

“ARMECONOMBANK” OJSC 2024 4<sup>th</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 4<sup>th</sup> QUARTER OF 2024  
“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**

A. Khachatryan

R. Hayrapetyan

L. Petrosyan

H. Suvaryan

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

A. Harutunyan

Deputy CEO

A. Manrikyan

Deputy CEO

A. Pilosyan

Chief Accountant

N. Galstyan

Head of Strategy and Methodology Department

H. Avetisyan

Head of Legal Department

V. Jhangiryan

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

As of 31.12.2024 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	28.99%
Sukiasyan Khachatur Albert	12.45%
Sukiasyan Eduard Albert	13.01%

### 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 by Moody’s rating agency to Armenia.

### **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 by the resolution of the Executive Board of the Bank.

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. The annual amortization interest rate is set by the resolution of the Bank's Board.

### **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:

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	Terms of useful services (years )	Annual interest rate (%)
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 of fixed assets is calculated in accordance with “Profit Tax” law. Annual interest rate of that group’s fixed assets is set by the resolution of the Bank’s Board.

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.

“ARMECONOMBANK” OJSC 2024 4<sup>th</sup>

Quarter Interim Financial Report



**Statement of Financial Position**  
31 december 2024  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

	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	63,821,616	71,569,185
1.2	Standard bank precious metal bullions and coins		531,149	396,358
1.3	Due from banks and other financial institutions	14	6,800,474	5,926,385
1.4	Reverse repurchase agreement	14.1	14,217,780	12,464,832
1.5	Financial assets rated at actual value through profit or loss	15		1,326
1.5.1	Other financial assets rated at amortized value	18	9,087,066	8,570,306
1.6	Loans and advances provided to customers at amortized value	16	342,101,456	291,399,069
1.7	Financial assets at fair value rated through other comprehensive financial results	17	1,013,634	14,975,888
1.7.1	Securities pledged under repurchase agreement	17.1	66,906,556	36,659,534
1.9	Non-current assets held for sale		2,855,368	2,963,269
1.10	Fixed assets	20	15,823,392	15,391,456
1.10.1	Intangible assets	20	1,064,637	1,054,183
1.10.1	Right-of-use assets	20.1	2,070,902	1,875,558
1.12	Other assets	21	1,365,013	1,649,742
	<b>Total assets</b>		<b>527,659,043</b>	<b>464,897,091</b>
<b>2</b>	<b>Liabilities</b>			
2.1	Liabilities to banks and other financial institutions	22	74,939,160	73,183,391
2.2	Loans and deposits received from the international financial Institutions	22.1	53,700,903	48,335,375
2.3	Loans received from the CBA and from the RA government	22.2	39,458,541	37,158,136
2.4	Repurchase agreement	22.3	63,046,386	34,127,375
2.5	Liabilities to Customers	23	191,353,018	183,942,323
2.6	Subordinate borrowing	23.1	6,104,831	9,679,494
2.7	Liabilities on current taxes		1,117,096	1,112,304
2.8	Securities issued by the Bank	24	14,115,869	11,295,283
2.9	Financial liabilities at fair value through profit or loss	25	119,575	15,184
2.10	Amounts payable	26	651,905	601,085
2.11	Deferred tax liabilities	11	1,093,219	1,187,997
2.12	Reserves	30	67,641	19,270
2.13	Lease liabilities	40	1,669,847	1,426,082
2.14	Other liabilities	27	2,952,329	2,348,069
	<b>Total liabilities</b>		<b>450,390,320</b>	<b>404,431,368</b>
<b>3</b>	<b>Capital</b>			
3.1	Chartered capital	28	31,578,015	28,132,240
3.2	Emission income		7,762,974	2,265,076
<b>3.3</b>	<b>Reserves</b>			
3.3.1	Main reserve		4,190,000	3,952,000
3.3.2	Revaluation reserve		(183,297)	(379,408)
3.3.3	Other reserve		6,681,896	6,896,366
3.4	Undistributed profit (loss)		27,239,135	19,599,449
	<b>Total capital</b>		<b>77,268,723</b>	<b>60,465,723</b>
	<b>Total liabilities and capital</b>		<b>527,659,043</b>	<b>464,897,091</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 January 2025

**Statement of Profit or Loss**  
31 december 2024  
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 (audited)
Interest and similar income	3	11,759,189	46,223,797	10,698,497	39,155,699
Interest and similar expenses	3	(7,036,881)	(27,540,049)	(6,518,753)	(23,592,407)
<b>Net interest and similar income</b>		<b>4,722,308</b>	<b>18,683,748</b>	<b>4,179,744</b>	<b>15,563,292</b>
Income as commissions and other fees	4	2,403,737	7,710,069	1,624,367	5,951,229
Expenses as commissions and other fees	4	(687,476)	(2,472,701)	(560,588)	(2,090,915)
<b>Net commission and other fees</b>		<b>1,716,261</b>	<b>5,237,368</b>	<b>1,063,779</b>	<b>3,860,314</b>
Income from dividends		-	6,037		
Net commercial income	5	723,173	2,983,059	805,194	2,568,056
Other operational income	6	209,449	584,486	216,370	673,367
<b>Operational income</b>		<b>7,371,191</b>	<b>27,494,698</b>	<b>6,265,087</b>	<b>22,665,029</b>
Net allocations to possible asset loss provisions	7	2,937,278	2,564,995	(2,938,685)	(1,693,649)
Total administrative expenses	8	(2,849,431)	(10,763,113)	(2,575,935)	(9,741,615)
Loss from debt concession		(3,605,423)	(3,605,423)	(399,343)	(399,343)
Other operational income	9	(1,264,242)	(4,586,713)	(1,153,397)	(4,053,232)
<b>Operational profit</b>		<b>2,589,373</b>	<b>11,104,444</b>	<b>(802,273)</b>	<b>6,777,190</b>
<b>Profit/loss before taxation</b>		<b>2,589,373</b>	<b>11,104,444</b>	<b>(802,273)</b>	<b>6,777,190</b>
Profit tax expenses(compensation)	11	(416,070)	(2,101,543)	(567,700)	(2,037,102)
<b>Profit for period</b>		<b>2,173,303</b>	<b>9,002,901</b>	<b>(1,369,973)</b>	<b>4,740,088</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 January 2025

**Statement of other Comprehensive Income**  
31 december 2024  
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 (audited)
<b>Other comprehensive financial results</b>					
Revaluation of financial assets at fair value rated through other comprehensive financial results		(50,235)	380,249	(478,152)	1,145,010
Devaluation of financial assets at fair value rated through other comprehensive financial results after taxation		(30,736)	(141,089)	(25,038)	(109,562)
After-tax gains on non-current assets					3,958,163
Profit tax on the revaluation of financial assets at fair value rated through other comprehensive financial results		34,438	(43,049)	105,789	(186,381)
Other comprehensive financial result after taxation		(46,532)	196,111	(397,402)	4,807,230
<b>Comprehensive financial result</b>		<b>2,126,771</b>	<b>9,199,012</b>	<b>(1,767,374)</b>	<b>9,547,318</b>

**Chief Executive Officer (CEO)**

**A. Arakelyan**

**Acting Chief Accountant**

**N. Galstyan**

Approval date: 14 January 2025

**Statement of Changes in Equity**

31 december 2024

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 2023 (audited)</i>	26,652,068	26,652,068	745,223	3,663,000	(1,228,475)	3,112,039	16,166,442	49,110,297	<b>49,110,297</b>
<b>Recalculated balance</b>	26,652,068	26,652,068	745,223	3,663,000	(1,228,475)	3,112,039	16,166,442	49,110,297	<b>49,110,297</b>
<b>Transactions with shareholders (owners) regarding to shares, including:</b>	1,480,172	1,480,172	1,519,853	-	-	-	-	3,000,025	<b>3,000,025</b>
Investments in chartered capital and other increase of chartered capital	1,480,172	1,480,172	1,519,853	-	-	-		3,000,025	<b>3,000,025</b>
<b>Comprehensive income</b>		-	-	-	849,067	3,958,163	4,740,088	9,547,318	<b>9,547,318</b>
<b>Dividends</b>		-	-	-		-	(1,191,917)	(1,191,917)	<b>(1,191,917)</b>
<b>Internal movements including:</b>	-	-	-	289,000	-	(173,836)	(115,164)	-	-
<b>Deductions to main reserve</b>		-	-	289,000			(289,000)	-	-
Decrease of value from the revaluation of fixed and intangible assets		-				(173,836)	173,836	-	-
<i>Balance as of the end of the interim accounting period 31.12.2023(audited)</i>	<b>28,132,240</b>	<b>28,132,240</b>	<b>2,265,076</b>	<b>3,952,000</b>	<b>(379,408)</b>	<b>6,896,366</b>	<b>19,599,449</b>	<b>60,465,723</b>	<b>60,465,723</b>

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 2024 (unaudited)</i>	<b>28,132,240</b>	<b>28,132,240</b>	<b>2,265,076</b>	<b>3,952,000</b>	<b>(379,408)</b>	<b>6,896,366</b>	<b>19,599,449</b>	<b>60,465,723</b>	<b>60,465,723</b>
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	<b>60,465,723</b>
<b>Transactions with shareholders (owners) regarding to shares, including:</b>	3,445,775	3,445,775	5,497,898	-	-	-	-	8,943,673	<b>8,943,673</b>
Investments in chartered capital and other increase of chartered capital	3,445,775	3,445,775	5,497,898	-	-	-		8,943,673	<b>8,943,673</b>
<b>Comprehensive income</b>		-	-	-	196,111		9,002,901	9,199,012	<b>9,199,012</b>
<b>Dividends</b>		-	-	-		-	(1,339,685)	(1,339,685)	<b>(1,339,685)</b>
<b>Internal movements including:</b>	-	-	-	238,000	-	(214,471)	(23,529)	-	-
<b>Deductions to main reserve</b>				238,000			(238,000)	-	-
Decrease of value from the revaluation of fixed and intangible assets						(214,471)	214,471	-	-
Deductions to main reserve		-						-	-
<i>Balance as of the end of the interim accounting period 31.12.2024(unaudited)</i>	<b>31,578,015</b>	<b>31,578,015</b>	<b>7,762,974</b>	<b>4,190,000</b>	<b>(183,297)</b>	<b>6,681,895</b>	<b>27,239,136</b>	<b>77,268,723</b>	<b>77,268,723</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 January 2025

**Statement of Cash Flows**  
31 december 2024  
ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Accounting period (unaudited)	Previous period (audited)
<b>1. Cash flows from operations</b>			
<b>Profit for the year</b>		9,002,901	4,740,088
<i>Adjustments</i>			
Expenses on profit tax		2,101,543	2,037,102
Loss from depreciation of interest-bearing assets		(2,564,995)	1,693,649
Depreciation and amortisation		2,466,269	2,159,010
Net income from disposal of fixed assets			48,819
Loss from debt concession		3,605,423	399,343
Net gain from foreign exchange		89,754	304,026
Net income from sale/ purchase of financial assets rated at fair value through profit or loss		82,267	(129,042)
Financial assets at fair value rated through other comprehensive financial results		(317,934)	(30,662)
Other income		(105,872)	
Interest income		428,335	(683,743)
Interest expenses		(309,971)	1,011,140
<b>Cash flows from operations before changes in operational assets and liabilities</b>		<b>14,477,719</b>	<b>11,549,730</b>
<b>Changes in operational assets or liabilities</b>			
<b>Increase/ decrease in operational assets</b>			
Due from financial institutions		(1,081,220)	5,911,084
Reverse repurchase agreements		(1,727,291)	(6,022,791)
Loans to customers		(53,782,191)	(33,757,884)
Other assets		247,043	217,175
Liabilities to financial institutions		1,713,599	12,297,365
Repurchase agreements		28,972,670	(4,600,073)
Liabilities to customers		9,735,499	26,032,937
Other liabilities		634,666	(1,091,399)
<b>Cash used in operations before taxation</b>		<b>(809,506)</b>	<b>10,536,144</b>
Paid profit tax		(2,233,063)	(1,775,646)
<b>Net cash used in operations</b>		<b>(3,042,569)</b>	<b>8,760,498</b>
<b>Cash flows from investments</b>			
Decrease(increase) of securities at fair value rated though profit/loss and available for sale		(16,382,419)	(11,673,764)
Acquisition of fixed assets		(1,684,787)	(1,177,789)
Proceeds from sale of fixed assets			108,787
Acquisition of intangible assets		(269,993)	(472,892)
<b>Net cash flows from investments (used)/(gained from)</b>		<b>(18,337,199)</b>	<b>(13,215,658)</b>
<b>Cash flows from financial operations</b>			
Loans from RA CB and RA Government		2,297,177	9,801,177
Proceeds/repayment of loans received from international financial institutions		6,059,020	(12,336,025)
Subordinated loan (repayments)/proceeds		(3,354,348)	5,403,935
Increase (decrease) of securities issued by the Bank		3,034,796	2,469,057
The issue of securities			168
Prepayment of issued shares		8,943,673	3,000,025
Lease liabilities		(1,062,442)	(1,001,530)
Dividends paid		(1,296,585)	(1,150,794)
<b>Net cash from financial operations</b>		<b>14,621,292</b>	<b>6,186,013</b>
Impact of foreign exchange on cash balances		(1,011,522)	736,515
Impact of expected debt losses		22,428	20,186
<b>Net increase of cash and equivalents thereof</b>		<b>(7,747,570)</b>	<b>2,487,554</b>
<b>Cash and equivalents thereof as of the beginning of the period</b>	13_2	<b>71,569,185</b>	<b>69,081,631</b>
<b>Cash and equivalents thereof as of the end of the period</b>	13_2	<b>63,821,615</b>	<b>71,569,185</b>

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 January 2025

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



Thous. AMD

	01/10/2024-31/12/2024	01/01/2024-31/12/2024	01/10/2023-31/12/2023	01/01/2023-31/12/2023
<b>Interest and similar income</b>				
Interest income from the Bank's current accounts, deposits and loans allocated in banks and other financial institutions	57,180	375,679	142,909	684,387
Interest income from loans and advances to customers	9,868,872	38,615,741	8,985,015	33,073,706
Interest income from debt securities	1,546,435	6,043,227	1,281,445	4,444,208
Interest income from REPO agreements	271,872	1,121,582	268,963	874,826
Other interest income	14,830	67,568	20,165	78,573
<b>Interest and Similar Expenses</b>	<b>11,758,189</b>	<b>46,223,797</b>	<b>10,696,497</b>	<b>38,155,700</b>
Interest expenses from the Banks' current accounts deposits and loans allocated in banks and other financial institutions	2,943,236	11,796,422	3,118,488	11,542,507
Interest expenses on terms deposits and current accounts of customers	2,576,472	9,902,420	2,356,733	7,628,290
Interest expenses under REPO agreements	1,087,153	4,124,924	572,486	2,886,840
Interest expenses on subordinated borrowings	144,172	699,945	247,538	649,867
Interest expenses against the interest securities issued by the Bank.	242,419	837,289	184,846	727,079
Interest expenses on lease agreements	43,429	179,049	38,660	157,659
Other interest income	-	-	2	165
<b>Total</b>	<b>7,036,881</b>	<b>27,540,049</b>	<b>6,518,753</b>	<b>23,592,407</b>
<b>Net interest and similar income</b>	<b>4,722,308</b>	<b>18,683,748</b>	<b>4,179,744</b>	<b>15,563,293</b>

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



Thous. AMD

	01/10/2024-31/12/2024	01/01/2024-31/12/2024	01/10/2023-31/12/2023	01/01/2023-31/12/2023
<b>Commission and Other Fee Income</b>				
Cashier's operations	99,305	339,608	107,739	343,760
Settlement services	1,464,650	5,168,916	1,159,163	4,398,198
Guarantees, warranties, letters of credit operations, trust management operations	88,534	310,426	80,314	289,702
Foreign currency and security operations	370	5,403	2,977	7,477
Payment card servicing	72,901	274,604	53,567	195,616
Other commission fees	677,977	1,611,112	226,154	716,476
<b>Total</b>	<b>2,403,737</b>	<b>7,710,069</b>	<b>1,629,914</b>	<b>5,951,229</b>
<b>Commission and Other Fee Expenses:</b>				
Commission fee from correspondent and other accounts	1,304	6,437	(7,134)	(756)
Expenses on payment card operations	526,387	1,913,837	433,144	1,640,112
operations	10,643	25,169	7,100	24,082
Foreign currency and security operations	20,407	120,004	51,162	132,556
Other commission fees	128,735	407,254	76,316	294,921
<b>Total</b>	<b>687,476</b>	<b>2,472,701</b>	<b>560,588</b>	<b>2,080,915</b>
<b>Net commission and other fees received</b>	<b>1,716,261</b>	<b>5,237,368</b>	<b>1,069,326</b>	<b>3,860,314</b>

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



Thous. AMD

	01/10/2024-31/12/2024	01/01/2024-31/12/2024	01/10/2023-31/12/2023	01/01/2023-31/12/2023
<b>Financial assets rated at fair value through profit or loss</b>				
Net income from sale/ purchase of financial assets rated at fair value through profit or loss, including	(4,193)	(59,010)	106,057	129,042
Shares				
Debt Securities				
Derivatives	(4,193)	(59,010)	106,057	129,042
Net income from changes in real value of financial assets rated at fair value through profit or loss				
<b>Total</b>	<b>(4,193)</b>	<b>(59,010)</b>	<b>106,057</b>	<b>129,042</b>
<b>Investments at fair value rated through other comprehensive financial assets</b>				
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results, including:	278	434,063	71,490	126,513
Debt securities	278	434,063	71,490	126,513
Derivatives				
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results	-	(63,418)	(12,552)	(95,851)
<b>Total</b>	<b>278</b>	<b>370,645</b>	<b>58,938</b>	<b>30,662</b>
<b>Foreign currency operations</b>				
Net income from foreign currency sale/purchase	735,931	2,576,958	872,269	2,685,570
Net income from the revaluation of foreign currency	(24,052)	(89,754)	(258,878)	(304,026)
Net income from the sale/purchase of precious standardized bullions and coins	11,658	78,349	12,755	12,755
Net income from the revaluation of precious standardized bullions and coins	3,551	105,871	14,053	14,053
<b>Total</b>	<b>727,088</b>	<b>2,671,424</b>	<b>640,199</b>	<b>2,408,352</b>
<b>Net income from commercial operations</b>	<b>723,173</b>	<b>2,983,069</b>	<b>805,194</b>	<b>2,568,056</b>

Note 6 : "Other Operatioanl Income"



Thous. AMD

	01/10/2024- 31/12/2024	01/01/2024- 31/12/2024	01/10/2023- 31/12/2023	01/01/2023- 31/12/2023
Other operational expenses				
Income from penalties and fines	122,123	387,086	176,128	450,095
Net income from disposal of fixed and intangible assets	1,379	(2,735)	(47,708)	629
Other income *	85,947	200,135	82,402	222,643
Total	209,449	584,486	210,822	673,367

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

	01/10/2024- 31/12/2024	01/01/2024- 31/12/2024	01/10/2023- 31/12/2023	01/01/2023- 31/12/2023
Cash and cash equivalents (Note 13 )				
Initial balance	6,163	31,069	20,205	51,255
Net deductions to reserve	2,478	(22,428)	10,864	(20,186)
Summary balance	8,641	8,641	31,069	31,069
"Due to Banks and other Financial institutions" (Note 14)				
Initial balance	61,013	148,064	178,070	161,330
Net deductions to reserve	10,008	(77,043)	(30,006)	(13,266)
Summary balance	71,021	71,021	148,064	148,064
From loans and advances to customers (Note 16)				
Initial balance	6,420,810	5,620,762	2,535,326	3,558,820
Net deductions to reserve *	(2,975,428)	(2,216,277)	2,741,563	1,911,257
Return of amounts previously charged to off balance item	165,691	610,914	600,517	1,145,572
Usage of reserve	(168,395)	(572,721)	(256,644)	(994,887)
Summary balance	3,442,678	3,442,678	5,620,762	5,620,762
Financial assets rated at fair value through other comprehensive financial assets (Note 17)				
Initial balance	32,415	166,993	108,825	276,555
Net deductions to reserve	(6,512)	(141,090)	58,168	(109,562)
Summary balance	25,903	25,903	166,993	166,993
On other assets (Note 21)				
Initial balance	1,062	1,036	11,281	7,825
Net deductions to reserve	8,127	8,050	(3,878)	(7,461)
Return of amounts previously charged to off balance item	134	301	(6,338)	816
Usage of reserve	(8,357)	(8,421)	(29)	(144)
Summary balance	966	966	1,036	1,036
Other financial assets rated at amortized value				
Initial balance	105,943	287,024	78,853	270,041
Net deductions to reserve	16,504	(164,578)	208,171	16,983
Summary balance	122,447	122,446	287,024	287,024
Post-balance sheet items containing loan exposures (note 30)				
Initial balance	60,096	19,270	65,467	103,386
Net deductions to reserve	7,545	48,371	(46,197)	(84,116)
Usage of reserve				
Summary balance	67,641	67,641	19,270	19,270
Total net deductions to reserve	(2,937,278)	(2,564,995)	2,938,685	1,893,849

Note 8 : "Total administrative expenses"

Thous. AMD				
	01/10/2024-31/12/2024	01/01/2024-31/12/2024	01/10/2023-31/12/2023	01/01/2023-31/12/2023
"Total administrative expenses"				
Salary and similar payments	2,014,583	7,596,166	1,821,123	6,867,300
Training and tutorship expenses	411	6,788	2,876	7,308
Business trip expenses	24,440	82,686	21,611	51,499
Insurance costs	54,155	204,911	47,583	180,239
Servicing and maintenance of the Bank's equipment	153,067	467,839	91,844	350,855
Maintenance and safekeeping of Bank buildings	233,369	894,924	219,179	850,368
Audit and consulting services	14,860	41,477	13,441	28,477
Communication and transmission costs	35,552	148,068	36,181	130,962
Transportation costs	60,899	214,740	62,121	194,706
Taxes (except income tax) penalties and other mandatory payments	128,191	515,720	146,580	446,690
Office and organizational expenses	45,128	240,097	69,784	279,845
Other administrative expenses	84,776	349,697	43,612	353,366
Total	2,848,431	10,763,113	2,575,935	9,741,615

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

	01/10/2024-31/12/2024	01/01/2024-31/12/2024	01/10/2023-31/12/2023	01/01/2023-31/12/2023
Average number of Bank employees	905	897	850	842
Monthly average salary falling to a single employee (thousand AMD)	850	689	650	603

Note 9 : "Other Operational Expenses"

Thous. AMD				
	01/10/2024-31/12/2024	01/01/2024-31/12/2024	01/10/2023-31/12/2023	01/01/2023-31/12/2023
Other operational expenses				
Paid fines and penalties	-	257	-	4,603
Payments made for collection	99,837	374,089	86,410	347,255
Advertising and representative expenses	113,694	418,937	109,752	460,281
Amortization costs of fixed assets and intangible assets	656,130	2,463,535	580,968	2,159,010
Allocations to the Fund of Recovery of Deposits	66,945	251,155	59,878	247,746
Other expenses	327,636	1,078,740	316,389	834,337
Total	1,264,242	4,586,713	1,153,397	4,053,232

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	01/10/2024- 31/12/2024	01/01/2024- 31/12/2024	01/10/2023- 31/12/2023	01/01/2023- 31/12/2023
Current tax expenses	392,497	2,238,958	757,074	2,057,386
Corrections of current taxes for the previous period recognized in the current period	-	412	24,411	24,411
Deferred tax expenses	23,573	(137,827)	(213,785)	(44,695)
<b>Total</b>	<b>416,070</b>	<b>2,101,543</b>	<b>567,700</b>	<b>2,037,102</b>

	01/10/2024- 31/12/2024	Effective rate (%)	01/01/2024- 31/12/2024	Effective rate (%)	01/10/2023- 31/12/2023	Effective rate (%)	01/01/2023- 31/12/2023	Effective rate (%)
Profit before taxation	2,589,373		11,104,444		(802,273)		6,777,190	
Profit tax with rate	466,087	18%	1,998,800	18%	144,409	18%	1,219,894	18%
Non-taxable income		-	(2,245)	(0.00)				
Non-taxable income from financial assets rated at fair value through other comprehensive income	(847)	(0.00)	(4,249)	(0.00)	(18,637)	0.02	(22,383)	(0.00)
Non-deductable expenses	(51,346)	(0.02)	100,897	0.01	662,878	(0.83)	770,617	0.11
Foreign currency negative/positive difference	4,332	0.00	16,156	0.00	46,598	(0.06)	54,725	0.01
Adjustments of calculated tax expenses of the previous year			412	0.00	24,411	(0.03)	24,411	0
Other privileges	(2,156)	(0.00)	(8,228)	(0.00)	(3,141)	0.00	(10,162)	(0)
<b>Profit tax expenses</b>	<b>416,070</b>	<b>0.16</b>	<b>2,101,543</b>	<b>0.19</b>	<b>567,700</b>	<b>(0.71)</b>	<b>2,037,102</b>	<b>0.30</b>

## Calculation of deferred tax on temporary differences



31/12/2024

	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>604,048</b>	<b>(24,214)</b>	<b>(43,049)</b>	<b>536,785</b>
Accrued expenses and other liabilities	292,301	29,321		<b>321,622</b>
Right-of-use assets	127,925	15,488		<b>143,413</b>
Investment securities	165,007	(55,020)	(43,049)	<b>66,938</b>
Claims to banks and other financial institutions	16,323	(11,511)		<b>4,812</b>
Cash and their equivalents	2,492	(2,492)		-
<b>Deferred tax liabilities, including:</b>	<b>(1,792,045)</b>	<b>95,219</b>	<b>-</b>	<b>(1,696,826)</b>
Cash and their equivalents	-	(2,432)		<b>(2,432)</b>
Fixed assets	(1,501,340)	35,309		<b>(1,466,031)</b>
Loans and borrowings to customers	(268,500)	56,494		<b>(212,006)</b>
Contingent liabilities	(22,205)	5,848		<b>(16,357)</b>
Other financial assets rated at amortized value				-
Claims to banks and other financial institutions				-
<b>Net deferred tax asset/liability</b>	<b>(1,187,997)</b>	<b>71,005</b>	<b>(43,049)</b>	<b>(1,160,041)</b>

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

Thous. AMD

	01/10/2024- 31/12/2024	01/01/2024- 31/12/2024	01/10/2023- 31/12/2023	01/01/2023- 31/12/2023
<b>Basic profit falling to a single share</b>				
<b>Net profit of the accounting period after taxation</b>	2,173,303	9,002,901	(1,369,973)	4,740,088
Dividends on preferential shares calculated for the current accounting period	224,747	894,103	224,747	891,660
Net gains(losses) of given period referring to owners of common shares	1,948,556	8,108,798	(1,594,720)	3,848,428
Net weighted average number of common shares in circulation during the given period	11,192,312	11,192,312	10,869,430	10,869,430
<b>Basic profit falling to a single share</b>	<b>0.17</b>	<b>0.72</b>	<b>(0.15)</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

<b>Cash and cash equivalents</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Cash and cash equivalent payment documents	18,435,659	16,529,115
Correspondent accounts with the CBA*	43,875,985	53,348,800
Correspondent accounts with the the resident banks	204,369	51,099
Correspondent accounts with the non-resident banks	1,314,244	1,671,240
Reserves/IFRS/	(8,641)	(31,069)
<b>Cash and balances with the CBA</b>	<b>63,821,616</b>	<b>71,569,185</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

<b>Current accounts</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Deposited funds with CBA	2,527,500	2,122,500
Reserve/IFRS/	(4,819)	(15,791)
<b>Total</b>	<b>2,522,681</b>	<b>2,106,709</b>
<b>With RA banks</b>		
Loans and deposits		114,087
Other	308	233
<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	120	145,819
<b>Accrued interest</b>		664
<b>Total</b>	<b>428</b>	<b>260,803</b>
Possible loss provision for amounts due from banks (note 7)	(120)	(9,759)
<b>Net receivables to banks</b>	<b>308</b>	<b>251,044</b>

<b>Loans and deposits with Financial Institutions, other receivables</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
<b>With RA Financial Institutions:</b>		
Loans and deposits	1,007,364	504,484
Other	126,017	2,426,267
<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	3,179,743	665,458
Accrued interest	3,285	1,586
<b>Total</b>	<b>4,316,409</b>	<b>3,597,795</b>
Possible loss provision for receivables due to Financial Institutions (Note 7)	(38,924)	(29,163)
<b>Net receivables to Financial Institutions</b>	<b>4,277,485</b>	<b>3,568,632</b>
<b>Net receivables to banks and Financial Institutions</b>	<b>6,800,474</b>	<b>5,926,385</b>

**Note 14.1 Reverse Repurchase Agreements**


<b>Reverse Repurchase Agreements</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Repurchase Agreements with Financial Institutions	14,244,938	12,558,183
Reverse Repurchase Agreements with Financial Institutions	(27,158)	(93,351)
<b>Total</b>	<b>14,217,780</b>	<b>12,464,832</b>

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


<b>Other financial assets recalculated at fair value through profit/loss</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Swap		1,326
<b>Total</b>	<b>-</b>	<b>1,326</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	31/12/2024	31/12/2023
Loans, including:	324,741,294	276,538,217
Mortgage loans	51,396,523	45,800,699
Credit cards	18,840,402	18,601,430
Accrued interest on the mentioned items	1,962,438	1,880,183
<b>Total loans</b>	<b>345,544,134</b>	<b>297,019,830</b>
Reserve for possible loss of customer loans and advances (note 7)	(3,442,678)	(5,620,762)
<b>Total loans and advances at amortized value</b>	<b>342,101,456</b>	<b>291,399,068</b>

Thous. AMD

Analyses of provided loans and advances per customers	31/12/2024	31/12/2023
State industries	22,283	139,974
<b>Private industries, including:</b>	<b>158,662,395</b>	<b>145,669,815</b>
Major enterprises	80,285,067	67,582,747
Small and medium enterprises	78,377,328	78,087,068
Including business cards	35,750	25,183
<b>Individuals, including:</b>	<b>159,369,529</b>	<b>124,897,740</b>
Consumer loans	83,672,848	47,605,849
Mortgage loans	51,396,523	45,800,699
Credit cards	18,800,235	18,576,189
<b>Private entrepreneurs</b>	<b>25,527,489</b>	<b>24,432,118</b>
<b>Accrued interest</b>	<b>1,962,438</b>	<b>1,880,183</b>
<b>Total loans</b>	<b>345,544,134</b>	<b>297,019,831</b>
Reserve for customers' loans and advances calculated at amortized value (note7)	(3,442,678)	(5,620,762)
<b>Total loans and advances at amortized value</b>	<b>342,101,456</b>	<b>291,399,069</b>

Thous. AMD

Analyses of loans and advances provided to the customers per the groups of businesses (segments)	31/12/2024	31/12/2023
State and major enterprises	80,307,350	67,722,721
SME * sector, including	87,354,428	94,018,065
Agriculture	9,689,997	30,622,084
Housekeeping	175,919,918	133,398,862
Accrued interests	1,962,438	1,880,183
<b>Total loans and advances calculated at amortized value</b>	<b>345,544,134</b>	<b>297,019,831</b>
<b>value (note7)</b>	<b>(3,442,678)</b>	<b>(5,620,762)</b>
<b>Total loans and advances calculated at amortized value</b>	<b>342,101,456</b>	<b>291,399,069</b>

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

Thous. AMD

reserve/	31/12/2024	31/12/2023
Customers' loans and advances calculated at amortized value	91,812,725	93,222,813
Balance of off-balance sheet contingent liabilities	2,182,926	5,743,609
<b>Total</b>	<b>93,995,651</b>	<b>98,966,422</b>
Loan investments	345,544,134	297,019,831
Ratio in portfolio	26.57%	31.39%
Total normative capital	77,137,535	63,639,930
Percentage ratio to capital	121.85%	155.51%
<b>Total</b>	<b>93,995,651</b>	<b>98,966,422</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 /ENERGY	3,789,035	1,396
GAF/ KfW/ AGRO	1,732,468	123
GAF/KfW/SME	20,892,793	1,852
GAF/ KfW /CONSUMERENERGY	1,141,115	1,933
GAF/KfW/SME/ENERGY	3,023,100	120
INCOFINCVBA/MSE	733,680	47
Proparco/SME/Green	10,991,596	565
PRM/SCCTF	2,818	2
Total	68,059,696	6,785

Thous. AMD		
Loan Investments through International programs	31/12/2023	Quantity
ADB/MSME	5,261,287	75
ADB/TFP/IBA	54,393	2
ADB/WESSD	4,443,223	208
BS/SME3	1,817,062	65
COVID-14	51	1
COVID-19/1/3	125,460	1
COVID-19/2/1	5,634	1
COVID-19/2/2	3,010,599	51
DEG/SME	435,152	20
EBRD/SMEC/Green	596,637	11
EBRD/WIB	525,622	63
EIB/APEX	7,686,097	158
FINSCA/MSE	14,696	2
FMO/MSME/Green	817,357	22
FMO/MSME/Retail	1,061,514	51
GAF/ KIW /SME	21,169,473	1,789
GAF/ KIW /ENERGY	743,689	198
GAF/ KIW /SME/ENERGY	1,719,772	52
GAF/ KIW/ AGRO	1,608,505	52
GAF/KIW/CONSUMER ENERGY	1,481,433	2,244
INCOFIN/CBA/MSE	1,362,471	61
Proparco/SME/Green	9,110,469	475
PRM/SCITF	4,132	2
COVID 19/2/1	30,731	29
COVID 19/2/2	4,266,593	70
COVID 19/3	113,546	21
<b>Ընդամենը</b>	<b>63,054,728</b>	<b>5,604</b>

Gaps or extended loans and advances calculated at amortized value per lending sectors (without taking into consideration the reserves for credit losses)	31/12/2024	Percentage	31/12/2023	Percentage
Industry	19,397,326	5.61	18,175,519	6.12
Agriculture	14,556,135	4.21	30,995,674	10.44
Construction	52,917,542	15.31	38,477,381	12.95
Transportation and communication	1,620,212	0.47	1,673,197	0.56
Commerce	46,835,642	13.55	47,630,296	16.04
Consumer	103,219,755	29.87	66,930,820	22.53
Mortgage loans	51,615,491	14.94	45,990,151	15.48
Service	20,443,838	5.92	16,224,018	5.46
Other	34,938,193	10.11	30,922,774	10.41
<b>Total</b>	<b>345,544,134</b>	<b>100</b>	<b>297,019,830</b>	<b>100</b>

Breakdown of loan portfolio per customer residency	31/12/2024	Percentage	31/12/2023	Percentage
RA residents	336,921,808	98.49	289,455,743	99.33
Residents of countries with Baa33 and higher ratings including France		-	22,459	0.01
Residents of countries with Baa33 and lower ratings or no rating at all	3,217,210	0.94	40,683	0.01
Russia	3,217,210		40,683	
Accrued interest	1,962,438	0.57	1,880,183	0.65
<b>Total</b>	<b>342,101,456</b>	<b>100</b>	<b>291,399,068</b>	<b>100</b>

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



31/12/2024

The structure of customers' loans and borrowings calculated at amortized value per classification stages /IFRS 9/	Stage1 /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>

31/12/2023

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	146,721,590	3,843,917	149,504	46,497	11,658	6,584
Loans to individuals and private entrepreneurs	147,452,918	866,867	2,295,369	579,037	388,792	277,860
<b>Total</b>	<b>294,174,508</b>	<b>4,710,784</b>	<b>2,444,873</b>	<b>625,534</b>	<b>400,450</b>	<b>284,444</b>

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

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			0	
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			0	
<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			0	
1-30 days			0	
31- 60 days			0	
61- 90 days			0	
91-180 days			0	
180 and more			0	
<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	
31- 60 days			0	
61- 90 days			0	
91-180 days	61,948	47,991	13,957	
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			0	
91-180 days	278	134	144	48.20%
180 and more	0	0	0	
<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			0	
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>

31/12/2023

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
<b>Consumer</b>				
Non-overdue	66,579,673	1,060,867	65,518,806	1.59%
Overdue				
1-30 days	132,420	21,827	110,593	16.48%
31- 60 days	40,883	12,682	28,201	31.02%
61- 90 days	55,724	14,377	41,347	25.80%
91-180 days	89,686	64,515	25,171	71.93%
180 and more	32,435	23,545	8,890	72.59%
<b>Total</b>	<b>66,930,821</b>	<b>1,197,813</b>	<b>65,733,008</b>	<b>1.79%</b>
<b>Trade</b>				
Non-overdue	47,297,169	280,708	47,016,461	0.59%
Overdue				
1-30 days	300,186	86,925	213,261	28.96%
31- 60 days				
61- 90 days	24,953	11,606	13,347	46.51%
91-180 days	7,987	6,783	1,204	84.93%
180 and more				
<b>Total</b>	<b>47,630,295</b>	<b>386,022</b>	<b>47,244,273</b>	<b>0.81%</b>
<b>Production</b>				
Non-overdue	18,171,218	2,918	18,168,300	0.02%
Overdue				
1-30 days			0	
31- 60 days				
61- 90 days	4,300	26	4,274	0.60%
91-180 days			0	
180 and more			0	
<b>Total</b>	<b>18,175,518</b>	<b>2,944</b>	<b>18,172,574</b>	<b>0.02%</b>
<b>Construction</b>				
Non-overdue	38,465,688	378,884	38,086,804	0.98%
Overdue				
1-30 days	11,693	0.7	11,692	0.01%
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>38,477,381</b>	<b>378,885</b>	<b>38,098,496</b>	<b>0.98%</b>
<b>Mortgage</b>				
Non-overdue	45,990,151	257,280	45,732,871	0.56%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>45,990,151</b>	<b>257,280</b>	<b>45,732,871</b>	<b>0.56%</b>
<b>Agriculture</b>				
Non-overdue	30,954,647	3,259,668	27,694,979	10.53%
Overdue				
1-30 days	21,090	4,031	17,059	19.11%
31- 60 days	3,987	933	3,054	23.40%
61- 90 days	4,073	953	3,120	23.40%
91-180 days	11,180	6,314	4,866	56.48%
180 and more	697	393	304	56.38%
<b>Total</b>	<b>30,995,674</b>	<b>3,272,292</b>	<b>27,723,382</b>	<b>10.56%</b>
<b>Other fields</b>				
Non-overdue	48,818,773	125,526	48,693,247	0.26%
Overdue				
1-30 days	1,218	0	1,218	0.01%
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
<b>Total</b>	<b>48,819,991</b>	<b>125,526</b>	<b>48,694,465</b>	<b>0.26%</b>
<b>TOTAL</b>	<b>297,019,831</b>	<b>5,620,762</b>	<b>291,399,069</b>	<b>1.89%</b>

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



	Thous. AMD	
Government securities	31/12/2024	31/12/2023
RA Governmental T-bills	607,409	14,863,631
<b>Total</b>	<b>607,409</b>	<b>14,863,631</b>

	Thous. AMD			
RA non-state securities	31/12/2024		31/12/2023	
	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		399,540		105,755
<b>Total non-state securities of RA</b>		<b>399,540</b>		<b>105,755</b>
Investments in RA non-governmental securities (reserve for possible losses)				
<b>Net Investments in RA non-governmental securities</b>	-	<b>399,540</b>		<b>105,755</b>

	Thous. AMD			
	31/12/2024		31/12/2023	
	listed	unlisted	listed	unlisted
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Capital instruments		6,685		6,502
<b>Total non-state securities of RA</b>		<b>6,685</b>		<b>6,502</b>
Financial assets rated at fair value through other comprehensive financial assets	607,409	406,225	14,863,631	112,257
<b>Investments in share capital of other entities as of 31/12/2024</b>				

	Thous. AMD				
Name of entity	Main activity	Country of	Investment	Investment	Share %
S.W.I.F.T	Telecommunication	Belgium	13/09/1996	6,685	-
"Armenian Card" CJSC	Payment service	RA	22/02/2000	168,285	6.20
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>406,225</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	
	31/12/2024	31/12/2023
<b>Assets</b>		
<b>Total pledged securities</b>	67,011,458	36,882,318
including:		
Financial assets at amortized cost	12,573,292	6,938,430
Other financial assets rated at amortized value	54,438,166	29,943,888
Reserve for Financial assets at amortized cost	(104,902)	(222,784)
<b>Total</b>	<b>66,906,556</b>	<b>36,659,534</b>

## Note 18. "Other financial assets calculated at amortized value"



	31/12/2024	31/12/2023
Government securities rated at amortized value	8,952,024	8,488,243
Accumulated interest	152,587	146,304
Reserve of financial assets calculated at amortized value	(17,545)	(64,241)
<b>Total</b>	<b>9,087,066</b>	<b>8,570,306</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
<b>Balance of the fixed assets at the end of previous period 31/12/2023</b>	<b>12,637,123</b>	<b>4,430,805</b>	<b>1,267,450</b>	<b>2,616,039</b>	<b>59</b>	<b>5,167,177</b>	<b>26,118,653</b>
Increase	300,000	1,077,905	90,413	159,719	56,750	1,151,372	2,836,159
Disposal			(12,247)				(12,247)
Written-off		(80,623)		(144,221)	(59)		(224,903)
Reclassification	56,750	(3,462)		3,462	(56,750)		-
<b>Balance of fixed assets at the end of accounting period 31/12/2024</b>	<b>12,993,873</b>	<b>5,424,625</b>	<b>1,345,616</b>	<b>2,634,999</b>		<b>6,318,549</b>	<b>28,717,662</b>
<b>Balance of accumulated amortization at the end of the previous period 31/12/2023</b>	<b>277,981</b>	<b>3,177,882</b>	<b>448,226</b>	<b>1,655,929</b>	<b>-</b>	<b>3,291,620</b>	<b>8,851,638</b>
Increase	385,956	493,376	145,688	222,949		956,025	2,203,994
Disposal							-
Reclassification		(292)		292			-
Depreciation							-
Written-off of amortization		(79,057)	(12,125)	(141,082)			(232,264)
<b>Balance of accumulated amortization at the end of the accounting period 31/12/2024</b>	<b>663,937</b>	<b>3,591,909</b>	<b>581,789</b>	<b>1,738,088</b>	<b>-</b>	<b>4,247,645</b>	<b>10,823,368</b>
<b>Net balance sheet value</b>							
<b>At the end of the accounting period</b>	<b>12,329,936</b>	<b>1,832,716</b>	<b>763,827</b>	<b>896,911</b>	<b>-</b>	<b>2,070,904</b>	<b>17,894,294</b>
<b>At the end of the previous accounting period</b>	<b>12,359,142</b>	<b>1,252,923</b>	<b>819,224</b>	<b>960,110</b>	<b>59</b>	<b>1,875,557</b>	<b>17,267,015</b>

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 31/12/2023	1,090,373	800,056	206	32,981	1,923,616
Increase	152,768	117,225			269,993
Written-off					-
Disposal		(63,927)		(1,287)	(65,214)
Balance of intangible assets at the end of the accounting period 31/12/2024	1,243,141	853,354	206	31,694	2,128,395
Intangible balance of accumulated amortizationat the end of accounting period 31/12/2023	315,141	526,696	129	27,467	869,433
Increase	128,152	129,220	15	2,152	259,539
Disposal					-
Written-off		(63,927)			
Reclassification					-
Balance of accumulated amortization at the end of accounting period 31/12/2024	443,293	591,989	144	28,332	1,063,758
Net balance sheet value					
At the end of the accounting period	799,848	261,365	62	3,362	1,064,637
At the end of the previous accounting period	775,232	273,360	77	5,514	1,054,183

As of 31/12/2024 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

	31/12/2024	31/12/2023
<b>Amounts receivable from bank operations</b>		
Amounts receivable from other operations	56,693	72,227
<b>Total</b>	<b>56,693</b>	<b>72,227</b>
Reserve for possible loss provision from bank operations (note 7)	(633)	(722)
<b>Net amounts receivable from bank operations</b>	<b>56,060</b>	<b>71,505</b>
<b>Debtor liabilities and prepayments</b>		
Debtor liabilities on the budget	162,464	254,681
Prepayments to employees	117	62
Prepayments to suppliers	118,373	197,002
Prepayments on the budget and mandatory social insurance payments	50,546	45,417
Other debtor liabilities and prepayments	33,183	31,308
<b>Total</b>	<b>364,683</b>	<b>528,470</b>
Reserve for possible loss provision on other assets (note 7)	(333)	(314)
<b>Total</b>	<b>364,350</b>	<b>528,156</b>
Reserve	644,618	493,357
Future period expenses	266,254	197,340
Other assets	33,731	359,384
Reserve for possible loss provision on other assets (note 7)		
<b>Total</b>	<b>944,603</b>	<b>1,050,081</b>
<b>Total other assets</b>	<b>1,365,013</b>	<b>1,649,742</b>

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

Thous. AMD

	31/12/2024	31/12/2023
<b>Current accounts</b>		
RA Banks	15,064	16,874
Banks having BBB(Baa3) and higher rating		
Banks having rating lower than BBB(Baa3) or no rating at all	1,874	38,049
Accrued interest		
<b>Total</b>	<b>16,938</b>	<b>54,923</b>
<b>Interbank loans and deposits, other</b>		
Other		
<b>RA banks</b>		
Loans and deposits	7,965,416	6,263,124
Other		
<b>Banks having BBB(Baa3) and higher rating</b>		
Loans and deposits	1,937,296	
Other		
<b>Banks having rating lower than BBB(Baa3) or no rating at all</b>		
Loans and deposits	1,323,966	1,124,938
Other	3,278	
Accrued interest	47,337	59,029
<b>Total</b>	<b>11,277,293</b>	<b>7,447,091</b>
<b>Financial Institutions</b>		
Current accounts	6,356,567	6,505,202
Loans	27,427,288	25,426,195
Deposits	28,707,318	32,381,765
Other	325,242	204,731
Accrued interest	828,514	1,163,485
<b>Total</b>	<b>63,644,929</b>	<b>65,681,378</b>
<b>Total liabilities to banks and financial institutions</b>	<b>74,939,160</b>	<b>73,183,392</b>

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


Program	31/12/2024		31/12/2023	
	Loan amount	Accrued interest	Loan amount	Accrued interest
"Women Entrepreneurship Support and Development" loan project	1,422,425	4,852	1,788,378	6,358
GAF/ RA SME lending project of European Investment Bank	7,191,471	114,496	8,006,506	124,401
GAF /Micro and Small Business Development Project of German-Armenian Fund	22,071,162	356,955	20,893,527	396,234
GAF "Renewable Energy Development" project	3,672,273	99,201	2,629,740	69,241
GAF "Access to finance for SMEs" project	2,785,226	32,167	1,719,343	18,023
RA "Agriculture support" project	1,692,649	15,664	1,494,078	12,306
<b>Total</b>	<b>38,835,206</b>	<b>623,395</b>	<b>36,531,572</b>	<b>626,563</b>

**Note 22.3 REPO (repurchase) agreements**


REPO (repurchase) agreements	31/12/2024	31/12/2023
REPO (repurchase) agreements with financial institutions	63,046,386	34,127,375
<b>Total</b>	<b>63,046,386</b>	<b>34,127,375</b>

### Note 23: "Liabilities to Customers"



<b>RA resident corporate entities and institutions</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Current accounts	34,699,797	55,069,476
Term deposits	36,085,270	18,657,714
Other	1,630,297	1,008,988
Accrued interest	1,123,334	950,062
<b>Total</b>	<b>73,538,698</b>	<b>75,686,240</b>
<b>Non-resident corporate entities, institutions</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Current accounts	397,465	1,189,030
Deposits		
Other	2	2
Accrued interest	27	24
<b>Total</b>	<b>397,494</b>	<b>1,189,056</b>
<b>RA resident private entrepreneurs</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Current accounts	2,591,102	2,137,599
Term deposit	26,000	38,668
Other	23,464	22,132
Accrued interest	536	736
<b>Total</b>	<b>2,641,102</b>	<b>2,199,135</b>
<b>RA resident individuals</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Current accounts	33,018,850	33,251,866
Term deposits	74,142,317	64,409,517
Other	728,759	693,683
Accrued interest	1,834,968	1,460,792
<b>Total</b>	<b>109,724,894</b>	<b>99,815,858</b>
<b>Non- resident individuals</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Current accounts	1,068,169	1,942,393
Term deposits	3,892,151	3,042,980
Other	13,829	18,182
Accrued interest	76,682	48,479
<b>Total</b>	<b>5,050,831</b>	<b>5,052,034</b>
<b>Total liabilities to customers</b>	<b>191,353,019</b>	<b>183,942,323</b>

As of 31.12.2024, the amount necessary to secure obligations was AMD 5,387,0891 thousand , the amount frozen by court order and tax authorities was AMD 6.827thousand.

### Note 23.1 : "Subordinate Borrowing"



As of 31.12.2024 the Bank attract subordiante borrowing` AMD 6,104,831 thousand

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



	<b>31/12/2024</b>	<b>31/12/2023</b>
Interest securities issued by the Bank	14,115,869	11,295,283
<b>Total</b>	<b>14,115,869</b>	<b>11,295,283</b>

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

Thous.AMD

Financial liability at fair value recalculated through profit/loss	31/12/2024	31/12/2023
Derivative instruments		
Swap		
Forward		
Other	119,575	15,184
<b>Total</b>	<b>119,575</b>	<b>15,184</b>

**Note 26: "Amounts Payable"**

Thous.AMD

Amounts payable	31/12/2024	31/12/2023
Dividends	584,961	541,207
For insurance of deposit	66,944	59,878
<b>Total</b>	<b>651,905</b>	<b>601,085</b>

**Note 27: " Other Liabilities"**

Thous.AMD

Other Liabilities	31/12/2024	31/12/2023
On income tax of non-resident	73,719	106,978
On VAT	6,658	3,823
On other taxes and penalties	303,709	260,109
Salary liabilities to employees	1,606,396	1,497,356
Credit debts to suppliers	180,088	125,811
Other liabilities	781,759	353,992
<b>Balance at the end of the period</b>	<b>2,952,329</b>	<b>2,348,069</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.

Name of the major shareholder	Participation amount	The size of participation in	Shareholders activity type (for
Sukiasyan Saribek Albert	7,307,140	28.99%	
Sukiasyan Khachatur Albert	3,138,533	12.45%	
Sukiasyan Eduard Albert	3,279,677	13.01%	

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 31.12.2024 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 31.12.2024 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	
	31/12/2024	31/12/2023
Unutilized credit lines	2,518,236	941,322
Provided guarantees	13,237,505	14,126,256
Provided letters of credit		
Reserve on the mentioned items (note 7)	(67,641)	(19,270)

### 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	31/12/2024	31/12/2023
Bank shareholder	7,221,063	7,127,089
Bank management	526,293	433,611
Financial institutions		
<b>Total</b>	<b>7,747,356</b>	<b>7,560,700</b>
Interest income	775,553	736,674
Facilities attracted from Bank related entities	31/12/2024	31/12/2023
Bank shareholder	4,348,971	10,320,884
Bank management	1,026,510	919,193
Financial institutions	471,795	259,260
<b>Total</b>	<b>5,847,276</b>	<b>11,499,337</b>
Interest expense	596,494	533,694
Salary or Similar Payment to the Bank Management	31/12/2024	31/12/2023
<b>Board</b>	<b>490,324</b>	<b>434,532</b>
Salary	454,174	407,282
Awarding	36,150	27,250
<b>Executive body</b>	<b>582,569</b>	<b>641,589</b>
Salary	540,569	469,089
Awarding	42,000	172,500
<b>Internal Audit</b>	<b>155,686</b>	<b>124,840</b>
Salary	143,836	114,265
Awarding	11,850	10,575
<b>Total</b>	<b>1,228,579</b>	<b>1,200,961</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.

31/12/2024

Thous.AMD

Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<b>Assets</b>					
Cash and balances with the CBA	62,557,685	526,763	629,275	107,894	63,821,616
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
Customers' loans and advances rated at amortized value	338,835,996	3,265,460			342,101,456
Securities at fair value rated through other comprehensive financial results	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>499,469,678</b>	<b>3,792,343</b>	<b>1,040,810</b>	<b>232,960</b>	<b>504,535,791</b>

31/12/2023

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Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<b>Assets</b>					
Cash and balances with the CBA	69,943,174	1,018,717	501,794	105,500	71,569,185
Standard bank precious metal bullions and coins	396,358				396,358
Due from banks and other financial institutions	5,259,767	619	378,939	287,059	5,926,385
Reverse repurchase agreements	12,464,832				12,464,832
Financial assets at fair value recalculated through profit/loss	1,326				1,326
Customers' loans and advances rated at amortized value	291,335,671	40,939	22,459		291,399,069
Securities at fair value rated through other comprehensive financial results	14,969,386		6,502		14,975,888
Securities pledged under repurchase agreement	36,659,534				36,659,534
Other financial assets carried at amortized cost	8,570,306				8,570,306
Other assets	102,188		373		102,561
<b>Total assets</b>	<b>439,702,542</b>	<b>1,060,276</b>	<b>910,067</b>	<b>392,559</b>	<b>442,065,444</b>

## Loans allocated in the territory of RA per RA regions:

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RA regions	31/12/2024	31/12/2023
Yerevan	215,199,733	178,899,461
Kotayk	34,875,288	31,801,851
Ararat	18,299,785	13,097,526
Lori	8,604,554	7,792,218
Gegharkunik	11,380,116	8,297,182
Shirak	10,721,936	9,120,467
Armavir	16,794,519	12,301,384
Syunik	9,050,460	7,209,344
Aragatsotn	10,125,982	9,022,663
Vayots Dzor	2,546,767	1,917,945
Tavush	2,547,093	1,827,788
Artsakh	1,955,224	10,111,239
<b>Total</b>	<b>342,101,456</b>	<b>291,399,068</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 31.12.2024 did not exceed 3.87%. 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 31.12.2024, loan investments without reserves amounted to AMD 345,544,134 thous. As of 31.12.2024 volume of loans in the Stage 2, Stage 3 amounted to AMD 2,741,723 thous.

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

5) The volume of repo transactions in the IV quarter of 2024 (excluding extensions) is 25,452,6731 thousand AMD and 1,134,680 USD, but in the same period of the previous year was 25,785,182 thousand AMD and 7,431,830 USD. The volume of reverse repo transactions in the IV quarter of 2024 is 661,521,315 thousand AMD and 1,066,634 EUR but in the same period of the previous year was 175,653,734 thousand 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
2024 IIIQ	14,148.73	243.56	480.76	501.32	7.41	378.57	1,204.84	95.56	20.75	14,913.74
2024 IVQ	4,571.75	193.84	305.16	580.46	4.13	72.89	1,569.39	94.19	18.15	5,113.12
increase/decrease	-9,576.98	-49.72	-175.59	79.14	-3.28	-305.68	364.55	-1.37	-2.60	-9,800.62

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

31/12/2024						Thous.AMD
	AMD	USD	EUR	RUB	Other currency	Total
Cash and their equivalents	26,524,319	31,488,832	3,983,696	1,741,111	83,658	63,821,616
Bank standardized bullions of precious metals and coins	443				530,706	531,149
Receivables to banks and other financial institutions	4,547,342	2,043,638	152,237	57,257		6,800,474
Reverse Repurchase Agreements	12,234,581	1,983,199	-			14,217,780
Loans and advances to customers calculated at amortized value	263,121,364	72,844,628	6,115,831	19,633		342,101,458
Financial assets at fair value rated through other comprehensive financial results	607,504	406,130		-		1,013,634
Securities pledged under repurchase agreements	65,611,999	1,294,557				66,906,556
Other financial assets calculated at amortized value	8,458,402	628,664				9,087,066
Other assets	51,112	3,187	1,468	293		56,060
Total assets	381,157,066	110,692,835	10,253,232	1,818,294	614,364	504,535,791
Liabilities						
Liabilities to the banks and other financial institutions	62,689,686	10,656,147	1,571,973	21,354		74,939,180
Loans and deposits from international financial institutions	7,952,574	45,401,651	346,678		-	53,700,903
Loans from the CBA and RA	39,458,541					39,458,541
REPO agreements	63,046,386				-	63,046,386
Liabilities to Customers	135,086,753	48,448,900	5,925,496	1,870,817	21,052	191,353,018
Subordinate borrowing	1,013,026	2,593,398	2,498,407		-	6,104,831
Liabilities on current taxes	1,117,096				-	1,117,096
Securities issued by the Bank	5,683,978	8,431,891			-	14,115,869
Financial liabilities at fair value recalculated through profit/loss	119,575				-	119,575
Amount payable	651,905				-	651,905
Deferred tax liabilities	1,093,219				-	1,093,219
Lease liabilities	1,669,847					1,669,847
Other liabilities	2,789,838	103,766	56,820	1,170	736	2,952,329
Total liabilities	322,372,424	115,635,753	10,399,374	1,893,341	21,788	450,322,680
Balance-sheet open position	58,784,642	(4,942,918)	(146,141)	(75,047)	592,576	54,213,111
Aggregately payable currency derivatives		411,564			(531,139)	(119,575)
Net position	58,784,642	(4,531,354)	(146,141)	(75,047)	61,437	54,093,537

31/12/2023						Thous.AMD
	AMD	USD	EUR	RUB	Other currency	Total
Cash and their equivalents	26,263,177	38,122,479	3,825,755	3,209,401	148,373	71,569,185
Bank standardized bullions of precious metals and coins	443				395,915	396,358
Receivables to banks and other financial institutions	4,221,572	1,346,125	335,043	23,646		5,926,385
Reverse Repurchase Agreements	10,501,782	1,963,050	-			12,464,832
Financial instruments at fair value through profit or loss	1,326					1,326
Loans and advances to customers calculated at amortized value	220,664,027	64,450,278	6,270,543	14,221		291,399,069
Financial assets at fair value rated through other comprehensive financial results	14,557,623	418,265				14,975,888
Securities pledged under repurchase agreements	36,659,534					36,659,534
Other financial assets calculated at amortized value	8,570,306					8,570,306
Other assets	82,614	5,194	14,440	313		102,561
Total assets	321,522,404	106,305,391	10,445,781	3,247,581	544,288	442,065,444
Liabilities						
Liabilities to the banks and other financial institutions	62,507,803	7,848,873	2,822,951	3,764		73,183,391
Loans and deposits from international financial institutions	5,873,678	41,337,854	1,123,843			48,335,375
Loans from the CBA and RA	37,158,136					37,158,136
REPO agreements	34,127,375					34,127,375
Liabilities to Customers	128,723,693	47,734,614	5,115,687	2,336,300	32,029	183,942,323
Subordinate borrowing	3,037,190	5,742,721	899,583			9,679,494
Liabilities on current taxes	1,112,304					1,112,304
Securities issued by the Bank	4,121,014	7,174,269				11,295,283
Financial liabilities at fair value recalculated through profit/loss	15,184					15,184
Amount payable	601,085					601,085
Deferred tax liabilities	1,187,997					1,187,997
Lease liabilities	1,426,082					1,426,082
Other liabilities	2,240,989	92,462	7,430	6,165	1,023	2,348,069
Total liabilities	282,132,530	109,930,793	9,969,494	2,346,229	33,052	404,412,098
Balance-sheet open position	39,389,874	(3,625,403)	476,287	901,352	511,236	37,653,346
Aggregately payable currency derivatives		809,647	(492,690)	67,968	(398,784)	(13,858)
Net position	39,389,874	(2,815,755)	(16,403)	989,320	112,453	37,639,488

\*"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 IVquarter of 2024 (accumulated gap of the sensitive assets and liabilities against the interest rate) is positive forming AMD 50.364.009 thousand against AMD 31.300.274 thousand in the same period of the previous year by increasing in absolute value by AMD 19.063.735 or 60.9%, that is in average, the Bank was sensitive to assets in the IV quarter of 2024. In the IV quarter of 2024, the average accumulated disbalance has increased in absolute value by AMD 3.189.572 thousand or 6.0% .

The average correlation ratio of sensitive assets and liabilities to interest rate changes for the IV quarter of 2024 has increased by 4.0 percentage point, forming 113.4% against 109.4% average value of the IV quarter of 2023, that is in IV quarter of 2024 the assets sensitive to interest rate changes have formed 113.4% of the sensitive liabilities to interest rate changes.

The duration of assets as at the end of IV quarter of 2024 was 1.851 year (against the 1.779 year as of the IV quarter of 2023) as it increased by 0.072 year or by 4% , as compared with the end of the previous quarter (2.013 year) the mentioned indicator has decreased by 0.163 year or 8.1 %.

The duration of liabilities as of the end of the IV quarter of 2024 was 0.939 year (against 0.978 year of the IV quarter of 2023) decreasing by 0.039 year or 4%. In correlation with the end of the previous quarter (0.856) the indicator has increased by 0.082 year or 9.6%.

The duration gap as of the end of the IV quarter of 2024 was 1.03 (against 0.91 of the IV quarter of 2023) increasing by 0.12 or 13.2 %. In correlation with the end of previous quarter (1.265) the indicator has decreased by 0.235 or 18.5%.

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	
Facilities placed	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign	AMD	Foreign currency	AMD	Foreign
Cash and their equivalents	-	-	-			-	-	-	-	-	-	-
Total	-	-	-				-	-	-	-	-	-
Resources attracted												
Liabilities to banks and other financial institutions, including:												
Resources attracted												
Liabilities to banks and other financial institutions, including:												
- 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)	-	-

31/12/2023											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	
Facilities placed	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign
Loans and advances provided to customers rated at amortized value												
Total												
Resources attracted												
Liabilities to banks and other financial institutions, including:												
-Loans			544,290	1,079,440	1,511,177	149,300	1,985,472	1,220,583	1,617,720	2,564,182		
Total	-	-	544,290	1,079,440	1,511,177	149,300	1,985,472	1,220,583	1,617,720	2,564,182	-	-
Net position	-	-	(544,290)	(1,079,440)	(1,511,177)	(149,300)	(1,985,472)	(1,220,583)	(1,617,720)	(2,564,182)	-	-

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: 31/12/2024		Interest rates of accounting period: 31/12/2023	
	AMD	Foreign currency	AMD	Foreign currency
Assets				
Balance at CBA				
Receivables to banks and other financial institutions, including:	12.75	9.04	13.24	9.50
- Interbank Loans				
-Interbank REPO				
Loans and advances provided to customers rated at amortized value	17.45	10.52	17.22	10.70
Financial instruments at fair value through profit or loss	9.41	5.48	10.07	2.93
Liabilities				
Liabilities to banks and other financial institutions	7.04	6.17	7.63	6.68
Liabilities to Customers	9.04	4.00	9.48	3.79
Securities issued by the Bank	10.72	5.08	11.32	5.15

### 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

#### 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**  
**Liquidity Risk Assessment**



Over the IV quarter of 2024, instant liquidity, up to 90 days accumulative and general (up to one year accumulative) liquidity indicators have decreased by 31.2, 44.6 and 62.4 percentage point respectively.

Accounting period	31/12/2024								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		
Cash and cash equivalents,	-	-	63,821,618		-	-	-	-	-	63,821,618
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
Financial assets at fair value calculated 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
Total	2,663,637	116,893	64,588,241	113,585,514	21,005,655	32,039,357	159,662,522	107,814,235	3,059,742	504,535,796
including:										
On maturity of liabilities repayment										
Liabilities to banks and other financial institution	-	-	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 in	-	-	-	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
Liabilities on current taxes	-	-	-	-	1,117,096	-	-	-	-	1,117,096
profit/loss	-	-	-	119,575	-	-	-	-	-	119,575
Amounts payable	-	-	360,213	291,692	-	-	-	-	-	651,905
Other liabilities	-	-	843,790	477,727	54	11,870	-	-	1,618,888	2,952,329
Total	-	-	73,153,851	111,807,459	41,210,913	63,528,781	138,357,241	19,552,324	1,618,888	449,229,457
Net liquidity gap	2,663,637	116,893	(8,565,610)	1,778,055	(20,205,258)	(31,489,424)	21,305,281	88,261,911	1,440,854	55,306,339
Accumulative liquidity gap	2,663,637	2,780,530	(5,785,080)	(4,007,025)	(24,212,283)	(55,701,707)	(34,396,428)	53,865,485	55,306,339	

Previous accounting period		31/12/2023								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,	-	-	71,569,185	-	-	-	-	-	-	71,569,185	
Standardized precious metal bullions and coins	-	-	396,358	-	-	-	-	-	-	396,358	
Receivables to banks and other financial institutions	-	-	-	3,618,696	-	-	19,159	-	2,288,530	5,926,385	
Reverse Repurchase Agreements	-	-	-	12,464,832	-	-	-	-	-	12,464,832	
Financial assets at fair value recalculated through profit/loss	-	-	-	1,326	-	-	-	-	-	1,326	
Other financial assets calculated at amortized value	-	-	-	-	-	-	3,819,559	4,750,747	-	8,570,306	
Loans and advances provided to customers rated at amortized value	1,600,526	54,032	-	20,541,869	16,709,021	28,525,597	135,997,365	87,970,659	-	291,399,069	
Financial assets at fair value calculated through other comprehensive financial result	-	-	-	418,251	2,719,017	-	5,751,259	5,975,104	112,257	14,975,888	
Securities pledged under repurchase agreements	-	-	-	-	36,659,534	-	-	-	-	36,659,534	
Other receivables	12,054	-	-	58,922	27	467	-	-	-	71,470	
Total	1,612,580	54,032	71,965,543	37,103,896	56,087,599	28,526,064	145,587,342	98,696,510	2,400,787	442,034,353	
On maturity of liabilities repayment											
Liabilities to banks and other financial institution	-	-	6,802,833	9,864,543	6,281,680	8,382,059	29,104,968	12,747,308	-	73,183,391	
Loans and deposits from international financial in	-	-	-	5,917,401	4,083,791	8,881,966	29,123,359	328,858	-	48,335,375	
Loans from the RA Government and CBA	-	-	-	300,669	4,207,945	4,430,002	26,234,338	1,985,182	-	37,158,136	
Repurchase Agreements	-	-	-	34,127,375	-	-	-	-	-	34,127,375	
Liabilities to customers	-	-	87,158,771	20,955,019	20,075,851	35,057,988	20,115,275	579,419	-	183,942,323	
Subordinate borrowings	-	-	-	86,640	-	-	-	9,592,854	-	9,679,494	
Securities issued by the Bank	-	-	-	122,509	106,403	-	11,066,371	-	-	11,295,283	
Lease liabilities	-	-	-	1,426,082	-	-	-	-	-	1,426,082	
Liabilities on current taxes	-	-	-	-	1,112,304	-	-	-	-	1,112,304	
Financial liabilities at fair value rated through profit/loss	-	-	-	15,184	-	-	-	-	-	15,184	
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	
Amounts payable	-	-	316,460	284,625	-	-	-	-	-	601,085	
Other liabilities	-	-	2,098,958	239,289	1,447	7,890	485	-	-	2,348,069	
Off-balance sheet contingent liabilities	-	-	-	-	-	-	-	-	-	-	
Total	-	-	96,377,022	73,339,336	35,869,421	56,759,905	115,644,796	25,233,621	-	403,224,101	
Net liquidity gap	1,612,580	54,032	(24,411,479)	(36,235,440)	20,218,178	(28,233,841)	29,942,546	73,462,889	2,400,787	38,810,252	

### 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:

	31/12/2024	31/12/2023
Chartered capital	31,578,015	28,132,240
Emission income/loss	7,762,974	2,265,076
Reserves:	10,667,358	10,332,023
Main reserve	4,190,000	3,952,000
Revaluation reserve	6,477,358	6,380,023
Undistributed profit/loss	26,622,711	22,343,082
<b>Total capital</b>	<b>76,631,058</b>	<b>63,072,421</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						
2024	Tier 1 core capital T	Tier 1 capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	1	2	3 (1+2)	4	5	6	7
January	42,724,524	49,093,524	61,942,162	353,644,266	3,524,509	16.06	12
February	43,995,974	50,364,974	64,448,724	353,932,134	3,441,060	16.73	12
March	48,312,117	54,681,117	66,477,238	358,796,886	3,153,980	17.16	12
April	49,120,693	55,489,693	67,133,228	363,778,808	1,322,629	17.86	12
May	51,688,224	58,057,224	67,827,077	364,438,769	1,360,186	18.00	12
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

2023	Main capital	Additional capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	1	2	3 (1+2)	4	5	6	7
January	44,824,426	5,261,613	50,086,039	323,443,745	3,399,041	14.24	12
February	45,733,900	5,321,463	51,055,363	326,738,335	3,407,582	14.38	12
March	46,830,907	5,437,429	52,268,336	330,933,336	3,199,944	14.62	12
April	46,990,487	5,460,341	52,450,828	340,557,595	3,234,614	14.27	12
May	47,540,556	9,381,476	56,922,032	347,716,818	3,306,348	15.17	12
	Tier 1 core capital T	Tier 1 capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
June	39,407,127	45,776,127	55,812,143	346,757,004	3,334,852	14.80	11.0
July	40,049,435	46,418,435	56,959,910	352,940,736	3,446,847	14.82	11.0
August	41,047,233	47,416,233	58,558,949	357,479,941	3,499,968	15.04	11.0
September	41,386,258	47,755,258	60,355,619	359,827,109	3,505,626	15.41	11.0
October	41,750,783	48,119,783	61,017,552	360,651,491	3,761,989	15.45	11.0
November	42,383,887	48,752,887	61,644,051	364,078,199	3,696,536	15.50	11.0
December	44,369,376	50,738,376	63,639,930	363,225,329	3,285,008	16.19	11.0

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 31/12/2024				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	
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>

As of 31.12.2023				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	Total credit risk
0%	114,540,714			-
10%	12,271,839			1,227,184
20%	1,247,877			249,575
30%	50,569			15,171
35%	61,643			21,575
50%	944,771			472,386
75%	67,811,043	109,523		50,940,425
100%	169,392,593	9,584,767		178,977,360
110%	326,721	15,260		376,179
150%	73,398,000	4,157,090	19,545	116,361,953
200%	988,402			1,976,804
<b>Total</b>	<b>441,034,172</b>	<b>13,866,640</b>	<b>19,545</b>	<b>350,618,611</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 31.12.2024 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 31.12.2024 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 31.12.2024 the Bank has no pledged assets.

## Note 38. "Accepted Pledge"



As of 31.12.2024. 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	31/12/2024		31/12/2023	
	Loan amount	Collateral amount	Loan amount	Collateral amount
Real estate	129,250,676	555,862,681	116,384,578	478,454,518
Car	3,050,178	8,573,729	2,580,196	7,591,069
Equipment	4,503,852	13,951,748	5,143,109	24,024,944
Ready made products	4,166,871	14,966,000	4,787,837	15,136,000
Guarantee	112,681,723	556,139,617	96,445,054	473,195,294
Monetary funds	1,237,722	4,948,415	692,105	7,130,885
Gold items	19,946,484	23,559,268	16,489,411	19,873,563
Standard golds	5,383	11,967	8,965	11,683
State securities	275	11,500	1,419	11,500
Other securities	18,930	88,778	17,364	81,112
Other pledge	57,325,467	80,655,628	41,309,697	61,865,319
No collateral available	13,356,573		13,160,095	
<b>Total</b>	<b>345,544,134</b>	<b>1,258,769,331</b>	<b>297,019,830</b>	<b>1,087,375,887</b>

## 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 Accountant

N. Galstyan