printers, scanners, copying devices), POS terminals, modems,	3	33.3
Network devices	5	20
Fixed assets and intangible assets costing up to AMD 50.000 Up to the end of the given year		

The depreciation of fixed assets which were in operation until 1 January 2013, connected with review of terms of useful services is calculated as follows: the balance sheet value of fixed assets (initial value minus accumulated depreciation) is distributed by linear method of depreciation calculation in the newly defined residual term of useful service. The latter represents the time difference between the useful life cycle set from 1 January 2013 and the period from the starting date of use until 1 January 2013.

For fixed assets acquired after 01.01.2013 residual value amounts to 0.1% of their initial value, however not more than AMD 20.000, except buildings and transportation means residual value of which amounts to 1% of their initial value.

For fixed assets acquired up to 01.01.2013 the residual value amounts to 0.1% of their balance sheet value, however not more than AMD 20.000, except building and transportation means residual value of which amounts to 1% of their balance sheet value.

Depreciation is not calculated for land.

Repairs and maintenance are recognized in the statement on financial results as expenses during the period in which they are incurred.

The expenditures raising the operational efficacy of property, plant and equipment compared with the preliminary evaluated normative indicators are recognized as capital expenditures and are added to the initial value of the asset. The above mentioned expenditures are amortized using the straight-line method over the residual term of the asset's useful life if they don't exceed the residual value of property, plant and equipment as of 1 January of the year; otherwise they are amortized during the whole period of useful life.

The outcome occurred from write off or disposal of a fixed asset is determined as a difference between net credits from asset disposal and its balance sheet value and is recognized as an income or loss in the income statement.

In case of significant fluctuation of the real (market) value of the Bank's fixed assets (25% during financial year) the latter are reassessed based on the decision of the Bank's Board. The revaluation is conducted by an independent company with relevant license.

The results of revaluation are reflected in the Bank's balance sheet and Income statement in the manner prescribed by IFRS. The growth occurred in the outcome of revaluation is charged to the undistributed profit along with calculation of amortization during the use of the set by the Bank. The size of charged off amount is determined by the difference between amortization calculated on the basis of revaluated balance sheet value of the asset and amortization calculated on the basis of Initial value of the asset. The charge of the growth occurred in the result of revaluation to undistributed profit is not reflected in the Income statement.

The capital expenses on leased fixed assets are capitalized and amortized by linear method during the residual term of the asset's useful life. The capital expenses on leased buildings are capitalized and amortized by linear method during 20 years.

Assets recorded as capital investments in the fixed assets are not amortized.

## **Inventory**

### **The Bank's inventory includes:**

- short-life items,
- goods, including goods which has passed to the Bank as a result of sequestration of pledge
- materials and supplies, which are to be used by the Bank during its performance

Short-life items are assets the useful lives of which do not exceed a year.

The inventories are measured at the lower of cost and net realizable value.

For the determination of the cost of inventory the Bank accepts and applies first in first out (FIFO) formula. According to FIFO formula the inventory units acquired first are sold, used or disposed of first, therefore the assets that remain in inventory by the end of the accounting period are the most recently purchased. The cost of the short-life items is written off at the beginning of their utilization.

## **Settlements between the Bank and Branches**

Reciprocal accounts of the Bank's Head Office and its branches are compared each day via report received through program. The revealed errors are corrected during that day.

While drafting the balance sheet, the settlement accounts among the Head Office and its branches are brought to zero.

The settlement accounts between the Bank's Head Office and its branches are closed weekly.

## **Share Capital and Treasury Stock**

Ordinary shares are included in equity (general) capital. Dividends on ordinary shares are recognized in equity capital in the period in which they are declared. Dividends for current year, which are declared after the balance sheet date, are disclosed in the subsequent events note.

Basic earnings per share should be calculated by dividing the net profit for the period attributable to the shareholders by the weighted average number of ordinary shares outstanding during the period.

Under certain circumstances and according to procedure established by the RA Legislation the Bank may repurchase its equity share capital. In this case reimbursement paid is deducted from total shareholders' equity and is reflected as treasury stock until it is cancelled. When such shares are subset gently sold any reimbursement received is included in shareholders' equity.

The positive difference between the price paid by investor's for purchase of common shares and their nominal value is recognized in the equity as emissive fee on extraordinary shares.

## **Attracted Funds**

Attracted funds comprising accounts, issued securities and subordinate borrowings of Government and the Central Bank are initially recognized at the real value of received funds, less direct costs for operations. After initial recognition, attracted funds are accounted for in amortized value using effective interest rate method.

## **Provisions, Contingent Assets and Liabilities**

Contingent liabilities are not recognized in financial statements, but are disclosed in the accompanying notes. However, they are not disclosed if the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in financial statements, but is disclosed in the accompanying notes, when an inflow of economic benefits becomes probable.

The procedure for creating a reserve for possible losses on balance sheet and off-balance sheet accounts containing credit risk corresponds to the procedure for forming a reserve for possible losses on loans and loans provided to customers, in accordance with the procedure "Classification of financial assets and formation of reserves for possible losses" of "ARMECONOMBANK" OJSC approved by the Bank's Board.

### **Consolidated Financial Statements**

In cases set forth by legislation the Bank prepares consolidated financial statements in accordance with IFRS and the Procedure on Compilation of Consolidated Financial Statements Presented to the Central Bank of Armenia by the Banks Acting within the Territory of Armenia" approved by the Board of the Central Bank of Armenia.

### **Segment Statements**

The Bank uses the information of business-segments (per Individuals, organizations and rendered investment services) as a primary presentation form. Geographical segments are considered to be secondary presentation forms.

### **Issued Corporate Bonds**

Issued corporate bonds are initially recognized at their real value, which is the real cost of reimbursement received against them, less the transaction expenses.

Corporate bonds issued afterwards are measured at their amortization value, and any difference between net reimbursement and repaid amounts, is reflected in the income and expense statement in the period of circulation of those securities, applying the effective interest method.

### **Comparable Information**

In case of necessity comparable figures are adjusted in order to ensure the comparability with the current year.

### **After Balance Sheet Date Events**

Respective corrections in the balance sheet, if necessary, after the date of balance sheet formed on the last working day of the fiscal year, are made in the following cases:

If the Bank reveals errors on its own,

Fundamental errors are revealed by an audit organization,

On purpose of reflection of clarifying events after the balance sheet date.

In cases if the Bank reveals errors on its own, if the amount of material error depends on the size or nature of the given transaction or size and nature of the article, and if the change of figures reflected in the balance sheet will be of a little importance, and if non- disclosure of that information will not impact decisions made on the basis of financial statements' data, no amendments will be made in the balance sheet of previous year.

If fundamental errors are discovered or arise after the publication of the Bank's annual financial statements as per the established order, then no adjustments shall be made and the representation of such information is considered to be unrealizable.

**Statement of Financial Position**  
30/06/2025  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

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	Item	Note	As of the end of the current interim period (unaudited)	As of the end of the previous financial year (audited)
<b>1</b>	<b>Assets</b>			
1.1	Cash and cash equivalents	13	78,790,984	63,820,315
1.2	Standard bank precious metal bullions and coins		456,386	531,149
1.3	Due from banks and other financial institutions	14	3,914,545	6,800,474
1.4	Reverse repurchase agreement	14.1	14,886,842	14,217,780
1.5.1	Other financial assets rated at amortized value	18	0	9,087,066
1.6	Loans and advances provided to customers at amortized value	16	377,765,984	342,101,456
1.7	Financial assets at fair value rated through other comprehensive financial results	17	407,984	1,013,634
1.7.1	Securities pledged under repurchase agreement	17.1	77,532,418	66,906,556
1.9	Non-current assets held for sale		2,808,420	2,855,368
1.10	Fixed assets	20	15,583,642	15,823,392
1.10.1	Intangible assets	20	997,449	1,064,637
1.10.1	Right-of-use assets	20.1	2,188,231	2,070,902
1.12	Other assets	21	2,391,096	1,365,013
	<b>Total assets</b>		<b>577,723,981</b>	<b>527,657,742</b>
<b>2</b>	<b>Liabilities</b>			
2.1	Liabilities to banks and other financial institutions	22	78,275,202	74,939,160
2.2	Loans and deposits received from the international financial Institutions	22.1	65,044,545	53,700,903
2.3	Loans received from the CBA and from the RA government	22.2	38,395,980	39,458,541
2.4	Repurchase agreement	22.3	86,555,305	63,046,386
2.5	Liabilities to Customers	23	196,086,183	191,353,019
2.6	Subordinated borrowing	23.1	6,249,454	6,104,831
2.7	Liabilities on current taxes		697,771	1,134,862
2.8	Securities issued by the Bank	24	18,504,182	14,115,869
2.9	Financial liabilities at fair value through profit or loss	25	228,334	119,575
2.10	Amounts payable	26	721,066	651,905
2.11	Deferred tax liabilities	11	1,028,601	1,103,051
2.12	Reserves	30	70,087	67,641
2.13	Lease liabilities	40	1,819,106	1,669,847
2.14	Other liabilities	27	2,794,574	2,922,019
	<b>Total liabilities</b>		<b>496,470,390</b>	<b>450,387,609</b>
<b>3</b>	<b>Capital</b>			
3.1	Chartered capital	28	31,578,015	31,578,015
3.2	Emission income		7,762,974	7,762,974
<b>3.3</b>	<b>Reserves</b>			
3.3.1	Main reserve		4,641,000	4,190,000
3.3.2	Revaluation reserve		(171,832)	(183,297)
3.3.3	Other reserve		6,574,661	6,681,896
3.4	Undistributed profit (loss)		30,868,773	27,240,545
	<b>Total capital</b>		<b>81,253,591</b>	<b>77,270,133</b>
	<b>Total liabilities and capital</b>		<b>577,723,981</b>	<b>527,657,742</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 July 2025

**Statement of Profit or Loss**  
30/06/2025  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Item	Note	Current interim period (unaudited)	Accounting period (unaudited)	Comparable current interim previous period (unaudited)	Previous period (unaudited)
Interest and similar income	3	13,240,629	25,764,190	11,412,729	22,355,249
Interest and similar expenses	3	(7,733,786)	(14,928,902)	(6,813,367)	(13,572,577)
<b>Net interest and similar income</b>		<b>5,506,843</b>	<b>10,835,288</b>	<b>4,599,362</b>	<b>8,782,672</b>
Income as commissions and other fees	4	2,639,956	4,856,683	1,877,072	3,498,213
Expenses as commissions and other fees	4	(954,975)	(1,673,755)	(578,223)	(1,128,927)
<b>Net commission and other fees</b>		<b>1,684,981</b>	<b>3,182,928</b>	<b>1,298,849</b>	<b>2,369,286</b>
Income from dividends		722	3,127	6,037	6,037
Net commercial income	5	1,171,633	1,926,330	805,830	1,596,551
Other operational income	6	295,072	474,450	124,107	213,431
<b>Operational income</b>		<b>8,659,251</b>	<b>16,422,123</b>	<b>6,834,185</b>	<b>12,967,977</b>
Net allocations to possible asset loss provisions	7	(1,773,672)	(1,831,148)	161,807	(219,581)
Total administrative expenses	8	(3,003,376)	(5,806,017)	(2,785,609)	(5,300,618)
Other operational income	9	(1,290,975)	(2,505,989)	(1,128,612)	(2,168,976)
<b>Operational profit</b>		<b>2,591,228</b>	<b>6,278,969</b>	<b>3,081,771</b>	<b>5,278,802</b>
<b>Profit/loss before taxation</b>		<b>2,591,228</b>	<b>6,278,969</b>	<b>3,081,771</b>	<b>5,278,802</b>
Profit tax expenses(compensation)	11	(773,407)	(1,258,825)	(666,237)	(1,061,783)
<b>Profit for period</b>		<b>1,817,821</b>	<b>5,020,144</b>	<b>2,415,534</b>	<b>4,217,019</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 July 2025



**Statement of other Comprehensive Income**

30/06/2025

ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Current interim period (unaudited)	Accounting period (unaudited)	Comparable current interim previous period (unaudited)	Previous period (unaudited)
<b>Other comprehensive financial results</b>					
Revaluation of financial assets at fair value rated through other comprehensive financial results		(110,448)	14,508	(50,654)	440,979
Devaluation of financial assets at fair value rated through other comprehensive financial results after taxation		(736)	(526)	(56,270)	(116,820)
Profit tax on the revaluation of financial assets at fair value rated through other comprehensive financial results			(22,492)		(88,494)
Other comprehensive financial result after taxation		(91,171)	11,465	(97,806)	244,783
<b>Comprehensive financial result</b>		<b>1,726,650</b>	<b>5,031,609</b>	<b>2,317,728</b>	<b>4,461,802</b>

**Chief Executive Officer (CEO)****A. Arakelyan****Acting Chief Accountant****N. Galstyan**

Approval date: 14 July 2025

## Statement of Changes in Equity

30/06/2025

ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Equity elements	Accounting period		Emission income/loss	Main reserve	Revaluations of financial assets at fair value rated through other comprehensive financial results	Profit from revaluation of non- current assets	Undistributed profit(loss)	Total	Total capital
	Chartered capital	Net amount							
Articles	1	3	4	5	7	9	10	12	14
Comparable current interim period of the previous financial year (ascending from the beginning of the year) (I table)									
<i>Balance as of the beginning of the financial year as of 01 January 2024 (audited)</i>	28,132,240	28,132,240	2,265,076	3,952,000	(379,408)	6,896,366	19,599,449	60,465,723	60,465,723
Recalculated balance	28,132,240	28,132,240	2,265,076	3,952,000	(379,408)	6,896,366	19,599,449	60,465,723	60,465,723
<b>Transactions with shareholders (owners) regarding to shares, including:</b>	2,669,655	2,669,655	4,274,015	-	-	-	-	6,943,670	6,943,670
Investments in chartered capital and other increase of chartered capital	2,669,655	2,669,655	4,274,015	-	-	-	-	6,943,670	6,943,670
Not distributed shares								-	-
<b>Comprehensive income</b>		-	-	-	244,782		4,217,019	4,461,801	4,461,801
<b>Dividends</b>		-	-	-		-	(890,197)	(890,197)	(890,197)
<b>Internal movements including:</b>	-	-	-	238,000	-	(107,235)	(130,765)	-	-
<b>Deductions to main reserve</b>		-		238,000			(238,000)	-	-
Decrease of value from the revaluation of fixed and intangible assets		-				(107,235)	107,235	-	-
<i>Balance as of the end of the interim accounting period 30/06/2024(unaudited)</i>	30,801,895	30,801,895	6,539,091	4,190,000	(134,626)	6,789,131	22,795,506	70,980,997	70,980,997

Interim period of the current year (ascending from the beginning of the year) (II table)									
<i>Balance as of the beginning of the financial year as of 01 January 2025 (audited)</i>	31,578,015	31,578,015	7,762,974	4,190,000	(183,297)	6,681,896	27,240,545	77,270,133	77,270,133
Recalculated balance	31,578,015	31,578,015	7,762,974	4,190,000	(183,297)	6,681,896	27,240,545	77,270,133	77,270,133
<b>Transactions with shareholders (owners) regarding to shares,</b>									-
Investments in chartered capital and other increase of chartered capital									-
<b>Comprehensive income</b>		-	-		11,465		5,020,144	5,031,609	5,031,609
<b>Dividends</b>		-	-	-		-	(1,048,151)	(1,048,151)	(1,048,151)
<b>Internal movements including:</b>	-	-	-	451,000	-	(107,235)	(343,765)	-	-
<b>Deductions to main reserve</b>				451,000			(451,000)	-	-
Decrease of value from the revaluation of fixed and intangible assets		-				(107,235)	107,235	-	-
<i>Balance as of the end of the interim accounting period 30/06/2025(unaudited)</i>	31,578,015	31,578,015	7,762,974	4,641,000	(171,832)	6,574,661	30,868,773	81,253,591	81,253,591

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 July 2025

**Statement of Cash Flows**  
30/06/2025  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Accounting period (unaudited)	Previous period (unaudited)
<b>Cash flows from operations</b>			
<b>Profit for the year</b>		5,020,144	4,217,019
<i>Adjustments</i>			
Expenses on profit tax		1,258,825	1,061,783
Loss from depreciation of interest-bearing assets		1,831,148	219,581
Depreciation and amortisation		1,286,337	1,198,770
Net income from disposal of fixed assets		(6,041)	
Net gain from foreign exchange		88,824	76,717
Net income from sale/ purchase of financial assets rated at fair value through profit or loss		4,511	(33,206)
Financial assets at fair value rated through other comprehensive financial results		(7,538)	(317,037)
Other income			
Interest income		84,607	(1,077,436)
Interest expenses		(861,319)	34,981
<b>Cash flows from operations before changes in operational assets and liabilities</b>		<b>8,699,498</b>	<b>5,381,172</b>
<b>Changes in operational assets or liabilities</b>			
<b>Increase/ decrease in operational assets</b>			
Due from financial institutions		3,031,207	613,217
Reverse repurchase agreements		(721,382)	(770,410)
Loans to customers		(39,654,701)	(35,224,255)
Other assets		(793,273)	(237,364)
Liabilities to financial institutions		3,499,517	(6,266,391)
Repurchase agreements		23,444,413	28,014,640
Liabilities to customers		5,761,187	10,505,549
Other liabilities		(123,055)	909,269
<b>Cash used in operations before taxation</b>		<b>3,143,410</b>	<b>2,925,427</b>
Paid profit tax		(1,775,029)	(1,652,447)
<b>Net cash used in operations</b>		<b>1,368,381</b>	<b>1,272,980</b>
<b>Cash flows from investments</b>			
Decrease(increase) of securities at fair value rated though profit/loss and available for sale		(802,954)	(5,677,423)
Acquisition of fixed assets		(496,888)	(780,988)
Proceeds from sale of fixed assets		77,992	
Acquisition of intangible assets		(61,796)	(121,039)
<b>Net cash flows from investments (used)/(gained from)</b>		<b>(1,283,646)</b>	<b>(6,579,450)</b>
<b>Cash flows from financial operations</b>			
Loans from RA CB and RA Government		(1,106,289)	(1,212,501)
Proceeds/repayment of loans received from international financial institutions		12,848,800	(6,905,783)
Subordinated loan (repayments)/proceeds			(4,144,579)
Increase (decrease) of securities issued by the Bank		4,807,974	
The issue of securities			6,943,670
Lease liabilities		(544,653)	(521,592)
Dividends paid		(981,305)	(450,241)
<b>Net cash from financial operations</b>		<b>15,024,527</b>	<b>(6,251,432)</b>
Impact of foreign exchange on cash balances		(146,067)	(1,514,868)
Impact of the anticipated debt losses			
Impact of expected debt losses		7,474	26,948
<b>Net increase of cash and equivalents thereof</b>		<b>14,970,669</b>	<b>(13,045,822)</b>
<b>Cash and equivalents thereof as of the beginning of the period</b>	13_2	<b>63,820,315</b>	<b>71,569,185</b>
<b>Cash and equivalents thereof as of the end of the period</b>	13_2	<b>78,790,984</b>	<b>58,523,363</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 July 2025

### Note 3: "Net Interest and Similar Income"

Thous. AMD

	01/04/2025- 30/06/2025	01/01/2025- 30/06/2025	01/04/2024- 30/06/2024	01/01/2024- 30/06/2024
<b>Interest and similar income</b>				
Interest income from the Bank's current accounts, deposits and loans allocated in banks and other financial institutions	84,283	194,620	82,020	246,710
Interest income from loans and advances to customers	11,114,589	21,548,680	9,526,497	18,534,330
Interest income from debt securities	1,772,346	3,488,154	1,511,815	2,970,851
Interest income from REPO agreements	255,702	505,055	274,553	567,148
Other interest income	13,709	27,681	17,844	36,210
<b>Interest and Similar Expenses</b>	<b>13,240,629</b>	<b>25,764,190</b>	<b>11,412,729</b>	<b>22,355,249</b>
Interest expenses from the Banks' current accounts deposits and loans allocated in banks and other financial institutions	3,330,733	6,428,412	2,800,306	5,745,436
Interest expenses on terms deposits and current accounts of customers	2,586,803	5,050,702	2,562,383	5,020,908
Interest expenses under REPO agreements	1,250,794	2,454,000	1,036,178	1,902,333
Interest expenses on subordinated borrowings	131,366	259,809	170,985	423,045
Interest expenses against the interest securities issued by the Bank.	375,125	633,901	190,059	386,631
Interest expenses on lease agreements	42,148	83,887	53,456	94,224
Interest expenses from derivatives with resident banks				
Other interest income	16,817	18,191		
<b>Total</b>	<b>7,733,786</b>	<b>14,928,902</b>	<b>6,813,367</b>	<b>13,572,577</b>
<b>Net interest and similar income</b>	<b>5,506,843</b>	<b>10,835,288</b>	<b>4,599,362</b>	<b>8,782,672</b>

### Note 4: "Commission and Other Fee Income and Expenses"

Thous. AMD

	01/04/2025- 30/06/2025	01/01/2025- 30/06/2025	01/04/2024- 30/06/2024	01/01/2024- 30/06/2024
<b>Commission and Other Fee Income</b>				
Cashier's operations	81,941	148,940	85,953	164,570
Settlement services	326,091	647,875	1,228,197	2,377,032
Guarantees, warranties, letters of credit operations, trust management operations	71,970	143,402	75,279	145,593
Foreign currency and security operations	800	3,980	2,483	4,621
Payment card servicing	1,374,479	2,530,996	73,604	128,862
Other commission fees	784,675	1,381,490	411,556	677,535
<b>Total</b>	<b>2,639,956</b>	<b>4,856,683</b>	<b>1,877,072</b>	<b>3,498,213</b>
<b>Commission and Other Fee Expenses:</b>				
Commission fee from correspondent and other accounts	2,388	4,190	1,720	3,499
Expenses on payment card operations	736,713	1,292,094	449,680	854,731
Guarantees, warranties, letters of credit operations, trust management operations	12,951	25,731	4,151	12,401
Foreign currency and security operations	70,560	109,030	35,727	79,688
Other commission fees	132,363	242,710	86,945	178,608
<b>Total</b>	<b>954,975</b>	<b>1,673,755</b>	<b>578,223</b>	<b>1,128,927</b>
<b>Net commission and other fees received</b>	<b>1,684,981</b>	<b>3,182,928</b>	<b>1,298,849</b>	<b>2,369,286</b>

### Note 5 : Financial assets rated at fair value through profit or loss

Thous. AMD

	01/04/2025- 30/06/2025	01/01/2025- 30/06/2025	01/04/2024- 30/06/2024	01/01/2024- 30/06/2024
<b>Financial assets rated at fair value through profit or loss</b>				
<b>Net income from sale/ purchase of financial assets rated at fair value through profit or loss, including</b>	<b>(69,292)</b>	<b>(155,774)</b>	<b>43,122</b>	<b>25,054</b>
Shares				
Debt Securities				
Derivatives	(69,292)	(155,774)	43,122	25,054

<b>Net income from changes in real value of financial assets rated at fair value through profit or loss</b>				
<b>Total</b>	<b>(69,292)</b>	<b>(155,774)</b>	<b>43,122</b>	<b>25,054</b>
<b>Investments at fair value rated through other comprehensive financial assets</b>				
<b>Net income from sale/purchase of investments at fair value rated through other comprehensive financial results, including:</b>	<b>-</b>	<b>17,181</b>	<b>61,167</b>	<b>432,888</b>
Debt securities	-	17,181	61,167	432,888
Derivatives				
<b>Net income from sale/purchase of investments at fair value rated through other comprehensive financial results</b>		<b>(1,816)</b>	<b>(1,366)</b>	<b>(62,533)</b>
<b>Total</b>	<b>-</b>	<b>15,365</b>	<b>59,801</b>	<b>370,355</b>
<b>Foreign currency operations</b>				
Net income from foreign currency sale/purchase	1,168,107	2,000,795	715,410	1,190,837
Net income from the revaluation of foreign currency	8,909	(88,827)	(72,575)	(76,714)
Net income from the sale/purchase of precious standardized bullions and coins	30,551	41,368	45,912	58,199
Net income from the revaluation of precious standardized bullions and coins	33,358	113,403	14,160	28,820
<b>Total</b>	<b>1,240,925</b>	<b>2,066,739</b>	<b>702,907</b>	<b>1,201,142</b>
<b>Net income from commercial operations</b>	<b>1,171,633</b>	<b>1,926,330</b>	<b>805,830</b>	<b>1,596,551</b>

## Note 6 : "Other Operatioanl Income"

	Thous. AMD			
	01/04/2025- 30/06/2025	01/01/2025- 30/06/2025	01/04/2024- 30/06/2024	01/01/2024- 30/06/2024
<b>Other operational expenses</b>				
Income from penalties and fines	167,699	256,573	70,335	135,380
Net income from disposal of fixed and intangible assets	18,028	6,143		(4,261)
Other income *	109,345	211,734	53,772	82,312
<b>Total</b>	<b>295,072</b>	<b>474,450</b>	<b>124,107</b>	<b>213,431</b>

The main sources of generation of other income\* are the amounts charged for provision of statement,check and deposit books,certificates and from such services for which no special income accounts are envisaged.

## Note 7 : " Net Deductions to Possible Asset Losses Provision"

	Thous. AMD			
	01/04/2025- 30/06/2025	01/01/2025- 30/06/2025	01/04/2024- 30/06/2024	01/01/2024- 30/06/2024
<b>Cash and cash equivalents (Note 13 )</b>				
Initial balance	79,988	9,942	40,062	31,069
Net deductions to reserve	(524)	(2,468)	(35,941)	(26,948)
<b>Summary balance</b>	<b>79,464</b>	<b>7,474</b>	<b>4,121</b>	<b>4,121</b>
<b>"Due to Banks and other Financial institutions" (Note 14)</b>				
Initial balance	54,794	71,021	133,457	148,064
Net deductions to reserve	2,153	(14,074)	(73,073)	(87,680)
<b>Summary balance</b>	<b>56,947</b>	<b>56,947</b>	<b>60,384</b>	<b>60,384</b>
<b>From loans and advances to customers (Note 16)</b>				
Initial balance	3,582,767	3,442,678	5,923,956	5,620,762
Net deductions to reserve *	1,751,876	1,838,842	325,012	625,884
Return of amounts previously charged to off balance item	157,985	425,982	165,377	284,770
Usage of reserve	(1,316,001)	(1,530,875)	(138,879)	(255,950)
<b>Summary balance</b>	<b>4,176,627</b>	<b>4,176,627</b>	<b>6,275,466</b>	<b>6,275,466</b>
<b>Financial assets rated at fair value through other comprehensive financial assets (Note 17)</b>				
Initial balance	26,113	25,903	76,770	166,993
Net deductions to reserve	(736)	(526)	(52,241)	(142,464)
<b>Summary balance</b>	<b>25,377</b>	<b>25,377</b>	<b>24,529</b>	<b>24,529</b>
<b>On other assets (Note 21)</b>				
Intitial balance	1,417	966	10,402	1,036
Net deductions to reserve	11,521	11,944	(9,451)	(167)
Return of amounts previously charged to off balance item	78	183	4	105
Usage of reserve	(11,945)	(12,022)	(29)	(48)
<b>Summary balance</b>	<b>1,071</b>	<b>1,071</b>	<b>926</b>	<b>926</b>
<b>Other financial assets rated at amortized value</b>				
Initial balance	119,999	122,447	431,047	287,025
Net deductions to reserve	(2,569)	(5,016)	(327,140)	(183,118)
<b>Summary balance</b>	<b>117,430</b>	<b>117,431</b>	<b>103,907</b>	<b>103,907</b>
<b>Post-balance sheet items containing loan exposures (note 30)</b>				
Initial balance	58,136	67,641	42,317	19,270
Net deductions to reserve	11,951	2,446	11,027	34,074
Usage of reserve				
<b>Summary balance</b>	<b>70,087</b>	<b>70,087</b>	<b>53,344</b>	<b>53,344</b>
<b>Total net deductions to reserve</b>	<b>1,773,672</b>	<b>1,831,148</b>	<b>(161,807)</b>	<b>219,581</b>

**Note 8 : "Total administrative expenses"**

Thous. AMD

	01/04/2025- 30/06/2025	01/04/2025- 30/06/2025	01/04/2024- 30/06/2024	01/01/2024- 30/06/2024
<b>"Total administrative expenses"</b>				
Salary and similar payments	2,101,924	4,012,638	1,916,987	3,674,331
Training and tutorship expenses	2,177	4,754	3,050	6,054
Business trip expenses	27,203	53,887	21,827	38,711
Insurance costs	57,666	113,983	50,279	98,602
Servicing and maintenance of the Bank's equipment	103,133	222,556	111,606	204,727
Maintenance and safekeeping of Bank buildings	223,485	454,574	214,504	440,468
Audit and consulting services	16,954	34,229	7,173	18,313
Communication and transmission costs	39,497	71,113	42,526	83,749
Transportation costs	56,631	113,980	50,271	99,833
Taxes (except income tax) penalties and other mandatory payments	121,645	249,256	141,415	279,502
Office and organizational expenses	113,448	265,362	72,058	158,497
Other administrative expenses	139,613	209,685	153,913	197,831
<b>Total</b>	<b>3,003,376</b>	<b>5,806,017</b>	<b>2,785,609</b>	<b>5,300,618</b>

**The average number of the Bank employees and monthly average salary falling to a single employee**

	01/04/2025- 30/06/2025	01/01/2024- 31/12/2024	01/04/2024- 30/06/2024	01/01/2023- 31/12/2023
Average number of Bank employees	887	889	894	895
Monthly average salary falling to a single employee (thousand AMD)	715	714	636	622

**Note 9 : "Other Operational Expenses"**

Thous. AMD

	01/04/2025- 30/06/2025	01/01/2024- 31/12/2024	01/04/2024- 30/06/2024	01/01/2023- 31/12/2023
<b>Other operational expenses</b>				
Paid fines and penalties	47	1,168	-	257
Payments made for collection	99,828	199,666	87,933	174,283
Advertising and representative expenses	181,552	246,711	124,432	199,757
Amortization costs of fixed assets and intangible assets	642,959	1,286,440	606,987	1,194,508
Allocations to the Fund of Recovery of Deposits	69,259	140,016	59,329	120,904
Other expenses	297,330	631,989	249,931	479,267
<b>Total</b>	<b>1,290,975</b>	<b>2,505,990</b>	<b>1,128,612</b>	<b>2,168,976</b>

**Note 10 : Net gain/losses from investments in controlled units"**

There is no data available for this note during the accounting and previous period.



Note 11 : "Profit tax Expenses (Reimbursement)"

Thous. AMD

Expenses on profit tax	01/04/2025-30/06/2025	01/01/2025-30/06/2025	01/04/2024-30/06/2024	01/01/2024-30/06/2024
Current tax expenses	938,785	1,318,050	671,737	1,179,939
Corrections of current taxes for the previous period recognized in the	17,741	17,741	412	412
Deferred tax expenses	(183,119)	(76,966)	(5,912)	(118,568)
Total	773,407	1,258,825	666,237	1,061,783

	01/04/2025-30/06/2025	Effective rate (%)	01/01/2025-30/06/2025	Effective rate (%)	01/04/2024-30/06/2024	Effective rate (%)	01/01/2024-30/06/2024	Effective rate (%)
Profit before taxation	2,591,228		6,278,969		3,081,771		5,278,802	
Profit tax with rate	466,421	18%	1,130,214	18%	554,719	18%	950,184	18%
Non-taxable income								
Non-taxable income from financial assets rated at fair value through other comprehensive income	941	0.00	812	0.00	(8,356)	(0.00)	(5,977)	(0.00)
Non-deductable expenses	291,304	0.11	96,863	0.02	108,560	0.01	107,672	0.02
Foreign currency negative/positive difference	(1,603)	(0.00)	15,989	0.00	13,062	0.00	13,807	0.00
Adjustments of calculated tax expenses of the previous year	17,741	0.01	17,741	0.00	412	0.00	412	0.00
Other privileges	(1,397)	(0.00)	(2,794)	(0.00)	(2,160)	(0.00)	(4,315)	(0.00)
Profit tax expenses	773,407	0.30	1,258,825	0.20	666,237	0.22	1,061,783	0.20

## Calculation of deferred tax on temporary differences

30/06/2025 Thous. AMD

	Balance as of the previous period	Recognized by financial results	Recognized by equity	Balance at the accounting period
<b>Deferred tax assets, including:</b>	<b>522,663</b>	<b>30,740</b>	<b>(2,517)</b>	<b>550,886</b>
Accrued expenses and other liabilities	308,635	10,590		<b>319,225</b>
Right-of-use assets	143,413	24,154		<b>167,567</b>
Investment securities	66,938	(997)	(2,517)	<b>63,424</b>
Claims to banks and other financial institutions	3,677	(3,007)		<b>670</b>
<b>Deferred tax liabilities, including:</b>	<b>(1,625,713)</b>	<b>46,226</b>	<b>-</b>	<b>(1,579,487)</b>
Cash and their equivalents	(944)	(1,755)		<b>(2,699)</b>
Fixed assets	(1,454,261)	23,539		<b>(1,430,722)</b>
Loans and borrowings to customers	(155,369)	26,466		<b>(128,903)</b>
Contingent liabilities	(15,139)	(2,024)		<b>(17,163)</b>
Other financial assets rated at amortized value				<b>-</b>
Claims to banks and other financial institutions				<b>-</b>
<b>Net deferred tax asset/liability</b>	<b>(1,103,050)</b>	<b>76,966</b>	<b>(2,517)</b>	<b>(1,028,601)</b>

## Note 12 : "Basic profit falling to a single share"

Thous. AMD

	01/04/2025- 30/06/2025	01/01/2025- 30/06/2025	01/04/2024- 30/06/2024	01/01/2024- 30/06/2024
<b>Basic profit falling to a single share</b>				
<b>Net profit of the accounting period after taxation</b>	1,817,821	5,020,144	2,415,534	4,217,019
Dividends on preferential shares calculated for the current accounting	222,305	442,166	222,304	444,609
Net gains(losses) of given period referring to owners of common shares	1,595,516	4,577,978	2,193,230	3,772,410
Net weighted average number of common shares in circulation during the given period	12,119,719	12,119,719	10,840,338	10,840,338
<b>Basic profit falling to a single share</b>	<b>0.13</b>	<b>0.38</b>	<b>0.20</b>	<b>0.35</b>

The increase in the number of shares is due to the registration of a stock split in the ratio of 1 share to 5 share.

### Note 13 : Cash and cash equivalents

Thous. AMD

Cash and cash equivalents	30/06/2025	31/12/2024
Cash and cash equivalent payment documents	20,151,878	18,435,659
Correspondent accounts with the CBA*	56,399,710	43,875,985
Correspondent accounts with the the resident banks	250,797	204,369
Correspondent accounts with the non-resident banks	1,996,073	1,314,244
Reserves/IFRS/	(7,474)	(9,942)
<b>Cash and balances with the CBA</b>	<b>78,790,984</b>	<b>63,820,315</b>

\* Correspondent accounts with the CBA include mandatory provisioning funds calculated against the Bank's attracted funds according to the RA Bank Legislation.

### Note 14 : "Due to Banks and other Financial institutions"

Thous. AMD

Current accounts	30/06/2025	31/12/2024
Deposited funds with CBA	675,000	2,527,500
Reserve/IFRS/	(1,237)	(4,819)
<b>Total</b>	<b>673,763</b>	<b>2,522,681</b>
<b>With RA banks</b>		
Loans and deposits		
Other	358	308
<b>With banks having BBB(Baa3) and higher ratings</b>		
Other		
Loans and deposits		
<b>With banks having ratings lower than BBB (Baa3) or no rating at all</b>		
Loans and deposits		
Other	339	120
<b>Accrued interest</b>		
<b>Total</b>	<b>697</b>	<b>428</b>
Possible loss provision for amounts due from banks (note 7)	(805)	(120)
<b>Net receivables to banks</b>	<b>(108)</b>	<b>308</b>

Loans and deposits with Financial Institutions, other receivables	30/06/2025	31/12/2024
<b>With RA Financial Institutions:</b>		
Loans and deposits	58,394	1,007,364
Other	2,553,473	126,017
<b>With Financial Institutions having BBB(Baa3) and higher ratings</b>		
Other		
<b>With Financial Institutions having a rating lower than BB(Baa3) or no rating at all</b>		
Other	656,228	3,179,743
Accrued interest	362	3,285
<b>Total</b>	<b>3,268,457</b>	<b>4,316,409</b>
Possible loss provision for receivables due to Financial Institutions (Note 7)	(27,567)	(38,924)
<b>Net receivables to Financial Institutions</b>	<b>3,240,890</b>	<b>4,277,485</b>
<b>Net receivables to banks and Financial Institutions</b>	<b>3,914,545</b>	<b>6,800,474</b>

### Note 14.1 Reverse Repurchase Agreements

Reverse Repurchase Agreements	30/06/2025	31/12/2024
Repurchase Agreements with Financial Institutions	14,914,180	14,244,938
Reverse Repurchase Agreements with Financial Institutions	(27,338)	(27,158)
<b>Total</b>	<b>14,886,842</b>	<b>14,217,780</b>

### Note 15. "Financial assets recalculated at fair value through profit/loss"

Other financial assets recalculated at fair value through profit/loss	30/06/2025	31/12/2024
Swap		
<b>Total</b>	<b>-</b>	<b>-</b>

Possible loss provision for financial assets recalculated at fair rate through profit/loss (Note 7)

## Note 16. "Loans and advances to customers calculated at amortized value"

Thous. AMD

Loans and advances calculated at amortized value	30/06/2025	31/12/2024
Loans, including:	361,261,203	324,741,294
Mortgage loans	53,730,895	51,396,523
Credit cards	18,516,558	18,840,402
Accrued interest on the mentioned items	2,164,850	1,962,438
<b>Total loans</b>	<b>381,942,611</b>	<b>345,544,134</b>
Reserve for possible loss of customer loans and advances (note 7)	(4,176,627)	(3,442,678)
<b>Total loans and advances at amortized</b>	<b>377,765,984</b>	<b>342,101,456</b>

Thous. AMD

Analyses of provided loans and advances per customers	30/06/2025	31/12/2024
<b>State industries</b>	<b>14,442</b>	<b>22,283</b>
<b>Private industries, including:</b>	<b>175,391,664</b>	<b>158,662,395</b>
Major enterprises	92,197,806	80,285,067
Small and medium enterprises	83,193,859	78,377,328
Including business cards	30,579	35,750
<b>Individuals, including:</b>	<b>179,596,578</b>	<b>159,369,529</b>
Consumer loans	103,568,883	83,672,848
Mortgage loans	53,730,895	51,396,523
Credit cards	18,482,017	18,800,235
<b>Private entrepreneurs</b>	<b>24,775,077</b>	<b>25,527,489</b>
<b>Accrued interest</b>	<b>2,164,850</b>	<b>1,962,438</b>
<b>Total loans</b>	<b>381,942,611</b>	<b>345,544,135</b>
Reserve for customers' loans and advances calculated at amortized value (note7)	(4,176,627)	(3,442,678)
<b>Total loans and advances at amortized value</b>	<b>377,765,984</b>	<b>342,101,457</b>

Thous. AMD

Analyses of loans and advances provided to the customers per the groups of businesses (segments)	30/06/2025	31/12/2024
State and major enterprises	92,212,248	80,307,350
SME * sector, including	90,461,830	87,354,428
Agriculture	8,013,894	9,689,997
Housekeeping	197,103,683	175,919,918
Accrued interests	2,164,850	1,962,438
<b>Total loans and advances calculated at amortized value</b>	<b>381,942,611</b>	<b>345,544,134</b>
<b>advances calculated at amortized value (note7)</b>	<b>(4,176,627)</b>	<b>(3,442,678)</b>
<b>Total loans and advances calculated at amortized value</b>	<b>377,765,984</b>	<b>342,101,456</b>

\*SME sector involves investment loans provided to small and medium enterprises, individuals, as well as loans provided to the field of agriculture

Thous. AMD

borrowers and related parties /without	30/06/2025	31/12/2024
Customers' loans and advances calculated at amortized value	100,468,222	91,812,725
Balance of off-balance sheet contingent liabilities	4,092,425	2,182,926
<b>Total</b>	<b>104,560,647</b>	<b>93,995,651</b>
Loan investments	381,942,611	345,544,134
Ratio in portfolio	26.30%	26.57%
Total normative capital	76,645,875	77,137,535
Percentage ratio to capital	136.42%	121.85%
<b>Total</b>	<b>104,560,647</b>	<b>93,995,651</b>

Thous. AMD

Loan Investments through International programs	30/06/2025	Quantity
ADB/MSME	11,293,633	346
ADB/WESSD	3,757,189	136
BS/SME3	1,136,105	33
COVID-19/2/2	2,818,191	30
DEG/SME	243,743	11
EBRD/MSME	807,818	26
EBRD/SMEC/Green	992,168	19
EBRD/WiB	161,134	22
EIB/APEX	5,703,281	142
FMO/MSME/Green	387,760	10
FMO/MSME/Retail	338,187	17
GAF/ KfW /ENERGY	5,744,661	2,542
GAF/ KfW/ AGRO	1,665,895	119
GAF/KfW/SME	21,922,653	1,852
GAF/ KfW /CONSUMERENERGY	990,235	1,830
GAF/KfW/SME/ENERGY	3,966,444	158
INCOFINCVBA/MSE	616,198	38
Proparco/SME/Green	8,517,678	450
PRM/SCTTF	2,089	2
OFID/MSME/Climate/Green	1,889,071	105
<b>Total</b>	<b>76,369,965</b>	<b>7,949</b>

Thous. AMD

Loan Investments through International programs	31/12/2024	Quantity
ADB/MSME	7,723,298	210
ADB/WESSD	4,024,392	153
BS/SME3	1,344,117	42
COVID-19/1/3	25,086	1
COVID-19/2/1	2,253	1
COVID-19/2/2	2,870,963	45
DEG/SME	290,434	15
EBRD/MSME	745,730	33
EBRD/SMEC/Green	897,234	17
EBRD/WiB	251,633	32
EIB/APEX	6,664,461	154
FMO/MSME/Green	467,392	18
FMO/MSME/Retail	446,098	26
GAF/ KfW /SME	20,892,793	1,852
GAF/ KfW /ENERGY	3,789,035	1,396
GAF/ KfW /SME/ENERGY	3,023,100	120
GAF/ KfW/ AGRO	1,732,468	123
GAF/KfW/CONSUMER ENERGY	1,141,115	1,933
INCOFINCVBA/MSE	733,680	47
Proparco/SME/Green	10,991,596	565
PRM/SCTTF	2,818	2
<b>Ընդամենը</b>	<b>68,059,696</b>	<b>6,785</b>

Gaps of extended loans and advances calculated at amortized value per lending sectors (without taking into consideration the reserves for possible loan losses)	30/06/2025	Percentage	31/12/2024	Percentage
Industry	23,506,064	6.15	19,397,326	5.61
Agriculture	13,281,389	3.48	14,556,135	4.21
Construction	55,627,013	14.56	52,917,542	15.31
Transportation and communication	2,840,043	0.74	1,620,212	0.47
Commerce	50,093,335	13.12	46,835,642	13.55
Consumer	122,857,098	32.17	103,219,755	29.87
Mortgage loans	53,953,977	14.13	51,615,491	14.94
Service	19,159,480	5.02	20,443,838	5.92
Other	40,624,212	10.64	34,938,193	10.11
<b>Total</b>	<b>381,942,611</b>	<b>100</b>	<b>345,544,134</b>	<b>100</b>

Breakdown of loan portfolio per customer residency	30/06/2025	Percentage	31/12/2024	Percentage
RA residents	369,758,852	97.88	336,921,808	98.49
Residents of countries with Baa33 and higher ratings including	5,732,892	1.52		-
USA	5,732,892			
Residents of countries with Baa33 and lower ratings or no rating at all	109,390	0.03	3,217,210	0.94
Russia	109,390		3,217,210	
Accrued interest	2,164,850	0.57	1,962,438	0.57
<b>Total</b>	<b>377,765,984</b>	<b>100</b>	<b>342,101,456</b>	<b>100</b>

**Note 16. "Loans and borrowings to customers calculated at amortized value"**

**30/06/2025**

The structure of customers' loans and borrowings calculated at amortized value per classification stages /IFRS 9/	Stage 1 /non-depreciated and overdue up to 30 days /		Stage 2 /31-90 days overdue/		Stage 3 /overdue more than 90 days/	
	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve
Corporate loans	175,967,360	910,778	42,607	10,754	362,492	293,445
Loans to individuals and private entrepreneurs	201,961,158	1,492,617	778,170	198,224	2,830,824	1,270,810
<b>Total</b>	<b>377,928,518</b>	<b>2,403,395</b>	<b>820,777</b>	<b>208,978</b>	<b>3,193,316</b>	<b>1,564,255</b>

**31/12/2024**

Depreciation reserve gaps of loans and advances to customers calculated at amortized value per stages of regression model	Stage 1 /non-depreciated and overdue up to 30 days /		Stage 2 /31-90 days overdue/		Stage 3 /overdue more than 90 days/	
	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve
Corporate loans	159,381,236	1,401,566	156,405	116,817	61,987	56,150
Loans to individuals and private entrepreneurs	183,421,175	860,358	1,226,155	464,023	1,297,176	543,764
<b>Total</b>	<b>342,802,411</b>	<b>2,261,924</b>	<b>1,382,560</b>	<b>580,840</b>	<b>1,359,163</b>	<b>599,914</b>



Note 16. "Loans and borrowings to customers calculated at amortized value"

30/06/2025

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
<b>Consumer</b>				
Non-overdue	119,798,474	1,427,790	118,370,684	1.19%
Overdue				
1-30 days	223,265	28,981	194,284	12.98%
31- 60 days	134,817	45,033	89,784	33.40%
61- 90 days	63,870	21,646	42,224	33.89%
91-180 days	2,589,252	1,089,227	1,500,025	42.07%
180 and more	47,420	35,745	11,675	75.38%
<b>Total</b>	<b>122,857,098</b>	<b>2,648,422</b>	<b>120,208,676</b>	<b>2.16%</b>
<b>Trade</b>				
Non-overdue	49,858,030	198,468	49,659,562	0.40%
Overdue				
1-30 days	96,155	507	95,648	0.53%
31- 60 days	5,817	1,468	4,349	25.24%
61- 90 days	7,326	1,849	5,477	25.24%
91-180 days	23,655	18,687	4,968	79.00%
180 and more	102,352	87,936	14,416	85.92%
<b>Total</b>	<b>50,093,335</b>	<b>308,915</b>	<b>49,784,420</b>	<b>0.62%</b>
<b>Production</b>				
Non-overdue	23,498,093	63,081	23,435,012	0.27%
Overdue				
1-30 days				
31- 60 days	7,971	2,012	5,959	25.24%
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>23,506,064</b>	<b>65,093</b>	<b>23,440,971</b>	<b>0.28%</b>
<b>Construction</b>				
Non-overdue	55,627,013	407,726	55,219,287	0.73%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>55,627,013</b>	<b>407,726</b>	<b>55,219,287</b>	<b>0.73%</b>
<b>Mortgage</b>				
Non-overdue	53,879,031	102,331	53,776,700	0.19%
Overdue				
1-30 days	74,946	121	74,825	0.16%
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>53,953,977</b>	<b>102,452</b>	<b>53,851,525</b>	<b>0.19%</b>
<b>Agriculture</b>				
Non-overdue	13,267,345	103,804	13,163,541	0.78%
Overdue				
1-30 days	2,014	371	1,643	18.42%
31- 60 days	239	6	233	2.51%
61- 90 days	424	11	413	2.59%
91-180 days	312	173	139	55.45%
180 and more	11,055	8,616	2,439	77.94%
<b>Total</b>	<b>13,281,389</b>	<b>112,981</b>	<b>13,168,408</b>	<b>0.85%</b>
<b>Other fields</b>				
Non-overdue	62,354,473	323,226	62,031,247	0.52%
Overdue				
1-30 days				
31- 60 days	7,836	1978	5,858	25.24%
61- 90 days	1,610	580	1,030	36.02%
91-180 days	259,816	205,254	54,562	79.00%
180 and more				
<b>Total</b>	<b>62,623,735</b>	<b>531,038</b>	<b>62,092,697</b>	<b>0.85%</b>
<b>TOTAL</b>	<b>381,942,611</b>	<b>4,176,627</b>	<b>377,765,984</b>	<b>1.09%</b>

31/12/2024

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
<b>Consumer</b>				
Non-overdue	101,827,082	1,007,756	100,819,326	0.99%
Overdue				
1-30 days	93,114	19,496	73,618	20.94%
31- 60 days	44,571	19,508	25,063	43.77%
61- 90 days	19,634	9,796	9,838	49.89%
91-180 days	1,192,198	402,149	790,049	33.73%
180 and more	43,156	30,030	13,126	69.58%
<b>Total</b>	<b>103,219,755</b>	<b>1,488,735</b>	<b>101,731,020</b>	<b>1.44%</b>
<b>Trade</b>				
Non-overdue	46,707,441	268,159	46,439,282	0.57%
Overdue				
1-30 days	11,756	1,268	10,488	10.79%
31- 60 days	23,394	19,696	3,698	84.19%
61- 90 days	82,576	69,406	13,170	84.05%
91-180 days				
180 and more	10,475	6,310	4,165	
<b>Total</b>	<b>46,835,642</b>	<b>364,839</b>	<b>46,470,803</b>	<b>0.78%</b>
<b>Production</b>				
Non-overdue	19,397,326	144,489	19,252,837	0.74%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>19,397,326</b>	<b>144,489</b>	<b>19,252,837</b>	<b>0.74%</b>
<b>Construction</b>				
Non-overdue	52,917,542	618,690	52,298,852	1.17%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>52,917,542</b>	<b>618,690</b>	<b>52,298,852</b>	<b>1.17%</b>
<b>Mortgage</b>				
Non-overdue	51,490,821	25,234	51,465,587	0.05%
Overdue				
1-30 days	62,722	278	62,444	0.44%
31- 60 days				
61- 90 days				
91-180 days	61,948	47,991	13,957	77.47%
180 and more				
<b>Total</b>	<b>51,615,491</b>	<b>73,503</b>	<b>51,541,988</b>	<b>0.14%</b>
<b>Agriculture</b>				
Non-overdue	14,540,554	152,974	14,387,580	1.05%
Overdue				
1-30 days	14,744	646	14,098	4.38%
31- 60 days	559	238	321	42.58%
61- 90 days				
91-180 days	278	134	144	48.20%
180 and more				
<b>Total</b>	<b>14,556,135</b>	<b>153,992</b>	<b>14,402,143</b>	<b>1.06%</b>
<b>Other fields</b>				
Non-overdue	56,910,363	525,855	56,384,508	0.92%
Overdue				
1-30 days	26,215	14,405	11,810	54.95%
31- 60 days				
61- 90 days	3,678	2,021	1,657	54.95%
91-180 days				
180 and more	61,987	56,149	5,838	90.58%
<b>Total</b>	<b>57,002,243</b>	<b>598,430</b>	<b>56,403,813</b>	<b>1.05%</b>
<b>TOTAL</b>	<b>345,544,134</b>	<b>3,442,678</b>	<b>342,101,456</b>	<b>1.00%</b>

## Note 17. "Financial assets rated at fair value through other comprehensive financial results"

Thous. AMD		
Government securities	30/06/2025	31/12/2024
RA Governmental T-bills		607,409
<b>Total</b>		<b>607,409</b>

Thous. AMD				
RA non-state securities	30/06/2025		31/12/2024	
	listed	unlisted	listed	unlisted
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Long term debt instruments				
Short term debt instruments				
Capital instruments	8,000	391,540		399,540
<b>Total non-state securities of RA</b>	<b>8,000</b>	<b>391,540</b>		<b>399,540</b>
governmental securities (reserve for				
<b>Net Investments in RA non-</b>	<b>8,000</b>	<b>391,540</b>		<b>399,540</b>

Thous. AMD				
	30/06/2025		31/12/2024	
	listed	unlisted	listed	unlisted
Issuer having BBB+(Baa1) and				
Capital instruments		8,444		6,685
<b>Total non-state securities of RA</b>		<b>8,444</b>		<b>6,685</b>
<b>through other comprehensive financial assets</b>	<b>8,000</b>	<b>399,984</b>	<b>607,409</b>	<b>406,225</b>

Investments in share capital of other entities as of 30/06/2025

Thous. AMD					
Name of entity	Main activity	Country of	Investment	Investment	Share %
S.W.I.F.T	Telecommunication	Belgium	13/09/1996	8,444	-
"Armenian Card" CJSC	Payment service	RA	22/02/2000	168,285	6.25
ACRA Credit Reporting CJSC	Information service	RA	23/06/2006	23,255	4.58
YES EM CJSC	Provision of electronic services	RA	19/03/2024	200,000	8.33
TELL CELL CJSC	Payment service	RA	10/12/2024	8,000	0.06
<b>Total</b>				<b>407,984</b>	

The balance sheet and real values of the financial assets rated at fair value through other comprehensive financial results (except investments into capital instruments) correspond to each other. The investments into capital instruments in RA are not quoted in any exchange and have a limited market. There are no definite accepted principles and methods to precisely decide the real value of those instruments, and therefore those securities are accounted in their cost price, deducted the reserve amount for depreciation

### Note 17.1 : "Securities pledged under repurchase agreement"

Thous. AMD		
Assets	30/06/2025	31/12/2024
<b>Total pledged securities</b>	<b>77,649,849</b>	<b>67,011,458</b>
including:		
Financial assets at amortized cost	13,585,015	12,573,292
Other financial assets rated at	64,064,834	54,438,166
Reserve for Financial assets at amortize	(117,431)	(104,902)
<b>Total</b>	<b>77,532,418</b>	<b>66,906,556</b>

**Note18. "Other financial assets calculated at amortized value"**

	30/06/2025	31/12/2024
Government securities rated at amortized value		8,952,024
Accumulated interest		152,587
Reserve of financial assets calculated at amortized value		(17,545)
<b>Total</b>	<b>-</b>	<b>9,087,066</b>

**Note 19. "Investment in the chartered capital of the controlled entities"**

There is no data available for this note during the accounting and previous period

Note 20. "Fixed assets and intangible assets"							
Name of the entity	Land, buildings	Computer and communication	Vehicles	Other fixed assets	Investments in fixed assets	Right-of-use assets	Total
Balance of the fixed assets at the end of previous period 31/12/2024	12,997,717	5,424,626	1,345,617	2,635,000		6,318,546	28,721,506
Increase		59,453	311,809	91,718	33,908	629,937	1,126,825
Disposal			(173,165)				(173,165)
Written-off		(537,781)		(27,252)		(10,217)	(575,250)
Reclassification	33,908				(33,908)		-
Balance of fixed assets at the end of accounting period 30/06/2025	13,031,625	4,946,298	1,484,261	2,699,466	-	6,938,266	29,099,916
Balance of accumulated amortization at the end of the previous period 31/12/2024	667,781	3,591,909	581,789	1,738,089		4,247,644	10,827,212
Increase	193,617	268,908	77,768	110,334		506,933	1,157,560
Disposal			(101,214)				(101,214)
Reclassification							-
Depreciation		(524,047)		(26,930)		(4,541)	(555,518)
Written-off of amortization							-
Balance of accumulated amortization at the end of the accounting period 30/06/2025	861,398	3,336,770	558,343	1,821,493	-	4,750,036	11,328,040
Net balance sheet value							
At the end of the accounting period	12,170,227	1,609,528	925,918	877,973		2,188,230	17,771,876
At the end of the previous accounting period	12,329,936	1,832,717	763,828	896,911		2,070,902	17,894,294

The revaluation of fixed assets was carried out by an independent appraiser based on market value. Increase from the revaluation was attributed to the revaluation reserve of the equity.

**Intangible Assets**

Thous. AMD

Item	Software programs	License and warranties	Intellectual property rights	Other Intangible Assets	Total
Initial value					
Balance of intangible assets at the end of the previous period 31/12/2024	1,243,141	853,354	206	31,694	2,128,395
Increase	17,577	44,219			61,796
Written-off	(285)	(15,855)			(16,140)
Disposal					-
Balance of intangible assets at the end of the accounting period 30/06/2025	1,260,433	881,718	206	31,694	2,174,051
Intangible balance of accumulated amortizationat the end of accounting period 31/12/2024	443,293	591,989	144	28,332	1,063,758
Increase	69,726	58,070	7	1,076	128,879
Disposal					-
Written-off	(285)	(15,750)			(16,035)
Reclassification					-
Balance of accumulated amortization at the end of accounting period 31/03/2025	512,734	634,309	151	29,408	1,176,602
Net balance sheet value					
At the end of the accounting period	747,699	247,409	55	2,286	997,449
At the end of the previous accounting period	799,848	261,365	62	3,362	1,064,637

As of 30/06//2025 the Bank had an intangible asset developed in-house, new "Business Operational Day" software: initial value AMD 750 thous., amortization AMD 750 thous., residual value AMD 0.

## Note 21: "Other Assets"

Thous. AMD

	30/06/2025	31/12/2024
<b>Amounts receivable from bank operations</b>		
Amounts receivable from other operations	95,648	56,693
<b>Total</b>	<b>95,648</b>	<b>56,693</b>
Reserve for possible loss provision from bank operations (note 7)	(1,061)	(633)
<b>Net amounts receivable from bank operations</b>	<b>94,587</b>	<b>56,060</b>
<b>Debtor liabilities and prepayments</b>		
Debtor liabilities on the budget	946,357	162,464
Prepayments to employees	1	117
Prepayments to suppliers	388,820	118,373
Prepayments on the budget and mandatory social insurance payments	31,706	50,546
Other debtor liabilities and prepayments	426	33,183
<b>Total</b>	<b>1,367,310</b>	<b>364,683</b>
Reserve for possible loss provision on other assets (note 7)	(4)	(333)
<b>Total</b>	<b>1,367,306</b>	<b>364,350</b>
Reserve	522,036	644,618
Future period expenses	331,430	266,254
Other assets	75,744	33,731
Reserve for possible loss provision on other assets (note 7)	(6)	
<b>Total</b>	<b>929,204</b>	<b>944,603</b>
<b>Total other assets</b>	<b>2,391,097</b>	<b>1,365,013</b>

## Note 22. "Liabilities to banks and other financial institutions"

Thous. AMD

	30/06/2025	31/12/2024
<b>Current accounts</b>		
RA Banks	14,921	15,064
Banks having BBB(Baa3) and higher rating		
Banks having rating lower than BBB(Baa3) or no rating at all	804	1,874
Accrued interest		
<b>Total</b>	<b>15,725</b>	<b>16,938</b>
<b>Interbank loans and deposits, other</b>		
Other		
<b>RA banks</b>		
Loans and deposits	7,266,857	7,965,416
Other	623	
<b>Banks having BBB(Baa3) and higher rating</b>		
Loans and deposits	1,935,517	1,937,296
Other		
<b>Banks having rating lower than BBB(Baa3) or no rating at all</b>		
Loans and deposits	1,387,452	1,323,966
Other		3,278
Accrued interest	114,057	47,337
<b>Total</b>	<b>10,704,506</b>	<b>11,277,293</b>
<b>Financial Institutions</b>		
Current accounts	5,981,315	6,356,567
Loans	29,574,259	27,427,288
Deposits	30,889,119	28,707,318
Other	223,686	325,242
Accrued interest	886,592	828,514
<b>Total</b>	<b>67,554,971</b>	<b>63,644,929</b>
<b>Total liabilities to banks and financial institutions</b>	<b>78,275,202</b>	<b>74,939,160</b>



## Note 22.2 . Loans received from the Central Bank of the Republic of Armenia and RA Government

Program	30/06/2025		31/12/2024	
	Loan amount	Accrued interest	Loan amount	Accrued interest
"Women Entrepreneurship Support and Development" loan project	1,507,550	4,528	1,422,425	4,852
GAF/ RA SME lending project of European Investment Bank	5,918,228	96,100	7,191,471	114,496
GAF /Micro and Small Business Development Project of German-Armenian Fund	22,249,588	354,659	22,071,162	356,955
GAF "Renewable Energy Development" project	3,333,056	87,295	3,672,273	99,201
GAF "Access to finance for SMEs" project	3,143,439	23,804	2,785,226	32,167
RA "Agriculture support" project	1,664,514	13,221	1,692,649	15,664
<b>Total</b>	<b>37,816,373</b>	<b>579,607</b>	<b>38,835,206</b>	<b>623,335</b>

## Note 22.3 REPO (repurchase) agreements

REPO (repurchase) agreements	30/06/2025	31/12/2024
REPO (repurchase) agreements with financial institutions	86,555,305	63,046,386
<b>Total</b>	<b>86,555,305</b>	<b>63,046,386</b>

**Note 23: "Liabilities to Customers"**

<b>RA resident corporate entities and institutions</b>	<b>30/06/2025</b>	<b>31/12/2024</b>
Current accounts	30,995,418	34,699,797
Term deposits	36,868,110	36,085,270
Other	2,605,664	1,630,297
Accrued interest	1,214,709	1,123,334
<b>Total</b>	<b>71,683,901</b>	<b>73,538,698</b>
<b>Non-resident corporate entities, institutions</b>	<b>30/06/2025</b>	<b>31/12/2024</b>
Current accounts	466,522	397,465
Deposits	42,900	
Other	2	2
Accrued interest	57	27
<b>Total</b>	<b>509,481</b>	<b>397,494</b>
<b>RA resident private entrepreneurs</b>	<b>30/06/2025</b>	<b>31/12/2024</b>
Current accounts	2,291,429	2,591,102
Term deposit	64,973	26,000
Other	23,265	23,464
Accrued interest	1,347	536
<b>Total</b>	<b>2,381,014</b>	<b>2,641,102</b>
<b>RA resident individuals</b>	<b>30/06/2025</b>	<b>31/12/2024</b>
Current accounts	34,014,129	33,018,850
Term deposits	78,925,630	74,142,317
Other	707,261	728,759
Accrued interest	2,171,767	1,834,968
<b>Total</b>	<b>115,818,787</b>	<b>109,724,894</b>
<b>Non- resident individuals</b>	<b>30/06/2025</b>	<b>31/12/2024</b>
Current accounts	1,475,781	1,068,168
Term deposits	4,047,123	3,892,151
Other	50,652	13,829
Accrued interest	119,444	76,682
<b>Total</b>	<b>5,693,000</b>	<b>5,050,830</b>
<b>Total liabilities to customers</b>	<b>196,086,183</b>	<b>191,353,018</b>

As of 30/06/2025, the amount necessary to secure obligations was AMD 9,712,645 thousand, the amount frozen by court order and tax authorities was AMD 155,572 thousand.

**Note 23.1 : "Subordinate Borrowing"**

As of 30/06/2025 the Bank attract subordiante borrowing` AMD 6,249,454 thousand.

**Note 24: "Securities issued by the Bank"**

	<b>30/06/2025</b>	<b>31/12/2024</b>
Interest securities issued by the Bank	18,504,182	14,115,869
<b>Total</b>	<b>18,504,182</b>	<b>14,115,869</b>

**Note 25 : “Financial liabilities at fair value recalculated through profit/loss”**

Thous.AMD

Financial liability at fair value recalculated through profit/loss	30/06/2025	31/12/2024
Derivative instruments		
Swap	14,435	
Forward		
Other	213,899	119,575
<b>Total</b>	<b>228,334</b>	<b>119,575</b>

**Note 26: "Amounts Payable"**

Thous.AMD

Amounts payable	30/06/2025	31/12/2024
Dividends	651,807	584,961
For insurance of deposit	69,259	66,944
<b>Total</b>	<b>721,066</b>	<b>651,905</b>

**Note 27: " Other Liabilities"**

Thous.AMD

Other Liabilities	30/06/2025	31/12/2024
On income tax of non-resident	81,761	73,719
On VAT	9,403	6,658
On other taxes and penalties	188,522	303,709
Salary liabilities to employees	1,735,304	1,606,396
Credit debts to suppliers	207,582	180,088
Other liabilities	572,002	781,759
<b>Balance at the end of the period</b>	<b>2,794,574</b>	<b>2,952,329</b>

**Note 28: "Chartered capital"**

The Bank's registered and fully paid share capital totals AMD 31.578.015 thous., including 12.119.719 common shares with a nominal value of AMD 2,080 per share and 424,600 preference shares with a nominal value of AMD 15,000 per share. The chart below shows information on the key shareholders of the Bank as of the end of the accounting period.

Thous.AMD

Name of the major shareholder	Participation amount	The size of participation in	Shareholders activity type (for
<b>Sukiasyan Saribek Albert</b>	6,550,868	25.99%	
<b>Sukiasyan Eduard Albert</b>	3,279,677	13.01%	
<b>Sukiasyan Khachatur Albert</b>	3,138,533	12.45%	

The shareholders of preference shares of the Bank are entitled to:

- a/ participate in the General Meeting of Shareholders of the Bank with the number of votes corresponding to the number and value of preference shares owned by them as prescribed by Law and the Bank's Charter.
- b/ receive quarterly payments (dividends),
- c/ receive any information concerning the Bank activities as prescribed by Law.
- d/ obtain its part of the Bank's property in case of the liquidation of the Bank

**Note 29: "Other Equity Components"**

There are no data available for this note in the accounting and previous periods.

## Note 30: "Reserves, Contingencies, Potential Liabilities"

The Bank's legal liabilities: as of 30/06/2025 there are no such liabilities on which the bank has made provisioning. The Bank carries out activities within the framework of requirements set forth by the legislation.

The Bank's tax liabilities: as of 30/06/2025 the Bank had fully performed its tax liabilities and there is no need for additional provisioning on its tax liabilities.

### The Bank's contingent liabilities on off balance sheet items containing credit risks

	Thous.AMD	
	30/06/2025	31/12/2024
Unutilized credit lines	3,242,996	2,518,236
Provided guarantees	14,042,584	13,237,505
Provided letters of credit		
Reserve on the mentioned items (note 7)	(70,087)	(67,641)

### Liabilities on operational leases

## Note 31 : "Transactions with Related Parties"

In the context of the present note the Bank's related parties are the Bank management, shareholders, entities related to them in the prescribed order set forth by RA law on the "Banks and Banking".

The Bank management comprises the Chairman of the Bank's Board, Deputy Chairman of the Board and the members of the Board, the Chief Executive Officer, the Deputy Chief Executive Officer, Chief Accountant, Deputy Chief Accountant, Head of Internal Audit Department, employees of Internal Audit Department, members of the Bank administration, as well as the heads of the Bank's territorial subdivisions, heads of the Bank's subdivisions, heads of the Bank's administration, departments and divisions

The transactions with the Bank related parties have been made on the basis of the current market conditions and interest rates.

Loans and advances at amortized value to the Bank related parties	30/06/2025	31/12/2024
Bank shareholder	6,869,947	7,221,063
Bank management	536,682	526,293
Financial institutions		
<b>Total</b>	<b>7,406,629</b>	<b>7,747,356</b>
Interest income	376,351	775,553
Facilities attracted from Bank related entities	30/06/2025	31/12/2024
Bank shareholder	4,634,885	4,348,971
Bank management	973,078	1,026,510
Financial institutions	1,146,288	471,795
<b>Total</b>	<b>6,754,251</b>	<b>5,847,276</b>
Interest expense	213,198	596,494
Salary or Similar Payment to the Bank Management	30/06/2025	31/12/2024
<b>Board</b>	<b>331,472</b>	<b>490,324</b>
Salary	270,272	454,174
Awarding	61,200	36,150
<b>Executive body</b>	<b>292,230</b>	<b>582,569</b>
Salary	292,230	540,569
Awarding		42,000
<b>Internal Audit</b>	<b>77,765</b>	<b>155,686</b>
Salary	77,765	143,836
Awarding		11,850
<b>Total</b>	<b>701,467</b>	<b>1,228,579</b>

*The credit risk is the possible danger of delay or non-repayment of the loan, accrued interest or a part of it conditioned by the deterioration of the financial state of the borrower, pledge depreciation and other similar reasons, which can cause financial losses.*

## **2) The methods of measurement and assessment of credit risk**

A loan risk assessment and management methodology has been elaborated at the bank, which gives a possibility to assess the risks connected with the loan based on the calculation results of the relevant model. By simultaneous consideration of mathematical and economic arguments the credit risks assessment model provides a complex risk assessment approach, resulting in facilitation of grounded decision making on loan extension applying also the expert's assessments as exogenous variables. During the preliminary analysis of the borrower's creditworthiness the bank finds out the potential borrower's conformity to the general criteria set forth by its credit policy and if the outcome is positive a scrupulous analysis of factors of creditworthiness is made.

## **3) Description of models (if available),**

In addition to the above mentioned methodology, the Bank applies the "stress test" method, that envisages calculation of the Bank's losses in case of occurrence of various considered shock scenes.

When applying "stress tests", a number of scenarios concerning the risk are being examined and in case of each scenario losses of the Bank are calculated through the relevant method. For the loan risk assessment the following shock scenarios are applied:

1. Written-off of the classified loans to the extent of X%,
2. Classification of Y% of doubtful loans to bad loans,
3. Classification of Z% of standard loans to watchlist,
4. Classification of U% foreign currency standard loans to watchlist,
5. The fact of the loan becoming bad as a result of major borrower's bankruptcy,
6. Classification of K% of total loans to bad loans,
7. Transformation of L% of post-balance sheet conditional liabilities and post-balance sheet term operations into balance sheet items,
8. The scene of simultaneous occurrence of the first (except those classified as doubtful), second, third and seventh scenes, where the parameters of X,Y,Z,U, K, L scenes are ( figures from 1-100)

As a result of the application of stress tests, the impact of the mentioned shock situations on the minimum size of the Bank's general capital adequacy standard (N1) is calculated, the possibilities and sizes of breach of those standards, the size of surplus amount transferable to reserve fund are assessed.

The surplus amounts transferable to the reserve fund are calculated in case of various possible scenarios (for different values of each scenario parameter) which are used for the purpose of analysis of possible scenarios drafted on the basis of previous period data. The analysis of more possible scenarios enables to assess the riskiness of loan portfolio undertake measures for the insurance of the minimum level of risk. The analysis of the written-off scenarios of a certain percent of doubtful, standard, and general loans classified on the basis of the minimum size of the Bank's equity and adequacy standards include determination of critical points of breach of a standard which enables to assess the probability (risk) of a breach of a standard on the given date.

#### **4) Determination of the allowable level of loan risk: quantitative analysis and assessment of risk**

While generating its loan portfolio, the Bank records and tabulates statistics on centralization of certain types of loans:

- V per sectors of economy,
- V per regions
- V per a single Borrower and related Parties
- V per loan terms
- V per pledge, etc.

#### **5) Loan risk regulation, works performed on mitigation and elimination of credit risk impact**

The loan policy adopted by the Bank pursues a goal to maximize the efficiency of allocation of attracted funds as loan providing relevant liquidity and risk diversification under conditions of necessary profitability.

The Bank's loan risk management is performed via procedures regulating this process that set forth the criteria of assessment of the borrower's creditworthiness presented to the borrower, assessment of loan security level, analysis of pledge disposal, restrictions on extension of large loans, forecast of external environmental changes, credit monitoring, control, supervision, etc.

30/06/2025					Thous.AMD
Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<i>Assets</i>					
Cash and balances with the CBA	76,825,681	1,087,158	636,163	241,982	78,790,984
Standard bank precious metal bullions and coins	456,386				456,386
Due from banks and other financial institutions	3,235,098	339	530,523	148,585	3,914,545
Reverse repurchase agreements	14,886,842				14,886,842
Customers' loans and advances rated at amortized	371,853,976	5,912,008			377,765,984
Securities at fair value rated through other	399,540		8,444		407,984
Securities pledged under repurchase agreement	77,532,418				77,532,418
Other financial assets carried at amortized cost					-
Other assets	94,197		391		94,588
<b>Total assets</b>	<b>545,284,138</b>	<b>6,999,506</b>	<b>1,175,520</b>	<b>390,567</b>	<b>553,849,731</b>

31/12/2024					Thous.AMD
Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<i>Assets</i>					
Cash and balances with the CBA	62,556,384	526,763	629,275	107,894	63,820,315
Standard bank precious metal bullions and coins	531,149				531,149
Due from banks and other financial institutions	6,270,580	120	404,708	125,066	6,800,474
Reverse repurchase agreements	14,217,780				14,217,780
Financial assets at fair value recalculated through					-
Customers' loans and advances rated at amortized value	338,835,996	3,265,460			342,101,456
Securities at fair value rated through other	1,006,949	-	6,685		1,013,634
Securities pledged under repurchase agreement	66,906,556	-			66,906,556
Other financial assets carried at amortized cost	9,087,066	-			9,087,066
Other assets	55,917		143		56,060
<b>Total assets</b>	<b>499,468,377</b>	<b>3,792,343</b>	<b>1,040,810</b>	<b>232,960</b>	<b>504,534,491</b>

Loans allocated in the territory of RA per

Thous. AMD		
RA regions	30/06/2025	31/12/2024
Yerevan	232,344,849	215,199,733
Kotayk	36,765,289	34,875,288
Ararat	22,187,157	18,299,785
Lori	10,201,322	8,604,554
Gegharkunik	13,528,885	11,380,116
Shirak	13,666,963	10,721,936
Armavir	19,892,525	16,794,519
Syunik	10,619,919	9,050,460
Aragatsotn	11,289,350	10,125,982
Vayots Dzor	3,009,884	2,546,767
Tavush	2,869,172	2,547,093
Artsakh	1,390,668	1,955,224
<b>Total</b>	<b>377,765,984</b>	<b>342,101,456</b>

## Credit Risk Analysis

1) To rise the efficiency of loan portfolio security, loans at the bank are provided to the extent of maximum 70-80% of assessed value of pledge and during further repayments of the loan loan/pledge ratio factor decreases. The assessment of pledged properties is made by specialized companies with a license for assessment in AMD, loans are also provided in foreign currency. Within conditions of exchange rate fluctuations and overdue loans in case of deficit of pledge value, arising from the growth of Borrower liabilities on the account of accumulated penalties the risks of the Bank are mitigated due to the fact that, according to the Loan Agreements, the Bank is entitled to satisfy its credit requirements from funds available on the Borrower's bank account and to claim sequestration of loan debt by court order afterwards.

2) It should be noted that in the loan portfolio the unsecured loans (without reserves) as of 30/06/2025 did not exceed 3.56%. The bulk of the unsecured loans consists of those provided to the customers of "ARMECONOMBANK" OJSC, which have active account movements and stable cash flows. Credit lines under credit cards also have a significant weight. These loans contain low credit risk, since the credit lines have limited sizes, while the customers have jobs and in some cases guarantees of reputable organizations are available.

3) As of 30/06/2025, loan investments without reserves amounted to AMD 381,942,611 thous. As of 30/06/2025 volume of loans in the Stage 2, Stage 3 amounted to AMD 4,014,093 thous.

4) The provisioning of loan portfolio corresponds to the requirements of IFRS9.

5) The volume of repo transactions in the II quarter of 2025 (excluding extensions) is 32,785,258 thousand AMD and 5,470,762 USD, but in the same period of the previous year was 32,554,374 thousand AMD and 5,646,100 USD. The volume of reverse repo transactions in the II quarter of 2025 is 892,433,057 thousand AMD and 9,865,328 EUR and in the same period of the previous year was 582,849,774 AMD.

6) The lending procedure at "ARMECONOMBANK" OJSC is performed by a dedicated team of employees with excellent professional qualification and work experience. The engagement of employees is made via competitive examination held by a special competition committee. The announcements of competitions are placed in mass media and in the Bank's Website.

7) On the purpose of rising the efficiency of lending process and mitigation of risks connected with commercial loans, loan officers make careful analysis of the Borrower's performance. On the purpose of analysis the specialist of loan extension unit visit the place where the customer's business is located and not only uses the existing accounting documents, but also elaborates and uses his own versions of balance sheet, income expenses, cash flows, capital movement statements.

The balance sheet compiled by the Bank specialist reflects the situation at the time when the analysis is made liquid assets/cash in the pay desk, bank accounts, savings/ accounts receivables/receivable amounts, goods on transit, prepayments made/ good supplies/raw materials, half ready goods, goods, fixed assets/equipments related to customers business activity, cars, real estate and other property/.

The statement of income /expenses is compiled, taking into account the average indicators of customers disposal/average data/, value of goods and services/cost of raw materials, prime cost of goods/, surplus costs/salary, rental fee, transportation expenses, communal expenses, taxes, etc., other income expenses, repayments of extendable loan principal and interest.

During the process of analysis, the following economic ratios and indicators reflecting the financial state of the Borrower are calculated: capital adequacy ratio, liquidity ratio, circulation ratio, surplus, gross margin, net margin, limit of allowable decrease of liquidity volumes. The ratio of loan servicing is also calculated separately.

The loan amount is provided only after checking the conformity of the Borrower's financial state with the requirements of the Bank for those ratios set forth by the internal procedures regulating the lending process.

On the purpose of rising the efficiency of lending process, a regular monitoring of provided loans is performed. The monitoring is performed by the Bank's special unit, Loan Monitoring Division. The day-by-day monitoring of loans is made by loan officers in case of necessity.

### Two types of monitoring are performed:

1. Monitoring via actual visits,
2. Monitoring by phone calls.

### During the process of monitoring the specialists of the loan monitoring division gather information on the following issues:

1. Information on the changes in the Borrower's market position (competitors, price fluctuations, realization, etc.)
  2. In case of extension of loans by installments, as well as in case of availability of operative loan, a monitoring (analysis) of previously extended loan is performed before the extension of the consecutive installment or the new loan.
  3. Changes related to suppliers, consumer structure, and raw material prices.
  4. Other ratio describing the financial state of the Borrower.
  5. During the monitoring process, the relevant specialist discovers cases of non-purposeful usage of loan or provision of untrue information by the Borrower, the Bank may terminate further lending in case the lending is by installments, or may terminate the Loan Agreement and perform preterm repayment of principal, credit line provided for commercial purposes and accrued interest based on its rights under the Pledge Agreement.
  6. The assessment of pledge is made by a specialized company with a license for assessment. The assessment of property reflects the market situations, taking into account the forecast of property prices.
  7. The loan and pledge agreements signed with the customers contain a provision on mandatory security
- Collection of written-off loans is made by special units of the Bank, jointly with the problematic loan division and security department.
8. Lending process at "ARMECONOMBAK" OJSC includes all relevant impetus for the detection of credit risks.

### Credit risk management at the Bank is performed by the following main procedures:

1. Prudential discovery process of lending object,
2. Collection of standard portfolio of loan documentation,
3. Loan monitoring,
4. Problematic loan repayment process.



As a result of the above mentioned processes, the following data are discovered and assessed: Borrower's competency, loan purpose, Borrower's creditworthiness and loan repayment sources, risks connected with the Borrower's related parties, Borrower's loan history, experience of entrepreneurial activities, market position, conformity of the pledge object.

The business activity of the customers' finances by the Bank is in many cases interconnected, which enables the Bank to check the correctness of the information presented by the customer comparing that information with the information by another bank customer who acts as a supplier, buyer or competitor of the first.

## **Market Risk**

### **1) The Bank's own definition of the market risk**

Market risk is a foreign currency, interest rate and price risk which depends on the exchange rate and security price fluctuations.

### **2) The methods of market risk measurement and assessment**

#### **Foreign currency risk**

##### *Assessment of foreign exchange risk and position management efficiency*

The calculations of VAR model of foreign currency risk assessment are made on a daily basis, taking into account previous period data of foreign currency exchange rates and foreign currency position data. As a risk exponent on separate foreign currency position, the possible maximum size of revaluation loss incurred as a result of a day's (ten days) exchange rate fluctuations is reviewed under the conditions of the given reliability level. The calculations of the model are made under 99% reliability level conditions. Under the frames of the model, the correlation matrix of foreign currency exchange rate fluctuations is calculated on the basis of which the assessment of possible maximum loss (risk of foreign currency assets and liabilities package) incurred from foreign currency positions is made.

By the results of the accounting quarter, the possible maximum average daily loss per separate foreign currency positions and foreign currency assets and liabilities portfolio under 99% reliability has formed.

Accounting period	USD	GBP	EUR	CHF	KZT	AED	RUB	GEL	XAU	Gross VAR
2025 I Q	4,457.85	123.73	348.39	264.96	4.78	82.56	5,867.18	191.92	28.06	7,958.26
2025 II Q	3,158.24	187.60	1,184.80	351.97	5.45	58.36	13,457.10	212.51	20.34	14,172.15
increase/decrease	-1,299.61	63.87	836.40	87.01	0.67	-24.19	7,589.92	20.59	-7.72	6,213.89

The analysis of the Bank's foreign currency risk according to financial assets and liabilities:

	30/06/2025					Thous.AMD
	AMD	USD	EUR	RUB	Other currency	Total
Cash and their equivalents	35,393,030	34,577,520	6,261,806	2,438,127	120,502	78,790,985
Bank standardized bullions of precious metals and coins	443				455,943	456,386
Receivables to banks and other financial institutions	2,200,245	1,403,100	244,685	66,515		3,914,545
Reverse Repurchase Agreements	12,962,824	1,924,018	-			14,886,842
Loans and advances to customers calculated at amortized value	290,882,893	81,869,953	4,993,927	19,210		377,765,983
Financial assets at fair value rated through other comprehensive financial results	407,984	-		-		407,984
agreements	77,532,418	-				77,532,418
value						-
Other assets	87,963	4,473	1,721	431		94,587
<b>Total assets</b>	<b>419,467,799</b>	<b>119,779,064</b>	<b>11,502,140</b>	<b>2,524,283</b>	<b>576,445</b>	<b>553,849,731</b>
<b>Liabilities</b>						
institutions	64,326,697	12,260,173	1,633,471	54,861		78,275,202
Loans and deposits from international financial institutions	11,780,253	53,264,292	-		-	65,044,545
Loans from the CBA and RA	38,395,980				-	38,395,980
REPO agreements	84,298,933	-	2,256,372		-	86,555,305
Liabilities to Customers	142,111,078	46,684,473	5,046,926	2,203,844	39,862	196,086,183
Subordinate borrowing	1,012,629	2,515,985	2,720,840		-	6,249,454
Liabilities on current taxes	697,771				-	697,771
Securities issued by the Bank	10,339,902	8,164,280			-	18,504,182
Financial liabilities at fair value recalculated through profit/loss	228,334				-	228,334
Amount payable	721,066				-	721,066
Deferred tax liabilities	1,028,601				-	1,028,601
Lease liabilities	1,819,106					1,819,106
Other liabilities	2,476,972	250,205	52,340	14,716	341	2,794,574
<b>Total liabilities</b>	<b>359,237,322</b>	<b>123,139,408</b>	<b>11,709,949</b>	<b>2,273,421</b>	<b>40,203</b>	<b>496,400,303</b>
<b>Balance-sheet open position</b>	<b>60,230,478</b>	<b>(3,360,344)</b>	<b>(207,810)</b>	<b>250,862</b>	<b>536,242</b>	<b>57,449,428</b>
<b>Aggregately payable currency derivatives</b>	<b>(2,897,960)</b>	<b>3,126,239</b>			<b>(456,613)</b>	<b>(228,334)</b>
<b>Net position</b>	<b>57,332,518</b>	<b>(234,105)</b>	<b>(207,810)</b>	<b>250,862</b>	<b>79,629</b>	<b>57,221,094</b>

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Thous.AMD

	AMD	USD	EUR	RUB	Other currency	Total
Cash and their equivalents	26,523,018	31,488,832	3,983,696	1,741,111	83,658	<b>63,820,315</b>
Bank standardized bullions of precious metals and coins	443				530,706	<b>531,149</b>
Receivables to banks and other financial institutions	4,547,342	2,043,638	152,237	57,257		<b>6,800,474</b>
Reverse Repurchase Agreements	12,234,581	1,983,199	-			<b>14,217,780</b>
Loans and advances to customers calculated at amortized value	263,121,364	72,844,628	6,115,831	19,633		<b>342,101,456</b>
Financial assets at fair value rated through other comprehensive financial results	607,504	406,130				<b>1,013,634</b>
Securities pledged under repurchase agreements	65,611,999	1,294,557				<b>66,906,556</b>
Other financial assets calculated at amortized value	8,458,402	628,664				<b>9,087,066</b>
Other assets	51,112	3,187	1,468	293		<b>56,060</b>
<b>Total assets</b>	<b>381,155,765</b>	<b>110,692,835</b>	<b>10,253,232</b>	<b>1,818,294</b>	<b>614,364</b>	<b>504,534,490</b>
<b>Liabilities</b>						
Liabilities to the banks and other financial	62,689,686	10,656,147	1,571,973	21,354		<b>74,939,160</b>
Loans and deposits from international financial institutions	7,952,574	45,401,651	346,678		-	<b>53,700,903</b>
Loans from the CBA and RA	39,458,541				-	<b>39,458,541</b>
REPO agreements	63,046,386				-	<b>63,046,386</b>
Liabilities to Customers	135,086,753	48,448,900	5,925,496	1,870,817	21,052	<b>191,353,018</b>
Subordinate borrowing	1,013,026	2,593,398	2,498,407		-	<b>6,104,831</b>
Liabilities on current taxes	1,134,862				-	<b>1,134,862</b>
Securities issued by the Bank	5,683,978	8,431,891			-	<b>14,115,869</b>
Financial liabilities at fair value recalculated	119,575				-	<b>119,575</b>
Amount payable	651,905				-	<b>651,905</b>
Deferred tax liabilities	1,103,051				-	<b>1,103,051</b>
Lease liabilities	1,669,847					<b>1,669,847</b>
Other liabilities	2,759,528	103,766	56,820	1,170	736	<b>2,922,019</b>
<b>Total liabilities</b>	<b>322,369,712</b>	<b>115,635,753</b>	<b>10,399,374</b>	<b>1,893,341</b>	<b>21,788</b>	<b>450,319,968</b>
<b>Balance-sheet open position</b>	<b>58,786,053</b>	<b>(4,942,918)</b>	<b>(146,141)</b>	<b>(75,047)</b>	<b>592,576</b>	<b>54,214,522</b>
<b>Aggregately payable currency derivatives</b>		<b>411,564</b>			<b>(531,139)</b>	<b>(119,575)</b>
<b>Net position</b>	<b>58,786,053</b>	<b>(4,531,354)</b>	<b>(146,141)</b>	<b>(75,047)</b>	<b>61,437</b>	<b>54,094,948</b>

\*"I group foreign currency" comprises the following currencies : USD, GBP, EUR, CHF standardized gold bullions and metal account.

\*\*"II group foreign currency" comprises: RUR, KZT, GEL, and AED

Interest Rate Risk

Assessment of interest rate change risk:

The analysis of disbalance shows that the average accumulated disbalance of the II quarter of 2025 (accumulated gap of the sensitive assets and liabilities against the interest rate) is positive forming AMD 39,991,372 thousand against AMD 46,145,348 thousand in the same period of the previous year by decreasing in absolute value by AMD 6,153,976 or 13.3%, that is in average, the Bank was sensitive to assets in the II quarter of 2025. In the II quarter of 2025, the average accumulated disbalance has decreased in absolute value by AMD 7,670,972 thousand or 16.1% .

The average correlation ratio of sensitive assets and liabilities to interest rate changes for the II quarter of 2025 has decreased by 3.7 percentage point, forming 109.5% against 113.3% average value of the II quarter of 2024, that is in II quarter of 2025 the assets sensitive to interest rate changes have formed 109.5% of the sensitive liabilities to interest rate changes.

The duration of assets as at the end of II quarter of 2025 was 1.942 year (against the 1.997year as of the II quarter of 2024) as it decreased by 0.055 year or by 2.7% , as compared with the end of the previous quarter (1.868 year) the mentioned indicator has increased by 0.075 year or 4 %.

The duration of liabilities as of the end of the II quarter of 2025 was 0.929 year (against 0.804 year of the II quarter of 2024) increasing by 0.125 year or 15.6%. In correlation with the end of the previous quarter (0.914) the indicator has increased by 0.015 year or 1.6%.

The duration gap as of the end of the II quarter of 2025 was 1.105 (against 1.298 of the II quarter of 2024) decreasing by 0.193 or 14.9% . In correlation with the end of previous quarter (1.07) the indicator has increased by 0.034 or 3.2%.

Assets and Liabilities with changing interest rates										30/06/2025			Thous.AMD	
Item	up to 1 month		1-3 months		3-6 months		6 months to 1 year		1-5 years		more than 5 years			
	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign	AMD	Foreign currency	AMD	Foreign		
Facilities placed														
Cash and their equivalents	-	-	-	-		-	-	-	-	-	-	-	-	-
Total	-	-	-	-			-	-	-	-	-	-	-	-
Resources attracted														
Liabilities to banks and other financial														
Resources attracted														
Liabilities to banks and other financial institutions, including:														
- Loans				544,290	544,290		811,659	928,504	2,253,421	7,238,065	21,325,914			
Total			-	544,290	544,290	-	811,659	928,504	2,253,421	7,238,065	21,325,914			
Net position	-	-	-	(544,290)	(544,290)	-	(811,659)	(928,504)	(2,253,421)	(7,238,065)	(21,325,914)			-

										31/12/2024			Thous.AMD	
Item	up to 1 month		1-3 months		3-6 months		6 months to 1 year		1-5 years		more than 5 years			
	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency		
Facilities placed														
Loans and advances provided to customers rated at amortized value														
Total														
Resources attracted														
Liabilities to banks and other financial														
-Loans			544,290	395,059		534,275	544,290	837,182	6,202,278	16,439,551				
Total	-	-	544,290	395,059	-	534,275	544,290	837,182	6,202,278	16,439,551	-	-		
Net position	-	-	(544,290)	(395,059)	-	(534,275)	(544,290)	(837,182)	(6,202,278)	(16,439,551)	-	-		

The average interest rates applicable for interest-bearing assets and liabilities as of the end of accounting and previous periods are presented below.

Item	Interest rates of accounting period: 30/06/2025		Interest rates of accounting period: 31/12/2024	
	AMD	Foreign currency	AMD	Foreign currency
Assets				
Balance at CBA				
Receivables to banks and other financial institutions, including:	12.58		12.75	9.04
Loans and advances provided to customers rated at amortized value	18.96	10.50	17.45	10.52
Financial instruments at fair value through profit or loss	9.59		9.41	5.48
Liabilities				
Liabilities to banks and other financial institutions	7.29	5.88	7.04	6.17
Liabilities to Customers	9.57	3.94	9.04	4.00
Securities issued by the Bank	11.23	5.17	10.72	5.08

### 3)Description of models

#### Foreign Currency Risk

**Foreign currency risk is the maximum loss from revaluation arising from exchange rate fluctuation, assessed per separate currencies, as well as for the whole portfolio (hereinafter, portfolio) in the Bank's foreign currency assets and liabilities.**

On the purpose of measurement and assessment of foreign currency risk, the VAR (Value at Risk) method (model) accepted in the International practice is used, on the basis of which the size of the maximum possible losses (with trustiness) is calculated per separate types of foreign currency (foreign currency positions), as well as for the whole portfolio. According to the VAR model, the size of possible maximum loss is calculated on the basis of foreign currency open positions time series describing the interest rate fluctuations. On the basis of one day VARs calculated for the Banks' foreign currency assets and liabilities the values of 10 day VARs are assessed for separate foreign currencies and total portfolio.

The calculation of possible maximum loss gives the bank an opportunity to assess the efficiency of its foreign currency operations, taking into account the level of exposure to risk, manage the foreign currency positions, arising from the size of the possible maximum loss, limiting the volumes of foreign currency positions in case of necessity.

The Bank's foreign currency policy is aimed at efficient management of foreign currency positions and is paralleled with justified risk level and is calculated in accordance with foreign currency risk calculation standard methodology during the calculation of standards.

#### Interest Rate Risk

**Interest rate risk is the possibility of negative impact of changes in the market interest rates on the Bank's net interest income or economic value of capital.**

The evaluation of the interest rate risk is made via the application of the "Model of gap in assets and liabilities sensitive to interest rate changes" ("GAP model") and the "Duration model", which enable to assess the impact of interest rate changes on the Bank's net interest income and economic value of capital.

The GAP indicator (gap) is calculated as a difference between the assets and liabilities sensitive to interest rate changes. The calculations are made each month for evaluation of the impact of the interest rate changes on the net interest income during the upcoming 3 months period.

Within the frames of the present model the following suppositions are made:

1. During the period under review the structure and volumes of assets and liabilities remain unchanged. That means that the repaid assets and liabilities are again allocated and attracted but in this case by new interest rate
2. The review of interest rate is made in the middle point of each period
3. The interest rates of all assets and liabilities with different maturities change in the same extent that is movement of profitability curves of assets and liabilities occur.

The Bank's sensitivity to the interest rate changes is assessed by the "GAP correlation" indicator (GAP/ASSETS), which is calculated through the correlation of assets and liabilities accumulative gap to assets.

The dynamics and fluctuations of changing interest rates are constantly reviewed and the impact of their probable changes on the Bank's assets and liabilities at changing interest rates is assessed.

On the purpose of mitigation of interest rate risk, the accumulative gap and duration gap of assets and liabilities sensitive to interest rate changes are maintained at acceptable levels of risk.

Taking into account the general tendency of interest rate changes and applying the elaborated models, measures are undertaken for insurance of efficient time and volume correlations of attractable and distributable funds.

#### Price Risk

**Price risk is the danger for the Bank to incur financial losses due to unfavorable changes in the market prices of securities conditioned by factors related to general fluctuations of market prices of securities under the circulation in the market, as well as factors related to given security and its issuer (in the conditions of long or short position presence for the present capital instrument).**

Possible minimum level of price risk is maintained through the following measures undertaken:

- V Analysis of dynamics of structure, volume and price indicators of financial market and liquidity of separate financial instruments, discovery of the existing tendencies
- V Assessment of possible losses,
- V Application of hedging instruments
- V Setting limits on financial instruments (per type of security operation, per dealer, per issuer, stop-loss),
- V Diversification of security portfolio per issuer, sectors, maturities, etc.

#### Liquidity Risk

##### 1)The Bank's definition of Liquidity Risk

Liquidity is the Bank's possibility of fully and timely repayment of its obligations

**The liquidity risk is the probability that the Bank will not be able to meet its debtors' requirements in time without bearing additional losses which will negatively influence the Bank's profit/capital.**

##### 2) Description of the models of assessment and assessment of liquidity risk

For the assessment of liquidity risk the stress test method is used, which envisages the discovery of probability of breaches of liquidity standards of the Bank in case of various shock scenarios considered and calculation of the size of those breaches and maturity gap method, that envisages the calculation of liquidity indicators, by which the assessment of liquidity management quality is made.

When applying the stress tests, a number of scenarios related to the given situation are taken into consideration. During each scenario the sizes of breaches of the Bank's standards are calculated via the relevant method.:

The following shock scenarios are applied for the assessment of liquidity risk:

1. Preterm withdrawal of 25% of term deposits by individuals.
2. Pre-term withdrawal of 25% of term deposits of corporate entities
3. Withdrawal of 25% of all on-demand liabilities.
4. Pre-term simultaneous withdrawal of 25% of term deposit and all on-demand liabilities by individuals.
5. Pre-term withdrawal of X% of term deposit and Y% of all on-demand liabilities by individuals and legal entities (moreover, 3 levels of scenario are observed: mild, medium, and severe which are simultaneous withdrawal situations of 10%, 15% and 20% of term deposits and all on-demand liabilities by individuals and corporate entities).

The possibility of breach in N 21 N22 liquidity standards is discovered under the mentioned conditions and the sizes of such breaches are calculated. The calculation of critical points of the breaches of the standards gives an opportunity to get accurate assessments of the Bank's liquidity risk through the analysis of the impact of call in of Individuals term deposits and on-demand liabilities before termination of the Agreement on standards and assessment of probability of their breaches.

### 3) Determination of the allowable level of liquidity risk - quantitative analysis and assessment of risk

#### Liquidity Risk Assessment

During the second quarter of 2025, the Bank's regulatory total liquidity ratio remained almost unchanged, remaining around 16 percentage points, and the average quarterly ratio was 16.23%. The Bank's regulatory ratio of IRR in all currencies at the end of the quarter was 162.6%, which increased by 7 percentage points compared to the previous quarter.

Accounting period		30/06/2025							Thous.AMD	
Item	Non-performing		Repayment date						Termless	Total
	Term	Overdue	On -demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
<b>On maturity of assets repayment</b>										
Cash and cash equivalents			78,790,971	13						<b>78,790,984</b>
Standardized precious metal bullions and coins	-	-	456,386	-	-	-	-	-	-	<b>456,386</b>
Receivables to banks and other financial institutions				2,740,798	-	58,394	-		1,115,353	<b>3,914,545</b>
Reverse Repurchase Agreements				14,886,840	-	-	-	-	-	<b>14,886,840</b>
Loans and advances provided to customers rated at amortized value	4,459,120	228,744		32,451,737	23,300,233	36,205,563	179,791,209	101,329,378		<b>377,765,984</b>
through other comprehensive financial result									407,984	<b>407,984</b>
Securities pledged under repurchase agreements				77,532,418						<b>77,532,418</b>
Other receivables	443	-		94,080	64	-				<b>94,587</b>
<b>Total</b>	<b>4,459,563</b>	<b>228,744</b>	<b>79,247,357</b>	<b>127,705,886</b>	<b>23,300,297</b>	<b>36,263,957</b>	<b>179,791,209</b>	<b>101,329,378</b>	<b>1,523,337</b>	<b>553,849,728</b>
including:										
<b>On maturity of liabilities repayment</b>										
Liabilities to banks and other financial institutions			6,240,880	12,610,016	6,845,125	10,021,551	28,894,999	13,662,631		<b>78,275,202</b>
Loans and deposits from international financial institutions			-	3,643,538	4,085,464	6,534,507	50,781,035	-		<b>65,044,544</b>
Loans from the RA Government and CBA			-	790,658	4,763,633	6,646,866	24,030,815	2,164,007		<b>38,395,979</b>
Repurchase Agreements	-	-		86,555,305						<b>86,555,305</b>
Liabilities to customers			67,156,720	24,586,406	25,839,226	53,116,449	24,886,308	501,074		<b>196,086,183</b>
Subordinate borrowings	-	-		47,997				6,201,457		<b>6,249,454</b>
Securities issued by the Bank			-	361,248	4,003,786	-	14,139,148	-		<b>18,504,182</b>
Lease liabilities				22,282	115,470	22,276	1,356,413	302,663		<b>1,819,104</b>
Financial liabilities at fair value rated	-	-		228,334						<b>228,334</b>
Liabilities on current taxes	-	-			697,771					<b>697,771</b>
Amounts payable			429,503	291,563	-	-	-	-		<b>721,066</b>
Other liabilities			2,200,934	483,039	4,777	105,824	-			<b>2,794,574</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>76,028,037</b>	<b>129,620,386</b>	<b>46,355,252</b>	<b>76,447,473</b>	<b>144,088,718</b>	<b>22,831,832</b>	<b>-</b>	<b>495,371,698</b>
<b>Net liquidity gap</b>	<b>4,459,563</b>	<b>228,744</b>	<b>3,219,320</b>	<b>(1,914,500)</b>	<b>(23,054,955)</b>	<b>(40,183,516)</b>	<b>35,702,491</b>	<b>78,497,546</b>	<b>1,523,337</b>	<b>58,478,030</b>
<b>Accumulative liquidity gap</b>	<b>4,459,563</b>	<b>4,688,307</b>	<b>7,907,627</b>	<b>5,993,127</b>	<b>(17,061,828)</b>	<b>(57,245,344)</b>	<b>(21,542,853)</b>	<b>56,954,693</b>	<b>58,478,030</b>	

Previous accounting period		31/12/2024							Thous.AMD	
Item	Non-performing		Repayment date in						Termless	Total
	Term	Overdue	On -demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
Cash and cash equivalents			63,820,315							63,820,315
Standardized precious metal bullions and coins			531,149							531,149
Receivables to banks and other financial institutions			235,474	3,125,974	23,794	713,802	47,913		2,653,517	6,800,474
Reverse Repurchase Agreements				14,217,782						14,217,782
Financial assets at fair value recalculated through profit/loss										-
Other financial assets calculated at amortized value				612,333				8,474,734		9,087,067
Loans and advances provided to customers rated at amortized value	2,663,637	116,893		28,264,103	20,978,437	31,325,555	159,413,330	99,339,501		342,101,456
through other comprehensive financial result				406,130			201,279		406,225	1,013,634
Securities pledged under repurchase agreements				66,906,556						66,906,556
Other receivables				52,636	3,424					56,060
<b>Total</b>	<b>2,663,637</b>	<b>116,893</b>	<b>64,586,938</b>	<b>113,585,514</b>	<b>21,005,655</b>	<b>32,039,357</b>	<b>159,662,522</b>	<b>107,814,235</b>	<b>3,059,742</b>	<b>504,534,493</b>
<b>On maturity of liabilities repayment</b>										
Liabilities to banks and other financial institutions			6,737,272	15,699,221	4,239,248	11,336,305	23,633,397	13,293,717		74,939,160
Loans and deposits from international financial institutions				6,551,411	2,550,783	6,852,732	37,745,977			53,700,903
Loans from the RA Government and CBA				810,607	4,790,965	4,676,026	27,208,928	1,972,014		39,458,540
Repurchase Agreements				63,046,385						63,046,385
Liabilities to customers			65,212,576	24,518,057	24,905,525	36,356,695	39,840,999	519,166		191,353,018
Subordinate borrowings				29,574	19,118	-	2,572,135	3,484,003		6,104,830
Securities issued by the Bank				220,410	3,570,738	3,963,956	6,360,765			14,115,869
Lease liabilities				42,800	17,386	331,197	995,040	283,424		1,669,847
Financial liabilities at fair value rated through profit/loss				119,575						119,575
Liabilities on current taxes					1,134,862					1,134,862
Amounts payable			360,213	291,692						651,905
Other liabilities	-	-	843,790	447,417	54	11,870			1,618,888	2,922,019
<b>Total</b>	<b>-</b>	<b>-</b>	<b>73,153,851</b>	<b>111,777,149</b>	<b>41,228,679</b>	<b>63,528,781</b>	<b>138,357,241</b>	<b>19,552,324</b>	<b>1,618,888</b>	<b>449,216,913</b>
<b>Net liquidity gap</b>	<b>2,663,637</b>	<b>116,893</b>	<b>(8,566,913)</b>	<b>1,808,365</b>	<b>(20,223,024)</b>	<b>(31,489,424)</b>	<b>21,305,281</b>	<b>88,261,911</b>	<b>1,440,854</b>	<b>55,317,580</b>
<b>Accumulative liquidity gap</b>	<b>2,663,637</b>	<b>2,780,530</b>	<b>(5,786,383)</b>	<b>(3,978,018)</b>	<b>(24,201,042)</b>	<b>(55,690,466)</b>	<b>(34,385,185)</b>	<b>53,876,726</b>	<b>55,317,580</b>	



Note 33: "Capital and Capital Adequacy Ratio"

The Bank does not have defined internal requirements for the capital level. The Central Bank of RA set forth a 11% capital adequacy ratio to risk weighted for all Armenian banks. The Central bank of Armenia has also defined a minimum amount for total capital forming AMD 30,000,000 thousand. During the accounting period, the Bank has met the established standard requirements on the capital level.

We present the structure of balance sheet capital:

	30/06/2025	31/12/2024
Chartered capital	31,578,015	31,578,015
Emission income/loss	7,762,974	7,762,974
Reserves:	11,023,019	10,667,358
Main reserve	4,641,000	4,190,000
Revaluation reserve	6,382,019	6,477,358
Undistributed profit	30,325,221	26,622,711
<b>Total capital</b>	<b>80,689,229</b>	<b>76,631,058</b>

We hereby present the core and general capitals applied for calculation of the main prudential standards defined by the CBA and the capital adequacy indicators per months during the accounting period, with their comparison with the standard requirements.

Involved in calculation standards

2025	Tier 1 core capital T	Tier 1 capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	1	2	3	4	5	6	7
January	57,735,197	64,104,197	73,410,801	399,794,368	1,654,840	17.70	11
February	58,878,544	65,247,544	74,620,287	403,290,516	1,472,090	17.91	11
March	60,294,460	66,663,460	76,005,419	407,010,828	1,520,171	18.06	11
April	60,960,970	67,329,970	76,758,439	414,346,901	1,738,708	17.84	12
May	61,264,953	67,633,953	77,144,468	426,566,315	1,563,069	17.50	12
June	60,785,841	67,154,841	76,645,875	426,231,385	1,582,857	17.39	11

	Involved in calculation standards						
2024	Tier 1 core capital T	Tier 1 capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	1	2	3.0	4	5	6	7
January	42,724,524	49,093,524	61,942,162	353,644,266	3,524,509	16.06	11
February	43,995,974	50,364,974	64,448,724	353,932,134	3,441,060	16.73	11
March	48,312,117	54,681,117	66,477,238	358,796,886	3,153,980	17.16	11
April	49,120,693	55,489,693	67,133,228	363,778,808	1,322,629	17.86	11
May	51,688,224	58,057,224	67,827,077	364,438,769	1,360,186	18.00	11
June	54,129,827	60,498,827	68,965,141	374,695,038	1,607,661	17.71	11
July	54,955,191	61,324,191	69,863,129	383,185,861	1,656,131	17.54	11
August	55,673,807	62,042,807	70,611,786	388,575,090	1,603,290	17.51	11
September	56,668,372	63,037,372	72,034,366	393,357,798	1,470,726	17.71	11
October	57,509,109	63,878,109	73,298,898	399,284,344	1,388,661	17.79	11
November	59,865,552	66,234,552	75,601,944	402,263,549	1,504,009	18.18	11
December	61,291,933	67,660,933	77,137,535	413,001,842	1,574,055	18.05	11

We hereby present the weight of risks of assts and off-balance sheet contingent liabilities, incomplete term operations as of the end of current and previous accounting periods, per the classes of risk weights under Charter 2 approved by the Board of CBA.

As of 30/06/2025				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	
0%	153,200,174	563,039		-
10%	14,911,768			1,491,177
20%	760,302			152,060
30%	253,825			76,148
35%	223,237			78,133
50%	1,018,541			509,271
75%	100,833,695	467,456		75,975,863
100%	195,461,701	10,585,695		206,047,396
110%	259,554	23,705		31,158
150%	87,821,236	3,987,550		137,713,179
200%	649,944			1,299,888
<b>Total</b>	<b>555,393,977</b>	<b>15,627,445</b>	<b>-</b>	<b>423,374,273</b>

As of 31/12/2024				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	Total credit risk
0%	131,845,298	525,921		-
10%	15,481,117			1,548,112
20%	770,990			154,198
30%	404,230			121,269
35%	189,262			66,242
50%	1,034,440			517,220
75%	88,411,502	441,935		66,640,078
100%	188,277,207	10,940,372		199,217,579
110%	284,571	24,345		339,808
150%	79,342,018	2,605,052	6,173	122,929,865
200%	785,577			1,571,154
<b>Total</b>	<b>506,826,212</b>	<b>14,537,625</b>	<b>6,173</b>	<b>393,105,523</b>

## Note 34. "Fair value of Financial Assets and Liabilities"

We hereby present explanations on the assessed fair value of Financial Instruments given in accordance with the requirements of IFRS 32 on "Revelation and Presentation of Financial Instruments".

The fair value of Financial Instruments is the amount by which the asset may be exchanged or the liability may be repaid by well-informed and willing parties during "extended hand distance" deal.

The fair values of RA Government T-Bills and the Central Bank of Armenia securities are determined on the basis of market quotations.

As of 30/06/2025 the following methods and assessments were used by the Bank during the evaluation of fair value of each class of financial instrument.

### **Cash and Balances with the CBA**

The balance sheet value of these short-term instruments exactly reflects their fair value.

### **Loans and advances provided to customers, receivables to banks and other financial institutions.**

The fair value of the loan portfolio depends on the credit and interest rate peculiarities of separate loans included in each class of loans that form the loan portfolio. The assessment of loan loss provision considers risks characteristic of classes of loans, depending on such factors, as the state of the sector of economy in which each borrower is engaged, financial state of each borrower and purchased guarantees. Therefore, the loan loss provision is the exact assessment of size that reflects the influence of the loan risk.

### **Resources attracted from banks and other financial institutions**

The balance sheet value is close to the fair value.

### **Customer deposits and bank accounts**

Customer deposits and bank accounts.

As of 30/06/2025 the Bank had no financial assets accounted for by the amount exceeding their fair values.

## Note 35. "Hedging of Envisaged Future Transactions"

There are no data available for this note in the accounting and previous periods

## Note 36. "De-recognition"

There are no data available for this note in the accounting and previous periods.

## Note 37. "Pledged assets"

As of 30/06/2025 the Bank has no pledged assets.

Note 38. "Accepted Pledge"

As of 30/06/2025 there are no assets accepted as pledge that the Bank is entitled to sell or re-pledge, even in case the customer has not breached its obligations.

We hereby present the assets and warranties accepted as a pledge with their relevant loan investments, without taking into account the reserve amounts.

Collateral type	30/06/2025		31/12/2024	
	Loan amount	Collateral amount	Loan amount	Collateral amount
Real estate	131,179,199	542,525,541	129,250,676	555,862,681
Car	3,011,864	8,404,660	3,050,178	8,573,729
Equipment	3,873,286	13,694,645	4,503,852	13,951,748
Ready made products	3,299,363	14,512,000	4,166,871	14,966,000
Guarantee	129,679,897	908,933,399	112,681,723	556,139,617
Monetary funds	6,987,784	9,121,820	1,237,722	4,948,415
Gold items	24,318,738	28,788,328	19,946,484	23,559,268
Standard golds	4,211	10,111	5,383	11,967
State securities	217	11,500	275	11,500
Other securities	21,876	78,282	18,930	88,778
Other pledge	65,959,259	90,086,550	57,325,467	80,655,628
No collateral available	13,606,917		13,356,573	
Total	381,942,611	1,616,166,836	345,544,134	1,258,769,331

Note 39: "Non-performance/Breach of Liabilities"

There are no data available for this note for the accounting and previous periods.

Chief Executive Officer (CEO)A. Arakelyan

Chief AccountantN. Galstyan