Financial Statements and Independent Auditor's Report

"CARD AgroCredit" universal credit organization closed joint stock company

31 December 2025

Contents

Independent Auditor's Report

Grant Thornton CJSC
Yerevan Plaza Business Center
9 Grigor Lusavorich Street
Yerevan 0015
Republic of Armenia

T +374 10 50 09 64/61

Գրանթ Թորնթոն ՓԲԸ
Երևան Պլազա բիզնես
կենտրոն
ՀՀ, ք. Երևան 0015
Գրիգոր Լուսավորչի 9

Հեռ.՝ +374 10 50 09 64/61

To the shareholders of "CARD AgroCredit" universal credit organization closed joint stock company

Opinion

We have audited the financial statements of "CARD AgroCredit" universal credit organization closed joint stock company, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Armen Hovhannisyan	Naira Ulunts
Chief Executive Officer of "Grant Thornton" CJSC	Engagement Manager

24 June 2026

Statement of profit or loss and other comprehensive income

In thousand AMD

	Notes	2025	2024
Interest income calculated using effective interest rate	5	2,159,905	1,786,134
Other interest income	5	148,230	126,954
Interest expense	5	(1,184,364)	(905,029)
Net interest income		**1,123,771**	**1,008,059**
Fee and commission income		77,042	54,479
Fee and commission expense		(10,615)	(7,797)
Net fee and commission income		**66,427**	**46,682**
Net loss from foreign currency transactions		(5,501)	(3,682)
Other income	6	28,878	14,106
(Credit loss expense) reversal of credit loss expense	7	(74,672)	48,232
Personnel expenses	8	(524,341)	(461,887)
Other expenses	9	(261,430)	(231,689)
Profit before tax		**353,132**	**419,821**
Income tax expense	10	(62,089)	(92,593)
Profit for the year		**291,043**	**327,228**
Total comprehensive income for the year		**291,043**	**327,228**

The statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 59.

Statement of financial position

In thousand AMD	Notes	31 December 2025	31 December 2024
Assets			
Cash and cash equivalents	11	557,954	75,099
Amounts due from financial institutions	12	495,155	570,230
Loans to customers	13	14,049,954	12,407,914
Finance lease receivables	14	1,216,510	1,115,262
Property, equipment and intangible assets	15	398,966	304,916
Deferred income tax assets	10	6,330	5,666
Repossessed assets	16	76,227	129,601
Other assets	17	155,736	184,206
Total assets		**16,956,832**	**14,792,894**
Liabilities and equity			
Liabilities			
Loans and borrowings	18	14,234,808	12,015,044
Debt securities issued	19	597,140	592,981
Current income tax liabilities		6,357	44,854
Other liabilities	20	258,760	310,391
Total liabilities		**15,097,065**	**12,963,270**
Equity			
Share capital	21	759,200	620,100
Statutory general reserve		93,015	87,025
Retained earnings		1,007,552	1,122,499
Total equity		**1,859,767**	**1,829,624**
Total liabilities and equity		**16,956,832**	**14,792,894**

The financial statements were approved on 24 June 2026 by:

Mkhitar Azatyan
Chief Executive Officer

Vardan Babayan
Chief Accountant

RA YEREVAN UNIVERSAL CREDIT ORGANIZATION "CARD AgroCredit" CJSC 01564154

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 59.

Statement of changes in equity

In thousand AMD	Share capital	Statutory general reserve	Retained earnings	Total
Balance at 1 January 2025	**620,100**	**87,025**	**1,122,499**	**1,829,624**
Profit for the year			291,043	291,043
Total comprehensive income for the year	-	-	**291,043**	**291,043**
Increase in share capital	139,100	-	-	139,100
Distribution to reserve	-	5,990	(5,990)	-
Dividends to shareholders	-	-	(400,000)	(400,000)
Total transactions with owners	**139,100**	**5,990**	**(405,990)**	**(260,900)**
Balance at 31 December 2025	**759,200**	**93,015**	**1,007,552**	**1,859,767**
Balance at 1 January 2024	**604,500**	**75,234**	**1,104,562**	**1,784,296**
Profit for the year	-	-	327,228	327,228
Total comprehensive income for the year	**-**	**-**	**327,228**	**327,228**
Increase in share capital	15,600	-	-	15,600
Distribution to reserve	-	11,791	(11,791)	-
Dividends to shareholders	-	-	(297,500)	(297,500)
Total transactions with owners	**15,600**	**11,791**	**(309,291)**	**(281,900)**
Balance at 31 December 2024	**620,100**	**87,025**	**1,122,499**	**1,829,624**

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 59.

Statement of cash flows

In thousand AMD

	2025	2024
Cash flows from operating activities		
Profit before tax	353,132	419,821
Adjustments for		
Amortization and depreciation charge	48,932	39,581
Loss from disposal of property and equipment	1,977	87
Loss from disposal of repossessed assets	4,968	-
(Credit loss expense) reversal of credit loss expense	74,672	(48,232)
Foreign currency translation net loss	3,664	2,677
Interest receivable	(18,815)	(19,811)
Interest payables	23,221	10,876
Cash flows from operating activities before changes in operating assets and liabilities	**491,751**	**404,999**
(Increase) decrease in operating assets		
Amounts due from financial institutions	71,679	(86,266)
Loans to customers included financial lease receivables	(1,812,951)	(2,219,367)
Other assets	76,876	(88,787)
Increase (decrease) in operating liabilities		
Other liabilities	(68,313)	90,437
Net cash flow used in operating activities before income tax	**(1,240,958)**	**(1,898,984)**
Income tax paid	(101,250)	(83,820)
Net cash used in operating activities	**(1,342,208)**	**(1,982,804)**
Cash flows from investing activities		
Purchase of property, equipment and intangible assets	(138,374)	(16,371)
Sale of property, equipment and intangible assets	24,806	17
Net cash used in investing activities	**(113,568)**	**(16,354)**

Statement of cash flows (continued)

In thousand AMD

	2025	2024
Cash flow from financing activities		
Increase in share capital	139,100	15,600
Loans and borrowings	2,220,182	1,648,854
Proceeds from debt securities issued	-	588,827
Payment of lease liabilities	(20,012)	(15,878)
Dividends paid	(400,000)	(297,500)
Net cash from financing activities	**1,939,270**	**1,939,903**
Net increase (decrease) in cash and cash equivalents	**483,494**	**(59,255)**
Cash and cash equivalents at the beginning of the year	75,099	135,407
Effect of exchange differences on cash and cash equivalents	(639)	(1,053)
Cash and cash equivalents at the end of the year (Note 11)	**557,954**	**75,099**
Supplementary information:		
Interest received	1,894,273	1,893,277
Interest paid	(881,808)	(894,153)

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 59.

Notes to the financial statements

"CARD AgroCredit" universal credit organization closed joint stock company

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

1 Nature of operations

The principal activity of the "CARD AgroCredit" UCO CJSC is lending. The Company provides a comprehensive package of financial services throughout the entire chain of agricultural production, processing and marketing, including operational and business development loans, farm development and seasonal loans to food processing enterprises, rural small and medium entities and private farmers. The Company also provides finance lease (leasing) of agricultural machinery and equipment.

2 General information, statement of compliance with IFRS and going concern assumption

"CARD AgroCredit" UCO CJSC (the "Company") is a closed joint-stock company, which was incorporated in the Republic of Armenia in 2008. The Company is regulated by the legislation of RA and conducts its business under license number 23, granted on 27 June 2008 by the Central Bank of Armenia (the "CBA"). As at December 2025, the Company's immediate parent company is ''Agrovision'' LLC.

The registered office of the Company is located at 1/21-40 Azatutyan Street, Yerevan 0037, Republic of Armenia. The Company has 5 branches and 2 representatives in RA regions.

As at 31 December 2025 the number of employees was 60 (2024: 65).

Statement of compliance and Going concern

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB").

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

Business environment

The business environment in Armenia continues to face a number of internal and external challenges driven by geopolitical tensions, regional security issues, and evolving risks in the global economy. Nevertheless, Armenian businesses are gradually adapting to the new conditions by diversifying supply chains, expanding export markets, and adopting more flexible operating models. State reforms aimed at improving the investment environment, strengthening institutional capacities, and developing the private sector are creating the foundations for long-term economic stability.

The sectoral profile of Armenia's economy in 2025 is contrasting: on the one hand, steady growth continues in trade, services, and construction, while on the other hand a noticeable decline is observed in industry. The growing sectors benefit significantly from the expansion of imports, consumer activity, as well as the recovery of tourism, which increases demand for services. Growth in construction is driven by both private investment and persistently high demand for housing, making it one of the most active sectors of the economy. Overall, consumption-driven sectors continue to remain the main drivers of economic activity.

In 2025, Armenia's financial sector generally remains stable, supported by adequate capitalization of the banking system, appropriate levels of liquidity, and ongoing supervision by the Central Bank of Armenia. Despite increasing external risks and global financial uncertainties, financial institutions continue to play a key role in supporting economic activity by effectively performing lending, payment and settlement services, and risk management functions.

According to the 2025 State Budget, Armenia's economic growth is projected at 5.1%, and at 5.4% in 2026.

These financial statements reflect management's assessment of the impact of the Armenian business environment on the operations of the Company. The Company's management constantly analyzes the economic situation in the current environment. The future economic and political situation and its impact on the Company's operations may differ from the management's current expectations.

2.1 Presentation of financial statements

The Company presents its statement of financial position in order of liquidity based on the Company's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 26.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2025

In the current year the Company has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (the "IASB") and IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2025.

The amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* was applied for the first time in 2025, which introduced requirements to assess when a currency is exchangeable into another currency and when it is not. The adoption of this amendment did not have an impact on the financial statements of the Company.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement.

- IFRS 18 *Presentation and Disclosure in Financial Statements*

  In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 *Presentation of Financial Statements*. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

  - two new subtotals defined in the statement of profit or loss and other comprehensive income: operating profit and profit or loss before financing and income taxes
  - the classification of all income and expenses within the statement of profit or loss and other comprehensive income in one of five categories: operating, investing, financing, income taxes and discontinued operations
  - a new requirement to disclose performance measures defined by management, and
  - an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

  Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed to Basis of Preparation of Financial Statements.

  In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operating activities under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other IFRS Accounting Standards.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Company is currently working to identify all the impacts that IFRS 18 will have on the financial statements and notes to the financial statements.

Other new standards, amendments and interpretations not adopted in the current year are not expected to have a material impact on the Company's financial statements.

- *Amendments to Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7) (effective for annual reporting periods beginning on or after 1 January 2026)
- *Contracts Referencing Nature-dependent Electricity* (Amendments to IFRS 9 and IFRS 7) (effective for annual reporting periods beginning on or after 1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (effective for annual reporting periods beginning on or after 1 January 2026)
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (effective for annual reporting periods beginning on or after 1 January 2027)

4 Material accounting policies

The following material accounting policies have been applied in the preparation of the financial statements. The accounting policies have been consistently applied.

4.1 Basis of preparation

The financial statements have been prepared on an accruals basis and under the historical cost convention. The financial instruments are stated at present discounted value of future cash flows as well as at fair value.

4.2 Climate-related matters

The Company and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks.

Physical risks arise as the result of acute weather events such as floods, droughts and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves and droughts.

Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

4.3 Foreign currency

Functional and presentation currency

The national currency of Armenia is the Armenian dram ("AMD"), which is the Company's functional currency, since this currency best reflects the economic substance of the underlying events and transactions of the Company.

These financial statements are presented in AMD (unless otherwise stated), since management believes that this currency is more useful for the users of these financial statements. All financial information presented in AMD has been rounded to the nearest thousand.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

Differences between the contractual exchange rate of a certain transaction and the prevailing average exchange rate on the date of the transaction are included in the statement of profit or loss and other comprehensive income under the line item “Net loss from foreign currency transactions”.

The exchange rates at year-end used by the Company in the preparation of the financial statements are as follows:

	31 December 2025	31 December 2024
AMD/1 USD	381.36	396.56
AMD/1 EUR	449.01	413.89

4.4 Recognition of income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Expense is recognized to the extent that it is probable that the economic benefits will flow from the Company and the expense can be reliably measured. The following specific criteria must also be met before revenue is recognized:

The effective interest rate method

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

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

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

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

Amortised cost and gross carrying amount

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

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

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

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

For information on when financial assets are credit-impaired, see Note 4.6 (vi).

Other interest income

In calculating other interest income, the nominal interest rate is applied to the gross asset value on a straight-line basis.

Fee and commission income and expense

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

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

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

4.5 Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. In the case when financial statements are authorized for issue before appropriate tax returns are submitted, taxable profits or losses are based on estimates. Tax authorities might have more stringent position in interpreting tax legislation and in reviewing tax calculations. As a result tax authorities might claim additional taxes for those transactions, for which they did not claim previously. As a result significant additional taxes, fines and penalties could arise. Tax review can include 3 calendar years immediately preceding the year of a review. In certain circumstances tax review can include even more periods.

Deferred tax

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

The Republic of Armenia also has various operating taxes, which are assessed on the Company's activities. These taxes are included as a component of "Other expenses" in the statement of profit or loss and other comprehensive income

4.6 Financial instruments

i) Recognition and initial measurement

The Company initially recognises loans and deposits, borrowings and debt securities issued on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii) Classification

Financial assets

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

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

Assessment whether contractual cash flows are solely payments of principal and interest (The SPPI test)

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

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

In making the assessment, the Company considers:

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

The Company holds a portfolio of long-term fixed rate loans for which the Company has the option to propose to revise the interest rate at periodic reset dates by the CBA. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Company has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that it represents a consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. Financial liabilities are never reclassified.

Financial liabilities

The Company classifies its financial liabilities as measured at amortised cost.

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire (see Note 4.6 (vi)), or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

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

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

In certain transactions, the Company retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial liabilities

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

iv) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see Note 4.6 (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower (see Note 4.6 (vi)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

v) Offsetting

Financial assets and liabilities, and income and expenses, are offset and the net amount reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

vi) Impairment

The Company assesses on a forward-looking basis the expected credit losses ('ECL') on the following financial instruments that are not measured at FVTPL:

- financial assets measured at amortised cost
- lease receivables

No impairment loss is recognised on equity investments.

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

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL (12mECLs) are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Lifetime expected credit losses (LTECLs) are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Measurement of ECL

Both LTECLs and 12mECLs are calculated on a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 27.1.2.

Based on the above process, the Company groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognised, The Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, The Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

PD (the Probability of Default) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD (the Exposure at Default) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD (the Loss Given Default) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The PD, the EAD and the LGD are further explained in Note 27.1.2.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see Note 4.6 (iii)) and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by The Company on terms that The Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

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

Presentation of allowances for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Both the total carrying amount of that asset and the impairment allowance (if any) are written off directly. Derecognition is a partial or complete derecognition. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise RA bank accounts, including highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents is carried at amortised cost.

4.8 Amounts due from financial institutions

In the normal course of business, the Company maintains deposits for various periods of time with banks. Deposits in banks are measured at amortized cost using the effective interest method. Those that do not have fixed maturities are carried at amortized cost based on maturities estimated by management.

4.9 Loans

Loans are financial assets with fixed or determinable payments, which arise when the Company provides money directly to a debtor with no intention of trading the receivable.

Loans granted by the Company with fixed maturities are initially recognized at fair value plus related transaction costs. Where the fair value of consideration given does not equal the fair value of the loan, for example where the loan is issued at lower than market rates, the difference between the fair value of consideration given and the fair value of the loan is recognized as a loss on initial recognition of the loan and included in the statement of profit or loss and other comprehensive income as losses on origination of assets. Subsequently, the loans and borrowings are measured at amortised cost using the effective interest method. Loans and borrowings that do not have fixed maturities are accounted for under the effective interest method based on expected maturity. Loans to customers are carried net of any allowance for impairment losses.

4.10 Leases

For any new contracts entered, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company,
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defies scope of the contract,
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. Leasehold improvements are capitalized and depreciated over the shorter of the lease term and their useful lives on a straight-line basis

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Company determines the term of the lease as a non-cancellable lease period, taking into account the periods for which there is a possibility of extending or terminating the term of the lease.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in the other liabilities.

Company as a lessor

As a lessor the Company classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

The commencement of the lease is the date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease. Upon commencement of a finance lease, the Company recognise the net investment in the leases, which is the minimum lease payments receivable discounted at the interest rate implicit in the lease. The difference between the gross investment and its present value is recorded as unearned finance lease income.

Finance lease income is recognised based on pattern reflecting a constant periodic rate of return on the net investment in respect of the finance lease. Initial direct costs are included in the initial measurement of the net investments.

When the Company takes possession of finance lease assets under terminated lease contracts, it measures the assets at the lower of net realisable value and amortised historical cost of the inventory.

4.11 Property and equipment

Property and equipment are recorded at historical cost less accumulated depreciation. If the recoverable value of property and equipment is lower than its carrying amount, due to circumstances not considered to be temporary, the respective asset is written down to its recoverable value.

Depreciation is calculated using the straight-line method based on the estimated useful life of the asset. The following depreciation rates have been applied:

	Useful life (years)	Rate (%)
Buildings	50	2
Computers	3	33.3
Vehicles	8	12.5
Other fixed assets	8	12.5
Server	8	12.5
Property and equipment, low value up to AMD 50,000	1	100

Leasehold improvements are capitalized and depreciated over the shorter of the lease term and their useful lives on a straight-line basis. Assets under the course of construction are accounted based on actual expenditures less any impairment losses. Upon completion of construction assets are transferred to property and equipment and accounted at their carrying amounts.

Repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is incurred and when it satisfies the criteria for asset recognition. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in other income or other expense.

4.12 Intangible assets

Intangible assets include computer software, licences and other.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life from 1 to 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end.

Intangible assets with indefinite useful lives are not amortised, but tested for impairment annually either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable.

Costs associated with maintaining computer software programmes are recorded as an expense as incurred. Software development costs (relating to the design and testing of new or substantially improved software) are recognised as intangible assets only when the Company can demonstrate the technical feasibility of completing the software so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development. Other software development costs are recognised as an expense as incurred.

4.13 Repossessed assets

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset.

In certain circumstances, assets are repossessed following the foreclosure on loans that are in default. Repossessed assets are measured at the lower of cost and fair value less costs to sell.

4.14 Impairment of non-financial assets

Other non-financial assets, other than deferred taxes, are assessed at each reporting date for any indications of impairment. The recoverable amount of non-financial assets is the greater of their air value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

All impairment losses in respect of non-financial assets are recognised in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss reversed is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.15 Borrowings

Borrowings, which include funds from the CBA, other financial institutions, loans from non-financial institutions, subordinated debt and issued securities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the amortisation process.

4.16 Equity

Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

Statutory general reserve

The statutory general reserve is created as required by the statutory regulations, in respect of general risks, including future losses and other unforeseen risks or contingencies. The reserve has been created in accordance with the Company's statutes that provide for the creation of a reserve for these purposes of 15% of the Company's share capital reported in accounting books.

Retained earnings

Include retained earnings of current and previous periods.

Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial statements are authorised for issue.

4.17 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

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

4.17.1 Significant judgements in applying accounting policies

The following are the judgements made by management in applying the accounting policies that have the most significant effect on the financial statements.

Classification of financial assets:

The Company assesses the business model within which the assets are held and also assesses whether the contractual terms of the financial asset are solely payments of principal and interest on the outstanding principal amount (see Note 4.6 (ii)).

Establish criteria for calculating ECL

The Company establishes the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determines methodology for incorporating forward- looking information into measurement of ECL and selects and approves of models used to measure ECL.

4.17.2 Assumptions and estimations uncertainty

Measurement of fair values

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 24).

Useful Life of property and equipment

Useful life evaluation of property and equipment is the result of judgement, based on the experience with similar assets. Future economic benefits are embodied in assets and mainly consumed along with usage. However, such factors as operational, technical or commercial depreciation often lead to decrease of asset's economic benefit. Management evaluates the remaining useful life according to the asset's current technical condition and estimated period, during which the Company expects to receive benefits. For the evaluation of remaining useful life are considered the following main factors: expectable usage of assets, depending on the operational factors and maintenance program, that is depreciation and technical and commercial depreciation arising from the changes in the market conditions.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Extension options for leases

When the Company has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

In assessing the non-cancellable term, the Company takes into account all the terms of the lease agreement, according to which, the lessee and the lessor each in turn have the right to terminate the lease early without any penalty or commitment for losses, without the permission of another party. The Company also assessed that the costs associated with the possible termination of lease agreements, such as relocation, the identification of another asset underlying the Company's needs (search), and the cost of integrating a new asset into the Company's activities.

Impairment of financial instruments

The Company assess of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL (see Note 27.1.2), as well as the key assumptions used in estimating recoverable cash flows (see Note 4.6 (vi)).

Tax legislation

Armenian tax legislation is subject to varying interpretations. see Note 22.

5 Net interest income

	2025	2024
Interest income calculated using effective interest rate		
Amounts due from financial institutions	58,814	52,917
Loans to customers	2,101,091	1,733,217
	2,159,905	**1,786,134**
Other interest income		
Finance lease receivables	148,230	126,954
Total interest income	**2,308,135**	**1,913,088**
Interest expense		
Loans from RA banks	(325,757)	(265,860)
Loans from the CBA through international programs	(386,975)	(426,895)
Loans from state non-profit organizations	(182,244)	(123,865)
Loans from credit organizations	(163,381)	(37,700)
Borrowings from non-financial organizations	(12,548)	(14,813)
Subordinated debt	(24,310)	(11,985)
Debt securities issued	(76,159)	(18,501)
Lease liabilities	(5,099)	(5,410)
Loans from international organizations	(7,891)	-
Total interest expense	**(1,184,364)**	**(905,029)**
Total net interest income	**1,123,771**	**1,008,059**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

6 Other income

	2025	2024
Fines and penalties received	19,864	9,960
Gain from compensation for litigation expenses	16	846
Other income	8,998	3,300
Total other income	**28,878**	**14,106**

7 Credit loss expense (reversal of credit loss expense)

					2025
	Note	Stage 1	Stage 2	Stage 3	Total
Amounts due from financial institutions	12	935	-	-	935
Loans to customers	13	32,817	(7,851)	47,915	72,881
Finance lease receivables	14	(3,223)	(277)	4,356	856
Total credit loss expense (reversal of credit loss expense)		**30,529**	**(8,128)**	**52,271**	**74,672**

					2024
	Note	Stage 1	Stage 2	Stage 3	Total
Amounts due from financial institutions	12	777	-	-	777
Loans to customers	13	2,617	11,841	(52,766)	(38,308)
Finance lease receivables	14	(2,778)	(6,299)	-	(9,077)
Other assets	17	-	-	(1,624)	(1,624)
Total credit loss expense (reversal of credit loss expense)		**616**	**5,542**	**(54,390)**	**(48,232)**

8 Personnel expenses

	2025	2024
Compensations of employees, related taxes included	510,422	448,900
Other personnel expenses	13,919	12,987
Total personnel expenses	**524,341**	**461,887**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

9 Other expenses

	2025	2024
Maintenance of property, equipment and intangible assets	73,862	61,796
Depreciation of property, equipment and amortisation of intangible assets	48,932	39,581
Business trip expenses	1,480	1,724
Communications	5,222	4,780
Expenses of short term and low value assets leases	216	426
Taxes, other than income tax, duties	15,731	13,019
Consulting and other services	40,064	25,734
Security	2,492	2,177
Office supplies	2,294	2,195
ACRA and SMS communication costs	20,022	26,407
Loss from disposal of repossessed assets	4,968	-
Loss from disposal of property and equipment	1,977	87
Membership fees	12,343	10,738
Insurance expenses	10,827	7,302
Other expenses	21,000	35,723
Total personnel expenses	**261,430**	**231,689**

10 Income tax expense

	2025	2024
Current tax expense	68,758	89,601
Adjustments of income tax of previous years	(6,005)	142
Deferred tax	(664)	2,850
Total income tax expense	**62,089**	**92,593**

The corporate income tax within the Republic of Armenia is levied at the rate of 18% (2024: 18%). Differences between IFRS and RA statutory tax regulations give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for profit tax purposes. Deferred income tax is calculated using the principal tax rate of 18%.

Numerical reconciliation between the tax expense and accounting profit is provided below:

	2025	Effective rate (%)	2024	Effective rate (%)
Profit before taxation	353,132		419,821	
Income tax	63,564	18	75,568	18
Non-deductible expenses	3,870	1	16,401	4
Adjustments of income tax of previous years	(6,005)	(2)	142	-
Foreign exchange difference	660	-	482	-
Income tax expense	**62,089**	**17**	**92,593**	**22**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Deferred tax calculation in respect of temporary differences:

	2024	Recognized in profit or loss	Net	Deferred tax asset	Deferred tax liability
			2025		
Loans to customers	(1,626)	692	(934)	-	(934)
Finance lease receivables	1,521	190	1,711	1,711	-
Property and equipment	(2,478)	1,809	(669)	-	(669)
Right-of-use assets	-	(8,056)	(8,056)	-	(8,056)
Other assets	(355)	(2,664)	(3,019)	-	(3,019)
Lease liabilities	-	8,532	8,532	8,532	-
Loans and borrowings	287	(287)	-	-	-
Other liabilities	8,317	448	8,765	8,765	-
Deferred tax asset (liability)	**5,666**	**664**	**6,330**	**19,008**	**(12,678)**

	2023	Recognized in profit or loss	Net	Deferred tax asset	Deferred tax liability
			2024		
Loans to customers	(1,755)	129	(1,626)	-	(1,626)
Finance lease receivables	3,057	(1,536)	1,521	1,521	-
Property and equipment	(2,478)	-	(2,478)	-	(2,478)
Other assets	(152)	(203)	(355)	-	(355)
Loans and borrowings	287	-	287	287	-
Other liabilities	9,557	(1,240)	8,317	8,317	-
Deferred tax asset (liability)	**8,516**	**(2,850)**	**5,666**	**10,125**	**(4,459)**

11 Cash and cash equivalents

	31 December 2025	31 December 2024
Bank accounts	357,856	45,072
Deposits for less than 90 days	200,098	30,027
Total cash and cash equivalents	**557,954**	**75,099**

As at 31 December 2025 the accounts in amounts of AMD 243,780 thousand (68.1%) were due from two commercial banks (2024: AMD 34,150 thousand (75.8%) due from three commercial banks).

As at 31 December 2025 the Company's AMD and foreign currency bank accounts opened in three banks are pledged as collateral within the framework of credit lines/loan agreements concluded by the Company. Restrictions on funds are applied only in the event of the Company's default on contractual obligations (see Note 18).

As at 31 December 2025 and 31 December 2024 the ECLs relating to cash rounds to zero, that's why it's not disclosed here.

Non-cash transactions through repayment of loans by repossessed assets were not performed by the Company during 2025 (2024: either).

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

12 Amounts due from financial institutions

	31 December 2025	31 December 2024
Deposits in banks	491,082	567,693
Other receivables from payment and settlement companies	10,985	8,514
	502,067	**576,207**
ECL allowance	(6,912)	(5,977)
Total amounts due from financial institutions	**495,155**	**570,230**

All deposits in banks have more than 90 days of maturity.

As at 31 December 2025, deposits amounting to AMD 300,000 thousand (100%) were due drom a single bank (2024: AMD 567,693 thousand (100%) in a single bank).

An analysis of changes in the ECLs on amount due from financial institutions as follows:

	2025	2024
	Stage 1	Stage 1
ECL allowance at 1 January	5,977	5,200
Net remeasurement of loss allowance	935	777
Balance at 31 December	**6,912**	**5,977**

13 Loans to customers

	31 December 2025			31 December 2024		
	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount
Agricultural loans						
Animal farming	2,819,186	(64,697)	2,754,489	2,367,515	(35,287)	2,332,228
Horticulture	4,423,350	(31,228)	4,392,122	4,250,742	(31,445)	4,219,297
Other agricultural loans	466,608	(2,345)	464,263	418,992	(3,253)	415,739
	7,709,144	**(98,270)**	**7,610,874**	**7,037,249**	**(69,985)**	**6,967,264**
Commercial lending						
Trade	1,070,277	(6,016)	1,064,261	1,004,682	(8,815)	995,867
Industry	595,238	(6,509)	588,729	536,850	(2,990)	533,860
Other trading loans	2,394,739	(9,091)	2,385,648	1,871,534	(4,725)	1,866,809
	4,060,254	**(21,616)**	**4,038,638**	**3,413,066**	**(16,530)**	**3,396,536**
Consumer loans	**2,481,220**	**(80,778)**	**2,400,442**	**2,094,953**	**(50,839)**	**2,044,114**
Total	**14,250,618**	**(200,664)**	**14,049,954**	**12,545,268**	**(137,354)**	**12,407,914**

As at 31 December 2025, the amount receivable from loans and finance leases provided to the ten largest third party entities and parties related to them amounts to AMD 710,358 thousand (4.59% of gross loan portfolio) (2024: AMD 766,327 thousand or 5.61%). ECL allowance of AMD 1,987 thousand (2024: AMD 3,638 thousand) was made against these loans.

As at 31 December 2025, the right to claim under loans in the amount of AMD 5,685,641 thousand (2024: AMD 4,213,037 thousand) was pledged by the Company as a security for loans received from RA banks (see Note 18).

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

As at 31 December 2025, the right of claim under loans in the amount of AMD 197,994 thousand was pledged by the Company (2024: AMD 293,778 thousand) as a security for loans attracted from RA state non-commercial organizations (see Note 18).

As at 31 December 2025, right to claim under loans amounting to AMD 1,912,486 thousand were pledged as collateral for loans obtained by the Company from refinancing credit organizations (2024: AMD 1,063,112 thousand) (see Note 18).

An analysis of changes in gross carrying amount in relation to mortgage, consumer and commercial lending are as follows.

				2025
	Stage 1	Stage 2	Stage 3	Total
Agricultural loans				
Balance at 1 January	6,989,276	40,028	7,945	7,037,249
New assets originated	6,005,633	-	-	6,005,633
Assets repaid	(5,317,125)	(35,276)	(17,025)	(5,369,426)
- Transfer to Stage 1	4,429	(4,124)	(305)	-
- Transfer to Stage 2	(5,260)	5,260	-	-
- Transfer to Stage 3	(112,566)	(1,158)	113,724	-
Change in balance of asset from foreign exchange	29,709	1,495	(18,227)	12,977
Recoveries	-	-	35,671	35,671
Amounts written off during the year	-	-	(12,960)	(12,960)
Balance at 31 December	**7,594,096**	**6,225**	**108,823**	**7,709,144**

				2025
	Stage 1	Stage 2	Stage 3	Total
Commerical lending				
Balance at 1 January	3,407,621	5,445	-	3,413,066
New assets originated	2,369,667	-	-	2,369,667
Assets repaid	(1,700,283)	(1,622)	(8,583)	(1,710,488)
- Transfer to Stage 1	5,445	(5,445)	-	-
- Transfer to Stage 2	(8,929)	8,929	-	-
- Transfer to Stage 3	(33,736)	-	33,736	-
Change in balance of asset from foreign exchange	(13,418)	141	(14,403)	(27,680)
Recoveries	-	-	15,689	15,689
Balance at 31 December	**4,026,367**	**7,448**	**26,439**	**4,060,254**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

				2025
	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
Balance at 1 January	2,065,742	12,526	16,685	2,094,953
New assets originated	1,937,574	-	-	1,937,574
Assets repaid	(1,496,205)	(8,623)	(22,808)	(1,527,636)
- Transfer to Stage 1	1,947	(1,947)	-	-
- Transfer to Stage 2	(15,180)	15,180	-	-
- Transfer to Stage 3	(57,743)	-	57,743	-
Change in balance of asset from foreign exchange	(16,984)	(3,385)	44,669	24,300
Recoveries	-	-	2,225	2,225
Amounts written off during the year	-	-	(50,196)	(50,196)
Balance at 31 December	**2,419,151**	**13,751**	**48,318**	**2,481,220**

				2024
	Stage 1	Stage 2	Stage 3	Total
Agricultural loans				
Balance at 1 January	7,618,244	16,383	4,671	7,639,298
New assets originated	4,347,133	-	-	4,347,133
Assets repaid	(4,976,222)	(12,117)	(5,257)	(4,993,596)
- Transfer to Stage 1	4,601	(4,114)	(487)	-
- Transfer to Stage 2	(53,471)	53,471	-	-
- Transfer to Stage 3	(14,664)	-	14,664	-
Change in balance of asset from foreign exchange	63,655	(13,595)	(69,277)	(19,217)
Recoveries	-	-	65,661	65,661
Amounts written off during the year	-	-	(2,030)	(2,030)
Balance at 31 December	**6,989,276**	**40,028**	**7,945**	**7,037,249**

				2024
	Stage 1	Stage 2	Stage 3	Total
Commerical lending				
Balance at 1 January	1,621,515	1,367	4,311	1,627,193
New assets originated	2,904,814	-	-	2,904,814
Assets repaid	(1,123,798)	(1,548)	(60)	(1,125,406)
- Transfer to Stage 2	(5,445)	5,445	-	-
Change in balance of asset from foreign exchange	10,535	181	(2,560)	8,156
Recoveries	-	-	2,566	2,566
Amounts written off during the year	-	-	(4,257)	(4,257)
Balance at 31 December	**3,407,621**	**5,445**	**-**	**3,413,066**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	Stage 1	Stage 2	Stage 3	2024 Total
Consumer loans				
Balance at 1 January	1,126,613	6,357	4,477	1,137,447
New assets originated	1,977,040	-	-	1,977,040
Assets repaid	(1,033,376)	(5,869)	(3,934)	(1,043,179)
- Transfer to Stage 1	2,414	-	(2,414)	-
- Transfer to Stage 2	(14,464)	14,464	-	-
- Transfer to Stage 3	(25,620)	(332)	25,952	-
Change in balance of asset from foreign exchange	33,135	(2,094)	(10,256)	20,785
Recoveries	-	-	8,114	8,114
Amounts written off during the year	-	-	(5,254)	(5,254)
Balance at 31 December	**2,065,742**	**12,526**	**16,685**	**2,094,953**

An analysis of changes in ECL allowances in relation to agricultural, commercial and consumer lending are as follows.

	Stage 1	Stage 2	Stage 3	2025 Total
Agricultural loans				
ECL allowance at 1 January	49,323	13,266	7,396	69,985
- Transfer to Stage 1	2,861	(2,576)	(285)	-
- Transfer to Stage 2	(82)	82	-	-
- Transfer to Stage 3	(9,110)	(661)	9,771	-
Net remeasurement of loss allowance	(33,962)	(7,836)	(3,699)	(45,497)
Net remeasurement of loss allowances on new originated financial assets	51,071	-	-	51,071
Recoveries	-	-	35,671	35,671
Amounts written off during the year	-	-	(12,960)	(12,960)
Balance at 31 December	**60,101**	**2,275**	**35,894**	**98,270**

	Stage 1	Stage 2	Stage 3	2025 Total
Commercial lending				
ECL allowance at 1 January	13,446	3,084	-	16,530
- Transfer to Stage 1	3,084	(3,084)	-	-
- Transfer to Stage 2	(2)	2	-	-
- Transfer to Stage 3	(294)	-	294	-
Net remeasurement of loss allowance	(10,480)	915	(8,147)	(17,712)
Net remeasurement of loss allowances on new originated financial assets	7,109	-	-	7,109
Recoveries	-	-	15,689	15,689
Balance at 31 December	**12,863**	**917**	**7,836**	**21,616**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

				2025
	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
ECL allowance at 1 January	33,219	2,845	14,775	50,839
- Transfer to Stage 1	164	(164)	-	-
- Transfer to Stage 2	(450)	450	-	-
- Transfer to Stage 3	(11,434)	-	11,434	-
Net remeasurement of loss allowance	(17,771)	(930)	59,761	41,060
Net remeasurement of loss allowances on new originated financial assets	36,850	-	-	36,850
Recoveries	-	-	2,225	2,225
Amounts written off during the year	-	-	(50,196)	(50,196)
Balance at 31 December	**40,578**	**2,201**	**37,999**	**80,778**

				2024
	Stage 1	Stage 2	Stage 3	Total
Agricultural loans				
ECL allowance at 1 January	78,124	1,278	1,053	80,455
- Transfer to Stage 1	376	(279)	(97)	-
- Transfer to Stage 2	(1,213)	1,213	-	-
- Transfer to Stage 3	(2,563)	-	2,563	-
Net remeasurement of loss allowance	(58,919)	11,054	(59,754)	(107,619)
Net remeasurement of loss allowances on new originated financial assets	33,518	-	-	33,518
Recoveries	-	-	65,661	65,661
Amounts written off during the year	-	-	(2,030)	(2,030)
Balance at 31 December	**49,323**	**13,266**	**7,396**	**69,985**

				2024
	Stage 1	Stage 2	Stage 3	Total
Commercial lending				
ECL allowance at 1 January	16,248	14	862	17,124
- Transfer to Stage 2	(3,084)	3,084	-	-
Net remeasurement of loss allowance	(10,879)	(14)	829	(10,064)
Net remeasurement of loss allowances on new originated financial assets	11,161	-	-	11,161
Recoveries	-	-	2,566	2,566
Amounts written off during the year	-	-	(4,257)	(4,257)
Balance at 31 December	**13,446**	**3,084**	**-**	**16,530**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

				2024
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Consumer loans				
ECL allowance at 1 January	11,828	235	1,220	13,283
- Transfer to Stage 1	483	-	(483)	-
- Transfer to Stage 2	(1,842)	1,842	-	-
- Transfer to Stage 3	(4,986)	(33)	5,019	-
Net remeasurement of loss allowance	(5,142)	801	6,159	1,818
Net remeasurement of loss allowances on new originated financial assets	32,878	-	-	32,878
Recoveries	-	-	8,114	8,114
Amounts written off during the year	-	-	(5,254)	(5,254)
Balance at 31 December	**33,219**	**2,845**	**14,775**	**50,839**

As at 31 December 2025 the carrying amount of new loans originated amounted to AMD 8,331,400 thousand (2024: AMD 7,822,559 thousand).

As at 31 December 2025 and 2024 the estimated fair value of loans to customers approximates it carrying value (see Note 24).

Maturity analysis of loans to customers are disclosed in Note 26.

Risk analysis of loans to customers are disclosed in Note 27.

The information on related party balances is disclosed in Note 23.

14 Finance lease receivables

	31 December 2025	**31 December 2024**
Retail customers	733,641	615,427
Privately held companies	360,912	423,416
Sole proprietors	131,503	84,907
	1,226,056	**1,123,750**
ECL allowance	(9,546)	(8,488)
Total finance lease receivables	**1,216,510**	**1,115,262**

The maturity analysis of the gross and net investments in the finance lease is as follows:

				2025
	Not later than 1 year	**1-5 years**	**Later than 5 years**	**Total**
Gross investments on finance lease	552,223	919,747	8,996	1,480,966
Unearned future finance income on finance lease	(118,976)	(135,530)	(404)	(254,910)
Net investments on finance lease before loss allowance	**433,247**	**784,217**	**8,592**	**1,226,056**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

				2024
	Not later than 1 year	1-5 years	Later than 5 years	Total
Gross investments on finance lease	478,342	903,057	7,817	1,389,216
Unearned future finance income on finance lease	(118,050)	(147,112)	(304)	(265,466)
Net investments on finance lease before loss allowance	**360,292**	**755,945**	**7,513**	**1,123,750**

An analysis of changes in gross carrying amounts in relation to finance lease is as follows:

				2025
	Stage 1	Stage 2	Stage 3	Total
Finance lease				
Balance at 1 January	1,081,080	42,670	-	1,123,750
New assets originated	536,370	-	-	536,370
Assets repaid	(419,742)	(7,787)	(9,389)	(436,918)
- Transfer to Stage 1	11,799	(11,799)	-	-
- Transfer to Stage 3	(39,815)	-	39,815	-
Change in balance of asset from interest and foreign exchange	5,918	(5,777)	2,511	2,652
Net recovery during the year	-	-	202	202
Balance at 31 December	**1,175,610**	**17,307**	**33,139**	**1,226,056**

				2024
	Stage 1	Stage 2	Stage 3	Total
Finance lease				
Balance at 1 January	923,966	37,525	14,576	976,067
New assets originated	493,933	-	-	493,933
Assets repaid	(349,714)	(11,023)	-	(360,737)
- Transfer to Stage 1	32,106	(32,106)	-	-
- Transfer to Stage 2	(38,781)	53,357	(14,576)	-
Change in balance of asset from interest and foreign exchange	19,570	(5,627)	-	13,943
Net recovery during the year	-	544	-	544
Balance at 31 December	**1,081,080**	**42,670**	**-**	**1,123,750**

An analysis of changes in ECL allowances in relation to finance lease are as follows.

				2025
	Stage 1	Stage 2	Stage 3	Total
ECL allowance at 1 January	7,099	1,389	-	8,488
- Transfer to Stage 1	429	(429)	-	-
- Transfer to Stage 3	(231)	-	231	-
Net remeasurement of loss allowance	(5,616)	(277)	4,356	(1,537)
New originated	2,393	-	-	2,393
Net recovery during the year	-	-	202	202
Balance at 31 December	**4,074**	**683**	**4,789**	**9,546**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

				2024
	Stage 1	Stage 2	Stage 3	Total
ECL allowance at 1 January	1,929	8,045	7,047	17,021
- Transfer to Stage 2	8,042	(8,042)	-	-
- Transfer to Stage 3	(94)	7,141	(7,047)	-
Net remeasurement of loss allowance	(3,669)	(6,299)	-	(9,968)
New originated	891	-	-	891
Net recovery during the year	-	544	-	544
Balance at 31 December	**7,099**	**1,389**	**-**	**8,488**

Finance lease receivables by economic sectors are as follows:

	31 December 2025	31 December 2024
Fruits and vegetables	810,946	741,922
Fish breeding	28,665	3,935
Trade	58,613	73,321
Animal husbandry	164,286	164,184
Beverage production	14,405	13,126
Industry	105,945	116,111
Other	43,196	11,151
Total gross investments on finance lease	**1,226,056**	**1,123,750**

As at 31 December 2025 the carrying amount of new originated finance lease receivables amounted to AMD 399,126 thousand (2024: AMD 441,911 thousand).

As at 31 December 2025 and 2024 the estimated fair value of loans and advances to customers approximates it carrying amount. (See Note 24.1).

Maturity analysis of finance lease receivables is disclosed in Note 26.

Credit risk analyses of finance lease receivables are disclosed in Note 27.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

15 Property, equipment and intangible assets

	Building	Vehicles	Computers	Fixtures and fittings	Leasehold improvements	Computer software	Roght-of-use aaets	Other intangibe assets	Total
Cost									
At 1 January 2024	178,677	152,413	80,290	66,795	1,852	11,578	-	13,527	505,132
Recognition of IFRS 16	-	-	-	-	-	-	41,390	-	41,390
Additions	-	-	8,597	1,479	-	795	-	5,500	16,371
Disposals	-	(29)	(453)	(840)	(1,852)	-	-	-	(3,174)
At 31 December 2024	**178,677**	**152,384**	**88,434**	**67,434**	**-**	**12,373**	**41,390**	**19,027**	**559,719**
Additions	-	122,590	8,060	7,724	-	-	31,391	-	169,765
Disposals	-	(97,584)	-	(30)	-	-	-	-	(97,614)
At 31 December 2025	**178,677**	**177,390**	**96,494**	**75,128**	**-**	**12,373**	**72,781**	**19,027**	**631,870**
Accumulated depreciation and amortization									
At 1 January 2024	36,868	64,712	58,601	46,726	1,852	7,164	-	2,369	218,292
Expenses for the year	3,009	12,741	6,654	2,243	-	1,088	12,186	1,660	39,581
Disposals	-	(29)	(437)	(752)	(1,852)	-	-	-	(3,070)
At 31 December 2024	**39,877**	**77,424**	**64,818**	**48,217**	**-**	**8,252**	**12,186**	**4,029**	**254,803**
Expenses for the year	3,007	16,834	7,569	2,933	-	962	15,839	1,788	48,932
Disposals	-	(70,829)	-	(2)	-	-	-	-	(70,831)
At 31 December 2025	**42,884**	**23,429**	**72,387**	**51,148**	**-**	**9,214**	**28,025**	**5,817**	**232,904**
Carrying amount									
At 31 December 2024	**138,800**	**74,960**	**23,616**	**19,217**	**-**	**4,121**	**29,204**	**14,998**	**304,916**
At 31 December 2025	**135,793**	**153,961**	**24,107**	**23,980**	**-**	**3,159**	**44,756**	**13,210**	**398,966**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Right-of-use assets

The Company has leases for the branches. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability (see Note 20). The Company classifies its right-of-use assets in a manner consistent with the classification of its own property and equipment.

Fully depreciated items

As at 31 December 2025 property, equipment and intangible assets included fully depreciated assets in amount of AMD 7,422 thousand (2024: AMD 7,422 thousand).

Restrictions on title of property and equipment and intangible assets

As at 31 December 2025, the Company does not possess any property, equipment and intangible assets pledged as security for liabilities or whose title is otherwise restricted (2024: either).

16 Repossessed assets

The details of non-financial assets acquired as a result of obtaining ownership rights over collateral securing loans provided by the Company are presented below:

	31 December 2025	31 December 2024
Real estate	75,939	128,193
Land	288	1,408
Total repossessed assets	**76,227**	**129,601**

As at the date of repossession the collateral is measured at the lower of the carrying amount of outstanding loan commitment and fair value of realizable collateral.

The Company's policy is to pursue timely and proper realisation of the collateral. The Company generally does not use the non-cash collateral for its own operations.

17 Other assets

	31 December 2025	31 December 2024
Debtors and other receivables	840	508
Amounts receivable from the state budget on subsidies	43,945	51,077
Total other financial assets	**44,785**	**51,585**
Prepayments	48,254	58,313
Deferred VAT	45,234	58,990
Materials	718	1,170
Other assets	16,745	14,148
Total non-financial assets	**110,951**	**132,621**
Total other assets	**155,736**	**184,206**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

An analysis of changes in the ECLs on other financial assets as follow:

	2025	2024
	Stage 3	Stage 3
ECL allowance at 1 January	-	-
Net remeasurement of loss allowance	-	(1,624)
Net recoveries	-	1,624
Balance at 31 December	**-**	**-**

18 Loans and borrowings

	31 December 2025	31 December 2024
Loans/credit lines from RA banks	2,923,266	2,383,363
Loans from the CBA through international programs	5,181,217	5,175,890
Loans from state non-commercial organizations	2,984,955	2,983,392
Borrowings from non-financial institutions	224,955	269,828
Subordinated debt from related parties	219,586	124,592
Loans from refinancing credit organizations	1,949,741	1,077,979
Loans from international organizations	751,088	-
Total loans and borrowings	**14,234,808**	**12,015,044**

Loans from financial institutions have fixed interest rates.

A subordinated debt represents a long-term loan agreement that, in the event of the Company's insolvency, ranks subordinate to the Company's other obligations.

As at 31 December 2025, loans from RA banks are secured by pledges of rights to claim under loans amounting to AMD 5,685,641 thousand (31 December 2024: AMD 4,213,037 thousand) (see Note 13), as well as by the turnover on AMD- and foreign currency-denominated bank accounts maintained with those banks (see Note 11).

As at 31 December 2025, loans received by the Company from state non-commercial organizations are secured by pledges of rights to claim under loans granted, amounting to AMD 197,994 thousand (2024: AMD 293,778 thousand) (see Note 13).

As at 31 December 2025, loans received by the Company from refinancing credit organizations are secured by pledges of rights to claim under loans, amounting to AMD 1,912,486 thousand (2024: AMD 1,063,112 thousand).

Loans received from the CBA under international programs include loans received under the following programs:

- Armenia's Agricultural Sector support program of KfW Bank,
- Private small and medium-sized businesses lending program of KfW Bank,
- SME's Access to lending program of the World Bank,
- Lending program of the European Investment Bank for SME in Armenia,
- Women's Entrepreneurship Support and Development Program of the Asian Development Bank.

Loans received from RA state non-profit organizations include loans under the International Fund for Agricultural Development's Economic Development of Rural Areas and Infrastructure and Rural Financing Support programs, as well as the "Water to Market" credit component of the Millennium Challenge Armenia Fund.

The Company has not had any defaults of principal, interest or other breaches with respect to its liabilities during the period (2024: either).

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

19 Debt securities issued

In 2024 the Company has issued interest-bearing bonds with the following terms:

Date of issue	Currency	Per value	Quantity	%	Maturity of bonds	Total nominal value
10.06.2024	AMD	100,000	6,000	12.00	10.06.2027	600,000,000

The Company has not repurchased any of its own debt during the year.

The Company has not had any defaults of principal, interest or other breaches with respect to its liabilities during the period (2024: neither).

The bonds issued by the Company are non-public and unsecured.

20 Other liabilities

	31 December 2025	31 December 2024
Payables	21,020	67,344
Lease liabilities	47,400	30,922
Due to personnel	48,696	38,118
Total other financial liabilities	**117,116**	**136,384**
Tax payable, other than income tax	12,747	14,802
Deferred VAT	83,249	84,612
Revenues of future periods	259	229
Prepayments received	41,444	73,642
Other liabilities	3,945	722
Total other non-financial liabilities	**141,644**	**174,007**
Total other liabilities	**258,760**	**310,391**

Lease liabilities

The Company has leases for the branches. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Right-of-use assets are presented in the statement of financial position in the line of property and equipment (see Note 15).

Leases of property generally have a restriction that only the Company can use the asset in the form of a right-of-use agreement, unless there is a contractual right to transfer the asset to another party. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The company must maintain these properties in good condition (repaired) and return the property to its original condition at the end of the lease.

Set out below are presented the movements of lease liabilities during the period.

	2025	2024
As at 1 January	30,922	-
Recognition	-	41,390
Additions	31,391	-
Accretion of interest	5,099	5,410
Payments	(20,012)	(15,878)
Total lease liabilities at 31 December	**47,400**	**30,922**

In 2025 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 is 13.9% (2024: 16%).

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities as at 31 December 2025 (see Note 27.3).

21 Equity

As at 31 December 2025 the Company's registered and paid-in share capital was AMD 759,200 thousand. In accordance with the Company's statues, the share capital consists of 584,000 ordinary shares, all of which have a par value of AMD 1,300 each.

As at 31 December 2025 the Company's direct significant shareholder is "Agrovision" CJSC, holding a 79.62% equity interest in the Company (2024: 100%).

As at 31 December 2025 the Company did not possess any of its own shares.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at annual and general meetings of the Company.

The share capital of the Company was contributed by the shareholders in Armenian drams and they are entitled to dividends and any capital distribution in Armenian Drams.

In 2025 the Company paid a total dividend of AMD 400,000 thousand of which AMD 45,000 thousand is an interim dividend for 2026 (in 2024: AMD 297,500 thousand, of which AMD 50,000 thousand is an interim dividend for 2025).

Distributable among shareholders reserves equal the amount of retained earnings, determined according to the Armenian legislation. Non-distributable reserves are represented by a reserve fund.

22 Contingencies

Tax and legal matters

The taxation system in Armenia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. Taxes are subject to review and investigation by tax authorities, which have the authority to impose fines and penalties. In the event of a breach of tax legislation, no liabilities for additional taxes, fines or penalties may be imposed by tax authorities once three years have elapsed from the date of the breach.

These circumstances may create tax risks in Armenia that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Armenian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Management believes that the Company has complied with all regulations and has completely settled all its tax liabilities.

Management also believes that the ultimate liability, if any, arising from legal actions and complaints taken against the Company, will not have a material adverse impact on the financial condition or results of future operations of the Company.

Insurance

The insurance industry in Armenia is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Company does not have full coverage for business interruption, or for third party liability in respect of property or environmental damage arising from accidents on Company property or relating to Company operations. Until the Company obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Company's operations and financial position.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

23 Transactions with related parties

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. For the purpose of the present financial statements, related parties include shareholders, members of Management as well as other persons and enterprises related with and controlled by them respectively.

The ultimate controlling party of the Company is the Center for Agribusiness and Rural Development Foundation, who is the founder of the Company's 100% shareholder, "AgroVision" CJSC.

A number of transactions are entered into with related parties in the normal course of business. These include loans, acquisitions of goods and other services, and so on. These transactions were carried out on commercial terms and at market rates.

The volumes of related party transactions, outstanding balances at the year end, and related expense and income for the year are as follows:

	2025		2024	
	Shareholders and parties related with them	Key management personnel and parties related with them	Shareholders and parties related with them	Key management personnel and parties related with them
Loans to customers				
Loans outstanding at 1 January	124,989	11,948	116,879	13,786
Loans issued during the year	221,000	26,032	197,553	12,856
Loan repayments during the year	(343,531)	(15,977)	(189,443)	(14,694)
Balance at 31 December (gross)	**2,458**	**22,003**	**124,989**	**11,948**
ECL allowance	-	(362)	(419)	(202)
Loans outstanding at 31 December	**2,458**	**21,641**	**124,570**	**11,746**
Finance lease receivables				
Balance at 1 January	7,105	-	-	-
Loans issued during the year	9,795	-	11,362	-
Loan repayments during the year	(4,378)	-	(4,257)	-
Balance at 31 December (gross)	**12,522**	**-**	**7,105**	**-**
ECL allowance	(58)	-	(52)	-
Balance at 31 December	**12,464**	**-**	**7,053**	**-**
Other assets				
Other assets at 1 January	-	-	3,471	-
Increase during the year	8,108	-	295	-
Decrease during the year	(8,094)	-	(3,766)	-
Balance at 31 December	**14**	**-**	**-**	**-**
Loans and borrowings				
Loans and borrowings at 1 January	139,708	-	99,714	-
Increase during the year	320,043	-	237,023	-
Decrease during the year	(204,063)	-	(197,029)	-
Balance at 31 December	**255,688**	**-**	**139,708**	**-**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	2025		2024	
	Shareholders and parties related with them	Key management personnel and parties related with them	Shareholders and parties related with them	Key management personnel and parties related with them
Financial result				
Interest income	11,337	2,112	9,719	1,907
Interest expense	(25,814)	-	(12,759)	-
Commissions and other fee income	6,988	-	1,033	-
Income from disposal of propery and equipment	-	396	-	-
(Credit loss expense) reversal of credit loss expense	413	(160)	675	(127)

Compensation of key management personnel was comprised of the following:

	31 December 2025	31 December 2024
Salaries and bonuses	221,584	161,758
Total key management compensation	**221,584**	**161,758**

The loans issued to directors and other key management personnel during the year are repayable monthly from 1 to 4 years and have interest rates from 1-6% (2024: 1-4 years, 12-24%).

24 Fair value measurement

Financial and non-financial assets and liabilities measured at fair value are presented below in accordance with the fair value hierarchy. This hierarchy groups financial and non-financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

24.1 Financial instruments that are not measured at fair value

The table below presents the fair value of financial assets and liabilities not measured at their fair value in the statement of financial position and analyses them by the level in the fair value hierarchy into which teach fair value measurement is categorised.

	31 December 2025		
	Level 2	Total fair values	Total carrying amount
Financial assets			
Cash and cash equivalents	557,954	557,954	557,954
Amounts due from financial institutions	495,155	495,155	495,155
Loans to customers	14,048,362	14,048,362	14,048,362
Finance lease receivables	1,216,510	1,216,510	1,216,510
Other assets	44,785	44,785	44,785

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	31 December 2025		
	Level 2	Total fair values	Total carrying amount
Financial liabilities			
Loans and borrowings	14,234,808	14,234,808	14,234,808
Debt securities issued	597,140	597,140	597,140
Lease liabilities	47,400	47,400	47,400
Other liabilities	69,716	69,716	69,716

	31 December 2024				
	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Financial assets					
Cash and cash equivalents	75,099	75,099	75,099	75,099	75,099
Amounts due from financial institutions	570,230	570,230	570,230	570,230	570,230
Loans to customers	12,407,914	12,407,914	12,407,914	12,407,914	12,407,914
Finance lease receivables	1,115,262	1,115,262	1,115,262	1,115,262	1,115,262
Other assets	51,585	51,585	51,585	51,585	51,585
Financial liabilities					
Loans and borrowings	12,015,044	12,015,044	12,015,044	12,015,044	12,015,044
Debt securities issued	592,981	592,981	592,981	592,981	592,981
Lease liabilities	30,922	30,922	30,922	30,922	30,922
Other liabilities	105,462	105,462	105,462	105,462	105,462

Amounts due from and to financial institutions

For assets and liabilities maturing within one month, the carrying amount approximates fair value due to the relatively short-term maturity of these financial instruments. For the assets and liabilities maturing in over one month, the fair value was estimated as the present value of estimated future cash flows discounted at the appropriate year-end market rates, which are mainly the same as current interest rates.

Loans to customers

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

The fair value of the impaired loans is calculated based on expected cash flows from the sale of collateral. The value of collateral is based on appraisals performed by independent, professionally-qualified property valuers.

Loans and borrowings

The fair value of loans and borrowings is estimated using discounted cash flow techniques, applying the rates that are offered for similar maturities and terms.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

25 Offsetting of financial assets and financial liabilities

As at 31 December 2025 and 2024 the Company does not have financial assets and financial liabilities in the statement of financial position which are presented in net amount or will be offset due to presence of the master netting arrangements or similar agreements.

26 Maturity analysis of assets and liabilities

The table below shows an analysis of financial assets and liabilities analyzed according to when they are expected to be recovered or settled. See Note 27.3 for the Company's contractual undiscounted repayment obligations.

						31 December 2025
	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Subtotal less than 12 months	More than 1 year	Total
Assets						
Cash and cash equivalents	357,856	200,098	-	557,954	-	557,954
Amounts due from financial institutions	10,833	188,220	-	199,053	296,102	495,155
Loans to customers	382,783	1,924,476	2,966,349	5,273,608	8,776,346	14,049,954
Finance lease receivables	43,250	176,546	210,078	429,874	786,636	1,216,510
Other assets	44,785	-	-	44,785	-	44,785
	839,507	**2,489,340**	**3,176,427**	**6,505,274**	**9,859,084**	**16,364,358**
Liabilities						
Loans and borrowings	64,378	1,211,164	974,024	2,249,566	11,985,242	14,234,808
Debt securities issued	-	4,154	-	4,154	592,986	597,140
Lease liabilities	1,541	8,077	9,382	19,000	28,400	47,400
Other liabilities	69,716	-	-	69,716	-	69,716
	135,635	**1,223,395**	**983,406**	**2,342,436**	**12,606,628**	**14,949,064**
Net position	**703,872**	**1,265,945**	**2,193,021**	**4,162,838**	**(2,747,544)**	**1,415,294**
Accumulated gap	**703,872**	**1,969,817**	**4,162,838**		**1,415,294**	

						31 December 2024
	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Subtotal less than 12 months	More than 1 year	Total
Assets						
Cash and cash equivalents	75,099	-	-	75,099	-	75,099
Amounts due from financial institutions	8,514	-	561,716	570,230	-	570,230
Loans to customers	330,687	1,931,734	2,774,836	5,037,257	7,370,657	12,407,914
Finance lease receivables	32,390	145,106	180,075	357,571	757,691	1,115,262
Other assets	51,585	-	-	51,585	-	51,585
	498,275	**2,076,840**	**3,516,627**	**6,091,742**	**8,128,348**	**14,220,090**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

						31 December 2024
	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Subtotal less than 12 months	More than 1 year	Total
Liabilities						
Loans and borrowings	172,685	1,380,133	1,838,263	3,391,081	8,623,963	12,015,044
Debt securities issued	-	4,154	-	4,154	588,827	592,981
Lease liabilities	986	5,174	6,602	12,762	18,160	30,922
Other liabilities	105,462	-	-	105,462	-	105,462
	279,133	**1,389,461**	**1,844,865**	**3,513,459**	**9,230,950**	**12,744,409**
Net position	**219,142**	**687,379**	**1,671,762**	**2,578,283**	**(1,102,602)**	**1,475,681**
Accumulated gap	**219,142**	**906,521**	**2,578,283**		**1,475,681**	

27 Risk management

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks.

Risk is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Company's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

Board

The Board is responsible for the overall risk management approach and for approving the risk strategies and principles.

Director

The Director has the responsibility to monitor the overall risk process within the Company.

Credit Committee

The Credit Committee has the overall responsibility for risk management in the lending process.

Risk Management

The Risk Management Unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process.

Financial department

The Company's financial department is responsible for the current operations of the Company's assets and liabilities, as well as for the entire financial system. The financial department is also responsible for the Company's liquidity risk and finance risk.

Internal audit

Risk management processes throughout the Company are audited annually by the Controller, that examines both the adequacy of the procedures and the Company's compliance with the procedures. The Department of internal audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

Risk measurement and reporting systems

The Company's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Company also runs worst case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries. In addition the Company monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks types and activities.

For all levels throughout the Company, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

Risk mitigation

The Company actively uses collateral to reduce its credit risks (see below for more detail).

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risks, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

27.1 Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit risk is the most important risk for the Company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending activities that lead to loans provision. The credit risk management and control are centralised in credit risk management team of Company's Risk Management Department and reported to the Company's Management.

27.1.1 Credit quality analysis

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets, without taking account of any collateral held or other credit enhancements.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Explanation of internal rating grades is included in Note 27.1.2.

Internal rating grade	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents				
Standard	557,954	-	-	557,954
Gross carrying amount	**557,954**	**-**	**-**	**557,954**
ECL allowance	-	-	-	-
Net carrying amount	**557,954**	**-**	**-**	**557,954**
Amounts due from financial institutions				
Standard	502,067	-	-	502,067
Gross carrying amount	**502,067**	**-**	**-**	**502,067**
ECL allowance	(6,912)	-	-	(6,912)
Net carrying amount	**495,155**	**-**	**-**	**495,155**
Loans to customers				
Agricultural loans				
High grade	7,590,960	-	-	7,590,960
Standard grade	3,136	3,511	-	6,647
Substandard grade	-	2,714	-	2,714
Non-performing grade	-	-	108,823	108,823
Gross carrying amount	**7,594,096**	**6,225**	**108,823**	**7,709,144**
Credit loss allowance	(60,101)	(2,275)	(35,894)	(98,270)
Net carrying amount	**7,533,995**	**3,950**	**72,929**	**7,610,874**
Commercial lending				
High grade	4,026,367	-	-	4,026,367
Standard grade	-	7,448	-	7,448
Non-performing grade	-	-	26,439	26,439
Gross carrying amount	**4,026,367**	**7,448**	**26,439**	**4,060,254**
Credit loss allowance	(12,863)	(917)	(7,836)	(21,616)
Net carrying amount	**4,013,504**	**6,531**	**18,603**	**4,038,638**
Consumer loans				
High	2,411,285	-	-	2,411,285
Standard	7,866	3,280	-	11,146
Substandard	-	10,471	-	10,471
Non-performing	-	-	48,318	48,318
Gross carrying amount	**2,419,151**	**13,751**	**48,318**	**2,481,220**
Credit loss allowance	(40,578)	(2,201)	(37,999)	(80,778)
Net carrying amount	**2,378,573**	**11,550**	**10,319**	**2,400,442**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Internal rating grade				31 December 2025
	Stage 1	Stage 2	Stage 3	Total
Finance lease receivables				
High	1,175,395	-	-	1,175,395
Standard	215	1,974	-	2,189
Substandard	-	15,333	-	15,333
Non-performing	-	-	33,139	33,139
Gross carrying amount	**1,175,610**	**17,307**	**33,139**	**1,226,056**
Credit loss allowance	(4,074)	(683)	(4,789)	(9,546)
Net carrying amount	**1,171,536**	**16,624**	**28,350**	**1,216,510**
Other financial assets				
Standard grade	44,785	-	-	44,785
Gross carrying amount	**44,785**	**-**	**-**	**44,785**
Credit loss allowance	-	-	-	-
Net carrying amount	**44,785**	-	-	**44,785**

Internal rating grade				31 December 2024
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents				
Standard	75,099	-	-	75,099
Gross carrying amount	**75,099**	**-**	**-**	**75,099**
Credit loss allowance	-	-	-	-
Net carrying amount	**75,099**	**-**	**-**	**75,099**
Amounts due from financial institutions				
Standard	576,207	-	-	576,207
Gross carrying amount	**576,207**	**-**	**-**	**576,207**
Credit loss allowance	(5,977)	-	-	(5,977)
Net carrying amount	**570,230**	**-**	**-**	**570,230**
Loans to customers				
Agricultural loans				
High grade	6,987,042	-	-	6,987,042
Standard grade	2,234	36,629	-	38,863
Substandard grade	-	3,399	-	3,399
Non-performing grade	-	-	7,945	7,945
Gross carrying amount	**6,989,276**	**40,028**	**7,945**	**7,037,249**
Credit loss allowance	(49,323)	(13,266)	(7,396)	(69,985)
Net carrying amount	**6,939,953**	**26,762**	**549**	**6,967,264**
Commercial lending				
High grade	3,407,621	-	-	3,407,621
Standard grade	-	5,445	-	5,445
Non-performing grade	-	-	-	-
Gross carrying amount	**3,407,621**	**5,445**	**-**	**3,413,066**
Credit loss allowance	(13,446)	(3,084)	-	(16,530)
Net carrying amount	**3,394,175**	**2,361**	**-**	**3,396,536**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Internal rating grade	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
High	2,061,683	-	-	2,061,683
Standard	4,059	5,950	-	10,009
Substandard	-	6,576	-	6,576
Non-performing	-	-	16,685	16,685
Gross carrying amount	**2,065,742**	**12,526**	**16,685**	**2,094,953**
Credit loss allowance	(33,219)	(2,845)	(14,775)	(50,839)
Net carrying amount	**2,032,523**	**9,681**	**1,910**	**2,044,114**
Finance lease receivables				
High	1,081,080	-	-	1,081,080
Standard	-	42,670	-	42,670
Gross carrying amount	**1,081,080**	**42,670**	**-**	**1,123,750**
Credit loss allowance	(7,099)	(1,389)	-	(8,488)
Net carrying amount	**1,073,981**	**41,281**	**-**	**1,115,262**
Other financial assets				
Standard grade	51,585	-	-	**51,585**
Gross carrying amount	**51,585**	**-**	**-**	**51,585**
Credit loss allowance	-	-	-	-
Net carrying amount	**51,585**	**-**	**-**	**51,585**

27.1.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies (see Note 4.6 (vi)).

Significant increase in credit risk

At each reporting date, The Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, The Company use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

The Company considers both quantitative and forward-looking qualitative criteria in order to assess whether a significant increase in credit risk has occurred.

However, when information that is more forward-looking than past due status (either on an individual or a collective basis) is not available without undue cost or effort, The Company use past due information to determine whether there have been significant increases in credit risk since initial recognition.

Criteria for loans to customers

The criteria for loans to customers are presented in the following paragraphs. All presented criteria have the same weight in determining a significant increase in credit risk.

- 30 days past due. More than 30 days past due is an indicator of a significant increase in credit risk.
- Past due - other than 30 days. Significant increase in credit risk is considered when although at the reporting date, days past due are less than 30, during the last 6 months there was at least one case of more than 60 days past due.
- Default ('stage 3') during the last 12 months. Significant increase in credit risk is considered when although at the reporting date the outstanding amount of the facility is not classified as default, during the last 12 months it was at least once in stage 3.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

- Loans in the probation period. Significant increase in credit risk is considered in case of a forborne performing loan or forborne non-performing loan, which is in the probation period (period after cure period). wherein, the loan should not have overdue days of more than 30 days or any indication of an unlikeliness to pay.

Criteria for amounts due from financial institutions

The criteria for credit institutions and other financial corporations are presented in the following paragraphs. All presented criteria have the same weight in determining a significant increase in credit risk.

- 30 days past due. More than 30 days past due is an indicator of a significant increase in credit risk.
- For correspondent and current accounts 7 days' pas due. More than 7 days past due is an indicator of a significant increase in credit risk.
- Past due - other than 30 days. Significant increase in credit risk is considered when although at the reporting date, days past due are less than 30, during the last 6 months there was at least one case of more than 60 days past due.
- Change notches external credit score/ rate. For this criterion, the corporate rating will be taken into account. A significant change notches in the credit score assigned by the Big Three credit rating agencies (Standard & Poor's, Moody's, and Fitch) is indicative of a significant increase in credit risk. A significant increase in credit risk is taken into account when the S & P rating goes down each time by one level, started from BB (S&P) (or the equivalent of Moody's and Fitch). In cases where a financials institutions don't have a corporate rating in a rating agency and The Company does not have an equivalent internal rating system, the corporate default rate corresponding to sovereign rating of the country is taken into consideration.
- Default ('stage 3') during the last 12 months. Significant increase in credit risk is considered when although at the reporting date the outstanding amount of the facility is not classified in default, during the last 12 months it was at least once in stage 3.

Exit criteria from significant deterioration stage

If none of the indicators that are used by The Company to assess whether significant increase in credit risk has occurred is present, transfer from stage 2 to stage 1 is performed, with the exception of forborne loans for which a probation period is used.

Credit risk grades

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative (primarily driven by days past due) factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

The table below present average 12 month PDs per grades for loans to customers.

		2025	2024
	Grade	12 month PD range	12 month PD range
Agricultural loans	Standard	1.62-2.22%	1.54 - 2.03%
	Substandard	33.11-44.91%	48.31 - 61.72%
	Non-Performing	100%	100%
Commercial lending	Standard	0.19-2.24%	0.04-2.67%
	Substandard	33.4%	27.63-27.63%
	Non-Performing	100%	100%
Consumer loans	Standard	2.4%	2.23%
	Substandard	18.4%	19.62%
	Non-Performing	100%	100%

Collective or individual assessment

The Company calculates ECLs either on a collective or an individual basis. Asset classes where the Company calculates ECL on an individual basis include:

- Individually significant loans of Stage 3, regardless of the class of financial assets
- The large and unique exposures
- Exposures that have been classified as POCI when the original loan was derecognised and a new loan was recognised as a result of a credit driven debt restructuring.

Those assets for which ECL is not calculated individually the Company groups into segment on the basis of shared credit risk characteristics as described below.

- Type of loan (Agricultural, trade, consumer loan, etc.)
- The type of customer (for example, a physical person or legal entity or by industry type),
- Type of collateral (for example, property, receivables, etc.),
- Currency
- Other relevant characteristics.

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Company considers interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- lawsuit, execution or enforced execution in order to collect debt,
- license of the borrower is withdrawn,
- the borrower is a co-debtor when the main debtor is in default,
- multiple restructurings on one exposure,
- there are justified concerns about a borrower's future ability to generate stable and sufficient cash flows,
- the borrower's overall leverage level has significantly increased or there are justified expectations of such changes to leverage; equity reduced by 50% within a reporting period due to losses;
- debt service coverage ratio indicates that debt is not sustainable
- loss of major customer or tenant,
- connected customer has filed for bankruptcy,
- restructuring with a material part which is forgiven,
- credit institution or leader of consortium starts bankruptcy/insolvency proceedings

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition. The Company's criterion for 'cure' for ECL purposes is less stringent than the 12 months' requirement for forborne non-performing exposures.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Forborne and modified loan

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.

Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis.

The Company defines the "cure" period as a 12-month period after forbearance, which is applied for forborne non-performing exposures. Given the fact that it is impossible to determine financial difficulties immediately after forbearance, it is necessary to use the "cure" period to determine whether the loan was effectively cured. All forborne non-performing loans must remain at stage 3 after the forbearance date, despite the behavior of the loan (no overdue days, etc.).

The Company defines the probation period as 24-month period after "cure" period, which is applied for forborne performing exposures (excluding any grace period). Once an asset has been classified as forborne performing exposures, it will remain forborne for a minimum 24-month probation period.

In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities has to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contract that is more than 30 days past due.

If modifications are substantial, the loan is derecognised, as explained in Note 4.6 (iv).

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period, with the related modification loss suffered by the Company.

	2025	2024
Amortised costs of financial assets modified during the period	-	11,400
Net modification loss	-	(3,105)

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12mECL), or over the remaining lifetime (LTECLs) of the obligation.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Loss given default (LGD)

LGD is determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Exposure at default (EAD)

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For products with contractual terms, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on analysis of the Company's recent default data.

Forward looking information

An overview of the approach to estimating ECLs is set out in Note [number], estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (WB, CBA, Government of RA and etc.). In order to generate the influence of the macroeconomic factors, the Company determining the weights to the selected macroeconomic factors and to the multiple scenarios (Base, Upside and Downside), which are predicted. To calculate the macroeconomic adjustment for ECL the Company uses a wide range of forecast information as economic inputs for its models, including:

- GDP growth
- Net current foreign transfers (expressed in US dollars)
- Unemployment rate, total
- Company nonperforming loans to total gross loans
- Agriculture growth
- Trade growth

27.1.3 Risk concentrations

Geographical sectors

Credit risk assets are alocated in the RA.

Industry sectors

As at 31 December 2025 and 2024 the Company's assets exposed to credit risk are included in cash, and amounts due from financial institutions are concentrated in the financial sector. Loans to customers and lease receivables are mainly concentrated in the agricultural sector (see detailed analysis in Notes 13 and 14).

27.1.4 Collateral and other credit enhancement

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- For commercial lending, equipment and vehicles,
- For mortgages over residental properties.

As at 31 December 2025 allowance for ECL on loans and finance lease at the total amount of AMD 2,690,155 thousand (2024: AMD 2,324,293 thousand) has not been recognized because of collaterals.

In order to minimise the credit loss, the Company will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

The analysis of gross loan portfolio of loans to customers by collateral is represented as follows:

	31 December 2025	31 December 2024
Loans collateralized by real estate	5,567,704	4,900,942
Loans collateralized by property and equipment and inventories	22,482	130,027
Loans collateralized by vehicles	254,643	227,520
Unsecured loans	8,405,789	7,286,779
Total loans to customers (gross)	**14,250,618**	**12,545,268**

The amounts presented in the table above are carrying values of the loans, and do not necessarily represent the fair value of the collaterals. Estimates of market values of collaterals are based on valuation of the collateral at the date when loans were provided. Generally, they are not updated unless loans are assessed as credit-impaired.

Unsecured loans are mainly provided with guarantees of third parties.

As at 31 December 2025 no impairment allowance was recognized in respect of credit-impaired commercial loans with a carrying amount of AMD 17,602 thousand (2024: nil). The value of collateral securing these loans, consisting primarily of real estate, amounted to AMD 77,498 thousand.

27.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. Non-trading positions are managed and monitored using other sensitivity analyses. Except for the concentrations within foreign currency, the Company has no significant concentration of market risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The tables below indicate the currencies to which the Company had significant exposure as at 31 December 2025 on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculated the effect of a reasonably possible movement of the currency rate against the Armenian dram, with all other variables held constant on the income statement (due to the fair value of currency sensitive non-trading monetary assets and liabilities).

A negative amount in the table reflects a potential net reduction in income statement, while a positive amount reflects a net potential increase.

Currency	31 December 2025		31 December 2024	
	Change in currency rate in %	Effect on profit before tax	Change in currency rate in %	Effect on profit before tax
USD	10	(2,569)	10	13,506
USD	(10)	2,569	(10)	(13,506)

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

The Company's exposure to foreign currency exchange risk is as follow:

	Armenian Dram	Freely convertible currencies	Total
Assets			
Cash and cash equivalents	309,024	248,930	557,954
Amounts due from financial institutions	306,936	188,219	495,155
Loans to customers	13,470,519	579,435	14,049,954
Finance lease receivables	1,216,510	-	1,216,510
Other assets	44,785	-	44,785
Total	**15,347,774**	**1,016,584**	**16,364,358**
Liabilities			
Loans and borrowings	13,192,538	1,042,270	14,234,808
Debt securities issued	597,140	-	597,140
Lease liabilities	47,400	-	47,400
Other liabilities	69,716	-	69,716
Total	**13,906,794**	**1042,270**	**14,949,064**
Net position at 31 December 2025	**1,440,980**	**(25,686)**	**1,415,294**
Total financial assets	**13,680,403**	**539,687**	**14,220,090**
Total financial liabilities	**12,339,785**	**404,624**	**12,744,409**
Net position at 31 December 2024	**1,340,618**	**135,063**	**1,475,681**

Freely convertible currencies represent mainly US dollar amounts.

Average effective interest rates

The table below displays average interest rates for interest earning assets and interest-bearing liabilities as at 31 December 2025 and 31 December 2024. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	2025		2024	
	Average effective interest rate, %		Average effective interest rate, %	
	AMD	USD	AMD	USD
Interest earning assets				
Cash and cash equivalents	6.1	-	6.9	-
Amounts due from other financial institutions	9.9	2.0	9.8	-
Loans to customers	17.1	16.5	16.2	15.4
Finance lease receivables	13.1	-	12.8	-
Interest bearning liabilities				
Loans and borrowings	9.1	7.3	8.8	7.6
Debt securities issued	13.3	-	13.3	-

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

27.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily bases. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2025 based on contractual undiscounted repayment obligations. See Note 26 for the expected maturities of these liabilities.

	31 December 2025					
	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Total gross amount outflow	Carrying amount
Non-derivative financial liabilities						
Loans and borrowings	65,799	1,260,203	1,050,339	14,271,451	16,647,792	14,234,808
Debt securities issued	-	36,000	36,000	628,986	700,986	597,140
Lease liabilities	2,058	10,290	11,460	34,238	58,046	47,400
Other liabilities	69,716	-	-	-	69,716	69,716
Total undiscounted non-derivative financial liabilities	**137,573**	**1,306,493**	**1,097,799**	**14,934,675**	**17,476,540**	**14,949,064**

	31 December 2024					
	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Total gross amount outflow	Carrying amount
Non-derivative financial liabilities						
Loans and borrowings	192,433	1,738,501	2,262,373	9,867,202	14,060,509	12,015,044
Debt securities issued	-	36,000	36,000	696,827	768,827	592,981
Lease liabilities	1,369	6,845	8,214	20,095	36,523	30,922
Other liabilities	105,462	-	-	-	105,462	105,462
Total undiscounted non-derivative financial liabilities	**299,264**	**1,781,346**	**2,306,587**	**10,584,124**	**14,971,321**	**12,744,409**

27.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Executive Management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements, including the minimal requirements of the Central Bank of Armenia on internal control system;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the Company to which they relate, with summaries submitted to the Board.

28 Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Debt securities issued	Loans and borrowings	Lease liabilities	Total liabilities from financing activities
Carrying amount at 31 December 2023	-	10,379,986	-	10,379,986
Impact of IFRS 16	-	-	41,390	41,390
Proceeds from issue	588,827	12,910,776	-	13,499,603
Redemption	-	(11,261,922)	(15,878)	(11,277,800)
Foreign currency translation	-	(15,108)	-	(15,108)
Other	4,154	1,312	5,410	10,876
Carrying amount at 31 December 2024	**592,981**	**12,015,044**	**30,922**	**12,638,947**
Proceeds from issue	-	15,327,686	31,391	15,359,077
Redemption	-	(13,107,504)	(20,012)	(13,127,516)
Foreign currency translation	-	(14,381)	-	(14,381)
Other	4,159	13,963	5,099	23,221
Carrying amount at 31 December 2025	**597,140**	**14,234,808**	**47,400**	**14,879,348**

The "Other" line includes the effect of accrued but not yet paid interest on debt securities issued, loans and borrowings and lease liabilities.

29 Capital adequacy

The Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Company's capital is monitored using, among other measures, the rules and ratios established by the Central Bank of Armenia in supervising the Company.

The Central Bank of Armenia has set the minimum value of the total normative capital for credit organizations amounting to AMD 150,000 thousand.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

In 2019, the Company's charter was amended to allow the Company to attract loans through public offerings. As a result of these changes, the Company, in accordance with the provisions of the Central Bank of Armenia, must comply with additional regulatory requirements, in particular N 1 "Minimum size of border ration among the amounts of regulatory capital and the risk-weighted assets" and "Maximum risk for one borrower".

The minimum ratio between total capital and risk weighted assets required by the Central Bank of Armenia is 10%.

Regulatory capital consists of Tier 1 capital, which comprises share capital, retained earnings including current year profit, and general reserve. The other component of regulatory capital is Tier 2 capital, which includes revaluation other reserves.

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of and reflecting an estimate of credit, market and operating risks.

As at 31 December 2025 and 31 December 2024 the amount of regulatory capital, risk waited assets and capital adequacy ratio calculated in accordance with the requirements of Central Bank of Armenia are provided below.

	Unaudited	
	31 December 2025	31 December 2024
Tier 1 capital	1,782,120	1,498,184
Tier 2 capital	200,891	114,722
Total regulatory capital	**1,983,011**	**1,612,906**
Risk-weighted assets	**15,169,815**	**13,198,915**
Capital adequacy ratio	**13.07%**	**12.22%**

The Company has complied with all externally imposed capital requirements through the period.

30 Events after reporting date

On 9 March 2026, the Company's shareholders resolved to issue and place 208,480 ordinary shares with a nominal value of AMD 1,300 each. As at the date of authorization of these financial statements, the share issue had not yet been completed.