

“ARMECONOMBANK” OJSC 2026 1st

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 1st QUARTER OF 2026
“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 29 branches are located in Yerevan, another 22 branches in regions. The legal address of the Bank is 23/1 Amiryan Str., Yerevan.

Main Activities

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

Business Environment

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

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

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

Corporate Governance

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

Structure and Members of the Board

Chairman of the Board

S. Sukiasyan

Members of the Board

H. Suvaryan

A. Khachatryan

L. Petrosyan

A. Melikyan

Per Fischer

Structure and Members of the Bank’s Management

CEO

A. Arakelyan

Deputy CEO

R. Badalyan

Deputy CEO

O. Chichyan

Deputy CEO

V.Ghazaryan

Chief Accountant

N. Galstyan

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 31/03/2026 the Chartered capital amounts to AMD 31,578,015 thous. It includes 12,119,719 common shares each with AMD 2,080 and 424,600 preferred shares with AMD 15,000 nominal value per share.

Main Participants

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

Remuneration Policy of the Bank’s Management

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

Payments to Statutory Auditors

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

Note 2. “Accounting Policy”

Preparation and Submission of “ARMECONOMBANK” OJSC Financial Statements

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

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

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

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

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

Recognition of Income and Expenses

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

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

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

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

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

Other incomes and expenses especially rentals, advertisement, building maintenance, technical service liabilities, as well as costs of fuel for vehicles are reflected in the Statement on Financial Results on accrual basis taking into account the relevant contract, or payments of the previous period. The accrual of non-interest expenses up to AMD 10,000 is performed on the last working day of each month, while the accrual of non-interest expenses exceeding AMD 10,000 is made daily. The accrual of expenses on holiday payments is made daily.

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

Foreign Exchange Operations Accounting

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

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

Tax Accounting

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

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

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

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

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

Income tax assets and liabilities are offset when the Bank:

- Has a legally enforceable right to set off the recognized amounts of current tax assets and current tax liabilities,
- Has an intention to make the settlement on a net basis, or to realize the asset and settle the liability simultaneously,
- The deferred tax asset and deferred tax liability relate to profit taxes levied by the same taxation authority in each future period in which significant amounts of deferred tax liabilities or assets are anticipated to be settled or recovered.

Cash and Cash Equivalents

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

The statement on cash flows is made by indirect method.

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

Financial Instruments

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

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

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

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

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

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

assets calculated at fair value through other comprehensive income.

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

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

Debt securities which as of 31.12.2017 were classified as available- for- sale, by IFRS 9 will be classified as accounted at fair value through other comprehensive income, as the Bank expects not only to keep that assets to collect contractual cash flows but also to carry out relatively frequent sales with significant amounts. Upon the resolution of the Bank’s Executive Board, the Bank may classify a part of the securities portfolio as financial assets calculated at amortized value.

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

Profit and loss occurred from the further measurement:

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

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

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

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

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

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

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

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

Repurchase Agreements

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

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

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

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

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

Leases

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

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

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

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

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

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

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

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

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

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

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

Financial Assets’ Possible Loss Provision

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

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

Pursuant to IFRS 9 :

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

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

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

Where:

BALANCE- balance amount of the given loan sub-portfolio

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

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

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

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

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

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

Intangible Assets

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

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

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

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

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

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

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

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

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

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

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

Fixed Assets

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

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

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

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

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

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

	Terms of useful services (years)	Annual interest rate (%)
Building	50	2
Computers	5	20
Transportation means	8	12.5
Other fixed assets, transportation means, UPS batteries, ATMs, property, office equipment, (printers, scanners, copying devices), POS terminals, modems,	8	12.5
Network devices	3	33.3
Mobile phones	5	20
	1	100
Fixed assets and intangible assets costing up to AMD 50.000	Up to the end of the given year	

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

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

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

Depreciation is not calculated for land.

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

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

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

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

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

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

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

Inventory

The Bank’s inventory includes:

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

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

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

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

Settlements between the Bank and Branches

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

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

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

Share Capital and Treasury Stock

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

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

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

Statement of Financial Position
31/03/2026
ARMECONOMBANK OJSC 23/1 Amiryar Str., 0002 Yerevan

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	Item	Note	As of the end of the current interim period (unaudited)	As of the end of the previous financial year (unaudited)
1	Assets			
1.1	Cash and cash equivalents	13	77,792,668	60,207,737
1.2	Standard bank precious metal bullions and coins		745,598	772,626
1.3	Due from banks and other financial institutions	14	3,251,063	8,714,731
1.4	Reverse repurchase agreement	14.1	14,599,326	15,198,265
1.5	Financial assets rated at actual value through profit or loss	15		15,468
1.5.1	Other financial assets rated at amortized value	18	25,488,936	5,721,345
1.6	Loans and advances provided to customers at amortized value	16	401,688,249	401,238,849
1.6.1	Receivables from finance leases	16.3	238,526	
1.7	Financial assets at fair value rated through other comprehensive financial results	17	12,068,474	8,559,808
1.7.1	Securities pledged under repurchase agreement	17.1	60,214,713	75,108,831
1.9	Non-current assets held for sale		9,927,093	6,664,709
1.10	Fixed assets	20	16,910,900	16,503,754
1.10.1	Intangible assets	20	1,188,765	1,099,796
1.10.1	Right-of-use assets	20.1	1,983,808	2,214,729
1.12	Other assets	21	2,737,448	2,477,864
	Total assets		628,835,567	604,498,512
2	Liabilities			
2.1	Liabilities to banks and other financial institutions	22	78,347,028	70,986,911
2.2	Loans and deposits received from the international financial Institutions	22.1	98,665,746	88,337,897
2.3	Loans received from the CBA and from the RA government	22.2	38,007,515	36,229,493
2.4	Repurchase agreement	22.3	58,675,886	73,308,675
2.5	Liabilities to Customers	23	214,115,430	209,352,547
2.6	Subordinated borrowing	23.1	9,660,372	6,222,127
2.7	Liabilities on current taxes		1,838,668	1,495,767
2.8	Securities issued by the Bank	24	30,435,866	22,333,207
2.9	Financial liabilities at fair value through profit or loss	25	388,259	347,932
2.10	Amounts payable	26	683,464	683,289
2.11	Deferred tax liabilities	11	1,256,342	1,185,602
2.12	Reserves	30	125,391	99,939
2.13	Lease liabilities	40	1,650,741	1,863,906
2.14	Other liabilities	27	2,875,166	3,166,256
	Total liabilities		536,725,874	515,613,548
3	Capital			
3.1	Chartered capital	28	31,578,015	31,578,015
3.2	Emission income		7,762,974	7,762,974
3.3	Reserves			
3.3.1	Main reserve		4,641,000	4,641,000
3.3.2	Revaluation reserve		318,069	377,519
3.3.3	Other reserve		6,364,848	6,418,033
3.4	Undistributed profit (loss)		41,444,787	38,107,423
	Total capital		92,109,693	88,884,964
	Total liabilities and capital		628,835,567	604,498,512

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 April 2026

Statement of Profit or Loss
 31/03/2026
 ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerev

Thous. AMD

Item	Note	Current interim period (unaudited)	Previous period (unaudited)
Interest and similar income	3	14,521,729	12,523,561
Interest and similar expenses	3	(8,725,025)	(7,195,116)
Net interest and similar income		5,796,704	5,328,445
Income as commissions and other fees	4	2,110,739	2,216,727
Expenses as commissions and other fees	4	(899,565)	(718,780)
Net commission and other fees		1,211,174	1,497,947
Income from dividends			2,405
Net commercial income	5	733,230	754,697
Other operational income	6	176,872	179,378
Operational income		7,917,980	7,762,872
Net allocations to possible asset loss provisions	7	1,121,828	(57,476)
Total administrative expenses	8	(3,193,727)	(2,802,641)
Other operational income	9	(1,551,367)	(1,215,015)
Operational profit		4,294,714	3,687,740
Profit/loss before taxation		4,294,714	3,687,740
Profit tax expenses(compensation)	11	(790,675)	(485,418)
Profit for period		3,504,039	3,202,322

Chief Executive Officer (CEO)

Acting Chief Accountant

Approval date: 14 April 2026

Statement of other Comprehensive Income

31/03/2026

ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Current interim period (unaudited)	Previous period (unaudited)
Other comprehensive financial results			
Revaluation of financial assets at fair value rated through other comprehensive financial results		(73,231)	124,957
Devaluation of financial assets at fair value rated through other comprehensive financial results after taxation		731	172
Profit tax on the revaluation of financial assets at fair value rated through other comprehensive financial results		13,050	(22,523)
Other comprehensive financial result after taxation		(59,450)	102,606
Comprehensive financial result		3,444,590	3,304,928

Chief Executive Officer (CEO)**Acting Chief Accountant**

Approval date: 14 April 2026

Statement of Changes in Equity
31/03/2026

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 2025 (audited)</i>	31,578,015	31,578,015	7,762,974	4,190,000	(183,297)	6,681,896	27,240,545	77,270,133	77,270,133
Recalculated balance	31,578,015	31,578,015	7,762,974	4,190,000	(183,297)	6,681,896	27,240,545	77,270,133	77,270,133
Comprehensive income		-	-	-	102,606		3,202,322	3,304,928	3,304,928
Dividends		-	-	-		-	(219,861)	(219,861)	(219,861)
Internal movements including:	-	-	-			(53,618)	53,618	-	-
Deductions to main reserve								-	-
Decrease of value from the revaluation of fixed and intangible assets			-			(53,618)	53,618	-	-
<i>Balance as of the end of the interim accounting period 31/03/2025(unaudited)</i>	31,578,015	31,578,015	7,762,974	4,190,000	(80,691)	6,628,278	30,276,624	80,355,200	80,355,200

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 2026 (unaudited)</i>	31,578,015	31,578,015	7,762,974	4,641,000	377,519	6,418,033	38,107,423	88,884,964	88,884,964
Recalculated balance	31,578,015	31,578,015	7,762,974	4,641,000	377,519	6,418,033	38,107,423	88,884,964	88,884,964
Comprehensive income		-	-		(59,450)		3,504,040	3,444,590	3,444,590
Dividends		-	-	-		-	(219,861)	(219,861)	(219,861)
Internal movements including:	-	-	-	-	-	(53,185)	53,185	-	-
Deductions to main reserve									
Decrease of value from the revaluation of fixed and intangible assets			-			(53,185)	53,185	-	-
<i>Balance as of the end of the interim accounting period 31/03/2026(unaudited)</i>	31,578,015	31,578,015	7,762,974	4,641,000	318,069	6,364,848	41,444,787	92,109,693	92,109,693

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Approval date: 14 April 2026

Statement of Cash Flows

31/03/2026

ARMECONOMBANK OJSC 23/1 Amiryan Str., 0002 Yerevan

Thous. AMD

Name	Note	Accounting period (unaudited)	Previous period (unaudited)
Cash flows from operations			
Profit for the year		3,504,039	3,202,322
<i>Adjustments</i>			
Expenses on profit tax		790,675	485,418
Loss from depreciation of interest-bearing assets		(1,121,828)	57,476
Depreciation and amortisation		685,508	655,366
Net gain from foreign exchange		(3,890)	97,739
Net income from sale/ purchase of financial assets rated at fair value through profit or loss		1,557	(719)
Financial assets at fair value rated through other comprehensive financial results		(119,188)	(7,538)
Interest income		(1,750,602)	1,404,031
Interest expenses		1,809,618	(1,264,902)
Cash flows from operations before changes in operational assets and liabilities		3,795,889	4,629,193
Changes in operational assets or liabilities			
Increase/ decrease in operational assets			
Due from financial institutions		5,436,730	2,326,321
Reverse repurchase agreements		572,472	(722,681)
Loans to customers		(3,955,549)	(16,759,901)
Receivables from finance leases		(239,356)	
Other assets		(245,009)	(578,146)
Liabilities to financial institutions		7,042,818	2,644,864
Repurchase agreements		(14,604,171)	8,944,665
Liabilities to customers		5,432,920	(270,893)
Other liabilities		(283,449)	(89,832)
Cash used in operations before taxation		2,953,295	123,590
Paid profit tax		(371,313)	(303,166)
Net cash used in operations		2,581,982	(179,576)
Cash flows from investments			
Decrease(increase) of securities at fair value rated through profit/loss and available for sale		(6,409,225)	(101,900)
Acquisition of fixed assets		(745,289)	(118,933)
Proceeds from sale of fixed assets			5,801
Acquisition of intangible assets		(169,796)	(42,634)
Net cash flows from investments (used)/(gained from)		(7,324,310)	(257,666)
Cash flows from financial operations			
Loans from RA CB and RA Government		1,384,622	2,467,833
Proceeds/repayment of loans received from international financial institutions		10,023,778	(3,523,336)
Subordinated loan (repayments)/proceeds		3,566,788	78,875
Increase (decrease) of securities issued by the Bank		8,447,090	2,734,961
Increase in share capital			
Lease liabilities		(292,015)	(268,300)
Dividends paid		(214,168)	(235,393)
Net cash from financial operations		22,916,095	1,254,641
Impact of foreign exchange on cash balances		(595,084)	68,419
Impact of expected debt losses		6,248	7,998
Net increase of cash and equivalents thereof		17,584,931	893,816
Cash and equivalents thereof as of the beginning of the period	13_2	60,207,737	63,821,616
Cash and equivalents thereof as of the end of the period	13_2	77,792,668	64,715,432

Chief Executive Officer (CEO)

A. Arakelyan

Acting Chief Accountant

N. Galstyan

Note 3: "Net Interest and Similar Income"

Thous. AMD

	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Interest and similar income		
Interest income from the Bank's current accounts, deposits and loans allocated in banks and other financial institutions	48,431	110,337
Interest income from loans and advances to customers	12,084,462	10,434,091
Interest income from debt securities	2,113,421	1,715,808
Interest income from REPO agreements	254,133	249,353
Interest income from financial leases	9,109	
Other interest income	12,173	13,972
Interest and Similar Expenses	14,521,729	12,523,561
Interest expenses from the Banks' current accounts deposits and loans allocated in banks and other financial institutions	3,894,261	3,097,679
Interest expenses on terms deposits and current accounts of customers	3,019,766	2,463,899
Interest expenses under REPO agreements	1,035,424	1,203,206
Interest expenses on subordinated borrowings	158,629	128,443
Interest expenses against the interest securities issued by the Bank.	570,644	258,776
Interest expenses on lease agreements	46,301	41,739
Other interest income		1,374
Total	8,725,025	7,195,116
Net interest and similar income	5,796,704	5,328,445

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

Thous. AMD

	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Commission and Other Fee Income		
Cashier's operations	67,345	66,999
Settlement services	321,466	321,784
Guarantees, warranties, letters of credit operations, trust management operations	86,092	71,432
Foreign currency and security operations	4,027	3,180
Payment card servicing	1,363,034	1,156,517
Other commission fees	268,775	596,815
Total	2,110,739	2,216,727
Commission and Other Fee Expenses:		
Commission fee from correspondent and other accounts	3,472	1,802
Expenses on payment card operations	722,984	555,381
Guarantees, warranties, letters of credit operations, trust management operations	8,630	12,780
Foreign currency and security operations	21,029	38,470
Other commission fees	143,450	110,347
Total	899,565	718,780
Net commission and other fees received	1,211,174	1,497,947

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

Thous. AMD

	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Financial assets rated at fair value through profit or loss		
Net income from sale/ purchase of financial assets rated at fair value through profit or loss, including	(36,632)	(86,482)
Shares		
Debt Securities		
Derivatives	(36,632)	(86,482)
Net income from changes in real value of financial assets rated at fair value through profit or loss		
Total	(36,632)	(86,482)

Investments at fair value rated through other comprehensive financial assets		
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results, including:	135,219	17,181
Debt securities	135,219	17,181
Derivatives		
Net income from sale/purchase of investments at fair value rated through other comprehensive financial results	(20,909)	(1,816)
Total	114,310	15,365
Foreign currency operations		
Net income from foreign currency sale/purchase	611,377	832,688
Net income from the revaluation of foreign currency	3,890	(97,736)
Net income from the sale/purchase of precious standardized bullions and coins	13,065	10,817
Net income from the revaluation of precious standardized bullions and coins	27,220	80,045
Total	655,552	825,814
Net income from commercial operations	733,230	754,697

Note 6 : "Other Operatioanl Income"

	Thous. AMD	
	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Other operational expenses		
Income from penalties and fines	138,663	88,874
Net income from disposal of fixed and intangible assets		(11,885)
Other income *	38,209	102,389
Total	176,872	179,378

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	
	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Cash and cash equivalents (Note 13)		
Initial balance	11,239	8,641
Net deductions to reserve	(4,991)	(643)
Summary balance	6,248	7,998
"Due to Banks and other Financial institutions" (Note 14)		
Initial balance	57,456	71,021
Net deductions to reserve	(25,562)	(16,227)
Summary balance	31,894	54,794
From loans and advances to customers (Note 16)		
Initial balance	4,533,427	3,442,678
Net deductions to reserve	(1,129,951)	85,665
Return of amounts previously charged to off balance item	139,178	267,997
Usage of reserve	(275,554)	(213,573)
Summary balance	3,267,100	3,582,767
Receivables from finance lease (Note 16.3)		
Initial balance	-	-
Net deductions to reserve	831	
Return of amounts previously charged to off balance item		
Usage of reserve		
Summary balance	831	
Financial assets rated at fair value through other comprehensive financial assets (Note 17)		
Initial balance	13,918	25,903
Net deductions to reserve	731	210
Summary balance	14,649	26,113
On other assets (Note 21)		
Initial balance	1,792	966
Net deductions to reserve	4,441	423
Return of amounts previously charged to off balance item	237	105
Usage of reserve	(65)	(77)
Summary balance	6,405	1,417
Other financial assets rated at amortized value		
Initial balance	69,395	122,446
Net deductions to reserve	7,221	(2,447)
Summary balance	76,616	119,999
Post-balance sheet items containing loan exposures (note 30)		
Initial balance	99,939	67,641
Net deductions to reserve	25,452	(9,505)
Usage of reserve		
Summary balance	125,391	58,136
Total net deductions to reserve	(1,121,828)	57,476

Note 8 : "Total administrative expenses"

Thous. AMD

	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
"Total administrative expenses"		
Salary and similar payments	2,278,221	1,910,714
Training and tutorship expenses	7,192	2,577
Business trip expenses	22,349	26,684
Insurance costs	59,638	56,317
Servicing and maintenance of the Bank's equipment	221,601	119,423
Maintenance and safekeeping of Bank buildings	273,023	231,089
Audit and consulting services	26,792	17,275
Communication and transmission costs	39,430	31,616
Transportation costs	59,095	57,349
Taxes (except income tax) penalties and other mandatory payments	31,446	127,611
Office and organizational expenses	126,019	151,914
Other administrative expenses	48,921	70,072
Total	3,193,727	2,802,641

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

	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Average number of Bank employees	907	890
Monthly average salary falling to a single employee (thousand AMD)	777	713

Note 9 : "Other Operational Expenses"

Thous. AMD

	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Other operational expenses		
Paid fines and penalties	14,000	1,121
Payments made for collection	120,251	99,838
Advertising and representative expenses	129,956	65,159
Amortization costs of fixed assets and intangible assets	685,508	643,481
Allocations to the Fund of Recovery of Deposits	79,533	70,757
Other expenses	522,119	334,659
Total	1,551,367	1,215,015

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	01/01/2026- 31/03/2026	01/01/2025- 31/03/2025
Current tax expenses	706,883	399,558
Deferred tax expenses	83,792	85,860
Total	790,675	485,418

	01/01/2026- 31/03/2026	Effective rate (%)	01/01/2025- 31/03/2025	Effective rate (%)
Profit before taxation	4,294,714		3,687,740	
Profit tax with rate	773,049	18%	663,793	18%
Non-taxable income from financial assets rated at fair value through other comprehensive income	280	0.00	(129)	0.00
Other privileges				
Non-deductable expenses	19,397	0.02	(194,441)	0.02
Foreign currency negative/positive difference	(701)	(0.00)	17,592	0.00
Adjustments of calculated tax expenses of the previous year		0.01		0.00
Other privileges	(1,350)	(0.00)	(1,397)	(0.00)
Profit tax expenses	790,675	0.18	485,418	0.13

Calculation of deferred tax on temporary differences

			31/03/2026	Thous. AMD
	Balance as of the previous period	Recognized by financial results	Recognized by equity	Balance at the accounting period
Deferred tax assets, including:	432,651	48,697	-	481,348
Accrued expenses and other liabilities	259,711	45,515		305,226
Right-of-use assets	173,898	3,927		177,825
Claims to banks and other financial institutions	(958)	(745)		(1,703)
Deferred tax liabilities, including:	(1,618,252)	(132,489)	13,050	(1,737,691)
Investment securities	(67,874)	1,434	13,050	(53,390)
Cash and their equivalents	(2,155)	992		(1,163)
Fixed assets	(1,395,301)	11,674		(1,383,627)
Loans and borrowings to customers	(136,012)	(135,106)		(271,118)
Contingent liabilities	(16,910)	(11,483)		(28,393)
Net deferred tax asset/liability	(1,185,601)	(83,792)	13,050	(1,256,343)

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

	Thous. AMD	
Basic profit falling to a single share	01/01/2026-31/03/2026	01/01/2025-31/03/2025
Net profit of the accounting period after taxation	3,504,139	3,202,322
Dividends on preferential shares calculated for the current accounting period	219,861	219,861
Net gains(losses) of given period referring to owners of common shares	3,284,178	2,982,461
Net weighted average number of common shares in circulation during the given period	12,119,719	12,119,719
Basic profit falling to a single share	0.27	0.25

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

Note 13 : Cash and cash equivalents

Thous. AMD

Cash and cash equivalents	31/03/2026	31/12/2025
Cash and cash equivalent payment documents	16,108,355	18,350,283
Correspondent accounts with the CBA*	60,419,916	34,045,813
Correspondent accounts with the the resident banks	141,275	120,845
Correspondent accounts with the non-resident banks	1,129,370	1,786,165
Deposit accounts with the CBA		5,501,507
Deposit accounts with the banks		414,363
Reserves/IFRS/	(6,248)	(11,239)
Cash and balances with the CBA	77,792,668	60,207,737

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

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

Thous. AMD

Current accounts	31/03/2026	31/12/2025
Deposited funds with CBA	828,000	4,655,000
Reserve/IFRS/	(778)	(4,376)
Total	827,222	4,650,624
With RA banks		
Loans and deposits		
Other	461	1,000
With banks having BBB(Baa3) and higher ratings		
Other		
Loans and deposits		
With banks having ratings lower than BBB (Baa3) or no rating at all		
Loans and deposits		
Other	114,944	1,819
Accrued interest		
Total	115,405	2,819
Possible loss provision for amounts due from banks (note 7)	(194)	(182)
Net receivables to banks	115,211	2,637

Loans and deposits with Financial Institutions, other receivables	31/03/2026	31/12/2025
With RA Financial Institutions:		
Loans and deposits	2,583	29,033
Other	1,594,777	3,728,668
With Financial Institutions having BBB(Baa3) and higher ratings		
Other		
With Financial Institutions having a rating lower than BB(Baa3) or no rating at all		
Other	728,399	342,332
Accrued interest	57	36
Total	2,325,816	4,100,069
Possible loss provision for receivables due to Financial Institutions	(17,186)	(38,599)
Net receivables to Financial Institutions	2,308,630	4,061,470
Net receivables to banks and Financial Institutions	3,251,063	8,714,731

Note 14.1 Reverse Repurchase Agreements

Reverse Repurchase Agreements	31/03/2026	31/12/2025
Repurchase Agreements with Financial Institutions	14,613,062	15,212,565
Reverse Repurchase Agreements with Financial Institutions	(13,736)	(14,300)
Total	14,599,326	15,198,265

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

Other financial assets recalculated at fair value through profit/loss	31/03/2026	31/12/2025
Swap		15,468
Total		15,468

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	31/03/2026	31/12/2025
Loans, including:	383,897,156	385,127,786
Mortgage loans	62,552,949	60,516,280
Credit cards	18,781,718	18,189,133
Accrued interest on the mentioned items	2,276,475	2,455,357
Total loans	404,955,349	405,772,276
Reserve for possible loss of customer loans and advances (note 7)	(3,267,100)	(4,533,427)
Total loans and advances at amortized value	401,688,249	401,238,849

Thous. AMD

Analyses of provided loans and advances per customers	31/03/2026	31/12/2025
State industries	9,800	11,347
Private industries, including:	175,651,699	184,237,162
Major enterprises	81,871,351	91,322,037
Small and medium enterprises	92,892,020	92,915,125
Including business cards	226,406	145,599
Individuals, including:	201,352,805	193,185,138
Consumer loans	117,450,528	111,787,208
Mortgage loans	62,552,949	60,516,280
Credit cards	18,477,614	17,968,080
Private entrepreneurs	25,664,570	25,883,272
Accrued interest	2,276,475	2,455,357
Total loans	404,955,349	405,772,276
Reserve for customers' loans and advances calculated at amortized value (note7)	(3,267,100)	(4,533,427)
Total loans and advances at amortized value	401,688,249	401,238,849

Thous. AMD

Analyses of loans and advances provided to the customers per the groups of businesses (segments)	31/03/2026	31/12/2025
State and major enterprises	81,881,151	91,333,384
SME * sector, including	98,679,629	98,117,890
Agriculture	8,363,628	12,458,481
Housekeeping	222,118,094	213,865,645
Accrued interests	2,276,475	2,455,357
Total loans and advances calculated at amortized value	404,955,349	405,772,276
Reserve for customers' loans and advances calculated at amortized value (note7)	(3,267,100)	(4,533,427)
Total loans and advances calculated at amortized value	401,688,249	401,238,849

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

Thous. AMD

related parties /without reserve/	31/03/2026	31/12/2025
Customers' loans and advances calculated at amortized value	98,620,456	103,945,720
Balance of off-balance sheet contingent liabilities	13,214,153	3,822,674
Total	111,834,609	107,768,394
Loan investments	404,955,349	405,772,276
Ratio in portfolio	24.35%	25.62%
Total normative capital	86,402,540	83,586,802
Percentage ratio to capital	129.43%	128.93%

Thous. AMD

Loan Investments through International programs	31/03/2026	Quantity
ADB/MSME	8,784,198	263
ADB/WESSD	2,767,505	101
BS/SME1	24,462	1
BS/SME3	766,067	23
COVID-19/2/2	2,491,896	8
DEG/SME	210,511	12
DEG/MSME	2,413,365	108
EBRD/MSME	1,936,859	38
EBRD/SMEC/Green	2,348,211	31
EBRD/WiB	80,710	10
EIB/APEX	3,815,633	105
FMO/MSME/Green	342,696	5
FMO/MSME/Retail	197,366	11
GAF/ADB/ AGRO	5,709	1
GAF/ KfW /ENERGY	8,615,855	3,074
GAF/ KfW/ AGRO	1,824,020	122
GAF/KfW/SME	19,769,766	1,876
GAF/ KfW /CONSUMERENERGY	765,079	1,659
GAF/KfW/SME/ENERGY	469,301	194
INCOFINCVBA/MSE	377,104	29
Proparco/SME/Green	3,167,543	286
PRM/SCTTF	1,149	1
OFID/MSME/Climate/Green	8,246,114	273
FMO/MSME/Agri/Women/Youth	2,899,311	43
Total	72,320,430	8,274

Thous. AMD

Loan Investments through International programs	31/12/2025	Quantity
ADB/MSME	9,469,525	287
BS/SME1	32,101	1
BS/SME3	914,964	27
DEG/SME	204,439	9
DEG/MSME	777,100	34
EBRD/MSME	621,581	21
EBRD/SMEC/Green	1,221,295	20
EBRD/WiB	100,503	14
EIB/APEX	4,179,445	119
FMO/MSME/Retail	227,558	13
GAF/ADB/ AGRO	5,948	1
GAF/ KfW/ AGRO	1,669,118	122
GAF/KfW/SME	20,496,332	1,885
GAF/ KfW /CONSUMERENERGY	837,569	1,712
GAF/KfW/SME/ENERGY	4,382,751	188
INCOFINCVA/MSE	460,756	33
Proparco/SME/Green	6,346,976	344
PRM/SCTTF	1,399	1
OFID/MSME/Climate/Green	8,824,330	311
FMO/MSME/Agri/Women/Youth	2,693,837	46
Ընդամենը	71,349,018	6,088

Gaps of extended loans and advances calculated at amortized value per lending sectors (without taking into consideration the reserves for possible loan losses)	31/03/2026	Percentage	31/12/2025	Percentage
Industry	17,522,073	4.33	20,629,865	5.58
Agriculture	15,767,860	3.89	14,067,383	3.30
Construction	60,255,979	14.88	59,964,739	14.58
Transportation and communication	3,014,202	0.74	3,325,387	0.78
Commerce	54,817,840	13.54	51,747,487	13.09
Consumer	136,833,374	33.79	130,624,670	32.60
Mortgage loans	62,851,280	15.52	60,770,550	14.47
Service	18,156,382	4.48	18,775,284	4.83
Other	35,736,359	8.82	45,866,911	10.77
Total	404,955,349	100	405,772,276	100

Breakdown of loan portfolio per customer residency	31/03/2026	Percentage	31/12/2025	Percentage
RA residents	389,959,521		392,956,537	97.94
Residents of countries with Baa33 and higher ratings including	9,239,511	1.43	5,720,964	-
Residents of countries with Baa33 and lower ratings or no rating at all	212,742	0.03	105,991	0.94
Accrued interest	2,276,475	0.57	2,455,357	0.61
Total	401,688,249	100	401,238,849	100

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

31/03/2026

The structure of customers' loans and borrowings calculated at amortized value per classification stages /IFRS 9/	Stage 1 /non-depreciated and overdue up to 30 days /		Stage 2 /31-90 days overdue/		Stage 3 /overdue more than 90 days/	
	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve	Gross loans	Depreciation reserve
Corporate loans	176,448,178	930,801	129,233	32,620	67,357	54,646
Loans to individuals and private entrepreneurs	226,693,430	1,593,502	1,032,271	279,664	584,880	375,867
Total	403,141,608	2,524,303	1,161,504	312,284	652,237	430,513

31/12/2025

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	182,436,271	1,001,540	115,498	28,244	2,967,004	1,366,967
Loans to individuals and private entrepreneurs	218,939,503	1,576,840	734,977	184,845	579,023	374,990
Total	401,375,774	2,578,380	850,475	213,089	3,546,027	1,741,957

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

31/03/2026

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
Consumer				
Non-overdue	136,104,100	1,606,527	134,497,573	1.18%
Overdue				
1-30 days	306,439	36,851	269,588	12.03%
31- 60 days	84,434	27,902	56,532	33.05%
61- 90 days	75,915	25,318	50,597	33.35%
91-180 days	150,436	112,112	38,324	74.52%
180 and more	112050	82,920	29,130	74.00%
Total	136,833,374	1,891,630	134,941,744	1.38%
Trade				
Non-overdue	54,736,451	218,135	54,518,316	0.40%
Overdue				
1-30 days	6,299	22	6,277	0.35%
31- 60 days	7,732	1952	5,780	
61- 90 days	40,152	33,154		82.57%
91-180 days	27,206	21493	5,713	
180 and more				
Total	54,817,840	274,756	54,543,084	0.50%
Production				
Non-overdue	17,506,736	69,563	17,437,173	0.40%
Overdue				
1-30 days	5,356	19	5,337	
31- 60 days				
61- 90 days	9,981	1,932	8,049	
91-180 days				
180 and more				
Total	17,522,073	71,514	17,450,559	0.41%
Construction				
Non-overdue	60,255,270	440,868	59,814,402	0.73%
Overdue			0	
1-30 days	709	179	530	25.25%
31- 60 days			0	
61- 90 days			0	
91-180 days			0	
180 and more			0	
Total	60,255,979	441,047	59,814,932	0.73%
Mortgage				
Non-overdue	62,604,526	111,882	62,492,644	0.18%
Overdue			0	
1-30 days	60,535	98	60,437	0.16%
31- 60 days			0	
61- 90 days	30,060	2,359	27,701	7.85%
91-180 days			0	
180 and more	156,159	53,227	102,932	34.09%
Total	62,851,280	167,566	62,683,714	0.27%
Agriculture				
Non-overdue	15,766,086	114,377	15,651,709	0.73%
Overdue				
1-30 days	282		282	0.00%
31- 60 days	265	7	258	2.64%
61- 90 days				
91-180 days				
180 and more	1,227	681	546	55.50%
Total	15,767,860	115,065	15,652,795	0.73%
Other fields				
Non-overdue	56,824,219	291,990	56,532,229	0.51%
Overdue				
1-30 days	29,523	103	29,420	0.35%
31- 60 days	53,201	13429	39,772	25.24%
61- 90 days			0	
91-180 days			0	
180 and more			0	
Total	56,906,943	305,522	56,601,421	0.54%
TOTAL	404,955,349	3,267,100	401,688,249	0.81%

31/12/2025

	Gross loans	Depreciation reserve	Net loans	Depreciation reserve on gross loans
Consumer				
Non-overdue	130,021,363	1,484,050	128,537,313	1.14%
Overdue				
1-30 days	126,319	11,818	114,501	9.36%
31- 60 days	135,227	46,589	88,638	34.45%
61- 90 days	48,004	17,859	30,145	37.20%
91-180 days	143,734	107,634	36,100	74.88%
180 and more	150,023	112,615	37,408	75.07%
Total	130,624,670	1,780,565	128,844,105	1.36%
Trade				
Non-overdue	51,601,566	205,428	51,396,138	0.40%
Overdue			0	
1-30 days	7,801	328	7,473	4.20%
31- 60 days	41,064	13,238	27,826	32.24%
61- 90 days				
91-180 days	97,057	76,674	20,383	79.00%
180 and more				
Total	51,747,488	295,668	51,451,820	0.57%
Production				
Non-overdue	20,596,651	75,759	20,520,892	0.37%
Overdue				
1-30 days	21,068	5,318	15,750	25.24%
31- 60 days	12,147	2,471	9,676	20.34%
61- 90 days				
91-180 days				
180 and more				
Total	20,629,866	83,548	20,546,318	0.40%
Construction				
Non-overdue	59,964,739	437,351	59,527,388	0.73%
Overdue				
1-30 days				
31- 60 days				
61- 90 days				
91-180 days				
180 and more				
Total	59,964,739	437,351	59,527,388	0.73%
Mortgage				
Non-overdue	60,601,800	109,651	60,492,149	0.18%
Overdue			0	
1-30 days	21,586	1,694	19,892	7.85%
31- 60 days			0	
61- 90 days			0	
91-180 days	147,163	50,160	97,003	34.08%
180 and more				
Total	60,770,549	161,505	60,609,044	0.27%
Agriculture				
Non-overdue	14,051,341	108,768	13,942,573	0.77%
Overdue				
1-30 days	14,822	51	14,771	0.34%
31- 60 days				
61- 90 days				
91-180 days	1,221	678	543	55.53%
180 and more				
Total	14,067,384	109,497	13,957,887	0.78%
Other fields				
Non-overdue	65,089,386	375,791	64,713,595	0.58%
Overdue				
1-30 days				
31- 60 days	737	186	551	25.24%
61- 90 days	12,854	3,245	9,609	25.25%
91-180 days	2,864,603	1,286,071	1,578,532	
180 and more				
Total	67,967,580	1,665,293	66,302,287	2.45%
TOTAL	405,772,276	4,533,427	401,238,849	1.12%

Note 16. Receivables from finance lease

Receivables from finance lease	31/03/2026	31/12/2025
Finance leases to corporate customers	181,961	0
Finance leases to retail customers	57,396	0
Provision for possible losses on finance leases (note 7)	(831)	0
Total net receivables from finance lease	238,526	0

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

	Thous. AMD	
	31/03/2026	31/12/2025
Government securities		
RA Governmental T-bills	11,660,490	8,151,824
Total	11,660,490	8,151,824

	Thous. AMD			
	31/03/2026		31/12/2025	
	listed	unlisted	listed	unlisted
RA non-state securities				
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Long term debt instruments				
Short term debt instruments				
Capital instruments	8,000	391,540	8,000	391,540
Total non-state securities of RA	8,000	391,540	8,000	391,540
Investments in RA non-governmental securities (reserve for possible losses)				
Net Investments in RA non-governmental securities	8,000	391,540	8,000	391,540

	Thous. AMD			
	31/03/2026		31/12/2025	
	listed	unlisted	listed	unlisted
Issuer having BBB+(Baa1) and lower rating, other rating or no rating at all				
Capital instruments		8,444		8,444
Total non-state securities of RA		8,444		8,444
Financial assets rated at fair value through other comprehensive financial assets	11,668,490	399,984	8,159,824	399,984

Investments in share capital of other entities as of 31/03/2026

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

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	
	31/03/2026	31/12/2025
Assets		
Total pledged securities	60,267,347	75,172,843
including:		
Financial assets at amortized cost	4,273,360	7,075,430
Other financial assets rated at amortized value	55,993,987	68,097,413
Reserve for Financial assets at amortized cost	(52,634)	(64,012)
Total	60,214,713	75,108,831

Note18. "Other financial assets calculated at amortized value"

	31/03/2026	31/12/2025
Government securities rated at amortized value	24,598,698	5,635,637
Accumulated interest	914,220	91,091
Reserve of financial assets calculated at amortized value	(23,982)	(5,383)
Total	25,488,936	5,721,345

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

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

Note 20. "Fixed assets and intangible assets"

Name of the entity	Land, buildings	Computer and communication	Vehicles	Other fixed assets	Investments in fixed assets	Right-of-use assets	Total
Balance of the fixed assets at the end of previous period 31/12/2025	13,843,351	5,278,412	1,615,452	2,868,865	26,693	7,418,036	31,050,809
Increase		89,075	5,798	66,759	583,657	35,614	780,903
Reclassification	610,350		2,834		(610,350)	(2,834)	-
Balance of fixed assets at the end of accounting period 31/03/2026	14,453,701	5,367,487	1,624,084	2,935,624	-	7,450,816	31,831,712
Balance of accumulated amortization at the end of the previous period 31/12/2025	1,048,352	3,588,613	546,671	1,945,380		5,203,308	12,332,324
Increase	105,351	129,574	46,932	59,124		263,700	604,681
Balance of accumulated amortization at the end of the accounting period 31/03/2026	1,153,703	3,718,187	593,603	2,004,504	-	5,467,008	12,937,005
Net balance sheet value							
At the end of the accounting period	13,299,998	1,649,300	1,030,481	931,120	-	1,983,808	18,894,707
At the end of the previous accounting period	12,794,999	1,689,799	1,068,781	923,485	26,693	2,214,728	18,718,485

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 31/12/2025	1,463,530	903,298	206	41,641	2,408,675
Increase	136,000	33,796			169,796
Written-off		(16,982)			(16,982)
Balance of intangible assets at the end of the accounting period 31/03/2026	1,599,530	920,112	206	41,641	2,561,489
	591,406	686,308	159	31,006	
Intangible balance of accumulated amortization at the end of accounting period 31/12/2025					1,308,879
Increase	49,729	30,298	4	796	80,827
Written-off		(16,982)			(16,982)
Balance of accumulated amortization at the end of accounting period 31/03/2026	641,135	699,624	163	31,802	1,372,724
Net balance sheet value					
At the end of the accounting period	958,395	220,488	43	9,839	1,188,765
At the end of the previous accounting period	872,124	216,990	47	10,635	1,099,796

As of 31/03/2026 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

	31/03/2026	31/12/2025
Amounts receivable from bank operations		
Amounts receivable from other operations	596,726	171,567
Total	596,726	171,567
Reserve for possible loss provision from bank operations (note 7)	(6,064)	(1,776)
Net amounts receivable from bank operations	590,662	169,791
Debtor liabilities and prepayments		
Debtor liabilities on the budget	232,713	156,256
Prepayments to employees	264	243
Prepayments to suppliers	242,433	891,533
Prepayments on the budget and mandatory social insurance payments	77,740	44,434
Other debtor liabilities and prepayments	33,848	1,352
Total	586,998	1,093,818
Reserve for possible loss provision on other assets (note 7)	(341)	(16)
Total	586,657	1,093,802
Reserve	504,916	521,058
Future period expenses	568,545	619,559
Other assets	486,668	73,654
Reserve for possible loss provision on other assets (note 7)		
Total	1,560,129	1,214,271
Total other assets	2,737,448	2,477,864

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

Thous. AMD

	31/03/2026	31/12/2025
Current accounts		
RA Banks	14,004	14,779
Banks having BBB(Baa3) and higher rating		
Banks having rating lower than BBB(Baa3) or no rating at all	10,810	11,730
Accrued interest		
Total	24,814	26,509
Interbank loans and deposits, other		
Other		
RA banks		
Loans and deposits	2,765,483	5,332,015
Other	196	1,002
Banks having BBB(Baa3) and higher rating		
Loans and deposits	3,963,264	1,594,137
Other		
Banks having rating lower than BBB(Baa3) or no rating at all		
Loans and deposits		
Other		
Accrued interest	47,983	28,658
Total	6,776,926	6,955,812
Financial Institutions		
Current accounts	4,750,570	3,904,345
Loans	32,132,638	31,873,338
Deposits	33,220,231	27,157,301
Other	184,229	267,320
Accrued interest	1,257,620	802,285
Total	71,545,288	64,004,589
Total liabilities to banks and financial institutions	78,347,028	70,986,910

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

Program	31/03/2026		31/12/2025	
	Loan amount	Accrued interest	Loan amount	Accrued interest
"Women Entrepreneurship Support and Development" loan project	1,873,056	39,855	1,655,184	5,692
GAF/ RA SME lending project of European Investment Bank	4,211,919	149,765	4,211,430	71,852
GAF /Micro and Small Business Development Project of German-Armenian Fund	22,914,633	631,621	22,342,347	388,762
GAF "Renewable Energy Development" project	2,654,615	33,162	2,993,867	79,759
GAF "Access to finance for SMEs" project	3,631,299	84,638	2,809,950	28,001
RA "Agriculture support" project	1,739,078	43,874	1,627,202	15,447
Total	37,024,601	982,914	35,639,980	589,513

Note 22.3 REPO (repurchase) agreements

REPO (repurchase) agreements	31/03/2026	31/12/2025
REPO (repurchase) agreements with financial institutions	58,675,886	73,308,675
Total	58,675,886	73,308,675

Note 23: "Liabilities to Customers"

RA resident corporate entities and institutions	31/03/2026	31/12/2025
Current accounts	33,884,788	33,208,827
Term deposits	38,693,911	37,279,168
Other	1,603,701	1,654,811
Accrued interest	1,490,083	1,622,635
Total	75,672,483	73,765,441
Non-resident corporate entities, institutions	31/03/2026	31/12/2025
Current accounts	160,288	242,982
Deposits	152,864	129,547
Other	-	2
Accrued interest	2,863	2,505
Total	316,015	375,036
RA resident private entrepreneurs	31/03/2026	31/12/2025
Current accounts	2,612,688	3,126,886
Term deposit	32,802	62,541
Other	36,125	23,515
Accrued interest	1,807	2,902
Total	2,683,422	3,215,844
RA resident individuals	31/03/2026	31/12/2025
Current accounts	32,518,620	33,513,194
Term deposits	93,558,086	89,520,040
Other	787,506	750,690
Accrued interest	2,500,153	2,364,903
Total	129,364,365	126,148,827
Non- resident individuals	31/03/2026	31/12/2025
Current accounts	1,590,001	1,409,991
Term deposits	4,364,313	4,343,762
Other	21,451	21,883
Accrued interest	103,380	71,763
Total	6,079,145	5,847,399
Total liabilities to customers	214,115,430	209,352,546

Note 24: "Securities issued by the Bank"

	31/03/2026	31/12/2025
Interest securities issued by the Bank	30,435,866	22,333,207
Total	30,435,866	22,333,207

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

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Financial liability at fair value recalculated through profit/loss	31/03/2026	31/12/2025
Derivative instruments		
Swap	3,617	
Forward		
Other	384,642	347,932
Total	388,259	347,932

Note 26: "Amounts Payable"

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Amounts payable	31/03/2026	31/12/2025
Dividends	603,932	609,478
For insurance of deposit	79,532	73,811
Total	683,464	683,289

Note 27: " Other Liabilities"

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Other Liabilities	31/03/2026	31/12/2025
On income tax of non-resident	42,965	121,669
On VAT	37,339	30,985
On other taxes and penalties	256,610	358,212
Salary liabilities to employees	1,775,543	1,601,318
Credit debts to suppliers	387,756	240,804
Other liabilities	374,953	813,268
Balance at the end of the period	2,875,166	3,166,256

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. □

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

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

a/ participate in the General Meeting of Shareholders of the Bank with the number of votes corresponding to the number and value of preference shares owned by them as prescribed by Law and the Bank's Charter.

b/ receive quarterly payments (dividends),

c/ receive any information concerning the Bank activities as prescribed by Law.

d/ obtain its part of the Bank's property in case of the liquidation of the Bank

Note 29: "Other Equity Components"

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

Note 30: "Reserves, Contingencies, Potential Liabilities"

The Bank's legal liabilities: as of 31/03/2026 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 31/03/2026 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

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	31/03/2026	31/12/2025
Unutilized credit lines	4,668,954	4,998,789
Provided guarantees	24,607,093	15,114,419
Provided letters of credit		
Reserve on the mentioned items (note 7)	(125,391)	(99,939)

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

Loans and advances at amortized value to the Bank related parties	31/03/2026	31/12/2025
Bank shareholder	8,510,828	8,747,278
Bank management	830,782	735,763
Financial institutions		
Total	9,341,610	9,483,041
Interest income	222,452	968,140
Facilities attracted from Bank related entities	31/03/2026	31/12/2025
Bank shareholder	7,735,399	5,922,213
Bank management	802,701	807,584
Financial institutions	412,642	418,742
Total	8,950,742	7,148,539
Interest expense	23,913	421,361
Salary or Similar Payment to the Bank Management	31/03/2026	31/12/2025
Board	157,584	638,675
Salary	157,584	531,845
Awarding		106,830
Executive body	129,609	610,632
Salary	129,609	567,132
Awarding		43,500
Internal Audit	47,547	180,995
Salary	47,547	166,770
Awarding		14,225
Total	334,740	1,430,302

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 $\sqrt{0z}$
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
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.

31/03/2026

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Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<i>Assets</i>					
Cash and balances with the CBA	76,675,646	228,533	710,645	177,844	77,792,668
Due from banks and other financial institutions	2,524,365	2,017	438,761	285,921	3,251,063
Reverse repurchase agreements	14,599,326				14,599,326
Customers' loans and advances rated at amortized value	392,335,428	189,667	9,139,682	23,472	401,688,249
Receivables from finance leases	238,526				238,526
Securities at fair value rated through other comprehensive financial results	12,060,030		8,444		12,068,474
Securities pledged under repurchase agreement	60,214,713	-			60,214,713
Other financial assets carried at amortized cost	25,488,936	-			25,488,936
Other assets	590,078		582		590,660
Total assets	584,727,048	420,217	10,298,114	487,237	595,932,615

31/12/2025

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Item	RA	CIS countries	OECD* countries*	Non-OECD* countries	Total
<i>Assets</i>					
Cash and balances with the CBA	58,034,230	614,497	819,856	739,154	60,207,737
Due from banks and other financial institutions	8,178,599	1,819	384,920	149,393	8,714,731
Reverse repurchase agreements	15,198,265				15,198,265
Customers' loans and advances rated at amortized value	395,390,774	5,848,075			401,238,849
Securities at fair value rated through other comprehensive financial results	8,551,364		8,444		8,559,808
Securities pledged under repurchase agreement	75,108,831	-			75,108,831
Other financial assets carried at amortized cost	5,721,345	-			5,721,345
Other assets	169,176		615		169,791
Total assets	566,352,584	6,464,391	1,213,835	888,547	574,919,358

Loans allocated in the territory of RA per

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RA regions	31/03/2026	31/12/2025
Yerevan	242,044,809	248,077,217
Kotayk	41,459,611	39,328,341
Ararat	21,093,939	20,816,050
Lori	12,986,652	10,906,127
Gegharkunik	15,595,370	15,383,782
Shirak	16,859,120	15,749,462
Armavir	21,282,983	20,923,947
Syunik	11,288,892	11,198,945
Aragatsotn	10,920,748	11,044,674
Vayots Dzor	3,402,051	3,336,864
Tavush	3,633,279	3,299,202
Artsakh	1,120,795	1,174,238
Total	401,688,249	401,238,849

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 31/03/2026 did not exceed 3.82%. 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 31/03/2026, loan investments without reserves amounted to AMD 404,955,349 thous. As of 31/03/2026 volume of loans in the Stage 2, Stage 3 amounted to AMD 1,813,741 thous.

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

5) The volume of repo transactions in the I quarter of 2026 (excluding extensions) is 36,953,240 thousand AMD and 5,761,800 USD, but in the same period of the previous year was 14,464,329 thousand AMD and 4,039,980 USD. The volume of reverse repo transactions in the I quarter of 2026 is 656,566,195 thousand AMD and 4,000,000 USD and in the same period of the previous year was 850,632,045 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 "ARMECONOMBANK" OJSC includes all relevant impetus for the detection of credit risks.

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

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

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

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

Market Risk

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

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

2) The methods of market risk measurement and assessment

Foreign currency risk

Assessment of foreign exchange risk and position management efficiency

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

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

Accounting period	USD	GBP	EUR	CHF	KZT	AED	RUB	GEL	XAU	Gross VAR
2025 IVQ	1,834.53	226.46	342.39	442.75	5.18	78.63	1,081.77	196.59	22.81	2,450.88
2026 IQ	2,345.69	215.89	400.88	377.11	5.31	33.92	761.81	123.64	36.42	2,595.49
increase/decrease	511.16	-10.57	58.49	-65.64	0.13	-44.71	-319.97	-72.95	13.61	144.61

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

	31/03/2026					Thous.AMD
	AMD	USD	EUR	RUB	Other currency	Total
Cash and their equivalents	28,324,196	43,041,798	5,320,403	997,418	108,853	77,792,668
Receivables to banks and other financial institutions	1,689,345	1,189,920	300,808	33,278	37,712	3,251,063
Reverse Repurchase Agreements	12,711,962	1,887,364	-	-	-	14,599,326
Loans and advances to customers calculated at amortized value	307,998,597	86,728,072	6,953,000	8,579	-	401,688,248
Receivables from finance leases	238,526	-	-	-	-	238,526
Financial assets at fair value rated through other comprehensive financial results	12,068,474	-	-	-	-	12,068,474
Securities pledged under repurchase agreements	60,214,713	-	-	-	-	60,214,713
Other financial assets calculated at amortized value	25,488,936	-	-	-	-	25,488,936
Other assets	571,029	14,552	4,635	444	-	590,660
Total assets	449,305,778	132,861,706	12,578,846	1,039,719	146,565	595,932,614
Liabilities						
Liabilities to the banks and other financial institutions	67,202,909	9,781,972	1,318,859	43,289	-	78,347,029
Loans and deposits from international financial institutions	16,333,905	80,181,963	2,149,877	-	-	98,665,745
Loans from the CBA and RA	38,007,515	-	-	-	-	38,007,515
REPO agreements	58,675,886	-	-	-	-	58,675,886
Liabilities to Customers	172,125,420	33,449,915	6,764,307	1,737,058	38,730	214,115,430
Subordinate borrowing	4,542,520	2,509,150	2,608,702	-	-	9,660,372
Liabilities on current taxes	1,838,668	-	-	-	-	1,838,668
Securities issued by the Bank	23,362,825	7,073,041	-	-	-	30,435,866
Amount payable	683,464	-	-	-	-	683,464
Deferred tax liabilities	1,256,342	-	-	-	-	1,256,342
Lease liabilities	1,650,741	-	-	-	-	1,650,741
Other liabilities	2,634,320	210,087	7,803	22,760	195	2,875,166
Total liabilities	388,314,515	133,206,128	12,849,548	1,803,107	38,925	536,212,223
Balance-sheet open position	60,991,263	(344,422)	(270,702)	(763,388)	107,640	59,720,391
Aggregately payable currency derivatives	-	(423,798)	-	788,419	(744,777)	(380,156)
Net position	60,991,263	(768,220)	(270,702)	25,031	(637,137)	59,340,235

31/12/2025

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	AMD	USD	EUR	RUB	Other currency	Total
Cash and their equivalents	23,852,874	29,425,022	5,016,154	1,812,505	101,182	60,207,737
Receivables to banks and other financial institutions	7,168,662	1,242,722	243,003	60,344	-	8,714,731
Reverse Repurchase Agreements	13,290,662	1,907,603	-	-	-	15,198,265
Loans and advances to customers calculated at amortized value	301,349,603	94,577,426	5,300,345	11,475	-	401,238,849
Financial assets at fair value rated through other comprehensive financial results	8,559,808	-	-	-	-	8,559,808
Securities pledged under repurchase agreements	75,108,831	-	-	-	-	75,108,831
Other financial assets calculated at amortized value	5,721,345	-	-	-	-	5,721,345
Other assets	160,834	4,663	3,694	599	-	169,791
Total assets	435,212,620	127,157,437	10,563,197	1,884,923	101,182	574,919,358
Liabilities						
Liabilities to the banks and other financial institutions	61,423,588	7,993,220	1,369,932	200,171	-	70,986,911
Loans and deposits from international financial institutions	11,225,665	77,112,232	-	-	-	88,337,897
Loans from the CBA and RA	36,229,493	-	-	-	-	36,229,493
REPO agreements	73,308,675	-	-	-	-	73,308,675
Liabilities to Customers	164,748,504	36,203,037	6,655,614	1,730,720	14,672	209,352,547
Subordinate borrowing	1,013,023	2,498,808	2,710,296	-	-	6,222,127
Liabilities on current taxes	1,495,767	-	-	-	-	1,495,767
Securities issued by the Bank	15,834,214	6,498,993	-	-	-	22,333,207
Financial liabilities at fair value recalculated through profit/loss	-	-	-	-	-	-
Amount payable	683,289	-	-	-	-	683,289
Deferred tax liabilities	1,185,602	-	-	-	-	1,185,602
Lease liabilities	1,863,906	-	-	-	-	1,863,906
Other liabilities	2,895,866	224,621	41,023	4,141	604	3,166,256
Total liabilities	371,907,592	130,530,911	10,776,865	1,935,032	15,276	515,165,677
Balance-sheet open position	63,305,027	(3,373,475)	(213,669)	(50,109)	85,906	59,753,681
Aggregately payable currency derivatives	-	422,997	-	(170)	(755,291)	(332,464)
Net position	63,305,027	(2,950,477)	(213,669)	(50,279)	(669,385)	59,421,217

Interest Rate Risk

The results of the stress test (10 bps) conducted as of the end of Q1 2026 document the mitigation of the Bank's interest rate risk profile, while maintaining a balanced asset and liability management (ALM) position.

Index	2026p. 1 quarter	2025p. 1V quarter
Change in economic value of capital ΔEVE (million AMD)	677.0	786.0
Change in the economic value of capital ΔEVE/Capital	0.8%	0.9%
Change in net interest income ΔNII (million AMD)	13.2	14.4
Increase in securities revaluation reserve FVOCI/FVTPL (million AMD)	92.7	94.7

The change in the economic value of capital (ΔEVE) as of the end of the first quarter of 2026 amounted to -677.2 million drams or 0.8% of capital in absolute value (compared to -786.1 million drams or 0.9% at the end of 2025), decreasing by 109 million drams or 13.9%.

The change in net interest income (ΔNII) as of the end of Q1 2026 amounted to -13.2 million AMD (compared to -14.4 million AMD at the end of 2025), improving by 1.25 million AMD or 8.7%, reflecting the limited impact of interest rate changes on the bank's short-term income streams.

The scenario impact of the revaluation of the securities portfolio as a result of changes in interest rates amounted to -92.7 million drams as of the end of the first quarter of 2026 (compared to -94.7 million drams at the end of 2025), decreasing by 2.0 million drams or 2.1%.

Overall, in the face of interest rate shocks, the bank's interest rate risk indicators are within controllable limits, maintaining compliance with the Bank's risk appetite.

Assets and Liabilities with changing interest rates												31/03/2026		Thous.AMD	
Item	up to 1 month		1-3 months		3-6 months		6 months to 1 year		1-5 years		more than 5 years				
	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign			
Facilities placed															
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			388,580	2,210,577			781,840	2,210,577	6,484,850	44,220,689		4,413,403			
Total			388,580	2,210,577			781,840	2,210,577	6,484,850	44,220,689		4,457,234			
Net position	-	-	(388,580)	(2,210,577)	-	-	(781,840)	(2,210,577)	(6,484,850)	(44,220,689)	-	4,457,234			

Assets and Liabilities with changing interest rates												31/12/2025		Thous.AMD	
Item	up to 1 month		1-3 months		3-6 months		6 months to 1 year		1-5 years		more than 5 years				
	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency	AMD	Foreign currency			
Facilities placed															
Loans and advances provided to customers rated at amortized value															
Total															
Resources attracted															
Liabilities to banks and other financial institutions, including:															
-Loans			542,278		388,580	2,235,193	388,580	2,235,193	6,865,051	44,684,780		4,457,234			
Total			542,278		388,580	2,235,193	388,580	2,235,193	6,865,051	44,684,780		4,457,234			
Net position	-	-	(542,278)		(388,580)	(2,235,193)	(388,580)	(2,235,193)	(6,865,051)	(44,684,780)		(4,457,234)			

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: 31/03/2026		Interest rates of accounting period: 31/12/2025	
	AMD	Foreign currency	AMD	Foreign currency
Assets				
Balance at CBA				
Receivables to banks and other financial institutions, including:	13.37		10.69	14.10
- Interbank Loans			5.00	14.10
- Interbank REPO				
Loans and advances provided to customers rated at amortized value	18.97	10.56	19.08	10.56
Financial instruments at fair value through profit or loss	9.33		9.36	
Liabilities				
Liabilities to banks and other financial institutions	7.41	7.12	7.33	7.14
Liabilities to Customers	9.74	4.12	9.63	4.06
Securities issued by the Bank	10.99	5.63	10.75	5.57

3)Description of models

Foreign Currency Risk

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

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

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

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

Interest Rate Risk

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

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

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

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

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

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

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

On the purpose of mitigation of interest rate risk, the accumulative gap and duration gap of assets and liabilities sensitive to interest rate changes are maintained at acceptable levels of risk. Taking into account the general tendency of interest rate changes and applying the elaborated models, measures are undertaken for insurance of efficient time and volume correlations of attractable and distributable funds.

Price Risk

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

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

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

Liquidity Risk

1)The Bank's definition of Liquidity Risk

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

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

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

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

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

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

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

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

The methodology of maturity gaps of assessment of liquidity risk enables to assess and analyze the Bank's liquidity risk, as well as to maintain the satisfactory level of liquidity of the Bank's policy. On this purpose the maturity gaps of the Bank's assets and liabilities are discovered, the liquidity indicators are calculated and the Bank's liquidity management quality is assessed. In

3) Determination of the allowable level of liquidity risk - quantitative analysis and assessment of risk
Liquidity Risk Assessment

During the IV quarter of 2025, the Bank's regulatory total liquidity ratio was around 217.6 percentage points, which increased by 49.5 percentage points compared to the previous quarter. The Bank's regulatory ratio of IRR in all currencies at the end of the IV quarter was 122.7%, which increased by 3.5 percentage points compared to the previous quarter.

Accounting period	31/03/2026								Thous.AMD	
	Item	Non-performing	Overdue	Repayment date					Termless	Total
	Term		On -demand	up to 3 months	3-6 months	6-12 months	1-5 years	more than 5 years		
On maturity of assets repayment										
Cash and cash equivalents			77,792,516	152						77,792,667
Standardized precious metal bullions and coins			745,598							745,598
Receivables to banks and other financial institutions				2,296,299		2,669	939		951,157	3,251,064
Reverse Repurchase Agreements				14,599,326						14,599,326
Other financial assets calculated at amortized value				569,288			16,650,932	8,268,716		25,488,936
Loans and advances provided to customers rated at amortized value	2,216,950	130,905		38,265,860	24,869,481	37,032,252	193,950,940	105,221,861		401,688,249
Finance lease receivables				12,743	10,785	34,466	173,522	7,009		238,526
through other comprehensive financial result							3,775,920	7,884,570	407,984	12,068,474
Securities pledged under repurchase agreements				60,214,713						60,214,713
Other receivables	918		59,395	123,657	44,720	91,822	270,149			590,860
Total	2,217,867	130,905	78,597,508	116,082,037	24,924,986	37,161,208	214,822,403	121,382,156	1,359,141	596,678,211
including:										
On maturity of liabilities repayment										
Liabilities to banks and other financial institutions			4,979,374	12,463,614	2,550,371	13,864,475	30,656,554	13,832,640		78,347,028
Loans and deposits from international financial institutions				5,442,765	945,069	6,347,219	81,517,290	4,413,403		98,665,746
Loans from the RA Government and CBA				6,480,006	1,059,728	5,699,682	23,348,900	1,419,201		38,007,515
Repurchase Agreements				58,675,887	-	-	-	-		58,675,887
Liabilities to customers			72,458,524	27,165,143	26,571,642	57,268,566	30,100,861	550,695		214,115,430
Subordinate borrowings				115,167			2,451,729	7,093,476		9,660,371
Securities issued by the Bank				153,563	3,644,534	1,712	26,636,057	-		30,435,866
Lease liabilities				779	74,497	330,678	1,197,436	47,352		1,650,741
Financial liabilities at fair value rated through profit/loss				388,260						388,260
Liabilities on current taxes				1,838,668						1,838,668
Amounts payable			384,070	299,393						683,463
Other liabilities			2,203,883	661,441		9,502	339			2,875,165
Total	-	-	80,025,852	113,684,686	34,845,840	83,521,833	195,909,164	27,356,766	-	535,344,140
Net liquidity gap	2,217,867	130,905	(1,428,344)	2,397,351	(9,920,854)	(46,360,625)	18,913,239	94,025,390	1,359,141	61,334,071
Accumulative liquidity gap	2,217,867	2,348,772	920,429	3,317,780	(6,603,075)	(52,963,699)	(34,050,461)	59,974,930	61,334,071	

Previous accounting period

31/12/2025

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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		
Cash and cash equivalents				54,299,576	5,908,161				60,207,737
Standardized precious metal bullions and coins			772,626						772,626
Receivables to banks and other financial institutions				3,925,223		10,772		4,778,736	8,714,731
Reverse Repurchase Agreements				15,198,265					15,198,265
Financial assets at fair value recalculated through profit/loss				15,468					15,468
Other financial assets calculated at amortized value							2,662,196	3,059,149	5,721,345
Loans and advances provided to customers rated at amortized value	4,512,173	335,595		36,169,107	23,769,386	38,190,098	192,482,960	105,779,530	401,238,849
through other comprehensive financial result							1,370,502	6,781,322	8,559,808
Securities pledged under repurchase agreements				75,108,831					75,108,831
Other receivables	243	6		169,542					169,791
Total	4,512,416	335,601	772,626	184,886,012	29,677,547	38,200,870	196,515,658	115,620,001	575,707,451
On maturity of liabilities repayment									
Liabilities to banks and other financial institutions			4,212,286	6,784,414	8,781,795	9,603,581	27,701,093	13,903,742	70,986,911
Loans and deposits from international financial institutions				3,509,449	4,093,647	6,014,307	70,263,261	4,457,234	88,337,898
Loans from the RA Government and CBA				1,481,125	5,909,062	5,340,481	21,550,682	1,948,143	36,229,493
Repurchase Agreements				73,308,676			-	-	73,308,676
Liabilities to customers			72,334,166	42,204,422	21,432,223	46,790,432	26,040,920	550,384	209,352,547
Subordinate borrowings				49,211			2,478,356	3,694,560	6,222,127
Securities issued by the Bank				612,666	69,808	3,407,523	18,243,210	-	22,333,207
Lease liabilities				250	243,819	1,389,399	230,438		1,863,906
Financial liabilities at fair value rated through profit/loss				347,932					347,932
Liabilities on current taxes					1,495,767				1,495,767
Amounts payable			384,731	298,558					683,289
Other liabilities			2,342,481	814,254		9,296	225		3,166,256
Total	-	-	79,273,664	129,410,957	42,026,121	72,555,019	186,508,185	24,554,063	514,328,009
Net liquidity gap	4,512,416	335,601	(78,501,038)	55,475,055	(12,348,574)	(34,354,149)	30,007,473	91,065,938	61,379,442
Accumulative liquidity gap	4,512,416	4,848,017	(73,653,021)	(18,177,966)	(30,526,540)	(64,880,689)	(34,873,216)	56,192,722	61,379,442

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:

	31/03/2026	31/12/2025
Chartered capital	31,578,015	31,578,015
Emission income/loss	7,762,974	7,762,974
Reserves:	11,311,905	10,667,358
Main reserve	4,641,000	4,190,000
Revaluation reserve	6,670,905	6,477,358
Undistributed profit/loss	40,088,177	26,622,711
Total capital	90,741,071	76,631,058

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

2026	Tier 1 core capital T	Tier 1 capital	Total capital	Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	1	2	3	4	5	6	7
January	67,490,028	73,859,028	83,466,722	460,912,878	1,921,001	17.45	11
February	68,330,488	74,699,488	84,295,228	465,167,011	1,980,695	17.45	11
March	68,175,018	74,544,018	86,402,540	478,094,088	1,850,854	17.46	11

2025	Involved in calculation standards			Credit risk	Market and operational risk	Equivalent effective %	CBA limit %
	Tier 1 core capital T	Tier 1 capital	Total capital				
	1	2	3.0				
January	57,735,197	64,104,197	73,410,801	399,794,368	1,654,840	17.70	11
February	58,878,544	65,247,544	74,620,287	403,290,516	1,472,090	17.91	11
March	60,294,460	66,663,460	76,005,419	407,010,828	1,520,171	18.06	11
April	60,960,970	67,329,970	76,758,439	414,346,901	1,738,708	17.84	11
May	61,264,953	67,633,953	77,144,468	426,566,315	1,563,069	17.50	11
June	60,785,841	67,154,841	76,645,875	426,231,385	1,582,857	17.39	11
July	61,202,023	67,571,023	77,134,602	434,208,471	1,487,942	17.23	11
August	62,607,129	68,976,129	78,504,142	433,564,953	1,671,523	17.49	11
September	63,637,878	70,006,878	79,500,652	434,552,286	1,397,856	17.78	11
October	64,635,492	71,004,492	80,495,326	442,581,085	1,477,395	17.65	11
November	66,685,813	73,054,813	82,568,112	449,503,611	1,360,613	17.88	11
December	67,288,219	73,657,219	83,256,783	458,913,097	1,709,416	17.55	11

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

As of 31/03/2026				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	
0%	182,870,378	756,047		-
10%	14,572,789			1,457,279
20%	1,509,888			301,978
30%	134,807			40,442
35%	247,829			86,740
50%	1,335,006			667,503
75%	104,151,990	546,380		78,523,778
100%	215,194,846	12,587,882		227,782,728
110%	179,140	15,672		214,293
150%	93,968,468	12,919,063	17,350	160,357,322
200%	528,636			1,057,272
Total	614,693,777	26,825,044	17,350	470,489,334

As of 31/12/2025				
Risk weight	Assets	Off-balance sheet contingent liabilities	Incomplete term operation	Total credit risk
0%	158,364,588			-
10%	15,212,360			1,521,236
20%	1,312,137			262,427
30%	166,463			49,939
35%	240,223			84,078
50%	1,525,979			762,990
75%	104,376,257	607,960		78,738,163
100%	205,044,077	12,607,175		217,651,252
110%	170,576	18,543		208,031
150%	101,416,065	3,631,474		157,571,309
200%	588,417			1,176,834
Total	588,417,142	16,865,152	-	458,026,258

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 31/03/2026 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 31/03/2026 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 31/03/2026 the Bank has no pledged assets.

Note 38. "Accepted Pledge"

As of 31/03/2026 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	31/03/2026		31/12/2025	
	Loan amount	Collateral amount	Loan amount	Collateral amount
Real estate	141,569,578	566,946,831	141,260,551	553,040,191
Car	2,888,874	9,099,420	2,944,214	8,934,620
Equipment	2,562,801	11,865,640	3,152,542	11,824,740
Ready made products	2,524,324	8,552,000	2,464,627	9,552,000
Guarantee	140,702,968	664,926,974	141,407,938	624,346,297
Monetary funds	2,581,705	5,388,938	5,840,914	8,517,559
Gold items	33,953,850	39,331,783	28,612,399	33,353,747
Standard golds	20,687	29,533	4,008	8,468
State securities			32	11,500
Other securities	126,376	247,224	149,512	295,956
Other pledge	62,549,412	89,093,710	65,558,843	90,809,444
No collateral available	15,474,774		14,376,699	
Total	404,955,349	1,395,482,053	405,772,279	1,340,694,522

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